

Board of the Governor's Office of Economic Opportunity

Governor's Office of Economic Opportunity

60 East South Temple, STE 300, Salt Lake City, UT 84111

Electronic participation: Zoom <https://bit.ly/2MNKPJg>

By Phone: +13462487799,,87465699434#

July 8, 2021 • 10:00 am – 12:00 pm

AGENDA

WelcomeCarine Clark

Go Utah/Economic Commission Update..... Ben Hart

Update on happenings within Go Utah Office

Motion on June 10, 2021 Meeting MinutesGo Utah Board

Incentives Report..... Steve Neeleman

The Board will discuss public information about companies who have applied for incentives and vote on whether to approve the incentives, and if so, at what level. Five companies will be presented.

EDTIF Technical Correction..... Daniel Royal

The board will consider an amended motion for the previously approved Armscor Precision International EDTIF incentive to correct the company name.

Film Incentives Virginia Pearce

- a. The Seedling
- b. Santa Baby

Incentives Update Daniel Royal

Review of Go Utah's new and existing corporate incentives projects

EDCUtah Update Mike Flynn

Overview of current and upcoming business development projects from EDCUtah

Adjourn Meeting

2021 GOED Board Meeting Dates

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

January 14, 2021 February 11, 2021 March 11, 2021 April 8, 2021 May 13, 2021 June 10, 2021	July 8, 2021 August 12, 2021 September 9, 2021 October 6, 2021 November 10, 2021 December 9, 2021
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GO UTAH BOARD EXECUTIVE SUMMARY

Owens Corning Insulating Systems, LLC

July 8, 2021

Project Highlights

Timeline:	2022
Target Industry:	Manufacturing
Location:	Nephi, Juab County
Capital Investment:	\$52,500,000
Jobs:	70
Average Wage:	\$66,999

Company Overview

Owens Corning is an American company that develops and produces insulation, roofing, and fiberglass composites and related materials and products. It is the world's largest manufacturer of fiberglass composites. It was formed in 1938 as a partnership between two major American glassworks, Corning Glass Works and Owens-Illinois. The company employs approximately 19,000 people around the world, is a NYSE listed company and part of the Fortune 500.

The new project would entail a large-scale increase to the insulation manufacturing capacity within Owens Corning current footprint. Regardless of finalist location, the increase in manufacturing capacity will entail significant capital investment (approx. \$52MM) and job creation (approximately 89 net-new jobs). These jobs would require trade level skill sets and would be paid significantly higher than county average wages (approx. \$68,000 per year). These net-new employees would receive full benefit packages as is standard with Owens Corning full-time employees.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$2,521,537
The amount represents the following percentage of new state revenues:	50%
Number of years that incentive is approved for:	10 Years

Jobs & Revenue

Full time jobs over project lifetime: 70

New State Wages & Revenue:

New State Wages over 10 years:	\$61,477,054
New State Revenue over 10 years:	\$5,043,074

Proposed Motion

Approve Owens Corning Insulating Systems, LLC for an EDTIF post-performance refundable tax credit of up to \$2,521,537 which represents 50% of the \$5,043,074 of new state revenue, which may be earned over 10 years.

- Total EDTIF incentive not to exceed \$2,521,537 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 50% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 50% of qualified new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 100% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 100% of the county average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the Go Utah Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the Go Utah Board final approval date are eligible for this incentive.

GO UTAH BOARD EXECUTIVE SUMMARY

American Packaging Corporation

July 8, 2021

Project Highlights

Timeline:	2021
Target Industry:	Manufacturing
Location:	Cedar City, Iron County
Capital Investment:	\$126,830,000
Jobs:	135
Average Wage:	\$49,388

Company Overview

American Packaging Corporation is a family-owned flexible packaging converter. The corporation develops and supplies flexible packaging to grocery stores throughout the United States and Canada. They have a network of five production facilities and two innovation centers. Food and healthcare are their primary market categories. The Corporation's food and healthcare customers depend on their products to keep products fresh, sustainable, and accessible with minimal waste and maximum production efficiencies.

This expansion would call for a 275,000 square foot manufacturing location. The initial investment is estimated at \$86.9 million in land, building, and capital equipment. The facility will include world-class plate-making systems, print media technologies, as well as the capability to produce pre-formed pouches and bags to meet customers' specific needs. The facility will produce packaging covering a wide range of food, personal care, medical, pharmaceutical, and industrial products. Initial plans call for 135 new full-time employees. These positions would include equipment operators, ink mixing, plate mounting, maintenance, shipping and receiving, and other support functions.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$661,260
Total amount of IAA Economic Opportunity Grant:	\$75,000
The amount represents the following percentage of new state revenues:	25%
Number of years that incentive is approved for:	10 Years

Jobs & Revenue

Full time jobs over project lifetime:	135
<u>New State Wages & Revenue:</u>	
New State Wages over 10 years:	\$61,477,054
New State Revenue over 10 years:	\$5,043,074

Proposed Motion

Approve Owens Corning Insulating Systems, LLC for an EDTIF post-performance refundable tax credit of up to \$2,521,537 which represents 50% of the \$5,043,074 of new state revenue, which may be earned over 10 years.

