

COMMUNITY MATCH AGREEMENT

BETWEEN CITY OF MERIDIAN

AND

JST MANUFACTURING, INC.

THIS COMMUNITY MATCH AGREEMENT (“Agreement”) entered into this _____ day of _____, 2021 by and between the City of Meridian (“City”), an Idaho municipal corporation organized under the laws of the State of Idaho, and JST Manufacturing, Inc., an Idaho General Business Corporation (“JST”), collectively, the “parties.”

WHEREAS, JST is an advanced manufacturer, providing wet bench and cleaning equipment to the semiconductor, optoelectronics, biomedical, food processing, and other clean industries; and,

WHEREAS, JST expanded its operations to a 60,000-square-foot location at 4040 E. Lanark Street in Meridian with approximately 75 employees; and,

WHEREAS, JST has the need to hire new positions, ranging from fabricators, welders and machinists to administrative support to multiple engineers, including chemical, electrical, mechanical, and software engineers to serve its growing client base; and has committed to add a minimum of 50 full-time, benefited positions through 2025 with an average wage at or above the Ada County median wage; and,

WHEREAS, JST has committed to make a minimum capital investment of \$4.7 million in facility improvements and equipment at its Meridian worksite; and

WHEREAS, JST has been able to qualify for Idaho’s Tax Reimbursement Incentive (TRI), a performance-based mechanism that promotes economic expansion, business retention, and job creation; and,

WHEREAS, pursuant to Idaho Statute, Section 67-4739(1c), to be considered for participation in the TRI program, the applicant must secure a Community Match, which is defined as a commitment from the local government that demonstrates its active support of the applicant creating new jobs in the local community; and,

WHEREAS, pursuant to Idaho Statute Section 67-4738(5), the Community Match may include a monetary contribution, fee waivers, in-kind services, the provision of infrastructure, or a combination thereof; and,

WHEREAS, pursuant to Idaho State Constitution Article XII, Section 4, the “public purpose” doctrine set forth in *Village of Moyie Springs v. Aurora Mfg. Co.* (1960), and subsequent Idaho Office of the Attorney General clarification, such Community Match must provide a “public purpose,” and,

WHEREAS, as a condition of development, City required construction of certain public utility infrastructure improvements, beyond those needed to serve JST’s facility, at a cost of \$27,000; and,

WHEREAS, the required public utility improvements will serve community development and are determined to be “contributed capital” City infrastructure assets to be maintained by City; and,

WHEREAS, Meridian’s Community Match is a show of support that the City has a partnership with the State of Idaho and JST, and is an effort to support JST’s significant capital investment and creation of new job opportunities to utilize the Idaho TRI program and locate in Meridian.

NOW, THEREFORE, in consideration of the foregoing, the City and JST do hereby agree as follows:

1. COMMUNITY MATCH CONTRIBUTION. Upon the satisfaction of the ongoing Condition listed below, City agrees to provide Community Match funds of \$27,000 (Twenty-Seven Thousand Dollars), distributed in two equal installments over a two-year period.

a. The Condition must be satisfied in each of the two years. Failure to fulfill the Condition shall be considered an Event of Default under Section 5 of this Agreement and shall relieve City of its agreement to fund any unpaid Community Match unless cured.

b. CONDITION FOR COMMUNITY MATCH CONTRIBUTIONS. The City and JST are entering into this portion of the Agreement to provide a Community Match in anticipation of the satisfaction of a certain condition, which, if not satisfied, will frustrate the purpose of providing the Community Match. For purposes of this Agreement, the following shall constitute the “Condition”:

JST shall receive approval from the Idaho Department of Commerce for the Idaho Tax Reimbursement Incentive (TRI) program. JST must continue to be eligible for the TRI tax credits in each of the two years that it receives Community Match funds from the City of Meridian.

2. PAYMENT OF FUNDS. The first payment of \$13,500 (Thirteen Thousand Five Hundred Dollars) shall be remitted to JST within 30 days or as soon as possible thereafter once City receives verification of approval from the Idaho Department of Commerce

following the initial performance year compliance. A subsequent annual payment of \$13,500 shall be made within 30 days as soon as possible thereafter once City receives verification of JST's continued eligibility for the TRI tax credits in the second performance year.

3. PUBLIC RECORDS. All books, figures, records, reports, statements, or similar items submitted to the City by JST are public information and are available for public review, subject only to specific exemptions in Idaho Code relating to Public Records. Should JST provide to the City information that it believes to be a trade secret or other proprietary information as defined in Idaho Code, it may mark such information "confidential." Prior to disclosing any information marked "confidential," the City shall provide ten days written notice to JST prior to City making a determination whether the information is exempt from disclosure.

4. APPROVAL OF AGREEMENT, INVALIDITY, AND APPROPRIATION OF FUNDS. The City is a political subdivision of the State of Idaho and is subject to state laws governing its activities. In the event that any portion of the laws authorizing City's local Community Match of the Idaho Tax Reimbursement Incentive Act is found to be invalid or unlawful, any portion of this Agreement which relies on the invalidated or unlawful portion of the TRI Act shall be null and void. Further, all funding set forth in this Agreement is subject to annual appropriation by the City Council pursuant to restrictions dictated by the Idaho Constitution.

5. DEFAULT. If JST or the City alleges that the other is in default of such party's obligations under this Agreement, the following provisions apply:

(a) The party alleging such breach or default (the "**Alleging Party**") shall provide written notice to the other (the "**Defaulting Party**") identifying the specific nature of such alleged default (a "**Notice of Default**"), whereupon the Defaulting Party shall have thirty (30) days in which to fully cure the default (the "**Cure Period**").

(b) A party's failure to cure a default following a Notice of Default within the Cure Period shall be an "**Event of Default**" hereunder.

(c) Upon an Event of Default, the Alleging Party shall have the right to terminate this Agreement as well as any and all rights and remedies to which the Alleging Party may be entitled in law or in equity.

6. AGREEMENT MADE IN IDAHO. The laws of the State of Idaho shall govern the validity, interpretation, performance and enforcement of this Agreement. Venue shall be in the courts in Ada County, Idaho.

7. NOTICES. Any and all notices required to be given by either of the parties hereto, shall be in writing and be deemed communicated when mailed in the United States mail, certified, return receipt requested, addressed as follows:

To the City:

Meridian City Clerk
33 E. Broadway Avenue
Meridian, Idaho 83642

To JST:

Cory Armstrong
Chief Financial Officer
4040 E. Lanark Street, Suite 100
Meridian, Idaho 83642

Either party shall give notice to the other of any change in address for the purpose of this section by giving written notice of such change to the other in the manner herein provided.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed, on the day and year first above written.

CITY OF MERIDIAN, AN IDAHO MUNICIPAL CORPORATION

Robert E. Simison, Mayor

ATTEST:

City Clerk

JST MANUFACTURING, INC.



Cory Armstrong
Chief Financial Officer