

GOED Board Meeting Minutes
 May 13, 2021 • 10:00 a.m. – 12:00 p.m.

Members Present:	Carine Clark, Steve Neeleman, Andrea Moss, Roger Killpack, Susan Johnson, Ted Wilson, Doug Dilley, Heather Kahlert, Annette Meier, Stefanie Bevans, Jesse Turley
Members Excused:	Brad Bonham
Staff:	Dan Hemmert, Ben Hart, Daniel Royal, Larry Shepherd, Pete Codella, Kori Ann Edwards, Ryan Starks, Tony Young, Virginia Pearce, Linda Cabrales, Abby Hunsaker, Vic Hockett, James Dixon, Vicki Varella
Visitors:	Kira Slawson, Tanner Ainge, Geri Gamber, Brice Wallace, Colby Cooley, Justin Anderson, Erin Farr, Max Backlund, Martin Tuason, Lisa Tuason, Caloy Tuason, Dustin Jones, Olivia Byrne, Danny Stewart, Jeff Huber, Jim Wojciehowski, Lance Soffe, Mayor Maile Edwards, Paul Bittmenn

Welcome

Carine Clark welcomed everyone to the May 13, 2021 GOED Board Meeting

Approval of the Minutes

MOTION: Susan Johnson moved to approve the April 8, 2021 board meeting minutes. Ted Wilson seconded the motion. The motion carried unanimously.

EDTIF – Hexcel Corporation

Project Highlights

Timeline:	2021
Target Industry:	Aerospace and Defense
Proposed Location(s):	Salt Lake City
Capital Investment:	\$25,000,000
Jobs:	150
Average Wage:	\$134,866

Project Overview

Hexcel Corporation is a leading advanced composites company and is a global enterprise with over one billion dollars of revenues. Hexcel is one of the largest US producers of carbon fiber; the world's largest weaver of structural fabrics; the number one producer of composite materials such as honeycomb, prepregs, film adhesives and sandwich panels; and a leading manufacturer of composite parts and structures. The company markets its products to customers in the commercial aerospace, space and defense and industrial markets such as wind turbine blades. Hexcel materials are used on virtually every commercial and military aircraft produced in the western world, and in thousands of other products, from satellites and launch vehicles, to high speed trains and ferries, cars and trucks, skis, snow boards, tennis rackets and golf clubs. Hexcel facilities located in West Valley City, Utah currently employ nearly 600 and manufacture carbon fiber, prepregs and resins that support commercial aerospace, space and defense and industrial customers.

This project would be Hexcel’s Americas Aerospace and Fibers Business Teams Research & Technology Center of Excellence with adequate space for future business and functional roles in the new office building. The scope of this project includes building a state-of-the-art, Americas & Fibers Research & Technology Center of Excellence for advanced composite materials. It will be a \$22-25M facility for laboratories and offices staffed with chemists, material scientists, engineers, and business team members to collaborate with customers and suppliers to develop the next generation of composite materials and position Hexcel for continued growth.

Jobs & Revenue

Full time jobs over project lifetime: 150

Company Average Wage vs. County Average Wage

Max with health benefits:	211%
Max w/o health benefits:	186%
Min with health benefits:	154%
Min w/o health benefits:	129%

New State Wages & Revenue

New State Wages over 12 years:	\$146,953,626
New State Revenue over 12 years:	\$6,925,273
Withholding:	\$5,455,653
Sales:	\$1,469,619
Corporate:	\$0

MOTION: Stefanie Bevans moved to approve Hexcel Corporation for an EDTIF post-performance refundable tax credit of up to \$1,531,318. Approve Hexcel Corporation for an Industrial Assistance Account, post-performance Economic Opportunity Grant of up to \$200,000, but no more than 20% of total infrastructure improvement costs. The combined amounts represent 25% of the \$6,925,273 of new state revenue, which may be earned over 12 years. Susan Johnson seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$1,531,318 EDTIF post-performance refundable tax credit.
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and received in the previous calendar year.
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 12 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, 12 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.

