

GOED Board Meeting Minutes
 May 11, 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

Members Present:	Jerry Oldroyd, Mel Lavitt, Stefanie Bevans, Ted Wilson, Roger Killpack, Christopher M. Conabee (P), Annette Meier (P), Sue Johnson (P), Peter Mouskondis (P)
Members Excused:	Carine Clark, Steve Neeleman, Margo Jacobs, Brent Brown, Lorena Riffo-Jenson
Staff:	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Lynne Mayer, Aimee Edwards, Ginger Chinn, Kimberlee Carlile, Michael O'Malley, Virginia Pearce, Owen Barrott, Nan Anderson, Tara McKee
Visitors:	Theresa Foxley, Mike Flynn, Brice Wallace, Chris Pieper, Colby Cooley, Melisa Stark

Welcome

Chairman Jerry Oldroyd welcomed everyone to the May 11, 2018 GOED Board Meeting.

Approval of the Minutes

MOTION: Mel Lavitt moved to approve the April 12, 2018 minutes. Roger Killpack seconded the motion. The motion carried unanimously.

Presentation: Outdoor Recreation Industry in Utah

Tom Adams, director of the Office of Outdoor Recreation, presented an overview of his office and the state of the outdoor recreation industry in Utah. He introduced the office and its federal, state, private, and non-profit partners. The outdoor recreation economy is large, generating \$887 billion in consumer spending annually, with \$12.3 billion in spending in Utah each year. Nearly \$737 million in state and local tax revenue in Utah comes from outdoor recreation.

EDTIF - Clarus Corporation

Project Highlights

Timeline:	2018
Target Industry:	Outdoor Rec
Location:	Salt Lake County
CapEx:	\$40M
Jobs:	147
Average Wage:	\$88,000

Company Overview

Clarus Corporation (FKA Black Diamond) is a global leader in designing, manufacturing, and marketing innovative outdoor engineered equipment and apparel for climbing, mountaineering, backpacking, skiing, hunting and other year-round outdoor recreation activities. They offer a broad range of products including: high performance apparel; rock-climbing equipment (such as carabiners, protection devices, harnesses, belay devices, helmets, and ice-climbing gear); technical backpacks and high-end day packs; tents; trekking poles; headlamps and lanterns; gloves and mittens; and advanced skis, ski poles, ski skins, and snow safety products, including avalanche airbag systems, avalanche transceivers, shovels, probes and high quality high-precision bullets. They hold more than 100 patents and patents pending worldwide and hundreds of new product introductions since 1989.

Incentives Committee Recommendation

Total Amount of EDTIF, post-performance refundable tax credit:	\$1,787,365
The amount represents the following percentage of new state revenue:	20%
Number of year that the incentive is approved for:	8 Years

Jobs & Revenue

Full time jobs over project lifetime: **147**
 The company will provide full-time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 8 years: \$91,067,138
 New State Revenue over 8 years: \$8,936,826

MOTION: Stefanie Bevans moved to approve Clarus Corporation for an EDTIF, post-performance refundable tax credit of up to \$1,787,365 which represents 20% of the \$8,936,826 of new state revenue, which may be earned over 8 years. Peter Mouskondis seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$1,787,365 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 8 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 Salt Lake County average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 8 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.

Film Incentives

“Shriver”

Project Highlights

- Category: Feature
- Genre: Comedy
- Director: Michael Maren
- Producer: Raj Singh, Josh Kesselman

Utah Jobs and Revenue

- Estimated Cast: 22
- Estimated Cast Average Salary: \$1,039.00
- Estimated Crew: 68
- Estimated Crew Average Salary: \$350.00
- Estimated Extras: 850
- Estimated Extras Average Salary: \$112.00
- Length of Film Production: 109
- Estimated Spend: \$2,395,508.00

Project Schedule

- Prep: August 01, 2018 through September 14, 2018
- Principal Photography: September 17, 2018 through October 26, 2018
- Wrap: October 29, 2018 through November 28, 2018
- Post Production

Proposed Motion:

Approve for National Lampoon, a Motion Picture Incentive Program post-performance MPIP Cash rebate of no more than \$479,101.60 (which represents 20% of dollars left in state) or no more than \$500,000.00 if additional criteria are satisfied for the production of “Shriver”.

