

DRAFT

GOED Board Meeting Minutes

April 9, 2015 • 10:00 a.m.

Governor’s Office of Economic Development
60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Clifford White, Bob Frankenberg (P), Lorena Riffo- Jensen, Christopher M. Conabee, Bevan K. Wilson, Margaret Lasecke-Jacobs, Josh Romney (P)
Staff:	Val Hale, Ben Hart, Vicki Varela, Theresa A. Foxley, Eric Nay, Julia Barnhouse, Kimberlee Carlile, Fred Lange, Derek Mellus, Melissa Jackson, Marshall Wright, Jeff Van Hulten, Hillary Bowler, Chase Christiansen, Michael O’ Malley, Sara Adleman, Vatsala Kaul, Dan Royal, Thomas Wadsworth, Tamy Dayley, Maria Hollenhorst, Linda Gillmor, Mimi Davis-Taylor
Visitors:	Jeff Edwards, Steve Styler, President David Pershing, Mark Weinholtz, Erin Laney, Commissioner Rick Carlton, Amy Anderson, Beth Colosimo, Mike Allien, Dr. Nikos Linardakis

Welcome

Mel Lavitt welcomed everyone to the April 9, 2015 Board meeting.

Approval of the Minutes

MOTION: Clifford White motioned to approve the March 12, 2015 minutes. Margaret Lasecke-Jacobs seconded the motion. Motion was carried unanimously.

Presentation- President David Pershing, University of Utah

President Pershing informed the GOED Board that the University of Utah is currently a \$4 billion operation whose goal is to provide world-class, excellent, and affordable healthcare and education. The U of U seeks to provide an environment for their faculty where they can do their creative work with their students. There are currently 32,000 students enrolled, 18,000 faculty and staff, and about 8,000 graduates per year. The U of U currently offers 100 undergraduate degrees and 90 graduate degrees. Most students don’t know what they would like to study so the most popular undergraduate major is undecided. The U of U would like to provide a variety of degrees ranging from Fine Arts to Chemistry so that the undecided students are exposed to many options.

The U of U’s goal is to make sure that all students admitted to the university graduate. The average high school students being admitted into the university have an average GPA of A-. About 90% of students are working throughout their time at the U of U, and only 11% of the students do not work while pursuing an undergraduate degree. Because of this, tuition has to remain affordable. The U of U awarded over 1000 new scholarships to their students.

President Pershing announced that their college of law is in the nation’s top 50, their school of business is in the top 25, the accounting program is in the top 25, University Hospital is in the top 10 for patient care, and their Engineering Arts & Entertainment program has been named #1 in the nation.

Presentation - Tami Goetz, STEM Action Center

Tami Goetz updated the GOED Board on the results of the legislative session. The STEM Action Center has started a program called “Physics First”. Data suggested that high school students who take physics courses first do much better in the more difficult topics – chemistry and biology. The main concern for this program is the lack of physics teachers available; this will be addressed over the coming year.

The first STEM Fest was held at Utah Valley University and proved to be a great success. Over 15,000 students attended over the course of three days. There were over 4,000 public individuals that attended on the opening night, 63 individual and hands-on demonstrations for the students, 55 of which were Utah companies. This hands-on approach was a key factor in the success of this event.

Tami Goetz also announced that Tesoro issued the STEM Action Center a grant to help fund a mobile classroom. The mobile classroom will be modeled after the Discovery Education bus and will accommodate up to 30 students for hands on learning activities. The education bus will focus on rural areas in the state where resources are limited and engaging students at an earlier age.

In terms of economic development and job creation, Tami announced the High School Stem Certification Project. The STEM Action Center funded 12 grants across the state with high schools being the lead in partnership with post-secondary partners such as the ATC’s and Universities. 5 of the 12 grants focused on creating new computer science

and IT & programming certifications that are industry driven and recognized for students to have early access. Students are encouraged to involve industries in the creation of certifications.

