



Utah Governor's Office *of*
Economic Development

BUSINESS • TOURISM • FILM



A N N U A L
R E P O R T



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Executive Director's Message



By any measure, 2017-18 was another banner year for Utah's economy. Many entities once again pointed to Utah as the nation's leader in economic strength and vitality.

Utah was a top state for job growth throughout the year with average job growth of 3.1 percent.

The Hachman Index identified Utah's economy as the most diverse in America, tying Missouri for the top spot. A state with a diversified industry mix is less likely to be impacted when one economic sector experiences recession. Because of our economic diversity, Utah will be less impacted in times of recession and can rebound more quickly than the nation when economic turbulence hits.

The economic development tools provided by the Legislature have created an environment second-to-none, helping Utah achieve its many successes.

With all the growth and success, however, come challenges. Chief among them is talent recruitment. The low unemployment rate has put stresses on industry across all sectors. Companies are struggling to find qualified workers to fill open positions.

The Governor's Office of Economic Development (GOED) is pleased to play a crucial role in Talent Ready Utah, created by the Legislature to bring industry and education together. The initiative will align education with workforce needs and help students become better prepared through work-based training programs.

Tourism continues to generate tremendous revenues for the state. Last year, tourists spent over \$9 billion in Utah, generating \$1.3 billion in state and local taxes. The Office of Tourism continues its efforts to spread tourism throughout the entire state.

And, speaking of rural Utah, the Office of Rural Development continued its efforts in promoting the Governor's Rural 25K jobs goal to create 25,000 jobs in rural Utah before 2020. GOED hired Rebecca Dilg to oversee the initiative and manage the state's support of economic development plans presented by the counties to the governor.

All in all, the past year was another success for the record books. GOED will stay focused on its core mission and continue to meet head-on the challenges and opportunities stemming from Utah's exemplary economic success.

A handwritten signature in black ink, appearing to read "J. Val Hale". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

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Vision, Mission and Strategic Plan

Vision

Utah will be the nation's best-performing economy. It will be a premier global business environment and tourist destination.

Mission

The Utah Governor's Office of Economic Development enhances the state's quality of life by increasing and diversifying Utah's revenue base and improving employment opportunities.

Strategic Plan

Grow and support Utah businesses in urban and rural communities, and encourage an innovative entrepreneurial spirit.

Engage with industry to build strategies that maintain a diversified economy and strengthen the business supply chain.

Expand the tourist experience of Utah's natural and cultural wonders.

Advance Utah's unprecedented partnerships in industry, education and workforce development.

Provide benefits for Utah residents including:

- Improved availability and quality of jobs
- Increased community quality of life
- New training and educational opportunities for underemployed and unemployed workforce
- Decreased tax burden

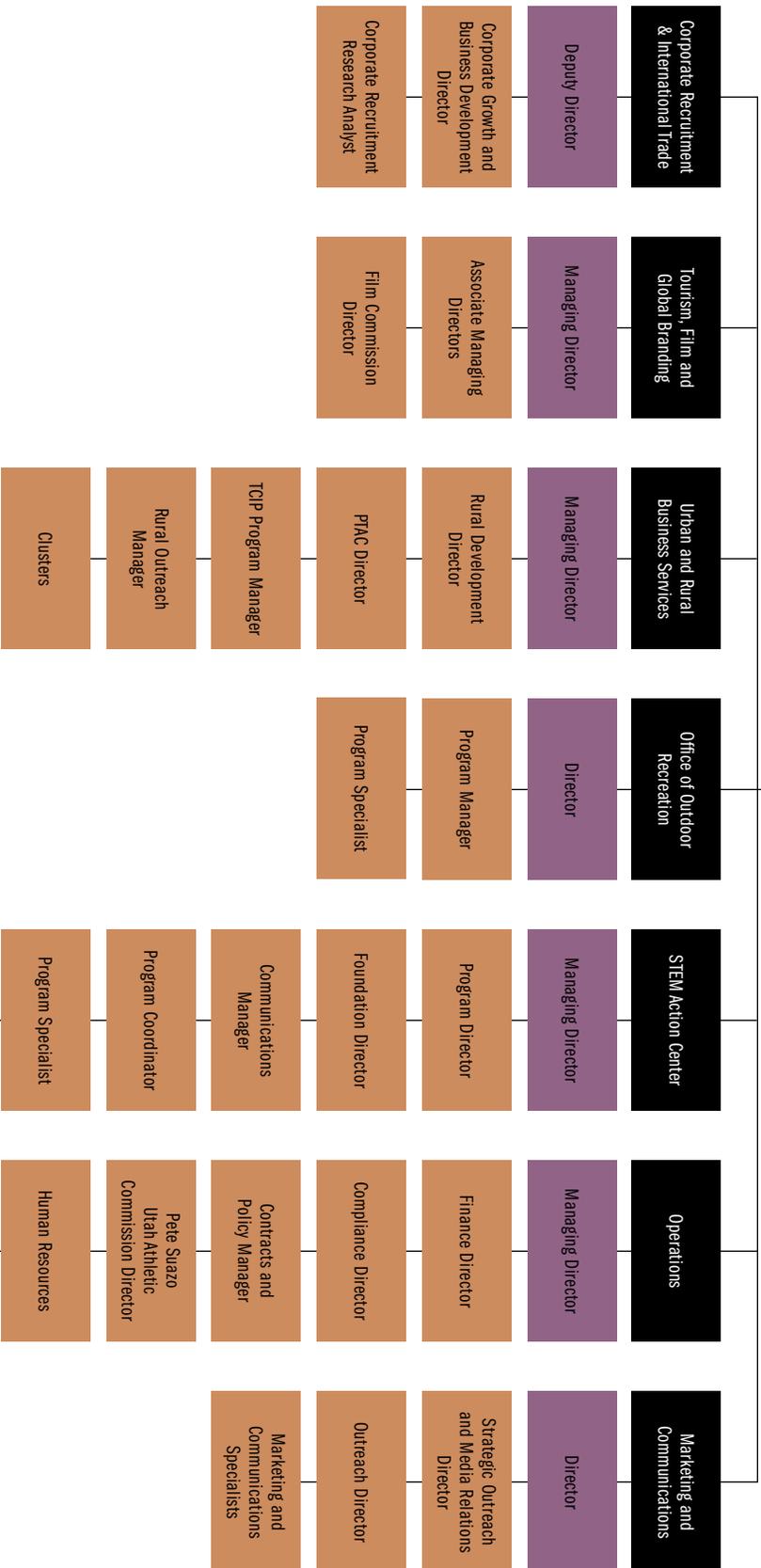




Governor's Office of Economic Development

BUSINESS • TOURISM • FILM

Executive Director



Number of Full-Time Employees Per Team

Administration	7	Marketing and Communications	5
Business Services	16	Pete Suazo Utah Athletic Commission	2
Compliance and Business Intelligence	8	STEM Action Center	12
Corporate Recruitment, International	6	Utah Office of Outdoor Recreation	3
Trade and Diplomacy	5	Utah Office of Tourism	20
Film		Total	84



CITY CREEK

ET

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cars or less \$13
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Teams

Corporate Recruitment, International Trade and Diplomacy

Corporate Recruitment accelerates business growth and job creation using sustainable, cluster-organized domestic and international corporate expansion and relocation. Financial incentives are available for select companies that create new, high-paying jobs to help improve the standard of living, increase the tax base, attract and retain top-level management, and diversify the state economy through business relocation and expansion.

Achievements

The Corporate Recruitment, International Trade and Diplomacy and Talent Ready Utah teams of the Governor's Office of Economic Development saw significant progress on critical issues during the most recent program year. Each program focuses on economic growth throughout Utah in key strategic areas. As we strengthen businesses, generate job growth, align with foreign markets and convene stakeholders to facilitate and foster a more robust labor force, companies throughout Utah are generating lasting impacts.

During the most recent year, the Industrial Assistance Fund (IAF) played a crucial role in helping business expansion efforts. Two examples of this include helping ASI expand their operation in Cache County and helping Beaver County attract a \$140 million research facility. Grants provided from the IAF were critical in completing these two projects.

Challenges

Program success is often defined by how well the office optimizes partnerships and strategic contracts, creating opportunities and addressing challenges for each program within the corporate recruitment team.

Corporate Recruitment contracts with a statewide nonprofit partner to conduct recruitment. The contract is currently held by the Economic Development Corporation of Utah (EDCU). This partnership allows GOED to leverage state resources to enhance statewide economic development. EDCU can assist the corporate recruitment team with efforts to attract projects that build local and regional economies.

International Trade and Diplomacy contracts with World Trade Center Utah (WTC) for international business services on behalf of the State of Utah. WTC works to strengthen and grow business throughout the state, increase exports from Utah to foreign customers, and increase foreign direct investment into Utah. WTC also leverages the state contract to expand funding potential for private entities in the state.

Talent Ready Utah partners with several crucial education stakeholders to convene critical conversations around labor and workforce throughout the state. Strategic partners include the Utah State Board of Education, Utah System of Technical Colleges, Utah System of Higher Education, and the Department of Workforce Services.

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Tourism, Film and Global Branding

The Office of Tourism, Film and Global Branding plays an integral role in the success of the Governor’s Office of Economic Development by stimulating traveler spending and film production in Utah.

It was a remarkable year for the office. Traveler spending in Utah reached \$9.1 billion in 2017 — a 7.2 percent increase over 2016 — generating \$1.3 billion in state and local tax revenues (\$731 million state tax revenue, \$610 local tax revenue). Income from tourism provided approximately \$1,200 in tax relief for every household in Utah.

The Utah Film Commission supported the production of three popular television series: “Andi Mack” (Disney), “Westworld” (HBO) and “Yellowstone” (Paramount) and helped hundreds of local, emerging filmmakers find their way in the industry.

In addition to generating income for the state, the Utah Office of Tourism encourages positive perceptions of

Utah by promoting the Life Elevated® brand through public relations, marketing campaigns, social media, online written and video content and the inclusion of Utah locations in Hollywood films, television series and national television commercials. More than 1,400 productions have been filmed in Utah, including iconic films: “Butch Cassidy and The Sundance Kid,” “Thelma & Louise,” and “127 Hours.”

As stewards of a healthy tourism economy, the Utah Office of Tourism also manages the Red Emerald Initiative, a long-term strategic vision to grow Utah’s tourism industry while maintaining a high-quality experience for visitors and Utah residents.

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Urban and Rural Business Services

2018 has been a historic year of opportunity, growth and change for the Governor's Office of Economic Development's (GOED) Urban and Rural Business Services. We continued our commitment to increase Utah's prosperity by building strong, diverse and expanding industries, and by working with small business and entrepreneurs.

Opportunity creates the need for strategy related to the current economic climate while being mindful of technological advancements. That's why initiatives such as 25K Jobs by 2020 allow for continued commitment to Utah's rural counties by creating economic development plans looking forward five years, 10 years and beyond.

We know there's work ahead to build on the current successes and continue the momentum. In 2019, we will continue to fulfill GOED's mission by refining grant and tax incentive packages to enable business growth and expansion and to develop business-ready infrastructure. The division's future successes will be data-driven and targeted to help the communities that need it most.

The world and nation are in a state of ongoing change, creating additional opportunities and challenges. When we share our talents and resources across Utah, we reveal our true potential not only from border to border but from generation to generation. We remain committed to ensuring that Utah is on a path of growth and prosperity.

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Operations

The Operations Team within the Governor's Office of Economic Development (GOED) oversees finance, compliance, policy, contract management, human resource, technology services, and overall facility management.

We are delivery-focused, ensuring organizational success through efficiency measures and careful consideration of all resources. The Operations Team strives to deliver innovative and thoughtful service through continuous quality improvement. We recognize our stewardship of the organization's financial, physical and human resources and value the collaborative communication and contribution of effective business procedures and controls.

Achievements

Process Improvement: During the 2016 General Session, HB 31 required GOED to begin certification of business entities' eligibility for an Enterprise Zone tax credit. Initiating a new program acquired from the Tax Commission provided an opportunity for GOED to assess process, information acquisition, and make improvements in the flow of the assessment and reviewing and issuing of tax credits.

The majority of assessments completed in 2016 included a manual review, moving, signing and mailing physical documents while tracking status and outcomes in several spreadsheets. Knowing the volume of applications would increase over time, the Operations Team simplified the compliance process by determining what information needed to be collected for accurate and timely assessments. The process then focused on how Salesforce could add automation and assist with document creation. The improved compliance process using the SUCCESS framework coupled with automation has reduced touch-time by more than 45 minutes for each of the 650 estimated Enterprise Zone tax credits GOED will issue this calendar year.

Challenges

A year ago, GOED spoke to the challenges of data sharing across agencies. Those barriers still exist one year later. One of the biggest obstacles the agency faces is reconciling tax credits authorized with tax credits taken.

The Tax Commission shares documentation with GOED through the TAP system. The advantage to TAP is immediate, secure access to most tax documents. However, the system also has disadvantages:

1. Access to a company's tax forms is granted providing a completed Authorization to Disclose (ATD). Complete and accurate forms can be difficult to obtain. Additionally, information can only be requested for companies for which GOED has submitted an ATD. Therefore, there is no way to detect if a company is fraudulently claiming a tax incentive. GOED would not have access to those tax records.
2. The Tax Commission tracks companies that have redeemed all tax credit certificates. To this point, the Tax Commission has been unwilling to share the information with GOED. To conduct the same level of analysis would be a duplication of effort as well as a potential waste of resources as GOED does not have the same level of access and would never be able to reconcile the amount redeemed.
3. The above two issues combine to create a perfect storm: GOED is ultimately accountable to stakeholders based on Tax Commission reports. Due to the level of difficulty and the often impossible task of obtaining the data behind the reports, the office cannot confirm the accuracy, nor adequately prepare for discussions with stakeholders in regards to the reports.

