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UTAH
ELEVATED™



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

PROMOTION | UTAH

Utah

Business Elevated

BY SUSAN H. BURNELL

Salt Lake City © Andrew Gillman

Utah keeps racking up accolades, and there's good reason for it: It's always business season in the Beehive State.

Ranked by Forbes as the #1 State for Business in 2014, Utah also gained the top spot on Pollina Corporate Real Estate's Ten Pro-Business States list. Since 2006, corporate recruitment incentives have attracted more than 12,000 high-paying jobs to the state.

"We have an unwavering focus on economic development," says Governor Gary R. Herbert. "That includes attracting businesses and investment to the state while helping homegrown businesses thrive."

Stability Helps State Soar

Attracted by a 5% flat corporate tax rate—unchanged in nearly 20 years—businesses have set their sights on Utah. Utah's annual job growth increased 5.1% in 2014, and Utah companies raised more than \$200 million in venture capital in the first quarter of 2015.

Practical matters rule here. Utah has a history of conservative fiscal policies. Its budget

is balanced and its rainy-day fund substantial.

"Utah's business-friendly climate and fiscal responsibility lead to stability in the economy," says Vista Outdoor Inc. Chairman and CEO Mark W. DeYoung. "More than any other state we considered for our global headquarters, Utah wanted our business. Its infrastructure, four seasons and public lands make it a natural fit for a company like ours."

"It's our goal to have Utah lead the nation as the best-performing economy, and be recognized as the premier global business environment and tourist destination," says Val Hale, executive director of the Governor's Office of Economic Development (GOED).

Poised for Growth

With peaks as high as 13,528 feet, Utah soars

above other states in geography. It also has climbed to high-profile status for its information technology and software infrastructure, talent base and opportunities. The state is no newcomer to the tech scene: the fifth node of the original Internet was located at the University of Utah. The home of strong IT and software companies for a quarter century, Utah is poised for continued growth.

A fast-growing cluster more than 4,300 companies strong, the tech

industry is driving office market demand in Salt Lake City, the state's most populous city. CBRE, the world's largest commercial real estate services and investment firm (in terms of 2014 revenue), ranks the Salt Lake market in the top five U.S. small markets and #25 on its overall list.

CBRE's Utah office houses 33 sales

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**—VAL HALE
EXECUTIVE DIRECTOR OF THE
GOVERNOR'S OFFICE OF ECONOMIC
DEVELOPMENT**

professionals and 107 employees in total. In 2014, its professionals advised clients on \$858.1 million dollars in commercial real estate activity.

"Business leaders from across the state work closely in partnership," says Mark Bouchard, senior managing director for CBRE's Salt Lake City office. "There's good planning, with emphasis on education and a well-diversified workforce. Leaders don't just rely upon the government or economic development groups—they're involved in public-private partnerships to strategize on how we will move forward. Our office has certainly benefited from—and made an effort to contribute to—that strategic thinking.

"It might surprise business decision makers that our cost of living is slightly higher than the U.S. average," says Bouchard. "But the reason Forbes and others view us so favorably is that the cost of doing business in Utah is 16% below the national average. That statistic alone fosters great interest, especially from businesses."

Tech Momentum Accelerates

The business climate for IT and software companies has attracted such companies as Adobe Systems, which recently acquired Utah-based Omniture, a leading web analytics company, for \$1.8 billion. Last year, Provo-based insight technology provider Qualtrics landed \$150 million of new investment. Other fast-growing companies in the state include Pluralsight, Domo, InsideSales.com and Health Catalyst.



© Sophia DiCaro

Utah State Capitol



"We have an unwavering focus on economic development. That includes attracting businesses and investment to the state while helping homegrown businesses thrive."

—UTAH GOVERNOR GARY R. HERBERT

VISTA OUTDOOR

Vista Outdoor is a leading global designer, manufacturer and marketer of consumer products in the growing outdoor sports and recreation markets.

With more than 30 brands, our portfolio offers consumers a range of performance-driven, high-quality and innovative products. We're passionate about our work because our employees use the products we make. We understand what our customers need to achieve independence and success.

Vista Outdoor is headquartered in Utah and has manufacturing operations and facilities in 10 U.S. states, Puerto Rico, Mexico and Canada, along with international sales and sourcing operations in Canada, Europe, Australia, New Zealand and Asia.

