RESOLUTION NO. 16-07

A Resolution by the Bonneville County Board of Commissioners
Concerning Tax Exemption for Northwest Cosmetic Labs

WHEREAS, I.C. 63-602NN authorizes Bonneville County to declare that all or a portion of the market value of a defined project with investments that meet certain tax incentive criteria may be exempted from property taxation for a period of up to five (5) years based on the benefit determined by the Board of County Commissioners is provided to the community, and

WHEREAS, the Board of Bonneville County Commissioners, in consultation with the City of Idaho Falls and Idaho Department of Commerce, has determined to base the exemption decision upon several factors, including but not limited to: the amount of wages to be paid to employees in the new facility, the number of new jobs created, and whether or not the project draws new money to Bonneville County, and

WHEREAS, Northwest Cosmetic Labs has presented to Bonneville County a written plan for Phase I that meets the requirements of Idaho Code Section 63-602NN(2) for a Defined Project by showing projected investments in plant and building facilities in Idaho Falls, Idaho to design and manufacture cosmetic products, and

WHEREAS, Bonneville County has examined the written plan, has examined the community benefit provided by the Defined Project, and has determined that it is in the best interest of the public to grant an exemption to Northwest Cosmetic Labs;

NOW, THEREFORE, The Board of Bonneville County Commissioners finds as follows:

I) Tax Exemption Findings. The Board of Bonneville County Commissioners finds as follows:

a) Compliance with Prerequisites. Northwest Cosmetic Labs has constructed or acquired approximately $13,700,000.00 of Investment in New Plant as defined in I.C. 63-602NN(2)(b), which meets or exceeds the Tax Incentive Criteria as defined in I.C. 63-602NN(2)(h).

b) Determination of Project Period. The Board of Bonneville County Commissioners has determined that the Project Period for Phase I, as defined in I.C. 63-602NN (2)(d), shall commence January 1, 2017.

c) Amount of Credit – Northwest Cosmetic Labs shall be granted a property tax credit for Phase I in the amount of 50% of the qualified assessed value for the tax years 2017, 2018, 2019, 2020 and 2021. The projected investment of Phase I is $13,700,000. The qualified value in each tax period will be the assessed value as determined by the Bonneville County Assessor on January 1st each year.
d) Northwest Cosmetic Labs will be required to report annually the project jobs of said application versus the actual qualified jobs resulting in Northwest Cosmetics expansion plans at a two year anniversary report. If Northwest is not meeting or exceeding their agreed to job numbers by 10% variation it could trigger a loss of the 50% tax exemption for the remaining 3 calendar years. Per the Job Matrix Score sheet (attachment #1) with an annual total score of at least 50 points in weighted average as agreed to by Northwest Cosmetic Labs and the Bonneville County Board of Commissioners.

e) No Carryover. Each tax year stands on its own. There shall be no rollover or carryover of tax exemption credits or unused tax exempt valuation from year to year. Exemption will be subject to total taxable investment meeting investment criteria in IC 63-602NN (2).

2) Grant of Tax Credit.

a) Amount of Credit. Northwest Cosmetic Labs shall be granted a property tax credit in the amount of 50% of qualified assessed value as determined by the Bonneville Assessor as outlined in 1(c) of this resolution.

PASSED AND ADOPTED this 9th day of Aug, 2016, during the regular meeting of the Board of County Commissioners.

BONNEVILLE COUNTY BOARD OF COMMISSIONERS

Roger S. Christensen, Chairman

Lee Staker, Member

Dave Radford, Member

ATTEST: Penny Manning
Bonneville County Clerk
### Bonneville County
Property Tax Exemption
Scoresheet - DRAFT May 27, 2016

<table>
<thead>
<tr>
<th>Project Information</th>
<th>Fill gray fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>COZ</td>
</tr>
<tr>
<td>County Average Wage</td>
<td>$33,437</td>
</tr>
<tr>
<td>Project Average Wage</td>
<td>$29,907</td>
</tr>
<tr>
<td>Average Benefit Spend</td>
<td>$8,355</td>
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<tr>
<td>Project Average Benefit Spend</td>
<td>$11,000</td>
</tr>
<tr>
<td>Training Annual Spend</td>
<td>$350,000</td>
</tr>
<tr>
<td>Project Jobs*</td>
<td>95</td>
</tr>
<tr>
<td>Project Capital Spend</td>
<td>$13,732,322</td>
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</tbody>
</table>

### Baseline Scoring
Points calculated using Project Information

<table>
<thead>
<tr>
<th>Methodology</th>
<th>Initial Score</th>
<th>Weight</th>
<th>Score</th>
<th>Max Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 pt. given for each 1% over county average wage (minimum zero points)</td>
<td>0</td>
<td>15%</td>
<td>0.0</td>
<td>15</td>
</tr>
<tr>
<td>1 pt. given for each 1% over county average benefit spend/employee (minimum zero points)</td>
<td>32</td>
<td>15%</td>
<td>4.7</td>
<td>15</td>
</tr>
<tr>
<td>1 pt. given for each $10,000 of training spend</td>
<td>35</td>
<td>10%</td>
<td>3.5</td>
<td>10</td>
</tr>
<tr>
<td>1 pt. given for every two jobs to be created</td>
<td>48</td>
<td>40%</td>
<td>19.0</td>
<td>40</td>
</tr>
<tr>
<td>1 pt. given for each $100,000 of investment in real and personal property.</td>
<td>137</td>
<td>20%</td>
<td>27.5</td>
<td>20</td>
</tr>
</tbody>
</table>

