

GOED Board Meeting Minutes
 May 10, 2012 • 10:00 a.m.
 60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Jerry Oldroyd, Cliff White (phone), Kate Riggs, Amy Anderson, Jack Brittain (phone), Jake Boyer, Molonai Hola, Rob Adams, Sam Granato
Staff:	Christopher M. Conabee, Spencer P. Eccles, Jenni Osman, Zachary Derr, Eric Nay, Tamy Dayley, Riley Cutler, Marshall Wright, Fred Lange, Michael Sullivan, Roxanne Graham, Kelleigh Cole, Tara Thue, Vatsala Kaul, Thomas Wadsworth, John Bell, Winston Wilkinson,
Visitors:	Bill Loos, Mimi Davis-Taylor, Marshall Moore, Teri Klug, Beth Colosimo, Kim Frost, Sheila Yorkin, Brice Wallace, Jim Loveland, Jim Evans, Cary Davis, Andrew Cuthbert, Richard Wray, Mark Fielder, Barb Shelley, Matt Piccolo, Ted Telford, Chet Thomas, Todd Brightwell

Welcome

Mel Lavitt welcomed everyone to the May 10, 2012 Board meeting at the Governor’s Office of Economic Development.

Approval of the April 12, 2012 Minutes

MOTION: Jake Boyer moved to approve the minutes of April 12th GOED Board Meeting minutes. Kate Riggs seconded the motion. Motion was carried unanimously.

EDZONE: Home Depot

Establish an Economic Development Zone for the purpose of supporting the establishment of a new inbound customer care operation for Home Depot U.S.A., Inc. in Ogden City, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Ogden City of the entirety of the Business Depot Ogden industrial area, in support of their letter of request detailing the boundaries of the Business Depot Ogden, inclusive of the Home Depot U.S.A., Inc. facilities located at 801 Depot Drive in Ogden City, Utah. Sam Granato seconded the motion. Motion was carried unanimously.

Jake Boyer recused himself from the vote.

EDTIF – Peterbilt

Project Highlights

- Timeline: 2012
- Target Industry: Other
- Proposed Location: Salt Lake County
- Capital Investment: \$ 3,475,000

Jobs and Revenue

- 145
- Peterbilt provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 5 years: \$ 43,606,015
- New State Revenue over 5 years: \$ 2,590,691
 - Withholding: \$ 1,676,182
 - Sales: \$ 150,400
 - Corporate: \$ 764,109

MOTION: Jerry Oldroyd moved to approve for Peterbilt a \$518,138 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 5 years. Rob Adams seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$518,138 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 20% 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 qualified employment projections, employee headcount at the stated wage 125% criteria at 100% for each project 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 Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 5 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for the incentive

EDTIF – Xactware

Project Highlights

- Timeline: Construction Commencement Mid 2012/ Occupancy EOY 2013
- Target Industry: Software/Information Technology
- Proposed Location: Utah County and Salt Lake County
- Capital Investment: \$ 130,000,000

Jobs and Revenue

- 859 new FTE’s
- Xactware provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 20 years: \$ 756,844,710
- New State Revenue over 20 years: \$ 129,051,958
 - Withholding: \$ 28,381,677
 - Sales: \$ 2,081,329
 - Corporate: \$ 98,588,952

MOTION: Jerry Oldroyd moved to approve for Xactware a \$32,262,990 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 20 years. Kate Riggs seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$32,262,990 EDTIF post-performance refundable tax credit
- Annual EDTIF 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 20 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 125% criteria at 100% for each project 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 Salt Lake County average wage or 100% of the Utah County average wage
- Must commit to keep operation in Utah for the length of the incentive period 20 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for the incentive

Amy Anderson abstained from the vote due to the fact that her company was just obtained by the same parent company.

EDTIF – Schiff Nutrition

Project Highlights

- Timeline: 2013
- Target Industry: Manufacturing
- Proposed Location: Salt Lake City
- Capital Investment: \$1,500,000

Jobs and Revenue

- 100 each year new full-time, permanent employment positions created over the life of the project
- Schiff provides all full time permanent employees with comprehensive health benefits and retirement benefits

- New State Wages over 6 years: \$ 17,659,408
- New State Revenue over 6 years: \$ 1,540,932
 - Withholding: \$ 662,228
 - Sales: \$ 91,205
 - Corporate: \$ 787,500

MOTION: Jerry Oldroyd moved to approve for Schiff a \$308,186 EDTIF blended post-performance tax credit and post-performance training funds for up to 100 new employment positions representing 20% of the project's qualified new state revenue. Kate Riggs seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$308,186 EDTIF post-performance refundable tax credit
- Up to \$1,000 post-performance training funds will be granted to Schiff for each new qualified employment position (FTE) created at the project in the State of Utah, up to 300 FTE by May 31, 2014. Employer training fund match of at least 50% per FTE required. The total training grant shall not exceed \$300,000.
- Annual EDTIF incentive amount based on 20% 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 6 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 120% criteria at 50% for each project 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 Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 6 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for the incentive
- Incentives are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlines above

EDTIF – FLSmidth

Project Highlights

- Expansion project of the Non-Ferrous Global Headquarters, designed to allow growth of professional minerals processing staff
- Timeline: Starting 2012 but with a 5 year projection
- Target Industry: Minerals Processing Solutions – Copper, Gold, Coal, Iron Ore, Phosphates
- Proposed Location: Salt Lake County
- Capital Investment: \$ 16,000,000

Jobs and Revenue

- 124
- FLSmidth provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 10 years: \$ 86,817,275
- New State Revenue over 10 years: \$ 11,734,578
 - Withholding: \$ 3,255,648
 - Sales: \$ 5,413,256
 - Corporate: \$ 3,065,674

MOTION: Christopher M. Conabee moved to approve for FLSmidth a \$2,933,645 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 10 years. Rob Adams seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$2,933,645 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and received 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

- Must meet new qualified employment projections, employee headcount at the stated wage 125% criteria at 100% for each project 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 Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 10 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for the incentive

Jerry Oldroyd recused himself from this discussion because Jerry Oldroyd’s company has represented them so Christopher M. Conabee reviewed the details of this project.

