

**GOED Board Meeting Minutes**

August 9, 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, Lorena Riffo-Jenson, Roger Killpack, Ted Wilson, Stefanie Bevans, Christopher M. Conabee, Margo Jacobs (P), Annette Meier (P), Peter Mouskondis (P)
<b>Members Excused:</b>	Brent Brown, Steve Neeleman, Susan Johnson, Carine Clark, Andrea Moss
<b>Staff:</b>	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Lynne Mayer, Ginger Chinn, Virginia Pearce, Owen Barrott, Nan Anderson, Jill Flygare, Vicki Varella, Amanda Goodell, Kimberlee Carlile, Michael O’Malley, Kristen Jensen, Tony Young, Linda Gillmor, Kamron Dalton, Jim Grover, Laraib Sial, Jack Olsen, Taylor Broadbent, Justine Dombrowski
<b>Visitors:</b>	Theresa Foxley, Brice Wallace, Melisa Stark, Frasier Smith, Teresa Schlegel, Chris Beaufait, Jon Liddle, Lori Neilson, Jay Benedict

**Welcome**

Chairman Jerry Oldroyd welcomed everyone to the August 9, 2018 GOED Board Meeting.

**Approval of the Minutes**

**MOTION: Ted Wilson moved to approve the July 12, 2018 board meeting minutes. Peter Mouskondis seconded the motion. The motion carried unanimously.**

**EDTIF – Sarcos Corp.**  
**Project Highlights**

Timeline:	2018
Target Industry:	Manufacturing/Robotics
Location:	Salt Lake County
CapEx:	\$2,366,657
Jobs:	292
Average Wage:	\$70,000

**Company Overview**

Sarcos is a robotics company that was founded in the early 1980’s as a spin-out of the University of Utah. Sarcos has been one of the top recipients of DARPA funding over the past three decades. The company has a strong emphasis on innovation in a wide variety of applications ranging from advanced humanoid robots and theme park animatronics to the robotic fountains in front of the Bellagio Hotel in Las Vegas.

Today Sarcos is focused on the commercialization of three energetically autonomous, highly mobile and dexterous robot products. Sarcos is currently headquartered at the University of Utah’s Research Park.

**Incentives Committee Recommendation**

Total Amount of EDTIF, post-performance refundable tax credit:	<b>\$1,233,247</b>
The amount represents the following percentage of new state revenue:	<b>20%</b>
Number of year that the incentive is approved for:	<b>5 Years</b>

**Jobs & Revenue**

Full time jobs over project lifetime: **292**  
 The company will provide full-time employees with comprehensive health and retirement benefits.

**New State Wages & Revenue:**

New State Wages over 5 years:	\$58,578,853
New State Revenue over 5 years:	\$6,166,234

**MOTION: Mel Lavitt moved to approve Sarcos Corp. for an EDTIF post-performance refundable tax credit of up to \$1,233,247 which represents 20% of the \$6,166,234 of new state revenue, which may be earned over 5 years. Stefanie Bevans seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$1,233,247 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 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 110% 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 and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Fraser Smith, president and co-founder of Sarcos Robotics presented information on the company’s current robotic products and their uses.

**EDTIF – Moog Inc.**

**Project Highlights**

Timeline:	2018
Target Industry:	Aerospace & Defense
Location:	Salt Lake County
CapEx:	\$2,230,000
Jobs:	120
Average Wage:	\$82,395

**Company Overview**

Moog Inc. is a New York corporation formed in 1951. The Company is a worldwide designer, manufacturer and integrator of high performance precision motion and fluid controls and systems for a range of applications in aerospace and defense, industrial and medical markets. The Company has five operating segments: Aircraft Controls, Space and Defense Controls, Industrial Systems, Components and Medical Devices. Its main five operating segments include: Aircraft Controls, Space and Defense Controls, Industrial Systems, Components, and medical devices.

The Company's manufacturing facilities are located in the United States, including facilities in New York, California, **Utah (Salt Lake City)**, Virginia, North Carolina, Pennsylvania, Ohio, Georgia and Illinois, and in Germany, England, Italy, Japan, the Philippines, Ireland, India and China. Moog currently employs over 11,000 employees worldwide.

**Incentives Committee Recommendation**

Total Amount of EDTIF, post-performance refundable tax credit:	<b>\$980,754</b>
The amount represents the following percentage of new state revenue:	<b>20%</b>
Number of year that the incentive is approved for:	<b>10 Years</b>

**Jobs & Revenue**

Full time jobs over project lifetime: **120**  
 The company will provide full-time employees with comprehensive health and retirement benefits.

