

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: December 11, 2024 **Approx. Start Time:** 10:30am **Approx. Length:** 60 mins

Presentation Title: Business Development Grant Award Recommendations

Department: Transportation and Development

Presenters: Dan Johnson, Director of Transportation and Development; Laura Edmonds, Manager, Office of Economic Development

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Board review and approval of Business Development Grant Awards.

EXECUTIVE SUMMARY:

The Board directed the Office of Economic Development (OED) in April of 2024 to develop a Business Development Grant Awards program in the amount of \$600,000 to invest in local businesses to ensure their ongoing success in the County. The grant program provides funding to existing traded sector businesses of various sizes to relocate to or expand operations in Clackamas County. As directed by the Board, this is a competitive grant program developed by staff with final Board approval of all potential awards.

Through a public application process, OED received 34 total applications. 17 applications met the staff-determined eligibility criteria. These 17 applications had a total funding request of \$1,153,154.50.

Eligibility Criteria:

- Traded Sector
- Located in or Relocating to Clackamas County
- Project Types: Capital Purchase or Workforce Development
- Match Requirements: 100% or More
- Active Registration with Secretary of State
- Established 2 or More Years Ago
- Must Remain in the County for 2 years after Funding Awarded

Staff from OED, Oregon's Mt. Hood Territory and Water Environment Services formed a Review & Recommendation Committee (R&RC) to review eligible applicants and determine funding recommendations.

Of the 17 applicants that met the eligibility criteria, the R&RC recommends 11 recipients (Attachment A) for Board approval. Of the 11 recommended recipients, 10 currently operate within the County (2 of which will relocate manufacturing processes to the County) and 1 recipient will fully relocate their business to the County.

Upon Board approval, staff will initiate the development of Funding Agreements with each grant recipient and advance Funding Agreements to the Board for approval. Staff aim to have all grant awards fully allocated to recipients by April of 2025.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$600,000

What is the funding source? Oregon Lottery Funds /
No County General Funds involved

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?
On 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?
 1. “Grow a Vibrant Economy”

LEGAL/POLICY REQUIREMENTS:

Oregon Revised Statute (ORS) 461.540 stipulates these funds are to be utilized for the following public purposes:

- A. Creating jobs;
- B. Furthering economic development in Oregon; or
- C. Financing public education.

“Furthering economic development” includes, but is not limited to, providing:

- 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, as defined in ORS 285B.410 (definitions for ORS 285B.410 to 285B.482) that benefit Oregon’s economy.

PUBLIC/GOVERNMENTAL PARTICIPATION:

The R&RC is comprised of staff from OED, Oregon’s Mt. Hood Territory and Water Environment Services.

OPTIONS:

Option #1: Approve Grant Recommendations as listed in Attachment A and direct staff to create Funding Agreements for Final Board Approval.

Option #2: Modify Grant Recommendations as listed in Attachment A, with Board recommended changes, and direct staff to create Funding Agreements for Final Board Approval.

Option #3: Do not advance the grant program at this time.

RECOMMENDATION:

Staff respectfully recommends Option #1: Approve Grant Recommendations as listed in Attachment A and direct staff to create Funding Agreements for Final Board Approval.

ATTACHMENTS:

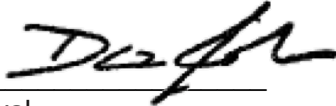
Attachment A: Recommended Grant Award Recipients

Attachment B: Summary of All Applicants

Attachment C: Lottery Investment Report FY 24-25

Attachment D: Roster of Review & Recommendation Committee (R&RC)

SUBMITTED BY:

