

GOED Board Meeting Minutes
August 8, 2019 • 10:00 a.m. – 10:30 p.m.

Utah Olympic Park
3419 Olympic Pkwy, Park City, UT 84098

Members Present:	Jerry Oldroyd, Mel Lavitt, Roger Killpack, Stefanie Bevans, Margo Jacobs, Peter Mouskondis, Christopher M. Conabee, Lorena Riffo-Jenson (P), Annette Meier (P)
Members Excused:	Steve Neeleman, Andrea Moss, Susan Johnson, Ted Wilson, Carine Clark
Staff:	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Owen Barrott, Ginger Chinn, Jill Flygare, Kimberlee Carlile, Linda Gillmor, Tony Young, Virginia Pearce, Lynne Meyer
Visitors:	Theresa Foxley, Mike Flynn, Mike O'Malley, Rita Vigor, Larry Jensen, John Houston, Stuart Clason, David Hinkins, Phillip Blackburn, Vaneet (Vince) Loomba, Amy Garber, Trigger Reitch, Matt Chatham

Welcome

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

Approval of the Minutes

MOTION: Margo Jacobs moved to approve the July 11, 2019 board meeting minutes. Peter Mouskondis seconded the motion. The motion carried unanimously.

EDTIF – Castlight Health, Inc.

Project Highlights

Timeline:	2020
Target Industry:	IT/Technology
Location:	Salt Lake County
CapEx:	\$2,250,000
Jobs:	235
Average Wage:	\$95,000

Project Overview

Castlight Health is a healthcare cost transparency company. Employees of companies that have a subscription to Castlight's platform can comparison shop healthcare services by using price transparency tools to see the prices of surgeries and other medical services at different providers.

The company markets its platform through a SaaS model to large self-insured employers. The value proposition is to reduce the cost of healthcare spending for employers through providing employees access to additional information and options for healthcare services. Access to the Castlight platform is included in addition to health benefits provided by employers. Castlight supports business customers with implementation, user and customer support, and marketplace services.

Castlight was founded in 2008 and is headquartered in San Francisco with additional locations in Sunnyvale, CA and Charlotte, NC.

Castlight is experiencing rapidly growing revenues. To help support the additional customers, the company has decided to open a new office location. The management team contracted with Cushman and Wakefield to conduct a site selection process to identify a location for their expansion. Potential sites include California, North Carolina, and Utah.

Jobs & Revenue

Full time jobs over project lifetime: 235

Company Average Wage vs. County Average Wage

Max with health benefits:	213%
Max w/o health benefits:	193%
Min with health benefits:	197%
Min w/o health benefits:	177%

New State Wages & Revenue

New State Wages over 5 years:	\$115,887,125
New State Revenue over 5 years:	\$4,601,934
Withholding:	\$4,302,309
Sales:	\$229,625
Corporate:	\$0

MOTION: Stefanie Bevans moved to approve Castlight Health, Inc. for an EDTIF post-performance refundable tax credit of up to \$920,387 which represents 20% of the \$4,601,934 of new state revenue, which may be earned over 5 years. Roger Killpack seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$920,387 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Presentation: Vaneet (Vince Loomba, Sr. Director of Operations at Castlight Health, spoke of the company’s excitement in creating a customer service center of excellence in Salt Lake County. He thanked the board and other partners in Utah for assisting through this process and expressed that the company is excited for this opportunity in Utah.

EDTIF – Intermountain Electronics, Inc.

Project Highlights

Timeline:	2019
Target Industry:	Manufacturing
Location:	Price, UT
CapEx:	\$12,500,000
Jobs:	289
Average Wage:	\$71,000

Project Overview

Intermountain Electronics, Inc (“IE”) designs and manufactures custom power distribution equipment for industrial customers. The company originally serviced the coal mining industry in Carbon and Emery Counties. Since 2010, IE has diversified by adding customers in the oil & gas, utility, renewable energy, and data center sectors. Like mining, these segments are power intensive with many modular power requirements.

IE is growing quickly and currently has over 250 employees with manufacturing facilities in four locations: Price UT (HQ), Denver CO, Centralia IL, and South Point OH. IE competes on a national basis and over 90% of what the company manufactures in Price leaves Utah.

The company was founded in 1985 in Price, Utah and is currently the fourth largest employer in Carbon County behind the hospital, USU-Eastern and Carbon School district.

Based on IE’s estimates of 15-20% annualized growth (in line with the 10-year average), they will be capacity constrained in the West by late 2020. The company forecasts sustained growth from oil & gas, renewables, and data centers, which have contributed to IE’s growth since 2012 and provide significant opportunity for further growth. In the past twelve months, the company has had multiple inquiries from strategic customers such as Facebook, Google, Aligned Energy, Siemens, ABB, SCE, and Hess regarding future expansion plans. The company wants to finalize investment plans in the next six months to scale with upcoming business demands from high-growth customers.

