

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

August 13, 2009 • 10:00 a.m. to 12:00 p.m.
324 South State Street, 5th Floor
Salt Lake City, Utah

Members Present: Ragula Bhaskar, Jack Brittain, Mary Draper, Stanley Ellington, Mel Lavitt, Nikos Linardakis, Jerry Oldroyd, Gerald Sherratt by phone, Cliff White

Members Absent: Amy Rees Anderson, Mike Dowse, Molonai Hola, James Sorenson

Visitors: David Baird, Renetta Copard, Jeff Edwards, Todd and Louise Frye, Tony Ganks, M.A. Geo JaJa, Reina Gould, Samantha Mary Julian, Mark Knold, Timi Lane, Lyndy Lovelady, Steve Maas, Jeffrey Morrow, Cal Nez, Steve Oberbeck, Annie Perng, Steve Pluim, Janell Satterthwaite, Matthew Smith, Viveca Starks, Adam Tageldin, Ana Marie Veriday, Nick Weeks

Staff: Ashley Anderson, Christine Broadbent, Clark Caras, Craig Peterson, Mimi Davis-Taylor, Theresa Foxley, Sophia Dicaro Goodick, Amy Hamblin, Franz Kolb, Fred Lange, Derek Miller, Marshall Moore, Christina Oliver, Ryan Starks, Michael Sullivan

Welcome –

Approval of the July 2009 Minutes

MOTION: Jack Brittain moved to approve the minutes of the July 16, 2009 GOED Board Meeting. Nikos Linardakis seconded the motion. Motion carried unanimously.

Edwards Lifesciences

Project Highlights

- Expanded manufacturing operations for life science products in Draper
- Timeline: Anticipate site decision in Q3 2009; if approved, project to commence by end of 2009
- Target Industry: Life Sciences
- Proposed Location: Draper City, Salt Lake County
- Investment: \$14.5 million over 15 years in real and personal property and \$2.5 million in employee training costs

Jobs and Revenue*

- Edwards would retain existing 228 full-time positions and would be expected to add more than 1,000 new jobs over the 15 years of the project
- The jobs would exceed 125% of Salt Lake County average salary, including company contributed health benefits
- Project would be expected to generate more than \$776.5 million in new state wages over 15 years
- Project would be expected to generate state revenue of more than \$50.9 million over 15 years

*Total project, new and retained positions

Local Incentive

- Draper City offered a local incentive that has been reviewed and approved by the Incentives Committee.

MOTION: Jerry Oldroyd moved to approve for Edwards Lifesciences Corporation an \$11,521,000 post performance blended EDTIF tax credit and IAF grant. \$10,381,000 EDTIF refundable tax credit based on 25% of new state revenue over 15 years. \$1,140,000 IAF grant based on \$5,000 per FTE for 228 positions. Mel Lavitt seconded the motion. Motion carried unanimously.

- Annual EDTIF incentive amount based on 25% of new incremental state tax revenues generated and receipted in the previous calendar year for the new 1072 positions.
- Total EDTIF incentive not to exceed 25% of new incremental state tax revenues over 15 years, with a contractual recapture provision for any excess funds paid to the company.
- Total IAF grant not to exceed \$1,140,000 over the life of the incentive which is \$5,000 per position for 228 positions. 228 retained positions must be kept at Utah operation for the length of the incentive period.
- IAF grant to be disbursed in equal amounts over 3 rebate reporting periods.
- Annual total project average salary of all, new and retained, employees to be at least 125% of Salt Lake 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.
- Must meet new employment projections, both employee count and wage % criteria, at 50% of the first two years and 25% of each subsequent year.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

Decho Corporation dba Mozy, Inc.

Project Highlights

- Expand Mozy’s current online data backup services operation to help facilitate their expansion into the ‘Cloud Computing’ IT market
- Timeline: Final decision expected in August 2009
- Target Industry: Software & IT
- Proposed Location: Pleasant Grove, Utah County
- Investment: \$2.2 million over the life of the project in real and personal property

Jobs and Revenue

- 91 new high paying jobs in just under 10 years
- Average Total Project Base Salary is in excess of 150% of the Utah County Average Wage
- \$45+ Million in New State Wages in just under 10 years
- \$2.7+ Million in New State Revenue over the same time period

Local Incentive

- Pleasant Grove offered a local incentive that has been reviewed and approved by the GOED Incentives Committee.

MOTION: Jerry Oldroyd moved to approve for Decho Corporation dba Mozy, Inc. a \$543,200 EDTIF Refundable Tax Credit based on 20% of new state revenue over 10 years. Nikos Linardakis seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$543,200 EDTIF Refundable 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 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new employment projections, both employee count and wage % criteria, at 50% of the first two years and 25% of each subsequent year.
- Annual total project average salary of new employees to be at least 150% 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.

EDZONE

Establish an Economic Development Zone for purposes of supporting the location of the Great Salt Lake Minerals Project in Weber County, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Weber County in support of their letter of request detailing the boundaries of the Great Salt Lake Minerals Project located at 765 N 10500 E Ogden, Utah. Cliff White seconded the motion. Motion carried unanimously.

Motion Picture Advisory Committee

Film: Root Beer Christmas

Project

- Category: Feature Film
- Genre: Family
- Executive Producer: Dave Hunter
- Producer: Bryce Fillmore
- Director: Craig Clyde

Jobs and Revenue

- Estimated Utah Cast: 18
- Estimated Utah Cast Average Salary: \$150/day

- Estimated Utah Crew: 26
- Estimated Utah Crew Average Salary: \$250/day
- Length of Utah Film Production: 98 days
- Estimated Utah Spend: \$268,076
- Financing: 100% Financed

Project Schedule

- Prep: August 15 to November 30, 2009
- Principal Photography: November 30 to December 15, 2009
- Wrap: December 13 to December 17, 2009

Utah Film Commission Recommendation:

- Approved by the Utah Film Commission August 2009

Marshall Moore, Director of the Utah Film Commission, gave an update on current films that are in production. Mr. Moore also gave an overview of the film being presented.

MOTION: Mel Lavitt moved to approve RBX LLC “Root Beer Christmas” for a cash rebate from the newly created under 1 million dollar incentive fund not to exceed 15% of qualified Utah Dollars Left in State with a maximum rebate of \$30,000. Cliff White seconded the motion. Motion carried unanimously.

GOED Report

Derek Miller, Acting Executive Director of GOED, introduced Cheryl Smith. Cheryl Smith is with the Office of Consumer Health Services (OCHS). Ms. Smith discussed the new program and explained some of the benefits. OCHS will be launching the Utah Health Exchange.

Mr. Miller announced that the board members will be receiving an invitation to the annual PTAC event on October 22nd. Other current events were discussed.

Bill Waterbury, President of the World Trade Association and Elizabeth Goryunova, Vice President of the World Trade Center Utah presented GOED with an award for its contribution to International Business.

Cal Nez, Chair of the Utah Multi-Cultural Business Expo, discussed the purpose of this event that will be take place November 17-18.

Jeff Edwards, President and CEO of EDCUtah, presented on jobs and upcoming projects in the pipeline.

Meeting adjourned.