

**To:** Members of Dublin City Council  
**From:** Dana L. McDaniel, City Manager  
**Date:** September 20, 2018  
**Initiated By:** Colleen Gilger, Director of Economic Development  
**Re:** Resolution 59-18 – Authorizing an Agreement with Metro Data Center for the Sponsorship of the Dublin Entrepreneurial Center at 565 Metro Place South

## Background

The Dublin Entrepreneurial Center Mission Statement is that: “The DEC is a vibrant, energetic community of entrepreneurs working together to grow businesses and technologies. The DEC is a place that provides services and promotes an environment to increase deal flow for potential entrepreneurial and technology development resulting in more businesses and job creation in Dublin.”

The DEC was launched in 2009 at 7003 Post Road. In late 2012, City Council authorized relocation of the DEC to the third floor at 565 Metro Place South. In 2015, the DEC expanded beyond the third floor, onto the first floor, adding more offices, meeting rooms, a kitchen and training spaces.

Today, the DEC covers 19,425 square feet at 565 Metro Place South. The City’s financial contributions help keep 85+ offices rentable at below-market value by essentially covering the lease expenses for the public, common spaces at the facility including the lobbies, five meeting rooms, the DEC Café, two large training rooms, and other open/sharable spaces within the suites.

Now in its 10th year, the DEC continues to prove successful, boasting 70 fulltime tenants, more than two dozen companies with hotspot “drop-in” memberships, 12 signature sponsors, educational partnerships with the Small Business Development Center and Rev1 Ventures, and a calendar filled with free business training, leadership development classes and networking opportunities each month.

Additionally, the DEC boasts a dozen graduate success stories still in business today including: Renaissance Tech, Caregiver USA, TotalSim, Coffman Media, Inxite Health Systems, Biosortia Pharmaceuticals, Avitae USA, Velosio (fka Socius), EcoChem Alternative Fuels, SportsBrain, Evolved Lighting Solutions, and Prevedere.

In the last decade, the nation has seen a dramatic evolution and growth in the popularity of co-working spaces, shared office arrangement and entrepreneurial/start-up services. Locally, the Dublin community has added 6 privately-run co-working business centers in the last 10 years, while the Columbus Region now has 50 privately-run co-working locations, with more facilities in the pipeline. In 2009, Rev1 Ventures (fka Tech Columbus) was the only incubator in the region, and Dublin was the first community to launch an entrepreneurial business facility. Now Marysville, Grove City, New Albany, Delaware and Westerville have opened similar city-supported centers.

To respond to the market shift in these types of facilities, staff has been working with Metro Data

Center (MDC), which holds the long-term master lease over the current DEC spaces, on moving the DEC toward a sustainable financial model, while continuing to offer City-supported differentiating services for entrepreneurs. For instance, upon reviewing the lease rates throughout the region for co-working and small business centers, staff identified the DEC as one of the lowest-cost options, with room to increase rents while still remaining one of the best cost options available.

Currently, the DEC is the only center in the region that offers on-site access to a data center and uninterrupted power. The DEC is the only center where SBDC and Rev1 hold both office hours and training programs regularly. Access to sponsor-advisors for free business advice and tapping into Dublin 100-gig broadband remain unique differentiators in the marketplace.

One area where the DEC continues to show its uniqueness is with business-to-business connections, where 60% of DEC tenants have hired at least 1 other DEC community member for services. This is possible because of the size of the DEC and density of tenants, allowing for greater diversity in the DEC's industry make-up.

In 2019, the DEC management team will explore transitioning from being a City-led entrepreneurial program to a stand-alone entity, allowing them more freedom to seek grant funding. Additionally, the DEC management team, in an effort to continue differentiating the DEC from other places, is exploring new sponsor models, tenant-only deeper training and mentoring opportunities, training room rental fees for outside parties, new value-added services and technology equipment at the facility, internships and educational partners providing accredited certifications on-site.

