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Introduction

The Utah Governor’s Office of Economic Development (GOED) prepares an Annual Report for the Utah Legislature and the public that provides an accounting of the programs, initiatives and events for which the office is responsible. This report covers the fiscal year, July 2018 to June 2019 (FY 2019).

About GOED

Under the direction of Gov. Gary Herbert, the Utah Governor’s Office of Economic Development provides resources and support for business creation, growth and recruitment, and helps drive increased tourism and film production in Utah. Utilizing state resources and private sector contracts, GOED administers programs in economic areas that demonstrate the highest potential for successful development.
Executive Director’s Message

Utah continued to lead the pack in economic development during the 2018-2019 fiscal year, but that’s nothing new. For a decade, Forbes has ranked Utah a top-three Best State for Business, including six number one spots. In November 2018, Forbes ranked Utah the No. 2 Best State for Business.

The state continues to have a lot to boast about: a thriving economy, record rates of job creation and low unemployment are just a few of the state’s shining stars. Thanks to Gov. Gary Herbert’s leadership and economic development tools provided by the Legislature, Utah’s prosperity is envied and admired by other states.

Utah has one of the most diverse economies in the nation, anchored in information technology, life sciences, aerospace and defense and outdoor products. Because of our diverse economy, Utah is less likely to experience the extreme economic stress other states know all too well.

In addition to the recognitions already mentioned, other recent accolades Utah received include the No. 1 state for Best Performing Large City from the Milken Institute (Jan. 2019), the No. 2 state for the Best Economy from U.S. News & World Report (May 2019), and the Best State to Start a Business from WalletHub (July 2018).

A major contributing force to the state’s economic prosperity is our young, entrepreneurial and highly-educated workforce. In fact, Utah has America’s lowest median age at 31 (U.S. Census, June 2019).

Fostering that young talent is what GOED’s Talent Ready Utah initiative does best. Connecting industry with education to build Utah’s talent pipeline is the program’s mission. In 2019, Talent Ready Utah added two new programs to help fill the state’s workforce needs — Utah Works and Talent Ready Apprenticeship Connection.

The Office of Tourism continued to draw local and international acclaim with its Red Emerald initiative, creating Utah travel experiences that are rare, distinct and unique to the state. In FY 2019, tourists generated an impressive $15.9 billion in revenue while visiting Utah’s Mighty 5 national parks, in addition to Utah’s many national monuments, historic sites, state parks and the beautiful areas in between.

Despite all this success, GOED is always looking for ways to improve our administration of Utah’s economic development programs and services on behalf of the Utah Legislature. We are committed to our mission of providing resources and support for business creation, growth and recruitment, and we continue to champion Utah’s unparalleled economic success.

In Utah, we are truly living “Life Elevated.”

Q. Val Hale
Utah GOED Executive Director
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Vision, Mission and Strategic Plan

Vision
Utah will offer an exceptional quality of life by implementing sustainable economic development practices to:

1) Promote a business-friendly environment that allows the private sector to create high-paying jobs.
2) Align industry and education to produce a world-class workforce.
3) Support entrepreneurship and small business creation and growth.
4) Encourage collaboration and partnerships between state and local government and the private sector.
5) Utilize sustainable incentives to attract and keep high-paying jobs and provide public benefit via infrastructure, workforce development, etc.

The cornerstones of Utah’s economic development strategy include:
- A business-friendly environment
- Collaboration
- A focus on entrepreneurship
- Sustainable incentives
- A world-class workforce

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
- Workforce training and educational opportunities
- Decreased tax burden

As part of S.B. 172, in October 2019 GOED will deliver to the Legislature an updated, long-term economic development strategic plan.
Number of Full-Time Employees Per Team

<table>
<thead>
<tr>
<th>Category</th>
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<td>Corporate Recruitment, International Trade and Diplomacy</td>
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<td>Marketing and Communications</td>
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<tr>
<td>Utah Office of Outdoor Recreation</td>
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<td>Utah Office of Tourism</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>86</strong></td>
</tr>
</tbody>
</table>
GOED’s Corporate Recruitment program accelerates business growth and job creation through 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. Talent Ready Utah plays a key role in these expansions and relocations by helping companies find the qualified workforce they need.

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 Autonomous Solutions, Inc. expand its 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.

Talent Ready Utah partnered with industry and educational institutions to implement a new career pathway program in the construction industry. A new youth apprenticeship program, replicating the Swiss Apprenticeship Model, was also announced during the past year.

Opportunities
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 attract new companies and industries to the state. 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 assists the corporate recruitment team in efforts to 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 Higher Education, Utah System of Technical Colleges and the Utah Department of Workforce Services.
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. In 2018, direct traveler spending in Utah reached $9.75 billion — a 6.2% increase over 2017. This equates to a preliminary estimate of $13.4 billion in total traveler spending,* which provided $1.3 billion in state and local tax revenue. Income from tourism provided approximately $1,286 in tax relief for every household in Utah.

The Utah Film Commission supported in-state film productions, such as Good Joe Bell starring Mark Wahlberg, and high-profile television series including Yellowstone (Paramount) and High School Musical: The Musical: The Series (Disney). These productions inject the state economy with professional jobs and revenue, supporting local businesses in both urban and rural areas.

In addition to generating income for the state, the Utah Office of Tourism inspires positive perceptions of Utah by promoting the Life Elevated® brand through public relations, marketing campaigns, social media and online written and video content. In film, Utah locations are frequently featured on the big screen, television series and national television commercials. To date, more than 1,400 productions have been filmed in Utah, including iconic films such as Butch Cassidy and The Sundance Kid, Easy Rider and Forrest Gump, all celebrating milestone anniversaries in 2019.

Finally, as stewards of a healthy and sustainable tourism economy, the Utah Office of Tourism is advancing the Red Emerald Initiative, a strategic plan to grow Utah’s tourism industry while maintaining a high-quality experience for visitors and Utah residents.

*Total spending includes direct, indirect and induced spending.
Urban and Rural Business Services

Efforts continued this year to improve Utah’s Urban and Rural Business Services. GOED now manages 10 rural programs, including two new initiatives added by the Legislature in 2019. Many of our rural programs are legacy programs that require optimization. Through strategic planning and analysis, we will continue to fulfill GOED’s mission by refining the grant and tax incentive packages to enable business growth and expansion and to develop business-ready infrastructure.

GOED applied for the State Science & Technology Institute's Manufacturing Policy Academy and was accepted to participate alongside New Jersey, Kentucky and Puerto Rico. Through this academy, we began to look at opportunities to expand manufacturing in Utah’s rural communities. By following the academy’s blueprint, we can develop a stronger and more diverse economy by working with large business, small business and entrepreneurs.

This past year also presented an opportunity to expand the 2017 Opportunity Zones incentives, which were established by Congress in the Tax Cuts and Jobs Act. GOED partnered with the Sorenson Impact Center, the Utah Association of Counties and the Kem C. Gardner Policy Institute to formulate a plan to assist both our rural and urban areas in low-income census tracts. The goal is to attract investments in areas that need it the most.

Thanks to our partnerships with the private sector, statewide economic development organizations and other state and federal agencies, Utah is known as a place for companies and industries seeking to expand, relocate, partner and innovate. GOED has the capacity to deliver more opportunities to Utah businesses than ever. Every win enhances our economy.
Operations

The GOED Operations team oversees finance, compliance, policy, contract management, human resources, technology services and overall facility management.

The team is delivery-focused, ensuring organizational success through efficiency measures and careful consideration of all resources. Recognizing its stewardship of GOED’s finances, work environment and human resources, the team strives to deliver innovative and thoughtful service through continuous quality improvement. The Operations team values collaborative communication and effective business controls and procedures.

Achievements

Over the past year, GOED has worked to improve contract processing by creating stronger efficiencies. The Operations team targeted bottlenecks and pain points, then worked from there to improve process flow. With our Salesforce implementation, we moved from a paper process to a completely paperless system. The digital process has allowed us to incorporate a complete lifecycle management process that reduces risks and allows for a higher level of transparency within the organization, as well as with businesses and the public with whom we work.

We also implemented an electronic signature program that improved our contract completion time from an average of 13 days to four days for a 69% decrease in time to project delivery.

We plan to incorporate a full-kit customer success framework as we continue to build on the efficiencies of our updated digital contracting process.

The compliance team developed and validated a set of SUCCESS metrics to assist in managing the growth of post-performance assessments for incentive programs.

Metrics include:

- The number of assessments
- Timeliness
- External/Internal accuracy, and
- Associated costs to complete an evaluation.

For timeliness, the team tracks how long it takes from submission to final approval of an incentive; the standard is 90 days for a completed EDTIF request and 30 days for most other programs. Tracking quality and timeliness helps the team determine how to allocate resources and provides insights for improvement when the team isn’t able to meet a predetermined expectation.