IE will be investing in a new facility in either Price UT or Denver CO with between 150,000-200,000 square feet of manufacturing and office space. The project would involve a \$12,500,000 expansion of the current facilities. The project includes 289 new high paying engineering and manufacturing jobs.

Jobs & Revenue

Full time jobs over project lifetime: 289

Company Average Wage vs. County Average Wage

Max with health benefits:	225%
Max w/o health benefits:	187%
Min with health benefits:	219%
Min w/o health benefits:	182%

New State Wages & Revenue

New State Wages over 15 years:	\$251,564,824
New State Revenue over 15 years:	\$21,582,270
Withholding:	\$9,339,344
Sales:	\$4,675,119
Corporate:	\$7,567,808

MOTION: Roger Killpack moved to approve Intermountain Electronics, Inc. for an EDTIF post-performance refundable tax credit of up to \$6,474,681 which represents 30% of the \$21,582,270 of new state revenue, which may be earned over 15 years. Stefanie Bevans seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$6,474,681 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 30% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 30% of qualified new incremental state tax revenues over 15 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 15 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Presentation: Phillip Blackburn, CEO of Intermountain Electronics, shared the company’s history and how key Price, UT has been to that history and spoke of the strong relationship between the community and the company. He spoke of the challenge of workforce. He said the company is here accepting this incentive and creating these jobs because Utah has been good to the company.

Chairman John Houston spoke of the great group of interested people that got involved to get this deal done.

Commissioner Jenkins mentioned the need for trained workers and how education must train for the skills needed for these jobs.

Senator Hinkins also spoke of the importance of education training individuals for the jobs that are and will be available in Price.

SLCC Aerospace Manufacturing Grant Agreement

Motion: Mel Lavitt moved to amend the December 13, 2018 motion to approve Salt Lake Community College for an Industrial Assistance Fund, post-performance Economic Opportunity Grant of up to \$120,000, but not to exceed 50% of the total investment by SLCC. Peter Mouskondis seconded the motion. The motion carried unanimously.

Disbursement of funds will be post-performance and based on:

- Retrofitting on space
- Purchase of equipment
- At least one cohort of students

- Report on the diversity of the cohort
- Personnel cost associated with implementation of program

Film Incentives

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY - AMENDED
NINE DAYS 5 UTAH, INC.
“NINE DAYS”
AUGUST 8, 2019**

Project Highlights

- Category: Feature
- Genre: Drama
- Director: Edson Oda
- Producer: Jason Berman, Mette-Marie Kongsved and Laura Tunstall

Utah Jobs and Revenue

- Estimated Cast: 25
- Estimated Cast Average Daily Salary: \$630
- Estimated Crew: 50
- Estimated Crew Average Daily Salary: \$300
- Estimated Extras: 0
- Estimated Extras Average Daily Salary: \$0
- Length of Film Production: 52
- Estimated Spend: \$3,000,000

Project Schedule

- Prep: May 27, 2019 through July 26, 2019
- Principal Photography: July 29, 2019 through August 23, 2019
- Wrap: August 26, 2019 through September 06, 2019

Summary

In a house distant from the reality we know, a reclusive man interviews prospective candidates - personifications of human souls - for the privilege that he once had. To be born.

Approved by the Governor’s Office of Economic Development Board June 11, 2019. *This production was originally approved by the GOED Board June 11, 2019. The production company revised the Utah estimated spend from \$2,800,000 to \$3,000,000 and has requested the additional MPIP incentive.*

Motion:

Margo Jacobs moved to approve for Nine Days 5 Utah, Inc., a Motion Picture Incentive Program post-performance tax credit of no more than \$600,000 (which represents 20% of dollars left in state) or no more than \$750,000 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “NINE DAYS”. Jerry Oldroyd seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- Dollars left in state start date no earlier than 90 days prior to the Governor’s Office of Economic Development Board of Directors approval

- Nine Days 5 Utah, Inc. may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. At least 75% of the production’s cast/crew must be Utah residents or 75% of the production’s Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$750,000 (25% of the dollars left in state).

