

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

September 9, 2010 • 10:15 a.m.  
Clearfield City Hall, 55 State Street  
Clearfield, Utah 84015

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**Members Present:** Rob Adams, Amy Rees Anderson, Ragula Bhaskar, Jake Boyer, Stanley Ellington by phone, Molonai Hola, Peter Mouskondis, Lowry Snow, Cliff White

**Members Absent:** Jack Brittain, Mike Dowse, Mel Lavitt, Jerry Oldroyd

**Visitors:** Representative Rob Bishop, Todd Brightwell, Mark DeYoung, Jeff Edwards, Don Wood

**Staff:** Kelsy Alsup, Clark Caras, Mimi Davis Taylor, Tamy Dayley, Spencer Eccles, Amy Hamblin, Greg Hartley, Bill Loos, Derek Miller, Christina Oliver, Michael Sullivan

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Spencer Eccles, Executive Director of GOED, welcomed everyone and thanked Mayor Don Wood for hosting the meeting. Mr. Eccles recognized the state legislators and county commissioners that were in attendance.

**ATK Aerospace Systems**

Project Highlights

- Develop a new composites campus in Davis County, Utah to serve commercial airframes, classified military programs, and commercial engine structures
- Timeline: Immediate decision required
- Target Industry: Aerospace and Defense
- Proposed Location: Clearfield City, Davis County
- Capital Investment: Initial investment of \$100 million; significant future investments

Jobs and Revenue

- 802 new full time, permanent employment positions created over 20 years
- Average salary over 125% of Davis County average wage
- Estimated \$939+ million in New State Wages over 20 years
- New State Revenue estimated at \$62.9+ million over same period

Local Incentive

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

**MOTION: Ragula Bhaskar moved to approve for ATK Aerospace Systems an \$18,898,061 EDTIF post-performance refundable tax credit which represents 30% of new state revenue for 20 years plus up to \$262,000 in post-performance training funds for 131 new specialized employment positions created over the first 2 years of the project. Amy Rees Anderson seconded the motion. Motion carried unanimously.**

- Total EDTIF incentive not to exceed \$18,898,061 EDTIF post-performance refundable tax credit.
- Annual EDTIF 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 EDTIF 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 headcount at the stated wage % criteria, at 50% for the first two years, and 25% for each subsequent year.
- Annual total project average salary of new employees to be at least 125% of the Davis County Average.
- Up to \$2,000 post-performance training funds will be granted to ATK Aerospace Systems for each new specialized employment position (FTE) created at the project in the State of Utah, up to 131 FTE, by year end 2012. Employer training fund match of at least 50% per FTE required. The total training grant shall not exceed \$262,000.
- 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 are eligible for this incentive.

- Incentives are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.
- Spencer Eccles thanked the GOED Board, GOED Staff and EDCUtah for the hard work on this project. Mr. Eccles introduced Governor Gary R. Herbert.
- Governor Herbert provided remarks on Utah's growing economy and how important projects like this are to the industry and the State of Utah. Governor Herbert spoke to the importance of Utah's business community and thanked everyone involved with this project.
- Mark DeYoung, President of ATK, thanked the Governor, GOED and Mayor Don Wood for their assistance with this project. Universities/education, strong work ethic and the business economy were the top attractions for why ATK chose Utah as the location in which to expand.
- Clearfield City Mayor, Don Wood, welcomed everyone in attendance. Mr. Wood thanked everyone involved in the project. He explained the significance of this project to Clearfield City.
- Representative Rob Bishop provided remarks on how wonderful this project is to the community.

