

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

October 8, 2009 • 10:00 a.m. to 12:00 p.m.
State Capitol Building, Capitol Board Room
Salt Lake City, Utah

Members Present: Rob Adams, Amy Rees Anderson, Ragula Bhaskar, Jack Brittain, Mary Draper, Stanley Ellington, Molonai Hola, Mel Lavitt, Nikos Linardakis, Peter Mouskondis, Jerry Oldroyd, Gerald Sherratt

Members Absent: Mike Dowse, James Sorenson

Visitors: Karl Beckstrand, Todd Brightwell, Walt Busse, Jeff Edwards, Amanda Fowler, Jim Grover, Connie Hay, Reed Taft Jacobs, Peter Klinge, Jason Lee, Andy Levine, Steve Maas, Tricia Mclary, Jeff Miller, Lesley Mitchell, Dave Newbold, Annie Perng, Matthew Piccolo, Paul Redmond, Layne Webb

Staff: Ashley Anderson, Clark Caras, Riley Cutler, Tamy Dayley, Mimi Davis-Taylor, Spencer Eccles, Theresa Foxley, Sophia Dicaro Goodick, Amy Hamblin, Greg Hartley, Brett Heimbürger, Franz Kolb, Derek Miller, Marshall Moore, Christina Oliver, Craig Peterson, Michael Sullivan, Marshall Wright

GOED Board Chairman, Ragula Bhaskar, introduced Governor Gary R. Herbert.

Governor Herbert thanked the GOED Board for their hard work and what they are doing for economic development and growth in the State of Utah. Economic growth and development are the number one priority for the state. Governor Herbert spoke to the importance of protecting our local business community and entrepreneurs. Governor Herbert introduced the new GOED Executive Director Spencer P. Eccles, Josh Romney, and GOED Managing Director Derek Miller. Governor Herbert also introduced Paul Redmond with Edwards Lifesciences and said that there is an important announcement today as Edwards would be expanding in Utah and creating over 1,000 new jobs over the next 10-15 years. Governor Herbert concluded with comments regarding business and the economy.

Paul Redmond, Corporate Vice President, Global Corporate Operations, thanked Governor Herbert and the GOED Board for working with the company in providing this opportunity to expand its operations in Utah.

Governor Herbert introduced Steve Price who is with the real estate group that will house the Edwards Lifesciences expansion. Spencer Eccles introduced himself. He expressed his appreciation for Derek Miller, Josh Romney and the entire GOED Team. Mr. Eccles discussed the importance in helping Utah companies grow their businesses and also explained the importance of also recruiting new companies to the State of Utah. Education is also very important and a high priority. Mr. Eccles concluded that he is very excited about working with and engaging this board. Josh Romney introduced himself. Mr. Romney spoke about the importance of taking advantage of the opportunities that Utah has in this economic downturn. He is excited to help GOED and be part of the team.

Paul Redmond gave an overview of Edwards Lifesciences including a brief history and the future plans for the Utah expansion.

Ragula Bhaskar introduced the two new GOED Board Members, Peter Mouskondis and Rob Adams.

GOED Program Report

International Trade and Diplomacy Office

Craig Peterson, Director of the GOED International Trade and Diplomacy Office gave a presentation and brief report on what is happening within the department. During 2008, Utah had a \$14.5 billion in goods and services exports. Leading export destinations, export sectors, and job creation were discussed. Brett Heimbürger, Regional Director for Asia and Franz Kolb, Regional Director for Europe discussed recent events and happenings within their areas.

Incentives Committee

eBay

Project Highlights

- Expand eBay's global customer support operations to include the creation of 207 new full time employees by year end 2010

- Timeline: Decision by October 2009 with operations commencing immediately
- Target Industry: Information Technology
- Proposed Location: Draper City
- \$80+ million in new Capital Investment over 10 years

Jobs and Revenue

- 207 New Full-time Positions created in 2010 (107 of which meet the 125% aggregate average wage criteria in year 1)
- Average Qualified Salary over 125% of Salt Lake County Average Wage
- \$60+ million in Qualified New State Wages over 10 years
- Qualified New State Revenue \$8.5+ million over same period

Local Incentives

- Local Incentive proposal reviewed and approved by the GOED Incentives Committee.

