

Board of the Governor's Office of Economic Opportunity

60 East South Temple, Suit 300 Salt Lake City, Utah 84111

Electronic participation: Zoom <https://utah-gov.zoom.us/j/6588245221?omn=82500508909>

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Meeting ID: 658 824 5221

March 14, 2024 • 10:00 a.m.– 12:00 p.m.

AGENDA

Welcome Carine Clark

Motion to approve Meeting Minutes GOEO Board

a. February 12th, 2023

OPMA Training Todd Jenson

Todd Jenson will instruct the Board on relevant topics as they relate to the Board and the Open Public Meetings Act.

EDTIF Incentives Daniel Royal

The Board will meet with company representatives and vote to approve EDTIF (and other) benefits for the company's proposed project in Utah. One company is seeking approval this month and the company operates in the food manufacturing industry.

Economic Development Zones Daniel Royal

Daniel Royal will present two locations in association with previously granted incentives for ED Zone Classification approval. The companies seeking ED Zone approval are Central States Manufacturing and Northrop Grumman.

Film Incentive Virginia Pearce

Virginia Pearce will Present 2 films seeking MPIP Rural Tax Credit approval by the Board; both have met the criteria defined by statute.

Hotel Convention Mitigation Fund Ryan Starks

Ryan Starks will present the terms of the Hotel Convention Mitigation Fund and seek the approval of the Board.

IAA Discussion Ryan Starks

Ryan Starks will present a candidate for an IAA grant to the Board. This candidate is Weber State University regarding one of their education initiatives.

Service Requirement Jim Grover

Jim Grover will lead the conversation regarding the Governor's latest requirements for incentivized companies, the service requirement.

Startup Presentation Brad Bonham

Brad Bonham Will present on the state's efforts to support businesses, specifically new businesses.

EDTIF UpdateJesse Turley

Daniel Royal will present the activities and successes of the FY 2024 EDTIF program thus far from the perspective of the GOEO office.

EDCUtah UpdateErin Farr

Erin Farr will present on recent activities and successes by EDCUtah.

Legislative Update Kori Ann Edwards

Kori Ann Edwards will introduce the new and relevant legislation passed this past session and how it affects the EDTIF, IAA, Board, and other programs.

Director’s Update Ryan Starks

Ryan Starks will give some final thoughts to the Board and staff.

Adjourn Meeting

2024 GOEO Board Meeting Dates

Jan 11, 2024 10:00 AM	May 9, 2024 10:00 AM	Sep 12, 2024 10:00 AM
Feb 8, 2024 10:00 AM	Jun 13, 2024 10:00 AM	Oct 10, 2024 10:00 AM
Mar 14, 2024 10:00 AM	Jul 11, 2024 10:00 AM	Nov 14, 2024 10:00 AM
Apr 11, 2024 10:00 AM	Aug 8, 2024 10:00 AM	Dec 12, 2024 10:00 AM

In accordance with the Americans with Disabilities Act, individuals requiring special accommodation during this meeting should notify Hyrum Worth at 435-218-9554 prior to the meeting.

GOEO Board Meeting Minutes

February 12, 2024 · 7:30 a.m. – 9:30 a.m.

Members Present:	Carine Clark, Jesse Turley, Brad Bonham, Heather Kahlert, Kira Slawson, Geri Gamber, Kimmy Paluch, Roger Killpack, Tanner Ainge, Brigham Tomco
Members Excused:	Katelin Roberts
Staff:	GOEO: Jim Grover Daniel Royal, Lori Haslem, Tony Young, Lance Soffe, Ashley Okawa, Sherry Stevens, Kamron Dalton, Forest Turner, Virginia Pearce, Pete Codella, Kori Ann Edwards, Todd Jensen, Colette Cox, Laraib Sial, Sarah Neilsen, Ryan Starks, Tanner Anderson, Hyrum Worth EDC Utah: Greg Bisping, Jaime Hernandez, Chris Roybal, Erin Farr, Spencer Layton, Rex Buys
Visitors:	Northrop Grumman: None Milford Mining: Darin Malchus, Jason Schroder Pattern: Dallin Hatch, Jed Brunson Other: Brice Wallace, Christa Dommers, Dana Peterson

Welcome

Carine Clark welcomed everyone to the February 12th, 2024 GOEO Board Meeting.

