

**DRAFT****RESOLUTION 20xx-xxx****RESOLUTION AUTHORIZING AMENDMENT NO. 1  
TO THE BLUE ECONOMY INCUBATOR  
AGREEMENT WITH SWELL ADVANTAGE LTD.,  
CONSENTING TO AN ACQUISITION OF SWELL,  
ACCEPTING PAYMENT OF \$150,000 (150% OF  
DISTRICT'S FINANCIAL CONTRIBUTION TO  
SWELL'S PILOT PROJECT) IN EXCHANGE FOR  
ENDING SWELL'S FUTURE OBLIGATIONS TO  
THE DISTRICT, AND TERMINATING THE  
AGREEMENT**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

**WHEREAS**, in 2016, the District established a Blue Economy Incubator (BEI) Program to assist in the creation, development and scaling of new Blue Economy business ventures in and around San Diego Bay, focusing on aquaculture and blue technology; and

**WHEREAS**, the program acts as a launching pad for sustainable aquaculture and blue tech ventures by removing barriers to entrepreneurs and providing key assets and support services focused on pilot project facilitation; and

**WHEREAS**, on June 20, 2017, by Resolution 2017-085, the Board of Port Commissioners (Board) authorized an agreement with Swell Advantage Ltd. (Swell) to advance the development of a smart marina management application; and

**WHEREAS**, the agreement included a District contribution of \$100,000 in support of a one-year pilot project to build a minimum viable product of Swell's software technology and the pilot was completed in collaboration with a local marina in San Diego Bay; and

**WHEREAS**, the design development of the smart marina management application assists marina managers understand how individual boaters use their facility, how efficiently operations are running, and if the marina is maximizing slip revenues; and

**WHEREAS**, through this successful pilot project, the District enabled and accelerated smart marina management technology that benefits the marina

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industry, which in return benefited District tenants to increase their revenues and customer experiences; and

**WHEREAS**, since the completion of the pilot project, Swell has continued the development of its software technology in partnership with marina experts, has generated sales across North America, and has established strategic technology partnerships; and

**WHEREAS**, despite this success, Swell believes their technology needs to be incorporated into a broader suite of features to become a more marketable product for a wider variety of potential customers; and

**WHEREAS**, Swell's success was noticed with an offer to acquire Swell and Swell believes this acquisition will allow it to accelerate its technology development under new management to better service the marina industry; and

**WHEREAS**, in order to close the proposed acquisition, Swell has requested that the District accept payment of \$150,000 in exchange for ending Swell's future obligations to the District and terminating the agreement; and

**WHEREAS**, this would require the Board to authorize an amendment to the terms of the agreement; and

**WHEREAS**, staff recommends the Board authorize an amendment to the Blue Economy Incubator agreement with Swell consenting to an acquisition of Swell, accepting payment of \$150,000 in exchange for ending Swell's future obligations to the District, and terminating the agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District (District), that the Executive Director or her designated representative is hereby authorized and directed on behalf of the District to enter into an amendment to the Blue Economy Incubator agreement with Swell Advantage Ltd. consenting to an acquisition of Swell Advantage Ltd., accepting payment of \$150,000 in exchange for ending Swell Advantage Ltd.'s future obligations to the District, and terminating the agreement.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 10<sup>th</sup> day of November 2020, by the following

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vote: