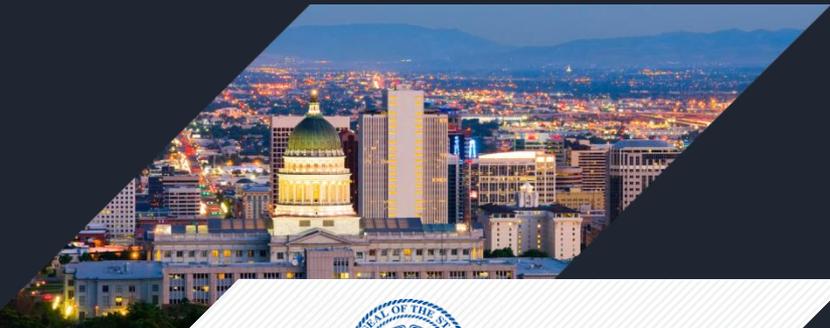


Economic Development and Workforce Services Interim Committee

Q. Val Hale

Executive Director

Utah Governor's Office of Economic Development



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Economic Development

BUSINESS • TOURISM • FILM

July 15, 2015

Vision

Utah will lead the nation as the best performing economy and will be recognized as the premier global business environment and tourist destination.

Mission

GOED's mission is to enhance quality of life by increasing Utah's revenue base and improving employment opportunities.



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We fulfill our statewide mission as we:

1

Monitor, improve and promote the economic health of both urban and rural communities.

2

Attract new investors and companies while supporting the expansion of existing Utah businesses.

3

Assist entrepreneurs and engage under-represented populations in starting new companies and growing existing businesses.

4

Expand tourism and the marketing infrastructure to support it.

5

Encourage film production in the state.

6

Support and leverage both partner agencies and community leaders to create proactive, unique economic development solutions statewide.



Recent Accolades

Pollina

Corporate Real Estate, Inc.



#1 Pro-Business State

#3 State for Business

#1 State for Business
and Careers

Top 10 ranking in all categories
U.S. Chamber of Commerce

Forbes



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Workforce Recruitment and Training

Ben Hart

Managing Director, Urban and Rural Business Services



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Major Initiatives

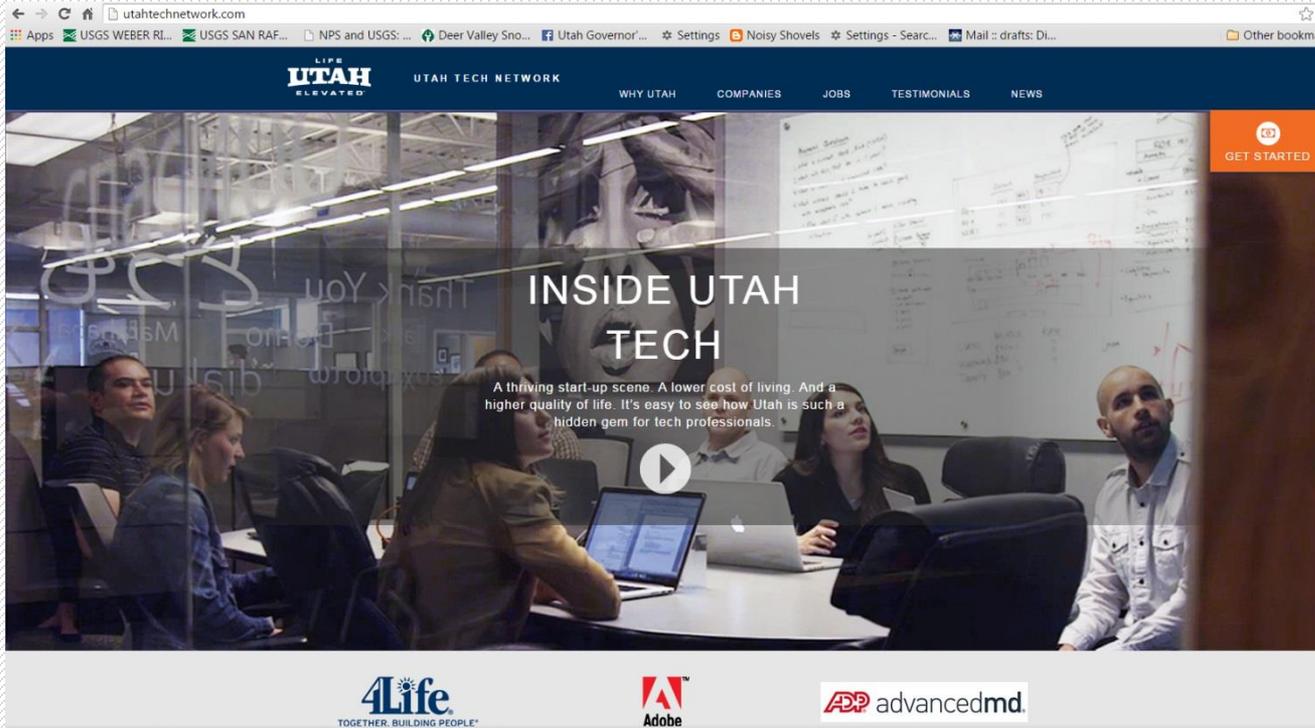
- Pipeline Development
- Talent Recruitment
- Soft Skills Program