One of the insights gained from tracking timeliness led to the second quality metric, external/internal accuracy. The team tracks accuracy and reviews key questions required by the assessment. This year, we found that companies are contacted multiple times for information required to complete contractual compliance assessments, which often results in inefficiencies and rework. Based on the data collected, we identified ways to clarify instructions and provide training on documentation required in the assessment process. Internally, we review for misalignment, establish or update standards and train as a team when necessary.
Marketing and Communications

GOED’s marketing and communications (marcom) team consists of five full-time and two part-time employees. These communicators provide services to all of GOED’s teams, programs and initiatives, and support the internal and external communication activities of the executive management team.

The marcom team develops and sends email newsletters to employees, the GOED Board, executive management and the public. The team oversees owned and earned media, publishing content on the GOED website and social media channels. The marcom team also maintains a contractual relationship with a Salt Lake City-based public relations firm to ensure consistent nationwide coverage of business activities in Utah.

The marcom team supports GOED executives by providing briefing sheets, talking points, speeches and presentation graphics. It’s also responsible for the content and design of GOED’s Annual Report and the organization of the annual Utah Economic Summit for Gov. Herbert. It produces collateral for other GOED teams and is responsible for the yearly Business In Utah magazine and Utah Facts brochure.

This year, the marcom team began a new process of recording and coding project requests whereby it measures, tracks and monitors activity based on requested deliverables. On average, in FY 2019, the team completed 45 project requests a month.

Contact

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## Budget

### FY 2019 Operations Budget

### General Fund

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>General Fund</th>
<th>General Fund One Time*</th>
<th>GF Restricted</th>
<th>Dedicated Credit</th>
<th>Transportation</th>
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**GOED Budget FY 2019** | **$32,341,400** | **$16,420,600** | **$256,000** | **$1,318,200** | **$118,000** | **$478,000** | **$50,932,200**

*Includes one-time and nonlapsing/carryforward balances
Budget

FY 2019 Fund Budget

TOTAL BUDGET
$38,063,000

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<th>General Fund One Time*</th>
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*Includes one-time and nonlapsing/carryforward balances

Contact

Kamron Dalton | Finance Director
801-538-8877 | kdalton@utah.gov
## Budget

### FY 2019 Operations Program Expenses

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<th>Budget Item</th>
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<th>Travel</th>
<th>Current Expense**</th>
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* Total expense includes operations and fund budget totals

**Current expense includes 1x capital expense

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<th>GOED Budget FY 2019</th>
<th>Personnel</th>
<th>Travel</th>
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## FY 2018 EXPENDITURE SUMMARY

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## FY 2019 EXPENDITURE SUMMARY

<table>
<thead>
<tr>
<th>IAF Allocations</th>
<th>Budget</th>
<th>Expended</th>
<th>Encumbered</th>
<th>Available Balance</th>
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<tr>
<td>Economic Opportunities</td>
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<td>Smart Schools - iSchools</td>
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<td>$0</td>
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<td>Post-Performance Grants</td>
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## FUND CHANGE IN POSITION

<table>
<thead>
<tr>
<th>IAF Allocations</th>
<th>Budget</th>
<th>Expended</th>
<th>Encumbered</th>
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<tr>
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<td>$698,285.96</td>
<td>($3,870,706.05)</td>
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</tbody>
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**Notes:**
- IAF expense is shown on a cash basis from July 1 to June 30 each year.
- FY 18 Smart Schools paid additional funding that was not anticipated. Balance is now zero. IAF expense is shown on a cash basis from July 1 to June 30 each year.
- FY 19 Technology Summit Incentive of $250,000 was received by IAF.
Utah Office of Outdoor Recreation

Mission
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. OOR works to promote Utah as the premier location for recreation opportunities that enhance quality of life.

OOR’s mission is to ensure that Utahns can live a healthy and active lifestyle 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 (UORG) strives to support outdoor recreation projects throughout Utah by distributing up to $5 million in funding annually.

The Utah Outdoor Recreation Summit is an annual gathering of recreation professionals and leaders from around the state and country. The goal of the Summit is to bridge the gap between economic development, policy, planning, health, education and industry through education, collaboration and a shared vision for the future of recreation issues in Utah.

Corporate recruitment efforts strengthen relationships with EDCUtah, local government agencies and private entities across the state. The goal is to support existing recreation businesses and to attract new businesses and events. In FY 2019, seven new businesses ranging from banking to technology all stated outdoor recreation as a major factor for their choice to relocate to Utah.

Here are some of OOR’s activities during this past year:

1) In support of recreation creation, OOR invited Utah State Parks and the National Park Service’s Rivers, Trails and Conservation Assistance (RTCA) program to join in hosting 11 free grant workshops across the state. These workshops informed and helped applicants in applying for UORG funds, as well as the grants offered by Utah State Parks and RTCA. The Bureau of Land Management and the U.S. Forest Service sent locally based representatives to each location to present and offer their assistance as well.

2) In response to the critical need for funding for restoration and repair of aging recreation infrastructure on public lands in the state, the Recreation Restoration Infrastructure (RRI) grant program was created by S.B. 249, sponsored by Sen. Ralph Okerlund and Rep. Carl Albrecht. The RRI grant program will be taking applications in early 2020. This new grant program will complement the existing UORG program, which helps fund new infrastructure.
The fifth-annual Utah Outdoor Recreation Summit hosted 450 attendees in the Heber Valley to address current recreation issues and promote collaboration between all industries that impact outdoor recreation. The Summit included 20 workshops on topics such as protecting public lands, planning trails and discussing diversity in the outdoor recreation industry. This event showcased local amenities through exciting activities and entertaining dinners. The first annual Outdoor Summit Awards were presented to recognize the important work that organizations are doing around the state to improve recreation amenities.

Corporate recruitment is an essential part of OOR’s initiatives. Through strong partnerships with EDCUtah and local government agencies, OOR looks to bring in new business as well as help existing businesses thrive. This year, OOR welcomed USA Climbing and Ventum Bicycles to Utah and supported a distribution expansion for Amer Sports.

Through partnerships with EDCUtah, the Utah Outdoor Association and the Snowsports Industry Association, OOR hosts the Summit Speaker Series. These bi-monthly workshops are designed to strengthen Utah’s outdoor industry, engage the public and address current outdoor recreation topics and issues.

OOR created H.C.R. 4 Utah’s Every Kid Outdoors Initiative (EKO) and the EKO Explorer Activity Passport thanks to the support of the Gov. Gary Herbert, Rep. Patrice Arent, Sen. Lincoln Filmore and many others. The Passport includes a list of 10 free or low-cost outdoor recreation activities that can be done by a child from any background or ability whether in a city park, a backyard or the millions of acres of public lands in Utah.

Some of the best projects getting youth outdoors take place at the local level, so Sen. Lincoln Fillmore and Rep. Mike Winder sponsored S.B. 222 to create the Utah Children’s Outdoor Recreation and Education (UCORE) grant which can help to provide critical funding for local youth programs. The UCORE program’s emphasis will be on aiding those programs that will provide Utah’s children with opportunities for outdoor recreation skill building and nature-focused hands-on learning. UCORE will be taking applications in early 2020.

**Awards**

Two OOR team members received awards this past year from the Society of Outdoor Recreation Professionals:

- **Tara McKee**, Individual Service Award
- **Rose Smith**, New Professional Award

**Achievements**

- Over $4.3 million was invested back into Utah’s communities with the awarding of the Utah Outdoor Recreation Grant (UORG) funds in 2019
- The UORG funds awarded in 2019 had an ROI of 8:1; the total value of the projects is over $35.6 million
- 55 unique infrastructure projects were funded for 14 types of popular outdoor recreation activities
- Projects were funded in 32 rural communities
- The construction of infrastructure projects, funded in part with the grant, will create 157 full-time jobs
- The 2019 UORG funding will lead to the creation of 125 miles of new trails
- Increased social media followers from 1,700 to 2,220
- Assisted EDCUtah in recruiting two new outdoor businesses
- Created the Every Kid Outdoors (EKO) Initiative and EKO Explorer Activity Passport
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. It accomplishes this by administering the following business development grants and tax credits:

1. Business Expansion and Retention (BEAR)
2. Enterprise Zone Nonprofit Tax Credit (EZNP)
3. Enterprise Zone Tax Credit (EZ)
4. Recycling Market Development Zone Tax Credit (RZ)
5. Rural Coworking and Innovation Center (RCIC)
6. Rural Economic Development Incentive (REDI)
7. Rural Fast Track (RFT)
8. Rural Rapid Manufacturing (RRM)
9. Targeted Business Tax Credit (TBTC)
10. Utah Rural Jobs Act

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

Connecting rural communities with relevant service providers can be a time-consuming process. This past year, ORD requested that each county allow us to share their current development plans with other state agencies in an effort to broaden the base of state-wide support for rural communities. These agencies included the Utah Department of Transportation, Office of Tourism, Public Lands Policy Coordination Office, Housing and Community Development, Office of Outdoor Recreation and others.

Challenges and Achievements
The Office of Rural Development assumed administrative responsibility for two additional rural programs during the 2019 legislative session. A total of 10 grants and tax credit programs are now available to rural communities and businesses through ORD. These new responsibilities required the development of an internal strategic plan to help ORD’s small staff identify priorities and better serve rural Utahns.

