

**GOED Board Meeting Minutes**

November 6, 2018 • 10:00 a.m. – 12:00 p.m.  
 Copper Room, 1st Floor  
 East Senate Building  
 120 E Capitol St  
 Salt Lake City, UT 84103

<b>Members Present:</b>	Jerry Oldroyd, Mel Lavitt, Roger Killpack, Margo Jacobs, Ted Wilson, Steve Neeleman, Stefanie Bevans, Christopher M. Conabee, Peter Mouskondis (P), Brent Brown (P)
<b>Members Excused:</b>	Susan Johnson, Andrea Moss, Lorena Riffo-Jenson, Annette Meier, Carine Clark
<b>Staff:</b>	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Lynne Mayer, Ginger Chinn, Virginia Pearce, Owen Barrott, Jill Flygare, Linda Gillmor, Kamron Dalton, Jim Grover, Vicki Varela, Kimberlee Carlile, Scott Romney,
<b>Visitors:</b>	Theresa Foxley, Mike Flynn, Brice Wallace, Chris Pieper, Arlyn Bradshaw, Stan Caselton, Roger Zampell, Fred Lampropolus, Anne-Marie Lampropolus, Molly O’Neill, Erin Farr, Steve Allocca, Linda Jansen, Marquita Hunter, Sylvia Wilkins

**Welcome**

Chairman Jerry Oldroyd welcomed everyone to the November 6, 2018 GOED Board Meeting.

**Approval of the Minutes**

**MOTION: Stefanie Bevans moved to approve the October 11, 2018 board meeting minutes. Ted Wilson seconded the motion. The motion carried unanimously.**

**Board Chair Jerry Oldroyd recused himself and left the room during all discussion and approval of the Convention Center Hotel.**

**New Convention Facility Development Incentive Project Highlights**

Timeline:	2019
Proposed Location:	Salt Lake County
Capital Investment:	\$281,679,000

**Project Overview**

Salt Lake City CH, LLC is a joint venture between DDRM and Portman Holdings, Piper Jaffray, and other design, construction, and operating partners. Each member of the joint venture has extensive experience working on convention center hotel projects and other high profile developments.

The need for a convention center hotel was studied multiple times (2004 and 2008). In 2013 the structure of a public-private-partnership to develop a convention center hotel was developed and in 2015 legislation outlining that structure and the corresponding incentives was approved.

In 2015 a developer (Omni) was selected, but there was never a develop agreement reached between the various parties. In 2016 a second RFP was issued for a developer and DDRM was selected.

**Motion: Christopher M. Conabee moved to approve Salt Lake City CH, LLC for a post-performance, New Convention Facility Development Incentive consisting of:**

- Up to 100% of the new incremental State Sales Tax not to exceed \$75,000,000 over 20 years
- Up to 100% of local (city and county) sales tax and property tax over 25 years
- Including Conveyance of land on Salt Palace site from Salt Lake County to Salt Lake City CH, LLC

**Stefanie Bevans seconded the motion. The motion carried unanimously.**

**Presentation:**

Arlyn Bradshaw of the Salt Lake County Council offered a brief history of the project. Stan Caselton spoke of the various partners in this project. Roger Zampell praised the site and its connection to the convention center. He showed a preliminary diagram of the property and detailed the elements that will be included in the final design and said an agreement with a hotel operator will come later. He also shared some of the finances of the project.

**EDTIF – Merit Medical Systems Inc.**

**Project Highlights**

Timeline:	2019
Target Industry:	Life Science/Manufacturing
Location:	Salt Lake County
CapEx:	\$505,000,000
Jobs:	1,010
Average Wage:	\$92,000

**Company Overview**

Merit Medical has achieved significant growth in both revenue and employee count. In order to keep up with the growth, the company has decided to expand their facilities by constructing a large campus in one of several locations. This would be considered an HQ and would include very significant capital investment and the construction of several buildings including:

- Research & Development Center \$85M
- Molding Expansion \$65M
- Innovation Center \$40M
- Future Production / Cleanrooms \$110M
- Parking Structure \$17M
- Future Production \$45M

The total capital investment for the project will be over \$ 505M. The company will also add over 2000 jobs, 1000 of which will be considered high paying. The roles will include manufacturing labor, sales, marketing, R&D, engineering, as well as additional general administration roles and management positions.

**Incentives Committee Recommendation**

Total Amount of EDTIF, post-performance refundable tax credit:	<b>\$17,873,757</b>
The amount represents the following percentage of new state revenue:	<b>25%</b>
Number of year that the incentive is approved for:	<b>15 Years</b>

**Jobs & Revenue**

Full time jobs over project lifetime: **1,010**  
 The company will provide full-time employees with comprehensive health and retirement benefits.

**New State Wages & Revenue:**

New State Wages over 15 years:	\$983,686,603
New State Revenue over 15 years:	\$71,495,027

**MOTION: Peter Mouskoundis moved to approve Merit Medical Systems Inc. for an EDTIF post-performance refundable tax credit of up to \$17,873,757 which represents 25% of the \$71,495,027 of new state revenue, which may be earned over 15 years. Steve Neeleman seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$17,873,757 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 15 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, 15 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.

