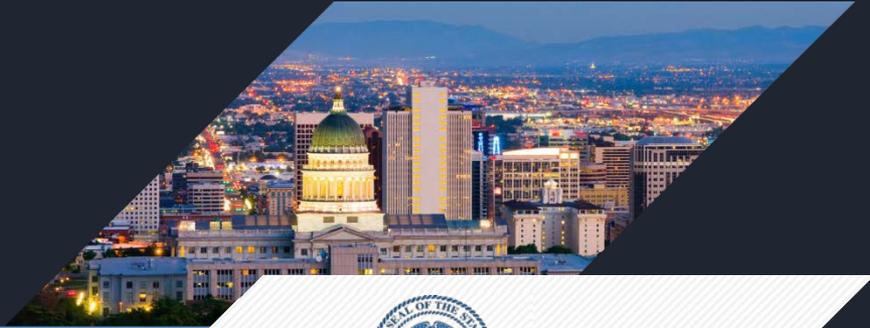


Prison Relocation Authority Committee Meeting

Spencer P. Eccles, Executive Director
Utah Governor's Office of Economic Development



UTAH
LIFE ELEVATED®



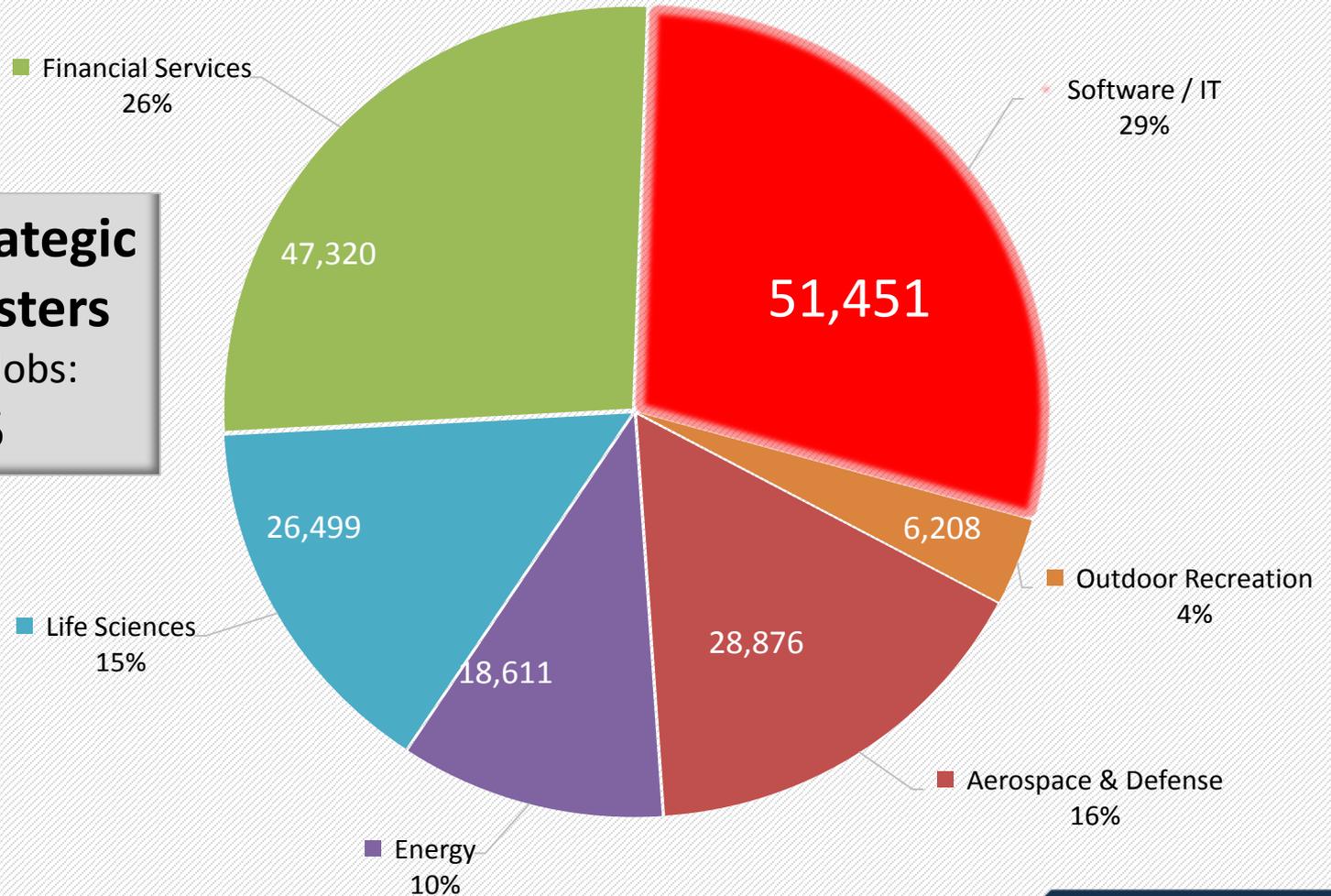
Utah Governor's Office of
Economic Development
BUSINESS • TOURISM • FILM

DECEMBER 11, 2013

Utah Cluster Strategy

Utah's six strategic industry clusters

Total Clusters Jobs:
178,965



Source: Utah DWS, GEOD Analysis of Utah DWS data

Building an Industry Community

Advocacy

Innovation

Capital

Infrastructure

Workforce Dev.

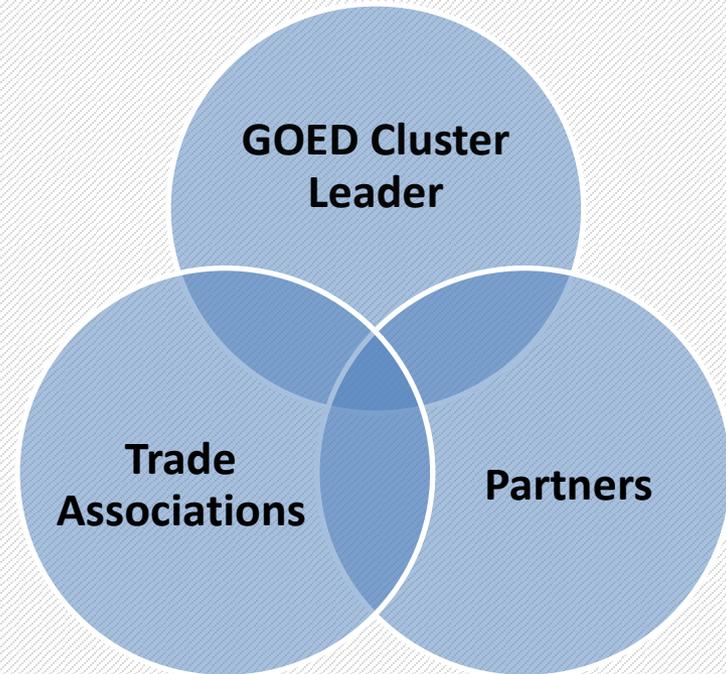
International Dev.