- Total EDTIF incentive not to exceed \$2,521,537 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 50% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 50% of qualified new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 100% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 100% of the county average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the Go Utah Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the Go Utah Board final approval date are eligible for this incentive.

GOED BOARD EXECUTIVE SUMMARY

Barnes Bullets, LLC

July 8, 2021

Project Highlights

Timeline:	2021
Target Industry:	Manufacturing
Location:	Mona, Juab County
Capital Investment:	\$30,500,000
Jobs:	116
Average Wage:	\$48,168

Company Overview

Barnes Bullets is in the business of manufacturing bullet slugs and ammunition. Barnes sells ammunition products to wholesalers, dealers, consumers, local, state, and federal agencies, shooting schools and internationally. Each year Barnes Bullets plans to sell approximately 30 million rounds of ammunition. On occasion, Barnes needs to sell ammunition tax free to local, state and federal government agencies. These agencies are tax-free customers and the company needs the proper licenses to adequately process these transactions. Sales will also be made to international customers. The company currently does not know what the volumes will look like to these agencies, but they hope to sell several million rounds of ammunition a year to Government agencies. Most of their ammunition will be subject to federal excise tax.

The company purchased the assets of Barnes from Remington and organized a new legal entity called Barnes Bullets - Mona, LLC in late 2020. The company hopes to keep Barnes in Utah, and is in negotiation to purchase the leased building. Remington was originally planning on moving Barnes to the east coast.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$ 556,171
The amount represents the following percentage of new state revenues:	50%
Number of years that incentive is approved for:	5 Years

Jobs & Revenue

Full time jobs over project lifetime: 116

New State Wages & Revenue:

New State Wages over 5 years:	\$18,166,404
New State Revenue over 5 years:	\$1,112,343

Proposed Motion

Approve Barnes Bullets for an EDTIF post-performance refundable tax credit in rural Utah of up to \$556,171 which represents 50% of the \$1,112,343 of new state revenue, which may be earned over 5 years.

- Total EDTIF incentive not to exceed \$556,171 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 50% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 50% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 100% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 100% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the Go Utah Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the Go Utah Board final approval date are eligible for this incentive.

GOED BOARD EXECUTIVE SUMMARY

TaxBit, Inc.

July 8, 2021

Project Highlights

Timeline:	2021
Target Industry:	Financial Services
Location:	Draper, Salt Lake County
Capital Investment:	\$70,000,000
Jobs:	1,700
Average Wage:	\$111,213

Company Overview

TaxBit is a software that automates tax and accounting reporting for capital assets. The company provides tax reports and back-end accounting, working with some of the largest brokerages and CPA firms in the country. TaxBit connects cryptocurrency transactions across every exchange so that clients can accurately file taxes, manage their portfolios, and make tax optimized trades. Additionally, TaxBit's Government Services assists the IRS with cryptocurrency tax examination audits..

TaxBit's opportunities have grown and, as a result, they expect they will be hiring over 1,700 additional employees over the next couple of years. The expansion will be across all of its departments including software developers, CPA's, attorneys, implementation consultants, security, sales, marketing, etc.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$ 4,424,503
The amount represents the following percentage of new state revenues:	15%
Number of years that incentive is approved for:	10 Years

Jobs & Revenue

Full time jobs over project lifetime: 1,700

New State Wages & Revenue:

New State Wages over 10 years:	\$654,600,000
New State Revenue over 10 years:	\$29,496,688

Proposed Motion

Approve TaxBit, Inc. for an EDTIF post-performance refundable tax credit of up to \$4,424,503 which represents 15% of the \$29,496,688 of new state revenue, which may be earned over 10 years.

- Total EDTIF incentive not to exceed \$4,424,503 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 15% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 15% of qualified new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the county average wage, each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the Go Utah Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the Go Utah Board final approval date are eligible for this incentive.

GOED BOARD EXECUTIVE SUMMARY

Nusano, Inc.

July 8, 2021

Project Highlights

Timeline:	2021
Target Industry:	Life Sciences
Location:	Salt Lake City, Salt Lake County
Capital Investment:	\$46,574,000
Jobs:	92
Average Wage:	\$56,691

Company Overview

Nusano aims to revolutionize uranium-free radioisotope development and production for use in a broad range of diagnostic and therapeutic medical applications. The technology has been developed by the world's leading experts in nuclear medicine, physics, radioisotope production, and radiation management and represents a disruptive, patented technology that solves significant industry supply issues. The Company's transformative process pushes barriers by radically increasing flexibility and boosting yields bringing stability to nuclear medicine, unleashing true potential of theranostics and freeing the creativity that will drive tomorrow's therapies

The company will produce non-uranium based medical radio-isotopes in an approximately 88,000 sq. ft. facility to be leased. Additionally, the company will invest \$5.2 million in facility build out / FFE and \$34.9 million in new equipment plus will transfer \$6.5 million in existing equipment. In 2022 the company anticipates it will have 46 full-time employees in the new facility with 92 planned by 2026.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$ 2,063,071
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	15 Years

Jobs & Revenue

Full time jobs over project lifetime: 92

New State Wages & Revenue:

New State Wages over 15 years:	\$172,322,047
New State Revenue over 15 years:	\$10,315,354

Proposed Motion

Approve Nusano, Inc. for an EDTIF post-performance refundable tax credit of up to \$2,063,071 which represents 20% of the \$10,315,354 of new state revenue, which may be earned over 15 years.

