



**PROFESSIONAL SERVICES AGREEMENT  
CAA ICON  
Iceplex Proposal Evaluation Project**

**PSA 6/30/2020**

The City of Kirkland, Washington, a municipal corporation (“City”) and ICON Venue Group, LLC, d/b/a **CAA ICON**, whose address is 5075 S. Syracuse St., Suite 700, Denver, CO 80237; Attention: General Counsel (“Consultant”), agree and contract as follows. The “Effective Date” of this Agreement is the date upon which the last of the City and Consultant executed this Agreement, as indicated on the signature page of this Agreement.

In consideration of the mutual benefits and conditions set forth below, the parties agree as follows:

**I. SERVICES BY CONSULTANT**

- A. The Consultant agrees to perform the services described in Attachment A to this Agreement, which attachment is incorporated herein by reference.
- B. All services and duties shall be conducted and performed diligently, completely and in accordance with professional standards of conduct and performance.

**II. COMPENSATION**

- A. The total compensation to be paid to Consultant for these services shall not exceed \$72,500. This compensation amount is inclusive of reimbursable expenses, which will be paid by Consultant at its sole expense.
- B. Payment to Consultant by the City in accordance with the payment ceiling specified above shall be the total compensation for all services performed under this Agreement and supporting documents hereto as well as all subcontractors’ fees and expenses, supervision, labor, supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Consultant shall be paid on the basis of invoices submitted. Invoicing will be on the basis of percentage complete or on the basis of time, whichever is applicable in accordance with the terms of this Agreement.
- D. The City shall have the right to withhold payment to Consultant for any services not completed in a reasonably satisfactory manner until such time as Consultant modifies such services to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a warrant is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

**III. TERMINATION OF AGREEMENT**

The City or the Consultant may terminate or suspend this Agreement at any time, with or without cause, by giving ten (10) days’ notice to the other in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Consultant pursuant to this Agreement, shall be provided to the City. In the event the

City terminates prior to completion without cause, consultant may complete such analyses and records as may be necessary to place its files in order. Consultant shall be entitled to receive just and equitable compensation for any satisfactory services completed on the project prior to the date of termination, not to exceed the payment ceiling set forth above.

#### **IV. OWNERSHIP OF WORK PRODUCT**

- A. Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this Agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this Agreement or the project to which it relates, without written concurrence by the Consultant will be at the sole risk of the City.
- B. The City acknowledges the Consultant's plans and specifications as instruments of professional service. Nevertheless, the plans and specifications prepared under this Agreement shall become the property of the City upon completion of the services. The City agrees to hold harmless and indemnify Consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of any reuse of such plans and specifications by any third party without the written authorization of the Consultant.
- C. Methodology, materials, software, logic, and systems developed under this Agreement are the property of the Consultant and the City, and may be used as either the Consultant or the City sees fit, including the right to revise or publish the same without limitation.
- D. The Consultant at such times and in such forms as the City may reasonably require, shall furnish to the City such statements, records, reports, data, and information as the City may request pertaining to matters covered by this Agreement. All of the reports, information, data, and other related materials, prepared or assembled by the Consultant under this Agreement and any information relating to personal, medical, and financial data will be treated as confidential only as allowed by Washington State laws regarding disclosure of public information, Chapter 42.56 RCW.

The Consultant shall at any time during normal business hours and as often as the City may deem necessary, make available for examination all of its records and data with respect to all matters covered, directly or indirectly, by this Agreement and shall permit the City or its designated authorized representative to audit and inspect other data relating to all matters covered by this Agreement. The City shall receive a copy of all audit reports made by the agency or firm as to the Consultant's activities. The City may, at its discretion, conduct an audit, at its expense, using its own or outside auditors, of the Consultant's activities which relate, directly or indirectly, to the Agreement.

The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

The foregoing records shall be maintained for a period of seven years after termination of this Agreement unless permission to destroy them is granted by the Office of the Archivist in accordance with RCW Chapter 40.14 and by the City.