The proposed sponsorship agreement (attached) outlines a total City sponsorship of \$1,477,488 over five years. The City's sponsorship contribution toward the DEC decreases annually as identified below, allowing MDC a five-year window to increase self-sustainability through other means:

2019	\$365,004
2020	\$306,246
2021	\$287,496
2022	\$268,746
2023	\$249,996

The 5-year decreased funding model represents a 34% reduction in funding. This frees up additional funds to increase innovation programming City-wide over a five-year period without increasing the annual budget. We believe there is room in Dublin for multiple innovation spaces, each with a creative financial model and focus. Staff continues to evolve the DEC model as trends change, research other types of partnerships and explore innovative small business support options that could compliment the DEC and the Dublin community, like makerspaces, membership-driven collaboration spaces, "smart centers" for research and development and collaboration with our education partners at Dublin City Schools and Ohio University.

### **Recommendation**

Staff recommends approval of Resolution 59-18, as it supports Council's goals relative to supporting the growth of small businesses, setting conditions to allow for the creation of new businesses and jobs, and promoting innovative partnerships and possibilities. This contract becomes effective January 1, 2019. Please contact Colleen Gilger (Ext. 4515) with any questions.

# RECORD OF RESOLUTIONS

*Resolution No. 59-18* \_\_\_\_\_

*Passed* \_\_\_\_\_, \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH METRO DATA CENTER FOR THE SPONSORSHIP OF THE DUBLIN ENTREPRENEURIAL CENTER AT 565 METRO PLACE SOUTH**

**WHEREAS**, the Dublin Entrepreneurial Center ("DEC") is currently located on the third and first floors of 565 Metro Place South; and

**WHEREAS**, Metro Data Center ("MDC") holds the master lease covering the DEC suites, and is responsible for managing the DEC facility, tenants, sponsors, partners and programs; and

**WHEREAS**, Economic Development staff recommends a title sponsorship of the Dublin Entrepreneurial Center facility and programs; and

**WHEREAS**, the proposed DEC sponsor agreement with MDC carries a five-year term of January 1, 2019 through December 31, 2023;

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Dublin, State of Ohio, \_\_\_\_\_ of the elected members concurring, that:

Section 1. The City Manager is hereby authorized to enter into a Dublin Entrepreneurial Center sponsorship agreement with MDC in substantially the same form as attached Exhibit A.

Section 2. This Resolution shall take effect and be in force upon passage in accordance with Section 4.04(a) of the Revised Charter.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
Mayor – Presiding Officer

Attest:

\_\_\_\_\_  
Clerk of Council



PSA \_\_\_\_\_

**PROFESSIONAL SERVICES AGREEMENT**  
Founding Sponsorship of the Dublin Entrepreneurial Center

This Services Agreement ("Agreement") is made and entered into and effective on this 1st day of January, 2019 ("Effective Date") by and between the City of Dublin, Ohio ("Dublin"), an Ohio Municipal Corporation, with offices located at 5200 Emerald Parkway, Dublin, Ohio 43017 and Metro Data Center ("Service Provider"), with an office and principal place of business located at 565 Metro Place South, Suite 300, Dublin OH 43017.

**Recitals**

WHEREAS, Dublin desires to engage Service Provider to perform the services as more fully described in the attached Exhibit A (the "Services"); and

WHEREAS, Service Provider desires to perform the Services and desires to be so engaged.

NOW, THEREFORE, in consideration of the foregoing and of the covenants and agreements herein contained, the parties, intending to be legally bound, agree as follows:

**Provisions**

- I. Performance of the Services.** Service Provider shall:
- A. Perform the Services as set forth in Exhibit A.
  - B. Complete, sign and return the Ohio Public Employees Retirement System ("OPERS") Independent Contractor Acknowledgement form.
  - C. Give prompt notice to Dublin should the Service Provider observe or otherwise become aware of any fault or deficit in the project or any nonconformance with the Agreement.
  - D. Remit to Dublin after the termination of this Agreement, all files and documents pertaining to the project that have been obtained or produced including, but not limited to, permits, licenses, applications, codes, drawings, site plans, photographs and similar materials. Service Provider shall be entitled to retain copies for the Service Provider's files.

**II. Obligations of Dublin.** Dublin shall:

- A. Assist the Service Provider by placing at its disposal all available information pertinent to the Services for the project.
- B. Use its best efforts to secure release of other data applicable to the project held by others.
- C. Make all necessary provisions to enter upon public and private property as required to perform the Services.
- D. Give prompt notice to the Service Provider should Dublin observe or otherwise become aware of any fault or deficit in the project or any nonconformance with the Agreement.