Approval of the Minutes

MOTION: Carine Clark invited comment or correction to the previously distributed minutes of the January 11th, 2024 meeting minutes. No corrections were offered, and with no objection from the board, the minutes were adopted by unanimous consent.

EDTIF Update

Northrop Grumman

Daniel Royal gives the project overview describing a high-level view of the project. This project includes many locations across the state. Davis County was chosen as the primary location because most of the new jobs would be located there.

At the request of Jesse Turley, Jim Grover reads a statement from Northrop Grumman, expressing their gratitude towards the State of Utah.

No representatives were present from the company.

Tanner Ainge asks about the educational efforts of Northrop and Kori Ann responds, describing the company's ongoing efforts. (likely UAMMI)

Proposed Motion

The Governor's Office of Economic Opportunity Board recommends Northrop Grumman Systems Corporation for an EDTIF post-performance refundable tax incentive. This incentive is not to exceed 20 years and a 30% reduction in state tax paid on new state tax revenue above the baseline established for the preceding 12 months. New state revenue is projected to be \$356,387,294

Kimmy Paluch made the motion and Geri Gamber seconded. Aye votes were recorded from Carine Clark, Jesse Turley, Brad Bonham, Heather Kahlert, Kira Slawson, Geri Gamber, Kimmy Paluch, Roger Killpack, Tanner Ainge, and Brigham Tomco. No nay votes were recorded, and the motion passed.

Milford Mining

Darin Malchus briefly described the project after Daniel introduced the company. No questions were asked and the motion was read.

Proposed Motion

The Governor's Office of Economic Opportunity Board recommends Milford Mining Company Utah LLC for an EDTIF post-performance refundable tax incentive in rural Utah. This incentive is not to exceed a 50% reduction in state tax paid on new state tax revenue above the baseline established for the preceding 12 months. New state revenue is projected to be \$1,509,729. (A term of 5 years was visible in the motion but not read aloud)

Roger Killpack made the motion and Geri Gamber seconded. Aye votes were recorded from Carine Clark, Jesse Turley, Brad Bonham, Heather Kahlert, Kira Slawson, Geri Gamber, Kimmy Paluch, Roger Killpack, Tanner Ainge, and Brigham Tomco. No nay votes were recorded, and the motion passed.

Pattern Inc.

Jesse Turley dismissed himself from the conversation due to a conflict of interest. Tanner Ainge also noted to the Board that he has a conflict of interest.

Dallin Hatch covered basic details about the company and the project.

The Governor's Office of Economic Opportunity Board recommends Pattern Inc. for an EDTIF post-performance refundable tax incentive. This incentive is not to exceed 10 years and a 20% reduction in state tax paid on new state tax revenue above the baseline established for the preceding 12 months. New state revenue is projected to be \$14,541,259.

Kimmy Paluch made the motion and Roger Killpack seconded. Aye votes were recorded from Carine Clark, Jesse Turley, Brad Bonham, Heather Kahlert, Kira Slawson, Geri Gamber, Kimmy Paluch, Roger Killpack, Tanner Ainge, and Brigham Tomco. No nay votes were recorded. Jesse Turley and Tanner Ainge abstained (recused themselves) from the vote because of perceived conflicts of interest. The motion passed.

ED Zones

Daniel Royal read the proposed motions for the ED Zones that needed to be created. A single rollcall vote is taken for all the following motions:

Morgan Stanley Private Banking Group

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF MORGAN STANLEY PRIVATE BANKING GROUP AT 60 E SOUTH TEMPLE STREET, SALT LAKE CITY, UT 84111.

Morgan Stanley & Co LLC

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF MORGAN STANLEY & CO LLC AT 90 S 400 W SALT LAKE CITY, UT 84101.

