

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

Members Present:	Mel Lavitt, Jerry Oldroyd, Margo Jacobs, Annette Meier, Ted Wilson (P), Peter Mouskondis (P), Roger Killpack (P), Lorena Riffo-Jenson (P), Steve Neeleman (joined meeting following Breeze Aviation and Weave Communications agenda items)
Members Excused:	Doug Dilley, Andrea Moss, Heather Kahlert, Susan Johnson, Carine Clark, Stefanie Bevans
Staff:	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Owen Barrott, Ginger Chinn, Ryan Starks, Kimberlee Carlile, Tony Young, Virginia Pearce, Lynne Meyer, Kamron Dalton, Taylor Broadbent, Pete Codella, Kori Ann Edwards, Vicki Varella, Rebecca Dilg
Visitors:	Theresa Foxley, Mike Flynn, Colby Cooley, Jake Berlin, Vlada Yaremenko, Chris Pieper, Brice Wallace, Trent Porter, Alan Taylor, Nicole Hemingway, Holly Daines, Justing Meehan, Jeff Jackman, Russell Weeks, Mike Johnson, Lora Madson, Todd Brightwell, Reed Taft Jacobs, Brad Brodigan

Welcome

Jerry Oldroyd welcomed everyone to the December 12, 2019 GOED Board Meeting.

Approval of the Minutes

MOTION: Mel Lavitt moved to approve the November 14, 2019 board meeting minutes. Lorena Riffo Jenson seconded the motion. The motion carried unanimously.

EDTIF – Breeze Aviation

Project Highlights

Timeline:	2019
Target Industry:	Aerospace
Location:	Salt Lake City, UT
CapEx:	\$3, 250,000
Jobs:	369
Average Wage:	\$68,000

Project Overview

Moxy (project name) is a proposed airline founded by David Neeleman who previously co-founded Morris Air, WestJet, JetBlue, and Azul Brazilian Airlines

Moxy will provide flyers a better, more convenient alternative with non-stop service from secondary airports within large metro areas and underserved markets.

Moxy intends to maintain a low-cost operation without compromising on customer service. Without the baggage many airlines carry from operating for years, Moxy's low-cost competitive advantage will lend itself to profitability.

Locating in Utah would be a strategic advantage for the organization because of the well-educated population, access to bright students at exceptional higher education programs, and an IT culture that could be leveraged to boost product and services. By basing Moxy in Utah, airline and tech industries can better breed new products to bring the customer service within airlines into the 21st century. New jobs will be created in Utah, both in Salt Lake County and in many other counties as the airline develops a state-of-the-art contact system of at-home contact agents.

The company has also considered locating in North Carolina & Texas.

Jobs & Revenue

Full time jobs over project lifetime: 369

Company Average Wage vs. County Average Wage	
Max with health benefits:	250%
Max w/o health benefits:	196%

Min with health benefits:	193%
Min w/o health benefits:	147%

New State Wages & Revenue

New State Wages over 10 years:	\$128,900,000
New State Revenue over 10 years:	\$5,410,000
Withholding:	\$4,785,413
Sales:	\$192,700
Corporate:	\$431,888

MOTION: Peter Mouskondis moved to approve Breeze Aviation Group for an EDTIF post-performance refundable tax credit of up to \$1,082,000 which represents 20% of the \$5,410,000 of new state revenue, which may be earned over 5 years. Annette Meier seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$1,082,000 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Board Member Steve Neeleman recused himself from discussion and consideration of this incentive due to a family relationship with the founder.

Presentations: Trent Porter shared information on the company’s history and planned market niche in the technology used and markets served. He told the board that Utah was the right place for Breeze Aviation.

Mike Johnson of Cottonwood Heights economic development welcomed Breeze aviation to the city and shared that the company was a good fit for their community.

EDTIF – Weave Communications, Inc.

Project Highlights

Timeline:	2019
Target Industry:	Software/IT
Location:	Lehi, UT
CapEx:	\$65,000,000
Jobs:	997
Average Wage:	\$91,000

Project Overview

Weave Communications sells subscriptions for its integrated communications platform, which combines software communication and analysis tools with voice over internet protocol (“VoIP”) phone services. The company’s customer base comprises mostly dental and optometry service providers. However, the company has platform subscribers from various other client service small businesses, such as health medical spas and law firms. The platform services are integrated with subscribers’ patient or client management systems and serve to improve communication between the business and its patients or clients and to improve communication within the businesses themselves as well and to gain efficiencies with general business management tasks such as scheduling and collections.