Business Development

Recruitment

Marketing

Business Intelligence



Cluster Snapshots – Q1 2013



IT/SOFTWARE	
Establishments	4,111
Cluster Jobs	51,451
Percent of Utah Total Jobs	4.0%
Avg. Annual Wage	\$76,052
Percent of Utah Avg. Wage	187%

AEROSPACE AND DEFENSE	
Establishments	158
Cluster Jobs	27,909
Percent of Utah Total Jobs	2.3%
Avg. Annual Wage	\$73,505
Percent of Utah Avg. Wage	180%

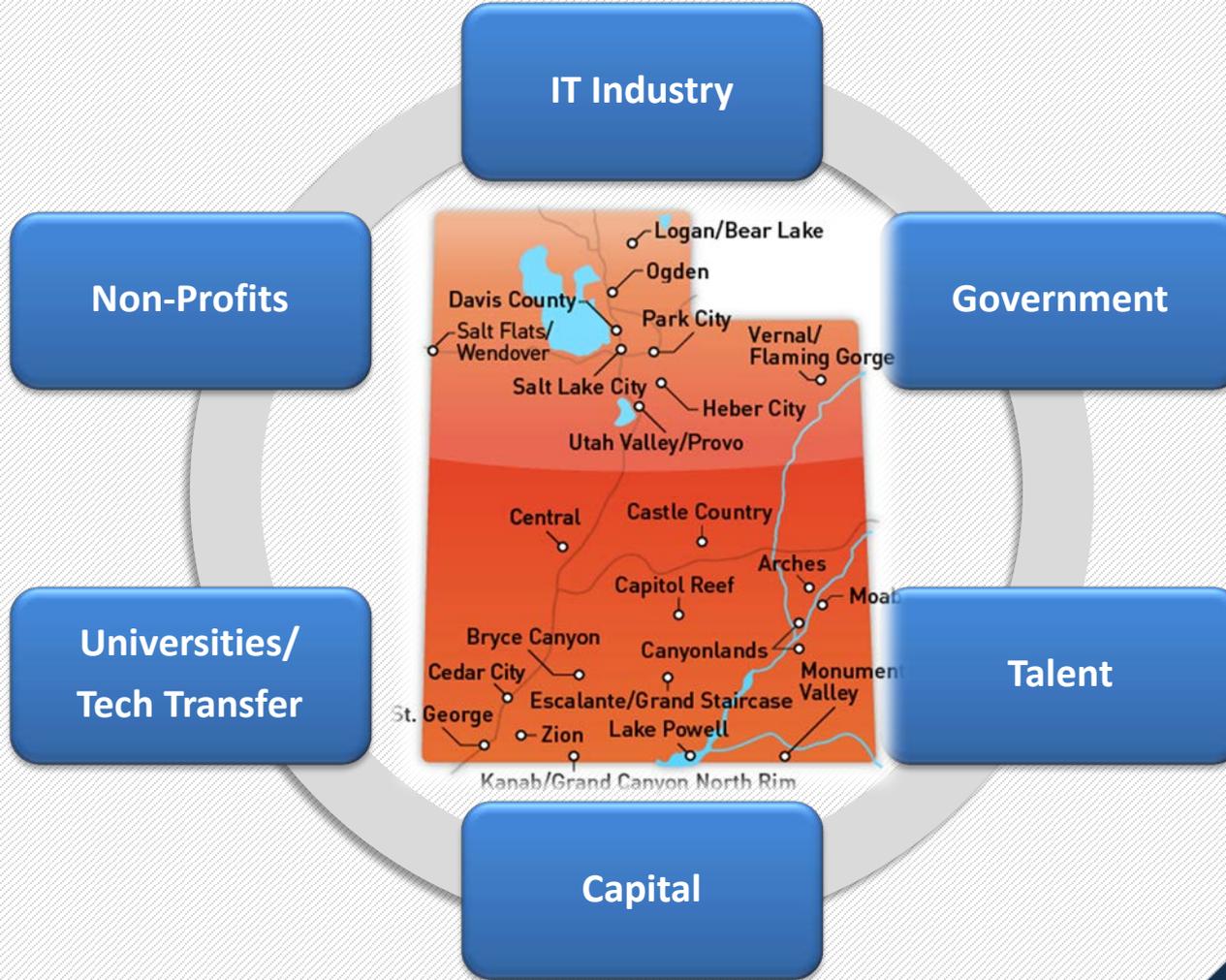
OUTDOOR RECREATION	
Establishments	177
Cluster Jobs	6,208
Percent of Utah Total Jobs	0.5%
Avg. Annual Wage	\$41,950
Percent of Utah Avg. Wage	103%

ENERGY & NATURAL RESOURCES	
Establishments	1,005
Cluster Jobs	18,611
Percent of Utah Total Jobs	1.5%
Avg. Annual Wage	\$90,164
Percent of Utah Avg. Wage	222%

LIFE SCIENCES	
Establishments	982
Cluster Jobs	26,499
Percent of Utah Total Jobs	2.1%
Avg. Annual Wage	\$66,013
Percent of Utah Avg. Wage	162%

FINANCIAL SERVICES	
Establishments	4,571
Cluster Jobs	47,320
Percent of Utah Total Jobs	3.9%
Avg. Annual Wage	\$65,771
Percent of Utah Avg. Wage	162%

Situation Assessment: Insights Summary



The Fiber Crossroads of the West

- Strategic location for national connectivity
- Backbone to 5 major metropolitan areas
- Growing concentration of high tech companies



