

GOED Board Meeting Minutes

January 10, 2020 • 1:00 p.m. – 3:00 p.m.

Kanab Center
20 North 100 East
Kanab, UT 84741
and

Utah Governor’s Office of Economic Development
60 E South Temple 3rd Floor
Salt Lake City, Utah 84111

Members Present:	Mel Lavitt, Jerry Oldroyd, Margo Jacobs, Ted Wilson, Roger Killpack, Steve Neeleman, Doug Dilley, Andrea Moss, Susan Johnson, Carine Clark, Stefanie Bevans, Annette Meier (P), Heather Kahlert (P)
Members Excused:	Lorena Riffo-Jenson, Peter Mouskondis
Staff:	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Owen Barrott, Ryan Starks, Kimberlee Carlile, Tony Young, Lynne Meyer, Beckie Page, Amy Bell, Kamron Dalton, Taylor Broadbent, Pete Codella, Kori Ann Edwards, Rebecca Dilg, Nan Anderson, Joshua Wiggins, Tom Adams, India Nielsen, Chanel Flores, Rose Smith, Kristen Jensen, Kerek Mellus, Tara McKee, Jim Grover, Lyle Almond
Visitors:	Theresa Foxley, Mike Flynn, Colby Cooley, Jake Berlin, Vlada Yaremenko, Chris Pieper, Brice Wallace, President Stuart Adams, Senator Gregg Buxton, Representative Mike Schultz, Mitch Zundel, Chris Roybal, Commissioner Brent Chamberlain, Emily Paskett, Brinley Wilson, Kelly Stowell, Colette Cox, Reed Taft Jacobs, Senator Ann Milner, Senator Scott Sandal, Rick Kendust, Justin McMurray, Commissioner Gage Froerer, Commissioner Jim Harvey, Joe Toman, Darin Belnap, Commissioner Jeff Hadfield, Mayor Bob Dandoy, Jim Harvey, Matthew Andrews

Welcome

Jerry Oldroyd welcomed everyone to the January 10, 2020 GOED Board Meeting.

Approval of the Minutes

MOTION: Susan Johnson moved to approve the December 12, 2019 board meeting minutes. Ted Wilson seconded the motion. The motion carried unanimously.

EDTIF – Northrop Grumman Corporation

Project Highlights

Timeline:	2020
Target Industry:	Aerospace/Defense
Location:	Weber County
CapEx:	\$380, 000,000
Jobs:	2,235
Average Wage:	\$102,140

Project Overview

Northrop Grumman Corporation is an American global aerospace and defense technology formed by Northrop’s 1994 purchase of Grumman. The company reported revenues in excess of \$30 billion in 2018 and was the fourth-largest arms trader in the world in 2017 with about 84% of all revenue coming from defense related activities.

In June 2018, Northrop Grumman closed on the acquisition of Orbital ATK Inc., a Utah-headquartered global leader in aerospace and defense technologies. Orbital ATK is now Northrop Grumman Innovation systems.

In order to service the GBSD contract, Northrop Grumman is considering locating the vast majority of the engineers needed for the project in Utah. 92% of the jobs included in this incentive request are associated with the GBSD project and 8% is other growth. 176 jobs will be in Salt Lake City, while the majority will be in either Ogden or at Falcon Hill.

Jobs & Revenue

Full time jobs over project lifetime: 2,250

Company Average Wage vs. County Average Wage	
Max with health benefits:	226%
Max w/o health benefits:	202%

Min with health benefits:	147%
Min w/o health benefits:	131%

New State Wages & Revenue

New State Wages over 20 years:	\$4,487,623,200
New State Revenue over 20 years:	\$199,731,465
Withholding:	\$166,603,011
Sales:	\$33,128,453
Corporate:	\$0

MOTION: Andrea Moss moved to approve Northrop Grumman Corporation for an EDTIF post-performance refundable tax credit of up to \$59,919,439 which represents 30% of the \$199,731,465 of new state revenue, which may be earned over 20 years. Jerry Oldroyd seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$59,919,439 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 30% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 30% of qualified new incremental state tax revenues over 20 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, 20 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: Rick Kendust of NGC spoke of the quality of the jobs this project will bring to Utah – engineers and rocket scientists. Weber County Commissioner Jim Harvey and Roy City Mayor, Robert Dandoy congratulated and welcomed the company and expressed their support for the project. Senate President Adams spoke of the legislative efforts involved in moving this project forward and the enhanced use lease that will provide land for this project and benefit to Hill Air Force Base.