**New State Wages & Revenue:**

New State Wages over 5 years:	\$73,755,064
New State Revenue over 5 years:	\$4,903,768

**MOTION: Mel Lavitt moved to approve Moog for an EDTIF, post-performance refundable tax credit of up to \$980,754 which represents 20% of the \$4,903,768 of new state revenue, which may be earned over 10 years. Christopher M. Conabee seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$980,754 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 10 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 20% criteria at 50% for each project year.
- Annual total project average salary of 120 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, 10 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.

Jon Liddle, director of defense operations and supply chain for Moog, presented information on the turret products to be manufactured in Utah.

**Film Incentives**

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM  
EXECUTIVE SUMMARY  
WILLARD, LLC  
“Willard”  
July 12, 2018**

**Project Highlights**

- Category: Feature
- Genre: Family
- Director: T.C. Christensen
- Producer: T.C. Christensen, Ron Tanner

**Utah Jobs and Revenue**

- Estimated Cast: 36
- Estimated Cast Average Salary: \$345.00
- Estimated Crew: 42
- Estimated Crew Average Salary: \$325.00
- Estimated Extras: 150
- Estimated Extras Average Salary: \$85.00
- Length of Film Production: 25
- Estimated Spend: \$655,184.00

**Project Schedule**

- Prep: July 30, 2018 through August 24, 2018
- Principal Photography: August 28, 2018 through September 21, 2018
- Wrap: September 22, 2018 through September 29, 2018

**Proposed Motion**

Approve for Willard, LLC, a Motion Picture Incentive Program post-performance MPIP cash rebate of no more than \$131,036.80 (which represents 20% of dollars left in state) for the production of “Willard”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- At least 75% of the production’s cast/crew must be Utah residents and/or Utah students
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval

VIACOM  
 “Yellowstone Season 2”  
 July 12, 2018

**Project Highlights**

- Category: Episodic
- Genre: Drama
- Director: Taylor Sheridan
- Producer: John Linson, Michael Polaire

**Utah Jobs and Revenue**

- Estimated Cast: 140
- Estimated Cast Average Daily Salary: \$1,365.00
- Estimated Crew: 180
- Estimated Crew Average Daily Salary: \$375.00
- Estimated Extras: 1,450
- Estimated Extras Average Daily Salary: \$145.00
- Length of Film Production: 125
- Estimated Spend: \$28,188,822.00

**Project Schedule**

- Prep: July 09, 2018 through August 17, 2018
- Principal Photography: August 20, 2018 through November 29, 2018
- Wrap: November 30, 2018 through February 08, 2019

**Proposed Motion**

Approve for Viacom, a Motion Picture Incentive Program post-performance MPIP Tax Credit of no more than \$5,637,764.40 (which represents 20% of dollars left in state) or no more than \$7,047,205.50 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “Yellowstone Season 2”.

- 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.
- This tax credit will be split between three consecutive State of Utah fiscal years issued in three separate certificates.
- Viacom 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 \$7,047,205.50 (25% of the dollars left in state).

**MOTION: Mel Lavitt moved to approve the two film incentives as presented. Andrea Moss seconded the motion. The motion carried unanimously.**

**Rural Fast Track Grant Program Overview**

Ginger Chinn, GOED managing director, spoke of the state’s programs for rural job creation. Nan Anderson, rural economic development outreach specialist, presented details of the Rural Fast Track Program, the businesses and counties it is available to, and other program requirements. She presented results of a program review based on data from FY16 to current. She detailed recommended changes to the program, including making the grants more competitive, increasing qualification standards and revisions to the application and review process.

**Rural Fast Track Grant Endorsement**

GOED BOARD  
 RURAL FAST TRACK GRANT  
 CENTRAL VALLEY MACHINE

7/12/18

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The Rural Development office recommends a Rural Fast Track grant for Central Valley Machine, located in North Logan, Cache County, for the purpose of purchasing a new Matsuura MAM72-63v 5 axis machining center. The company expects to create six (6) new full time positions; 2 paying at least 110%, 2 paying 115% and 2 paying 125% of the county average wage. The total project cost is valued at nine-hundred ten thousand dollars (\$910,000).

**MOTION: Endorse a Rural Fast Track Grant for Central Valley Machine of \$50,000.**

**MOTION: Roger Killpack moved to endorse the Rural Fast Track grant as presented. Annette Meier 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.

**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**