Salt Lake City-
The Optical Fiber Crossroads

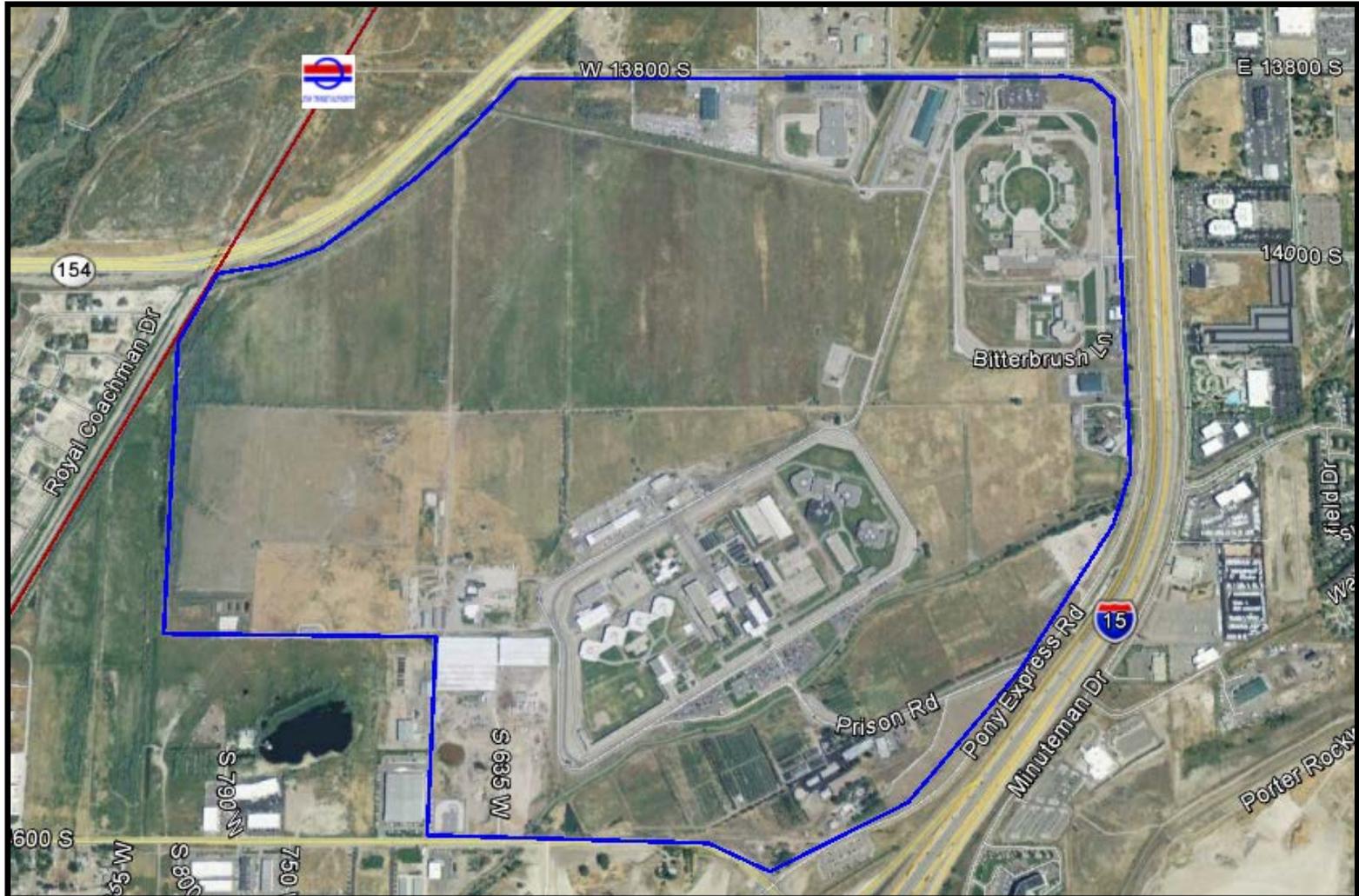
Broadband Milestones

- **Ranked #1 in home broadband adoption** — 80% of homes subscribe to Internet --*U.S. Department of Commerce*
- **4th fastest Internet speeds in the nation** — leading all western states — *Akamai Technologies Report*
- **99.41% of homes have basic broadband service available** — 3 Mbps down/768 Kbps up — *Utah Broadband Project/AGRC*
- **“Fastest Internet in the West”** — Utah Broadband Project-July 2013

The prison's current location is surrounded by many business in the IT and Life Sciences clusters

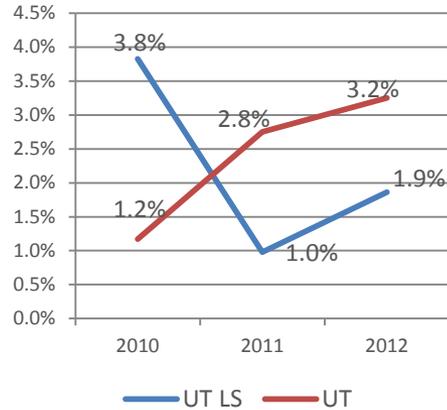


Situated along I-15 and Bangerter Highway, the prison site is also adjacent to the frontrunner commuter rail

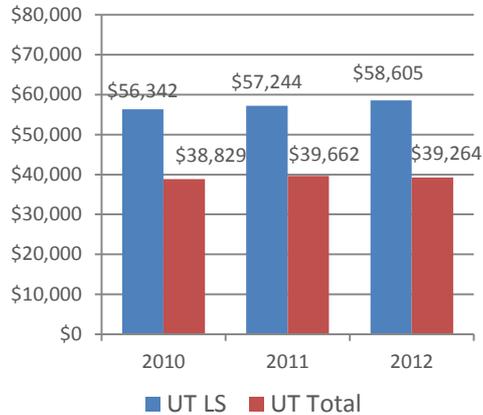


Life Sciences Cluster Scorecard – Q1 2013

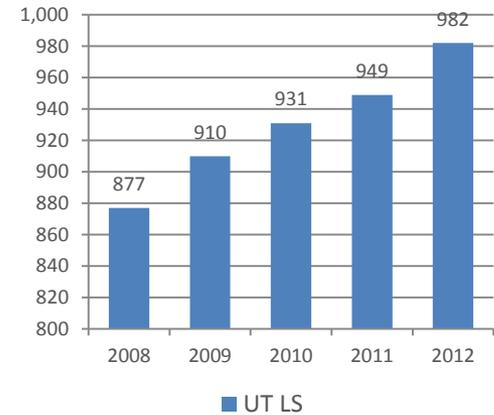
Jobs Growth Rates



Average Wage



Establishment Count



Key Stats

Jobs

- Utah LS Jobs: 26,499
- 2.7% of Utah Total Jobs

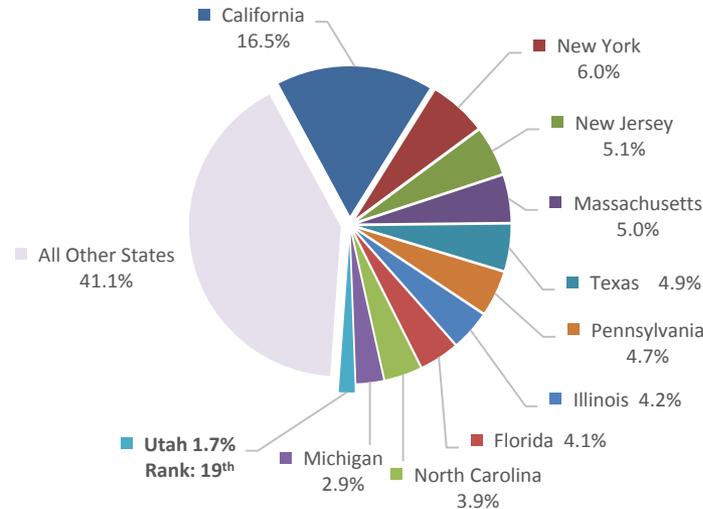
Wages

- LS Avg. Wage: \$58,604
- 149% of Utah Avg. Wage

Locations / Businesses

- Establishments: 982

Market Share



Top 5 States by Concentration

Rank	State	LQ
1 st	New Mexico	2.7
2 nd	West Virginia	2.6
3 rd	Massachusetts	2.0
4 th	Delaware	1.8
5 th	Utah	1.8

Life Sciences Cluster Top Companies Statewide – Q1 2013

Top 10 Companies in Utah	
Company	Jobs Ranges
ARUP LABORATORIES, INC	2,000-2,999
FRESENIUS USA MFG, INC.	1,000-1,999
MERIT MEDICAL SYSTEMS, INC.	1,000-1,999
BECTON DICKINSON AND CO	500-999
ULTRADENT PRODUCTS, INC.	500-999
HYCLONE LABORATORIES INC	500-999
EG&G DEFENSE MATERIALS, INC.	500-999
VARIAN MEDICAL SYSTEMS, INC.	500-999
USANA INC	500-999
MYRIAD GENETIC LAB, INC.	500-999

Trends

- While job, wage, and establishment growth has remained positive, several companies are dependent on the potential effects of Affordable Care Act (i.e. coverage of certain products)
- Having the highest number of establishments, the Life Sciences Cluster shows strength in diversity of sub-industries and companies.

