

GOED Board Meeting Minutes

November 14, 2019 • 10:00 a.m. – 10:30 p.m.
 Utah Governor’s Office of Economic Development
 60 E South Temple, FL 3
 Salt Lake City, UT 84111

Members Present:	Mel Lavitt, Jerry Oldroyd, Ted Wilson, Margo Jacobs, Heather Kahlert, Annette Meier, Susan Johnson, Stefanie Bevans, Steve Neeleman (P), Andrea Moss (P), Roger Killpack (P), Carine Clark (P), Lorena Riffo-Jenson (P)
Members Excused:	Doug Dilley, Peter Mouskondis
Staff:	Ben Hart, Thomas Wadsworth, Larry Shepherd, Owen Barrott, Ginger Chinn, Ryan Starks, Kimberlee Carlile, Tony Young, Virginia Pearce, Lynne Meyer, Jim Grover, James Dixon, Kamron Dalton, Chanel Flores, Taylor Broadbent, Pete Codella, Kori Ann Edwards, Nan Anderson, Jason Marden
Visitors:	Mike Flynn, Colby Cooley, Vlada Yaremenko, Erin Farr, Chris Pieper, Brice Wallace, Tony Burkart, Jennifer Thibadeau, Dixon Holmes, Patrick Mullen, Grant Baskerville, Rob Bachman

Welcome

Jerry Oldroyd welcomed everyone to the November 14, 2019 GOED Board Meeting.

Approval of the Minutes

MOTION: Mel Lavitt moved to approve the October 10, 2019 board meeting minutes. Margo Jacobs seconded the motion. The motion carried unanimously.

EDTIF – Qualtrics LLC

Project Highlights

Timeline:	2020
Target Industry:	Software/Tech
Location:	Provo, UT
CapEx:	\$45,000,000
Jobs:	2,245
Average Wage:	\$87,000

Project Overview

Qualtrics is an experience management company that specializes in software that enables companies to collect and analyze data on customers, brand, employees and products to increase insight into business operations and the effectiveness of product offerings.

Qualtrics is currently headquartered in Provo, UT, with co-headquarters in Seattle, WA. Due to the company’s rapid growth, they are approaching full capacity in their Provo office. This new project under consideration is to add additional office space and headcount to Provo by constructing a new facility of up to 150,000 sq ft. Capital investment in the new office is estimated to be \$45 million.

The company plans to hire an additional 2,400 employees in Provo over ten years, providing above-market salary, benefits, and valuable experience. Additional positions will include expansion of all current operations in Utah including: software engineers, sales, marketing, technical support, finance and account management.

Qualtrics has grown rapidly. The company recently purchased a lease for a large office space at its co-headquarters location in Seattle, WA. Additionally, international expansion has continued and now includes 11 offices and over 700 employees overseas. In order to hit revenue targets and grow the business, the company will be increasing headcount significantly.

The company is working on budgeting and planning for the upcoming years, and this incentive will be a key factor in determining where the majority of the growth of headcount will occur.

Jobs & Revenue

Full time jobs over project lifetime: 2,245

Company Average Wage vs. County Average Wage

Max with health benefits:	228%
Max w/o health benefits:	213%
Min with health benefits:	223%
Min w/o health benefits:	209%

New State Wages & Revenue

New State Wages over 10 years:	\$1,494,700,000
New State Revenue over 10 years:	\$131,131,340
Withholding:	\$55,490,738
Sales:	\$27,378,103
Corporate:	\$48,262,500

MOTION: Margo Jacobs moved to approve Qualtrics, LLC. for an EDTIF post-performance refundable tax credit of up to \$32,782,835 which represents 25% of the \$131,131,340 of new state revenue, which may be earned over 10 years. Heather Kahlert seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$32,782,835 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Board Member Steve Neeleman recused himself from discussion and consideration of this incentive due to a business relationship he has with Qualtrics.

Presentations: Rob Bachman, Qualtrics CFO, thanked the board and the State of Utah for partnering with Qualtrics over the years. Qualtrics will continue to expand in Utah. He discussed recruiting and retaining talent saying they believe they can hire the required talent for this project.