Division Director/Head Approval 

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Laura Edmonds 503-742-4366

Recommended Grant Award Recipients

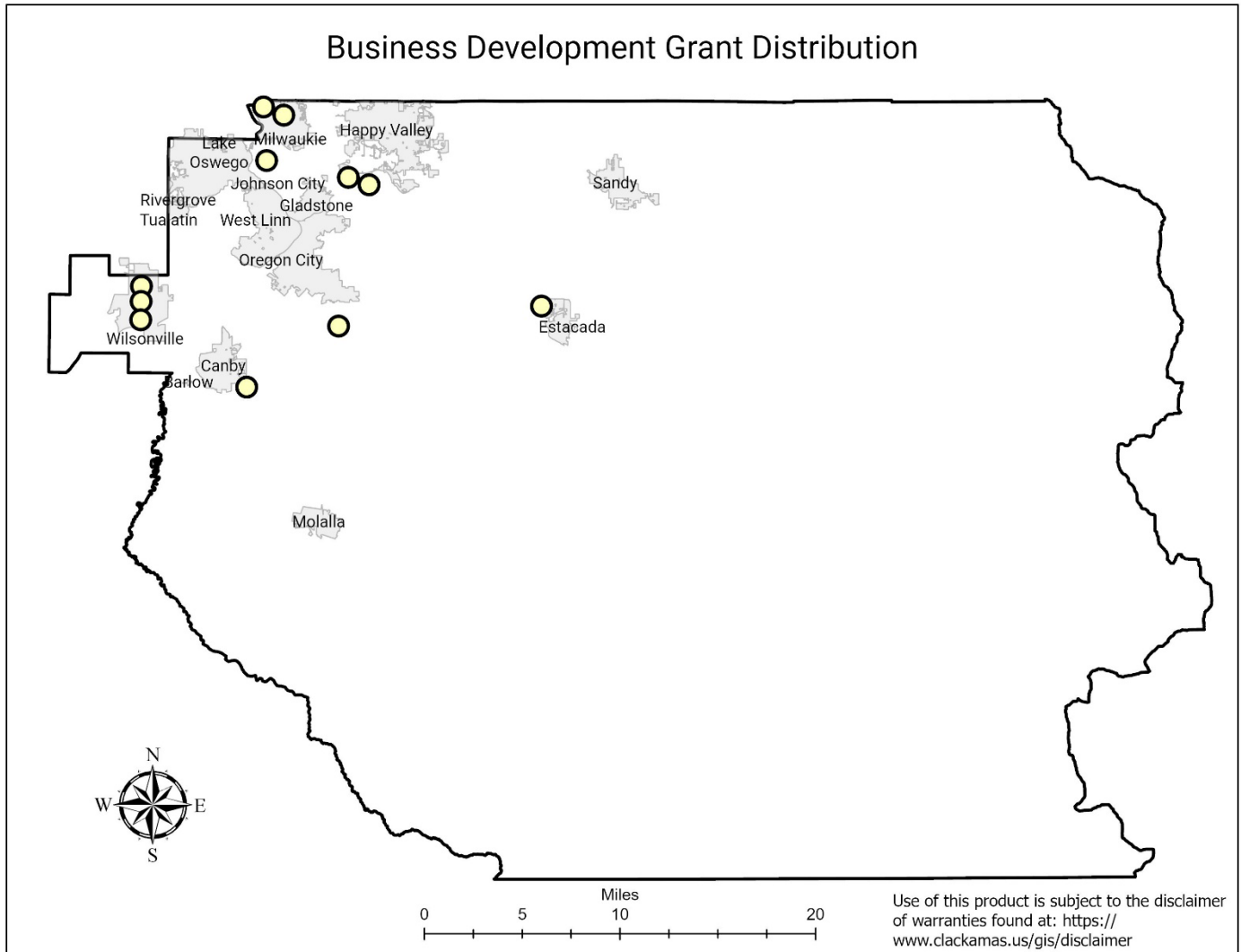
OED Business Development Grant Program 2024

ATTACHMENT A

Summary of Grant Recommendations

Business Name	Recommended Funding Amount
Stumptown Coffee Corp	\$ 100,000
GrowLife Inc DBA Bridgetown Mushrooms	\$ 90,000
Overland Van Project	\$ 75,000
Zenner's Quality Meat Products Inc	\$ 62,000
Cranston Machinery Co Inc	\$ 51,000
Allied Technologies International Inc	\$ 50,000
Trails End Spirits LLC	\$ 50,000
QB Fabrication & Welding Inc	\$ 50,000
Miles Fiberglass & Composites Inc	\$ 26,000
Locke Building Supply LLC	\$ 26,000
Photo Solutions Inc	\$ 20,000
TOTAL	\$ 600,000

Summary of Grant Recommendations: Project Locations



Locations within city jurisdictions:

- *Milwaukie (2 projects)*
- *Wilsonville (3 projects)*
- *Estacada (1 project)*

Locations within unincorporated county:

- *Canby (1 project)*
- *Oak Grove (1 project)*
- *Oregon City (1 project)*
- *Clackamas (2 projects)*

Summary of Grant Recommendations: Industries

Based on the data received in the Office of Economic Development’s 2023 Economic Landscape Analysis (ELA), there are five top private **anchor industry clusters** in Clackamas County that provide over 45,000 jobs and revenue of approximately \$6.13 billion for the local economy. The supply chains for these sectors support an additional 36,000 jobs and \$3.53 billion in revenue.

