



C.L. "Butch" Otter, Governor

Megan Ronk, Director

**Economic Advisory Council Meeting  
Wednesday, January 25, 2017  
Idaho State Capitol**

700 West Jefferson Street – Room WW-17, Boise, ID 83702

**Members Present:**

Steve Meyer, *Region 1*  
Mike Reynoldson, *Region 3*  
John Craner, *Region 4*  
Arlen Wittrock, *Region 5*  
Mark Young, *Region 6*  
Margaret Watson, *At-Large*

**Members Present Via Phone:**

Robin Woods, *Region 2*

**Guests Present:**

Senator Abby Lee, *Idaho Senate*  
Glen Bailey, *Bonner County Chairman*  
Jim Kaiser, *Bonner County Airport Director*  
Melissa Kaplan, *Idaho Division of Aeronautics*  
Lisa Bachman, *J-U-B Engineers*  
Mike Pape, *Idaho Division of Aeronautics*  
William Statham, *Idaho Division of Aeronautics*

**Commerce Staff Present:**

Megan Ronk, *Director*  
Bobbi-Jo Meuleman, *Chief Operations Officer*  
Susan Davidson, *Business Attraction Manager*  
Cindy Lee, *Grants & Contracts Manager*  
Dennis Porter, *Community Development Program Manager*  
Jake Reynolds, *Business Retention & Expansion Manager*  
Amanda Ames, *Community Development Specialist*  
Autumn Braase, *Senior Business Attraction Specialist*  
Sharon Deal, *Community Development Specialist*  
Jill Eden, *Grants and Contracts Operations Analyst*  
Kim Glineski, *Business Retention & Expansion Specialist*  
Ewa Szewczyk, *Grants and Contracts Program Specialist*  
Tony Tenne, *Community Development Specialist*  
Audra Fink, *Administrative Assistant*

**Call to Order & Welcome**

Chairman Arlen Wittrock called the meeting to order at 9:04 a.m.

**Council Vote on Approval of Minutes:**

Chairman Wittrock noted that the minutes for the December 22, 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:** Mark Young

**Seconded by:** Margie Watson

**All in favor. No discussion.**

**Motion approved.**

\*Mike Reynoldson was absent from the vote

**Director's Welcome**

Idaho Commerce recently added a Business Retention and Expansion team managed by Jake Reynolds. Jenny Hemly and Kim Glineski, both Business Retention & Expansion Specialists, are the newest hires to Jake's team.

Autumn Braase was recently hired as a Senior Business Attraction Specialist and Ewa Szewczyk was hired as a Grants and Contracts Program Specialist. Susie Davidson, Business Attraction Manager, is currently in the process of recruiting and hiring a Business Attraction Specialist.

Commerce is seeking additional spending authority for the tourism promotion fund as last year brought a 13% growth in tourism cash collection. Commerce is also requesting an additional \$3 million dollars for the Idaho Opportunity Fund which has been approved by the governor and the Joint Finance Appropriation Committee (JFAC.) Megan will put together a list of which companies have received the Idaho Opportunity Fund in the past and will circulate it to the Economic Advisory Council (EAC) members.

Commerce is continuing to move forward with two pieces of legislation. The first is a “micro” community designation for the TRI legislation. ([RS24841](#)) This tool was designed to help rural Idaho communities that need help attracting jobs to their areas and have a more difficult time reaching the 20 employee minimum.

The second is a bill that would exempt sales tax associated with the sale of conduits, storage servers, and equipment related to broadband. In order to qualify, data centers new to the state would have to create 20 jobs and invest \$25 million dollars into their facility. Existing data centers in Idaho would have to invest \$5 million dollars into their infrastructure to qualify.

At the April 2017 EAC meeting a new chair and vice-chair will be selected as Arlen Wittrock and Margie Watson’s terms will expire on August 1, 2017.

The Economic Advisory Council has a vacant position in Region VII. Eligible applicants must reside in Blaine, Custer, Lemhi, Butte, or Camas County and be registered with the Democratic Party. Megan has been interviewing candidates but has yet to make a decision.

