

2009 Year in Review

by Various

High Tech Holds Steady

Despite losses in employment and wages, excitement over big capital deals and technology commercialization shone through in 2009.

By Brad Plathow

In November 2009, Warren Buffett and Bill Gates gave a joint interview in which they asserted that innovation hasn't stopped during the recession. For Utah's high tech sector, that's at least partially true. In 2009, high tech took a collective step back from a record 2008, but it was a banner year for some individual industries, particularly those tied to homegrown technologies.

"Overall, the technology sector started to decline in February 2009 and has posted year-over declines every month up through June 2009 — the last month for which I have data (due to publication deadlines*)," says Jan Crispin, senior research economist for the University of Utah's Bureau of Economic and Business Research. "Given the poor performance of the Utah economy overall, I think the tech sector is likely to post year-over declines each month through the end of the year."

Crispin notes that, in terms of employment, Utah's high tech sector peaked in mid-2008, just prior to the fall meltdown. After that, however, even the state's robust technology firms took a step back. Starting in February 2008, employment in high tech areas fell 1.1 percent with steadily rising losses through June, when the sector was down 3.7 percent over the previous year. Wages were also down in the first and second quarters, though the number of high tech firms was up slightly in the first half of 2009.

Despite that lukewarm scenario, there were some areas of superheated success in 2009. For one, private cash, which has been severely crimped in the recession, flowed freely to two Utah tech firms. In October, Adobe Systems purchased Utah County software company Omniture for \$1.8 billion, and Salt Lake-based Fusion i-o got roughly \$67 million in venture capital and a healthy infusion from Samsung.

Aside from a few individual victories, Utah's research universities also saw a strong year for churning out startups based on their commercialized technologies. In fiscal year 2009, Utah State University saw five spinout companies — a record — in spite of the challenging macroeconomic climate, and this after the institution had none the previous year. In addition, those startups were better funded than in years past, which again is all the more remarkable given the anemic flow of cash and credit since fall 2008.

USU's successes seem to suggest a healthy high tech sector, at least among industries touched by the institution's commercialized technologies.

"All of our indicators are up this past year. We believe that reflects an increase in activity in (at least Northern) Utah's high tech sector," says Ray DeVito, director of USU's Technology Commercialization Office. "We have seen increased interest in energy-related technologies, and environment-related technologies and services. Services to government customers have decreased."

It was a similar story at the U, where Vice President for Technology Ventures Jack Brittain beamed about the past year and future prospects.

“Innovation certainly hasn’t stopped,” Brittain says, “particularly in areas such as medical devices and IT. That stuff is just going gangbusters.”

In terms of private cash, it was a pretty typical year at the U — about \$56 million, par for the course in the past three years, at least. Most anyone would take a typical year given the economic scorched earth endured by so many, but the U also started its fiscal year in July 2009 with 15 spinoff deals in progress. By comparison, the U had 23 spinoffs in 2008, just one fewer than the renowned Massachusetts Institute of Technology.

One reason for the strong performance, Brittain believes, is that investors have fled risky or war-torn avenues and instead reorganized around commercializing promising technologies. Though stocks and some commodities, such as gold, have rebounded nicely, some investors have suspected that bubbles would burst, and historically low interest rates make even very safe cash-stashes fairly unattractive. Budding technologies, on the other hand, offer plenty of excitement and upside as investors look to get ahead of the next big thing.

“It’s all betting on the technology,” Brittain says. “There are just no good traditional investments.”

What’s more, he says, it’s not just single investors placing their chips on high tech startups. On the contrary, Brittain says capital to the U’s spinoffs has come from diverse deal flows, including reorganized angel networks.

Manufacturing’s Discontent

Utah’s building bloc tumbled in 2009.

By Geoff Griffin

The numbers for Utah’s manufacturing sector for 2009 were not pretty — job losses in the double digits on a percentage basis and five figures when totaling up the actual number of paychecks no longer being sent out. The good news is that it could have been worse. With 2009 coming to a close, if the national economy can shake the recession, conditions are still in place for Utah to return to the type of trend-defying growth it experienced in manufacturing between 2002 and 2007.

“It’s not as bad as we envisioned it might be,” says Thomas Bingham, president of the Utah Manufacturers Association, “but then again, that’s in the eye of the beholder.”

“The bulk of the job losses are behind us,” says Mark Knold, chief economist for the Utah Department of Workforce Services. “Now we’re just being overwhelmed by the national problems. The economic fundamentals are still in place for growth in Utah.”

