

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

September 10, 2009 • 10:00 a.m. to 12:00 p.m.  
324 South State Street, 5<sup>th</sup> Floor  
Salt Lake City, Utah

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**Members Present:** Amy Rees Anderson, Ragula Bhaskar, Jack Brittain, Mike Dowse, Mary Draper, Molonai Hola, Nikos Linardakis, Jerry Oldroyd, Gerald Sherratt, James Sorenson, Cliff White

**Members Absent:** Stanley Ellington, Mel Lavitt

**Visitors:** Michael A, Todd Brightwell, Greg Bunch, Jeff Edwards, Jim Grover, Connie Hay, Reed Taft Jacobs, Peter Klinge, Jason Lee, Tricia Mclary, Lesley Mitchell

**Staff:** Clark Caras, Riley Cutler, Mimi Davis-Taylor, Theresa Foxley, Sophia Dicaro Goodick, Amy Hamblin, Gary Harter, Greg Hartley, Samantha Mary Julian, Fred Lange, Bill Loos, Derek Mellus, Derek Miller, Marshall Moore, Christina Oliver, Michael Sullivan, Marshall Wright

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Welcome –

**Approval of the August 2009 Minutes**

**MOTION: Nikos Linardakis moved to approve the minutes of the August 13, 2009 GOED Board Meeting. Cliff White seconded the motion. Motion carried unanimously.**

**Haemonetics**

Project Highlights

- Establish a west coast blood processing equipment manufacturing facility to support the company's long term strategic plan
- Timeline: Site decision complete, project commencement underway
- Target Industry: Life Sciences
- Proposed Location: Draper City, Salt Lake County
- Investment: \$17+ million in personal property over 5 ½ years

Jobs and Revenue

- 220 New Full-time Positions created by 2014 (154 of which meet the 125% aggregate average wage criteria over the life of the project)
- Average Total Qualified Project Base Salary is in excess of 125% of the annual Salt Lake County Average Wage including company contributed health benefits
- \$26+ Million in Qualified New State Wages over 5 ½ years
- \$1.6+ Million in Qualified New State Revenue the same period

Local Incentive

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

**MOTION: Jerry Oldroyd moved to approve for Haemonetics Corporation a \$169,900 EDTIF Refundable Tax Credit based on 10% of qualified new state revenue over 5 ½ years. Gerald Sherratt seconded the motion. Motion carried unanimously.**

- Total incentive not to exceed \$169,900 EDTIF tax credit.
- Annual incentive amount based on 10% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 10% of qualified new incremental state tax revenues over 5 ½ 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 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.
- Subject to local incentive commitment.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

It was explained that the company provides surgical and blood loss management to patients. The company will only be doing processing in the state. No R&D

### **Goldman Sachs**

#### Project Highlights

- Increase Goldman Sachs' Utah presence primarily in the operations and technology groups for the larger, institutional businesses including asset management, derivatives and securities business units
- Timeline: Site decision expected in 4<sup>th</sup> quarter 2009, project to commence immediately
- Target Industry: Financial Services
- Proposed Location: Multiple locations are under consideration
- Investment: \$51 million upfront in construction and technology costs plus extensive costs associated with employee transition, migration, recruiting and training.

#### Jobs and Revenue

- 690 new full-time positions over 20 years (up from 375 in previous incentive offer); total firm headcount by year end 2010 expected to be 1040
- Average Total Project Base Salary is in excess of 150% of the annual Salt Lake County Average Wage including company contributed health benefits
- \$1.7 Billion in New State Wages over 20 years
- \$157+ Million in New State Revenue over the same period

#### Local Incentive

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

#### Current State Incentive

- \$20 Million EDTIF Refundable Tax Credit based on 30% of new state revenue over 20 years.
- Current \$20 Million incentive actually equates to 24.5% of the new state revenue (\$81.763 Million) projected in previous application.

This would be a modification to the current incentive for Goldman Sachs. The company is actively looking to hire local people.

**MOTION: Jerry Oldroyd moved to approve for The Goldman Sachs Group, Inc. a \$47.3 Million EDTIF Refundable Tax Credit based on 30% of new state revenue over 20 years. Mike Dowse seconded the motion. Motion carried unanimously.**

- Modify current EDTIF incentive.
- Total incentive not to exceed \$47.3 Million EDTIF Refundable Tax Credit.
- Annual incentive amount based on 30% of new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 30% of 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, 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.
- Subject to local incentive commitment.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

### **Industrial Banks**

Jerry Oldroyd left the room for this conversation due to his firm representing several bank within this industry. Utah is one of the few states that are active in the industrial banks category and several thousand jobs that have been created because of this specific industry. The state has also been able to attract a number of companies because of the industrial banks. There is a proposal in the Obama administration to look at the charters of industrial banks and the risks involved. If changes are made, it would affect some of the operations in Utah. We want to show that industrial banks are a valuable part of Utah's economy.

