Board of the Governor's Office of Economic Development

Governor's Office of Economic Development

60 E South Temple 3rd Floor
Salt Lake City, Utah 84111
May 9, 2019 • 10:00 am – 12:00 pm

AGENDA

Welcome………………… .... Jerry Oldroyd

Motion on April 11, 2019 Meeting Minutes .... GOED Board

Incentives Report .... Mel Lavitt

The Board will discuss public information about companies who have applied for incentives and vote on whether to approve the incentives, and if so, at what level. Three company will be presented. Additionally, the board will discuss and vote to approve Economic Development Zones for previously approved EDTIF incentives.

Rural Fast Track Grant Endorsements .... Ginger Chinn

- Full Circle, LLC
- HSE1, LLC
- Tram Electric, Inc.

GOED Update .... Val Hale

Review of departmental activities and upcoming events

Incentives Update .... Tom Wadsworth

Review of GOED's new and existing corporate incentives projects

EDCUtah Update ....Theresa Foxley

Overview of current and upcoming business development projects at EDCUtah

Adjourn Meeting ....

2019 GOED Board Meeting Dates

In accordance with the Americans with Disabilities Act, individuals requiring special accommodation during this meeting should notify Larry Shepherd at 801.538.8770 prior to the meeting.

January 8, 2019	July 11, 2019
February 14, 2019	August 8, 2019
March 14, 2019	September 12, 2019
April 11, 2019	October 10, 2019
May 9, 2019	November 14, 2019
June 13, 2019	December 12, 2019

GOED BOARD EXECUTIVE SUMMARY
Tyson Fresh Meats Inc.
May 9, 2019

Project Highlights

Timeline:	2019
Target Industry:	Food Manufacturing
Proposed Location(s):	Greater SLC Area
Capital Investment:	$286,000,000
Jobs:	500
Average Wage:	$56,000

Company Overview
Tyson Fresh Meats, Inc. produces and supplies case ready beef and pork products to retail and food-service customers. The company operates as a subsidiary of Tyson Foods and has operations and offices in 24 states. The company was founded in 1960.

Tyson Foods, Inc. is based in Springdale, AK is the world's second largest processor and marketer of chicken, beef, and pork and annually exports the largest percentage of beef out of the United States. Together with its subsidiaries, it operates major food brands, including Jimmy Dean, Hillshire Farm, Sara Lee, Ball Park, Wright Brand, and Statefair. Tyson Foods ranked No. 80 in the 2018 Fortune 500 of the largest United States corporations by total revenue.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	**$5,258,324**
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: 500

<u>New State Wages & Revenue:</u>

New State Wages over 10 years:	$202,633,508
New State Revenue over 10 years:	$27,791,620

Proposed Motion

Approve Tyson Fresh Meats Inc. for an EDTIF post-performance refundable tax credit of up to $5,258,324 and a post-performance IAF last-mile infrastructure grant of up to $300,000 which represents 20% of the $27,791,620 of new state revenue, which may be earned over 10 years.

- Total EDTIF incentive not to exceed $5,258,324 EDTIF post-performance refundable tax credit.
- Total post-performance IAF last-mile infrastructure grant not to exceed $300,000.

- 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 110% 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, 10 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.

GOED BOARD EXECUTIVE SUMMARY

Quickbase Inc.

May 9, 2019

Project Highlights

Timeline:	2019
Target Industry:	IT/Technology
Proposed Location(s):	Salt Lake City
Capital Investment:	$713,462
Jobs:	485
Average Wage:	$98,000

Company Overview

Quick Base is a company that provides a low-code application development platform to businesses. It allows non-technical developers to build cloud applications for various business processes. The applications includes workflow and process automation, forms, and customizable reports.

Quick Base, Inc. was formerly part of Intuit and was divested in March 2016. The company was backed by the private equity firm Welsh, Carson, Anderson & Stowe. In January 2019, Vista Equity Partners purchased majority equity in the company for more than $1B. The company is based in Cambridge, MA and currently has about 300 employees.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	**$1,257,983**
The amount represents the following percentage of new state revenues:	**20%**
Number of years that incentive is approved for:	**5 Years**

Jobs & Revenue

Full time jobs over project lifetime: 485

New State Wages & Revenue:

New State Wages over 5 years:	$169,425,308
New State Revenue over 5 years:	$6,289,915

Proposed Motion

Approve Quick Base Inc. for an EDTIF post-performance refundable tax credit of up to $1,257,983 which represents 20% of the $6,289,915 of new state revenue, which may be earned over 5 years.

