



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: June 7, 2017

Department: Community Services Agenda Planning Date: 6/1/17 Time required: 5 mins

Audio/Visual aids

Contact: Sarah Spinks Phone: 3234

Department Head Signature: [Signature]

TITLE: 16/17 Business Development Grant Application and Funding Recommendation

Issue, Description & Background: Marion County has budgeted over \$1.6 million in Oregon Video Lottery revenue in FY16/17 to support economic development efforts in Marion County. Of the \$1.6 million, \$150,000 is allocated for Business Development Grants (BDG), which provides funding for private sector job creation in Marion County within the target industries of manufacturing, agriculture, and tourism. Community Services released the FY16/17 BDG request for applications (RFA) on October 12, 2016; applications are being accepted on an ongoing basis and reviewed monthly as received. The Economic Development Advisory Board (EDAB) evaluated proposals from Fjord LTD and Rigado LLC and recommended funding of \$50,000 each.

Financial Impacts: Awarded companies will benefit from the investment of Oregon Video Lottery funds.

Impacts to Department & External Agencies: No impact to departments, revenues recommended for allocation by order or included in the approved FY16/17 Budget.

Options for Consideration: a) Approve the EDAB recommendation to award a Business Development Grant of \$50,000 to Fjord LTD and \$50,000 to Rigado LLC; or b) Do not approve the grant awards as recommended; or c) Modify the recommended grant awards.

Recommendation: Approve the Business Development Grant awards as recommended.

List of attachments: Issue Brief and Board Order

Presenter: Sarah Spinks

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to: Sarah Spinks, sspinks@co.marion.or.us

**ISSUE BRIEF**

June 7, 2017

Oregon Lottery Business Development Grant

**BACKGROUND:**

Community Services oversees the County’s Economic Development program which includes administration of its Oregon Lottery Grant programs. A review of two Business Development Grant applications was conducted at the May 2017 Economic Development Advisory Board (EDAB) meeting.

**REVIEW PROCESS:**

Staff reviewed applications for completeness and adherence to the submission requirements. A copy of the applications were provided to each EDAB member for independent review and scoring. At the May 10<sup>th</sup> EDAB meeting, representatives from both companies presented their projects to the EDAB and provided an opportunity for questions and answers. Members then participated in a group review and discussed application and presentation strengths, weaknesses, and scores. Members were allowed to rescore applications as they saw fit following the group discussion; no adjustments were made to original scores.

**BUSINESS DEVELOPMENT GRANT SUMMARIES & RECOMMENDATIONS:**

Table 1. Grant Evaluation

Grant Reviewer	Fjord	Rigado
1	85	80
2	100	60
3	98	85
4	75	73
5	89	90
6	90	92
7	90	92
8	85	75
9	90	85
10	90	71
11	90	80
12	95	80
Total Points	1,077	963
<b>Average Score</b>	<b>89.5</b>	<b>80.25</b>
Funding Request	\$50,000	\$50,000
<b>Funding Recommended</b>	<b>\$50,000</b>	<b>\$50,000</b>

Fjord, Ltd. - \$50,000

The Apparel Training project includes building renovations and equipment purchases required to set up and implement a training facility to address the company's need for skilling up workings to meet the increased demand of production. The facility will provide the opportunity to advance employee skills and train new employees for Fjord and other apparel manufacturing companies in the area. The project will create 40 new jobs over a two year period and increase production by 39% in 2017. Total cost of the project is \$250,000; the grant request is for \$50,000.

EDAB review notes:

- Average group score of 89.5
- + Number of jobs created
- + Application is well written
- + Project will address an industry specific need for a training facility that can be leveraged by other companies
- + Company focus on investing in skilling up their employees, profit sharing, and community investment

Funding Recommendation: Approve the grant request at the requested amount of \$50,000 .

Rigado LLC - \$50,000

The Capacity Efficiency project will increase office capacity and improve functionality to accommodate the expansion of product services and increase in employee numbers. The project will include building renovations and equipment purchases. The company has grown from 14 to 41 full-time employees with a salary base of \$2.5 million per year for the Salem office. The project will create ten new jobs over a two year period and support the release of three new products by quarter three of 2018. Total cost of the project is \$217,500; the grant request is for \$50,000.

EDAB review notes:

- Average group score of 80.25
- + Application is well written
- + Applicant's prior expansion project was successful with 1 job created
- + Supports creation of high wage jobs
- + Locally grown company committed to investing in this area

Funding Recommendation: Approve the grant request at the requested amount of \$50,000 .

**STAFF RECOMMENDATIONS:**

1. Approve the budget request to release \$100,000 for Oregon Lottery Business Development Grants awards in FY16/17.
2. Approve EDAB's funding recommendations as presented.

**BEFORE THE BOARD OF COMMISSIONERS  
FOR MARION COUNTY, OREGON**

In the Matter of Approving                     )  
Distribution of Video Lottery Receipts       )  
to Promote Economic Development           )  
in Marion County.                                )

**ORDER No. \_\_\_\_\_**

This matter came before the Marion County Board of Commissioners at its regularly scheduled public meeting on June 7, 2017.

WHEREAS, ORS Chapter 461 authorizes the video lottery and appropriates 2.5 percent of the net receipts to Oregon counties for economic development; each county decides how to distribute these funds to create jobs and further economic development; and

WHEREAS, the Marion County Board of Commissioners supports the recommendations of the Marion County Economic Development Advisory Board and determines the following proposals are valid economic development projects that benefit residents of Marion County and meet the criteria set forth and approved by the Economic Development Advisory Board:

- (a) Fjord LTD - \$50,000
- (b) Rigado LLC - \$50,000

BE IT ORDERED that the Marion County Board of Commissioners hereby approves distribution of economic development funds using video lottery receipts for the project listed above in the amount set forth.

DATED this \_\_\_\_\_ day of June 2017.

MARION COUNTY BOARD OF COMMISSIONERS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner