

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

October 7, 2010 • 10:00 a.m.
324 S. State Street, 5th Floor
Salt Lake City, UT 84111

Members Present: Rob Adams, Ragula Bhaskar by phone, Stanley Ellington, Molonai Hola, Mel Lavitt, Peter Mouskondis, Jerry Oldroyd, Cliff White by phone

Members Absent: Amy Anderson, Jake Boyer, Jack Brittain, Mike Dowse, Lowry Snow

Visitors: Ron Kusina, Collette Mercier, Randy Hopkins, Randy Hugh, Todd Brightwell, Larry Reed, Delynn Fielding

Staff: Samantha Mary Julian, Yashoda Khandar, Aaron White, Tamy Dayley, Greg Slater, Tara Thue, Sue Redington, Kelsy Alsup, Fred, Lange, Derek Miller, Clark Caras, Marshall Moore, Christina Oliver, Michael Sullivan, Mimi Davis Taylor, Greg Hartley and Spencer P. Eccles

Spencer Eccles, Executive Director of GOED, welcomed everyone. He also recognized the state legislators and county commissioners that were in attendance.

Samantha Mary Julian, Energy & Natural Resources Cluster Director, announced the upcoming first annual energy renewal summit in this state which will be held November 15, 2010.

Yashoda Khandar, Special Advisor of the Utah Generated Renewable Energy Electricity Network (UGREEN), reviewed her program's mission statement and discussed the four main components; what is UGREEN, why it is important, what they have done, and what they are going to do in the future. The members of the board discussed the need for new legislation. They would like to see changes in the way we use our utilities and renewable energy and the importance of our low cost power and what drives new companies to Utah.

Approval of the September 2010 Minutes

MOTION: Mel Lavitt moved to approve the minutes of the September 9, 2010 GOED Board Meeting. Stanley Ellington seconded the motion. Motion carried unanimously.

EDTIF: Newell Window Furnishings, Inc.

Project Highlights

- Retain Utah manufacturing operations by consolidating existing Salt Lake City and Ogden City facilities into one central Utah based manufacturing facility
- Timeline: Immediate decision required
- Proposed Locations: Ogden City, Weber County, Utah
- Investment: \$800,000 - \$1.3 million

Jobs and Revenue

- 50 new full-time, permanent employment positions created over 5 years, 415 current employment positions retained
- Annual average salaries of new employees to meet 125% of the Weber County Average Wage plus benefits.
- \$82+ million in Project ¹state wages over 5 years
- \$3.8+ million in Project state revenue over same period

Local Incentive

The Department of Workforce Services, Ogden Weber Applied Technology College, Weber County, and Ogden City collectively provided a local incentive that was approved by the Governor's Office of Economic Development Incentives Committee.

¹ 'Project' includes new plus retained information for 5 years, 2011-2015

MOTION: Jerry Oldroyd moved to approve for Newell Window Furnishings, Inc. a \$150,000 post performance IAF grant. A maximum of \$100,000 of the IAF grant based on \$2,000 per new employment position created for up to 50 new employment positions over 5 years. A maximum of \$50,000 of the IAF grant based on \$1,250 per employment position for 40 positions to be retained in Ogden City, Utah for a minimum of 5 years. Mel Lavitt seconded the motion. Motion was carried unanimously.

- Incentive offer requires that company retain 415 existing positions for a minimum of 5 years in the State of Utah starting January 1, 2011.
- Total IAF grant for the new employment positions not to exceed \$100,000 over the life of the incentive which is \$2,000 per new employment position created; for 50 positions.
- Total IAF grant for the retained employment positions not to exceed \$50,000 over the life of the incentive which is \$1,250 per retained employment position in Ogden City, Utah; for 40 positions
- IAF grant to be disbursed in the ascribed amounts over 3 rebate reporting periods:
 - Maximum of \$50,000 in 2012
 - Maximum of \$50,000 in 2013
 - Balance in 2014

** number of employment positions that incentive funds have been issued for but that are not in the State of Utah for a minimum of 5 years starting January 1, 2011 will need to be repaid by the company by the end of the final incentive period*

