



C.L. "Butch" Otter, Governor
Jeffery Sayer, Director

**Economic Advisory Council Meeting
Thursday, February 26, 2015
Idaho Department of Commerce**

700 W. State Street, Boise, ID 83702 – JR Williams Bldg – 2nd Floor

Members Present:

Arlen Wittrock, *Region V*

Members via Phone:

Kelly Anderson (*Chair*), *Region IV*
Ron Amarel (*Vice-Chair*), *Region III*
Robin Woods, *Region II*
Mark Young, *Region VI*

Members Absent:

Margie Watson, *At-Large*
Steve Meyer, *Region I*

Guests Present:

Andy Snook, *Deputy Attorney General*

Commerce Staff Present:

Jeffery Sayer, *Director*
Susie Davidson, *Manager, Business Attraction*
Cindy Lee, *Contracts and Grant Officer*
Eric Forsch, *Business Attraction*
Jenny Hemly, *Business Attraction*
Patrick Watson, *Business Attraction*
Kate Newton, *Administrative Assistant*

Commerce Staff via Phone

Megan Ronk, *Chief Operating Officer*

Welcome and Introductions

Vice-Chairman Ron Amarel called the meeting to order at 2:07pm. In consideration of time, the Council asked staff to move directly into the Project Overview.

Tax Reimbursement Incentive Overview

Project Greek by Susie Davidson.

This project was originally brought before the Council during its January 27, 2015 meeting. During that meeting, the Council made a motion requesting additional information on this project and Commerce staff has brought back the company's response for the Council's review.

- Project Greek is a privately-owned education management organization
- Will create 50 new jobs in Idaho.
- Will be in Ada County.
- Projected Annual Wage: \$49,960 (*above county average*)
- Expecting return to Idaho of:
 - o \$1.64 million/year in new tax revenue
 - o For every \$1.00 reimbursed to project Greek, Idaho will receive \$9.54 back

In conjunction with the recommended terms, the company will also need to meet the following performance requirements:

1. No less than 50 new jobs, or 60% of the total projected new jobs, whichever is greater.
2. Average annual wages must equal or exceed the average county wage of \$41,847.
3. Company must maintain the minimum required jobs for the term of the incentive agreement.
4. Company must maintain operations in Idaho for the term of the incentive agreement.

Project Aerospace overview by Eric Forsch.

- Project Aerospace is a privately-owned aircraft parts manufacturing company
- Will create 134 new jobs in Idaho
- Will be in Kootenai County
- Projected Annual Wage: \$33,481 (*above county average*)
- Expecting return to Idaho of:
 - o \$3.1 million/year in new tax revenue
 - o For every \$1.00 reimbursed to Project Aerospace, Idaho will receive \$11.32 back

In conjunction with the recommended terms, the company will also need to meet the following performance requirements:

1. No less than 20 new jobs, or 60% of the total projected new jobs, whichever is greater.
2. Average annual wages must equal or exceed the average county wage of \$33,166.
3. Company must maintain the minimum required jobs for the term of the incentive agreement.
4. Company must maintain operations in Idaho for the term of the incentive agreement.

Motion to Move to Executive Session

Vice-Chairman Amarel announced the Council will now review the details of all applications for a 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. Vice-Chairman Amarel entertained a motion under Idaho Code § 67-2345(1)(d) to go into executive session to review the application.

The motion was made by Mark Young to enter into executive session; seconded by Arlen Wittrock.

Roll call vote to move into executive session:

Ron Amarel – Aye
Arlen Wittrock – Aye
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 2:10pm. Members of the public were excused.

Chairman Anderson joined the meeting via phone at 2:12pm, and agreed to move into executive session with the group.

Return to Public Session

Chairman Anderson noted the Council returned to the public session at 2:53pm. Robin Woods left the meeting at 2:48pm after discussing the projects with the group, but due to another commitment will be unable to vote on the projects. Members of the public were invited to rejoin the meeting. Chairman Anderson noted that the Council:

1. Reviewed and discussed the applications submitted for a refundable tax credit; and
2. After discussions were concluded, closed the Executive Session. The motion to close the executive session was made by Ron Amarel, seconded by Mark Young.

The Council took up each application individually to vote on whether to accept, reject, or request additional information.

Request for Additional Information for Tax Reimbursement Incentive for Project Greek

Chairman Anderson entertained a motion for the Tax Reimbursement Incentive award for Project Greek after no further discussion from the Council.

Motion:

In the matter of the application for Project Greek, I move that the Council request additional information from the Director with regard to the financing of the project. The Council requests:

- Confirmation from the company's bank that the financing has been approved,
- Confirmation that the building has been purchased; and
- An executed agreement between the company and the community for the \$700,000-\$750,000 match.

The motion was made by Arlen Wittrock; seconded by Mark Young.

Roll call vote to request additional information:

Ron Amarel – Aye
Kelly Anderson – Aye
Arlen Wittrock – Aye
Mark Young – Aye

The Director was asked to bring back the requested information to the Council when it becomes available.

Approval of Tax Reimbursement Incentive for Project Aerospace

Chairman Anderson entertained a motion for the Tax Reimbursement Incentive award for Project Aerospace after no further discussion from the Council.

Motion:

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

- A post-performance refundable tax credit which represents 20% of new state revenue for a period of 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 \$33,166.
- Company must maintain operations in Idaho for the term of the incentive 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 Arlen Wittrock; seconded by Ron Amarel.

Roll call vote to approve Project Aerospace:

Ron Amarel – Aye
Kelly Anderson – Aye
Arlen Wittrock – Aye
Mark Young – Aye

With a unanimous vote, the Tax Reimbursement Incentive of 20% for 8 years for Project Aerospace 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 soon as the company makes a formal announcement.

Chairman Anderson adjourned the meeting at 2:59pm.