Notwithstanding the foregoing, the City acknowledges and agrees that the City shall have no ownership, title, license, or other rights to any intellectual property (including, without limitation, copyrights, patents, trademarks, trade secrets, know-how, and other proprietary rights) that was either (a) owned, controlled, or developed by Consultant on or before the Effective Date of this Agreement, or (b) was created by Consultant outside the scope of the Services hereunder (the "Background IP"), even if the Background IP was used in developing any report and regardless of whether the Background IP has been registered with the appropriate governing body having jurisdiction, is protected under common law, has been reduced to practice, has been perfected, or otherwise. To the extent that Consultant utilizes any of its property (including, without limitation, Excel models, proprietary databases, proprietary information, any hardware or software) in connection with Services, such property shall remain the property of Consultant, and the City shall not acquire any right, title, license, or other interest in such property. Consultant shall have ownership (including, without limitation, copyright ownership) and all rights to use and disclose its ideas, concepts, know-how, methods, techniques, processes and skills, and adaptations thereof (including, without limitation, generalized features of the sequence, structure and organization of any works of authorship) in conducting its business, and the City shall not assert or cause to be asserted against Consultant or its personnel any prohibition or restraint from so doing. The provisions of this section shall survive the expiration or termination of this Agreement.

**V. GENERAL ADMINISTRATION AND MANAGEMENT**

The City Manager for the City of Kirkland or his designee shall review and approve the Consultant's invoices to the City under this Agreement, shall have primary responsibility for overseeing and approving services to be performed by the Consultant, and shall coordinate all communications with the Consultant from the City.

**VI. COMPLETION DATE**

The estimated completion date for the Consultant's performance of the services specified in Section I is July 31, 2024. Consultant will use commercially best efforts to deliver a draft report for review by the City staff at the conclusion of June 2024. After the City provides review and commentary, Consultant will re-issue a revised report inclusive of City feedback by the estimated completion date.

Consultant will diligently proceed with the services contracted for, but Consultant shall not be held responsible for delays occasioned by factors beyond its control which could not reasonably have been foreseen at the time of the execution of this Agreement. If such a delay arises, Consultant shall forthwith notify the City.

**VII. SUCCESSORS AND ASSIGNS**

The Consultant shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any part of this Agreement without prior written consent of the City.

## **VIII. NONDISCRIMINATION**

Consultant shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

Consultant is committed to providing a work environment free of any form of violence, harassment or discrimination, including any conduct that may be reasonably viewed as threatening, intimidating, harassing, demeaning, derogatory or hostile to any individual by any individual related to the Services (collectively, the "Project Policy"). Notwithstanding anything to the contrary contained in this Agreement, the City hereby agrees that Consultant shall have the right to terminate this Agreement if there has been a violation of the Project Policy not caused by the Consultant.

## **IX. HOLD HARMLESS/INDEMNIFICATION**

Consultant and City (each as an Indemnifying Party) shall defend, indemnify and hold the other party (as an Indemnified Party), its owners, managers, directors, officers, officials, employees and volunteers, harmless from any and all claims, injuries, damages, losses or suits including attorney fees ("Losses"), arising out of or in connection with the negligent performance of this Agreement by such Indemnifying Party but only to the extent of the Indemnifying Party's negligence.

It is specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

To the extent permitted by law, the City agrees to defend, indemnify and hold harmless Consultant, its parent, affiliate and subsidiary companies, and their respective owners, officers, members, managers, directors, agents, and employees (collectively, the "Indemnitees") from and against any Losses that may be asserted, brought against, paid or incurred by any Indemnitee at any time in any way arising out of or relating to the Services, except to the extent it is finally judicially determined that such Losses have resulted from the intentional misconduct or negligence of the Consultant.

The provisions of this section shall apply regardless of the form of action, whether in contract, statute, tort (including, without limitation, negligence), or otherwise, and shall survive the expiration or termination of this Agreement.

## **X. LIABILITY INSURANCE COVERAGE**

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. A failure to obtain and

maintain such insurance or to file required certificates and endorsements shall be a material breach of this Agreement.

Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

**A. Minimum Scope of Insurance**

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be as least as broad as Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be as least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession and in no event less than the minimum amount set forth herein.

**B. Minimum Amounts of Insurance**

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

**C. Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

2. The Consultant shall provide the City and all Additional Insureds for these services with written notice of any policy cancellation, within two business days of their receipt of such notice.

**D. Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

**E. Verification of Coverage**

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant and naming the City as an additional insured before commencement of the services.

**F. Failure to Maintain Insurance**

Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of agreement, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

**G. Consultant Full Availability of Consultant Limits**

If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.