MOTION: Jerry Oldroyd moved to approve for eBay, Inc. a \$2,128,139 EDTIF Refundable Tax Credit based on 25% of new state revenue over 10 years. Stanley Ellington seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$2,128,139 EDTIF tax credit.
- Annual incentive amount based on 25% of new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 25% of new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new employment projections, both employee count and wage % criteria, at 50% of the first two years and 25% of each subsequent year.
- Annual total project average salary of new employees to be at least 125% of County average wage including company contributed health benefits.
- Must commit to keep operation in Utah for the length of the incentive period.
- Subject to local participation.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

Derek Miller, Managing Director of Recruitment and Incentives gave an update on the Incentives Program including jobs, wages, revenue and capital investment.

Jeff Edwards, President and CEO of EDCUtah gave a project update report including current and upcoming projects.

**Motion Picture Advisory Committee
“The 5 Browns”**

Project:

- Category: Documentary
- Producer: Jeff T. Miller

Jobs and Revenue:

- Estimated Utah Cast: 5
- Estimated Utah Cast Average Salary: \$500/day
- Estimated Utah Crew: 25
- Estimated Utah Crew Average Salary: \$350/day
- Length of Utah Film Production: 5 days
- Estimated Utah Spend: \$400,000

Financing: 100% Financed

Project Schedule:

- Prep: October 2009 – November 2009
- Principal Photography: November 2009
- Wrap: November 2009 – April 2010

Motion Picture Advisory Committee Recommendation:

- Approved by the Utah Film Commission October 2009

Marshall Moore, Director of the Utah Film Commission gave an overview of the film and the current status of the film industry in Utah.

MOTION: Nikos Linardakis moved to approve *Vineyard Productions* for the documentary ‘*The 5 Browns*’, an MPIF Cash Rebate not to exceed 15% of the total dollars left in the state. The total dollar amount of the cash rebate shall not exceed \$30,000. Gerald Sherratt seconded the motion. Motion carried unanimously.

“A Toast to the American Dream”

Project:

- Category: Film (Independent)
- Genre: Documentary
- Executive Producer(s): Nikos M. Linardakis
- Producer: Sina G. McCullough & Donald H. McCullough III
- Director: Walter Tabayoyong

Jobs and Revenue:

- Estimated Utah Cast: 17
- Estimated Utah Cast Average Salary: \$8,000/crew member
- Estimated Utah Crew: 13
- Estimated Utah Crew Average Salary: \$17,000/crew member
- Estimated Utah Extras: 15
- Estimated Utah Extras Average Salary: \$154/day
- Length of Utah Film Production: 178 days
- Estimated Utah Spend: \$2,033,135

Financing: 100% Financed

Project Schedule:

- Prep: November 2009 – April 2010
- Principal Photography: April 2010 – April 2011
- Wrap: April 2011 – May 2011

Motion Picture Advisory Committee Recommendation:

- Approved by the Motion Picture Advisory Committee (MPAC) October 2009.

Nikos Linardakis left the room due to his involvement with the film. Jeff Miller, Producer and member of the Motion Picture Advisory Committee. Mr. Miller gave an overview of the film.

MOTION: Jerry Oldroyd moved to approve *Knights Templar Brewing Company* for the feature film ‘*A Toast to the American Dream*’, an MPIF Cash Rebate not to exceed 20% of the total dollars left in the state. The total dollar amount of the cash rebate shall not exceed \$406,627. Gerald Sherratt seconded the motion. Nikos Linardakis abstained due to his involvement with the film and also excused himself from the room. Motion carried.

Meeting adjourned.