

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

February 10, 2011 • 10:00 a.m. to 12:00 p.m.
324 South State Street, Suite 500
Salt Lake City, Utah

Members Present: Amy Rees Anderson, Mel Lavitt, Jack Brittain, Rob Adams, Cliff White, Lowry Snow, Mike Dowse, Jerry Oldroyd, Molonai Hola, Cliff White

Members Absent: Jake Boyer, Peter Mouskondis

Visitors: Jeff Edwards, Todd Brightwell, Kim Frost, Nikos Linardakis, Shellie Barson, Steve DeJohn, Kent Pace, Seth Winterton, Jed Christenson, Tamra Watson, George Francis, Jerry Peterson

Staff: Sue Redington, Adam Walden, Spencer Eccles, Christina Oliver, Yashoda Khandkar, Patty Conner, Bill Loos, Tamy Dayley, Clark Caras, Riley Cutler

Welcome

Mel Lavitt, newly appointed Chairman of the GOED Board, is thankful to be in his new position as Chairman of the board. He is proud to be a Utahian and feels lucky to live in a state where people are so welcoming.

Utah's Own/Lehi Roller Mills Presentation

Steve DeJohn, a representative from Lehi Roller Mills, gave a brief overview and history of their company. Lehi Roller Mills is a small Utah company that works to reinvent themselves frequently. The Utah's Own program has helped this company be very competitive in the Utah market.

Incentives Update

Christina Oliver, Director of Corporate Recruitment and Incentives, gave an update on the Incentives Program including jobs, revenues, capital investments and new state wages.

JBS USA Holdings, Inc.

Project Highlights

- Expand meatpacking and processing facility in Hyrum, UT
- Create 420 new full-time, permanent employment positions
- Timeline: Phase one early 2011, phase two early 2012
- Target Industry: NA
- Proposed Location: Hyrum, Cache County
- Capital Investment: Estimated at \$30 to \$35 million

Jobs and Revenue

- 420 new full-time, permanent employment positions created over 10 years
- Average Salary over 100% of Cache county Average Wage including benefits
- \$115+ million New State Wages over 5 years
- \$8.79 million New State Revenue over same period

Proposed State Incentive

\$1,759,500 EDTIF post-performance refundable tax credit which represents 20% of new state revenue for 10 years.

MOTION: Jerry Oldroyd moved to approve for JBS USA Holdings, Inc. a \$1,759,500 EDTIF post-performance refundable tax credit which represents 20% of new state revenue for 10 years. Jack Brittain seconded the motion. Motion carried unanimously.

- Total EDTIF incentive not to exceed \$1,759,500 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 50% of qualified new incremental state tax revenues generated and received in the previous calendar year for project years 1 through 5.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and received in the previous calendar year for project years 6 through 10.
- Total incentive not to exceed 20% 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 employment projections, employee headcount at the stated wage % criteria, at 50% for the first two years, and 25% for each subsequent year.

- Annual total project average salary of new employees to be at least 100% of the Cache County Average including company contributed health benefits.
- Must commit to keep operation in Utah for the length of the incentive period.
- Incentives are site specific as outlined in the approved local incentive and subject to 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.

Outdoor Clusters Presentation

Riley Cutler, Director of the Outdoor Products & Recreation Cluster, presented on industry growth. Mr. Cutler discussed his strategy that includes identifying quality outdoor companies for Utah, targeting certain segments of the outdoor industry, involving stake holders in the industry and promoting Utah as “the place” for outdoor business.

Health Exchange Presentation

Patty Conner, Director of the Utah Health Exchange, introduced herself and updated the board on the Health Exchange. It was reported the exchange is currently open for ongoing enrollment and there are 69 groups enrolled as of March 1st, 2011. Her goals are to create a scalable technology solution with private partners, train the broker community and market the exchange.

GOED Report

Spencer Eccles, Executive Director of the Governor’s Office of Economic Development, thanked staff and the board for their attendance at the Sundance Business Connection Event. It was an extremely successful event and many companies were represented. Special thanks was given to Clark Caras, Director of Marketing for GOED, for his coordination efforts of the event. He did a tremendous job and it didn’t go unnoticed. Spencer ended his presentation with the Utah Trending video (a Love Communications Production) that was created for the Governor’s Office of Economic Development and funded by Zions Bank.

EDCUtah Report

Jeff Edwards, President and CEO of EDCUtah, gave an update on current and upcoming projects. There are currently 293 active projects and 10 new projects in the month of January. Site visits continue to climb and recently there have been many high quality leads. Mr. Edwards discussed their emerging trends which include increased call center activity, food manufacturing, national media impact and Utah predictability.

Meeting adjourned.