IT Core identifies many key players in the heart of the industry, while IT Support identifies many companies in the greater IT/Software supply chain

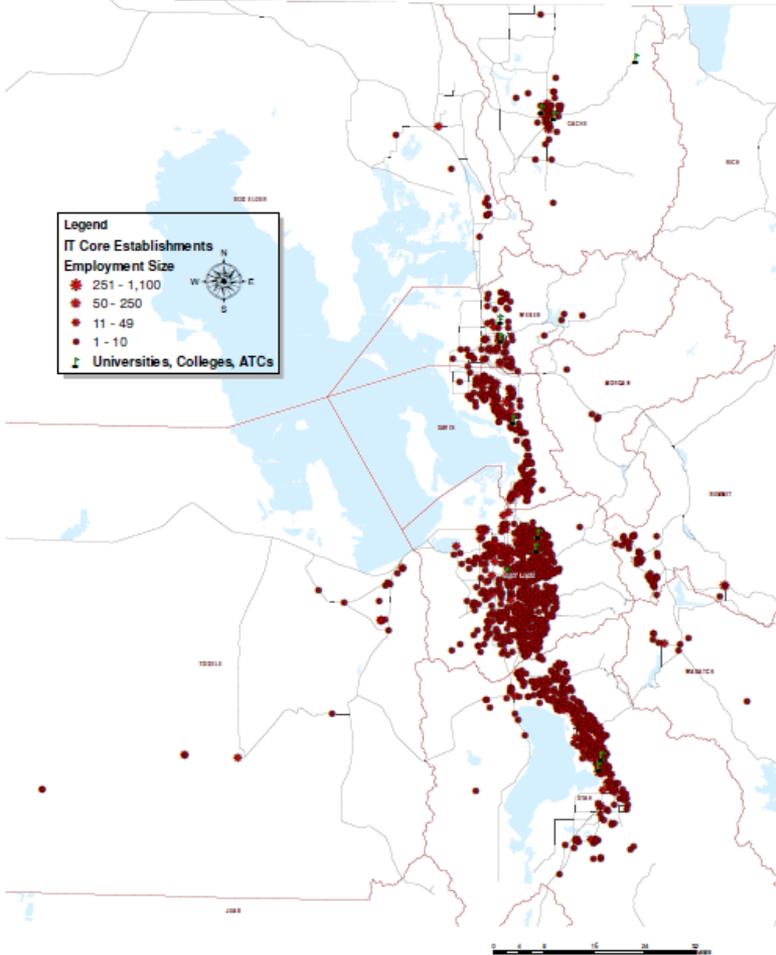
Information Technology Establishments Along the Wasatch Front

IT Core Classification

June 2009
 Establishments: 1,700
 Employment: 27,869
 Mean Employment Size: 16

IT Software Core NAICS Code

- 511210 Software Publishers
- 517110 Wired Telecommunications Carriers
- 517210 Wireless Telecommunications Carriers
- 517410 Satellite Telecommunications
- 517919 All Other Telecommunications
- 518210 Data Processing, Hosting, and Related Services
- 519130 Internet Publishing and Broadcasting and Web Search Portals
- 541511 Custom Computer Programming Services
- 541512 Computer Systems Design Services
- 541513 Computer Facilities Management Services
- 541519 Other Computer Related Services



Source: Utah Department of Workforce Services, Governor's Office of Economic Development, Information Technology/Software Cluster Definition, June 2009 Data, NAICS = North American Industry Classification System.

Information Technology Establishments in Utah IT Support Classification

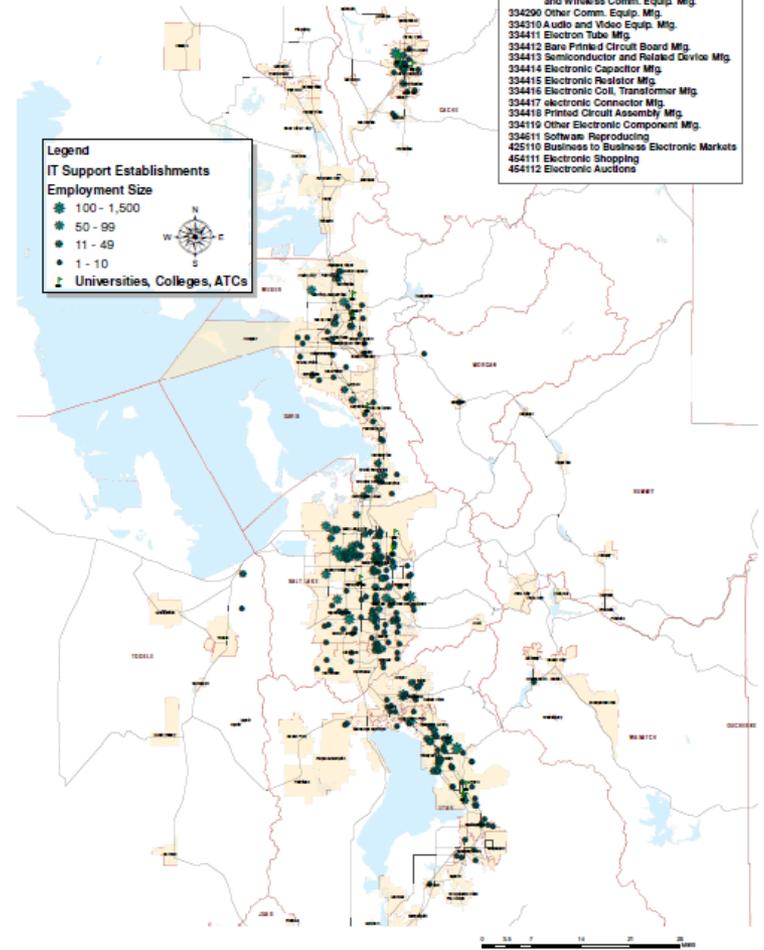
June 2009
 Establishments: 283
 Employment: 8,019
 Mean Employment Size: 28

