

Approved
GOED Board Meeting Minutes

May 14, 2015 • 10:00 a.m.

Utah State Capitol

350 North State Street, 120 State Capitol, Salt Lake City, UT

Members Present:	Mel Lavitt, Jerry Oldroyd, Clifford White (P), Bob Frankenberg, Bevan K. Wilson, Margaret Lasecke-Jacobs, Sam Granato, Christopher M. Conabee, Josh Romney, Lorena Riffo-Jensen, Jake Boyer
Staff:	Governor Gary R. Herbert, Justin Harding, Val Hale, Theresa A. Foxley, Kimberly Henrie, Eric Nay, Vicki Varela, Benjamin Hart, Luiza Kulchestcki, Colby Cooley, Jess, Michael O'Malley, Michael Sullivan, Hillary Bowler, Fred Lange, Jeff Van Hulten, Kelleigh Cole, Tamy Dayley, Phil Lundgreen, Jaron Jensen, Tara McKee, Brad Petersen,
Visitors:	Todd Brightwell, Beth Colosimo, Brad Baird, Chris Pieper, Alan Summerhays, William Rappleye, Stephanie Meredith, Greg Thompson, Dana Ardivino, Brandon Pery, Aaron Skonnard, Senator Sandall, Alan Matheson, Mitch Zundel, Lee Edenfield, Jane Orlin, Robert Rose, Vance Checketts, Megan Herrick, David Dobbins, Troy Walker, Scott Sandall, Brice Wallace, Matt Hillburn, Zachary Derr, Dr. Niko Linardakis, Alan Rindlisbacher, Dan Hayes, Brad Baird

Welcome

Mel Lavitt welcomed everyone to the May 14, 2015 Board meeting.

Approval of the Minutes

MOTION: Bob Frankenberg motioned to approve the April 9, 2015 minutes. Sam Granato seconded the motion. Motion was carried unanimously.

EDTIF – Procter & Gamble

Project Highlights

Timeline:	2015
Target Industry:	Manufacturing
Proposed Location:	Box Elder County
Capital Investment:	\$400 Million

P&G operates a paper products manufacturing facility in Box Elder County. The expansion will create up to an additional 200 jobs over the next 20 years. The total wages, including medical benefits, in aggregate are expected to exceed 100 percent of the Box Elder County wage. The projected new state wages over the life of the agreement are expected to be approximately \$197.9 million. Projected new state tax revenues, as a result of corporate, payroll and sales taxes, are estimated to be approximately \$37.2 million over 20 years. The expansion is expected to generate between \$400 to \$500 million in capital investment in the new plant.

MOTION: Jerry Oldroyd motioned to approve Procter & Gamble for a \$11,146,615 EDTIF post-performance refundable tax credit which represents an amount equal to 30% of new state revenue for 20 years. Sam Granato seconded the motion. The motion carried unanimously.

Box Elder County expressed their appreciation for the effort that the t is making in rural communities. The project means a lot to Box Elder and they hope that this will help them attract more businesses.

EDTIF – EMC Corporation

Project Highlights

Timeline:	2016
Target Industry:	IT Electronics & Telecom
Proposed Location:	Salt Lake County
Capital Investment:	\$62 Million

EMC, a leading provider of information technology focused on cloud computing, big data analytics, and security, operates one of eight global “Centers of Excellence” in Draper. The company’s Utah facility, selected for both location and access to a skilled workforce, provides a variety of IT and client services, including serving U.S. federal agencies and global customers.

EMC's expansion plans to create 700 jobs in the next 10 years. The total wages, including medical benefits, in aggregate are expected to exceed 125 percent of the county wage. The projected new state wages over the life of the agreement are expected to be approximately \$207.5 million. Projected new state tax revenues, as a result of corporate, payroll and sales taxes, are estimated to be \$9.1 million over 10 years. The expansion is expected to generate an estimated \$62 million in capital investment.