Locating our corporate headquarters in Utah helps facilitate our mission. From skiing to hunting to camping to mountain biking and golfing, Utah is an epicenter for individual outdoor recreation and a great place to do business.

At Vista Outdoor, we're committed to bringing the world outside—and that mission starts in Utah.





VISTA™

— OUTDOOR —

BRINGING THE WORLD OUTSIDE™

VISTAOUTDOOR.COM



Vista Outdoor, a new publicly traded outdoor sports and recreation company, chooses Utah for its global headquarters! A strong business climate, great quality of life and a thriving outdoor recreation industry make the state a great partner in our mission: BRINGING THE WORLD OUTSIDE™.



Together, Utah companies raised more than \$800 million in venture capital in 2014, the largest sum in the Rocky Mountain region. That figure tops the capital raised in Colorado, Nevada and Idaho combined. In terms of average deal size in the first nine months of 2014, the Provo-Orem metro was #1 in the nation, and twice the average size of #2, San Francisco.

Utah is a candidate for continued tech company growth, with its highly educated workforce and the nation's seventh-highest concentration of millennials. "Our opportunity

now is how to capitalize on that young, educated workforce," says Bouchard.

To create further momentum around Utah's thriving technology community, Omniture cofounder and current Domo founder and CEO Josh James developed the Silicon Slopes initiative. More than a branding effort, SiliconSlopes.com provides a hub for technology and life sciences companies, job seekers and investors to connect.

"Utah's booming IT sector has gained national attention and continues to be an integral part of our economy," said Governor

Herbert. His comments accompanied the May 2015 announcement by the GOED board that EMC Corporation will expand its operations in Draper.

The expansion will create 700 jobs in addition to the 750 people EMC already employs in the state. It's a capital investment of about \$62 million for the information technology firm.

"We have a very vibrant and diverse IT industry cluster here," says Vance Checketts, vice president and general manager of EMC's Utah operations. "Utah offers IT professionals a great career and a life to match."

EMC provides cloud computing, big data analytics and security technology. It operates one of its eight global "Centers of Excellence" in Draper. The company's Utah facility, selected both for its location and access to a skilled workforce, provides a variety of IT and client services, and serves both U.S. federal agencies and global customers.

Well-Qualified Talent Base

L-3 Communication Systems-West (L-3 CS-West) is one of the companies helping to build Utah's economy. The company is the largest division within L-3 Communication Systems Group, which is one of L-3's four business segments.

L-3 CS-West is part of an aerospace and defense cluster that employs more than 20,000 people. It provides networked communication solutions for high-performance intelligence collection, imagery processing and satellite communications for the Department



Granite School District student interns work with an engineering intern instructor at BioInnovations Gateway (2015).

L-3 – A Major Contributor to Utah's World-Class Engineering and Business Environment

For nearly 60 years, L-3 Communication Systems-West (L-3 CS-West) has enjoyed the benefits of Utah's outdoor beauty as well as its business-friendly environment and well-educated workforce. We provide high-capacity, networked wireless communication solutions that deliver secure, on-demand, high-bandwidth information to our customers.

With 3,300 employees, we are renowned for our innovative spirit, which draws top talent from Utah's highly ranked universities and leading institutions nationwide. Our agile and responsive engineering expertise, coupled with our world-class manufacturing capability, facilitates a collaborative approach with our customers to deliver the cutting-edge solutions that make us an industry leader.

L-3 CS-West helps educate innovators by serving on Utah's university advisory boards and technology councils, as well as supporting many STEM initiatives. We also partner with high schools, trade schools and community colleges to prepare tomorrow's skilled workforce. Together, we are working to ensure Utah's bright future as a premier center of business and technology.



L-3's Network Visualization Laboratory in Salt Lake City provides control and visual depiction of the status of communication networks.



**BRILLIANT WORK.
BREATHTAKING SCENERY.**



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Communication Systems-West — An Innovative Utah Business

L-3 Communication Systems-West combines proven systems with the people, expertise and innovation to enable information dominance for superior mission-critical decision-making. Our network control software and wideband radios bring the power of the network to the customer, effectively reducing the decision cycle. L-3 CS-West's integrated communication systems provide cost-effective solutions that enable real-time, secure, wideband data transfer whenever and wherever you need it.

For more information, please visit L-3com.com/csw or www.L-3jobs.com.

