

Guidelines

The Gresham Redevelopment Commission (GRDC) provides New Industries grants to attract new industrial investment and create quality jobs in the Rockwood-West Gresham Urban Renewal Area (URA).

Eligibility

This grant is intended to support manufacturing, high-technology, or similar industrial and light-industrial projects locating or expanding in the URA. Funding is not available for commercial services, retail, or wholesale projects. A minimum of \$500,000 in new capital investment is required. Eligible improvements include new construction, machinery and equipment, and major renovation and tenant improvements that increase the assessed value of the property. Purchase of land, existing buildings and assets, and other expenses that do not contribute to the assessed value of the property are excluded. Expenses incurred before the date of application for the Grant are also excluded.

Funding Assistance

The maximum New Industries grant award is calculated based on the twice the estimated tax revenue to be generated by the project (including machinery and equipment) in the first year on the tax rolls. The maximum grant award is \$1 million.

Grant Calculation:

Total Eligible Capital Investment → Estimated New Taxable Assessed Value →
Estimated New Tax Revenue (in first year)

Maximum Grant = Estimated New Tax Revenue x 2

The estimated value of eligible capital investments is based on information submitted in the Grantee's application.

Grant Formula Example:

Total Eligible Capital Investment → \$25 million investment in new construction & equipment
Estimated New Taxable Assessed Value → \$25 million*
Estimated New Tax Revenue (in first year) → \$412,500
Maximum Grant = Estimated New Tax Revenue x 2 → \$825,000

* Note: projects expected to be classified by the County Assessor as commercial, rather than industrial, will be assessed at a lower rate and generate less tax revenue.

Application Process

1. Application: Applications may be submitted at any time. Grants are awarded on a first-come, first-served basis. Eligible work completed after the date the Application is received may be counted toward the grant formula, if the Grant is approved.

2. Pre-Approval Letter: Accepted applicants receive a Pre-Approval Letter. This letter will note all requirements that must be met prior to grant funds being committed to the project. A Pre-Approval Letter does not guarantee grant approval by the GRDC.
3. GRDC Approval: The GRDC reviews all applications and has the sole authority to approve a grant award and to determine the maximum Grant award based on proposed eligible improvements.
4. Letter of Commitment: A Letter of Commitment is issued once the GRDC approves the grant request, and signed by the GRDC and the Grantee. The Letter of Commitment outlines additional terms and conditions of the grant, and serves as the legal commitment of both parties as to the scope of work, eligible improvements proposed and the amount of funds committed.
5. Completion of the Work: Grantee completes the project as outlined in the Letter of Commitment. The Grantee is responsible for hiring qualified professionals to carry out the grant-funded work. All construction contracts are between the Grantee and the contractor(s). Grantees are responsible for obtaining necessary regulatory approvals, including City of Gresham building and development permits. All work must comply with city, state, and federal regulations.
6. Disbursement of Grant Funds: The actual schedule of grant payments for each grant is detailed in the Letter of Commitment. The general process for grants payments is as follows:

First Payment: Up to \$100,000 will be disbursed to Grantee upon completion of improvements as partial reimbursement for eligible capital improvements. Grantee must submit to the GRDC detailed invoices and proof of payment to be eligible for reimbursement.

Additional/Final Payments: Payments beyond the first \$100,000 (if applicable) will be disbursed to Grantee once annual property taxes are paid for the first Tax Year in which the new improvements are assessed (excluding any year in which the improvements receive a Construction Exemption), and upon verification that the actual Assessed Value due to the new improvements equals or exceeds the GRDC's estimate. For very large grants, the GRDC may pay out additional funds beyond the first \$100,000 over up to five years in multiple annual payments, based on funding availability. The total of all disbursements will not exceed the maximum grant amount awarded by the GRDC.

Assessed Value "Look-Back": For grants over \$100,000, grant payments beyond the initial \$100,000 will be made after the GRDC confirms the Assessed Value of new improvements.

Large Grant Disbursement Example (\$825,000 grant):

First Payment, upon project completion:	\$ 100,000
First Year new value appears on rolls	\$ 362,500
<u>Second Year new value appears on rolls</u>	<u>\$ 362,500</u>
Total Grant Award	\$ 825,000

General Conditions

- Funding will be awarded as a grant, contingent upon an agreement to maintain the project-related capital investments for a period of two years. The agreement will allow for recapture of grant funds if the agreed upon public benefits are not substantively maintained. If the Assessed Value of new improvements is less than forecast, the final grant payment will be reduced accordingly. In the event of rapid depreciation of machinery and equipment, the grant payments after the initial payment will be adjusted to reflect actual contribution to Assessed Value.
- Because the GRDC tracks job creation assisted by the Grant, Grantees are required to report on new jobs created by the project at project completion.

- Grants approved by the GRDC may not be assigned or transferred without prior written approval from the GRDC.
- The GRDC will withhold payment of Grant funds until any delinquent property taxes, liens or outstanding City code violations connected with the project property are resolved.
- All projects will display signage promoting the GRDC grant assistance for the improvements. The sign will be supplied by the GRDC.
- Grantees agrees to allow the GRDC to publicize the completed project on the City web site and other GRDC materials.
- The GRDC and the GRDC Executive Director reserve the right to consider exceptions to the grant policies and guidelines on a case-by-case basis at their discretion.
- Since funds are limited, the GRDC may consider other factors when reviewing a potential grant award, including:
 - a. Relationship to the local economy such as local ownership, local employee base, and use of local services and suppliers
 - b. Ability to leverage additional quality development in the URA
 - c. Industry or sector targeted by the GRDC or City of Gresham
 - d. Workforce development
 - e. Green or sustainable buildings and practices
 - f. Woman or minority-owned enterprise

For more information, please contact Marlene Myers, Economic Development Specialist, by phone at (503) 618-2640 or by email at Marlene.Myers@GreshamOregon.gov.

Guidelines and application forms are available on our website: www.GreshamOregon.gov/UrbanRenewalGrants