**GOED BOARD – COMMUNITY FILM INCENTIVE PROGRAM
EXECUTIVE SUMMARY
STAR MOUNTAIN FILMS, LLC
“Pitching Love and Catching Faith 2: Double Play”
August 08, 2019**

Project Highlights

- | | |
|-------------|--|
| • Category: | Feature |
| • Genre: | Drama |
| • Director: | Rebecca Sternberg, Randolph B. Sternberg |
| • Producer: | Randolph B. Sternberg, TBD |

Utah Jobs and Revenue

- | | |
|--|-----------|
| • Estimated Cast: | 9 |
| • Estimated Cast Average Daily Salary: | \$200 |
| • Estimated Crew: | 17 |
| • Estimated Crew Average Daily Salary: | \$175 |
| • Estimated Extras: | 20 |
| • Estimated Extras Average Daily Salary: | \$100 |
| • Length of Film Production: | 93 |
| • Estimated Spend: | \$100,000 |

Project Schedule

- | | |
|--------------------------|---|
| • Prep: | May 01, 2019 through August 14, 2019 |
| • Principal Photography: | August 15, 2019 through August 28, 2019 |
| • Wrap: | August 29, 2019 through August 29, 2019 |
| • Post Production: | September 02, 2019 through January 31, 2020 |

Summary

When Tyler comes home from an injury that could end his baseball career, he faces off against an old flame and must choose between a career and love.

Proposed Motion

Approve for Star Mountain Films, LLC, a Community Film Incentive Program post-performance cash rebate up to \$20,000 (which represents 20% of dollars left in state) for the production of “Pitching Love and Catching Faith 2: Double Play”.

- Incentive offer based on receipt of a complete CFIP application including a script and proof of financing
- At least 85% of the production’s cast/crew must be Utah residents
- All minimum required criteria and requirements are met as specified on the CFIP rules and incentive contract
- Dollars left in state start date no earlier than 120 days prior to the original Governor’s Office of Economic Development Board of Directors approval

GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM
 EXECUTIVE SUMMARY
 FUNNY OR DIE MEDIA INC.
 “Agua Donkeys”
 August 08, 2019

Project Highlights

- Category: Episodic
- Genre: Comedy
- Director: MP Cunningham
- Producer: MP Cunningham, Jer Jackson

Utah Jobs and Revenue

- Estimated Cast: 36
- Estimated Cast Average Daily Salary: \$94.79
- Estimated Crew: 35
- Estimated Crew Average Daily Salary: \$294.39
- Estimated Extras: 18
- Estimated Extras Average Daily Salary: \$100
- Length of Film Production: 50
- Estimated Spend: \$764,154

Project Schedule

- Prep: July 08, 2019 through August 02, 2019
- Principal Photography: August 05, 2019 through August 30, 2019
- Wrap: September 02, 2019 through September 13, 2019

Summary

MP and Jer are trying to get the perfect tan, score a date with their co-worker Jackie and planning for an epic rooftop to pool jump.

Proposed Motion

Approve for Funny Or Die Media Inc., a Motion Picture Incentive Program post-performance cash rebate of no more than \$152,830.80 (which represents 20% of dollars left in state) for the production of “Agua Donkeys”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- At least 75% of the production’s cast/crew must be Utah residents
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval

MOTION:

Peter Mouskondis moved to endorse the film incentives as presented. Margo Jacobs seconded the motion. The motion carried unanimously.

Incentives Update

Thomas Wadsworth, Director of Corporate Growth and Business Development, provided an update on the Incentives Program regarding new and existing projects.

EDCUtah Update

Theresa Foxley, CEO of EDCUtah, presented on the status of current and upcoming projects in the pipeline.

Meeting Adjourned

GOED Board Retreat Minutes
August 8, 2019 • 12:00 p.m. – 2:00 p.m.

Utah Olympic Park
3419 Olympic Pkwy, Park City, UT 84098

Members Present:	Jerry Oldroyd, Mel Lavitt, Roger Killpack, Stefanie Bevans, Margo Jacobs, Peter Mouskondis, Christopher M. Conabee
Members Excused:	Steve Neeleman, Andrea Moss, Susan Johnson, Ted Wilson, Carine Clark, Lorena Riffo-Jenson, Annette Meier
Staff:	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Owen Barrott, Ginger Chinn, Jill Flygare, Kimberlee Carlile, Linda Gillmor, Tony Young, Lynne Meyer
Visitors:	Theresa Foxley, Mike Flynn

Welcome

Jerry Oldroyd welcomed everyone to the August 8, 2019 GOED Board Retreat.

Presentation – SB172 Strategic Plan

Val Hale, GOED Executive Director, led a discussion and review of the efforts toward creating a strategic plan for the future of economic development in Utah. The presentation included an economic development vision, with an emphasis on high paying job creation, workforce development, support for entrepreneurship, collaboration between public and private sectors, and attracting new high paying jobs through sustainable incentives. The board discussed the principles and strategies that will support the vision as outlined.

Review of Incentives Changes

Board Chair Jerry Oldroyd led a discussion on possible legislative changes to corporate incentives programs.

Adjournment