IT/Software Support NAICS Codes

- 334111 Electronic Computer Mfg.
- 334112 Computer Storage Device Mfg.
- 334113 Computer Terminal Mfg.
- 334119 Other Computer Peripheral Equip. Mfg.
- 334210 Telephone Apparatus Mfg.
- 334220 Radio and Television Broadcasting and Wireless Comm. Equip. Mfg.
- 334290 Other Comm. Equip. Mfg.
- 334310 Audio and Video Equip. Mfg.
- 334411 Electron Tube Mfg.
- 334412 Bare Printed Circuit Board Mfg.
- 334413 Semiconductor and Related Device Mfg.
- 334414 Electronic Capacitor Mfg.
- 334415 Electronic Resistor Mfg.
- 334416 Electronic Coil, Transformer Mfg.
- 334417 Electronic Connector Mfg.
- 334418 Printed Circuit Assembly Mfg.
- 334419 Other Electronic Component Mfg.
- 334611 Software Reproducing
- 425110 Business to Business Electronic Markets
- 454111 Electronic Shopping
- 454112 Electronic Auctions

Legend
 IT Support Establishments
 Employment Size

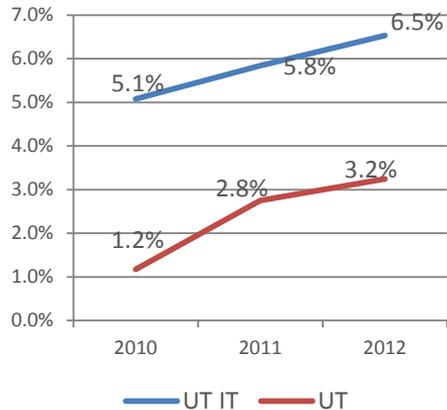
- 100 - 1,500
- 50 - 99
- 11 - 49
- 1 - 10
- ⚡ Universities, Colleges, ATCs



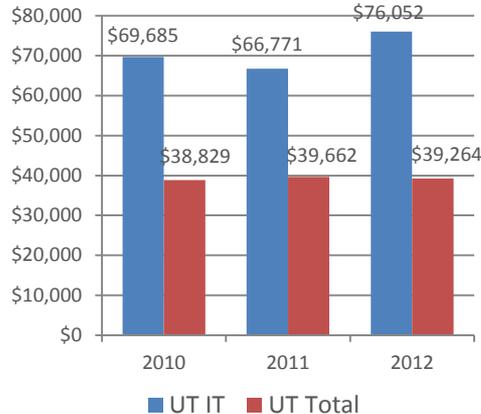
Source: Utah Department of Workforce Services, Note: Governor's Office of Economic Development, Information Technology/Software Cluster Definition, June 2009 Data.

IT/Software Cluster Scorecard – Q1 2013

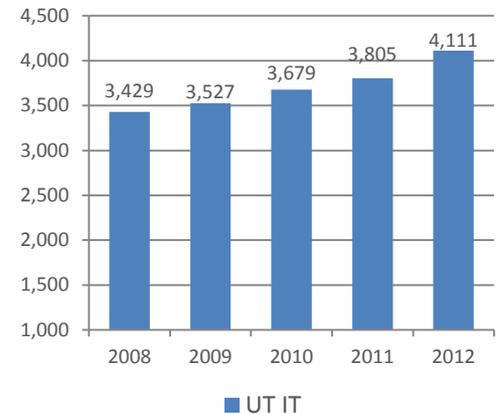
Jobs Growth Rates



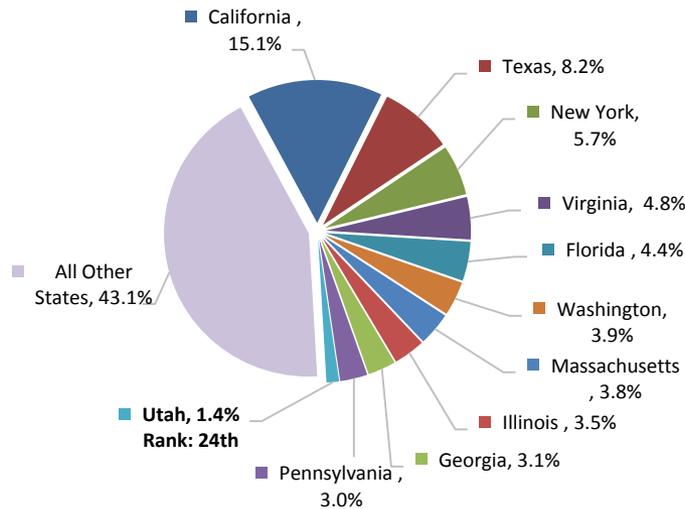
Average Wage



Establishment Count



Market Share



Key Stats

Jobs

- Utah IT Jobs: 51,451
- 4.0% of Utah Total Jobs

Wages

- IT Avg. Wage: \$76,052
- 193% of Utah Avg. Wage

Locations / Businesses

- Establishments: 4,111

Top 5 States by Location Quotient

Rank	State	LQ
1 st	Idaho	2.6
2 nd	Vermont	1.9
3 rd	Washington	1.8
4 th	New Hampshire	1.7
5 th	Virginia	1.7
9 th	Utah	1.4

IT/Software Cluster Top Companies Statewide – Q1 2013

Top 10 Companies in Utah	
Company	Jobs
EBAY INC.	1,000-1,999
IM FLASH TECHNOLOGIES, LLC	1,000-1,999
ACS COMMERCIAL SOL. INC	1,000-1,999
CLEAR LINK TECHNOLOGIES, LLC	1,000-1,999
ADOBE SYSTEMS INCORPORATED	500-999
OVERSTOCK.COM, INC.	500-999
ACS BUSINESS PROCESS SOL. INC	500-999
UNITED HEALTHCARE SERV., INC.	500-999
QWEST CORPORATION	500-999
BLUEHOST INC.	500-999