Jim Wojciehowski spoke of the company’s long presence in Utah and the products manufactured here for a large variety of aerospace applications. He discussed the bright future of composite materials in aerospace manufacturing.

EDTIF – Armscor Precision International
Project Highlights

Timeline:	2021
Target Industry:	Manufacturing
Proposed Location(s):	Cedar City
Capital Investment:	\$40,000,000
Jobs:	88
Average Wage:	\$81,750

Project Overview

Armscor USA is a wholly owned subsidiary of Armscor Global Defense Inc. (formerly known as Arms Corporation of the Philippines), is a firearms and ammunition manufacturer, importer/exporter, and distributor company operating the Armscor and Rock Island Armory brands. Armscor USA consists of five companies, Armscor Precision International, Advanced Tactical Firearms International Company, Armscor Cartridge Inc., AdvancedTactical.com, and Nevada Gun Works. Armscor Precision International consists of importing/exporting products from Armscor and other non-related parties, warranty service center, customer service, and shared services center. Armscor Precision International is the United States Headquarters and is located in Pahrump, Nevada.

Armscor is a 10 small arms company in the world with a vision to make firearms in USA which they have started in Pahrump, NV. The company has determined to expand they need to relocate.

Jobs & Revenue

Full time jobs over project lifetime: 88

Company Average Wage vs. County Average Wage

Max with health benefits:	131%
Max w/o health benefits:	125%
Min with health benefits:	105%
Min w/o health benefits:	100%

New State Wages & Revenue

New State Wages over 6 years:	\$9,683,622
New State Revenue over 6 years:	\$1,722,042
Withholding:	\$359,504
Sales:	\$427,700
Corporate:	\$934,837

MOTION: Roger Killpack moved to approve Armscor Precision International for an EDTIF post-performance refundable tax credit of up to \$344,408 which represents 20% of the \$1,722,042 of new state revenue, which may be earned over 6 years. Andrea Moss seconded the motion. The motion carried unanimously.

- Total EDTIF incentive not to exceed \$344,408 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 6 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, 6 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.

Martin Tuason spoke of the company’s history and its desire to relocate their manufacturing to Cedar City. Mayor Maile Wilson Edwards expressed Cedar City’s excitement to have the company in their community. Danny Stewart discussed how the company will fit in well in Cedar City and the training operations available.

ED ZONES

GOED BOARD
ECONOMIC DEVELOPMENT ZONE
THRIVE HOLDINGS, LLC
5/13/2021

ESTABLISH AN ECONOMIC DEVELOPMENT ZONE FOR THE PURPOSE OF SUPPORTING THE EXPANSION OF THRIVE HOLDINGS, LLC AT 2010 WEST 400 NORTH LINDON, UTAH 84062.

MOTION: APPROVE THE CREATION OF AN ECONOMIC DEVELOPMENT ZONE FOR LINDIN IN SUPPORT OF THEIR LETTER OF REQUEST DETAILING THE EXPANSION OF THRIVE HOLDINGS, LLC. AT 2010 WEST 400 NORTH LINDON, UTAH 84062.

Motion: Jesse Turley moved to approve the ED Zone as presented. Susan Johnson seconded the motion. The motion carried unanimously.

Film Incentives

Virginia Pearce presented the following film incentives:

GOED Board – Community Film Incentive Program
Executive Summary
PGP SLATE HOLDINGS
“In The Queue”
May 13, 2021

Project Highlights

- Category: Short

- Genre: Drama
- Director: Joel Petrie
- Producer: Ryan Templeman

Utah Jobs and Revenue

- Estimated Cast: 26
- Estimated Cast Average Daily Salary: \$238
- Estimated Crew: 26
- Estimated Crew Average Daily Salary: \$275
- Estimated Extras: 2
- Estimated Extras Average Daily Salary: \$105
- Estimated Spend: \$140,000

Project Schedule

- Prep: March 01, 2021 through April 17, 2021
- Principal Photography: April 18, 2021 through April 25, 2021
- Wrap: April 26, 2021 through April 27, 2021
- Post Production: April 26, 2021 through July 31, 2021

Summary

"In The Queue" is a short film which explores the way audiences peruse, and are paralyzed by the choices in entertainment.

