



# BUSINESS, ECONOMIC DEVELOPMENT & LABOR: GOED BASE BUDGET

Q. VAL HALE, EXECUTIVE DIRECTOR



Utah Governor's Office of  
Economic Development

BUSINESS • TOURISM • FILM

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

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

# GOVERNOR'S ECONOMIC DEVELOPMENT BOARD



JERRY  
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BALLARD  
SPAHR LLP  
SL COUNTY



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NEEDHAM AND  
COMPANY  
SUMMIT  
COUNTY



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&  
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COUNTY



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BRENT BROWN  
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WASHINGTON  
COUNTY



SUSAN  
JOHNSON  
FUTURA  
INDUSTRIES  
NO. UTAH  
WEBER  
COUNTY



ANNETTE  
MEIER  
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DUCHESNE  
COUNTY



ROGER  
KILLPACK  
SERVICE  
DRUG  
MILLARD  
COUNTY



ANDREA  
MOSS  
NELNET BANK  
SL COUNTY



LORENA RIFFO  
JENSON  
VOX CREATIVE  
SL COUNTY

# ECONOMIC DEVELOPMENT

*Definition: A program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth and provide a stable tax base.*

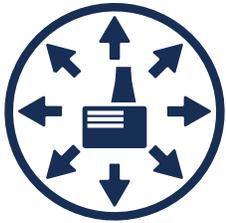
# UTAH NEEDS ECONOMIC DEVELOPMENT



Create  
Jobs



Fortify the  
Economy



Diversify  
Industry



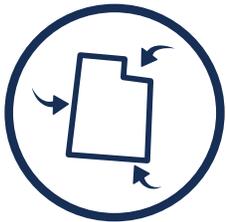
Increase Tax  
Revenue



Increase  
Salaries



Improve Quality  
of Life



Expand/  
Retain  
Businesses



Manage Growth

# RECENT ACCOLADES



#1 Best Fiscal Stability



#1 State for Entrepreneurs



#1 Narrowest Wealth Gap



#1 Upward Mobility

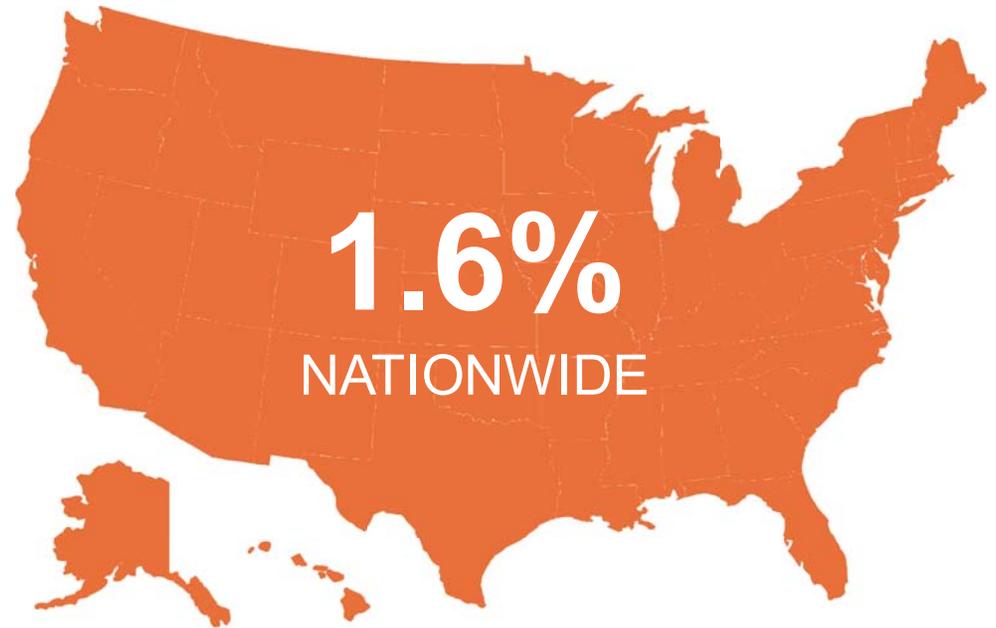
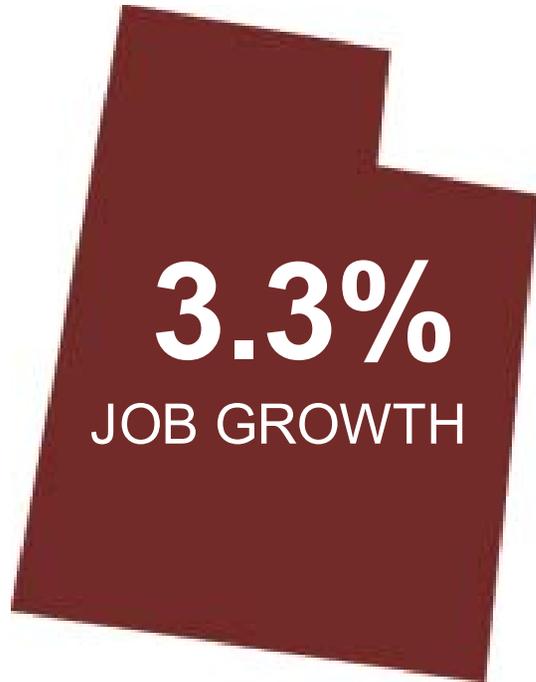


#3 Best State for Business



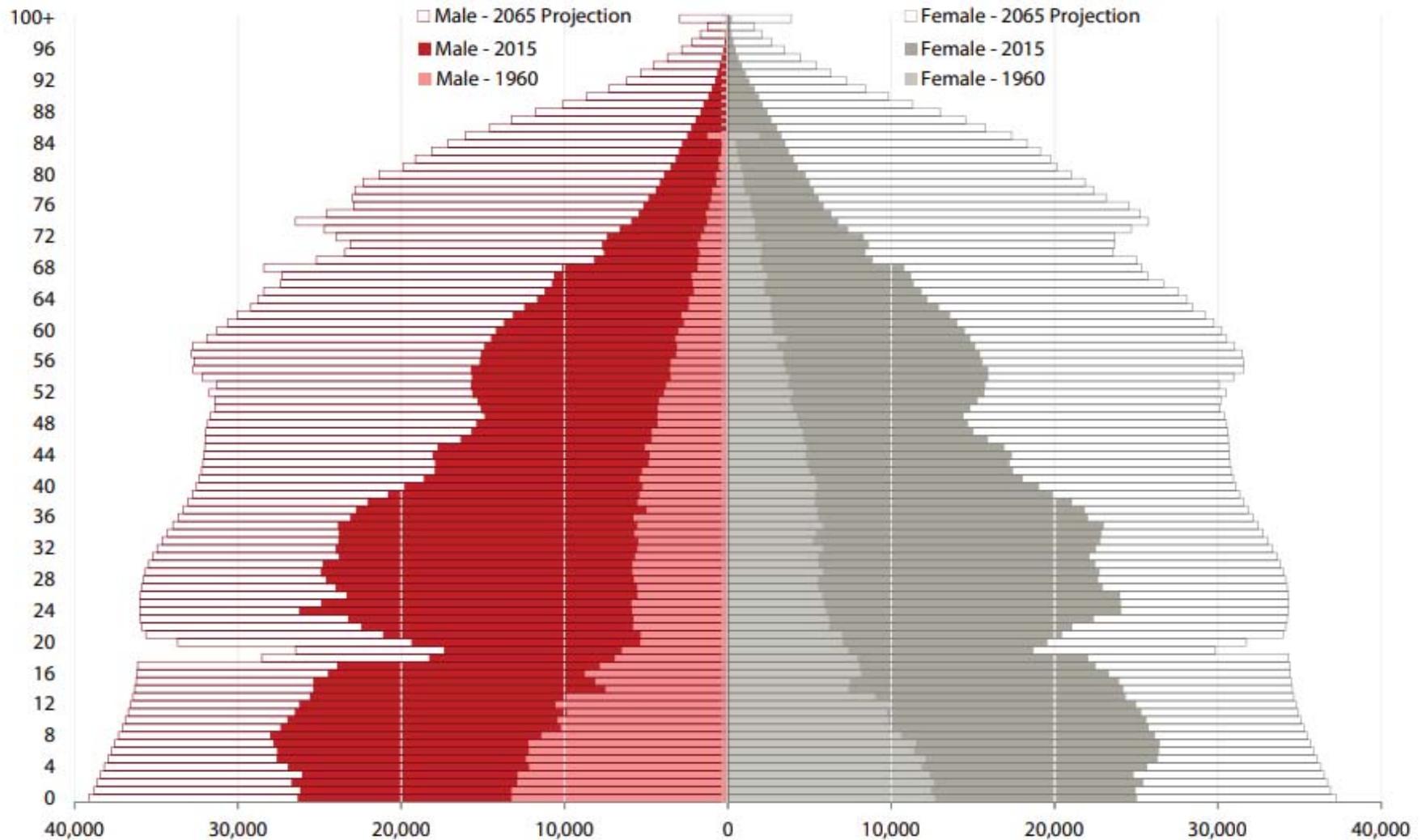
#1 Broadband Speeds in Western U.S.

