

GOED Board Meeting Minutes

January 10, 2013 • 10:00 a.m.
 BioInnovations Gateway
 2500 S. State Street, 2nd Floor

Members Present:	Mel Lavitt, Kate Riggs (phone), Cliff White (phone), Rob Adams, Lorena Riffo-Jensen, Jerry Oldroyd, Amy Anderson, Stefanie Bevans, Sam Granato
Staff:	Christopher M. Conabee, Jenni Osman, Sophia DiCaro, Spencer P. Eccles, Eric Nay, Tom Wadsworth, Brady Ewell, Tamy Dayley, Zach Derr, Ron Andrus, Michael Sullivan, Tami Goetz, Gary Harter, Winston Wilkinson, Fred Lange, Michael O'Malley, Susan Winters
Visitors:	Bill Loos, Sheila Yorkin, Scott Beck, Mark White, Dave Williams, Kevin Jessing, Derek Mellus, Marshall Moore, Mimi Davis-Taylor, Jeff Jackson, Brice Wallace, Todd Brightwell, Brennan Wood, Reed Jacobs, Matt Morgan, Terrance Bride, Jeff Miller, John Corser, Nikos Linardikas, Nate Barnes, Susannah Hutchins, Jim Murphy (phone)

Welcome

Mel Lavitt welcomed everyone to the January 10, 2013 Board meeting.

EDCU Update

Todd Brightwell, Vice President of Business Development at EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of numbers of projects that EDCU is seeing in all industries.

Gary Harter gave an update on the NSA building, they have completed phase 1 and are working on phase 2 and 3 right now. He spoke on the focus on hiring returned veterans and how we can incorporate hiring with some of the companies that we are incenting.

Michael O'Malley spoke on the Business Ambassadors program that the Governor has helped with. There will be an event on January 19, 2013 with the Ambassadors in our State and also representatives from companies that we have incented.

Incentives Update

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services, gave an update on the Incentives Program regarding new and existing projects.

Mel Lavitt moved to approval the December 6, 2012 Minutes

MOTION: Lorena Riffo-Jensen moved to approve the minutes of December 6, 2012 GOED Board Meeting minutes. Jerry Oldroyd seconded the motion. Motion was carried unanimously.

EDTIF – GAF

Project Highlights

- Timeline: 2013
- Target Industry: Construction Materials
- Proposed Location: Iron County
- Capital Investment: approximately \$40 million

Jobs and Revenue

- 50 FTE's
- GAF provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 15 years: \$ 38,272,300
- New State Revenue over 15 years: \$ 3,546,848

MOTION: Jerry Oldroyd moved to approve for GAF a \$886,712 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 15 years. Sam Granato seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$886,712 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based upon a front-loaded incentive schedule. The proposed incentive rebate schedule is as follows: 2015-2017 are at 50%, 2018-2026 are 25%, 2028 is 5%, and 2029 is 4.6%.

- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 25% 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 % 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 Iron County average wage including 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 GOED Incentives Committee in order for the 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

Jim Murphy, representative from GAF joined the Board meeting via phone. He gave a brief update on the environmental permit; they have reached an agreement with DEQ and the State of Utah on the language of the permit. They have also completed their phase 2 environmental study on the site in Cedar City; there are no significant issues that were found. The agreement with the city has been signed; they are waiting on a prairie dog survey once they weather warms up. They are hoping to close on the property around January 30, 2013 and then will be releasing a press release. They are looking forward to working with the State of Utah.

Brennan Wood, representative from Cedar City let the Board know that the city fully supports this project. They have offered a 10 year 100% increment tax incentive; they have also offered an additional \$25,000 in training funds and hiring dollars. They have also worked with the Applied Technology College and they have offered some custom fit funds.

Economic Opportunity Grant – Visit Salt Lake

Project Highlights

- Timeline: 2013
- Target Industry: Outdoor Products and Recreation
- Proposed Location: Salt Lake County

Jobs and Revenue

- 557 FTE’s
- New State Wages over 4 years: \$ 35,094,645
- New State Revenue over 4 years: \$ 6,558,298

MOTION: Jerry Oldroyd moved to approve for Visit Salt Lake a \$2,660,572 Economic Opportunity Grant to be distributed annually in years 2013-2016. Kate Riggs seconded the motion. Motion was carried unanimously.

Scott Beck spoke extensively on the need for the additional tents and also the additional length of time in the contract. The average person that comes to the show spends a little under \$1,000 while they are here spending overall a significant amount in our State. It is also a program where Salt Lake City, Salt Lake County and the State of Utah all participate in. The return on the investment is 250%.