EDTIF – Procter & Gamble Company

Project Highlights

Timeline:	2019
Target Industry:	Manufacturing
Location:	Box Elder County
CapEx:	\$310,000,000
Jobs:	221
Average Wage:	\$81,000

Project Overview

The Procter & Gamble Company (P&G) is a multinational consumer goods corporation headquartered in Cincinnati, Ohio. It specializes in a wide range of products in the home-cleaning, paper, beauty, food and beverage, and personal healthcare segments. Procter & Gamble products are sold primarily to consumers through mass merchandisers, grocery stores, club stores, etc.

P&G currently sells products in 180 countries. The company’s product portfolio contains numerous well-known consumer brands and its products are often number one or two in the categories in which they compete.

P&G operates a manufacturing facility in Box Elder County that was opened in 2011. Currently, the Box Elder site makes products in the Paper and Babycare Divisions. These include products like Charmin toilet paper, Bounty paper towels, and Pampers & Luvs diapers.

The company is continuing to expand and is undergoing an internal search to determine where to open additional manufacturing lines in order to support regional customers and consumers and compete strategically from a supply-chain and logistics perspective. This potential expansion would bring multiple additional manufacturing lines to the Box Elder site, increasing the footprint and the production capacity of the facility.

Jobs & Revenue

Full time jobs over project lifetime: 221

Company Average Wage vs. County Average Wage

Max with health benefits:	278%
Max w/o health benefits:	219%
Min with health benefits:	201%
Min w/o health benefits:	167%

New State Wages & Revenue

New State Wages over 20 years:	\$375,293,226
New State Revenue over 20 years:	\$13,932,761
Withholding:	\$13,932,761
Sales:	\$40,420
Corporate:	\$0

MOTION: Andrea Moss moved to approve The Procter & Gamble Company for an EDTIF post-performance refundable tax credit of up to \$4,191,954 which represents 30% of the \$13,932,761 of new state revenue, which may be earned over 20 years. Margo Jacobs seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$4,191,954 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 30% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 30% of qualified new incremental state tax revenues over 20 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, 20 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: Darin Belnap of P&G spoke of the business environment in Utah that led to this project coming to Utah. He addressed the partnership the company has with the community in Box Elder County. He addressed the quality of the workforce in the area. Senator Scott Sandal expressed his pleasure to see the two projects for Northern Utah before the board today and thanked the companies. Representative Mike Shultz said today was a great day for Northern Utah. Box Elder County Commissioner Hadfield mentioned the positive impact that P&G has in their community. Mitch Zundel, economic development director for Box Elder County, thanked the board and expressed how good P&G was for their county.

ED Zone:

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR SALT LAKE CITY IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF UPS AT 2040 PARKWAY BLVD, SALT LAKE CITY, UT 84119

MOTION: Jerry Oldroyd moved to approve the ED Zone motions as presented. Stephanie Bevans seconded the motion. The motion carried unanimously.