# UTAH: ECONOMIC LEADERSHIP



- #1** Economic Outlook Since 2008
- #1** Most Diverse State Economy

# Utah Population Pyramid: 1960, 2015, & 2065





# LEGISLATIVE ECONOMIC DEVELOPMENT PROGRAMS ADMINISTERED BY GOED



Utah Governor's Office of  
Economic Development

BUSINESS • TOURISM • FILM



# CORPORATE RECRUITMENT

Ben Hart, Deputy Director  
*7 FTE*

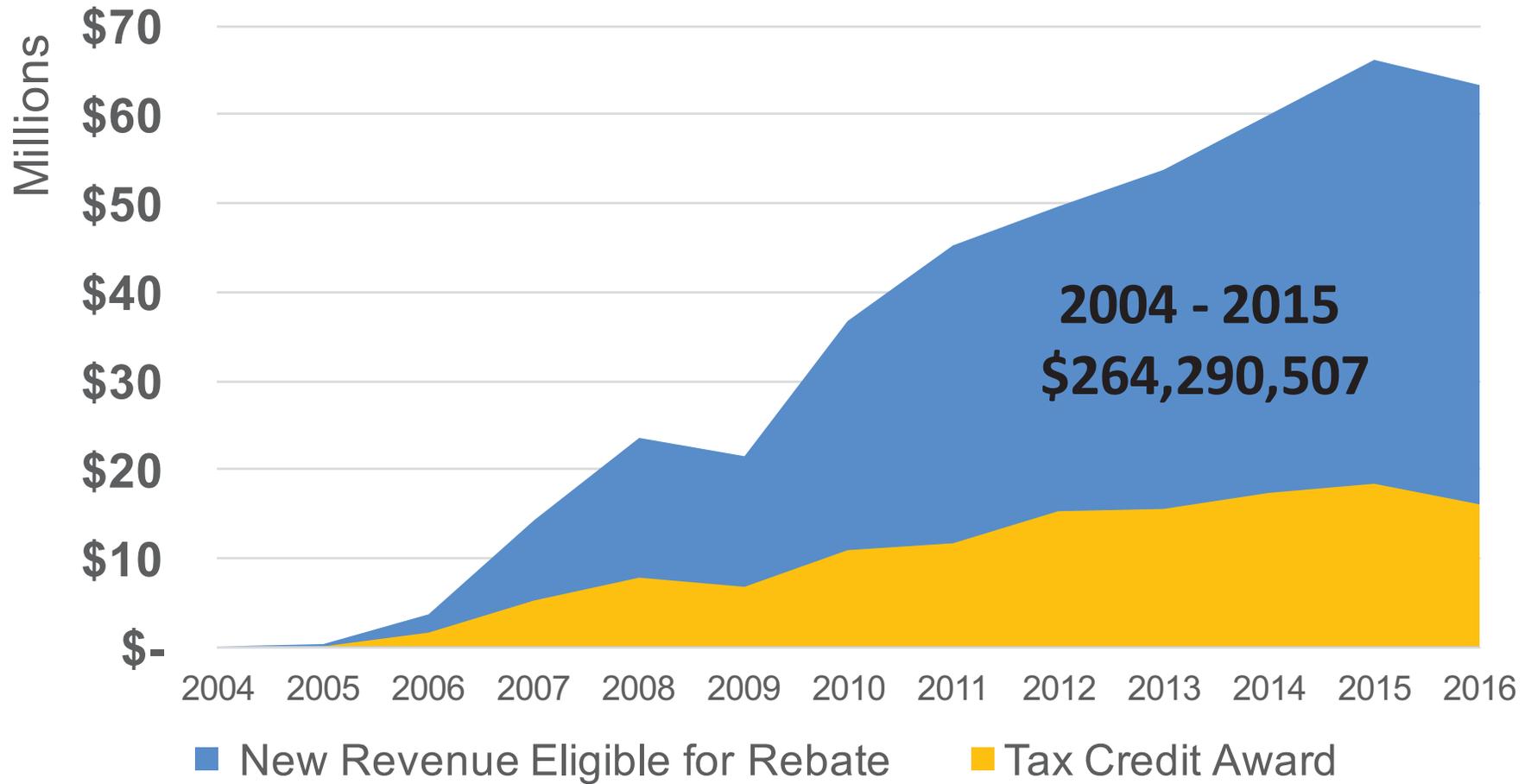
# EDTIF OVERVIEW

- Began in 2005 to generate new state revenue
- Developed to make Utah competitive
  - All 50 states offer some type of business incentives
- Focuses on economic growth drivers
  - Capital Investment
  - Job Creation
  - Wages
- Post-Performance Tax Credit
  - ZERO funds allocated
  - ZERO tax payer risk

# EDTIF PERFORMANCE

## NEW STATE REVENUE

2004 - 2015



# EDTIF TRENDS

## CONTRACTS

Contract lengths have shortened

**2012**  
11 years  
23%

**2017**  
7 years  
20%

## SOURCING

2/3 of contracts are with in-state companies



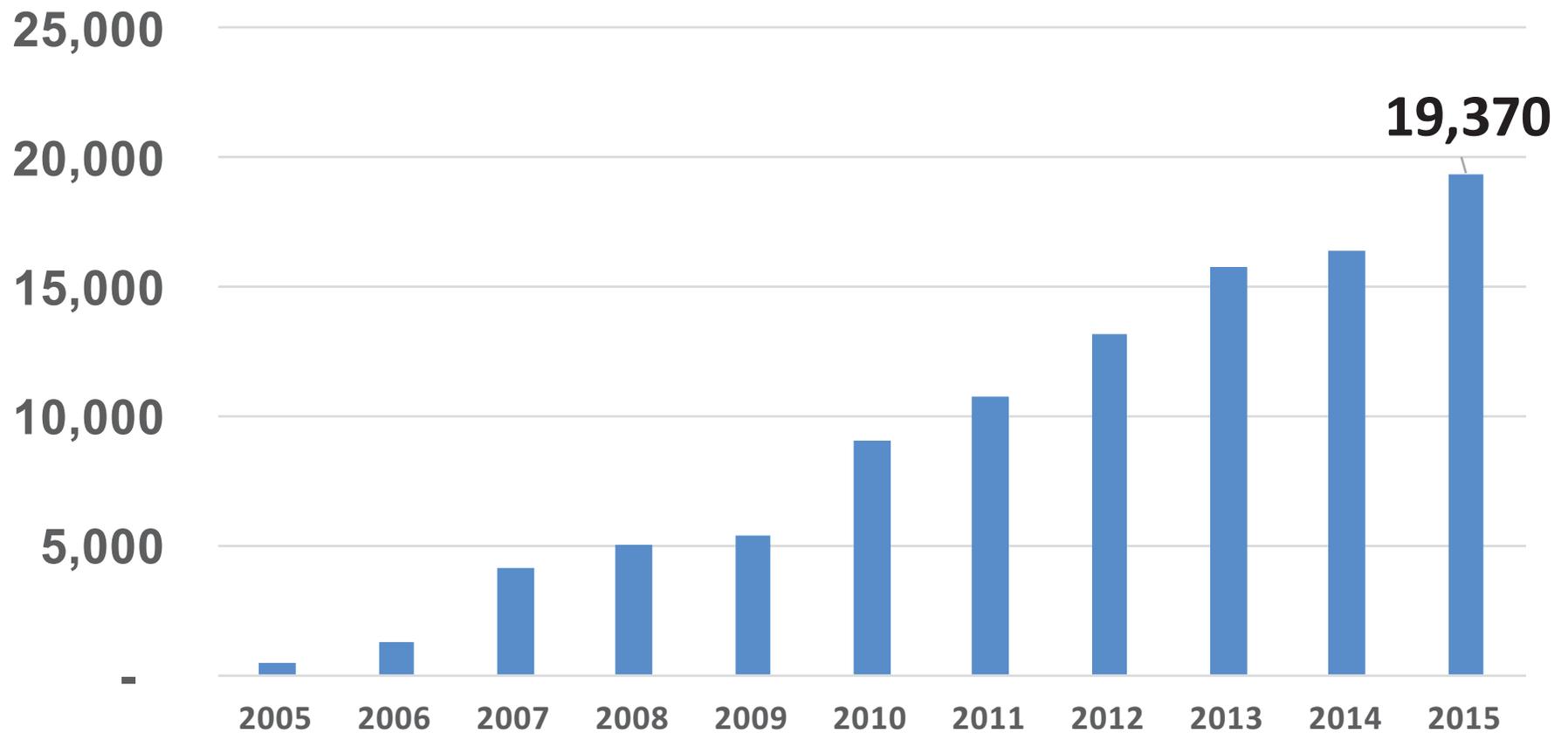
## PROJECTED WAGES

Projected wages have grown

In 2018, companies pay  
**\$90,000**  
on average

# EDTIF PERFORMANCE

## NEW INCREMENTAL JOBS 2005 – 2015 (Cumulative)





Diversify economy statewide



Create high-paying jobs



Strengthen supply chain



Nation & World

## More than \$500M in extra revenue expected for Utah budget

Originally published February 21, 2018 at 4:56 pm

Utah's budget surplus surges to more than half a billion dollars

Details

Written by [Bob Bernick](#), Contributing Editor

Category: [Today At Utah Policy](#)

Created: 21 February 2018

## Utah lawmakers now have \$581 million in additional revenues

By [Lisa Riley Roche](#) AND [Dennis Rombo](#)

Published: February 21, 2018 3:00 pm

Updated: Feb. 22, 2018 10:56 a.m.

    5 Comments

# Utah headed to \$130 million budget surplus, thanks to healthy economy

*Analyst says low unemployment, fairly low wages prompt companies to move to Utah.*

## Utah Budget Surplus Tops Half A Billion Dollars

By NICOLE NIXON • FEB 21, 2018

LIFE  
**UTAH**  
ELEVATED



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# STATE COMPARISON

## Arizona

- \$ 9,000 per qualifying job

## Colorado

- 50% FICA back on high-paying jobs.