Presentation - Commissioner Rick Carlton, Juab County

Commissioner Rick Carlton thanked the GOED Board for the opportunity to present on Juab County. Juab County is considered both urban and rural, with a current population of 12,000 people. They are considered Urban because they are adjacent to a county with more than 50,000 people. The county’s budget is just under \$7 million. Juab County is close to 2 universities and is known for their outdoor recreation activities. Juab seeks help to attract more companies in their area. Juab is non-containment, an advantage that they have over their neighboring counties. Their #1 priority is water. Juab County just completed a water study conducted by Sunrise Engineering and they currently have 162,000 acre feet of water on the east side of the county. The west side of Juab lacks water and their current water supply is being protected by the county. Juab needs help in accumulating water. They have been a member of CUP for 65 years. CUP has signed a letter allocating 10,000 acre feet of water; however, this water resides in Utah Lake which is 24 miles from Juab County. They are hoping to build a pipeline that will carry 20,000 acre feet of water to their county. Commissioner Roper expressed his appreciation for all that GOED has done for them and the support that they have been given.

EDTIF- CHG Healthcare

Project Highlights

Timeline:	2017
Target Industry:	Business Services
Proposed Location(s):	Salt Lake County
Capital Investment:	\$9,281,086

Jobs & Revenue

Full time job over project lifetime: 503
 The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 10 years:	\$219,032,817
New State Revenue over 10 years:	\$8,533,834

Local Incentive

Midvale City is offering the company a local incentive. Please see local letter.

Proposed State Incentive

Total amount of EDTIF, post-performance refundable tax credit:	\$1,706,767
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	10 years

Company Overview

CHG Healthcare Services provides temporary and permanent physician and other healthcare staffing services to hospitals, medical groups and other medical programs and facilities throughout the United States. CHG began in Salt Lake City back in 1979 when they introduced the innovative idea of locum tenens, or temporary physicians, as a way to deliver medical care to rural communities. Over the past 35 years, they have grown that initial idea into a diverse suite of healthcare-staffing brands that include CompHealth, Weatherby Healthcare, RNnetwork and Foundation Medical Staffing. CHG is headquartered in Salt Lake City, Utah, and employ approximately 1,000 people in Salt Lake City, almost 600 people in Florida, and more than 250 people in four other offices located around the United States. CHG does business in all 50 states. Fortune magazine has recognized CHG as one of the “100 Best Places to Work” in America in each of the last five years, making CHG the only Utah-based company on this exclusive list.

MOTION: Margaret Lasecke-Jacobs motioned to approve CHG Healthcare for a \$1,706,767 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Christopher M. Conabee seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$1,706,767 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.
- 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 each including company contributed health insurance.

- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Incentives are site specific and subject to local incentive participation.

Mike Weinholtz, CEO of CHG Healthcare, thanked the GOED Board for their support and the EDTIF. CHG Healthcare is excited to continue their growth in Salt Lake City and in Utah.

Chris Butte extended an invitation to the GOED Board to attend the Bingham Junction opening, the future location for CHG Healthcare, Overstock.com, and many other major companies.

EDTIF - Connolly

Project Highlights

Timeline:	2015
Target Industry:	Business Services
Proposed Location(s):	Salt Lake County
Capital Investment:	\$385,000

Jobs & Revenue

Full time job over project lifetime: 145

The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 5 years:	\$48,266,900
New State Revenue over 5 years:	\$2,601,754

Local Incentive

Salt Lake City is offering the company a local incentive. Please see local letter.

Company Overview

Connolly is a private, global recovery audit firm with more than 1,200 employees, and two divisions Global Retail and Healthcare. The company is headquartered in Wilton, Connecticut. Recovery auditing is a financial best practice recognized by leading organizations worldwide for reducing clients' erroneous payments, improving their processes, and enhancing their performance. Connolly's clients include many of the world's largest and best run companies in virtually all industries. Connolly was selected in 2008, 2009, 2010, and 2011 as one of Inc. magazine's 5000 Fastest Growing Private Companies in America.

The Healthcare division of Connolly is a market leading provider of payment integrity solutions. The Company leverages business intelligence, technology, analytics and clinical and operational expertise to offer comprehensive solutions aimed to prevent and/or recover payment errors that may occur between our clients(Healthcare organizations, Hospital Systems, and Providers) and their counterparties.

Proposed State Incentive

Total amount of EDTIF, post-performance refundable tax credit:	\$520,351
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	5 years

MOTION: Margaret Lasecke-Jacobs motioned to approve Connolly for a \$520,351 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 5 years. Clifford White seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$520,351 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.
- 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 each including company contributed health insurance.
- 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.

