

GOED Board Meeting Minutes

September 8, 2016 • 10:00 a.m.

Governor’s Office of Economic Development
60 E South Temple, Suite 300 Salt Lake City, UT 84111

Members Present:	Mel Lavitt, Jerry Oldroyd, Jake Boyer, Margaret Lasecke-Jacobs, Christopher M. Conabee, Peter Mouskondis, Lorena Riffo-Jenson, Sue Johnson, Stefanie Bevans, Josh Romney, Annette Meier
Members Excused:	Sam Granato, Brent Brown, Bevan Wilson, Bob Frankenberg
Staff:	Val Hale, Theresa A. Foxley, Julia Barnhouse, Thomas Wadsworth, Aimee Edwards, Hillary Bowler, Chase Christiansen, Sara Adleman, Virginia Pearce, Jeff Van Hulten, Linda Gillmor, Chuck Spence
Visitors:	Steve Styler, Jeff Edwards, Erin Laney, Beth Colosimo, Shane Simpson, Tony Shcum, Mayor Jacki Biskupski, Lara Fitts, Peter Makowski, Matthew Rojas, Matt Hawkins, Matt Browning, Brandon Forsey

Welcome

Mel Lavitt welcomed everyone to the September 8, 2016 GOED Board meeting.

Approval of the Minutes

MOTION: Josh Romeny motioned to approve the August 11, 2016 minutes. Christopher M. Conabee seconded the motion. The motion was carried unanimously.

Presentation – Beth Colosimo, Executive Director of Business Development Resources, Salt Lake Community College

Beth thanked the GOED Board for inviting her to present on the Goldman Sachs 10,000 Small Businesses Program. This program was founded in 2010 by Goldman Sachs in partnership with Babson College & ICIC. The purpose of the program is to stimulate small business growth to result in significant revenue growth and job creation. Utah trends at or above the national average on job revenue growth.

The program is provided through community colleges with business support services offered by local organizations and Goldman Sachs employees, and it provides the opportunity to access capital through Community Development Financial Institutions (CDFI’s). Utah has had 333 businesses enrolled in the program, 30-40 CEO’s, with a total revenue of \$502M. Of the 333 businesses, 40 % were women-owned and 10% - 15% were minority-owned. The program has experienced great success in Utah, and it keeps growing in the small business community.

To sustain the growth of the program, Beth is currently looking for new sponsors, public/private partnerships, and state partnerships. Beth believes that a state partnership will help small businesses in rural Utah and businesses in a specific industry.

EDTIF Project – UPS

Josh Romney recused himself from the discussion due to a business relationship with UPS.

Project Highlights

Timeline:	2017
Target Industry:	Logistics
Proposed Location(s):	Salt Lake County
Capital Investment:	\$207,000,000

Company Overview

United Parcel Service, Inc. (NYSE: UPS) is the world's largest package delivery company and a provider of supply chain management solutions.

Jobs & Revenue

Full time job over project lifetime: 195
The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 8 years: \$106,202,415
 New State Revenue over 8 years: \$23,803,210

Local Incentive

Salt Lake City is offering the company a local incentive.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$4,760,642
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	8 years

Proposed incentive is distributed with a rebate rate of 20% over 8 years.

MOTION: Jerry Oldroyd motioned to approve UPS for a \$4,760,642 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 8 years.

- Total EDTIF incentive not to exceed \$4,760,642 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 8 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 % 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 110% of the Salt Lake County average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 8 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Shane Simpson, UPS Project Lead, thanked Salt Lake City and the GOED Board for their support. UPS is very excited to establish operations in Utah and they appreciate the efforts of the city and state. Tony Schum, UPS Consultant, looks forward to establishing operations in Utah. He was very impressed with the professionalism that was shown from Salt Lake City and the State of Utah.

Mayor Jacki Biskupski is very excited about the work that Lara Fits is doing with the State and EDCUTah. She expressed that one of her goals for the Capital City is to play a significant economic role in the state. Opportunities to bring companies like UPS will matter in the long run with the development of the northwest quadrant and the future growth of the downtown area. The Mayor is very grateful to be able to partner with the state on this project.

EDITF Project – Snap Finance

Jerry Oldroyd recused himself from the discussion due to a business relationship with Snap Finance.

Project Highlights

Timeline:	2016
Target Industry:	Financial Services
Proposed Location(s):	Salt Lake County
Capital Investment:	\$2,500,000

Company Overview

Snap is a digital finance company that provides lease-purchase financing on durable-goods for sub-prime credit consumers across the country. Snap currently finances the following general consumer goods categories: furniture, mattress, tires, and electronics.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$563,939
The amount represents the following percentage of new state revenues:	15%
Number of years that incentive is approved for:	5 years

Jobs & Revenue

Full time job over project lifetime: 142
 The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:	
New State Wages over 5 years:	\$33,483,873
New State Revenue over 5 years:	\$3,759,592

Local Incentive

West Valley City is supportive of the project.

