

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: April 17, 2024 **Approx. Start Time:** 10:00am **Approx. Length:** 60 minutes

Presentation Title: Office of Economic Development 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 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, during which the Board indicated the importance and priority 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 Five-Year plan, illustrating key strategies to operationalize the priorities and goals over the next five years. A number of these strategies were focused on the removal of various obstacles through the development of a business incentive or grant program.

On March 20, 2024 the Board of Commissioners were briefed on the proposed Workforce and Business Development Grant Proposals. The Board instructed staff to separate out the two grant programs, and to proceed with presenting the Workforce Development Grant for \$100,000, which was approved by the Board on April 9th, 2024. The Board also instructed staff to bring back the Business Development Grant proposal at a future Policy Session to further consider it and provide financial data that reflects the OED's Budget/Revenue/Expenses, Board approved non-competitive grants and Membership/dues for current FY23/24, as well as anticipated program spending for FY 24/25.

Businesses in Clackamas County report wanting access to tools to support business retention, expansion, growth and workforce development – tools that are the bedrock to 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 Business Development Grant, a Board approved competitive grant program, is a mechanism for Clackamas County to invest in local businesses to ensure their ongoing success in the county. The grant program would be targeted to provide funding to various sized, existing traded sector businesses looking to relocate or expand their operations in Clackamas County (see Attachment A).

As requested, staff has provided fiscal data (See Attachment B) that reflects:

- OED Budget/Revenue/Expense
- Membership and Dues
- Board Non-Competitive Grants Approved
- Non-Competitive and Competitive Grant (Proposed)

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES

NO

What is the cost? Up to \$600,000 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 Business Development Grant Program Proposal

Attachment B: OED Fiscal Data

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval: *Dan Johnson*

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Laura Edmonds @ 503-742-4366.
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**Clackamas County Office of Economic Development (OED)
Business Development Grant Program Proposal
April 17, 2024**

Clackamas County Office of Economic Development is pleased to introduce the new 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 provide 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:

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: FY 24/25 \$600,000. 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

Who is eligible for Business Development funding?

- Traded sector industries, already established, 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

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

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))

- 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, development and retention
 - 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
 - Must be an established business, existing for at least 2 years

Details for consideration of awards:

- Competitive grants available to established 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

