

**GOED Board Meeting Minutes**  
 September 12, 2019 • 10:00 a.m. – 10:30 p.m.  
 Utah Governor’s Office of Economic Development  
 60 E South Temple, FL 3  
 Salt Lake City, UT 84111

<b>Members Present:</b>	Mel Lavitt, Ted Wilson, Steve Neeleman, Margo Jacobs, Lorena Riffo-Jenson, Heather Kahlert, Annette Meier (P), Peter Mouskondis (P), Carine Clark (P), Susan Johnson (P), Roger Killpack (P)
<b>Members Excused:</b>	Andrea Moss, Jerry Oldroyd, Stefanie Bevans
<b>Staff:</b>	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Owen Barrott, Ginger Chinn, Jill Flygare, Kimberlee Carlile, Tony Young, Virginia Pearce, Lynne Meyer, Scott Romney, Rachelle Ackley, Jim Grover, Vicki Varela,
<b>Visitors:</b>	Theresa Foxley, Mike Flynn, Erin Farr, Michael Tannenbaum, Gopika Parikh, Bryce Wallace, Michelle Pasker

**Welcome**

Mel Lavitt welcomed everyone to the September 12, 2019 GOED Board Meeting.

**Approval of the Minutes**

**MOTION: Ted Wilson moved to approve the August 8, 2019 board meeting minutes. Peter Mouskondis seconded the motion. The motion carried unanimously.**

**EDTIF – Brex, Inc.**

**Project Highlights**

Timeline:	2020
Target Industry:	FinTech
Location:	Salt Lake/Utah County
CapEx:	\$23,400,000
Jobs:	1000
Average Wage:	\$80,000

**Project Overview**

Brex is a fintech company that provides corporate credit cards for young companies, determining credit limits based on non-traditional metrics like real-time monitoring of businesses’ bank accounts and transactions. Brex is expanding its client base to include larger companies by developing new products with higher credit limits that automate expense reporting, manage receipts, and integrate with companies’ accounting systems.

Brex was founded in 2017 in San Francisco and has raised over \$382 million dollars from venture capital investors including Kleiner Perkins, DST and Y-Combinator.

Brex is growing rapidly in both revenue and funding. The company has contracted with Ernest and Young to select a location for a new sales and customer experience office that will attract new customers and support its growing customer base. Potential sites include New York City, Utah, and Vancouver, Canada.

The project will create an estimated 500 new jobs, with 451 qualifying for incentives. Positions will include senior management and all levels of operational staff including sales and customer support positions. Lease costs are estimated to be \$225K in the first year and are expected to range from \$1 – 1.8 million annually. The company will spend \$10 million in capital investment to renovate and improve the new facility including furniture, fixtures and equipment, computers and IT.

**Jobs & Revenue**

Full time jobs over project lifetime: 1000

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

Max with health benefits:	157%
Max w/o health benefits:	145%
Min with health benefits:	143%
Min w/o health benefits:	133%

New State Wages & Revenue	
New State Wages over 5 years:	\$281,412,106
New State Revenue over 5 years:	\$10,947,387
Withholding:	\$10,447,424
Sales:	\$499,963
Corporate:	\$0

**MOTION: Steve Neeleman moved to approve Brex, Inc. for an EDTIF post-performance refundable tax credit of up to \$2,736,847 which represents 25% of the \$10,947,387 of new state revenue, which may be earned over 7 years. Lorena Riffo-Jenson seconded the motion. The motion carried unanimously.**

- Total EDTIF incentive not to exceed \$2,736,847 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 7 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 7 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

**Presentation:** Michael Tannenbaum, CFO of Brex, Inc., spoke to the board about the company’s products, history, preference for SLC, women & minority outreach, and more. Gopika Parikh, site selector, Thanked GOED and EDCU for their assistance through the process.

**Oath of Office for new GOED Board Member, Heather Kahlert:**

Michele Pasker, notary public, officiated as Heather Kahlert took the Oath of Office as a new member of the GOED Board of Business and Economic Development.

**ED Zones:**

- Motion: Approve the creation of an Economic Development Zone for Lehi in support of their letter of request detailing the expansion of Adobe Inc. at 3900 Adobe Way, Lehi, UT 84043
- Motion: Approve the creation of an Economic Development Zone for Salt Lake City in support of their letter of request detailing the expansion of Sarcos Inc. at 360 Wakara Way, Salt Lake City, UT 84108
- Motion: Approve the creation of an Economic Development Zone for Eagle Mountain in support of their letter of request detailing the expansion of Tyson Fresh Meats, Inc. at 3726 E Campus Dr., Eagle Mountain, UT 84005

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

**Film Incentives**

**Project Highlights**

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

**Utah Jobs and Revenue**

- Estimated Cast: 5
- Estimated Cast Average Daily Salary: \$961
- Estimated Crew: 281
- Estimated Crew Average Daily Salary: \$370
- Estimated Extras: 3,800
- Estimated Extras Average Daily Salary: \$135
- Length of Film Production: 238
- Estimated Spend: \$15,550,000

**Project Schedule**

- Prep: January 02, 2019 through February 15, 2019
- Principal Photography: February 19, 2019 through July 31, 2019
- Wrap: July 31, 2019 through November 30, 2019

**Summary**

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

**Approved by the Governor’s Office of Economic Development Board October 11, 2018.**

*This production was originally approved by the GOED Board October 11, 2018. The production company revised the Utah estimated spend from \$14,707,983 to \$15,550,000 and has requested the additional MPIP incentive. The production company revised the wrap end date from September 30, 2019 to November 30, 2019.*

**Proposed Motion**

Approve for Salty Pictures, Inc., a Motion Picture Incentive Program post-performance MPIP Tax Credit of no more than \$3,110,000 (which represents 20% of dollars left in state) or no more than \$3,887,500 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “High School Musical: The Musical”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Salty Pictures, Inc. may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. At least 75% of the production’s cast/crew must be Utah residents or 75% of the production’s Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$3,887,500 (25% of the dollars left in state).
- This tax credit may be split between up to three consecutive State of Utah fiscal years

*All currency values have been rounded to the nearest dollar for the purpose of this summary only.*

**MOTION:**

**Margo Jacobs moved to endorse the film incentive as presented. Lorena Riffo-Jenson seconded the motion. The motion carried unanimously.**

**GOED Update**

Val Hale provided an update on upcoming events and recent activities and efforts within GOED and its programs.

**Incentives Update**

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

**EDCUtah Update**

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

**Meeting Adjourned**