Next Meeting:

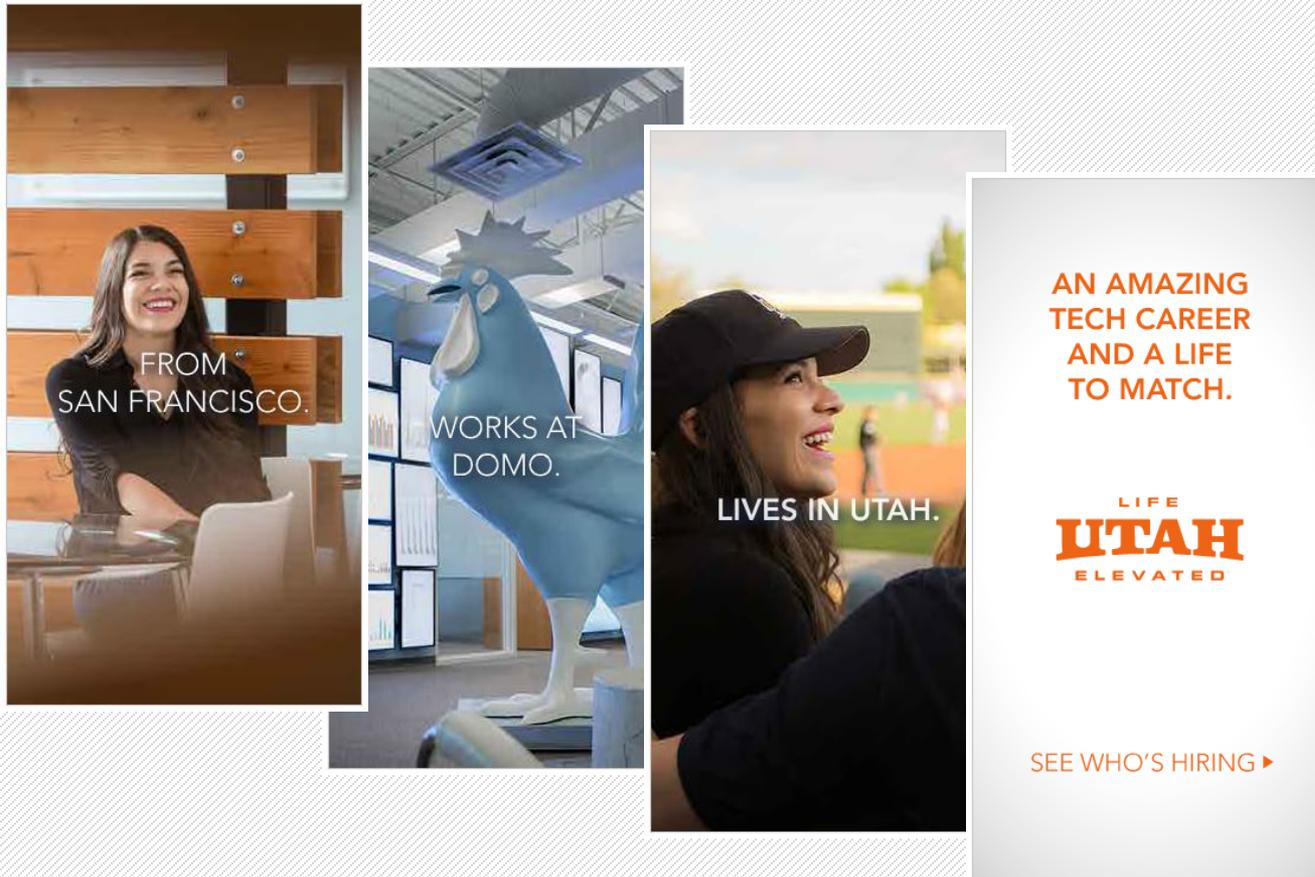
Tuesday, July 28, Zions Bank- Founders Room

Global Branding – IT Campaign



- Leverage “Life Elevated”
- Attract out-of-state talent
- National digital ads, web site, video, and PR
- Launched July 15

Global Branding – IT Campaign



“From/Works/Lives” Messaging

- Demonstrate vitality of Utah Software/IT industry
- Highlight career paths and quality of life

IT Recruitment Video

Global Branding – IT Campaign

“From/Works/Lives” Messaging

- Video assets
- Budget \$650,000
FY 2015

Utah Aerospace Manufacturing Pathways



Hill Air Force Base

Program Supporters



Davis School District
Learning First



Department of
Workforce Services



Governor's Office of
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UTAH MANUFACTURERS
ASSOCIATION



Salt Lake
Community
College

The logo for Salt Lake Community College is a stylized graphic consisting of blue and yellow curved lines that form a circular shape.

