

**GOED Board Meeting Minutes**  
 March 8, 2018 • 10:00 a.m. – 12:00 p.m.  
 Governor’s Office of Economic Development  
 60 E South Temple, Suite 300  
 Salt Lake City, UT 84111

<b>Members Present:</b>	Jerry Oldroyd, Mel Lavitt, Christopher M. Conabee, Lorena Riffo-Jenson, Carine Clark, Margo Jacobs, Sue Johnson, Steve Neeleman (P), Stefanie Bevans (P)
<b>Members Excused:</b>	Brent Brown, Peter Mouskondis, Ted Wilson, Annette Meier
<b>Staff:</b>	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Lynne Mayer, Vicki Varela, Dane Ishihara, Jim Grover, Aimee Edwards, Ginger Chinn, Jill Flygare, Chanel Flores, Nan Anderson, Kimberlee Carlile, Chase Christiansen, Tom Adams, Tara McKee, Kamron Dalton, Jeremy Kartchner, Michael O’Malley
<b>Visitors:</b>	Mike Flynn, Theresa Foxley, Brice Wallace, Chris Pieper, Colby Cooley, Ashley Trejo, Melisa Stark, Richard Oyen, Dan Menudier, David Baird, Martin O’Loughlin, Terrance Bride, John Walbrecht, Alex Adamant, Marshal Olson

**Welcome**

Mel Lavitt welcomed everyone to the March 8, 2018 GOED Board Meeting.

**Approval of the Minutes**

**MOTION: Mel Lavitt moved to approve the February 8, 2018 minutes. Margo Jacobs seconded the motion. The motion carried unanimously.**

**EDTIF – Centrifry Corporation**

**Project Highlights**

Timeline:	2018
Target Industry:	IT
Proposed Location(s):	Salt Lake County
Capital Investment:	\$4,500,000
Jobs:	200
Average Wage:	\$95,000

**Company Overview**

Centrifry redefines security from a legacy static perimeter-based approach to protecting millions of scattered connections in a boundaryless hybrid enterprise. As the only industry recognized leader in both Privileged Identity Management and Identity-as-a-Service, Centrifry provides a single platform to secure each user’s access to apps and infrastructure through the power of identity services. Centrifry protects against the leading point of cyberattack – compromised credentials – and delivers the next generation of security via their Zero Trust platform. The company enables over 5,000 customers, including over half of the Fortune 50, to defend their organizations.

Founded in 2004, Centrifry is headquartered in Santa Clara, California, with additional development and regional offices in Seattle, Hong Kong, Japan, London, Munich, Melbourne and Sao Paulo.

**Incentives Committee Recommendation**

Total amount of EDTIF, post-performance refundable tax credit:	<b>\$1,003,584</b>
The amount represents the following percentage of new state revenues:	<b>15%</b>
Number of years that incentive is approved for:	<b>6 Years</b>

**Jobs & Revenue**

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

<b>New State Wages &amp; Revenue:</b>	
New State Wages over 15 years:	\$69,204,079
New State Revenue over 15 years:	\$2,784,718

Local Incentive

Murray City is supportive of the project. The city is considering contributing funds towards the tenant improvements and expedited processes for the project.

**MOTION: Mel Lavitt moved to approve Centrifry Corporation for an EDTIF, post-performance refundable tax credit of up to 556,944 which represents 20% of the \$2,784,718 of new state revenue, which may be earned over 5 years. Margo Jacobs seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$556,944 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% & of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- 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 110% of the average wage each excluding 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.
- Local incentive proposal must be presented to and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Company must demonstrate sufficient investment, capital or other financial resources to reasonably fulfill the projections included in the application.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Centrifry’s Richard Oyen thanked the board, and spoke of the company’s work in cybersecurity and its hiring plans in Utah. Dan Menudier offered more information on Centrifry’s customer base in government, business and financial institutions.

**EDTIF – Borsight, Inc.**  
**Project Highlights**

Timeline:	2018
Target Industry:	Aerospace
Proposed Location(s):	Weber County
Capital Investment:	\$6,300,000
Jobs:	95
Average Wage:	\$109,000

**Company Overview**

Borsight, Inc. is a Service Disabled Veteran-Owned Small Business (SDVOSB) with proven experience as Prime Contractor to the USAF and NATO. They are master integrators of modern avionics into legacy airframes and creators of cutting-edge data-link and voice communication equipment. The company is primarily in the business of modernizing the avionics and mission systems of large DoD aircraft such as the C-130.

