

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**

January 18, 2008 • 10:00 a.m. to 12:00 p.m.
324 South State Street, Suite 500
Salt Lake City, Utah

Members Present: Amy Rees Anderson, Ragula Bhaskar, Jack Brittain, Mary Draper by phone, Stanley Ellington, Molonai Hola, Mel Lavitt, Nikos Linardakis, Richard Nelson, Jerry Oldroyd, Gerald Sherratt, James Sorenson, Cliff White

Members Absent: Bill Boyle

Visitors: Todd Brightwell, Jeff Edwards, Stacey Floyd, Terry Hansen, John Howard, Reed Jacobs, Elias Pylidis, Michael Stransky, George Tobjy, Lisa Vehrenkamp, Brice Wallace

Staff: Luke Behrmann, Andrea Breisch, Clark Caras, Mimi Davis-Taylor, Amy Hamblin, Gary Harter, Bill Loos, Derek Miller, Marshall Moore, Jason Perry, Pete Pletsch, Ryan Starks, Marshall Wright

Welcome –

Approve December 2007 Minutes

MOTION: Gerald Sherratt moved to approve the minutes of the December 14, 2007 GOED Board Meeting. Nikos Linardakis seconded the motion. Motion carried unanimously.

Committee Reports

Incentives Committee

MPIF – Hatching Pete

Project Request:

- Application type: MPIF
- Category: Original film for cable television
- Dollars left in state: \$3,500,457
- Requested estimated rebate: 15% of Utah spend not to exceed \$500,000
- Average Salaries for Utah cast and crew are as follows:
 - 12 weekly players = \$2,897/week
 - 16 day players = \$835/day
 - 98 crew = \$1,484/week
- There will also be 285 days of additional crew hired on daily basis, 13 additional stunt players and approximately 2,000 Utah extras
- Film production will total 70 days, shot entirely in Utah

Amount of budget to be spent in Utah:

- \$3,500,457 which is approximately 78% of the total budget

Demonstrate Readiness Requirements:

- Financing: 100% in place
- Distribution agreement: Initial broadcast on basic cable TV, Disney Channel
- Completion Bond: NA

Project schedule:

- Beginning preproduction: 1/7/2008 – 2/24/2008
- Principle: 2/25/2008 – 3/28/2008
- Wrap: 3/31/2008 – 4/18/2008

A film that was awarded an incentive previously will not be going into production because of the writer's strike. This frees up \$350,000. Marshall Moore, Director of the Utah Film Commission gave a brief overview of the film.

MOTION: Jerry Oldroyd moved to approve for Salty Pictures, Inc., for the film, Hatching Pete, a MPIF rebate of 15% of the total dollars left in state. The total dollar amount of the rebate shall not exceed \$350,000. Gerald Sherratt seconded the motion. Motion carried unanimously.

GOED Report

Jason Perry, Executive Director of GOED, introduced Derek Miller, the new Managing Director for Recruitment and Incentives.

- A copy of Connect Magazine was passed around. Many GOED Board Members were featured in this issue.
- The GOED office and a local Utah company partnered to send an air conditioner to our troops in Iraq.
- GOED will be hosting the first International Business Lunch at the Sundance Film Festival this week. The focus will be doing business in Utah.
- GOED and EDCUtah met this week to discuss a proactive strategy for recruiting companies in target areas.
- In April, Governor Huntsman will be going on a mission to the east coast where he will meet with various financial institutions and discuss with them why they should expand or relocate to the State of Utah.

George Tobjy, KPMG and Terry Hansen, Manager of Public Partnerships for IBM spoke about site selection, incentives, and what companies are really looking for. A lot depends on how well a state promotes its incentives. The site selectors will refer projects to those states because they have heard something interesting about them or there have been a lot of businesses moving there. Other things that companies look at are the quality of life, regulatory issues, operating costs, and tax structure. It was mentioned that Oklahoma is very competitive and has a really good marketing program. Oklahoma also holds a business roundtable two to three times a year. There are about fifty to sixty companies that participate in such topics as how the state's programs are doing, what can be done to improve, what would businesses like to see etc. It was also explained that training incentives are very important. It is not recommended to use local institutions for the training programs. Most companies prefer to do in house training. Grant programs are much more effective than tax credits. States such as California, Arizona, Kansas and Kentucky offer direct reimbursement for specific training that has taken place. Some things that help in site selection are a training grant program, getting the word out in various site selection publications, interacting with site selectors and monthly updates.

Clark Caras and Luke Behrmann gave a presentation on the talent recruitment program. GOED partnered with Utah Hotel and Lodging association for a holiday campaign. John Howard, Performance Solutions, LLC, explained the www.UtahWorksforYou.com website. This application will meet the needs of the state, the needs of the employer and the needs of the applicant with one platform. Actual recruiters do the matching as automated searches are inadequate. 70% - 85% of job seekers are now looking online versus newspapers etc. There are 120 partners that have signed up to participate in the program so far.

Richard Nelson, President and CEO of UTC, and Lisa Vehrenkamp, VP American Express, presented on Utah's workforce, the economy, job growth, and education. There was discussion on finding qualified employees and post secondary education. This year's legislative priorities are: guidance counselors, teacher recruitment and retention, rigorous but flexible curriculum and access to scholarships for higher education. Utah pays 81% of the national average for teacher's salaries. Class size and training incentives were discussed.

- Jason Perry announced that GOED's Legislative Tracking Report will begin on Tuesday.
- Staff will be meeting today to review Rural Fast Track applications.
- Chairman Bhaskar asked if there were any GOED Board members that would like to head up the new Create and Grow sub-committees.

Meeting adjourned.