MOTION: Jerry Oldroyd motioned to approve EMC Corporation for a \$3,873,191 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 10 years. Margaret Lasecke-Jacobs seconded the motion. The motion carried unanimously.

Vance Checketts, General Manager for EMC, thanked Governor Herbert, GOED, Mayor Walker, and Draper City for their partnership.

Mayor Troy Walker acknowledged the Draper City Council and their vision for EMC. Draper City has created a business environment that will allow companies like EMC to grow in Draper.

Jake Boyer has arrived to the meeting.

Governor Gary Herbert thanked those responsible for bringing everyone together. He appreciates the opportunity to see the results of the good work that has been done and the remarkable work that the GOED Board has done to make Utah the most business-friendly state in America today. The post-performance incentives program is the envy of other states. Governor Herbert thanked the GOED Board, local officials, Draper City, and Box Elder County for being such great partners and recognizes some of the challenges that the State of Utah has.

Box Elder is a little more rural that faces unique challenges and unique opportunities. Procter & Gamble has recognized the great opportunities that can be found in Box Elder County when they came back in 2007 and 2008. We now see the results from that move and the fact that Box Elder has been so willing to embrace Procter & Gamble and help them be successful. Procter & Gamble is the first manufacturing plant in North America in 35 years and they chose Utah and Box Elder County, which shows the great work that is there.

Draper City is doing great things with EMC who currently employs 900 people and up to an additional 700 employees over the next ten years. This shows that economic expansion continues to be the hallmark of what Utah is all about. We believe in the free market system, we believe in capitalism, we believe in competition, and we believe in empowering the private sector and giving them the opportunity to be successful. This is why Utah has competitive tax rates, regulation reform, and has created an environment that is conducive to the entrepreneur and the business community. Governor Herbert visited with Lloyd Blankfein, Chairman and CEO of Goldman Sachs, who said that there is no more business-friendly place than the State of Utah.

Utah has created a very good thing that is taking place in the state. Draper City is part of Utah's Silicon Slopes effort which is like Silicon Valley, but with better skiing. We have an attraction here, and people like to come here because of the quality of life and the environment that they find themselves in business-wise. Governor Herbert appreciates the work of the legislature and their efforts to create efficiency in Utah. We are the best managed state and Utah is currently striving to fund 25% more efficiency by the end of 2016. We are not resting on our laurels, we appreciate the good work that has happened to the past but we also look to the future. Today we see examples of that future opportunity with Procter & Gamble and EMC as they expand their operations.

Governor Herbert recognizes the collaborations and cooperation between the state, Executive Branch, Legislative Branch, local government and the private sector working together for the good of the whole. This collaboration is the secret to Utah's success. Governor Herbert congratulates Procter & Gamble and EMC for their success and expects great things to happen in the future.

Presentation – Aaron Skonnard, President & CEO of Pluralsight

Aaron thanked the GOED Board for having him and allowing him to present to the Board. Pluralsight started in 2004 as a place to teach programmers in a corporate setting. Through the internet disruption of the decade, the company realized the opportunity to take their training model online. They wanted to take the professional training program and make it available to people regardless of their economic status or location and allow them to redefine their futures around technology. Pluralsight has customers in over 150 countries and have had triple digit growth for the past 5 years. They went from 20 employees to about 400 employees. Pluralsight is located in Farmington, Utah because they

believed that they would find the talent that they needed in the area, and they were right. Pluralsight is thankful that they have been able to work with Governor Herbert to help bring more attention to the focus of a need for more technology within grades K-12 and universities.

Aaron highlighted three benefits of building his business in Utah. The first thing is “Tech DNA”, meaning there is a unique DNA in Utah around the tech industry. The second thing is a healthy cultural DNA around the business environment, much like Silicon Valley. Utah facilitates building this DNA and inspires others to be a part of it. The third thing is access to capital. Investors have now placed Utah on the map and are looking at businesses within the state.