**XI. COMPLIANCE WITH LAWS/BUSINESS LICENSE**

The Consultant shall comply with all applicable State, Federal, and City laws, ordinances, regulations, and codes. Consultant must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

**XII. FUTURE SUPPORT**

The City makes no commitment and assumes no obligations for the support of Consultant activities except as set forth in this Agreement.

**XIII. INDEPENDENT CONTRACTOR**

Consultant is and shall be at all times during the term of this Agreement an independent contractor and not an employee of the City. Consultant agrees that he or she is solely responsible for the payment of taxes applicable to the services performed under this Agreement and agrees to comply with all federal, state, and local laws regarding the reporting of taxes, maintenance of insurance and records, and all other requirements and obligations imposed on him or her as a result of his or

her status as an independent contractor. Consultant is responsible for providing the office space and clerical support necessary for the performance of services under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to the Consultant or any employee of Consultant.

**XIV. EXTENT OF AGREEMENT/MODIFICATION**

This Agreement, together with all attachments and addenda, represents the final and completely integrated Agreement between the parties regarding its subject matter and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument properly signed by both parties.

**XV. ADDITIONAL WORK**

The City may desire to have the Consultant perform work or render services in connection with the project other than provided for by the express intent of this Agreement. Any such work or services shall be considered as additional work, supplemental to this Agreement. This Agreement may be amended only by written instrument properly signed by both parties.

**XVI. NON-ENDORSEMENT**

As a result of the selection of a consultant to supply services to the City, the Consultant agrees to make no reference to the City in any literature, promotional material, brochures, sales presentation or the like without the express written consent of the City.

**XVII. NON-COLLUSION**

By signature below, the Consultant acknowledges that the person, firm, association, co-partnership or corporation herein named, has not either directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in the preparation or submission of a proposal to the City for consideration in the award of a contract on the specifications contained in this Agreement.

**XVIII. WAIVER**

Waiver by the City of any breach of any term or condition of this Agreement shall not be construed as a waiver of any other breach.

**XIX. ASSIGNMENT AND SUBCONTRACT**

The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

**XX. DEBARMENT**

Recipient certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds.

**XXI. LIMITATION ON DAMAGES; WAIVER OF CONSEQUENTIAL DAMAGES**

Consultant shall not be liable for any Losses in any way arising out of or relating to this Agreement for an aggregate amount in excess of the professional fees paid by the City to Consultant for its Services.

In no event shall either party, including its members, principals, or employees, be liable for any consequential, special, indirect, incidental, punitive, or exemplary loss, damage, cost, or expense (including, without limitation, lost profits and opportunity costs).

The provisions of this section shall apply regardless of the form of action, whether in contract, statute, tort (including, without limitation, negligence), or otherwise, and shall survive the expiration or termination of this Agreement.

**XXII NON-RECOURSE**

In no event and under no circumstances shall Consultant's members, affiliated or subsidiary organizations and entities, or any of their respective owners, directors, officers, agents, employees, members, trustees, volunteers, representatives, partners, or shareholders have any personal obligation or liability for any of the terms, covenants, agreements, undertakings, representations or warranties contained in this Agreement. In the case of a default hereunder by Consultant, the City and all persons claiming by, through, or under the City, shall look solely to Consultant, Consultant's insurance, and any other assets of any nature whatsoever of Consultant, but not of such other entities or persons. The provisions of this section shall apply regardless of the form of action, whether in contract, statute, tort (including, without limitation, negligence), or otherwise, and shall survive the expiration or termination of this Agreement.

**XXIII SUBSEQUENT WORK; NON-EXCLUSIVITY**

Consultant, by reason of the performance of its Services, is not required to furnish additional work or services, to give testimony, or to be in attendance in court with reference to the assets, properties, or business interests in question. Consultant will have no responsibility to update any reports or other document relating to its Services for any events or circumstances occurring subsequent to the date of such report or other document. Nothing in this Agreement shall be construed as precluding or limiting in any way the right of Consultant to provide consulting or other services of any kind or nature whatsoever to any person or entity as Consultant in its sole discretion deems appropriate.