Outcomes
Through the ORD strategic planning process, we identified enhanced customer service as a top priority. Several new services have been initiated, such as the “front door” or single email address (GOEDruralprograms@utah.gov) for requesting information about our 10 rural grants and tax credits. ORD also launched the Office of Rural Development Quarterly Newsletter to communicate with our 823 current subscribers. Additional marketing materials providing detailed information on each program were also developed.

Outreach to rural communities in FY 2019 included 92 in-person visits to rural counties, 50 ORD program presentations, and over 2,040 interactions with rural businesses, government and community members.

Spotlight
Completion of the ORD Strategic Plan was a significant accomplishment. The plan consists of a vision statement, mission statement and pillars.

Vision Statement: ORD assists rural communities as they develop healthy and diverse economies which honor their unique heritage and culture.

Mission Statement: ORD helps businesses and communities find the resources they need to grow and prosper.

ORD Pillars:
- Economic Development and Leadership Capacity
- Strategic Marketing and Communications
- Strategic Outreach
- High-Quality ORD Programs
- Business and Community Client Success

Contact
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Utah Office of Tourism

Mission
The Utah Office of Tourism (UOT) fulfills its mission to improve the quality of life for Utah residents through revenue and tax relief by attracting quality, well-prepared domestic and international visitation and motivating tourism spending within a sustainable tourism economy. Tourism spending generates approximately $1,286 in annual tax relief for every Utah household. UOT partners with communities to develop tourism economies and storytelling consistent with their local vision. The team encourages stewardship and industry support through local engagement and ambassadorship.

To advance these goals, UOT manages and runs year-round strategic marketing, industry research, media relations, cooperative marketing, in-state public relations, website and visitor experience enhancements, as well as destination management and development programs.

Initiatives
Red Emerald Business Strategy — Just like the red emerald, mined only in Utah, visiting our state should be a highly valued, transformational experience that can’t be found elsewhere. This initiative creates a lasting and sustainable tourism economy by targeting visitors willing to spend more, get off the beaten path and come back often because they understand and value Utah’s 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 continues to scale-back traditional TV ad spends to expand digital and social media advertising to more effectively reach targeted visitors, or “passion tribes.” Our key target markets include families pursuing adventure with educational dimensions, achievers and explorers who place a high value on transformative experiences and places, repeat visitors seeking new favorite places alongside their cherished destinations, traditional travelers discovering Utah for the first time, baby boomers who can travel off-season and international visitors who often stay longer and spend more.

Data-Driven Decisions — New analytics capabilities allow for improved tracking and insights to gauge the economic impact of ad spending. Building from our centralized data warehouse, we use machine learning and artificial intelligence to optimize cross-channel marketing campaigns, improve customer service and model semantic data to match content to user intent.

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. With the development of a travel agent training platform, we are educating and informing all agents and tour operators, resulting in refined itineraries and a more informed travel trade community.
Outcomes
In 2018, direct traveler spending in Utah reached $9.75 billion — a 6.2% increase over 2017. This equates to approximately $15.9 billion in total traveler spending (direct, indirect and induced), which provided $1.3 billion in state and local tax revenue.

Tourism spending generates approximately $1,286 in annual tax relief for every Utah household.

In FY 2019, UOT continued implementing its SUCCESS measures. By tracking website visits that exceed four minutes on-site, and identifying visitors who viewed more than three pages on the site, UOT can focus on increasing the most engaged visits to the website.

UOT is the first destination marketing organization to leverage Arrivalist data to track visitation prompted by exposure to traditional TV advertising, increasing our understanding of ad efficacy.

UOT’s travel agent training has certified more than 800 Utah Chinese specialists since its launch on March 1, 2019. With the new social and influencer program, “How to Utah,” we are educating visitors on how to visit our public lands, prepare to hike and improve their visitor experience.

Challenges and Opportunities
Key challenges continue to center around the growth in visitation at Utah’s national parks, the city of Moab, the Cottonwood canyons and other pressure points. We are working closely with community leaders and federal land managers to find solutions to promote healthy communities, parks and sustainable tourism economies in Utah’s gateway communities.

Spotlight
Helper, Utah started a revitalization project a few years ago that now serves as an example for other communities in Carbon County hoping to undertake similar initiatives.

With the support of the Utah Office of Tourism and Portland-based consultant Coraggio Group, Carbon County launched a destination development and branding initiative in March 2019. The project brought together city and county officials and community members for four days to understand Carbon County’s visitors, describe the current-state visitor experience, envision the future-state visitor experience in 2030, identify Carbon County’s competitive position, identify key strategies and agree on a system for ongoing plan management.

As part of the consultation, the branding agency Hub collaborated with the local planning group to develop a brand for the county: Carbon Corridor.

“The Carbon Corridor represents and communicates what a visitor should expect when they visit the county now — a convenient link to outdoor adventure in all directions — while leaving room for the brand to grow as the county changes,” said Tina Henrie, Carbon County tourism specialist.

For Henrie, the strategy and brand is much more than a logo. Rather than explaining why “Carbon Corridor,” Henrie likes to explain how.

The committee of community members and local officials worked to identify the county’s key attributes: rural, storied, scenic, primed, underestimated, motivated and poised. These are attributes that honor the county’s heritage and look to the future.

“While several ideas emerged, Carbon Corridor made the most sense and really highlighted who we are as a destination today,” Henrie said. “Our goal with this brand identity is to attract specific travelers who will spend money at our retail stores, eat in our restaurants, stay in our hotels, have a great experience, and go home and tell their friends and family about their trip.”
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 ongoing training and updated technology to ensure an efficient and effective administration of competition rules.
- Increase efforts to establish new promotions, and to assist existing promotions to develop business strategies that ensure success.
- Develop a new, efficient online licensing program for athletes, promoters and officials. An online system could reduce the workload of PSUAC by as much as 25% to 30%.

Accomplishments and Outcomes

- Mixed Martial Arts, Boxing, and Kickboxing events have increased in both number of events and number of athletes participating within the state.
- USA Boxing held the National Championship Tournament in Utah, which had a significant economic impact upon the greater Salt Lake City area. Winners of each respective weight class have earned a spot on the USA National Boxing team.
- Legacy Fighting Alliance (LFA) brought yet another high profile event to the state, which generated a considerable amount of media attention and revenue.

Challenges

Development and implementation of an online licensing system presents unique challenges because of our dependence on existing systems developed by the Utah Division of Occupational & Professional Licensing. Customizing a system to meet PSUAC’s will be a lengthy process requiring the assistance of the Utah Department of Technology Services.

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.

Goals

PSUAC will continue building on the momentum of 2019 by focusing on developing programs that incentivize promoters to bring events to Utah, as well as providing support to existing promotions to help make them more financially solvent.

Contact

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Utah Film Commission

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

Established in 1974, the Utah Film Commission (UFC) supports a 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 to date, 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 in FY 2019. The film industry represented 450 companies, more than 7,600 employees and greater than $147 million in Utah salaries — a $5 million increase from 2017.

Initiatives

- 53% of film permits were issued in a rural area of Utah. Film production is a state-wide industry that contributes to all sectors and we are ensuring that all counties have the resources they need to attract new film productions.
- There are 13 public and private Utah universities that offer some kind of film and digital entertainment program with nearly 4,000 students currently enrolled. Connecting higher education with industry will create more opportunities for students to enter the industry after graduation.
- Utah Film Commission’s Next Level Grant Program provides funding and footing for local directors and producers to take their project to the next level.

Outcomes

The Motion Picture Incentive Program approved 19 productions, including Disney Channel’s *High School Musical: The Musical: The Series* and Paramount’s *Yellowstone*, as well as the film *Good Joe Bell* starring Mark Wahlberg. These productions spent an estimated $88 million in-state and created approximately 1,900 local jobs.

Challenges and Achievements

Utah continues to gain recognition as a destination for television and feature film production, as evidenced by the growth in both overall industry annual wages (increased by $5 million over last year for a total of $147 million; 2018 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.

Utah Film Commission continues to offer workforce development programs that create a school-to-industry pipeline and provide trained crew for incoming productions. Currently the demand exceeds supply, so it is important that we maintain a sustainable approach to the incentive program that creates a balance between out-of-state and local productions that utilize the film incentive.
Programs

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<th>FY 2017 (31 Projects)</th>
<th>FY 2018* (18 Projects)</th>
<th>FY 2019* (19 Projects)</th>
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<td>Utah Hires</td>
<td>2,784</td>
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<td>1,891</td>
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* Contains estimates as some projects are not completed yet

<table>
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<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018*</th>
<th>FY 2019*</th>
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<tr>
<td>Utah Spend</td>
<td>$63,679,915</td>
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<tr>
<td>Spent in Rural Utah</td>
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<td>$30,069,673</td>
<td>$53,538,119</td>
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</table>

* Contains estimates as some projects are not completed yet

Spotlight

In October 2018, Disney Channel announced its latest project to film in Utah. Described as a fresh take on the Disney Channel’s iconic franchise, also filmed in Utah, *High School Musical: The Musical: The Series* is a 10-episode scripted series for Disney’s upcoming direct-to-consumer streaming service, Disney+. The production filmed in and around Salt Lake County during the first half of 2019 with an estimated spend of over $14 million.

