

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

May 13, 2010 • 10:00 a.m. to 12:00 p.m.
324 South State Street, 5th Floor
Salt Lake City, Utah

Members Present: Mel Lavitt, Jerry Oldroyd, Mary Draper, Molonai Hola, Stanley Ellington, Jack Brittain, Peter Mouskondis

Members Absent: Mike Dowse, Ragula Bhaskar, Amy Rees Anderson, Cliff White, Rob Adams, Nikos Linardakis

Visitors: Jeff Edwards, Steve Maas, Reed Taft Jacobs, Jon Ballantyne, Mark Jenkins, Adrian Lefler

Staff: Sue Redington, Clark Caras, Marshall Moore, Fred Lange, Gary Harter, Michael Sullivan, Theresa Foxley, Sophia DiCaro Goodick, Amy Hamblin, Tara Thue, Yashoda Khandkar, Cheryl Smith, Dan Schuyler, Bill Loos, Christine Broadbent, Aaron White, Tamy Dayley, Kelsy Alsup, Marshall Wright, Derek Mellus, Mimi Davis-Taylor

Welcome – Approval of the April 2010 Minutes

MOTION: Jack Brittain moved to approve the minutes of the April 8, 2010 GOED Board Meeting. Jerry Oldroyd seconded the motion. Motion carried unanimously.

Petersen, Inc.

Mary Draper, GOED Board member, abstained from the vote.

Project Highlights

- Internal facility expansion of capital equipment for the production of nuclear components
- Timeline: Immediate
- Target Industry: Energy and Natural Resources
- Proposed Locations: Farr West City, Utah
- Investment: Estimated \$2.5 mil to \$3 mil in personal property

Jobs and Revenue

- 53 new full time, employment positions created over the next 2 years
- Average project base salary is in excess of 125% of Weber County average including company contributed health benefits
- \$10,647,987 Million in new state wages over 5 years
- \$900,000 + in new state revenue over 5 years

Local Incentive

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

MOTION: Jerry Oldroyd to approve Petersen, Inc. for a 35% REDI post-performance tax credit, for up to \$344,209 over 5 years. Mel Lavitt seconded the motion. Motion carried unanimously.

- Annual incentive amount based on 35% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 35% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new employment projections, employee count at the stated wage % criteria, at 50% of the first partial year, 50% of the first full year, and 25% of each subsequent full calendar year.
- Annual total project average salary of new qualified employees to be at least 125% of the Weber County average wage 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 provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

Janicki Industries, Inc.

Project Highlights

- Establish a new Utah precision composites manufacturing facility to support the F-35 Joint Strike Fighter program
- Timeline: Immediate
- Target Industry: Aerospace/Defense, Composites
- Proposed Locations: Layton City, Utah
- Investment: Estimated \$19.5 mil in real and personal property

Jobs and Revenue

- 50 new full-time, permanent employment positions created over the next 2 years
- Average project base salary is in excess of 125% of Davis County average including company contributed health benefits
- \$20.5 + million in new state wages over 10 years
- \$1.5 + million in new state revenue over same period

Local Incentive

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

MOTION: Jerry Oldroyd moved to Approve Janicki Industries, Inc. for a 20% EDTIF post-performance tax credit, for up to \$316,275 over 10 years. Molonai Hola seconded the motion. Motion carried unanimously.

- Annual incentive amount based on 50% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- 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 count at the stated wage % criteria, at 50% of the first two years of employee ramp-up and 25% of each subsequent full calendar year.
- Annual total project average salary of new qualified employees to be at least 125% of the Davis County average wage 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 provided post-performance upon review and verification of received state taxes and performance requirements as outlined above.

Marshall Moore, Director of the Utah Film Commission, gave a production report and spoke about the films that were recently completed in the State and films that are still scheduled for 2010.

Unicorn City

Adrian Lefler, Director of Unicorn City, attended the meeting. He briefly discussed the description of the film and why they continue to choose Utah as their filmmaking destination.