These industries include Advanced Manufacturing, Food Systems, Logistics, Healthcare, and High Tech.

Recommended Grantees Within Anchor Industry Clusters

Advanced Manufacturing	Food Systems
Cranston Machinery	Stumptown
Allied Technologies International*	GrowLife (Bridgetown Mushrooms)
QB Fabrication & Welding	Zenner’s Quality Meat Products
Miles Fiberglass & Composites	Trails End Spirits
Photo Solutions*	

*Companies that also produce inputs to the **High-Tech** industry cluster

Stumptown Coffee Corp

Project Location: 9151 SE McBrod Ave, Milwaukie, 97222

Capital Project

Funding Request: \$100,000

Funding Recommendation: \$100,000

Company Profile

Stumptown Coffee Roasters was founded in Portland, Oregon in 1999 and is a Northwest based brand producing roasted bagged whole bean and ground coffee and canned and bottled cold brew coffee for grocery stores, wholesalers, ecommerce and for the 9 retail stores owned throughout the U.S.

Project Summary

- Relocate cold brew extraction, canning and bottling operations from SE Portland to Milwaukie
- Capital need to upgrade current warehouse & distribution center to include manufacturing facility and support expanded operations
- Relocate existing and purchase new extraction equipment, brewing tanks, storage tanks, and packaging equipment to support cold brew manufacturing
- Build cooler in the warehouse bringing cold chain warehousing and distribution of cold brew coffee finished goods in-house
- Bring on additional packaging formats which will increase Stumptown presence in the market

Anticipated Impact

- Relocation of production operations into Clackamas County
- Increase tax base: property improvements, business personal property acquisitions
- Move 7 existing jobs into Clackamas County
- Create 6 new jobs in Clackamas County
- Business expansion anticipated to increase cold brew production capacity by 200%
- Environmental sustainability improvements

GrowLife Inc (Bridgetown Mushrooms)

Project Location: 24700 S Mulino Rd, Canby, 97013

Capital Project

Funding Request: \$99,016

Funding Recommendation: \$90,000

Company Profile

Founded in 2018 in Tigard, Oregon, Bridgetown Mushrooms is a USDA Organic mushroom farm that cultivates fresh specialty mushrooms for distribution throughout the West Coast. Bridgetown has experienced exponential demand, having starting cultivation in a single 100 sq ft grow chamber and expanded current operations across three 700 sq ft warehouse spaces (totaling 2,100 sq ft). Increasing demand has exceeded the Company's spatial capacity for over a year.

Project Summary

- Relocate from Washington County to a 22,000 square foot facility in unincorporated Canby (10x current operation square footage)
- Grant funding will help support relocating and expanding into new facility with capital investments including automated equipment, HVAC and humidification systems, rolling racks, and refrigerated vehicle
- Expansion based on demand – current West Coast distributor and exclusive partnerships with Whole Foods and Sprouts are set to expand once operating in Canby

Anticipated Impact

- Full relocation of business into Clackamas County
- Expected annual revenue at new facility of \$10 million
- Increase tax base: property improvements, business personal property acquisitions
- Move existing jobs into Clackamas County
- Create 8 new jobs in Clackamas County
- Business expansion with estimated 800% increase in weekly output over current production
- Environmental sustainability improvements
- Future tourism

Overland Van Project

Project Location: 2511 SE Mailwell Dr, Milwaukie, 97222

Workforce Development Project

Funding Request: \$75,310

Funding Recommendation: \$75,000

Company Profile

Overland Van Project is a bespoke camper van builder based in Milwaukie. They produce both fully custom and semi-custom layouts.

