

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Sitting/Acting as (if applicable)

Policy Session Worksheet

Presentation Date: 03/20/2024 **Approx. Start Time:** 10:00am **Approx. Length:** 60 minutes

Presentation Title: Office of Economic Development Workforce & Business Development Grant Program Proposal

Department: Department of Transportation & Development / Office of Economic Development

Presenters: Dan Johnson, Director Department of Transportation & Development and

Laura Edmonds, Manager Office of Economic Development

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Board direction on a new Workforce & Business Development Grant program proposal.

EXECUTIVE SUMMARY:

On September 13, 2023 the Board of Commissioners were briefed on the OED's Strategic Priorities and Goals and within the structure of that program, indicated the importance of those goals that support business retention, expansion, growth, as well as workforce development.

On February 26, 2024 the Board of Commissioners received the Office of Economic Development 5-Year plan, illustrating key strategies to operationalize the priorities and goals over the next five years. A number of these strategies were focused the removal of various obstacles through the development of a business incentive or grant program.

Businesses in Clackamas County report wanting access to tools to support business retention, expansion, growth and workforce development – tools that are the bedrock to a creating a business friendly environment. Currently, local programs lack the ability to provide access to these tools via funding. The Office of Economic Development is proposing the development of a program that would fill this identified gap and be a starting point for a grant program that will support businesses within our County that need access to funding to help them reposition to achieve greater results.

The proposed Workforce & Business Development Grant program is a mechanism for Clackamas County to invest in workforce development and local businesses to ensure their ongoing success in the county. The program will offer two grant opportunities

- Workforce Development Grant - provide monetary support through scholarships to students enrolled in CTE programs at Clackamas Community College; and,
- Business Development Grant - provide funding to various sized traded sector businesses looking to relocate or expand their operations in Clackamas County. (see Attachment A)

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? Up to \$700,000 annually What is the funding source? Lottery Revenue/Other
No General Fund is being used.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?
September 13, 2023 the Board supported the OED’s Strategic Priorities and Goals and within the structure of that program, indicated the importance of those goals that support business retention, expansion, growth, as well as workforce development.
- How does this item align with the County’s Performance Clackamas goals?
These items align with the Board of Commissioners Performance Clackamas strategic priorities to “Grow a Vibrant Economy”. The Board identified “by 2024, 75% of businesses working in Clackamas County report a business-friendly environment that supports stability and growth” as well as “By 2026, 15% increase in jobs that meet the self-sufficiency standard wage in Clackamas County.”

LEGAL/POLICY REQUIREMENTS:

Use of lottery funding must be used consistent with ORS 461.540 which stipulates that Lottery Dollars must be used to further economic development. Other funding, when secured, may have other limitations or requirements. The grant program, once initiated, will require funding agreements drafted in coordination with County Counsel, and development of a process and procedures manual that will define program requirements and expectations, as well as a formal application review and selection process, culminating with final formal review and approval by the Board of County Commissioners.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Business outreach and communications, review and feedback from the Community Partners Roundtable, a group of economic development practitioners that meet regularly with the OED. Public & Government Affairs will be a key partner in marketing development and promotion of the grant programs.

OPTIONS:

- Option 1: Direct staff to advance final development of program as presented.
- Option 2: Direct staff to advance final development of the program as presented, with Board recommended modifications.
- Option 3: Direct staff to not advance development of this program at this time.

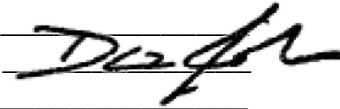
RECOMMENDATION:

Option 1: Direct staff to advance final development of program as presented.

ATTACHMENTS:

Attachment A: OED Workforce and Business Development Grant Program Proposal outline

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval 
 County Administrator Approval _____

Clackamas County Office of Economic Development (OED)
Workforce and Business Development Grant Program Proposal
March 11, 2024

Clackamas County Office of Economic Development is pleased to introduce the new Workforce and Business Development Grant Program proposal. Funded through State of Oregon lottery funds¹, with intentions of expanding with other grants sought by staff, this program is designed to offer a workforce development grant to Clackamas Community College and provides the opportunity for eligible entities to apply for resources to support business improvement and expansion efforts that further economic development across the county.

Program Overview:

Workforce Development Grant – Clackamas Community College: providing monetary support to young and adult learners seeking accredited programs to enter the workforce and enhance opportunities to access self-sufficiency wage jobs.

