

RESOLUTION NO. 24-026

**RESOLUTION OF THE CANYON COUNTY BOARD OF COMMISSIONERS
GRANTING CRITICAL PROCESS SYSTEMS GROUP, INC.
A PROPERTY TAX EXEMPTION
PURSUANT TO IDAHO CODE § 63-602NN**

The following resolution was considered and adopted by the Canyon County, Idaho Board of Commissioners ("Board") on this 13th day of February, 2024.

Upon the motion of Commissioner Van Beek and the second by Commissioner Brooks, the Board resolves as follows:

WHEREAS, Idaho Code § 31-801 grants general powers and duties, subject to the restrictions of law, to the boards of county commissioners in their respective counties; and

WHEREAS, Idaho Code § 31-828 grants the Board authority "to do and perform all other acts . . . which may be necessary to the full discharge of the duties of the chief executive authority of the county government"; and

WHEREAS, Idaho Code § 63-602NN authorizes the Board to exempt the value of certain plant investment ("Qualified Property") from property taxes; and

WHEREAS, the Board has implemented Idaho Code § 63-602NN through the enactment of the Canyon County Business Investment Incentive Ordinance of 2017, as amended (Ord. 22-020, 09-13-2022); and

WHEREAS, the Board has considered the application of Critical Process Systems Group Inc. (formerly Exyte U.S., Inc.), and subsidiary companies, including Diversified Fluid Solutions and NEHP, Inc., (hereinafter referred to as "COMPANY"), for a property tax exemption pursuant to Idaho Code § 63-602NN for investment in Qualified Property related to a production facility that is planned to be located on property identified as 5300 E. Franklin Rd., Nampa, Idaho, and currently designated by Canyon County as PINs 30406013 0 (real property) and 69222212 (personal property), and as more particularly described in Exhibit A ("Project Site"); and

WHEREAS, the owner of the real property, RE II Industrial VII LLC (hereinafter referred to as "REAL PROPERTY OWNER"), has indicated that it will enter into a lease of the real property with COMPANY should company decide to locate in Canyon County, Idaho.

WHEREAS, COMPANY has demonstrated by a written plan outlining the proposed project that it meets, or will meet, the requirements of Idaho Code § 63-602NN, as well as those standards established by Canyon County for receiving the property tax exemption; and

WHEREAS, COMPANY plans to invest approximately \$31,957,000 in Qualified Property at the Project Site during the project period and has requested a property tax exemption for a portion of its eligible investment in Qualified Property beginning in 2025, said investments to be made as specified in Exhibit B, for a total property tax exemption not to exceed the following amounts in property value for each of the following years:

2025 - \$ 28,761,300
2026 - \$ 25,565,600
2027 - \$ 22,369,600
2028 - \$ 19,174,200
2029 - \$ 15,978,500

WHEREAS, notwithstanding the property tax exemption, the remaining value of eligible investments in Qualified Property will be added to the property tax rolls in Canyon County for the years 2024 through 2029; and in full for 2030

WHEREAS, the Board has considered terms and conditions for granting COMPANY a property tax exemption pursuant to Idaho Code § 63-602NN, to include the following:

1. A partial property tax exemption on investments in Qualified Property at the Project Site made during the Project Period, provided COMPANY makes its investments substantially as proposed. The property tax exemption shall apply to tax years 2025 through 2029.
2. All property tax exemptions granted pursuant to this resolution are conditional on all related companies, including Diversified Fluid Solutions and NEHP, Inc., submitting a letter to the Board agreeing to all the terms and conditions contained herein. Related companies include, but are not limited to, any entities leasing or operating the facilities subject to the terms of this resolution.
3. REAL PROPERTY OWNER and COMPANY must have entered into an agreement leasing PIN 30406013 0 to COMPANY and such lease agreement must be provided to the County before any exemption granted by this resolution shall be effective.
4. No later than March 1 each year, beginning the year a property tax exemption is effective, and continuing each year thereafter until the property tax exemption ends, COMPANY shall submit to the Assessor's Office and the Economic Development Office of the jurisdiction where the investment was made, a report and certification of compliance consistent with the Canyon County Business Investment Incentive Ordinance of 2017, as amended (Ord. 18-031, 11-15-2018) (hereinafter "Ordinance"). Failure to timely submit a complete annual report is grounds for immediately terminating a property tax exemption.

