



City Clerk Document No. _____

City Council Meeting Date: _____

**AMENDMENT NO. 2 TO INTERGOVERNMENTAL AGREEMENT
BETWEEN
CITY OF CHANDLER, ARIZONA
AND
ARIZONA BOARD OF REGENTS FOR AND ON BEHALF OF ARIZONA STATE UNIVERSITY
FOR
DELIVERY OF INCUBATOR AND ECOSYSTEM BUILDING SERVICES**

THIS AMENDMENT NO. 2 ("Amendment") is entered into _____, 2025 ("Effective Date"), by and between the City of Chandler, an Arizona municipal corporation ("City"), and the Arizona Board of Regents, a body corporate, for and on behalf of Arizona State University ("ASU"). The City and ASU are sometimes jointly referred to as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, effective July 1, 2023, the Parties entered into an intergovernmental agreement for the provision of incubator and ecosystem building services ("Agreement"); and

WHEREAS, the term of the Agreement was July 1, 2023, through June 30, 2024, with the option of up to four one-year extensions; and

WHEREAS, on July 2, 2024, the Parties entered into Amendment No. 1 to the Agreement, which extended the term of the Agreement to June 30, 2025; and

WHEREAS, the Parties wish to exercise the second and third options through this Amendment to extend the Agreement for two years.

AGREEMENT

NOW THEREFORE, the Parties agree to amend the Agreement as follows:

1. The recitals are accurate and are incorporated and made a part of the Agreement by this reference.
2. Extend the term of the Agreement for two additional one-year terms: from July 1, 2025, through through June 30, 2027.

3. Amend Exhibit A, Scope of Services: ASU shall provide the services as set forth in the Scope of Services attached hereto as Amended Exhibit A and incorporated herein by reference.
4. Amend Exhibit B, Fee Schedule: ASU's compensation and fees shall be as more fully described in the Amended Exhibit B attached hereto and incorporated herein by reference.
5. Amend Exhibit C, Performance Measures: Specific performance targets are attached hereto as Amended Exhibit C (Performance Measures) and incorporated herein by reference and shall be used to evaluate and report progress on ASU's performance of the Scope of Services.
6. All other terms and conditions of the Agreement remain unchanged and in full force and effect. If a conflict or ambiguity arises between this Amendment and the Agreement, the terms and conditions in this Amendment prevail and control.

IN WITNESS WHEREOF, the Parties have entered into this Amendment on the Effective Date.

CITY OF CHANDLER

By: _____

Its: _____

**ARIZONA BOARD OF REGENTS FOR AND ON
BEHALF OF ARIZONA STATE UNIVERSITY**

By: _____
Kristy Macdonald
Its: Associate Director, Research Operations

APPROVED AS TO FORM:

By: _____
City Attorney 

APPROVED AS TO FORM:

By: _____
Office of General Counsel,
Arizona State University

ATTEST:

By: _____
City Clerk

AMENDED EXHIBIT A

SCOPE OF SERVICES

ASU will develop a program and a method of delivering incubator and ecosystem-building services. ASU Edson E+I activities and deliverables include:

Facility Management

- Maintain office space at the ASU Chandler Innovation Center to provide a location for business incubation/acceleration and co-working activities.
- Provide access to a co-working area for companies and individual entrepreneurs that offers space and access to standard office resources, such as high-speed internet, copy machines, video conference infrastructure, and printers.
- Provide staff to manage the facility and tenants during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday, except on designated University holidays.
- Track client usage and requests to ensure onsite staffing and program hours meet client needs.
- Implement an application and escalation process for ventures that wish to become a Local Entrepreneur in Residence.

Client Recruitment & Development

- Recruit technology-enabled ventures into the Chandler Endeavor entrepreneurial ecosystem.
- Implement an onboarding process with screening for clustered support tracks.
- Manage client onboarding, including execution of agreements and communication of program rules and requirements, for both resident and non-resident clients.
- Provide regular venture development support, to be delivered by ASU staff and mentors.
- Develop custom venture incubation programming that aligns with local needs and strengths through Chandler Endeavor.
- Assess clients' growth and advancement through programming.
- Analyze program timing and delivery methods to determine client interest levels and value.
- Encourage long-term engagement in the ecosystem and leadership in future development.
- Encourage clients to remain in Chandler after program participation and scaling. ASU Edson E+I will work collaboratively with the City's Economic Development Division to establish a process to retain clients in the community.

Events: ASU Edson E+I is expected to host entrepreneurial programming and events, including:

- Outreach events for clients, mentors, community members, and investors.
- Monthly connectivity events with diverse learning modalities.
- Founder meet-ups to encourage peer-to-peer learning and accountability.
- Large ecosystem-wide community convening.