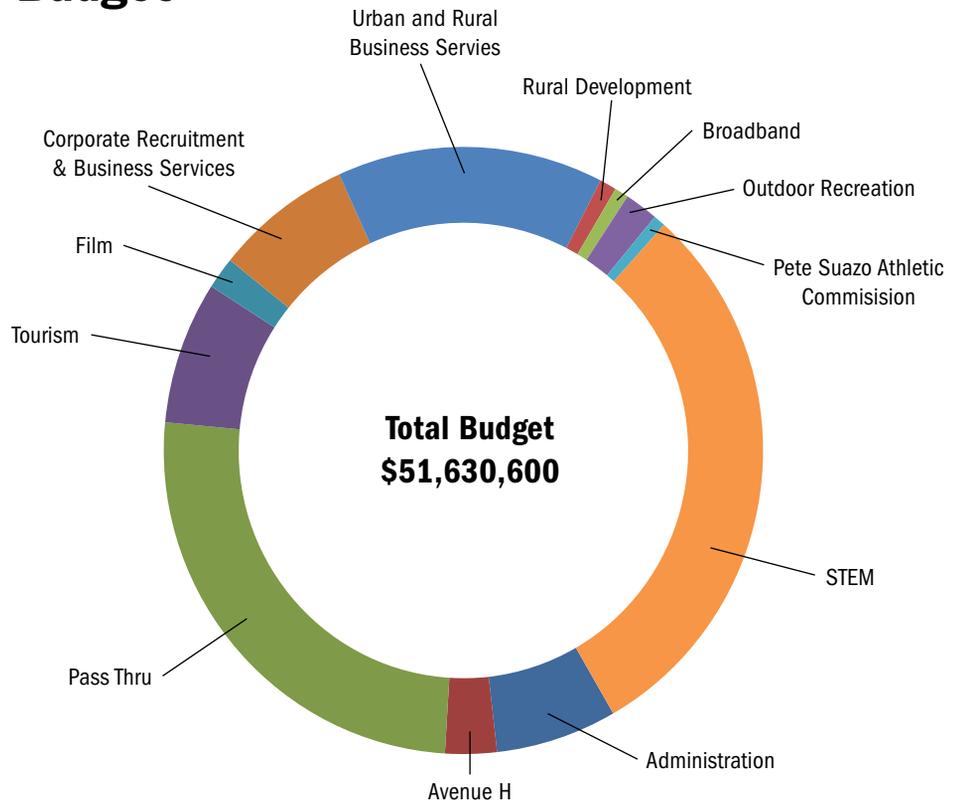
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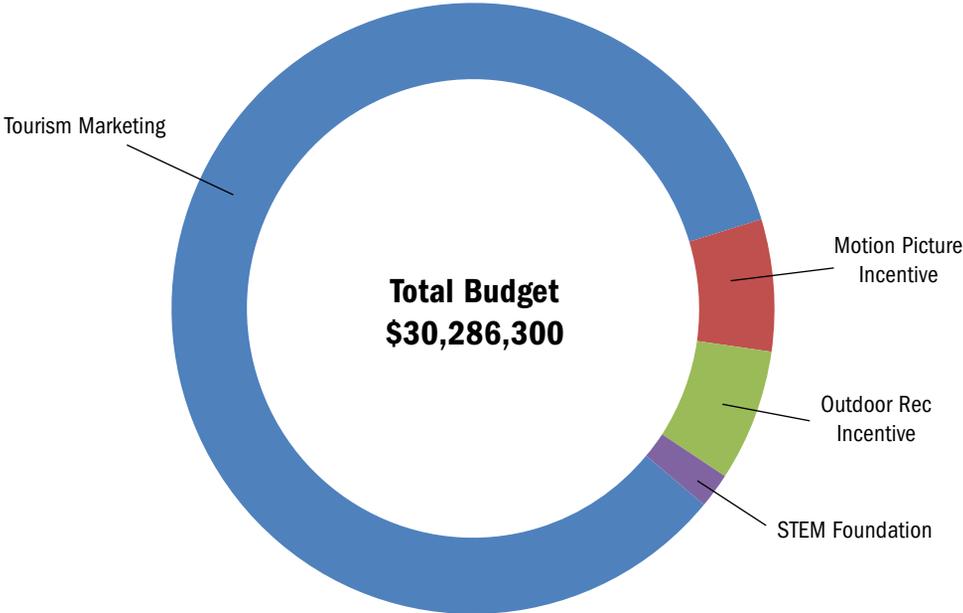
Budget

FY 2018 OPS Budget



Budget Item	General Fund	General Fund One Time*	GF Restricted	Dedicated Credit	Transportation	Federal	Total Budget
Administration	\$2,562,500	\$817,700	-	-	-	-	\$3,380,200
Avenue H	\$375,000	\$525,900	-	\$532,900	-	-	\$1,433,800
Pass Thru	\$5,603,800	\$7,562,000	-	-	-	-	\$13,165,800
Tourism	\$3,426,800	\$144,800	-	\$233,700	\$118,000	-	\$3,923,300
Film	\$812,300	\$67,200	-	-	-	-	\$879,500
Corporate Recruitment & Business Services	\$3,111,000	\$154,200	\$253,400	\$150,000	-	\$148,500	\$3,817,100
Urban and Rural Business Services	\$5,975,000	\$802,700	-	\$198,500	-	\$445,800	\$7,422,000
Rural Development	\$369,300	\$100,000	-	-	-	-	\$469,300
Broadband	\$358,400	\$28,500	-	-	-	-	\$386,900
Outdoor Recreation	\$235,300	\$697,800	-	-	-	-	\$933,100
Pete Suazo Athletic Commission	\$167,800	\$126,200	-	\$39,100	-	-	\$333,100
STEM	\$10,792,200	\$4,436,200	-	\$258,100	-	-	\$15,486,500
GOED Budget FY 2018	\$33,789,400	\$15,463,200	\$253,400	\$1,412,300	\$118,000	\$594,300	\$51,630,600

FY 2018 Fund Budget

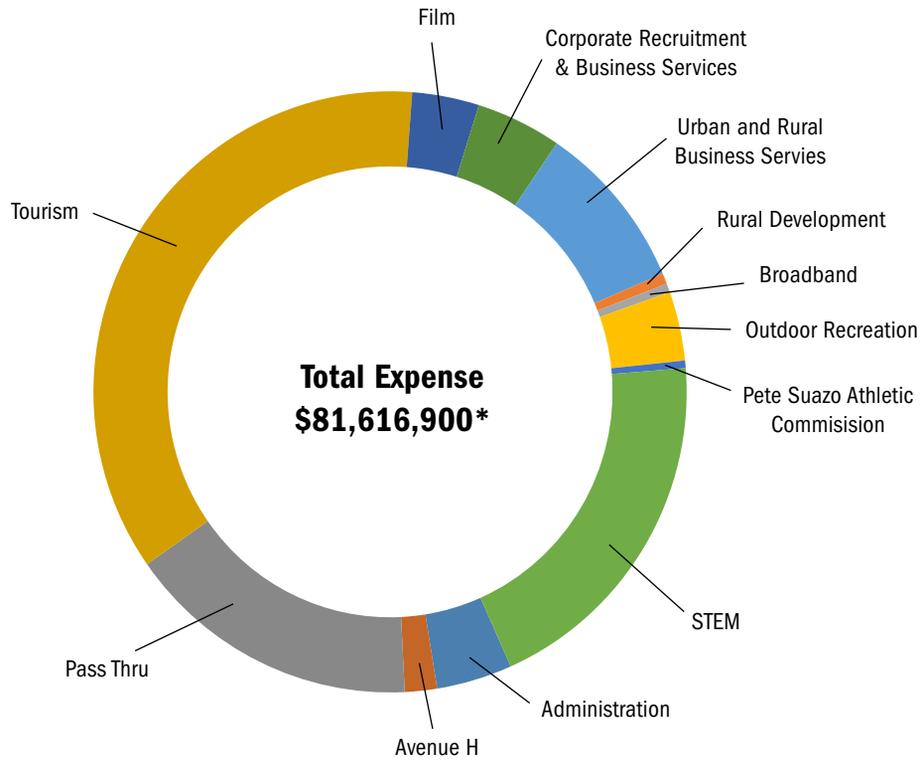


Budget Item	General Fund	General Fund One Time*	GF Restricted	Dedicated Credit	Transportation	Federal	Total Budget
Tourism Marketing	-	\$4,494,000	\$21,000,000	-	-	-	\$25,494,000
Motion Picture Incentive	\$1,500,000	\$610,900	-	-	-	-	\$2,110,900
Outdoor Rec Incentive	-	-	-	\$2,117,000	-	-	\$2,117,000
STEM Foundation	-	-	-	\$564,400	-	-	\$564,400
GOED Budget FY 2018	\$1,500,000	\$5,104,900	\$21,000,000	\$2,681,400	-	-	\$30,286,300

*Includes one time and nonlapsing/carry forward balances

FY 2018 Total Expenditure

*Expenditure report includes operations and fund budget



Budget Item	Personnel	Travel	Current Expense*	Data Processing DTS	Grants/Pass Through	Carry Forward	Total Expense
Administration	\$1,511,500	\$29,400	\$670,600	\$11,400	\$38,800	\$1,118,500	\$3,380,200
Avenue H	\$464,300	–	\$579,700	\$224,300	\$165,500	–	\$1,433,800
Pass Thru	–	–	–	–	\$13,015,800	\$150,000	\$13,165,800
Tourism	\$1,866,700	\$106,000	\$16,664,000	\$111,400	\$6,573,100	\$4,096,100	\$29,417,300
Film	\$521,700	\$13,300	\$204,800	\$28,500	\$780,900	\$1,441,200	\$2,990,400
Corporate Recruitment & Business Services	\$1,653,500	\$78,800	\$1,056,700	\$66,900	\$403,200	\$558,000	\$3,817,100
Urban and Rural Business Services	\$1,224,100	\$60,100	\$2,441,200	\$51,700	\$2,876,600	\$768,300	\$7,422,000
Rural Development	\$308,800	\$9,000	\$51,800	\$5,200	\$6,100	\$88,400	\$469,300
Broadband	\$195,000	\$9,400	\$175,800	\$6,700	–	–	\$386,900
Outdoor Recreation	\$343,600	\$20,600	\$19,000	\$11,500	\$402,400	\$2,253,000	\$3,050,100
Pete Suazo Athletic Commission	\$140,900	\$15,000	\$37,900	\$3,700	\$9,900	\$125,700	\$333,100
STEM	\$1,043,800	\$34,400	\$3,936,100	\$38,900	\$8,279,800	\$2,717,900	\$16,050,900
GOED Budget FY 2018	\$9,273,900	\$376,000	\$25,837,600	\$560,200	\$32,552,100	\$13,317,100	\$81,916,900

*Total expense includes operations and fund budget totals FY 2018 Total Expenditure

Industrial Assistance Fund

FY 2017 EXPENDITURE SUMMARY				
IAF Allocations	Budget	Expended	Encumbered	Available Balance
Economic Opportunities	\$6,266,499	\$1,030,760	\$2,538,825	\$2,696,915
Rural Fast Track	\$3,419,147	\$937,123	\$1,032,337	\$1,449,686
BEAR Funding	\$889,472	\$318,338	\$440,597	\$130,537
Smart Schools - iSchools	\$1,179,569	\$684,071	\$495,498	\$0
Post Performance Grants	\$12,545,670	\$237,974	\$6,316,200	\$5,991,496
IAF Allocations Subtotal	\$24,300,357	\$3,208,265.69	\$10,823,457.99	\$10,268,634.34

FY 2018 EXPENDITURE SUMMARY				
IAF Allocations	Budget	Expended	Encumbered	Available Balance
Economic Opportunities	\$3,908,116	\$175,123	\$307,985	\$3,425,009
Rural Fast Track	\$5,199,380	\$1,322,013	\$2,213,011	\$1,664,356
BEAR Funding	\$579,520	\$198,988	\$175,497	\$205,035
Smart Schools - iSchools	\$0	\$30,778	\$0	\$0
Post Performance Grants	\$11,533,146	\$21,701	\$3,975,299	\$7,536,146
IAF Allocations Subtotal	\$21,220,162	\$1,748,603.58	\$6,671,791.04	\$12,830,545.05

FUND CHANGE IN POSITION				
IAF Allocations	Budget	Expended	Encumbered	Available Balance
Economic Opportunities	(\$2,358,383)	(\$855,637)	(\$2,230,840)	\$728,094
Rural Fast Track	\$1,780,233	\$384,890	\$1,180,674	\$214,669
BEAR Funding	(\$309,952)	(\$119,349)	(\$265,100)	\$74,497
Smart Schools - iSchools	(\$1,179,569)	(\$653,294)	(\$495,498)	\$0
Post Performance Grants	(\$1,012,524)	(\$216,272)	(\$2,340,902)	\$1,544,650
IAF Allocations Subtotal	(\$3,080,195)	(\$1,459,662.11)	(\$4,151,666.05)	\$2,561,910.71

Notes:

FY 2017 received \$833,000 in 1x funding from SB3 Item 40

FY 2018 reduced encumberance due to expiring obligations and clean up of contracts



Offices

Utah Office of Outdoor Recreation

The Utah Office of Outdoor Recreation (OOR) embodies the state's ongoing commitment to outdoor recreation as both an economic driver and a way of life. The OOR works to promote Utah as the premier location for recreation opportunities that enhance quality of life.

The Office of Outdoor Recreation's guiding vision is to ensure that all Utahns can live a healthy, active life through outdoor recreation. The office supports this vision by actively marketing recreation opportunities, educating partners on recreation best practices, and providing resources to support outdoor infrastructure projects.

Initiatives

The Utah Outdoor Recreation Grant supports outdoor recreation projects in all 29 counties throughout Utah by distributing up to \$5 million in funding annually.

