

GOED Board Meeting Minutes

January 8, 2019 • 10:00 a.m. – 12:00 p.m.
 Governor’s Office of Economic Development
 60 E South Temple, Fl 3
 Salt Lake City, UT 84103

Members Present:	Jerry Oldroyd, Mel Lavitt, Ted Wilson, Brent Brown, Margo Jacobs (P), Christopher M. Conabee (P), Susan Johnson (P), Annette Meier (P), Lorena Riffo-Jenson (P), Roger Killpack (P)
Members Excused:	Stefanie Bevans Steve Neeleman, Peter Mouskondis, Andrea Moss, Carine Clark
Staff:	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Lynne Mayer, Ginger Chinn, Owen Barrott, Linda Gillmor, Kamron Dalton, Pete Codella, Laraib Sial, Justine Dombrowski, Taneesa Wright, Taylor Broadbent
Visitors:	Mike Flynn, Jake Berlin, Erin Farr, Chris Pieper, Todd Brightwell, Brian Brooks

Welcome

Chairman Jerry Oldroyd welcomed everyone to the January 8, 2019 GOED Board Meeting.

Approval of the Minutes

MOTION: Ted Wilson moved to approve the December 13, 2018 board meeting minutes. Susan Johnson seconded the motion. The motion carried unanimously.

EDTIF – Teem, LLC

Project Highlights

Timeline:	2019
Target Industry:	Software/IT
Location:	Salt Lake and Utah County
CapEx:	\$1,000,000
Jobs:	250
Average Wage:	\$76,000

Company Overview

Teem is the fastest growing company in the market for workplace solutions. The Company expects significant growth over the next 3-5 years, especially now that it has been acquired by WeWork. The ability to find additional customers through WeWork’s catalogue of members as well as through the PxWe space solution for all companies bolsters the Company’s ability to grow near term.

The proposed project would allow the Utah-based company to expand its business and maintain its full operations in the State. The project would provide substantial headcount growth of over 250 net new positions. These positions would include R&D, Sales, Marketing, and Business Development positions as well as Finance and HR positions. The project will also include \$1M in capital investment to create an HQ location for Teem.

Incentives Committee Recommendation

Total Amount of EDTIF, post-performance refundable tax credit:	\$620,870
The amount represents the following percentage of new state revenue:	20%
Number of year that the incentive is approved for:	5 Years

Jobs & Revenue

Full time jobs over project lifetime: **250**
 The company will provide full-time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 10 years:	\$83,618,889
New State Revenue over 10 years:	\$3,104,351

MOTION: Mel Lavitt moved to approve Teem, LLC for an EDTIF post-performance refundable tax credit of up to \$620,870 which represents 20% of the \$3,104,351 of new state revenue, which may be earned over 5 years. Ted Wilson seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$620,870 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.

EDTIF – Oatly, Inc.

Project Highlights

Timeline:	2019
Target Industry:	Food Manufacturing
Proposed Location(s):	Weber County
Capital Investment:	\$40,000,000
Jobs:	50
Average Wage:	\$56,650

Company Overview

Oatly is a food manufacturing company that develops and produces oat drinks, foods, and various organic products. The company’s flagship product is an original oat-based drink that uses patented enzyme technology which turns fiber rich oats into nutritional liquid food. The company remains independent and dedicated to upgrading the lives of individuals and the general well-being of the planet.

Oatly began its oat-milk production in Sweden and within the last few years has experienced rapid growth throughout global markets, especially in the U.S. as a leading non-dairy food and milk option. The tremendous growth is partly attributable to offering multiple non-dairy options, including a barista line. This allows for wide market access and use in baking, cafes, coffees, and for regular consumption. Within our oat milk lines, we also offer delicious flavors making it very popular and appealing to all age groups, demographics, and social groups worldwide.

The company is currently working on manufacturing a number of new product lines to offer to customers. In addition, Oatly products are in high-demand, with a recent surge in supermarket demand, and increased interest from the organic, dairy-free community. Oatly is evaluating options to establish a new manufacturing factory to expand our variety or product offerings and to meet the surging U.S. demand.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$295,463
The amount represents the following percentage of new state revenues:	10%
Number of years that incentive is approved for:	7 Years

Jobs & Revenue

Full time jobs over project lifetime:	50
New State Wages & Revenue:	
New State Wages over 7 years:	\$17,327,500
New State Revenue over 7 years:	\$2,954,627

MOTION:

Brent Brown moved to approve Oatly, Inc. for an EDTIF post-performance refundable tax credit of up to \$295,463 which represents 10% of the \$2,954,627 of new state revenue, which may be earned over 7 years. Annette Meier seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$295,463 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 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.

EDTIF – Galileo Processing, Inc.

Project Highlights

Timeline:	2019
Target Industry:	FinTech
Proposed Location(s):	Salt Lake County
Capital Investment:	\$15,000,000
Jobs:	300
Average Wage:	\$80,000

Company Overview

Galileo Processing, Inc. provides advanced payment processing solutions. It offers a platform that supports a spectrum of prepaid products, and debit and credit solutions. The company’s platform supports general purpose reloadable, gift, travel, reward and loyalty, healthcare, and debit and credit prepaid products; and hybrid transactional credit, item processing, and savings account products. Its platform also supports mobile access, contactless RFID, virtual card account, integrated bill payment, secondary and companion cards, overdraft, direct deposit, and SMS text alert solutions.