Film Incentives

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
HAPPY PLANET, LLC
“Nine Years to Neptune”
January 10, 2020**

Project Highlights

- Category: Episodic
- Genre: Family
- Director: Tyler McKellar, Greg Kiefer
- Producer: Benton Paul, Peter McKellar

Utah Jobs and Revenue

- Estimated Cast: 11
- Estimated Cast Average Daily Salary: \$700
- Estimated Crew: 44
- Estimated Crew Average Daily Salary: \$450
- Estimated Extras: 0
- Estimated Extras Average Daily Salary: \$0
- Length of Film Production: 456
- Estimated Spend: \$4,545,670

Project Schedule

- Prep: December 01, 2019 through May 18, 2020
- Principal Photography: May 19, 2020 through September 18, 2020
- Wrap: September 19, 2020 through February 28, 2021
- Post Production: June 08, 2020 through December 21, 2020

Summary

Nine Years to Neptune is a scripted, comedy-driven educational TV series featuring a spaceship full of puppets (and 1 human) headed for the galaxy's most distant planet. Think *The Office* meets *The Muppets*.

Proposed Motion

Approve for Happy Planet, LLC, a MPIP Tax Credit of no more than \$681,850 (which represents 15% of dollars left in state) for the production of *Nine Years to Neptune*.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the base line incentive of 15% 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.

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. Steve Neeleman seconded the motion. The motion carried unanimously.

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
CABIN IN THE WOODS, LLC
“HAUL OUT THE HOLLY”
January 10, 2020**

Project Highlights

- Category: Feature
- Genre: Family
- Director: Mandy Fabian
- Producer: John Kelly, Kelly Pendency

Utah Jobs and Revenue

• Estimated Cast:	44
• Estimated Cast Average Daily Salary:	\$650
• Estimated Crew:	100
• Estimated Crew Average Daily Salary:	\$300
• Estimated Extras:	350
• Estimated Extras Average Daily Salary:	\$75
• Length of Film Production:	303
• Estimated Spend:	\$2,500,000

Project Schedule

• Prep:	January 02, 2020 through February 28, 2020
• Principal Photography:	March 02, 2020 through April 17, 2020
• Wrap:	April 20, 2020 through August 28, 2020
• Post Production:	April 20, 2020 through October 30, 2020

Summary

Holly decides to throw a living funeral for herself, and invites her family and friends. Holly must make peace with her loved ones before she is gone forever.

Proposed Motion

Approve for Cabin In The Woods, LLC, a MPIP Tax Credit of no more than \$375,000 (which represents 15% of dollars left in state) for the production of *Haul Out the Holly*.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the base line incentive of 15% 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.

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. Carine Clark seconded the motion. The motion carried unanimously.

**GOED BOARD – MOTION PICTURE INCENTIVE PROGRAM
EXECUTIVE SUMMARY
CAMERA 40 PRODUCTIONS, LLC
“The Outpost Season 3”
January 10, 2020**

Project Highlights

• Category:	Episodic
• Genre:	Sci-Fi
• Director:	Jonathan Glassner, Marc Roskin
• Producer:	Jonathan English, Jennifer Kirkham

Utah Jobs and Revenue

• Estimated Cast:	5
• Estimated Cast Average Daily Salary:	\$1,100
• Estimated Crew:	25
• Estimated Crew Average Daily Salary:	\$500
• Estimated Extras:	10
• Estimated Extras Average Daily Salary:	\$125
• Length of Film Production:	276
• Estimated Spend:	\$1,500,000

Project Schedule

• Prep:	October 31, 2019 through February 28, 2020
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- Principal Photography: March 01, 2020 through March 08, 2020
- Wrap: March 09, 2020 through March 10, 2020
- Post Production: March 11, 2020 through October 31, 2020

Summary

The Outpost is a fantasy TV series for the CW Network and SyFy Channel internationally.

Proposed Motion

Approve for Camera 40 Productions, LLC, a MPIP Cash Rebate of no more than \$225,000 (which represents 15% of dollars left in state) for the production of *The Outpost Season 3*.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$500,000 minimum dollars left in state to be eligible for the base line incentive of 15% of dollars left in state
- Dollars left in state start date no earlier than 90 days prior to the Governor’s Office of Economic Development Board of Directors approval.

