

**GOED Board Meeting Minutes**

November 13, 2014 • 10:00 a.m.  
 Governor's Office of Economic Development  
 60 E. South Temple, Third Floor

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<b>Members Present:</b>	Jerry Oldroyd, Peter Mouskondis, Winston Wilkinson, Lorena Riffo- Jensen, Bob Frankenberg, Christopher M. Conabee, Margaret Lasecke-Jacobs, Mel Lavitt, Cliff White (P)
<b>Staff:</b>	Theresa A. Foxley, Julia Barnhouse Val hale, Kimberly Henrie, Vincent Mikolay, Fred Lange, Marshall Wright, Derek Mellus, Ricardo Flores, Mimi Davis-Taylor, Virginia Pearce, Kelleigh Cole, Jeff Van Hulten, Phil Lundgreen, Tamy Dayley, Tom Wadsworth
<b>Visitors:</b>	Amy Anderson, Rep. Oda, Tiger Shaw, Kevin Samuelson, Mark DeYoung, Amanda Covington, Erin Laney, Todd Brightwell, Donna Kessler, Marcus See, Alex Nat, Terra Deg, Mike Gorrell, Brice Wallace

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**Welcome**

Jerry Oldroyd welcomed everyone to the November 13, 2014 Board meeting.

**Approval of the Minutes**

**MOTION:**

**Peter Mouskondis moved to approve the October 9, 2014 minutes. Robert Frankenberg seconded the motion. Motion was carried unanimously.**

**Presentation - Tiger Shaw, United States Ski and Snowboard Association**

Tiger Shaw provided a brief background of the U.S Ski Team followed by a video highlighting their performance at the Sochi Winter Olympics. The U.S Ski team has been in Park City, and currently employees 180 athletes and 180 employees. The USSA is heavily involved in SLC & Park City communities. They have hosted major events yearly since 1985 which have helped to promote Utah and have had a great economic impact on the state.

**ED Zones**

**Viracon**

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE RECRUITING OF VIRACON WITHIN THE CITY OF ST GEORGE AT 1586 E VENTURE DR., ST GEORGE, UT 84790.

**MOTION:** APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR THE CITY OF ST GEORGE IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE RECRUITMENT OF VIRACON WITHIN THE CITY OF ST. GEORGE AT 1586 E VENTURE DR., ST GEORGE, UT 84790.

**ALLSTATE**

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE RECRUITING OF ALLSTATE WITHIN OGDEN CITY AT 1010 S DEPOT DR., OGDEN, UT 84404.

**MOTION:** APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR OGDEN CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE RECRUITMENT OF ALLSTATE WITHIN OGDEN CITY AT 1010 S DEPOT DR., OGDEN, UT 84404.

**OVERSTOCK**

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE RECRUITING OF OVERSTOCK WITHIN MIDVALE CITY AT 7295 S BINGHAM JCT BLVD, MIDVALE, UT 84047.

**MOTION:** APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR MIDVALE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE RECRUITMENT OF OVERSTOCK WITHIN MIDVALE CITY AT 7295 S BINGHAM JCT BLVD, MIDVALE, UT 84047.

**MOTION: JERRY OLDROYD MOTIONED TO APPROVE ALL OF THE PROPOSED MOTIONS IN THE ED ZONES. CHRISTOPHER CONABEE SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.**

**EDTIF- Vista Outdoors**

**Project Highlights**

Timeline:	2015
Target Industry:	Outdoor Products
Proposed Location(s):	Salt Lake County
Capital Investment:	\$10,000,000

**Jobs & Revenue**

**Full time incented jobs over project lifetime:** 90

The company will contribute to full time employees' health benefits.

New State Wages & Revenue:	
New State Wages over 7 years:	\$125,160,000
New State Revenue over 7 years:	\$6,723,802

**Local Incentive**

Company is looking at mulitple locations and this incentive offer is contingent upon local incentive support. Salt Lake City has offered a local incentive letter.

**Proposed State Incentive:**

Total amount of EDTIF, post-performance refundable tax credit:	\$1,344,760
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	7 years

**Company Overview**

ATK's spin-off, Vista Outdoor, will be a leading global designer, manufacturer and marketer in the growing outdoor sports and recreation markets. ATK has built a leading position in the shooting sports for hunters, shooting enthusiasts, and law enforcement and military professionals. A 30-year veteran in the industry, Mark W. DeYoung will serve as Vista Outdoors Chairman and CEO. The company will employ approximately 5,800 skilled workers worldwide. The company has manufacturing operations and facilities in approximately 10 U.S. states along with international sales, sourcing and manufacturing locations. ATK is targeting the end of calendar year 2014 to complete the transaction.