Communication Systems-West

  L-3com.com



The Wasatch Mountains are just a short drive from downtown Salt Lake City, providing unparalleled access to both an urban lifestyle and the great outdoors.

of Defense and other government agencies. L-3 CS-West has 3,000 employees in Salt Lake City and another 500 supporting customers in other locations around the world.

"Beyond producing products, we do a lot of business with suppliers here in Utah," says Bruce Carmichael, executive director of ethics and program security. "The flow-down of the

work we do has a relatively large footprint."

Salt Lake City's greatest advantage for attracting high-tech talent is its quality of life, says Andy Ivers, president of L-3's Broadband Communications Sector and president of Communication Systems-West. "It's a smaller city with a Midwest-friendly feel. It lacks the traffic and congestion of cities on the West

and East Coasts. You can be in the mountains in 30 minutes, and get to one of the state's five major national parks very quickly. From the doorsteps of our plant in Salt Lake City, it's about a 40-minute drive to world-class ski resorts."

The state's well-renowned universities help L-3 maintain a talented technical workforce, Ivers says. "We are able to recruit recent graduates, our staff can pursue advanced degrees, and we partner with Salt Lake Community College to train technicians—all great advantages."

Of L-3's employees, 14% are serving or have served in the military. The company recently earned a Bronze Minuteman Award from the Utah National Guard. The award recognizes L-3's support for its employees' military service, along with its active recruiting and community outreach to veterans.

Responsible, Sustainable Energy

Ninety-five percent of Utahns who have access to natural gas are customers of Questar Gas Company, the natural gas distribution subsidiary of Questar Corporation. The corporation and its affiliated companies serve or operate assets in Utah, Wyoming, Idaho and Colorado. Recognized for its excellence as the top gas utility in the West by J.D. Power, Questar Gas continues to earn high marks from its customers. In addition, *Public Utilities Fortnightly* named Questar Corporation the nation's top energy company in 2014.

CBRE

Becoming one of the nation's top economies doesn't happen by accident, and neither do good business decisions. Since 1984, CBRE's Salt Lake City office has been building partnerships with local business leaders and organizations in an effort to shape the best community possible. When you combine these relationships with our global scale and unmatched platform of services, you get a commercial real estate company with an exceptional ability to help our clients transform real estate into real advantage.

CBRE. Helping our clients build on advantage—in Utah, and across the globe.

CBRE *Build on Advantage*
Learn more at cbre.com/slc



TRANSFORMING REAL ESTATE INTO REAL ADVANTAGE

For every client, advantage is delivering the broadest, deepest reach and resources any real estate company offers.

Transforming property into prosperity, square feet into strong portfolios, scale into global strength. As one of the founding partners of the Governor's Economic Summit, CBRE understands it's the combination of global scale and reach and local insights that enables us to deliver exceptional outcomes for our clients.

Let us put our actionable perspectives, global reach and powerful connections to work for your business.



Utah's diverse landscapes offer unlimited recreational opportunities.

"We believe we're demonstrating that Questar, headquartered in Utah, is one of the nation's best companies, and serves one of the best places to do business," says Ronald W. Jibson, Questar Corporation's chairman, president and CEO. "Utah provides a solid base for a company like Questar. There's no other place in the nation I'd rather have our company headquartered."

One of the main reasons Utah continues to be named as the number one state for business is because of its low energy costs, Jibson says. "Our natural gas rates are historically among the nation's very lowest—often 25% to 30% below the national average. That is a big driver for economic growth. The state also has vast space for development, and with natural gas available throughout the state, new companies can keep their costs low."

Questar is highly engaged in efforts to produce cleaner, more-efficient energy. Those efforts are consistent with Governor Herbert's commitment to provide access to affordable, reliable and sustainable energy. The governor's goal is to have the state produce 25% more electrical energy than it consumes by 2020. Responsible energy resource development, improved air quality, and innovation in energy efficiency and development go hand-in-hand with that goal.

Jibson notes that available clean and low-cost energy were factors in Proctor & Gamble's decision to open its first new U.S. plant in 40 years. The company's Box Elder Family Care plant, north of Salt Lake City, opened in 2011 and will be expanding next year.

Utah's year-round recreation is a further draw for recreation-based companies, Jibson adds. "We are doing our part by being

BiG Strides for STEM Success

"I want in!" is one of the first things life science start-ups say about BioInnovations Gateway (BiG). "This is the only program we know of in the nation that integrates high school education and training with life science start-up incubation," says Scott Marland, Ph.D., executive director.