**TOTAL**

**Score**

<table>
<thead>
<tr>
<th>Score</th>
<th>Offer % Range</th>
<th>Offer Term Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 25</td>
<td>1% to 25%</td>
<td>1 to 5 years</td>
</tr>
<tr>
<td>26 to 50</td>
<td>25% to 50%</td>
<td>2 to 5 years</td>
</tr>
<tr>
<td>51 to 75</td>
<td>51% to 75%</td>
<td>3 to 5 years</td>
</tr>
<tr>
<td>76 to 100</td>
<td>76% to 100%</td>
<td>4 to 5 years</td>
</tr>
</tbody>
</table>

*Initial jobs 2016 - see attached spreadsheet for projected 5 year growth 2016-2020
Total jobs 2016-2020: 509*
HOUSE BILL NO. 550

View Bill Status
View Bill Text
View Statement of Purpose / Fiscal Impact

Text to be added within a bill has been marked with Bold and Underline. Text to be removed has been marked with Strikethrough and Italic. How these codes are actually displayed will vary based on the browser software you are using.

This sentence is marked with bold and underline to show added text.
This sentence is marked with strikethrough and italic, indicating text to be removed.

Bill Status

H0550........................................................by REVENUE AND TAXATION
PROPERTY TAX EXEMPTIONS - Adds to existing law to provide that during tax
year 2008 and each year thereafter, a board of county commissioners may
declare that all or a portion of the market value of investment in new
plant and building facilities meeting certain tax incentives criteria shall
be exempt from taxation.

02/21 House intro - 1st rdg - to printing
02/22 Rpt prt - to Rev/Tax
03/03 Rpt out - rec d/p - to 2nd rdg
03/04 2nd rdg - to 3rd rdg
03/06 3rd rdg - PASSED - 66-4-0
AYES -- Anderson, Andrus, Barrett, Bayer, Bedke, Bell, Bilbao, Black,
Block, Bock, Boe, Bolz, Bowers, Brackett, Bradford, Chadderdon, Chew,
Clark, Collins, Crane, Durst, Eskridge, Hagedorn, Hart, Harwood,
Henbest, Henderson, Jaquet, Killen, King, Kren, Labrador, Lake,
Loertscher, Luker, Marriott, Mathews, McGeachin, Mortimer, Moyle,
Nielsen, Nonini, Pasley-Stuart, Patrick, Pence, Raybould, Roberts,
Ruchti, Rusche, Schaefer, Shepherd(02), Shepherd(08), Shirley,
Shively, Smith(30), Smith(24), Snodgrass, Stevenson, Thayn, Thomas,
Trail, Vander Woude, Wills, Wood(27), Wood(35), Mr. Speaker
NAYS -- Chavez, LeFavour, Ringo, Sayler
Absent and excused -- None
Floor Sponsor - Bayer
Title apvd - to Senate
03/07 Senate intro - 1st rdg - to Loc Gov
03/14 Rpt out - rec d/p - to 2nd rdg
03/17 2nd rdg - to 3rd rdg
03/24 3rd rdg - PASSED - 28-7-0
AYES -- Andreasen, Bair, Bastian, Broadword, Cameron, Coiner,
Corder, Darrington, Davis, Fulcher, Geddes, Goedde, Hammond,
Heinrich, Hill, Jorgenson, Kelly, Keough, Langhorst, Lodge,
Malepeai(Sagness), McGee, McKague, McKenzie, Pearce, Richardson,
Siddoway, Stennett
NAYS -- Bilyeu, Burkett, Gannon(Gannon), Little, Schroeder, Stegner,
Werk
Absent and excused -- None
Floor Sponsor - Heinrich
Title apvd - to House
03/25 To enrol - Rpt enrol - Sp/Pres signed
03/26 To Governor
03/31 Governor signed
Session Law Chapter 327
Effective: 01/01/08

sioners by a taxpayer subject to tax under chapter 30, title 63, Idaho Code, in the form and manner prescribed by the commission.  
(e) "Qualified investment" shall be as defined in section 63-3029B, Idaho Code.  
(f) "Tax incentive criteria" means a taxpayer at a project site meeting the requirements of subparagraphs (i), (ii) and (iii) of this paragraph:  
(i) During the project period, making capital investments in new plant of at least three million dollars ($3,000,000) at the project site;  
(ii) During a period of time beginning on January 1, 2008, and ending at the conclusion of the project period, the project is located in a rural development zone as defined by the United States Department of Agriculture rural development's, business and industry loan program;  
(iii) The taxpayer can demonstrate to the county that significant economic benefits will accrue to the county.  
(3) The board of county commissioners may grant the property tax exemption for all or a portion of the market value of the defined project for a period of up to five (5) years. The agreement shall be considered a contract arrangement between the county and the taxpayer for the exemption time period granted by the board of county commissioners.  
(4) Property exempted under this section shall not be included on any new construction roll prepared by the county assessor in accordance with section 63-301A, Idaho Code, until the exemption ceases.  
(5) The legislature declares this exemption necessary and just.

SECTION 2. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval, and retroactively to January 1, 2008.

Statement of Purpose / Fiscal Impact

STATEMENT OF PURPOSE

RS 17939

The purpose of this legislation is to provide an economic development incentive for new manufacturing facilities construction and development in designated rural development areas in the state of Idaho.

The legislation will grant the board of county commissioners authority to offer property tax exemptions for a maximum of five (5) years to a taxpayer who spends a minimum of $3,000,000 for new manufacturing facilities in rural areas as defined by the United States Department of Agriculture, Rural Development Business and Industry Loan program. The taxpayer must demonstrate significant economic benefits that will accrue to the county from such property development.

The legislation prohibits counties from increasing assessed valuation of the property until such time as property taxes are actually collected on the project.

This proposal will allow board of county commissioners an incentive to help compete more effectively and on a more timely basis with neighboring states to attract new development to the state and their county.

FISCAL IMPACT