**III. Term and Termination.** The Agreement shall commence on the 1st of January 2019 and shall terminate on the 31st day of December, 2023. Dublin may terminate this Agreement at any time by giving Service Provider one-hundred and eighty (180) days advance written notice. In the event this Agreement is terminated by Dublin prior to its natural expiration, Service Provider shall be paid the amounts for work actually performed in accordance with this Agreement to the date of this early termination.

**IV. Payment.**

- A. Service Provider shall be compensated in an annual amount not to exceed:
  - a. \$365,004 in 2019
  - b. \$306,246 in 2020
  - c. \$287,496 in 2021
  - d. \$268,746 in 2022
  - e. \$249,996 in 2023
- B. The Service Provider shall invoice Dublin monthly for services rendered through the previous month and Dublin agrees to pay within thirty (30) days of receipt of a valid invoice. A valid invoice shall consist of a fully itemized account of work on the project/program with a description of work performed. All invoices must include the contract number and the purchase order number of this contract which is located in the upper right-hand corner of the first page of this document. Invoices must also include information describing the percentage of each phase of the work which has been completed, and a summary of billings and payments made to date.

**V. Relationship of the Parties.** The parties acknowledge and agree that Service Provider is an independent contractor and is not an agent or employee of Dublin. Nothing in this Agreement shall be construed to create a relationship between Service Provider and Dublin of a partnership, association, or joint venture. Further, the parties acknowledge that Service Provider is paid a fee, retainer or other payment as per Section IV of this Agreement; is not eligible for workers' compensation or unemployment compensation; is not eligible for employee fringe benefits such as vacation or sick leave; does not appear on Dublin's payroll; is required to provide his or her own supplies and equipment; and is not controlled or supervised by Dublin personnel as to the manner of work.

**VI. Indemnification.**

- A. Professional Liability. Relative to any and all claims, losses, damages, liability and cost, the Service Provider agrees to indemnify and save Dublin, its officers, officials, and employees harmless from and against any and all suits, actions or claims for property losses, damages or personal injury arising from the negligent acts, errors or omissions by the Service Provider or its employees.
- B. Non-Professional Liability (General Liability). To the fullest extent permitted by law, the Service Provider shall indemnify, defend and hold harmless Dublin, its officers, officials, employees or any combination thereof, from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of the acts or omissions of the Service Provider, provided that such claim, damage, loss or expenses is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of property (other than the work itself) including loss of use resulting therefrom, but only to the extent caused by the negligent acts or omissions of the Service Provider, any subconsultant(s) of the Service Provider, its agents, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable. Such obligations shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this paragraph.

**VII. Insurance.**

- A. The Service Provider shall secure and maintain, at his/her/its own expense, errors and omissions insurance in an amount not less than One Million Dollars (\$1,000,000.00) per claim/annual aggregate to protect himself from any claim arising out of the performance of professional services and caused by negligent acts, omissions or negligent acts for which the Service Provider may be legally negligent. The Service Provider shall maintain said coverage for the entire contract period and for a minimum of one year after completion of the work under the contract.

- B. In addition to errors and omissions insurance, the Service Provider shall also secure and maintain, at his/her own expense, insurance for protection from claims under Worker's Compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting therefrom, and any other insurance prescribed by laws, rules, regulations, ordinances, codes or orders.
- C. The Service Provider shall secure and maintain, at his/her own expense, General Liability insurance in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.
- D. The Service Provider shall secure and maintain, at his/her/its own expense, Property insurance for protection from claims or damages because of damage to or destruction of property including loss of use resulting therefrom in an amount not less than Five Hundred Thousand Dollars (\$500,000.00).
- E. Dublin shall be held harmless for any damage to the Service Provider's property and/or equipment during the course of performance under the Contract.
- F. The above referenced insurance shall be maintained in full force and effect during the life of this Contract and for one year beyond, where specified. Certificates showing that the Service Provider is carrying the above referenced insurance in at least the above specified minimum amounts shall be furnished to, and approved by, Dublin prior to the start of work on the project and before Dublin is obligated to make any payments to the Service Provider for the work performed under the provision of this contract. All such Certificates, with the exception of those for Worker's Compensation and Errors & Omissions coverage, shall clearly reflect that the City of Dublin is an "Additional Insured".

