

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

March 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 by phone, Rob Adams, Jack Brittain, Jake Boyer, Stanley Ellington, Mel Lavitt, Jerry Oldroyd, Molonai Hola

Members Absent: Cliff White, Lowry Snow, Mike Dowse

Visitors: John Frederickson, Reed Jacobs, Tel Telford, Steve Allred, Chantelle Olsen, Mariju Varguese
Mimi Davis-Taylor, Arthur Vanwagenen, Matt Morgan, Todd Brightwell

Staff: Sue Redington, Adam Walden, Spencer Eccles, Christina Oliver, Yashoda Khandkar, Jenni Osman, Bill Loos, Tamy Dayley, Clark Caras, Riley Cutler, Amy Hablin, Derek Mellus, Michael Sullivan, Samantha May Julian, Tata Thue, Sophia DiCaro

Mel Lavitt, Chairman of the GOED Board Committee, welcomed everyone to the March Board Meeting.

Approval of the October-December 2010 and January-February 2011 Minutes

MOTION: Peter Mouskondis moved to approve the minutes of the October 7th, November 2nd, December 9th, 2010 and January 6th, February 10th, 2011 GOED Board Meeting. Molonai Hola seconded the motion. Motion carried unanimously.

Incentives Update

Christina Oliver, Director of Corporate Recruitment and Incentives, introduced and congratulated the newest member of the executive team, Sophia DiCaro, the new Deputy Director of the Governor's Office of Economic Development. She gave a brief history on Sophia DiCaro's background. Christina also gave an update on the Incentives Program including jobs, revenues, capital investments and new state wages.

ED ZONE- Newell Window Furnishings

Establish an Economic Development Zone for the purpose of supporting the location of the Newell Window Furnishings, Inc. project in Ogden, Utah

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Ogden in support of its letter of request detailing the boundaries of the Newell Window Furnishings, Inc. project located at 1330 West 3300 South, Ogden, UT 84401. Molonai Hola seconded the motion. Motion carried unanimously.

ED ZONE- Litehouse

Establish an Economic Development Zone for the purpose of supporting the location of the Litehouse, Inc. project in Hurricane, Utah

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Hurricane City in support of its letter of request detailing the boundaries of the

Litehouse, Inc. project located at 239 North Old Highway 91 in Hurricane, UT 84737. Molonai Hola seconded the motion. Motion carried unanimously.

ED ZONE- ATK

Establish an Economic Development Zone for the purpose of supporting the location of the ATK Aerospace Systems project in Clearfield, Utah

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Clearfield City in support of its letter of request detailing the boundaries of the ATK Aerospace Systems project at the following locations:

- BCD Building Complex at Freeport Center, Buildings A15, B14, C14, D14 and H10, Clearfield, UT 84016
- Old ProLogis site (buildings 1 and 2), 1051 South Industrial Parkway, Clearfield, UT 84015

Molonai Hola seconded the motion. Motion carried unanimously.

EDTIF- Liberty Safe

Project Highlights

- Expansion of the Company's manufacturing facility and output in the State of Utah to meet market demands
- Timeline: Operational by the end of 2011
- Proposed Location: Payson, Utah County
- Capital Investment: Estimated \$8 million

Jobs and Revenue

- Up 100 new full time, permanent positions estimated to be created over 7 years; 50 of which will be eligible for incentives
- Average salary over 125% of Utah County average including benefits
- Estimated \$10.2+ million in eligible New State Wages over 7 years
- Eligible New State Revenue estimated at \$2.2+ over same period

Local Incentive

- Local incentive proposals reviewed and approved by the GOED Incentives Committee

Proposed State Incentive

- \$342,000 under the EDTIF program representing 15% of total Project state revenue for 7 years

Proposed Motion: Jerry Oldroyd moved to approve for Liberty Safe and Security Products, Inc. a \$342,000 under the EDTIF program representing 15% of total Project state revenue for 7 years. Jake Boyer seconded the motion. Motion carried unanimously.

- Total EDTIF incentive not to exceed \$342,000 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 15% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 15% of qualified new incremental state tax revenues over 7 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 the first two years, and 25% for each subsequent 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 Utah County Average including company contributed health insurance premiums.

- Must commit to keep operation in Utah for the length of the incentive period, 7 years.
- Incentives are site specific 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.

Steve Allred, Senior Vice President of Operations, and Ted Telford, a representative from Liberty Safe gave a brief description of Liberty Safe and Security and thanked the State of Utah for its continued support.

Utah's Own/Miller Honey Presentation

John Frederickson, Sales Manager of Miller Honey, gave a brief overview and history of their company. Miller Honey is a family owned company since 1894 which produces 100% natural honey. John Frederickson spoke on the importance of Utah Own companies and the impact that it has on small businesses. The Utah's Own program has helped this company sustain in a competitive market in Utah.