Visitors still make special trips to Utah to see where the original *High School Musical* was filmed and the Utah Film Commission is incredibly proud of its resonating impact with generations of young people. We’re thrilled to introduce a fresh take on this classic story and continue to support Disney’s production in Utah.

With over 40 projects filmed in the state over the last two decades, Utah has a long history with Disney. Productions including *John Carter*, *The Lone Ranger*, *High School Musical 1, 2 and 3*, and the hit show *Andi Mack*, which recently completed its third and final season, have led to an estimated in-state spend of $175 million and the creation of over 3,500 local jobs.

When the *High School Musical: The Musical: The Series* production was announced, Susette Hsiung, executive vice president, Network Production Management and Operations, Disney Channels Worldwide, shared: “We’re looking forward to continuing our work with Utah’s Film Commission and with the state's outstanding production crews, facilities and incentive program which have contributed to high quality content for kids and families.”
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 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 healthcare 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
Programs

- 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
- Leap into Science — STEM and Literacy for Utah communities

Achievements

Private/public partnerships have been very successful this year. The STEM Action Center received a Boeing grant to conduct a STEM landscape analysis.

The Center received a National Science Foundation grant, Linking Attitudes and Behaviors for Student Success, to assess perceptions of career and technical education and create a social media campaign for key programs.

Challenges

The Center is striving to broaden participation in STEM through increased equity, access, diversity and inclusion. The challenges are numerous but the STEM Action Center, and partners, are committed to working with all Utah students, educators and communities.

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

The Utah STEM Bus (USB) is a mobile STEM classroom that brings hands-on STEM activities to students, and professional learning opportunities to educators. The USB team taught in 64 schools within 18 districts throughout Utah in FY 19, and had direct instruction with 10,780 K-8 students. The USB is completely full for the 2019-2020 school year, and has a waitlist of over 100 schools hoping for a spot. The USB is funded by Marathon, as well as numerous other companies that are passionate about STEM education.
Business Expansion and Retention

U.C.A. 63N-3-104.5

The Business Expansion and Retention (BEAR) grant provides funding that supports county economic development leaders’ outreach to individual businesses. These county economic development leaders assess the needs of the businesses, address their goals, and then direct them to useful resources that will help the business thrive 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 analysis, economic development planning, implementation of planning outcomes and other projects enhancing rural economies.

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

Initiatives

Expand Project-Based BEAR Applications

A new information and instructions document was created to emphasize economic development projects, including area and regional planning and plan implementation. Traditional BEAR activities of business outreach and referral making were completed as a project with targeted goals and outcomes. This year’s BEAR application also required justification of funds including a proposed timeline and a budget for each proposed project.

Focus on Strategic Planning

With the governor’s initiative to increase job growth and economic opportunity in rural counties, the BEAR program encouraged applicants to focus on BEAR projects related to their Strategic Economic Development Plans, which have been presented to the governor.

Challenges and Achievements

The Office of Rural Development recognizes the significant differences between rural counties based on culture, population, budget constraints, planning capabilities and economic needs. The BEAR program for FY 2019 was designed to expand opportunities in diverse counties based on their unique needs and plans, rather than on a standard set of activities. Each applying entity was encouraged to be creative in their project design, with an overall economic development plan and goals to achieve for their specific area.

Outcomes

In FY 2019, we issued $395,000 to 14 BEAR grant contract awardees in rural counties.

<table>
<thead>
<tr>
<th>Business Expansion and Retention (BEAR)</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants Issued</td>
<td>24</td>
<td>17</td>
<td>14</td>
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<tr>
<td>Expended Amount</td>
<td>$318,338</td>
<td>$198,988</td>
<td>$161,681</td>
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<tr>
<td>Business Visits/Consultations</td>
<td>1,089</td>
<td>861</td>
<td>909</td>
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<tr>
<td>Individuals Attending Training</td>
<td>1,185</td>
<td>1,486</td>
<td>520</td>
</tr>
<tr>
<td>Community Driven Planning and Implementation</td>
<td>19</td>
<td>1</td>
<td>12</td>
</tr>
</tbody>
</table>
Business Resource Centers

Business Resource Centers (BRCs) 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. In addition, they offer comprehensive services and ongoing assistance to help businesses start and expand.

BRCs contribute to state-wide economic growth by partnering with institutions of higher education to create a coordinated network of federal, state, local and private business service providers.

Utah’s BRC partners include:

- Business Expansion and Retention (BEAR)
- Custom Fit Training
- Department of Workforce Services (DWS)
- Local chambers of commerce
- Manufacturer’s Extension Partnership (MEP)
- Procurement Technical Assistance Center (PTAC)
- SCORE business mentors
- Small Business Development Center (SBDC)
- Women’s Business Centers

There are 16 BRCs located throughout the state. GOED helps BRCs with marketing support services through a new statewide BRC brochure and website, as well as new, individualized logos for each location.

Initiatives

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

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

Challenges and Achievements

Utah BRCs include both rural and urban locations, requiring different levels of support. Rural BRCs can experience difficulty reaching their clients to provide training, while those located in larger cities can assist multiple clients on-site. Remote BRCs work to create online training opportunities, remote video conferencing, webinars, online sessions for counseling and other web-based tools.

Another challenge is the lack of a BRC location to service the six-county area including Juab, Millard, Piute, Sanpete, Sevier and Wayne counties. GOED is working with partners to address this opportunity in the upcoming fiscal year.
## Business Services

### Spotlight

“The Salt Lake BRC has been a terrific draw for growing as well as mature small businesses. As a major resource center for all small business owners, we’ve developed a large clientele that receives top-level service from an amazing team of expert advisors and subject matter experts. The team here is passionate about small business. We love to watch businesses grow and mature and hope we’ve played a part in their success.”

**Beth Colisimo**, director, Miller Business Resource Center

---

### Outcomes

#### Statewide BRC Activity FY 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique Contacts Served</td>
<td>11,919</td>
</tr>
<tr>
<td>Startups</td>
<td>1,138</td>
</tr>
<tr>
<td>Referred to other BRCs</td>
<td>296</td>
</tr>
</tbody>
</table>

#### Business Support

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Incubator Clients</td>
<td>432</td>
</tr>
<tr>
<td>New Incubator Clients</td>
<td>248</td>
</tr>
</tbody>
</table>

#### Virtual Activity

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page Views</td>
<td>93,596</td>
</tr>
<tr>
<td>Unique Visitors</td>
<td>54,420</td>
</tr>
</tbody>
</table>

#### Outreach/Training/Other Events

<table>
<thead>
<tr>
<th>Category</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24,101</td>
</tr>
</tbody>
</table>

---

### Contact

**Beckie Page**  
Program Support Specialist  
801-538-8793 | beckiepage@utah.gov
Procurement Technical Assistance Centers

Procurement Technical Assistance Centers (PTACs) help Utah’s small businesses identify, pursue and win government contracts to grow their operations and successfully compete in the local and global government marketplace. PTAC regional managers offer one-on-one coaching, monthly outreach workshops, bid proposal assistance and many other services in eight offices throughout the state.

Strategic Plan
Grow awareness of the PTAC program and its services by:

- Advertising in local papers, social media and other online communication forums
- 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 Utah Congressional awareness project in January 2019. Since then, PTAC has met with representatives from Senators Mike Lee and Mitt Romney’s offices, as well as key staff members from Representatives Rob Bishop and Ben McAdams’ offices. These educational visits increased awareness of how PTAC is providing procurement assistance to many of the Congressional members’ small business constituents, as well as educating the members on how PTAC can be a resource to them.

To bring increased government contracting opportunities to rural Utah, PTAC recently hired a full-time regional manager for the eastern part of the state, including Carbon, Daggett, Duchesne, Emery, Grand, San Juan and Uintah counties. PTAC also has a full-time regional manager who covers most of central Utah as well as the southern Utah counties of Kane and Washington.

Highlights
PTAC co-sponsored two Veteran Business Conferences in FY 2019, and conducted two Historically Underutilized Business Zone (HUBZone) Workshops, in Cedar City and Vernal, in early 2019. The purpose of these events was to bring increased business-to-government (B2G) opportunities to these rural counties.

PTAC also sponsored a Southern Utah Vendor Fair in Cedar City in August 2018, which connected small business vendors from Iron and Washington counties and other local areas with purchasing officers representing federal, state and local agencies.

On October 11, 2018, PTAC held its annual Vendor Fair. The event featured a Procurement Opportunity Preview (POP) session with nine speakers who discussed opportunities each of their agencies have for interested businesses. The Vendor Fair also featured 45 booth exhibitors and the opportunity for attendees to engage with them one-on-one. There were 325 individuals in attendance.
Business Services

Outcomes

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Value of Contracts Awarded</td>
<td>$757,666,147</td>
</tr>
<tr>
<td>Jobs Created/Retained</td>
<td>7,577</td>
</tr>
<tr>
<td>New Clients Counseled</td>
<td>596</td>
</tr>
<tr>
<td>Value of New Client Contracts</td>
<td>$21,093,279</td>
</tr>
<tr>
<td>Total Client Counseling Hours</td>
<td>2,528</td>
</tr>
<tr>
<td>Number of Events</td>
<td>78</td>
</tr>
</tbody>
</table>

Achievements and Challenges

PTAC experienced its highest year for government contracts with a total of $757 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.