- 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 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
- National Lampoon 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. At least 75% of the production’s cast/crew must be Utah residents and/or Utah students, or 75% of the production’s Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$500,000.00

“Snatchers Season 3”

Project Highlights

- Category: Episodic
- Genre: Sci-Fi
- Director: Michael Litwak
- Producer: Scott Hinckley, Eric Fisher

Utah Jobs and Revenue

- Estimated Cast: 17
- Estimated Cast Average Salary: \$450.00
- Estimated Crew: 50
- Estimated Crew Average Salary: \$308.00
- Estimated Extras: 200
- Estimated Extras Average Salary: \$109.00
- Length of Film Production: 126
- Estimated Spend: \$1,800,000.00

Project Schedule

- Prep: March 01, 2018 through May 13, 2018
- Principal Photography: May 14, 2018 through June 09, 2018
- Wrap: June 10, 2018 through October 31, 2018
- Post Production: May 21, 2018 through October 31, 2018

Proposed Motion:

Approve for Stanley Productions LLC, a Motion Picture Incentive Program post-performance MPIP Cash rebate of no more than \$360,000.00 (which represents 20% of dollars left in state) or no more than \$450,000.00 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “Snatchers Season 3”.

- 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 base line incentive of 20% of dollars left in state
- Dollars left in state start date no earlier than 60 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Stanley Productions 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. At least 75% of the production’s cast/crew must be Utah residents and/or Utah students, or 75% of the production’s Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$450,000.00 (25% of the dollars left in state).

“Andi Mack Season 3”

Project Highlights

- Category: Episodic
- Genre: Comedy
- Director: Paul Hoen, Various
- Producer: Greg Hampson, Jeff Miller

Utah Jobs and Revenue

• Estimated Cast:	19	
• Estimated Cast Average Salary:		\$961.00
• Estimated Crew:	196	
• Estimated Crew Average Salary:		\$361.00
• Estimated Extras:		1690
• Estimated Extras Average Salary:		\$104.00
• Length of Film Production:		281
• Estimated Spend:		\$19,373,121.00

Project Schedule

• Prep:	May 01, 2018 through June 11, 2018
• Principal Photography:	June 12, 2018 through December 22, 2018
• Wrap:	January 02, 2019 through February 05, 2019
• Post Production	

Proposed Motion:

Approve for Horizon Productions, Inc., a Motion Picture Incentive Program post-performance MPIP Tax Credit rebate of no more than \$3,874,624.20 (which represents 20% of dollars left in state) or no more than \$4,843,280.25 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “Andi Mack Season 3”.

- 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 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
- Horizon Productions, Inc. 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. At least 75% of the production’s cast/crew must be Utah residents and/or Utah students, or 75% of the production’s Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$4,843,280.25 (25% of the dollars left in state).
- The tax credit rebate will be split between two consecutive State of Utah fiscal years issued in two separate certificates.

MOTION: Mel Lavitt moved to approve the three film incentives as presented. Stefanie Bevans seconded the motion. The motion carried unanimously.

Rural Fast Track Grant Endorsements

**RURAL FAST TRACK GRANT
RIDGELINE DENTAL LAB
5/11/2018**

The Rural Development office recommends a Rural Fast Track grant for Ridgeline Dental Lab, located in Brigham City, Box Elder County, for the purpose of purchasing equipment to expand and make custom dental crowns and bridge work – specifically a Freedom Scanner and Sharp 2 plus milling machine package. The company expects to create one (1) new full time position, paying 125% of the county average wage. The total project cost is valued at eighty-six thousand dollars (\$86,000.00).

MOTION: Endorse a Rural Fast Track Grant for Ridgeline Dental Lab at \$43,000.00.

**RURAL FAST TRACK GRANT
RHET MARSING ENTERPRISES, DBA RME
5/11/2018**

The Rural Development office recommends a Rural Fast Track grant for Rhet Marsing Enterprises, DBA RME, located in Price, Carbon County, for the purpose of purchasing fabrication equipment to include a cnc cutting machine, iron worker and band saw to expand and add steel fabrication to their product mix. The company expects to create two (2) new full time positions paying \$2 above the Federal Minimum wage of \$7.25 per hour (total of \$9.25 – RME commits to paying \$10 per hour) as required – Carbon County has a temporary adjustment from the 110% of the county average wage requirement for the Rural Fast Track Grant. The total project cost is valued at ninety-eight thousand nine-hundred twenty-six dollars (\$98,926.00).

MOTION: Endorse a Rural Fast Track Grant for RME at \$49,463.00.

MOTION: Ted Wilson moved to endorse all of the Rural Fast Track grants presented. Roger Killpack seconded the motion. The motion carried unanimously.

GOED Update

Val Hale provided an update on upcoming events and recent activities and efforts within GOED and its programs.

EDCUtah Update

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

Incentives Update

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

Meeting Adjourned