

GOED Board Meeting Minutes

March 14, 2013 • 10:00 a.m.

Governor’s Office of Economic Development
60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Jerry Oldroyd, Molonai Hola, Rob Adams, Brent Brown, Kate Riggs, Stefanie Bevans (phone), Cliff White (phone), Jack Brittain (phone), Amy Anderson
Staff:	Christopher M. Conabee, Jenni Osman, Eric Nay, Tom Wadsworth, Brady Ewell, Tamy Dayley, Zach Derr, Ron Andrus, Fred Lange, Nicole Kunzler, Kelleigh Cole, Riley Cutler
Visitors:	Bill Loos, Todd Brightwell, Marshall Moore, Mimi Davis-Taylor, Ted McAleer, Ben Hart, Kynan Griffin, Jason Faller, Paul Beebe, Brice Wallace

Welcome

Mel Lavitt welcomed everyone to the March 14, 2013 Board meeting.

Mel Lavitt moved to approval the February 14, 2013 minutes and March 4, 2013 minutes

MOTION: Kate Riggs moved to approve the minutes of February 14, 2013 and March 4, 2013 GOED Board Meeting minutes. Jerry Oldroyd seconded the motion. Motion was carried unanimously.

Economic Opportunity Grant – UAV

Recommend UAV for an Economic Opportunity Grant of up to \$180,000 in matching funds from the Industrial Assistance Fund, contingent on four or more entities contributing at least a total of \$40,000 in response to a request for proposal from UAV.

MOTION: Jerry Oldroyd moved to approve UAV for an Economic Opportunity Grant of up to \$180,000.00 in matching funds from the Industrial Assistance Fund, contingent on four or more entities contributing at least a total of \$40,000 in response to a request for proposal from UAV. Rob Adams seconded the motion. Motion was carried unanimously.

Economic Opportunity Grant – Sundance

Recommend Sundance Institute for an Economic Opportunity Grant of up to \$300,000 from the Industrial Assistance Fund, up to \$100,000 in years 2013, 2014, 2015, subject to a review of future state sponsorships for the Sundance Institute.

MOTION: Amy Anderson moved to approve Sundance Institute for an Economic Opportunity Grant of up to \$300,000.00 from the Industrial Assistance Fund, up to \$100,000 per year in years 2013, 2014 and 2015, subject to Board review of additional state funds for the Sundance Institute. Kate Riggs seconded the motion. Motion was carried unanimously.

Jerry Oldroyd recused himself because he represents them as a client and Mel Lavitt recused himself because his daughter works at Sundance.

Life Science Tax Credit – H2O

Overview:

During the 2011 General Session, the Utah State Legislature passed H.B. 496, appropriating \$1.3M for three types of tax credits for life science and technology companies and administered by GOED. On August 1, 2011, the GOED Board awarded \$1M in tax credits to four life science companies. Of the three types of available tax credits, all of the awarded companies applied for the New State Revenues Credit; GOED received no applications for the Investment or Capital Gains Credits. During the 2012 General Session, the Utah State Legislature passed S.B. 23, providing technical changes to the legislation, making the tax credits more simple to administer and eliminating the Capital Gains Credit. On August 9, 2012, the GOED Board approved new policy for the Investment Tax Credit to enable GOED staff to begin receiving applications for tax credits. There is currently \$126,750.00 in funds available for Life Science and Technology Tax Credits.

Investment Overview:

H2O TECH is an emerging company based in Spanish Fork, Utah. Their technology consists of a pain-free, super quiet water drill, a breakthrough in dental care aligned with attracting and retaining more patients. Dentists are seeking minimally invasive, lower cost procedures that enable higher production. The waterjet will increase office production with a net reduction in the use of anesthetics and substantially improve patient outcome and experience.

MOTION: Jerry Oldoryd moved to approve for Clark Turner up to 35% of a \$100,000 total investment for a \$35,000 post-performance nonrefundable Life Science and Technology Tax Credit over 3 years. Amy Anderson seconded the motion. Motion was carried unanimously.

- Tax credits and investors are as follows:
- Post-performance nonrefundable tax credit up to 35% of the amount of the investment issued over three years.
- The tax credit is issued on an annual basis by the Governor’s Office of Economic Development for:
 - Up to 10% of the purchase price of the qualified ownership interest in the year of the qualifying ownership interest is purchased;
 - Up to 10% of the purchase price in the second year after the qualified ownership interest is purchased;
 - Up to 15% in the third year after the qualified ownership interest is purchased.
- Not permitted to sell the qualifying investment during any of the taxable years for which the credit is being claimed.
- Tax credit issued on an annual basis after compliance documentation is provided to, and approved by, the Governor’s Office of Economic Development.
- Not permitted to carry forward or carry back.
- Not permitted to claim both the tax credit and a capital loss if the Utah Small Business fails, dissolves or otherwise goes out of business.
- Through purchase agreement, operating agreements applicants must document overall investment and percentage ownership of entity.