**MOTION:** Margaret Lasecke- Jacobs motioned to approve Vista Outdoors for a \$1,344,760 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 7 years. The motion was seconded by Peter Mouskondis. The motion carried unanimously.

- Incentives provided post-performance upon review and verification by GOED.
- Total EDTIF incentive not to exceed \$1,344,760 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, Davis, or Weber 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.

Mark DeYoung, CEO for Vista Outdoors, thanked the GOED Board for their support for their expansion. Utah is a great outdoor industry making it a great fit for Vista Outdoors. Vista is the largest and fastest growing company in the outdoor shooting and recreation space. They began with an acquisition of Federal ammunition with about \$230 million and have turned that into \$2.3 billion. Their current strategy is to continue to diversify and grow as a company.

Brad Petersen, Director of Outdoor Recreation, congratulated and thanked Michael and Vista for their decision to move to Utah . Brad feels that having Vista in Utah will add credibility to the Outdoor Cluster nationally and internationally. Brad would like to help Vista grow in Utah as much as they can.

Representative Oda has maintained a close relationship with ATK and is pleased to know that Vista has decided to move its headquarters to Utah. To have a key player in such a heavy outdoor community will benefit the state.

**Partial Rural Fast Tracks Endorsed as Economic Opportunities**

Theresa A. Foxley, Managing Director of Corporate Recruitment and Business Services, provided an explanation of the nature of these partial Rural Fast Track Endorsements. At the beginning of 2013 GOED piloted a partial Rural Fast Track Program to allow companies within counties with a population of 120,000 people or less to qualify for a Rural Fast Track type grant. The compliance requirements are the same as the Rural Fast Track Program. So far, this pilot has proven to be very successful and will be moved to the Legislature in the upcoming session. These partial RFT's will be funded as an economic opportunity until they are moved to the Legislature.

**The following companies were previously approved as “partially Rural Fast track grants” under the Office of Rural Development’s “partially Rural Counties” pilot program. The Office of Rural Development is now submitting them for Board endorsement as Economic Opportunity Grants.**

**M.R. WILDE AND SONS**  
3/13/2014

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The Rural Development office recommends an Economic Opportunity grant for M.R. Wilde and Sons, located in Croydon, Morgan County, for the purpose of adding value to their compost/waste management division by purchasing a compost spreader. The project is estimated to create one job and to cost Twenty-seven thousand dollars (\$27,000.00).

**MOTION: Endorse an Economic Opportunity Grant for M.R. Wilde and Sons of \$13,500.**

**ES INNOVATIONS**  
7-10-2014

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The Rural Development office recommends an Economic Opportunity grant for ES Innovations, based in Enoch, Iron County, for the purpose of purchasing an additional milling machine used in the manufacturing of essential oil and aromatherapy diffusers (atomization). This expansion is expected to double their production capacity and increase their output by 285%. The company expects to hire 2-5 new employees. The project is estimated to cost One hundred thirty-three thousand nine hundred dollars (\$133,900.00).

**MOTION: Endorse an Economic Opportunity Grant for ES INNOVATIONS of \$50,000.**

**PRONATURAL NUTRITION**  
8/14/2014

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The Rural Development office recommends an Economic Opportunity grant for ProNatural Nutrition, located in New Castle, Iron County, for the purpose of purchasing equipment related to the drying process of nutritional product manufacturing. The company expects to hire 4-6 FTEs. The project is estimated to cost \$150,000.

**MOTION: Endorse an Economic Opportunity Grant for ProNatural Nutrition of \$50,000.**

**MCM ENGINEERING**  
8/14/2014

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The Rural Development office recommends an Economic Opportunity grant for MCM Engineering, located in Enoch, Iron County for the purpose of purchasing equipment related to the testing and measuring of voltage equipment. The project is estimated to cost \$110,000.

