



ECONOMIC ADVISOR COUNCIL MEETING
Holiday Inn Express – Hunt Lodge Conference Room – 210 N. 3rd Street, McCall
July 29, 2015

Members Present:

Steve Meyer, *Region 1*
Robin Woods, *Region 2*
Ron Amarel, *Region 3*
Arlen Wittrock, *Region 5*
Mark Young, *Region 6*

Guests Present:

Jackie Aymon, *Mayor of McCall*
Mayor Michael Brown, *City of Rupert Mayor*
Jeff McCurdy, *Chief Financial Officer*
Kelly Anthon, *City Administrator*
Derek Bedke, *Performix*
Ben Peck, *Region IV Development*
Carleen Herring, *Region IV Development*

Commerce Staff Present Via Phone:

Susan Davidson, *Program Manager*
Kallen Hayes, *Business Attraction Specialist*
Eric Forsch, *Business Attraction Specialist*
Cindy Lee, *Grants/Contracts Officer*

Commerce Staff Present:

Jeffery Sayer, *Director*
Megan Ronk, *Chief Operations Officer*
Chrissy Bowers, *Chief Economic Development Officer*
Dennis Porter, *Community Dev. Program Manager*
Sharon Deal, *Community Development Specialist*
Audra Fink, *Administrative Assistant*

Chairman Amarel called the meeting to order at 07:55 a.m.

Introduction:

Welcome by Jackie Aymon, Mayor of McCall

Motion to Move to Executive Session

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

Arlen Wittrock **moved** to enter into executive session. Steve Meyer seconded.

Roll call vote to move into executive session:

Mark Young – Aye
Robin Woods – Aye
Steve Meyer – Aye
Arlen Wittrock – Aye

With over two-thirds majority in favor of moving into executive session, the Council moved into executive session at 08:45am.



Return to Public Session

Chairman Amarel noted that the Council returned to the public session at 10:05am.

Chairman Amarel 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 Chairman Amarel, seconded by Robin Woods.

Review of Tax Reimbursement Incentive for Project Ursus

Arlen Wittrock entertained a motion for Project Ursus.

Motion:

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

- A post-performance refundable tax credit which represents 25% of new state revenue for 12 years. Tax credit certificate issued post-performance upon review and verification by Commerce.
- No less than 20 new jobs, or 60% of the total projected new jobs, whichever is greater.
- Average annual wages must equal or exceed the average county wage of \$32,452.
- Allow for a maximum two-year construction phase during the term of the agreement.
- Company must maintain the minimum required jobs for the term of the incentive agreement.
- 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 Robin Woods.

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

Mark Young – Aye
Robin Woods – Aye
Steve Meyer – Aye
Arlen Wittrock – Aye

With a unanimous vote, the Tax Reimbursement Incentive of **25% for twelve (12) years for Project Ursus 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 Cardinal

Arlen Wittrock entertained a motion for Project Cardinal.

Motion:

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

- A post-performance refundable tax credit which represents 21% of new state revenue for 15 years.

Tax credit certificate issued post-performance upon review and verification by Commerce.

- No less than 20 new jobs, or 60% of the total projected new jobs, whichever is greater.
- Average annual wages must equal or exceed the average county wage of \$32,601.
- Allow for a maximum two-year construction phase during the term of the agreement.
- Company must maintain the minimum required jobs for the term of the incentive agreement.
- 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 Steve Meyers.

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

Mark Young – Aye
Robin Woods – Aye
Steve Meyer – Aye
Arlen Wittrock – Aye

With a unanimous vote, the Tax Reimbursement Incentive of **21% for fifteen (15) years for Project Cardinal 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.



**Community Development Block Grant Program Update and Applications Review –
 Dennis Porter**

CDBG PY2015 Allocation (04/01/15 to 03/31/2016)

State Allocation*	\$7,822,995
Admin & Tech Assistance	\$334,689
Imminent Threat	\$300,000
Senior/Community Center (6%)	\$469,379
Public Facilities	\$3,359,464
Economic Development (jobs & downtowns)	\$3,359,464

* This is \$13,413 reduction from last year's allocation

2014 Roll-over = \$6,856,251 split 50:50 into PF and ED (\$3,428,125):

Public Facilities: \$3,359,464 + \$3,428,125 = \$6,787,589

Economic Dev: \$3,359,463 + \$3,428,125 = \$6,787,589

CDBG PY 2015 Amounts & Obligated (04/01/15 to 03/31/16)

Set-asides	Budget	Obligated	Remaining
Imminent Threat	\$300,000	\$ 0	\$ 300,000
Senior/Community	\$729,087	\$729,087	\$0
Public Facilities	\$6,787,589	\$6,502,877	\$284,712
Economic Develop (jobs & downtown)	\$6,527,881	\$0	\$6,527,881
Reversion*			\$26,389
Totals	\$14,344,557	\$7,231,964	\$7,138,982

CDBG PY 2015 Amounts & Demand (04/01/15 to 03/31/16)

Set-asides	Today's Request	Remaining if Funded
Imminent Threat	\$0	\$300,000
Senior/Community	\$0	\$0
Public Facilities	\$0	\$284,712
Economic Develop (jobs & downtown)	\$0	\$6,527,881
Reversion*		\$26,389

Remaining CDBG Total = \$7,138,982

Note: The next two funding rounds will only be jobs & imminent threat



Group Discussion:

- Fewer communities have been applying for CDBG grants. Dennis suggested two reasons for the decrease: burdensome regulations and the matching funds proponent. Jeff believes that often times economic development moves faster than the CDBG grants which can be an inhibitor.
- CDBG grant funding is awarded based on population, age of housing and the poverty level. The state of Idaho is in the middle of the pack, in comparison to other states, in the amount of CDBG funding awarded.

