



GOED 2018 ANNUAL REPORT PRESENTATION TO EDWS

Q. VAL HALE, EXECUTIVE DIRECTOR
OCTOBER 17, 2018



Utah Governor's Office of
Economic Development
BUSINESS • TOURISM • FILM

LIFE
UTAH
ELEVATED

OUR VISION:

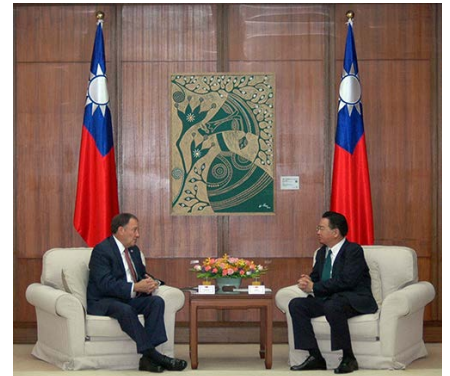
Utah will be the nation's best-performing economy. It will be a premier global business environment and tourist destination.

OUR MISSION:

The Utah Governor's Office of Economic Development enhances the state's quality of life by increasing and diversifying Utah's revenue base and improving employment opportunities.

PROGRAMS

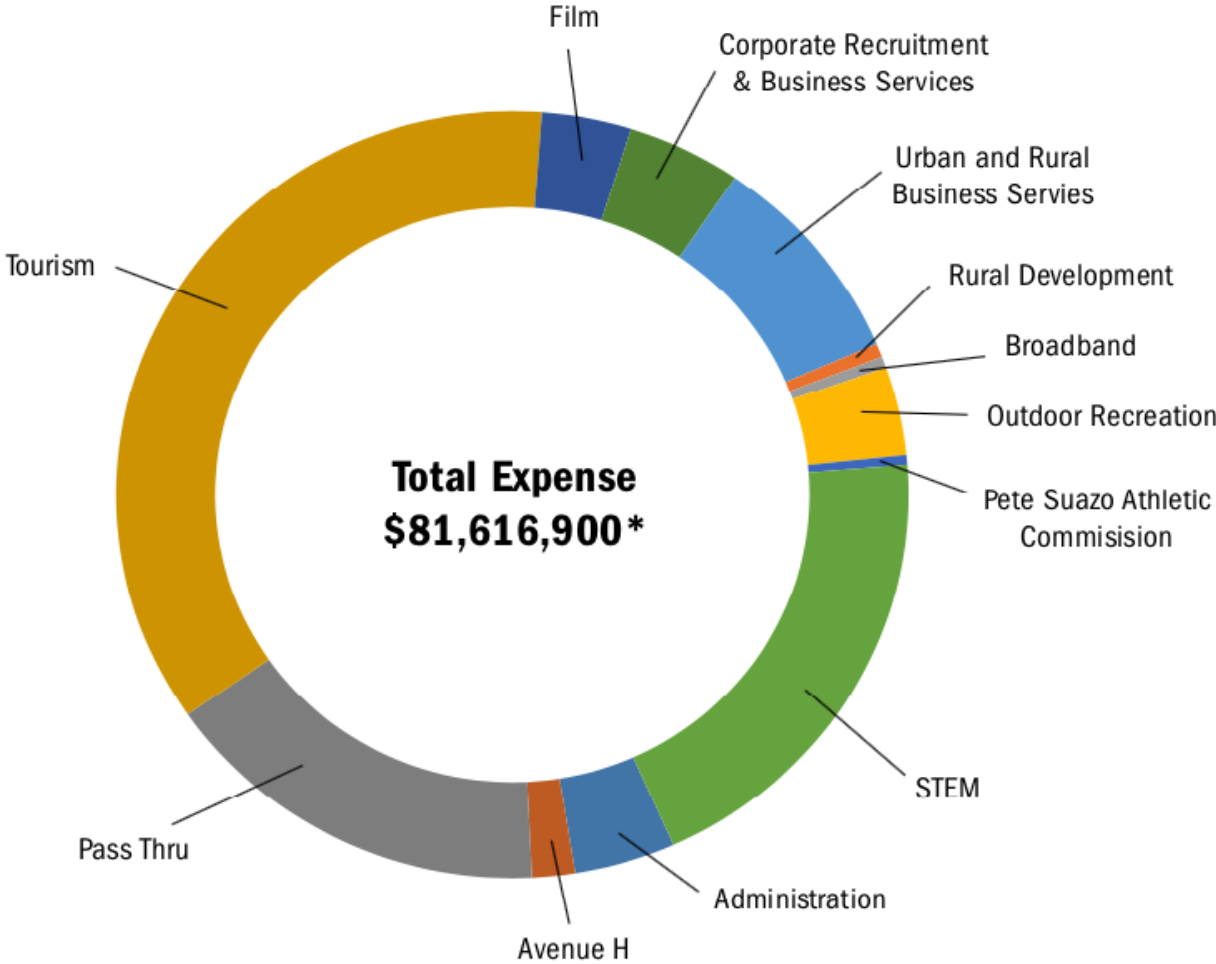
Corporate Recruitment and International Trade
Pete Suazo Utah Athletic Commission
Procurement Technical Assistance Center
Strategic Industry Clusters
Urban and Rural Business Services
Utah Film Commission
Utah Office of Outdoor Recreation
Utah Office of Tourism
Utah STEM Action Center