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Objective



Minimum of 40 students will graduate with a manufacturing certificate by June 2016

High school graduates with this certificate:

- Functional entry-level skills in variety of manufacturing and aerospace occupations.
- Students will possess basic skills in aerospace composites manufacturing.



Program Summary

Introduction/Core:	School Districts	60 hours
Aerospace Composites And Metals:	Post Secondary	48 hours
Student Development:	Employers	48 hours



Next Steps

- We recognize there is still a significant need.
- GOED, industry partners, education and DWS are developing a program to help retrain underemployed and unemployed.
- GOED is collaboratively developing legislation that will facilitate the development of skilled labor.
- Public Announcement – September 4

Custom Fit

Helping employers to cover the cost of training employees.

- 50 percent funds match
- Dollars available directly to businesses
- Institutions partnering directly with businesses
- Tied with high-paying jobs



Economic Development Incentives

Virginia Pearce
Director, Utah Film Commission

Theresa Foxley
Managing Director, Corporate Recruitment and Incentives



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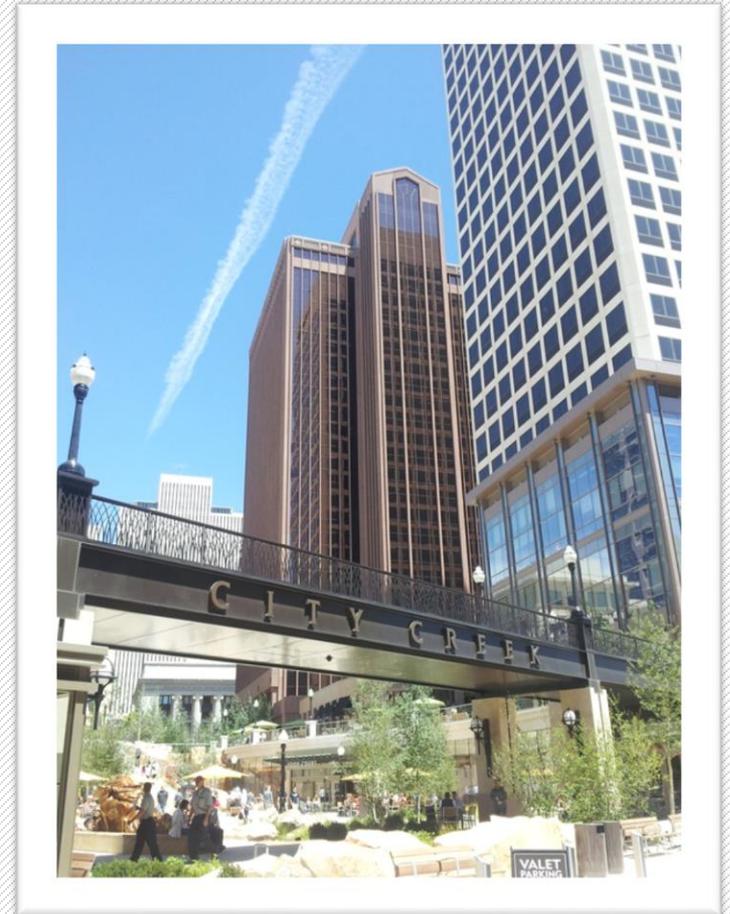


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Duties of the Office – Industrial Promotion

63N-1-304

- 3) The office shall:
 - a) be the industrial promotion authority of the state;
 - b) promote and encourage the economic, commercial, financial, industrial, agricultural, and civic welfare of the state;
 - c) do all lawful acts to create, develop, attract, and retain business, industry, and commerce within the state; and
 - d) do other acts that enhance the economy of the state.



