THIS AGENDA IS SUBJECT TO CHANGE WITH A MINIMUM OF 24-HOURS NOTICE

MAYOR'S ECONOMIC ADVISORY COMMISSION
110 SOUTH MAIN, SPRINGVILLE, UTAH
SPRINGVILLE CIVIC CENTER COUNCIL WORKROOM
TUESDAY, October 29, 2019 7:00 P.M.

1. Approval of minutes from the Economic Advisory Commission meeting on June 25, 2019-Jennifer Grigg

2. Review of Community Development's Planning Priorities List-Josh Yost

3. Presentation of the Governor's Office of Economic Development's Utah State Economic Development Plan-Mike Snelson

4. Discussion of the viability of a full-time Economic Development Director –Josh Yost

5. Briefing on the Allen's Block development proposal- Josh Yost

This meeting was noticed in compliance with Utah Code §52-4-202 on XXXX xx, 2019. Agendas and minutes are accessible through the Springville City website at www.springville.org/agendasminutes. Meeting agendas are available through the Utah Public Meeting Notice website at http://www.utah.gov/pmn/index.html. Email subscriptions to Utah Public Meeting Notices are available through their website. s/s – Jennifer Grigg, Deputy Recorder

THESE ARE THE MINUTES OF THE MAYOR'S ECONOMIC ADVISORY COMMISSION MEETING HELD ON TUESDAY June 25, 2019 AT 7:00 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

Committee Members in attendance: Mayor Richard Child, Chairman Luis Muzquiz, Robert Anderson, Melanie Bott, Shirlene Jordan, Shannon Kallaker, Larry Lamb, Eric Riddle, Rick Salisbury, and Councilmember Mike Snelson.

Staff in attendance included: City Operations Manager Rod Oldroyd, Deputy City Recorder Jennifer Grigg, and Building Official Jason Van Ausdal

Visitors: Justin and Alycia Earl

Committee Members absent: Glen Evans

1. CALL TO ORDER

Chair Muzquiz brought the meeting to order at 7:00 p.m. and welcomed everybody. He moved to approve the minutes from April 30, 2019. Melanie Bott seconded the motion and all voted aye.

2. ALLEN'S PROPERTY UPDATE FROM JUSTIN EARL

Councilmember Snelson introduced the members to Justin Earl and his wife Alycia. Mr. Earl started his presentation by reviewing the publicity to attract attendees to the community meeting at the library three weeks ago. He listed the participants in the development as:

J.B. Earl Company
Mountain West Commercial Real Estate
Kornwasser Shopping Center Properties, LLC
Architectural Resources
Redstone

Referring to the community meeting, he stated they handed out more flyers to publicize the meeting than required for a rezoning application would require per Springville City code. The team received resident and business feedback on the fly and realized residents and business owners interests do not align. Because the property sits at the busiest intersection in Springville, redevelopment will impact the neighbors as well as the whole city. He said our built environment shapes our perception of where we live; influences our quality of life and identity. He cleared up rumors stating that none are accurate and the actual plans are unknown at this point.

Mr. Earl illustrated that the spectrum of possible development ranges from little investment, *as-is,* (churches, libraries, courthouses, museums, non-profits, storage, medical businesses like plasma or dialysis, retail, seasonal like *Spirit Halloween* and Christmas superstores, or fireworks, ultra-discounters like *Harbor Freight*, *NPS*, *Dollar*

Stores, trampoline, bounce house, go-karts, check cashing/payday advance) to big investment (adding drive-thru fast-food restaurants along main street, razing all the buildings and redeveloping into all high-density apartments, low-income housing, mixed-use with retail, office, residential.) He showed a project near the FrontRunner Station which should revitalize south Provo. He hopes for similar revitalization in Springville at the Allen's property at 400 South and Main Street by investing a ton of money. Mr. Oldroyd asked how much square footage is the Allen's building. Mr. Earl answered 70,000 square feet. He showed the H.T. Reynolds building (Magleby's), as a comparison for massing and height, which is 52 feet from the sidewalk to the parapet. He stated that he does not think anyone feels uncomfortable when walking past Magleby's on Main Street. It is an appropriate massing for its location and not overbearing or inappropriate in height.

The second example showed three pads for fast casual restaurants added to the parking lot. The third example shows four floors of multifamily housing (44 feet) and an inner parking lot. Fair housing (title 8 of the Civil Rights Act expansion of 1968) says that anyone who meets the criteria (financial) can live there. Mr. Earl said that according to Bruce Bennett, the LDS bishop of the residents of the village of cottage rental units across the street, most of those residents are BYU students commuting to Provo. A market study shows rent could be $800-$1300. The third example offers a high property tax benefit to the city and foot traffic to downtown. The fourth example is segregated mixed use with townhomes on 100 West to act as a transition to the single-family homes in the neighborhood.

Toward the east of the block are a few floors of residential above retail, residential wrapping a parking structure and offices along 400 South. He considered 400 South too fast for retail, but with good signage, it is a viable location for office space. There is a saying in the retail industry; *a hundred yards from success*, turning the corner would cause a bunch of empty retail. He continued by referring to his conversation with Bruce Bennett, stating *for rent* product is challenging for local communities. Mr. Earl believes in listening to the needs of a neighborhood. Offering a mix of *for sale* product gives stability to the neighborhood. Mr. Oldroyd asked about Mr. Bennett's opinion. Mr. Earl indicated Mr. Bennett was against residential development, but he understood why it makes sense and he preferred more *for sale* than *for rent*. Mr. Oldroyd said Mr. Bennett's home is beautiful. The neighborhood and businesses agree on the need for more parking.

Mr. Earl continued by showing a product that could be successful and showed the massing which is shorter than the Magleby's building. The fifth example is integrated mixed-use, with business mixed in with retail. He said the positive feedback was highest for this example with the feature/peeled back corner and varying roof heights. The sixth example showed the most intense development and highest property tax base, which could bring more dollars to the downtown area with the same retail use along Main Street. The courtyard cut out provides relief to pedestrians by breaking up a facade to

help the pedestrian experience. He considers the sixth example monolithic and overbearing and prefers the fifth. The presentation showed amenities; kid space, lounging facilities, and pavilions.

Moving on the feedback, Mr. Earl reported that there was a high rate of participation. Open microphone, free form surveys, post-it notes for the examples and dots for hate/like. Katie England's article from the Daily Herald came out within an hour of the meeting. He reported that amenities that resonate with the public are plaza type spaces. Shannon Kallaker asked about the demographics of the group. Mr. Earl answered there was a great mix of ages. Mayor Child said there are too many kid amenities downtown, the library, splash pad, and playground. Text responses indicated that participants believe we have enough kid amenities and we need more adult and teen hangouts. Mr. Earl was surprised by that feedback. Collaborative type seating was also preferred. Plazas and open space are highly desirable, not necessarily specific amenities like art easels, street alphabet or giant chess. Analysis of the text feedback included word count and sentiment analysis. Overwhelming, when aggregated, the responses said Springville residents want a place for adults and teens with fireplaces, art, walking places and outdoor green space.

Councilmember Snelson asked if the examples were in order. Mr. Earl explained the visualization of the dots. Overwhelmingly, residents do not want to leave the property as is. Sentiment analysis showed that the most agreed data point of the evening was keeping the overall look of historic Main Street. Data showed that they liked the overall concept of option four. Option five was the most palatable, not necessarily the modern buildings. Option six feels too big, but more than less were accepting. Art components, variety in building heights and underground parking were very strong data points. Mr. Earl found it interesting that option six gained polar opposite viewpoints, too big versus good concept. He pointed out that this indicates there will not be a consensus when the project is brought before the city council. Everyone will never love everything that is proposed by this developer. Option five is the most preferred. Comments showed restaurants and small retail were the most requested. He reported that he presented these findings to Administrator Troy Fitzgerald, who spoke with the owner of Fat Cats Bowling, who said he will not come to this location. Mr. Earl presented the takeaways from the library meeting:

Items required:

redevelopment
do not leave *as-is*
mixed-use project
historic look/feel
open space/art
main street fast-casual
restaurants/shop

Preferences:

varied roof heights
underground parking

Items to manage:

traffic
parking

Insights:

enough kid-oriented amenities
height not a primary concern
residential acceptable

He said according to the 600 data points, the community insists on redevelopment, which brings up the more sensitive conversation of economics; construction costs versus rent. Mr. Earl commented that he was surprised there were almost zero comments on height. Mayor Child added that height is often discussed in Springville. Shannon Kallaker commented Springville does not want a Wells Fargo Building (Provo). Mr. Earl agreed. Everyone is ok with the Magleby's building which is 52 feet, even if the development is 55 feet. He was pleasantly surprised that the community sees benefits to residential development if it is done right. Shannon Kallaker said she lived in Stockholm and residential development there was great especially for people with mobility issues. Mr. Earl added that self-private pay independent living is being explored as well as high-end condos as a penthouse. The developers will commission a market study based on the comments from the community meeting. 55+ residents would provide stability and leadership for the neighborhood. Councilmember Snelson asked if second floor and above office space is feasible. Mr. Earl answered yes, however developers don't want to build office space on speculation. If a client for the office space is lined up, the developer would build office space on the upper levels. Small business owners love signage and traffic which will be part of the office space on 400 South.

Mayor Child asked how committed the developer is to a certain number of residential units. Mr. Earl said Administrator Fitzgerald found it interesting that the only ideas presented to the community jumped from 0 dwelling units to a minimum of 165 dwelling units and continued up to a project with 300 dwelling units. He said Administrator Fitzgerald wondered why there were no proposals between 0 to 165 dwelling units. Mayor Child wondered the same. Mr. Earl answered it gets into the economics of the project. Mayor Child suggested the project could have less total dwelling units if the developers could overcome the economics by renting better retail and office space. Mr. Earl agreed, but only if the office space is completely leased at $20 a foot. Currently, office space is renting at $13-15 per foot. It comes down to cost to build vs rent per square foot.

He continued by stating the reason *as is* scenarios work is the acquisition price for the property divided by the number of square feet is about $55 per square foot for built buildings. Mr. Earl said he can't build a building for $55 per square foot. He complimented Rick Salisbury for building single-family homes back in the day for good prices. He continued by saying while looking at the basis, he can afford to rent the existing buildings for $6 per square foot to Spirit Halloween; $12 per square foot to the Dollar Store and Harbor Freight. When he tears down the buildings, to redevelop and adds $125-$135 per square foot to build new buildings plus the $55 per square foot for land acquisition, there needs to be a critical mass of other to support it. Mayor Child added that the more density in the project creates the parking and traffic dilemmas. Mr. Earl agreed and said he will commission a traffic study. If the developer cannot pass the traffic hurdle and the parking hurdle, the developer is dead on arrival. They will go

through and check those boxes. He suggested one level of underground parking to solve all those problems. Without considering economics, that would provide a full acre of open space plus parking to downtown. That would check all the concerns with density, mass, open space and parking. He suggested this to Administrator Fitzgerald who said he is not opposed to exploring that if the city leaders and the neighborhood are on board. Eric Riddle asked if 100 West will have townhomes. Mr. Earl said proposals #4, #5, #6 include for purchase residential townhomes on100 West which is appropriate and necessary to transition from development to single-family homes. Councilmember Snelson asked if proposal #5 is the best economically for the developer. Mr. Earl said there is an alignment of interest to a scenario similar to #5 with the community and the developer. He said it is a basis for the next iteration. Chairman Muzquiz noted that proposal #6 would make the most money. Mr. Earl agreed and added that with the high demand for multi-family, #3 would be the least risky for the developer. The current local demand for housing is off the charts. He referred to a recent market study that stated if every project in the development pipeline were built (1000s of units) we would still barely be keeping up with demand. That is not predicted to change anytime in the near future.

Jason Van Ausdal added that rooftops equal business development. That is a market known. In order for this project to work and to support the businesses on the first floor and to attract foot traffic to revitalize the downtown area, we need the blend of residential with business development. The hometown feel is what people want as well as amenities and restaurants. Those are not going to come without the population to support business. Shirlene Jordan said that she did not mind the parking complex screened by residential units. Rod Oldroyd said it was interesting that the community applauded the developer's presentation at the library.

Mr. Earl continued by drawing a concept that included greenspace if one level of underground parking were added. The drawing included two rows of townhomes with a drive down the middle. Retail on the first floor with residential above on the east side. Surface parking and residential in the middle and office space on 400 North, 2 or 3 stories possibly with residential above. Potential there could be an acre of open space if the surface parking is underground. Rick Salisbury asked if the developers can afford underground parking. Mr. Earl said not yet. Rick Salisbury asked about the cost of a townhome. Mr. Earl said they are budgeted at market for $225,000. Mr. Oldroyd clarified two bedroom/one bathroom and a garage. Councilmember Snelson clarified that one layer of underground parking would supply enough parking. Mayor Child asked if the underground parking was under the townhomes. Mr. Earl said it would not be needed. This drawing is about massing, not economics. If this happens, he asked how we can work together. Rick Salisbury asked about a $500,000 unit. He and Councilmember Snelson said they liked the design. Mr. Earl said this drawing checks all the concerns. There is an independent living group with an ice cream shop looking into this project. Multi-family could have a leasing office with a small art space for the local high school

students in an art gallery. Shirlene Jordan suggested a recirculating water feature. Mr. Earl says this works if we can find a way to pay for underground parking.