#### **VIII. Employee Documentation**

- A. Service Provider guarantees that the individuals employed by the Service working on this project are authorized to work in the United States. The Service Provider will upon demand provide Dublin with appropriate documentation (Form I-9) for any Service Provider employee performing services for Dublin.
- B. The Service Provider agrees to indemnify Dublin in accordance with Section VI of the Agreement for any issue arising out of the Service Provider's hiring or retention of any individual who is not authorized to work in the United States.

**IX. Taxes.**

- A. Service Provider has the following identification number for income tax purposes: \_\_\_\_\_.
- B. Service Provider is subject to and responsible for all applicable federal, state, and local taxes.
- C. Dublin represents that it is a tax-exempt entity and evidence of this tax-exempt status shall be provided to Service Provider upon written request. Service Provider hereby further agrees to withhold all municipal income taxes due or payable under the provisions of Chapter 35 of the Codified Ordinances of Dublin, Ohio, for wages, salaries and commissions paid to its employees and further agrees that any of its subcontractors shall be required to agree to withhold any such municipal income taxes due under such chapter for Services performed under this Agreement.
- D. The Service Provider shall receive Internal Revenue Service form 1099 from Dublin for income tax reporting purposes.

**X. Assignment.** Neither party may assign this Agreement without obtaining express, written consent from the other party prior to assignment.

**XI. Entire Agreement / Amendment.** This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, discussions, undertakings and agreements between the parties. This Agreement may be amended or modified only by a writing executed by the duly authorized officers of the parties hereto. It is understood and agreed that this Agreement may not be changed, modified, or altered except by an instrument, in writing, signed by both parties in accordance with the laws of the State of Ohio.

**XII. Discrimination.**

- A. No discrimination for reason of race, color, national origin, religion, sex, genetic information, pregnancy, age, ancestry, military status, sexual orientation, gender identity, marital status, veteran's status, or disability shall be permitted or authorized by Dublin and/or Service Provider in connection with the Services.
- B. Nothing in this Agreement shall require the commission of any act contrary to any law or any rules or regulations of any union, guild, or similar body having jurisdiction over the Services of Service Provider.



**XIII. Governing Law/Venue.** Any controversy or claim, whether based upon contract, statute, tort, fraud, misrepresentation or other legal theory, related directly or indirectly to this Agreement, whether between the parties, or of any of the parties' employees, agents or affiliated businesses, will be resolved under the laws of the State of Ohio, in any court of competent jurisdiction in Franklin County, Ohio.

**XIV. Severability.** If any provision of this Agreement is held invalid or unenforceable, such provision shall be deemed deleted from this Agreement and shall be replaced by a valid, mutually agreeable and enforceable provision which so far as possible achieves the same objectives as the severed provision was intended to achieve, and the remaining provisions of this Agreement shall continue in full force and effect.

**XV. Paragraph Headings.** Paragraph headings are inserted in this Agreement for convenience only and are not to be used in interpreting this Agreement.

[Signatures appear on following page.]

**BY SIGNING THIS AGREEMENT, YOU HEREBY ACKNOWLEDGE THAT YOU HAVE BEEN INFORMED THAT THE CITY OF DUBLIN, OHIO HAS CLASSIFIED YOU AS AN INDEPENDENT CONTRACTOR AND THAT YOU HAVE BEEN ADVISED THAT CONTRIBUTIONS TO OPERS WILL NOT BE MADE ON YOUR BEHALF FOR THESE SERVICES.**

**FURTHER, BY SIGNING THIS AGREEMENT, YOU HEREBY ACKNOWLEDGE THAT THE CITY OF DUBLIN, OHIO HAS IN NO WAY LIMITED OR RESTRICTED YOUR RIGHT TO PROVIDE THE AGREED-TO SERVICES TO THE GENERAL PUBLIC AND THAT YOU REGULARLY PROVIDE SUCH SERVICES TO THE GENERAL PUBLIC.**

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**CITY OF DUBLIN, OHIO**

BY: \_\_\_\_\_ Date \_\_\_\_\_  
Colleen Gilger  
Director of Economic Development

