



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: June 12, 2024

SUBJECT: Proposed Economic Development Loan Conversion for Cognitive Surplus

BACKGROUND AND POLICY IMPLICATIONS:

The Deschutes County Economic Development Loan Program was initiated to encourage and assist companies seeking to relocate to and/or create new jobs within Deschutes County. To receive a loan, companies must agree to create a specific number of jobs within a defined period, then maintain this level of employment for an additional set period of time.

Cognitive Surplus relocated from Portland to Redmond in January 2021. Cognitive Surplus was approved to participate in the economic development forgivable loan program upon the following conditions:

1. Create at least 13 new full-time positions in Deschutes County between February 5, 2021, and February 5, 2023;
2. Maintain these new positions in Deschutes County for a 12-month period; and
3. Provide wages of an average of \$57,065.56 per year, excluding commissions, per annum.

Redmond Economic Development Inc. (REDI) has acknowledged that in the original briefing paper (February 5, 2021) REDI requested that the wage of new and relocated employees considered in the loan program average \$57,065.56. REDI has submitted that the average annual wage in Deschutes County is \$47,595 and the forgivable loan program has traditionally required participating companies to meet or exceed the County average wage. Cognitive Surplus provided an average wage of \$49,092 for new and relocated employees as part of the forgivable loan program. REDI is requesting consideration of amending the original contract to change the average annual wage from \$57,067.53 to \$49,092 to meet all requirements of the forgivable loan program.

OPTIONS FOR BOARD CONSIDERATION:

1. Approve an amendment to contract 2021-288 to change the average annual wage from \$57,067.53 to \$49,092 and authorize County Administrator to convert a \$26,000 economic development forgivable loan made to Cognitive Surplus into a

grant.

2. Direct staff to prepare a loan repayment agreement.

BUDGET IMPACTS:

If the Board directs staff to prepare a loan repayment agreement, the associated revenue would be allocated in the Economic Development Fund (050).

ATTENDANCE:

Jen Patterson, Deschutes County, Strategic Initiatives Manager

Steve Curley, REDI Director

Karl (no last name provided), General Manager, Cognitive Surplus