The company also develops Cryptocurrency API, a solution that allows issuers and fintechs to create and link accounts, view and manage balances and transactions in multiple currencies, check the exchange rate, manage a treasury or reserve management function, and more; provides card programs for financial institutions and program managers, including transaction card processing; and delivers value added services, such as program management, strategic consulting, identity verification, card management, Web development and hosting, customer service, risk management, technical support, creative services, reporting, and campaign management. It serves customer in the United States and Canada. Galileo Processing, Inc. was founded in 2000 and is based in Salt Lake City, Utah.

Galileo Processing is expanding its business to accommodate current and expected growth. The company has outgrown its current headquarters and is looking to add new space for employee growth and build a secondary active data center. The new project will allow the company to continue to grow its engineering resources and technical operations personnel to meet the demanding growth in new clients. The second active data center will continue to allow the company to provide high level services.

Incentives Committee Recommendation

Total amount of EDTIF, post-performance refundable tax credit:	\$2,409,853
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:	300
New State Wages & Revenue:	
New State Wages over 7 years:	\$121,519,662
New State Revenue over 7 years:	\$12,049,265

MOTION:

Ted Wilson moved to approve Galileo Processing, Inc. for an EDTIF post-performance refundable tax credit of up to \$2,409,853 which represents 20% of the \$12,049,265 of new state revenue, which may be earned over 7 years. Jerry Oldroyd seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$2,409,853 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 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.

Presentation:

Brian Brooks thanked the board for considering this project. He shared their excitement to continue to grow in Utah as the company gains international clients. Acquiring and retaining talent is a concern. He discussed the differences between the services Galileo offers and other payment processing systems. He noted that this incentive was a critical piece of the decision to expand in Utah.

ED Zone

Establish an economic development zone for the purpose of supporting the expansion of Earnest, Inc. at 10 W Broadway, Suite 800, Salt Lake City, UT 84101

MOTION:

Mel Lavitt moved to approve the creation of an economic development zone for Salt Lake City in support of their letter of request detailing the expansion of Earnest, Inc. at 10 W Broadway, Suite 800, Salt Lake City, UT 84101. Susan Johnson seconded the motion. The motion carried unanimously.

Economic Opportunity Grant

Silicon Slopes Summit

Overview

In the 2018 General Session the legislature amended the Industrial Assistance Account (SB146) to include “the promotion of the high tech sector in the state” as part of the economic opportunity section of the statute. Specifically the legislation authorizes the Office to grant and economic opportunity grant to the organizers of an annual conference promoting Utah’s high tech sector that has at least 10,000 attendees. The economic opportunity grant would be post-performance requiring the organizers to show performance metrics around economic impact to the state, new tax revenue to the state, and attendance of out-of-state business prospects. The legislation stipulates that \$250,000 will be set aside for this purpose

MOTION:

Margo Jacobs moved to approve from the Industrial Assistance Fund, a post-performance, Economic Opportunity Grant of up to \$250,000 annually through 2023 to Silicon Slopes for the production of the annual Silicon Slopes Tech Summit. Annette Meier seconded the motion. The motion carried unanimously.

Presentation: Clint Betts offered appreciation to the board for the support of the Silicon Slopes Summit. He described the scope of the upcoming summit and noted its value to bringing positive attention to the State of Utah.

Fixed Rail Manufacturing Agreement
Stadler USA

Overview

During the 2017 General Session, the legislature appropriated \$1,400,000 to the Governor’s Office of Economic Development (GOED) “to further state economic development via infrastructure for fixed rail manufacturing.” The appropriation was initially directed towards Davis County, after further research and deliberation it was determined that the appropriate location for expansion of statewide economic development through fixed rail manufactured was better suited along Salt Lake County. In the 2018 General Session the appropriation was directed to the Industrial Assistance Fund with the same intent language; “to further state economic development via infrastructure for fixed rail manufacturing.”

Agreement and Purpose

This agreement is made between Stadler USA (the “Company”) and the Governor’s Office of Economic Development (the “State”) for the purpose of providing funding for the manufacturing of fixed rail project within the Inland Port project area.

Costs and Documentation

Maximum of \$1,400,000

Company will provide project costs and invoices showing actual costs paid for manufacturing of fixed rail project within Inland Port project area including but not limited to:

- Land improvements
- On-site infrastructure
- Test track
- Pits
- Spur
- Temp substation

MOTION:

Brent Brown moved to approve Stadler USA for \$1,400,000 of pass through funding from the Industrial Assistance Fund as mandated by the Utah State Legislature in the 2018 General Session. Lorena Riffo-Jenson seconded the motion. The motion carried unanimously.

Note: Christopher M. Conabee recused himself from this vote due to his role as interim administrator of the Utah Inland Port Authority.

Rural Fast Track Grant Endorsement

GOED BOARD
RURAL FAST TRACK GRANT
PETAL LANE
JANUARY 8, 2019

The Rural Development office recommends a Rural Fast Track grant for Petal Lane, a wholesale manufacturer, located in Richfield City, Sevier County, for the purpose of purchasing a flatbed printer, HP Scitex FB750, to print directly to multiple surfaces and home décor products of substantial size. 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 One-hundred and twenty-five thousand dollars (\$125,000).

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

MOTION:

Roger Killpack moved to endorse the Rural Fast Track grant as presented. Ted Wilson 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