



C.L. "Butch" Otter, Governor

Jeffery Sayer, Director

Economic Advisory Council Meeting
Thursday, September 24, 2015
Idaho Department of Commerce
700 W. State Street, Boise, ID 83702

Members Present via Phone:

Robin Woods, *Region 2*
Mark Young, *Region 6*
Arlen Wittrock (Acting Chair), *Region 5*
Gina Knudson, *Region 7*
Ron Amarel, *Region 3*

Members Present:

Margie Watson, *At-Large*

Members Absent:

Steve Meyer, *Region 1*

Commerce Staff Present:

Jeff Sayer, *Director*
Megan Ronk, *Chief Operations Officer*
Eric Forsch, *Business Attraction Specialist*
Cindy Lee, *Grants & Contracts Officer*
Kallen Hayes, *Business Attraction Specialist*
Jenny Hemly, *Business Attraction Specialist*
Susie Davidson, *Business Attraction Manager*
Patrick Watson, *Research & Strategy Specialist*
Audra Fink, *Administrative Assistant*

Welcome and Introductions

Acting Chairman Arlen Wittrock called the meeting to order at 2:02 p.m.

Director Sayer and Acting Chairman Wittrock formally accepted Chairman Ron Amarel's resignation from the Economic Advisory Council and stated that this will be his last meeting as a voting member.

In the interim, Arlen Wittrock will act as chairman and Margie Watson will act as vice-chairman. A formal election for chairman and vice-chairman will take place during the in-person meeting on October 15, 2015.

The Council thanked Ron for his years of service and let him know that he will be missed.

Motion to Move to Executive Session

Chairman Wittrock announced the Council will review the details of five applications for refundable tax credits 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 application.

Margie Watson moved to enter into executive session. Robin Woods seconded.

Roll call vote to move into executive session:

Ron Amarel – Aye
Gina Knudson - Aye
Margie Watson – Aye
Arlen Wittrock – Aye



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Robin Woods – Aye
Mark Young – Aye

With over two-thirds majority in favor of moving into executive session, the Council moved into executive session at 2:09p.m.

Return to Public Session

Acting Chairman Wittrock noted that the Council returned to the public session at 3:03p.m.

Acting 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 Ron Amarel, seconded by Margie Watson.

Review of Tax Reimbursement Incentive for PROJECT LINCOLN

Acting Chairman Wittrock entertained a motion for Project Lincoln.

Motion:

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

- A post-performance refundable tax credit which represents 18% of new state revenue for 8 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 average county wage of \$33,736.
- Company must maintain operations in Idaho for the term of the agreement.
- Subject to approval of community match.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions.

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

Roll call vote to approve the TRI application for Project Lincoln:

Ron Amarel – Aye
Gina Knudson - Aye
Margie Watson – Aye
Arlen Wittrock – Aye
Robin Woods – Aye
Mark Young – Aye



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With a unanimous vote, the Tax Reimbursement Incentive of **18% for eight (8) years for Project Lincoln was approved** and the Council asked the Director to proceed in negotiating the final contract in coordination with Commerce's Deputy Attorney General.

The company name will be announced as the company makes a formal announcement.

Review of Tax Reimbursement Incentive for PROJECT BLUEBIRD

Acting Chairman Wittrock entertained a motion for Project Bluebird.

Motion:

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

- A post-performance refundable tax credit which represents 25% of new state revenue for 10 years.
- Tax credit certificate issued post-performance upon review and verification by Commerce.
- No less than 50 new jobs, or 60% of the total annual projected new jobs, whichever is greater.
- Average annual wages must equal or exceed the average county wage of \$43,028.
- Company must maintain operations in Idaho for the term of the agreement.
- Subject to approval of community match.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions.

The motion was made by Margie Watson, seconded by Gina Knudson.

Roll call vote to approve the TRI application for Project Bluebird:

Ron Amarel – Absent
Gina Knudson – Aye
Margie Watson – Aye
Arlen Wittrock – Aye
Robin Woods – Aye
Mark Young – Aye

With a unanimous vote, the Tax Reimbursement Incentive of **25% for ten (10) years for Project Bluebird was approved** and the Council asked the Director to proceed in negotiating the final contract in coordination with Commerce's Deputy Attorney General.