A continuing challenge for the program is turnover. In the past year, three staff members left and one retired. Recruiting new staff requires continued time, effort and training.

Spotlight

In March 2019, Chuck Spence, PTAC director, received an award from the small business director of Dugway Proving Ground recognizing PTAC’s service and assistance to Dugway as a valued partner in supporting the warfighter. For many years, PTAC has helped Dugway with their Industry Day by taking dozens of clients out to Dugway for contracting opportunities.
Rural Economic Development Incentive

U.C.A. 63N-4-401

Grant for Businesses Hiring Rural Workforce

The Rural Economic Development Incentive (REDI) grant encourages businesses to make use of expansive broadband internet access across Utah to create quality jobs in Beaver, Box Elder, Carbon, Daggett, Duchesne, Emery, Garfield, Grand, Iron, Juab, Kane, Millard, Morgan, Piute, Rich, San Juan, Sanpete, Sevier, Uintah, Wasatch and Wayne counties. Positions can be remote, in a satellite hub/office space, or physically located in the same county as the business.

A post-performance grant of $4,000 to $6,000 is available for businesses other than those engaged in the construction, retail, staffing or public utility industries for each new full-time, high-paying position (110% of the county's average wage) they create. A total of $250,000 in grants is available to each business in each fiscal year.

The REDI grant may be used concurrently with other GOED incentives. Businesses must apply and receive approval through GOED before job creation.

Initiatives

The Office of Rural Development, in collaboration with the GOED compliance and operations team, successfully launched the REDI grant program on July 1, 2018. New marketing strategies and goals were implemented to introduce the program to businesses, including news releases, articles, presentations, email blasts, webinars and meetings. Partnerships with Utah State University's Rural Online Initiative (ROI), the Salt Lake Chamber, Utah Department of Workforce Services, and EDCUtah highlighted the REDI program.

Challenges and Achievements

Implementing and getting the word out about this new program was the largest challenge faced by the Office of Rural Development this year. We met or exceeded our goals of incentivizing 20 businesses and 40 projected jobs by the end of the fiscal year. A total of 17 qualifying businesses applied, and three of those added a second application following a funding cap raise. We allocated grant funds of $615,000 for 115 projected jobs.

After six months, legislators made revisions to the incentive. The new fiscal year will see significant positive changes, including:

- Raising the incentive cap of $25,000 per business per fiscal year to $250,000
- Lowering qualifying wages from 125% of the county’s average wage to 110% of the county’s average wage
- Adding Box Elder, Iron and Uintah counties to the list of eligible locations
- Allowing potential for businesses to obtain the grant after six months of full-time employment
- Using the grant concurrently with other GOED incentives
Spotlight

Located in rural Gunnison, Utah, ACT Aerospace produces carbon fiber aerospace components. Guided by the expertise of its founder, Roland Christensen, the company has grown from its humble beginnings in a small building to its current facility of over 100,000 square feet. In a city with a population of less than 4,000, ACT Aerospace plays a significant role in the community by providing over 165 full-time jobs.

Using the REDI grant, the company anticipates expanding its operation and adding a significant number of high-paying positions. ACT Aerospace supports a wide range of military and commercial programs such as Bell Helicopter, Boeing and Northrop Grumman, to name a few. The company enjoys big-time success in a rural Utah town.

Outcomes

Here are the REDI grant’s results since launching the program on July 1, 2018:

<table>
<thead>
<tr>
<th>Business Applicants</th>
<th>Projected Jobs</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual FY 2019</td>
<td>17</td>
<td>115</td>
</tr>
</tbody>
</table>

At the beginning of this fiscal year, we anticipated 20 business applicants and the creation of 40 new jobs.
Rural Fast Track

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

The objective of RFT 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, companies that are offered grants may start their projects by making initial capital investments and hiring at least one new full-time employee. Once a project is complete, reimbursement is coordinated with GOED’s Office of Rural Development (ORD) and the office’s compliance team.

Initiatives
ORD’s ongoing initiative is to increase communication between potential RFT applicants and the economic development departments assisting them. ORD staff provides prospective applicants with detailed RFT application information and instructions, and helps them throughout the grant application process. ORD’s goal is to increase awareness of the job creation incentive connected to the grant.

Challenges and Achievements
The RFT successfully helps growing rural companies with capital investments that improve production and help hire new employees. Applicants are required to prove they were profitable for two consecutive years before the time of their application. Additionally, they must agree to hire at least one new full-time employee to qualify for the grant.

Outcomes

<table>
<thead>
<tr>
<th>Rural Fast Track Grant</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Reimbursements Issued</td>
<td>23</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Amount</td>
<td>$988,628</td>
<td>$1,120,513</td>
<td>$1,005,241</td>
</tr>
<tr>
<td>Company Capital Expenditure</td>
<td>$4,343,779</td>
<td>$3,221,570</td>
<td>$6,459,465</td>
</tr>
<tr>
<td>Jobs Created</td>
<td>26</td>
<td>27</td>
<td>27</td>
</tr>
</tbody>
</table>

Projections for Approved Grants
Contracts have a life cycle of up to two years. In FY 2019, GOED approved 24 new grant projects. If all approved grant projects are successfully completed, it is projected that 45 new jobs will be created and nearly $4.5 million in private capital investment will be made against approximately $1.1 million in grant funding.

Claims made on open RFT contracts during FY 2019 are reflected above, and compared to the two prior fiscal years.
The Economic Development Tax Increment Financing (EDTIF) program was created to foster and develop key industry sectors in Utah, provide additional employment opportunities and improve the state’s economy. Used to help attract new companies to the state, it offers a tax rebate of up to 30% of new state taxes paid for up to 20 years to companies that create at least 50 jobs that pay wages of 110% of the county average. EDTIF contracts are post-performance, only providing a state tax rebate if the company meets its obligations.

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

- Cornerstone OnDemand (IT/Software)
- Lending Club (IT/Financial Services)
- Merit Medical (Life Sciences)
- Amer Sports (Outdoor Products)
- L3 Technologies (Aerospace)

In calendar year 2017, the most recent results available to report, there were 102 active EDTIF agreements. Of those 102 active projects, 63 companies submitted annual report data and 53 have been assessed for a tax credit. Of the remaining 10 companies, GOED is awaiting information from seven, and three applications are currently being processed (see Assessment Status, CY 2017).

Most of the 53 projects can be categorized into GOED’s six strategic industry clusters and general manufacturing. Information technology companies represented 32%, the largest segment of the companies that received an assessment.
Outcomes
Over the entire history of the program, GOED’s compliance team has assessed 110 companies and verified the creation of 24,083 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 an assessment 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 seven prior year assessments and five prior year adjustments.

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 represents incremental increases or decreases for each year, they can be added together to create the total incremental job count.

New Incremental Jobs CY 2005 to 2017

Based on the 53 companies that reported and were assessed in CY 2017, the program has collected and verified 10,981 new high-paying jobs, paying an average of $91,206 per year.

New high-paying jobs have been verified across the GOED Clusters with Information Technology leading with 5,074 full-time positions and an average salary of $113,176, which meets the criteria of a high-paid job.

High Paying Jobs by Strategic Cluster Number of Jobs and Average Wage, 2017

<table>
<thead>
<tr>
<th>Cluster</th>
<th>New Full-Time Jobs*</th>
<th>Average Salary^</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace and Defense</td>
<td>718</td>
<td>$66,805</td>
</tr>
<tr>
<td>Energy and Natural Resources</td>
<td>569</td>
<td>$102,200</td>
</tr>
<tr>
<td>Financial Services</td>
<td>1,447</td>
<td>$85,605</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>1,880</td>
<td>$90,838</td>
</tr>
<tr>
<td>Outdoor Recreation</td>
<td>98</td>
<td>$131,052</td>
</tr>
<tr>
<td>Software and Information Technology</td>
<td>5,074</td>
<td>$113,176</td>
</tr>
<tr>
<td>Other</td>
<td>1,195</td>
<td>$71,279</td>
</tr>
<tr>
<td>Grand Total</td>
<td>10,981</td>
<td>$91,206</td>
</tr>
</tbody>
</table>

* Full-time jobs that pay ≥ 110% of the county average wage
^ Average salaries of new full-time jobs ≥ 110% of the county average wage

Revenue
Compliance receives a growing number of requests each year to calculate new state revenue for companies with an EDTIF award. New state revenue is calculated using paid and remitted employee withholdings, sales and use tax and corporate tax that has increased from the time of board approval, as 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 2017 is in the chart below.

Cumulative New State Revenue CY 2004 to 2017

New State Revenue CY 2017
Tax Credits

Over the history of the program, EDTIF-assessed companies have created $522.9 million in new state revenue and $375.1 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 statue not to exceed 30%. Recent contracts are trending towards terms of seven years and 20%. 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.