Motion Picture Incentive Program

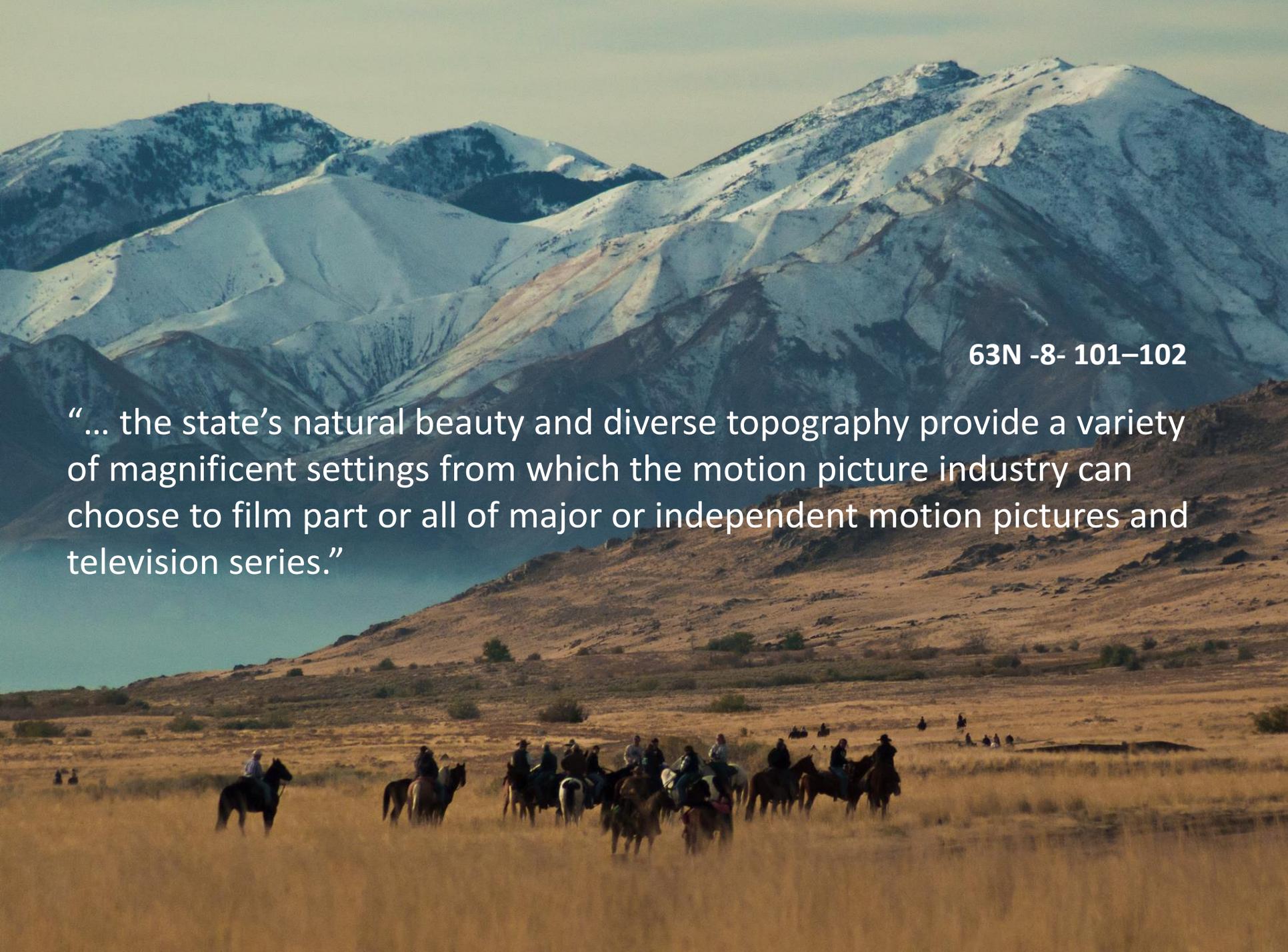
Virginia Pearce
Director, Utah Film Commission



