



**COMMISSION
AGENDA MEMORANDUM**

Item No. 3b

ACTION ITEM

Date of Meeting July 23, 2019

DATE: July 9, 2019

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director, Economic Development Division

SUBJECT: Maritime Blue/Maritime Innovation Center Partnership Memorandum of Understanding

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute the Maritime Blue Partnership Memorandum of Understanding substantially in the form attached between Washington Maritime Blue, a Washington 501(c)(6) nonprofit organization, and the Port of Seattle to clarify partnership opportunities and responsibilities in implementing Washington state's Strategy for a Blue Economy.

EXECUTIVE SUMMARY

Staff is working to formalize roles and responsibilities between the Port and Washington Maritime Blue, the new nonprofit organization charged with implementing Washington State's Strategy for the Blue Economy. This visionary new plan lays out strategies to ensure Washington State will enjoy a world-class, thriving and sustainable maritime industry by 2050.

Because the plan is long term in nature and lacks specific immediate implementation goals, it will be beneficial to formalize how the Port and Washington Maritime Blue will work collaboratively to implement elements of the broader plan.

Executing a memorandum of understanding between the Port and Washington Maritime Blue will clarify partnership opportunities and responsibilities and cement a productive relationship between the two organizations going forward.

Some areas of mutual interest include

- Development of a maritime innovation center
- Supporting the maritime industry's workforce needs
- Pursuing greenhouse reduction strategies

The Memorandum of Understanding lays out general areas of cooperation and directs the partners to develop annual joint programs of work over the next five years.

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JUSTIFICATION

In January 2019 Washington State rolled out its new strategy for the Blue Economy. This visionary plan to sustain Washington’s maritime industry outlines a number of important initiatives of interest to the Port of Seattle:

Maritime Blue Goal - Growing Gateways

The plan calls for Port Districts to maintain working waterfronts and help advance efficient, clean and safe maritime practices. Leveraging new technology, advancing innovative and efficient regulatory schemes and promoting triple bottom line outcomes can help sustain Washington’s maritime gateways.

Maritime Blue Goal – Global Innovation Hub

Washington State has the assets to be a world leader in maritime innovation. The region’s advanced industries (e.g. Information technology) can help drive “Blue Innovation” within the maritime sector. Whether it’s modernizing the seafood industry or advancing new vessel propulsion technologies, there are opportunities to sustain the maritime industry through strategic innovation partnerships. The Port’s maritime innovation center is called out in the plan to help spur needed ingenuity by purposely bringing together resources from education, industry and government.

Maritime Blue Goal – Thriving, Low Carbon Industry

Reducing greenhouse gas emissions within the maritime industry is a top priority. Developing low-carbon shore side infrastructure and related strategies for emissions reduction are keys to sustaining Washington’s maritime industries.

Maritime Blue Goal - 21st Century Workforce

To ensure the Maritime industry develops a diverse talented workforce for the future, the Maritime Blue strategy prioritizes key inclusivity and career connected learning initiatives.

Maritime Blue Goal – World-Class Cluster Organization

To facilitate implementation of the Maritime Blue strategy a new public/private nonprofit cluster organization (also called Maritime Blue) is advancing regional and statewide efforts:

- The organization is organizing networking opportunities and workshops to advance research and development and joint industry projects.
- The nonprofit is also serving as a conduit for public and private funding opportunities and working to develop privately capitalized innovation fund.
- Maritime Blue is also working with the Port to advance a “virtual maritime

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accelerator” initiative to support innovation and entrepreneurship within the sector

During the January (2019) Commission briefing on the Maritime Blue strategy several Port of Seattle Commissioners cited the need to clarify how the Port would partner with the cluster organization to implement the longer term strategy. The proposed Memorandum of Understanding (MOU) between the Port of Seattle and the new Maritime Blue nonprofit organization underpins the specific collaboration needed to advance the Maritime Blue plan.

As part of the MOU, the Port and Maritime Blue will establish annual work plans. These plans will include goals, metrics, outcomes and funding needed to successfully support maritime accelerator initiatives, workforce training programs and a host of other Maritime Blue initiatives.

Staff is also working with Joshua Berger to define goals, outcomes and resources to support the partnership over the next year. We are interested in jointly piloting a virtual maritime accelerator initiative, supporting the maritime innovation center advisory committee, and advancing events and projects aligned with the Maritime Blue strategy. This initial effort will be supported by a specific contract with the Maritime Blue Cluster organization.

ADDITIONAL DETAILS

Port of Seattle staff is also working with the Washington State Department of Commerce to formalize how the state’s five million dollar capital grant for the Maritime Innovation Center (MinC) will be used. Eric Ffitch and David McFadden have a meeting with Commerce Director Lisa Brown on July 29th to learn more about this state funding partnership and plan to provide more details about the capital grant as they become available.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Take no action

Cost Implications: None

Pros:

- (1) Provides the Port more time to discern how plan and nonprofit organization is moving forward
- (2) Memorandum of Understanding not needed at this point in time

Cons:

- (1) Lack of clarity around roles and responsibilities could lead to redundant and/or inefficient efforts
- (2) Port might be seen as missing in action or insignificant stakeholder surrounding Blue economy plan implementation

This is not the recommended alternative.

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Alternative 2 – Execute the Memorandum of Understanding

Cost Implications: None

Pros:

- (1) MOU formalizes roles and responsibilities around Maritime development strategies
- (2) Partnership helps focus and leverage energies around common project

Cons:

- (1) Plan lacks specifics so aligning organizations around plan implementation could be difficult
- (2) Washington Maritime Blue is a new organization so it remains to be seen how they will grow or partner with others to implement the plan

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides
- (2) Draft memorandum of understanding
- (3) Maritime Blue Strategy

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 14, 2019 – The Commission authorized design funding for the Maritime Innovation Center (Historic Ship Supply Building)

January 8, 2019 – Commission received a briefing regarding Maritime Blue Plan and the Maritime Innovation Center.