Mayor Child thanked him for his presentation. The other agenda items were postponed to the next meeting in October.

~~3. Review Action List~~

~~4. Review Historic Downtown design standards in code~~

~~5. Review Economic Master Plan for the west side of town~~

6. ADJOURNMENT

Chairman Muzquiz moved to adjourn the meeting. Mayor Child seconded the motion and all voted aye. Chairman Muzquiz adjourned meeting at 8:08 p.m.

Glen Evans excused himself from the meeting through email and asked that his comments be included in the minutes, which follow.

> Jennifer, Rod, and Michael, I have surveyed long-time Springville associates and neighbors in recent months on the Allen's property thoughts, and downtown foot traffic generation. I, unfortunately, cannot come tonight, though I was planning on it. I have an important surgery need that came up for tomorrow morning, so I am resting at home. But had I been there, here is what I had hoped to comment on and have become part of the minutes. I'd be grateful if you or the appropriate person could either voice these in the meeting or add them to the meeting minutes, whichever process you think is best. Thank you. What a great meeting agenda. Thank you all for your service to Springville.
>
> Allen's and Downtown development and increasing foot traffic thoughts from long time Springville residents in my area.
>
> Allen's – "Anything that maintains the architecture of the era when downtown was built will add immensely to the city…and it would be nice if they would identify some of the downtown blocks where that is a priority."
>
> "I would definitely think that a place in that spot should be for restaurants, maybe even several. The last thing I would like to see is an apartment complex"
>
> "I am not in favor of building more apartments. I would much rather see more retail and restaurant options to help attract people to our downtown area. We have plentiful pizza and Mexican options, but we have lost Dairy Queen, Sonic, and Hogi Yogi in recent years. I feel this is a huge loss"

"It would be nice to have downtown recreational options, perhaps a bowling alley, roller skating, movie theatre"

"A movie theatre or similar option"

That's it. I would like to add two other thoughts of my own:

1. Zoning update. Why not add the ability for 2nd floor and above to be used for commercial as well as residential? That could attract law or professional office firms to downtown if our current zoning downtown were updated.
2. Parking. Either use some of the increase in sales tax revenue to build a modest 2 story parking garage 1 block off Main Street, hidden with a nice tree line. If needed, perhaps the city could incentivize an older business such as a cleaner to move nearby via buying their property. Another option could be for the city to mandate that some of the Allen's property be earmarked for 2 lanes of new parking, attractively designed to invite downtown parking right along Main Street, with trees and attractive curbing and brickwork that seams with the new property developed on that location.

All my best, Glen T. Evans.

*This document constitutes the official minutes for the Springville City Mayor's Economic Advisory Commission meeting held on Tuesday, **June 25, 2019**.*
*I, Jennifer Grigg, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Tuesday, **June 25, 2019**.*

Jennifer Grigg
Deputy City Recorder

DRAFT

A Plan to Elevate Utah's Economic Success

October 15, 2019

Utah Governor's Office of Economic Development
BUSINESS • TOURISM • FILM

LIFE UTAH ELEVATED

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CREC CENTER FOR REGIONAL ECONOMIC COMPETITIVENESS

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Arlington, VA 22210
703-522-4980

October 4, 2019

Val Hale
Executive Director
Utah Governor's Office of Economic Development
60 East South Temple, Suite 300
Salt Lake City, UT 84111

Dear Val,

CREC has been pleased to work with your entire team, including the state's economic development partners engaged with providing input to *A Plan to Elevate Utah's Economic Success*. This strategic plan provides a framework to describe the work that Utah has been doing and offers a clear roadmap for Utah's future economic development efforts. The approach and the outcome reflect your team's commitment to improving communication and cooperation across the state in pursuit of those efforts.

We would like to take this opportunity to highlight elements that we believe will be critical to successful implementation.

The *Plan* notes that economic development is a team sport, with GOED serving as captain for "Team Utah." We agree that it does not take a single economic development hierarchy to accomplish this goal -- as long as all players are working toward common objectives and the communication lines are wide open. Utah's ecosystem approach to economic development is a strength as it allows room for multiple perspectives and specialized capacities to be brought to the table on behalf of the team. It also provides some freedom for autonomous groups to experiment with initiatives that may advance the Governor's vision but may not align with what is feasible within GOED. GOED should cultivate this strength by improving opportunities for knowledge-sharing and cooperation via events, meetings, and collaborative technologies. Furthermore, GOED should highlight these independent efforts whenever they help elevate Utah's businesses and residents.

We have been impressed by the state leadership's commitment to preparing Utah and its residents for the future, not just tallying short-term wins. Considering the potential impact of economic or technology disruption, being mindful of the need to sustain Utah's natural resources and assets, staking Utah's claim as a global hub, and investing in people as well as businesses help differentiate Utah's approach to economic development from many other states. It is vital that the state not become complacent despite its successes over the past decade. Economists are predicting a global recession. Futurists are highlighting the impact of automation on the workforce and business. These are critical threats to Utah's success for which the state should actively prepare. By taking bold action, Utah can translate these threats into opportunities for Utah to create a long-term advantage.

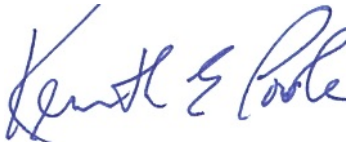
The plan defines a singular mission for the state, but it is important to recognize that different parts of the state may benefit more from different tactics. Much attention is currently being offered to rural Utah as well as those that have not traditionally benefited from the state's economic development investments. For rural Utah, successful approaches will tend to focus more on supporting communities: creating places where people want to live, leveraging assets to develop a positive business climate, enhancing the talent pool in ways that benefit jobs in those communities, and helping rural businesses succeed. Furthermore, Utah must place a lens of economic inclusion on its programs to ensure that the next generation of Utahns – a group that is more demographically diverse – is well prepared to help the state succeed.

We have also been impressed that GOED recognizes that incentive programs are tools, not strategies. All too often, leaders get hung up on protecting their incentive programs because they benefit legacy industries, and Utah recognizes that economic development is about preparing for the future and not protecting the past. In this light, Utah understands that incentives are only useful to the extent they help achieve the state's economic development objectives. Now that the state has articulated a new strategy under this SB 172 initiative, it is appropriate to re-assess the state's incentive policies and practices to make sure those programs are aligned with Utah's four pillars. This includes continuing to improve the state's reporting process and providing greater transparency to stakeholders so that everyone can easily make the connection between an incentive investment and the desired outcome from that investment.

GOED has a golden opportunity to build on its current reporting mechanisms to lead the country in economic development transparency and accountability. We hope GOED will continue to engage elected leaders and other stakeholders as it identifies and adopts economic development benchmarks and program performance indicators to support key components of this plan. These metrics should reflect the state's desire to achieve a "return on objective" that conveys the accomplishments achieved by Team Utah's work and reports outcomes for clearly articulated goals developed in concert with the state legislature.

Thank you again for the opportunity to work with your team. We stand ready to continue to provide support as you design the strategies and implement the tactics included in this plan.

Sincerely,



Kenneth E. Poole
President & CEO, CREC

Ellen Harpel
Senior Research Fellow, CREC
President, Business Development Advisors

Executive Summary

Vision

Building on its success, Utah will elevate the lives of current and future generations through an exceptional quality of life, provide economic opportunity and upward mobility, and encourage business growth and innovation. Utah is home to attractive, healthy urban and rural communities where residents and businesses thrive, and visitors feel welcome.

Guiding Principles

- Foster a business-friendly environment with reasonable taxes and regulations
- Be flexible to adapt to changing economic needs
- Advance a diverse, resilient economy that provides opportunity for all residents
- Help develop viable, sustainable industries for the future
- Emphasize the need for a qualified, homegrown workforce for the jobs of today and tomorrow
- Maximize Utah's global presence as a hub for economic growth and opportunity
- Consider and acknowledge the importance of Utahns' quality of life, environment and natural resources, short commute times, and affordable housing
- Structure and use incentives and other programs so the public investment has a clear connection to state economic development priorities
- Plan and build physical and digital infrastructure to accommodate growth and maintain quality of life in the state's urban and rural areas
- Value evidence and data in providing direction for economic strategies
- Collaborate and cooperate across state and local government and partner organizations

Economic Development Policy Pillars

1. **Strategic Industry Advancement** — Invest in industries that create a public benefit through human and physical capital improvements in urban and rural Utah.
2. **Innovation and Entrepreneurship** — Support the creation and growth of high impact, future-forward Utah businesses and products for the global market.
3. **Talent Development** — Align industry and education to continue producing a highly-skilled, world-class workforce.
4. **Uniquely Utah** — Capitalize on Utah's natural environment, outdoor recreation and sports, and unique heritage and arts to attract workers and build the state's tourism and film economies.

Pillar	Action	Purpose	Goal
What are our policy focus areas?	*What do we hope to accomplish?*	*Why are we undertaking these efforts?*	*How do we know we've been successful?*
Strategic Industry Advancement	Invest in industries that create a public benefit through human and physical capital improvements in urban and rural Utah.	Leverage public and private investment to help re-energize local economies and provide enhanced benefits to the community.	More high-paying jobs across the state for all Utahns.
Innovation and Entrepreneurship	Support the creation and growth of high impact, future-forward Utah businesses and products for the global market.	Help provide access to new ideas, innovation and opportunities to grow Utah companies.	More new, high impact businesses. More significant investment in Utah companies.
Talent Development	Align industry and education to continue producing a highly-skilled, world-class workforce.	Improve employer access to well-prepared talent while helping students and workers climb the economic ladder.	Better access to skilled talent. More jobs offering career mobility and pathway opportunities.
Uniquely Utah	Capitalize on Utah's natural environment, outdoor recreation and sports, and unique heritage and arts to attract workers and build the state's tourism and film economies.	Provide amenity assets and opportunities in Utah that allow people to live, work, recreate and thrive.	More positive community, physical and fiscal impacts resulting from Utah's natural and amenity assets.

Collaboration and Partnership

The plan seeks to encourage communication, cooperation and coordination between state and local governments and organizations in the private sector. Our approach is to pursue economic development in Utah as a team sport, beginning with improvements in communication and collaboration across state agencies and among state and local partner organizations. The plan identifies roles for many state agencies supporting the state's economic development efforts, highlighting GOED's role as the captain for "Team Utah." It also calls out important roles for other agencies to promote key industries, manage the needed infrastructure, and ensure Utah has the talent to compete successfully in a global economy.

The plan addresses several cross-cutting issues related to the state's mix of incentive programs, its efforts to address the unique challenges facing rural Utah, and a coherent approach to coordinating economic development efforts across multiple state agencies. Also, the plan sets out principles and strategies to increase cooperation among state and local economic development partners and offers recommendations for how to set performance metrics that engage stakeholders.

Conclusion

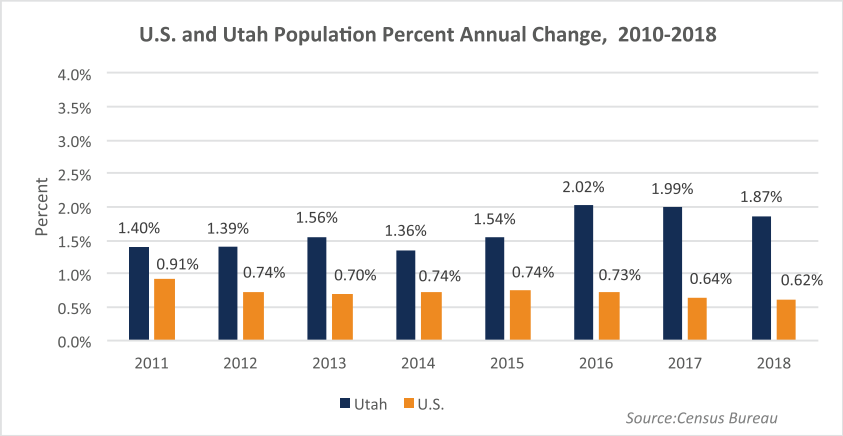
Through this plan, Utah seeks to create new opportunities for communities, businesses, residents, and visitors to enjoy the bounties of a healthy economy. At the heart of its efforts, Utah agencies — state, local, nonprofit and private sector — can use this plan as a roadmap for working together to elevate Utah and its people.