Project:

- Category: Feature Film (Independent)
- Genre: Comedy
- Director: Courtney Russell, Adrian Lefler
- Producers: Bryan Lefler

Utah Jobs and Revenue:

- Estimated Cast: 15
- Estimated Cast Average Salary: \$300/day
- Estimated Crew: 35
- Estimated Crew Average Salary: \$325/day
- Estimated Extras: 18
- Estimated Extras Average Salary: \$80/day
- Length of Film Production: 18 days
- Estimated Spend: \$691,693

Readiness:

- Financing: 100% Financed

Project Schedule:

- Prep: May 11, 2010 – June 19, 2010
- Principal Photography: June 21, 2010 – July 12, 2010
- Wrap: July 16, 2010

Motion Picture Advisory Committee Recommendation:

Approved by the Utah Film Commission on May 10, 2010.

MOTION: Peter Mouskondis moved to approve Unicorn City, LLC for the feature film 'Unicorn City', an MPIF Cash Rebate incentive not to exceed 15% of the total dollars left in the state. The dollar amount of the cash rebate incentive shall not exceed \$30,000. Jack Brittain seconded the motion. Motion carried unanimously.

17 Miracles

Project:

- Category: Feature Film (Independent)
- Genre: Drama
- Director: T.C. Christensen
- Producers: T.C. Christensen

Utah Jobs and Revenue:

- Estimated Cast: 50
- Estimated Cast Average Salary: \$250/day
- Estimated Crew: 42
- Estimated Crew Average Salary: \$250-300/day
- Estimated Extras: 50
- Estimated Extras Average Salary: \$101/day
- Length of Film Production: 21 days
- Estimated Spend: \$454,163.25

Readiness:

- Financing: 100% Financed

Project Schedule:

- Prep: July 12, 2010 – August 11, 2010
- Principal Photography: August 12, 2010 – September 7, 2010
- Wrap: December 20, 2010 – May 1, 2011

Motion Picture Advisory Committee Recommendation:

Approved by the Utah Film Commission on April 22, 2010.

MOTION: Stanley Ellington moved to approve Remember Films, Inc. for the feature film '17 Miracles', an MPIF Cash Rebate incentive not to exceed 15% of the total dollars left in the state. The total dollar amount of the cash rebate incentive shall not exceed \$30,000. Peter Mouskondis seconded the motion. Motion carried unanimously.

Utah Health Exchange Presentation

Cheryl Smith and Dan Schuyler, from the Utah Health Exchange, gave a brief overview and purpose of their program. In 2008 & 2009 critical legislation was passed that directs the Office of Consumer Health Services to create an internet portal that will facilitate the requirements specified in Utah's Health System Reform legislation. At its core, the Exchange is designed to connect consumers to the information they need to make informed health care choices, and in the case of health insurance, to execute that choice electronically.

IT/Digital Media Cluster Program Report

Gary Harter, Managing Director of Business Creation, introduced Christine Broadbent, a GOED Intern, who discussed her project with the IT/Digital Media Cluster. Christine worked closely with EDCUtah to prepare a competitive market research study regarding the different media sectors in the United States as well as Internationally. Utah is home to leading industry companies: Daz 3D, Disney Interactive, Electronic Arts, Move Networks, Sandman Studios, Smart Bomb Interactive, and Spectrum DNA. She found it is important to keep the companies that are in Utah here and recruit more companies to build a critical mass. This will keep our digital media educated workforce in Utah.

State Science Program Report

Tami Goetz, the State Science Advisor, spoke briefly about the life science cluster initiative. The program goals are to support existing life science programs, promote the creation of high tech, high wage jobs, leverage partnerships with all agencies and identify emerging needs and new opportunities.

Board Training on Open & Public Meeting Laws

Bill Loos, GOED's legal representative from the Attorney Generals Office, gave an overview of the open meeting law. This law was passed by the legislature to ensure all meetings, discussions, and actions done by public bodies are to be transparent and open. A "meeting" of a board includes any meeting, other than a chance meeting, in which a quorum of the board convenes to discuss or act upon a subject over which the board has jurisdiction. Boards are required to give adequate meeting notice and they are required to hold open meetings. In order to conduct business, a quorum must be present and a record needs to be made. A closed meeting can only be held when board members have to discuss personnel matters relating to someone's personal character or criminal wrongdoing, real estate transactions and discussing potential litigation.

EDCUtah Report

Jeff Edwards, President and CEO of EDCUtah, gave an update on current and upcoming projects. There are currently 155 active projects. The month of May brought 13 new projects. Site visits continue to climb and recently there have been many high quality leads.

Meeting adjourned.