Borsight is headquartered in Ogden, Utah, and has employees in four states, and representatives deployed to three foreign countries to support US Military combat operations.

**Incentives Committee Recommendation**

Total amount of EDTIF, post-performance refundable tax credit:	\$825,008
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	7 Years

Jobs & Revenue

Full time jobs over project lifetime: 95  
 The company will provide full-time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:	
New State Wages over 7 years:	\$33,319,518

New State Revenue over 7 years: \$4,125,041

**MOTION: Mel Lavitt moved to approve Borsight, Inc for an EDTIF, post-performance refundable tax credit of up to \$825,008 which represents 20% of the \$4,125,041 of new state revenue, which may be earned over 7 years. Carine Clark seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$825,008 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 20% & of qualified new incremental state tax revenues over 7 years with a contractual recapture provision for any excess funds paid to the company.
- 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 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 7 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented to and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Company must demonstrate sufficient investment, capital or other financial resources to reasonably fulfill the projections included in the application.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Terrance Bride of Ogden City spoke of the importance of Borsight, Inc. to Ogden City's strategy for aerospace recruitment and expansion in the area. Borsight will be a big part of a new aerospace business park at the Ogden airport.

Borsight's Martin O'Loughlin thanked the board for considering its application and spoke to the progress the company is making in attracting workforce and in making its employment offers competitive.

**EDTIF – a2b Fulfillment, Inc.**

**Project Highlights**

Timeline:	2018
Target Industry:	Other
Location:	Weber County
CapEx:	\$840,000
Jobs:	75
Average Wage:	\$55,000

**Company Overview**

Since 2001, a2b Fulfillment has been helping companies work smarter by providing a range of third-party logistics services, including Order Fulfillment, Customer Care and Value-Added Services. Their specialized solutions are designed to improve the customer experience, while reducing operating costs through a variable model.

Headquartered in Greensboro, Georgia, a2b Fulfillment provides the following services:

- Order Fulfillment for E-Commerce, Direct Response, Retail and Drop-Shipping
- Customer Care
- Value Added Services: Kitting & Assembly, Retail Preparation, Point of Sale Build & Load, and Promotional Support.

**Incentives Committee Recommendation**

Total amount of EDTIF, post-performance refundable tax credit:	\$54,647
The amount represents the following percentage of new state revenues:	10%
Number of years that incentive is approved for:	5 Years

**Jobs & Revenue**

Full time jobs over project lifetime: 75

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

New State Wages & Revenue:  
 New State Wages over 5 years: \$13,254,846

New State Revenue over 5 years: \$546,471

**MOTION: Mel Lavitt moved to approve a2b Fulfillment, Inc for an EDTIF, post-performance refundable tax credit of up to \$54,647 which represents 10% of the \$546,471 of new state revenue, which may be earned over 5 years. Susan Johnson seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$54,647 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 10% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 10% & of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- 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 110% of the average wage each excluding 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.
- Local incentive proposal must be presented to and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Company must demonstrate sufficient investment, capital or other financial resources to reasonably fulfill the projections included in the application.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Terrance Bride expressed that this company means more to Ogden than the 70 jobs. At some point in the future because of this company we may have more wins as it opens up one day shipping to a larger portion of the western US.

**Economic Opportunity – Sports Specialists, Ltd.**

**Project Highlights**

Timeline:	2019-2021
Target Industry:	Outdoor Recreation
Location:	Salt Lake City

**Company Overview**

Sports Specialists Ltd. (SSL) is a collective of the best specialty retailers in the U.S. Since 1971, SSL has been the leading marketing, purchasing, and merchandising group in the specialty ski, snowboard, outdoor lifestyle, and casual furniture industries. SSL is owned and directed by specialty sports retailers for specialty sports retailers.

