

GOED Board Meeting Minutes
 August 14, 2014 • 10:00 a.m.
 Governor’s Office of Economic Development
 60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Winston Wilkinson, Peter Mouskondis, Christopher M. Conabee, Sam Granato, Jake Boyer, Josh Romney, Brent Brown, Margo Jacobs (phone), Cliff White (phone)
Staff:	Theresa A. Foxley, Vincent Mikolay, Val Hale, Julia Barnhouse, Jenni Osman, Michael Sullivan, Heather Webster, Cherie Abiang, Jessica Nield, Marshall Wright, Michael O’Malley, Mindy Vail, Atong Deng, Fred Lange, Jeff Van Hulten, Phillip Lundgreen, Delynn Fielding, Dan Royal, Thomas Wadsworth, Kelleigh Cole, Amie Parker, Adam Turville, Nathan Cheever, Luiza Kulchetschi, Lauren Villaroman, Daniel Liefson,
Visitors:	Todd Brightwell, Jeff Edwards, Susan Eisenman, Mimi Davis-Taylor, Ricky Florez, Derek Mellus, Brittany Alteri, Vicki Varela, Donna Kessler, Eric Shaw, Christina Oliver, Steve Fishburn, Mayor McAdams, Erin L. Buck, Carter Lee, Daniel Kemper, Christina Alter

Welcome

Mel Lavitt welcomed everyone to the August 14, 2014 Board meeting.

Jake Boyer was reinstated as a member of the Board.

Approval of the Minutes

MOTION:

Winston Wilkinson moved to approve the July 10, 2014 minutes. Peter Mouskondis seconded the motion. Motion was carried unanimously.

EDTIF – Overstock

Project Highlights

Timeline:	2015
Target Industry:	IT / E-Commerce
Proposed Location(s):	Salt Lake County
Capital Investment:	\$2,650,645

Jobs & Revenue

Full time incented jobs over project lifetime: 333 IT positions

The company will contribute to full time employees’ health and retirement benefits.

New State Wages & Revenue:

New State Wages over 10 years:	\$300,843,588
New State Revenue over 10 years:	\$11,406,215

Local Incentive

Midvale City is offering the company a significant local incentive. Overstock has announced a headquarter location in Midvale City.

Proposed State Incentive:

Total amount of EDTIF, post-performance refundable tax credit:	\$2,281,243
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	10 years

Company Overview

Our company was founded in 1997. We are a public company and online retailer offering discount brand name, non-brand name and closeout merchandise, including furniture, home décor, bedding and bath, housewares, jewelry and watches, apparel and designer accessories, electronics and computers, and sporting goods, among other products. We also sell hundreds of thousands of best seller and current run books, magazines, CDs, DVDs and video games. We launched our initial website in March 1999. Our Website offers our customers an opportunity to shop for bargains

conveniently, while offering our suppliers an alternative inventory liquidation or sales channel. We sell products primarily in the United States, with a small amount of products (less than 1% of our total net revenue) sold internationally.

MOTION: Peter Mouskondis moved to approve Overstock for a \$2,281,243 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Jeff Edwards seconded the motion. Motion carried unanimously. Sam Granato seconded the motion. Motion unanimously approved.

- Incentives provided post-performance upon review and verification by GOED.
- Total EDTIF incentive not to exceed \$2,281,243 EDTIF post-performance refundable tax credit.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.
- Average annual compensation of new employees in Utah (not each new position, this is an aggregate annual number) to be at least 200% of the Salt Lake County average wage each including company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Subject to local incentive.

Carter Lee thanked the GOED Board for their support in this project.

EDTIF – Goldman Sachs

Timeline:	To commence in 2014
Target Industry:	Financial Services
Proposed Location(s):	Salt Lake County
Capital Investment:	Up to \$40,000,000 to build out office space to accommodate both certain existing headcount and new hires.

Jobs & Revenue

Full time incented jobs over project lifetime: Up to 350
 The company will contribute to full time employees’ health benefits.