New State Revenue CY 2005 to 2017

![Graph showing new state revenue from 2005 to 2017.](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>New State Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$5</td>
</tr>
<tr>
<td>2006</td>
<td>$5</td>
</tr>
<tr>
<td>2007</td>
<td>$10</td>
</tr>
<tr>
<td>2008</td>
<td>$15</td>
</tr>
<tr>
<td>2009</td>
<td>$16</td>
</tr>
<tr>
<td>2010</td>
<td>$22</td>
</tr>
<tr>
<td>2011</td>
<td>$26</td>
</tr>
<tr>
<td>2012</td>
<td>$37</td>
</tr>
<tr>
<td>2013</td>
<td>$45</td>
</tr>
<tr>
<td>2014</td>
<td>$50</td>
</tr>
<tr>
<td>2015</td>
<td>$55</td>
</tr>
<tr>
<td>2016</td>
<td>$60</td>
</tr>
<tr>
<td>2017</td>
<td>$70</td>
</tr>
</tbody>
</table>

Figures in millions

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, 2019 included significant collaboration among state, county and city officials to support the growth and expansion of many of the approved incentives in 2019.
Enterprise Zone Nonprofit Tax Credit

U.C.A. 63N-2-213.5

The Enterprise Zone Nonprofit Tax Credit encourages private donations to 501(c)(3) organizations. Tax credits are issued to donors for 50% of their investment in approved projects that spur community and economic growth in rural Utah.

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 nonprofit tax credit program that may benefit and improve economic development in their area.

Outcomes
In CY 2018, there were zero credits issued on $0 in donations for project investments of $0.

<table>
<thead>
<tr>
<th>Enterprise Zone Nonprofit Tax Credits</th>
<th>CY 2017</th>
<th>CY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credits Issued</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Total Credits</td>
<td>$8,780</td>
<td>0</td>
</tr>
<tr>
<td>Project Investment</td>
<td>$43,543</td>
<td>0</td>
</tr>
</tbody>
</table>

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.

For CY 2019, one nonprofit organization has been approved and looks forward to using the tax credit to attract donors to projects that will contribute to their local economies.

Contact
James Dixon | Rural Programs Manager
801-538-8687 | jdixon@utah.gov
Enterprise Zone Tax Credit

_U.C.A. 63N-2-3_

Businesses within an Enterprise Zone can apply for and be awarded state income tax credits of up to $75,000 for investing in depreciable assets including machinery and equipment, creating new, above-average wage jobs and the rehabilitation of older facilities.

**Initiatives**

The Office of Rural Development (ORD) 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. New instructional webinars have been produced and published on the GOED website to help inform and instruct applicants for Enterprise Zone designations.

ORD also works directly with the GOED compliance team as they review and approve business applicant claims for Enterprise Zone Tax Credit certificates. ORD and the compliance team also went through a significant effort with the Automated Geographic Reference Center (AGRC) to update and refine all Enterprise Zone Designation maps during this fiscal year.

The goals in 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 incentive for business growth.

**Outcomes**

Enterprise Zone Tax Credits increased to 797 in 2018, assisting in business growth of 59 new jobs and over $118 million in private business investment.

<table>
<thead>
<tr>
<th>Enterprise Zone Tax Credit</th>
<th>CY 2016</th>
<th>CY 2017</th>
<th>CY 2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Claims</td>
<td>625</td>
<td>790</td>
<td>797</td>
</tr>
<tr>
<td>Total Credits</td>
<td>$7,089,551</td>
<td>$9,157,690</td>
<td>$8,730,679</td>
</tr>
<tr>
<td>Jobs Created</td>
<td>74</td>
<td>125</td>
<td>59</td>
</tr>
<tr>
<td>Private Investment</td>
<td>$90,130,407</td>
<td>$133,211,962</td>
<td>$118,182,134</td>
</tr>
</tbody>
</table>

* Information as of September 10, 2019.

Hotel Convention Tax Credit

_U.C.A. 63N-2-501_

The Hotel Convention Tax Credit was designed to encourage the development of a co-located Utah hotel and convention space, it provides a post-performance tax rebate of up to $75,000,000 up to 20 years.

One entity was approved by the GOED Board to receive a post-performance tax credit to build a new convention center hotel in Salt Lake City. The tax credit of up to $75 million earned over 20 years is designed to increase hotel space by approximately 700 rooms and add 62,000 square feet of meeting space to attract larger conferences, meetings and conventions.

Life Science Tax Credit

_U.C.A. 63N-2-801_

The Life Science Tax Credit was created to encourage investment in Utah's life science businesses and to create jobs. It offers a post-performance tax credit of up to 35% of equity investments in life science companies for up to three years.

**Outcomes**

Life Science had one tax credit claimant in 2018 with a $50,000 investment in the life science industry.

<table>
<thead>
<tr>
<th>Life Science Tax Credit</th>
<th>CY 2017</th>
<th>CY 2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Claims</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total Credits</td>
<td>0</td>
<td>$5,000</td>
</tr>
<tr>
<td>Private Investment</td>
<td>0</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

* Information as of September 10, 2019.

New Market Tax Credit

_U.C.A. 63N-2-601_

The New Market Tax Credit was created to attract additional investment in the most severely distressed areas of the state. It's a parallel state program to the federal New Market Tax Credit Program and is designed to use $50 million raised by Private Community Investment Firms, designated by the IRS as Community Development Entities (CDE), to make investments to small businesses within distressed areas. Tax credits are provided to the investors of the program.
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% 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% 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% 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% 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% 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% more of this allocation amount (or an additional $8.3 million) into other qualified small businesses by the end of the seven-year program.

As of the end of CY 2018, the three participating CDEs had made investments into 25 small businesses in Utah totaling $49,729,529. The office issued $6,000,000 in tax credits in CY 2018 pursuant to the statutory requirements.

Recycling Market Development Zone Tax Credit

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

The Recycling Market Development Zone (RMDZ) is designed to attract business growth to Utah’s industrial and manufacturing industries, it incentivizes businesses to remove recyclable materials from solid waste streams or to use recyclable material to create new marketable products. Participating companies receive tax credits on purchases of equipment and/or labor and materials used in the establishing and operating recycling technology.

**Initiatives**

Cities and counties continue to look to the benefits of Recycling Zone tax credits for businesses involved in renewables manufacturing and recycling. Some 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**

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. The challenges include updating map records for the Compliance Department and designing a system for easier claims. The Office of Rural Development will continue to review the renewal of RMDZ applications as cities and counties submit them until the program sunset date in 2021.

**Outcomes**

In CY 2018, eight tax credit claims totaling $161,931 of credits were issued for $2,918,611 of private capital purchases and operational expenses of $16,325,364.

<table>
<thead>
<tr>
<th>Recycling Zone</th>
<th>CY 2017</th>
<th>CY 2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Issued</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Amount</td>
<td>$451,121</td>
<td>$161,931</td>
</tr>
<tr>
<td>Private Capital &amp; Expenditure</td>
<td>$13,165,778</td>
<td>$19,243,976</td>
</tr>
</tbody>
</table>

* Information as of September 10, 2019.
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 program offers up to $300,000 to businesses with eligible Community Investment Projects (CIP). The awards to qualifying businesses are refundable tax credits, and may not exceed $100,000 per company.

**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.

In FY 2019, three companies were awarded refundable tax credits of $260,000 for projects that will lead to significant capital investments of more than $2.2 million and create up to 34 new jobs in rural counties. These companies have until December 31, 2020, to complete their project, after which they will make their tax credit claims.

**Outcomes**
Targeted Business Tax Credits issued in CY 2018 for project approved in past fiscal years was $25,000 for projects with new capital investments of $32,000 creating one new full-time job.

Utah Rural Jobs Act

_U.C.A. 63N-4-3_

The Utah Rural Jobs Act enables an eligible small business located in rural Utah to expand and create high wage jobs by providing flexible and affordable capital. Like the New Market Tax Credit program, tax credits are provided to the investors of the program. 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.

In CY 2017 three Rural Investment Companies (RICs) applied for and were given investment authority over approximately $42 million.

**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

**Outcomes**
The three RICs are currently seeking eligible projects for investment pursuant to reaching the amount of investment needed to qualify for tax credits by the end of CY 2020. GOED has provided 11 letters of eligibility to potential investments as requested by the RICs.

**Challenges and Achievements**
The Rural Investment Companies have until the end of next calendar year to invest approximately $42 million. 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 and 3) Eligible small businesses that may receive up to $5 million in capital for business development and expansion needs.
Aerospace and Defense

Utah is home to several aerospace and defense companies, including Albany Engineered Composites, BAE Systems, Boeing, L-3 Communications, Lockheed Martin and Northrop Grumman. Utah’s core aerospace and defense competencies include design, composites manufacturing, software and control systems, sophisticated testing and repair maintenance. Utah’s aerospace industry accounts for approximately 944 establishments and approximately 33,656 jobs, and is projected to see continued growth over the next decade.