**Presentation:**

Fred Lamproplus spoke to Merit Medical’s growth and the scope of this project.

**EDTIF – LendingClub Inc.**  
**Project Highlights**

Timeline:	2019
Target Industry:	FinTech
Location:	Utah County
CapEx:	\$17,850,000
Jobs:	860
Average Wage:	\$67,000

**Company Overview**

LendingClub Corporation is a financial technology service that engages in peer-to-peer lending. The company hosts an online financial community that brings together credit worthy borrowers and independent investors. LendingClub serves retail investors and borrowers in the United States. Through its technology platform, LendingClub is able to create cost efficiencies and passes those savings onto borrowers in the form of lower rates and to investors in the form of risk-adjusted returns.

Lending Club was initially launched in 2006 on Facebook as one of Facebook's first applications. The company received significant venture capital funding and in 2014, the company filed for IPO with the SEC. The company currently trades as NYSE:LC.

Lending Club has consistently been recognized for their innovation and business success. The company was listed as one of the World's 50 Most Innovative Companies by Fast Company and was named a CNBC Top 50 Disruptor for two years in a row.

Lending Club is experiencing significant growth and has contracted with CBRE to conduct a location search for an expansion outside of their current headquarters in San Francisco. This expansion will represent their first major expansion outside of the Bay Area. The new location will bring 860 new jobs. The roles will be a combination of sales, marketing, customer support, and analyst roles as well as senior management and some executive leadership positions.

**Incentives Committee Recommendation**

Total Amount of EDTIF, post-performance refundable tax credit:	<b>\$4,486,054</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: **860**  
 The company will provide full-time employees with comprehensive health and retirement benefits.

**New State Wages & Revenue:**

New State Wages over 10 years:	\$543,922,175
New State Revenue over 10 years:	\$22,430,269

**MOTION: Ted Wilson moved to approve Lending Club for an EDTIF post-performance refundable tax credit of up to \$4,486,054 which represents 20% of the \$22,430,269 of new state revenue, which may be earned over 10 years. Roger Killpack seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$4,486,054 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 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 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, 10 years.
- Incentives are site specific and subject to local incentive participation.

**Presentation:**

Steve Allocca, President of LendingClub, thanked the board and spoke of the company's goals and this project to expand outside its California headquarters.

**EDTIF – Essence Global**  
**Project Highlights**

Timeline:	2019
Target Industry:	Services
Location:	Salt Lake County
CapEx:	\$3,100,000
Jobs:	125
Average Wage:	\$61,000

**Company Overview**

Essence Global provides digital advertising services including captivating experiences, objective media, and data science for its clients. The company was founded in 2005 and is based in New York City. It has additional offices in Tokyo, Singapore, Seattle, San Francisco, New York, Chicago, Shanghai, Sydney, and Delhi. As of November 4, 2015, Essence Global Limited operates as a subsidiary of WPP

Essence, part of WPP, is a global data and measurement-driven agency that uses data science and objective media to build valuable connections between brands and consumers. Clients include Google, Friesl and Campina, and the Financial Times. The agency has more than 1,100 employees, manages over \$3.2B in media spend, and deploys campaigns in 71 markets via its global offices throughout North America, EMEA and APAC.

In order to keep up with rapid growth, Essence has decided to open another office in the Mountain West. Initially this office will be a 50 person team that will be set up to work with current clients and grow Essence’s client base. Roles will include media planners, analytics staff, client engagement leads and project managers. In 2020, Essence will begin bringing on an additional 75 technology roles to further develop their analytics and software offerings.

**Incentives Committee Recommendation**

Total Amount of EDTIF, post-performance refundable tax credit:	<b>\$191,688</b>
The amount represents the following percentage of new state revenue:	<b>15%</b>
Number of year that the incentive is approved for:	<b>5 Years</b>

**Jobs & Revenue**

Full time jobs over project lifetime: **150**  
 The company will provide full-time employees with comprehensive health and retirement benefits.

**New State Wages & Revenue:**

New State Wages over 5 years:	\$22,442,500
New State Revenue over 5 years:	\$1,910,530

**MOTION: Margo Jacobs moved to approve Essence Global for an EDTIF post-performance refundable tax credit of up to \$191,053 which represents 10% of the \$1,910,530 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 \$ 191,053 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 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.

**Presentation:**

Marquita Hunter spoke of Global Essence’s pleasure to be expanding into Utah and outlined their goals.

**EDTIF – Bullfrog Spas, LLC**  
**Project Highlights**

Timeline:	2019
Target Industry:	Manufacturing
Location:	Herriman, Salt Lake County
CapEx:	\$20,000,000
Jobs:	150
Average Wage:	\$79,000

**Company Overview**

Bullfrog Spas, LLC designs, manufactures, and markets hot tubs and outdoor spas. The company offers various spa models, spa shell colors, spa cabinet options, and in ground spa kits as well as spa accessories. It distributes, licenses, and retails its products through dealers and stores in the United States, Canada, Australia, New Zealand, Asia, Brazil, and Europe. Bullfrog International, LC was founded in 1996 and is based in Bluffdale, Utah.