MORGAN STANLEY SERVICES GROUP INC.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF MORGAN STANLEY SERVICES GROUP INC AT 201 S MAIN STREET, SALT LAKE CITY, UT 84111.

MORGAN STANLEY & CO INC.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SANDY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF MORGAN STANLEY & CO INC AT 9815 S MONROE STREET, SANDY, UT 84070.

(Originally read as "...creation of an economic development zone for Salt Lake City in support..." but the location was corrected to Sandy, after the meeting. All other elements of this motion were correct.)

MORGAN STANLEY & CO INC.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SANDY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF MORGAN STANLEY & CO INC AT 150 CIVIC CENTER DR, SANDY, UT 84070.

MORGAN STANLEY CITIGROUP GLOBAL MARKETS INC

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR South OGDEN IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF MORGAN STANLEY CITIGROUP GLOBAL MARKETS INC AT 1495 E RIDGELINE, SOUTH OGDEN, UT 84405.

MORGAN STANLEY CITIGROUP GLOBAL MARKETS INC

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR LOGAN IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF MORGAN STANLEY CITIGROUP GLOBAL MARKETS INC AT 40 W CACHE VALLEY, LOGAN, UT 84341.

MORGAN STANLEY CITIGROUP GLOBAL MARKETS INC

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR LOGAN IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF MORGAN STANLEY CITIGROUP GLOBAL MARKETS INC AT 101 N MAIN STREET LOGAN, UT 84321.

Kimmy Paluch made the motion and Kira Slawson seconded. Aye votes were recorded from Carine Clark, Jesse Turley, Brad Bonham, Heather Kahlert, Kira Slawson, Geri Gamber, Kimmy Paluch, Roger Killpack, Tanner Ainge, and Brigham Tomco. No nay votes were recorded, and the motion passed.

Film

Carine Clark notes that, in the future, Virginia Pearce will no longer be presenting film incentives to the GOEO Board.

Virginia Pearce presents two films to the board for approval as follows:

Production	Estimated Utah Spend	Incentive Amount Per Production
Branching Out	\$2,300,000	\$200,000
The Stranger in my Home	<u>\$3,000,000</u>	<u>\$500,000</u>
Total Utah Spend/Incentives	\$5,300,000	\$700,000

Clarification on the sources of funding is requested by a member of the Board. Virginia clarifies that there is a Rural Motion Picture Incentive fund and a general Motion Picture Incentive fund. "Branching Out" could not shoot rural, thus their funding was limited to the dollar amount remaining in the general fund.

Motion: Approve a total of \$700,000 for incentives for the following productions, which have met the criteria defined by statute.

Geri Gamber made the motion and Kira Slawson seconded. Aye votes were recorded from Carine Clark, Jesse Turley, Brad Bonham, Heather Kahlert, Kira Slawson, Geri Gamber, Kimmy Paluch, Roger Killpack, Tanner Ainge, and Brigham Tomco. No nay votes were recorded, and the motion passed.

IAA Discussion

The background of each of the IAA requests is given and questions/clarifications are fielded. The following motion to vote on each request individually is proposed by the GOEO team.

Motion: Motion to vote to recommend approval to the Executive Director, by roll-call vote, the discussed Industrial Assistance Account requests. Recommend approval as a non-matching grant for...

47G – AAM Center of Excellence	\$750,000
AES International	\$1,000,000
Dirty Dough	\$750,000
United We Pledge	\$200,000

Reading the "motion to vote" portion of the proposed motion sparks many members of the Board to request clarification on what is meant by the "motion to vote." Many members of the Board express concern over the wording. Further clarification on the roll of the Board in regards to the IAA is clarified. It is noted that IAAs are required to be presented to the Board, but final say resides with the Executive Director. It is also claimed that the IAA is not just for business incentives but for a variety of purposes. Ryan states that he wants to change the process in which IAAs are applied and requested.

Tanner Ainge makes the motion to move forward with voting on 47G-AAM only, and Kimmy Paluch seconds.

