Utah Governor's Office of Economic Development

CORPORATE RECRUITMENT AND STATE INCENTIVES

The Governor's Office of Economic Development (GOED) provides financial incentives for business relocation and expansion to select companies that create new, high-paying jobs to help improve the standard of living, increase the tax base, attract and retain top-level management, and diversify the state economy.

Incentives are offered as either tax credits or grants. The incentive amount and duration is decided by the GOED Board and Executive Director based on statutory guidelines and evaluation criteria including the financial strength of the company, the number and salary of jobs created, amount of new state tax revenue, long-term capital investment, competition with other locations, and whether the company is in a targeted cluster, including:

- **Software and Information Technology**
- **Defense and Homeland Security**
- **Aviation and Aerospace**
- **Corporate Headquarters**
- **Energy and Natural Resources**
- **Financial Services**
- **Life Sciences**
- **Outdoor Products and Recreation**

Corporate Incentives

Economic Development Tax Increment Financing (EDTIF)

A post-performance refundable tax credit for up to 30% of new state tax revenues (includes state corporate, sales and withholding taxes) over the life of the project (typically 5 – 10 years).

Industrial Assistance Fund (IAF)

A post-performance grant for the creation of high-paying jobs in the state.

Requirements:

- Create at least 50 new jobs
- Pay at least 125% of urban county average wage or 100% of rural county average wage
- Demonstrate company stability and profitability
- Secure commitment from local community to provide a local incentive
- Demonstrate competition with other locations
- Enter into an incentive agreement with GOED that specifies performance milestones

>> **Utah #1**
Most Educated Workforce

Utah #2
Best State For Business
- Forbes Magazine, 2008

BEST MANAGED STATE
- The Pew Center on the States

MOST LIVABLE & AFFORDABLE CITIES
- SLC/Ogden: HouseHunt, Inc.

MOST EDUCATED WORKFORCE
- Business Facilities Magazine, July 2008

Wasatch Mountain Range frames downtown Salt Lake City

Utah #1
Most Dynamic Economy
Kauffman 2007 State New Economy Index

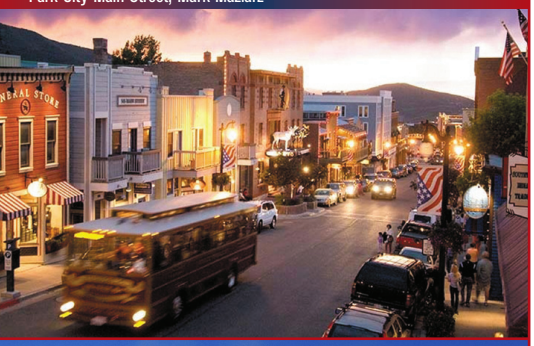
Utah #1
Digital State in the Nation
Center for Digital Government

Frontrunner commuter rail, SLC metro

Hexcel Manufacturing, West Valley City

IM Flash-Intel/Micron joint technology venture, Lehi

Park City Main Street, Mark Maziarz



The Gateway outdoor retail development, Salt Lake City

Novell building, Provo

F-16 s from the 388th Fighter Wing, Hill AFB

Gallivan Utah Plaza, downtown Salt Lake City

Rural Fast Track

A post-performance grant available to small companies in rural Utah

Requirements:

- Be located in a county with a population less than 30,000 and average household income less than $60,000
- Have been in business in the state for at least two years
- Have at least two employees
- Enter into an incentive agreement with GOED which specifies performance milestones
- Demonstrate how the business development project will promote business and economic development in a rural county
  - > Up to $50,000 for a qualifying business development project
- Create and retain for at least 12 months new high-paying jobs in a rural county
  - > $1,000 for each new job that pays over 110% of the county average wage
  - > $1,250 for each new job that pays over 115% of the county average wage
  - > $1,500 for each new job that pays over 125% of the county average wage

Application Process

1. Meet with GOED incentives team to complete and submit application
   Note: Complete applications are due the second Thursday of the month for presentation to the Board the following month
2. Work with local community to obtain commitment for local incentives
3. Incentive applications are considered by the GOED Board's Incentives Committee (typically the first Thursday of the month) and a preliminary decision is recommended to the full GOED Board
4. The GOED Board meets on the second Thursday of the month and makes a final decision on the incentives application
5. GOED sends a Commitment Letter to the company detailing the incentives offer and performance milestones
6. The company countersigns and returns the Commitment Letter to GOED
7. GOED and the company enter into an incentive agreement prior to commencement of the first incentives period

Green Flags

- > Number and salary of jobs created
- > Amount of new state revenue
- > Long term capital investment
- > Targeted industry
- > Competition with other locations

Red Flags

- > In business less than three years
- > Lack of profitability for previous three years
- > Bankruptcy or negative cash flow
- > Sales declines
- > Start-up company, non-profit organization, or retail

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