Cory Degal, VP of Connolly, thanked the GOED Board for the opportunity to present to them. They are excited to relocate and grow in Utah. Cory has been in Utah for 6 weeks and has enjoyed his time so far. Connolly brought over a few of their employees from Philadelphia to help establish their Utah office and have already hired local workers. They have found bright, intelligent workforce here. Connolly is sending talent recruiters to scout out bright students at the local universities. Cory thanked the GOED Board for the new opportunity to expand in Utah.

Film Update

“It’s Family”

Project Highlights

- Category: Feature
- Genre: Drama
- Director: Roger Donaldson
- Producers: John Kelly, Brad Johnson

Utah Jobs and Revenue

- Estimated Cast: 24
- Estimated Cast Average Salary: \$880/ day
- Estimated Crew: 80
- Estimated Crew Average Salary: \$300/ day
- Estimated Extras: 800
- Estimated Extras Average Salary: \$100/ day
- Length of Film Production: 24 days
- Estimated Spend: \$5,000,000

Project Schedule

- Prep: May 1, 2015 through July 13, 2015
- Principal Photography: July 13, 2015 through September 4, 2015
- Wrap/Post Production: September 6, 2015 through May 1, 2016

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) April 2, 2015

Proposed Motion:

Approve for Normal Family, LLC, a Motion Picture Incentive Program post-performance tax credit of no more than \$1,000,000 (which represents 20% of dollars left in state) or no more than \$1,250,000 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “It’s Family.”

- 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.
- Normal Family, 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 \$1,250,000 (25% of the dollars left in state).

“Into the Mystic”

Project Highlights

- Category: Feature
- Genre: Drama
- Director: Isaac Halasima
- Producer: Duane Andersen, Joshua James

Utah Jobs and Revenue

- Estimated Cast: 18
- Estimated Cast Average Salary: \$175/ day

- Estimated Crew: 16
- Estimated Crew Average Salary: \$250/ day
- Estimated Extras: 50
- Estimated Extras Average Salary: food/gas/class credit in partnership with

UVU Film department

- Length of Film Production: 18
- Estimated Spend: \$292,165

Project Schedule

- Prep: March 20, 2015 through May 4, 2015
- Principal Photography: May 4, 2015 through June 2, 2015
- Wrap: June 3, 2015 through June 8, 2015
- Post Production: June 9, 2015 through December 25, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) April 2, 2015

Proposed Motion:

Approve for Into the Mystic, LLC a Motion Picture Incentive Program post-performance tax credit up to \$58,433 (which represents 20% of dollars left in state) for the production of “Into the Mystic.”

- 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.

“RIOT”

Project Highlights

- Category: Feature
- Genre: Drama
- Director: John Lyde
- Producer: John Lyde, Matthew Reese

Utah Jobs and Revenue

- Estimated Cast: 39
- Estimated Cast Average Salary: \$250/ day
- Estimated Crew: 25
- Estimated Crew Average Salary: \$250/ day
- Estimated Extras: 250
- Estimated Extras Average Salary: \$50/ day
- Length of Film Production: 18
- Estimated Spend: \$278,400

Project Schedule

- Prep: March 15, 2015 through April 12, 2015
- Principal Photography: April 13, 2015 through May 2, 2015
- Wrap/Post Production April 24, 2015 through July 31, 2015.

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) April 2, 2015

Proposed Motion:

Approve for Riot Movie, LLC a Motion Picture Incentive Program post-performance tax credit up to \$55,680 (which represents 20% of dollars left in state) for the production of “Riot.”

- 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.

“Saturday’s Warrior”

Project Highlights

- Category: Feature
- Genre: Musical

- Director: Michael Buster
- Producer: Lex de Azevedo

Utah Jobs and Revenue

- Estimated Cast: 18
- Estimated Cast Average Salary: \$555/ day
- Estimated Crew: 20
- Estimated Crew Average Salary: \$500/ day
- Estimated Extras: 25
- Estimated Extras Average Salary: \$120/day
- Length of Film Production: 35
- Estimated Spend: \$604,700

Project Schedule

- Prep: April 1, 2015 through July 30, 2015
- Principal Photography: August 1, 2015 through September 15, 2015
- Wrap: September 15, 2015 through

September 30, 2015

- Post Production: October 1, 2015 through March 30, 2016

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) April 2, 2015

Proposed Motion:

Approve for SW Film Partners, LC a Motion Picture Incentive Program post-performance tax credit up to \$120,940 (which represents 20% of dollars left in state) for the production of “Saturday’s Warrior.”

