

MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date:	April 12,	2017								
Department:	Commun	ity Services	Agenda Planning	g Date: 4/6	/17	Time required:	5 mins			
Audio/Vis	ual aids									
Contact:	Sarah Sp	inks		Phone:	3234					
Department H	lead Signa	eture:								
TITLE		16/17 Business Development G	Grant Application ar	nd Funding	Recommendat	ion				
lssue, 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 a proposal from Gilgamesh Brewing LLC and recommends funding of \$50,000.								
Financial Impacts:		Awarded company 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 Gilgamesh Brewing LLC; or b) Do not approve the grant award as recommended; or c) Modify the recommended grant award.								
Recommendation:		Approve the Business Development Grant award as recommended.								
List of attachments:		Issue Brief and Board Order								
Presenter:		Sarah Spinks								
Copies of c	ompleted	paperwork sent to the following:	(Include names and	e-mail addı	resses.)					
Copies to:		Sarah Spinks, scavazos@co.marion.or.us								

ISSUE BRIEF

April 12, 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 one Business Development Grant application was conducted at the March 2017 Economic Development Advisory Board (EDAB) meeting.

REVIEW PROCESS:

Staff reviewed applications for completeness and adhereance to the submission requirements. A copy of the applications was provided to each EDAB member for independent review and scoring. At the March 15th EDAB meeting, members participated in a group review and discussed application 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	Gilgamesh Brewing			
1	95			
2	90			
3	90			
4	88			
5	87			
6	83			
7	84			
8	84			
9	92			
10	75			
11	80			
12	82			
13	86			
Total Points	1116			
Average Score	85.8			
Funding	\$50,000.00			
Request	პეი,იიი.იი			
Funding	\$50,000.00			
Recommended	730,000.00			

Marion County Economic Development

Gilgamesh Brewing - Brewery Expansion Project - \$50,000

The Brewery Expansion project includes the addition of a new bottling line, canning line, centrifuge, fermentation tanks, floor drains, and walk-in cooler. The project will lower costs of goods, increase yield, increase product lines and facilitate a 30% projected growth in 2017. Total cost of the project is \$625,000; the grant request is for \$50,000.

The project will create sixteen new jobs with a total of 16.0 FTE over a two year period.

EDAB review notes:

- Average group score of 85.8
- + Number of jobs created
- + Application is well written
- + Applicant's prior expansion project was successful with 14 jobs created and an 83% increase in revenue
- Applicant included event center activities in the proposal
- Follow up with applicant regarding the project time line, other sources of funding, and projected job creation numbers excluding front end operations.

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

<u>Staff Notes:</u> Spinks met with Radke and obtained new job creation numbers and confirmed that the timing of Salem's Fairview Industrial Urban Renewal Loan approval will not impact the project implementation plan and time line. Per Radke, if full funding is not received from the city, the manufacturing and distribution portion of the project will not be impacted.

STAFF RECOMMENDATIONS:

- 1. Approve the budget request to release \$50,000 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	-)		
to Promote Economic Develo	pment)		
in Marion County.)		
	ORDER No) .		
This matter came beforegularly scheduled public m		•	Commissioners	s at its
WHEREAS, ORS Chepercent of the net receipts to decides how to distribute the and	Oregon countie	es for economic d	levelopment; eac	ch county
WHEREAS, the Mar recommendations of the Mar determines the following pro residents of Marion County a Development Advisory Boar	ion County Eco posal is a valid and meet the cri	onomic Developn economic develo	nent Advisory B opment project t	Board and hat benefit
(a) Gilgamesh Brewi	ng LLC - \$50,0	000		
BE IT ORDERED the approves distribution of econ project listed above in the am	omic developn			-
DATED this	day of Apri	1 2017.		
	MARION CO	UNTY BOARD	OF COMMISS	IONERS
	Chair			
	Commissione	r		
	Commissione	r		