Mel Lavitt, Chairman introduced Carey Davis, representative from Peterbilt. Carey thanked the Board for their support and encouragement. Mark Fielder also spoke briefly of his appreciation to the Board and looks forward to working together in the near future.

Jim Loveland, CEO of Xactware thanked the Board and gave a brief overview of their past Utah presence and they look forward to the assistance from the Board to solidify their decision.

MPIF- ‘Thrillbillies: Season 4’

Project Highlights

- Category: Television Series
- Genre: Reality
- Director: Gregg Godfrey
- Producers: Todd Udall, Jeremy Rawle

Utah Jobs and Revenue

- Estimated Cast: 5
- Estimated Cast Average Salary: \$300/day
- Estimated Crew: 14
- Estimated Crew Average Salary: \$300/day
- Estimated Extras: 8-12
- Estimated Extras Average Salary: \$200/day
- Length of Film Production: 225 days
- Estimated Spend: \$1,300,000

Project Schedule

- Prep: April 16, 2012 – May 20, 2012
- Principal Photography: May 21, 2012 – September 22, 2012
- Wrap: August 20, 2012 – February 23, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) May 2, 2012.

MOTION: Amy Anderson moved to approve for Godfrey Entertainment, Inc. a Motion Picture Incentive Program post-performance tax credit of no less than \$260,000 (which represents 20% of dollars left in state) and up to \$325,000 (which represents 25% of the dollars left in state) for the production of ‘Thrillbillies: Season 4’. Jerry Oldroyd 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
- Godfrey Entertainment, Inc. 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 \$325,000 (25% of the dollars left in state).

MPIF- ‘Turning Point’

Project Highlights

- Category: Television Series
- Genre: Documentary
- Director: Greg Kiefer, Gordon Huston, Steve Olpin, Ethan Vincent
- Producers: Marty Patch, Sam Wallace

Utah Jobs and Revenue

- Estimated Cast: None
- Estimated Cast Average Salary: \$/day
- Estimated Crew: 18-20
- Estimated Crew Average Salary: \$620/day
- Estimated Extras: 40
- Estimated Extras Average Salary: \$300/day
- Length of Film Production: 42 days
- Estimated Spend: \$1,150,528

Project Schedule

- Prep: April 11, 2012 – July 27, 2012
- Principal Photography: May 21, 2012 – August 31, 2012
- Wrap: November 26, 2012 – March 29, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) May 2, 2012.

MOTION: Amy Anderson moved to approve for Cosmic Pictures, Inc. a Motion Picture Incentive Program post-performance tax credit of no less than \$230,105.60 (which represents 20% of dollars left in state) and up to \$287,632 (which represents 25% of the dollars left in state) for the production of ‘Turning Point: Season 3’. Jake Boyer 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
- Cosmic Pictures, Inc. 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 \$287,632 (25% of the dollars left in state).

MPIF – ‘Gettysburg Project’

Project Highlights

- Category: Feature Film (Independent)
- Genre: Family, Drama
- Director: Chet Thomas, Darren Fletcher
- Producers: Chet Thomas, Darren Fletcher

Utah Jobs and Revenue

- Estimated Cast: 18
- Estimated Cast Average Salary: \$504/day
- Estimated Crew: 38
- Estimated Crew Average Salary: \$350-400/day
- Estimated Extras: 400
- Estimated Extras Average Salary: \$101.50/day
- Length of Film Production: 25 days
- Estimated Spend: \$1,487,261

Project Schedule

- Prep: July 30, 2012 – August 17, 2012
- Principal Photography: August 20, 2012 – September 21, 2012
- Wrap: September 24, 2012 – October 5, 2012

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) May 2, 2012.

MOTION: Amy Anderson moved to approve for One Class, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$297,452.20 (which represents 20% of dollars left in state) and up to \$371,815.25 (which represents 25% of the dollars left in state) for the production of ‘The Gettysburg Project’. 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 \$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
- One Class, 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 \$371,815.25 (25% of the dollars left in state).

Chet Thomas, the Producer for this film spoke briefly on his past projects and the reasoning of choosing Utah. He also described what the film is about and the message they are trying to send in this film.

Marshall Moore gave a presentation on the status of films that the Board approved in the past year. He went over the dates of when some of them wrapped up and how far some of them are in production.

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

Spencer P. Eccles, Executive Director, Governor’s Office of Economic Development read a letter from Washington County thanking Christopher M. Conabee and the entire GOED’s staff in assisting in with the Family Dollar incentive. He gave a legislative update, we have expanded the BEAR program helping with the rural communities and he also went over SB 248 “Smart Schools” which is a program that puts technology in schools to advance learning. There are two representatives that are in GOED, Tami Goetz and Winston Wilkinson. He reviewed the process and some of the highlights involving this program.

Spencer P. Eccles also briefly spoke on GOED working more closely with DWS on how to implement training dollars while incenting companies to come to our state or to expand.

Nick Efstratis and Kent Madsen, representatives from Tomorrow’s Ventures gave a brief overview on the background of their company and the forecast within the venture capital world. He touched on the funding gap which is \$1 million to \$5 million; most will invest in something between \$100k - \$1 million and \$5 million to \$50 million.

Todd Brightwell, Vice President of Business Development at EDCUtah, presented on the status of current and upcoming projects in the pipeline.

Meeting adjourned.