MPIF – “Best Seat for the End of the World”

Project Highlights

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| <ul style="list-style-type: none"> • Category: • Genre: • Director • Producer: | Feature Film
Drama
Greg Champion
Brad Taylor, Derek Kavanagh |
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Utah Jobs and Revenue

- | | |
|---|--|
| <ul style="list-style-type: none"> • Estimated Cast: • Estimated Cast Average Salary: • Estimated Crew: • Estimated Crew Average Salary: • Estimated Extras: • Estimated Extras Average Salary: • Length of Film Production: • Estimated Spend: | 18
\$926/day
83
\$350/day
495
\$110/day
30 days
\$3,507,500 |
|---|--|

Project Schedule

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| <ul style="list-style-type: none"> • Prep: • Principal Photography: • Wrap: | April 8, 2013 thru’ May 24, 2013 – 7 weeks
May 28, 2013 thru’ July 13, 2013 – 6 weeks
July 16, 2013 thru’ August 2,2013 – 3 weeks |
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Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) March 7, 2013

MOTION: Amy Anderson moved to approve for Gravy Bend Partners LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$701,500 (which represents 20% of dollars left in state) and up to \$876,800 (which represents 25% of the dollars left in state) for the production of ‘Best Seat For The End Of The World’. Rob Adams seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing

- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Gravy Bend Partners LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$876,800 (25% of the dollars left in state).

MPIF – “Shadow Cabal 2”

Project Highlights

- Category: Feature Film
- Genre: Fantasy
- Director: John Lyde
- Producers: Jason Faller and Kynan Griffin

Utah Jobs and Revenue

- Estimated Cast: 17
- Estimated Cast Average Salary: \$200/day
- Estimated Crew: 18
- Estimated Crew Average Salary: \$250/day
- Estimated Extras: 580
- Estimated Extras Average Salary: \$50/day
- Length of Film Production: 20 days
- Estimated Spend: \$ 454,646

Project Schedule

- Prep: February 5th- May 5th , 2013
- Principal Photography: May 6th – May 24th, 2013
- Wrap and Post Production: May 25th – November 15th, 2013

Motion Picture Advisory Committee Recommendation
 Approved by the Utah Film Commission March 7th, 2013

MOTION: Amy Anderson moved to approve for Camera 40 Productions a \$ 68,200 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘SHADOW CABAL 2’. Molonai Hola seconded the motion. Motion was 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 productions cast/crew must be Utah Residents and/or Utah Students.

Jason Faller and Kynan Griffin, the producers on the film discussed the background of the film and why they love filming in Utah. They try and keep as much money in Utah as possible while filming their movies. They like working with the State because of the efficiency of the State and also because the incentives that the State offers helps a lot.

MPIF – “Turning Point: Season 4”

Project Highlights

- Category: Television Series
- Genre: Documentary
- Director(s): Greg Kiefer, Gordon Huston, Steve Olpin
- Producers: Marty Patch, Sam Wallace and Tom Morrill

Utah Jobs and Revenue

- Estimated Cast: 0
- Estimated Cast Average Salary: N/A
- Estimated Crew: 16
- Estimated Crew Average Salary: \$547/day
- Estimated Extras: 12

- Estimated Extras Average Salary: \$300/day
- Length of Film Production: 20 days
- Estimated Spend: \$ 355,654

Project Schedule

- Prep: March 1st, 2013- April 5th, 2013
- Principal Photography: April 8th, 2013- June 1st, 2013
- Wrap and Post Production: May 6th 2013 - August 30th, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission March, 7th, 2013

MOTION: Amy Anderson moved to approve for Turning Point Productions Inc. a \$53,350 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘Turning Point: Season 4’. Brent Brown seconded the motion. Motion was 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 productions cast/crew must be Utah Residents and/or Utah Students.

Ron Heinz Presentation

Ron Heinz, one of the founding managing directors of Signal Peak Ventures gave a presentation to the GOED Board. He discussed the background of the company and some of the companies that they work with and have funded in the past, he touched base on the industry trends he is currently seeing in the market and discussed some of the Utah highlights that have been awarded to the State in the recent years.

GOED Update

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services gave an update on the last GOED Board meeting that was a conference call regarding FireEye which will create 250 jobs, \$14 million in new state revenue, \$3 million in capital investment and \$152 million in new state wages.

Incentives Update

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services, gave an update on the Incentives Program regarding new and existing projects.

EDCU Update

Todd Brightwell, Vice President of Business Development at EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of numbers of projects that EDCU is seeing in all industries.

Meeting adjourned.