Project Summary

- Bring in house metal work currently being outsourced to Hillsboro
- Hire 2 employees: a welder and a break press fabricator and assembler at \$65K to \$80k per year

Anticipated Impact

- Increase tax base: business personal property acquisitions
- Move currently outsourced production into Clackamas County
- Create 2 high wage jobs in Clackamas County
- Business expansion
- Utilize local supply chain: powder coating

Zenner's Quality Meat Products Inc

Project Location: 28220 SW Boberg Rd, Wilsonville, 97070

Capital Project

Funding Request: \$62,340

Funding Recommendation: \$62,000

Company Profile

Founded in 1927, Zenner's Quality Meat Products is a sausage company currently operating out of Multnomah County. Their products are distributed across stores in Oregon and Washington. In 2023, the company acquired a new location in Wilsonville and has spent 2024 making significant improvements to that facility (electrical, cooling, steam improvements).

Project Summary

- Fully transition cooked product manufacturing from Multnomah County into Clackamas County
- Grant supports investment in a 3rd commercial smokehouse at Wilsonville facility

Anticipated Impact

- Full relocation of manufacturing operation into Clackamas County
- Increase tax base: property improvements, business personal property acquisitions
- Move existing jobs into Clackamas County
- Business expansion: increase production capacity for cooked products by 42%
- Environmental sustainability improvements

Cranston Machinery Co Inc

Project Location: 2251 SE Oak Grove Blvd, Oak Grove, 97267

Capital Project

Funding Request: \$51,450

Funding Recommendation: \$51,000

Company Profile

Established in 1919, Cranston manufactures patented machinery and equipment for the pulp and paper industry.

Project Summary

- Acquisition and installation of a new laser-enabled plasma cutting machine to replace failing equipment and upgrade capabilities
- Support family wage jobs by training and employing skilled laborers to operate and program new machine
- Allow company to recover outsourced work being performed in Multnomah County back into Clackamas County

Anticipated Impact

- Increase tax base: business personal property acquisitions
- Move currently outsourced production into Clackamas County
- Enhance production capacity, capabilities and improve efficiencies
- Allows company to compete better in the global market
- Business expansion
- Workforce retention

Allied Technologies International Inc

Project Location: 27120 SW 95th Ave, Suite 3280, Wilsonville, 97070

Capital Project

Funding Request: \$75,000

Funding Recommendation: \$50,000

Company Profile

Allied Technologies is one of the less than 2% of the global manufacturing companies that are triple certified to make components for Aerospace (AS9100D Certified), Orthopedic Implants (ISO 13485 Certified, US FDA Registered) and General Industries including Semiconductors (ISO 9001 Certified). The company is experiencing double-digit growth and increasing demand for new products from existing customers in the space satellite industry.

Project Summary

- Project will add new capabilities on CNC Milling, Electric Discharge Machining and expand the company's CNC Swiss Turning

Anticipated Impact

- Added manufacturing capabilities with new component prototyping and manufacturing processes will retain and expand customer base
- Increase tax base: business personal property acquisitions
- Business expansion and retention
- Production improvements could lead to additional hiring

Trails End Spirits LLC

Project Location: 21553 S HWY 213 Oregon City, 97045

Capital Project

Funding Request: \$100,000

Funding Recommendation: \$50,000

Company Profile

Trail Distilling is a certified farm distillery producing premium spirits. Trail Distilling is the only vertically integrated distillery in the Portland metro area with a co-located farm. The business is Veteran and Woman owned.

Project Summary

- Grant will help to cover installation of Vendome continuous column still for whiskey production, acquisition of necessary vessels, and system integration for operational capability
- Expansion of on-site barrel storage to meet growing demand of product

Anticipated Impact

- Increase tax base: property improvements, business personal property acquisitions
- Increased production capacity
- Production expansion will create new jobs in Clackamas County
- By using locally grown grains and maintaining a vertically integrated production process, promote local, sustainable agricultural practices
- Business expansion and increased sales
- Environmental sustainability improvements
- Projected increase in tourism by 25%

QB Fabrication & Welding Inc

Project Location: 16225 SE 106th Ave, Clackamas, 97015

Capital Project

Funding Request: \$100,000

Funding Recommendation: \$50,000

Company Profile

QB Fabrication & Welding Inc. is a metal manufacturing company that specializes in Transmission towers, substations, and distribution products for the utility industry. Currently, QB Fabrication & Welding is the only metal fabricator in the Northwest that manufactures steel lattice towers from 115kV to 500 kV and provides other custom utility products for Federal, State, Local, and Prime Contractors. Demand is outpacing the company's current production capacity.