## Georgia

- \$4,000 per high paying job

## Nevada

- \$2,000 per employee wage retention
- Supports hiring and retraining

## Oregon

- Cash incentive based on estimated new state revenue
- 150% of county wage

## Tennessee

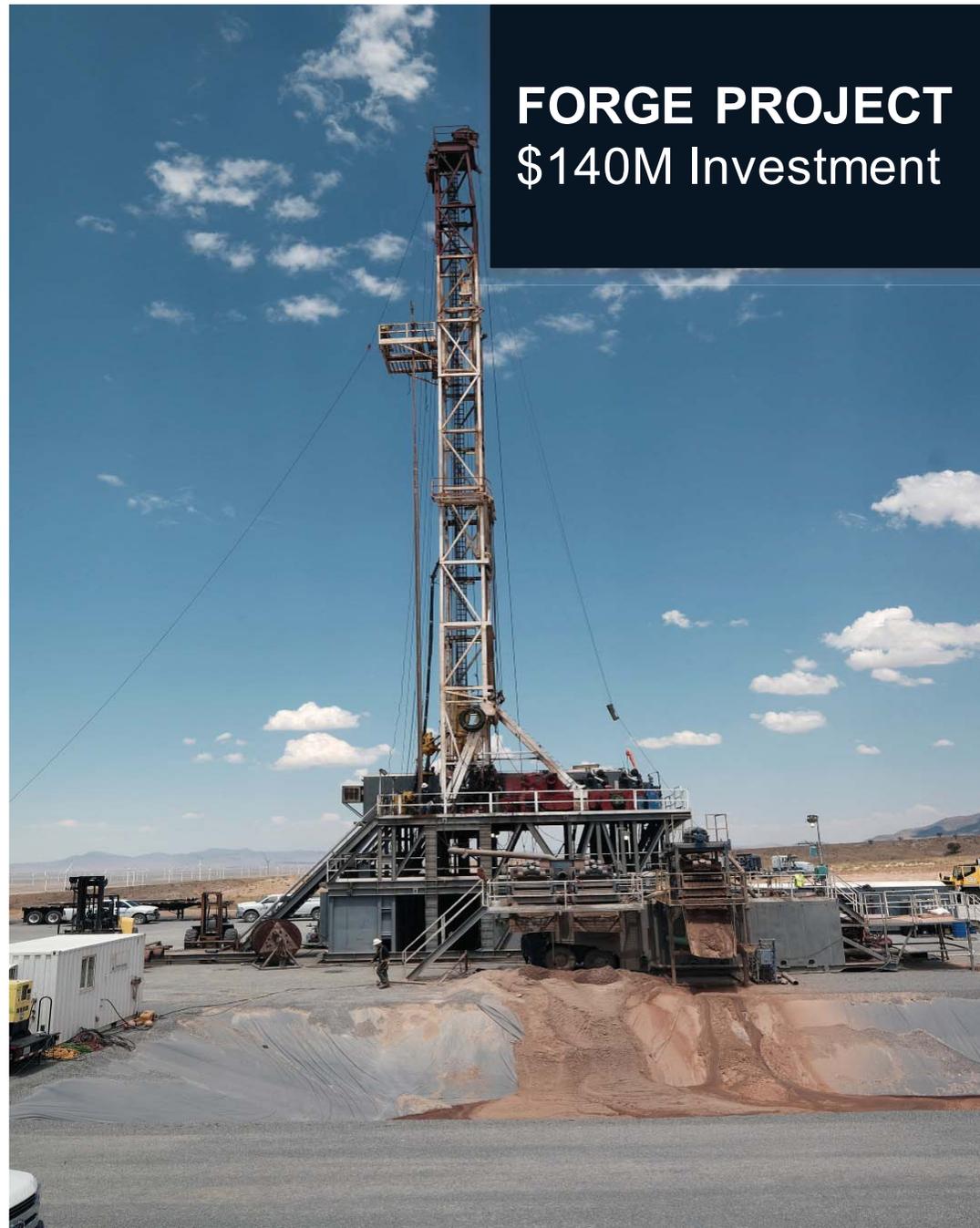
- \$4,500 per job

## Texas

- Cash grant for significant job creation and significant capital investment.
- Governor, Lt Governor must agree on each project

# INDUSTRIAL ASSISTANCE FUND

- Infrastructure
- Workforce
- Rural



# AUTONOMOUS SOLUTIONS (ASI)



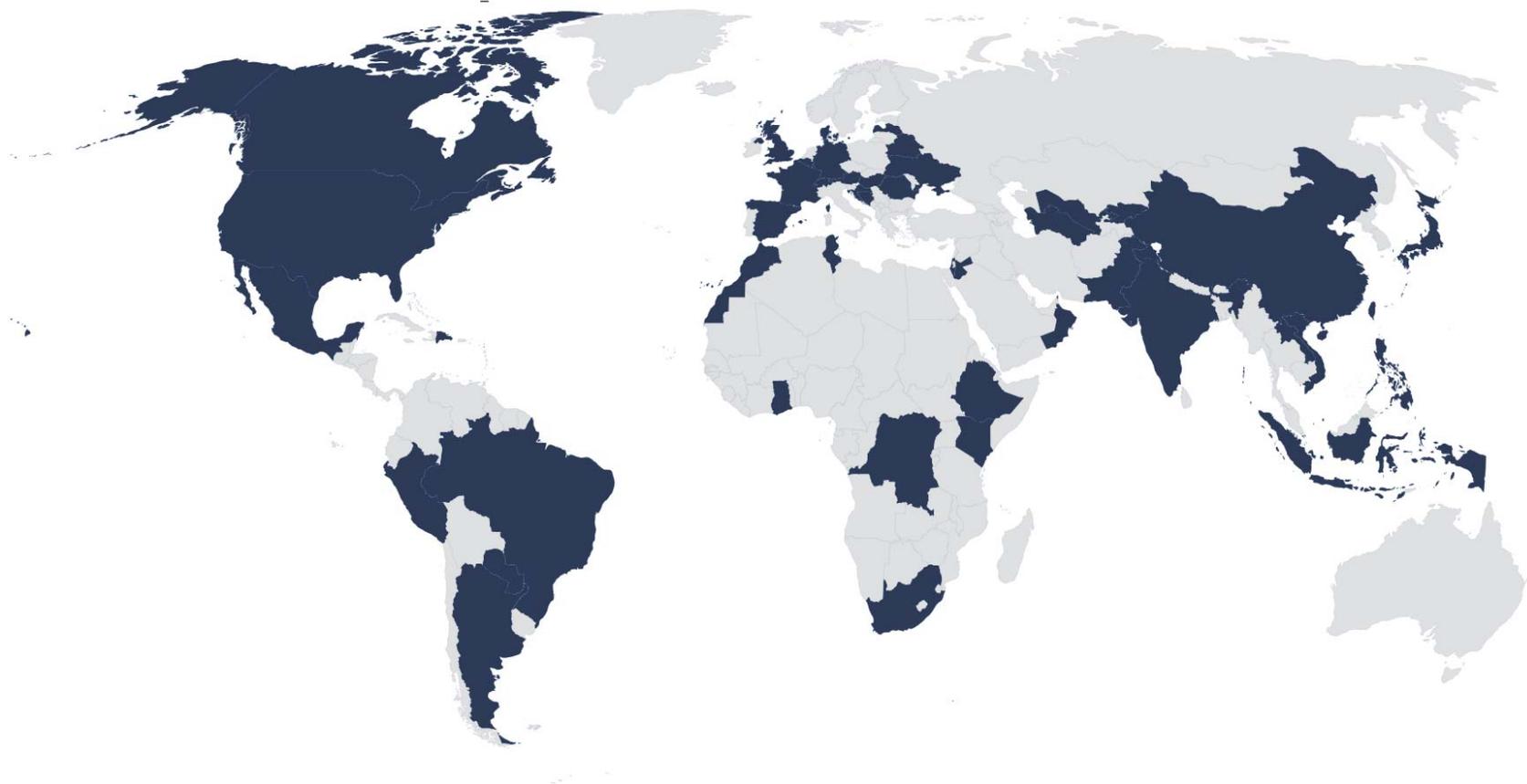


# INTERNATIONAL TRADE AND DIPLOMACY

Franz Kolb

# INTERNATIONAL TRADE AND DIPLOMACY

50+ Diplomatic Visits in 2017-2018



# International Events

- Trade Missions 2017-2018
- Four international trade shows
- Provided international marketing opportunities to 43 businesses
- Foreign Direct Investment (FDI) strategy





# TOURISM

Vicki Varela,  
Managing Director  
*20 FTE*

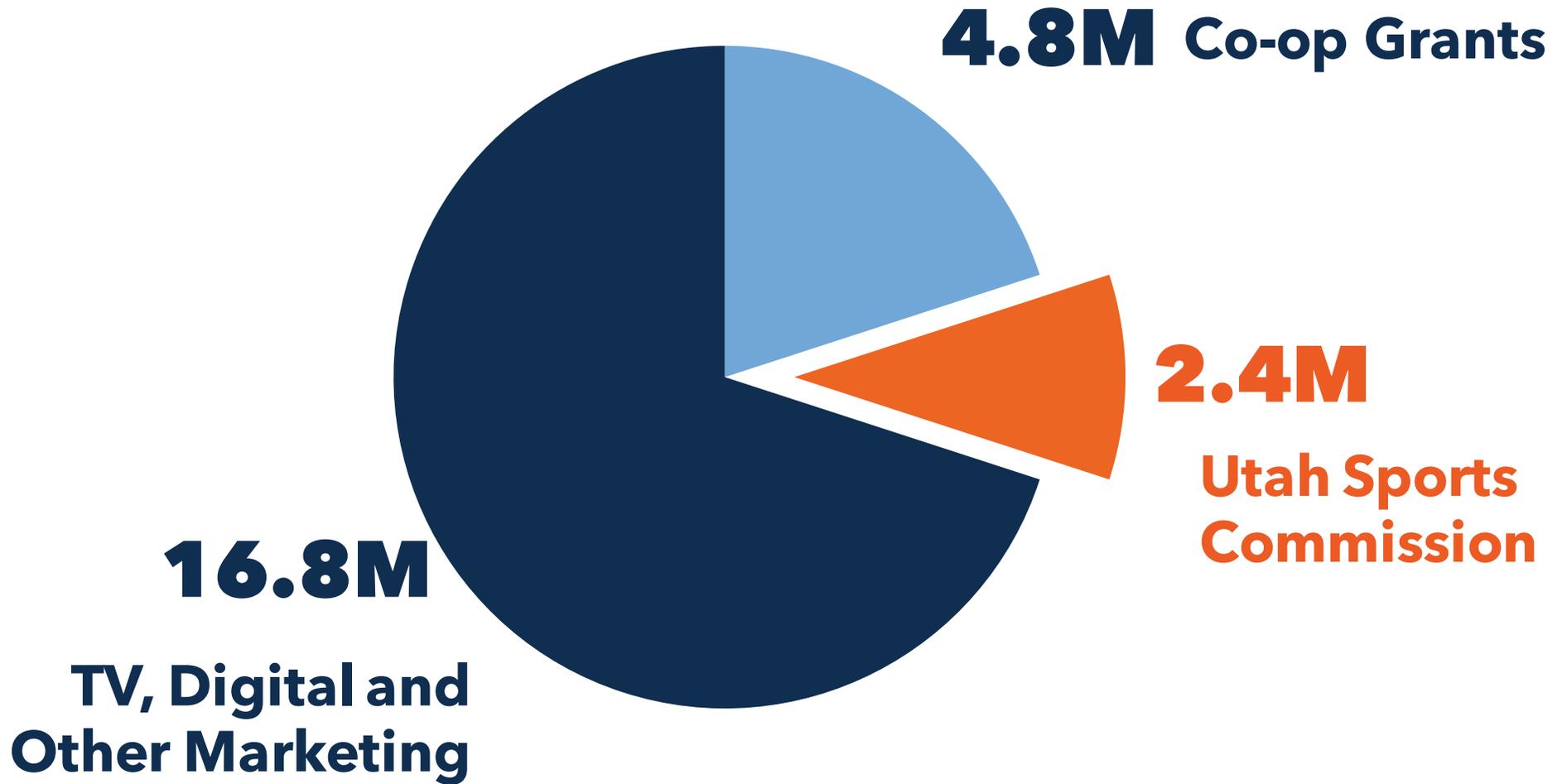


## **OFFICE OF TOURISM MISSION:**

Increase tax revenues generated by tourists while providing high quality experience for visitors and locals



# TOURISM MARKETING PERFORMANCE FUND - \$24M



In 2017, travelers spent

**\$9.2 BILLION**

resulting in

**\$1.3 BILLION**

in tax revenues

**\$731 MILLION**  
state tax revenue

**\$610 MILLION**  
local tax revenue

(approx. \$1,200 tax relief per Utah household)



- Continued powerful branding
- Quality not quantity of visitors
- Distribute visitation
- Refined customer service
- Community-led vision
- Infrastructure investment





HOME • NEWS

## This American State Just Received Three Michelin Stars



© AndreyKrav / Getty Images

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10 Sandwiches to Eat in Italy Before You Die

by Food & Wine



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restaurants



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## Utah Tourism partnering with Airbnb to promote unique Utah experiences

By [Jason Lee](#) [@JasonLee1](#)  
Published: May 30, 2018 6:14 pm

[Twitter](#) [Facebook](#) [Email](#) [Comment](#)



Adobe Stock

The Utah Office of Tourism is partnering with global online lodging platform Airbnb to launch a new program that offers adventure seekers and tourists the chance to experience unique-to-Utah activities.