Approval of the August 2010 Minutes

**MOTION: Jake Boyer moved to approve the minutes of the August 5, 2010 and August 17, 2010 GOED Board Meetings. Peter Mouskondis seconded the motion. Motion carried unanimously.**

### Litehouse

#### Project Highlights

- Construct a new food manufacturing facility in the Southwest portion of the United States
- Timeline: Immediate decision required
- Proposed Locations: TBD
- Investment: Estimated \$10.2-11.2 million over the life of the project

#### Jobs and Revenue

- 162 new full-time, permanent employment positions in a rural county over ten (10) years
- Average salary over 100% rural county average wage plus company contributed health benefits
- Estimated \$37.6+ million in new state wages over ten (10) years
- New State Revenue estimated at \$2.5+ million over same period

#### Local Incentive

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

**MOTION: Ragula Bhaskar moved to approve for Litehouse, Inc. a \$502,400 EDTIF post-performance refundable tax credit which represents 20% of new state revenue over 10 years. Lowry Snow seconded the motion. Motion carried unanimously.**

- Total incentive not to exceed \$502,400 EDTIF tax credit.
- Annual incentive amount based on 20% of new state tax revenue generated by the project.
- Total incentive not to exceed 20% of new state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new full-time, permanent employment projections, employee headcount at the stated wage % criteria, at 50% for the first two years, and 25% for each subsequent year.
- Annual total project average salary of new full-time, permanent employees to be at least 100% of the rural county Average Wage including company contributed health benefits.
- Must commit to keep operation in Utah for the length of the incentive period.
- Incentives are site specific and subject 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 are provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

### Motion Picture Advisory Committee

#### *Darlin Companion*

#### Project Highlights

- Category: Feature Film (Independent)
- Genre: Family
- Director Lawrence Kasden
- Producers: Lawrence Kasden, Elizabeth Redleaf

#### Utah Jobs and Revenue

- Estimated Cast: 30
- Estimated Cast Average Salary: \$1,000/day
- Estimated Crew: 95
- Estimated Crew Average Salary: \$450/day
- Estimated Extras: 250
- Estimated Extras Average Salary: \$125/day
- Length of Film Production: 30 days
- Estimated Spend: \$5,000,000

Project Schedule

- Prep: Current – September 26, 2010
- Principal Photography: September 27, 2010 – November 5, 2010
- Wrap: November 6, 2010 – December 31, 2010

Motion Picture Advisory Committee Recommendation

- Approved by the Motion Picture Advisory Committee (MPAC) September 1, 2010.

**MOTION: Amy Rees Anderson moved to approve for Werc Werk Works a \$1,000,000 MPIF post-performance tax credit rebate which represents 20% of dollars left in state for the production of 'Darlin' Companion'. Peter Mouskondis seconded the motion. Motion carried unanimously.**

- Total incentive not to exceed \$1,000,000 MPIF post-performance tax credit rebate
- Incentive offer based on receipt of a complete MPIF application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive

*If the Shoe Fits*

Project Highlights

- Category: Feature Film (Independent)
- Genre: Family
- Director Steve Shimek
- Producers: Kristy Shimek, David Wulf

Utah Jobs and Revenue

- Estimated Cast: 15
- Estimated Cast Average Salary: \$100-150/day
- Estimated Crew: 30-40
- Estimated Crew Average Salary: \$100-200/day
- Estimated Extras: 50
- Estimated Extras Average Salary: \$0-50/day
- Length of Film Production: 18 days
- Estimated Spend: \$245,698

Project Schedule

- Prep: Current – October 3, 2010
- Principal Photography: October 4, 2010 – October 23, 2010
- Wrap: October 23, 2010

Utah Film Commission Recommendation

- Approved by the Utah Film Commission on July 12, 2010.

**MOTION: Amy Rees Anderson moved to approve for Modern Fairytale, LLC a \$30,000 MPIF post-performance cash rebate which represents 15% of dollars left in state for the production of 'If the Shoe Fits'. Peter Mouskondis 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

- Marshall Moore, Director of the Utah Film Commission gave an update on the film 127 Hours.
- GOED Board Member, Cliff White, gave an International Trade Report. Utah exports have increased. Mr. White discussed the past year's trade missions and other international activities.
- Derek Miller, Managing Director of Business Incentives and Growth, gave an incentives update. Projected new jobs, revenue, wages and capital investment were reported.

Meeting adjourned.