The company name will be announced as the company makes a formal announcement.



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Review of Tax Reimbursement Incentive for PROJECT QT

Acting Chairman Wittrock entertained a motion for Project QT.

Motion:

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

- A post-performance refundable tax credit which represents 21% of new state revenue for 9 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 average county wage of \$31,770.
- Company must maintain operations in Idaho for the term of the agreement.
- Subject to approval of community match.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions.

The motion was made by Mark Young, seconded by Gina Knudson.

Roll call vote to approve the TRI application for Project QT:

Ron Amarel – Absent
Gina Knudson – Aye
Margie Watson – Aye
Arlen Wittrock – Aye
Robin Woods – Aye
Mark Young – Aye

With a unanimous vote, the Tax Reimbursement Incentive of **21% for nine (9) years for Project QT was approved** and the Council asked the Director to proceed in negotiating the final contract in coordination with Commerce's Deputy Attorney General.

The company name will be announced as the company makes a formal announcement.

Review of Tax Reimbursement Incentive for PROJECT GREEK

Acting Chairman Wittrock entertained a motion for Project Greek.

Motion:

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



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- A post-performance refundable tax credit which represents 17% of new state revenue for 8 years.
- Tax credit certificate issued post-performance upon review and verification by Commerce.
- No less than 50 new jobs, or 60% of the total annual projected new jobs, whichever is greater.
- Average annual wages must equal or exceed the average county wage of \$41,847.
- Company must maintain operations in Idaho for the term of the agreement.
- Subject to approval of community match.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions.

The motion was made by Margie Watson, seconded by Robin Woods.

Roll call vote to approve the TRI application for Project Greek:

Ron Amarel – Absent
Gina Knudson – Aye
Margie Watson – Aye
Arlen Wittrock – Aye
Robin Woods – Aye
Mark Young – Aye

With a unanimous vote, the Tax Reimbursement Incentive of **17% for eight (8) years for Project Greek was approved** and the Council asked the Director to proceed in negotiating the final contract in coordination with Commerce's Deputy Attorney General.

The company name will be announced as the company makes a formal announcement.

Review of Tax Reimbursement Incentive for PROJECT BURBANK

Acting Chairman Wittrock entertained a motion for Project Burbank.

Motion:

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

- A post-performance refundable tax credit which represents 28% of new state revenue for 15 years.
- Tax credit certificate issued post-performance upon review and verification by Commerce.
- No less than 50 new jobs, or 50% of the total annual projected new jobs, whichever is greater.
- Average annual wages must equal or exceed the average county wage of \$41,487.
- Company must maintain operations in Idaho for the term of the agreement.



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- Subject to approval of community match.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions.

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

Roll call vote to approve the TRI application for Project Burbank:

Ron Amarel – Absent
Gina Knudson – Aye
Margie Watson – Aye
Arlen Wittrock – Aye
Robin Woods – Aye
Mark Young – Aye

With a unanimous vote, the Tax Reimbursement Incentive of **28% for fifteen (15) years for Project Burbank was approved** and the Council asked the Director to proceed in negotiating the final contract in coordination with Commerce's Deputy Attorney General.

The company name will be announced as the company makes a formal announcement.

Final Thoughts

Acting Chairman Wittrock confirmed that during the October meeting the Council will vote on a new TRI reconsideration proposal.

Megan Ronk provided an update regarding the Council member vacancy in Region 4. Megan stated that there were over a dozen candidates and that phone interviews had recently been completed. Megan let the Council know that she would soon be meeting with Lt. Governor Little and Director Sayer to discuss the top three candidates. A new Council member will hopefully be named within a few weeks.

Motion:

Mark Young moved to close the meeting. Robin Woods seconded.

All ayes – motion approved.

Chairman Wittrock adjourned the meeting at 3:19 p.m.