

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

June 20, 2011 • 9:00 a.m.  
1550 E. 3400 N., Lehi, UT

---

**Members Present:** Rob Adams, Amy Anderson, Stanley Ellington, Peter Mouskondis, Mel Lavitt, Jerry Oldroyd, Sam Granato, Kate Riggs, Lowry Snow

**Members Absent:** Jake Boyer, Jack Brittain, Mike Dowse, Molonai Hola, Cliff White

**Visitors:** Kim Lofgreen, Russ Fotheringham, Steve Jensen, Doug Meldrum, Mark Johnson, Bert Wilson, Ron Foggin, Rona Ralph, Lew Cramer, Jason Perry, Fraser Nelson, Jolie Coleman, Marilyn Davies, Richard Nelson, David Simmons, Randy Hughes, Mark Johnson, Mark Teller, Jane Orlin, Vance Checketts, Kim Frost, Tom Harvey, Richard Brown, Vernon Henshaw, Rob Smith, Brice Arave, Sandy Whitlock, Brian Verwer, Nate Hyde, Todd Brightwell

**Staff:** Jenni Osman, Kelleigh Cole, Greg Hartley, Tamy Dayley, Greg Slater, Sophia DiCaro, Spencer Eccles, Michael Sullivan, Zachary Derr, Steve Gooch, Jason McKurdy, Laura Lewis, Jennifer Kellis, Christina Oliver, Chris Conabee

---

**Welcome**

Mel Lavitt, chairman of the Governor's Office of Economic Development, welcomed everyone to the June 20, 2011 board meeting.

Jerry Oldroyd, a current board member and Sam Granato, a new board member were sworn into the office of the Governor's Office of Economic Development board committee.

**Approval of the June 9, 2001 minutes**

**MOTION: Jerry Oldroyd moved to approve the minutes of June 9, 2011 GOED Board Meeting. Kate Riggs seconded the motion. Motion carried unanimously.**

Jerry Oldroyd gave a brief overview of the Tour of Utah event and how incenting this event would impact Utah. There would be over 10,000 meals that will be generated and 2,700 rooms that will be rented for the cycling team. This incentive would not only bring revenue to the state but it will also provide great publicity.

**Tour of Utah**

**Request**

- \$100,000 as an Economic Opportunity Grant from the Industrial Assistance Fund to support the 2011 Union Cycliste Internationale<sup>1</sup> (UCI) sanctioned Tour of Utah race event.

**Project Highlights**

- 1<sup>st</sup> time Utah will host a UCI internationally sanctioned event in Pro Cycling.
- 2<sup>nd</sup> largest professional stage race, 1 of 3 world-class professional events in this category, in America.
- 6-day competition, running August 9-August 14, highlighting Utah as a premier tourist and economic development destination.
- Host Destination Sites include Utah Olympic Park, Ogden, Provo, Miller Motorsports Park, Salt Lake City, and Snowbird.

---

<sup>1</sup> UCI is cycling's International Federation recognized by the International Olympic Committee (IOC).

- 10,000+ meals and 2,700+ room nights conservatively estimated just to support the teams, VIP's and staff for the event.
- Nightly national event coverage on FOX Sports Network, social media, collateral materials and presence marketing.
- International teams such as RadioShack, BMC and Liquigas-Cannondale will send their top teams to compete.

#### Other Contributions

The Economic Opportunity Grant request is a portion of an approximately \$300,000 total request which includes funds from:

- Utah Office of Tourism for \$100,000
- Utah Sports Commission for \$100,00

**MOTION: Peter Mouskondis moved to approve a \$100,000 one-time Economic Opportunity Grant awarded to the Utah Sports Commission to assist in the launch of the 2011 UCI sanctioned 'Tour of Utah' event. Lowry Snow seconded the motion. The motion was carried unanimously.**

- Advertising campaign to be negotiated with the Tour of Utah, the Utah Sports Commission, the Utah Office of Tourism, the Utah Governor's Office of Economic Development and others to be determined.
- Utah Governor's Office of Economic Development advertising campaign to be negotiated on an annual basis.
- Agreement to be entered into by the State of Utah and Utah Sports Commission.
- The Utah Sports Commission shall collect all audited documentation as required by the Agreement and provide a request for post-performance funds to the State of Utah.
- Funding shall act in concert with funds from the Utah Office of Tourism and the Utah Sports Commission.
- Independent economic impact report required at the conclusion of the event.

Jeff Robbins, Utah Sports Commission, accepted the incentive, thanking the GOED board committee and introduced Steve Miller, the President of the Tour of Utah. Steve Miller thanked everyone involved for incenting this event and gave a brief overview of the impact that this event could have in the future for the state of Utah.