**Community Development Block Grant Update and Application Review**

**CDBG PY2016 Funded to Date**

- April 1, 2016 – started with \$14,386,386

<u>Set-asides</u>	<u>Budget</u>	<u>Obligated</u>	<u>Remaining</u>
Imminent Threat	\$300,000	\$0	\$300,000
Senior/Community	\$749,956	\$749,956	\$0
Public Facilities	\$6,816,354	\$5,958,650	\$857,704
Economic Develop (jobs & downtown)	\$6,520,076	\$875,000	\$5,645,076
Reversion			\$114
<b>Totals</b>	<b>\$14,386,386</b>	<b>\$7,583,606</b>	<b>\$6,802,894</b>

Important Point: **\$6,802,894 is what we have today (2016 funds).**

**CDBG PY 2017 Allocation (4/1/2017 to 3/31/2018)**

- Projected State CDBG Allocation = \$7,561,311
- Continuing Resolution FY17 funding bill passed in December. Projected CDBG Program amount = \$3.1 Billion (nationwide) My estimate for the Idaho State CDBG allocation = \$7,561,311 million. (same as last year's allocation) State CDBG budget set-asides as per Idaho code:
- Admin & Tech Assistance (3% + \$100K) \$326,839
- Imminent Threat (\$300K) \$300,000
- SR/CC/PK (10%) \$756,131
- Public Facilities (50% of remaining) \$3,089,170
- Economic Development (50% of remaining) \$3,089,170
- (jobs & downtowns)
- Caution: Continuing Resolution does not mean the amount is guaranteed.

**CDBG PY 2017 Allocation with 2016 Roll-Over Dollars**

- State (2017) Allocation \$7,561,311
- Admin & Tech Assistance \$326,839
- Imminent Threat \$300,000
- Senior / Community Center \$756,131
- Public Facilities \$3,089,170
- Economic Development: \$3,089,170
- 2016 Roll-over = \$6,802,780 split 50:50 into PF and ED (\$3,401,390)
- Public Facilities: \$3,089,170 + \$3,401,390 = \$6,490,560
- Economic Dev: \$3,089,170 + \$3,401,390 = \$6,490,560

**CDBG PY2017 Amounts & Today's Request – Looking forward frame of reference**

Set-asides	Budget	Today's Request	Remaining if all funded
Imminent Threat	\$300,000	\$0	\$300,000
SR/CC/PK	\$756,131	future applications	\$756,131
Public Facilities	\$6,490,560	\$10,703,900	(\$4,213,340)
Economic Develop (jobs & downtown)	\$6,490,560	\$1,492,200	\$4,998,360
<b>Totals</b>	<b>\$14,037,251</b>	<b>\$12,196,100</b>	<b>\$1,841,151</b>

- EAC can move funds within the set-asides based on fundability and demand

### **RCBG (State funded) Infrastructure to Jobs Program**

- July 1, 2016 – started with \$735,000 in the state rural initiative grant programs (RCBG & Gem).
- To date:
  - RCBG has obligated = \$0
  - Gem has obligated = \$139,385. Next application round March.
- Current amount remaining = \$595,615

#### Council Discussion:

Megan noted for future Rural Community Block Grant proposals that the Department of Commerce may want to send specific applications to the Idaho Transportation Department (ITD) as they have set-aside \$5 million dollars for various road projects.

Megan also stated that Pocatello is ranked #3 in the nation for career growth and Boise is #2 in the country for construction job growth. Idaho was also ranked the top state in the nation for job satisfaction.