**XXIV INFORMATION AND DATA; INDEPENDENCE; DISCLAIMERS**

- a. The written reports (including the Final Report), recommendations, analyses, and conclusions, whether complete, incomplete, in final or draft form, provided by Consultant (collectively, "Reports"; each, a "Report") may include estimates of annual operating results based upon courses of action that the City expects to take prior to and during the period under analysis. The City is solely responsible for representations about its plans and expectations, and for the disclosure of information that might affect the estimated results. The City acknowledges that Consultant will provide an independent evaluation, and the City agrees to not attempt to influence or otherwise affect the independence of Consultant's Services. The City further understands and agrees that (i) Consultant makes no assurances or guarantees of market demand, recommendations or subsequent



outcomes (nor have the same been made or are a condition of this Agreement), (ii) any plot plans, sketches, drawings or other exhibits included in the Reports, if any, are included only to assist the reader in visualizing the Assets (as defined below), and (iii) Consultant disclaims all responsibility for any survey (including the results thereof).

- b. Consultant's Services may include providing advice or recommendations to the City; however, implementation (or lack thereof) of any such advice or recommendations is the City's sole responsibility. Consultant disclaims all responsibility for decisions made by the City relating to Consultant's Services.
- c. Any projections of future sales, rents, revenues, expenses, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, yield rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of Consultant. They represent only the judgment of the authors as to the assumptions likely to be used by purchasers and sellers active in the market place, and their accuracy is in no way guaranteed.
- d. To the extent any Reports contain value estimates, asset values are influenced by a large number of external factors. The information contained in the Reports comprises the pertinent data considered necessary to support the value estimate. The City acknowledges and agrees that Consultant does not guarantee that Consultant has knowledge of all factors that might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the effective date of the appraisal.
- e. Consultant is entitled to rely on, without independent verification, the accuracy of all information and data provided to Consultant by or on behalf of the City. All information and data to be supplied will be complete and accurate to the best of the City's knowledge. Consultant disclaims all responsibility for, and provides no assurance regarding, the accuracy of any such information or data. Consultant further disclaims all responsibility for any assumptions made or provided by the City, which assumptions are the City's sole responsibility. Additionally, to the extent that the Services includes assets, properties or business interests (collectively, the "Assets"), Consultant is entitled to make the following assumptions regarding any such Assets, and disclaims all responsibility for such assumptions:
  - i. Title is good and marketable, and the Assets are free and clear of any and all security interests, encroachments, liens or other encumbrances, and the rightful claim of any third person by way of infringement (including, without limitation, patent, trademark, trade dress, and copyright infringement);
  - ii. The Assets are full compliance with all applicable federal, state, local and national regulations and laws (including, without limitation, zoning regulations), and all required licenses, certificates of occupancy, consents, or legislative or administrative authority from any federal, state, local or national government, private entity or organization have been or can be obtained or renewed for any use on which Consultant's Services are to be based;
  - iii. The Assets and any surrounding property are free of adverse soil conditions, as well as any hazardous or contaminated substances (including, without limitation, asbestos, PCB transformers, or other toxic materials, or underground storage tanks). For clarity, the costs of removing, mitigating or remediating any of the foregoing is not included in any Report; and

- iv. The Assets are responsibly owned and competently managed.

**XXV REPORTS; SERVICES NOT INCLUDED**

The Reports are valid only when presented in their entirety and only for the purpose stated therein. All partially completed Reports or drafts presented to the City are for internal review only and are not otherwise valid. The City acknowledges and agrees that (a) the Reports do not, in whole or in part, constitute a fairness or solvency opinion and (b) Consultant will not perform any review, audit or other attestation procedures with respect to financial information as defined by the American Institute of Certified Public Accountants and will not issue any opinion, report or other form of assurance with respect to any financial information. The City acknowledges that there may be differences between the estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Should the City have any concerns with regard to the estimates, Consultant and the City will discuss those concerns before the Final Report is issued.

The Reports are intended for internal use only and may not be used, in whole or in part, in any financing, investment, or marketing purposes or documents.