Project Summary

- Funding will help company purchase a new Anglemaster machine to help increase production and automate processing of raw materials
- Business expansion will lead to two new quality paying jobs (CNC machine operator and facility manager)

Anticipated Impact

- Increase tax base: business personal property acquisitions
- Increased production capacity, decreased lead time (including during outages and emergency power restorations)
- Production expansion will create new jobs in Clackamas County
- Business expansion and maintain leadership in industry

Miles Fiberglass & Composites Inc

Project Location: 11401 SE Jennifer St, Clackamas, 97015

Capital Project

Funding Request: \$82,290

Funding Recommendation: \$26,000

Company Profile

For over 60 years, Miles Fiberglass has been dedicated to the production and manufacturing of high-quality composite products. The business is Family and Woman owned.

Project Summary

- Grant will support updated Enterprise Resource Planning (ERP) system to enhance efficiency in bidding, scheduling, and production

Anticipated Impact

- ERP system will modernize company's processes to stay competitive and increase market share
- Expand production capabilities
- Enhance operational efficiencies allowing company to complete jobs more cost-effectively
- Scale operations to capture new market opportunities
- Workforce retention and new job opportunities
- Environmental sustainability improvements

Locke Building Supply LLC

Project Location: 1105 NW Noble Dr, Estacada, 97023

Capital Project

Funding Request: \$100,000

Funding Recommendation: \$26,000

Company Profile

Locke Building Supply is a rapidly growing manufacturer of prefabricated building kits. They are a supplier for Home Depot, with distribution to stores across Oregon and Washington. Increasing demand has led to a 90% increase in sales over the last year.

Project Summary

- Funding will support purchase of a new delivery truck, with needed after-market accessories and equipment to efficiently deliver building packages to the entire region
- Acquisition of specialty truck will enable expansion into Idaho

Anticipated Impact

- Increase tax base: business personal property acquisition
- Business expansion / Idaho
- Utilize local supply chain: lumber, building components
- Environmental sustainability improvements

Photo Solutions Inc

Project Location: 9025 SW Hillman Court, Wilsonville, 97070

Workforce Development Project

Funding Request: \$67,200

Funding Recommendation: \$20,000

Company Profile

For the last 30 years, Photo Solutions has been manufacturing and designing precision and custom optoelectronic components, photonic engineering and cutting-edge encoder technology world-wide. The company specializes in the production of precision optical encoder discs, scales, and reticles, serving a diverse range of industries, including advanced manufacturing and microfluidics.

Project Summary

- Seeking funding to expand workforce by 4 highly trained & skilled jobs to support key infrastructure upgrades
- New hires will be essential to scaling production capabilities, particularly as company expands capacity to meet increasing customer demand

Anticipated Impact

- Create 4 new jobs in Clackamas County; estimated \$20 per hour
- Improved quality assurance, decreased waste
- New hires will manage addition of equipment that will increase production, improve output, and reduce lead times for customers
- Business retention and expansion

