

GOED Board Meeting Minutes
 September 12, 2013 • 10:00 a.m.
 Governor’s Office of Economic Development
 60 E. South Temple, Third Floor

Members Present:	Jerry Oldroyd, Mel Lavitt (phone), Molonai Hola, Brent Brown, Rob Adams, Cliff White, Peter Mouskondis, Stefanie Bevans, Winston Wilkinson, Amy Anderson
Staff:	Sophia DiCaro, Christopher M. Conabee, Eric Nay, Jenni Osman, Ron Andrus, Tamy Dayley, Zach Derr, Michael Sullivan, Adam Turville, Kevin Jessing, Delynn Fielding, Dan Royal
Visitors:	Bill Loos, Todd Brightwell, Derek Mellus, Mimi Davis-Taylor, Nikos Lindarkis, Gary Harter, Brad Baird, David Baird, Brigham Mellus, Gurbinder Singh, Chet Linton, Chris Nielson, Michael Lau, Steven Lau, Jowy Lau, Brice Wallace, Paul Resnick, Kim Frost, Paul Beebe

Welcome

Jerry Oldroyd welcomed everyone to the September 12, 2013 Board meeting.

MOTION: Peter Mouskonis moved to approve the August 8, 2013 and August 12, 2013 minutes. Stefanie Bevans seconded the motion. Motion was carried unanimously.

ED ZONE - DoTerra

Establish an Economic Development Zone for the purpose of supporting the establishment of a manufacturing facility for doTERRA, Inc. in Pleasant Grove, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Pleasant Grove, in support of their letter of request detailing the boundaries of the doTERRA, Inc. facility located at 1289 Pleasant Grove Blvd. in Pleasant Grove, Utah. Brent Brown seconded the motion. Motion was carried unanimously.

EDTIF – Indus Valley Partners

Project Highlights

- Timeline: 2013
- Target Industry: Financial Services
- Proposed Location(s): Salt Lake County
- Capital Investment: \$500,000

Jobs & Revenue

Full time job over project lifetime: 200
 The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 11 years: \$91,909,000
 New State Revenue over 11 years: \$5,362,085

MOTION: Jerry Oldroyd moved to approve Indus Valley Partners for a \$1,072,417 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 11 years. Molonai Hola seconded the motion. Motion was carried unanimously.

- Incentives provided post-performance upon review and verification by GOED.
- Total EDTIF incentive not to exceed \$1,072,417 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.
- Must commit to keep operation in Utah for the length of the incentive period, 11 years.
- Subject to local incentive.

Gurvinder Singh spoke to the Board about his excitement on this project and thanked the Board and staff for their support and work on this.

EDTIF – Nature Food Products

Project Highlights

- Timeline: 2013
- Target Industry: Other
- Proposed Location(s): Box Elder County
- Capital Investment: \$35,000,000

Jobs & Revenue

Full time job over project lifetime: 261
 The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 10 years: \$93,629,653
 New State Revenue over 10 years: \$6,987,258

MOTION: Jerry Oldroyd moved to approve Nature Food Products for a \$1,397,452 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Rob Adams seconded the motion. Motion was carried unanimously.

- Incentives provided post-performance upon review and verification by GOED.
- Total EDTIF incentive not to exceed \$1,397,452 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.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Subject to local incentive.

Michael Lau thanked the Board for their support, spoke on the expansion and what a great opportunity it will be to come and expand here. He also spoke on the large capital investment which means that they need a long-term investment and a place to call home.

EDTIF – School Improvement Network

Project Highlights

- Timeline: 2013
- Target Industry: IT Electronics and Telecom
- Proposed Location(s): Salt Lake County
- Capital Investment: \$8,000,000

Jobs & Revenue

Full time job over project lifetime: 810
 The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 20 years: \$753,611,307
 New State Revenue over 20 years: \$80,299,263

MOTION: Jerry Oldroyd moved to approve School Improvement Network for a \$3,114,789 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Amy Anderson seconded the motion. Motion was carried unanimously.

- Incentives provided post-performance upon review and verification by GOED.
- Total EDTIF incentive not to exceed \$3,114,789 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.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Subject to local incentive.

Chet Linton spoke on how their business model works and also that what drives them is helping the students and the teachers. The education and the jobs that come from this model are incredible and they are excited to continue to build their model. He thanked the Board for all of their support.

MPIF

MPAC Policy Change Motion

MOTION: Amy Anderson moved to approve for the Motion Picture Incentive Program a change in policy for films whose budgets are \$200,000 or greater, but less than \$1M, to be eligible to receive up to 20% of dollars left in state, provided that the film production company meets the definition of "significant percentage of cast and crew from Utah", which shall be no less than 85% of the total in-state hires of cast and crew. Peter Mouskondis seconded the motion. Motion was carried unanimously.