- Total EDTIF incentive not to exceed $1,257,983 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 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 110% 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.

GOED BOARD EXECUTIVE SUMMARY

Infab Corporation

May 9, 2019

Project Highlights

Timeline:	2019
Target Industry:	Manufacturing
Proposed Location(s):	Hilldale, UT
Capital Investment:	$5,000,000
Jobs:	90
Average Wage:	$46,350

Company Overview

Infab Corporation designs and manufactures radiation protection apparel and equipment for healthcare professionals. The company offers lead aprons, glasses, and gloves as well as other equipment for patient x-ray protection. Infab is the country's largest provider of medical radiation protection equipment and sells its products through distributors in the United States and internationally, as well as online. Infab Corporation was founded in 1981 and is based in Camarillo, California.

Infab currently sells radiation protective apparel and equipment all over the world. The company uses a strong direct sales team in the US and a network of distribution partners across the world. The company has experienced significant growth due to the increase in direct sales and will continue to expand this technique. Infab has maintained double digit growth since 2008.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	**$ 157,951**
The amount represents the following percentage of new state revenues:	**20%**
Number of years that incentive is approved for:	**5 Years**

Jobs & Revenue

Full time jobs over project lifetime: 90

New State Wages & Revenue:

New State Wages over 5 years:	$11,148,000
New State Revenue over 5 years:	$789,753

Proposed Motion

Approve Infab Corporation for an EDTIF post-performance refundable tax credit of up to $157,951 which represents 20% of the $789,753 of new state revenue, which may be earned over 5 years.

- Total EDTIF incentive not to exceed $157,951 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 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 110% 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.

GOED RFT PUBLIC SUMMARY—MAY 9, 2019

GOED BOARD
RURAL FAST TRACK GRANT
FULL CIRCLE, LLC
(SUMMIT INN PIZZA)
MAY 9, 2019

The Office of Rural Development recommends a Rural Fast Track capital investment grant for Full Circle, LLC, located in Garden City, Rich, for the purpose of building expansion and new equipment to accommodate dine-in options for their restaurant. The total project cost is valued at Forty-five thousand dollars ($45,000).

MOTION: Endorse a Rural Fast Track capital investment grant for Full Circle, LLC in the amount of $22,500.

The company expects to create one (1) new full time position paying at least 110% of the county average wage. Upon proof of job retention for a period of 12 consecutive months, the company also qualifies for a grant fund reimbursement of up to one thousand, five hundred dollars ($1,500)

GOED BOARD
RURAL FAST TRACK GRANT
HSE1, LLC
(EAGLE STOP NORTH)
MAY 9, 2019

The Office of Rural Development recommends a Rural Fast Track capital investment grant for HSE1, LLC, located in Panquitch, Garfield County, for the purpose of restaurant expansion to the Eagle Stop North to open a self-serve yogurt franchise. The total project cost is valued at One-hundred and twenty-five thousand dollars ($125,000).

MOTION: Endorse a Rural Fast Track capital investment grant for HSE1, LLC in the amount of $50,000.

The company expects to create one (1) new full time position paying at least 110% of the county average wage. Upon proof of job retention for a period of 12 consecutive months, the company also qualifies for a grant fund reimbursement of up to one- thousand, five hundred dollars ($1,500).

GOED Board
Rural Fast Track Grant
Tram Electric, Inc.
May 9, 2019

The Office of Rural Development recommends a Rural Fast Track capital investment grant for Tram Electric, Inc., located in Price, Carbon County, for the purpose of purchasing **2 Diesel Generators for motor testing and operational services to their building**. The total project cost is valued at One-hundred and twenty-five thousand dollars ($125,000).

MOTION: Endorse a Rural Fast Track capital investment grant for Tram Electric, Inc. in the amount of $50,000.

The company expects to create one (1) new full time position paying at least 110% of the county average wage. Upon proof of job retention for a period of 12 consecutive months, the company also qualifies for a grant fund reimbursement of up to one- thousand, five-hundred dollars ($1,500).