Trends

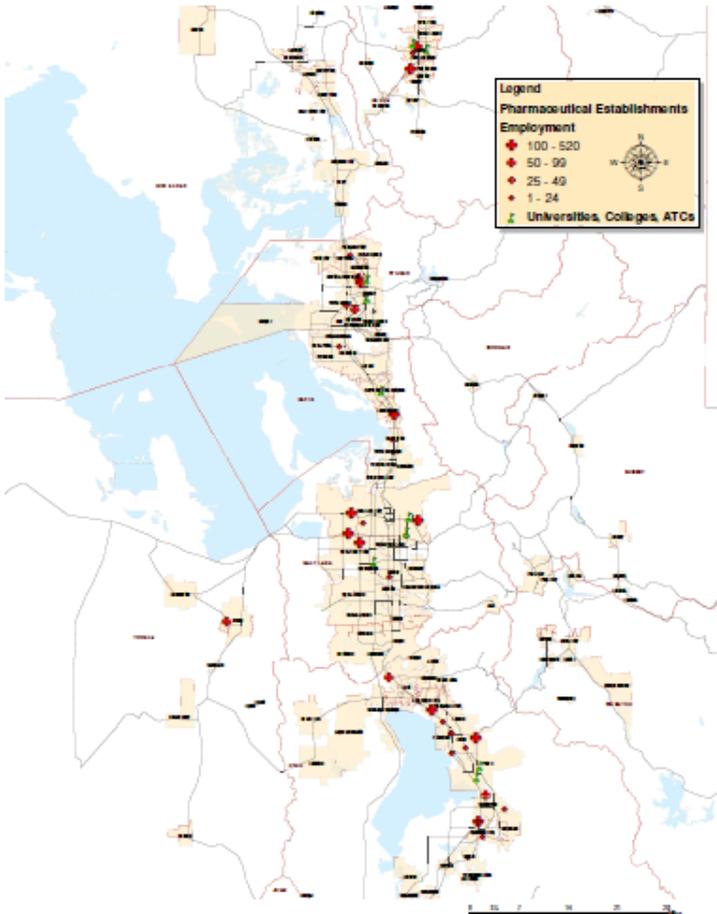
- IT/Software has recovered from the recession and surpassed “dot com” boom levels of employment, wages, and establishments. However, many of the larger employers in the state have experienced significant job losses over the past several months. It seems the growth is stemming from many of the small employment class establishments.

Pharmaceutical Establishments Along the Wasatch Front

A Subset of the Life Science Cluster

June 2009
 Establishments: 28
 Employment: 3,278
 Mean Employment Size: 117

Pharmaceutical NAICS Code
 28542 Pharmaceutical Preparation Mfg.



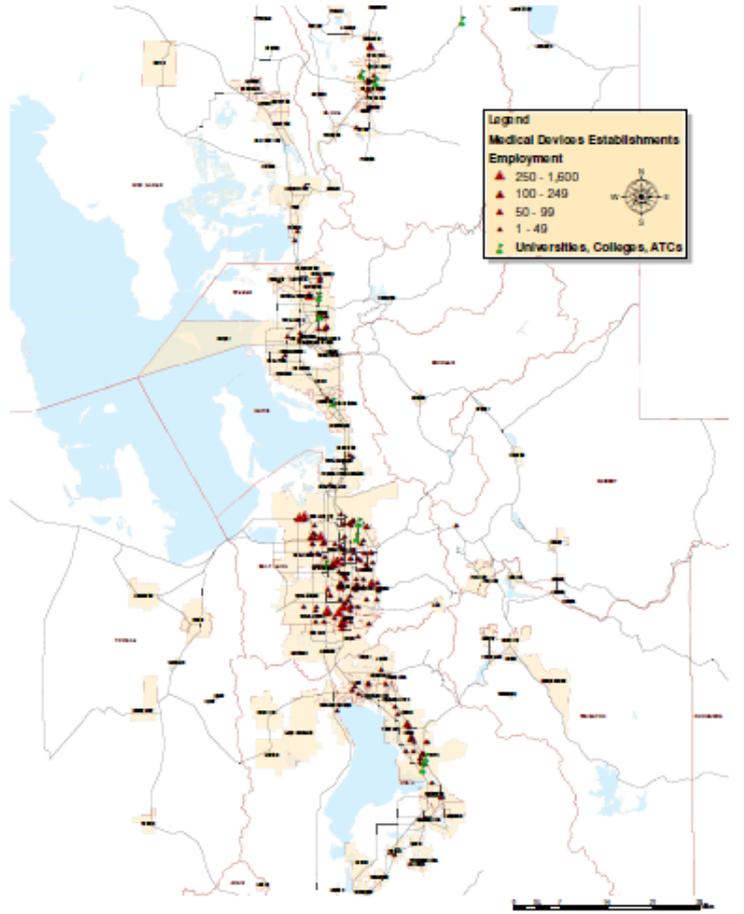
SOURCE: UTAH DEPARTMENT OF WORKERS SERVICES, GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT LIFE SCIENCE CLUSTER CENTER, PHARMACEUTICAL MANUFACTURING SECTOR, JUNE 2009 DATA. NAICS - NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM.

Medical Devices Establishments Along the Wasatch Front

A Subset of the Life Science Cluster

June 2009
 Establishments: 188
 Employment: 7,872
 Mean Employment Size: 48

Medical Devices NAICS Code
 334510 Electromedical and Diagnostic Apparatus Mfg.
 334515 Analytical Laboratory Instrument Mfg.
 334517 Radiation Apparatus Mfg.
 339112 Surgical and Medical Instrument Mfg.
 339113 Surgical Apparatus and Supplies Mfg.
 339114 Dental Equipment and Supplies Mfg.
 339115 Ophthalmic Goods Mfg.
 339116 Dental Laboratories



SOURCE: UTAH DEPARTMENT OF WORKERS SERVICES, GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT LIFE SCIENCE CLUSTER CENTER, MEDICAL DEVICE SECTOR, JUNE 2009 DATA. NAICS - NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM.

GOED Highlights



- Adobe (**927 jobs**)
- IM Flash (**200 jobs**)
- EMC Corporation (**500 jobs**)
- Scheels Sports & Entertainment (**450 jobs**)
- eBay campus (**1,000 new jobs** and retention of 1,200 existing)
- NSA is the nation's largest construction project (**1,200 Utah construction workers on site**)
- Hexcel (**\$650MM capital investment**)
- New SLC Airport Expansion - **\$1.8 billion over the next 10 years**





Draper – Salt Lake County

2,200 Employees
40 acres

\$ 80,000,000 Capital Investment
\$ 2,737,441,997 in New State Wages over 20 years

\$ 180,106,000 in additional economic benefit



Lehi – Utah County

1,686 Employees
30 acres

\$ 1,500,000,000 Capital Investment
\$ 1,463,430,181 in New State Wages over 15 years

\$ 96,214,833 in additional economic benefit



Lehi – Utah County

927 Employees
20 acres

\$ 298,000,000 Capital Investment
\$ 1,631,697,764 in New State Wages over 20 years

\$ 107,023,392 in additional economic benefit



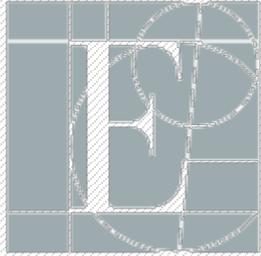
Draper – Salt Lake County

750 Employees
5 acres

\$ 4,000,000 Capital Investment
\$ 475,109,938 in New State Wages over 12 years

\$ 31,161,863 in additional economic benefit

Edwards Lifesciences



Edwards



Location	Draper
Term	15
# of contracted jobs over term	1,300
Wages paid over term	\$776,525,500
New State Rev. over term	\$50,943,077
Capital Inv. In Facility	\$14,500,000
Max. Cap. Incent. Earned over term	\$11,521,000

EMC Corporation



Location	Draper
Term	10
# of contracted jobs over term	500
Wages paid over term	\$313,600,626
New State Rev. over term	\$12,476,673
Capital Inv. In Facility	\$7,600,000
Max. Cap. Incent. Earned over term	\$3,513,700

Utah Cities Rank in Top 5 in Prestigious Milken Economic Report

Components the Milken Institute considered while building this year's index were job, wage, salary and technology growth

Top 25 best-performing large cities: Rank according to 2013 index

Metropolitan statistical area (MSA)	2013 rank	2012 rank	Spots up/down
Austin-Round Rock-San Marcos, TX	1	2	1
Provo-Orem, UT	2	7	5
San Francisco-San Mateo-Redwood City, CA	3	36	33
San Jose-Sunnyvale-Santa Clara, CA	4	1	-3
Salt Lake City, UT	5	6	1

Why Utah?