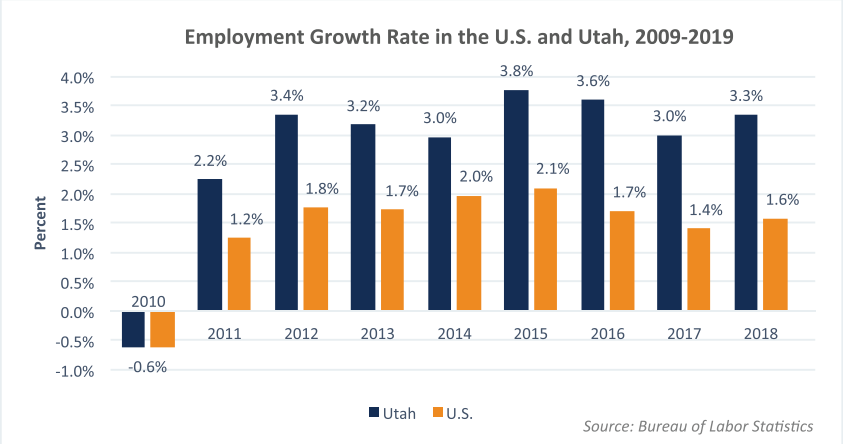
A Plan to Elevate Utah's Economic Success

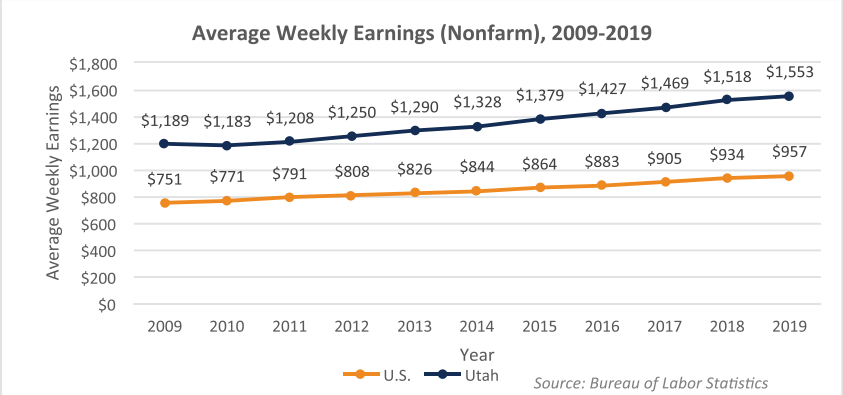
A premier location for business growth and tourism, Utah's recent economic success provides a foundation for long-term, high-quality opportunity for all Utahns. We've accomplished a great deal during the past decade, and by continuing our strategic approach to economic development, Utah is well-positioned for the future.

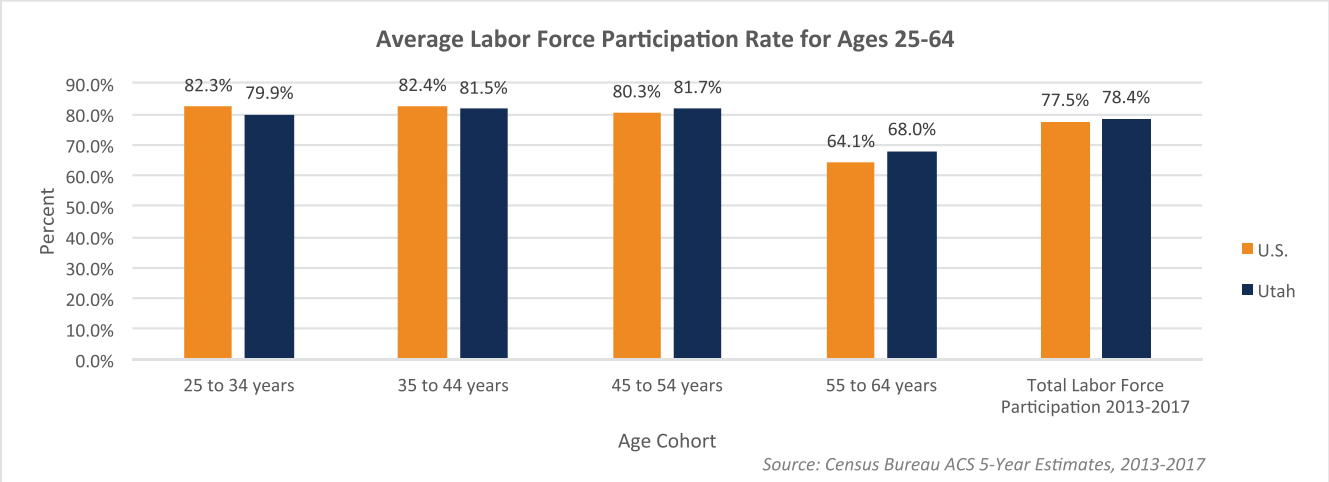
As illustrated in Figures 1-5, the state's population and employment growth have significantly outpaced the rest of the nation during the past decade. Average weekly earnings are well above the U.S. average and rising at a faster rate. Utah's labor force participation rates continue to outpace the nation, and unemployment is below 3%.

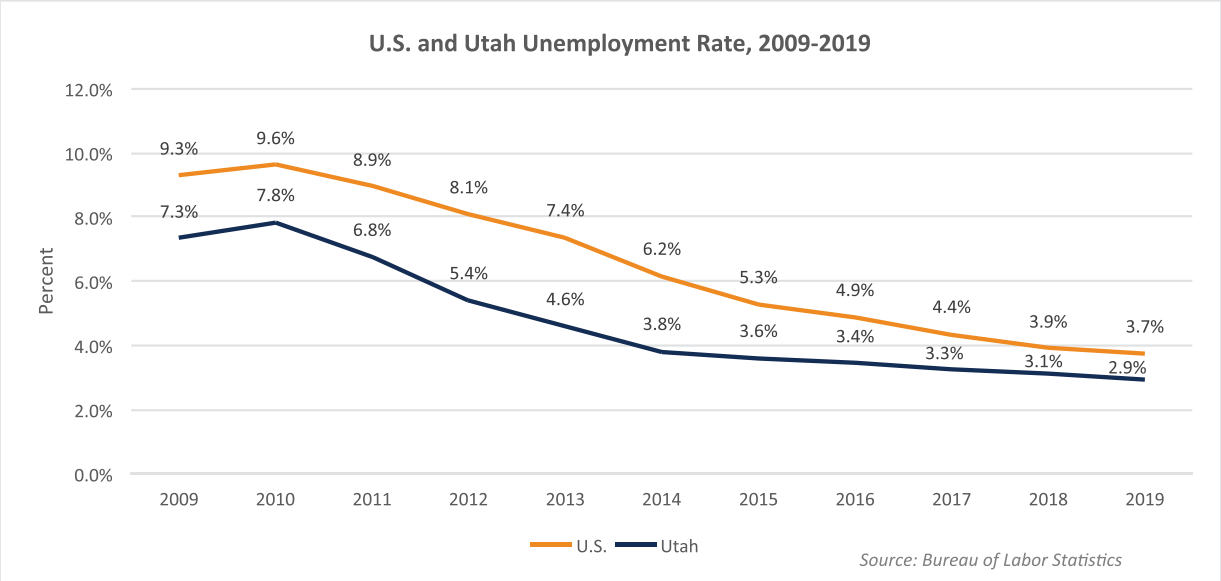
Figures 1-5: Evidence of Utah's Recent Economic Success











Utah cannot take its success for granted. If we scrutinize the data, there are signs that Utah's economy is operating near full capacity. Employment growth slowed last year in the wake of a historically low unemployment rate. Labor force participation rates among younger Utahns are slightly lower than U.S. rates. While this e data should not cause alarm, they should warn us against complacency.

In a fast-paced, highly competitive global economy, Utah has developed the fundamentals for future growth, but state leaders must continue to adapt. Utah is implementing an array of policies and investments designed to help the state sustain its economic success while managing growth for future generations.

At the same time, in the interest of continuous improvement, Utah leaders continue to re-examine current efforts and explore ways to improve and enhance the state's existing economic development efforts. Leaders are looking for economic development initiatives that sustain quality growth and prepare Utah for potential disruptions resulting from future technological change or possible shifts in the business cycle.

A Plan to Elevate Utah's Economic Success

Purpose

The Governor's Office of Economic Development (GOED) convened Utah leaders and stakeholders to develop this plan in response to a legislative request made in the spring of 2019. Through S.B. 172, the Utah Legislature asked for a more explicit articulation of Utah's economic development vision and policy priorities.

During the summer of 2019, GOED organized the work of the Economic Development Strategic Plan Committee and managed input and ideas generated from more than 430 Utah leaders through 17 subcommittees to shape the ideas, strategies and recommendations incorporated into this report. This document reflects the combined wisdom of those leaders and a clear focus on Utah's future.

This document includes a statement of the vision developed from input across a cross-section of Utah leadership. It summarizes several fundamental principles that the Economic Development Strategic Plan Committee agreed should guide the state's economic development efforts. The document also includes policies that serve as the plan's pillars and identifies cornerstone cross-cutting initiatives to guide the effective execution of the strategic plan.

The next section describes the four policy pillars as well as cornerstone initiatives reflecting legislatively mandated priorities by highlighting existing and potential new actions to be implemented. Cross-cutting efforts highlight how stakeholders can better communicate, cooperate, collaborate and coordinate their efforts to ensure t Utah's economic development policies are executed with maximum effectiveness and minimum duplication of effort.

Vision

Building on its success, Utah will elevate the lives of current and future generations through an exceptional quality of life, provide economic opportunity and upward mobility, and encourage business growth and innovation. Utah is home to attractive, healthy urban and rural communities where residents and businesses thrive, and visitors feel welcome.

Economic Development Guiding Principles

1. Foster a **business-friendly** environment with reasonable taxes and regulations.
   Enhance Utah's environment as a state in which (a) quality public services are provided, (b) taxes and regulations are fair, consistent, and do not place an overwhelming burden on businesses, (c) incentives are used sparingly to encourage businesses to make investments resulting in public benefits that might not otherwise be achieved.

2. Be **flexible** to adapt to changing economic needs.
   Recognize the rationale for economic development investments in times of great economic disruption or transition when more jobs may be needed differs from more prosperous periods when improving economic mobility or creating higher-paying "quality" opportunities may be needed.

3. Advance a **diverse, resilient economy** that provides opportunity for all residents.
   Acknowledge that economic diversity provides greater economic stability, offers more opportunity, and requires continuous attention as Utah's varied industries and communities adapt to global economic forces to improve their economic prospects.

4. Help develop viable, sustainable **industries for the future**.
   Develop Utah's current and emerging industries and technologies as a complement to growing key clusters to enable the state to gain a global advantage in creating tomorrow's jobs.

5. Emphasize the need for **a qualified, homegrown workforce** for the jobs of today and tomorrow.
   Ensure Utah residents have opportunities to understand and obtain the skills that industry demands today and tomorrow, and that industry better signals those needs and aligns with the state's educational system to develop in-demand skills.

6. Maximize Utah's **global presence** as a hub for economic growth and opportunity.
   Create greater international visibility for Utah as a place that helps global companies succeed and appreciates global markets as an important source of economic benefits for companies and workers.

7. Consider and acknowledge the importance of Utahns' **quality of life**, environment and natural resources, short commute times and affordable housing.
   Recognize that prosperity is not just about the financial pay-off from economic success but also about reaping rewards in communities that manage their natural resources carefully and provide opportunities to fulfill the American ideals of a healthy and balanced lifestyle.

8. Structure and use incentives and other programs so the **public investment has a clear connection** to state economic development priorities.
   Leverage public investments by offering incentives and programs that create public benefits, avoid undue taxpayer risks, reflect legislatively defined returns on objective, and demonstrate maximum feasible transparency in fairness and integrity of use. The public sector role in providing incentives is to address private market gaps, offer stability for investors, and reward companies after they provide the public benefits they promise.

9. Plan and build physical and digital **infrastructure** to accommodate growth and maintain quality of life in Utah's urban and rural areas.
   Invest in a modern infrastructure that recognizes not only the importance of roads and rails but also alternative and clean transportation options, high-speed broadband, a state-of-the-art energy infrastructure, and research facilities that facilitate economic growth and enhance the quality of life for people across the state.

10. Value **evidence and data** in providing direction for economic strategies.
    Imbue state decisions about current and future policies with clearly articulated facts that help policymakers, practitioners and investors make sound, objective decisions with the greatest potential benefit for Utah residents.

11. **Collaborate and cooperate** across state and local government and partner organizations.
    Foster an environment in which state and local partners work together closely with nonprofits and other stakeholders to design and implement the most effective economic development efforts possible.

Plan Overview

To achieve this vision, Utah will undertake a strategy focused around four pillars that promote key aspects of the Utah economy: strategic industry advancement, innovation and entrepreneurship, talent development and advancing what's uniquely Utah.

Figure 6 summarizes what Utah hopes to accomplish through these four pillars, the rationale for acting, and how the initiative will be monitored. Following the chart is more detail about each pillar and the key initiatives aimed at achieving the goals identified in this plan.