Specialized companies such as ACT Aerospace, Borsight, Conductive Composites, CyberJet, Janicki Industries, JBT AeroTech, KIHOMAC, Parker Hannifin, Petersen and Williams International are large contributors to the growing supply chain for both commercial and defense applications in the state. Hill Air Force Base, with more than 22,000 employees, is the primary maintainer for the F-35 and has a multiplier effect on the growing defense industry here in the state.

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) Testing and Training Center.

The UAS Center is a collaborative partnership between the State of Utah, Utah State University, Northrop Grumman and Box Elder County. The center’s air strip is approximately 30 miles west of Brigham City at an elevation of 4,400 feet, within a shallow valley north of the Great Salt Lake. The UAS Center operates from Northrop Grumman’s secure 20,000-acre facility and offers unique capabilities to UAS operators. In addition, the UAS Center is working with the FAA to establish a simplified framework for high altitude and beyond-line of sight operations.

Initiatives

The Kem C. Gardner Policy Institute, in conjunction with the Governor’s Office of Economic Development (GOED) and the Utah Department of Transportation will analyze aviation-enabled economic development potential in communities driven by strategic airport and community investments. In-depth interviews with community and business leaders in the areas surrounding the existing 46 airports will be conducted. The focus of these interviews will be to conduct qualitative research on opportunities and challenges facing each community’s use of the airport to support economic development.

The Utah Department of Transportation, in conjunction with the Governor’s Office of Economic Development, the Economic Development Corporation of Utah and the University of Utah, among others, created the Urban Air Mobility working group to help enable the framework for safe and effective autonomous aerial transportation. In addition, the working group is looking at designing and planning the infrastructure needed to integrate Aerial Taxis, UAS package delivery and recreational UAS with manned operations in an urban environment.
Outcomes
The Aerospace and Defense cluster is made up of 44% federal civilian jobs, 28% professional and technical services, 26% manufacturing, and a modest number of transportation and warehousing positions. There are more than 33,000 jobs in Utah in the Aerospace and Defense industry with an average annual wage of $79,216. The year-over-year job growth is 3.69% and based on the projected growth rates in this sector, the industry is expected to increase by approximately 2% per year over the next decade.

Challenges and Achievements
The Aerospace and Defense cluster makes highly effective contributions to labor income and earnings. Every dollar of output in the cluster generates $0.69 of labor income for workers in Utah. The top 25 occupations in the Aerospace and Defense cluster account for 61% of total cluster employment. Within these top occupations, engineers make up 18% of the total, with production occupations representing another 16%. Among the largest occupations in Aerospace and Defense, those with the fastest expected growth include computer-controlled machine tool operators, systems software developers and management analysts.

Programs such as the Engineering and Computer Technology Initiative and the Utah Aerospace Pathway Program were created to fill critical workforce needs in the state's aerospace and defense industries.

The Engineering and Computer Technology Initiative has successfully increased the number of graduates in targeted areas. Since the initiative began, a total of 38,911 engineering and computer science degrees have been awarded. The total number of engineering and computer science degrees awarded in FY 18 was 3,283 compared to 2,938 in FY 16, representing an increase of 11.74% over the base year.

In September 2018, the Society for the Advancement of Material and Process Engineers North America (SAMPE NA) presented GOED with the Delmonte Award for Excellence for the development of the Utah Aerospace Pathways program (UAP).

"Utah's UAP program is remarkable in its goal to create the trained workers our industry needs. This novel partnership is a shining example of the spirit of the Delmonte Award," said Gregg Balko, SAMPE CEO.

Recent Announcements
• L3 Technologies will expand its operations in Utah, adding up to 250 jobs and $6.7 million in new state revenue over the next nine years.
• Moog Inc. will expand operations in Utah, adding up to 120 jobs, $4.9 million in new state revenue and $2.23 million in capital investment.
Utah Strategic Industry Clusters

The Governor’s Office of Energy Development strategically partners with GOED, World Trade Center Utah, the Economic Development Corporation of Utah, chambers of commerce and other key agencies and organizations regionally, nationally and globally to advance significant and lasting outcomes for Utah’s bright energy and minerals future.

Contact
Laura Nelson | Governor’s Energy Advisor
Governor’s Office of Energy Development
energy.utah.gov

Energy and Natural Resources

Energy and minerals play an essential role in Utah, contributing more than 60,000 high paying jobs and $20 billion to the state’s economy.

The Office of Energy Development (OED), an independent, technical office that navigates a rapidly changing energy landscape, is led by the governor’s Energy Advisor, Dr. Laura Nelson. OED sets a national standard for delivering high value results to a state’s economy and residents.

Utah is a net exporter of energy and minerals. Nationally, Utah ranks 13th for natural gas production, and in 2018 increased crude oil production pushed Utah to 10th. Utah’s coal production also increased in 2018, with one-fifth of the state’s coal exported globally.

Utah also experienced significant growth in renewable energy, with about 14% of Utah’s net electricity coming from renewable sources. Solar power has grown by 25% since 2015, making Utah among the top 10 states for solar capacity. Utah has five wind farms operating with nearly 400 megawatts of capacity, and the state is among the best in the nation for geothermal potential.

“By creating my Office of Energy Development, I set Utah on a course to become an unparalleled leader for providing affordable, reliable and clean energy through wise policy, responsible development and innovation,” said Gov. Gary R. Herbert.
Key Successes

Policy

• Providing policy solutions for a thriving energy and minerals economy, including the nation’s 8th lowest electricity prices.
• Launching a first-of-its-kind, state-led study of regional transmission options in the West.

Investment

• Advancing the world’s largest renewable energy storage project in Delta, Utah in partnership with Mitsubishi Hitachi Power Systems and Magnum Development.
• Generating international markets for Utah’s natural gas and coal through agreements with Baja California, Western States and Tribal Nations.
• Sparking production of Tier 3 fuels at Salt Lake refineries to reduce emissions from vehicles.

Innovation

• The University of Utah recently secured $140 million in funding from the U.S. Department of Energy for geothermal research in rural Utah.
• Driving unprecedented carbon capture and storage innovation with over $10 million in federal grants.

Education

• Creating a robust K-12 energy and minerals education program with 36 STEM-based lessons, a competitive scholarship program in partnership with Chevron and a Career Fair.
• Organizing the Governor’s Energy Summit, the Intermountain West’s premier conference, with over 1,100 attendees and 70 speakers from across the globe.

Tax Credits & Financing

OED administers strategic post-performance incentives supporting infrastructure, renewable and alternative energy and building efficiency.

Western States and Tribal Nations Agreement Signing
Photo courtesy of Julia Breinholt-Pappas
Financial Services

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

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 engage organizations looking to establish financial services business in the state by helping navigate the process of chartering or licensing in Utah. UCFS will direct research on issues affecting financial services businesses and advocate on behalf of growth-oriented approaches that also protect consumers.

In addition, UCFS will work with stakeholders to support the development of university-based education programs that prepare students to work in the financial services sector. These stakeholders include financial service trade associations and their members, federal and state banking regulators, EDCUtah, Department of Workforce Services and businesses looking to understand the benefits of basing their financial services business in Utah, as well as their investors and other industry professionals.

Outcomes

The financial services sector continues to embrace the importance of digital distribution as customers expect more technology-based financial services. This trend could be a positive for Utah if fintech businesses can locate and expand in the state.

Challenges and Achievements

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

According to the Kem C. Gardner Policy Institute, finance clusters have been top performers since 2005, with growth rates exceeding those of the other clusters as well as the state economy as a whole.
Life Sciences

This year, GOED and BioUtah commissioned the Kem C. Gardner Policy Institute to analyze the role of the life science industry in Utah. The data show the state’s life science industry has never been stronger.

For example, last year Utah’s life science companies, directly and indirectly, supported 6.7% of the state’s employment, 5.9% of its personal income and 7.9% of its gross domestic product (GDP). Those percentages represent 42,831 full-time and part-time jobs with in-state spending supporting another 87,608 jobs in other industries; $7.6 billion in personal income; and $13 billion in GDP.

From long-standing companies like Biofire Diagnostics and Nelson Laboratories to new, organically growing companies like Recursion Pharmaceuticals, nView Medical, and Navigen, the future is bright for life sciences in Utah.

Initiatives

Medical Innovations Pathways (MIP) graduation for the 2019 cohort took place on April 30, 2019, at the State Capitol Rotunda. MIP offers specialized courses and practical work experience for high school students to help them develop the skills needed by Utah’s most elite medical device and laboratory testing companies. BioUtah and industry partners have led the charge to help grow the program; it now includes four school districts and nine companies and graduated more than 45 students this past year.

Challenges and Achievements

Access to capital is a major issue for early-stage life science companies in Utah. With the discontinuation of state programs that support funding for companies and encourage additional investment from angel, seed, and venture funds, the industry is concerned about what might happen to the innovation pipeline.

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

Utah has been home to strong IT and software companies for more than two decades, and in the last few years “Silicon Slopes” has become a household name. Utah’s Silicon Slopes, a concentrated area of software and IT firms, has garnered national attention from USA Today, CNBC, TechCrunch, Fast Company and other major media outlets.

