

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**
August 5, 2010 • Conference Call
State Capitol Building, Governor's Office, Rampton Board Room
Salt Lake City, Utah

Members Present: Rob Adams, Ragula Bhaskar, Jake Boyer, Jack Brittain by phone, Molonai Hola, Mel Lavitt, Jerry Oldroyd, Lowry Snow, Cliff White by phone

Members Absent: Amy Rees Anderson, Mike Dowse, Stanley Ellington, Peter Mouskondis

Visitors: Eric Anderson, Lesley Mitchell, Jody Sorenson, Sheila Yorkin

Staff: Clark Caras, Mimi Davis Taylor, Tamy Dayley, Spencer Eccles, Sophia DiCaro Goodick, Amy Hamblin, Bill Loos, Derek Mellus, Derek Miller by phone, Marshall Moore, Christina Oliver, Michael Sullivan

Welcome -

Approval of the July 2010 Minutes

MOTION: Cliff White moved to approve the minutes of the July 8, 2010 GOED Board Meeting. Lowry Snow seconded the motion. Motion carried unanimously.

Motion Picture Advisory Committee

MPIF - ATM Pictures, LLC, 'ATM'

Project:

- Category: Feature Film (Independent)
- Genre: Suspense/Thriller
- Director: David Brooks
- Producers: Paul Brooks

Utah Jobs and Revenue:

- Estimated Cast: 10
- Estimated Cast Average Salary: \$882/day
- Estimated Crew: 75
- Estimated Crew Average Salary: \$171/day
- Estimated Extras: 70
- Estimated Extras Average Salary: \$112/day
- Length of Film Production: 18 days
- Estimated Spend: \$1,200,000

Prep Dates: August 30, 2010 – September 24, 2010

Production Dates: September 27, 2010 – October 15, 2010

Wrap Dates: October 15, 2010 – October 22, 2010

Motion Picture Advisory Committee Recommendation: Approved by the Motion Picture Advisory Committee (MPAC) August 4, 2010.

MOTION: Jerry Oldroyd moved to approve for ATM Pictures, LLC a \$240,000 MPIF post-performance cash rebate which represents 20% of dollars left in state for the production of 'ATM'. Mel Lavitt seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$240,000 MPIF cash rebate.
- Incentive offer based on receipt of a complete MPIF application including a script and proof of financing.
- Must meet \$1 million minimum dollars left in state to be eligible for the incentive.
- Only dollars left in state expended after the GOED Board approval date are eligible for this incentive.

MPIF - Bennie, LLC, 'Bennie'

Project:

- Category: Feature Film (Independent)
- Genre: Suspense/Thriller/Mystery
- Director: Uwe Boll
- Producers: Mary Aloe, Darrell Grimes

Utah Jobs and Revenue:

- Estimated Cast: 28
- Estimated Cast Average Salary: \$800/day
- Estimated Crew: 96
- Estimated Crew Average Salary: \$250/day
- Estimated Extras: 277
- Estimated Extras Average Salary: \$75/day
- Length of Film Production: 20 days
- Estimated Spend: \$2,795,000
- Prep: September 7, 2010 – October 8, 2010
- Principal Photography: October 12, 2010 – November 5, 2010
- Wrap: November 8, 2010 – November 26, 2010

Motion Picture Advisory Committee Recommendation: Approved by the Motion Picture Advisory Committee (MPAC) August 4, 2010.

MOTION: Mel Lavitt moved to approve for Bennie, LLC a \$500,000 MPIF post-performance cash rebate which represents 20% of dollars left in state. Lowry Snow seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$500,000 MPIF cash rebate.
- Incentive offer based on receipt of a complete MPIF application including a script and proof of financing.
- Must meet \$1 million minimum dollars left in state to be eligible for the incentive.
- Only dollars left in state expended after the GOED Board approval date are eligible for this incentive.

MPIF - Cosmic Pictures, 'Midway to Heaven'

Project:

- Category: Feature Film (Independent)
- Genre: Family
- Director: Michael Flynn
- Producers: Sam Wallace, Michael Flynn, Shelley Bingham

Utah Jobs and Revenue:

- Estimated Cast: 5
- Estimated Cast Average Salary: \$333/day
- Estimated Crew: 26
- Estimated Crew Average Salary: \$275/day
- Estimated Extras: 30-40
- Estimated Extras Average Salary: N/A
- Length of Film Production: 14-15
- Estimated Spend: \$296,513
- Prep Dates: August 2010 – September 7 2010
- Production Dates: September 7, 2010 – September 22, 2010
- Wrap Dates: November 2010

Utah Film Commission Recommendation: Approved by the Utah Film Commission August 4, 2010.