Economic Opportunity Grant – Startup Ogden

Project Highlights

- Timeline: 2013
- Target Industry: IT, Electronics and Telecom
- Proposed Location: Weber County

Jobs and Revenue

- 6 FTE’s
- New State Wages over 10 years: \$ 4,500,000
- New State Revenue over 10 years: \$ 192,250

MOTION: Jerry Oldroyd moved to approve for Startup Ogden a \$100,000 one-time Economic Opportunity Grant to be combined with Ogden City and Weber State University to build the interior structure of a Startup Ogden facility. Amy Anderson seconded the motion. Motion was carried unanimously.

Jeff Jackson, representative from Startup Ogden gave some background information on how the model started and where they see it going. This is a high-tech community which allows them to help people build and enhance their skills in technology. The building itself will be owned by Ogden itself but the incentive would help build the building where these individuals can go and create apps and programs.

MPIF – “American Ride: Season 5-6”

Project Highlights

- Category: Television
- Genre: Reality
- Director
- Producers: Jeff Miller

Utah Jobs and Revenue

- Estimated Cast: 25
- Estimated Cast Average Salary: \$842/day
- Estimated Crew: 65
- Estimated Crew Average Salary: \$350/day
- Estimated Extras: 300
- Estimated Extras Average Salary: \$110/day
- Length of Film Production: 45 days
- Estimated Spend: \$1,211,700

Project Schedule

- Prep: January 1, 2013 – April 15, 2013
- Principal Photography: April 16, 2013 – October 15, 2013
- Wrap: October 16, 2013 – December 31, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC)

MOTION: Amy Anderson moved to approve for Vineyard Productions a Motion Picture Incentive Program post-performance tax credit of no less than \$242,400 (which represents 20% of dollars left in state) and up to \$303,000 (which represents 25% of the dollars left in state) for the production of ‘American Ride: Season 5-6’. Jerry Oldroyd seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Vineyard Productions may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$303,000 (25% of the dollars left in state).

Jeff Miller the President of the MPAU (Motion Picture Association of Utah), also a member of the MPAC Committee and the producer gave an update of the shows and also how these incentives help with the stability and predictability of Utah. He is the producer of both American Ride and also Granite Flats. He appreciated the support of the Board and looks forward to continue filming in Utah.

It was made clear that he recuses himself in all meetings where his films are discussed.

MPIF – “Granite Flats: Episodes 5-13”

Project Highlights

- Category: Television Series
- Genre: Family Drama
- Director: Scott H. Swofford
- Producer: Jeff T. Miller

Utah Jobs and Revenue

- Estimated Cast: 25
- Estimated Cast Average Salary: \$842/day
- Estimated Crew: 65
- Estimated Crew Average Salary: \$350/day
- Estimated Extras: 300
- Estimated Extras Average Salary: \$110/day
- Length of Film Production: 72 days
- Estimated Spend: \$8,034,000

Project Schedule

- Prep: January 1, 2013 – February 15, 2013
- Principal Photography: February 15, 2013 – May 15, 2013
- Wrap: May 15, 2013 – December 31, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) January 3, 2013.

MOTION: Amy Anderson moved to approve for Vineyard Productions a Motion Picture Incentive Program post-performance tax credit of no less than \$1,606,800 (which represents 20% of dollars left in state) and up to \$2,008,500 (which represents 25% of the dollars left in state) for the production of ‘Granite Flats: Episodes 5-13’. Lorena Riffo-Jensen seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Vineyard Productions may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$2,008,500 (25% of the dollars left in state).

MPIF – “Sundance Channel HQ”

Project Highlights

- Category: Television
- Genre: Documentary
- Director: Brian Briskmen
- Producers: John Corser

Utah Jobs and Revenue

- Estimated Cast: 0
- Estimated Cast Average Salary: \$0/day
- Estimated Crew: 26
- Estimated Crew Average Salary: \$450/day
- Estimated Extras: 30
- Estimated Extras Average Salary: \$150/day
- Length of Film Production: 8 days
- Estimated Spend: \$476,400

Project Schedule

- Prep: September 15, 2012 – January 30, 2013
- Principal Photography: January 18, 2013 – January 24, 2013
- Wrap: January 24, 2013 – January 31, 2013

Motion Picture Advisory Committee Recommendation
 Approved by the Utah Film Commission January 3, 2013.

MOTION: Amy Anderson moved to approve for B2 Creative Studios, Inc. a \$71,500 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘Sundance Channel HQ’. Stefanie Bevans seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

Marshall Moore discussed how their business model changed and how this show was ready for an incentive even though they have not been able to apply in the past.