The Utah Outdoor Recreation Summit is an annual gathering of recreation professionals from around the country and the world. The goal of the summit is to bridge the gap between economic development, policy, planning, health, education, and industry.



Corporate recruitment efforts strengthen relationships with EDCUtah, local government and private entities across the state. The goal is to support existing recreation businesses and attract new recreation businesses as well as events.

OOR works to increase the awareness of our initiatives through outreach, such as marketing and speaking engagements, highlighting current and future programs.

Here are some of our activities during this past year:

1. We held 10 workshops throughout the state to instruct interested parties in how to best complete applications and apply for grants.
2. We created the Utah Outdoor Recreation Grant Advisory Committee which includes 14 individuals representing a variety of recreational outlets.
3. We sponsored two regional summits at Snowbird and Bryce Canyon, respectively, to address relevant topics in each region and promote collaboration between all industries that impact outdoor recreation. The summits included 24 workshops on topics such as protecting public lands, planning trails and providing urban outdoor recreation options. Each regional summit showcased local amenities through exciting activities and entertaining dinners.
4. Corporate recruitment is an essential part of OOR's initiatives. Through strong partnerships with EDCUtah and local government we look to bring in new business as well as help existing businesses thrive.
5. Through partnerships with EDCUtah and the Snowsports Industry Association, OOR hosts the Summit Speaker Series. The six annual workshops are designed to strengthen our outdoor industry.

Awards

University of Utah – Appreciation Award

Chill Foundation – Ongoing Supporting Partner

Parks 4 Kids — Awarded \$50,000 to be distributed to youth programs state-wide

Achievements

- Awarded two rounds of grants for total of \$4.7 million
- Awarded 72 total projects for total project value of \$34.8 million
- Funded 19 activity types
- Funded programs in 21 of 24 counties that applied
- Awarded 65 percent of funds to projects in rural Utah
- Helped create 500+ jobs
- Built more than 100 miles of new trails
- Increased social media followers from 1,000 to 1,700
- Assisted EDCUtah in recruiting two new outdoor businesses: RuRock and Destroyer

- Recruited two outdoor trade shows: Association of Outdoor Recreation and Education, and RV Industry Association

Contact



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Utah Office of Tourism

The Utah Office of Tourism (UOT) promotes tourism to out-of-state travelers with the goal of increasing tax revenues generated by tourists. Tourism spending creates approximately \$1,200 in annual tax relief for every Utah household. We partner with local communities to develop tourism economies consistent with their local vision.

To advance these goals, we run year-round marketing, public relations and travel trade programs targeted at domestic and international travelers. We work to make tourism a vibrant part of Utah's diverse economy that enhances the quality of life for all.

Initiatives

Red Emerald Visitor Strategy — Like the red emerald, mined only in Utah, visiting Utah should be a highly valued experience that isn't found elsewhere. This initiative creates a lasting and quality tourism economy by targeting visitors who are willing to spend more, get off the beaten path and come back over and over because they understand and value our unique offerings.

Destination Development — This program works with local community leaders to integrate tourism development into local economic development plans, identifying key strengths and unique offerings for marketing programs, and facilitating productive dialogue among community stakeholders.

Transition From Mass to Precision Marketing — UOT is scaling back on TV and expanding digital and social media advertising to more effectively reach targeted visitors, our "passion tribes." New analytics capabilities allow for improved tracking and insights to gauge the economic impact of ad spending.

Targeted China Marketing — The international team expanded its business-to-business and business-to-consumer marketing strategies in China to attract more affluent, independent travelers.

Digital Leadership — We developed a centralized data warehouse for data-informed decision-making by staff and industry partners. We are using machine learning and artificial intelligence to optimize marketing campaigns, improve customer service and efficiently reach high-spending travelers.

Outcomes

In 2017, travelers spent \$9.1 billion in Utah, generating \$1.3 billion in state and local tax revenues (\$731 million state, \$610 million local).

In FY 2018, UOT continued tracking its SUCCESS measures. By measuring website visits that exceed four minutes on-site, or visitors who viewed more than three pages, UOT focuses on increasing the most engaged visits to the website.

Associate Managing Director Jay Kinghorn was awarded the inaugural Peter Yesawich award for excellence in digital marketing and analytics by MMGY Global.

Challenges and Opportunities

Key challenges continue to center around the growth in visitation at Utah's national parks. Arches and Zion national parks are both considering reservation systems to curtail visitation growth. We are working closely with community leaders and federal land managers to find solutions to promote healthy communities, parks and economies in Utah's gateway communities.

Contact



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For additional information about the Utah Office of Tourism, Film and Global Branding, go to visitutah.com.

Spotlight

During the Great Recession, when downtown Cedar City had many vacant storefronts, Jimmy Twitchell and Mark Baruffi hatched an idea for an upscale pizzeria. Economic development prospects looked dismal, but thanks to Cedar City's proximity to top tourist destinations, the area had seen an uptick in visitor traffic.

"With tourism starting to grow in Cedar City, we knew there was potential and if we could get through the first few years we would make it," said Baruffi.

Within a few weeks of opening, Centro Woodfired Pizzeria became the No. 1 rated restaurant in Cedar City on TripAdvisor, a level of visibility that created a growing customer base.

"Centro wouldn't be in Cedar City if it weren't for the tourists," said Baruffi. "Yet because tourists sustain the business, residents can enjoy an upscale restaurant that wasn't present in the community before we opened."

Inspired by Centro's success, other businesses have cropped up, including the French Spot, a boutique bakery run by a Michelin-rated pastry chef from Paris, and southwestern Utah's only winery. Meanwhile, other businesses have expanded or relaunched, including the Brick House restaurant and the Depot Grill, expanding the culinary offerings and the city's allure as a gateway to the national parks and traveler base camp.

During the busy season, Centro employs more than 50 people. While winter visitation is slower, traffic remains robust and is expanding because of the growing profile of Brian Head Resort.



Programs

Economic Development Tax Increment Financing

U.C.A. 63N-2-1

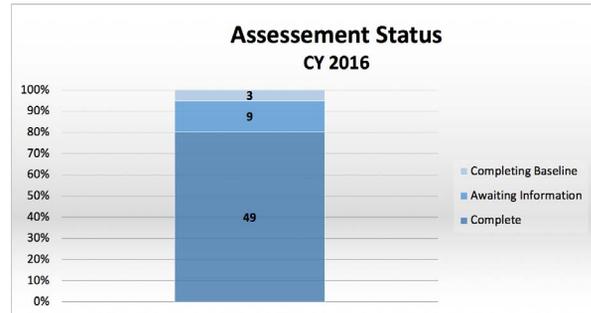
The Economic Development Tax Increment Financing (EDTIF) program was created in statute to foster and develop key industry sectors in the state, to provide additional employment opportunities for Utah's citizens and to improve the state's economy. The goals set forth in statute provide tax credits to attract new companies to the state and to create new jobs at companies looking to expand existing business within the state; to provide a relationship between state and local economic development efforts; and to create a competitive advantage for the state.

Initiatives

The EDTIF program supported the expansion of multiple companies that are/will be significant employers within strategic industry clusters including:

- Adobe (IT/Software)
- Snap, Inc. (IT/Software)
- Stryker (Life Sciences)
- Clarus Corporation (Outdoor Products)
- Parker- Hannifin (Aerospace)

In calendar year 2016, the most recent results available to report, there were 98 active EDTIF agreements. Of those 98 active projects, 61 companies submitted annual report data and 49 have been assessed for a tax credit. The status of the remaining 12 companies is outlined in the following chart.



Most of the 49 projects can be categorized into GOED's six strategic industry clusters and general manufacturing. Information technology companies represented 29 percent, the largest segment of the companies that received an assessment.



Outcomes

Over the entire history of the program, GOED's compliance team has assessed 99 companies and verified the creation of 20,429 new full-time jobs.

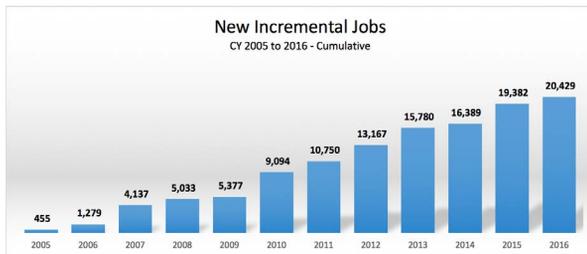
The number of new jobs is a calculation of each company that had requested and completed an EDTIF assessment for the specific audit year. The calculation includes a count of employees for the audit period and subtracts the baseline (the employee count from the time of board approval) for the first year. In subsequent years, the calculation includes the count of employees relative to the last reporting period, thus resulting in an increase or decrease from the time the company last reported.

Completion of assessments is contingent on the time and accuracy of the company data provided. Completion



date of an assessment may impact data reported by the program in year over year comparisons. During the last reporting period, the program completed 11 prior year assessments.

For companies that did not have an assessment for an audit year, it is assumed for reporting purposes that there was no increase or decrease in the employee count. Since this data are incremental increases or decreases for each year, they can be added together to create the total incremental job count.

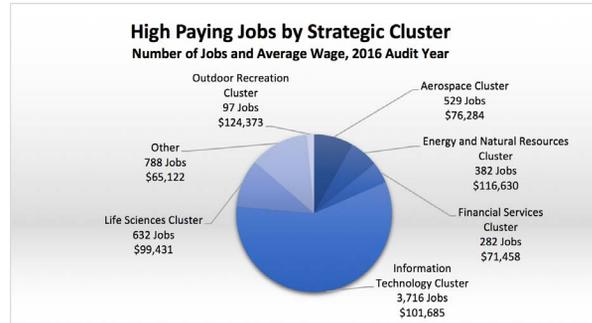


Pursuant to legislation passed in the 2015 General Session, based on the 49 companies that reported and were assessed in CY 2016, the program has collected and verified 6,426 new high-paying jobs, paying an average of \$87,200 per year.

6,426
High-paying jobs
averaging
\$87,200*

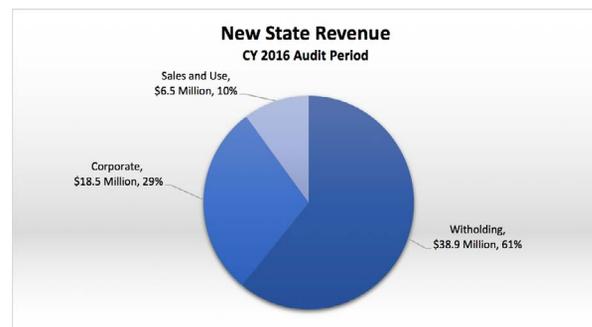
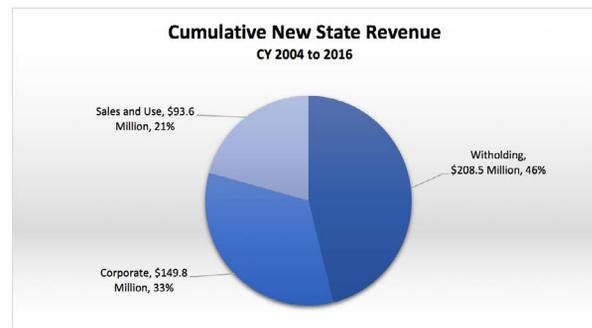
* Data represents the first year of high-paying job reporting requirements. Previous year data not available.

Legislative changes also provided clarity in process and definitions including baseline, high-paying jobs, and full-time employees. The defined purpose and articulation provides guidance in annual reporting metrics to better understand the significant growth of EDTIF incentivized companies and can help stakeholders determine the effectiveness of the program.



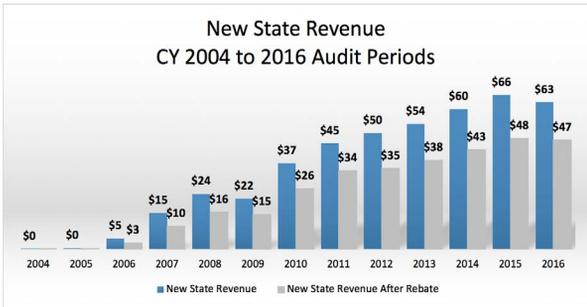
Revenue

Compliance receives a growing number of requests each year to calculate a company with an EDTIF award's new state revenue. New state revenue from paid and remitted employee withholdings, sales and use tax and corporate tax, which has increased from the time of board approval, is verified using information from the Utah State Tax Commission. A percentage of these new state revenues can be rebated through the EDTIF program if the company meets the contractually defined number of new high paying jobs for that period. The percentage by type of cumulative new state revenue and new state revenue for CY 2016 is in the following chart.





Over the history of the program, EDTIF-assessed companies have created \$440.7 million in new state revenue and \$312.7 million in new state revenue after tax rebates. The difference in these two amounts represents tax credits that have been awarded by percentage of new state revenue incentivized by the EDTIF program. The percentage of award has been set in statute not to exceed 30 percent. Recent contracts are trending towards terms of seven years and 20 percent. As legacy contracts come to full term, we expect to see a reduction in margins between new state revenue and new state revenue after rebate.



Achievements

State government in Utah works best when agencies collaborate, and the EDTIF program is no exception. The Department of Workforce Services (DWS) and the Utah State Tax Commission provide information that helps to validate new job creation and new state revenue.

We benefit from program efficiencies resulting from increased collaboration and are excited to see additional future developments in the state’s incentive programs.

In addition to collaboration between state agencies, 2018 included significant collaboration among state, county and city officials to support the growth and expansion of many of the approved incentives in 2018.

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Avenue H

U.C.A 63N-11-101

Avenue H was Utah's small business health insurance marketplace. Avenue H was created in 2009 and helped small businesses (1-50 employees) statewide provide insurance to employees. Since its inception in 2009, Avenue H served an estimated 14,913 members, comprised of 801 small businesses.

The ACA (Patient Protection and Affordable Care Act, 2010) brought many uncertainties in the marketplace and fueled an intense state and national debate. In 2017, the Utah legislative task force for health system reform officially decided to relinquish control of the state-based health insurance exchange, turning it to the United States Department of Health and Human Services.