That’s partly because, Knold notes, there is still a general trend for manufacturers from the eastern United States to relocate or expand to the West. Those Eastern companies often want to take advantage of the West Coast markets, but do not want to incur the costs that are often associated with operating in West Coast states. Utah is seen as a low-cost alternative that still gives them easy access for distribution to the West Coast.

Steepest job losses since '01-'02

Knold reports that between June 2008 and June 2009, the state lost 14,100 manufacturing jobs, an 11.1 percent drop that took the state jobs total in the sector down to 112,800. "It just steadily kept progressing and the numbers got worse as each month passed," he says.

That's the biggest drop since 2001-02 when the state lost 8,200 jobs. However, those jobs were largely gained back, "counter to national trends" Knold points out, through 2007, when manufacturing jobs totaled 127,700.

Knold says construction and manufacturing had already "started showing weakness early in 2008, even before the stock market crashed in the fall." These two industries would also end up being the two hardest hit areas of Utah's economy during the ensuing recession.

Although Utah's overall economy did not get hit as hard as some places, such as Michigan or Indiana, that is only because those states have larger manufacturing bases. In terms of actual numbers within the manufacturing industry, "We got hit as hard as the majority of the country," Knold says. "There are exceptions that got hit worse, but we've been hit about as hard as any other state."

Not-so-durable goods

As is often the case in downturns, durable goods — products expected to last longer than three years — was the area of the manufacturing sector hit the hardest. "That's the one area that's most expendable," Knold says. "You buy food and clothes before you buy a washing machine."

While many individuals and families have had to cut back on bigger purchases, in a similar way businesses have had to cut back on buying manufactured machinery and equipment. Knold notes, "Businesses typically borrow money to buy durable goods," and credit markets have been very tight.

Outside of durable goods, Bingham says that Utah's manufacturing sector is "pretty broadly based with a lot of diversity and many small companies." He claims that some areas such as aerospace and medical devices are "relatively recession-proof," and have continued to do well.

Will the laid off be hired back?

Though the worst may be over, Bingham expresses caution. "Some of those layoffs are not necessarily temporary," he says. "With these kinds of times, manufacturers are taking a hard look at how they do things." Bingham says some have been getting through the recession with leaner staff, machinery and methods. "So it will take a pretty sharp increase in demand before they bring people back."

Things also will have to pick up noticeably to get companies to try venturing into new areas. Bingham says, "I'm hearing a lot of people say, 'We have come back to our core products.' They may or may not go back into some of the ancillary products for a while."

"Big three" job provider

Whenever the turnaround does occur, Bingham says, "It's important for people to understand that manufacturing

is one of the three segments of the Utah economy that employs over 100,000 people.” The other two are retail and health care, and Bingham is quick to point out that while retail wages pay around \$2,000 per month and health care around \$3,000, manufacturing tops both with average wages of \$4,000 per month. Further, manufacturing is still the largest industry sector in terms of payroll with a total of \$5.8 billion, with the next closest — health care — coming in at \$4 billion.

“We ought to be creating jobs that create a livable wage,” Bingham says of the need for a manufacturing comeback in Utah. Whether that will happen in 2010 remains to be seen.

Nowhere To Go But Up

Some see faint signs of hope in the rubble of the housing market.

Brad Fullmer

Curt Dowdle, a 37-year veteran of the home building market, says homebuilders are “desperately optimistic” about improving economic conditions throughout Utah in 2010. “We’re down almost 77 percent from our biggest year in 2006,” says the executive officer for the Salt Lake Home Builders Association. “Basically, our attitude is that we’ve hit bottom and the only way to go is up.”

Single-family home permits on the uptick

Although banks are still not lending money for housing development projects — something Dowdle says is the root of virtually all ills plaguing the industry — single-family home permits have actually risen in recent months, according to Kelly Matthews, who is retiring as executive vice president and economist for Wells Fargo Bank of Salt Lake City. According to *Construction Monitor*, single-family permits along the Wasatch Front were at 480 in September 2009, up from 269 the previous year.

Although the number of permits has plummeted from a high of 20,000-plus permits issued during the home-building frenzy of 2005 and 2006 to roughly 5,000 a year in 2008, things appear at least to be moving in the right direction.

“I think we clearly have hit the bottom, and in the last two or three months you can make the case that we’re improving,” says Matthews. “We’re still way down from where we were three or four years ago, but the last two months are noticeably better than last year.”