#### **EDTIF- EMC Corporation**

##### Project Highlights

- Establish a new Customer Support Center
- Timeline: Lease agreement to be finalized in July 2011; operation to commence by the end of 2011
- Target Industry: IT
- Proposed Location: Central Utah
- Capital Investment: Estimated at over \$7 million

##### Jobs and Revenue

- 500 new full-time, permanent employment positions created over the life of the project
- EMC provides all full time permanent employees with comprehensive health and retirement benefits
- Wages exceed the County averages on an annual aggregate basis
- New State Wages over 10 years over \$313 million
- \$14+ million in New State Revenue over the same period

**MOTION: Jerry Oldroyd moved to approve for EMC Corporation a post-performance EDTIF incentive not to exceed \$3,513,700 over 10 years. Stanley Ellington seconded the motion. The motion was carried unanimously. Lowry Snow abstained from the vote.**

- Total EDTIF incentive not to exceed \$3,513,700 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 % 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) excluding benefits to be at least 125% of the Salt Lake County average wage if located in Salt Lake County; or 150% of the Utah County average wage if located in Utah County.
- 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. The Draper City and West Valley City local incentives have been approved by the GOED Incentives Committee. If the American Fork site is chosen a local incentive from American Fork will need to be presented to, and approved by, the GOED Incentives Committee before the project can move forward to the GOED Board.
- 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.

Vance Checketts, Vice President of Customer Support, thanked the state of Utah for the incentive offered and spoke briefly of how ecstatic the company is to be able to grow in the great state of Utah. He introduced Jane Orlin, the site selector who worked on making this happen.

### **EDTIF- IM Flash**

#### Project Highlights

- Expand current manufacturing capacity at facility in Lehi, UT
- Timeline: Immediate decision required; employee ramp up to begin in 2012
- Target Industry: Information Technology
- Proposed Location: Lehi, Utah County
- Capital Investment: \$1.5B

#### Jobs and New State Revenue (NSR)

- Retain 1486 employees and create 200 new full-time, permanent employment positions starting in 2012
- Health benefits for the project add approximately \$6,700 per job to the annual base salary and benefits are offered to all new full-time, permanent employees
- Company wages in excess of 190% Utah County Average Wage
- Project REMI Model to be provided

	New Jobs Created	Retained Jobs	Total
Jobs	200	1486	1686
Wages	\$167,686,106	\$1,295,744,075	\$1,463,430,181

	New State Revenue	Retained State Revenue	Total State Revenue
Wage Withholding	\$6,288,229	\$48,590,403	\$54,878,632
Sales Tax	\$780,604	\$2,340,847	\$3,121,451
Corporate Income Tax	\$0	\$95,000,000	\$95,000,000

Total	\$7,068,833	\$145,931,250	\$153,000,083
-------	-------------	---------------	---------------

**MOTION: Jerry Oldroyd moved to approve for IM Flash Technologies, LLC a post-performance \$45,900,000 EDTIF Refundable Tax Credit incentive based on 30% of new state revenue over 15 years. Peter Mouskondis seconded the motion. The motion was carried unanimously.**

- Modify current EDTIF incentive agreement from 5 to 15 years to incorporate additional growth for the operation in Lehi, Utah County.
- Total EDTIF incentive not to exceed \$45,900,000 EDTIF post-performance refundable tax credit over 15 years.
- Annual EDTIF incentive amount based on 30% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 30% of qualified new incremental state tax revenues over 15 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new employment projections, employee headcount at the stated wage % criteria, at 50% for 2012 and 2013, and 25% for each subsequent year.
- Annual total project average salary of new employees to be at least 125% of the Utah County Average Wage.
- 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 are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

Kayvan Esfarjani, Executive Officer of IM Flash, spoke briefly on the importance of a structured support system that helped make this happen. He thanked the wonderful partnership that IM Flash has with GOED. The expansion, creation of new jobs, and additional state revenue is largely due to support from the local government.

Spencer Eccles, Executive Director of the Governor’s Office of Economic Development, thanked everyone that attending this meeting, the staff that worked hard to make this happen, and to the board members for all of their countless hours that they work to help make these incentives possible. He introduced some new members to the Governor’s Office of Economic Development, Patrick Lee, a new member of the finance team, and also Chris Conabee, the new Managing Director.

Low Cramer, President and CEO of the World Trade Center, spoke briefly about the importance of exports and how it is imperative that we are competitive in the world. Our mines have been our number one export in the last 100 years but we are now also growing in the technology industry.

Rich Brown, University of Utah Dean of Engineering, spoke on how an incentive like this can help in the education of our states future.

Bert Wilson, Lehi Mayor, made a few comments on how an expansion affects the city of Lehi, additional jobs equals more housing and revenue that is brought to the city of Lehi.

Rich Nelson, President and CEO, Utah Technology Council, spoke on how great this technology is and thanked the GOED board for making a great decision in incenting this expansion.

### **Governor Herbert Report**

Governor Gary Herbert spoke on the state of the economy in Utah and how great this opportunity is to create jobs, he is very optimistic in the direction that our state is heading. He thanked EMC

Corporation, IM Flash, EDCU, and GOED for making this significant announcement possible. As a past county commissioner, Governor Gary Herbert reflects on when they brought in Micron when Utah was competing with many other locations for them to choose from. Utah is the right place for business and he is happy that many companies are recognizing that. These incentives today will generate over \$300 million in new state wages and \$14 million in new state taxes, most of that money will go to education. Currently, our job growth in Utah is double the national average. Continuing to incent companies like IM Flash and EMC Corporation will keep our state on track and allow us to meet our goals.

**Meeting adjourned.**