Dixon Holmes of Provo City spoke to the excitement the city has for this project and the home grown entrepreneurial spirit of the community that has created companies like Qualtrics.

EDTIF – Amazon Web Services

Project Highlights

Timeline:	2020
Target Industry:	Advanced Manufacturing
Location:	Salt Lake County
CapEx:	\$25,350,000
Jobs:	300
Average Wage:	\$104,000

Project Overview

Amazon Web Services (AWS) is a subsidiary of Amazon that provides on-demand cloud computing platforms to individuals, companies and governments. One of these services is Amazon Elastic Compute Cloud, which allows users to have a virtual cluster of computers through the Internet.

The AWS technology is implemented at server farms throughout the world, and maintained by the Amazon subsidiary. Fees are based on a combination of usage, the hardware/OS/software/networking features chosen by the subscriber, required availability, redundancy, security, and service options. As part of the subscription agreement, Amazon provides security for subscribers' system. Amazon markets AWS to subscribers as a way of obtaining large scale computing capacity more quickly and cheaply than building an actual physical server farm.

The computing hardware (servers, computer chips) for AWS data centers is manufactured by Amazon. The server production process requires advanced manufacturing skills and clean room infrastructure. The company is currently evaluating Utah as a potential location for one of their server manufacturing facilities. This new project will add 155 jobs. The majority of these positions will be advanced manufacturing assembly paying \$95,000 per year. Other positions include management, material handlers, and security guards.

The location for this project is in active competition with Reno, Nevada and Phoenix, Arizona. The company has selected Utah as one of the sites and are currently looking at one site in West Valley City and three sites in Salt Lake City inside the Utah Inland Port boundaries.

Jobs & Revenue

Full time jobs over project lifetime: 300

Company Average Wage vs. County Average Wage

Max with health benefits:	201%
Max w/o health benefits:	188%
Min with health benefits:	192%
Min w/o health benefits:	183%

New State Wages & Revenue

New State Wages over 10 years:	\$304,259,525
New State Revenue over 10 years:	\$12,497,597
Withholding:	\$11,295,635
Sales:	\$634,500
Corporate:	\$567,462

MOTION: Ted Wilson moved to approve Amazon Web Services, Inc. for an EDTIF post-performance refundable tax credit of up to \$2,499,519 which represents 20% of the \$12,497,597 of new state revenue, which may be earned over 10 years. Susan Johnson seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$2,499,519 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 10 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 10 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Presentations: Jennifer Thibadeau of Amazon Web Services expressed that the company was excited to be in Utah. She spoke of the company’s cloud computing, the work AWS does, and it’s products. She thanked the GOED board and the State of Utah for working with the company on this project.

ED Zone:

- Motion: Approve the creation of an Economic Development Zone for Pleasant Grove in support of their letter of request detailing the expansion of Instructure Inc. at 2100 Pleasant Grove Blvd, Pleasant Grove, UT 84062

MOTION: Susan Johnson moved to approve the ED Zone as presented. Annette Meier seconded the motion. The motion carried unanimously.

Film Incentives

**GOED BOARD – COMMUNITY FILM INCENTIVE PROGRAM
EXECUTIVE SUMMARY
ROCKETBOY, LLC
“Rocketboy”
November 14, 2019**

Project Highlights

- Category: Feature
- Genre: Documentary
- Director: Allyse Clegg
- Producer: Karina Orton, Scott Christopherson

Utah Jobs and Revenue

- Estimated Cast: 2
- Estimated Cast Average Daily Salary: \$0
- Estimated Crew: 10
- Estimated Crew Average Daily Salary: \$400
- Estimated Extras: 0
- Estimated Extras Average Daily Salary: \$0
- Length of Film Production: 724
- Estimated Spend: \$46,400

Project Schedule

- Prep: May 01, 2019 through October 15, 2019
- Principal Photography: October 21, 2019 through May 30, 2020
- Wrap: June 1, 2020 through June 30, 2020
- Post Production: January 01, 2020 through December 01, 2020

Summary

Putting everything on the line, two twenty-something, engineers-turned-entrepreneurs scrape together their first commercial rocket launch into space.