Applicant Information

OED Business Development Grant Program 2024

ATTACHMENT B

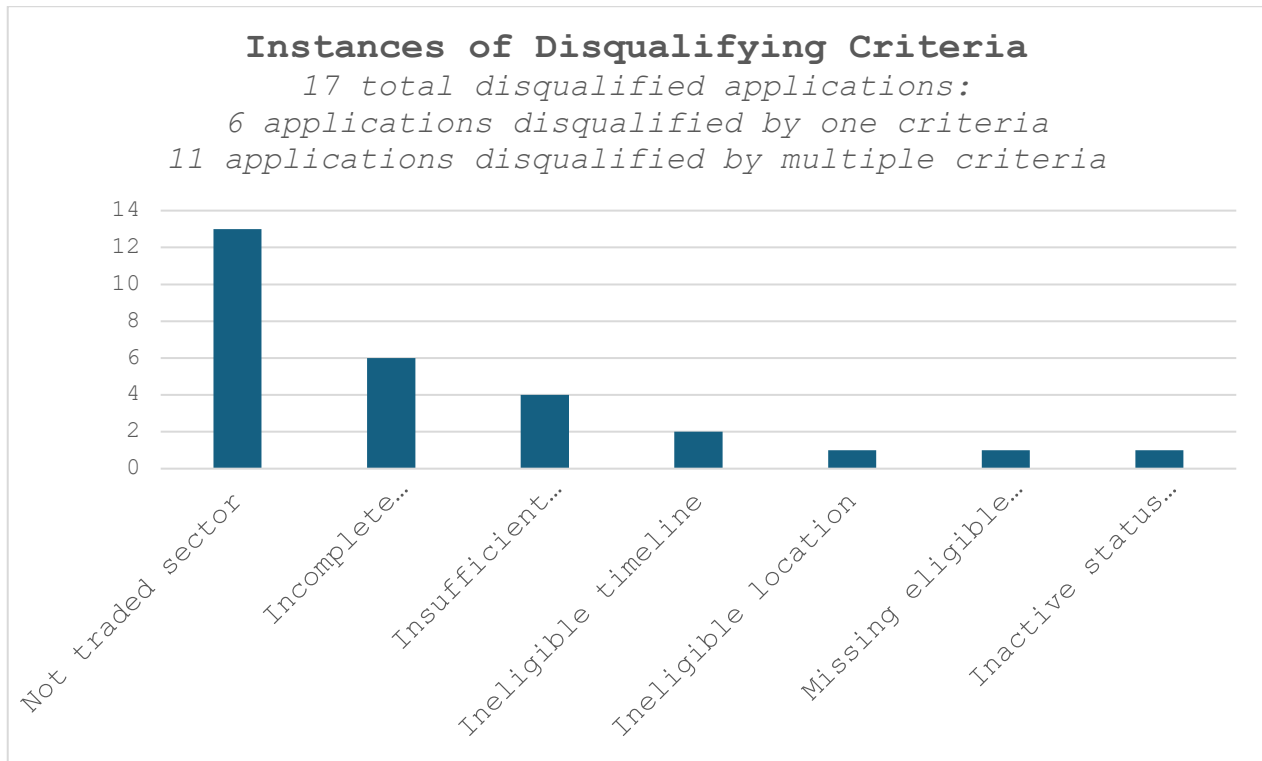
List of all program applicants

Business Name	Funding Request	Recommendation
4Group Restoration LLC	\$ 5,000.00	--
Alimenti Event Services, LLC	\$ 13,500.00	--
Allied Technologies International, Inc	\$ 75,000.00	\$ 50,000.00
Art of Storytelling	\$ 6,123.50	--
BASHA PRODUCTS LLC	\$ 20,500.00	--
Bee's Knees Industries LLC	\$ 6,500.00	--
Carver Event Center Partners, LLC	\$ 30,000.00	--
Cranston Machinery Co., Inc.	\$ 51,450.00	\$ 51,000.00
Elkhorn Construction LLC	\$ 100,000.00	--
Emily, LLC	\$ 19,525.00	--
GrowLife Inc DBA Bridgetown Mushrooms	\$ 99,016.00	\$ 90,000.00
Hilltop View Inc	\$ 22,000.00	--
IVON, LLC	\$ 45,692.89	--
Liberty Natural Products Inc	\$ 62,400.00	--
Lincotek	\$ 100,000.00	--
Locke Building Supply LLC	\$ 100,000.00	\$ 26,000.00
LondonDRN, PC	\$ 100,000.00	--

Key
Recommended for funding
Not recommended by committee
Disqualified application

Lundberg Yoga and Wellness, LLC	\$ 100,000.00	--
Miles Fiberglass & Composites, Inc.	\$ 82,290.00	\$ 26,000.00
OG Birrieria	\$ 99,950.00	--
Overland Van Project	\$ 75,310.00	\$ 75,000.00
PACIFIC FIBRE PRODUCTS, INC	\$ 50,000.00	--
Photo Solutions, Inc	\$ 67,200.00	\$ 20,000.00
QB Fabrication & Welding inc.	\$ 100,000.00	\$ 50,000.00
Simply Cy Solutions LLC	\$ 5,238.00	--
Solid Serve Legal LLC	\$ 7,625.00	--
Stumptown Coffee Corp	\$ 100,000.00	\$ 100,000.00
Susie Q Tea, LLC	\$ 31,000.00	--
THENTIC, LLC	\$ 90,000.00	--
Trails End Spirits, LLC	\$ 100,000.00	\$ 50,000.00
Union Holistic Health	\$ 5,287.00	--
Viab LLC	\$ 13,500.00	--
Wyeast Gardens, LLC	\$ 96,000.00	--
Zenner's Quality Meat Products, Inc.	\$ 62,340.00	\$ 62,000.00
TOTAL	\$ 1,942,447.39	\$ 600,000.00