This action was carried out through a recommended amendment: Health Reform Amendments, 2017 (HB 336, Dunnigan). "It amends the duties of the Office of Consumer Health Services (OCHS) within the Governor's Office of Economic Development to require the office to wind down the small employer health insurance exchange known as Avenue H."

Key initiatives began immediately to wrap up no later than June 30, 2016. Avenue H was no longer available to new and renewing groups as of January 1, 2018, and the state's marketplace closed June 30, 2018.

Pete Suazo Utah Athletic Commission

U.C.A. 63N-10

The Pete Suazo Utah Athletic Commission (PSUAC) provides a safe, healthy environment for combat sports in the state of Utah.

Strategic Plan

Actively pursue knowledge and modern technology that will ensure an efficient and effective administration of the administrative rules.

Increase efforts to establish new promotions, and to assist existing promotions in their development business strategies that ensure success.

Develop a new and highly efficient online licensing program for athletes, promoters and officials. An online system could reduce the workload of the PSUAC by as much as 25 to 30 percent.

Initiatives

Mixed martial arts, boxing, and kickboxing events have increased in both number of events and number of athletes participating within the state.

2018 saw the first of two National Amateur Boxing tournaments in Salt Lake City, which will determine the athletes to represent the United States in the 2020 Olympic Games in Tokyo, Japan.

Outcomes

USA Boxing held the National Championship Tournament in Utah, which had a massive economic impact upon the greater Salt Lake City area.

Invicta Fighting Championships (an all-female mixed martial arts organization) brought yet another high profile event to the state, which generated a considerable amount of media attention and revenue.

The Pete Suazo Utah Athletic Commission plans to expand its future reach based upon momentum built in 2018.

Challenges

Development and implementation of an online licensing system presents unique challenges because of our dependence on existing systems developed by DOPL. Customization for PSUAC needs will be a lengthy process that will require the assistance of DTS.

Events in the state of Utah are booked at the will of the promoters. We will focus on educating non-Utah promoters about the social and economic advantages of conducting business in Utah.

Goal

We'll continue to focus on developing programs that incentivize promoters to bring events to Utah, as well as to provide support to existing promotions to help make them more financially solvent.

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Private Activity Bond Authority

U.C.A. 63N-5

During FY 2018, the operation of the Private Activity Bond Authority (PAB) was shifted to the Department of Workforce Services, Division of Housing Authority. The knowledge, skills and experience of PAB transferred to DWS with the retirement of a long-time staff member.

Utah Broadband Outreach Center

U.C.A. 63N-12-301

The Utah Broadband Outreach Center has served as a state program focused on working with private sector broadband providers and other relevant stakeholders to encourage the voluntary expansion of broadband networks to support economic development in both urban and rural Utah. The outreach center convened the Utah Broadband Advisory Council, providing the governor and Legislature with policy guidance and recommendations.

Funding for the Broadband Outreach Center was allowed to legislatively sunset June 30, 2018. However, realizing the intertwining economic development value to the governor's 25k Jobs Rural Initiative and under the direction of the GOED Office of Urban and Rural Business Development, the broadband oversight was integrated into the Office of Rural Development. Broadband and digital literacy in rural Utah are as essential to the rural economies as electricity and education.

Initiatives

The Broadband Outreach Center recently worked with Senator Hatch to support The Rights-of-Way Permitting Efficiency Act of 2017 to speed up federal permitting timelines for installing broadband infrastructure. The Center has also provided support to Representative John Curtis on the Rural Broadband Permitting Efficiency Act of 2018, to expedite permitting across rural BLM and tribal lands. This bill passed through committee and is moving forward.

The Broadband Outreach Center continued to fulfill its mission as prescribed in the Broadband Plan to facilitate internet installation in all parts of Utah. Working with

the AGRC, biannual updates were made to the interactive economic development map at locate.utah.gov and the residential broadband map at broadband.utah.gov. Maps of the month were created through February 2018.

Broadband expansions and upgrades in 2018 included:

- Two new areas in Eureka and Goshen
- About 400 new census block areas added by one major provider
- One new tower added near La Sal
- Expansions in Layton and West Valley

Goals

The Rural Community and Outreach Office will continue to maintain the broadband website and manage the broadband update requests. It will convene on a quarterly basis the Broadband Advisory Council bringing internet providers, academia, legislators, economic development, state and local government, health care, libraries, public safety and tribal entities together to further the expansion of broadband into rural Utah. The office will serve as primary contact for assisting residents, businesses, and critical stakeholders in the continued development and expansion of broadband to Utah.

Utah Film Commission

U.C.A. 63N-8-101

Established in 1974, the Utah Film Commission (UFC) supports the rich legacy of filmmaking across the state. It promotes the use of professional and experienced local crew, talent, support services and locations, and markets Utah as a destination for award-winning content creation. With more than 1,400 productions created in-state, Utah has a deep and lasting commitment to the entertainment industry.

UFC is a catalyst for the growth and evolution of the state's diverse economy through its creative industries. Film's contribution to Utah's economy is evident in the jobs created and money spent locally, with 450 companies, more than 5,500 employees and greater than \$142 million in Utah salaries — a \$32 million increase from 2016.

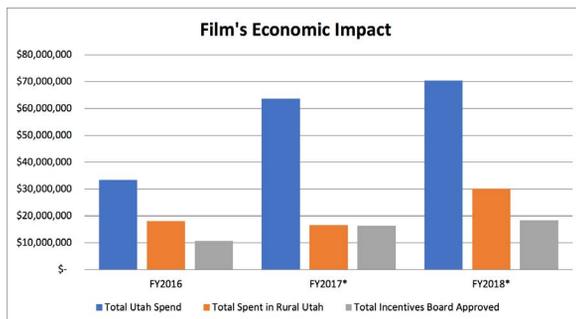
Initiatives

- Five television series filmed in Utah: Disney Channel’s hit show, “Andi Mack;” Kevin Costner’s new series, “Yellowstone;” HBO’s “Westworld;” YouTube Red’s “Youth & Consequences,” and; CW’s “The Outpost.” The productions have a combined weekly audience of more than 10 million viewers.
- A focus on new technology, diversity and workplace safety has created new initiatives like sustainable film production and workplace harassment prevention and inspired targeted events with groups such as Latino Reel and Film Fatales.
- For the second consecutive year, the Sundance Film Festival premiered four made-in-Utah productions, showcasing the state to the global film industry.

Outcomes

The Motion Picture Incentive Program approved 18 productions, including Disney Channel’s “Andi Mack,” Paramount’s “Yellowstone,” CW’s “The Outpost” and HBO’s “Westworld.”

The productions spent an estimated \$70 million in-state and created more than 1,700 local jobs.



Challenges and Achievements

Utah continues to grow as a hub for television and feature film production, as evidenced by the growth in both overall industry annual wages (increased by \$32 million over last year for a total of \$142 million, 2017 DWS Data) and the size and quality of productions that choose our state as a location. The increasing demand means that resources such as crew, infrastructure and incentives are often in short supply.

UFC introduced many new workforce development programs that will create a school-to-industry pipeline and provide trained crew for incoming productions. Now that demand exceeds supply, we will work to determine the best, most sustainable approach to the incentive program and ensure a balance between out-of-state and local productions that utilize the film incentive.

Utah Film Commission Production Data

Contains estimates as some projects are not completed yet	FY 2016 (18 Projects)	FY 2017 (31 Projects)	FY 2018 (18 Projects)*
Total Utah Productions Days	650	1,147	1,174
Total Utah Hires	2,526	2,749,30	1,778
Contains estimates as some projects are not completed yet	FY 2016 (18 Projects)	FY 2017 (31 Projects)	FY 2018 (18 Projects)*
Total Utah Spend	\$33,391,156	\$63,679,915	\$70,464,319
Total Spent in Rural Utah	\$18,100,000	\$16,528,000	\$30,069,673
Total Incentives Board Approved	\$10,611,611	\$16,234,098	\$18,410,464



Spotlight

In August 2017, Paramount Network, a new cable channel, chose Utah as the primary filming location for its new television series, “Yellowstone,” starring Kevin Costner. The award-winning series writer and director, Taylor Sheridan, fell in love with Utah during the production of his hit independent drama, “Wind River.” The series is based at the Utah Film Studios in Park City, and uses locations in Summit, Wasatch, Weber and Salt Lake counties.

The series has become an instant hit for the new network and is now the second-highest rated cable drama, just slightly behind zombie favorite, “The Walking Dead.” Five million viewers tuned in for the series finale and Utah’s landscapes provide a beloved backdrop for the show. The production spent more than \$30 million in Utah and created 450 jobs.

Further reason to celebrate came with the announcement in June 2018 of a second season of “Yellowstone” approved to shoot in Utah, with another \$33 million in anticipated spending and long-term jobs for Utah crew members.

“Utah is such a unique location because the mountains are so close to the city,” Sheridan said. “Coupled with the incentive, experienced crew and the Utah Film Studios, Utah is at the forefront of what will become a much bigger film industry.”

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Utah STEM Action Center

U.C.A. 63N-12-201

The STEM (Science, Technology, Engineering and Math) Action Center prioritizes STEM education, with a focus on supporting Utah’s workforce of the future. The programs and activities supported by the Center represent a long-term investment in Utah’s talent needs, and thus economic prosperity.

The Center drives research and implementation of STEM education best practices across Utah by coordinating STEM-related activities, helping to create and support STEM education programs, facilitating access to educational tools, connecting education with industry, and aligning public education with higher education STEM activities.

To advance STEM initiatives, the STEM Action Center Board uses legislative funding to oversee projects that align with K-16 education, support the Utah State Board of Education and K-12 education and higher education partners and align with industry needs.

The Center’s programs address issues that support outreach and student engagement, advocacy, retention and student achievement and success.

The Center aligns STEM education efforts with industry needs and higher education initiatives, promoting both student access to STEM education and career opportunities, as well as the talent Utah companies need to grow in the 21st century.

The Center’s efforts help safeguard the state’s economic prosperity by ensuring there’s a workforce ready to take on the STEM jobs of today and the future.

Initiatives

The following programs are part of the STEM Action Center’s portfolio. Programs are designed and implemented in collaboration with partners including the Utah State Board of Education, institutions of higher education, local education agencies, industry, community and cultural partners and state agencies.

Programs are supported by a combination of state funds, and private and corporate donations. A vital element of all programs is access and equity for all Utah students.

- K-12 Professional Learning — Resources to support improved STEM instruction
- Elementary STEM Endorsement — Access to tuition support for STEM endorsement
- K-16 Computing Partnership — Build-out capacity for computing education
- Utah Girls Who Code Club Network — Provides access for girls to solve problems through coding
- STEM School Designation — Recognition for outstanding STEM education
- Utah STEM Bus — Outreach to all students in Utah
- STEM for Life — Connecting concepts to health care careers
- STEM Micro-Grants — Awarded to classrooms, organizations and through competitions
- STEM Event Sponsorships — Supporting STEM events across the state
- STEM Magic Shows — Making STEM fun for K-7 students
- STEM Fest — Connecting Utah companies to students
- STEM Best Practices Conference — Sharing best practices in STEM education with educators
- K-12 Math Personalized Learning — Supplementing math instruction to increase student success
- Utah STEM Foundation — Building private/public partnerships

Achievements

Private/Public partnerships have been very successful this year.

The creation of the Utah STEM Foundation has increased industry support to STEM education in Utah.

Challenges

It is difficult to stay abreast of the numerous STEM efforts that are ongoing and continually emerging in Utah. There is a great deal of excitement and appreciation for the importance of STEM education.

The STEM Action Center continues to explore improved ways to collect data and share it to leverage resources and improve STEM education and career opportunities.

Spotlight

After receiving a Computing Partnership grant from Utah STEM Action Center, Iron County is implementing their Cool 2 Code program. It will build a K-12 pathway by introducing coding concepts in all elementary schools, increasing course offerings in middle school and sending high school students to South West Technology College to complete a certification in computer programming. Professional learning for elementary schoolteachers and computer science teachers in middle and high school will be critical to the success of the Cool 2 Code program.

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Business Expansion and Retention (BEAR)

U.C.A. 63N-4-101

The Business Expansion and Retention (BEAR) grant extends funding to county economic development leaders as they reach out to individual businesses. They assess the needs of the businesses, address their goals, and then direct them to useful resources to help them thrive and grow in rural communities.

In addition to face-to-face business visits, BEAR funds are used for economic development projects within counties. These may include projects such as area sector business analyses, economic development planning, and implementation of planning outcomes.

BEAR funds can also be used for specialized business training for individuals, business owners and teams.

Initiatives

Align BEAR Statute, Rules, Contracts and Processes

The Office of Rural Development (ORD) staff, in collaboration with internal GOED compliance and operations staff, successfully aligned BEAR statute, rules and processes. This successful process of program review is being duplicated with other ORD programs.

Increase Communication with Potential BEAR Applicants

ORD has provided potential BEAR applicants with a detailed BEAR “Application Information and Instructions” document and BEAR “Grant Application” which are available on GOED’s website (business.utah.gov/rural). A training video for applying for a BEAR grant is also available online.

Outcomes

Approximately \$232,000 from the Industrial Assistance Fund was expended by 17 BEAR grant contract awardees in rural counties. Participation in the BEAR program is transitioning, recognizing that traditional BEAR activities do not perform in the same way from county to county, because each has its unique challenges and opportunities. Therefore, it will be noticed that, from year to year, types of business expansion and retention activities will change based on the grant recipient’s focus.