GOED BUDGET

FY 2018 Total Expenditure

- TPMF 31%
- Direct Appr. 16%
- STEM Grants 13%
- Admin 4% of Total Expenditures



INDUSTRIAL ASSISTANCE FUND (IAF)

FY 2018 EXPENDITURE SUMMARY

IAF Allocations	Budget	Expended	Encumbered	Available Balance
Economic Opportunities	\$3,908,116	\$175,123	\$307,985	\$3,425,009
Rural Fast Track	\$5,199,380	\$1,322,013	\$2,213,011	\$1,664,356
BEAR Funding	\$579,520	\$198,988	\$175,497	\$205,035
Smart Schools - iSchools	\$0	\$30,778	\$0	\$0
Post Performance Grants	\$11,533,146	\$21,701	\$3,975,299	\$7,536,146
IAF Allocations Subtotal	\$21,220,162	\$1,748,603.58	\$6,671,791.04	\$12,830,545.05

TOURISM



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. **\$1,375** Tax Relief
Per Utah Household

* Sources: U.S. Travel Association, Kem C. Gardner Policy Institute, Utah Office of Tourism

UTAH FILM COMMISSION PRODUCTION DATA

	FY2016 (18 Projects)	FY2017 (31)*	FY2018 (18)*
Total Utah Productions Days	650	1,147	1,174
Total Utah Hires	2,526	2,749	1,778
	FY2016	FY2017*	FY2018*
Total Utah Spend	\$33,391,156	\$63,679,915	\$70,464,319
Total Spent in Rural Utah	\$18,100,000	\$16,528,000	\$30,069,673
Total Incentives Board Approved	\$10,611,661	\$16,234,098	\$18,410,464

* Contains estimates as some projects are not complete.



**FY 2018
Operational
Budget:
\$892,978**

RURAL UTAH PROGRAMS

- Business Expansion and Retention
 - Allocation from IAF = \$579,500
 - 17 issued / \$13,720 avg.
- Rural Fast Track
 - Allocation from IAF = \$2,810,300
 - Carry forward FY 2017 = \$2,389,100
 - Total = \$5,199,400
 - 23 issued / \$48,717 avg.
- Utah Rural Jobs Act Program

BEAR Program Recap

Business Expansion and Retention (BEAR)	FY 2016	FY 2017	FY 2018
Number Issued	17	24	17
Payment Amount	\$360,935	\$318,338	\$233,232
Business Visits/Consultations	2,124	1,089	1079
Individuals Attending Training	n/a	1,185	1,705
Community Driven Planning & Implementation	n/a	19	7

RURAL UPDATE

- As of June 2018, 24 of the 25 rural counties had developed a strategic economic development plan
- 21 have presented their plans to the governor
- The 25K Rural Legislative Retreat took place Oct. 10



STRATEGIC INDUSTRY CLUSTERS



FINANCIAL SERVICES
75,307 jobs

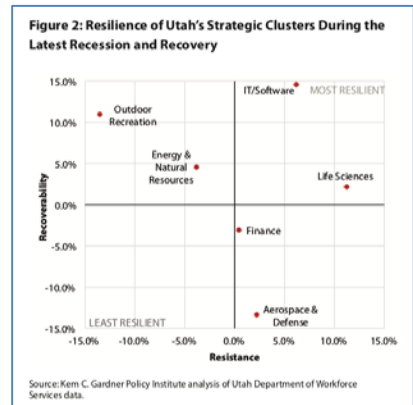


AEROSPACE & DEFENSE
33,656 jobs



ENERGY
14,028 jobs

“Since...2006, the annual growth rate of all clusters combined has been 2.7 percent, about one-third faster than the 2.0 percent growth rate of the rest of the economy. The IT, Life Sciences, and Finance clusters have performed the best since 2005, with growth rates exceeding those of the other clusters as well as the rest of the economy.” – KCGPI