BiG offers experiential learning opportunities, internships and potential employment for students, and resources for biotech start-up companies. About 3,000 students per semester participate in BiG training, and about 15 start-up firms participate at any given time.

Housed in Granite Technical Institute, BiG is set up as a magnet school, with equipment, 3-D printers, a clean room and a multimillion-dollar lab. "We offer a bridge between coursework and what companies need," says Marland. "They let us know what skill sets, software or equipment training they want students to have, and we tailor programs for them. We work with teachers and start-up companies, so that when students complete their training, they can go in and be useful right away."

The facility offers partner companies such resources as accountants, patent attorneys and product development assistance. Marland calls it "a magical culture of people working together."

BiG tackles the issue of resources for life science companies. "Start-up

companies need a trained workforce, talented management, and expensive equipment and facilities," says Michael O'Malley, marketing director for the Utah Governor's Office of Economic Development (GOED). "BiG enables its tenant companies to utilize laboratory and office space and appropriate equipment without the initial capital outlay, well below market rates. Students participating in the BiG model within the biomanufacturing/biotechnology programs are better prepared and highly marketable to our Utah industry."



© BioInnovations Gateway, 2010

BioInnovations Gateway is an educational institution and workforce training facility that provides access to laboratories, machines, office space and resources for high school students and entrepreneurs.

environmentally conscious, which in turn helps the state attract those companies.”

The Great Outdoors Lures Companies, Workers

When Vista Outdoor spun off from Alliant Techsystems Inc. (ATK) earlier this year, it found Utah to be a great match for its mission to “bring the world outside.” Vista Outdoor joins more than 190 companies in the state that specialize in outdoor products and recreation. Vista’s brand heritage includes 30 well-recognized brands, including Federal Premium, founded in 1922, and Bushnell, founded in 1948. It has grown its portfolio through a series of acquisitions under the leadership of Mark DeYoung.

“The state takes advantage of its four-season environment,” says DeYoung. “It has great infrastructure, including facilities built for the 2002 Winter Olympics. There are public indoor and outdoor shooting ranges, which align with our portfolio of equipment for shooting sports. Utah focuses on



© Michael O'Malley

Deer Valley Resort

outdoor recreation as a market segment, so it has welcomed us as a producer of equipment for hunting, skiing, golf and other outdoor activities.”

A leading global designer, manufacturer and marketer of consumer products in the

growing outdoor sports and recreation markets, Vista Outdoor employs nearly 5,800 skilled workers worldwide. Its customers are outdoor enthusiasts, hunters and recreational shooters and professional athletes, as well as law enforcement and military professionals.

QUESTAR®

IN A CLASS OF OUR OWN

QUESTAR CORPORATION (NYSE:STR) is a Utah-based natural gas company offering growth, strong returns and dividend upside through integrated rate-base-driven companies.

- Questar had record earnings of **\$1.29 per share in 2014, up 7%, and realized an 18.5% return on average common equity**
- Questar generated EBITDA of **\$630 million in 2014, up 6%**
- Dividends paid increased **6% in 2014 and an additional 11% in the first quarter of 2015**
- Questar was named the **#1 energy company in America for 2014 by Public Utilities Fortnightly**
- Questar Gas ranked **#1 in the Western Region in J.D. Power's 2015 Gas Utility Business Customer Satisfaction Study**

EARNINGS PER SHARE PER DILUTED SHARE



RETURN ON EQUITY NET INCOME/AVERAGE EQUITY



DIVIDENDS PAID PER SHARE (ROUNDED)



* Excludes the impact of a non-cash impairment charge at Questar Pipeline

OUR BUSINESSES

Questar.com

Questar Gas provides retail gas distribution in Utah, Wyoming, and Idaho with residential gas rates among the nation's lowest.

Wexpro develops and produces natural gas from cost-of-service reserves for Questar Gas customers.

Questar Pipeline operates interstate natural gas pipelines and storage facilities in the western U.S. and provides other energy services.

Questar Fueling builds and operates high-capacity NGV-fueling stations for major transportation and delivery fleets.



THE PERFECT BALANCE BETWEEN WORK AND ADVENTURE.