Entrepreneurial Ecosystem Building

- Recruit targeted industry mentors and technical support providers who will commit time to support Chandler Endeavor ventures.
- Work with ventures to create an engagement strategy to advance their individual venture while providing leadership and support to other community founders.
- Develop partnerships (Arizona State University, University of Arizona, Maricopa SBDC, Chandler Chamber of Commerce, Arizona Tech Investors, Arizona Founders Fund, and other groups) to support client recruitment and enhance delivery of programs, services and events.
- Work with university-wide resources to provide access to specialty equipment, researchers, student support and internship opportunities.

Strategic Plan & Marketing Activities

- Outline recommendations for the further development of the Chandler entrepreneurial ecosystem based on a comprehensive ecosystem assessment. Strategy and future iterations of the program will align with the findings of the assessment and serve as a guidepost for other partners engaging in the ecosystem.
- Maintain a dedicated program webpage with information on business incubation/acceleration services, co-working services, events, news, and how to become a client.
- Promote the program on social media.
- Engage at local, regional and global events that promote Chandler Endeavor and the City of Chandler as a leader in innovative entrepreneurial ecosystem building support.
- Ensure all marketing materials created for the program clearly communicate that it is sponsored by the City of Chandler.

Reporting: ASU Edson E+I is expected to provide the following reports to the City's Economic Development Division:

- Quarterly reports on program milestones, traction, lessons learned, success stories, and the established performance measures shown in Exhibit C of this agreement.
- An annual report on how the program has helped ventures raise capital, generate revenue, and create job opportunities (employment, internships, contractors).
- Ongoing tracking and annual reporting on founder backgrounds and venture types to assess the effectiveness of the hyper-inclusive innovation incubation model, ensuring it reflects the Chandler community with access to entrepreneurial support. Execution of a connectivity survey every two years that measures the overall advancement of the connectivity of the ecosystem.

AMENDED EXHIBIT B
FEE SCHEDULE

The fee below is inclusive of all costs associated with performance of services described in the Scope of Work.

**Incubator and Ecosystem-Building
Management Services**

\$22,916.67 per month, inclusive

AMENDED EXHIBIT C PERFORMANCE MEASURES

The performance targets below shall be used to evaluate and report progress on ASU's performance of services described in the Scope of Work:

Annual Performance Measure	Fiscal Year Targets
Total people engaged in the Chandler Endeavor ecosystem (unique innovators engaged in events, email signups, one on one wayfinding assessments, collaboration co-working space users)	1000
Total new people engaged in the Chandler Endeavor ecosystem <i>(first-time unique innovators engaged in events, email signups, one-on-one wayfinding assessments, or use of co-working/collaboration space during the contract year).</i>	200
Ventures engaged in Cluster Cohorts (in-depth mentoring, founder accountability meetings and industry-specific resources in cohort tracks) - Fall – 6 - Spring – 6	12 The specific names of ventures to be listed per cohort.
Total number of Local Entrepreneurs in Residence	6
Average Net Promoter Score for all ASU Edson E+I-initiated programming ¹	60%
Chandler ecosystem Connectivity Score ²	Increase in score compared to the baseline 137.9 established in the first contract year.
Percentage of ventures that improve their Funding Readiness Score. ³	Increase in the percentage of ventures that improve their readiness score
Venture Challenge pitch competition/funding events hosted	2

1. Net Promoter Score is a customer satisfaction metric to measure the quality of an experience for an individual based on a single survey question asking participants to rate the likelihood that they would recommend the program to a friend or colleague. A score of 100% indicates that all participants surveyed would enthusiastically promote the program. Industry average for educational training is 60%.

2. The Connectivity Score is a metric used to assess the strength and density of entrepreneurial networks within a community. It is obtained through an survey every two years that measures how many entrepreneurs individuals can identify or know within their community. The survey is distributed widely in the Chandler community to establish a baseline score.

The objective would be to see an increase in the overall Connectivity Score each year, which serves as an indicator of the broader impact of a program or initiative on the community. The underlying premise is based on ecosystem building theory, which suggests that communities with robust networks of entrepreneurs are more resilient and capable of fostering a diverse range of successful ventures. This, in turn, leads to a higher quality of life and sustainable economic impact over time.

For instance, a Connectivity Score of 9.4 would indicate that, on average, entrepreneurs in the broader community are acquainted with or have connections to nine other entrepreneurs. This score demonstrates a relatively low entrepreneurial network within the community. By actively working to increase this score, the aim is to enhance collaboration, knowledge sharing, and support among entrepreneurs, thereby promoting economic growth and community development.

3. Funding readiness frameworks are used to help ventures better understand the different elements investors evaluate when determining whether to invest. They inform a venture's financing strategy, identifying at what stage of development different funding is ideal. The VIRAL framework created by Village Capital is one example that has been beta-tested. ASU is creating a custom framework with language that is more accessible and can be easily applied to different industries. The survey will determine a baseline of funding readiness at the start of a venture's participation in Chandler Endeavor and the venture will be reassessed as it progresses through the program. The framework will assign a score of 1 – 3 with 3 being most ready for higher stages of funding.