

GOED Board Meeting Minutes
 August 9, 2012 • 10:00 a.m.
 60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Jack Brittain, Peter Mouskondis, Jake Boyer, Molonai Hola, Sam Granato, Rob Adams, Kate Riggs, Clint White
Staff:	Christopher M. Conabee, Jenni Osman, Sophia DiCaro, Spencer P. Eccles (phone), Tami Goetz, Alisha Johnson, Michael Sullivan, Zachary Derr, Tara Thue, Eric Nay, Chas Foote, Thomas Wadsworth, Fred Lange, Riley Cutler, Winston Wilkinson
Visitors:	Bill Loos, Derek Mellus, Marshall Moore, Ben Hart, Aaron Rowsell, Jason Sullivan, Jason Roberts, David Politis, Jim Thomas, Tom Pitcher, Gary Crocker, Jacque Manning

Welcome

Mel Lavitt welcomed everyone to the August 9, 2012 Board meeting.

Approval of the July 12, 2012 Minutes

MOTION: Jack Brittain moved to approve the minutes of July 12, 2012 GOED Board Meeting minutes. Kate Riggs seconded the motion. Motion was carried unanimously.

EDZONE – EMC Corporation

Establish an Economic Development Zone for the purpose of supporting the establishment of a new facility for EMC Corporation in Draper City, Utah.

MOTION: Kate Riggs moved to approve the creation of an Economic Development Zone for Draper City in support of their letter of request detailing the boundaries of the EMC Corporation facilities located at 11747 South Lone Peak Parkway 200, Draper City, Utah. Jack Brittain seconded the motion. Motion was carried unanimously.

Life Science and Technology Investment Tax Credit Policy Amendment

During the 2011 General Session, the Utah State Legislature passed H.B. 496, appropriating \$1.3M for three types of tax credits for life science and technology companies and administered by GOED. On August 1, 2011, the GOED Board awarded \$1M in tax credits to four life science companies. Of the three types of available tax credits, all of the awarded companies applied for the New State Revenues Credit; GOED received no applications for the Investment or Capital Gains Credits. During the 2012 General Session, the Utah State Legislature passed S.B. 23, providing technical changes to the legislation, making the tax credits more simple to administer and eliminating the Capital Gains Credit.

GOED must finalize policy in order to begin accepting applications for tax credits with the most recent changes to the legislation. After consulting with a working group comprised of industry representatives, GOED Board members and life science investors, GOED has a recommended policy to facilitate the application process and administration of the tax credits.

RECOMMENDATION: Kate Riggs moved to approve the following amendments to the policy for the Life Science and Technology Investment Tax Credit:

- No tax credit may exceed \$35,000 in any taxable year;
- All August 1 deadlines in policy repealed to reflect changes in new legislation;
- Remove requirement for letter of support from local municipality;
- Applicants must provide a capitalization table of the Utah Small Business.

Jake Boyer seconded the motion. Motion was carried unanimously.

EDTIF – Xi3

Project Highlights

- Timeline: 2012
- Target Industry: IT, Electronics and Telecom
- Proposed Location: Salt Lake County
- Capital Investment: \$ 32,244,000

Jobs and Revenue

- 500 FTE's
- Xi3 provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 5 years: \$ 169,733,873
- New State Revenue over 5 years: \$ 98,005,932
 - Withholding: \$ 6,365,020
 - Sales: \$ 2,890,912
 - Corporate: \$ 88,750,000

MOTION: Peter Mouskondis moved to approve for Xi3 Corporation a \$2,045,825 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 5 years. Molonai Hala seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$2,045,825 EDTIF post-performance refundable tax credit
- 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 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 % 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 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

Aaron Rowsell, Jason Sullivan, Jason Roberts, David Politis and Jim Thomas gave a brief presentation regarding Xi3 and also the background information including patent information they attained to protect their product. They showed how easy their product will make updating technology at a less expensive cost rather than buying to equipment. They thanked the GOED Board for their support of this project and answered all questions that the GOED Board had.

Smart Schools Initiative

MOTION: Peter Mouskondis moved to approve recommendations of Independent Evaluation Committee and GOED Incentives Committee to grant iSchool Campus, LLC (iSchool) an Industrial Assistance Fund Smart School Technology grant of up to \$3,000,000.00 over three years for implementation of a Smart School Technology Program, contingent on compliance with all terms and conditions from the State of Utah, Independent Evaluation Committee and the GOED Incentives Committee. Rob Adams seconded the motion. Motion was carried unanimously.