Furthermore, Consultant is not acting as an architect, a general contractor, insurance advisor, nor an attorney or other legal representative in connection with the Services or in the performance of Services hereunder. Notwithstanding anything to the contrary contained in this Agreement, or the exhibits thereto, Consultant is not responsible to the City for actual architectural work or design, construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Services, although Consultant may advise and consult with the City with respect thereto. The City agrees that all of Consultant's consultations with and recommendations to the City with respect to design decisions shall be made to assist the City in evaluating alternatives from the City's perspective and interest (including, without limitation, alternatives with respect to value engineering) and are not to be considered a design evaluation of the soundness or effectiveness of any particular design approach. The City acknowledges and agrees that Consultant is not liable for any acts or omissions of any architect, general contractor, insurance advisor, any attorney or other legal representative, nor any associated professionals and consultants.

The City further agrees that Consultant will be compensated for any time and expenses (including, without limitation, legal fees and expenses) that Consultant may incur in considering or responding to discovery requests or other requests for documents or information, or in participating as a witness or otherwise in any legal, regulatory, or other proceedings, including, without limitation, those other than in this matter, as a result of Consultant's performance of the Services.


Consultant disclaims all other representations and warranties, whether express, implied or otherwise, including, without limitation, warranties of merchantability and fitness for a particular purpose. The City represents and warrants that it owns or otherwise has sufficient title, license or rights to permit Consultant to utilize all information, data, and other materials provided to Consultant by or on behalf of the City.

*[signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CONSULTANT:  
ICON Venue Group, LLC d/b/a CAA ICON

CITY OF KIRKLAND:

Signature:  Daniel Barrett (Apr 29, 2024 17:16 CDT)

Signature:  Julie Underwood (Apr 29, 2024 15:18 PDT)

Printed Name: Dan Barrett

Printed Name: Julie Underwood

Title: President

Title: Deputy City Manager - Operations

Date: Apr 29, 2024

Date: Apr 29, 2024

## Attachment A – Scope of Work

### Iceplex Proposal Evaluation Project

CAA ICON  
5075 S. Syracuse St, Suite 700  
Denver, CO 80237

Professional Services Fee: NTE \$72,500  
Term: Upon execution of contract thru July 31, 2024

Based on our understanding of your needs, we are proposing our scope of services (collectively, the “Services”) in a phased approach as set forth below. This Services outlined below rely efficient and transparent cooperation from the Seattle Kraken (“Kraken”). The Kraken have provided Consultant with preliminary verbal agreement to review certain materials related to the project, which are described below:

- The cash flow model prepared for the project
- Actual financial records for Kraken Community Iceplex. These records will be subject to a non-disclosure agreement between Consultant and the Kraken. Such records will not be made available to the City.

It is understood by the City and Consultant that financial estimates for the project will be based, in part, on materials listed above, as well as Consultant’s database of performance for similar facilities. Estimates will be provided in an agreed upon form and will represent Consultant’s general opinion of possible financial performance based on the Kraken’s proposed operating model.

#### **Initial Due Diligence**

We expect initially to complete a number of key due diligence tasks to better understand the situation. Such tasks allow our team to establish a foundation to move forward in an efficient manner.

1. Kick-off meeting
2. Develop understanding of background/history
3. Meeting(s)/video conference call(s) with key representatives and advisors
4. Identify goals and objectives
5. Identify key stakeholders
6. Define roles and expectations
7. Establish communication guidelines
8. Prepare data request and review key documents

#### **Market Demand Analysis (Limited Scope)**

A market demand analysis will be required to understand market capacity and potential demand for the proposed project. The analysis will inform Consultant’s review of the Kraken’s assumptions.

1. Evaluate demographic and market characteristics based on: core-based statistical area, geographic rings, and drive-time designation
  - a. Population and growth
  - b. Income parameters
  - c. Age
  - d. Corporate base and presence
2. Evaluate City infrastructure
  - a. Hotel (ADR, occupancy, RevPAR, etc.)

- b. Air/road/rail service
  - c. Destination amenities and amenities Estimate local and regional sports participation (demand) based on NSGA participation data Develop key ratios to compares ice sheets in the local market on a per capita basis with similar markets to evaluate supply surplus / (deficits)
5. Evaluate comparable (local/regional/non-local) and competitive (local/regional) facilities
    - a. Prepare comparable sports facility case studies
    - b. Review market demographic characteristics
    - c. Prepare competitive facility overviews and summarize key information
  6. Conduct primary research with potential facility users
  7. Review and comment on the proposed facility program, including recommendations on type, quantity, size, and amenities of the proposed program

### **Review of Financial Projections**

The objective of this analysis will be to review the Kraken's key assumptions used in their financial estimates and comment on their reasonableness. Consultant will rely on its internal database of operating performance for similar facilities and materials provided by the Kraken, as well as market due diligence outlined above, to complete its review.