Don’t get your hopes up just yet

Jim Wood, director of the Bureau of Economic and Business Research at the University of Utah, allows that permits for single-family homes are on the rise, but notes that it’s difficult to predict what 2010 will be like for the housing industry as a whole.

“I think people in the housing industry are optimistic that (2010) will be better, but exactly how much better is unknown,” says Wood. “Single-family permits are down substantially from the peak years of ’05 and ’06, but we’ve seen better numbers the past couple of months, so hopefully that’s a positive indicator of things to come.”

Dowdle says federal and state tax credits have helped first-time homebuyers get into new homes, but adds that

high impact fees (\$14,000 to \$18,000) from local municipalities remain a major obstacle to some potential buyers. Still, he is optimistic that 2010 will be far better than '08 or '09. "I was at a semiannual economic forecast four weeks ago in Washington, D.C., and the consensus was that we will see a resurgence in the housing market in the second quarter of 2010," he says.

The mighty likely to continue falling

Dowdle and Matthews agree that the market for high-end homes — those valued at over \$600,000 — remains sluggish, and it's likely that those values will continue to decline. The most buying activity in the market in recent months is for homes priced under \$300,000. "Markets with that type of inventory, like West Valley City, the Northwest quadrant, those are firmer in their values," says Dowdle. "Homes under \$300,000 aren't going to stay on the market for long." Matthews says that homes in the \$250,000 range might actually be stabilizing or even increasing in value.

Elsewhere in Utah

Outside of Salt Lake City, markets that are still a ways from recovery include Utah County and Southern Utah, primarily St. George. Dowdle says the St. George area remains vastly overbuilt, with a glut of homes on the market. He believes good market conditions exist in areas like Ogden, Davis County and Cache County.

"The skepticism over housing values will eventually fade, and when the market starts to recover it will really take off," Dowdle says. "St. George is a relatively small market compared to the Wasatch Front, but there is an inventory abundance and it will take longer to heal. Utah County is in a similar situation — too many homes for sale and just not enough demand. One of the better markets is Cache Valley — it's never been overbuilt and values haven't dropped as much."

Signs of things to come?

And while large homebuilding companies continue to contend with frozen credit markets and paranoid lenders, small firms that specialize in building two or three custom homes a year are still finding clients.

"The overall housing market is obviously not in great shape, but my company is still doing well and I've been able to build some great homes the past couple of years," says Mark Fisher, owner of Mark Fisher Construction of Salt Lake, which specializes in building highly sustainable "green" homes.

"I'm fortunate in that I don't have a lot of overhead and can run a lean and mean business," he adds. "I'm optimistic that 2010 will be better than the past two years, but it's probably going to take some time before the market returns to where it was at, if ever."

A Backward Glance Over Utah's Capitol Hill

2009 politics and government in review.

By Geoff Griffin

Psst! Looking for a hot stock tip? Gov. Gary Herbert's got one for you. "If I was your stockbroker," he says, "and if

Utah was a stock, I would say, 'Buy — it's undervalued right now.'"

Governors are supposed to say such things about their states, but Herbert is also a realist who freely uses terms such as "a time of great challenges" and "extremely difficult circumstances" when talking about the Utah economy in 2009. Still, he says his state as a stock analogy "encapsulates" his overall view of where things are headed. "I am cautiously optimistic," Herbert says, "and I don't think I'm being naïve. The data is out there that gives us some sense of hope." He refers to 200 current road construction projects, 300 large commercial building projects, numbers on potential homebuyers and other developments. The American Legislative Exchange Council recently declared Utah No. 1 among all states for economic outlook. If nothing else, Herbert predicts an upward trend for 2010 simply because, "I plan to work with the business community in a more intense way to kick-start the economy."

GOED changes face

Clearly the big political story in Utah for 2009 was the change in the governor's office from Jon Huntsman Jr. to Gov. Herbert, but that change also resulted in adjustments in the Governor's Office of Economic Development (GOED). Jason Perry moved from being executive director of GOED to become Herbert's chief of staff.

Although Herbert describes Perry as being "like a Swiss army knife" in terms of the variety of skills he brings and the number of different duties he will hold, Herbert and Perry both say that part of the reason for Perry's move is to help focus on economic development, something Herbert wants to be a main area of focus. "Clearly we've sent a strong message to the business community," Herbert says. "This administration cares about business."