Proposed Motion

Approve for Rocketboy, LLC, a Community Film Incentive Program post-performance cash rebate up to \$9,280 (which represents 20% of dollars left in state) for the production of “Rocketboy”.

- Incentive offer based on receipt of a complete CFIP application including a script and proof of financing
- At least 85% of the production’s cast/crew must be Utah residents
- All minimum required criteria and requirements are met as specified on the CFIP rules and incentive contract
- Dollars left in state start date no earlier than 30 days prior to the original Governor’s Office of Economic Development Board of Directors approval

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

MOTION:

Stefanie Bevans moved to endorse this film incentive as presented. Lorena Riffo-Jenson seconded the motion. The motion carried unanimously.

**GOED BOARD – COMMUNITY FILM INCENTIVE PROGRAM
EXECUTIVE SUMMARY
ALL HALLOWS DAY EVE, LLC
“All Hallows Day Eve”
November 14, 2019**

Project Highlights

- Category: Feature
- Genre: Horror
- Director: Nick Jensen
- Producer: Nick Jensen, Ian Lucas, James W. Lucas

Utah Jobs and Revenue

- Estimated Cast: 12
- Estimated Cast Average Daily Salary: \$113
- Estimated Crew: 15
- Estimated Crew Average Daily Salary: \$143
- Estimated Extras: 0
- Estimated Extras Average Daily Salary: \$0
- Length of Film Production: 183
- Estimated Spend: \$66,000

Project Schedule

- Prep: 2019 September 13, 2019 through November 06, 2019
- Principal Photography: 2019 November 07, 2019 through November 18, 2019
- Wrap: 2019 November 07, 2019 through November 23, 2019
- Post Production: 2020 November 19, 2019 through February 29, 2020

Summary

Jessica has invited a group of college sorority friends to a Halloween party. The evening will reveal the deepest secret from her past, and that the horrifying legacy of the house may not have been erased by its surface transformation.

Proposed Motion

Approve for All Hallows Day Eve, LLC, a Community Film Incentive Program post-performance cash rebate up to \$13,200 (which represents 20% of dollars left in state) for the production of “All Hallows Day Eve”.

- Incentive offer based on receipt of a complete CFIP application including a script and proof of financing
- At least 85% of the production’s cast/crew must be Utah residents
- All minimum required criteria and requirements are met as specified on the CFIP rules and incentive contract
- Dollars left in state start date no earlier than 90 days prior to the original Governor’s Office of Economic Development Board of Directors approval

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

MOTION:

Annette Meier moved to endorse this film incentive as presented. Ted Wilson seconded the motion. The motion carried unanimously.

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
SOUTH BAY PRODUCTIONS, LLC
“Wireless”
November 14, 2019**

Project Highlights

- Category: Episodic
- Genre: Thriller
- Director: Zach Wechter
- Exec. Prod. Cathy Konrad
Zach Wechter
Rodney Ferrell
Danny Sherman
Steven Soderbergh
Michael Sugar
- Producer: Andrew Reyes
Isabel San Vargas
Christian Heuer

Utah Jobs and Revenue

- Estimated Cast: 5
- Estimated Cast Average Daily Salary: \$335
- Estimated Crew: 50
- Estimated Crew Average Daily Salary: \$450
- Estimated Extras: 120
- Estimated Extras Average Daily Salary: \$101
- Length of Film Production: 67
- Estimated Spend: \$1,263,343

Project Schedule

- Prep: October 14, 2019 through December 03, 2019
- Principal Photography: December 04, 2019 through December 17, 2019
- Wrap: December 18, 2019 through December 22, 2019

Summary

Stranded in the mountains off the road, a self-obsessed teen's only hope for survival is the tool he's spent his whole life learning to use: his iPhone.

