Utah State Legislature

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Economic Development Task Force Interim Report

November 14, 2012

Members of the:

- Economic Development and Workforce Services Interim Committee;
- Health and Human Services Interim Committee; and
- Natural Resources, Agriculture, and Environment Interim Committee

We are pleased to provide you with a copy of the attached interim report of the Economic Development Task Force, prepared in accordance with 2012 General Session H.B. 28 "Economic Development Task Force." As provided in H.B. 28, the two-year task force will present its final report and recommendations in the fall of 2013.

Few things are more important to Utah families than the ability of its members to make a living. Sustained economic prosperity is the hope of every wage earner and wage earner's family. Job creators and job creator facilitators rely on the future success of the Utah, national, and international markets to drive investments and economic growth in Utah.

In its eight meetings held in 2012, the task force has discussed much about the "drivers" of economic development, air quality, and basic economics that will form a foundation for future progress by the task force and its final recommendations planned for fall 2013. The attached interim report outlines the topics discussed and presenters involved.

We would be happy to discuss any questions you may have as the work of the task force continues.

Sincerely,

Sen. Stuart Reid
Co-chair

Stuart Reid

Rep. Brad Wilson
Co-chair

Brad Wilson

Economic Development Task Force

Utah Legislature

2012 Interim Report

Introduction

2012 General Session H.B. 28 "Economic Development Task Force" created a two-year, 16-member mixed task force. Those appointed to the task force are:

Sen. Stuart C. Reid, Senate Co-Chair
Rep. Brad R. Wilson, House Co-Chair
Sen. Patricia W. Jones
Sen. Ralph Okerlund
Rep. Patrice Arent
Rep. Jim Bird
Rep. Rebecca Chavez-Houck
Rep. Brad L. Dee
Rep. Brad G. Last
Mr. Spencer Eccles, Governor's Office of Economic Development
Mr. Todd Bingham, Utah Manufacturers Association
Mr. Wesley Smith, Salt Lake Area Chamber of Commerce
Mr. Mayor Tom Dolan, Utah League of Cities and Towns
Mr. Scott Hirschi, Utah Association of Counties
Mr. Rob Despain, from the Utah business community
Mr. J. Steven Price, from the Utah business community

Before November 30, 2012, the task force shall present an interim report to the:

- Economic Development and Workforce Services Interim Committee
- Health and Human Services Interim Committee
- Natural Resources, Agriculture, and Environment Interim Committee

The task force is assigned to review and make recommendations on a number of issues including:

- how economic production, including exports, can be increased;
- how more high-paying jobs can be created;
- how the state can attract more businesses;
- how regulatory or other barriers to economic production or economic development can be reduced or eliminated; and
- how air quality affects economic development efforts in the state and a review of efforts and suggestions to improve air quality.

Task Force Presenters included representatives from:

- David Eccles School of Business, University of Utah
- Governor's Office of Economic Development
- Economic Development Corporation of Utah
- Utah Office of Tourism - GOED
- Utah Tourism Industry Coalition
- Ski Utah
- Private Businesses
- Salt Lake Area Chamber of Commerce
- Global Research and Consulting
- Financial institutions
- Bureau of Economic and Business Research, University of Utah
- Wasatch Front Regional Council
- Division of Air Quality
- Brigham Young University
- Questar Gas
- Utah Petroleum Association
- Kennecott Utah Copper
- Cicero Group
- Commissioner of Higher Education
- Utah College of Applied Technology
- Utah Manufacturing Association

2012 Task Force Work

During the 2012 interim, the task force met eight times to discuss economic development issues and hear from

presenters from a variety of backgrounds and expertise. Topics centered around five broad issues:

- The economics of economic development;
  - State of the Utah economy;
  - Facilitating Utah economic development;
  - Keys to Utah economic development; and
  - Lessons from the economics of growth;
- Tourism as a component of economic development;
- Impact of air quality on Utah economic development;
- Education's role in prosperity and economic development; and
- Manufacturing initiative.

Key Points Made to the Task Force in 2012

The key points made by the presenters include:

- Utah consistently ranks among the leading states for economic vitality based on several economic indicators.
- Economic development involves a number of issues including education, environment, local government services, manufacturing, natural resources, population growth, regulations, small business, tax policy, technology, tourism, public infrastructure, and transportation.
- More or better input equals more or better output, i.e., productivity is increased when investments are made in human capital (education and job training) and physical capital.
- Education plays a key role in preparing Utah's future workforce for tomorrow's jobs. Utah workers must be prepared to compete in tomorrow's job market.
- Productivity improvement results from achieving efficiency by investments in innovation and technology.
- Utah's tourism industry plays a vital role in representing the state both for attracting tourism and for attracting new business, industry, and talent to Utah. Tourism brings in an estimated $5.1 billion per year in traveler spending from out-of-state visitors.
- Poor air quality negatively impacts tourism, business recruiting, and employee retention efforts. Continuous efforts to improve air quality has significantly reduced the annual number of poor air quality days.
- Continuous effort is required to work with state and local government and private industry to attract and grow competitive, high-value companies and spur the development and expansion of local Utah businesses.
- By adding value from start to finish, manufacturing fuels economic growth in other sectors in the economy, including mining, transportation, warehousing, and retail.

Going Forward

This report is intended to explain what the task force has done in 2012. To

Before November 30, 2013, the task force shall present a final report, including any proposed legislation, to the:

- Economic Development and Workforce Services Interim Committee
- Health and Human Services Interim Committee
- Natural Resources, Agriculture, and Environment Interim Committee

date, the task force has not taken any final action or made any final recommendations. Following the 2013 General Session the task force will reconvene and continue gathering additional facts, gleaning from experts, and reviewing information. Later, the task force will begin synthesizing the information and preparing its recommendations and any proposed legislation. A final task force report is expected to be completed and presented in November 2013.

The task force is repealed November 30, 2013

For additional information, contact a member of the task force or its staff which includes:
Robert H. Rees, Associate General Counsel
Benjamin N. Christensen, Policy Analyst
Nathan W. Brady, Policy Analyst
Jennifer Christopherson, Legislative Secretary
Phone: 801-538-1032.
Also see http://le.utah.gov under Committees, Task Forces, then the Economic Development Task Force.