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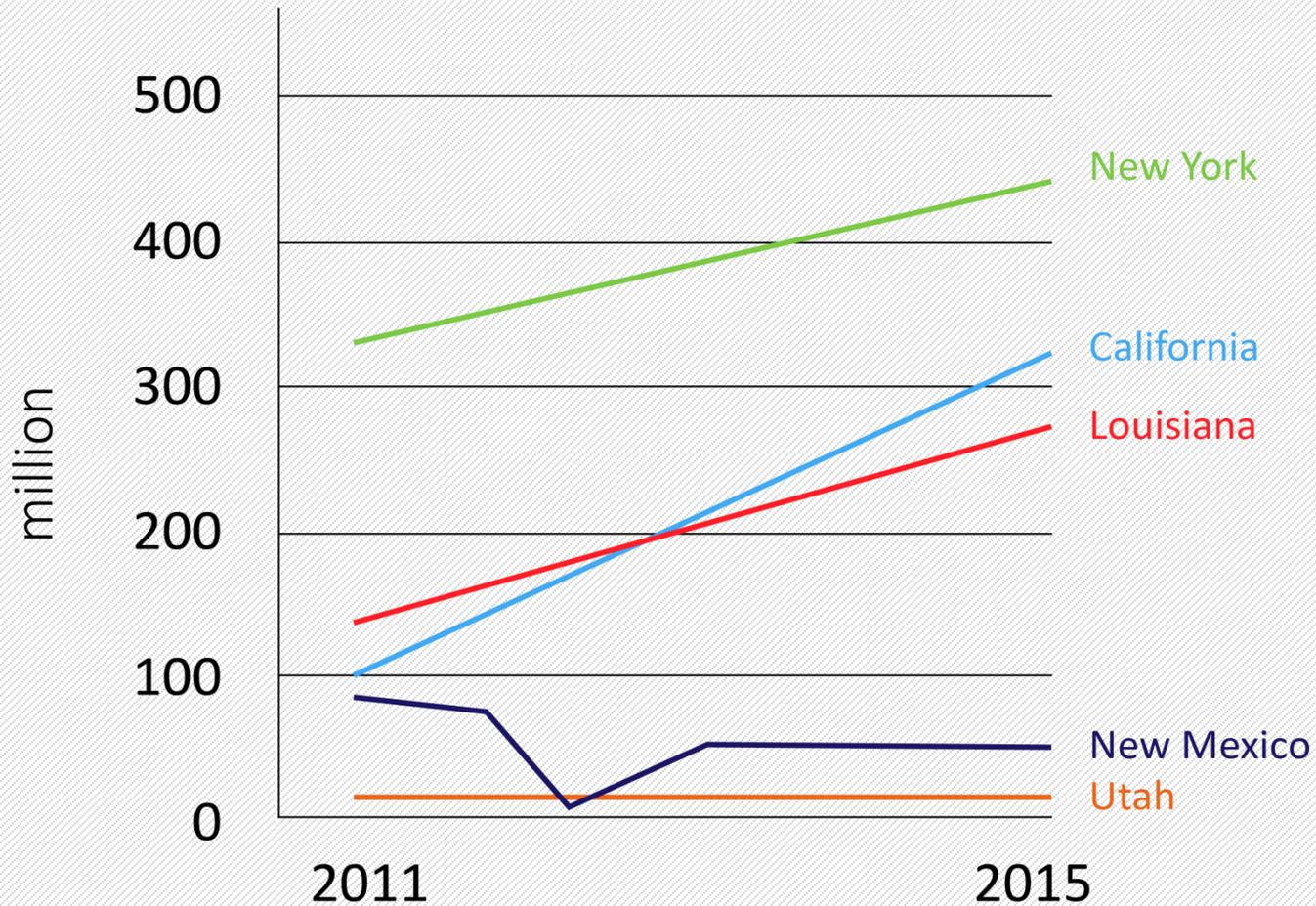
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A scenic landscape featuring snow-capped mountains in the background and a group of people riding horses across a golden field in the foreground. The mountains are rugged and partially covered in snow, with some rocky outcrops visible. The foreground is a vast, open field of tall, golden grass, with a group of about a dozen people riding horses across it. The sky is a clear, pale blue.

63N -8- 101–102

“... the state’s natural beauty and diverse topography provide a variety of magnificent settings from which the motion picture industry can choose to film part or all of major or independent motion pictures and television series.”

History & Background



Film Crew, 127 Hours



Economic Impact

"Over the past few months, three film productions have spent \$83,000 staying in our hotels. Film production companies are an excellent partner for us."