Motion: Recommend approval as a non-matching grant for 47G-AAM Center of Excellence for \$750,000

Tanner Ainge made the motion and Kimmy Paluch seconded it. Aye votes were recorded from Carine Clark, Jesse Turley, Brad Bonham, Heather Kahlert, Kira Slawson, Geri Gamber, Kimmy Paluch, Roger Killpack, Tanner Ainge, and Brigham Tomco.

Jesse requested that the other IAAs be voted on.

Todd Jensen addresses the Board saying that their role is to provide feedback to the IAA requests. This was in response to concerns regarding a perceived negative outcome for the Board members regardless of in favor of or against an IAA.

Carine Clark recommends that they vote on all the IAAs.

Motion: Recommend approval as a non-matching grant for AES International for \$1,000,000 subject to AES International agreeing to pay back the \$1,000,000 to the state of Utah.

Jesse Turley made the motion and Geri Gamber seconded it. Aye votes were recorded from Carine Clark, Jesse Turley, Heather Kahlert, Kira Slawson, Geri Gamber, Roger Killpack, and Brigham Tomco. Nay votes were recorded from Kimmy Paluch, Brad Bonham, and Tanner Ainge.

Motion: Recommend approval as a non-matching grant for Dirty Dough for \$750,000

Geri Gamber made the motion and Carine Clark seconded it. Aye votes were recorded from Geri Gamber, Brigham Tomco, Heather Kahlert, Kira Slawson, Jesse Turley, and Carine Clark. Nay votes were recorded from Kimmy Paluch, Brad Bonham, Tanner Ainge, and Roger Killpack.

No official motion to vote was made but a rollcall was still called.

Recommend approval as a non-matching grant for United We Pledge for \$200,000

Tanner Ainge made the motion and Kimmy Paluch seconded it. No aye votes were recorded and nay votes were recorded from Carine Clark, Jesse Turley, Brad Bonham, Heather Kahlert, Kira Slawson, Geri Gamber, Kimmy Paluch, Roger Killpack, Tanner Ainge, and Brigham Tomco.

Ryan thanked the board for their work and committed to deliver IAAs that are more ready for the board and proceeded with additional IAAs.

Reconsider our motion made in October's board meeting to recommend to the Executive Director to allow use of funding for food manufacturing equipment and talent development. (For C&J Specialties' previously granted IAA of \$150,000)

Geri Gamber made the motion and Roger Killpack seconded it. Aye votes were recorded from Geri Gamber, Brigham Tomco, Heather Kahlert, Kira Slawson, Jesse Turley, and Carine Clark. Nay votes were recorded from Kimmy Paluch, Brad Bonham, Tanner Ainge, and Roger Killpack.

It was noted that this is not an additional \$150,000 but giving them approval to utilize that money for food manufacturing in addition to talent development.

Final Words by Ryan Starks.

Ryan gives his final words of encouragement for the work that has been done by the board today. He also notes that Virginia Pearce will still be with the GOEO board till April.

Meeting Adjourned

GOEO BOARD EXECUTIVE SUMMARY

Pepperidge Farm Inc.

March 14, 2024

Project Highlights

Timeline:	2024
Target Industry:	Food Manufacturing
Location:	Richmond
County:	Cache County
County Class:	3
Capital Investment:	\$160,000,000
Jobs:	86
Average Wage:	\$61,627

Company Overview

Our Richmond, Utah bakery is part of Campbell Soup Company's nationwide network of manufacturing facilities. The Richmond bakery produces Pepperidge Farm®, a leading brand of premium quality snacks, fresh bakery products, and frozen foods. Founded in 1937, The Pepperidge Farm® brand includes nearly 100 different snacks including over 30 varieties of Goldfish® crackers and 65 varieties of cookies. The portfolio includes iconic Goldfish® crackers, Milano cookies, and Pepperidge Farm Farmhouse Thin & Crispy cookies and more than 50 varieties of fresh baked breads including Pepperidge Farm Swirl, Farmhouse and Whole Grain and frozen Puff Pastry, Layer Cakes and Garlic Bread. Pepperidge Farm branded products are now in approximately 75 percent of homes nationwide.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$337,175
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	10 Years

