



Legislation Text

File #: 16-324, **Version:** 1

Economic Development Incentive Program (EDIP) Award to Orchid Orthopedic Solutions Oregon, Inc.

RECOMMENDED ACTION (Motion):

Staff recommends that the City Commission consider the approval of an Economic Development Improvement Program grant award of \$75,000 to Orchid Orthopedic Solutions Oregon, Inc. for business expansion.

BACKGROUND:

The Economic Development Improvement Program was established in January, 2016 as a City-wide economic development tool. The EDIP provides incentive as industrial/traded-sector financing grants for qualifying businesses within Economic Target Areas (ETA). The EDIP consists of grant funds in the amount of \$75,000 that are awarded to projects that can demonstrate a minimum of a 50% financial match, that have a substantial positive economic impact on the local economy and are capable of creating new living-wage jobs.

The EDIP is intended to financially assist with the construction of new capital or expansion projects. Qualifying projects are those that are deemed desirable to the City and identified as potentially having a significant positive impact on the local economy. Significant development hardships relating to a particular project/development must be demonstrated through the application process before a project may become eligible for funding.

Orchid Orthopedic Solutions Oregon, Inc., an Oregon City company since 1972, has submitted an EDIP grant application requesting \$75,000 for assistance with an expansion project. The total budget for the project is \$185,000 and the request exceeds the 1:1 minimum match requirement. The project includes production space reclamation in the existing facility and the purchase of new laser equipment. This project will help Orchid Orthopedic increase production output and efficiencies resulting in the creation of 20+ living-wage jobs. Limitations on the access to necessary capital due to the rapid pace of the company's growth and increasing demand is stated in the application as the need for financial assistance.

BUDGET IMPACT:

Amount: \$75,000

FY(s): 15/17

Funding Source: General Fund