LIFE SCIENCES
42,831 jobs



OUTDOOR RECREATION
6,880 jobs



SOFTWARE & IT
75,278 jobs

CLUSTER WORKFORCE TRENDS

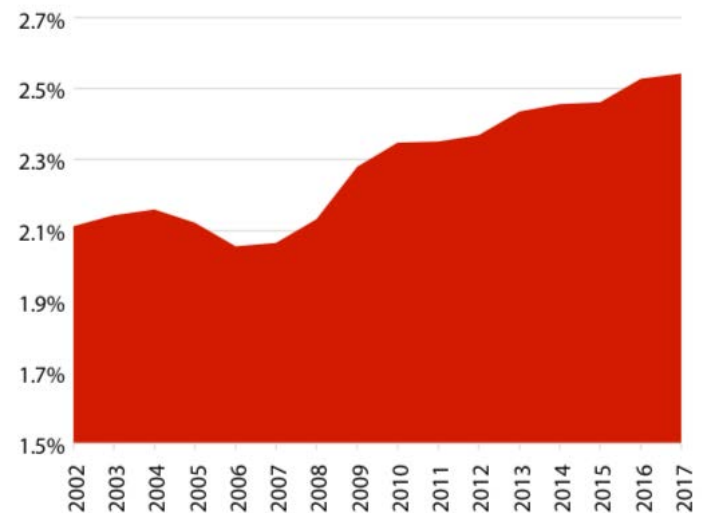
- Companies in all clusters cite tight labor market
- Pathways programs are now active in:
 - Life Sciences
 - Aerospace
 - Information Technology
 - Diesel technology
- State, educational institutions and high school districts have improved coordination
- Talent Ready Utah Center will increase collaboration with industry



CLUSTERS: FY 2018 ACCOMPLISHMENTS

- Expansion of Pathways programs
- Kem C. Gardner reports on Clusters and Life Sciences
- Aerospace and Defense
 - Corporate recruitment focus
 - Urban Mobility Task Force
 - Regional airport economic development study

Figure 1.7: Life Sciences Industry Share of Total Utah Employment, 2002–2017



EDTIF OVERVIEW

- Began in 2005 to generate new state revenue
- Helps make Utah competitive
 - All 50 states offer some type of incentive
 - Focus on:
 - Capital investment
 - Job creation
 - Wages
- Post-Performance Tax Credit
 - ZERO funds allocated
 - ZERO taxpayer risk

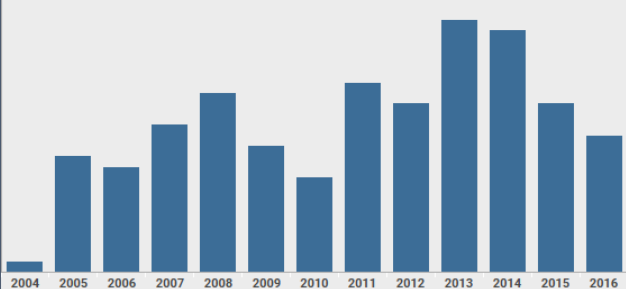
Minimum qualifications:

- Create at least 50 new, high-paying jobs
- Significant capital investment
- Competitive project (considering other locations)
- Local incentives
- No retail

EDTIF DASHBOARD

Board Approved Incentives

Utah Companies Approved by the GOED Incentives Board 2004 to 2016



184

Contracts

Utah Companies with Active Contracts

105

Company Reviews

Utah Companies that Received a Post-Performance Review

49

New Jobs

Cumulative New Jobs Created After Board Approval

20,429

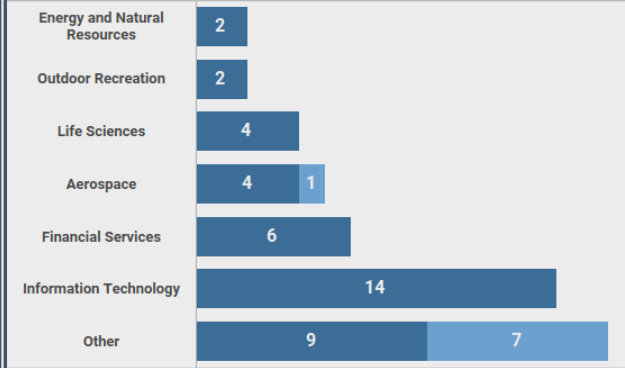
New State Revenue

New Revenue Created After Board Approval

\$63.04M

Company Industry Cluster

Industries That Applied and Received an Assessment 2016 Reporting Year



Data from the FY2018 Annual Report. All data reported in calendar years.
Produced by the Governor's Office of Economic Development. Confidential Working Draft 10/10/2018

