

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

May 14, 2009 • 10:00 a.m. to 12:00 p.m.  
324 South State Street, 5<sup>th</sup> Floor  
Salt Lake City, Utah

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**Members Present:** Amy Rees Anderson, Ragula Bhaskar, Bill Boyle, Mike Dowse, Mary Draper, Stanley Ellington, Mel Lavitt, Nikos Linardakis, Jerry Oldroyd, Gerald Sherratt

**Members Absent:** Jack Brittain, Molonai Hola, Richard Nelson, Jim Sorenson, Cliff White

**Visitors:** Todd Brightwell, Jeff Edwards, Reed Jacobs, Stacey Joos, Lesley Mitchell, Derek Monson, Matt Piccolo

**Staff:** Christine Broadbent, Clark Caras, Riley Cutler, Mimi Davis-Taylor, Tamy Dayley, Sophia Dicaro Goodick, Amy Hamblin, Gary Harter, Greg Hartley, Fred Lange, Bill Loos, Derek Miller, Marshall Moore, Christina Oliver, Jason Perry, Ryan Starks, Michael Sullivan, Marshall Wright

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**Welcome –**

**Approval of the April 2009 Minutes**

**MOTION: Mike Dowse moved to approve the minutes of the April 9, 2009 GOED Board Meeting. Mel Lavitt seconded the motion. Motion carried unanimously.**

Derek Miller, Managing Director of Recruitment and Incentives for GOED, gave an update on the Incentives Program including jobs, new state revenue, capital investment and new state wages.

**Incentives Committee**

**Verisys Corporation**

**Project Highlights**

- Relocate company headquarters from Virginia to Utah
- Timeline: Start hiring in 2009
- Target Industry: Information Technology and Company Headquarters
- Proposed Location: South Jordan
- \$10 million potential capital investment for new headquarters facility

**Jobs and Revenue**

- 100 New Full-time Positions created in Salt Lake County over 7 years
- Average Salary over 125% of Salt Lake County Average Wage
- \$18+ Million in New State Wages over 7 years
- New State Revenue \$4+ Million over same period

**Local Incentives**

- Local Incentive proposal reviewed and approved by the GOED Incentives Committee.

There was discussion on why the company is interested in Utah. It was explained that the workforce was the main reason for moving to Utah.

**MOTION: Jerry Oldroyd moved to approve for Verisys Corporation an \$835,000 EDTIF maximum refundable tax credit based on 20% of new state revenue over 7 years. Mike Dowse seconded the motion. Motion carried unanimously.**

- Total incentive not to exceed \$835,000 EDTIF tax credit.
- Annual incentive amount based on 20% of new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% of new incremental state tax revenues over 7 years with a contractual recapture provision for any excess funds paid to the company.
- Annual total project average salary of new full time employees to be at least 125% of County average wage including company contributed health benefits.

- Must meet employment projections, both employee count and wage %, at 50% for each of the first two years and 25% of each subsequent year.
- Must commit to keep operation in Utah for the length of the incentive period.
- Headquarters operation must be relocated to Utah to exercise this incentive.
- Commitment by local government to provide local incentive.
- Site specific Economic Development Zone must be created for the project.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

## **eBay**

### Project Highlights

- Reorganize global customer support operations and relocate 200 new full time positions to the State of Utah by the end of 2009
- Timeline: Decision by May 2009 with operations commencing in September 2009
- Target Industry: Information Technology
- Proposed Location: South Jordan and Draper City
- \$40+ Million in Capital Investment over 10 years

### Jobs and Revenue

- 200 New Full-time Positions created in 2009 (83 of which meet the 125% aggregate average wage criteria in year 1)
- Average Qualified Salary over 125% of Salt Lake County Average Wage
- \$70+ Million in Qualified New State Wages over 10 years
- Qualified New State Revenue \$6.8+ Million over same period

### Local Incentives

- Local Incentive proposal reviewed and approved by the GOED Incentives Committee.

