

**GOED Board Meeting Minutes**

May 9, 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

<b>Members Present:</b>	Jerry Oldroyd, Ted Wilson, Stefanie Bevans, Roger Killpack, Margo Jacobs, Steve Neeleman, Christopher M. Conabee (P), Lorena Riffo-Jenson (P), Mel Lavitt (P)
<b>Members Excused:</b>	Susan Johnson, Peter Mouskondis, Andrea Moss, Brent Brown, Annette Meier, Carine Clark
<b>Staff:</b>	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Ginger Chinn, Lynne Mayer, Owen Barrott, Linda Gillmor, Aimee Edwards, Kimberlee Carlile, Taneesa Wright, Pete Codella, Tony Young
<b>Visitors:</b>	Mike Flynn, Chris Pieper, Bryce Wallace, Michael O’Malley, Jake Berlin, Erin Farr, Jan Nash, Doug Wendell, Mayor Donia Jessop, Christian Kesselring

**Welcome**

Chairman Jerry Oldroyd welcomed everyone to the May 9, 2019 GOED Board Meeting.

**Approval of the Minutes**

**MOTION: Mel Lavitt moved to approve the April 11, 2018 board meeting minutes. Ted Wilson seconded the motion. The motion carried unanimously.**

**EDTIF – Tyson Fresh Meats Inc.**

**Project Highlights**

Timeline:	2019
Target Industry:	Food Manufacturing
Location:	Utah County
CapEx:	\$286,000,000
Jobs:	500
Average Wage:	\$56,000

**Project Overview**

Tyson Fresh Meats, Inc. produces and supplies case ready beef and pork products to retail and food-service customers. The company operates as a subsidiary of Tyson Foods and has operations and offices in 24 states. The company was founded in 1960.

Tyson Foods, Inc. is based in Springdale, AK is the world’s second largest processor and marketer of chicken, beef, and pork and annually exports the largest percentage of beef out of the United States. Together with its subsidiaries, it operates major food brands, including Jimmy Dean, Hillshire Farm, Sara Lee, Ball Park, Wright Brand, and Statefair. Tyson Foods ranked No. 80 in the 2018 Fortune 500 of the largest United States corporations by total revenue.

In order to keep up with increasing demand for products from large retail chains, Tyson Meats has decided to build a new facility that allows them to have better distribution access to western states. This new facility will produce “case-ready” beef and pork. “Case-ready” products are meat products that are sold to the retailer pre-packaged and ready to sell rather than having onsite butchers prepare and package the meat. The capital investment for the project is \$286,000,000 and will provide approximately 1,700 full time positions. The positions will range from management level to hourly workers, 500 of which will be above the Utah County average wage.

Tyson Fresh Meats has determined that the Western portion of the US has high potential for growth targets. For several months, the company has been searching for a location that establishes an alignment with key retailers for future growth.

The project is highly competitive and incentives are important to the company's decision in order to make the project financially feasible. The other location under consideration is Reno, NV. The company wants to move quickly and will make a final decision as soon as possible.

Utah presents a strategic advantage due to population density, labor rate favorability and inbound/outbound freight efficiencies.

**IAF Request**

The Incentives committee originally approved Tyson Foods for an EDTIF post-performance tax credit. Local due diligence has revealed public infrastructure needs beyond what was originally anticipated. Those additional infrastructure needs will be a significant benefit to future development in Eagle Mountain. Staff recommends providing Tyson with a \$300,000 IAF grant for last-mile infrastructure improvements.

**Jobs & Revenue**

Full time jobs over project lifetime: 500

Company Average Wage vs. County Average Wage

Max with health benefits:	356%
Max w/o health benefits:	343%
Min with health benefits:	126%
Min w/o health benefits:	112%

New State Wages & Revenue

New State Wages over 9 years:	\$202,633,508
New State Revenue over 9 years:	\$27,791,620
Withholding:	\$7,522,769
Sales:	\$6,626,177
Corporate:	\$13,642,674

Board Member Christopher M. Conabee recused himself from this discussion and vote due to involvement in a separate project that could indirectly benefit from infrastructure provided to the Tyson Foods project.