Figure 6: Utah's Four Pillars of Economic Development

Pillar	Action	Purpose	Goal
What are our policy focus areas?	*What do we hope to accomplish?*	*Why are we undertaking these efforts?*	*How do we know we've been successful?*
Strategic Industry Advancement	Invest in industries that create a public benefit through human and physical capital improvements in urban and rural Utah.	Leverage public and private investment to help re-energize local economies and provide enhanced benefits to the community.	More high-paying jobs across the state for all Utahns.
Innovation and Entrepreneurship	Support the creation and growth of high impact, future-forward Utah businesses and products for the global market.	Help provide access to new ideas, innovation and opportunities to grow Utah companies.	More new, high impact businesses. More significant investment in Utah companies.
Talent Development	Align industry and education to continue producing a highly-skilled, world-class workforce.	Improve employer access to well-prepared talent while helping students and workers climb the economic ladder.	Better access to skilled talent. More jobs offering career mobility and pathway opportunities.
Uniquely Utah	Capitalize on Utah's natural environment, outdoor recreation and sports, and unique heritage and arts to attract workers and build the state's tourism and film economies.	Provide amenity assets and opportunities in Utah that allow people to live, work, recreate and thrive.	More positive community, physical and fiscal impacts resulting from Utah's natural and amenity assets.

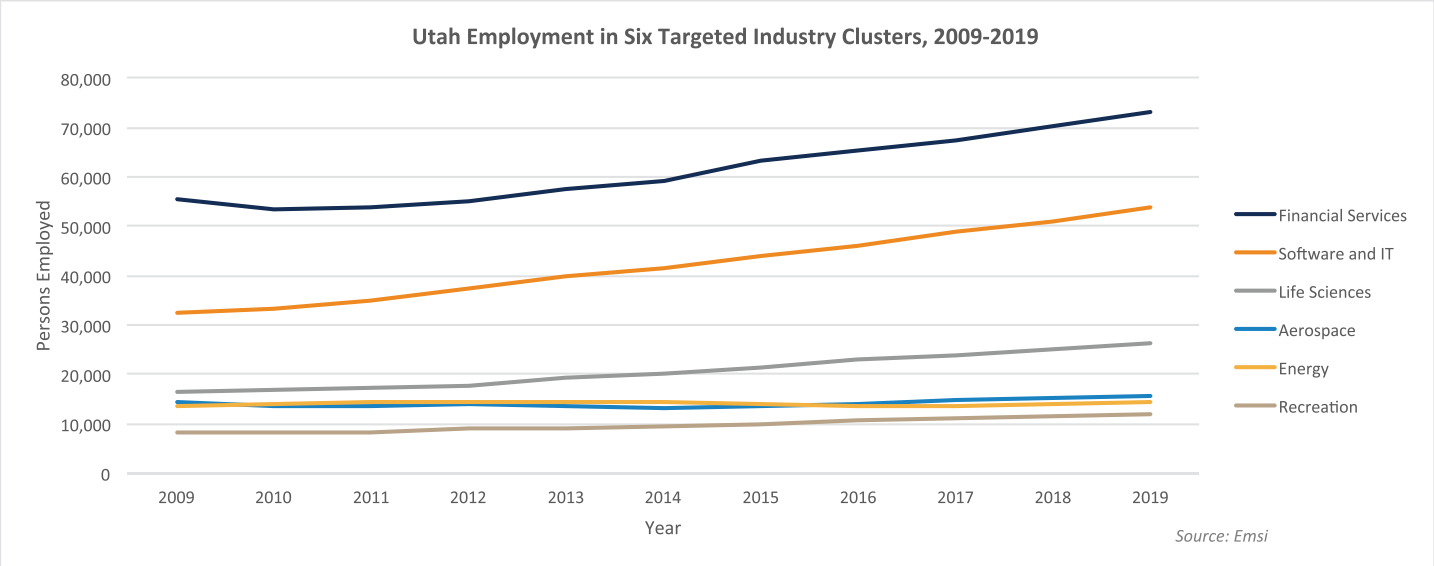
Invest in industries that create a public benefit through human and physical capital improvements in urban and rural Utah.

Through the following initiatives, Utah seeks to leverage public and private investment to help re-energize local economies and provide enhanced benefits to the community.

Primary Goal: Create more high-paying jobs across the state for all Utahns.

Much of the state's higher wage economic growth occurs in a few key industries. These industries serve as the state's economic engines. During the past decade, GOED has focused economic development resources on monitoring and promoting six industry clusters: 1) aerospace and defense, 2) energy, 3) financial services, 4) life sciences, 5) outdoor products and recreation, 6) software and information technology. Overall, these industries show continued growth since 2010, except in certain energy segments. These industries represent the foundation for Utah's emergence as a global hub for business.

Figure 7: Utah Employment Trends Demonstrate Steady Growth in Its Targeted Clusters



Initiatives to Improve Incentive Programs to Promote High-Impact Investments

1.1 Consolidate incentive programs to address Utah's most important strategic priorities.

Rationale: Utah offers a patchwork array of incentive programs created to solve past challenges. The economy continues to shift as it responds to global economic forces and technological change, and those same programs do not always address the state's most important priorities. Utah has learned several lessons about which of its incentives have the greatest influence on business investment behavior and how to make them more impactful.

Actions: Re-examine the state's incentives to focus around five key purposes: (1) promoting high quality job creation; (2) improving human capital through skill-building; (3) encouraging capital investment; (4) providing infrastructure and related resources to support unique, high-impact economic opportunities; and (5) fostering increased investment in rural areas to ensure that every part of the state benefits from economic growth. This analysis would examine how greater discretion in the incentive program design and implementation might allow for flexible responses as the economic cycle and related needs change.

This consolidation would involve:

1. Revamping the Economic Development Tax Increment Financing (EDTIF) incentive for greater adaptability and to focus benefits on creating higher-quality jobs that have the potential to improve state residents' standard of living.
2. Revising the state's tax credits and using federal programs to encourage more private capital investment.
3. Redesigning the Industrial Assistance Program to support infrastructure, workforce development and unique economic opportunities.
4. Refining or replacing the existing Enterprise Zone program to tighten eligibility regarding distressed locations, eligible entities, and key industries to emphasize projects that result in quality opportunities and improve compliance.

1.2 Prepare for potential high-impact local economic development projects by developing community assets through public-private partnerships.

Rationale: Frequently, successful economic development comes in incremental increases from existing companies adding jobs. However, on occasion, larger opportunities arise based on corporate decisions to make significant new investments in the form of expansions or adding new facilities. Although information about these opportunities is not widely available, Utah has numerous opportunities that might interest potential public-private partnership investments.

Large-scale expansion, public-private partnership and other opportunities do not arise if communities are not investment-ready. The state of Utah, and its communities, must be prepared by considering what might be an appropriate high-impact opportunity and by developing appropriate collaboration among state, local and private partners to ensure they are prepared.

Actions: Utah would need to prepare by:

1. Creating new partnerships among groups that would focus strictly on developing public-private partnerships and high-impact local growth.
2. Developing an inventory and status update on high-priority opportunities, especially those that might be relevant to rural communities.
3. Working with local governments to develop mechanisms that capture private investment returns that follow public investments to redeploy within the region for similar projects or transportation infrastructure.

Initiatives to Enhance Future-Forward Industries and Global Visibility

1.3 Identify, support, and promote the growth of targeted industry sectors identified as most critical to the state's current and future economic success.

Rationale: Over the last 20 years, Utah has pursued multiple strategies for engaging industry clusters. While these strategies have been effective in some areas, the state has not always clearly articulated well-defined objectives or metrics to show the impact from those state investments.

Actions: By more clearly defining roles and responsibilities, Utah can improve the effectiveness of the state's industry sector efforts, increasing business development opportunities. Better business outcomes among Utah's key industry clusters will enhance quality jobs, wages and the state's tax base, and should enable the creation of more high-paying jobs in all areas of the state.

GOED would lead the initiative and provide overall management and guidance. For key clusters, Utah would develop a cluster-specific strategy aimed at addressing the most significant challenges, leveraging other economic development programs and incentives in support of the cluster. GOED would develop strategic coordination around target sectors and seek to remove key barriers and gaps that are limiting industry growth in the state. The ideal sectors to pilot this strategy would be aerospace and defense, energy, information technology and life science.

Through a GOED-based subject matter expert (SME) for each cluster (except energy), Utah would provide services to cluster industry strategy groups, such as data collection and publications, annual roundtables and association support and marketing. The cluster SME would also manage any related grant resources or contracted services designed to foster each industry cluster's success.

For energy, Utah would continue to rely on the Office of Energy Development to develop a robust and diverse energy ecosystem that creates unparalleled energy opportunities for Utah, update the state's energy policy, and provide technical expertise to provide industry with technical support as well as guide the governor and Legislature on complex energy issues.

For each of the cluster-focused teams, the cluster SME would have (1) research and data analysis skills, (2) strong relationships with industry associations, universities, and innovation partners, (3) the capacity to inform recruitment strategies, (4) an awareness of relevant workforce development activity, (5) an understanding of sectoral entrepreneurship opportunities, (6) an ability to promote the cluster through its access to marketing communications capability, (7) skills to support relevant regional planning, (8) availability to participate in industry promotion and asset mapping, and (9) the capacity to support the cluster across the state with special emphasis on rural Utah.

1.4 Increase Utah's success as an international market hub for business.

Rationale: Economic success involves expanding the state's Gross Domestic Product (GDP) by capturing a greater share of global markets. To do so, Utah companies must diversify and expand their markets internationally. Exporting is one way to accomplish this goal.

Actions: Utah would continue to expand its efforts on behalf of small businesses — the ones in greatest need of help — to identify and leverage their exportable products. To amplify these efforts, Utah will develop greater awareness and skills among partner intermediary organizations (including lenders and economic development organizations) that serve these companies to better understand unique opportunities and challenges associated with international trade.

A key aspect of this success would be improving coordination among organizations that can educate and help Utah businesses make international connections and consider international markets for their goods and services. Highlighting available resources and events, enhancing on-going communication and clearly defining the roles of relevant international trade and investment organizations would leverage greater impacts from limited resources.

1.5 Market the state's key assets as an attraction for global business recruitment and investment.

Rationale: The presence and success of multi-national corporations contribute to Utah's visibility as a global economic hub. Competing for international investment can expand the presence of those companies as it creates opportunities for local Utah companies to compete as potential suppliers for products these companies may produce and sell globally.

Actions: These activities would focus on targeting and reaching out to international investors to highlight Utah as the preferred investment option, especially for companies in targeted industries. An integral part of this process would be efforts to capitalize on Utah's reputation for innovation and leading-edge research to attract new opportunities into the state. These efforts would develop a global brand with clearly identified assets of interest to multi-national companies seeking a location in the Inter-Mountain West.

Tools that would be needed include marketing materials that highlight unique innovation assets, the state's highly skilled workforce, and past successes in leveraging key technologies or products, as well as linkages to global supply chains. The initiative should involve maintaining an inventory of those assets, including world-class research facilities, global and innovation-based companies, as well as recent merger and acquisition activity that reflect the globalization of local investments.

Support the creation and growth of high impact, future-forward Utah businesses and products for the global market.

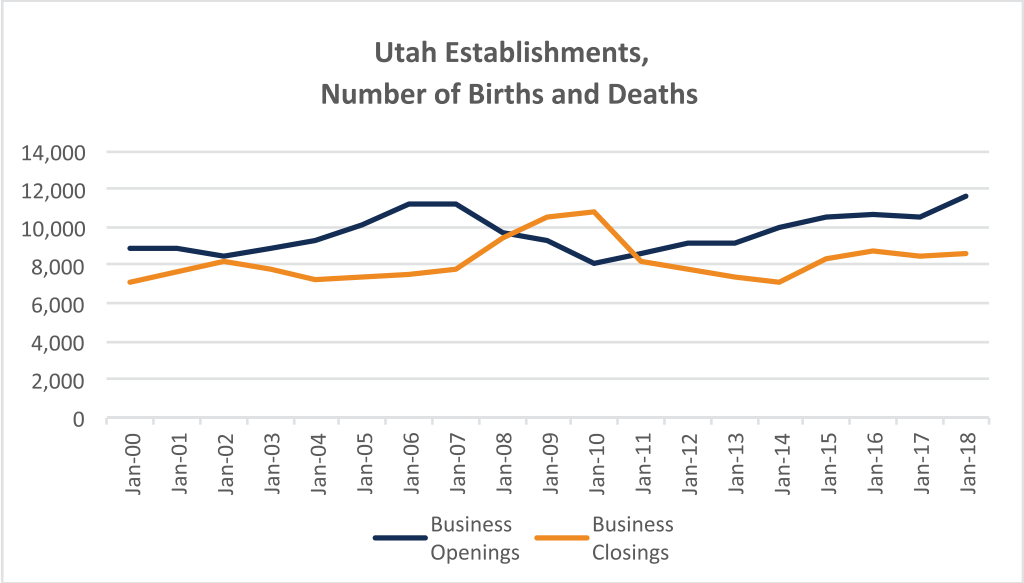
Through these initiatives, Utah seeks to help provide access to new ideas, innovation and opportunities to grow Utah companies.

Primary Goal: More new, high impact businesses and more significant investment in Utah companies.

Utah's long-term economic success is tied to emerging new businesses and the constant churn that results from "creative destruction" that marks successful economies. While uncompetitive companies and industries die off, these forces also generate new ideas, products and companies that represent the next generation economy.

A sign of the state's ability to renew its economic base and withstand economic change is the ability of entrepreneurs to find opportunities and thrive. During the past decade, Utah has generated more new businesses than have closed. In recent years, the number of new business starts has spiked upward while business deaths remained stable. This represents an important bellwether of the state's ability to withstand the buffeting forces of technological change.