MOTION: Peter Mouskondis motioned to approve Snap Finance for a \$563,939 EDTIF post-performance refundable tax credit which represents an amount equal to 15% of new state revenue for 5 years. Stefanie Bevans seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$563,939 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 15% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 15% & of qualified new incremental state tax revenues over 5 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 % 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 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Matt Hawkins thanked the GOED Board for their support. Matt believes that Utah is a vibrant place to be and looks forward to working with the local community and the state as they expand in the state.

Film Incentives

Film – “12 days”

Project Highlights

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| • Category: | Independent Feature |
| • Genre: | Romantic Comedy |
| • Director: | Jeff Fisher |
| • Producer: | Jarrold Phillips, Kim Ray |

Utah Jobs and Revenue

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| • Estimated Cast: | 12 |
| • Estimated Cast Average Salary: | \$933 |
| • Estimated Crew: | 35 |
| • Estimated Crew Average Salary: | \$250 |
| • Estimated Extras: | 250 |
| • Estimated Extras Average Salary: | \$101.50 |
| • Length of Film Production: | 15 |

- Estimated Spend: \$703,563

Project Schedule

- Prep: August 15, 2016 through September 6, 2016
- Principal Photography: September 6, 2016 through September 23, 2016
- Wrap: September 26, 2016 through September 28, 2016
- Post Production: September 29, 2016 through November 30, 2016

Proposed Motion:

Approve for 12 Days Production, LLC a Motion Picture Incentive Program post-performance cash rebate up to \$140,713 (which represents 20% of dollars left in state) for the production of “12 Days”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the incentive
- At least 75% of the production’s cast/crew must be Utah residents and/or Utah students
- Dollars left in state start date no earlier than 45 days prior to the Governor’s Office of Economic Development Board of Directors approval

Film – “Stella” Amendment

Project Highlights

- Category: Independent Feature
- Genre: Family Drama
- Director: Vanessa Greene
- Producer: Mark Butler

Utah Jobs and Revenue

- Estimated Cast: 10
- Estimated Cast Average Salary: \$150
- Estimated Crew: 32
- Estimated Crew Average Salary: \$220
- Estimated Extras: 28
- Estimated Extras Average Salary: \$58
- Length of Film Production: 15
- Estimated Spend: \$350,000

Project Schedule

- Prep: May 26, 2016 through August 10, 2016
- Principal Photography: August 11, 2016 through September 1, 2016
- Wrap: September 2, 2016 through September 26, 2016
- Post Production: September 26, 2016 through , November 30, 2016

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) July 7, 2016. This project was originally approved by the GOED Board on July 14, 2016. The production company revised the Utah estimated spend from \$250,000 to \$350,000 and has requested the additional MPIP incentive.

Proposed Motion:

Approve for Fromage Films Corporation a Motion Picture Incentive Program post-performance cash rebate up to \$70,000 (which represents 20% of dollars left in state) for the production of “Stella”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive
- At least 85% of the production’s cast/crew must be Utah residents and/or Utah students
- Dollars left in state start date no earlier than 60 days prior to the original Governor’s Office of Economic Development Board of Directors approval

MOTION: Margaret Lasecke-Jacobs motioned to approve the film incentives. Annette Meier seconded the motion. The motion carried unanimously.

Rural Fast Track Endorsements

CIS Professional Land Surveying

The Rural Development office recommends a Rural Fast Track grant for CIS Professional Land Surveying, located in Nephi, Juab County, for the purpose of purchasing a new Trimble R10 GNSS surveying system/equipment. This new equipment is advanced technology that allows the company to operate without a cell network or while in 'black spots'. New equipment would also allow the company to expand into the Mining industry. They also currently cannot work in dense forests or remote areas (places without cell service) this equipment would allow for that new revenue stream and allow them to do more jobs than they are currently able to perform.

The project is estimated to cost fifty-five thousand, two hundred and fifty-two dollars (\$55,252).

MOTION: Endorse a Rural Fast Track Grant for CIS Professional Land Surveying of \$27,626.

Winward Financial

The Rural Development office recommends a Rural Fast Track grant for Winward Financial, located in Wellsville, Cache County, for the purpose of constructing a 1,800 sq. ft office building that will house their growing operations. This will be the first new private building built in downtown Wellsville since 1946.

The project is estimated to cost three hundred thousand dollars (\$300,000).

MOTION: Endorse a Rural Fast Track Grant for Winward Financial of \$50,000.

MOTION: Sue Johnson motioned to endorse all Rural Fast Track grants. Margaret Lasecke-Jacobs seconded the motion. The motion carried unanimously.

GOED Update

Val Hale, Executive Director, provided an overview of current events within the departments of GOED.

Incentives Update

Theresa A. Foxley, Deputy Director, provided an update on the Incentives Program regarding new and existing projects.

EDC Utah Update

Erin Laney, Interim COO, presented on the status of current and upcoming projects in the pipeline.

Meeting Adjourned