Jobs & Revenue

Full time jobs over project lifetime: 86

New State Wages & Revenue:

New State Wages over 10 years:	\$48,340,460
New State Revenue over 10 years:	\$1,685,874
Withholding:	\$1,685,874

Proposed Motion,

The Governor's Office of Economic Opportunity Board recommends Pepperidge Farm Inc. for an EDTIF post-performance refundable tax incentive in rural Utah. This incentive is not to exceed a 20% reduction in state tax paid on new state tax revenue above the baseline established for the preceding 12 months. New state revenue is projected to be \$1,685,874.

- Total EDTIF incentive not to exceed \$337,175 EDTIF post- performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 100% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 100% of the county average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOEO Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOEO Board final approval date are eligible for this incentive.

GOEO – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
GETAWAY PRODUCTION
“Getaway”
MPIP RURAL TAX CREDIT
March 14, 2024

Project Highlights

- | | |
|-------------|----------------|
| • Category: | Feature |
| • Genre: | Comedy |
| • Director: | Jason Biggs |
| • Producer: | Jennifer Ricci |

Utah Jobs and Revenue

- | | |
|--|-------------|
| • Estimated Cast: | 21 |
| • Estimated Cast Average Daily Salary: | \$1,082 |
| • Estimated Crew: | 70 |
| • Estimated Crew Average Daily Salary: | \$450 |
| • Estimated Extras: | 400 |
| • Estimated Extras Average Daily Salary: | \$130 |
| • Estimated Spend: | \$3,000,000 |

Project Schedule

- | | |
|--------------------------|---------------------------------------|
| • Prep: | March 11, 2024 through April 05, 2024 |
| • Principal Photography: | April 08, 2024 through May 03, 2024 |
| • Wrap: | May 06, 2024 through July 15, 2024 |

Summary

A couple's romantic getaway is thwarted by an intruder.

Proposed Motion

Approve for incentive the production of “Getaway”, which has met the criteria defined by statute.

- Getaway Production will receive a MPIP Tax Credit of no more than \$500,000 for the production of “Getaway”
- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- 75% of principal photography must occur in rural counties
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 60 days prior to the Governor's Office of Economic Opportunity Board of Directors approval
- Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, will be 25% of the dollars left in state and shall not exceed \$500,000

All currency values have been rounded to the nearest dollar for the purpose of this summary only.

GOEO – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
ME AND SONNY LLC
“Holiday Hunt”
MPIP RURAL TAX CREDIT
March 14, 2024

Project Highlights

- Category: Episodic
- Genre: Family
- Director: Jeff Tan
- Producer: Brooke Redmon

Utah Jobs and Revenue

- Estimated Cast: 3
- Estimated Cast Average Daily Salary: \$1,000
- Estimated Crew: 65
- Estimated Crew Average Daily Salary: \$500
- Estimated Extras: 11
- Estimated Extras Average Daily Salary: \$125
- Estimated Spend: \$1,391,615

Project Schedule

- Prep: January 29, 2024 through April 22, 2024
- Principal Photography: April 23, 2024 through May 06, 2024
- Wrap: May 07, 2024 through June 04, 2024

Summary

Holiday Hunt is a reality competition series to find the next big holiday personality that encapsulates the warmth, magic, and joy of the holiday season. Only one with the most wholesome holiday cheer will be crowned “The Christmas-est” and snag an incredible prize!

Proposed Motion

Approve for incentive the production of “Holiday Hunt”, which has met the criteria defined by statute.

- Me and Sonny LLC will receive a MPIP Tax Credit of no more than \$250,000 for the production of “Holiday Hunt”
- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- 75% of principal photography must occur in rural counties
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 60 days prior to the Governor’s Office of Economic Opportunity Board of Directors approval
- Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, will be 25% of the dollars left in state and shall not exceed \$250,000

All currency values have been rounded to the nearest dollar for the purpose of this summary only.