



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

**Economic Advisory Council Meeting**  
**Thursday, March 19, 2015**  
**Idaho Department of Commerce**

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

**Members Present:**

Margie Watson, *At-Large*  
Arlen Wittrock, *Region V*

**Members via Phone:**

Ron Amarel (*Vice-Chair*), *Region III*  
Steve Meyer, *Region I*  
Robin Woods, *Region II*  
Mark Young, *Region VI*

**Members Absent:**

Kelly Anderson (*Chair*), *Region IV*

**Guests Present:**

Andy Snook, *Deputy Attorney General*  
Logan Webb, *Attorney General Office Intern*

**Commerce Staff Present:**

Jeffery Sayer, *Director*  
Megan Ronk, *Chief Operating Officer*  
Susie Davidson, *Manager, Business Attraction*  
Cindy Lee, *Contracts and Grant Officer*  
Kallen Hayes, *Business Attraction*  
Patrick Watson, *Business Attraction*  
Sharon Deal, *Community Development Specialist*  
Kate Newton, *Administrative Assistant*

**Welcome and Introductions**

Vice-Chairman Ron Amarel called the meeting to order at 2:02pm.

Director Jeffery Sayer welcomed the Council and thanked them for being able to meet on this timeline, as we have some projects that are eager to have their applications reviewed.

With no further update, Vice-Chairman Amarel welcomed the Director and Susie Davidson to give their project overviews.

**Tax Reimbursement Incentive Overview**

**Project Pulp** overview by Susie Davidson:

- Project Pulp is a privately-owned plastic and fiber packaging manufacturer
- Will create 150 new jobs in Idaho
- Will be in Cassia County
- Projected Annual Wage: \$37,875 (*above county average*)
- Expecting return to Idaho of:
  - o \$3.52 million/year in new tax revenue
  - o For every \$1.00 reimbursed to Project Pulp, Idaho will receive \$9.00 back

Director Sayer requested the Council consider a Tax Reimbursement Incentive for Project Pulp of 22% for 9 years.

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 \$30,698
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 204** overview by Director Sayer:

- Project 204 is a privately-owned corporate management office
- Will create 300 new jobs in Idaho
- Will be in Ada County
- Projected Annual Wage: \$71,053 (*above county average*)
- Expecting return to Idaho of:
  - o \$24.44 million/year in new tax revenue
  - o For every \$1.00 reimbursed to Project 204, Idaho will receive \$7.65 back

Director Sayer requested the Council consider a Tax Reimbursement Incentive for Project Pulp of 30% for 15 years.

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.

**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 Margie Watson to enter into executive session; seconded by Arlen Wittrock.

Roll call vote to move into executive session:

Ron Amarel – Aye  
Steve Meyer – Aye  
Margie Watson – 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 2:08pm. Members of the public were excused.

**Return to Public Session**

Vice-Chairman Amarel noted the Council returned to the public session at 2:52pm. Members of the public were invited to rejoin the meeting. Vice-Chairman Amarel 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 Robin Woods, seconded by Margie Watson.

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

**Approval of Tax Reimbursement Incentive for Project Pulp**

Vice-chairman Amarel entertained a motion for Project Pulp.

Motion:

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

- A post-performance refundable tax credit which represents 22% 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 \$30,698.
- 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 Arlen Wittrock; seconded by Margie Watson.

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

Ron Amarel – Aye  
Steve Meyer – Aye  
Margie Watson – Aye  
Arlen Wittrock -- Aye  
Robin Woods – Aye  
Mark Young – Aye

With a unanimous vote, the Tax Reimbursement Incentive of 22% for 9 years for Project Pulp 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.

**Approval of Tax Reimbursement Incentive for Project 204**

Vice-Chairman Amarel entertained a motion for Project 204.

Motion:

In the matter of the application for Project 204, I move that the Council approve the application and instruct the Director to enter into an agreement with Project 204 upon the following terms:

- A post-performance refundable tax credit which represents 30% 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 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 local city or county providing a defined community contribution to the project.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions.

The motion was made by Arlen Wittrock; seconded by Robin Woods.

Roll call vote to approve the TRI application for Project 204:

Ron Amarel – Aye  
Steve Meyer – Aye  
Margie Watson – Aye  
Arlen Wittrock – Aye  
Robin Woods – Aye  
Mark Young – Aye

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

Director Sayer thanked the Council, and noted that the legislation that would add another member and create a \$50 per meeting compensation to the Economic Advisory Council has passed both the House of Representatives and Senate, and is on its way to the Governor's desk.

Steve Meyer inquired about the amendment to the Tax Reimbursement Incentive bill's progress. Director Sayer said the bill did undergo some changes after gathering feedback from legislators, but the legislation is moving forward in a way that still allows the team to be flexible in regards to conflicting county issues.

Arlen asked if Commerce staff could update the Council regularly on previously approved projects to see how the companies are progressing. To date, the Council has approved twelve projects and only two have not been announced.

Director Sayer stated we are at over \$830 million in new payroll through TRI. The team's new stretch goal is to get over \$1 billion in new payroll before July – the first year of the program. At this point, we are at over \$100 million in new state revenue.

Megan Ronk reminded the council of their next in-person meeting in April.

Vice-Chairman Amarel adjourned the meeting at 3:18 pm.