New State Wages & Revenue:

New State Wages over 20 years:	\$1,111,558,394
New State Revenue over 20 years:	\$43,524,588

Local Incentive

Salt Lake City values the relationship and impact that the company has in the community. There is a local incentive already in place that suffices the local support requirement of this incentive.

Proposed State Incentive:

Total amount of EDTIF, post-performance refundable tax credit:	\$13,057,377
The amount represents the following percentage of new state revenues:	30%
Number of years that incentive is approved for:	20 years

Company Overview

The Goldman Sachs Group, Inc. is a leading global financial services firm providing investment banking, securities and investment management services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world.

MOTION: Jake Boyer moved to approve The Goldman Sachs Group, Inc. for a \$13,057,377 EDTIF post-performance refundable tax credit which represents an amount equal to 30% of new state revenue for 20 years. Winston Wilkinson seconded the motion. Motion carried unanimously.

- Incentives provided post-performance upon review and verification by GOED.
- Total EDTIF incentive not to exceed \$13,057,377 EDTIF post-performance refundable tax credit.
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year.

- Average annual compensation of new employees in Utah (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage each including company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 20 years.
- Subject to local incentive.

Christina Alter, Chief of Staff for Goldman Sachs Salt Lake City Office, thanked the GOED Board for their support in this project and also addressed the competitive nature of this project. She then gave a brief background of the future projects within the company that will produce job growth.

Taiwanese Scenic Tour of Utah Economic Opportunity Grant

Recommend an Economic Opportunity grant for the purpose of facilitating a Taiwanese business delegation Scenic Tour of Utah. This is the 2nd Annual Scenic Tour of Utah followed by the first event last year. This project is designated as an economic priority for the Outdoor Cluster of Weber County. Ogden has asked GOED to participate with funding for an Economic Opportunity Grant in partnership with numerous proposed sponsors including Ogden City, Weber County, Salt Lake County, and EDCUtah.

The funding delegation has proposed approximately 25 sponsors that will contribute first dollar funds of \$170,000 to receive matching funds of \$25,000 from the IAF. This compares to last year's 8 sponsors contributing \$100,000.

Steve Fishburn with Ogden City provided the positive feedback and accomplishments of the Tour of Utah in Ogden and the rest of Utah.

MOTION: Sam Granato moved to approve an Economic Opportunity Grant for the Taiwanese Scenic Tour of Utah Delegation of up to \$25,000 from the Industrial Assistance Fund. This grant is designed to be last dollars in to this project subject to matching contributions substantially similar to the amounts described in the Attachment, but in no case less than at least \$100,000 from at least 8 other sponsors. Jake Boyer seconded the motion. Motion carried unanimously.

Convention Center Hotel

Mayor McAdams provided a progress update on the status of the Convention Center Hotel. An RFP has been created and is anticipated to be released on October 21, 2014. The city is currently working on finding a developer and a site selector and will present the possible companies at the next GOED Board meeting.

RFT

Loa Builder's Supply

The Rural Development office recommends a Rural Fast Track grant for Escalante home Center for the purpose of constructing a 2727 ft2 lumber shed to supply contractors and construction companies with lumber, sheetrock, concrete products, and roofing materials. The company expects to create 1 full-time job and 1 part-time job. The project is estimated to cost \$118,582.

MOTION: Endorse the Rural Fast Track Grant for Loa Builder's Supply of \$25,000.

ProNatural Nutrition

The Rural Development office recommends a Rural Fast Track grant for ProNatural for the purpose of purchasing equipment related to the drying process of nutritional product manufacturing. The company expects to hire 4-6 FTEs. The project is estimated to cost \$150,000.

MOTION: Endorse the Rural Fast Track Grant for ProNatural Nutrition of \$50,000.

MCM Engineering

The Rural Development office recommends a Rural Fast Track grant for MCM Engineering for the purpose of purchasing equipment related to the testing and measuring of voltage equipment. The project is estimated to cost \$110,000.

MOTION: Endorse a Rural Fast Track Grant for MCM Engineering of \$50,000.