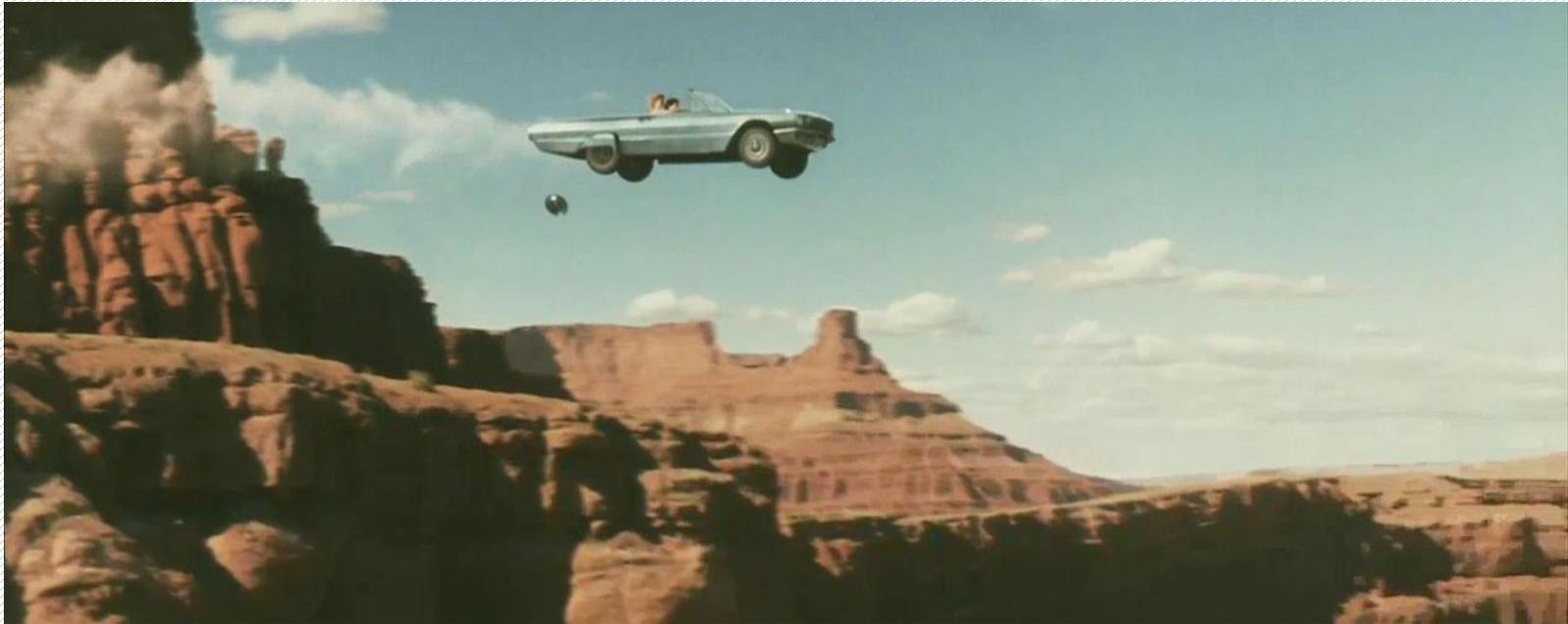
*Jennifer Templeton
Area Director of Sales
Hyatt House
Courtyard Downtown*

Boosts Tourism & Reputation

Forrest Gump



Boosts Tourism & Reputation



Thelma & Louise

Boosts Tourism & Reputation



Pirates of the Caribbean 3

Reputational Investment



Network Spending





Corporate Recruitment Incentive Programs

Theresa Foxley

Managing Director, Corporate Recruitment and Incentives



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EDTIF

Economic Development Tax Increment Financing

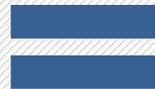
- Post-performance refundable tax credit
- Potential tax credit of up to 30% of New State Revenue over the life of a new commercial project or up to 20 years