5. COMPANY shall maintain evidence and documentation of all investments in Qualified Property made during the project period for the duration of the recapture period identified in Section 7. These records shall be made available to the County upon request, with reasonable notice.
6. COMPANY shall comply with all conditions imposed by all other governmental entities in Idaho with respect to any other incentive agreements related to this project.
7. Canyon County may recapture taxes that would have been paid had the property tax exemption not been granted should COMPANY (or their assigns) fail to make the amount of investment substantially as proposed, or fail to continue operations at the Project Site at substantially the same level for at least ten (10) years commencing immediately after the year the taxes were exempted. The recaptured taxes are to be recovered in substantially the same manner as described in Idaho Code § 63-602G(5)(a) – (j), except as modified herein.
8. COMPANY agrees that this right of the County to recapture taxes runs with the land associated with the parcel numbers herein, and more particularly described in Exhibit A, and that this document may be recorded to give notice of said encumbrance.


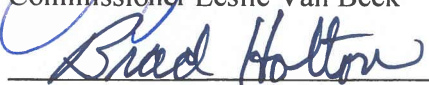
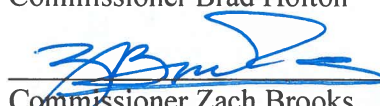
WHEREAS, COMPANY and REAL PROPERTY OWNER have agreed to the terms and conditions set forth above; and

WHEREAS, the Board finds that significant economic benefits will accrue to Canyon County, and to the taxing districts within the County, as a result of the proposed investment.

WHEREFORE, THE BOARD HEREBY RESOLVES AS FOLLOWS: Pursuant to Idaho Code § 63-602NN, and the Ordinance, and subject to the terms and conditions therein as well as those set forth above, the Board hereby agrees to exempt for five (5) years a portion of the value of investments projected to be made by COMPANY in Qualified Property, located at the Project Site, as detailed in Exhibit B, said property tax exemptions not to exceed the amounts indicated therein. The property tax exemption is further limited by the maximum percentage of value exemption (as annually applicable) as applied only to the increase in value over base value (as defined in Idaho Code § 63-602NN). In no event shall the exemption exceed the maximum levels provided in the Ordinance, based on actual investments and job creation.

IT IS FURTHER RESOLVED BY THE BOARD, that this resolution shall be effective
this 13th day of February, 2024.

☒ Motion Carried Unanimously
☐ Motion Carried/Split Vote Below
☐ Motion Defeated/Split Vote Below

	Yes	No	Did Not Vote
 Commissioner Leslie Van Beek	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Commissioner Brad Holton	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Commissioner Zach Brooks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

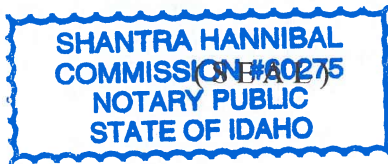
ATTEST: RICK HOENIGMAN CLERK

By: J. ROSS
Deputy Clerk

Critical Process Systems Group Inc.

BY:

On this 13th day of FEBRUARY, 2024, before me, a notary public, personally appeared KYLE D. MACKAY, known or identified to me to be the GENERAL MANAGER for CRITICAL PROCESS SYSTEMS/INC. whose name is subscribed to the within instrument, and acknowledged to me that said corporation executed the same.



Shanta Humbal
Notary Public for Idaho
Residing at: CANYON COUNTY, ID
My Commission Expires: 9/12/24

REAL PROPERTY OWNER:

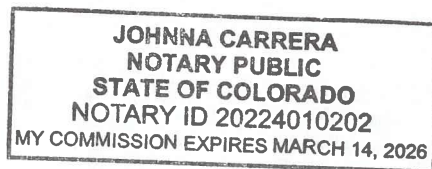
RE II INDUSTRIAL VII LLC

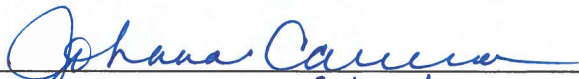
BY: 

STATE OF Colorado)
~~IDAHO~~)
County of Denver)
~~Canyon~~)

On this 8th day of February, 2024, before me, a notary public, personally appeared Blair Richardson, known or identified to me to be the CEO for RE II Industrial VII LLC, whose name is subscribed to the within instrument, and acknowledged to me that said corporation executed the same.

(SEAL)




Notary Public for ~~Idaho~~ Colorado
Residing at: Denver, CO
My Commission Expires: 3-14-2026