Business Expansion and Retention (BEAR)	FY 2016	FY 2017	FY 2018
Number Issued	17	24	17
Payment Amount	\$360,935	\$318,338	\$233,232
Business Visits/Consultations	2,124	1,089	1079
Individuals Attending Training	n/a	1,185	1,705
Community Driven Planning & Implementation	n/a	19	7

Challenges and Achievements

The FY 2018 BEAR program continued to make its mark on local business interaction including a total of 1,079 BEAR visits led to 472 businesses receiving consultations; specialized training and technical services; 40 individuals involved in targeted workforce development; seven community-driven planning projects and more than 1,700 individuals attending business seminars and summits across the state.

To respond to BEAR customer concerns and suggestions regarding methods of reporting, the Office of Rural Development elected not to require the use of Executive Pulse CRM software to track BEAR activity and metrics. ORD, in cooperation with GOED’s compliance team, has designed another in-house model of reporting which was incorporated in the third and fourth quarters of FY 2018 and will be carried forward into the next year’s cycle.

New legislation from the 2018 Legislative Session (HB 212) requires that a certain amount of money from the Industrial Assistance Fund be available to the Business Expansion and Retention Program each year.

The same legislation also requires the Governor’s Office of Economic Development to consider a recommendation from the Governor’s Rural Partnership Board when awarding grants through the Business Expansion and Retention initiative.

With some review and remodeling of the BEAR program in 2018, ORD expects a higher percentage of BEAR projects to be completed and a higher percentage of allocated BEAR grant funds to be used in the future.

Spotlight

The *San Juan Record* wrote an article on one of the FY 2017 BEAR application projects from San Juan County. The article titled, "Youth Community Garden is growing!," states: "It takes a village to raise a child and sometimes it takes a community garden." This community garden has been funded by BEAR grant money for several years and has continued to grow. The garden is located at 500 South Main Street in Blanding. The true measure of success from this BEAR project is all the community partners who are participating and "owning" this community garden, including the Office of Rural Development.

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Business Resource Centers

U.C.A. 63N-3-301

Business Resource Centers (BRC) provide a convenient one-stop-shop to address the needs of new or growing businesses through on-site or over-the-phone assessments with clients.

BRCs offer comprehensive services and ongoing assistance to help businesses expand. Partners included in Utah's BRCs include: Small Business Development Center (SBDC), SCORE Business Mentors, Manufacturer's Extension Partnership (MEP), Procurement Technical Assistance Center (PTAC), Business Expansion and Retention (BEAR), Department of Workforce Services (DWS), Utah Science Technology and Research Initiative (USTAR), local chambers of commerce and more.

Business Resource Centers contribute to statewide economic growth by partnering with institutions of higher education to create access to a coordinated network of federal, state, local and private business service providers.

There are 16 BRCs located throughout the state.

Initiatives

BRCs participate in and produce a wide range of events such as summits, job fairs, training events and webinars.

Services include counseling, introduction to and review of federal, state and local business resources, incubator space, maker space, website development and more.

Outcomes

	1st Quarter Jul - Sep	2nd Quarter Oct - Dec	3rd Quarter Jan - Mar	4th Quarter Apr - Jun
Unique Contacts Served	2,008	1,903	1,519	1,906
Start-ups	97	153	202	98
Referred to other BRCs	133	42	44	14
Business Support				
Incubator Clients	144	140	145	58
New this Quarter	44	36	103	27
Virtual Activity				
Page Views	9,769	11,206	6,640	5,564
Unique Visitors	15,778	13,791	5,752	7,811
Service Partners			ss	
SCORE	280	234	288	167
PTAC	590	983	73	383
MEP	11	16	12	0
BEAR	18	28.5	8	144
Other	231	1,867.5	169	1,230
Outreach/Training/ Other Events	Attendance	Attendance	Attendance	Attendance
	5,902	5,159	5,656	5,584

Challenges and Achievements

Utah BRCs include both rural and urban locations, requiring many different levels of support. The rural centers may often have difficulty in reaching their clients to provide training while those located in larger cities can assist multiple clients on-site.

Rural BRCs are working to address this obstacle by creating online training opportunities, remote video conferencing, webinars, Skype sessions for counseling, and other web-based tools.



Spotlight

"In the last year, I have experienced the success of having available to our rural community the services our Business Resource Center offers. I have helped nine businesses with their start-up process from the beginning of an idea and formation of a business plan, to the state registration and obtaining financing. This includes helping them through many consulting appointments and guiding them through the process of packaging their loan in order to receive the capital infusion needed successfully.

"The BRC helps them sort through the financing options available to them and the requirements. I am here to help my clients with any tasks that may seem overwhelming.

"Many times, the clients are already in business but need help with human resource issues, the how-tos of preparing their financial reports or maybe brainstorming how to restructure their business to be more profitable.

"These services would not and could not have been possible without the Governor's Office of Economic Development BRC Grant.

I can't imagine not being here and the joy that comes from helping my clients succeed and prosper. I have clients that say, 'We couldn't have done this without you and the Business Resource Center.'

Having this resource available to my clients is invaluable."

— Beth McCue, SBDC/BRC director, USU Moab

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Procurement Technical Assistance Centers (PTAC)

U.C.A. 63N-13-101

Procurement Technical Assistance Centers (PTAC) help Utah's small businesses identify, pursue and win government contracts to grow their business and successfully compete in the local and global government marketplace. PTAC regional managers offer one-on-one coaching, group instruction, and many other services at nine offices throughout the state.

Strategic Plan

Grow awareness of the PTAC program and its services by:

- Consulting with elected officials
- Marketing PTAC to chambers of commerce, economic development directors, and agency contracting officers throughout the state, as well as other key federal, state and local stakeholders

Initiatives

PTAC began a major legislative awareness project in January 2018. Since then, PTAC has met with six legislators to educate them about the program, its services and results achieved, as well as to share success stories from each legislator's small business constituents. This project will continue throughout 2018 and into 2019.

To help rural business development, PTAC opened a part-time office in Vernal to provide services to Daggett, Duchesne and Uintah counties. We also have a part-time regional manager in Price who covers Carbon, Emery, Grand and San Juan counties.

PTAC co-sponsored two cybersecurity workshops on August 29, 2017, which covered the new Department of Defense requirements for Controlled Unclassified Information (CUI) in the NIST 800-171 standard and DFARS 252. More than 50 participants attended.

On October 11, 2017, PTAC held its annual Symposium, which featured eight breakout training sessions, eight presenters and 50 booth exhibitors. There were 325 participants in attendance.

On March 21, 2018, PTAC sponsored a first of its kind IT networking event. Members of the IT cluster known as "Silicon Slopes" were in attendance, and educated by the 309th Software Maintenance Group of Hill Air Force Base about government contracting opportunities for IT

firms. There were 66 attendees representing more than 40 IT firms in attendance.

Outcomes

Amount of Contracts Awards	\$591,029,647
Jobs Created/Retained	5,911
New Clients Counseled (past 12 months)	428
New Clients Awards Contract	\$26,875,645
Counseling Time (hours)	2,527
Events	65

Achievements and Challenges

PTAC experienced one of its highest years for contracts with a total of \$591 million awarded. PTAC also had several outstanding small business outreach events.

PTAC has made positive in-roads in brand recognition and program awareness throughout the state. The PTAC program is better known among the small business community and state, county and city stakeholders.

Compensation and benefits play a vital role in a tight economy. Attracting and retaining the best talent enables state programs to thrive. PTAC has struggled this year with retention and is focused on ways to maximize the state's investment, not only in helping businesses grow, but also in human capital.

Spotlight

In April 2018, the PTAC program was spotlighted by Chris Redgrave on Zions Bank's *Speaking on Business*. Chuck Spence, program director, was interviewed because of the program's success with clients and the high rate of government contracts the PTAC program helped businesses win. PTAC is a statewide program with a strong presence in rural Utah where economic development is in great need.

Contact



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Rural Fast Track

U.C.A. 60N-4-101

The Rural Fast Track (RFT) grant program supports small companies in rural Utah by awarding post-performance matching grants up to \$50,000 for investment directed toward improved production, market expansion and the creation of high-paying jobs.

The principal objective of Rural Fast Track is to identify and support eligible businesses throughout rural Utah that are ready to grow.

Working with county economic development directors, businesses complete a rigorous application process and submit projects that are then analyzed for program adherence. After meeting all requirements and receiving approval from the Governor's Rural Partnership Board and GOED Board, the contract is produced.

Companies that are offered grants then start their projects by making their capital investment and hiring at least one new full-time employee. Once the project is complete, reimbursement is coordinated with the Office of Rural Development (ORD) and the compliance office of GOED.

Initiatives

Align Rural Fast Track Statute, Rules, Contracts and Processes

The Office of Rural Development (ORD) staff, in collaboration with internal GOED compliance and operations staff, has successfully aligned Rural Fast Track grant statute, rules, contract and processes.

Increase Communication With Potential Rural Fast Track Grant Applicants

ORD will provide potential Rural Fast Track grant applicants with a detailed RFT "Application Information and Instructions" document and RFT "Grant Application" which will be made available on GOED's website (business.utah.gov/rural). A Rural Fast Track grant application training video will also be available online.

Challenges and Achievements

New legislation from the 2018 Legislative Session, [HB 212](#), requires that \$1,500,000 from the Industrial Assistance Fund will be available to the Rural Fast Track Program each year.

The new minimum amount of funding from the Industrial Assistance Fund has given rural business communities confidence in Rural Fast Track grant funding availability.

Outcomes

Rural Fast Track	FY 2016	FY 2017	FY 2018
Number Issued	24	23	23
Amount	\$974,168	\$988,628	\$1,120,513
Capital Expenditure	\$2,691,485	\$4,343,779	\$3,221,570
Jobs	24	26	27

Projections for Approved Grants

Rural Fast Track contracts have a life cycle of up to two years. In FY 2018, GOED approved 34 new grant projects. If all the approved grant projects are completed, it's projected that 81 new jobs will be created and nearly \$14 million in private capital investment will be made against approximately \$1.5 million in grant funding — a public/private investment ratio of greater than nine-to-one.

Claims made on open RFT contracts during FY 2018 are reflected above, and compared to the two prior fiscal years. Twenty-three RFT projects were completed creating 27 new jobs, with \$3.2 million in private capital investment made against \$1.1 million in grant funding issued.

Spotlight

"The Rural Fast Track grant has not only been helpful, but absolutely critical to businesses that have wanted to expand in Beaver County. In many instances, the risks of and barriers to expand are stifling to local businesses.

"The funds provided through the Rural Fast Track grant help to de-risk an expansion project to the point that the risk can be palatable for a business. The jobs created through the use of the Fast Track grant would not have happened without the program."

— Scott Albrecht, Beaver County economic development director

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Technology Commercialization and Innovation Program

U.C.A. 63N-3-201

The Technology Commercialization and Innovation Program (TCIP) exists to accelerate the commercialization of technologies developed at universities and small businesses resulting in job creation and long-term economic development.

TCIP creates a robust technology sector and higher wages, stimulates capital investment from the private sector, ensures companies stay in Utah longer contributing to the strong startup community, and provides a stable foundation for more capital intensive technology development.

Initiatives

The TCIP Mentor Program took place for 12 weeks from February to April 2018. Teams met with mentors and participated in customized curriculum through a partnership with BoomStartup.

TCIP Demo Day took place on May 31, 2018, at Salt Mine. It included an investor-only track that took place before the public demo day. More than 30 local VC, seed and angel investors participated. Approximately 90 people attended the public demo segment.

Outcomes

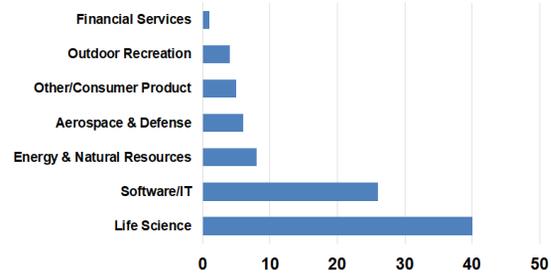
For each company accepted into the program, key metrics measure success on an annual basis. The metrics are tracked over a multi-year timeline.

The two primary metrics are growth-related: full-time jobs and capital raised. The following charts highlight trends from 2015 to 2018.

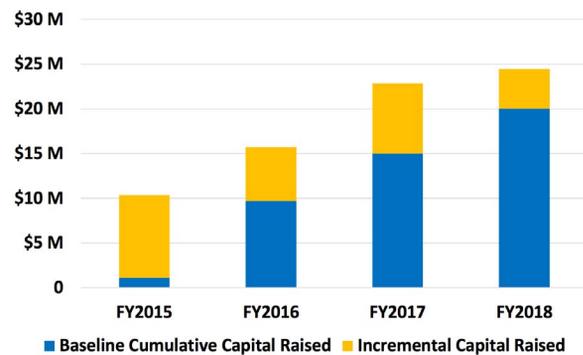
Since 2015, there have been 90 projects funded for a total of \$8.6 million with the average award being \$100,000 per project with a range of \$25,000 to \$200,000.

In 2018, 27 companies received a total of \$3.1 million in funding.

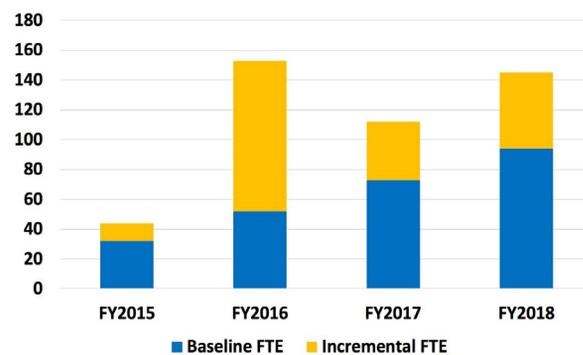
PROJECT BREAKDOWN



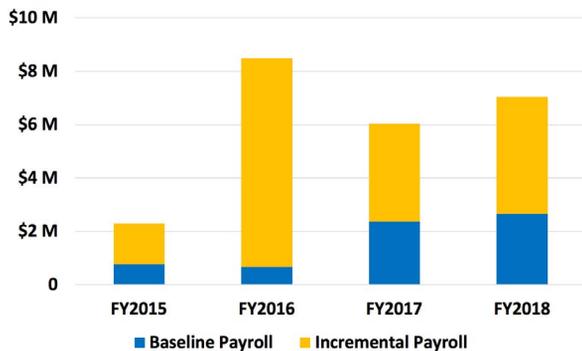
CAPITAL RAISED



FULL TIME EMPLOYEES



BASELINE AND INCREMENTAL PAYROLL



Challenges and Achievements

The Legislature is conducting a rigorous review of TCIP stemming from the 2018 session. Funding is paused while the Legislature assesses the program for its return on investment and return on objectives. Because of this, there will not be a 2019 solicitation round. These rounds typically take place in the fall of each year.