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SLOW FLOW Utah Water Savers

Report this ad

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### Podcasts



#### Rise & Shout

The best in conversation about BYU sports. Fan talk, analysis and complete nonsense.



#### BLEEP: The Podcast

A celebration and discussion of all things geek. All awesome, all clean.

the

### Populist

1

Locals in NBA Summer League: BYU's Elijah Bryant earns chance with 76ers, Utah's Tyler Rawson with Magic

2

10-year-old dies in scuba diving accident in Tooele County

3

Utahns come together to

# Tourism: Welcome mat for other economic development

*"Our restaurant  
wouldn't be here if it  
wasn't for the tourists.  
Because tourists sustain  
the business, residents  
are able to enjoy an  
upscale restaurant."*

-Mark Baruffi,  
Centro Woodfired Pizzeria





# OUTDOOR RECREATION

Tom Adams  
*3 FTE*

# U.S. Offices of Outdoor Recreation



## State Offices of Outdoor Recreation

5 years, 10 offices or task forces, 1 undeniable trend

### WASHINGTON

Legislation

Office of Outdoor Recreation & Economic Development

First and Current Senior Policy Advisor: **Jon Snyder**

### COLORADO

Governor

Office of Economic Development & International Trade

First and Current Senior Policy Advisor: **Luis Benitez**

### STATES WITH TASK FORCES

- Vermont
- Maryland
- Rhode Island

### STATES WITH PENDING LEGISLATION

- Alaska
- New Mexico
- West Virginia
- California

### 2013

#### UTAH

Governor and Legislation

Housed in the Office of Economic Development

First Director: Brad Peterson  
Current Director: **Tom Adams**

### 2015

#### WASHINGTON

Legislation

Office of Outdoor Recreation & Economic Development

First and Current Senior Policy Advisor: **Jon Snyder**

#### COLORADO

Governor

Office of Economic Development & International Trade

First and Current Senior Policy Advisor: **Luis Benitez**

### 2017

#### WYOMING

Governor

Advisory to Department of State Parks & Cultural Resources

Outdoor Recreation Office and Division of State Parks, Administrator, **Dominic Bravo**

#### NORTH CAROLINA

Legislation

Office of Commerce

Outdoor Recreation Recruitment, **David Knight, Director**

### 2018

#### OREGON

Legislation

Department of Parks and Recreation

Office of Outdoor Recreation, Position currently open

#### MONTANA

Governor

Office of Economic Development

Office of Outdoor Recreation, Director, **Rachel Van de Voort**

**OUTDOOR INDUSTRY ASSOCIATION**  
TOGETHER WE ARE A FORCE.

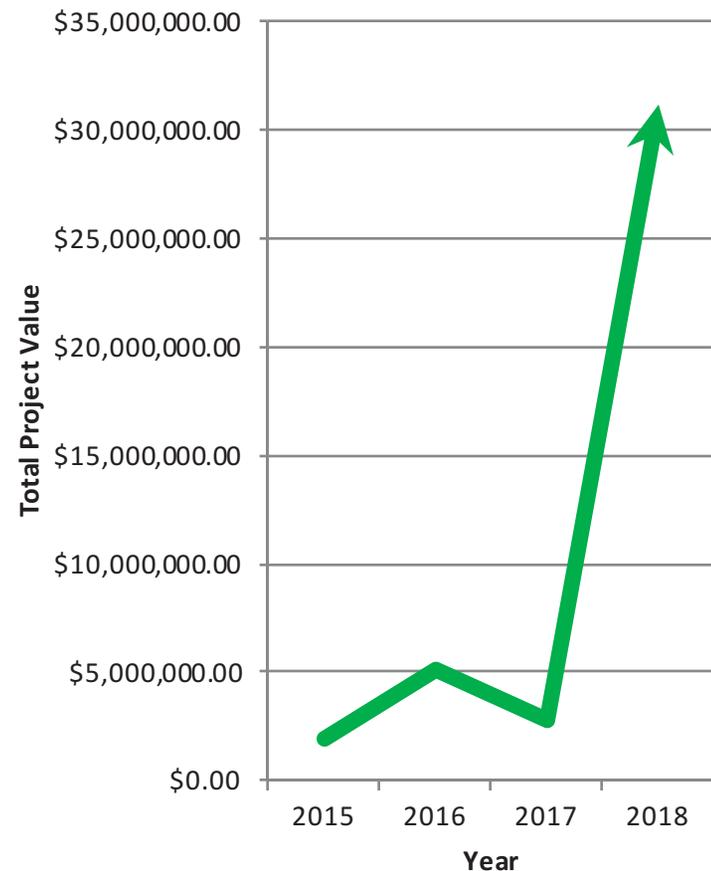
# Promote Economic Development





## Infrastructure Development (2015-18)

- **Total Projects Funded: 104**  
Rural Projects: 67 (65%)
- **Total Jobs: 400+**  
Rural Jobs: 323+
- **Miles of Trails: 100+**
- **Total \$ Awarded: \$7.7 M**
- **Total Project Value: \$43 M**
- **Leveraged Dollars: 6:1**





**FILM**

Virginia Pearce

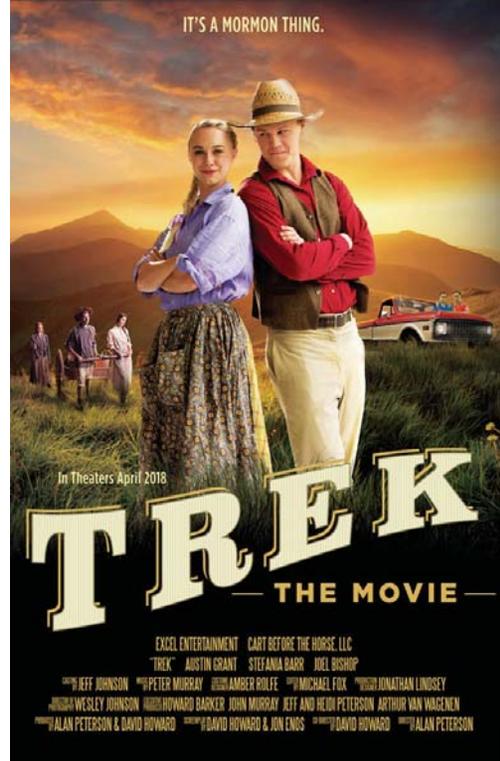
*5 FTE*



The Utah Film Commission supports the film industry in Utah by developing and promoting local workforce, businesses and locations and attracting film production in the state.

**Operational Budget  
\$892,978**

**Motion Picture Incentive Program  
\$6.79 million in tax credits  
\$1.5 million in cash rebates**



**FY 2018 Economic Impact**  
\$69 million  
Film permits doubled from 2017

**Rural Impact:**  
69% of film permits occur in rural Utah

**Tourism**  
32% say film influenced their visit to Utah

**Education & Training**  
4,000 Utah students in film & media programs

**THE STORY IS UTAH**





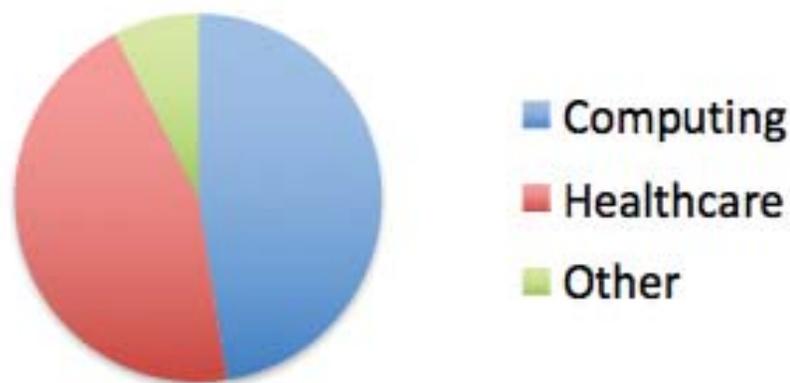
# STEM ACTION CENTER

Tamara Goetz,  
Managing Director  
*12 FTE*

# STEM Action Center

## Utah's STEM Job Growth

- 5% - 44% growth in top 40 STEM jobs

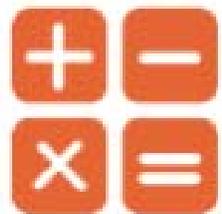


- Wages: STEM occupations out earn by 12-30%
- Stability: less risk of un- or underemployment

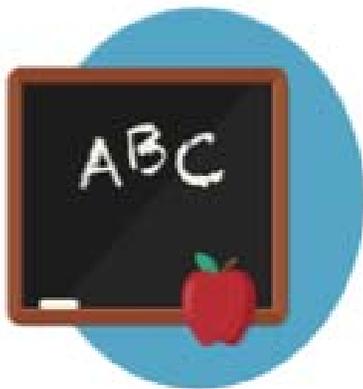
# Personalized Math



- 147,239 Utah students



- 42% more likely to gain proficiency
- Student had greater confidence, greater ability to solve problems



