

GOED Board Meeting Minutes

April 9, 2020 • 10:00 a.m. – 12:00 p.m.
 Electronic Meeting Only
 Utah Governor’s Office of Economic Development
 60 E South Temple 3rd Floor
 Salt Lake City, Utah 84111

Members Present:	Steve Neeleman, Jesse Turley, Brad Bonham, Mel Lavitt, Margo Jacobs, Ted Wilson, Susan Johnson, Andrea Moss, Doug Dilley, Roger Killpack, Carine Clark, Peter Mouskondis, Annette Meier, Stefanie Bevans
Members Excused:	Heather Kahlert
Staff:	Val Hale, Ben Hart, Thomas Wadsworth, Larry Shepherd, Owen Barrott, Tony Young, Pete Codella, Kori Ann Edwards, Virginia Pearce, Lynne Mayer, Kamron Dalton, Tara McKee, James Dixon, Beckie Page, Jim Grover, Chanel Flores, Rebecca Dilg, Ryan Starks, Jason Marden, Kimberlee Carlile, Sandy Olney
Visitors:	Theresa Foxley, Mike Flynn, Vlada Yarmenko, Chris Pieper, Brice Wallace, Mayor Jon Pike, Rusty Hughes, David Dobbins, Commissioner Dean Cox, Darcy Mott, LaDel Laub, Cindy Serrano, Julie Buchholz, Lance Soffe, Rep. Lowry Snow, Chris Young, Phillip Dunn, Breann Pearson, Robbyn Scribner, Ryan Beam, Lionel Trepanier

Welcome

Carine Clark welcomed everyone to the April 9, 2020 GOED Board Meeting.

Approval of the Minutes

MOTION: Steve Neeleman moved to approve the March 12, 2020 board meeting minutes and the March 30, 2020 Board meeting (call). Ted Wilson seconded the motion. The motion carried unanimously.

EDTIF – Nelnet, Inc.

Project Highlights

Timeline:	2020
Target Industry:	Finance
Proposed Location(s):	Salt Lake County
Capital Investment:	\$1,000,000
Jobs:	52
Average Wage:	\$129,000

Project Overview

Nelnet is a US-based company that deals in the administration and repayment of student loans and education financial services. The company provides a range of products through its subsidiaries that include customer service for student loan borrowers, technology related to student loan customer service, outsourcing services for guaranty agencies, tuition payment plans, education planning, and higher education planning tools.

The company was founded in 1978 in Nebraska to service federal student loans for two local banks and has grown to become a leading originator and servicer of student loans. The company also makes investments to diversify outside of education-related businesses including real-estate, early-stage and emerging growth companies and renewable energy.

This project is to expand Nelnet, Inc.'s company footprint to Salt Lake City in a couple of ways. The first is as the headquarters of a start-up bank. The bank will provide value to Utah students, families, and the community. The project will employ 50+ employees over the course of the first five years at well above the average wage and provide a wide array of benefits to each full-time employee.

The second opportunity is to expand Nelnet Inc.'s technology resources that support its business segments to Utah. Lincoln, NE and surrounding markets continue to be difficult markets to recruit and hire technology talent and Nelnet would consider Salt Lake City as an opportunity to grow its workforce and hire top technology talent.

Jobs & Revenue

Full time jobs over project lifetime: 52

Company Average Wage vs. County Average Wage

Max with health benefits:	339%
Max w/o health benefits:	321%
Min with health benefits:	183%
Min w/o health benefits:	173%

New State Wages & Revenue

New State Wages over 5 years:	\$23,325,900
New State Revenue over 5 years:	\$897,991
Withholding:	\$865,974
Sales:	\$28,788
Corporate:	\$3,339

MOTION: Peter Mouskondis moved to approve Nelnet, Inc. for an EDTIF post-performance refundable tax credit of up to \$134,699 which represents 15% of the \$897,991 of new state revenue, which may be earned over 5 years. Annette Meier seconded the motion. The motion carried unanimously.

Board members Andrea Moss and Carine Clark recused themselves from all discussion and approval of this incentive. Andrea Moss is the CEO of Nelnet Bank and Carine Clark serves on the bank’s board of directors.

- Total EDTIF incentive not to exceed \$134,699 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.

Cindy Serrano expressed the company’s gratitude and excitement to be joining the Utah banking family and partnership with Utah’s IT community. David Dobbins of Draper City said the city is happy to see Nelnet Bank established in their community.