Costs and Benefits to State

New State Revenue

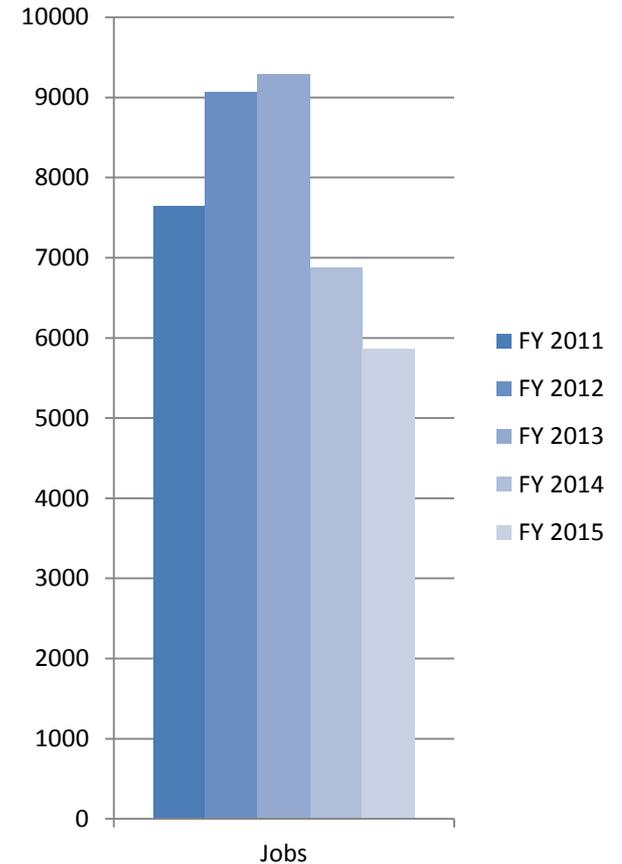
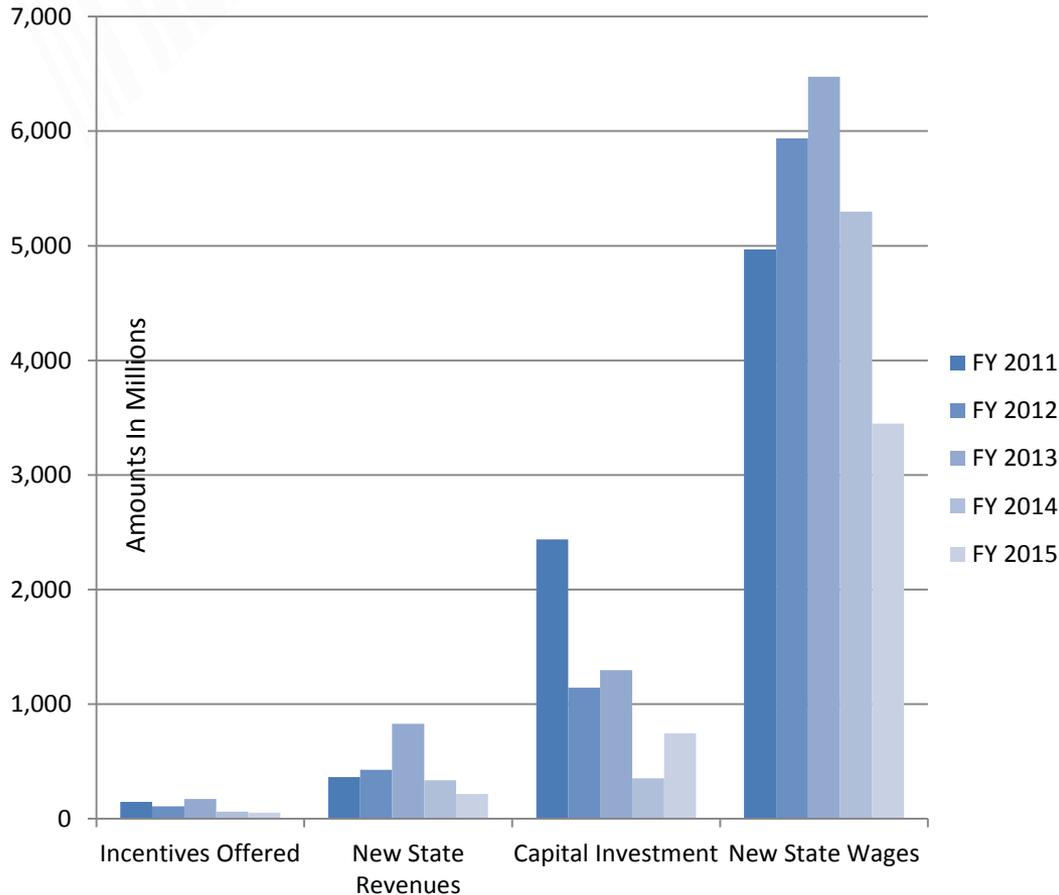