Figure 8: Business Churn in Utah Reveals Dynamic and Resilient Churn



Initiatives to Enhance Small Business, Innovation and Entrepreneurship

2.1 Advocate for Utah's small businesses.

Rationale: Utah has a comprehensive set of available entrepreneurial and small business programs, but they are not widely recognized among small businesses.

Actions: Utah should create a center of entrepreneurship development to serve the needs of and act as the chief advocate for entrepreneurs and small businesses. Located in GOED, this center would ensure that the array of programs adequately address identified business needs and that small businesses have a liaison to legislators and other policymakers to ensure that small business interests are recognized in state policies, initiatives, programs and incentives.

Additionally, the center would also manage:

1. Existing resources in GOED, including the Small Business Development Centers, to ensure they serve the entire state, especially rural communities.
2. The development and deployment of an online utah.gov platform to highlight available state and related private sector resources and make them more accessible.
3. A comprehensive examination of the state's small business financing mechanisms to find ways to optimize funding and debt options for small businesses.

2.2 Establish an advisor to coordinate and leverage the state's technology and innovation assets for broader economic gain in collaboration with private sector partners.

Rationale: Built on successful models in other states and lessons learned from Utah's experiences with managing innovation, this advisor would engage industry to work together to identify targeted technology gaps that could help Utah level the playing field and gain an advantage over competing industries elsewhere. The advisor would work closely with industry and research leaders to identify new opportunities and leverage available external resources that support technology and product development partnerships.

Actions: To support this effort, GOED would establish an innovation advisor position that serves as a liaison between the state government and the state's innovation partners including academia, federal labs, equity capital markets and other stakeholders.

The innovation advisor would serve as an advocate for innovation-based economic development and would represent the state's interests in interactions with the Legislature, the private sector and nonprofit partners. Also, it would provide continuity across administrations and technical expertise to GOED in innovation-based economic development.

Initiatives to Develop New Ideas, Products and Companies

2.3 Create a favorable business climate and improve market access for innovation-driven companies.

Rationale: Utah is becoming well-known as a center for key innovation-based clusters, but the state's policies and programs are not always in-line with this image.

Actions: Utah would create or improve a set of initiatives designed to enhance the state's innovation ecosystem, foster growth among emerging companies and promote investment in those firms. Among the activities that Utah would undertake:

1. Foster startup-corporate partnerships, including "first customer" programs that help startups test and sell prototype or early-generation products.
2. Partner with a non-state organization to create an innovation fund. The organization would have the ability to invest in startup companies, take equity in businesses, reuse profits and eventually be self-sufficient.
3. Expand marketing opportunities for emerging innovation-based companies through trade shows and trade missions.

2.4 Incentivize private capital investment in high impact startups in Utah.

Rationale: Utah does not compete well for private investment in certain sectors as compared to other leading economic regions. The state seeks to create an environment to attract private capital/equity investment into Utah startup companies.

Actions: This proposal would examine Utah's current mix of incentives and provide investment incentives aimed at broadening the attractiveness of providing early-stage equity investments in targeted, research and development-intensive industries and companies of strategic importance to Utah, especially industries that require longer periods to mature from product idea to commercial market success.

2.5 Provide access to equity capital to increase the probability that high-impact Utah startups will succeed and grow.

Rationale: Fostering next-generation innovations can lead to new economic opportunities for Utah. The state needs technology-oriented entrepreneurs to thrive and innovative startup companies to grow. Utah can be a critical partner in helping these entrepreneurs and emerging companies to overcome their most significant barrier to success — access to equity capital.

Actions: Utah would catalyze private capital for investments in innovation-based companies, focusing on undercapitalized sectors with strong economic potential. As part of this effort, Utah would seek to increase the visibility of deals involving Utah startups among investors through marketing and investor network development efforts aimed at attracting non-U.S. investors.

Align industry and education to continue producing a highly skilled, world-class workforce.

Though these initiatives, Utah seeks to improve employer access to well-prepared talent while helping students and workers climb the economic ladder.

Primary Goal: Better access to skilled talent for companies and more jobs offering career mobility and pathway opportunities for Utah residents.

Utah companies — like those in other states — are struggling to find workers to fill jobs. In 2019, Utah companies had about 119,000 job openings annually while only 47,600 Utahns were unemployed and searching for work, according to the Utah Department of Workforce Services (DWS).

A 2019 Kem C. Gardner Policy Institute study of the Utah labor force found a labor shortage in Utah (see Figure 9). While the study noted that about 90% of that shortage was among occupations that required lower skills,[1] difficulties in hiring for these occupations can be tied to either a "body problem" (simply not enough workers to fill the job openings) or a "wage problem" (average wages of $10 to $15 per hour are inadequate to provide for a family).

Utah's workforce system is confronting these challenges by reducing the time companies search for workers and jobseekers search for jobs, aligning education and training to meet employer needs and improving everyone's knowledge of labor market dynamics.

High skill worker shortages are of great concern because companies may not be able to take on new work or meet customer delivery deadlines. According to the Gardner Institute study, nearly 10% (or more than 4,000) of the hard-to-fill jobs require a post-secondary credential — including non-degree credentials or college degrees.

For companies seeking degree earners, worker shortages in business management as well as technical and scientific products or financial services-related sales are particularly acute. Among middle-skill jobs, trades and technician jobs are most difficult to fill. Improving workers' skill levels helps local businesses and enables economic developers to attract companies that offer the high skill jobs Utah residents increasingly seek.

[1] John Downen and Michael Hogue, "An Analysis of Labor Supply and Demand in Utah," Kem C. Gardner Policy Institute, University of Utah, July 2019

Figure 9: Statewide Occupational Demand and Labor Shortages by Minimum Education Level, 2019

Education Level	Annual Openings	Share	Remaining Demand	Share
High school diploma or no formal credential	*81,753*	*68.6%*	*42,098*	*91.3%*
Some college, no degree	3,157	2.6%	0	0.0%
Postsecondary non-degree award	7,473	6.3%	1,942	4.2%
Associates degree	2,244	1.9%	234	0.5%
Bachelor's degree	20,441	17.2%	513	1.1%
Master's, doctoral or professional degree	4,103	3.5%	1,337	2.9%
Total	119,171	100%	46,124	100%

Source: Kem C. Gardner Policy Institute analysis of data from the Utah Department of Workforce Services, Utah State Board of Education, National Center for Education Statistics, U.S. Census Bureau American Community Survey, and Utah Population Committee.

Initiatives to Enhance Skill Levels of the Available Talent Pool

3.1 Monitor and address workforce needs of targeted industries.

Rationale: If left unaddressed, the skills gap facing Utah will inhibit business investment and job creation, especially in those industries that Utah has targeted for economic development. Utah has a growing skilled talent pool, but the state's resources could more effectively focus its education and training resources to prepare students or current workers with the skills that industry demands.

Actions: Align resources to leverage and strategize on industry and education partnerships in the state. By aligning those resources with that state's high-demand jobs, we can: 1) provide opportunities for companies to grow their talent pipeline, and 2) provide great careers for Utahns. This, in turn, has a positive impact on the state's economy. As part of this effort, Utah better connects incentive programs with industry-driven educational programs in the state's targeted industries.

3.2 Encourage use of stackable credentials among K-12, technical colleges and Utah System of Higher Education institutions.

Rationale: Businesses and workers both have limited time and resources to become fully productive. Training programs often take too much time because they assume the student must learn from a baseline and because traditional education funding models reward providers based on total instructional hours rather than competency outcomes, discouraging educational reforms that would allow students to avoid unnecessary or duplicative instructional content.

Actions: Utah would expand the reach of the Strategic Workforce Investment initiative. Utah has three education systems that are better aligned when articulations and stackable credentials are implemented. This initiative also allows individuals to focus on the training they need to enter the workforce and then come back into the education pathway without starting over.

Because the traditional education model is not the best fit for everyone, Utah's Strategic Workforce Investment initiative opens the door for individuals to become lifelong learners and move along their career pathway more rapidly and cost-effectively.

Initiatives to Develop World-Class, Skilled Talent

3.3 Encourage use of work-based learning through business-led initiatives.

Rationale: Utah could better harness work-based learning as an approach to maintain its stellar national ranking as a place to do business. Declining labor force participation rates among young adults mean they need greater awareness of skills companies require and a stronger pipeline from Utah's education systems. Work-based learning provides students with opportunities to gain real world experience in key Utah industries, gaining skills related to their academic field of interest.

Actions: Utah would encourage companies in targeted industries to offer more work-based learning opportunities (including apprenticeships and internships). The targeted sectors would vary by region and the willingness of companies to provide better than average wages.

These 'earn-and-learn' opportunities would be designed to help Utah residents (including those with limited means, people of color, under-represented or women in a targeted industry's workforce, or rural residents) to overcome barriers that might limit their labor market participation and career prospects.

Increasing work-based learning opportunities would be accomplished through educational efforts aimed at companies that have not traditionally offered such opportunities.

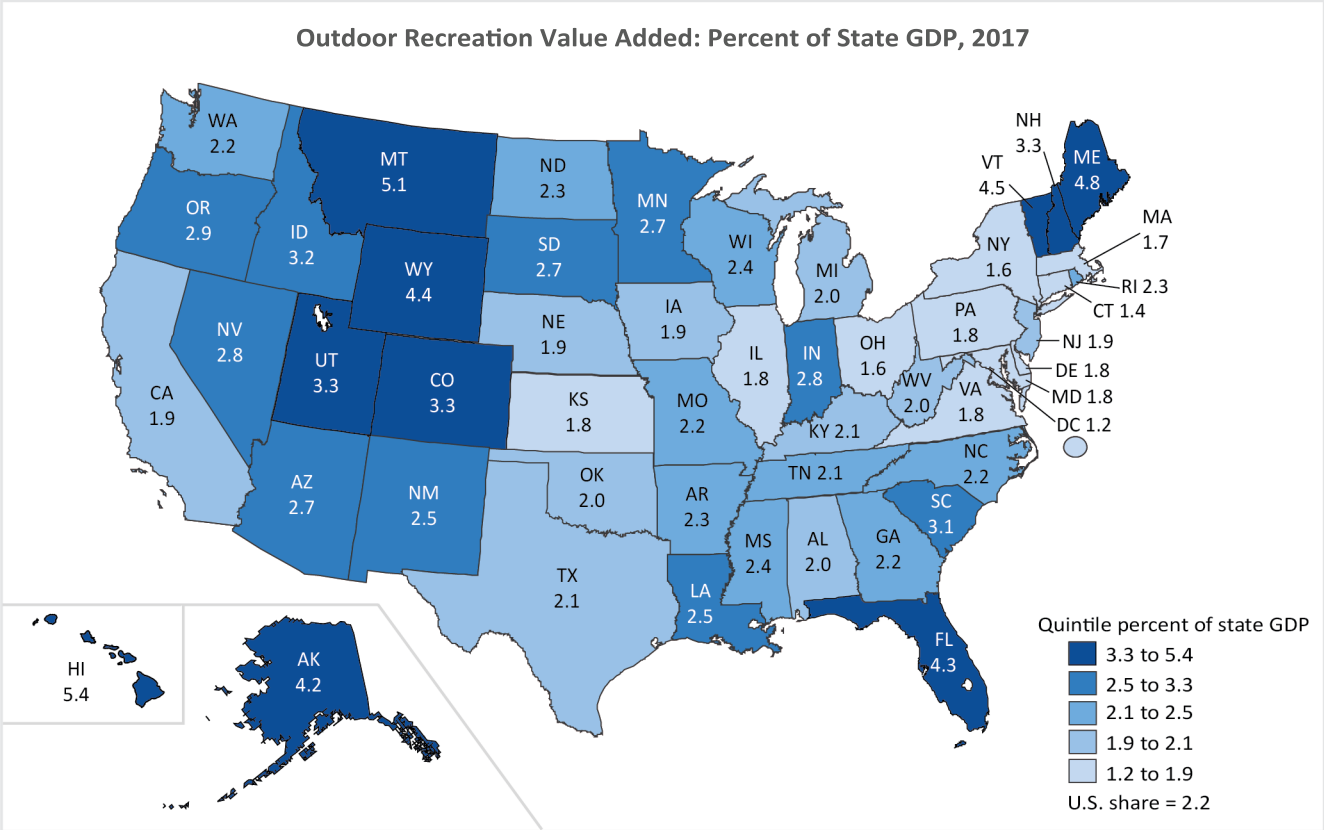
Capitalize on Utah's natural environment, outdoor recreation and sports, and unique heritage and arts to attract workers and build the state's tourism and film economies.

Through these initiatives, Utah seeks to provide amenity assets and opportunities throughout Utah that allow people to live, work, recreate and thrive.

Primary Goal: More positive community, physical and fiscal impacts resulting from Utah's natural and amenity assets.