- 94% increase in instructional effectiveness
- 70% increase in job satisfaction

# Computing and Healthcare



- K-16 Computing Partnership Grants
- Utah Computing Apprenticeship Consortium (UCAC)



- STEM for Life
  - Summer Teacher Internships
  - Micro Museums



# URBAN RURAL DEVELOPMENT

Ginger Chinn,  
Managing Director  
*15 FTE*

# RURAL UTAH PROGRAMS

- Business Expansion and Retention  
17 issued averaging \$13,664
- Rural Fast Track  
23 issued averaging \$48,717
- Utah Rural Jobs Act Program
- Rural Economic Development Incentives

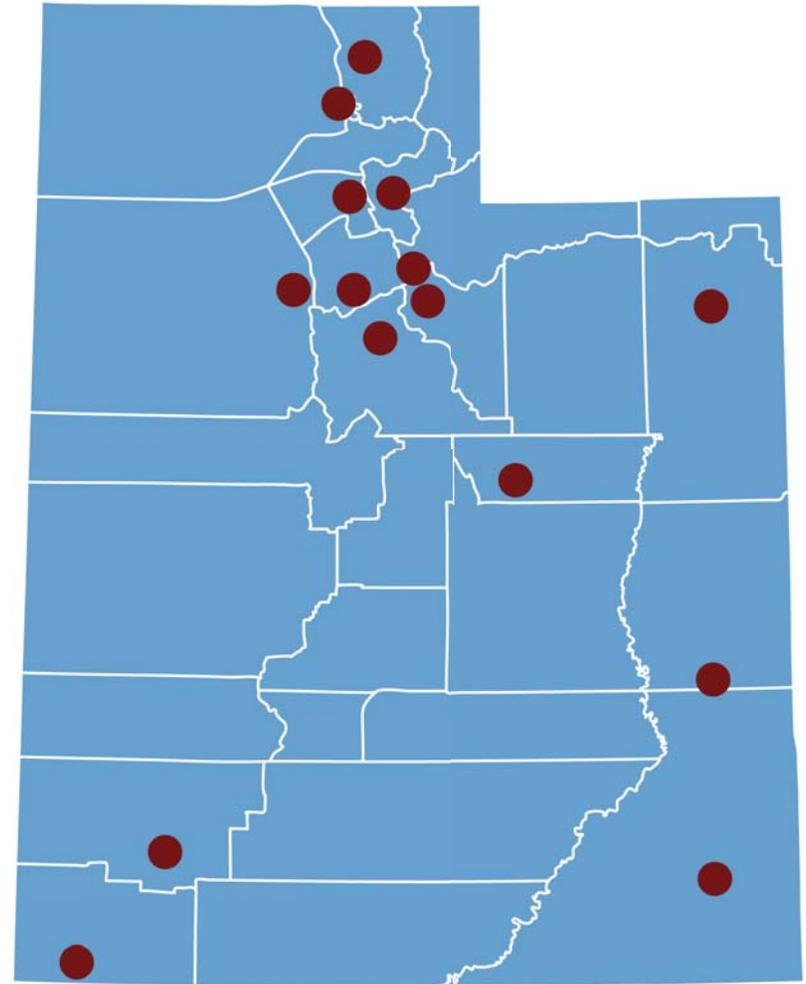
# OFFICE OF RURAL DEVELOPMENT TAX CREDIT

- Enterprise Zone Non-profit Tax Credit  
7 issued averaging \$1,254
- Enterprise Zone Tax Credit  
493 issued averaging \$11,334
- Targeted Business Tax Credit  
1 issued at \$50,000
- Recycling Market Development Tax Credits  
10 issued averaging \$83,868

# PTAC



# BUSINESS RESOURCE CENTERS





# TARGETED ECONOMIC CLUSTERS



FINANCIAL SERVICES  
75,307 jobs



AEROSPACE & DEFENSE  
33,656 jobs



IT/SOFTWARE  
75,278 jobs



ENERGY  
14,028 jobs



LIFE SCIENCES  
37,109 jobs



OUTDOOR RECREATION  
6,880 jobs



**TECHNOLOGY INNOVATION  
COMMERCIALIZATION PROGRAM**

Clark Cahoon  
*.5 FTE*

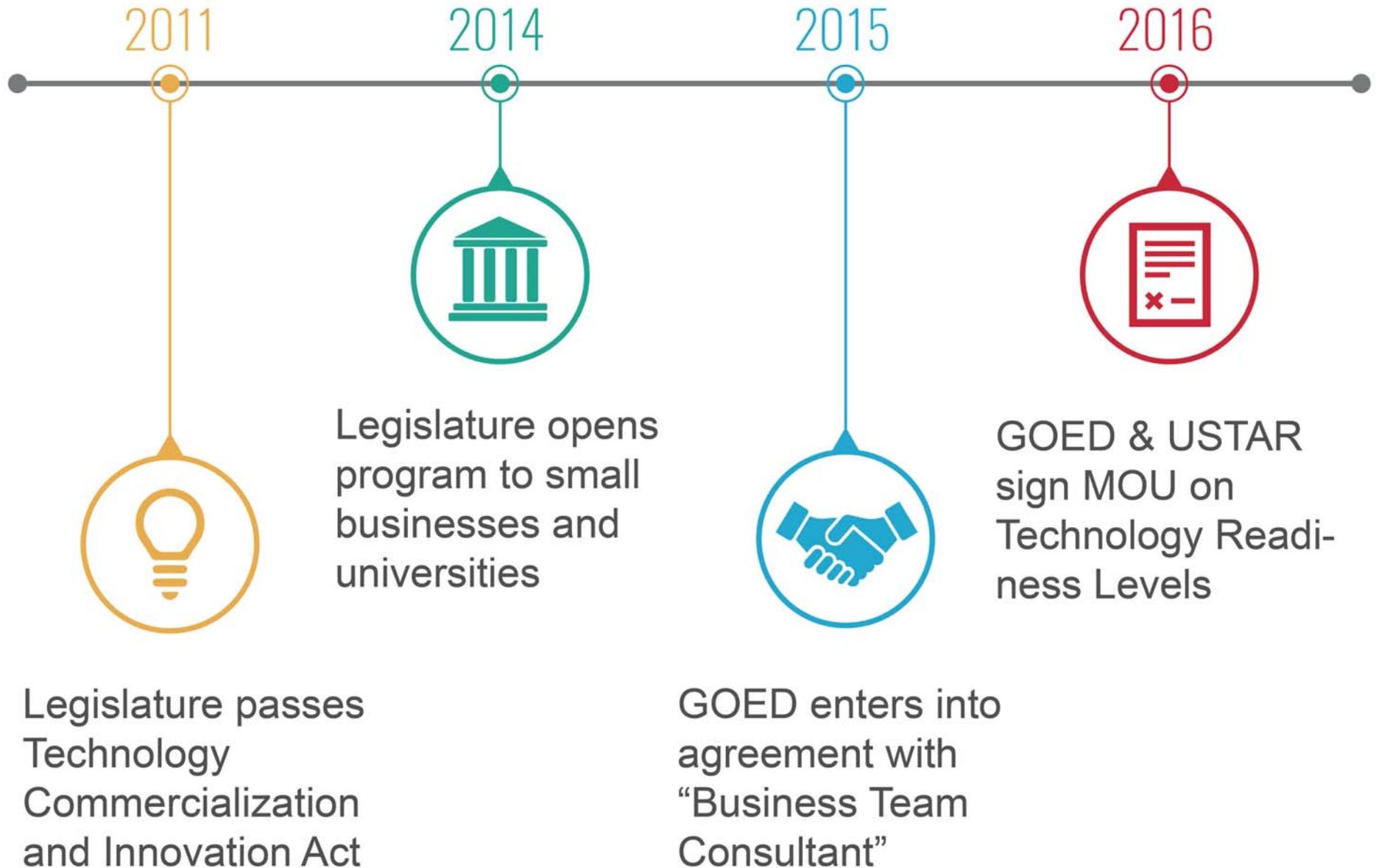


**Objective:**

*“Accelerate the commercialization of technologies developed at universities & small businesses resulting in job creation and long term economic development.”*

