

**MINUTES OF THE  
ECONOMIC DEVELOPMENT AND WORKFORCE SERVICES  
INTERIM COMMITTEE**

Wednesday, September 19, 2012 – 9:00 a.m. – Room 20 House Building

**Members Present:**

Senate Chair Stuart C. Reid  
House Chair Jim Bird  
Sen. Patricia W. Jones  
Sen. Karen W. Morgan  
Sen. Aaron Osmond  
Sen. Jerry W. Stevenson  
Rep. Rebecca Chavez-Houck  
Rep. Brian Doughty  
Rep. Keith Grover  
Rep. Ronda Rudd Menlove  
Rep. Jeremy A. Peterson  
Rep. Marie H. Poulson  
Rep. Dean T. Sanpei  
Rep. Brad R. Wilson

**Members Absent:**

Rep. Johnny Anderson  
Rep. Dixon M. Pitcher

**Staff Present:**

Mr. Benjamin N. Christensen, Policy Analyst  
Mr. Peter Asplund, Associate General Counsel  
Mr. Robert H. Rees, Associate General Counsel  
Ms. Debra Hale, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Reid called the meeting to order at 9:03 a.m.

**MOTION:** Rep. Bird moved to approve the minutes of the August 15, 2012, meeting. The motion passed unanimously. Sen. Jones, Rep. Grover, and Rep. Menlove were absent for the vote.

**2. Economic Development Task Force -- Update**

Rep. Wilson, Chair, Economic Development Task Force, distributed “Economic Development - Update.” He informed the committee of the work of the task force, which was created by 2012 General Session H.B. 28, "Economic Development Task Force." He stated that the task force has two meetings planned within the next three weeks concerning air quality and economic development in the state.

**3. Tourism Development Plan Report**

Ms. Leigh von der Esch, Managing Director of Tourism and Film, Governor’s Office of Economic Development (GOED), gave a visual presentation “Utah Office of Tourism,” which provided an annually required evaluation of statewide economic trends and conditions in the tourism sector of the economy and an evaluation of the economic efficiency of the department’s advertising and branding campaigns.

Ms. von der Esch stressed that the objectives of the department are to: 1) strengthen and grow existing Utah business, both urban and rural; 2) increase innovation, entrepreneurship, and investment; 3) increase national and international business; and 4) prioritize education to develop the workforce of the future.

Ms. von der Esch provided a packet of brochures that she said have been distributed internationally and were produced to attract tourism to the state. She stated that her department has created international familiarization media tours of the state, video ads for domestic travel trades that brand the state locally, asset videos, international travel trade guides, and a 2013 calendar which has been rated number one internationally. She shared the accomplishments of the state in increasing international flight and room bookings in southern Utah to 70%, uptakes in domestic and international visitors to the state, and marketing efforts overseas. She expressed appreciation to the Legislature for its unprecedented partnership to assist her department in accomplishing its objectives.

#### **4. Motion Picture Incentives Report**

Mr. Marshall Moore, Director, Film Commission, GOED, described the Motion Picture Incentive Program, which offers post-performance cash rebates or tax credits to approved motion picture companies based on the amount of money spent in the state. He distributed GOED's annually required "2012 Annual Report and Business Resource Guide" and described its success in attracting within-the-state productions of television programs and motion pictures, the amount of incentive commitments made, and the economic impact on the state.

Mr. Moore discussed a visual presentation "Utah is Epic," which illustrated the significant increase in 2012 of films produced in the state, jobs created by the films, dollars spent, and the economic impact these films have made in rural Utah. He also presented a to-date fiscal report for the year, stating that 2011 General Session H.B. 99, "Motion Picture Incentives Amendments," has been instrumental in sustaining and strengthening funds and attracting two new television series to the state.