Jake Boyer recused himself from this vote.

Winston Wilkinson thanked the GOED Board for the time that they spent in asking the hard questions needed to make this decision and also for the help from Purchasing. Representatives from Smart Schools expressed their gratitude to the staff on the terrific job they did in incenting the Smart Schools initiative. They discussed the structure of the school and the vision it holds in educating students for the future.

Film Update

Marshall Moore gave a brief update on some of the locally produced films that are coming out in theaters, where some of the films are that GOED has incented and also discussed some of the objects that will be in the display case in the Capitol from films that have been filmed in Utah.

MPIF – “After the Wedding”

Project Highlights

- Category: Feature Film (Independent)
- Genre: Drama
- Director: Ioana Uricaru

- Producer: Steven Lee

Utah Jobs and Revenue

- Estimated Cast: 10-12
- Estimated Cast Average Salary: \$504/day
- Estimated Crew: 43
- Estimated Crew Average Salary: \$250-325/day
- Estimated Extras: 400
- Estimated Extras Average Salary: \$101.50/day
- Length of Film Production: 20 days
- Estimated Spend: \$675,000

Project Schedule

- Prep: August 13, 2012 – September 20, 2012
- Principal Photography: September 21, 2012 – October 13, 2012
- Wrap: October 15, 2012 – October 19, 2012

Motion Picture Advisory Committee Recommendation
Approved by the Utah Film Commission July 31, 2012.

MOTION : Kate Riggs moved to approve for Solar Pictures a \$101,300 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘After the Wedding’. Peter Mouskondis 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 \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

MPIF – “Deep Burial”

Project Highlights

- Category: Feature Film (Independent)
- Genre: Science Fiction
- Director: Dagen Merrill
- Producer: Jamie Burke

Utah Jobs and Revenue

- Estimated Cast: 1-2
- Estimated Cast Average Salary: \$1000/day
- Estimated Crew: 40
- Estimated Crew Average Salary: \$200-350/day
- Estimated Extras: 0
- Estimated Extras Average Salary: \$/day
- Length of Film Production: 20 days
- Estimated Spend: \$600,000

Project Schedule

- Prep: August 13, 2012 – September 7, 2012
- Principal Photography: September 10, 2012 – October 5, 2012
- Wrap: October 8, 2012 – February 4, 2013

Motion Picture Advisory Committee Recommendation
Approved by the Utah Film Commission July 31, 2012.

MOTION: Mel Lavitt moved to approve for Reflex Films, LLC a \$90,000 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘Deep Burial’. 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 \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

MPIF – “Parts Per Billion”

Project Highlights

- Category: Feature Film (Independent)
- Genre: Drama
- Director: Brian Horiuchi
- Producers: Molly Hassell, Jennifer Levine, Cotty Chubb

Utah Jobs and Revenue

- Estimated Cast: 28
- Estimated Cast Average Salary: \$970-1,112/day
- Estimated Crew: 54
- Estimated Crew Average Salary: \$362/day
- Estimated Extras: 168
- Estimated Extras Average Salary: \$88-102/day
- Length of Film Production: 18 days
- Estimated Spend: \$791,800

Project Schedule

- Prep: October 1, 2012 – October 21, 2012
- Principal Photography: October 22, 2012 – November 10, 2012
- Wrap: November 12, 2012 – November 17, 2012

Motion Picture Advisory Committee Recommendation
 Approved by the Utah Film Commission August 1, 2012.

MOTION: Peter Mouskondis moved to approve for PPB, LLC a \$118,800 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘Parts Per Billion’. Sam Granato 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 \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

GOED Update

Sophia DiCaro, Deputy Director gave an update on the Small Business Roundtable that took place in the Governor’s Mansion with 22 companies, there is a Rural Summit that is occurring right now and the Governor’s Economic Council meeting will be held on Monday, August 13th at 3:00 p.m. Fred Lange spoke briefly on the PTAC Symposium that will occur in the next two months and discussed how and where to register. Riley Cutler spoke on the Tour of Utah and also the venue at the Outdoor Retailers show that GOED incented.

Incentives Update

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

Meeting adjourned.