**MOTION: Mel Lavitt moved to approve Tyson Fresh Meats Inc. for an EDTIF post-performance refundable tax credit of up to \$5,258,324 and a post-performance IAF last-mile infrastructure grant of up to \$300,000 which represents 20% of the \$27,791,620 of new state revenue, which may be earned over 10 years.**

**Margo Jacobs seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$5,258,324 EDTIF post-performance refundable tax credit.
- Total post-performance IAF last-mile infrastructure grant not to exceed \$300,000.
- 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.
- 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:** Jan Nash spoke to the company’s support programs for employees, community involvement, veterans hiring, chaplaincy, donations, and education programs.

**EDTIF – Quick Base Inc.**  
**Project Highlights**

Timeline:	2019
Target Industry:	IT/Technology
Location:	Salt Lake City
CapEx:	\$713,462
Jobs:	485
Average Wage:	\$98,000

**Project Overview**

Quick Base is a company that provides a low-code application development platform to businesses. It allows non-technical developers to build cloud applications for various business processes. The applications includes workflow and process automation, forms, and customizable reports.

Quick Base, Inc. was formerly part of Intuit and was divested in March 2016. The company was backed by the private equity firm Welsh, Carson, Anderson & Stowe. In January 2019, Vista Equity Partners purchased majority equity in the company for more than \$1B. The company is based in Cambridge, MA and currently has about 300 employees.

Quick Base opened a test location in Utah last year to explore additional employee growth opportunities. Quickbase hired a number of Sales employees in Utah and the company is now considering whether to add additional staff in Utah (including engineering and customer service positions) or keep the headcount in Cambridge.

**Jobs & Revenue**

Full time jobs over project lifetime: 485

**Company Average Wage vs. County Average Wage**

Max with health benefits:	275%
Max w/o health benefits:	234%
Min with health benefits:	221%
Min w/o health benefits:	185%

**New State Wages & Revenue**

New State Wages over 5 years:	\$169,425,308
New State Revenue over 5 years:	\$6,289,915
Withholding:	\$6,289,915
Sales:	\$0
Corporate:	\$0

**MOTION: Ted Wilson moved to approve Quick Base Inc. for an EDTIF post-performance refundable tax credit of up to \$1,257,983 which represents 20% of the \$6,289,915 of new state revenue, which may be earned over 5 years.**

**Lorena Riffo-Jenson seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$1,257,983 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.

**Presentation:** Doug Wendell, CFO of Quick Base, thanked the board for its consideration of this incentive. He provided a company overview, spoke of the success they have had with their test of the market and detailed the workforce and types of jobs the project would bring to Utah.

**EDTIF – Infab Corporation.**

**Project Highlights**

Timeline:	2019
Target Industry:	Manufacturing
Location:	Hildale, UT
CapEx:	\$5,000,000
Jobs:	90
Average Wage:	\$46,350

**Project Overview**

Infab Corporation designs and manufactures radiation protection apparel and equipment for healthcare professionals. The company offers lead aprons, glasses, and gloves as well as other equipment for patient x-ray protection. Infab is the country’s largest provider of medical radiation protection equipment and sells its products through distributors in the United States and internationally, as well as online. Infab Corporation was founded in 1981 and is based in Camarillo, California.

Infab currently sells radiation protective apparel and equipment all over the world. The company uses a strong direct sales team in the US and a network of distribution partners across the world. The company has experienced significant growth due to the increase in direct sales and will continue to expand this technique. Infab has maintained double digit growth since 2008.

Infab is experiencing rapid growth and facing pressure from the business climate in California. In order to keep up with the increase in demand, the company is working to determine a site to open a secondary manufacturing facility. This new project will vertically integrate Infab with the main component of the product, the core protective material. This material is lead-free and provides the protection in both Infab’s products and those of its competitors.

