

GOED Board Meeting Minutes
 October 9, 2014 • 10:00 a.m.
 Governor’s Office of Economic Development
 60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Clifford White, Lorena Riffo-Jensen, Christopher M. Conabee, Margo Jacobs, Winston Wilkinson, Bob Frankenberg, Peter Mouskondis, Jake Boyer, Josh Romney, Brent Brown
Staff:	Theresa A. Foxley, Val Hale, Kimberly Henrie, Vincent Mikolay, Vicki Varela, Eric Nay, Jessica Nield, Sue Redington, Fred Lange, Michael O’ Malley, Cherie Abiang, Marshall Wright, Mindy Vail, Brad Petersen, Thomas Wadsworth, Tamy Dayley, AdamTurville, Colby Cooley, Phil Lundgreen, Michael Sullivan, Zach Bloomer, Kevin Jessing, Luiza Kulchetscki, Susan Eisenman, Franz Kolb
Visitors:	Jeff Edwards, Todd Brightwell, Cheralyn Anderson, Brad Baird, Kent Bowman, Reed Chase, Eric Anderson, Barry Wallace, Derek Miller, Derek Mellus, Mimi Davis-Taylor, Virginia Pierce, Brice Wallace, Dominic Blosil

Welcome

Mel Lavitt welcomed everyone to the October 9, 2014 Board meeting.

Approval of the Minutes

MOTION:

Peter Mouskondis moved to approve the September 11, 2014 minutes. Winston Wilkinson seconded the motion. Motion was carried unanimously.

ED Zones

Blu

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE RECRUITING OF BLU WITHIN SALT LAKE CITY AT 3760 WEST COMMONS LANE, SALT LAKE CITY, UTAH 84104.

MOTION: LORENA RIFFO-JENSEN MOVED TO APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE RECRUITMENT OF BLU WITHIN SALT LAKE CITY AT 3760 WEST COMMONS LANE, SALT LAKE CITY, UTAH 84104. WINSTON WILKINSON SECONDED THE MOTION. MOTION CARRIED UNANIMOUSLY.

EDTIF- Traeger Pellet Grills

Project Highlights

Timeline:	2014
Target Industry:	Manufacturing
Proposed Location(s):	Utah County/Salt Lake County

Jobs & Revenue

Full time incented jobs over project lifetime: 164
 The company will contribute to full time employees’ health benefits.

New State Wages & Revenue:

New State Wages over 7 years:	\$44,613,465
New State Revenue over 7 years:	\$2,517,687

Local Incentive

Company is looking at mulitple locations and this incentive offer is contingent upon local incentive support.

Proposed State Incentive:

Total amount of EDTIF, post-performance refundable tax credit:	\$503,537
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	7 years

Company Overview

Traeger was founded in 1985 in Oregon. Traeger designs, markets, and distributes wood pellet grills across the U.S. and in Canada. The company sells its products, through a dealer network, online and through a direct sales force at selected retailers, trade shows, fairs, rodeos, and other outdoor events. Known for its ease of use, versatility and great tasting wood-fired cooking, Traeger is America's leading alternative outdoor grill. Traeger also owns mills that manufacture the wood pellets (the fuel for the grills). Traeger was founded and headquartered in Wilsonville, OR. Additionally, the company has an office in Springville, UT.

MOTION: Brent Brown motioned to approve Traeger Grills for a \$503,537 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 7 years. Margo Jacobs seconded the motion. The motion carried unanimously.

- Incentives provided post-performance upon review and verification by GOED.
- Total EDTIF incentive not to exceed \$503,537 EDTIF post-performance refundable tax credit.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Average annual compensation of new employees in Utah (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake or Utah County average wage each including company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 7 years.
- Subject to local incentive.

Dominic Blosil from Traeger Grills thanked the GOED Board for the opportunity to expand in Utah. He then spoke about their marketing endeavors and their partnerships with a variety of American companies. They are also hoping to expand their international market in the future.

Environmental Stoneworks Revision**Updated Board Motion:**

MOTION: Clifford White motioned to approve Environmental Stone Works for a \$413,366 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Peter Mouskondis seconded the motion. The motion carried unanimously.

Updated projection for Full Time Employment: 94

Updated projection for New State Revenue: \$2,006,830

RFT**Legacy Outdoor Adventures**

The Rural Development office recommends a Rural Fast Track grant for Legacy Outdoor Adventures, based in Bicknell, Wayne County, for the purpose of purchasing and renovating an existing 3,288 ft² house (that has been vacant for approximately 3 years) that would serve as both an administrative office and base of operations. The company expects to hire 5 FTEs. The project is estimated to cost \$127,000.

MOTION: Endorse the Rural Fast Track Grant for Legacy Outdoor Adventures of up to \$38,000.

Rural Update - Delynn Fielding

Casino Star Theater Foundation

Eric Nay recused himself from the conversation due to a personal relationship with a member from the foundation.

The Rural Development office recommends a Rural Fast Track grant for Casino Star Theater Foundation of Gunnison, Sanpete County, Utah for the purpose of the purchase and installation of a digital movie projector in compliance with new cinema industry standards. As a result of this project, the foundation will retain jobs and will continue to provide community art and theater programs. The project is estimated to cost \$70,000.