Cost & Quality of Living

- Approximately 23% cheaper than Boston, MA
- Approximately 38% cheaper than San Francisco, CA
- Healthy, balanced living with many recreational & other activities year-round

Proximity to University & Resource Availability

- University of Utah: 7,034 graduates/year
- Brigham Young University: 8,500 graduates/year
- Utah Valley University: 3,750 graduates/year
- Bi-lingual population

Flight Connectivity & Other Infrastructure

- Salt Lake City International Airport & Provo Municipal Airport
- 40+ flights daily between Boston & Salt Lake City
- UTOPIA fiber network, reliable & cost-effective power, etc.

Existing Players

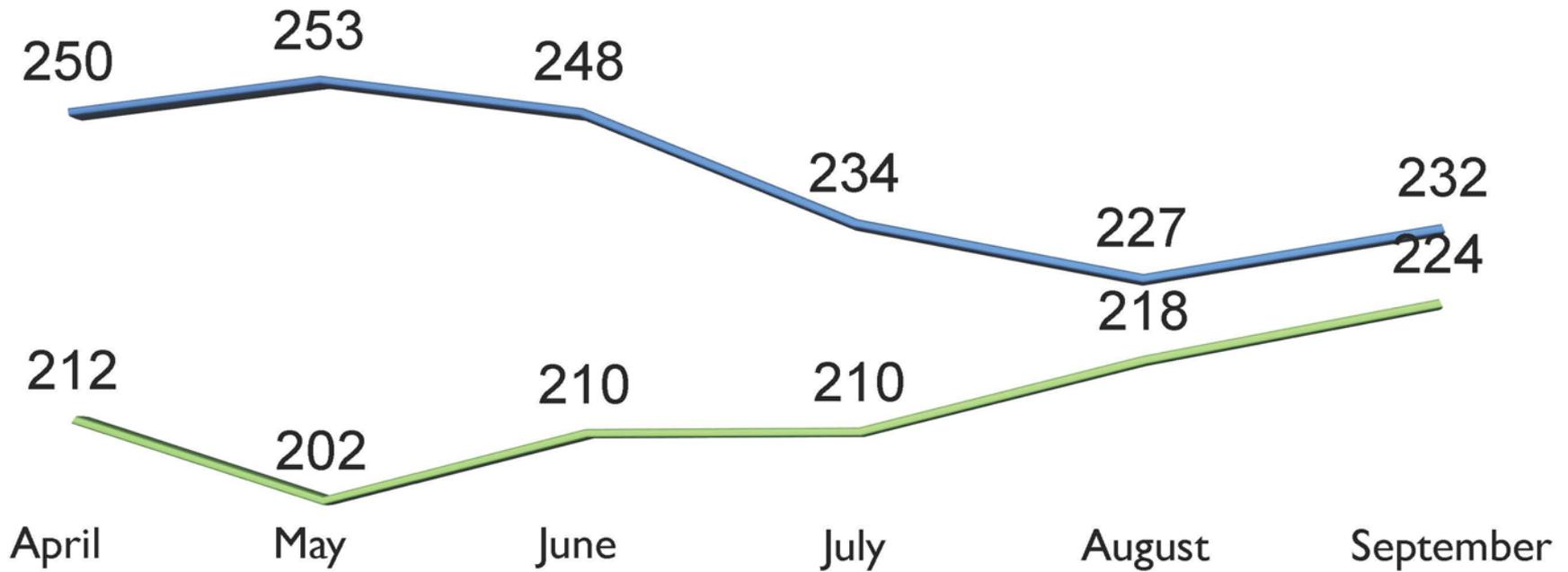
- Hardware: Sun / Oracle, HP, Intel / Micron / IM Flash, Fusion-io, Iomega
- Software: HP, Symantec, Omniture / Adobe, Microsoft, Oracle, Mozy
- Services: Accenture, GE, AMEX, Fidelity
- Other: eBay, NSA

Government Incentives

- State Corporate Tax: 5%
- Combined (State & Federal): 38%
- Tax Credit: up to 30% for up to 20 years
- Enterprise Zone & Grants: Various