Utah hosts big names such as Facebook, eBay, Adobe, Amazon and Dell EMC, but also holds its own with several homegrown companies that have surpassed billion-dollar valuation. These include Instructure, Pluralsight, Qualtrics and Vivint to name just a few. In addition, high-tech manufacturing in Utah advanced over eight decades to produce the likes of memory chip maker IM Flash and communications systems provider L3 Harris Technologies, the largest tech employer in the state.

Amazon ranks Utah as the “Most Entrepreneurial State.” The atmosphere and collaborative spirit in Utah helps entrepreneurs start companies and scale them for growth. There is no question that Utah is poised for a continually strong tech industry.

Initiatives
Researchers at the Kem C. Gardner Policy Institute conducted a two-year research endeavor to measure growth and change within the tech industry. In their report, they provided statewide employment and earnings data, economic impact results, historical trends, local detail and state comparisons for the tech industry.

A Tech Industry Advisory Council, which included three of Utah’s trade associations—Silicon Slopes, the Utah Technology Council, and the Women Tech Council—as well as the Utah Governor’s Office of Economic Development (GOED) and Economic Development Corporation of Utah (EDCUtah), contributed to this research by providing data, sharing expertise and reviewing results.

Outcomes
Since 2008, employment in Utah’s tech industry has grown at a rate of 4.9% per year, more than double the growth rate in other Utah industries and more than triple the growth rate in the U.S. tech industry. According to U.S. Bureau of Labor Statistics, in 2016 the state had the greatest percentage of tech job growth in the nation at 7.69%. Utah easily outpaces national statistics, representing around 118,600 jobs at more than 6,711 tech companies with an additional 50,100 workers employed in tech-related industries in the state of Utah, such as aerospace, defense and life sciences. The average annual compensation within the tech industry was $106,100, which is over 80% higher than the average compensation of $58,500 in other industries.

Utah’s economy continues to rank among the strongest in the nation with unemployment near record lows across all strategic clusters. Over the next five years, the greatest labor force needs are likely to be software application developers, computer and information systems managers, computer user support specialists and systems software developers. All of these occupations are forecast to grow more than 4% annually between 2014 and 2024, with the need for application developers expected to grow by 6% a year.
Challenges and Achievements
To address workforce challenges, Gov. Herbert announced a new Tech Pathways Program at the 2018 Silicon Slopes Conference. The Tech Pathways Program is designed to fill a critical need in our state and ensure our continued success in the tech industry by investing in our workforce through education and economic opportunity.

Tech Pathways will only be successful with the heavy involvement of industry. Industry stakeholders know better than anyone what they need and what their future demands will be. With industry engaged in the process, the next generation of IT and software employees will be trained by the companies that could eventually hire them.

In addition, the Computer Science for Utah Grant program was created to provide grants to eligible local education agencies for improving computer science learning outcomes and course offerings. The goal of this program is to have computer science in all Utah schools by 2023.

While we do have challenges to overcome, the growth in this cluster continues across the state.

Recent Announcements

- Tech companies such as Adobe, Autonomous Solutions, Inc., AvidXchange, Canopy, Pluralsight and Podium expanded operations in the state.
- Amazon, eBay, Facebook, IM Flash and SoFi will open new facilities in Utah.
- Both Domo and Pluralsight had successful IPO launches this year, in May and July respectively.
- SAP acquired Utah-based Qualtrics for $8 billion just days before the cloud unicorn’s much-anticipated IPO.
- Utah’s newest tech unicorn, Health Catalyst, went public after selling seven million shares priced at $26 each for a total of $182 million raised.
- L3 Technologies will expand its operations in Utah, adding up to 250 jobs and $6.7 million in new state revenue over the next nine years.
- WeWork acquired Utah software startup Teem for a reported $100 million.
- Podium, a leading customer communication platform for local businesses, was named to the Forbes 2018 Cloud 100, a list of the top 100 private cloud companies in the world, published by Forbes in collaboration with Bessemer Venture Partners and Salesforce Ventures. This award comes on the heels of Podium being ranked No. 13 on the Inc. 5000 list of America’s fastest growing companies for 2018, and being named the 2018 “Best SaaS Product for Small Business/SMBs” by The SaaS Awards.
- Utah’s Divvy received $35 million for its free, real-time expense platform.
- OODA Health raised $40.5 million to transform the U.S. healthcare payment system.
Boards and Councils
GOED Board of Directors

U.C.A. 63N-1-401

The Governor’s Office of Economic Development Board 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  
Board Chair  
Ballard Spahr

Margaret Jacobs  
Sundance Institute Board  
Summit County

Andrea Moss  
Comenity Capital Bank  
Salt Lake County

Stefanie Bevans  
Design to Print  
Washington County

Sue Johnson  
Futura Industries  
Weber County

Peter Mouskondis  
Nicholas and Co.  
Salt Lake County

Brent Brown  
Brent Brown Automotive Group  
Utah County

Roger Killpack  
Service Drug  
Millard County

Steve Neeleman  
HealthEquity  
Utah County

Carine Clark  
Banyan and Silicon Slopes Board  
Utah County

Mel Lavitt  
Needham and Company  
Summit County

Lorena Riffo-Jenson  
VOX Creative  
Salt Lake County

Christopher M. Conabee  
Paladin Development Partners  
Summit County

Annette Meier  
Superior Drilling Products  
Uintah County

Ted Wilson  
Former UCAIR Executive Director  
Former Salt Lake City Mayor  
Salt Lake County
The Governor’s Economic Development Coordinating Council (GEC) is a public-private partnership board that helps coordinate economic development activities throughout the state. Appointees’ membership is based on their economic development leadership efforts within Utah organizations. Some board members are appointed by statute and others are appointed by the governor.

GEC members help create and maintain unprecedented partnerships between business and government. They help coordinate public and private economic development efforts throughout the state and work to further foster Utah’s growing economy.

### Appointed by Statute

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q. Val Hale</td>
<td>GEC Chair, GOED Executive Director</td>
</tr>
<tr>
<td>Jerry Oldroyd</td>
<td>Chair of the GOED Board</td>
</tr>
<tr>
<td>Steve Styler</td>
<td>Chair of the Governor’s Rural Partnership Board</td>
</tr>
<tr>
<td>Scott Peterson</td>
<td>Chair of Utah Capital Investment Corporation</td>
</tr>
<tr>
<td>Brandon Fugal</td>
<td></td>
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<tr>
<td>Cindy Crane</td>
<td>Chair of the Economic Development Corporation of Utah</td>
</tr>
<tr>
<td>Sarah Lehman</td>
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<tr>
<td>Scott Anderson</td>
<td>Chair of the World Trade Center Utah Board</td>
</tr>
<tr>
<td>Lori Belnap Pehrson</td>
<td></td>
</tr>
<tr>
<td>Cydni Tetro</td>
<td></td>
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</tbody>
</table>
Governor’s Rural Partnership Board

U.C.A. 63C-10-101

The Governor’s Rural Partnership Board (GRPB) 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 and 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.

The director of the Office of Rural Development (ORD) serves as staff to the Governor’s Rural Partnership Board and its executive committee. The ORD director creates agendas for board meetings, held at least semiannually, provides opportunities for board members to review business development grants and incentives administered by the Office of Rural Development, assists in the development of rural economic development planning activities and reports and prepares an annual GRPB report for the Legislature.

Members

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

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

Wes Curtis  
SUU, President’s designee  
GRPB 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  
GRPB Executive Committee

Stephen Lisonbee  
Department of Workforce Services

Michael McCandless  
At-Large, Community and Business Development  
GRPB 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  
GOED Urban and Rural Business Services  
Associate Managing Director
Utah Board of Tourism Development

*U.C.A. 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 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 Director, 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
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**  
  Board Chair  
  Chief Executive Officer  
  Dsco.io

- **Jill Love**  
  Board Vice-Chair  
  Executive Director  
  Utah Department of Heritage & Arts

- **Blair Carruth**  
  Assistant Commissioner of Academic Affairs  
  Utah System of Higher Education

- **Sydnee Dickson**  
  State Superintendent of Public Instruction  
  Utah State Board of Education

- **Jared Haines**  
  Associate Commissioner of Instructional & Student Affairs  
  Utah System of Technical Colleges

- **Q. Val Hale**  
  Executive Director  
  Utah Governor’s Office of Economic Development

- **Scott Hansen**  
  Board/Commission Member  
  Utah State Board of Education

- **Sarah Lehman**  
  Chair  
  YPO Utah

- **Tim Miller**  
  Chief Executive Officer  
  Echelon Biosciences and Frontier Scientific

- **Mark Sunday**  
  Senior Vice President/Chief Information Officer  
  Oracle

- **Bert Vanderheiden**  
  Vice President Military Segment  
  Northrup Grummon

- **Jon Pierpont**  
  Executive Director  
  Utah Department of Workforce Services

- **Q. Val Hale**  
  Executive Director  
  Utah Governor’s Office of Economic Development

- **Tami Pyfer**  
  Education Advisor  
  Utah Governor’s Office

- **Scott Nowlin**  
  Systems Engineering Manager  
  BAE Systems