SSL is owned by 61 corporate entities representing 162 retail businesses throughout the U.S. The Winter Sports Market annual trade conference brings 1200 attendees annually. The combined 295 storefronts account for more than \$500MM in retail sales and over \$40MM in sales taxes across the country. The orders placed at WSM account for 30% of winter sports manufacturer’s annual sales. WSM generated \$2.1MM of economic impact in Colorado in 2018

**MOTION: Mel Lavitt moved to approve Sports Specialists, Ltd. for an Industrial Assistance Fund, post-performance, Economic Opportunity Grant of up to \$150,000 which represents annual disbursements of \$50,000 for 3 years. Steve Neeleman seconded the motion. The motion carried unanimously.**

Tom Adams, director of the Utah office of Outdoor Recreation, presented the Utah Winter Sports Market, a trade show organized by two ski buying groups. The show was recently held with the Outdoor Retailers show in Denver, but the dates are problematic for this industry. Getting this show in Utah will begin to repair Utah’s image as the best state for outdoor shows/events. Attendees of this show bring strong spending habits. 125 brands and nearly 300 specialty retail locations. Visit Salt Lake is contributing \$10,000 in cooperative marketing and Salt Lake County will participate by reducing the cost of meeting space by over \$57,000 per year for 3 years.

John Walbrecht of Black Diamond spoke of the value of this show in gaining buyer orders. This show is of more value to them because of the buyers it attracts and the attention they can get.

**Rural Fast Track Grant Endorsements****DFA – Beaver Operation  
March 8, 2018**

The Rural Development office recommends a Rural Fast Track grant for DFA – Beaver for the purpose of expanding the business and constructing a new building. The company expects to create three (3) new full time positions as a part of the expansion, these new positions will pay 110%, 115% and 125% of the average county wages. The total project cost is valued at \$5 million (\$5,000,000).

**MOTION: Endorse a Rural Fast Track Grant for DFA Beaver in the amount of \$50,000.**

**Rural Fast Track Grant  
Lyle Young Welding  
March 8, 2018**

The Rural Development office recommends a Rural Fast Track grant for Lyle Young Welding for the purpose of expanding the business and constructing a new storage shed at the facility. The company expects to create three (3) new full time positions as a part of the expansion; these new positions will pay 110%, 115% and 125% of the average county wages. The total project cost is valued at two-hundred seventeen thousand two hundred thirty one dollars (\$217,231.00).

**MOTION: Endorse a Rural Fast Track Grant for Lyle Young Welding in the amount of \$50,000.**

**Rural Fast Track Grant  
Sanpete Veterinary Clinic  
March 8, 2018**

The Rural Development office recommends a Rural Fast Track grant for Sanpete Veterinary Clinic for the purpose of expanding the business and constructing a new building. The company expects to create two (2) new full time positions as a part of the expansion; these new positions will pay 110%, and 125% of the average county wages. The total project cost is valued at three-hundred thousand dollars (\$300,000.00).

**MOTION: Endorse a Rural Fast Track Grant for Sanpete Veterinary Clinic in the amount of \$50,000.**

**Rural Fast Track Grant  
Superior Enterprises  
March 8, 2018**

The Rural Development office recommends a Rural Fast Track grant for Superior Enterprises for the purpose of expanding the business and purchasing a sweeper truck and storage tank. The company expects to create two (2) new full time positions as a part of the expansion at \$10 per hour (minimum requirement is \$9.25 per hour) -- Emery County has a temporary adjustment from the 110% wage requirement. The total project cost is valued at eighty-three thousand dollars (\$83,000.00).

**MOTION: Endorse a Rural Fast Track Grant for Superior Enterprises in the amount of \$39,000.**

**Rural Fast Track Grant  
Hillbilly Mill  
March 8, 2018**

The Rural Development office recommends a Rural Fast Track grant for Hillbilly Mill for the purpose of expanding the business and purchasing equipment: spray booth, cantilever rack, boring mini drill and an edgebender. The company expects to create one (1) new full time position as a part of the expansion at 110% of the average county wages. The total project cost is valued at thirty-three thousand eight hundred dollars (\$33,800.00).

**MOTION: Endorse a Rural Fast Track Grant for Hillbilly Mill in the amount of \$11,875.00.**

**MOTION: Susan Johnson moved to endorse all of the Rural Fast Track grants presented. Lorena Riffo-Jenson seconded the motion. The motion carried unanimously.**

**GOED Update**

Val Hale, Executive Director, provided an update on upcoming events and departmental updates within GOED and with input from managing directors gave a review of activity in the current Utah legislative session with impact on GOED and its programs.

**Incentives Update**

Thomas Wadsworth, Director of Corporate Growth and Business Development, provided an update on the Incentives Program regarding new and existing projects.

**EDCUtah Update**

Theresa Foxley, President and CEO of EDCUtah, presented on the status of current and upcoming projects in the pipeline.

**Meeting Adjourned**