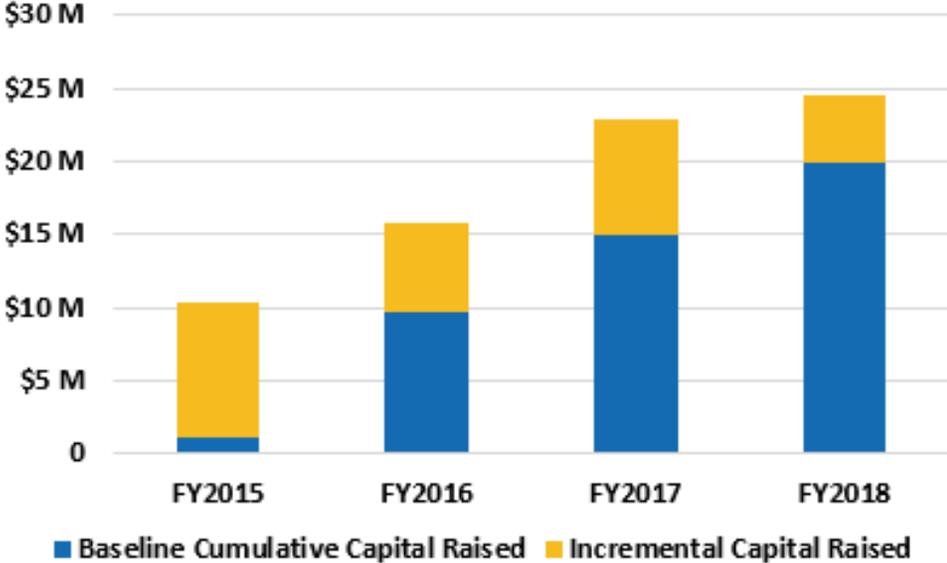
– Statute 63N-3-201

# HISTORY OF THE PROGRAM

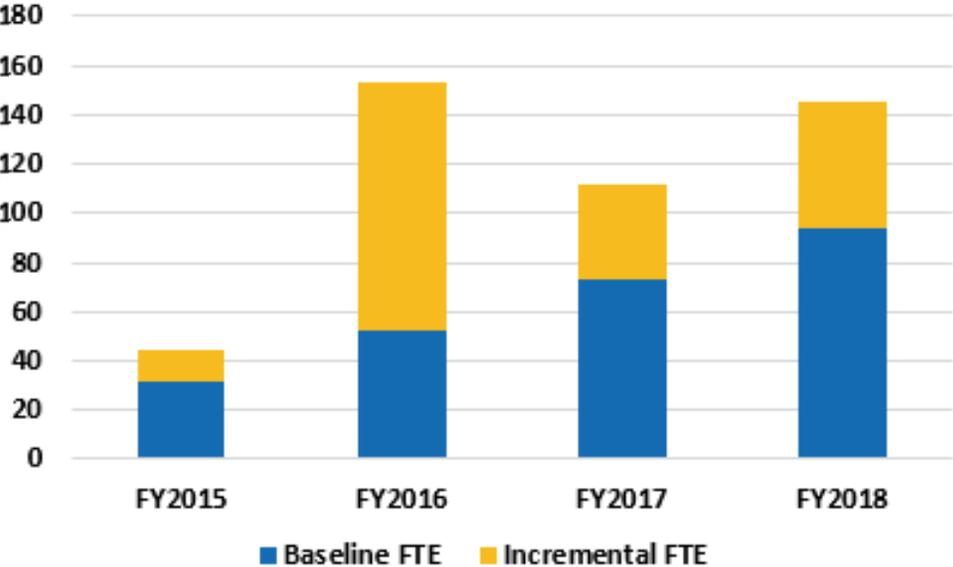


# TCIP ANNUAL REPORT

## CAPITAL RAISED

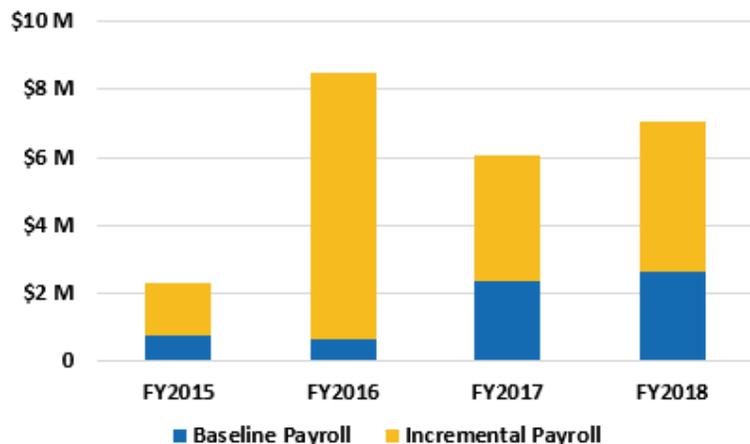


## FULL TIME EMPLOYEES

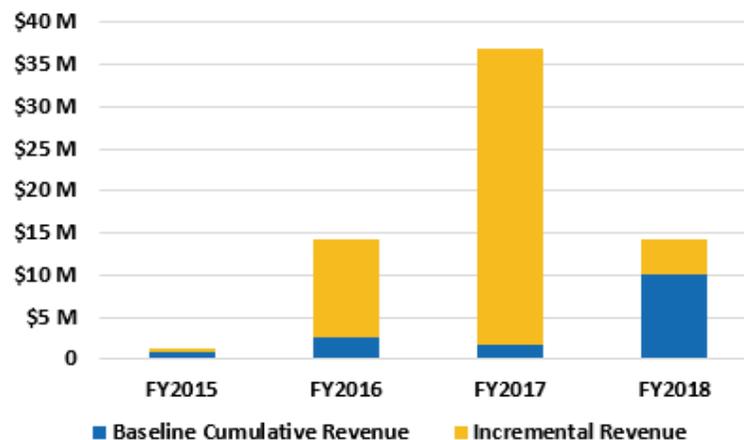


# TCIP ANNUAL REPORT

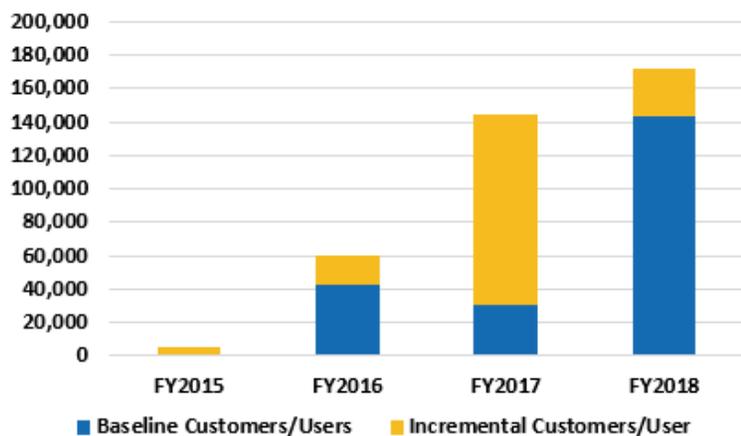
## BASELINE AND INCREMENTAL PAYROLL



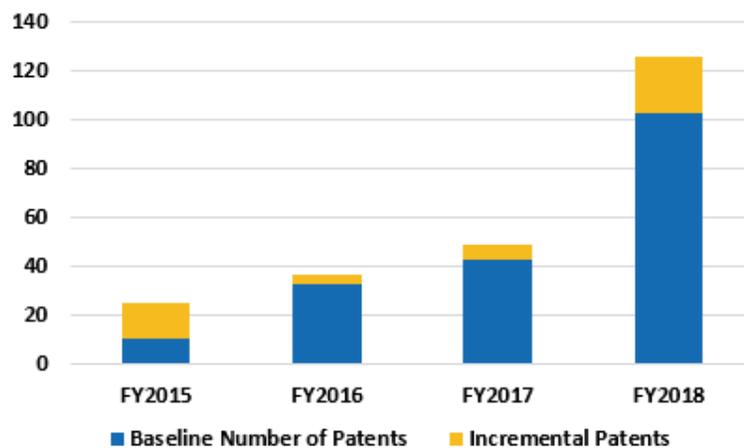
## REVENUE



## CUSTOMERS / USERS

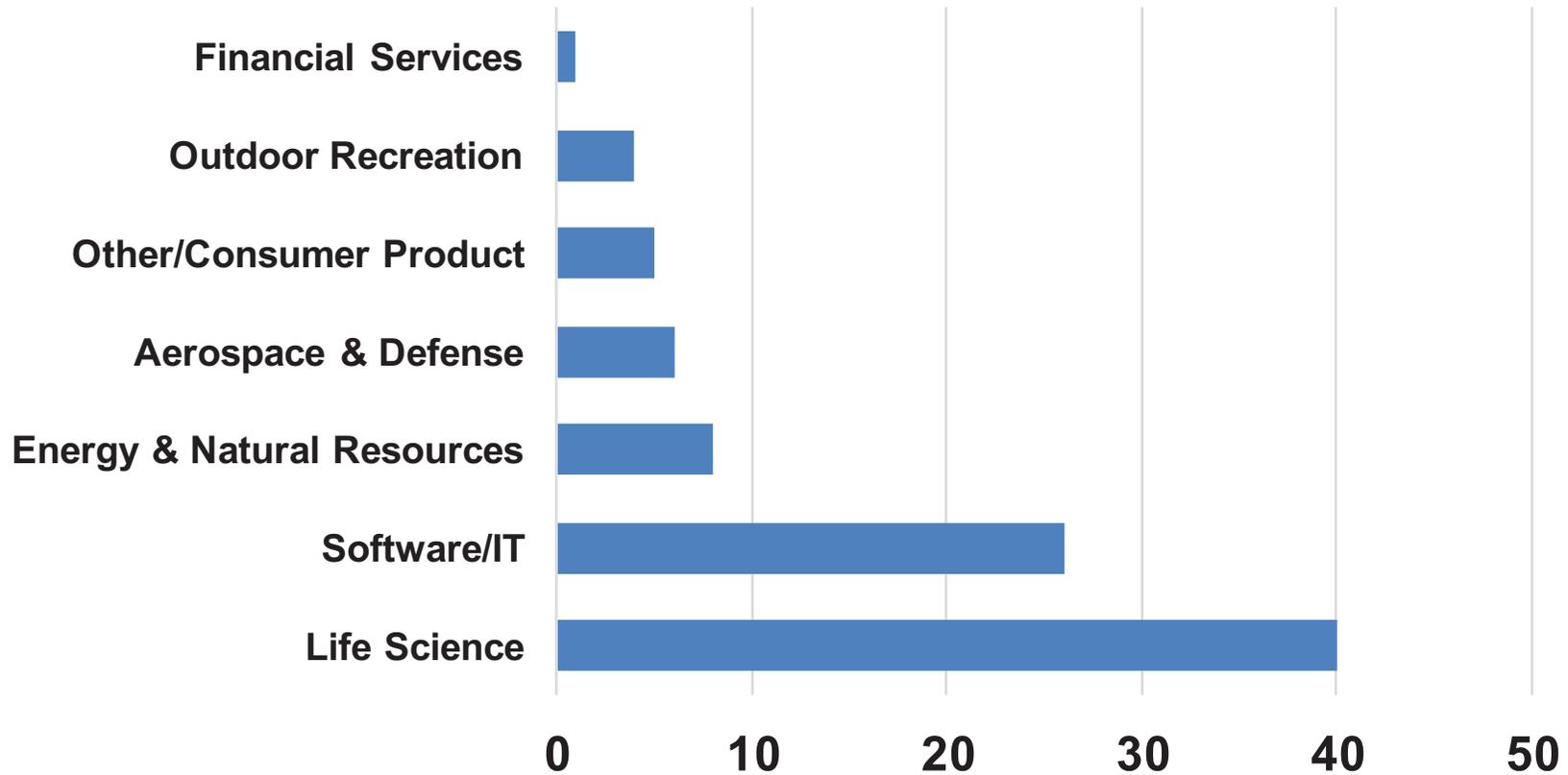


## PATENTS

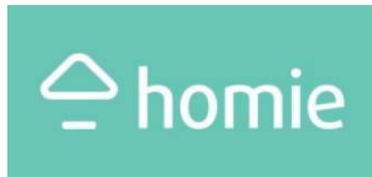


# TCIP STATS for 2015-2018

## PROJECT BREAKDOWN



# 90 PROJECTS \$8.6 M



*High-Performance Tissue Resection System*



# ELIGIBILITY

- Be a part of a university team or a licensee of a university technology from Utah

OR

- Be a small business based in Utah (Per SBA definitions)

AND

- Have less than \$500,000 in revenue
- Have raised no more than \$3 Million in capital
- Be at Technology Readiness Levels 6 through 9

# REVIEW COMMITTEE

- First round review with 50 member committee
- PhD technologists, scientists, successful serial entrepreneurs, c-suite executives, investors, venture capital, finance and IP attorneys.  
(All signed conflict of interest documents.)