Escalante Outfitters

The Rural Development office recommends a Rural Fast Track grant for Escalante Outfitters of Escalante, Garfield County, Utah for the purpose of constructing two cabins to accommodate 6 guests each. The company expects to hire 2 positions. The project is estimated to cost \$99,849.

MOTION: Endorse a Rural Fast Track Grant for Escalante Outfitters for \$25,000.

M & D Auto

The Rural Development office recommends a Rural Fast Track grant for M&D Auto of Bicknell, Wayne County, Utah for the purpose of construct a building to offer repair services for ATVs, snowmobiles, motorcycles, watercraft and other power sports equipment. The company expects to hire 2 FTEs. The project is estimated to cost \$172,000.

MOTION: Endorse the Rural Fast Track Grant for M&D Auto of \$50,000.

DMK Environmental Engineering

The Rural Development office recommends a Rural Fast Track grant for DMK Environmental Engineering of Monticello, San Juan County, Utah for the purpose of purchase a building to house their mobile lab, trucks, equipment, and serve as a general base of operations. The company expects to hire 1 FTE. The project is estimated to cost \$149,000.

MOTION: Endorse the Rural Fast Track Grant for DMK Environmental Engineering of \$25,000.

MOTION: Peter Mouskondis moved to approve all RFT Endorsements. Christopher M. Conabee seconded the motion. Motion carried unanimously.

MPAC

“Animus Vincio”

Project Highlights

- Category: Feature Film
- Genre: Drama
- Director: Lane Russell
- Producers: Don Schain, Scott Brown, Austin Russell

Utah Jobs and Revenue

- Estimated Cast: 28
- Estimated Cast Average Salary: \$504/ day
- Estimated Crew: 71
- Estimated Crew Average Salary: \$275/ day
- Estimated Extras: 250
- Estimated Extras Average Salary: \$102/ day
- Length of Film Production: 22
- Estimated Spend: \$1,637,672

Project Schedule

- Prep: August 18, 2014 through September 26, 2014
- Principal Photography: September 29, 2014 through October 24, 2014
- Wrap: October 27, 2014 through November 7, 2014
- Post Production: November 7, 2014 through April 10, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) August 7, 2014

MOTION: Margo Jacobs moved to approve for Animus Vincio, LLC a Motion Picture Incentive Program post-performance tax credit of no more than \$327,535 (which represents 20% of dollars left in state) or no more than \$409,418 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “Animus Vincio.” Peter Mouskondis seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing

- Must meet \$200,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval.
- Animus Vincio, 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, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$409,418 (25% of the dollars left in state).

“My One and Only”

Project Highlights

- Category: Feature Film
- Genre: Romantic Comedy
- Director: Peter Johnson
- Producer: Fred C. Danneman, Michael Flynn, Shelley Bingham Husk

Utah Jobs and Revenue

- Estimated Cast: 9
- Estimated Cast Average Salary: \$250/ day
- Estimated Crew: 25
- Estimated Crew Average Salary: \$350/ day
- Estimated Extras: 25
- Estimated Extras Average Salary: \$100/ day
- Length of Film Production: 18
- Estimated Spend: \$400,000

Project Schedule

- Prep: September 8, 2014 through October 3, 2014
- Principal Photography: October 6, 2014 through October 24, 2014
- Wrap: October 27, 2014 through November 8, 2014
- Post Production: October 25, 2014 through January 9, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) August 7, 2014

MOTION: Brent Brown moved to approve for My One and Only Films a Motion Picture Incentive Program post-performance tax credit up to \$80,000 (which represents 20% of dollars left in state) for the production of ‘My One and Only.’ Jake Boyer seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP 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 85% of the production’s cast/crew must be Utah residents and/or Utah students.