Some of the challenges that Pluralsight has faced is the shortage in tech talent. Because of this other tech companies are recruiting people from other local tech companies in order to succeed. Solving this problem is critical and short-term solutions will help until the long-term solutions are put in place. There also needs to be a deeper focus on recruiting more talent into Utah.

Presentation - Alan Matheson , Senior Environmental Advisor

Alan Matheson thanked the GOED Board for the opportunity to present to them. Alan began by sharing his experiences on a recent rafting trip taken around Lake Powell and how he saw the visual representation of the drought that Utah is experiencing. Utah is in the 15th year of the most significant drought in recorded history. This year Utah has experienced an average of 20% - 25% snow pack. We are fortunate for the water storage systems that are in place so that it can be carried over to our current supply. The agricultural community has been forced to cut back their supply this year which will have a significant impact on the economy. Alan presented a fundamental question; will Utah be able to have water long-term? Alan believes that this is a possibility. Not only does water play a huge role in attracting businesses, it also impacts the outdoor recreation community and Utah’s landscape.

The drought has been recognized as one of the top priorities in the state. In order to succeed, Utah will need to think of creative ways to conserve water and develop water. The population will continue to grow because of the strong economy and this will be taken into consideration moving forward. There are a few challenges that have been identified for future planning. The first is the lack of funding by the federal government. The second is that Utah shares its water supply with neighboring states.

Governor Herbert has requested a 50 year water strategy plan. A diverse group of 40 people from around the state has been pulled together to help develop this strategy. There are two initiatives currently going on to help form the strategy plan. The first is the “Your Utah, Your Future” which was designed to allow Utah residents to choose from a list of economic scenarios that they feel would be best for the state. The second is drafting up a strategy using the recommendations that the planning committee has gathered. Pricing and technology are being considered in the drafting. The plan will be finalized this year.

Economic Opportunity Grant – Christina Oliver & Brad Petersen

Brad Petersen, Director of the Outdoor Recreation cluster, shared an article that highlighted Utah and it’s commitment to outdoor recreation. Brad believes that the economic opportunity grant that is being presented for the Outdoor Retailer show will help keep them in Utah and facilitate growth, ultimately adding to Utah’s commitment to the outdoor industry. The Outdoor Retailer show is owned and produced by Emerald Expositions and is marketed through the Outdoor Industry Association. The show generates over \$46 Million in Utah per year between the two shows, one in winter and one in the summer. They are currently contracted with Visit Salt Lake through 2016 and in order for the summer show to grow, pavilions need to be added to help with expansion. The economic opportunity grant for Visit Salt Lake will aid in the funding for these pavilions.

The city, county, and the state are currently contributing to the Outdoor Retailer show in an economic opportunity grant. GOED is currently providing a portion of \$665,000 per year in an existing grant and there has been a request for a one-time appropriation of \$271,290 for 2015.

Christina Oliver provided a brief update on the Convention Center hotel. A developer has been selected, Omni, but there is a lot of infrastructure due diligence and site due diligence that is still being worked on. Mayor McAdams and Director Litvak visited Omni facilities in Texas, met with leadership from their organization, and a site will be selected soon.

MOTION: Jerry Oldroyd motioned to approved to extend the current Economic Opportunity Contract for 2015 to cover the incremental costs of adding tent space to the 3 existing tents, in an amount not to exceed \$271,290. Participation is contingent on receiving binding commitments from both Salt Lake County and Salt Lake City that each entity will participate in the incremental tent costs at their full pro-rata amounts. Lorena Riffo-Jenson

seconded the motion. The motion carried unanimously.

Presentation – Kelleigh Cole, Broadband Outreach Center

Kelleigh Cole, Director of the Broadband Outreach Center, thanked the GOED Board for inviting her to present. Kelleigh works with over 50 Broadband providers throughout the state. These providers include GOOGLE, Century Link, AT&T, T-Mobile, etc. Their data is mapped extensively and issues are found and addressed. There is a Broadband Advisory Council that meets once per month to help address these issues. Utah’s internet infrastructure is doing very well and has been ranked as the fastest internet speeds in the country, and has been ranked the 17th fastest in the world.