The company is looking at sites in southern Nevada and Utah. One of the potential locations for this second site is a building in Hildale, UT. Infab is currently working with a broker to potentially purchase the building.

**Jobs & Revenue**

Full time jobs over project lifetime: 90

**Company Average Wage vs. County Average Wage**

Max with health benefits:	136%
Max w/o health benefits:	129%
Min with health benefits:	126%
Min w/o health benefits:	120%

**New State Wages & Revenue**

New State Wages over 5 years:	\$11,148,000
New State Revenue over 5 years:	\$789,753
Withholding:	\$413,869
Sales:	\$18,988
Corporate:	\$356,895

**MOTION: Stephanie Bevans moved to approve Infab Corporation for an EDTIF post-performance refundable tax credit of up to \$157,951 which represents 20% of the \$789,753 of new state revenue, which may be earned over 5 years.**

**Steve Neeleman seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$157,951 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 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:** Mayor Jessop spoke of the availability of infrastructure that led to this opportunity within her community. She also spoke of further improvements planned in the community.

**ED Zones:**

- Motion: Approve the creation of economic development zones for Ogden in support of their letter of request detailing the expansion of Amer Sports Corporation at 961 West 2<sup>nd</sup> St, Ogden, UT 84404 and 2030 Lincoln Ave. Ogden, UT 84401
- Motion: Approve the creation of an economic development zone for Sandy in support of their letter of request detailing the expansion of AvidXchange, Inc. at 111 E Sege Lily Dr, Suite 300 Sandy, Ut 84070.
- Motion: Approve the creation of an economic development zone for Sandy in support of their letter of request detailing the expansion of Cornerstone OnDemand, Inc. at 75 W Towne Ridge Parkway, Suite 300. Sandy, UT 84070

**MOTION:** Jerry Oldroyd moved to approve the ED Zones as presented. Ted Wilson seconded the motion. The motion carried unanimously.

**Rural Fast Track Grant Endorsements**

**GOED BOARD  
RURAL FAST TRACK GRANT  
FULL CIRCLE, LLC  
(SUMMIT INN PIZZA)  
MAY 9, 2019**

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The Office of Rural Development recommends a Rural Fast Track capital investment grant for Full Circle, LLC, located in Garden City, Rich, for the purpose of building expansion and new equipment to accommodate dine-in options for their restaurant. The total project cost is valued at Forty-five thousand dollars (\$45,000).

**MOTION: Endorse a Rural Fast Track capital investment grant for Full Circle, LLC in the amount of \$22,500.**

*The company expects to create one (1) new full time position paying at least 110% of the county average wage. Upon proof of job retention for a period of 12 consecutive months, the company also qualifies for a grant fund reimbursement of up to one thousand, five hundred dollars (\$1,500)*

**GOED BOARD  
RURAL FAST TRACK GRANT  
HSE1, LLC  
(EAGLE STOP NORTH)  
MAY 9, 2019**

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The Office of Rural Development recommends a Rural Fast Track capital investment grant for HSE1, LLC, located in Panquitch, Garfield County, for the purpose of restaurant expansion to the Eagle Stop North to open a self-serve yogurt franchise. The total project cost is valued at One-hundred and twenty-five thousand dollars (\$125,000).

**MOTION: Endorse a Rural Fast Track capital investment grant for HSE1, LLC in the amount of \$50,000.**

*The company expects to create one (1) new full time position paying at least 110% of the county average wage. Upon proof of job retention for a period of 12 consecutive months, the company also qualifies for a grant fund reimbursement of up to one- thousand, five hundred dollars (\$1,500).*

**MOTION:**

**Mel Lavitt moved to endorse the Rural Fast Track grant as presented. Roger Killpack seconded the motion. The motion carried with a single dissenting vote from Christopher M. Conabee.**

**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**

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

**Meeting Adjourned**