MOTION: Endorse the Rural Fast Track Grant for Casino Star Theater Foundation of up to \$30,000 for the purchase and installation of a digital movie projector.

MOTION: Margo Jacobs motioned to approve all RFT Endorsements. Christopher M. Conabee seconded the motion. The motion carried unanimously.

MPAC

“Random Acts Season 1”

Project Highlights

- Category: TV Series
- Genre: Documentary
- Director: Greg Kiefer, Gordon Huston, Steve Olpin
- Producer: Marty Patch, Sam Wallace, Rich Patch, Tom Morrill

Utah Jobs and Revenue

- Estimated Cast: 1
- Estimated Cast Average Salary: \$750/ day
- Estimated Crew: 23
- Estimated Crew Average Salary: \$508/ day
- Estimated Extras: 6
- Estimated Extras Average Salary: \$350/ day
- Length of Film Production: 70
- Estimated Spend: \$1,454,110

Project Schedule

- Prep: September 1, 2014 through March 20, 2015
- Principal Photography: December 1, 2014 through March 28, 2015
- Post Production/Wrap: December 29, 2014 through July 31, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) October 1, 2014

MOTION: Clifford White motioned to approve Cosmic Pictures dba Random Acts a Motion Picture Incentive Program post-performance tax credit of no more than \$290,822 (which represents 20% of dollars left in state) or no more than \$363,527 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “Random Acts Season 1.” Jake Boyer seconded the motion. The motion 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 base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Cosmic Pictures dba Random Acts 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, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$363,527 (25% of the dollars left in state).

“War Pigs”

Project Highlights

- Category: Independent Feature
- Genre: Action
- Director Ryan Little
- Producers: Steven Luke, Andre Relis, Steven A. Lee

Utah Jobs and Revenue

- Estimated Cast: 12
- Estimated Cast Average Salary: \$540/ day
- Estimated Crew: 36
- Estimated Crew Average Salary: \$250/ day

- Estimated Extras: 200
- Estimated Extras Average Salary: \$100/ day
- Length of Film Production: 18
- Estimated Spend: \$700,000

Project Schedule

- Prep: October 1, 2014 through November 15, 2014
- Principal Photography: October 20, 2014 through November 8, 2014
- Wrap: November 10, 2014 through November 15, 2014
- Post Production: November 10, 2014 through January 15, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) October 1, 2014

MOTION: Lorena Riffo-Jensen motioned to approve for War Pigs, LLC a Motion Picture Incentive Program post-performance tax credit up to \$140,000 (which represents 20% of dollars left in state) for the production of ‘War Pigs.’ Winston Wilkinson seconded the motion. The motion 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 production’s cast/crew must be Utah residents and/or Utah students.

“The Flyboys”

Project Highlights

- Category: Television Series
- Genre: Action/Adventure
- Director: Rocco DeVilliers
- Producer: Rocco DeVilliers , Dan Urness

Utah Jobs and Revenue

- Estimated Cast: 9
- Estimated Cast Average Salary: \$889/ day
- Estimated Crew: 39
- Estimated Crew Average Salary: \$439/ day
- Estimated Extras: 40
- Estimated Extras Average Salary: \$75/ day
- Length of Film Production: 36 days
- Estimated Spend: \$3,557,386

Project Schedule

- Prep: October 15, 2014 through November 28, 2014
- Principal Photography: December 1, 2014 through January 7, 2014
- Wrap: January 19, 2015 through January 21, 2015
- Post Production: December 1, 2014 through March 31, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) October 1, 2014

MOTION: Peter Mouskondis motioned to approve Dark Coast Pictures a Motion Picture Incentive Program post-performance tax credit of no more than \$711,477 (which represents 20% of dollars left in state) or no more than \$889,346 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “The Flyboys.” Brent Brown seconded the motion. The motion 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 base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval

- Dark Coast Pictures 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, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$889,346 (25% of the dollars left in state).

GOED Update

Val Hale, Executive Director, introduced Kimberly Henrie as the Deputy Director for GOED and welcomed Virginia Pierce, the new Film Commissioner. Val also provided an update from his successful trip with Governor Herbert and staff, the Utah Global Forum, the Tourism conference, and the upcoming 9th Annual PTAC Symposium on October 23, 2014. The GOED Annual Report was released to the members of the GOED Board.

Incentives Update

Theresa A. Foxley gave an update on the Incentives Program regarding new and existing projects.

EDCU Update

Jeff Edwards, President of EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of the number of projects that EDCU is seeing in all industries.

Presentation by Tanner LLC- Reed Chase and Kent Bowman

Tanner LLC presented their findings from the performance review of the Corporate Recruitment and Business Services program. This review was conducted during the shift in management to ensure that the program was being administered according to statute. Brent Brown expressed that we must be competitive or it will have a negative effect on the state of Utah and that the GOED Board has a responsibility to keep Utah competitive enough to increase state revenue.

Meeting adjourned.