Utah has a unique ability to leverage its environment to attract people and generate economic activity. For instance, travel and tourism represent about 12% of Utah's private sector employment in 2017 and visitor spending exceeded $8 billion in 2015, according to the Kem C. Gardner Institute.[2] The Utah Sports Commission reports that sponsored sporting events represented $184 million in economic impact for the state of Utah in 2018.[3] The U.S. Bureau of Economic Analysis (BEA) reported in data released September 2019, that Utah's ranks among the top 10 states in the share of its gross domestic product generated through outdoor recreation.[4] According to BEA, the industry cluster employs about 75,000 and generates average annual earnings of $37,857.

Figure 10: Outdoor Recreation Contributes $5.5 billion to the Utah's 2017 GDP



U.S. Bureau of Economic Analysis

[2] Jennifer Leaver, "The State of Utah's Travel and Tourism Industry, 2017, Kem C. Gardner Institute, University of Utah, April 2017, p. 2.

[3] Utah Sports Commission, https://www.utahsportscommission.com/about-us, downloaded September 24, 2019.

[4] https://www.bea.gov/data/special-topics/outdoor-recreation

Initiatives to Promote Awareness About Utah's Unique Outdoor and Heritage Assets

4.1 Promote Utah as an attractive travel destination to enhance its public image as a dynamic place to live and work.

Rationale: Utah has been very successful in attracting tourists by leveraging its natural assets. While communities are now concerned that current visitor levels may be unsustainable, visitor dollars are still very important as a source of jobs for many local economies.

Actions: Utah seeks to enhance its brand as a distinctive and highly coveted travel destination for visitors who spend more, travel off the beaten path and are committed to creating minimal impact on Utah quality of life. These efforts will also provide opportunities for residents to thrive in their communities.

To accomplish this, Utah would target promotional efforts toward establishing Utah as a unique travel experience that offers superior experiences. This involves implementing a powerful branding initiative for the state that prioritizes quality not the quantity of visitors, distributes visitation statewide, refines customer service, embraces the community-led vision, maximizes tax revenues generated and champions investment in relevant infrastructure.

4.2 Enhance state marketing efforts to promote sustainable economic drivers and healthier active communities.

Rationale: Utah remains one of the nation's healthiest populations, a vital characteristic that helps to encourage happier lives while keeping health and social service costs low. Utah's outdoor recreation assets are invaluable, and the state would like to encourage residents and visitors alike to take full advantage of its outdoor recreation assets to reinforce this healthy lifestyle.

Actions: The Office of Outdoor Recreation manages marketing efforts to improve understanding of how to use the state's outdoor assets in a sustainable manner while encouraging outdoor activities. The Office does so through more community gatherings, radio, print, social media, as well as an improved web presence to tell stories and increase participation in outdoor recreation.

A key part of this marketing effort will be reframing the way Utah promotes its commitment to protecting, preserving, and promoting public lands. This effort should highlight the state's collaboration with federal, local, and private sector partners committed to protecting, preserving and promoting sustainable use of public lands. The marketing effort should involve the development of a unified branding message and target marketing campaign that promotes Utah's commitment to outdoor recreation and environment. The effort might also include enactment of a "Utah Public Lands Day" to help increase the visibility of the state's outdoor recreational assets.

Utah would expand these efforts by building broader support among local communities, land managers and state offices as well as both leverage and enhance relevant programming (such as the Utah Outdoor Recreation Grant, Recreation Restoration Initiative Grant and Utah Children's Outdoor Recreation Education Grant) to incentivize greater interest in outdoor recreation among Utah residents. Utah would also enhance its program offerings to teach young people and educate tourists about the sustainable use of outdoor assets as well as develop more robust forest, range and wildlife stewardship of healthy and sustainable public lands.

4.3 Leverage the sports market to enhance the state's international reputation, generate economic impact and host the Winter Olympics as soon as possible.

Rationale: Utah has a legacy as an Olympic sports mecca and the state's leaders have a vision that they would like to replicate the success of the 2002 Winter Olympics by attracting another Winter Olympic Games.

Actions: Utah will continue to sustain its strengths as an Olympic sports mecca by proactively seeking out and attracting Olympic sports events to the state. The state will continue to capitalize on the sports market as an approach to enhance the state's reputation and to continue attracting visitors, generating economic impact and promoting additional positive media exposure for Utah.

Utah will also continue its efforts to capture the media value of Utah's efforts to attract Olympic sporting events to the state, burnish the state's reputation as a viable option for both summer and winter Olympic sports and seek to land the Winter Olympics again within the next two decades.

4.4 Leverage film production and related tourism to reinforce the state's marketing brand and support industry development.

Rationale: Utah's rich film history offers a foundation for fashioning Utah as a star for potential visitors or new residents as well as a source for jobs for workers involved in video production activities. The film industry is highly competitive, and most film producers incorporate subsidies into their project financing models. Yet, Utah has more limited resources than many competitor states for these subsidies. Furthermore, Utah has not previously had an explicit strategy for the industry niche the state seeks to develop.

Actions: To continue its success in competing for film projects, Utah must remain aggressive in providing film production tax incentives, but these should be more highly focused to align with Utah priorities (including maximizing return on objectives from these incentives).

Research is needed on the state of the industry and the likely impact of shifting the focus of film productive tax incentives to certain types of film projects. Utah would conduct an analysis that looks at the return on investment from the Motion Picture Incentive Program and examines alternative approaches that might better align with legislative objectives. From this analysis, including from stakeholder input on the goals of the investments, the Utah Film Commission will be in a better position to target film production tax incentives to the most important priorities.

That analysis would help the Utah Film Commission enhance current programs to ensure it provides the infrastructure needed to help the film industry remain a vital industry in Utah. These efforts should focus on expanding video production and telling stories set in the state that attract attention of potential new visitors and residents.

Initiatives to Enhance Unique Community Amenities and Outdoor or Heritage Assets

4.5 Cultivate attractive destinations by providing individuals, businesses, and communities with tools, training, and assistance.

Rationale: Utah's success as a premium visitor destination is directly tied to the ability of Utah communities to offer viable, welcoming and high-quality travel destinations. These destinations should also contribute to the quality of life for residents and workers as well as enhance the overall image of the community as an appealing locale for businesses to operate.

Actions: The basic need is to develop local capacity in identifying and creating those destinations. One key aspect is to support on-going community planning and providing grant support for these efforts.

In addition, Utah would offer training for local leaders and other stakeholders by improving the professional proficiency of local destination marketing organizations (DMOs) as well as local public and private partners to support successful 'visitor product' development. Additionally, Utah would create tools to support the work of these DMOs and their partners. These tools include best practice ideas, case studies and related resources to support local partners as they develop appropriate visitor destinations. Utah would give special consideration for resources and tools to support Tribal Tourism to help diversify rural and tribal economies.

4.6 Support Utah's Olympic legacy by maintaining high-quality Olympic facilities.

Rationale: To successfully attract Olympic Sports events and to achieve the vision of attracting a future Olympic Games, Utah needs state-of-the-art facilities. When events are held in the state, venue owners and event organizers focus on ensuring that the venues remain "ready, willing and able" to host events associated with a future Olympic Games.

Actions: Utah would leverage capital improvements targeted to key venues of importance to the state's sports- and Olympic-related events or to key national and international competitions. These events bring immediate economic impact to Utah, but they also use available sporting venues and demand on-going attention to remain up-to-date.

4.7 Expand the reach of existing programs that provide support for outdoor recreation infrastructure.

Rationale: Utah has some of the nation's most valued natural recreational assets. To ensure these assets are maintained in a sustainable manner for current and future recreation needs, Utah will need investments in key facilities and infrastructure as the state's population continues to grow. This investment will be important both in rural as well as the fast-growing urban areas.

Actions: To accomplish this goal, Utah would expand access to the Utah Outdoor Recreation Grant and the Recreation Restoration Initiative, seeking additional resources to address the growing demand and providing staff support to help rural communities create and apply for outdoor recreation projects.

Public-Private Collaboration

This plan seeks to encourage communication, cooperation and coordination between state and local governments and organizations in the private sector. Our approach is to pursue economic development in Utah as a team sport, beginning with improvements in communication and collaboration across state agencies and among state and local partner organizations.

The plan specifically identifies roles for many state agencies supporting the state's economic development efforts, highlighting GOED's role as the captain for "Team Utah" but calls out important roles for other agencies to promote key industries, manage the needed infrastructure and ensure the state has the talent to compete successfully in a global economy.

Four specific initiatives identify ways to strengthen communication and collaboration across state agencies engaged in economic development work and among state and local partner organizations.

Initiatives Designed to Improve Coordination of Utah's Economic Development Collaboration

A *Restructure how Utah economic development strategy is set and how information is shared across state agencies.*

Rationale: GOED plays a vital role in coordinating the development and execution of the state's economic development strategy. It serves as team captain, guiding the state's overall economic development strategy by convening the state agencies charged with implementing relevant programs or incentives.

Actions: As part of this policy, Utah will establish an Economic Development Committee, chaired by GOED. GOED will convene a quarterly meeting of the Committee, consisting of state agency leaders and key stakeholders, to help develop a more cohesive voice for economic development and provide an opportunity for increased information sharing. Agencies that would participate include the Utah Department of Workforce Services, Department of Transportation, State Tourism Commission, Office of Energy Development and Department of Agriculture.

In addition, Committee members would also comprise leaders representing the Governor's Rural Partnership Board, the Economic Development Corporation of Utah, the World Trade Center Utah, the Point of the Mountain Commission, the Inland Port and others. Through this on-going communication and collaboration, key state partners will review their efforts to execute key elements of the state's economic development strategy and share real-time information about accomplishments and challenges.

B *Utilize the Governor's Rural Partnership Board as a rural advisory committee, overseeing flexible resources to support rural economic development planning and capacity building.*

Rationale: Leaders are increasingly concerned about economic challenges facing rural Utah. Rural areas have difficulty competing with urban areas because private capital can find higher investment returns and greater market demand in denser population centers. Attracting private investment to rural communities is vital to sustaining the local economy. Furthermore, rural investment needs are unique, and incentives are often necessary to attract capital. Rural areas should be consulted to help identify public investment opportunities as well as to ensure that available programs and incentives meet rural needs.

Actions: The Governor's Rural Partnership Board (GRPB) would serve as the rural advisory committee to GOED and its partners agencies, guiding Utah policies and programs and ensuring the state has better tools to encourage rural investment and manage programs targeted to rural Utah.

To reflect the unique rural investment challenges, Utah would consolidate and streamline incentive and support programs into a cohesive rural investment strategy. The GRPB would monitor the menu of incentives and manage resources dedicated to those programs to ensure they are designed and marketed to address unique rural issues.

To provide resources that leverage greater private investment, Utah would also create a competitive grant program to help counties outside the Wasatch Front undertake the preparations needed to support local and regional economic development planning and make available speculative buildings or prepare their communities for potential growth and development.

To create this competitive grant program, Utah would modify the Business Expansion and Retention (BEAR) program to operate independently of the Industrial Assistance Program. The Industrial Assistance Program would also continue to provide dedicated grants to support business expansions or worker training in rural areas.

To make additional resources available to support a rural BEAR grant program, Utah would also create a rural element of EDTIF as well as consolidate and streamline underutilized or ineffective incentive programs including the Targeted Business Tax Credit, Rural Fast Track, Recycling Market Development Zone and Rapid Manufacturing Grant. Reforming the rural BEAR program would involve adapting the application cycle and process to reflect rural needs, removing the Business Development component from the BEAR program. Reforms would also require projects to align with local strategic plans and prohibit pass-throughs that redirect resources from the communities targeted for assistance.

In addition, Utah would provide facilities to support entrepreneurship and remote work in rural areas to expand local economic opportunity. This would include combining, expanding and rebranding the state's Business Resource Centers and rural working hubs/co-working programs to ensure they provide a return on investment that benefits rural communities as well as the state.

Initiatives Designed to Improve Management of Utah's Economic Development Collaboration

C *Enhance the ability of Utah economic development practitioners to undertake effective economic development strategies.*

Rationale: Successful execution of Utah's economic development plan requires a strong partnership with state, local, nonprofit and private sector organizations. When supporting economic development projects that involve state-local collaboration, for instance, many localities are not sure what their role should be, nor do they feel state officials appreciate the investments already made by localities to support the process. Currently, there are few in-state opportunities to develop the teamwork skills needed for economic developers to appreciate their respective roles or to ensure they are effective partners.

Actions: Utah would expand the availability of professional development and capacity building opportunities for local economic development in several ways:

1. Organize an annual economic development professionals conference.
2. Create a Utah-specific economic development education program in collaboration with higher education institutions and existing partners.
3. Develop an economic development certification program in collaboration with an existing partner.
4. Develop a program designed to help articulate the relative roles of state and local partners and recognize the value of both local and state incentives that support high impact projects.

This initiative would focus on improving the capabilities of economic development practitioners and their respective organizations. A key goal of this effort will be to clarify the important role that local support (e.g., infrastructure investments, expedited permitting, low-cost loans, etc.,) plays in attracting businesses to Utah. The state would accomplish this by providing professional training to local officials on what the state expects from those communities for Utah to share with private sector decision-makers seeking to make investments in high impact projects. This training should also reflect how local officials might describe their investment opportunities in their local strategies, to potential private investors, and to the state as they seek grants or other incentives.

