



C.L. "Butch" Otter, Governor

Megan Ronk, Director

Economic Advisory Council Meeting

Thursday, September 22, 2016

Idaho Department of Commerce

700 West State Street, Boise – J.R. Williams Building

Members Present Via Phone:

Steve Meyer, *Region I*
John Craner, *Region IV*
Arlen Wittrock, *Region V*
Mark Young, *Region VI*

Members Present:

Mike Reynoldson, *Region III*
Margie Watson, *At-Large*

Members Absent:

Robin Woods, *Region II*

Commerce Staff Present:

Bobbi-Jo Meuleman, *Chief Operating Officer*
Cindy Lee, *Grants and Contracts Manager*
Eric Forsch, *Senior Business Attraction Specialist*
Patrick Watson, *Senior Research Analyst*
Jenny Hemly, *Business Attraction Specialist*
Audra Fink, *Administrative Assistant*

Commerce Staff Present Via Phone:

Megan Ronk, *Director*
Susan Davidson, *Program Manager*

Welcome and Introductions

Chairman Arlen Wittrock called the meeting to order at 2:04 p.m.

Chairman Wittrock welcomed Mike Reynoldson, the newest member representing Region III, and introduced him to the council. Mike is employed by Blue Cross of Idaho as their director of governmental affairs.

Council Vote on Approval of Minutes:

Chairman Wittrock noted that the minutes for the July 28, 2016 Economic Advisory Council (EAC) meeting had been distributed and if there are no corrections he would entertain a motion to approve the minutes as distributed.

Moved by: Margie Watson

Seconded by: Mark Young

All in favor. No discussion.

Motion approved.

Motion to Move to Executive Session

Chairman Wittrock announced the Council will review the details of two applications for refundable tax credit under the Idaho Reimbursement Incentive Act that have been received by the Director and submitted to this Council for review. **The applications contain records and information exempt from public disclosure under Idaho Code §§ 9-340D(6) and 67-4708. Chairman Wittrock entertained a motion under Idaho Code § 67-2345(1)(d) to go into executive session to review the applications.**

Mark Young moved to enter into executive session. Margie Watson seconded.

Roll call vote to move into executive session:

John Craner – Aye
Steve Meyer – Aye
Mike Reynoldson - Aye
Margie Watson – Aye
Arlen Wittrock - Aye
Mark Young - Aye

With over two-thirds majority in favor of moving into executive session, the Council moved into executive session at 2:08 p.m.

Return to Public Session

Chairman Wittrock noted that the Council returned to the public session at 2:52 p.m.

Chairman Wittrock indicated the Council:

1. Reviewed and discussed the applications submitted for refundable tax credits; and
2. Closed the Executive Session after discussions were concluded. The motion to close the Executive Session was made by Margie Watson, seconded by Mike Reynoldson.

Review of Tax Reimbursement Incentive for PROJECT Y-KLEIN

Chairman Wittrock entertained a motion for PROJECT Y-KLEIN.

Motion:

In the matter of the application for PROJECT Y-KLEIN, I move that the Council request additional information from the Director with regard to the following:

- Increased community match based on location of facility
- Relocation plan
- Anything else deemed necessary to strengthen the application

The council will reconvene after the Director and Commerce team believe the application is complete and there is a viable plan to move forward.

The motion was made by Margie Watson, seconded by Mike Reynoldson.

Roll call vote to request additional information regarding the TRI application for PROJECT Y-KLEIN:

John Craner – Aye
Steve Meyer – Aye
Mike Reynoldson - Aye
Margie Watson – Aye
Arlen Wittrock - Aye
Mark Young – Aye

Review of Tax Reimbursement Incentive for PROJECT V-VALLEY

Chairman Wittrock entertained a motion for PROJECT V-VALLEY.

Motion:

In the matter of the application for PROJECT V-VALLEY, I move that the Council approve the application and instruct the Director to enter into an agreement with PROJECT V-VALLEY upon the following terms:

- A post-performance refundable tax credit which represents 10% of new state revenue for 5 years.
- Tax credit certificate issued post-performance upon review and verification by Commerce.
- No less than 20 new jobs, or 60% of the total annual projected new jobs, whichever is greater.
- Average annual wages must equal or exceed the county average wage of \$40,241.
- Company must maintain operations in Idaho for the term of the agreement.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions, including allowance for a maximum two-year construction phase during the term of the agreement, as applicable.

The motion was made by Steve Meyer. No second.

Steve Meyer withdrew the motion.

Motion:

In the matter of the application for PROJECT V-VALLEY, I move that the Council reject the application.

The motion was made by Mark Young, seconded by Margie Watson.

Mark Young withdrew the motion.

Motion:

In the matter of the application for PROJECT V-VALLEY, I move that the Council request additional information from the Director with regard to the following:

- Stronger community match
- Analysis of local competitors
- Anything else deemed necessary to strengthen the application

The motion was made by Mark Young, seconded by Margie Watson.

The council will reconvene after the Director and Commerce team believe the application is complete and there is a viable plan to move forward.

Roll call vote to request additional information regarding the TRI application for PROJECT V-VALLEY:

John Craner – Aye

Steve Meyer – Aye
Mike Reynoldson - Aye
Margie Watson – Aye
Arlen Wittrock - Aye
Mark Young - Aye

Final Thoughts

The next Economic Advisory Council meeting will be held in Boise on October 27.

The meeting in October will cover the following topics: legislative updates, Community Development Block Grants (CDBG) and their potential role in providing broadband to Idaho's rural communities, and a discussion concerning Tax Reimbursement Incentives (TRI) and competing companies within Idaho.

Commerce submitted proposed TRI legislation and it remains to be seen whether or not the legislation will move forward.

The lawsuit is continuing as Commerce's motion to dismiss was appealed. The case will go to the Idaho Supreme Court and will be heard in 2017.

Motion:

Margie Watson moved to close the meeting. Steve Meyer seconded.

All ayes – motion approved.

Chairman Wittrock adjourned the meeting at 3:12 p.m.