EDTIF TRENDS

Contracts

Contract lengths
have shortened

2012	2017
11 years	7 years
23%	20%

Life of Program

10 years
23%

Sourcing

2/3 of contracts are
with in-state
companies



Jobs/Salaries

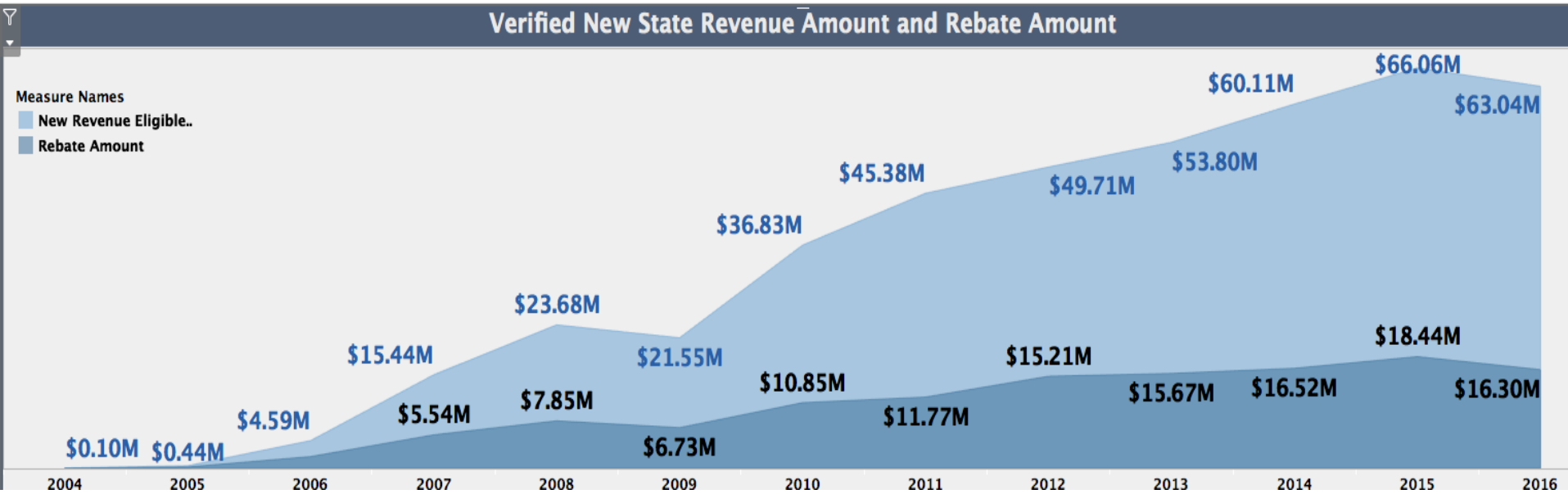
6,426

high-paying jobs
and
average salary
of

\$87,200

(2016 data)

EDTIF: NEW STATE REVENUE



2004 to 2016

Total NSR for the life of the program is \$292,110,000

LEGISLATIVE COMMUNITY ONLINE PORTAL

What you can do:

- Search for information
- Ask GOED questions
- Get information & dashboards

The screenshot shows the homepage of the Legislative Community Online Portal. At the top, there is a navigation bar with a search bar, a 'SEARCH' button, and a user profile icon labeled 'KJENSENG...'. Below the navigation bar, the main content area features a 'WELCOME!' message and a subtitle: 'A place where you can easily find solutions and ask questions'. The main content is divided into three sections: 'FEATURED', 'DISCUSSIONS', and 'MY FEED'. The 'FEATURED' section contains three cards: 'POLICY', 'MARKETING & COMMUNICATIONS', and 'TRAINING MATERIALS'. To the right of these cards is a vertical stack of four blue buttons: 'Expenditures', 'Revenue', 'EDTIF Data (for Legislature)', and 'EDTIF Data (Public)'. Below the featured cards, there is a 'Libraries' section with the text '0 items • Sorted by Last Activity' and a grid icon. On the right side, there is a 'TRENDING ARTICLES' section with two items: 'Business Sponsorship' and 'Incentive Award'.

THANK YOU

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