D *Improve reporting and transparency measures that reflect policy priorities and demonstrate return on objectives from economic development investments.*

Rationale: Many of Utah's existing incentive programs were created to solve problems that may no longer be relevant. Many other economic challenges are not adequately addressed in available programs because program managers are limited in their authority to make program changes. This suggests a need for greater flexibility in the design of state programs and incentives. However, with greater discretion and flexibility comes greater responsibility for ensuring investments achieve returns on objectives and that the decision-making and performance monitoring processes are more transparent.

Actions: Utah would improve reporting by more clearly articulating program impact measures and tying them to the priorities identified in this strategy as well as to those articulated by the Utah Legislature. Utah would develop pragmatic metrics that provide information to legislators and other stakeholders about the effectiveness of state program investments.

Utah would also expand its efforts to seek ways to improve validation of client reported data, including the use of administrative and other third-party data sources to verify client reports. The state would also work with stakeholders to review current data reporting efforts to improve not only data quality but also the data collection process to streamline how data are reported to make reporting less burdensome and more accurate.

As part of this effort, Utah would also enhance the economic development network's capacity to gather and manage strategic intelligence about economic opportunities as well as about program performance data gathering to support more evidence-based decision making. GOED would expand its market intelligence and program evaluation capacity by employing a second data analytics staff member. This added staff capacity would support GOED's business intelligence and the incentives compliance management teams. The work of this staff member would focus on research about program impacts to drive future policy or management decisions. In addition, Utah would also continue to work with third-party organizations for higher level, in-depth policy research.

Other Considerations

In S.B. 172, the Utah Legislature asked GOED to directly address several issues related to the strategy. These included:

- An assessment of the state's economic development incentive policies and coordination,
- An approach to addressing the unique needs of the state's rural areas,
- An outline of the functional role for relevant state-level agencies in furthering the state's economic development strategy,
- A set of principles to increase cooperation among state and local economic development partners, and
- Recommendations on performance metrics to enhance the state's monitoring of program performance.

While the strategy includes ideas about each of these topics, this section aggregates and highlights the responses to describe how the plan addresses each of these legislative concerns.

Incentive Policies and Coordination

S.B. 172 asks for an assessment of how Utah's incentive policies could be improved and better coordinated. In developing the strategy, stakeholders recommended a variety of ways to improve incentive policies to enhance their effectiveness and improve coordination among state and local entities.

The major incentive programs put in place over the last decade, especially EDTIF, have largely worked as intended. Even so, Utah cannot assume that what worked in the past will work well in the future. Many of the current programs were created for an economy that demanded new businesses and jobs to put people back to work. Today, Utah's unemployment rate is below 3%. To enhance the state's prosperity in this economic environment, state incentives should focus on the most promising opportunities that help Utah workers find better jobs. At the same time, Utah recognizes it should not lose sight of potential disruptions that are likely to occur due to technological change nor should it fail to prepare for a potential global economic downturn that could have a negative effect on the availability of future business development opportunities.

The Economic Development Strategic Plan Committee and the Incentives Subcommittee suggest that Utah's core incentive programs (EDTIF and the High-Cost Infrastructure Tax Credit) be revamped so that they can support future growth industries that generate measurable public benefits, while ensuring that Utah can be responsive to ever-evolving economic conditions (*Initiatives 1.1, 3.1*). Utah could also better focus its incentives to encourage more investment in small and emerging companies (*Initiative 2.4*).

By contrast, several of Utah's smaller and niche incentive programs are not as well-known among their target audience, have been under-utilized, and need to be re-imagined. Further, many incentive programs designed to help rural Utah have not achieved the desired outcomes. The Industrial Assistance Program, Enterprise Zones, Targeted Business Tax Credit, Rural Fast Track, Recycling Market Development Zones and the Rapid Manufacturing Grant are among those that should be redesigned and/or consolidated to create better tools to encourage investment in rural Utah (*Initiatives 1.1, B*). Film production tax incentives have been over-subscribed, but they are offered on a first-come, first-serve basis. These high demand incentives should be studied to assess their impact and identify changes that would increase return on investment and return on objective (*Initiative 4.4*).

Principles Guiding Incentive Use

Over the years, Utah's approach to incentives has generated a consensus around a set of principles that guide state policy making. Any revamp, consolidation, or redesign should be grounded in these principles.

- Public investment in incentives should have a clear connection to Utah's current economic development policies and priorities.
- Incentives should be used sparingly to encourage businesses to make investments resulting in public benefits that might not otherwise be expected.
- Incentives help enhance the state's competitiveness and economic environment for its citizens, so Utah does not use incentives to pick individual winners and losers.
- Incentives should be implemented so that they address private market gaps or offer stability in terms of risk to investors (including the public sector).
- Incentives should generate a positive return for the state – with return measured as either (a) a fiscal gain or (b) a pre-defined economic development benefit that the public values.
- Incentives should either create high-paying jobs across the state (acknowledging that the meaning of "high-paying" differs between urban and rural areas) or attract new capital investment that serves as a long-term asset and improves the state's infrastructure.
- Companies should meet their obligations before incentives are paid out to mitigate risk to taxpayers from companies that make promises but don't deliver.
- Incentive programs should be sufficiently flexible so that over time the state can respond to economic fluctuations and technology disruptions or displacements, but they should also be managed in a transparent way to ensure fairness, consistency, integrity of use and minimal taxpayer risk.

In summary, incentives should be used to support the vision, principles, and policies described in this strategic plan. Incentives are just one of several cross-cutting tools to help Utah succeed.

Improving Coordination in Offering and Managing Incentives

The strategic plan describes four initiatives for improving economic development coordination and collaboration. Each applies to incentive policy and program management.

1. *Restructure how Utah's economic development strategy is set and how information is shared across state agencies.* The interagency Economic Development Committee (*Initiative A*) would enable all relevant agencies to be aware of characteristics of incentive pipeline projects (while maintaining confidentiality as appropriate) and program developments relevant to all. This would allow greater flexibility for Utah to include appropriate cross-agency membership on incentive review committees or boards.

2. *Utilize the Governor's Rural Partnership Board as a rural advisory committee overseeing flexible resources to support rural economic development planning and capacity building.* The GRPB (*Initiative B*) would be the go-to resource in the state for rural incentives and would oversee the redesign of incentive programs to ensure they benefit rural areas, including the creation of the proposed competitive grant program and a new industrial assistance program as well as the consolidation or elimination of underperforming incentives.

3. *Enhance the ability of Utah economic development practitioners to undertake effective economic development strategies.* The strategy encourages Utah leaders to work together to more clearly articulate the roles of state and local partners when offering incentives for high impact projects, including how local investments would be recognized as a contribution to an incentive package. Utah would also invest in training to improve state and local practitioner skills to understand the purpose of state incentives as well as improving how projects are framed as part of local economic development strategies (*Initiative C*). Ongoing education and professional development will be needed to enhance communication and to improve the implementation of best practices in incentive policy development and program management.

4. *Improve reporting and transparency measures that reflect policy priorities and demonstrate a return on objectives from economic development investments.* Utah can realign its incentive program impact measures to reflect the priorities in this strategy as well as those articulated by the Legislature (*Initiative D*). The state can also improve program monitoring by expanding efforts to validate client-reported data with third-party sources and streamlining data collection and reporting related to existing programs.

Rural Economic Development Initiatives and Programs

S.B. 172 asked GOED to address rural economic development by establishing goals and principles to ensure the state's economic development strategy works for both urban and rural areas of the state and by providing recommendations on how existing rural economic development programs should be restructured or realigned. The reason for this request is the results of Utah's economic success have not been evenly distributed throughout the state. Rural areas have struggled to sustain their population, generate growth and attract private capital. Over the years, the state has created an array of rural economic development programs, resulting in a hodge-podge of well meaning, but cumbersome and confusing, initiatives that are not easy for end users and have not achieved the hoped-for outcomes.

The overall goals for rural Utah are similar to those sought for the Wasatch Front. With this strategy, Utah seeks to elevate the lives of current and future generations through an exceptional quality of life, economic opportunity, upward mobility, and business growth and innovation. Achieving a vision of attractive, healthy communities in rural areas will require a different set of strategies and tactics than those used in the state's urban areas. For instance, rural initiatives will need to focus on creating communities where people want to live, leveraging available physical assets and amenities to develop a strong business climate, enhancing the talent pool to make rural corporate locations more likely, and helping rural businesses succeed.

Throughout this process, the Economic Development Strategic Planning Committee and the Rural Development Subcommittee helped guide the strategic plan's Vision, Principles and Policies to address the needs of **the entire state.** For this reason, there is no standalone rural strategy or policy pillar in this plan. Instead, rural development initiatives are embedded throughout every aspect of the plan.

The strategic plan recognizes that **not all rural places are alike**, nor do they all have the same economic development objectives. The proposed policies and initiatives strive for a collaborative approach to rural economic development built around engagement, professional development, and targeted resources to meet the needs of communities.

Many recommendations included in the strategy explicitly call out the need to focus on rural Utah. For instance, initiatives to support targeted industry sectors critical to the state's economic success include a directive to place special emphasis on rural Utah (*Initiative 1.3*). Utah's international programs seek to create value for all Utah businesses as part of the state's global business strategy, recognizing the importance of making services accessible to firms in all areas of the state and with a focus on outreach to small-to-medium sized firms (*Initiatives 1.4, 1.5*).

The plan notes that now is the time to restructure Utah's patchwork of programs so that they address rural Utah's most important priorities. Programs that bring financing and new investment opportunities should incorporate a rural development lens. Incentive programs should be revamped to make them more applicable to the challenges facing rural areas. The plan suggests consolidating and redesigning several underutilized incentive programs that do not meet the needs of rural communities and businesses (*Initiative 1.1*). A proposal to promote public-private partnerships for high impact investment projects includes identifying opportunities relevant to rural locations and helping communities become investment-ready (*Initiative 1.2*).

Not enough small businesses and entrepreneurs are aware of the many programs available to serve them. A proposed center for entrepreneurship development to serve small businesses and a statewide innovation advisor position will be designed to meet the needs of entrepreneurs in all areas of the state, especially rural communities (*Initiatives 2.1, 2.2*). The goal is to ensure the proposed capital access, market access, start-up and small business initiatives intended to help develop new ideas, products and companies will be meaningful and accessible to rural communities as well as urban areas (*Initiatives 2.3, 2.4, 2.5*).

Utah's talent challenge is particularly acute in rural areas due to losses of young people to urban areas and the difficulties associated with retaining skilled talent. The strategies focused on improving alignment of industry needs with educational output emphasize better articulating the talent needs of local industries and then ensuring that area postsecondary educational institutions focus their programs on those needs (*Initiatives 3.1, 3.2*). Furthermore, the strategy focuses on reducing the amount of time in the classroom preparing for jobs by linking education and training programs to stackable credentials while also promoting greater use of work-based learning to develop skills (*Initiatives 3.2, 3.3*). These efforts are important in rural areas because they help workers stay on the job in their rural communities to earn while they learn in real-world work settings. These efforts also allow rural companies to engage more directly with postsecondary educational institutions (especially local area-serving community colleges).

In addition, Utah's initiatives to promote the state's unique outdoor and heritage assets through tourism, outdoor recreation, sporting events and film production play a special role in the state's rural communities. Rural Utah's assets are critical to the state's ability to perform well in each of these arenas. In turn, these programs are intended to generate positive outcomes for the communities where these activities take place. Each initiative recognizes that communities and individuals must attain benefits that sustain assets and support quality of life and quality work opportunities, in addition to generating a positive economic and fiscal impact (*Initiatives 4.1, 4.2, 4.3, 4.4*).

Key to success for all parties is collaboration that enhances community assets for the benefit of residents as well as visitors. The plan proposes initiatives to expand support for outdoor recreation infrastructure and enhance local capacity to cultivate attractive travel destinations that also contribute to local quality of life (*Initiatives 4.5, 4.6, 4.7*).

To make these initiatives work, rural areas will need help from the state. The GRPB would guide Utah policies and programs to ensure the state has the right tools to encourage rural investment. These tools could include a set of consolidated and streamlined incentive programs, a competitive grant for county and regional economic development planning and preparation for potential growth and redevelopment, facilities to support entrepreneurship and remote work and grants via the industrial assistance program to support business expansions or worker training. These initiatives could be funded by modifying the Business Expansion and Retention (BEAR) program and using resources from the consolidation or elimination of dated, underperforming incentives. The EDTIF could also be modified to make it more rural friendly (*Initiatives 1.2, B*).

Continuing to improve **state-local collaboration** is also a priority. Proposed initiatives would expand the availability of professional development and capacity-building for local economic development leaders — a critical need for many rural communities with limited staff resources. Actions include holding an annual state-local economic development conference, creating a Utah-specific economic development education program and clarifying the roles of state and local partners when using incentives or supporting high-impact projects (*Initiative C*).

Agency Roles and Collaboration

S.B. 172 seeks a clearer articulation of the roles of several state-level agencies in furthering the state's economic development strategy. The legislation calls out several relevant agencies for this purpose, including the Department of Workforce Services, the Office of Energy Development, the State Board of Education, the State Board of Trustees and the Utah System of Technical Colleges Board of Trustees. Other agencies are also vital to the state's success, but this section focuses on the roles of these institutions.

