

**GOED Board Meeting Minutes**

October 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

<b>Members Present:</b>	Jerry Oldroyd, Mel Lavitt, Roger Killpack, Ted Wilson, Andrea Moss, Steve Neeleman, Annette Meier (P), Peter Mouskondis (P) Lorena Riffo-Jenson (P), Christopher M. Conabee (P), Carine Clark (P)
<b>Members Excused:</b>	Brent Brown, Susan Johnson, Stefanie Bevans, Margo Jacobs
<b>Staff:</b>	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Lynne Mayer, Ginger Chinn, Virginia Pearce, Owen Barrott, Jill Flygare, Pete Codella, Aimee Edwards, Amanda Goodell, Michael O’Malley, Linda Gillmor, Kamron Dalton, Sandy Olney, Matt Wallace, Jim Grover, Laraib Sial, Justine Dombrowski
<b>Visitors:</b>	Theresa Foxley, Mike Flynn, Brice Wallace, Chris Pieper, Ted Bloomberg, David Dobbins, Suzette Hsiung, Mary Ann Hughes

**Welcome**

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

**Approval of the Minutes**

**MOTION: Mel Lavitt moved to approve the September 13, 2018 board meeting minutes and the September 13, 2018 board retreat minutes. Ted Wilson seconded the motion. The motion carried unanimously.**

**Board Member Steve Neeleman recused himself and left the room during all discussion and approval of the HealthEquity incentive.**

**EDTIF – HealthEquity Inc.**  
**Project Highlights**

Timeline:	2018
Target Industry:	Finance/IT
Location:	Salt Lake County
CapEx:	\$29,800,000
Jobs:	500
Average Wage:	\$70,800

**Company Overview**

HealthEquity, Inc. was founded in 2002 and soon moved its headquarters to Draper, Utah. The company provides a range of solutions for managing health care accounts to health plans, insurance companies, individual consumers, and third-party administrators in the United States. The company's products and services comprise a healthcare saving and spending platform, a cloud-based platform for individuals to make health saving and spending decisions, pay healthcare bills, compare treatment options and prices, receive personalized benefit and clinical information, earn wellness incentives, grow their savings, and make investment choices; health savings accounts; and health reimbursement arrangements and flexible spending arrangements.

HealthEquity is one of Utah’s premier companies and has a solid track record of financial growth and employee development. With its Utah-based headquarters, the state can claim HealthEquity as a shining example of how Utah creates and supports continued growth of national publicly traded companies.

HealthEquity’s current facility in Draper reached capacity sooner than the company originally expected. Given the company’s growth projections and potential future acquisitions, it needs to make short and long-term decisions on where to expand.

**Incentives Committee Recommendation**

Total Amount of EDTIF, post-performance refundable tax credit:	<b>\$2,038,720</b>
The amount represents the following percentage of new state revenue:	<b>20%</b>
Number of year that the incentive is approved for:	<b>7 Years</b>

**Jobs & Revenue**

Full time jobs over project lifetime: **500**

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

**New State Wages & Revenue:**

New State Wages over 7 years: \$160,675,210  
 New State Revenue over 7 years: \$10,193,600

**MOTION: Peter Mouskondis moved to approve HealthEquity Inc. for an EDTIF post-performance refundable tax credit of up to \$2,038,720 which represents 20% of the \$10,193,600 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 \$2,038,720 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 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 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, 7 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.

**Economic Opportunity – Opportunity Zones Planning**

**Project Highlights**

Utah Governor’s Office of Economic Development is seeking a consultant or consulting services to perform opportunity zone planning in conjunction with economic development directors, stakeholders, and their committed resources. The consultant will work with the federal opportunity zone program in outreach, communication and promotion

**Project Objectives**

- Regional planning in conjunction with the Association of Governments related to communities that house opportunity zone designations.
- Review other states’ opportunity zone methodology and incorporate best practices in Utah’s opportunity zone outreach program.
- Provide marketing strategies to expand opportunity zone branding to potential investors.
- Work in conjunction with GOED Marketing and Communications Team to develop unique platforms to achieve goals and implemented strategic techniques to support opportunity zone economic development projects.
- Devise regional marketing strategies to assist with the effective roll out for opportunity zones.