Bullfrog Spas’ products have been consistently rated as some of the most innovative and high-quality in the hot tub market. For years, the company has been consistently rated Best of Class by PoolandSpas.com

In order to meet the needs of a rapidly growing customer base, Bullfrog decided to expand its operations to a new manufacturing facility. This new expansion project will add 150 high-paying jobs. The new positions will include Manufacturing and Manufacturing management, Process Engineers, Product Development Engineers, Sales and Marketing positions, Operations management, and General Admin positions from IT, Customer Service and Accounting. In addition to the high-paying jobs the project will also add around 100 line assembly manufacturing jobs.

**Incentives Committee Recommendation**

Total Amount of EDTIF, post-performance refundable tax credit:	<b>\$334,633</b>
The amount represents the following percentage of new state revenue:	<b>15%</b>
Number of year that the incentive is approved for:	<b>5 Years</b>

**Jobs & Revenue**

Full time jobs over project lifetime: **150**  
 The company will provide full-time employees with comprehensive health and retirement benefits.

**New State Wages & Revenue:**

New State Wages over 5 years:	\$35,790,789
New State Revenue over 5 years:	\$2,230,885

**MOTION: Peter Mouskondis moved to approve Bullfrog Spas, LLC for an EDTIF post-performance refundable tax credit of up to \$334,633 which represents 15% of the \$2,230,885 of new state revenue, which may be earned over 5 years. Mel Lavitt seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$334,633 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 15% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 15% 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.
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**Film Incentives**

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM  
 EXECUTIVE SUMMARY  
 1483, INC.  
 “Inheritance”**

November 06, 2018

**Project Highlights**

- Category: Feature
- Genre: Thriller
- Director: Vaughn Stein
- Producer: Richard Lewis, David Wulf

**Utah Jobs and Revenue**

- Estimated Cast: 23
- Estimated Cast Average Daily Salary: \$980.00
- Estimated Crew: 84
- Estimated Crew Average Daily Salary: \$300.00
- Estimated Extras: 250
- Estimated Extras Average Daily Salary: \$100.00
- Length of Film Production: 55
- Estimated Spend: \$2,750,000.00

**Project Schedule**

- Prep: October 22, 2018 through November 26, 2018
- Principal Photography: November 26, 2018 through December 21, 2018
- Wrap: January 08, 2019 through January 18, 2019

**Summary**

Lauren Monroe is the daughter of an elite family. When her father dies unexpectedly she is thrust in the middle of her father's secrets and forced to face truths about her family.

**Proposed Motion**

Approve for 1483, Inc., a Motion Picture Incentive Program post-performance MPIP Tax Credit of no more than \$550,000.00 (which represents 20% of dollars left in state) for the production of "Inheritance".

- 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.

**MOTION: Margo Jacobs moved to approve the film incentive as presented. Steve Neeleman seconded the motion. The motion carried unanimously.**

**Rural Fast Track Grant Endorsement**

GOED BOARD  
RURAL FAST TRACK GRANT  
KURRY JENSEN TRANSPORT LLC  
NOVEMBER 6, 2018

The Rural Development office recommends a Rural Fast Track grant for Kurry Jensen Transport, located in Cleveland, Emery County, for the purpose of purchasing a new Kenworth W-900 truck/tractor. The company expects to create two (2) new full time positions paying at least 110% of the county average wage. The total project cost is valued at One hundred forty-five thousand dollars (\$145,000)

**MOTION: Endorse a Rural Fast Track Grant for company in the amount of \$25,000.**

GOED BOARD  
RURAL FAST TRACK GRANT  
LIQUID HERBALS MANUFACTURING  
NOVEMBER 6, 2018

The Rural Development office recommends a Rural Fast Track grant for Liquid Herbals Manufacturing, located in Vernal, Uintah, for the purpose of purchasing a Filamatic, an automated bottle filler and capper. The company expects to create six (6) new full time positions paying at least 110% of the county average wage. The total project cost is valued at One hundred ninety thousand, six hundred and fifty dollars (\$190,650)

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

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**GOED BOARD  
RURAL FAST TRACK GRANT  
IRON WORX, LLC  
NOVEMBER 6, 2018**

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The Rural Development office recommends a Rural Fast Track grant for Iron Worx, located in Naples, Uintah, for the purpose of purchasing multiple pieces of equipment, including welders, a press, grinder, and a CNC Plasma table. The company expects to create one (3) new full time position paying at least 110% of the county average wage. The total project cost is valued at One hundred thirty two thousand dollars (\$132,000)

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

**MOTION: Peter Mouskondis moved to endorse the Rural Fast Track grants as presented. Stefanie Bevans 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, CEO of EDCUtah, presented on the status of current and upcoming projects in the pipeline.

**Meeting Adjourned**