EDTIF – RS Technologies, Inc.

Project Highlights

Timeline:	2020
Target Industry:	Manufacturing
Proposed Location(s):	St. George
Capital Investment:	\$35,000,000
Jobs:	358
Average Wage:	\$44,000

Project Overview

RS Technologies Inc. (RS) is a Canadian company that designs and manufactures composite utility poles. These poles are used in electricity transmission, distribution and communication applications, and have significantly longer life-cycles than traditional wood, steel, or concrete poles.

The company currently manufactures and distributes all of its product out of a facility in Tilbury, Canada, a small town about 30 miles outside of Detroit. The company can make 10,000 poles per year. RS has customers, including multiple in California, that require annual pole replacements of about 25-30,000 poles per year. The company began installations in 2003 and has over 400 customers in 25 countries.

RS Technologies currently supplies 5,000 poles per year to Southern California Edison. This customer is expected to double to quadruple their purchase and installation of composite utility poles in coming years in order to counter the effect of wildfires.

All of that will drive employment at a new facility, which will involve plant management, supervisory and hourly staff work and training programs.

This project is an expansion of the company's existing business. The company has sought a western United States location to create a new manufacturing facility to supply its customers. The total number of jobs is expected to be 358 high-paying jobs. Positions include plant management, supervisory and hourly staff workers.

Jobs & Revenue

Full time jobs over project lifetime: 358

Company Average Wage vs. County Average Wage

Max with health benefits:	180%
Max w/o health benefits:	150%
Min with health benefits:	130%
Min w/o health benefits:	110%

New State Wages & Revenue

New State Wages over 5 years:	\$61,634,675
New State Revenue over 5 years:	\$3,888,352
Withholding:	\$2,288,187
Sales:	\$902,400
Corporate:	\$3,888,352

MOTION: Stefanie Bevans moved to approve RS Technologies, Inc. for an EDTIF post-performance refundable tax credit of up to \$777,670 which represents 20% of the \$3,888,352 of new state revenue, which may be earned over 7 years. Susan Johnson seconded the motion. The motion carried unanimously.

- **Total EDTIF incentive not to exceed \$777,670 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 7 years with a contractual recapture provision for any excess funds paid to the company.**
- **Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.**
- **Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.**
- **Must commit to keep operation in Utah for the length of the incentive period, 7 years.**
- **Incentives are site specific and subject to local incentive participation.**
- **Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.**
- **Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.**

Mayor Jon Pike of St. George said the city is thrilled to welcome this project and thanked those who worked to make it happen. He said it's a great opportunity to again use a great building in an industrial park that has been vacant for a time and bring a number of good jobs to St. George. LaDell Laub of Dixie Power spoke to the quality of the product as they have hundreds of these poles already in use in southern Utah. Commissioner Dean Cox complimented GOED and EDCUtah for their partnership on this project that will help diversify the local economy and provide good jobs. Howard Elliott of RS Technologies express appreciation to the state and local community and the helpfulness of all during a time when they couldn't visit in person. He said the company is excited to get to St. George and start making more poles. Rep. Lowry Snow thanked the board for its support and what they bring to the state and local communities. He thanked the company for considering St. George.

EDTIF – HealthEquity, Inc.

Project Highlights

Timeline:	2020
Target Industry:	Finance/IT
Proposed Location(s):	Draper, UT
Capital Investment:	\$41,000,000
Jobs:	550
Average Wage:	\$102,000

Project Overview

HealthEquity, Inc. is a leading administrator of health savings accounts (“HSAs”) for nearly 12 million members in partnership with employers, benefits advisors, and retirement plan providers.

The company provides a range of solutions for managing health care accounts, health plans, insurance companies, and third-party administrators in the United States. The company's products and services include a healthcare saving and spending platform, a cloud-based platform for individuals to make health saving and spending decisions, pay healthcare bills, compare treatment options and prices, grow their savings, and make investment choices.

In 2019, HealthEquity acquired WageWorks, a technology-based consumer-directed benefits company, with the intention to create a new health savings and consumer-directed benefits platform for employers, benefits consultants, and health and retirement plan providers. With the acquisition of WageWorks, HealthEquity is expected to grow significantly. Part of the merger process for HealthEquity involves deciding where to consolidate the WageWorks positions.

This project represents an opportunity to create over 550 high paying jobs beyond natural growth. HealthEquity is one of Utah’s premier companies with a solid track record of financial growth and employee development. The company is committed to hiring and developing talent and has an internal promotion rate around 40%. Many supplier services opportunities will be expanded as a result of Utah supporting the project.

