



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: April 12, 2017

Department: Community Services Agenda Planning Date: 4/6/17 Time required: 5 mins

Audio/Visual aids

Contact: Sarah Spinks Phone: 3234

Department Head Signature: [Signature]

Form with fields: TITLE (16/17 Business Development Grant Application and Funding Recommendation), Issue, Description & Background, Financial Impacts, Impacts to Department & External Agencies, Options for Consideration, Recommendation, List of attachments, Presenter.

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

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 adherence 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 Request	\$50,000.00
Funding Recommended	\$50,000.00

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.

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

Staff Notes: 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.