### **PY2017 CDBG Projects**

#### **Bonner County, CDBG Grant Application Presentation**

##### Visitors:

Glen Bailey, *Bonner County Chairman*

Lisa Bachman, *J-U-B Engineer*

Jim Kaiser, *Bonner County Airport Director*

Melissa Kaplan, *Idaho Division of Aeronautics*

Mike Pape, *Idaho Transportation Department*

William Statham, *Idaho Division of Aeronautics*

David Schuck, *Quest Aircraft*

##### Highlights:

- Bonner County is requesting \$492,200 in CDBG funds to complete a wildlife fence to secure the airport grounds.
- Infrastructure enhancement will facilitate commercial enterprises and will emphasize safety for pilots, their passengers, and employees of the airport.
- The Sandpoint Airport was opened in 1940 and currently employs 482 people. The airport generates \$33 million dollars in annual economic activity and has an overall estimated economic benefit of \$48 million dollars.
- The Sandpoint Airport has 99 aircraft based on the field and 79 single engine planes.
- The anchors of the airport are: Quest Aircraft, Granite Aviation, Tamarack Aerospace, and Timberline Helicopters.
- CDBG funds will be used to install 11,380 feet of 8 foot chain link fencing, 4 manual personnel gates, 3 manual vehicle gates, and 3 automatic vertical pivot gates.
- The Sandpoint Airport has thus far received: \$570,000 in Federal Aviation Administration (FAA) funds, a local match of \$75,000 from Bonner County, and \$3.2 million dollars from Quest for business expansion.
- The Sandpoint Airport has a large local and regional impact and there is a lot of community support for the project.

Group Discussion:

- Sandpoint Airport's current fence is 7 feet tall with 3 strands of barbed wire. The FAA requires 8 foot fencing.
- The Sandpoint Airport conducts test flights every day.
- While the Sandpoint Airport is expanding they do not envision outgrowing their location.
- The Sandpoint Airport is a third tier airport. Therefore, they were unable to get funds from the FAA to build the wildlife fence.
- The Sandpoint Airport does not currently run scheduled air service however they hope to within the next few years. Scheduled air service would add roughly 20 jobs to the airport.

**Block Grant Application Review – Public Facilities**

Summary of Application:

1. City of Blackfoot: Wastewater Improvement Project for \$500,000
  - a. Staff recommends approving application for addendum submission
2. City of Filer: Arsenic mitigation in municipal water system for \$500,000
  - a. Staff recommends approving application for addendum submission
3. City of Ashton: Wastewater Improvement Project for \$500,000
  - a. Staff recommends approving application for addendum submission
4. City of Kellogg: Wastewater for \$500,000
  - a. Staff recommends approving application for addendum submission
5. City of Garden City: Infrastructure to Culinary & Life Skills Training Center for \$500,000
  - a. Staff recommends approving application for addendum submission
6. City of Shelley: Water Improvement Project for \$500,000
  - a. Staff recommends approving application for addendum submission
7. City of Stites: Wastewater for \$375,000
  - a. Staff recommends approving application for addendum submission
8. City of Melba: Water System Improvements for \$452,000
  - a. Staff recommends approving application for addendum submission
9. City of Plummer: Power pole for \$500,000
  - a. Staff recommends approving application for addendum submission
10. City of Hazelton: Water System Improvements Projects for \$412,550
  - a. Staff recommends approving application for addendum submission
11. City of Weston: Water Improvement Project for \$500,000
  - a. Staff recommends approving application for addendum submission
12. City of Preston: Water System Improvement Project for \$500,000
  - a. Staff recommends approving application for addendum submission
13. City of Grangeville: New construction of Kids Klub youth facility. Kids Klub, Inc., a 501 (c) (3) non-profit, provides programs consisting primarily of K-6<sup>th</sup> after school care, pre-school instruction and summer camps for children. The facility opened in 1996.
  - a. Staff recommends approving application for addendum submission
14. City of Donnelly: Water System Improvements Projects for \$500,000
  - a. Staff recommends approving application for addendum submission
15. City of Rigby: Water Improvement Project for \$500,000