Motion Picture Advisory Committee

The Generations Project

Project Highlights

- Category: Television Reality Series
- Genre: Family
- Director: Raquel Marvez
- Producers: Chantelle Olsen, Manju Varghese

Utah Jobs and Revenue

- Estimated Crew: 22
- Estimated Crew Average Salary: \$184/day
- Length of Film Production: 48 days
- Estimated Spend: \$1,288,330

Project Schedule

- Prep: March 7, 2011 – August 8, 2011
- Principal Photography: March 14, 2011 – October 3, 2011
- Wrap: October 3, 2011 – March 7, 2012

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) on March 2, 2011.

Proposed Motion: Peter Mouskondis moved to approve for Mirror Lake Films a \$257,666 MPIF post-performance cash rebate which represents 20% of dollars left in state for the production of 'The Generations Project'. Jack Brittain seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$257,666 MPIF post-performance cash rebate.
- Incentive offer based on receipt 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.
- Final script subject to Motion Picture Advisory Committee review and approval.

Gideon's Gift

Project Highlights

- Category: Feature Film (Independent)

- Genre: Drama
- Director: Bruce Neibaur
- Producers: James Currier

Utah Jobs and Revenue

- Estimated Cast: 14
- Estimated Cast Average Salary: \$504/day
- Estimated Crew: 50
- Estimated Crew Average Salary: \$275/day
- Estimated Extras: 150
- Estimated Extras Average Salary: \$101.50/day
- Length of Film Production: 23-28 days
- Estimated Spend: \$1,690,430

Project Schedule

- Prep: February 21, 2011 – April 19, 2011
- Principal Photography: April 20, 2011 – May 25, 2011
- Wrap: May 25, 2011 – June 15, 2011

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) March 2, 2011.

Proposed Motion: Jack Brittain moved to approve for Gideon’s Gift Film Partners, LLC a \$338,086 MPIF post-performance cash rebate which represents 20% of dollars left in state for the production of ‘Gideon’s Gift.’ Peter Mouskondis seconded the motion.

Motion carried unanimously.

- Total incentive not to exceed \$338,086 MPIF post-performance cash rebate.
- Incentive offer based on receipt 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.

Energy Natural Resources Cluster Presentation

Samantha Mary Julian, Energy and Natural Resources Cluster Director, gave an overview of the main focus of the program. The program is here to help create an environment that fosters energy company expansion and recruitment. Utah has been long recognized as a leader in energy resources, and with the numerous new and traditional energy technologies hitting the market, our workforce and entrepreneurial spirit will keep us right on track. The cluster goals are to expand local Utah companies and recruit out-of-state companies and to invest in generation, manufacturing, technology and efficiency.

GOED Report

Mel Lavitt, Chairman of the GOED Board, announced that Molonai Hola will be stepping down from his role on the Incentives Committee along with Rob Adams to work with Samantha Mary Julian on the Energy Natural Resources Cluster. Jake Boyer and Peter Mouskondis have accepted positions on the Incentives Committee, taking the places of Molonai Hola and Ragula Bhaskar.

Spencer P. Eccles, Executive Director of the Governor’s Office of Economic Development, thanked his staff, the Board Members, and EDCU for all of their continued hard work but emphasized all the hard work completed during the legislative session. Mr. Eccles spoke on the importance of carrying the Utah’s Economic Development Plan cards with each individual so we not only know what is on the card but we also live the Governor’s vision, mission statement, and the four objectives.

Spencer P. Eccles handed out the Delta Sky Magazine each board member. 5 million readers during the month of March on ALL Delta flights worldwide will be reading a 53-page special Utah insert, this is the second largest insert Delta Sky has ever done.

Delta Sky was a true collaboration between many of the city and state's marketing partners – GOED and EDCUtah were able to work with Utah, Davis, Salt Lake, and Weber counties in development of a full page ad for Delta Sky, which had the state's (GOED's) branding look and because of leveraging of state ad rates we were able to get a discounted placement rate, and design rate for the counties – thus allowing them to purchase a FULL PAGE – first time these counties, now know as the Wasatch Front –had ever cooperated in something like this – unprecedented partnership.

Spencer P. Eccles handed out copies of the Forbes Magazine to all of the Board Members with a letter from Spencer.

Jack Brittain and the University of Utah tech venture development was featured in the March 2011 issue of Inc. magazine. Title – Utah's New Tech Powerhouse. Jack gave a brief report of the 2010 University of Utah Research Economic Impact.

Jerry Oldroyd and his team from the firm coordinated a joint Senate and House resolution that was read into the records and passed unanimously last Friday honoring the Sundance Institute and Film Festival for the economic impact on the state and for the state's support this year as Host State.

Tara N. Thue, Director of the Utah Broadband Project, received the January Achievement Award from the Utah Product Management Council. The award was presented in recognition for outstanding achievement in Utah Digital Government and superior efforts in the creation of a new online service.

Spencer P. Eccles introduced the newest member of the Incentives team, Jenni Osman.

Todd Brighwell of EDCUtah, gave an update on current and upcoming projects. There are currently over 300 active projects and 14 new projects in the month of February. Site visits continue to climb and recently there have been many high quality leads. Mr. Brighwell discussed their emerging trends which include increased call center activity, food manufacturing, national media impact and Utah predictability.

Peter Mouskondis moved to adjourn the meeting. Molonai Hola seconded the motion. Motion carried unanimously.

Meeting adjourned.