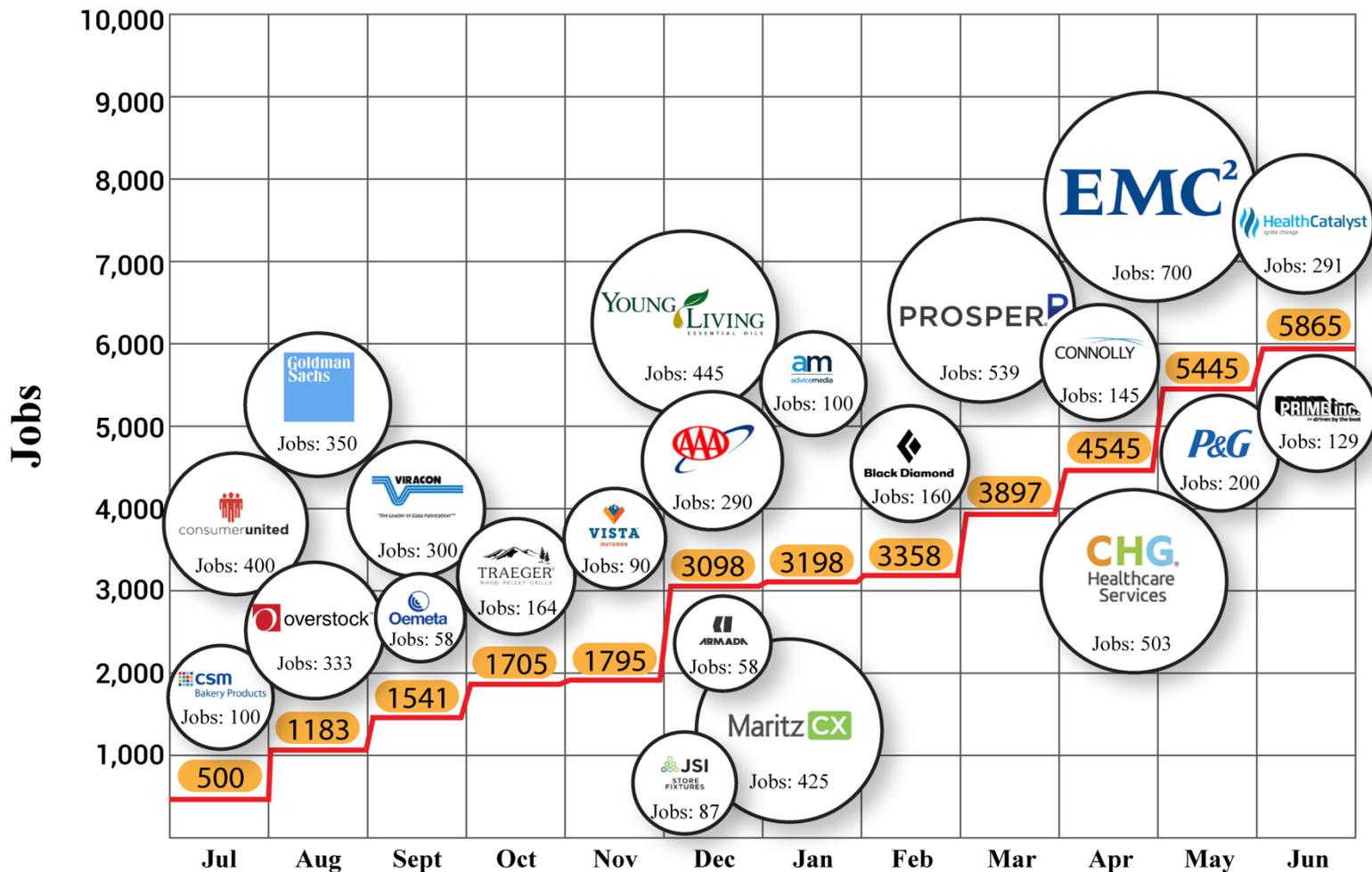
Post Performance
Tax Credits



Net Benefit to the State

Incentives Awarded and Incented jobs





Fiscal Year 2015

Enterprise Zones

- What are they?
- How are they administered?
- What are the costs and benefits?
- What are their impact on the promotion of retention, expansion, relocation?



Ongoing Application of Current Tools

To stay **competitive**:

- Continue using EDTIF program in a prudent manner to anchor great companies here. Consider revising purpose section around “competition” to transition the program to a strict “job creation” incentive.
- Replenish IAF and streamline purpose



New and Revised Tools

Important trends:

- Transition from traditional fuel sources
- Continued utility investments in infrastructure

Recommendation: **Economic development energy tariff**

- Infrastructure investment
- Competitive rates for business attraction
- Compliments EDTIF:
 - Accelerate capital expenditure
 - Create high-wage jobs

Industrial Assistance Fund

Theresa Foxley

Managing Director, Corporate Recruitment and Incentives



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Industrial Assistance Fund (IAF)

- What is it?
- How is it administered?
- What are the costs and benefits?
- What is its impact on the promotion of retention, expansion, relocation?



IAF: Summary

Industrial Assistance Fund (IAF) supports:

1. Rural economic development
2. Smart schools
3. Economic opportunity grants ↑
 - Outdoor recreation infrastructure grants
 - Outdoor retailer show grants
4. Corporate incentives ↑
 - Post-performance grants
 - IAF *promise*

Ways to support effectiveness:

1. Remove allocation caps
2. Streamline purpose
3. Increase funding

IAF: Definitions

Economic Opportunity Grants

Unique business or community circumstances that lend themselves to the furtherance of the economic interests of the state by providing a catalyst to the growth or retention of commerce and industry in the state . . .

IAF Promise

A once-in-a-generation closing opportunity.

A large aerospace manufacturer wants to put its final assembly for a commercial airplane in UT but needs environmental remediation and a rail spur.

IAF: Statutory Parameters

Rural Economic Development

Disadvantaged Rural Areas

Up to 50%

Rural Fast Track

SHALL be 20% of unencumbered

BEAR Program

Up to 4%

Smart Schools

fixed

Economic Opportunity Grants

Up to 25%

Corporate Incentives

21% is left

IAF: Current Balances

FINET Balance:	\$27,179,511
Administration Fee:	\$250,000
Committed:	\$11,121,852
Available:	\$15,980,775

Effective use of the IAF includes replenished funding and streamlined purpose.

Thank you

business.utah.gov

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