1. Conduct working session with Kraken personnel to discuss key assumptions and proposed operating model
2. Review all of the Kraken's assumptions (as available), including:
  - a. Tenant mix, including facility users
  - b. Event and programming assumptions
  - c. Contract and rental ice assumptions
  - d. Variable revenues (ice rental, concessions, etc.)
  - e. Fixed revenues (tenant lease revenue, naming rights, advertising, etc.)
  - f. Operating expenses, including indirect expenses and direct program expenses
  - g. Capital expenditure plans (if any)
3. Collect and evaluate operating revenues and expenses for comparable facilities
4. Compare the Kraken's assumptions in relation to Consultant's database of comparable facilities and adjust for local characteristics, including demographics, tenants, competitive supply, and facility size and amenities
5. Prepare summary-level estimate of facility revenue and expenses based on materials provided by the Kraken
6. Estimate the percentage of revenues that are new to the City of Kirkland in consideration of competitive facility supply and anticipated facility users

### **Economic and Fiscal Impact Analysis**

Impacts from a potential construction period and recurring operations will be quantified. Impacts from recurring operations will be reported in two primary categories, facility-related spending and patron spending. The Kraken's proposed operating model will be used to estimate impacts as the type of events the Kraken are proposing to host will impact estimates.

1. Conduct working session(s) with the City
2. Estimate gross direct spending generated by the following expense categories:
  - a. Personnel
  - b. Non-personnel
3. Estimate gross participant and visitor spending
  - a. Restaurant and bars

- b. Lodging (Hotels/Motels/Short-Term Rentals)
- c. Grocery stores/convenience stores
- d. Gas stations
- e. Retail stores
- f. Transportation
- g. Other
- 4. Adjust spending estimates
  - a. Adjust gross expense spending for non-local purchases
  - b. Adjust direct fan and visitor spending for non-local purchases and displacement / substitution
  - c. Estimate net direct spending
- 5. Prepare and configure economic and fiscal impact model
  - a. Obtain output (spending) and employment multipliers
  - b. Develop customized model
  - c. Estimate total gross spending
    - i. Direct spending
    - ii. Indirect spending
    - iii. Induced spending
  - d. Estimate fiscal impacts (direct spending only)
    - i. Research local tax structure
    - ii. Apply appropriate tax rates to applicable direct spending categories
    - iii. Develop estimate of fiscal impacts
  - h. Qualitative assessment of other benefits, including “reputational value”

## **Reporting**

Consultant will develop a report summarizing key findings and recommendations from the analysis. The report cannot be used in any financing, marketing, or investment documents and is for the city’s internal decision-making purposes only.

# Contract Entry Checklist (City of Kirkland Use Only)



|                      |                       |
|----------------------|-----------------------|
| Submitted on         | 26 April 2024, 2:39PM |
| Receipt number       | 51                    |
| Related form version | 10                    |

## BASIC INFORMATION

|                 |                   |
|-----------------|-------------------|
| Department Code | 02 - CITY MANAGER |
|-----------------|-------------------|

*Department Contract Leads: Carmine Anderson, Justine Mason.*

|  |              |
|--|--------------|
| Is this a New Contract or an Amendment/Change Order? | New Contract |
|--|--------------|

|  |                                     |
|--|-------------------------------------|
| Title for New Contract or Amendment/Change Order (Contract Name) | Iceplex Proposal Evaluation Project |
|--|-------------------------------------|

|                         |                                      |
|-------------------------|--------------------------------------|
| Contract/Amendment Type | PSA - Professional Service Agreement |
|-------------------------|--------------------------------------|

|   |                            |
|---|----------------------------|
| Additional Information about this Contract/Amendment for Workflow Approvers | Iceplex evaluation project |
|---|----------------------------|

|  |                           |
|--|---------------------------|
| Email Address of User Completing this Form | cvanderson@kirklandwa.gov |
|--|---------------------------|

|  |                 |
|--|-----------------|
| Supervisor/Manager/Director that Approved this Contract or Amendment | Julie Underwood |
|--|-----------------|