- a. Staff recommends approving application for addendum submission
- 16. City of Basalt: Wastewater Improvement Project for \$350,000
  - a. Staff recommends approving application for addendum submission
- 17. Benewah County, Fernwood Water and Sewer District: Water System for \$500,000
  - a. Staff recommends approving application for addendum submission
- 18. City of Spirit Lake: Water for \$500,000
  - a. Staff recommends approving application for addendum submission
- 19. City of Bonners Ferry: Wastewater for \$340,000
  - a. Staff recommends approving application for addendum submission
- 20. Minidoka County – sub-recipient East-End & Heyburn Fire (Sub) Districts: The purchase of two new fire trucks for the Minidoka County Fire Protection District for \$387,500
  - a. Staff recommends not approving application for addendum (funding)
- 21. Idaho County (sub-recipient Elk City Water and Sewer Association): Wastewater for \$500,000
  - a. Staff recommends not approving application for addendum (funding)
- 22. City of American Falls: Water System Improvement Project for \$500,000
  - a. Due to the low score and ranking the staff does not recommend approving application for addendum submission. The application’s biggest weakness is lack of local match.
- 23. City of Homedale: Construction of a new library building for \$486,850
  - a. Due to score and ranking the staff does not recommend approving application for addendum submission. The application’s biggest weakness was lack of local matching funds.

**Council Water Meter Discussion**

The council debated about cities, such as Rigby and Shelley, not having water meters. Margie, acknowledging steep installation costs, voiced concern that the City of Shelley has yet to install water meters on their homes and businesses. Steve, in agreement, suggested that the council be inclined not to fund communities that are not metered.

Meters provide substantial cost savings, however many communities throughout Eastern Idaho do not meter their water. For Steve, asking for approval for a water project without having some rational way of allocating that resource is not recommended and is therefore unlikely to be funded by the EAC council. Most likely at some point in the future metering homes and businesses in communities throughout Idaho will be a requirement.

Mark suggested that the council exercise compassion as many communities are managing their water resources to the best of their abilities.

According to Steve metering a home may cost up to \$1,000 dollars.

**Block Grant Application Review – Downtown Revitalization**

Summary of Application:

- 1. City of Priest River: Economic Development – Downtown Revitalization for \$500,000
  - a. Staff recommends approving application for addendum submission

2. City of Wendell: Downtown Revitalization for \$500,000
  - a. Staff recommends not approving application for addendum submission

**Council Vote on Job Creation Grant Application**

**Motion:** To move Bonner County from a CDBG budget request to a RCBG budget request and to fund at a ceiling of \$460,000 dollars.

**Moved by:** Margie Watson  
**Seconded by:** Steve Meyer  
**No discussion. All in favor.**  
**Motion approved.**

**Council Vote on 16 Public Facility Block Grant Applications**

**Motion:** To advance the City of Blackfoot, City of Filer, City of Ashton, City of Kellogg, City of Garden City – Life’s Kitchen, City of Stites, City of Melba, City of Hazelton, City of Weston, City of Preston, City of Grangeville, City of Donnelly, City of Basalt, Benewah County, Fernwood Water and Sewer District, City of Spirit Lake, and the City of Bonners Ferry for addendum submission.

**Moved by:** Steve Meyer  
**Seconded by:** Margie Watson  
**Discussion:** In order to effectively manage water systems the majority of the council feels it is important to have water meters in place.  
**All in favor.**  
**Motion approved.**

**Council Vote on Public Facility Block Grant Application – City of Plummer**

**Motion:** To approve the application for the City of Plummer for addendum submission.

**Moved by:** Robin Woods  
**Seconded by:** Steve Meyer  
**Discussion:** The City of Plummer recently passed a bond for \$6 million dollars and only appropriated \$2 million dollars for their power pole project. The Council discussed that it is apparent that the City of Plummer has not taken care of their power poles and has not demonstrated good management of their electrical utility.

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

**The Plummer project does not advance.**

**Council Vote on Public Facility Block Grant Applications – City of Rigby and City of Shelley**

**Motion:** To approve the City of Shelley and the City of Rigby for addendum submission.

**Moved by:** Mark Young  
**Seconded by:** John Craner

**Mark Young withdrew the motion.**

**Motion:** To approve the City of Shelley and the City of Rigby for addendum submission and to include strong language regarding future standard utilization for water meters.

