



Brad Little, Governor
Tom Kealey, Director

Economic Advisory Council Meeting Minutes Idaho Department of Commerce

Thursday January 16, 2020
700 West State Street, Boise – J.R. Williams Building
Second Floor, Sawtooth Conference Room

Members	Idaho Commerce Staff
Steve Meyer, <i>Region I</i>	Tom Kealey, <i>Director</i>
Robin Woods, <i>Region II</i>	Jake Reynolds, <i>Business Development & Operations Administrator</i>
Mike Reynoldson, <i>Region III</i>	Susie Davidson, <i>Business Attraction Manager</i>
John Craner, <i>Region IV</i>	Dennis Porter, <i>Community Development Manager</i>
Rick Phillips, <i>Region V</i>	Ewa Szewczyk, <i>Grants and Contracts Manager</i>
Mark Young, <i>Region VI</i>	Jason Barnes, <i>Business Attraction Specialist</i>
Dave Wilson, <i>Region VII</i>	Mark Blaiser, <i>Grants and Contracts Operations Analyst</i>
Sandy Patano, <i>At-Large</i>	Paris Dickerson, <i>Business Attraction Specialist</i>
	Rylon Hofacer, <i>Senior Research Analyst</i>
	Tony Tenne, <i>Senior Community Development Specialist</i>
	James Varner, <i>Community Development Analyst</i>

(T) denotes via telephone

Call to Order

Chairman Steve Meyer called the meeting to order at 8:33 a.m. with a quorum present.

Approval of Minutes

Chairman Meyer noted that the minutes for the December 19, 2019 Economic Advisory Council (EAC) meeting had been distributed and if there were no corrections, he would approve the minutes as distributed.

Motion

To Approve the meeting minutes from December 2019

Moved by: Sandy Patano

Seconded by: Dave Wilson

Call for Conflict of Interest

Chairman Meyer asked the Council if they have a conflict of interest and would like to recuse themselves.

Rick Phillips has a conflict of interest and has recused himself from discussion and vote on project Smile.

Director's Welcome

Director Tom Kealey welcomed EAC to Boise Idaho and gave an update on the Department of Commerce and the Legislative session. Dennis and Ewa were leads on the Red Tape reduction for Commerce and that was approved by the Senate. Pipeline is still growing strong and the western states are still attractive to companies. The biggest theme this year in the legislative session is property tax reduction.

Motion to Move to Executive Session

Chairman Meyer announced he would entertain a motion to move the Council to executive session to review the details of the TRI's proprietary scoring process ***pursuant to Idaho Code 74-206(1)(d) to review records exempt from public disclosure under Idaho Code Sections 74-107(6), and 67-4708.***

Robin Woods moved to enter executive session. Sandy Patano seconded.

Roll call vote to move into executive session

Steve Meyer – Aye

Robin Woods – Aye

Mike Reynoldson – Aye

John Craner - Aye

Rick Phillips – Aye

Mark Young – Aye

Dave Wilson – Aye

Sandy Patano – Aye

With over two-thirds majority in favor, the Council moved into executive session at 8:49 a.m.

Return to Public Session

Chairman Meyer noted that the Council returned to the public session at 9:41 a.m.

Chairman Meyer indicated the Council:

1. Reviewed and discussed Project Smile and Project Powder application for a refundable tax credit; and
2. After discussions were concluded, the executive session was closed upon motion by Dave Wilson, seconded by Robin Woods and a majority vote.

Rick Phillips has a conflict of interest and has recused himself from discussion and vote on project Smile.

Motion

In the matter of the application for Project Smile, I move that the Council approve the application and instruct the Director to enter into an agreement with Project Smile 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 20 new jobs, or 60% of the total annual projected new jobs, whichever is greater.
- Average annual wages must equal or exceed the average Power county wage of \$40,297.
- Award is subject to confirmation of community match.

- 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 agreement.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions.

Moved by: Mark Young
 Seconded by: John Craner

Roll Call Vote:
 Steve Meyer – Aye
 Robin Woods – Aye
 Mike Reynoldson – Aye
 John Craner – Aye
 Rick Phillips –
 Mark Young – Aye
 Dave Wilson – Aye
 Sandy Patano – Aye

With two-thirds majority vote. Motion Approved.

Motion

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

- A post-performance refundable tax credit which represents 13% of new state revenue for 7 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 Franklin county wage of \$29,097.
- 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 agreement.
- Any additional terms deemed necessary by the Director not otherwise conflicting with the above conditions.

Moved by: Rick Phillips
 Seconded by: Sandy Patano

Roll Call Vote:
 Steve Meyer – Aye
 Robin Woods – Aye
 Mike Reynoldson – Aye
 John Craner – Aye

Rick Phillips – Aye
Mark Young – Aye
Dave Wilson – Aye
Sandy Patano – Aye

With two-thirds majority vote. Motion Approved.

TRI Lawsuit on Appeal before the Idaho Supreme Court and Business Advantage Credit Law “Sunsetting” 2020

Andy Snook introduced Rachel Newton as the Department of Commerce new legal counsel. Rachel gave an update on the TRI suite and both Rachel and Andy Snook went over some of the outcomes and possible changes from the TRI suite. The Council discussed some changes that could be made to TRI to stop any future suites. Director Kealey believes it is good practice for EAC to review annually our incentives for effectiveness and compliance. Good discussion occurred about our only two incentives for businesses: The Small Employers Reimbursement Act (Business Advantage Credit) and the Idaho Reimbursement Incentive Act (TRI). It was decided that no motions were needed to study or make any changes to current offerings for the TRI. EAC supports an extension for another 10 years for Business Advantage with only minor changes as recommended by the Idaho Tax Commission and the Department of Commerce.

TRI Update

Ewa Szewczyk and Susie Davidson gave updates on past TRI projects including the program summary, the TRI's impact to date, the projects that have been awarded, and the projects that have been lost up to June 30th of 2019. Ewa Szewczyk will send the updates to the Council.

CDBG Overview

Community Development Manager Dennis Porter gave a Power Point presentation going over the CDBG and RCIF program updates, budgets, and today's agenda items.

Application Review – Public Facilities

Tony Tenne and Denis Porter went over the Public Facilities applications with the Council.

Motion

To have Commerce speak to DEQ about the Moyie Springs application and other applications of the same kind to better understand the reasoning for the amount for each hook up.

Moved by: Mark Young
Seconded by: Rick Phillips

Motion

To move the Public Facilities applications a to the addendum stage as recommended by the Community Development staff.

Moved by: Mark Young
Seconded by: Dave Wilson
All in favor. Motion approved.

Application Review – Downtown Revitalization

Dennis Porter went through the City of Driggs Downtown revitalization application with the Council.

Motion

To move the City of Driggs Downtown Revitalization application to the addendum stage.

Moved by: Mark Young

Seconded by: John Craner

All in favor. Motion approved.

Procedures Guide Review

Dennis Porter went over the reduction of the CDBG rules and the few changes that were made into the Procedures Guide.

Motion

To approve the Procedures Guide as presented.

Moved by: Rick Phillips

Seconded by: Dave Wilson

With two-thirds majority vote. Motion Approved.

CDBG Project Status Review

Community Development went through the status of the CDBG products from fiscal year 2016 through 2019 and RCBG status updates from 2017 through 2019.

New Business

Director Kealey gave an update to the Council on the Broadband Task Force plan and the Governor approved recommendations.

Council Discussion – Region Updates

Each Council member gave an update on their region. Most of the updates included problems with infrastructure and housing shortage due to growth.

Motion

To Close the Meeting.

Moved by: Rick Phillips

Seconded by: Sandy Patano

All in favor. Motion approved.

Chairman Meyer adjourned the meeting at 3:37 p.m.