- 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

“Tim Timmerman, Hope of America” Amendment

Project Highlights

- Category: Independent Feature
- Genre: Drama
- Director: Cameron Sawyer
- Producer: Gary Groth

Utah Jobs and Revenue

- Estimated Cast: 54
- Estimated Cast Average Salary: \$200/ day
- Estimated Crew: 36
- Estimated Crew Average Salary: \$200/ day
- Estimated Extras: 340
- Estimated Extras Average Salary: \$50/ day
- Length of Film Production: 23
- Estimated Spend: \$330,000

Project Schedule

- Prep: March 1, 2015 through April 9, 2015
- Principal Photography: April 10, 2015 through May 2, 2015
- Wrap: April 11, 2015 through April 15, 2015
- Post Production: April 16, 2015 through August 15, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) February 5, 2015. *This production was originally approved by the GOED Board February 12, 2015. The production company revised the Utah estimated spend from \$285,000 to \$330,000 and has requested the additional MPIP Incentive.*

Proposed Motion:

Approve for Tim Timmerman, Hope of America, LLC a Motion Picture Incentive Program post-performance tax credit up to \$66,000 (which represents 20% of dollars left in state) for the production of “Tim Timmerman, Hope of America.”

- 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.

MOTION: Margaret Lasecke-Jacobs motioned to approve all of the proposed film motions. Bob Frankenberg seconded the motion. The motion carried unanimously.

Rural Fast Track Endorsements

BLH Enterprises

The Rural Development office recommends a Rural Fast Track grant for BLH Enterprises, Inc., based in Garden City, Rich County. The company recently became a concessionaire for State parks at Bear Lake marina. As a result, the company will need to expand and hire new employees. The expansion includes floating docks, a large floating platform to hold a building, a concession building to be placed on the floating platform in the marina, and a retail gasoline dispensing system to sell gasoline to boaters in the marina (including the State Park boats which perform patrols and search and rescues). The company expects to create 12 new positions as a result of the expansion. The project is estimated to cost two hundred fifty-one thousand, nine hundred seventy-three dollars (\$251,973).

MOTION: Endorse a Rural Fast Track Grant for BLH Enterprises, Inc. of \$50,000.

I-Four Media, LLC

The Rural Development office recommends a Rural Fast Track grant for I-Four Media, LLC, based in Ephraim, Sanpete County for the purpose of construction a new building that will allow the company to continue to grow. The new building is larger than their current building, but the company will continue to operate in the current building. The company also plans on purchasing graphic design equipment. The project is estimated to cost one hundred nineteen thousand dollars (\$119,000).

MOTION: Endorse a Rural Fast Track Grant for I-Four Media, LLC of \$50,000.

Liqua-Dry, Inc.

The Rural Development office recommends a Rural Fast Track grant for Liqua-Dry, Inc., based in Abraham, Millard County for the purpose of purchasing custom filtration equipment that removes up to 50% of the water content juices. The company asserts that this equipment will significantly increase their current capacity, while only marginally increasing operational costs. The company expects to create 5 new full-time positions as a result of the purchase. The project is estimated to cost one hundred two thousand dollars (\$102,000).

MOTION: Endorse a Rural Fast Track Grant for Liqua-Dry, Inc. of \$50,000.

Rocky Ridge Outpost

The Rural Development office recommends a Rural Fast Track grant for Rocky Ridge Outpost, LLC, based in Manila, Daggett County for the purpose of constructing 2 camp cabins and a yurt in order to accommodate more guests. The project is estimated to cost forty-one thousand, seven hundred forty-five dollars (\$41,745).

MOTION: Endorse a Rural Fast Track Grant for Rocky Ridge Outpost, LLC of \$20,872.

MOTION: Clifford White motioned to approve all Rural Fast Track Endorsements. Clifford White seconded the motion. The motion carried unanimously. Bevan K. Wilson seconded the motion. The motion carried unanimously.

GOED Update

Val Hale, Executive Director, provided an update on his visit to China to christen the OOCL Utah. Val also provided an update on current events in GOED.

Incentives Update

Theresa A. Foxley, Director of Corporate Recruitment and International Trade provided an update on the Incentives Program regarding new and existing projects.

EDCUtah Update

Todd Brightell, Vice 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.