#### **5. Attracting New Commercial Projects Report**

Mr. Spencer P. Eccles, Executive Director, GOED, gave a visual presentation reporting on the office's success in attracting new commercial projects to development zones, including: 1) corresponding increases in new jobs; 2) the estimated amount of tax-credit commitments made by the office; 3) the period of time over which tax credits will be offered; and 4) the economic impact on the state related to generating new state revenues and providing tax credits under the program.

Mr. Eccles added that the Economic Development Tax Increment Financing has had the following increases in results from FY 2011 to FY 2012: 1) Jobs incented - from 7,638 to 9,065; 2) new state revenue - from \$364,000,000 to \$427,000,000; and 3) new state wages - from \$4,980,000,000 to \$5,946,000,000. He then described different state companies and the incentives, jobs, investments, and revenue created by them.

#### **6. Rural Economic Development Strategies**

Mr. Wes Curtis, Executive Director, Utah Center for Rural Life, Southern Utah University, distributed three handouts: 1) "Economic Gardening Demonstration Project"; 2) "Economic Gardening Overview"; and 3) "Economic Gardening." He defined "Economic Gardening" as "the trademarked name of a very specific economic development strategy...that puts critical market analysis information in the hands of

carefully selected growth-oriented businesses—helping them to grow and create new jobs” and explained how the program works and how it can benefit small businesses.

Mr. Curtis further described the Economic Gardening Demonstration Project as “a partnership between higher education and local economic development organizations in 11 rural Utah counties focused on creating jobs by growing existing small businesses.” He stressed the need for the state to access databases and develop its own strategic teams.

#### **7. Office of Rural Development Report**

Mr. Spencer J. Cox, Co-chair, Governor's Rural Partnership Board, GOED, and Mr. Gary Harter, Managing Director of Business Outreach and International Trade, Business Creation, GOED, continued the visual presentation begun by Mr. Eccles, defining Rural Economic Development Strategies and the Rural Utah Economic Gardening Demonstration Project underway in 11 rural Utah counties. Mr. Cox stated that rural economic development strategies often focus on growing local business from within, i.e., gardening, rather than on a new business recruitment approach.

Mr. Cox explained that energy, infrastructure funding, tourism, small school funding, rural transportation, and rural legislative day are a few of the activities the Office of Rural Development are undertaking to encourage business development in rural areas of the state. He described the Business Expansion and Retention program and reported on the increase in success since the program's inception in 2011 to FY 2012.

Mr. Harter stressed the great accomplishments of the state's Business Expansion and Retention Program.

#### **8. Rural Fast Track Program Report**

Mr. Les Prall, Rural Executive, Rural Development, GOED, continued with Mr. Eccles's visual presentation, stating that the Rural Fast Track Program provides incentives for creating high-paying jobs in rural areas of the state and promotes business and economic development in those areas (see Utah Code Section 63M-1-904). He explained that the program is funded from a portion of the Industrial Assistance Account in the General Fund.

Mr. Prall reviewed the annually required written report to the committee on the Rural Fast Track awards made to certain small businesses for creating high-paying jobs in economically disadvantaged rural areas and their impact on economic development.

#### **9. Business Development for Disadvantaged Rural Communities Report**

Mr. Prall informed the committee that, although the Business Development for Disadvantaged Rural Communities Act, enacted in 2005, provides that, when funding is provided by the Legislature, the Board of Business and Economic Development may award eligible counties a grant or loan of up to \$75,000 for an economic development project (see Utah Code Section 63M-1-2004), no funds have been appropriated since 2006.

Mr. Curtis pointed out that a goal of the state's rural economic gardening is to be flexible to whatever is current in business.

**10. Other Committee Business / Adjourn**

**MOTION:** Rep. Bird moved that the committee prioritize two bills that are being drafted for future committee consideration related to the following: 1) Utah Commission on Service and Volunteerism; and 2) agency reporting uniformity. The motion passed unanimously.

**MOTION:** Sen. Jones moved to adjourn. The motion passed unanimously.

Chair Reid adjourned the meeting at 11:15 a.m.