

Oklahoma Innovation Expansion Program (OIEP)

2023-2024



OKLAHOMA
Commerce



OIEP Program



Monthly Cash Payments to help Oklahoma companies:

- Lower the cost of a capital project
- Improve return on investment by speeding up the completion date
- Increase the size/capacity of a planned expansion
- Enhance the ability to finance a project
- Improve employee retention and recruitment

- Program jointly administered by the *Oklahoma Department of Commerce, Oklahoma Development Finance Authority, Oklahoma Tax Commission and the Oklahoma Manufacturing Alliance*. More details and online application can be found at <https://www.okcommerce.gov/oiep/>

OIEP Eligibility



- Minimum \$50,000 capital investment in facility located in Oklahoma
- Minimum payroll of at least \$625,000 per year
- Must be a “for-profit” business entity
- Projects must be innovative, shorten or strengthen the supply chain for the product being manufactured, or it must be a project designed to target new markets
- No double dipping in Oklahoma Quality Jobs Act Programs or Investment Tax Credits while in the program
- No funds spent toward the new project prior to receiving an award letter from the Oklahoma Department of Commerce
- Businesses selected for participation must spend at least 10% of the project budget by September 29th
- Only projects where the net benefit rate of the project is sufficient to sustain a \$25,000 award or greater can participate
- Business must meet all eligibility requirements and follow all program rules as set forth in the OIEP Rules www.okcommerce.gov/oiep

OIEP Project Examples



Innovative, Supply Chain, or New Markets:

- Expand facility for new CNC machine, production line and new inventory
- Purchase new bagging machine – increase sales to retail stores and individual customers
- Purchase new servers and storage for a data center – creating new capabilities
- Purchase new Multi-Axis CNC lathe – increasing efficiency and opportunity to bid on high demand machined parts
- Purchase automated welding machine – eliminate sending work out of state
- Purchase CNC controlled grinder with robotic material handling – secure a new contract
- Purchase new lathe – decrease cycle times and help recruit new talent

OIEP Participation 2022 (2nd year after Covid Initial Funding Year)



- For the 2022 application period, Commerce received 163 submissions for project funding.
- Of those applications, 122 companies were accepted in the 2022 program which will end Spring 2023.
- 14 companies either withdrew or did not meet the required 10% spend threshold deadline to continue in the program. They did not receive any state funding.
- Of the 108 companies still active in the program (receiving monthly payments), they are generating **\$51.3 million in project investments statewide. \$8.14 million of this total investment is state funded.**

OIEP 2023-2024 Timeline



➤ February – March 2023 - Update & Promote

- Update web page & finalize online application
- Email prior participants & make announcement
- Coordinate efforts to reach companies that have not participated

➤ April 2023 - Online applications open **April 3 – 14, 2023** at <https://www.okcommerce.gov/oiep/>

- Review online submissions

➤ May 2023

- Notify approved participants – Company contracts awarded; Company can begin project investment

➤ June 2023 – May 2024

- Funding Agreement Signed and Collection of OK Employee Withholding Taxes begins
- Commerce ensures 10% company spend – ALL tracking sheets & receipts must be e-mailed **no later than Sept. 29th** otherwise the company will not be able to receive payments or continue in this year's program.
- Once 10% investment approved, ODFA begins making monthly payments
- Company provides tracking spreadsheet quarterly

Questions?

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