Kelleigh presented a newly developed extensive residential Broadband map. A hexagon grid pattern was created around the fiber in the state. This shows the available fiber services in the state but it also shows other services such as higher education institutions, lifestyle factors, utilities, major and regional airports, etc. This allows businesses that are considering a location in Utah to see the available resources in a given area. The map also partners with suresites, a site selecting website produced by EDCUtah.

This map can be found at locate.utah.gov.

Film Update

Project Highlights

- Category: TV Series
- Genre: Drama
- Director: John Lyde
- Producer: Jason Faller, Kynan Griffin

Utah Jobs and Revenue

- Estimated Cast: 22
- Estimated Cast Average Salary: \$250/ day
- Estimated Crew: 20
- Estimated Crew Average Salary: \$250/ day
- Estimated Extras: 210
- Estimated Extras Average Salary: \$100/ day
- Length of Film Production: 16
- Estimated Spend: \$651,650

Project Schedule

- Prep: April 15, 2015 through July 15, 2015
- Principal Photography: July 16, 2015 through August 8, 2015
- Wrap: August 9, 2015
- Post Production: August 10, 2015 through March 31, 2016

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) May 7, 2015

MOTION: Margaret Lasecke-Jacobs motioned to approve for Camera 40 Productions, LLC a Motion Picture Incentive Program post-performance tax credit up to \$130,330 (which represents 20% of dollars left in state) for the production of “The Outpost Episodes 4-6.” Bob Frankenberg seconded the motion. The motion 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 production’s cast/crew must be Utah residents and/or Utah students.

Rural Fast Track Endorsements

The Rural Development office recommends a Rural Fast Track grant for P&C Environmental, LLC, based in Teasdale, Wayne County, for the purpose of expanding their invasive tree removal business by purchasing a wood chipper and pellet mill in order to recycle the invasive trees. The company expects to create 2 new full-time positions as a result of the expansion. The project is estimated to cost forty- nine thousand nine hundred ninety-five dollars (\$49,995.00).

MOTION: Christopher M. Conabee motioned to endorse a Rural Fast Track Grant for P&C Environmental, LLC of \$24,997. Bevan K. Wilson seconded the motion. The motion carried unanimously.

ED Zones

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE EXPANSION OF YOUNG LIVING ESSENTIAL OILS, LC WITHIN LEHI CITY, UT AT 24.51 ACRES LOCATED AT APPROXIMATELY 3600 N. FRONTAGE ROAD, LEHI CITY, UT

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR LEHI CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF YOUNG LIVING ESSENTIAL OILS, LC WITHIN LEHI CITY, UT AT 24.51 ACRES LOCATED AT APPROXIMATELY 3600 N. FRONTAGE ROAD, LEHI CITY, UT

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE RECRUITMENT OF ARMADA SKIS WITHIN PARK CITY, UT AT 2700 RASMUSSEN RD, PARK CITY, UT 84098

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR PARK CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE RECRUITMENT OF ARMADA SKIS WITHIN PARK CITY, UT AT 2700 RASMUSSEN RD, PARK CITY, UT 84098

MOTION: Jerry Oldroyd motioned to approve the ED Zones for Young Living LLC and Armada Skis. Josh Romney seconded the motion. The motion carried unanimously.

GOED Update

Val Hale, Executive Director, presented the “famous five” which highlighted the current events going on in GOED. GOED recently hosted three major events: Economic Summit, Venture Capital Conference, and the Governor’s Science Medals. All of these events were very successful this year. Val also announced Avenue H’s new website that can be viewed at avenueh.com.

Incentives Update

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

MOTION: Josh Romney motioned to adjourn the May 14, 2015 GOED Board Meeting. Jake Boyer seconded the motion. The motion carried unanimously.