Business Development Grant: provide funding for capital investments to various sized traded sector businesses looking to relocate, expand or retain their operations in Clackamas County.

Funding/Maximum Award:

- Initial Total Program Funding: Starting funds from lottery proceeds (up to \$700,000) to establish program for 2024/2025. Reallocation of current non-competitive grant program.
- Additional funding will be sought by staff via local, state and federal grants to provide matching funds when and where appropriate.
- Workforce Development Grants total annual allocation \$100,000
- Business Development Grants total annual allocation \$600,000 (Up to \$100,000/grant)

Who is eligible for Workforce Development funding?

- Students enrolled to attend Career and Technical Education (CTE) courses at Clackamas Community College. Clackamas Community College will administer the funding distribution through the funds awarded to the college.

Who is eligible for Business Development funding?

- Traded sector industries that are located in or move to Clackamas County are eligible to apply for consideration of funding.
- Eligible business costs include only costs to carry out a project as determined in the application process.
 - Project shall meet the criteria of the grant program and be achievable.
 - Businesses may only apply once and may only receive one-time funding.
 - All funding agreements approved by the Board.

¹ According to state statute, "Furthering economic development" includes, but is not limited to, providing Oregon;

- (A) Services or financial assistance to for-profit and nonprofit businesses located or to be located in Oregon;
- (B) Services or financial assistance to business or industry associations to promote, expand or prevent the decline of their businesses; or
- (C) Services or financial assistance for facilities, physical environments or development projects* that benefit Oregon's economy (*as defined in https://oregon.public.law/statutes/ors_285b.410 (definitions for ORS 285B.410 to 285B.482))

Workforce Development Grant: By continuing to support Clackamas Community College, these monies will be applied towards student scholarships for those enrolling or enrolled in accredited CTE programs offered by the college.

Maximum Awards up to \$3,000 per/student in one or all of the following areas:

- Paid internships/apprenticeships
- Tuition and fees
- Tech tools and uniforms for hire
- Childcare needed for education completion

Benefits of the program:

- Supports a workforce initiative that economically benefits residents and employers through community college programs
- Centers on ensuring that a growing diverse workforce has access to skill-based training that develops relevant skills needed by employers within industry sectors that historically provide self-sufficiency wage jobs
- Supports 3 to 9 month career pathway certificates; 1 year certificates of completion; and traditional two-year associates degrees in such industries as: agriculture, timber, health care, manufacturing, automotive, utilities/renewable energy and information technology (IT).

Business Development Grant Program: Maximum award: \$100,000

Awards may be situational in nature and may be awarded based on the businesses unique needs to establish, maintain or grow a business in Clackamas County. Awards may be less, but not more than \$100,000.

Businesses may apply if they are:

- Interested in establishing a new location or relocating an existing business in Clackamas County and would benefit from additional support for capital infrastructure improvements or
- Already located in Clackamas County and in need of matching funds for local, state or federal grants to leverage larger investments to support the expansion and overall health of their business or
- Already located in Clackamas County and in need of financial support to expand operations and increase their employee count to add production capacity.

Criteria for a Grant Award:

- Must increase production of locally-sourced goods and services
- Must increase employee count by 10%
- Matching funds must equal, if not exceed, the amount applied for (*we would specify in greater details the rules associated with matched funding when the business is applying for Federal or State grants that require the business to come up with a specific amount i.e.; 10% of the total grant*)
- Verification of investment in improvements are required within one year of funding and if not received or proven, company must return all grant funds received.

- Business must be able to demonstrate impact of funding in **one or more** of the following ways:
 - Must support capital improvements
 - Must support capacity improvements
 - Must support workforce growth and/or development
 - Must leverage other funding that multiplies investment in business
 - Must expand offerings to enhance market share
 - Must support retention of business in Clackamas County
 - Must support relocation of business to Clackamas County

Details for consideration of awards:

- Competitive grants available to traded industry sector businesses that are located in or re-locating to Clackamas County
- Annual funding cycle based on availability
- Committee reviews applications and recommends a slate of awards to Board of County Commissioners
- The Board of County Commissioners will approve all final funding awards
- All awardees will be required to enter into a funding agreement with Clackamas County. The Funding agreements will specify appropriate project expenditures, reporting structure for deliverables and outcomes