**Moved by:** Mark Young  
**Seconded by:** John Craner

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

**Motion Approved.**

**Council Vote on Public Facility Block Grant Applications – City of Homedale, City of American Falls, Minidoka County, and Idaho (sub-recipient Elk City Water and Sewer Association)**

**Motion:** To reject the City of Homedale, City of American Falls, Minidoka County, and Idaho County (sub-recipient Elk City Water and Sewer Association) for the addendum stage.

**Moved by:** John Craner  
**Seconded by:** Steve Meyer

**Discussion:** The City of Homedale has a small local match. They also did not provide a detailed cost estimate, written assessment of needs, or LMI area wide census data.

**All in favor.**

**Motion approved.**

**Council Vote on Downtown Revitalization Block Grant Application – City of Priest River**

**Motion:** To approve the City of Priest River for addendum submission with a stipulation that the city provide a new resolution that meets eligibility criteria.

**Moved by:** Margie Watson  
**Seconded by:** Mark Young

**Discussion:** Council discussed return on investment and pros and cons of downtown investment.

**All in favor.**

**Motion approved.**

**Council Vote on Downtown Revitalization Block Grant Application – City of Wendell**



**Motion:** To reject the City of Wendell's application for addendum submission.

**Moved by:** John Craner

**Seconded by:** Margie Watson

**All in favor. No discussion.**

**Motion approved.**

### **Small Business Association (SBA) Disaster Programs – Jerry Miller**

Two Idaho counties have declared emergencies: Washington and Payette.

In order to qualify for assistance a city or county must experience damage to a minimum of 25 homes or business structures and have a total of 40% or more in uninsured loss.

The Small Business Association provides low-interest, long-term loans for physical and economic damage. The loans can be used to repair or replace property and equipment.

The State of Idaho has yet to determine whether they will pursue the physical or economic disaster program as many property owners are still in discussion with their insurance companies. The Idaho Office of Emergency Management has yet to make a decision because the state is still technically "within" the event.

The affected counties, and all contiguous counties, will qualify for assistance.

### **TRI Annual Report – Cindy Lee**

In Fiscal Year 2016, 13 new and existing Idaho companies announced their TRI projects including: AMFEC, Dow Chemical, Athlos Academies, Heartland RV, Biomedical Innovations, Hearthside, Quest Aircraft, Woodgrain Millwork, Vista Outdoor, Hilex Poly, Idaho College of Osteopathic Medicine, and unannounced Projects Lincoln and Circuit. The industries represented by the above companies are: advanced manufacturing, aerospace, food production, education services, and corporate office and shared services.

Of the 13 projects announced in Fiscal Year 2016, 8 were urban and 5 were rural. 6 were existing Idaho companies and 7 were new to the state. It is anticipated that the 13 projects will create approximately 1,509 jobs with an average wage of \$51,300, and will bring \$85.6 million in new state tax revenue to the state.

Of the 29 total projects approved since the inception of TRI on July 1, 2014, 14 have been urban and 15 have been rural. 14 projects were existing Idaho companies and 15 were new companies to the state. These projects represent 4,753 net new jobs at an average wage of \$46,986, totaling over \$2 billion in project payroll.

For calendar year ending December 31, 2016 Idaho Commerce issued TRI credits to 6 companies, totaling \$424,494. 906 actual jobs were created, at an actual average wage of \$54,824.

Harrison & Co. performed Commerce's independent TRI audit for Fiscal Year 2016 and there were no findings.

### **Pin Map Project Review – Cindy Lee**

Cindy's capstone project for the State of Idaho Certified Public Manager Program is a "pin map" showcasing Idaho Commerce Grant Awards. The map, searchable in real time, can be filtered using certain criteria: region, recipient, award date, industry, etc., and will likely be available on Commerce's website by the end of February. A demonstration of the map was provided to the council.

### **Final Thoughts**

The next meeting to discuss TRI will be held via conference call on February 23, 2017. The next in-person meeting will be in April in Boise.

Potential dates for the April and July meetings will be discussed later in the week.

The July meeting will be held in Region 1, in Coeur d'Alene.

### **Motion**

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

All ayes – motion approved.

**Chairman Wittrock adjourned the meeting at 3:41 p.m.**