# COMPETITION

- Average 150 applications per year
- In-person presentations (top 48 companies)
- Top 20-25 projects accepted into the program
- Average awarded amount of \$100K with a range of \$25K- \$200K



# USE OF FUNDS OVERVIEW

## Milestones:

- Sending prototypes to manufacturer
- Securing intellectual property and trademarks
- Marketing materials and activities
- Hiring sales, marketing, engineers and product managers
- Purchase manufacturing equipment and tooling for mass production
- Pushing through regulatory processes  
i.e. 510(k) and international regulations

*\*See addendum*

# DIFFERENTIATION FROM OTHER PROGRAMS

- TCIP provides a 12-week mentorship program to companies accepted into the program
- TCIP funding is given at a later stage of technology development  
A Technology Readiness Level of 6-9
- If the technology readiness level is not at the appropriate TRL or not accurately represented it will be rejected

# ALTERNATIVE FUNDING OPTIONS

- TCIP continues as it is currently
- TCIP adds a strict matching funds component while continuing to be a competitive non-dilutive grant
- Non-recourse loan
- Investment in companies

# BENEFIT OF PROGRAM

- Creates a robust technology sector and higher wages
- Stimulates capital investment from the private sector
- Ensures companies stay in Utah longer contributing to the strong startup community
- Provides a stable foundation for more capital intensive technology development



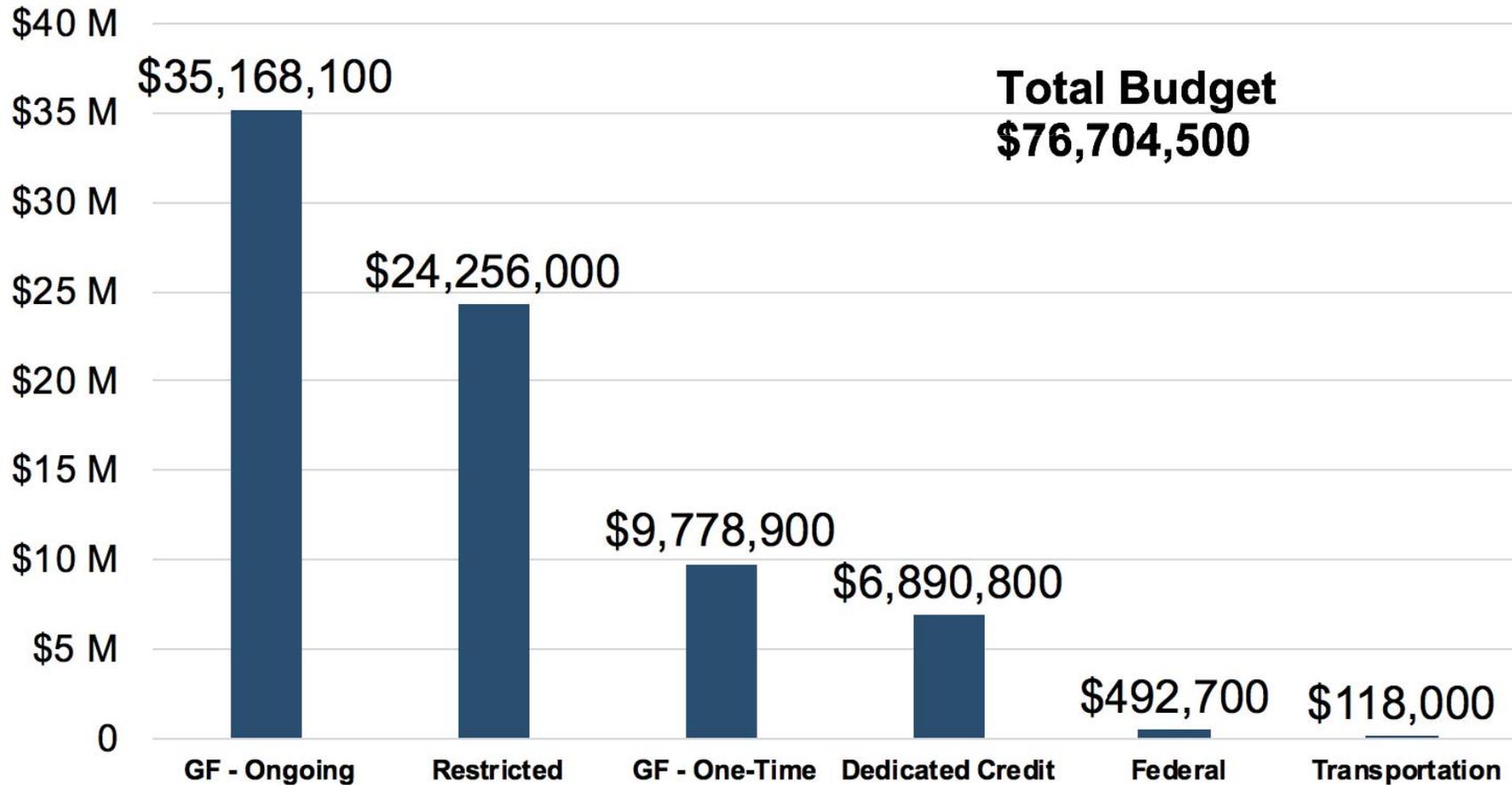


# OPERATIONS

Jill Flygare,  
Managing Director  
*20 FTE*

# OPERATIONS

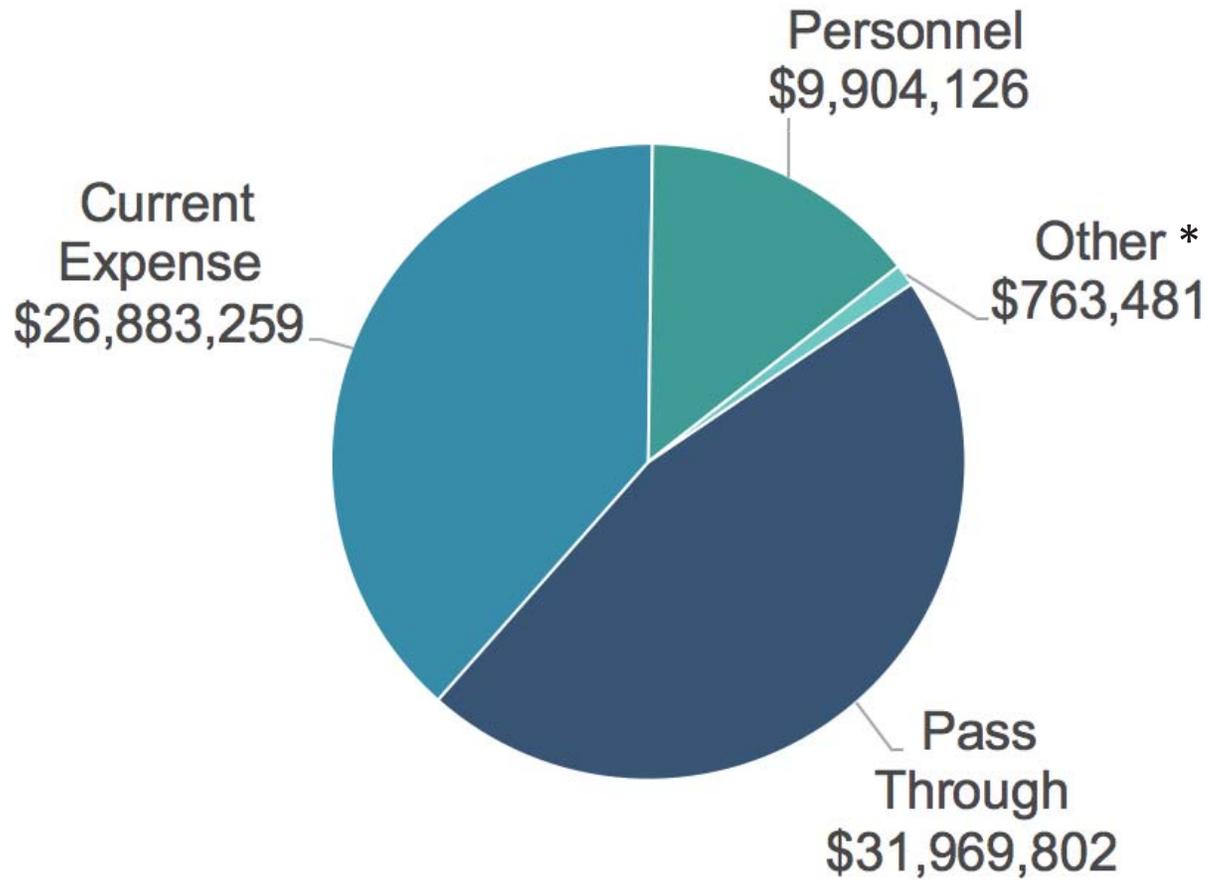
## FY19 Budgeted Revenue (by Type)