Weave is experiencing significant growth and is currently evaluating how to expand its physical location. With the upward pressure on wages for the Lehi market and cheaper non-Lehi based alternatives, the company has been looking at different alternatives for the expansion with potential offices located outside of Utah. Other states that are being considered have lower tax rates for individuals, lower wages, and more available labor. In Utah’s favor, the company

would like to expand space in a way that keeps employees in one location to help foster the Weave culture. The company believes that maintaining the bulk of employees at their headquarters location will help create certain synergies that help the company grow.

Jobs & Revenue

Full time jobs over project lifetime: 997

Company Average Wage vs. County Average Wage

Max with health benefits:	244%
Max w/o health benefits:	218%
Min with health benefits:	186%
Min w/o health benefits:	162%

New State Wages & Revenue

New State Wages over 10 years:	\$651,810,226
New State Revenue over 10 years:	\$25,923,825
Withholding:	\$24,198,455
Sales:	\$1,725,370
Corporate:	\$0

MOTION: Lorena Riffo-Jenson moved to approve Weave Communications, Inc. for an EDTIF post-performance refundable tax credit of up to \$5,184,765 which represents 20% of the \$25,923,825 of new state revenue, which may be earned over 10 years. Margo Jacobs seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$5,184,765 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 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 close personal relationship with company officials.

Presentation: Alan Taylor, CFO for Weave Communications, spoke of the company’s history, growth, and future.

EDTIF – GE Healthcare

Project Highlights

Timeline:	2020
Target Industry:	Life Science
Location:	Logan, UT
CapEx:	\$31,000,000
Jobs:	68
Average Wage:	\$44,000

Project Overview

GE Healthcare is a manufacturer and distributor of diagnostic imaging agents and radiopharmaceuticals for imaging technologies that are used in medical imaging procedures. The company develops health technology for medical imaging, diagnostics, patient monitoring systems, disease research, and biopharmaceutical manufacturing. The company was incorporated in 1994 and operates in more than 100 countries. GE Healthcare operates as a subsidiary of General Electric..

GE Healthcare is considering multiple locations globally as well as in the U.S. specifically in more metropolitan areas near biopharma hubs. These areas are primarily East coast locations like Boston / Raleigh as well as some west coast locations such as Sacramento. This incentive could sway the decision and ensure they invest in the Logan, UT location.

Jobs & Revenue

Full time jobs over project lifetime: 68

Company Average Wage vs. County Average Wage

Max with health benefits:	175%
Max w/o health benefits:	129%
Min with health benefits:	160%
Min w/o health benefits:	119%

New State Wages & Revenue

New State Wages over 10 years:	\$10,457,411
New State Revenue over 10 years:	\$1,697,025
Withholding:	\$388,231
Sales:	\$1,305,378
Corporate:	\$3,415

MOTION: Steve Neeleman moved to approve GE Healthcare for an EDTIF post-performance refundable tax credit of up to \$254,554 which represents 15% of the \$1,697,025 of new state revenue, which may be earned over 5 years. Annette Meier seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$254,554 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 15% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 15% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Presentation: Justin Meehan, Logan Plant Manager for GE Healthcare spoke to the board of the Logan facility’s key role in the raw materials space for pharmaceutical companies. He spoke of the company’s history in the area and local talent recruitment.

Mayor Holly Daines told the board that GE Healthcare is an important part of the local economy in Logan and expressed her delight that they have chosen to expand there.

EDTIF – Callaway Golf Company (Jack Wolfskin North America)

Project Highlights

Timeline:	2019
Target Industry:	Outdoor Recreation
Location:	Park City/ SLC
CapEx:	\$500,000
Jobs:	50
Average Wage:	\$79,000

Project Overview

Jack Wolfskin is an outdoor apparel and equipment brand that was started in Frankfurt, Germany in 1982. Their products include high-end mountain and leisure clothing, footwear, backpacks, sleeping bags, and tents that range across multiple outdoor activities such as skiing, hiking, camping, biking, and trekking. Products are available for men, women, and children.

The brand was acquired by Callaway Golf at the end of 2018 with plans to develop a North America team to expand the global presence in the US and Canadian markets. Jack Wolfskin currently has over 1,400 employees globally.

This project is to set up a North American headquarters for the Jack Wolfskin brand of the Callaway Golf Company for all commercial teams (Merchandising, Marketing, Sales, Ecommerce & Analytics). There is potential to also add back-end support to this HQ over time, which would include roles across IT, HR, Finance, and Legal.

Jobs & Revenue

Full time jobs over project lifetime: 50

Company Average Wage vs. County Average Wage

Max with health benefits:	224%
Max w/o health benefits:	219%
Min with health benefits:	159%
Min w/o health benefits:	254%

New State Wages & Revenue

New State Wages over 10 years:	\$12,445,500
New State Revenue over 10 years:	\$703,074
Withholding:	\$462,410
Sales:	\$39,959
Corporate:	\$200,704

MOTION: Annette Meier moved to approve Callaway Golf Company for an EDTIF post-performance refundable tax credit of up to \$105,461 which represents 15% of the \$703,074 of new state revenue, which may be earned over 5 years. Peter Mouskondis seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$105,461 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 15% of qualified new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 15% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.
- Must commit to keep operation in Utah for the length of the incentive period, 5 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

EDTIF – BlueVine Capital, Inc.