Park City, Utah is home to over 30 professional meeting properties, nearly 150 restaurants and bars, as well as countless year-round recreational opportunities, skiing, concerts and events. And it's all just a short 35-minute ride from the Salt Lake City International Airport.

Check us out for your next meeting, conference or board retreat. Details at parkcitymeetings.com

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SHORTCUT TO GREAT MOUNTAIN MEETINGS.



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A hiker takes in the view of Salt Lake City.

Vista Outdoor has facilities in Minnesota, Kansas and Mississippi, but for its headquarters it selected Clearfield, Utah, where ATK also had offices. The company is creating 90 high-paying, high-skilled jobs in Clearfield, and it received a package of incentives from GOED. According to DeYoung, an economic development incremental finance incentive worth about \$1.35 million was part of the package. The credit will reduce the company's taxes by about 20% over seven years. Other factors that swayed the company's decision were the state's fiscal responsibility and stable real estate market.

The choice was personal, too, DeYoung adds. "I was born and raised here, but I've lived in Virginia, Maryland and Minnesota. That has made me appreciate Utah all the more. There are outdoor activities in all four seasons. There are places to ski, water-ski, hike, backpack or ride ATVs, all within 15 minutes of my house."

A World-Class Destination

Park City in Summit County, within 35 minutes of Salt Lake City, is a world-renowned destination that factors prominently when companies are recruiting top executives or choosing a company meeting spot.

"It's rather interesting to have this kind of mountain resort community so close to the state capital," says Bill Malone, president and CEO of the Park City Chamber of

Commerce | Convention & Visitors Bureau. "When companies are recruiting, they like to feature Park City when they promote the wealth of opportunities Utah has. We call it

"When companies are recruiting, they like to feature Park City when they promote the wealth of opportunities Utah has. We call it America's most accessible mountain destination."

—BILL MALONE
PRESIDENT AND CEO, PARK CITY
CHAMBER OF COMMERCE | CONVENTION
& VISITORS BUREAU

America's most accessible mountain destination. It's easy for people to live here and commute to work in Salt Lake City. We have great ski areas, a trail system, culinary experiences, shopping and other activities that attract people from all over the world."

As Utah is home to the "Greatest Snow on Earth®," Summit County is now home to ski product innovator Armada Skis, Inc. Late last year, Armada Skis announced it would



© Adam Baker, 2010

relocate its global headquarters to Summit County from Southern California. The company joins a wealth of other outdoor sports equipment firms in an area that includes two world-class ski resorts.

Park City is also home to the annual Sundance Film Festival. This past January, the ten-day event generated an overall economic impact of \$83.4 million for the State of Utah. "Hosting Sundance adds a lot of vitality to the community, in terms of cachet and star power," says Malone. "Media from all over the world talk about film against the great backdrop of our ski resorts. The value to us is much greater than the spending, because it lets people who have never come here see what everyone is talking about, and gives them a chance to fall in love with the place as well."

A Prime Place to Set Up Base

There's nothing like Utah's outdoor recreation opportunities and ease of access, according to Darin Mellott, a senior research analyst for CBRE's Southwest Region. "I live ten minutes



© Michael O'Malley

Capitol Reef National Park

from a lake and a ski resort, and 15 minutes from a train station. The commuter rail runs at 80 miles per hour, making traffic and weather no concern. I like being in places with energy, and there is good energy here."

"I can fly to Paris faster than Darin can drive to Los Angeles," notes Bouchard. "There are

very few places that offer that kind of access. Utah is a great place for companies to come and set up base. They get a great return on their investment, because all the pieces here work so closely together in their favor." ■

For more information, visit business.utah.gov



Forbes

#1 Best State for
Business ranking
forbes.com/best-states-for-business/

Nobody's Perfect

2010 – #1 BEST STATE FOR BUSINESS
2011 – #1 BEST STATE FOR BUSINESS
2012 – #1 BEST STATE FOR BUSINESS
2013 – #3 BEST STATE FOR BUSINESS
2014 – #1 BEST STATE FOR BUSINESS

Contact Jeff Edwards, President and CEO, jedwards@edcutah.org
 Economic Development Corporation of Utah 1-800-574-UTAH (8824)
edcutah.org

Theresa Foxley, Managing Director, Corporate Recruitment and International Trade, tfoxley@utah.gov
 Governor's Office of Economic Development 1-855-204-9046
business.utah.gov