

INNOVATION MESA BUSINESS ACCELERATOR PROJECT

INTERGOVERNMENTAL AGREEMENT

between  
Arizona Board of Regents  
and  
City of Flagstaff

This agreement (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2013, between the Arizona Board of Regents for and on behalf of Northern Arizona University (“University”), and the City of Flagstaff (“City”). The University and the City may be referred to in this Agreement collectively as the “parties” and singularly as a “party.”

WHEREAS, City is designing, constructing and operating a business accelerator and emergency operations center called the Innovation Mesa Business Accelerator (the “Project”) for the purpose of retaining, expanding and diversifying the economic base of the City of Flagstaff and the surrounding area; and

WHEREAS, the Project will include an approximately 25,000 square foot building featuring wet and dry labs, office space, light manufacturing space, a conference room that will also function as an alternate secondary emergency operations center, and server facilities; and

WHEREAS, the Project will provide space for Tier 2 companies and graduates of the Northern Arizona Center for Entrepreneurship and Technology and to assist business startups and retain and expand existing businesses; and

WHEREAS, the City obtained funding from the United States Department of Commerce Economic Development Administration and the City Council approved that grant on November 6, 2012 to partially fund the Project; and

WHEREAS, the University obtained funds from the Arizona Commerce Authority to strengthen Arizona’s economy and facilitate the creation of quality jobs for its citizens by supporting and attracting businesses in targeted, high-value base sectors through the state; and

WHEREAS, the University wishes to contribute the funds it received from the Arizona Commerce Authority to support the Project; and

WHEREAS, the Project is expected to create 300 or more new jobs over the next five years;

NOW THEREFORE, the parties agree as follows.

1. University’s Obligation

The University will provide to the City one million dollars for the purpose of funding the design and construction of the Project and one hundred thousand dollars for the purpose of funding the operation of the Project within one month of the University's receipt of the grant funding from the Arizona Commerce Authority.

2. City's Obligation

The City will use the funds received from the University only for the purpose of funding the design, construction and operation of the Project in the proportions indicated in Section 1 of this Agreement. The City will provide to the University a summary accounting of the use of the funds within a reasonable time after completion of the construction of the Project.

3. Term

The term of this Agreement shall begin on the date indicated in the first paragraph above and shall continue until the City provides the summary accounting of the use of the funds pursuant to paragraph 2.

4. Indemnification

Each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (collectively referred to as "Claims") including those arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

5. Cancellation for Conflict of Interest

The parties agree that this Agreement may be cancelled for conflict of interest in accordance with A.R.S. 38-511.

6. Amendment

This Agreement may be amended in writing by the parties upon mutual consent.

7. Inspection and Audit

All books, accounts, reports, files and other records relating to this Agreement shall be subject at all reasonable times to inspection and audit by the Arizona Board of Regents, the University, the City of Flagstaff, or the Auditor General of the State of Arizona, or their agents for five (5) years after completion of this Agreement. Such records shall be produced at Northern Arizona University, or such other location as designated by the University, upon

reasonable notice to the City, or at the City upon reasonable notice to the University.

8. Confidentiality Language

The parties acknowledges the University and the City are public entities subject to the provisions of the Arizona Public Records Laws, A.R.S. § 39-121. et seq. In the event that a public records request is received by the University or the City requesting records described as confidential, which the University or the City determines must be disclosed, the University or the City shall notify the other party prior to disclosure.

8. Sudan and Iran

Pursuant to A.R.S. §§35-391.06(A) and 35-393.06(B), City and the University each certifies that it does not have a “scrutinized business operation” in either Sudan or Iran, as that term is defined in ARS §§ 35-391(15) and 35-393(12), respectively.

The undersigned have read the foregoing Agreement and, as duly authorized signatories of their respective entities, hereby agree to be bound by its requirements, terms and conditions.

**The Arizona Board of Regents for and on  
Behalf of Northern Arizona University**

**City of Flagstaff**

By: \_\_\_\_\_

By: \_\_\_\_\_

Mayor Gerald W. Nabours

Approved as to form:

Attest:

\_\_\_\_\_  
Attorney for the Board of Regents

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney