

Minutes of Meeting
Economic Development Corporation
July 17, 2019
11:00 a.m.

The Kootenai County Board of Commissioners: Chairman Chris Fillios, Commissioner Leslie Duncan and Commissioner Bill Brooks met to discuss the following agenda item. Also present was Deputy Clerk Tina Ginorio. Also present were Coeur d'Alene Area Economic Development Corporation President Gynii Gilliam and Chairman of the Board Brad Marshall.

- A. Call to Order:** Chairman Chris Fillios called the meeting to order at 11:07 a.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Business:**

Potential Accommodation for Prospective New Employer (Action)

Chairman Fillios stated that the purpose of the meeting was to discuss accommodations to offer to a possible new employer.

Coeur d'Alene Area Economic Development Corporation President Gynii Gilliam stated that the company in question was in the process of applying for the State Tax Reimbursement Incentive. She explained that, in order to qualify for this, the company must do several things. They must:

- Meet a certain level of capital expenditure, currently \$500,000.
- Create a minimum of twenty-five jobs in the County
- Offer wages considered average for the area, in this case, about \$19.75 per hour.
- Receive a matching offer from the County

She reported that the State of Idaho had tentatively planned to offer them about 23% reduction for eleven years on income tax, payroll tax and sales tax. Ms. Gilliam said that they would be making a capital expenditure of about \$10,000,000, would bring about five hundred total jobs to the area and would offer the required wages. She stated they were asking for a 75% tax exemption for five years from the County as the match. She pointed out that the site on which they plan to build brought in \$80.11 in taxes in 2018 and, even receiving only 25% of the total, the County would begin receiving about \$21,257 on the parcel. She added that the County would begin receiving about \$69,281 per year after the five years had passed.

Chairman Fillios brought up Commissioner Leslie Duncan's expressed concern about the effect this new business might have on existing similar businesses. Ms. Gilliam responded that she did not think this would be an issue; there were no direct competitors in the County to be affected. She revealed the company was involved with the transportation industry.

Commissioner Duncan stated she was concerned about giving an unfair advantage to a new company over local, established Mom & Pop type entities. Ms. Gilliam predicted this would not be a problem; the new company would employ both directly hired employees and subcontracted employees, so small companies could actually benefit from their presence by subcontracting with them.

Commissioner Bill Brooks asked when the final decisions would be made. Ms. Gilliam predicted that they would receive word from the State by July 25, 2019 and the final decisions would be made in three to six months.

Commissioner Duncan asked if the company would be willing to accept a 50% tax exemption instead of 75%. Ms. Gilliam said she had suggested this, but the company had been resistant to the idea. She pointed out that a number of the company’s executives would plan to move to Kootenai County, if the plan worked out, and that would bring in still more in property taxes. She estimated that a minimum of \$315,000 in additional property tax revenue would come in from the houses the executives would buy.

Mr. Marshall predicted that we would see more companies move from Washington to Idaho because regulations in Washington were making it harder to do business there.

Chairman Fillios moved that the Board approve a 75% tax exemption over a five-year period for the company in question, resulting in an estimated tax saving of \$240,118.31. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye
Commissioner Duncan: Nay
Chairman Fillios: Aye

The motion carried.

D. Public Comment (Discussion): This section is reserved for citizens wishing to address the Board regarding a County-related issue. Idaho Law prohibits Board action on items brought under this section except in an emergency circumstance. Comments related to future public hearings should be held for that public hearing. There was no public comment.

E. Adjournment (Action): Chairman Fillios adjourned the meeting at 11:29 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

CHRIS FILLIOS, CHAIRMAN

BY: _____
Tina Ginorio, Deputy Clerk