**Schedule**

November 1, 2018 through project completion or June 30, 2019

**Deliverables**

- Cohesive message and branding campaign
- Brochures and/or one-page marketing materials to be distributed to investors
- Cohesive outline of key economic development projects in the state’s opportunity zones.
- Investor contact information sheet for communities.
- Association of Governments regional meetings and communication.
- Performance metrics specific to each community

**MOTION: Jerry Oldroyd moved to approve from the Industrial Assistance Fund an Economic Opportunity Grant of up to \$200,000 for Opportunity Zone planning efforts to support local economic development in Utah with the grant contingent on commitment of resources from local communities. Mel Lavitt seconded the motion. The motion carried unanimously.**

**Film Incentives**

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM  
EXECUTIVE SUMMARY  
HORIZON PRODUCTIONS, INC.  
“High School Musical: The Musical”  
October 11, 2018**

**Project Highlights**

- Category: Episodic
- Genre: Comedy
- Director: Various
- Producer: Bill Borden, Barry Rosenbush

**Utah Jobs and Revenue**

- Estimated Cast: 5
- Estimated Cast Average Daily Salary: \$961.00
- Estimated Crew: 281
- Estimated Crew Average Daily Salary: \$370.00
- Estimated Extras: 3,800
- Estimated Extras Average Daily Salary: \$135.00
- Length of Film Production: 151
- Estimated Spend: \$14,707,983.00

**Project Schedule**

- Prep: January 02, 2019 through February 15, 2019
- Principal Photography: February 19, 2019 through June 28, 2019
- Wrap: July 01, 2019 through July 31, 2019

**Summary**

A 10-episode story told through the lens of a student filmmaker, “High School Musical: The Musical” follows a group of students at East High who stage a performance of “High School Musical” for their winter theater production, only to realize that as much drama happens offstage as onstage.

**Proposed Motion**

Approve for Horizon Productions, Inc., a Motion Picture Incentive Program post-performance MPIP Tax Credit of no more than \$2,941,596.60 (which represents 20% of dollars left in state) or no more than \$3,676,995.75 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “High School Musical: The Musical”.

- 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 may be split between up to three consecutive State of Utah fiscal years.
- 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 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 \$3,676,995.75 (25% of the dollars left in state).

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

**Presentation:** The Disney Channel’s Suzette Hsiung, EVP, Production and Mary Ann Hughes VP of Film and Television Production Planning, spoke of the Disney Channel’s history in Utah and its productions filmed in the state. They reviewed the competitive incentives landscape in the U.S. and internationally and what brings them to Utah for these projects.

**Rural Fast Track Grant Endorsement**

**GOED BOARD  
RURAL FAST TRACK GRANT  
FIERCE PRODUCTS  
9/11/18**

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The Rural Development office recommends a Rural Fast Track grant for Fierce Products, located in Gunnison, Sanpete County, for the purpose of purchasing equipment to expand operations to include: lathes, mill, laser engravers, paint booths, ovens. The company expects to create five (5) new full time positions with 3 paying at least 110% of the county average wage and 2 paying 115% of the county average wage. The total project cost is valued at one-hundred sixteen thousand nine-hundred ninety-two dollars (\$116,992).

**MOTION: Endorse a Rural Fast Track Grant for Fierce Products at \$50,000.**

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**GOED BOARD  
RURAL FAST TRACK GRANT  
POP'S BURRITO  
9/11/18**

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The Rural Development office recommends a Rural Fast Track grant for Pop's Burrito, located in Blanding, San Juan County, to expand and purchase a building. The company expects to create one (1) new full time position paying at least 110% of the county average wage. The total project cost is valued at two-hundred twenty-two thousand dollars (\$222,000).

**MOTION: Endorse a Rural Fast Track Grant for Pop's Burrito at \$50,000.**

**MOTION: Roger Killpack moved to endorse the Rural Fast Track grants as presented. Andrea Moss 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**

Mike Flynn, COO of EDCUtah, presented on the status of current and upcoming projects in the pipeline.

**Meeting Adjourned**