“Singing with Angels”

Project Highlights

- Category: Feature Film
- Genre: Drama
- Director: Brian A. Brough
- Producer: Brian A. Brough, Brittany B. Wiscombe, Anthony Straga

Utah Jobs and Revenue

- Estimated Cast: 32
- Estimated Cast Average Salary: \$275/ day
- Estimated Crew: 44
- Estimated Crew Average Salary: \$275/ day

- Estimated Extras: 100
- Estimated Extras Average Salary: \$100/ day
- Length of Film Production: 18 days
- Estimated Spend: \$579,200

Project Schedule

- Prep: August 18, 2014 through October 13, 2014
- Principal Photography: October 14, 2014 through November 5, 2014
- Wrap: November 6, 2014 through November 12, 2014
- Post Production: November 6, 2014 through March 13, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) August 7, 2014

MOTION: Christopher M. Conabee moved to approve for Silver Peak Productions, LLC a Motion Picture Incentive Program post-performance tax credit up to \$115,840 (which represents 20% of dollars left in state) for the production of “Singing with Angels.” Sam Granato seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP 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 85% of the production’s cast/crew must be Utah residents and/or Utah students.

“The Janus Project”

Project Highlights

- Category: Feature Film
- Genre: Fantasy
- Director: Nathan D. Nearman
- Producer: Nathan D. Nearman, Don Schain

Utah Jobs and Revenue

- Estimated Cast: 50
- Estimated Cast Average Salary: \$1,651/ day
- Estimated Crew: 128
- Estimated Crew Average Salary: \$350/ day
- Estimated Extras: 4,000
- Estimated Extras Average Salary: \$101.50/ day
- Length of Film Production: 48
- Estimated Spend: \$10,277,422

Project Schedule

- Prep: August 4, 2014 through September 26, 2014
- Principal Photography: September 29, 2014 through December 5, 2014
- Wrap: December 8, 2014 through January 16, 2015
- Post Production: January 5, 2015 through June 30, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) August 7, 2014

MOTION: Christopher M. Conabee moved to approve for Nebulae Entertainment, LLC a Motion Picture Incentive Program post-performance tax credit of no more than \$2,055,485 (which represents 20% of dollars left in state) or no more than \$2,569,356 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “The Janus Project.” Brent Brown seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.

- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval.
- Nebulae Entertainment, 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, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$2,569,356 (25% of the dollars left in state).

“Two Little Hands”

Project Highlights

- Category: Educational Series
- Genre: Educational
- Director: Emilie Brown, Michael Buster
- Producer: Emilie de Azevedo Brown, Lex de Azevedo

Utah Jobs and Revenue

- Estimated Cast: 8
- Estimated Cast Average Salary: \$400/ day
- Estimated Crew: 12
- Estimated Crew Average Salary: \$300/ day
- Estimated Extras: 0
- Estimated Extras Average Salary: N/A
- Length of Film Production: 150
- Estimated Spend: \$470,408

Project Schedule

- Prep: June 24, 2014 through March 31, 2015
- Principal Photography: August 13, 2014 through May 31, 2015
- Wrap: June 1, 2015 through December 15, 2015
- Post Production: June 10, 2015 through February 1, 2016

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) August 7, 2014

MOTION: Sam Granato moved to approve for Two Little Hands Productions, LLC a Motion Picture Incentive Program post-performance tax credit up to \$94,082 (which represents 20% of dollars left in state) for the production of “Two Little Hands Episodes 7-9 & ASL 101.” Peter Mouskondis seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP 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 85% of the production’s cast/crew must be Utah residents and/or Utah students.

Presentation from Charles Wright- Weber State President

Charles provided a brief history of Weber State University to the Board. He highlighted the resources that are provided for students and for the local economy. Weber State University recognizes the challenges for students to obtain a degree and they address these challenges by: providing affordable tuition, practicing an open-admission policy, educating students on financial literacy, and outreach. Charles stresses the importance of a relationship with Universities and Government to provide for the student population to ensure a skilled workforce for the future.

GOED Update

Val Hale, Executive Director, addressed new goals that he would like the Board to take part in, primarily keeping Utah’s economy strong. He looks forward to working with the GOED (always when referring to the board put GOED) Board members, GOED staff, and its partners.

Incentives Update

Theresa A. Foxley, Incentives Manager, gave an update on the Incentives Program regarding new and existing projects.

EDCU Update

Jeff Edwards, President of EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of the number of projects that EDCU is seeing in all industries.

Meeting adjourned.