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

MOTION:

Roger Killpack 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
A&P PRODUCTIONS, LLC
“American Crime: The Salamander”
January 10, 2020**

Project Highlights

- Category: Episodic
- Genre: Documentary
- Director: Jared Hess, Tyler Measom
- Producer: TBD

Utah Jobs and Revenue

- Estimated Cast: 5
- Estimated Cast Average Daily Salary: \$261
- Estimated Crew: 41
- Estimated Crew Average Daily Salary: \$381
- Estimated Extras: 10
- Estimated Extras Average Daily Salary: \$150
- Length of Film Production: 203
- Estimated Spend: \$1,160,497

Project Schedule

- Prep: January 06, 2020 through January 25, 2020
- Principal Photography: January 27, 2020 through June 27, 2020
- Wrap: August 03, 2020 through August 22, 2020
- Post Production: February 03, 2020 through July 25, 2020

Summary

The Salamander revisits the remarkable tale of the most prolific and accomplished forger in modern history, Mark Hofmann, a shadowy genius whose elaborate deceptions rewrote history and ultimately led to double murder and the largest criminal investigation in the state of Utah.

Proposed Motion

Approve for A&P Productions, LLC, a MPIP Cash Rebate of no more than \$174,074 (which represents 15% of dollars left in state) for the production of *American Crime: The Salamander*.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing

- Must meet \$500,000 minimum dollars left in state to be eligible for the base line incentive of 15% 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.

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. Andrea Moss seconded the motion. The motion carried unanimously.

Rural Fast Track Grants

**GOED BOARD
RURAL FAST TRACK GRANT
YORK MOTORSPORTS, INC.
JANUARY 10, 2020**

The Office of Rural Development recommends a Rural Fast Track capital investment grant for York Motorsports, Inc., located in Vernal, Uintah County, for the purpose of the **purchase of Genos M560-V Vertical Machining Center (or equivalent) CNC milling machine and related tooling**. The total project cost is valued at One-hundred and sixty-three thousand, five-hundred dollars (\$163,000).

MOTION: Endorse a Rural Fast Track capital investment grant for York Motorsports, Inc, 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 Uintah 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
UNITED SOIL SCIENCE
JANUARY 10, 2020**

The Office of Rural Development recommends a Rural Fast Track capital investment grant for United Soil Science, located in Delta, Millard County, for the purpose of purchasing a Fertilizer Air-spreader and construction of a bulk storage facility. The total project cost is valued at One-hundred and sixty-three thousand dollars (\$163,000).

MOTION: Endorse a Rural Fast Track capital investment grant for United Soil Science 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).

MOTION:

Roger Killpack moved to endorse the Rural Fast Track Grants as presented. Ted Wilson seconded the motion. The motion carried unanimously.

Presentation: Utah Outdoor Recreation Grants 2019

Tom Adams provided a review of the projects that were awarded under the 2019 Outdoor Recreation Grants. He reviewed the statutory requirements for the grants, amounts awarded, total project values, and highlighted several of the projects. In 2019 Utah Outdoor Recreation Grants were awarded to 55 projects in 22 Utah counties. Grants totaled \$4,375,209 and the total project value was \$35.6M.

Presentation: Kanab Economic Development

Kelly Stowell provided information on local economic development in the Kanab area. He spoke of his participation

with the Utah Office of Outdoor Recreation on projects in their area. He spoke of the 400% growth in transient room taxes in recent years. He highlighted several local businesses in attendance at the meeting. Commissioner Chamberlain spoke of developments at the east entrance of Zions, gigabit internet to every home in Kanab, and other improvements to the area.

Presentation: East Zion National Park EV Shuttle System

Emily Paskett of Utah Clean Cities provided an overview of the Clean Cities coalition and its efforts to reduce the use of petroleum in the transportation sector. She discussed their work towards improving transportation in Zion National Park with electric shuttles, alleviating traffic congestion and sized to fit side by side through the Mt Carmel Tunnel. She also discussed their work on alternative fuel corridors throughout Utah and the west.

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