# OPERATIONS

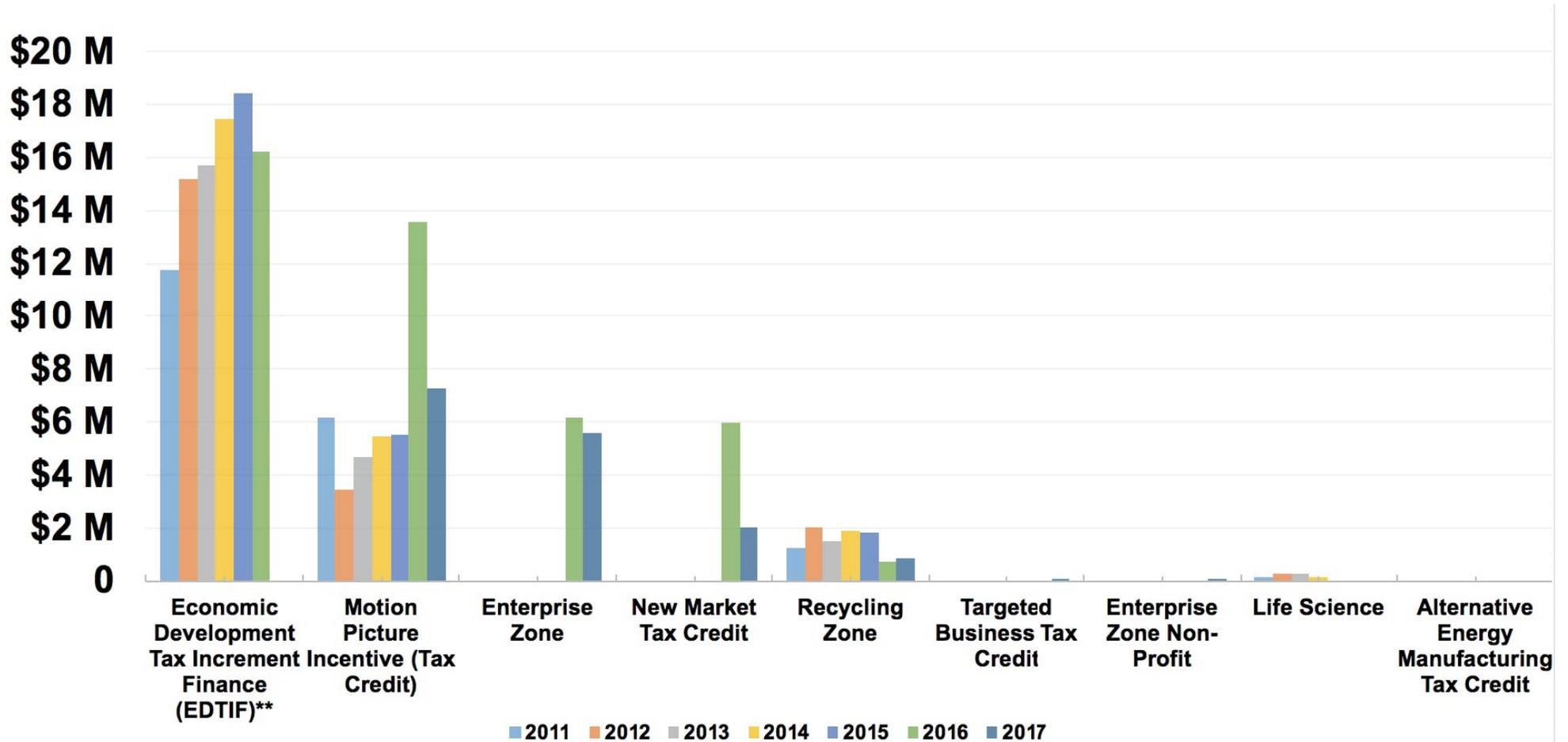
## FY 2019 Expenditure

By Category



\*Includes: DTS, State Travel, and Capital Expenses

# TAX CREDIT TRENDS



# **ECONOMIC DEVELOPMENT TRENDS**

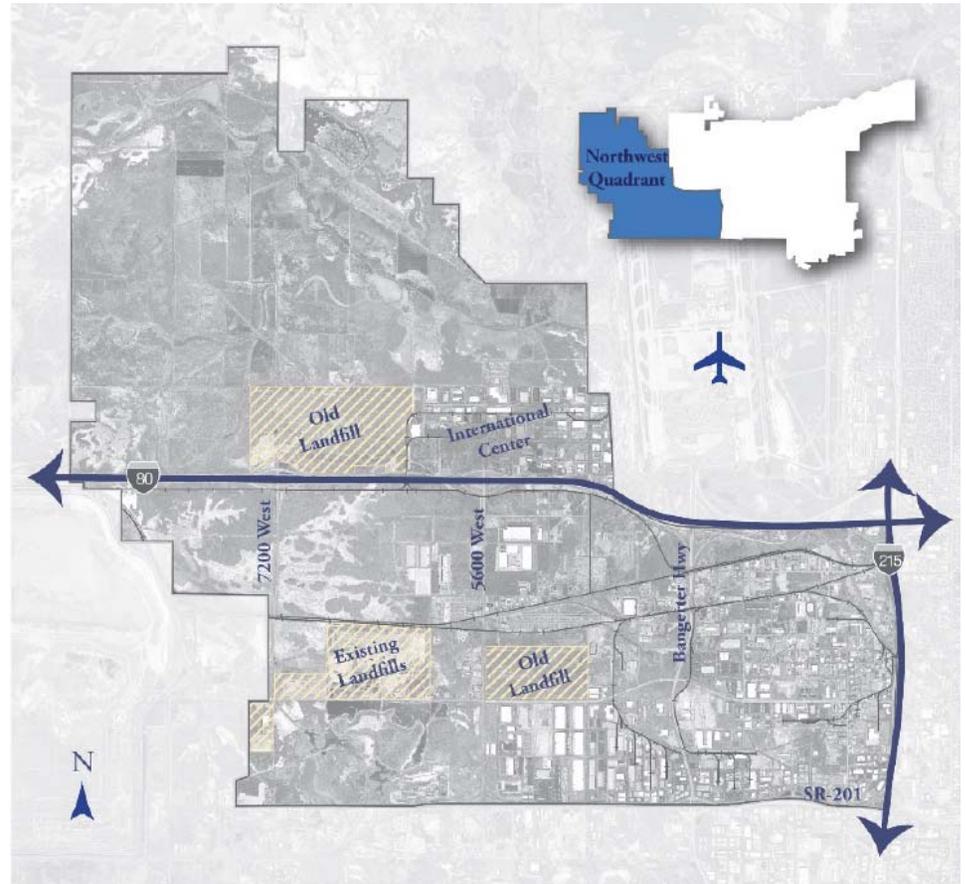
# Economic Trends

- Workforce
- Affordable housing
- Diversity
- Rural infrastructure
- Attracting venture capital
- Public/private partnerships
- Foreign direct investment
- Entrepreneurism
- Quality of life



# NORTHWEST QUADRANT

- 3,000 acres
- Active infrastructure investment
- Within minutes of
  - Airport
  - Major interstates
  - Rail
  - Downtown



# POINT OF THE MOUNTAIN DEVELOPMENT

vivint.

MOKI

YOUNG LIVING  
ESSENTIAL OILS

ebay

in FLASH  
TECHNOLOGIES  
AN IONIC / SOCIAL ANTI-BURN

NUVI

Microsoft

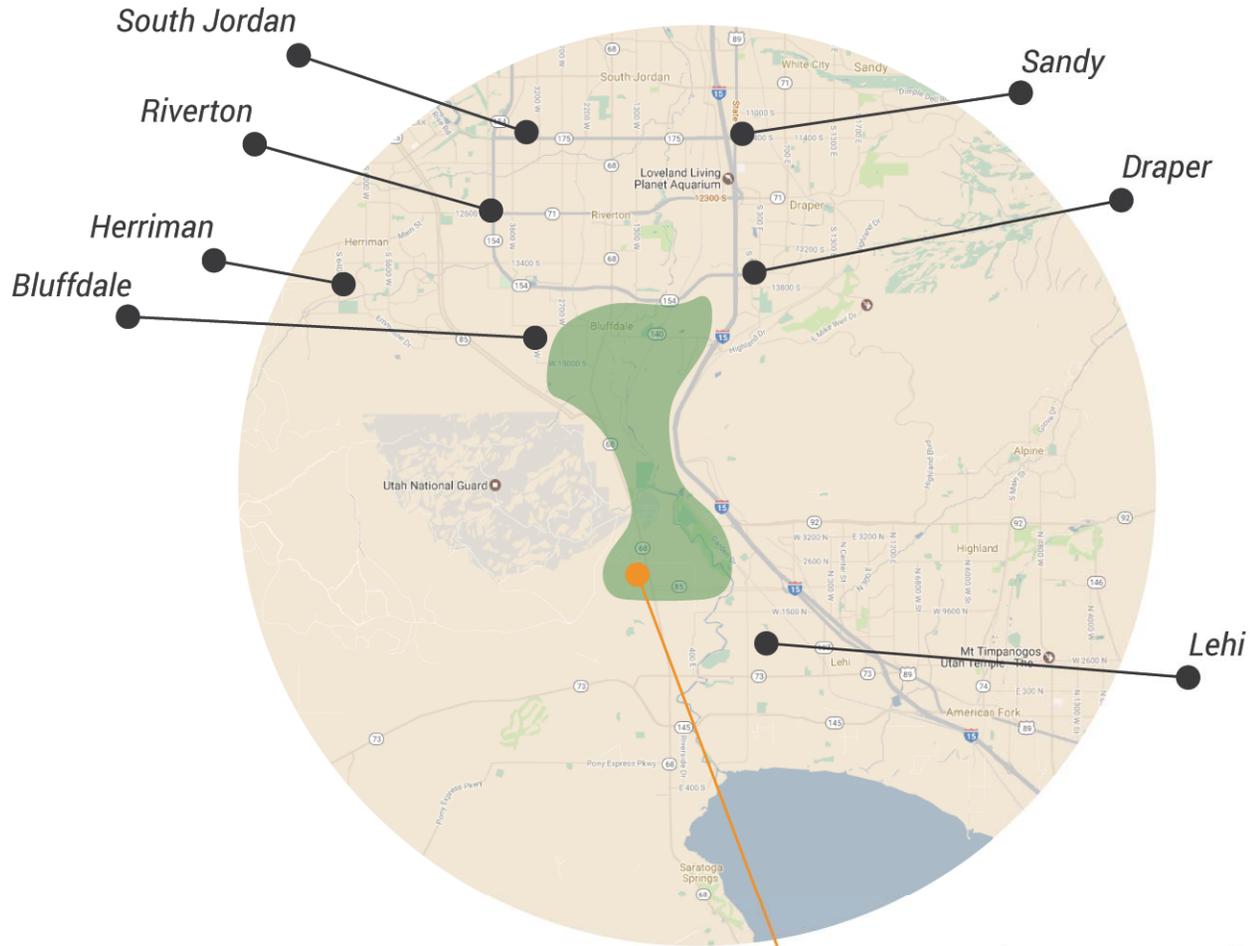
VISA

entrata

Adobe

Maritz CX

ORACLE



**POINT OF THE MOUNTAIN**

LIFE  
**UTAH**  
ELEVATED



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# BOEING – THE CHALLENGE

In Dec. 2014, Boeing approached the State of Utah to create a workforce development program. A similar effort in Washington State had failed to gain traction.

In Sept. 2015, GOED, DWS and other partners launched Utah Aerospace Pathways (UAP).

Since that time, we have used UAP as a template for similar programs in other industries.



# THANK YOU

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