“Saints and Soldiers 3” Adjustment

RECOMMENDATION: Adjusting SAS3, LLC Motion

On June 13, 2013 the GOED Board approved for SAS3, LLC a \$90,000 MPIP post-performance cash incentive which represents 15% of dollars left in state for the production of ‘Saints and Soldiers 3.’ SAS3, LLC wishes to adjust the incentive to a \$120,000 MPIP post-performance cash incentive which represents 20% of dollars left in state, to reflect the new MPIP policy.

Motion: Amy Anderson moved to adjust for SAS3, LLC post-performance cash incentive to \$120,000 (which represents 20% of dollars left in state) for the production of ‘Saints and Soldiers 3.’ Stefanie Bevans seconded the motion. Motion was carried unanimously.

“H8TRZ”

Project Highlights

- Category: Feature Film
- Genre: Drama
- Director: Derrick Forte
- Producer: Avi Levy, Scott Lochmus

Utah Jobs and Revenue

- Estimated Cast: 28
- Estimated Cast Average Salary: \$1,100/day
- Estimated Crew: 68
- Estimated Crew Average Salary: \$300/day
- Estimated Extras: 100
- Estimated Extras Average Salary: \$100/day
- Length of Film Production: 18
- Estimated Spend: \$1.268 million

Project Schedule

- Prep: October 14, 2013 through November 1, 2013
- Principal Photography: November 4, 2013 through November 23, 2013
- Wrap: November 25, 2013 through November 30, 2013

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) September 5, 2013

MOTION: Amy Anderson moved to approved for H8TRZ, LLC a Motion Picture Incentive Program post-performance tax credit of no less than \$253,600 (which represents 20% of dollars left in state) and up to \$317,000 (which represents 25% of the dollars left in state) for the production of ‘H8TRZ.’ Peter Mouskondis seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval

- H8TRZ, 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. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$317,000 (25% of the dollars left in state).

Taiwan Delegation Scenic Tour of Utah Economic Opportunity

Recommend an Economic Opportunity grant for the purpose of facilitating a Taiwanese business delegation Scenic Tour of Utah. GOED will participate with last dollar funding an Economic Opportunity Grant with partnerships with numerous Sponsors including EDCUtah. Delegation of no less than 8 sponsors will contribute first dollar funds of \$100,000 to receive matching funds of \$25,000.

Public Funds

Ogden \$25,000

Salt Lake County \$25,000

SLC Visitors \$15,000 (in kind rooms)

Utah County \$10,000

Washington County \$2,500

Private

Weber State \$5,000

TRP \$10,000 (est)

MOTION: Brent Brown moved to approve an Economic Opportunity Grant for the Taiwanese Scenic Tour of Utah Delegation of up to \$25,000 from the Industrial Assistance Fund. This grant is subject to matching contributions of \$100,000 from at least 8 partners. Peter Mouskondis seconded the motion. Motion was carried unanimously.

Gary Harter Presentation

Gary Harter discussed some of the programs regarding Veterans Affairs. They have a few objectives on how they are trying to work with the Veterans and employment. The first one is forming respect for those that have served, creating awareness (requirements of veterans, ect.) and help with employment. They are trying to reduce the rate of unemployment of the veterans and he appreciates the role of GOED and their goal to have all companies that are incented to have a veteran's employment policy.

Paul Resnick Presentation

Paul Resnick discussed that he is currently working with Smithfield Foods (Murphy-Brown & Farmland Foods) who at this point is on board to be the major sponsor for the Bonneville event; their marketing goal is to increase their market share in the Mountain States and the Hispanic community nationwide. The Bonneville project is just a small part of Smithfield's master plan of increasing their presence in Utah and the Mountain States. The end result will be more agricultural jobs in Beaver County, new warehouse construction jobs in SLC County, hundreds of new warehousing jobs in the SLC area (also added trucking jobs and revenue through CR England's growth from Smithfield's expansion) plus the revenue generated by the Bonneville event which is in Tooele County.

GOED Update

Sophia DiCaro, Deputy Director of GEOD gave an update on the China trade mission, the GOED office is currently working on revamping the economic development report and that the GOED office is working on scheduling a legislation day in our office. Spencer P. Eccles is also currently in New York with the Governor on a trade mission.

Incentives Update

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services, gave an update on the Incentives Program regarding new and existing projects.

Meeting adjourned.