

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

December 10, 2009 • 10:00 a.m. to 12:00 p.m.

Salt Palace Convention Center

Salt Lake City, Utah

Members Present: Rob Adams, Amy Rees Anderson, Ragula Bhaskar, Jack Brittain, Mary Draper, Mel Lavitt, Peter Mouskondis, Jerry Oldroyd, James Sorensen, Mike Dowse, Gerald Sherratt

Members Absent: Stanley Ellington, Molonai Hola, Nikos Linardakis, Cliff White

Visitors: Todd Brightwell, Jeff Edwards, Scott Beck, Lesley Mitchell, Pat Holmes, Steve Maas, Brent Andersen

Staff: Jim Buchanan, Matt Morgan, Spencer Eccles, Sue Redington, Amy Hamblin, Clark Caras, Riley Cutler, Tamy Dayley, Theresa Foxley, Greg Hartley, Derek Miller, Marshall Moore, Christina Oliver, Tracie Cayford, Bill Loos, Fred Lange, Leigh von der Esch

Welcome –

Approval of the November 2009 Minutes

MOTION: Mike Dowse moved to approve the minutes of the November 12, 2009 GOED Board Meeting. Mel Lavitt seconded the motion. Motion carried unanimously.

Fairchild Semiconductor

Project Highlights

- Convert existing 6" semiconductor wafer fabrication facility to an 8" facility.
- Timeline: Decision by December 2009
- Target Industry: N/A
- Location: West Jordan, Utah
- \$49.5 million new Capital Investment in existing facility retrofit and personal property upgrades over 3 years

Jobs and Revenue

- 65 New Full-time Positions created over 4 years, 473 current employment positions retained
- Average Total Project Base Salary is in excess of 125% of the annual Salt Lake County Average Wage including company contributed health benefits
- \$122+ Million in Total State Wages over 4 years
- \$5.3 Total State Revenue over same period

Local Incentives

- Local incentive has been reviewed and approved by the GOED Incentives Committee.

MOTION: Jerry Oldroyd moved to approve for Fairchild Semiconductor a \$1,269,200 post performance blended EDTIF tax credit and IAF grant. \$86,700 EDTIF refundable tax credit based on 25% of new state revenue over 4 years. \$1,182,500 IAF grant based on \$2,500 per FTE for 473 positions to be retained for 10 years in the State of Utah. Mel Lavitt seconded the motion. Motion carried unanimously.

- Annual EDTIF incentive amount based on 25% of new incremental state tax revenues generated and received in the previous calendar year for the new 65 positions.
- Total EDTIF incentive not to exceed \$86,700, 25%, of new incremental state tax revenues over 4 years, with a contractual recapture provision for any excess funds paid to the company.
- Total IAF grant not to exceed \$1,182,500 over the life of the incentive which is \$2,500 per position for 473 positions. 473 retained positions must be kept at Utah operation for the length of the IAF incentive period which is 10 years starting December 10, 2009.
- IAF grant to be disbursed in equal amounts over two rebate reporting periods.
- Annual total project average salary of all, new and retained, employees to be at least 125% of Salt Lake County average wage including company contributed health benefits.
- Must commit to keep operation in Utah for the length of the incentive period.
- Location specific and subject to local participation.
- Must meet new employment projections, both employee count and wage % criteria, at 50% of the first two full calendar years and 25% of each subsequent full calendar year.

- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for the EDTIF incentive.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

Merit Medical Systems

Project Highlights

- Expand Merit Medical's manufacturing presence in Utah
- Timeline: Immediately
- Target Industry: Headquarters, Life Sciences
- Proposed Locations: Murray, West Jordan, and South Jordan, Utah
- Investment: over \$11 million in real and personal property

Jobs and Revenue

- 392 New Full Time Employment positions created over the next 10 years, 221 Qualified for State Incentives
- Average Project Base Salary is in excess of 125% of the annual Salt Lake County Average Wage including company contributed health benefits
- \$95+ Million in State Wages over 10 years (\$58,236,147 Qualified for State Incentives)
- Total Project State Revenue \$25+ Million over same period (*Qualified State Revenue \$14+ Million*)

Local Incentive

- Local incentive in process.

