



Utah Governor's Office *of* Economic Development

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GRPB Executive Committee
Rural Fast Track Review
March 6, 2020
8:00 a.m.

The Governor's Rural Partnership Board (GRPB) Executive Committee is charged with review and recommendation of Rural Fast Track (RFT) Grant Applications. The RFT review meeting is scheduled monthly to receive recommendations of approval or denial of RFT applications. The applications are then sent to the Governor's Office of Economic Development (GOED) Board for final approval.

In Attendance: Brian Higginbotham ("BH"), Michael McCandless ("MM"), Stephen Lisonbee ("SL")

Regrets: Steve Styler ("SS")

GOED Staff: James Dixon ("JD")

Other Attendees:

Minutes: Joshua Wiggins

Minutes

- I. Review of Minutes from January 3, 2020
 - a. **MOTION: Approve the Minutes from January 3, 2020.**
 - i. Motion to approve: SL
 - ii. Second: BH
 - iii. Decision: 3-0-1
 - iv. Motion PASSED
- II. RFT Endorsements/Denials
 - a. Itty Bitty Equipment Co., Inc.; Richmond, Cache County
 - i. Rural Fast Track for Itty Bitty Equipment Co., Inc., located in Richmond, Cache County, for the purpose of constructing a 6,000-square-foot metal building. The company expects to create one (1) full-time position paying at least 110% of the county average wage. The total project cost is valued at Two hundred fifty thousand dollars (\$250,000).
 - ii. **MOTION: Endorse a Rural Fast Track Grant for the company in the amount of \$50,000.**
 1. Motion to endorse: BH
 2. Second: SL

3. Decision: 3-0-1

4. Motion PASSED

b. KL Steck, Inc. dba House of Glass; Ephraim, Sanpete County

i. Rural Fast Track for KL Steck, Inc. dba House of Glass, located in Ephraim, Sanpete County, for the purpose of purchasing a Water Jet system to cut customized glass and to expand the facility to accommodate the machine. The company expects to create one (1) full-time position paying at least 115% of the county average wage. The total project cost is valued at Two hundred seventy-eight thousand six hundred dollars (\$278,600).

ii. **MOTION: Endorse a Rural Fast Track Grant for the company in the amount of \$50,000.**

1. Motion to endorse: SL

2. Second: MM

3. Decision: 3-0-1

4. Motion PASSED

c. Ritual Chocolate, Inc.; Charleston, Wasatch County

i. Rural Fast Track for Ritual Chocolate, Inc., located in Charleston, Wasatch County, for the purpose of paying relocation costs and purchasing multiple pieces of equipment. The company expects to create two (2) full-time positions paying at least 110% of the county average wage, one (1) full-time position paying at least 115% of the county average wage, and one (1) full-time position paying at least 125%. The total project cost is valued at Three hundred thousand dollars (\$300,000).

ii. JD: The company is moving from Park City to Charleston to broaden their manufacturing and improve their labor pool. They have an individual helping them process their application. The company sent 3 years of returns, but most recent year didn't show profit. They went through the process of proving capital investments to offset the loss.

iii. BH: How can the labor pool be better in Charleston rather than in Park City?

iv. JD: Their explanation is that they can get more consistent labor at a more reasonable cost in the Heber area rather than the Park City area. Their turnover of employees in Park City is higher.

v. SL: At the Department of Workforce Services, we had offices in Park City and Heber. It was very interesting to see how labor exchange functioned pretty differently between the two. Park City has high turnover for entry and mid-level positions.

vi. MM: Are they renting the building they are moving into?

vii. JD: That is correct, although they will have lease-hold improvements.

viii. MM: Are you comfortable with the relocation costs they include?

ix. JD: No, I suggested removing that since we are only interested in the cost of the building.

x. MM: There are enough costs to qualify for the full \$50,000 without the relocation piece.

xi. SL: I agree; take it out. Seems like they were fine.

- xii. BH: If you ask them to remove that and they don't, what happens?
- xiii. JD: That was my fault. I left the number there. I forgot to take that out. I'm happy to make that adjustment.
- xiv. BH: If you do that, I am happy to give a motion.
- xv. **MOTION: Remove the relocation costs from the company's project and endorse a Rural Fast Track Grant for the company in the amount of \$50,000.**
 - 1. Motion to endorse: BH
 - 2. Second: MM
 - 3. Decision: 3-0-1
 - 4. Motion PASSED

d. Pink Elephant Coffee Roasters; Charleston, Wasatch County

- i. Rural Fast Track for Pink Elephant Coffee Roasters, located in Charleston, Wasatch County, for the purpose of purchasing manufacturing equipment. The company expects to create one (1) full-time position paying at least 110% of the county average wage. The total project cost is valued at One hundred nine thousand dollars (\$109,000).
- ii. JD: The list of purchases included many smaller amounts, so I asked the company to focus on the bigger purchases (such as \$9,000 or higher). They have on their list a deck commercial oven at \$4,500 and a grinder at \$6,900. They are depreciable, essential property. This company is also moving to Charleston, are profitable, and growing.
- iii. BH: Who is the individual who prepared these?
- iv. JD: Eric Nay. Eric used to work here at GOED but went into the developing sector in the private sector. This is run by a friend of his. The other approached him due to his familiarity to the program. He helped sort through all the details of the application. My communication has been with Eric Nay more than the company owners. The company owners provided taxes and receipts.
- v. SL: That's great.
- vi. **MOTION: Endorse a Rural Fast Track Grant for the company in the amount of \$50,000.**
 - 1. Motion to endorse: MM
 - 2. Second: BH
 - 3. Decision: 3-0-1.
 - 4. Motion PASSED

III. Additional Discussion

- a. JD: A couple of other applications are in the pipeline. One was denied due to location, and another wasn't able to deliver all that was needed in time. We've seen a run on applications recently due to the potential threat of RFT going away if SB95 passes.
- b. SL: Are you able to give us an update on this bill? I haven't been tracking it.
- c. JD: There will be hearing today at 2:00pm at the House. It's on the docket today for review. There've been a couple of adjustments to the bill that have been negotiated. Originally the bill dictated no new enterprise zones as of January 2020, but that has been altered to January 2021. The original ask was for \$10 million, but now it's \$8 million.

This is a bill that concentrates that amount of money into the counties and requires the creation of a Community Economic Development Board in order to apply for these funds. There's a question about how cities and towns fit into this program; as currently written, this bill concentrates funds into county governments. It also cancels three programs and moves one to another department.

d. SL: Thanks for the update.

IV. Motion to adjourn