- Annual total project average salary of NEW employment positions to be at least 125% of Weber County average wage including company contributed health benefits.
- Must commit to keep full operation, 415 retained plus 50 new, in Utah for the length of the incentive period, a minimum of 5 years starting January 1, 2011.
- Location specific and subject to local participation.
- Must meet new employment position projections, both position count and wage % criteria, at 50% each project year in addition to 415 retained.
- Only new employment positions created after the GOED Board final approval date are eligible for the incentive.
- Incentives provided post-performance upon review and verification of receipt of state taxes (proof of employment) and performance requirements as outlined above.

Larry Reed, Levelor Manager, thanked the board members for their continued support for the growth of their company.

MPIF: The Letter Writer

Project:

- Category: Feature Length
- Genre: Family
- Producer: Taylor Hendershot
- Director: Eric Hendershot

Jobs and Revenue:

- Estimated Utah Cast: 21
- Estimated Utah Cast Average Salary: \$100/day
- Estimated Utah Crew: 21
- Estimated Utah Crew Average Salary: \$200/day
- Length of Utah Film Production: 18 days
- Estimated Utah Spend: \$220,000.00

Readiness:

- Financing: 100% Financed

Project Schedule:

- Prep: May , 2009
- Principal Photography: July, 2009
- Wrap: August, 2009

Utah Film Commission Recommendation:

Approved by the Utah Film Commission July 2009.

MOTION: Peter Mouskondis moved to approve Taylor James Limited Partnership “The Letter” for a Cash Rebate from the newly created under 1 million dollar incentive fund not to exceed \$30,000.00. Molonai Hola seconded the motion. Motion was carried unanimously.

Marshall Moore, Director of the Film Commission, spoke briefly regarding the movie '127 Hours' that has used the many techniques available in film to show Utah and its wonderful attractions.

Jerry Oldroyd, Incentives Committee Chairman, thanked DWS, Ogden and Weber County Technology College, Weber County, and Ogden City for attending the board meeting.

Ron Kusina, Executive Director of the Weber Economic Development Corporation, appreciates the opportunity to partner with many of the organizations which help maintain excellent companies in Utah.

Steve Fisburg, Business Developing Manager for Ogden City, spoke on a major investment by the building landlords to keep the lease rates flat and establish their commitment to Rubbermaid. He will also be working with UDOT to help expand transportation opportunities for those people that continue to live in Salt Lake City and commute to Ogden for work.

Mel Lavitt, GOED Board Member, thinks it is so exciting that they are able to work with Adobe which is creating 1,000 jobs and multi-million dollar investments.

Collette Mercier, with the Ogden and Weber Technology College, spoke on the importance of maintaining skills for students to keep them competitive in the workplace which will help the county and the state.

Randy Hopkins, Department of Workforce Services, spoke briefly regarding jobs that are available in Ogden and his enthusiasm for the front runner to allow people to get to Ogden for work.

Spencer Eccles, Executive Director of GOED, thanked the workforce service team and the economic development team in Ogden for job creations and for their continued strive for maintaining jobs. He thanked the team that was there to present the Bear (Business Expansion and Retention) program.

Delynn Fielding, Director of the Carbon County Economic Development, spoke on a program which takes existing businesses in a rural community and helps them grow and develop how they can employ more people and retain a greater level of success. The BEAR (Business Expansion and Retention) program entails visiting each business on site to have a conversation with the owner or chief executive to find out their needs for the business and show them the resources that are available to help their business grow.

Todd Brightwell, Vice President of Business Development at EDCUtah, thanked Mel Lavitt for his comments on Adobe and would like to touch on that further after returning from rural Utah. The Wins 3 project has had 27 site meetings so far this year, with the total active projects at 303 which are down from 336. The main reason the numbers are down is due largely to taking a closer look at projects that have been dormant. In regards to the pipeline projects, 6 months ago there were more on the front line which shows movements on some projects. Currently there are 150 active projects that align with the clusters.

Meeting adjourned.