Proposed Motion

Approve for South Bay Productions, LLC, a Motion Picture Incentive Program Cash Rebate of no more than \$252,669 (which represents 20% of dollars left in state) or no more than \$315,836 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “Wireless”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- Dollars left in state start date no earlier than 60 days prior to the Governor’s Office of Economic Development Board of Directors approval
- South Bay Productions, LLC may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum

dollars left in state. At least 75% of the production’s cast/crew must be Utah residents or 75% of the production’s Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$315,836 (25% of the dollars left in state).

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

MOTION:

Mel Lavitt moved to endorse this film incentive as presented. Ted Wilson seconded the motion. The motion carried unanimously.

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
SALTY PICTURES, INC.
“High School Musical, The Musical, The Series Season 2”
November 14, 2019**

Project Highlights

- Category: Episodic
- Genre: Comedy
- Director: Joanna Kerns
- Producer: Barry Rosenbush, Mary Pantelidis

Utah Jobs and Revenue

- Estimated Cast: 30
- Estimated Cast Average Daily Salary: \$1,006
- Estimated Crew: 160
- Estimated Crew Average Daily Salary: \$400
- Estimated Extras: 3,254
- Estimated Extras Average Daily Salary: \$102
- Length of Film Production: 269
- Estimated Spend: \$24,365,707

Project Schedule

- Prep: December 02, 2019 through February 07, 2020
- Principal Photography: February 12, 2020 through July 19, 2020
- Wrap: July 22, 2020 through September 04, 2020

Summary

Winking toward the “High School Musical” past while looking boldly forward, the students at East High focus on their next performance in the upcoming Spring musical.

Proposed Motion

Approve for Salty Pictures, Inc., a MPIP Tax Credit of no more than \$4,873,141 (which represents 20% of dollars left in state) or no more than \$6,091,427 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “High School Musical, The Musical, The Series Season 2”.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- This tax credit may be split between up to three consecutive State of Utah fiscal years

- Salty Pictures, Inc. may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. At least 75% of the production’s cast/crew must be Utah residents or 75% of the production’s Utah principal production days must occur in a rural area. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$6,091,427 (25% of the dollars left in state).

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

MOTION:

Susan Johnson moved to endorse this film incentive as presented. Stefanie Bevans seconded the motion. The motion carried unanimously.

Presentation

Opportunity Zones Update

Patrick Mullen and Grant Baskerville provided an update on how the federal Opportunity Zones are structured and being utilized in Utah. They shared an overview and timeline of the program’s implementation, showed how it was being used in locations around the State of Utah, and their role as state contractors in training, guiding, encouraging, and tracking opportunity zone investment.

Rural Fast Track Grant Endorsements

GOED RFT PUBLIC SUMMARY—NOVEMBER 14, 2019

**GOED BOARD
RURAL FAST TRACK GRANT
TY’S CABINETS
NOVEMBER 14, 2019**

The Office of Rural Development recommends a Rural Fast Track capital investment grant for Ty’s Cabinets, located in Cleveland, Emery, for the purpose of purchasing and **Edgebander** and **Double Head Sander**. The total project cost is valued at One-hundred and eleven thousand, six-hundred dollars (\$111,600).

MOTION: Endorse a Rural Fast Track capital investment grant for Ty’s Cabinets in the amount of \$50,000.

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

**GOED BOARD
RURAL FAST TRACK GRANT
DESERT STREAM
NEPHI, JUAB COUNTY**

The Office of Rural Development recommends a Rural Fast Track capital investment grant for Desert Stream, located in Nephi, Juab County, for the purpose of purchasing a Gusset Bag Filling Machine. The total project cost is valued at Seventy-thousand dollars (\$70,000).

MOTION: Endorse a Rural Fast Track capital investment grant for Desert Stream in the amount of \$35,000.

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

MOTION:

Annette Meier moved to endorse the Rural Fast Track grant as presented. Roger Killpack seconded the motion.

The motion carried unanimously.

GOED Update

Ben Hart provided an update on upcoming events and recent activities and efforts within GOED and its programs.

Incentives Update

Owen Barrott provided an update on the Incentives Program regarding new and existing projects.

EDCUtah Update

Colby Cooley of EDCUtah presented on the status of current and upcoming projects in the pipeline.

Meeting Adjourned