

**GOED Board Meeting Minutes**  
 October 13, 2011 • 10:00 a.m.  
 Governor’s Office of Economic Development  
 324 South State Street, Suite 500

<b>Members Present:</b>	Jerry Oldroyd, Peter Mouskondis, Mel Lavitt, Jake Boyer, Kate Riggs, Jack Brittain, Lowry Snow, Sam Granato, Brent Brown, Cliff White, Rob Adams, Amy Anderson
<b>Staff:</b>	Jenni Osman, Spencer Eccles, Christopher M. Conabee, Zachary Derr, Riley Cutler, Roxanne Graham, Eric Nay, Michael Sullivan, Tamy Dayley, Vatsala Kaul, Gary Harter, Fred Lange, Mike O’Malley, Ryan Harris
<b>Visitors:</b>	Todd Brightwell, Jeff Edwards, Brad Baird, Teri Klug, Marshall Moore, Ricki Flores, Lesley Mitchell, Matt Piccolo, Jim McCarthy, Robyn Boothe, Mateas Alvarez, Steve Fishburn, Dennis Likes, Brian Sagle, Tim Schade, Tonnie Dixon, Peggy Lander

**Welcome**

Mel Lavitt, chairman of the Governor’s Office of Economic Development, welcomed everyone to the October 13, 2011 board meeting at the Governor’s Office of Economic Development.

**Approval of the September 8, 2011 minutes**

**MOTION: Peter Mouskondis moved to approve the minutes of September 8, 2011 GOED Board Meeting. Jake Boyer seconded the motion. Motion carried unanimously.**

**EDTIF- SAIC**

Project Highlights

- Expansion and creation of a sustainable architecture that targets both Government and Commercial business development through Cyber and Intelligence Solution (Platform Products) and Services.
- Timeline: Two part expansion in 2012 and 2014
- Target Industry: IT
- Proposed Location: Multiple locations within Salt Lake, Utah or Davis Counties
- Capital Investment: Estimated at \$10 million in real and personal property to be spent during the first five years

Jobs and Revenue

- 294 new full-time, permanent high technology employment positions created over the life of the project
- SAIC provides all full time permanent employees with comprehensive health and retirement benefits
- New State Wages over 10 years: \$ 127,686,410
- New State Revenue over 10 years: \$ 8,769,153

**MOTION: Jerry Oldroyd moved to approve for SAIC a \$2,192,288 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 10 years. Kate Riggs seconded the motion. The motion was carried unanimously.**

- The incentive is front loaded with a 50% rebate in 2012, an 18.45% rebate in year 2021 and a 25% rebate in all other years.
- Total EDTIF incentive not to exceed \$2,192,288 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax

- revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 25% 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 % 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 125% of the Salt Lake County average wage or Utah County average wage or Davis County wage each including 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 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
- Incentives are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above

Dennis Likes, Program Manager and Shawn Mitchell extended his thanks to the GOED Board and spoke on the company's excitement to be able to work with Utah in their expansion.

**EDTIF- Home Depot**

Project Highlights

- Establish a new inbound customer care operation to facilitate in the relocation and expansion of this business support function in the United States.
- Timeline: Real estate decision required by November 2011 with operations to formally commence in August 2012
- Target Industry: N/A
- Proposed Location: Ogden City,
- Capital Investment: Estimated at \$12 million in tenant improvements and personal property

Jobs and Revenue

- 691 total new positions created over life of the project (90% full time, 10% part time)
- Incentivized Jobs start at 101 and increases to 181 by 2021
- Health benefits for the project add over \$7,000 to the base salary on an annual basis for full-time and part-time associates
- Qualified New State Wages over 10 years: \$67,365,753
- Qualified New State Revenue for 10 years: \$ 2,609,333

**MOTION: Jerry Oldroyd moved to approve for Home Depot a \$521,867 blended EDTIF post-performance tax credit and post-performance training funds for up to 100 new employment positions representing 20% of the project's qualified new state revenue. Rob Adams seconded the motion. Jake Boyer recused himself from the vote. The motion was carried unanimously.**

- Total EDTIF incentive not to exceed \$521,867, in Weber County EDTIF post-performance refundable tax credit less training fund distribution.
- Up to \$1,000 post-performance training funds will be granted to Home Depot for each new qualified employment position (FTE) created at the project in the State of Utah, up

- to 100 FTE, by October 31 2012. Employer training fund match of at least 50% per FTE required. The total training grant shall not exceed \$100,000.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year less training fund distribution.
  - Total incentive not to exceed 20% of qualified new incremental state tax revenues over 10 years, less training fund distribution, 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 125% of the Weber County average wage including company contributed health benefits.
  - Must commit to keep operation in Utah for the length of the incentive period, 10 years.
  - Incentives are site specific and subject to the approved local incentive participation.
  - Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.
  - Incentives are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

Robyn Boothe, Online Program Manager spoke briefly on her excitement and the thought process the company went through in selecting Ogden, Utah to establish an inbound customer care facility.