|  |    |
|--|----|
| Does this Contract/Amendment Include Computer Hardware/Software/SaaS Solution? | No |
|--|----|

|   |     |
|---|-----|
| Is this a Standard/Template Contract or Amendment/Change Order? | Yes |
|---|-----|

|   |  |
|---|--|
| Did you discuss this Contract or Amendment with CAO? Explain. | Tracey Dunlap and Raul Abad with CAA Icon worked with Kevin Raymond on revisions to the PSA. |
|---|--|

|                  |    |
|------------------|----|
| Notary Required? | No |
|------------------|----|

|  |                 |
|--|-----------------|
| City Staff Project Manager/Administrator | Julie Underwood |
|--|-----------------|

|   |           |
|---|-----------|
| Effective Start Date (date contract goes into effect) | 4/26/2024 |
|---|-----------|

|  |            |
|--|------------|
| Expected Completion Date (date contract expires) | 07/31/2024 |
|--|------------|

## VENDOR INFORMATION

If you are using an existing vendor or new vendor, you must request they provide a Certificate of Insurance and Insurance Endorsements listing the **City of Kirkland** as an additional insured and the project name. [Sample: Certificate of Insurance](#). [Sample: Insurance Endorsements](#)

---

|  |  |
|--|--|
| Is this a New Vendor? (never worked for the City before) | Yes  |
| Vendor Company Name                                      | CAA ICON   |
| Vendor Contact Name                                      | Bryan Slater                                     |
| Vendor Contact Phone Number                              | 303 557 3700                                     |
| Vendor Signatory Full Name                               | Daniel Barrett                                   |
| Vendor Signatory Phone Number                            | 303 557 3700                                     |
| Vendor Signatory Email for AdobeSign Routing             | daniel.barrett@caaicon.com                       |
| Vendor Invoice Remittance Address                        | 5075 S. Syracuse St., Suite 700, Denver CO 80237 |

## CONTRACT FINANCIAL INFORMATION

Is there Budget for this Contract/Amendment? Is a Budget Adjustment needed? Please explain. Budget adjustment needed

### Amount Detail

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|   |  |
|---|--|
| Item 1  | <b>Budget Year</b><br>2024   |
|   | <b>Parent Project Number (if applicable)</b>                                     |
|   | <b>Project String/Project Account (if applicable)</b>                            |
|   | <b>Org Number</b><br>01002000  |
|   | <b>Object Number (Required if IT Software or Hardware is included)</b><br>541010 |
|   | <b>Amount</b><br>72,500  |
|   | <b>Tax Percent</b><br>0  |
|   | <b>Item Total Amount</b><br>\$72,500.00  |
| <b>This Contract Total</b>  | \$72,500.00  |
| <b>OMWBE Firm? (Certified by the Office of Minority and Women's</b> | N/A or Unknown   |



Business Enterprises)

Procurement Process

Below \$75. 4 vendors invited to submit proposal.

Notes

## REQUIRED DOCUMENTS

**Documents or Tasks Required to Route the Contract/Amendment:**

- \* Contract/Amendment Documents including Attachments and Exhibits
- \* If Hardware or Software: IT Vendor Network Access Agreement; IT Non-Disclosure Agreement; and/or IT Cloud Vendor Security Agreement (as determined by IT)
- \* Certificate of Liability Insurance listing the City of Kirkland as an additional insured and the project name COI in process. Routing agreement for signatures now to expedite.
- \* Insurance Endorsements listing City of Kirkland as additional insured and the project name
- \* W9 or DRS (individuals) form if using a new vendor
- \* Business License must be approved before entering into Munis.
- \* Contract selection documents (RFP/RFQ, Small Works Roster, etc.)

Upload all Documents:

CAA ICON\_PSA Agreement\_Iceplex Evaluation Project.pdf

## CONTRACT APPROVALS AND SIGNATURES

This is a New Contract.

**New Contract Total:**

\$72,500.00

**Munis Approvals**

- **City Attorney Approval** for Contracts over \$0.01

**AdobeSign Approvals and Signatures**

- **Vendor Signature** for All Contracts.
- **Department Director Signature** for <\$75,000

Once you submit this form, a copy will be emailed to your department Contract Lead who will enter the contract into Munis for approval routing. A copy will also be emailed to you. A success message will pop up and you can click the link to download a copy of this form to keep for your records.