

RESOLUTION NO. 2603

WHEREAS, Automotive Parts Exchange, Inc., is applying for an Oregon Business Development Fund loan to expand its remanufacturing of auto parts; and

WHEREAS, the project is proposed within the city of Albany and will benefit through the creation of seven new jobs; and

WHEREAS, staff from the Oregon District 4 Council of Governments has recommended approval of the loan.

NOW, THEREFORE, BE IT RESOLVED that the Albany City Council supports the request of Automotive Parts Exchange, Inc., for an Oregon Business Development Fund loan.

DATED THIS 26TH DAY OF FEBRUARY.



Council President

ATTEST:



CITY RECORDER



Economic and Community Development

155 SW Madison • Corvallis, Oregon 97333 • (503) 757-6851

MEMO

DATE: February 11, 1986

TO: Albany City Council

FROM: Debbie Wright

RE: Proposed Oregon Business Development Fund Loan for
Automotive Parts Exchange, Inc.

We have been approached by Automotive Parts Exchange of Albany for assistance in getting an Oregon Business Development Fund loan. We have just submitted the loan application to the State Economic Development Department.

Action requested: Approval of attached resolution of support for an Oregon Business Development Fund Loan to Automotive Parts Exchange.

Background: You may recall that Oregon Business Development Fund Loans are made directly from the State of Oregon Economic Development Department to the business. However, a resolution of support must be passed by the City Council in order for a business to receive one of these loans. The resolution of support does not imply that you have reviewed the credit worthiness of the project, or that you believe that the business is able to repay the loan. The City's only responsibility in passing such a resolution is to assure the State that the City does not have any policy objections to this particular business project.

The Applicant Business: Automotive Parts Parts Exchange has been operating for over five years in the re-manufacturing of auto parts such as alternators, starters, & water pumps.

Project Description: Automotive Parts Exchange proposes to add another product, clutches, to their existing line. By adding another product line, it will enhance their overall program. There is only one other supplier in the four Northwestern states that has this whole program (electrical, water pumps and clutches). The customers that Automotive Parts Exchange is now servicing, that would buy their clutches, are presently buying clutches from Los Angeles, California.

Linn-Benton Sub-District

Benton County:

Adair Village, Corvallis, Monroe, Philomath

Linn County:

Albany, Brownsville, Halsey, Harrisburg, Lebanon, Lyons, Millersburg, Sodaville, Sweet Home, Tangent

Lincoln Sub-District

Depoe Bay, Lincoln City, Newport, Port of Newport, Siletz, Toledo, Waldport, Yachats

The financing requested is for machinery and equipment and inventory to accomodate the new product line. The total project cost is \$90,067. Of this amount, \$44,000 will be financed through a private lending institution, \$36,000 through the Oregon Business Development Fund, and \$10,067 in additional equity from Automotive Parts Exchange.

New jobs: The project will expand employment from its present level of 37 to a total of about 44.

Recommendation: The District 4 COG's staff recommends approval of the resolution.

eda/ape.memo