John Corser the producer of the show discussed how his goal is to bring more people/actors to Utah. Most if not all the people he hires are from Utah and that is something that he strives for.

MPIF – “In Football We Trust”

Project Highlights

- Category: Feature Film
- Genre: Documentary
- Director: Tony Vainuku
- Producer: Erika Cohn

Utah Jobs and Revenue

- Estimated Cast: 0
- Estimated Cast Average Salary: \$0/day
- Estimated Crew: 9
- Estimated Crew Average Salary: \$211/day
- Estimated Extras: 0
- Estimated Extras Average Salary: \$0/day
- Length of Film Production: 100 days
- Estimated Spend: \$300,400

Project Schedule

- Prep: January 10, 2010 – November 30, 2012
- Principal Photography: December 1, 2012 – April 30, 2013
- Wrap: May 1, 2013 – November 1, 2013

Motion Picture Advisory Committee Recommendation
 Approved by the Utah Film Commission January 3, 2013.

MOTION: Amy Anderson moved to approve for IFWT Productions, LLC a \$45,100 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘In Football We Trust’. Rob Adams seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

Marshall Moore briefly went over the amount that is remaining in the available Motion Picture funds. He also reported that at the end of the year they ran out of crew because there are so many film companies coming to Utah, in turn this will strengthen and grow our film industry.

MPIF – “Magnificent Death From A Shattered Hand”

Project Highlights

- Category: Feature Film
- Genre: Drama
- Director: Thomas Jane
- Producer: Geyer Kosinski, Dean Bornstein, James Ordonez

Utah Jobs and Revenue

- Estimated Cast: 0
- Estimated Cast Average Salary: \$/day
- Estimated Crew: 105
- Estimated Crew Average Salary: \$400/day
- Estimated Extras: 79
- Estimated Extras Average Salary: \$135/day
- Length of Film Production: 35 days
- Estimated Spend: \$6,359,100

Project Schedule

- Prep: February 18, 2013 – March 29, 2013
- Principal Photography: April 1, 2013 – May 17, 2013
- Wrap: May 20, 2013 – September 20, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) January 3, 2013

MOTION: Amy Anderson moved to approve for Volcanic Productions a Motion Picture Incentive Program post-performance tax credit of no less than \$1,271,900 (which represents 20% of dollars left in state) and up to \$1,589,800 (which represents 25% of the dollars left in state) for the production of ‘Magnificent Death from a Shattered Hand’. Sam Granato seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Volcanic Productions may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$1,589,800 (25% of the dollars left in state).

GOED Update

Spencer P. Eccles, Executive Director of the Governor’s Office of Economic Development, thanked BioInnovations Gateway for allowing us to use their facility for our Board meeting and also Dr. Tami Goetz and Dr. Susan Winters for working closely with this cluster and also for working so hard. He recognized Sophia DiCaro for all of her hard work behind the scenes and also thanked all of the cities and counties on working on these projects. He announced that Leigh von der Esch retired at the end of the year from The Office of Tourism and Dave Williams is acting director right now until they find a replacement. Gary Harter was appointed as the Head of Veteran Affairs and also is going to be a Senior Policy Advisor to Governor Herbert on Military Affairs. Spencer touched briefly on the Energy Summit that is occurring right now. The legislative session is coming up and the Governor’s Economic Council will be bringing forth issues to the Governor and they can decide what issues they need to work on during the session. He reminded the Board about the Governors event on January 19, 2013 and also the Boeing ribbon cutting that is taking place tomorrow.

Winter Tourism Campaign Presentation

Dave Williams, Acting Director of the Office of Tourism presented their winter campaign and gave a brief preview of their summer campaign. He presented a couple commercials that are being shown in other states around the country and also a commercial that they are currently working on for the summer which features a variety of the National Parks.

BioInnovations Gateway Presentation

Kevin Jessing gave a presentation on the background of BioInnovations Gateway and its mission, it was established in 2009. The facility provides life-science companies access to affordable space and equipment while creating a rich learning environment to enhance opportunities for CTE students without tenant companies. Some of the hurdles are that they are a small organization with seven private laboratories but that can limit the opportunities of some students and also can limit the number of tenants. There can also be funding issues since they are a non-profit organization. He gave an example of one of the successes that have occurred while utilizing this program, Ez-Lift. It is a back-board that was engineered and tested in the facility. There are also three major areas of STEM research, engineering, BioManufacturing and BioTechnology, the facility helps in all three of these areas. There was a tour of the facility offered to any Board members and staff that would like to attend.

Meeting adjourned.