A goal of the program is to work with partner organizations and the Legislature to restore funding to the program. We plan to make adjustments to evolve the program, providing the highest level of commercialization assistance to Utah technologies.



Spotlight

When Verum applied for a TCIP grant, the company was early in the development of their technology and had used private funds to support the project. Securing additional funding was proving difficult.

“We received the money from the grant and quickly invested it back into the project. The partners also made an additional investment to see if we could move the needle significantly. Without the TCIP grant, I can say without hesitation that Verum TCS would not have progressed much beyond the original TRL,” said Dave Wirthlin, president and CEO of Verum.

In addition to providing much-needed funding, the grant gave the management team and investors confidence and renewed energy and optimism in the project. Verum leveraged the grant money and has subsequently sold a license to the technology to a large international medical device company. That company has contracted with Verum to take the technology through the FDA and CE Mark process and develop a pathway to commercialization. Additionally, the company recently asked Verum to manufacture the product for up to 10 years.

“Of course, we will do that here on the Wasatch Front,” said Wirthlin. “We have created some high paying, good jobs and have hired interns from local universities. Verum’s full-time payroll exceeds \$450,000 annually and will grow as we add manufacturing to over \$1,000,000.

“As a result of the grant, Verum is a successful medical device company that is headquartered in Utah. Verum is very grateful for the TCIP program. We are committed to supporting Utah in the future because of the TCIP Grant Program. The company would not have survived had we not received that extra financial injection from the State of Utah!”

— Dave Wirthlin, president and CEO, Verum TCS

Contact



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Utah Office of Rural Development

The Office of Rural Development (ORD) fosters and supports economic development programs and activities for the benefit of Utah's rural counties and communities through the administration of eight business development grants and tax credits:

1. Rural Fast Track
2. Business Expansion and Retention
3. Enterprise Zone Nonprofit Tax Credit
4. Enterprise Zone Tax Credit
5. Recycling Market Development Zone Tax Credit
6. Targeted Business Tax Credit
7. Utah Rural Jobs Act

Initiatives

The Office of Rural Development also works to foster and support efforts to coordinate and focus the technical and other resources of appropriate institutions of higher education, local governments, private sector interests, associations, nonprofit organizations, federal agencies, and others, in ways that address the economic development, planning, and leadership challenges and priorities of rural Utah.

Supporting the 25 rural counties as they responded to Governor Herbert's challenge in August 2017 to develop a strategic economic development plan has been a critical initiative this year for the Office of Rural Development.

Challenges and Achievements

Economic challenges and opportunities vary significantly among Utah's 25 rural counties. Some counties needed additional support from ORD in developing their strategic economic development plans, while others had the financial ability to hire a third-party consultant to complete their plans. In either case, the resulting strategic plans represented the individual county's vision for economic growth and their desired methods for creating jobs as a part of the governor's 25K Jobs in 25 Rural Counties by 2020 initiative.

Outcomes

As of June 30, 2018, 24 of the 25 rural counties had developed a strategic economic development plan, and 18 of those had presented their plans to the governor. County representatives also took the opportunity to request state support for their top three to four economic priorities.

The Office of Rural Development made referrals to appropriate state, federal and nonprofit partners and has an ongoing verification system to confirm that solutions have been found to help implement the county's strategic plans.

Spotlight

Beaver County's strategic economic development plan identified several immediate opportunities for economic development and what help they needed from the state.

Dairy Farmers of America's Cache Valley Cheese Plant and Outlet, which is an excellent draw for I-15 travelers, requested and received a Rural Fast Track grant for expansion. The project capital expenditure (CapEx) is \$4,000,000 with a jobs projection of 15 new positions. The ground-breaking ceremony took place on April 11, 2018.

The Frontier Observatory for Research in Geothermal Energy (FORGE) project was one item in Beaver's strategic plan. Beaver County was competing with another state for this research project and requested an Economic Opportunity grant from Governor's Office of Economic Development for \$365,000 to help with infrastructure costs. The project was awarded to Beaver in June and is expected to create 23 new jobs with an average full-time wage of \$94,000 per year and a capital investment of more than \$100 million.

Contact



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Director

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Tax Credits

Alternative Energy Tax Credit

U.C.A. 63N-2-701

As of FY 2018, no credits have been issued.

Enterprise Zone Nonprofit Tax Credit

U.C.A. 63N-2-3

The Enterprise Zone Nonprofit Tax Credit incentivizes private donations to 501(c)(3) organizations such as those within the arts. Tax credits are issued to the donors for their investment in projects that spur community and economic growth in rural areas.

Initiatives

The Office of Rural Development (ORD) seeks to encourage economic development in rural communities that have nonprofit entities in established Enterprise Zones. ORD connects with local economic developers to inform them of the non-profit tax credit program that may benefit and improve economic development.

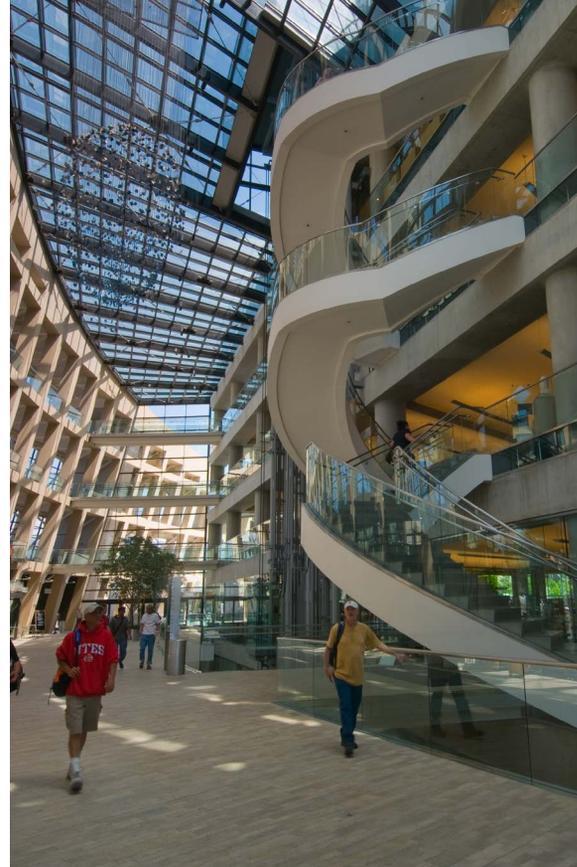
Outcomes

In FY 2018 there were seven credits issued on \$8,780 in donations for project investments of \$17,560.

Enterprise Zone Nonprofit	CY 2017
Credits Issued	7
Donation Amount	\$8,780
Project Investment	\$17,560

Challenges and Achievements

The Enterprise Zone Nonprofit Tax Credit is capped at \$75,000. The number of applications has been small as the tax credit available may not be enough to encourage large donations to respective projects. However, the opportunity to apply the tax credit to a broader base of nonprofit organizations is encouraging.



In CY 2017, two nonprofit organizations were approved and are excited to use the tax credit to attract donors to their projects that will contribute to their local economies.

Contact



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Enterprise Zone Tax Credit

U.C.A. 63N-2-3

Businesses within an Enterprise Zone can claim state income tax credits for investing in manufacturing plants and depreciable machinery and equipment; creating new, incremental, high-paying jobs; and the rehabilitation of older facilities.

GOED received full compliance oversight for this program from the Utah State Legislature during the 2016 General Legislative Session.

Initiatives

Increase Awareness and Use of the Enterprise Zone Tax Credit

The goals for the next fiscal year include maintaining current Enterprise Zones where they have been established; keeping all internal records up to date, including mapping for locate.utah.gov; and encouraging communities to apply for the zone designation as an economic development tool.

The Office of Rural Development continues to encourage eligible rural cities and counties to designate areas of potential business and economic growth as Enterprise Zone Areas, or to renew Enterprise Zone Areas that may have expired.

ORD also works directly with the GOED Compliance team as they review and approve business applicant claims for Enterprise Zone Tax Credit certificates.

Outcomes

Enterprise Zone tax credits certified in 2016 totaled approximately \$4.6 million, creating 60 new jobs and generating nearly \$56 million in private business investment.

Enterprise Zone Tax Credits increased to 493 in 2017, generating 102 new jobs and more than \$90 million in private business investment.

Enterprise Zone Tax Credits	CY 2016	CY 2017
Number of claims	553	566
Total credits	\$6,243,594	\$6,399,690
Jobs	65	106
Capital Expenditure	\$78,275,872	\$98,806,457

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Hotel Convention Tax Credit

U.C.A. 63N-2-501

As of FY 2018, no credits have been issued.

Life Sciences Tax Credit

U.C.A. 63N-2-801

There is no data to report beyond FY 2015.

New Market Tax Credit

U.C.A. 63N-2-601

The Utah State Legislature enacted the Utah Small Business Jobs Act to attract additional investment in the most severely distressed areas of the state. The act created a tax credit program more commonly referred to as the Utah New Market Tax Credit Program.

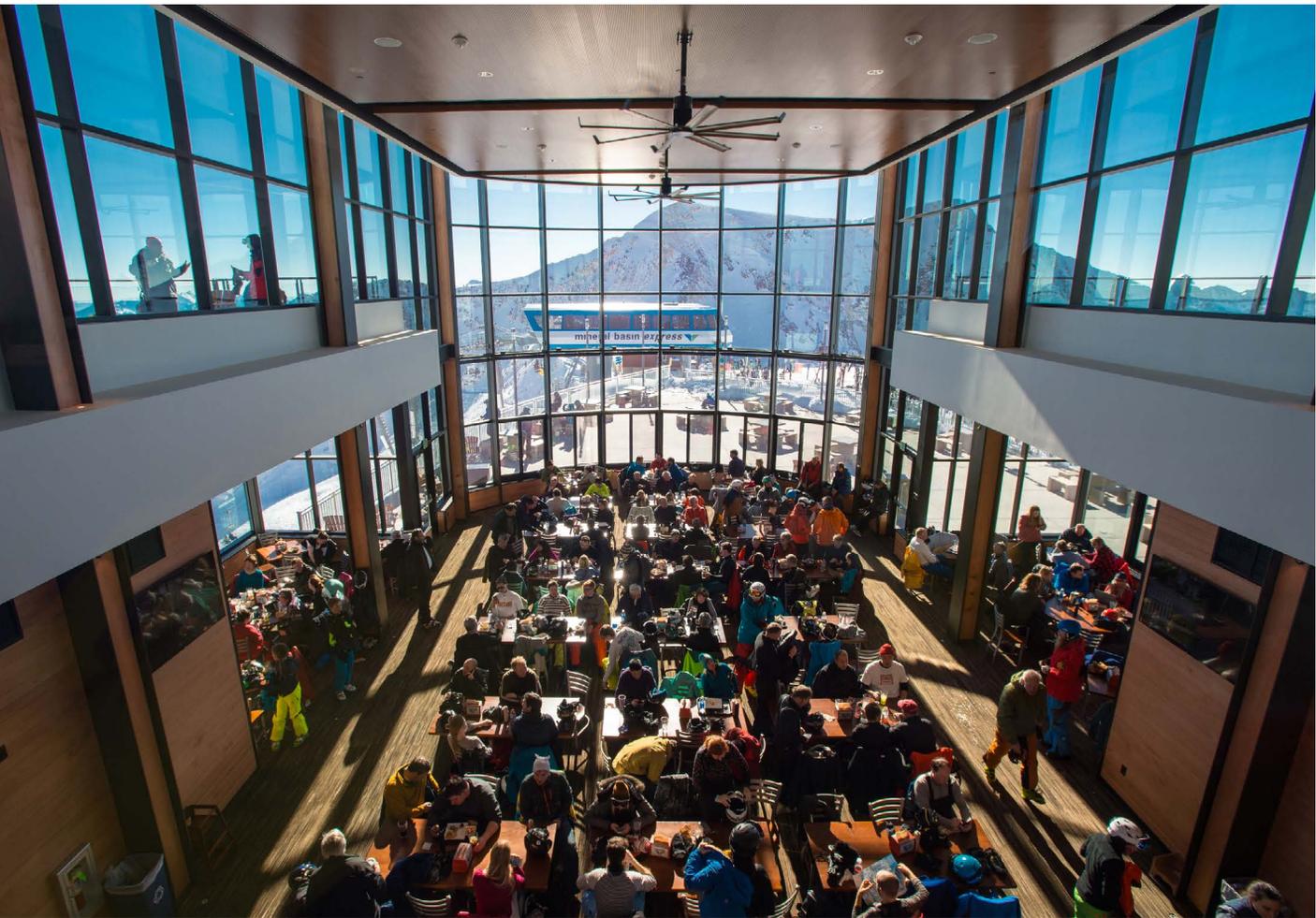
It's a parallel state program to the federal New Market Tax Credit Program and is designed to use \$50 million raised by venture capital firms, designated by the IRS as Community Development Entities (CDE), to make investments into small businesses within distressed areas.

A prospective CDE applies to the state to be authorized to raise their respective portion of the total \$50 million. Once approved by the state, the CDE raises its authorized amount by issuing 58 percent income tax credits provided by the state to the investors who invest in each CDE's respective funds.