- Total EDTIF incentive not to exceed \$2,063,071 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 15 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 15 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the Go Utah Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the Go Utah Board final approval date are eligible for this incentive.

GO UTAH BOARD EXECUTIVE SUMMARY

Rock Island Armory U.S.A. Manufacturing, Inc.

July 8, 2021

Project Highlights

Timeline:	2021
Target Industry:	Manufacturing
Capital Investment:	\$40,000,000
Jobs:	88
Average Wage:	\$81,750

Company Overview

Rock Island Armory U.S.A. Manufacturing, Inc. is a wholly owned subsidiary of Armcor Global Defense Inc. (formerly known as Arms Corporation of the Philippines), is a firearms and ammunition manufacturer, importer/exporter, and distributor company operating the Armcor and Rock Island Armory brands. Rock Island Armory U.S.A. Manufacturing, Inc. consists of five companies, Armcor Precision International, Advanced Tactical Firearms International Company, Armcor Cartridge Inc., AdvancedTactical.com, and Nevada Gun Works. Armcor Precision International consists of importing/exporting products from Armcor and other non-related parties, warranty service center, customer service, and shared services center. Armcor Precision International is the United States Headquarters and is located in Pahrump, Nevada.

Rock Island Armory U.S.A. Manufacturing, Inc. is a 10 small arms company in the world with a vision to make firearms in the USA which they have started in Pahrump, NV. The company has determined to expand they need to relocate.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$ 344,408
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	6 Years

Jobs & Revenue

Full time jobs over project lifetime: 88

New State Wages & Revenue:

New State Wages over 6 years:	\$9,683,622
New State Revenue over 6 years:	\$1,722,042

Proposed Motion:

Approve Armscor Precision International for an EDTIF post-performance refundable tax credit of up to \$344,408 which represents 20% of the \$1,722,042 of new state revenue, which may be earned over 6 years.

- Total EDTIF incentive not to exceed \$344,408 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 6 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 6 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

GO UTAH BOARD – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
OUT OF THE ETHER, LLC
“The Seeding”
July 08, 2021

Project Highlights

- Category: Feature
- Genre: Horror
- Director: Barnaby Clay
- Producer: Brian Etting, Josh Etting

Utah Jobs and Revenue

- Estimated Cast: 8
- Estimated Cast Average Daily Salary: \$1,030
- Estimated Crew: 38
- Estimated Crew Average Daily Salary: \$400
- Estimated Extras: 4
- Estimated Extras Average Daily Salary: \$175
- Estimated Spend: \$525,000

Project Schedule

- Prep: August 30, 2021 through October 03, 2021
- Principal Photography: October 04, 2021 through October 24, 2021
- Wrap: October 25, 2021 through November 15, 2021

Summary

A survival story about a man who finds himself with a mysterious woman in a remote desert canyon.

Proposed Motion

Approve for Out of the Ether, LLC a MPIP Cash Rebate of no more than \$105,000 (which represents 20% of dollars left in state) for the production of “The Seeding”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the incentive of 20% of dollars left in state
- At least 75% of the production’s cast/crew must be Utah residents
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval

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

**GO UTAH BOARD – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
SB UTAH LLC
“Santa Baby”
July 08, 2021**

Project Highlights

- Category: Feature
- Genre: Family
- Director: YTD
- Producer: Adam Abel

Utah Jobs and Revenue

- Estimated Cast: 9
- Estimated Cast Average Daily Salary: \$1,080
- Estimated Crew: 38
- Estimated Crew Average Daily Salary: \$350
- Estimated Extras: 150
- Estimated Extras Average Daily Salary: \$102
- Estimated Spend: \$1,158,355

Project Schedule

- Prep: July 06, 2021 through July 24, 2021
- Principal Photography: July 26, 2021 through August 13, 2021
- Wrap: August 16, 2021 through August 27, 2021

Summary

When Molly discovers her father's business is going under, she travels to her hometown to sell her mother's childhood home.

Proposed Motion

Approve for SB UTAH LLC, a MPIP Cash Rebate of no more than \$231,671 (which represents 20% of dollars left in state) for the production of “Santa Baby”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the incentive of 20% of dollars left in state
- At least 75% of the production’s cast/crew must be Utah residents
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval

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