BY: \_\_\_\_\_ Date \_\_\_\_\_  
Donna Goss  
Director of Development

BY: \_\_\_\_\_ Date \_\_\_\_\_  
Dana McDaniel  
City Manager

**METRO DATA CENTER**

BY: \_\_\_\_\_ Date \_\_\_\_\_

ITS: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Jennifer D. Readler, Law Director

**CERTIFICATION OF FUNDS**

I hereby certify that the funds required to meet the City's obligation, payment, or expenditure under this Agreement have been lawfully appropriated or authorized for such purpose and are free from any obligation now outstanding

\_\_\_\_\_  
Angel L. Mumma  
Director of Finance

\_\_\_\_\_  
Date

**EXHIBIT A**  
**Scope of Services**

**Dublin Entrepreneurial Center Founder Sponsor Agreement – City of Dublin**

DEC Mission Statement: The DEC is a vibrant, energetic community of entrepreneurs working together to grow businesses and technologies. The DEC is a place that provides services and promotes an environment to increase deal flow for potential entrepreneurial and technology development resulting in more businesses and job creation in Dublin.

**DEC Sponsorship Services to be performed by Metro Data Center, LLC on behalf of the City of Dublin:**

1. MDC will provide management and oversight of all sponsorships, grants, contractors, facility, DEC programming.
2. List the City of Dublin and the sole Founder Sponsor on all marketing materials.
3. Perform all DEC related services in a professional business-like manner.
4. Represent the City of Dublin in a professional manner at all DEC functions.
5. Coordinate/schedule DEC Activities, Programs and the Use of the Facility.
6. Interact with, establish relationships with and promote a network of local business start-ups within the community.
7. Establish and maintain relationships with collaborators and sponsors, develop and maintain a list of potential and active collaborators and sponsors.
8. Schedule and meet with potential collaborators to determine resource and programming direction.
9. Facility "Inner Circle", and other Internal DEC Community Building Events and meetings.
10. Review and vet potential tenant applications to ensure new member entrepreneurs/companies meet the Mission of the DEC.
11. Actively recruit Rev1 Ventures referrals to become DEC tenants.
12. Provide tenants with access to entrepreneurial services including access to collaborators, expert advice and educational programming.
13. Provide tenants with on-site amenities including offices, conference rooms, café, training room, shared services, 24/7 secure access, receptionist and Dublin WiFi. Additional amenity to include fully uninterrupted electricity on third floor.
14. Facilitate regularly scheduled "on-boarding" sessions between new tenants and collaborators.
15. Respond in a timely manner to inquiries regarding the DEC and/or refer them to the City's Economic Development Staff.
16. Coordinate and/or communicate needs of the DEC and tenants to City Staff.
17. Seek and Obtain Sponsorship of events, services and equipment.

18. Provide information to the City of Dublin, pertaining to Tenant Facility Use Agreements.
  - a. City of Dublin Tax Account Forms for each Tenant.
  - b. W9 Forms, associated with each Tenant.
  - c. List of Tenants and their appropriate contract information.
19. Provide information to the City of Dublin pertaining to DEC sponsors and collaborators.
20. Provide information to the City of Dublin, pertaining to DEC Meeting Events.
  - a. List of Events, Purpose, Special Guests and Hosts
21. Provide and Coordinate Marketing of the DEC.
  - a. DEC Web Site Content, Maintenance and Updates.
  - b. DEC Calendar Updates.
  - c. DEC Blogs, Social Media Posts, Internal and External Communications.
  - d. Manage media, marketing and promotional opportunities.
  - e. Responsibility for DEC brand and messaging.
22. Provide monthly sponsor invoices to the City of Dublin according to the following sponsorship schedule:
  - a. 2019: Monthly sponsorship of \$30,417 (Annual total of \$365,004)
  - b. 2020: Monthly sponsorship of \$25,521 (Annual total of \$306,246)
  - c. 2021: Monthly sponsorship of \$23,958 (Annual total of \$287,496)
  - d. 2022: Monthly sponsorship of \$22,396 (Annual total of \$268,746)
  - e. 2023: Monthly sponsorship of \$20,833 (Annual total of \$249,996)