The tax credits are funded through the premium tax collected on all insurance premiums in the state, and the credit is claimed against premium taxes owed to the state. Once each CDE has raised its authorized portion of the \$50 million, it must invest 85 percent of the funds raised into eligible small businesses throughout the state with no one business receiving more than \$4 million in investments.

To be considered eligible a company must:

- Be located in a distressed or severely distressed census tract according to the 2010 census
- Fit the Small Business Association's (SBA) definition of a small business
- Not derive more than 15 percent of its profits from the sale of real estate



Each CDE must invest the funds it raises within 12 months. The investments are monitored by the state for the next seven years to ensure compliance and track the success of each investment. Additionally, the statute requires that each CDE reinvest portions of the interest or dividends earned from the investments made into additional qualified small businesses in the state, resulting in 150 percent of the original allocation amount awarded to each CDE being invested by the end of seven years.

Advantage Capital, Enhanced Capital, and Stonehenge Capital each received authorization in 2014 to raise one-third of the \$50 million total award. The three CDEs had until December 2015 to invest at least 85 percent of their respective funds (or \$14.2 million) with a six month cure period if they do not meet this deadline.

Moreover, each CDE will be required to reinvest 50 percent more of this allocation amount (or an additional \$8.3 million) into other qualified small businesses by the end of the seven-year program.

Please note that all reporting moving forward will be done on a calendar year (CY) basis rather than the state's fiscal year due to statutory timelines and subsequent contractual timelines.

As of the end of CY 2017, the three participating CDEs had made investments into 24 small businesses in Utah totaling \$49,300,331. The CDEs reported the 24 small businesses created 653 new jobs from the time of initial investment to the end of CY 2017. The office issued \$6,000,000 in tax credits in CY 2017 pursuant to the statutory requirements.

Recycling Market Development Zone Tax Credit

U.C.A. 63N-2-401

The Recycling Market Development Zone (RMDZ) incentivizes businesses to remove recyclable material from solid waste streams, or to use recyclable material to create new marketable products. The program aims to attract business growth to industrial and manufacturing areas. Participating businesses receive tax credits on purchases of equipment used in the manufacturing or recycling of renewables.

Initiatives

In CY 2017, some cities and counties rediscovered the benefits of Recycling Zone tax credits for businesses involved in renewables manufacturing and recycling. They have reapplied for the zone area designation not only as an incentive to local businesses, but also as part of their waste management master plans. The key initiative is to inform city and county governments of the benefits of recycling and to offer tax incentives to businesses within the recycling industry for making capital investments in equipment and operations.

Challenges and Achievements

The Office of Rural Development assisted both the Legislature and businesses with information about the RMDZ. The program is now scheduled to sunset in 2021. ORD will continue to review renewal of RMDZ applications as cities and counties submit them until the sunset date. Many large recycling companies rely upon the tax credit from year to year as they make significant expensive capital purchases to maintain operations and to divert recyclables from the regular waste stream.

Outcomes

In CY 2017, 10 tax credit claims were issued for \$838,680 of private capital purchases and operational expenses of nearly \$42 million.

Recycling Zone	CY 2015	CY 2016	CY 2017
Number Issued	20	17	10
Amount	\$1,841,803	\$743,568	\$838,680
Capital Expenditure	\$62,136,063	\$32,100,389	\$41,979,932

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Targeted Business Tax Credit

U.C.A. 63N-2-301

The Targeted Business Tax Credit (TBTC) program encourages private investment and the creation of jobs in rural Utah counties with populations less than 25,000. The Governor's Office of Economic Development may award up to \$300,000 to businesses with eligible Community Investment Projects (CIP). The awards to qualifying businesses come in the form of refundable tax credits, and may not exceed \$100,000 per business.

Initiatives

The Office of Rural Development works with county economic development directors to identify businesses that are ready to make significant capital investments of at least \$100,000, and create significant new numbers of jobs. This post-performance tax credit is given to the qualifying business after contracted benchmarks and commitments are completed.

Challenges and Achievements

This program can be a useful tool in reducing investment risk in counties where it may take longer to show a return on investment. It's a program that needs renewed marketing and emphasis, and perhaps an expansion of funding to attract more businesses to apply. Because the tax credit is claimed based on an open completion time of up to three years, new tax credits are not always generated year to year.

Outcomes

No new Targeted Business Tax Credits were allotted in FY 2018, but one tax credit of \$50,000 was claimed by a previously approved rural business for its new capital investments and new full-time employment.

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Utah Rural Jobs Act

U.C.A. 63N-4-3

The Utah Rural Jobs Act enables an eligible small business located in a rural county to expand and create high-paying jobs by providing flexible and affordable capital. The program has three types of participants:

1. Investors who provide capital investment to a Rural Investment Company (RIC),
2. Rural Investment Companies that raise funds for investors to be invested in eligible small businesses, and
3. Eligible small businesses that may receive up to \$5 million in capital for business development and expansion needs.

Initiatives

Businesses that fall within the following industry types are encouraged to connect with the Rural Investment Companies as they consider making investments in their growth:

- Aerospace
- Agribusiness
- Defense
- Energy and Natural Resources
- Financial Services
- Information Technology

- Life Sciences
- Manufacturing
- Outdoor products
- Software Development

The Office of Rural Development will continue to encourage Rural Investment Companies to attend events around the state at which rural businesses in these industries will be in attendance.

Outcomes

In CY 2017 three Rural Investment Companies (RICs) applied for and were given investment authority of \$42 million. In cooperation with the compliance team, ORD processed applications to verify the qualifications of each applying RIC.

Challenges and Achievements

The Rural Investment Companies have two years to invest \$42 million in eligible small businesses. These companies are required to pursue their own investment opportunities. ORD will direct qualifying businesses to these companies as they are discovered in the course of department outreach.

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Utah Strategic Industry Clusters

Aerospace and Defense

Anchored by Hill Air Force Base, Utah is home to Boeing, Northrop Grumman, Lockheed Martin, L3 Communications, Janicki, Duncan Aviation and other industry leaders.

Utah’s core aerospace and defense competencies include design, composites manufacturing, software and control systems, sophisticated testing, and repair and maintenance. All of these support regional and national air service as well as advanced space systems.

Thanks to research universities such as Utah State University, our state leads the nation in aerospace technology development.

In addition to cutting-edge programs at Hill Air Force Base, Utah also hosts high-tech military testing at Dugway Proving Grounds and various developments at the Utah Unmanned Aerial Systems (UAS) test center.

Initiatives

The Utah Department of Transportation, in conjunction with GOED, EDCU, and the University of Utah among others, has worked to create the Urban Air Mobility working group.

The group’s purpose is to establish the enabling framework for safe and effective autonomous aerial transportation. Also, the working group is looking at designing and planning the infrastructure needed to integrate aerial taxis, UAS package delivery, and recreational UAS with human-crewed operations in an urban environment.

Outcomes

The Aerospace and Defense cluster is composed of 44 percent federal civilian jobs, 28 percent professional and technical services, 26 percent manufacturing, and a modest number of transportation and warehousing.

Based on the projected growth rates of these sectors, the cluster is expected to grow by about two percent per year over the next decade.

The Aerospace and Defense cluster makes highly effective contributions to labor income or earnings. Every dollar of output in the Aerospace and Defense cluster generates \$0.69 of labor income for workers in Utah.

Cluster	2015	2016	2017
Aerospace and Defense	31,753	32,811	33,656
Share of Total Jobs	2.3%	2.3%	2.3%

Challenges and Achievements

Utah’s aerospace and defense industry offers a diverse range of companies, products and systems for commercial and military applications.

There are more than 33,000 jobs in Utah in the aerospace and defence industry. The average annual wage is \$79,216. The year-over-year job growth is 3.69 percent.

Some of the largest aerospace employers participated in the Governor’s Aerospace and Defense Roundtable, including Boeing, Northrop Grumman, L3 Communications, Lockheed Martin, BAE, Hill Air Force Base, and Janicki.

Parker Hannifin is relocating more operations and capital investments to Utah. Duncan Aviation has also expanded operations.

The cluster is demonstrating growth throughout rural Utah with companies such as Metalcraft-Syberjet in Cedar City and ATC Aerospace in Gunnison both seeing growth over the last year.

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Energy and Natural Resources

The Governor's Office of Energy Development (OED), led by Governor Herbert's Energy Advisor, Dr. Laura Nelson, is leading the development of Utah's world-class energy and mineral resources, including petroleum, natural gas, coal, solar, wind and geothermal energy, as well as precious metals and rare-earth minerals.

Utah's energy and minerals economy, estimated at more than \$20 billion, produces tremendous value to Utah's urban and rural communities. OED is leading the way on energy policy implementation and solutions that support a thriving energy and minerals economy, including some of the nation's lowest electricity prices, averaging 8.69¢/kwh retail. Oil production is trending upwards with a projected 33 million barrels in 2018, and natural gas production is stabilizing at nearly 300 million cubic feet estimated for 2018.

Utah is also experiencing an unprecedented surge in renewable energy, including 1,000 megawatts of new solar being added to Utah's electricity generation portfolio in the last three years.

Utah and OED continue to drive innovation in the energy and minerals sector. Recently, OED and its state agency partners, including the Governor's Office of Economic Development and the Utah Geological Survey, helped the University of Utah's Energy and Geoscience Institute secure \$140 million of Department of Energy funding for advanced geothermal research in rural Utah.

OED is also supporting new export options for Utah's diverse and abundant natural resources, such as a recent agreement with the State of Baja California, Mexico, for exporting Utah's coal and other commodities into international markets.

Finally, investment in Utah's energy and minerals development infrastructure is increasing through leveraging strategic post-performance incentives, including OED's High-Cost Infrastructure Tax Credit.

Financial Services

This cluster includes commercial and industrial banks, credit unions, fintech businesses, insurance organizations and other financial service enterprises. Most businesses are state and federally regulated adding a level of complexity and restrictiveness to the formation of financial services businesses.

Initiatives

GOED and the Utah Center for Financial Services (UCFS) announced a partnership to expand and grow the financial services industry in Utah. Under the new partnership, UCFS will identify opportunities for existing and new financial services businesses in Utah, strengthen the state's financial service cluster, develop online resources on the advantage of relocating to Utah and collaborate with stakeholders. Stakeholders include financial service trade associations, federal and state banking regulators, EDCUtah, investors and other industry professionals.

Outcomes

According to the Department of Workforce Services, the 25 largest occupations in the finance cluster represent almost 80 percent of the total cluster employment. Of these, customer service representatives alone make up 14 percent of the total cluster.

Challenges and Achievements

Rural Utah provides challenges for cluster-based development. In most rural counties, the most predominant opportunities for high-demand occupations are unlikely to attract firms to the area.

According to Kem C. Gardner Policy Institute, finance clusters have performed the best since 2005, with growth rates exceeding those of the other clusters as well as the rest of the economy.

Contact



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Life Sciences

Utah's Life Sciences industry has never been stronger, and now we have the data to prove it. GOED and BioUtah combined forces to commission the Kem C. Gardner Policy Institute to analyze the role of the industry in Utah.

Last year, Utah's life sciences companies, directly and indirectly, supported 6.7 percent of the state's employment, 5.9 percent of its personal income, and 7.9 percent of its gross domestic product (GDP).

Life sciences companies in Utah provided 42,831 full-time and part-time jobs with in-state spending supporting another 87,608 jobs across many industries. Total economic impacts that year were 130,439 jobs, \$7.6 billion in personal income, and \$13 billion in GDP.

From companies like Varex Imaging and Merit Medical having deep roots in Utah spanning decades, to new companies that are organically and rapidly growing like Recursion Pharmaceuticals and PolarityTE, Inc., the future is bright for life sciences in Utah.

Initiatives

Medical Innovations Pathways graduation for the 2017-2018 cohort took place on Wednesday, May 2, 2018 at the State Capitol Rotunda. The growth of the program was highlighted with the addition of four school districts for a total of six districts that participated, along with 10 industry partners. Forty-nine students received recognition for graduating in two tracks: Laboratory Science and Medical Device Manufacturing.

Outcomes

Figure 2: Utah Employment for Life Sciences Industry Components, 2017

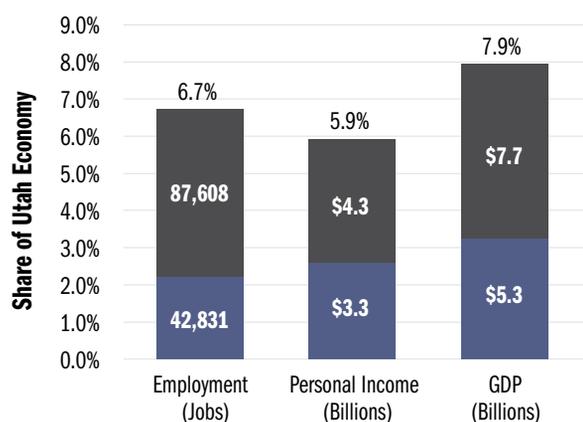
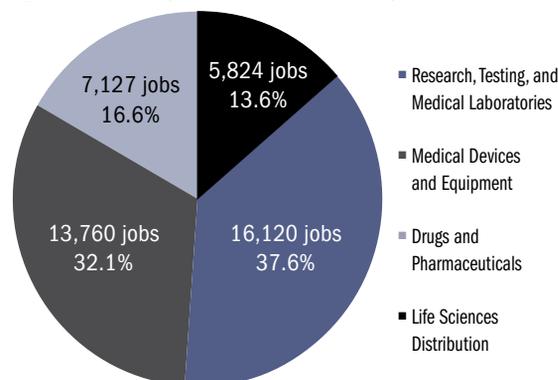


Figure 2: Utah Employment for Life Sciences Industry Components, 2017



Source: Utah Department of Workforce Services and Biotechnology Innovation Organization.