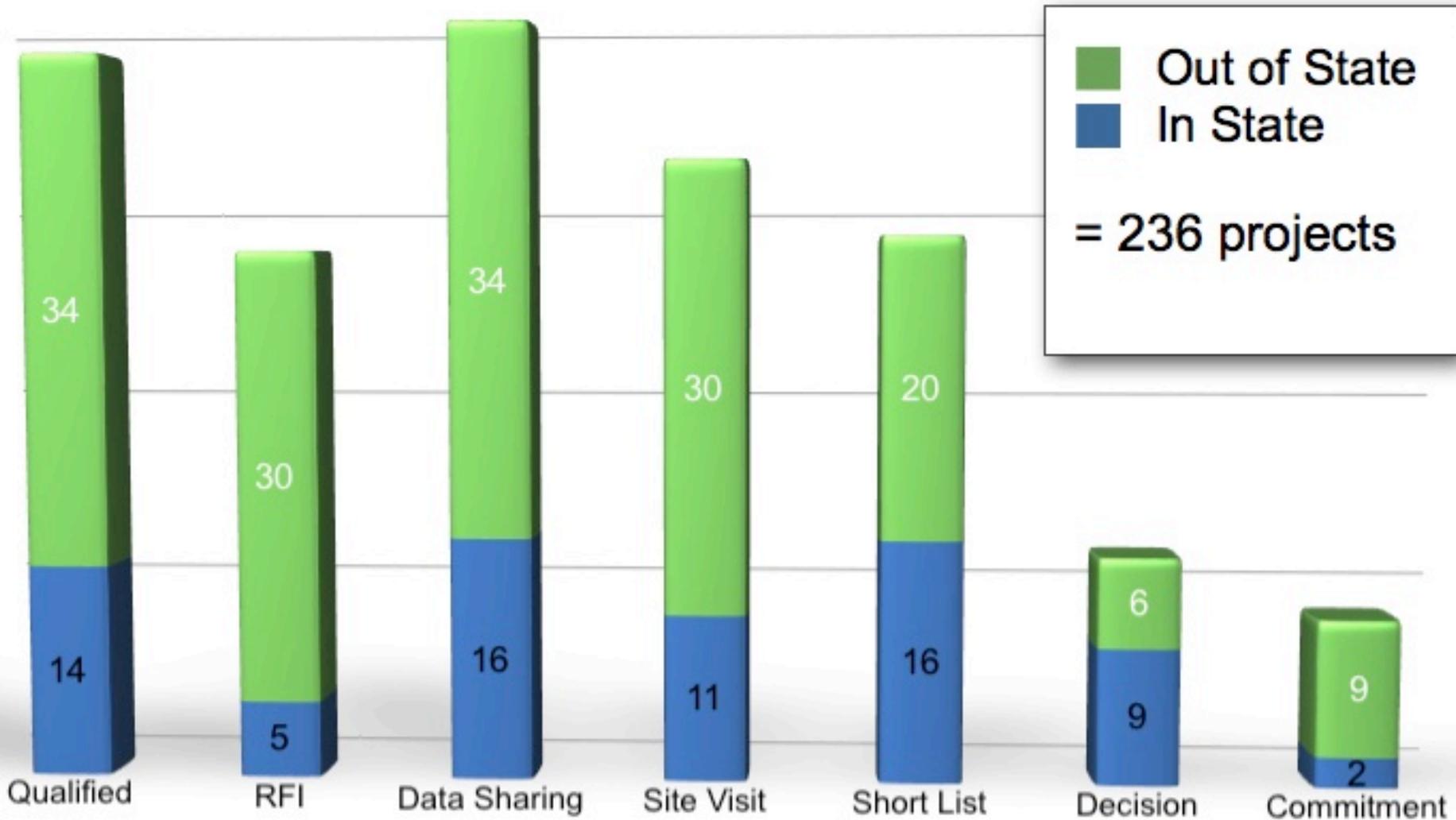
Source: EMC research

Active Projects



— 12-13 — 11-12

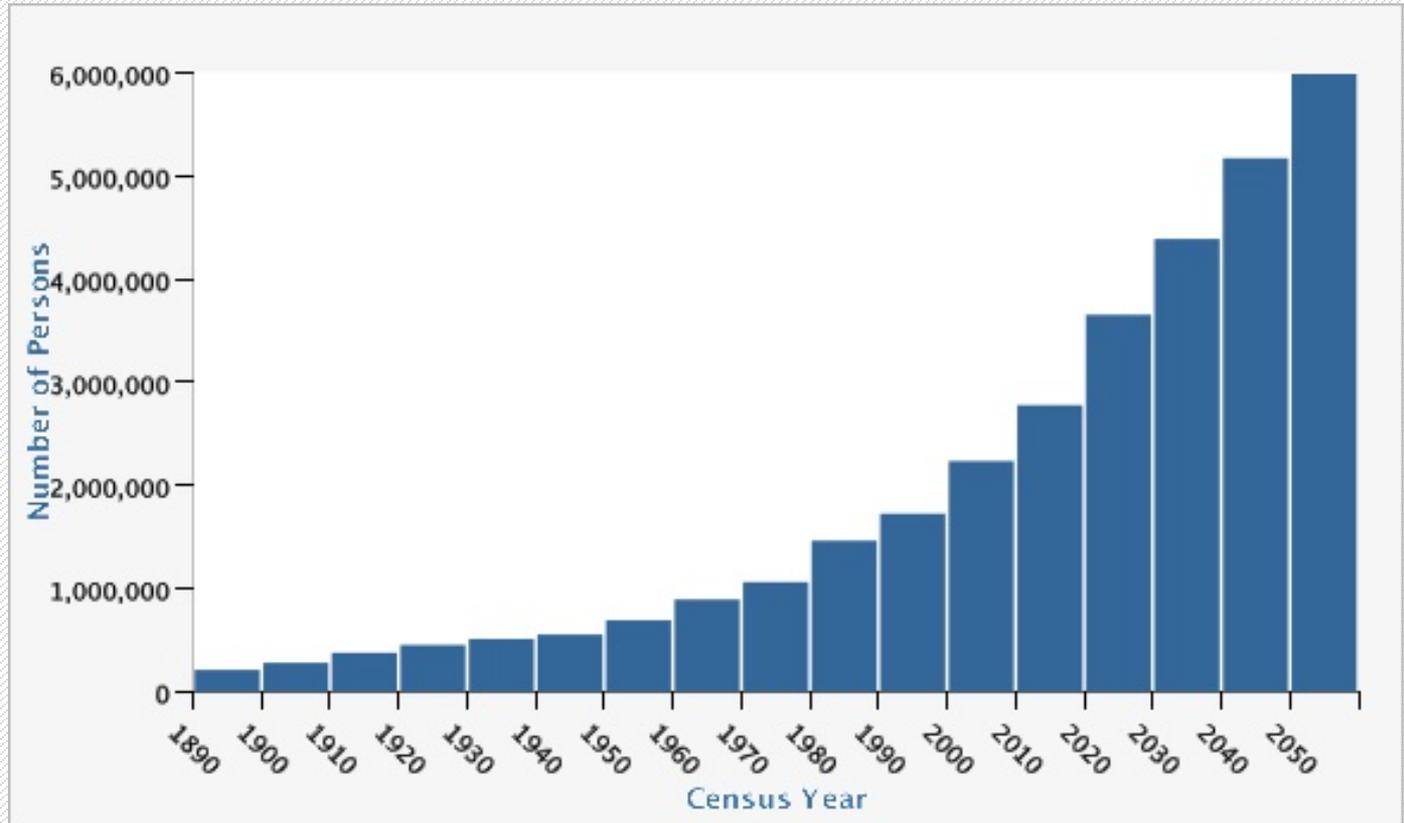
Active Projects in Pipeline



Population Growth

Our state's population has doubled in the last thirty years, and we're projected to add another 2.5 million people by 2050.

-Envision Utah



What's Important in Utah

Utah is growing, and how we grow matters. It's clear from research and surveys that most Utah residents value the things that make day-to-day living more pleasant, healthy, and sustainable.

- Air Quality
- Education
- Energy & Infrastructure
- Housing & Cost of Living
- Jobs & Economy
- Open Space
- Transportation & Communities
- Water

Governor's Budget Recommendations

Air Quality Research:	\$1.8 million
The Utah Clean Air (UCAIR) Partnership:	\$1.3 million
Forest fire suppression:	\$4 million
Your Utah, Your Future, a long-term planning effort to address Utah's growing population through 2050	\$500,000
Energy Research	\$510,000
Make aging school buses and state fleet vehicles cleaner & more efficient:	\$14.3 million
Increase energy efficiency in state buildings:	\$600,000

Next Steps

1. Gather additional data
2. Engage surrounding cities and counties in an envisioning process
3. Identify the BIG IDEA
4. Build consensus

Utah: The Brightest Star

Click to play
video

<http://www.youtube.com/watch?v=-UG1E6HVP1A>

Questions?

Spencer P. Eccles

Executive Director

Governor's Office of Economic Development

60 E. South Temple, 3rd Floor,

Salt Lake City, Utah 84111

801-538-8680



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November 20, 2013