Jobs & Revenue

Full time jobs over project lifetime: 550

Company Average Wage vs. County Average Wage

Max with health benefits:	226%
Max w/o health benefits:	202%
Min with health benefits:	220%
Min w/o health benefits:	196%

New State Wages & Revenue

New State Wages over 5 years:	\$281,109,990
New State Revenue over 5 years:	\$11,668,830
Withholding:	\$810,436,208
Sales:	\$1,232,622
Corporate:	\$0

MOTION: Mel Lavitt moved to approve HealthEquity, Inc. for an EDTIF post-performance refundable tax credit of up to \$2,333,766 which represents 20% of the \$11,668,830 of new state revenue, which may be earned over 7 years. Margo Jacobs seconded the motion. The motion carried unanimously.

Board member Steve Neeleman recused himself from all discussion and approval of this incentive. Steve Neeleman is a founder of HealthEquity, Inc.

- Total EDTIF incentive not to exceed \$2,333,766 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 7 years with a contractual recapture provision for any excess funds paid to the company.
- Must meet new qualified employment projections, employee headcount at the stated wage 110% criteria at 50% for each project year.
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 110% of the average wage each excluding company contributed health insurance.

- Must commit to keep operation in Utah for the length of the incentive period, 7 years.
- Incentives are site specific and subject to local incentive participation.
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for company to be eligible for the incentive.
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for this incentive.

Darcy Mott of HealthEquity expressed appreciation for the long relationships they have had with the State of Utah and Draper City. The company looks forward to continuing the relationship as they continue to grow. David Dobbins said Draper City was happy and proud to support this request and for their relationship with the company.

Rural Fast Track Grant Endorsements

**GOED BOARD
RURAL FAST TRACK GRANT
ALL ELECTRIC PLUS, INC.
APRIL 9, 2020**

The Office of Rural Development recommends a Rural Fast Track capital investment grant for All Electric Plus, Inc., located in Paragonah, Iron County, for the purpose of purchasing a building for industrial services, inventory management, and office space. The total project cost is valued at approximately Three-hundred and fifty-thousand dollars (\$350,000).

MOTION: Endorse a Rural Fast Track capital investment grant for All Electric Plus, 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 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
MOUNTAIN WEST LOGISTICS, LLC
APRIL 9, 2020**

The Office of Rural Development recommends a Rural Fast Track capital investment grant for Mountain West Logistics, LLC, located in Nephi, Juab County, for the purpose of purchasing window buck forms and a Baileigh Band Saw BS-20SA-DM1 for use in concrete construction. The total project cost is valued at One-hundred, twenty-thousand dollars (\$120,000).

MOTION: Endorse a Rural Fast Track capital investment grant for Mountain West Logistics, LLC 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
LOA BUILDERS SUPPLY
APRIL 9, 2020**

The Office of Rural Development recommends a Rural Fast Track capital investment grant for Loa Builders Supply, located in Loa, Wayne County, for the purpose of purchasing an open cell high-pressure foam machine for spray foam insulation in construction. The total project cost is valued at Seventy-three thousand dollars (\$73,000).

MOTION: Endorse a Rural Fast Track capital investment grant for Loa Builders Supply in the amount of \$36,500.

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
SIERRA RESTORATION, LLC
APRIL 9, 2020**

The Office of Rural Development recommends a Rural Fast Track capital investment grant for Sierra Restoration, LLC, located in Smithfield, Cache County, for the purpose of building a 185' x 60' building with 5 service bays to be used for cleaning and storage of content while damaged property is being restored. The total project cost is valued at Four-hundred and fifty-thousand dollars (\$450,000).

MOTION: Endorse a Rural Fast Track capital investment grant for Sierra Restoration, LLC in the amount of \$50,000.

The company is required to create one (1) new full-time position, but expects to create two (2) new full time position(s) 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 Three-thousand dollars (\$3,000).

MOTION:

Roger Killpack moved to endorse the Rural Fast Track grants as presented. Andrea Moss seconded the motion. The motion carried unanimously.

GOED Update

Val Hale provided an update on upcoming events and recent activities and efforts within GOED and its programs, including an update on efforts of GOED to assist in response to the COVID-19 pandemic and a discussion of the Utah Leads Together Small Business Bridge Loan Program.

Incentives Update

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

EDC Utah Update

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

Meeting Adjourned