Innovation Subcommittee

Interim Update to Industry Advisory Board

Presented by
Ned Weinshenker
February 20, 2014
<table>
<thead>
<tr>
<th>Name</th>
<th>Affiliation</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>Ted McAleer</td>
<td>USTAR</td>
<td>Overall Innovation Team Leader</td>
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<tr>
<td>Ned Weinshenker</td>
<td>Churchill Oaks Consulting</td>
<td>Team leader/Site Selection/Company contacts</td>
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<tr>
<td>Terrence Bride</td>
<td>Ogden City</td>
<td>Site selection/contacts/Survey</td>
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<tr>
<td>Sara Meese</td>
<td>Ogden City</td>
<td>Site selection/Demographics/Survey</td>
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<tr>
<td>Steven Rodgers</td>
<td>EmergenTek</td>
<td>Equipment/Site/Design</td>
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<td>Curtis Nielsen</td>
<td>OWATC</td>
<td>Equipment requirements/Training programs/Survey</td>
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<tr>
<td>Richard Brockmyer</td>
<td>UTA</td>
<td>Transportation/Site</td>
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<tr>
<td>G.J. LaBonty</td>
<td>UTA</td>
<td>Transportation/Site</td>
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<tr>
<td>Kevin Jessing</td>
<td>GOED</td>
<td>Best Practices/Site/Preliminary Design</td>
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<td>Patrick Thomas</td>
<td>Weber State</td>
<td>Best Practices/IP</td>
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<td>James Taylor</td>
<td>Weber State</td>
<td>Best Practices/IP</td>
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<td>Tim Loftis</td>
<td>Independent</td>
<td>Finance/ILB fund</td>
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<td>Andy Buffmire</td>
<td>MichaelBest</td>
<td>Legal/MOU's</td>
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<tr>
<td>Cory Olson</td>
<td>OWATC</td>
<td>Training Programs</td>
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Objectives

• Evaluate Industry Needs  
  • Survey completed-results available

• Evaluate current resources  
  • Evaluated services/equipment available in educational facilitates

• Consider sites and activities to meet objectives:  
  – Research and applied development space  
  – Advanced training  
  – Incubator opportunities  
  – Equipment and open lab

• Make Recommendations to Grant Committee
Considerations for Site

- Location near Industries served
- Public and Private Transportation
- Cost of facilities (build/existing/own/lease?)
- Proximity to Educational facilities
- Existing Space available with high bay Cost of space
- Expansion space for small, medium and large companies
- Raw land availability
- Incubator space-low cost
- Shovel ready
- Economically distress level
- Image of Location & CC&Rs
- Reputation of Developer
- Access to major Airport
Sites visited and Considered
(North to South)

• Business Depot Ogden(BDO)
  – New tilt-up building
  – Renovation of Ogden-Weber Tech College (OWATC) facility at BDO
• Falcon Hill (inside and outside the gate)
• Davis Applied Technology College (DATC)
  – Freeport Center-Renovation of Bay 2
• Salt Lake Community College (SLCC)
  – Westpointe
  – Meadowbrook
Preliminary Recommendations

• Primary site- BDO
  – New Tilt up -~51,000 SF
  – Building cost ~$4.5MM
  – Substantial ground lease reduction (saving of ~$1.75MM over 30 years ($2.78MM over 40 years)
  – Developer Boyer extremely responsive
  – Agreement with OWATC in progress
  – FrontRunner, Bus, I-15 access
  – Foci
    • Non Destructive Inspection/Testing R&D
    • “Train the Trainer” facilities
    • Significant Incubator space
  – Weber State Univ. presence
    • Utah Center for Applied Innovation and Design (UCAID) co-locate in this facility- in preliminary discussions
Preliminary Recommendations

• Secondary Site- DATC Freeport
  – 28,000 SF contiguous to existing renovated bay
  – Attractive renovation costs (~1.5-2MM)
  – FrontRunner, Bus, I-15 access
  – Primary focus Robotics/Continuous Manufacturing
  – MOU with DATC in process to:
    • Share space in Bay 1
    • Provide various services and reception
    • No lease costs for Bay 2; just pay O&M
Preliminary Recommendations

• Tertiary Site-SLCC Meadowbrook
  – Renovation of existing composite training center to increase training and open lab capacity (~$500K)
  – Add equipment ($1MM)
  – Increase ability for outside companies to use facilities
  – TRAX, Bus, I-15 access
Industry/Academic Institutions Proximity to IC Centers

Cluster Employee Populations by Region

- Cache, Box Elder & Weber Counties: 9180
- Davis County: 8835
- Salt Lake & Summit Counties: 8491
- Utah County: 433

How far would your company be willing for you to drive to make use of an innovation center?
Draft Layout for BDO Facility
# Sites and Budget Summary

(Preliminary Recommendations)

<table>
<thead>
<tr>
<th></th>
<th>BDO</th>
<th>DATC Freeport</th>
<th>SLCC Meadowbrook</th>
<th>Total/Site</th>
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<tbody>
<tr>
<td><strong>Space</strong></td>
<td>~51,000 tilt up new bldg: perhaps in a larger facility to be built by Boyer</td>
<td>28,000SF Bay 2 + space in current Bay 1</td>
<td>?SF, move other facilities out of existing building(s) to make more room for composites training, add equipment</td>
<td></td>
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<tr>
<td><strong>Cost</strong></td>
<td>~$4.5MM</td>
<td>~$2MM retrofit of Bay 2</td>
<td>~0.5MM renovation</td>
<td>$7MM</td>
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<tr>
<td><strong>Functions</strong></td>
<td>Main Center includes Research facilities, Open leasable lab, incubator space, expansion of companies into Boyer space, Tran the Trainers, NDI /NDT specialty (OWATC move NDI to this facility)?</td>
<td>Expansion of robotics as applied to composites, some incubator space, open lab for company lease</td>
<td>Composite training, open lab for company lease</td>
<td></td>
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<tr>
<td>*<em>FF&amp;E</em></td>
<td>~$4MM</td>
<td>~$2MM</td>
<td>~$1MM</td>
<td>~$7MM</td>
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<td></td>
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<td>Contingencies</td>
<td>$1MM</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>$15MM</td>
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*Does not include potential equipment donations, discounts or split costs*