CDBG PY2014 Amounts & Roll-over

Year	Allocation	Roll-over	% of
2015	\$7,822,995		
2014	\$7,836,408	\$6,856,251	87%
2013	\$7,742,858	\$5,563,253	71%
2012	\$7,388,470	\$1,842,966	25%
2011	\$7,927,092	\$3,265,311	41%
2010	\$9,418,790	\$4,341,842	46%

RCBG (State Funded) Infrastructure to Jobs Program:

- In July 1, 2015, we will start with \$690,000 in the state rural initiative grant programs (RCBG & GEM)
- We currently have one RCBG application with a total request of \$164,000 (Rupert)
- We currently have three GEM applications with a total request of \$72,500

PY2015 CDBG Projects

City of Rupert, RCBG Grant Application Presentation

Visitors:

Mayor Michael Brown, *City of Rupert Mayor*
 Jeff McCurdy, *Chief Financial Officer*
 Kelly Anthon, *City Administrator*

Derek Bedke, *Performix*
 Ben Peck, *Region IV Development*
 Carleen Herring, *Region IV Development*

Highlights:

- Mayor Brown introduced visitors.
- Reviewed history of Rupert which has been designated as an agricultural industrial base.
- Performix Nutrition Systems, a subsidiary of AgriBeef, is a feed supplement and livestock nutrition company based in Nampa, Idaho.
- Performix came to the City of Rupert in March 2015 fully funded. Estimate completion in February 2016 with creation of 18 new positions and construction of five (5) new buildings.
- Performix was attracted to Rupert based on location. Their property in Rupert Industrial Park has a well, is close to the highway and has additional access to the railroad.
- The proposal is to turn a dirt road into a standard road with cul-de-sac for emergency vehicles.



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Jeffery Sayer, Director

- The City of Rupert originally requested \$130,000 and are now requesting \$164,000. The city has added an additional \$32,000 in matching funds and the total cost of the project is now \$276,900.
- Private investment has grown from \$4 million to \$7 million.

Group Discussion:

- The City of Rupert has community support and has not received any negative feedback.
- Performix may pursue tax abatement from Minidoka County.
- The City of Rupert will be responsible to maintain the public road even though the road is outside city limits.
- Performix's new neighbors are excited to see the road built and believe it will open the area to new industry growth.

Council Discussion:

- According to Jeff, Performix's parent company, AgrifBeef, is a "major player" nationwide and is significant to Idaho's economy.
- Even though Performix will only be creating 18 positions, the City of Rupert is enthusiastic to bring in such a "major player."
- The Council is concerned that the highway district does not want the responsibility to secure the grant and maintain the road. However, this action shows the county's faith in the city to take the lead in caring for the road. However the Council is reassured in the City of Rupert's plan to have the highway district take over maintenance of the road in the future.

Council Vote on Public Facilities:

Motion: To approve the following proposal: City of Rupert for \$164,000 in RCBG funds

Moved by: Steve Meyer

Seconded by: Mark Young

All in favor. No discussion

Motion approved.

CDBG Proposed Rule Change Review – Dennis Porter

Public Facilities – Percentage of CDBG dollars into total project

- Current maximum points = 50
- Recommend to change to = 30
- Large match and grant recipient projects can score very high, however, can still have a number of plan/preparedness activities to complete.

Public Facilities – Impact

- Current maximum points = 80
- Recommend to change to = 60



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- Impact is weighted on how to project is addressing the "need", so need and impact are closely related. Current scoring structure provides 20 points automatically if "need" is determined critical. Would like to reduce points so impact has a little more separation from "need."

Community and Senior Citizen Center set-aside

- Recommend to add public parks (PK)
- Recommend to increase set-aside from 6% to 10% to help cover parks
- For CDBG's five-year plan (Commerce?) conducted a survey of local governments. Highest need indicated under public facilities was for parks.
- Having parks as a set-aside improves ability to compete for CDBG funding (parks will likely not be a large sum of match) and markets the opportunity

Group Discussion:

- The Council recommended changing the "Field Notes" column name to "Environmental Review."
- Jeff noted that portions of the code have been changed throughout time. Impact changes were made in 2001 and additional changes were made in 2006.
- Jeff would like to see the scoring criteria in a handbook and not in the rules.
- The Council is in favor of moving toward preparedness.
- Jeff asked Dennis if the Council would still be able to move dollars within set-asides and Dennis responded in the affirmative.

Council Vote on Proposed Rules:

Motion: To approve the following proposal: CDBG Scoring Criteria

Moved by: Arlen Wittrock

Seconded by: Steve Meyer

All in favor. No discussion

Motion approved.

Project Status Update – Dennis Porter

- Dennis reviewed the status of all approved CDBG projects from 2012-2014 and RCBG from 2010-2014.

Chairman Amarel adjourned the meeting at 6:03 p.m.