MOTION: Jerry Oldroyd moved to approve for Cosmic Pictures a \$30,000 MPIF post-performance cash rebate which represents 15% of dollars left in state for the production of 'Midway to Heaven'. Jake Boyer seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$30,000 MPIF cash rebate.
- Incentive offer based on receipt of a complete MPIF application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 90% of the productions cast/crew must be Utah Residents and/or Utah Students.
- Only dollars left in state expended after the GOED Board approval date are eligible for this incentive.

MPIF - Cosmic Pictures, 'Turning Point'

Project:

- Category: TV Series
- Genre: Documentary
- Director: Greg Kiefer, Marty Patch, John Murphy
- Producers: Sam Wallace, John Murphy, Rich Patch

Utah Jobs and Revenue:

- Estimated Crew: 18-20
- Estimated Crew Average Salary: \$428/day
- Estimated Extras: 80-100

- Estimated Extras Average Salary: \$250-400/day
- Length of Film Production: 78-91 days
- Estimated Spend: \$1,114,433
- Prep: August 2010 – January 2011 ONGOING
- Principal Photography: September 2010 – February 2011
- Wrap: October 2010 – March 2011

Motion Picture Advisory Committee Recommendation: Approved by the Motion Picture Advisory Committee (MPAC) August 4, 2010.

MOTION: Molonai Hola moved to approve for Cosmic Pictures a \$222,886 MPIF post-performance cash rebate which represents 20% of dollars left in state for the production of ‘Turning Point’. Mel Lavitt seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$222,886 MPIF cash rebate.
- Incentive offer based on receipt of a complete MPIF application including a script and proof of financing.
- Must meet \$1 million minimum dollars left in state to be eligible for the incentive.
- Only dollars left in state expended after the GOED Board approval date are eligible for this incentive.

There was a brief discussion on how the film, ‘127 Hours’ wrapped up. Marshall Moore, Director of the Utah Film Commission explained that it was a success and that the movie is expected to premier in October.

EDZONES

Janicki Industries

Establish an Economic Development Zone for purposes of supporting the location of the Janicki Industries, Inc. Project in Layton, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Layton in support of their letter of request detailing the boundaries of the Janicki Industries, Inc. Project located at 3835 North Fairfield Road, Layton Utah. Mel Lavitt seconded the motion. Motion carried unanimously.

Royal Bank of Scotland (RBS Securities Inc.)

Establish an Economic Development Zone for purposes of supporting the location of the Royal Bank of Scotland (RBS Securities Inc.) Project in Taylorsville, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Taylorsville in support of their letter of request detailing the boundaries of the Royal Bank of Scotland (RBS Securities Inc.) Project located at 4246 South Riverboat Road, Taylorsville Utah. Mel Lavitt seconded the motion. Motion carried unanimously.

EDTIF – Adobe Systems, Inc.

Project Highlights

- Expansion of Adobe’s Omniture business unit operations and investment in supporting facilities
- Timeline: Decision to be made this summer
- Target Industry: Information Technology/Software
- Proposed Locations: Salt Lake County and Utah County
- Investment: Up to \$100 million initial investment in supporting facilities

Jobs and Revenue

- Potentially as many as 1,000, permanent employment positions created over 20 years
- Average salary over 175% of Salt Lake County and Utah County wages
- Estimated \$1.6+ Billion in New State Wages over 20 years
- Estimated New State Revenue \$134+ Million over same period

Local Incentive

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

Proposed State Incentive

- \$40,239,126 EDTIF post-performance refundable tax credit which represents 30% of new state revenue for 20 years

Spencer Eccles, Executive Director of GOED spoke to the importance of the company and how it is a great project for the IT industry. Jerry Oldroyd, Incentives Committee Chair, explained the project and expressed how significant this is for the sector and community.

MOTION: Jerry moved to approve for Adobe Systems Incorporated a \$40,239,126 EDTIF post performance refundable tax credit, which represents 30% of qualified new state revenue for 20 years. Molonai Hola seconded the motion. Motion carried unanimously.

- Annual incentive amount based on 50% of qualified new incremental state tax revenues generated and receipted in the previous calendar year for project years 1 through 5.
- Annual incentive amount based on 30% of qualified new incremental state tax revenues generated and receipted in the previous calendar year for project years 6 through 20.
- Total incentive not to exceed 30% 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 employment projections, employee count at the stated wage % criteria, at 50% of the first two full calendar years and 25% of each subsequent full calendar year.
- Annual total project average salary of new employees to be at least 175% of County average wage.
- Total incentive not to exceed \$40,239,126 EDTIF tax credit.
- 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 and company acceptance date are eligible for this incentive.
- Incentives provided post-performance upon review and verification of receipted state taxes, state tax liability, and performance requirements as outlined above.

Meeting adjourned.