Project Highlights

Timeline:	2020
Target Industry:	FinTech
Location:	Salt Lake County
CapEx:	\$20,000,000
Jobs:	1,449
Average Wage:	\$64,000

Project Overview

BlueVine provides financing tools for small businesses through an online banking platform. The company offers a suite of products including business banking, lines of credit, term loans, and invoice factoring. Lines of credit and term loan products are issued by Celtic Bank and all banking services are provided by The Bancorp Bank. The company has provided more than \$2 billion in financing to small and medium-sized businesses since its founding in 2013. BlueVine is growing rapidly in both revenue and funding. Because of that additional growth, the company is determining where to locate an additional sales, marketing, and software development office. Potential locations include Nebraska, Arizona, and Idaho.

Jobs & Revenue

Full time jobs over project lifetime: 1,449

Company Average Wage vs. County Average Wage

Max with health benefits:	151%
Max w/o health benefits:	121%
Min with health benefits:	149%
Min w/o health benefits:	119%

New State Wages & Revenue

New State Wages over 10 years:	\$422,646,676
New State Revenue over 10 years:	\$16,351,108
Withholding:	\$15,690,758
Sales:	\$660,350
Corporate:	\$0

MOTION: Steve Neeleman moved to approve BlueVine Capital, Inc. for an EDTIF post-performance refundable tax credit of up to \$4,087,777 which represents 25% of the \$16,351,108 of new state revenue, which may be earned over 9 years. Margo Jacobs seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$4,087,777 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 9 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, 9 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Presentation: Brad Brodigan, Chief Commercial Officer for BlueVine Capital, described the company’s financial products and how they help small business through financial services and lending. He said Utah was a good location and provided a good talent pool

Mike Johnson of Cottonwood Heights economic development said BlueVine Capital was another company that fits in well in their community and one that the city was glad to support.

Presentation:

Chris Pieper, Utah Attorney General’s office, provided training on the State of Utah open public meetings act, its requirements and guidelines; governmental records, and other legal items.

ED Zones:

MOTION: APPROVE THE CREATION OF ECONOMIC DEVELOPMENT ZONES FOR DRAPER AND SOUTH JORDAN IN SUPPORT OF THEIR LETTERS OF REQUEST DETAILING THE EXPANSION OF PLURALSIGHT, INC. AT 42 FUTURE WAY, DRAPER UT 84020 AND 10355 SOUTH JORDAN GATEWAY, SUITE 160, SOUTH JORDAN, UT 84095.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF SARCOS INC. AT 44 WEST BROADWAY, APT. 1406, SALT LAKE CITY, UT 84101

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR LINDON IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF GOHEALTH, LLC AT 1855 W 500 N LINDON, UT 84042.

MOTION: Mel Lavitt moved to approve the ED Zone motions as presented. Margo Jacobs seconded the motion. The motion carried unanimously.

Film Incentives

GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM
 EXECUTIVE SUMMARY
 3481, INC. - “Just Dancing”
 December 12, 2019

Project Highlights

- Category: Feature
- Genre: Family
- Director: TBD
- Producer: David Wulf

Utah Jobs and Revenue

- Estimated Cast: 18
- Estimated Cast Average Daily Salary: \$900
- Estimated Crew: 67
- Estimated Crew Average Daily Salary: \$325
- Estimated Extras: 375
- Estimated Extras Average Daily Salary: \$102
- Length of Film Production: 159
- Estimated Spend: \$1,800,000

Project Schedule

- Prep: February 3, 2020 through March 3, 2020
- Principal Photography: March 3, 2020 through March 20, 2020
- Wrap: March 23, 2020 through April 3, 2020
- Post Production: April 6, 2020 through July 17, 2020

Summary

Paige MacKenzie used to be a competition ballroom dancer but life got busy. Paige became a mom, and then soon after, her husband died. After taking up dance lessons again, Paige begins to fall in love with her instructor.

Proposed Motion

Approve for 3481, Inc., a Motion Picture Incentive Program Cash Rebate of no more than \$360,000 (which represents 20% of dollars left in state) or no more than \$450,000 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of *Just Dancing*.

- 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
- 3481, 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 \$450,000 (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:

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

Utah Outdoor Recreation Grants 2019

This agenda item was rescheduled to January meeting.

GOED Update

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

Incentives Update

Tom Wadsworth provided an update on the Incentives Program regarding new and existing projects.

EDCUtah Update

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

Meeting Adjourned