The Utah Association of Industrial Banks has requested the state's help in providing funds for a study that would look at the impact of retention and expansion of industrial banks within the State of Utah. The state would work with the Utah Association of Industrial Banks to bring in an expert who can show the economic impact for the state.

There was concern by some board members that tax dollars should not be spent in fear of federal regulation changes. There was also concern about losing many jobs if something isn't done to show support for this industry. It was suggested that a study should be conducted that is separate from the industry. Perhaps a letter of support would be more appropriate. GOED staff will take a closer look into this issue and come up with a solution that would be more acceptable to the board.

#### Motion Picture Advisory Committee

##### **“Timed Out”**

###### Project:

- Category: Feature- Independent
- Genre: Drama
- Executive Producer(s): Taylor Gourley
- Producer: David Wulf
- Director: Ben Gourley

###### Jobs and Revenue:

- Estimated Utah Cast: 37
- Estimated Utah Cast Average Salary: \$100-150/day
- Estimated Utah Crew: 25
- Estimated Utah Crew Average Salary: \$100-200/day
- Estimated Utah Extras: 20-30
- Estimated Utah Extras Average Salary: \$50/day
- Length of Utah Film Production: 24 days
- Estimated Utah Spend: \$325,000

Financing: 100% Financed

###### Project Schedule:

- Prep: October 18 2009
- Principal Photography: October 19- November 14 2009
- Wrap: Nov. 15, 2009

###### Motion Picture Advisory Committee Recommendation:

- Approved by the Motion Picture Advisory Committee (MPAC) September 2009.

**MOTION: Gerald Sherratt moved to approve *Aesop Pictures, LLC* for the feature “Timed Out”, an MPIF Cash Rebate not to exceed 15% of the total dollars left in the state. The total dollar amount of the cash rebate shall not exceed \$30,000. Amy Rees Anderson seconded the motion. Motion carried unanimously.**

##### **“Remember I Will Always Love You”**

###### Project:

- Category: TV Movie (German)
- Genre: Suspense
- Executive Producer(s): Oliver D. Berben
- Producer: Marcus Loges
- Director: Carlo Rola

###### Jobs and Revenue:

- Estimated Utah Cast: 8
- Estimated Utah Cast Average Salary: \$945/day
- Estimated Utah Crew: 40
- Estimated Utah Crew Average Salary: \$300/day
- Estimated Utah Extras: 100
- Estimated Utah Extras Average Salary: \$113/day
- Length of Utah Film Production: 19 days
- Estimated Utah Spend: \$1,030,000.

Financing: 100% Financed

###### Project Schedule:

- Prep: August 24<sup>th</sup>-September 25, 2009
- Principal Photography: September 28-October 22, 2009
- Wrap: October 23– Nov. 04, 2009

###### Motion Picture Advisory Committee Recommendation:

- Approved by the Motion Picture Advisory Committee (MPAC) September 2009.

**MOTION: Amy Rees Anderson moved to approve *Movie: The Art of Entertainment* for the TV Movie “Remember I Will Always Love You”, an MPIF Cash Rebate not to exceed 20% of the total dollars left in the state. The total dollar amount of the cash rebate shall not exceed \$206,000. Nikos Linardakis seconded the motion. Motion carried unanimously.**

#### **Utah’s Own**

Seth Winterton, Deputy Director for the Utah’s Own program, gave an overview of how the program works and what it has to offer local Utah companies. The program is a great opportunity for people to start a small business in Utah. A company can qualify for Utah’s Own by 1.) 51% of value must be derived from Utah. 2.) Company must be a Utah company. There are nearly 400 companies signed up with the Utah’s Own program.

#### **EDCUtah Project Update Report**

Jeff Edwards, President and CEO of EDCUtah, gave an update on current and upcoming projects. During the month of August there were 9 new projects and there have been a great number of site visits. There are currently 135 active projects in the pipeline. Mr. Edwards also announced that they will be adding a new full time position to the EDCUtah staff. This person will be a full-time proactive recruitment director to replace Mike Flynn who will be relocating to Southern California. Mike will lead the National and California recruitment initiatives.

Meeting adjourned.