Functional Roles in the Economic Development Plan

Each identified agency has its own mission but also plays an important economic development function. Specific roles within the strategic plan begin with the proposed Economic Development Committee chaired by GOED (*Initiative A*). The economic development plan highlights roles for leaders of the **Department of Workforce Services** and **Office of Energy Development** as participants on the proposed Economic Development Committee.

In addition, the **Department of Workforce Services**, **Utah System of Higher Education**, **State Board of Education** and **Utah System of Technical Colleges** as well as GOED would continue to partner in support of the Talent Ready Utah program to meet the workforce needs of Utah businesses. The **State Board of Education**, **State Board of Trustees** and **Utah System of Technical Colleges Board of Trustees** would also be engaged to develop and use stackable credentials in K-12, technical colleges and Utah System of Higher Education institutions as a means to prepare talent more efficiently for the state's strategic target industries (*Initiatives 1.3, 3.1, 3.2*). Finally, these partners represent a vital asset to engage with emerging industries to provide applied research that result in new product ideas as well as educational programming to meet the demand for increasingly advanced technical skills to support the state's innovation strategies (*Initiative 2.2*).

The **Office of Energy Development** has a critical role to play in supporting one of the state's leading industry clusters. As noted in the plan, the energy sector is critical to the state's current and future economic success. OED would continue to be responsible for developing the energy development ecosystem, updating the state's energy policy and providing technical expertise to guide the Governor and Legislature on complex energy issues (*Initiative 1.3*).

While not referenced in S.B. 172, the **Department of Transportation** also serves as a vital resource through its decision-making role related to the state's highways, rails, ports and related infrastructure investments (*Initiative 1.2*).

State-Local Collaboration and Capacity Building

Successful execution of Utah's economic development strategy requires a strong partnership with state, local, nonprofit, and private sector organizations. S.B. 172 recognized this by requiring the strategy to identify principles and recommendations to encourage greater cooperation among state and local partners. Utah's economic development eco-system is nationally recognized as extremely collaborative; however, it is not always clear how these partners work together. Even so, as Utah continues to grow and diversify, maintaining this cooperative culture among economic development stakeholders will be paramount to continued success.

For this reason, a guiding principle in the strategic plan emphasizes **collaboration and cooperation** across state and local government partner organizations. Specifically, Utah would continue to foster an environment in which state and local partners work together closely with nonprofits and other stakeholders to design and implement the most effective economic development efforts possible.

State-local cooperation is a cross-cutting approach that supports every policy and nearly every initiative in this strategic plan. Recommendations for strategic industry advancement, innovation and entrepreneurship, talent development, and capitalizing on Utah's unique assets typically require state-local communication and collaboration to succeed, as do the recommendations for rural economic development and incentives policy. Beyond the rhetoric, the plan creates new opportunities for collaboration, such as forming an interagency Economic Development Committee, enhancing the Governor's Rural Policy Board, and engaging state and local partners through conferences and educational programs.

The strategic plan includes an initiative to enhance professional skills that would build trust and create standing protocols for partners to work together (*Initiative C*). For instance, the plan calls for increasing the availability of **professional development** opportunities for local leaders through Utah's systems of higher education and existing public/private organizations, such the Economic Development Corporation of Utah (EDCUtah), GOED, the Office of Rural Development, Utah Alliance for Economic Development, Utah League of Cities and Towns and Utah Association of Counties. Providing consistent, Utah-specific training builds skills among stakeholders and engenders greater trust that can lead to opportunities for identifying potential partnerships and expanding awareness of good economic development practices.

The plan also seeks to help Utah's communities become investment-ready by providing professional training to local officials on what is expected by investors involved in new or high-impact projects. This initiative could also include assistance for infrastructure, ready-to-go real estate sites, or other assets that can induce private investment.

The plan also provides a venue for state and local partners to work together to clarify the role that local support plays in attracting businesses to Utah. This proposed initiative would include articulating the **roles of state and local partners when offering incentives**, specifying the types of investments that count as a local contribution and incorporating incentives policy and program management into the proposed ongoing education and professional development initiative.

Monitoring and Measuring Performance

Several reports document Utah's economic development performance and activities. Like many states, Utah tends to measure new jobs, new investment, and state revenues generated. Utah is not alone in this approach, but changing times require new metrics. The Center for Regional Economic Competitiveness white paper, *Redefining Economic Development Performance Indicators for a Field in Transition (2017)*, found that, "State economic development leaders have embraced the need to report program outcomes to demonstrate the impact of their efforts but **seek better indicators to measure those outcomes.**" This reflects the transition from a recession-driven emphasis on job creation (the focus in the early 2010s) to a renewed focus on wealth generation and asset building among communities (reflecting 10 years of economic growth in most states).

Identifying the right metrics to supplement the basic jobs and investment tallies has remained a challenge. Utah has the chance to revamp both its metrics and its reporting processes to align with the priorities identified in this strategic plan as well as those articulated by the Legislature. New metrics should convey the quality of jobs and investment in addition to quantity of activity. Additionally, they should capture the effects on residents, communities and new aspects of business vitality.

The monitoring and measurement options laid out here (and in *Initiative D*) are intended to spark a conversation that leads toward consensus building rather than dictate the actual metrics to be used. A key concept throughout the strategic plan is "return on objective" as a complement to a "return on investment" that may focus on returns to the state treasury. "Return on objective" captures the idea that a program or initiative must accomplish a statutory purpose. This purpose is not necessarily related to the fiscal benefit that might be derived to the state from the investment. Instead, it may be a societal benefit that the Legislature has clearly articulated. While this idea is easily described, it is often difficult to implement because so the statutes guiding the creation of so many programs do not include clear purpose statements.

For many programs, at their inception, legislators and administrators might have a clear purpose in mind for the program (even if that purpose is not delineated in the legislation). However, as legislative and administrative leaders change over time and programs persist, programs that do not clearly articulate and document those purpose statements in their statute become more difficult to manage because the purpose may be lost, difficult to discern, or has shifted over time. This lack of documentation can lead to conflict as program implementors remember the purpose differently from legislators or seek to achieve returns on investment that may not line up with the purpose as understood by legislators. Given the importance of legislative input, this section should serve as the beginning of an iterative process with Utah's elected leaders — not a final statement.

Overarching Economic Development Metrics/Benchmark Indicators

This economic development plan identifies four key "North Star" goals, one related to each pillar of the plan. These plan goals include:

- More high-paying jobs across the state for all Utahns.
- More new, high impact businesses and more significant investment in Utah companies.
- Better access to skilled talent for companies, more jobs offering career mobility and pathway opportunities for residents.
- More community, physical and fiscal benefits generated from Utah's natural and amenity assets.

These North Star metrics can be measured in many ways. One proposed set of overarching metrics might focus on the economic improvements to Utahns' lives that leaders can track to ascertain how well Utah is moving toward achieving its vision. These metrics would not necessarily apply to specific plan elements, but they would be used in guiding the selection of the best metrics. For example, specific ways to measure success toward achieving the vision of economic opportunity and upward mobility might include monitoring:

- Per capita income (with the option to compare changes in per capita income adjusted for relative cost of living over time)
- Wages (average wages and wages of jobs created as a result of the state's efforts)
- Number of new jobs held by current residents or people moving to the state

Program-Specific Performance Indicators

Each initiative should have its own specific objectives. These objectives should be measurable and relate to the goals identified earlier. During the planning process, a subcommittee began initial efforts to develop metrics, but it was clear that this process needed to engage as many stakeholders as possible, and metrics adopted should reflect the final plan elements.

Even so, the subcommittees undertook important work to begin the process of suggesting metrics. The most well-developed ideas follow. Leaders should review these measures and align them more closely with specific initiatives, identify potential benchmarks to monitor success against and adapt the metrics to reflect the unique nature of rural and urban areas of the state or the unique challenges that types of businesses or individuals face.

Potential Initiative-Specific Metrics

- Jobs and job change by industry, cluster or occupation
- New 'high paying' jobs tied to specific activities (e.g., innovation, exports, etc.,)
- Number of jobs paying more than 100% of statewide industry average
- Unemployment rates
- Wages and wage growth by industry, cluster or occupation
- Per capita income (adjusted for cost of living)
- New capital investment by industry or cluster
- Research spending/research capital
- Private investment in public-private partnerships and other infrastructure projects
- Business growth and retention by industry or cluster
- Number of new Utah companies
- Number of new Utah-based innovation companies
- Number of companies exporting
- Number and amount of small business loans

Challenges

The leadership has not yet had an opportunity to agree on how best to measure overall outcomes for the economic development plan. No logic model existed for most programs that describes how they should contribute to desired program outcomes. In addition, data available for monitoring program outcomes is limited and not easily validated. To some degree, this challenge reflects the desire to limit the burden on companies in reporting their impacts; however, it also reflects the limited access that Utah's economic development organizations have to third-party validated data, including unemployment insurance or corporate tax records.

Most program evaluations are conducted examining state-level impacts; however, there appears to be a greater desire to understand the distribution of state economic development investments and their impacts on local economies. This will require data disaggregation at the county or regional level. Such a disaggregation will create a challenge for the state's current data sharing agreements and increase concerns among data privacy and confidentiality advocates.

Next Steps

The Legislature needs to take the first action to improve performance measurement and monitoring by reviewing economic development mandates and more clearly defining program goals and intentions. Once these goals are defined more clearly, stakeholders can move forward with developing consensus on the most valuable measures. Without a clear legislative mandate, stakeholders (including legislators) will need to develop a consensus on how best to measure the performance of different incentive and grant programs that reflect a general understanding of legislative intent. An important next step is to use this plan as the foundation for engaging key leaders to clarify program goals and adopt performance metrics that reflect stakeholder consensus.

In the interim, state leaders should begin the process of developing consensus on the state's priority benchmark indicators. A logic model can help leaders agree on key metrics within a common framework. The logic model can help describe how specific actions associated with each of the initiatives are expected to lead to outcomes related to the goals set for the plan. Preparing a logic model for Utah's economic development strategies can demonstrate the connection between program activity and hoped-for policy result. GOED should lead the process for completing logic models for each policy pillar.

As part of the logic model exercise, GOED could also identify data source options and costs associated with the selected metrics. This issue has already been highlighted for improving decision-making about incentives (*Initiative D*), but the same principles apply for all economic development efforts. Again, a determination will need to be made on what data collection is feasible and cost-effective and what might be gathered through third party sources. The Legislature may be called upon to provide greater flexibility in providing access to administrative records for use in economic development policy evaluation and analysis.

Conclusion

Utah is entering its **10th year of an expanding economy,** a long run. Furthermore, Utah's economic growth has outpaced the U.S. in almost every year of that timeframe, creating many new opportunities for residents. However, not every part of the state is benefiting from that success. At the same time, other areas must find ways to address challenges brought about by growth. The state must prepare for potential economic disruption driven by changes in technology and the increased adoption of automation. Furthermore, initial signs of a national recession are starting to show. Economists continue to predict a global economic downturn that could create economic hardships for the most vulnerable Utahns.

This economic development plan seeks to ensure that Utah does not become complacent while also addressing the most significant challenges facing the state. The plan lays out a vision designed to create opportunity for communities, businesses, residents and visitors to enjoy the bounties of a healthy economy. At the heart of its efforts, Utah agencies — state, local, nonprofit and even private sector — must work in concert. This plan provides a roadmap for that collaborative action. The plan also provides a framework for organizations to work independently to achieve their respective organizational goals while enhancing efforts to speak with one voice about what makes Utah a truly unique state and to elevate the state's success through better coordinated economic development efforts.

Through collaboration, Utah can invest its resources to create more opportunities for economic mobility and pathways to success. The principles guiding these investments aim to ensure that Utah is attractive for companies to start, grow and thrive. Utah seeks to build on its diverse and resilient economy and ensure it can continue both to compete in a global context and to offer a wide array of economic opportunities to residents throughout the state. To accomplish this goal, Utah will need to make investments that incentivize private investment resulting in clearly defined public benefits while limiting the risks to taxpayers that may be associated with those investments. Relying on evidence that helps to better assess the return achieved from its efforts, Utah can target its investments to future industries that can anchor clusters of success and to infrastructure (physical, digital, or institutional) that facilitates economic growth within a broad array of communities and companies alike.

Success should not be measured only in terms of business and economic success. Utah must also prepare its residents to succeed throughout their life. This means the state's public education and postsecondary education systems must help develop the talent required for its industries to succeed. It also means current workers continuously adapt to technological change and those resources are readily available through the state's educational system to ensure that workers (and their employers) have the most current skills that industry demands.

Meanwhile, Utahns cannot live by work alone. It's also important that the plan values Utah's unique amenities — its outdoor assets and natural resources are both an economic and community resource. This plan seeks to leverage the state's lands and environment to create a globally recognized place for people to live, visit, and play, reflecting the value that Utah places on quality of life for current and future generations as a vital aspect of a healthy, happy and prosperous state.

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