Table 1: Fiscal Impacts of Life Sciences Industry in Utah, 2017 (Millions of Dollars)

Government	Net Tax Revenue	Share
State	\$299.7	63.0%
Local	\$176.1	37.0%
Total	\$475.8	100.0%

Note: Net revenue equals government tax revenue generated by the life sciences industry minus government operating expenditures associated with the industry's direct, indirect and induced economic impacts. Local government includes counties and school districts.

Source: Kem C. Gardner Policy Institute

Challenges and Achievements

With the life sciences industry increasing, there is a strong need to meet the demands of these jobs with an adequately skilled workforce. The Medical Innovation Program (MIP), led by BioUtah and industry partners, is helping to meet those needs while growing from one school district to four within a year and graduating a small handful in the first cohort of 49 students in the latest round.

Access to capital is another major issue the industry is facing. With programs like TCIP (GOED) and TAP (USTAR), the industry is concerned about what might happen to state funding for technology development and the dampening effect on growth that a lack of funding may cause.



Other discussions, including those fostered in a GOED-run industry roundtable with the governor, have centered around creating funds, attracting outside investment funds from the coasts, and developing stronger infrastructure to assist in the technology development itself.

Contact



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Software and Information Technology

Did you know the fifth node of the original internet was at the University of Utah? And in 1985, Utah was home to two of the largest software companies in the world: Novell and WordPerfect. Our state has been the

home of strong IT and software companies for more than two-and-a-half decades, and the last few years have made “Silicon Slopes” a household name.

Today, Utah hosts big names such as Google, eBay, Adobe, Amazon and Dell EMC, but also holds its own with several homegrown companies that have surpassed billion-dollar valuations. These include Pluralsight, Qualtrics, Instructure, and Vivint, to name a few.

There’s no question that Utah is poised for a continually strong tech industry. With a job growth rate of nearly six percent, we easily outpace national statistics. And building on our internet heritage, today the state’s broadband infrastructure gives us the fastest internet speeds west of the Mississippi.

Initiatives

Connected and Automated Vehicles (CAV) are advancing rapidly and will soon be a reality on our roadways. UDOT believes that CAV represent the next opportunity for a significant leap forward in both traffic safety and mobility. It is UDOT’s goal to be at the forefront of CAV development and implementation, and part of the process to accelerate the realization of the safety and operational benefits of these technologies. Strategic business

partnerships will strengthen the success of UDOT’s CAV program and can be instrumental in bringing technology jobs to Utah. UDOT is working closely with GOED to develop these relationships.

Outcomes

The Software and IT cluster is composed of about 36 percent information sector jobs, 30 percent professional, scientific and technical services, 18 percent manufacturing, 12 percent retail, and 4 percent wholesale. Given this industry mix, the cluster is expected to grow by 2.4 percent annually through 2027.

Cluster	2015	2016	2017
IT/Software	66,613	70,808	75,278
Share of Total Jobs	4.8%	5.0%	5.2%

- Careers in software and information technology represent more than 73,000 jobs among more than 4,000 companies.
- Homegrown companies such as Domo, Pluralsight, Qualtrics, Oracle, Ancestry, InsideSales and Instructure have grown to become nationally known.
- Both Pluralsight and Domo had recent successful IPO launches.
- Expansion and growth in the technology industry continues, with companies such as Pluralsight, Adobe, Canopy, AvidXchange, and Autonomous Solutions, Inc. expanding their operations in the state.
- Recently, a new Tech Pathways Program was announced by Governor Gary Herbert at the Silicon Slopes Conference. The Tech Pathways Program is designed to fill a critical workforce need in our state and ensure our continued success in the tech industry. It will be of crucial importance in Utah’s IT future.
- Facebook, eBay, IM Flash, SoFi and Amazon are just a few of the companies that have chosen to open new facilities in Utah.

Challenges and Achievements

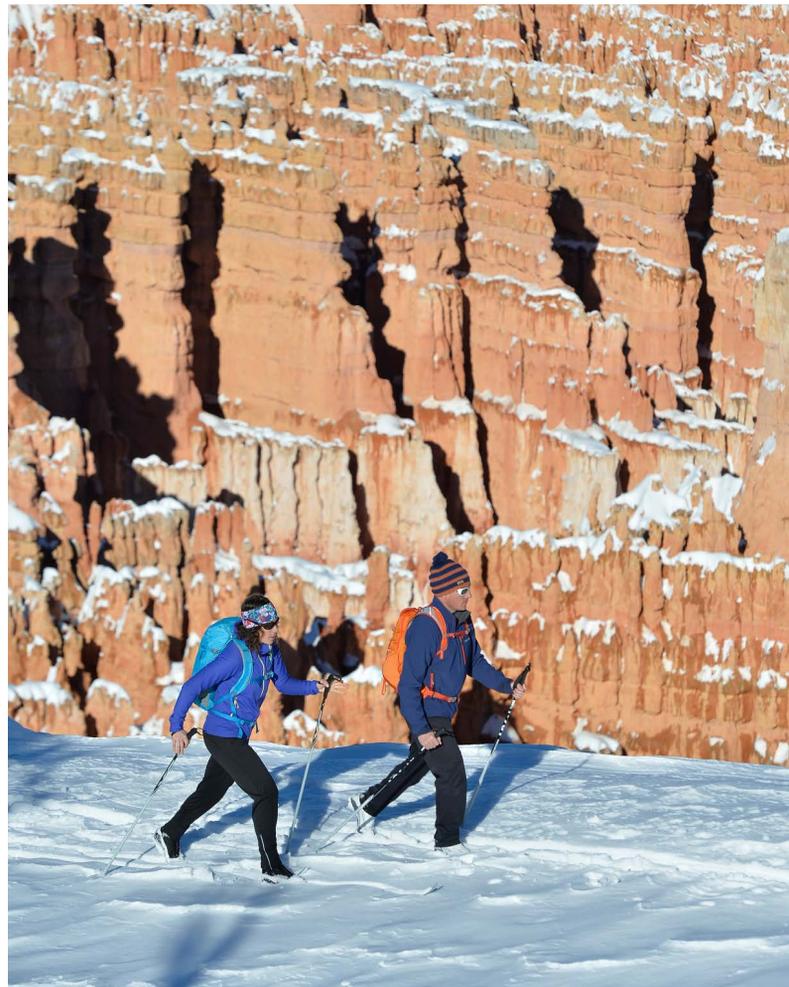
Across all of Utah’s strategic clusters, over the next five years, the greatest labor force needs are likely to be for software application developers, market research analysts and marketing specialists, computer and information systems managers, computer user support specialists, and

systems software developers. Not only are these some of the largest cluster occupations, all of these occupations are forecast to grow more than 4 percent annually between 2014 and 2024, with application developers expected to grow by 6 percent a year.

Contact



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Boards and Councils

GOED Board of Directors

Code Reference: 63N-1-401

The Governor's Board of Business and Economic Development consists of 15 members appointed to four-year terms by the governor, with the advice and consent of the Senate.

The Board promotes and encourages the economic, commercial, financial, industrial, agricultural and civic welfare of the state.

The Board also advises the Governor's Office of Economic Development staff on the development, attraction, retention and expansion of businesses, industries and commerce within the state.

Board Members



Jerry Oldroyd
Chair
Ballard Spahr



Stefanie Bevans
Design to Print
Washington County



Brent Brown
Brent Brown Automotive Group
Utah County



Carine Clark
Banyan and Silicon Slopes Board
Utah County



Christopher M. Conabee
Paladin Development Partners
Summit County



Margaret Jacobs
Sundance Institute Board
Summit County



Sue Johnson
Futura Industries
Weber County



Roger Killpack
Service Drug
Millard County



Mel Lavitt
Needham and Company
Summit County



Annette Meier
Superior Drilling Products
Uintah County



Andrea Moss
Comenity Capital Bank
Salt Lake County



Peter Mouskondis
Nicholas and Co.
Salt Lake County



Steve Neeleman
HealthEquity
Utah County



Lorena Riffo-Jenson
VOX Creative
Salt Lake County



Ted Wilson
FormerUCAIR executive director
and former Salt Lake City mayor
Salt Lake County

Governor’s Economic Development Coordinating Council (GEC)

Code Reference: 63N-1-501

The Governor’s Economic Council (GEC) is a public-private partnership that coordinates economic development activities throughout the state.

Each appointee’s leadership at economic development organizations throughout Utah determines GEC membership.

Council members focus on forging and maintaining unprecedented partnerships between business and government to coordinate public and private efforts and further develop Utah’s growing economy.

Members

Val Hale

Chair
Executive Director, Governor’s Office of Economic Development

Scott Anderson

Chair, World Trade Center Utah Board
Zions Bank

Jay Francis

Chair, EDCUtah Board of Trustees
Larry H Miller Group

Sarah Lehman

Governor appointment
ENVE Composites

Jerry Oldroyd

Chair, GOED Board
Ballard Spahr

Susan Opp

Board Chair, USTAR Governing Authority
L-3 Communications

Scott Peterson

Chair, UCIC Board
Utah Capital Investment Corporation

Steve Styler

Chair, GRPB
Styler Daniels

Cyndi Tetro

Governor appointment
Women’s Tech Council

Randy Tymofichuk

Governor appointment
BAE Systems, Inc.

Governor's Rural Partnership Board

Code reference: 63C-10-103

The Governor's Rural Partnership Board (GRP) serves as an advisory board to the governor and the Governor's Office of Economic Development on rural economic and planning issues.

The Board is made up of a diverse group of Utahns representing universities, the League of Cities and Towns, Department of Workforce Services, Division of Indian Affairs, the following industries: agriculture, travel, rural utilities, oil, gas and mineral extraction industries; and five rural members appointed by the governor, with at least one representative from a private rural business.

Members

Lt. Governor Spencer Cox
Co-Chair, Governor's designee

Steve Styler
Co-Chair, At-Large
GRP Executive Committee

Wes Curtis
SUU, President's designee
GRP Executive Committee

Russ Cowley
Six County Association of Governments

Shannon Ellsworth
At-Large, Small Business

Joan Hammer
Tourism

Brian Higginbotham
V.P. USU Extension Services
GRP Executive Committee

Stephen Lisonbee
Department of Workforce Services

Michael McCandless
At-Large, Community and Business Development
GRP Executive Committee

Michael McKee
At-Large Rural Member

Robert Miller
Oil, Gas and Mining

Tim T. Munns
Agriculture Representative

Jeff Peterson
Rural Utilities

Mayor Kelleen Potter
Utah League of Cities & Towns

Brian Raymond
At-Large

Shirlee Silversmith
Utah Division of Indian Affairs

Curtis Wells
Utah Association of Counties

Jason Yerka
At-Large

Linda Clark Gillmor
Associate Managing Director
GOED Urban and Rural Business Services



Private Activity Bond Review Board

Code Reference: 63N-5-103

The Private Activity Bond Review Board consists of 11 members who are appointed by the governor. The Board is responsible for overseeing the allocated volume cap of private activity bonds as determined by the Department of the Treasury. The Board reviews applications, determines the allocation and maintains records of all bonds issued within each calendar year.

Members

Scott Bond

Assistant Chief Administrative Officer
Sandy City

John T. Crandall

Executive VP, George K. Baum

Wayne Cushing

Salt Lake County

David Damschen

Utah State Treasurer

David Feitz

Executive Director, UHEAA

Risky Hatch

Auditor, Weber County

Wayne C. Parker

City of Provo
Chief Administrative Officer

Grant Whitaker

President & CEO, Utah Housing Corp.

Thomas Wadsworth

Business Development Manager, GOED

Utah Board of Tourism Development

Code Reference: 63N-7-1, sections 101-103

The Board of Tourism Development consists of 13 members who represent various geographical areas and segments of the tourism industry. Members are appointed by the governor to advise the Utah Office of Tourism in office planning, policies, and strategies on trends and opportunities for tourism development that may exist in various areas of the state.

The Board has authority to approve a tourism program consisting of out-of-state advertising, marketing and branding, taking into account the long-term strategic plan, economic trends and opportunities for tourism development on a statewide basis.

Members

Lance Syrett

Board Chair
Owner, Best Western Ruby's Inn

Nathan Rafferty

Board Vice Chair
President & CEO Ski Utah

Kym Buttschardt

Owner, Roosters Brewing Company

Elaine Gizler

Executive Director, Moab Area Travel Council

John Holland

Co-Owner, Bryce Valley Tours

Brian Merrill

Owner, Moab River Expeditions



Greg Miller

Larry H. Miller Group of Companies

Glen Overton

Managing Partner, Hotel Park City

Zachary Renstrom

Washington County Commissioner

Ryan Starks

Executive Dir, Heber Valley Office of Tourism

Mike Taylor

Owner, Budget Car & Truck Rental of Utah

Sara Toliver

Executive Director, Visit Ogden

Shayne Wittwer

Owner, Wittwer Hospitality



STEM Action Center Board

U.A.C.: 63N-12-203

The Utah STEM Action Center Board coordinates STEM activities among stakeholders including the State Board of Education, school districts and charter schools, the State Board of Regents, higher education, parents of home-schooled students and other state agencies. The Board oversees activities to align public education STEM activities with higher education as well as industry and promotes best practices in these endeavors.

Members



Vance Checketts

Chair
DSCO



Mike Bouwhuis

Commissioner
Utah System
of Technical Colleges



Blair Carruth

Assistant Commissioner
Utah System of Higher Education



Sydnee Dickson

State Superintendent of
Public Instruction
Utah State Board of Education



Val Hale

Executive Director
Governor's Office of Economic
Development



Scott Nowlin
GBSD ISC Modeling
Simulation & Analysis Manager
BAE Systems



Jon Pierpont
Executive Director
Department of Workforce Services



Tami Pyfer
Education Advisor
Utah Governor's Office



Kathleen Riebe
Utah State Board of Education



Mark Sunday
Senior VP/CIO
Oracle



Bert Vanderheiden
VP Military Segment
Northrup Grummon



LOOK →



Governor's Office *of*
Economic Development

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