Proposed Motion

Approve for PGP SLATE HOLDINGS, a Community Film Incentive Program post-performance cash rebate up to \$28,000 (which represents 20% of dollars left in state) for the production of "In The Queue".

- 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 60 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.

**GOED Board – Community Film Incentive Program
Executive Summary
RILEY CAN YOU HEAR ME? LLC
"Riddle of Fire"
May 13, 2021**

Project Highlights

- Category: Feature
- Genre: Comedy
- Director: Weston Razooli
- Producer: Sohrab Mirmont, Weston Razooli

Utah Jobs and Revenue

- Estimated Cast: 9
- Estimated Cast Average Daily Salary: \$360
- Estimated Crew: 28
- Estimated Crew Average Daily Salary: \$300
- Estimated Extras: 12
- Estimated Extras Average Daily Salary: \$107
- Estimated Spend: \$407,688

Project Schedule

- Prep: April 1, 2021 through June 11, 2021
- Principal Photography: June 14, 2021 through July 16, 2021
- Wrap: July 19, 2021 through July 23, 2021

Summary

Riddle of Fire is a modern-day fairytale about three dirt bike-riding children who refer to themselves as the “Three Immortal Reptiles”.

Proposed Motion

Approve for RILEY CAN YOU HEAR ME? LLC, a Community Film Incentive Program post-performance cash rebate up to \$81,538 (which represents 20% of dollars left in state) for the production of “Riddle of Fire”.

- 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.

**GOED Board – Motion Picture Incentive Program
Executive Summary
Two Roads Productions, LLC
“Halfway to Heaven”
May 13, 2021**

Project Highlights

- Category: Episodic
- Genre: Family
- Director: Mitch Davis
- Producer: Dick Cook, Mitch Davis

Utah Jobs and Revenue

- Estimated Cast: 18
- Estimated Cast Average Daily Salary: \$1,500
- Estimated Crew: 45
- Estimated Crew Average Daily Salary: \$500
- Estimated Extras: 100
- Estimated Extras Average Daily Salary: \$100
- Estimated Spend: \$783,100

Project Schedule

- Prep: June 14, 2021 through July 18, 2021
- Principal Photography: July 19, 2021 through July 27, 2021
- Wrap: July 28, 2021 through August 13, 2021
- Post Production: July 19, 2021 through October 22, 2021

Summary

A man dies and goes halfway to heaven where he is informed, he has an unknown identical twin brother back on earth whose soul is in jeopardy. He decides to return to earth in the form of an angel to attempt to heal his brother's broken life and family.

Proposed Motion

Approve for Two Roads Productions, LLC, a MPIP Cash Rebate of no more than \$156,620 (which represents 20% of dollars left in state) for the production of “Halfway to Heaven”.

- 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 incentive of 20% of dollars left in state
- At least 75% of the production's cast/crew must be Utah residents
- 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: Anette Meier moved to approve the film incentives as presented. Ted Wilson seconded the motion. The motion carried unanimously.

Incentives Update

Daniel Royal provided an update on the Incentives Program regarding new and existing projects.

EDCUtah Update

Mike Flynn of EDCUtah presented on the status of current and upcoming projects in the pipeline.

Recognition of Departing Board Members

Ben Hart offered praise and thanks to board members Mel Lavitt, Peter Mouskondis, and Margo Jacobs whose terms recently expired and who have given much to the State of Utah for many years.

GOED Update

Dan Hemmert provided an update on upcoming events and recent activities and efforts within GOED and its programs.

Meeting Adjourned