**MOTION: Jerry Oldroyd moved to approve for eBay, Inc. a \$1,719,800 EDTIF maximum refundable tax credit based on 25% of qualified new state revenue over 10 years. Gerald Sherratt seconded the motion. Motion carried unanimously.**

- Total incentive not to exceed \$1,719,800 EDTIF tax credit.
- Annual incentive amount based on 25% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Annual total project average salary of qualified new full time 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.
- Commitment by local government to provide local incentive.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.
- Must meet qualified employment projections, both employee count and wage %, at 50% for each of the first two years and 25% of each subsequent year.
- Site specific Economic Development Zone must be created for the project.

There was discussion on the type of jobs that have been coming. It was noted that companies that have already relocated or expanded in Utah in the past often look at Utah again for their next expansion plans. There are often higher skilled jobs involved when this happens. Marketing plans were discussed.

## **GOED Report**

Jason Perry, Executive Director of GOED, announced that Governor Huntsman is currently in Israel. GOED Board Member Cliff White is also on the trip. A couple of board members have expiring terms. Mr. Perry announced that Bill Boyle and Richard Nelson's terms have expired and their service is complete. They have each served two terms. Bill Boyle spoke about the changes that have happened over the years and the success of the state. Mr. Boyle discussed the importance of the Rural Fast Track Program and other rural programs and thanked GOED for its help and support. Jerry Oldroyd explained how important Mr. Boyle's service has been to the GOED Board and the State of Utah. He has represented rural Utah wonderfully and is a great asset. Chairman Ragula Bhaskar thanked Mr. Boyle for his years of service.

Mr. Perry announced that there were two major companies that broke ground and topped off a building this week. GOED participated in the ground breaking of Reckitt Benckiser and the topping off of the new eBay data facility. GOED is participating in ICSC in Las Vegas for retailers. Local officials and local economic developers from across the state will be there. The City Creek project was listed in the NY Times in the Real Estate section.

The Legislature has asked for potential study items for economic development. GOED has some ideas and would like the board to weigh in and provide suggestions.

There was discussion on training incentives. The cost for companies to train employees is very high. There are not really any programs available to them for this purpose. If there was an incentive for training this would help in recruiting companies and training our workforce.

Fred Lange, PTAC Director for GOED, discussed recent outreach events for small businesses. Gary Harter, Managing Director of Clusters for GOED, discussed the announcement that the Unmanned Aerial Systems want to relocate testing and accreditation center at Dugway Proving Ground. This would provide 150-200 jobs starting in the summer.

### **EDCUtah Report**

Jeff Edwards, CEO and President of EDCUtah, noted the success of the Reckitt Benckiser and eBay event. Salt Lake City will be kicking off their Foreign Trade Zone project today. Mr. Edwards gave an update on recent project activity and upcoming projects in the pipeline. There are currently 250 active projects. There was question on retention vs. new recruitment. The probability of closing projects was discussed. There was also discussion on the timeline and process that each project takes along the pipeline.

### **MPIF: High School Musical 4**

#### Project Request

- Category: Independent (Feature) Film
- Genre: Family
- Executive Producer(s): Bill Borden & Barry Rosenbush
- Producer: Don Schain

#### Jobs and Revenue

- Estimated Utah Cast/Crew Members: 183
- Estimated Utah Crew Average Salary: \$2050/week
- Length of Utah Film Production: 30 principle photography days
- Estimated Utah Spend: \$5,000,000
- Financing: 100% Financed

#### Project Schedule

- Production: Commencing within the next 12 months

#### Motion Picture Advisory Committee Recommendation:

- Approved by the Motion Picture Advisory Committee (MPAC) on 05/13/2009.

**MOTION: Jerry Oldroyd moved to approve Salty Pictures, Inc. for the film ‘High School Musical 4’, an MPIF refundable tax credit not to exceed 20% of the total dollars left in the state. The total dollar amount of the tax credit shall not exceed \$1,000,000.00. Amy Rees Lewis seconded the motion. Motion carried unanimously.**

Meeting adjourned.