Current State Incentive

- August 20, 2004: Approved for Merit Medical a maximum incentive of up to \$1,000,000 in IAF funds for the creation of nearly 600 new full-time jobs in Utah over the next five years. Final incentive rebate report for this incentive is due in 2010.

MOTION: Jerry Oldroyd moved to approve for Merit Medical a \$4,360,000 EDTIF refundable tax credit which represents 30% of Qualified New State Revenue over 10 years. Jack Brittain seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$4,360,000 EDTIF tax credit.
- Annual incentive amount based on 30% of new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 30% 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 full calendar years and 25% of each subsequent full calendar 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.
- Incentive offer is subject to final review and approval of local incentive for each expansion location.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

MediConnect Global, Inc.

Bill Loos, legal representative from the Attorney Generals Office, explained the Ethics Act of Utah. The Ethics Act of Utah doesn't exclude a Board member from applying for an incentive. The applicant must give full disclosure and must excuse themselves from any discussion and the voting proceedings. It is necessary that the Board members make a decision on the merits.

Note:

Due to a Conflict of Interest: The following GOED Board members excused themselves from the room and did not vote on this project:

Amy Rees Anderson – CEO of MediConnect Global, Inc. and Investor

James Lee Sorenson – MediConnect Global, Inc. Board of Directors and Investor

Project Highlights

- Expand operations to increase medical record retrieval, document management, and data extraction services for the health and consumer industries

- Timeline: Decision by December 10, 2009
- Target Industry: Software/IT (Company Global Headquarters in South Jordan, Utah)
- Expansion Location: Ephraim City, Sanpete County, Utah
- \$470,000 Estimated Capital Investment in existing facility retrofit and personal property upgrades over 10 years

Jobs and Revenue

- 306 New Full-time Positions created over 10 years
- Average Project Base Salary is in excess of 100% of the annual Sanpete County Average Wage including company contributed health benefits
- \$45.5 Million in estimated New State Wages over 10 years
- \$7+ Million in New State Revenue over the same period

Local Incentives

- Local incentive has been reviewed and approved by the GOED Incentives Committee.

Proposed State Incentive

- \$1,754,800 EDTIF Refundable Tax Credit based on 25% of new state revenue over 10 years.

MOTION: Jerry Oldroyd moved to approve for MediConnect Global, Inc. a \$1,754,800 EDTIF Refundable Tax Credit based on 25% of new state revenue over 10 years. Gerald Sherratt seconded the motion. Motion carried. Amy Rees Anderson and James Sorenson abstained from voting due to a conflict of interest.

- Total Incentive not to exceed \$1,754,800 EDTIF Refundable Tax Credit.
- Annual incentive amount based on 25% of new incremental state tax revenues generated, paid, 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 full calendar years and 25% of each subsequent calendar year.
- Annual total project average salary of new employees to be at least 100% of rural county average wage including company contributed health benefits.
- Must commit to keep operation in Utah for the length of the incentive period.
- Location specific and subject to local participation.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

GOED Program Report

Spencer Eccles, Director of the Governor's Office of Economic Development, honored James Sorensen, Ragula Bhaskar and Miguel Rovira for being recognized in the Utah Business magazine. Utah has become a desired place to live. He thanked the Board and GOED staff for their great work.

Derek Miller, Managing Director of recruitment and incentives for GOED the Governor's Office of Economic Development, gave an overview of the status of the Recruitment and Incentives team. He reviewed the trend in job growth, new state revenue, capital investment, and new state wages.

A presentation was given by Leigh von der Esch, Director of the Utah Office of Tourism. She gave an overview of their goals for this year and key performance indicators. She expressed the importance of Utah Tourism and the fact that it is an on-going investment.

Scott Beck with the Salt Palace Convention Center presented about the impact of spending by visiting participants on the Salt Lake economy. He stressed the importance of visitor and general tourism to our community.

EDCUtah Report

Jeff Edwards, President and CEO of EDCUtah, gave an update on current and upcoming projects. There are currently 148 active projects. During the month of November there were 5 new projects and there have been a great number of site visits.

Meeting adjourned.