TO: Thomas Frutchey, City Manager

FROM: Dick McKinley, Public Works Director

SUBJECT: Airport Economic Impact Calculator

DATE: March 15, 2016

Needs: For the City Council to consider using economic impact calculator software developed by the State of Minnesota DOT to fulfill an objective of the Airport Business Improvement Plan, and to measure the economic value to the community of the City's Airport.

Facts: 1. Objective #4 of the Airport Business Improvement Plan - Medium Term Work Objectives defines "Economic Impact Study" as follows: "A study of the economic and employment impact of aviation services at the airport should be implemented to help quantify the rate of return on certain investments. Utilization of a suitable model such as the Minnesota web based "Economic Impact Calculator for Small and Medium Size Airports."

            2. Minnesota DOT provides a free license to use the software, but requires the City to authorize the City Manager to sign the licensure agreement by resolution.

            3. The work done by the University of Minnesota extensively evaluated the linkages between General Aviation (GA) airports and the economy at the state and local level. This is done by use of multiple linear regression analysis to identify the linkages between GA airport goods/services and different sectors in the economy which are significant in impacting employment and income in the local economy, and eliminate linkages which are not significant.

            4. IMPLAN is an economic impact analysis tool that is used in the county. It is not designed to look at airports in the same way as the Minnesota DOT Economic Impact Calculator. Because IMPLAN is used locally, the City will not have to regenerate all of the economic and demographic data that exists in that local database.

Analysis &
Conclusion: Understanding the role of the airport in the Paso Robles economy is important and helps advise the City regarding future investments and economic development opportunities at the airport. Using the Minnesota DOT Economic Impact Calculator is a reasonably inexpensive way to make this evaluation, and is particularly designed for evaluating airports.

Policy
Reference: Airport Business Improvement Plan, 2013

Fiscal
Impact: Use of the software is free. There is a charge of about $800 to purchase IMPLAN data from San Luis Obispo County as the baseline data for the economic evaluation. It is estimated that it may cost $10,000 for interns or contractors to do the airport and community data gathering to feed the economic impact calculator.

Options: A.   Adopt Resolution 16-XXX, authorizing the City Manager to execute the Airport Economic Impact Calculator License Agreement as Drafted by the Minnesota Department of Transportation, and allocating $10,800 from Airport Reserves for completing the analysis; or,

               B.   Amend, modify, or reject the above option.

Attachments:
   1. Resolution 16-XXX
   2. Licensure Agreement

Resolution No. 16- XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
AUTHORIZING THE CITY MANAGER TO EXECUTE THE AIRPORT ECONOMIC
IMPACT CALCULATOR LICENSE AGREEMENT

WHEREAS, Objective #4 of the Airport Business Improvement Plan - Medium Term Work Objectives - says, "Economic Impact Study: A study of the economic and employment impact of aviation services at the airport should be implemented to help quantify the rate of return on certain investments. Utilization of a suitable model such as the Minnesota web based "Economic Impact Calculator for Small and Medium Size Airports."; and

WHEREAS, Minnesota DOT provides a free license to use the software, but requires the City to authorize the City Manager to sign the licensure agreement by resolution; and

WHEREAS, The work done by the University of Minnesota extensively evaluated the linkages between General Aviation (GA) airports and the economy at the state and local level. This is done by use of multiple linear regression analysis to identify the linkages between GA airport goods/services and different sectors in the economy which are significant in impacting employment and income in the local economy, and eliminate linkages which are not significant.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1.   The City Council accepts the Airport Economic Impact Calculator as drafted by the Minnesota Department of Transportation and the City agrees to indemnify and limit liability of the Minnesota Department of Transportation regarding use of the Calculator as defined in Agreement.

Section 2.   The City Manager is authorized and directed to execute the Airport Economic Impact Calculator Licensure Agreement on behalf of the City.

Section 3.   This project will utilize fund 602 reserves in the amount of $10,800 to cover the cost of gathering data and completing the analysis.

PASSED AND ADOPTED this ____ day of _____, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Steven W. Martin, Mayor

ATTEST:

_____
Kristen L. Buxkemper, Deputy City Clerk

Airport Economic Impact Calculator License Agreement

This Agreement is entered into and between the State of Minnesota, acting through its Commissioner of Transportation, ("MnDOT"), and the City of Paso Robles, acting through its City Council, ("Licensee").

Recitals

1. Under Minnesota Statutes Section 174.02, subdivision 6, the Commissioner of Transportation may enter into agreements with governmental or nongovernmental entities for research and experimentation, for sharing facilities, equipment, staff, or other means of providing transportation-related services; or for other cooperative programs that promote efficiencies in providing governmental services or that further the development of innovation in transportation for the benefit of the citizens of Minnesota; and
2. MnDOT has developed and owns a computer program entitled "Airport Economic Impact Calculator"; and
3. Licensee is a government entity which owns and operates an airport; and
4. Licensee desires a license to use the Airport Economic Impact Calculator, and MnDOT desires to grant such a license; and
5. In consideration of the terms, covenants and promises set forth herein, the parties agree as follows:

Agreement Terms and Conditions

1. **"Software" Defined.** As used in this Agreement, "Software" means all of the source code files, database schema, scripts, documentation and other files used to install, compile, build and use the computer program entitled "Airport Economic Impact Calculator".