**MOTION: Endorse an Economic Opportunity Grant for MCM Engineering of \$50,000.**

**MOTION: Jerry Oldroyd motioned to approve the four partial Rural Fast Track requests as an Economic Opportunity Grant under the statue. The motion was unanimously approved.**

**MPAC**

**“The Sinner’s Prayer”**

**Project Highlights**

- Category: Feature Film
- Genre: Drama
- Director: Gil Medina
- Producer: Rob Diamond, Nelson Madrill

**Utah Jobs and Revenue**

- Estimated Cast: 37
- Estimated Cast Average Salary: \$268/ day
- Estimated Crew: 30
- Estimated Crew Average Salary: \$300/ day
- Estimated Extras: 100
- Estimated Extras Average Salary: \$101.50/ day
- Length of Film Production: 32
- Estimated Spend: \$778,600

**Project Schedule**

- Prep: October 15, 2014 through November 14, 2014
- Principal Photography: November 15, 2014 through December 23, 2014
- Wrap: December 24, 2014 through December 30, 2014
- Post Production: January 2, 2015 through May 1, 2015

**Motion Picture Advisory Committee Recommendation**

Approved by the Utah Film Commission (UFC) November 6, 2014

**MOTION:** Margaret Lasecke-Jacobs motioned to approve for 11:11 Films a Motion Picture Incentive Program post-performance tax credit up to \$155,720 (which represents 20% of dollars left in state) for the production of ‘The Sinner’s Prayer.’ Robert Frankenberg 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 Outpost”**

**Project Highlights**

- Category: TV Series
- Genre: Fantasy
- Director: John Lyde
- Producer: Jason Faller, Kynan Griffin, John Lyde

**Utah Jobs and Revenue**

- Estimated Cast: 20
- Estimated Cast Average Salary: \$250/ day
- Estimated Crew: 16
- Estimated Crew Average Salary: \$250/ day
- Estimated Extras: 120
- Estimated Extras Average Salary: \$100/ day
- Length of Film Production: 13 days
- Estimated Spend: \$374,855

**Project Schedule**

- Prep: November 8, 2014 through December 7, 2014
- Principal Photography: December 8, 2014 through December 23, 2014
- Wrap: December 24, 2014

- Post Production: December 24, 2014 through June 30, 2015

**Motion Picture Advisory Committee Recommendation**

Approved by the Utah Film Commission (UFC) November 6, 2014

**MOTION:** Margaret Lasecke-Jacobs motioned to approve for Camera 40 Productions a Motion Picture Incentive Program post-performance tax credit up to \$74,971 (which represents 20% of dollars left in state) for the production of “The Outpost.” Lorena Riffo-Jensen 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.

**Presentation – Kevin Samuelson, Inside Sales**

Kevin Samuelson, CFO for Inside Sales, introduced himself and thanked the Board for the opportunity to present to them. Inside Sales is a very successful business and is located in Provo, UT. They currently have 550 employees, a significant increase from the 350 employees at the beginning of the year. Inside Sales currently provides for 2000 tier 1 customers by helping company sales teams sell complicated products more quickly, i.e. software and financial services. They have contributed \$13 billion in US market. Inside Sales’ main strategy is to pursue warm leads, employ individuals with top analytic and predictive ability, and purchase 3<sup>rd</sup> party data that range from weather forecasts to local news to help in their analytic effort. Inside Sales currently has \$50 million in bookings this year, with pay-per-user per month for 1 year, they are expected to have 100% of plus growth. One of the challenges that Inside Sales faces is recruiting experienced senior management; another challenge is the perceived social issues in Utah. They tend to recruit from the major Universities on the coast. Inside Sales has opened an office in Salt Lake City in addition to their Provo location.

**Policies & Procedures – Theresa A. Foxley**

Theresa A. Foxley, Managing Director of Corporate Recruitment and Business Services, informed the GOED Board that Policies and Procedures have been drafted to encapsulate current processes. Theresa requested that the Board review the drafts over the course of the next month, provide input and/or edits to the drafts, and finalize at the next GOED Board meeting. Drafts of the Administrative Rules and Policies and Procedures have been provided for the Board. Chris Piper, Attorney General Representative, explained the process of administrative rule making and policy. Representative Oda, House Chairman of Administrative Rules, confirmed Chris Piper’s explanation and reiterated that all rules and policy must follow statute. Chris Piper added that the GOED may seek the advice of the Board if they choose during any revisions or drafts to administrative rules and policy. Theresa Foxley informed the Board that the Policies and Procedures that were provided are not revisions, but have been more formalized.

**GOED Update**

Val Hale, Executive Director, announced that Forbes announced Utah as the top performing state in Utah. He also gave an update of the recent Brazil Trade Mission with Governor Herbert, and the audit of the EDTIF Program by OSA. He also addressed the current problems that are present in Utah’s workforce and how GOED and other partners are addressing it. Kimberly Henrie provided an update on the budgeting process.

**Incentives Update**

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

**EDCU Update**

Todd Brightwell, Vice 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.

Meeting adjourned.