**EDTIF- Lifetime Products**

Project Highlights

- Build a new Global Corporate office, and Expand Manufacturing efforts in the Plastic Industry
- Timeline: Lifetime would like to start the expansion efforts by November 1, 2011.
- Target Industry: Manufacturing
- Proposed Location: Davis County
- Capital Investment: Estimated at \$46.0 million representing \$41.0 million in blow molding facility expansion and \$5.0 million in corporate headquarters office expansion

Jobs and Revenue

- 282 new full-time, permanent employment positions created over the life of the project in addition to retention of 200 corporate headquarters positions
- Lifetime provides all full time permanent employees with comprehensive health and retirement benefits
- New State Wages over 20 years: \$ 221,136,866
- New State Revenue over 20 years: \$ 12,774,363

**MOTION: Jerry Oldroyd moved to approve for Lifetime \$3,193,591 EDTIF post-performance refundable tax credit which represents 25% of new state revenue for 20 years. Kate Riggs seconded the motion. The motion was carried unanimously.**

- Total EDTIF incentive not to exceed \$3,193,591 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over

- 20 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 125% of the Davis County average wage including company contributed health insurance premiums or 125% of the Davis County average wage including company contributed health insurance premiums
- Must commit to keep operation in Utah for the length of the incentive period, 20 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
- Incentives are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above

Richard Hendrickson, President, spoke briefly on the many different types of equipment their facility makes. He thanked the board for the approval of this incentive, they started in Utah and would like to stay here.

**MPIF: “Mistletones”**

Project Highlights

- Category: Cable Feature
- Genre: Family
- Director: TBA
- Producers: Matias Alvarez

Utah Jobs and Revenue

- Estimated Cast: 27
- Estimated Cast Average Salary: \$855/day
- Estimated Crew: 95
- Estimated Crew Average Salary: \$300/day
- Estimated Extras: 1,100
- Estimated Extras Average Salary: \$102/day
- Length of Film Production: 20 days
- Estimated Spend: \$3,774,678.00

**MOTION: Amy Anderson moved to approve for Salty Pictures, Inc. a Motion Picture Incentive Program post-performance tax credit of no less than \$754,935.60 (which represents 20% of dollars left in state) and up to \$943,669.50 (which represents 25% of the dollars left in state) for the production of ‘Mistletones’. Jerry Oldroyd seconded the motion. The motion was carried unanimously.**

- Incentive offer based on receipt the of a complete MPIF 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
- Salty Pictures, Inc. 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 \$943,669.50 (25% of the dollars left in state)

Mateas Alvarez, Producer, spoke briefly on his excitement to be able to produce another film in Utah. He also thanked the Board for supporting the film industry so he can continue to grow.

Marshall Moore spoke briefly on the amount remaining in the film budget.

### **GOED Update**

Spencer P. Eccles, Executive Director of GOED congratulated the companies that just were approved for an Incentive. He spoke on the many different types of jobs that companies are in need of right now, most of them in the technology field. He reviewed Governor Herbert's goal of creating 100,000 jobs in 1,000 days and continuing to be the leading state for business. He recognized the hard work that our partners, EDCUtah has done in creating the packed pipeline for all potential companies.

Michael O'Malley spoke briefly on the Sundance events that are coming up in the next couple months, there will be a Sundance Business Connection event at the Montage in Park City at the end of January and he is also facilitating the Ambassadors program.

Michael Sullivan spoke briefly on a Google event that is conducting a training for small businesses to learn how to develop websites and marketing tools to enhance their business.

### **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 in regards to new jobs, new state revenue, capital investment, and also new state wages.

### **EDCU Report**

Jeff Edwards, President of EDCU, provided an update on the amount of projects they have in the pipeline year to date. He spoke on the projects themselves and how many jobs will be created per potential project. Most projects that are in the pipeline currently are larger than they have been in the recent past with more potential revenue and more potential jobs available in the near future.

### **GOED Award**

Peggy Lander, Richter 7 presented Spencer P. Eccles and GOED an award which was for the 2011 Silver Communicator Award statuette for the West Coast Initiative.

**Meeting adjourned.**