Disqualified Applications



Board of County Commissioners				Attachment C pg 1 of 2
Membership Dues and Economic Development Awards Program				
Approved FY 24/25				
Economic Development Awards	How often	Funding Amount	Last Date Approved	Last Date Funded
Clackamas Community College Workforce Development	Board Approved NEW FY24/25	\$100,000.00	April 9,2024	October 2,2024
*Willamette Falls Locks Authority (WFLA)	Board Approved FY 23/24 to FY 25/26	\$40,000.00	April 9, 2024	August 28, 2024
Clackamas County Historical Society (MOOT)	Board Approved FY24/25	\$100,000.00	June 26, 2024	October 21, 2024
Clackamas County Arts Alliance	Board Approved FY24/25	\$110,000.00	June 26, 2024	October 21, 2024
**Business Development Grants	Board Approved NEW FY24/25	\$600,000.00	April 17, 2024	Awaiting Approval to Fund
	Starting Balance:	\$1,000,000.00		
	ED Awards Total:	\$950,000.00		
	***Membership Dues Total:	\$39,262.00		
	Remaining Balance FY 24/25:	\$10,738.00		
* WFLA is a 3 year agreement at \$40,000 per year ending FY25/26				
** Business Development Grants - formal approval of recommendations scheduled for December 11, 2024				
*** Membership dues (page 2)				

MEMBERSHIP DUES

Attachment C pg 2 of 2

Organization	Frequency	Cost	Last Date Funded	Notes:
Greater Portland Inc (GPI)	Annually	\$12,000.00	07/15/24	Approved by the BCC on June 26, 2024
Clackamas County Business Alliance (CCBA)	Annually	\$10,000.00	07/15/24	Approved by the BCC on June 26, 2024
Westside Economic Alliance (WEA)	Annually	\$8,650.00	01/23/24	Approved by the BCC on June 26, 2024
Oegon City Business Alliance (OCBA)	Annually	\$750.00	01/22/24	Approved by the BCC on June 26, 2024
Canby Area Chamber of Commerce	Annually*	\$1,315.00	12/5/2023	Approved by the BCC on June 26, 2024
Lake Oswego Chamber of Commerce	Annually*	\$350.00	5/8/2024	Approved by the BCC on June 26, 2024
West Linn Chamber of Commerce	Annually*	\$600.00	6/5/2024	Approved by the BCC on June 26, 2024
Sandy Area Chamber of Commerce	Annually*	\$590.00	11/20/2024	Approved by the BCC on June 26, 2024
Oregon City Chamber of Commerce	Annually*	\$945.00	6/12/2024	Approved by the BCC on June 26, 2024
North Clackamas Chamber of Commerce	Annually*	\$1,210.00	4/17/2024	Approved by the BCC on June 26, 2024
Wilsonville Chamber of Commerce	Annually*	\$1,200.00	10/10/2024	Approved by the BCC on June 26, 2024
Molalla Area Chamber of Commerce	Annually*	\$582.00	10/28/2024	Approved by the BCC on June 26, 2024
Tualatin Chamber of Commerce	Annually*	\$950.00	6/26/2024	Approved by the BCC on June 26, 2024
Estacada Chamber of Commerce	Annually*	\$120.00	4/16/2024	Approved by the BCC on June 26, 2024
		\$39,262.00		
(Chamber dues are not all due at the same time. Dues are based on a calendar year renewals and are paid out in a lump sum upon the renewal date.)				

Review & Recommendation Committee Roster

CC OED Business Development Grant Program 2024

ATTACHMENT D

The 2024 R&RC consisted of the following County staff members:

1. Jim Austin | Oregon's Mt. Hood Territory
2. Alexa Morris | Water Environment Services
3. Laura Edmonds | Office of Economic Development
4. Cindy Moore | Office of Economic Development
5. Corina Copeland | Office of Economic Development
6. Steve Perkins | Office of Economic Development
7. Julia McCotter | Office of Economic Development