2. **License.** MnDOT grants Licensee a non-exclusive, non-transferrable, perpetual, irrevocable, and royalty-free license to do the following at its own risk: prepare derivative works based on the Software; use the Software and such derivative works for Licensee's internal purposes; reproduce the Software and derivative works in copies; and distribute the copies within Licensee's organization. "Licensee" is understood to include all agencies and institutions comprising the city government of Paso Robles.

3. **Prohibited Uses.** Licensee will not use or distribute the Software except as provided in paragraph 2 "License" above.

4. **Ownership.** Except as licensed in paragraph 2 "License" above, MnDOT owns and retains all right, title, and interest in all of the intellectual property in the Software and all copies or portions thereof, and any derivative works thereof (by whomever created).

5. **Copyright Notice.** Licensee will ensure that all copies made under this Agreement bear this notice: "© Minnesota Department of Transportation." The manner and placement of the foregoing notice must comply with 17 U.S.C. § 401.

6. **Confidentiality and Government Data Practices.** Licensee, its employees, representatives, and agents will not disclose any source code, data structure, or any information about the design of the Software to any third party except as specifically authorized by MnDOT in writing. In addition to the foregoing, Licensee and MnDOT must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by MnDOT under this Agreement. If Licensee receives a request to release the data referred to in this paragraph, Licensee must immediately notify MnDOT and consult with MnDOT as to how Licensee should respond to the request. Licensee′s response to the request must comply with applicable law.

7. **Disclaimer.** THE SOFTWARE IS PROVIDED "AS IS" AND WITHOUT ANY WARRANTY WHATSOEVER, INCLUDING WITHOUT LIMITATION, ANY EXPRESSED OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, TITLE, OR NON-INFRINGEMENT, TO THE FULLEST EXTENT PERMITTED BY LAW. THE ENTIRE RISK AS TO THE RESULTS AND PERFORMANCE OF THE SOFTWARE IS ASSUMED BY THE LICENSEE.

8. **Limitation of Liability.** WITHOUT LIMITATION, MnDOT WILL NOT BE RESPONSIBLE OR LIABLE TO LICENSEE FOR ANY LOST REVENUE, PROFIT, OR LOST OR DAMAGED DATA, BUSINESS INTERRUPTION, LOSS OF CAPITAL, OR FOR SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY OR WHETHER ARISING OUT OF THE USE OF OR INABILITY TO USE THE SOFTWARE OR OTHERWISE AND EVEN IF LICENSEE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9. **Indemnification.** LICENSEE AGREES TO INDEMNIFY AND HOLD MnDOT HARMLESS FROM ANY DEMANDS, CLAIMS, OR SUITS BY A THIRD PARTY FOR LOSS, JUDGEMENT, DAMAGES, OR EXPENSES (INCLUDING ATTORNEY'S FEES) ARISING OUT OF OR RELATED TO MISUSE OF THE SOFTWARE BY LICENSEE.

10. **Effective Date.** This Agreement will be effective on the date MnDOT obtains all required signatures under Minnesota Statutes §16C.05, subdivision 2.

11. **Governing Law, Jurisdiction and Venue.** Minnesota law, without regard to its choice-of-law provisions, governs this Agreement. Venue for all legal proceedings arising out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

12. **Remedy.** Licensee acknowledges and agrees that a breach of this Agreement by Licensee could cause irreparable harm to MnDOT for which monetary damages may not adequately compensate MnDOT for such a breach. In such circumstances, MnDOT will be entitled, in addition to monetary relief, to injunctive relief or specific performance as may be necessary to restrain any

Page **2** of **4**

continuing or further breach by Licensee, without showing or proving any actual damages sustained by MnDOT.

13. **Assignment.** Licensee may neither assign nor transfer any rights or obligations under this contract without the prior consent of MnDOT and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors in office.

14. **Amendments.** Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

15. **Waiver.** If MnDOT fails to enforce any provision of this Agreement, that failure does not waive the provision or MnDOT′s right to subsequently enforce it.

16. **Severability.** If any provision of this Agreement is unenforceable, it shall be revised to effect its intent to the extent legally permissible and the rest of the Agreement shall remain in effect.

17. **Contract Complete.** This Agreement contains all prior negotiations and agreements between MnDOT and Licensee. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.

CITY
City certifies that the appropriate person(s) have executed
the agreement on behalf of City as required by applicable articles, bylaw
or resolutions.

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

By: _____
   (with delegated authority)

Title: _____

Date: _____

COMMISSIONER OF ADMINISTRATION

By: _____

Date: _____