For his part, Perry says he will stay involved with economic development by keeping the governor and the business community in touch with each other. "On certain pieces of legislation, the governor has the chance to work directly with business people," Perry says. "I look forward to helping with that on both sides."

Perry's departure and other changes meant Herbert had positions to fill at GOED and he recruited two very recognizable names — Eccles and Romney. Spencer P. Eccles, scion of the well-known Utah philanthropist family, will serve as GOED's executive director while Josh Romney, son of presidential hopeful Mitt Romney, has been named to the position of National Business Recruitment Policy Advisor.

Holding steady ... with a degree of change

Will all of those changes in personnel, from the governor on down the line, also bring about changes in plans for economic development? The short answer seems to be "no" for the big picture, "yes" for some of the details.

"It was the Huntsman-Herbert Administration," Herbert says of the way things were before. "There's not a great difference in our view of the world, but that doesn't mean there won't be some nuances."

"There will be no significant changes," Perry notes, "but we're not looking to maintain the status quo, either." In fact, when it comes to the economy of 2010 as compared with 2009, he states, "'Steady as she goes' understates our expectations. We expect that our trajectory is up."

As for the governor and the new people at GOED, Eccles says, “Governor Herbert has clearly defined job creation as one of his primary initiatives, and GOED’s goals align with this direction.”

Talks are resuming

Ragula Bhaskar, president and CEO of FatPipe Networks and chairman of GOED, says that with the national economy showing signs of turning the corner, many companies that had previously expressed interest in Utah but had to abandon their plans when the recession hit, are now turning their thoughts back to the state. He says of the current 140 inquiries that GOED has from businesses, “Many are companies that had pulled out but are now coming back. The difference between nine months ago and today is that those inquiries are progressing now.”

Bhaskar points out all of the factors that make Utah an attractive business location — geography, natural resources, lifestyle, workforce, costs, etc. — and notes, “All of those factors are still there. The only thing that’s changed is that last year many companies pulled back on expenditures. Now there’s money for capex (capital expenditures) again.”

Eccles says that “2009 was a very strong growth year for Utah despite the national economic crisis,” claiming that GOED assisted with or recruited 17 companies bringing 4,000 new jobs to the state, with 2,300 of them just since July.

‘Hey, we’re already here’

While the state will continue its efforts to bring in newcomers, Herbert has clearly put forth the message that he also wants to focus on helping out businesses that already have a Utah address.

“My belief is that too often in the past, we’ve concentrated on attracting businesses outside our borders,” he says, “sometimes to the detriment of the local business community that says, ‘Hey, we’re already here.’ We need to have a good balance to our approach and protect the jobs that we already have.” He says that could mean anything from “just keeping out of the way,” in terms of laws and regulations, to even looking at small businesses and asking, “If they’ve got 50 employees, what can we do to help them hire five more?”

Bhaskar says two other new areas of focus will be green energy and animation, which he says, “We see as growth opportunities.” Eccles points out the various incentive programs surrounding green energy, while also stating, “Animation and the growth of that industry in the state has been very dramatic. Utah is home to two of the best universities in the world for animation training — Brigham Young University and the University of Utah. Companies such as Disney, Pixar, Microsoft and others are now here with hundreds of jobs.”

Utah’s ‘unfair share’

Regardless of what the state and national economies did in 2009 and what position Utah is in heading into 2010, Bhaskar says the state will still have to compete with everyone else. “Any company anywhere has so many choices,” he says. “All the states have very aggressive recruitment strategies. Our goal is to make sure Utah gets its unfair share.”

Fun, Actually

We still managed to keep entertained in 2009.

By Brian Staker

The entertainment and leisure industries are a major segment of Utah's economy, but what do those industries do when economic times start to get tough, as they did last year? They get going, taking action to shore up the state's status quo as a location that continues to be in demand for a multiplicity of uses.

Television and cinema

Utah's cinematic qualities have long been recognized by Hollywood, with dozens of productions shooting here — not just iconic John Wayne westerns — and the film industry adds about \$120 million to the state's balance sheet a year. But in the last few years, competition with other states has sharpened as incentives have increased elsewhere, and the Utah Film Commission (UFC), as an agency of the Governor's Office of Economic Development (GOED), has been forced to follow suit.

"The recently passed State Senate Bill 14 has restructured the state's Motion Picture Incentive Fund to provide a 20 percent tax credit or cash rebate to attract more production companies to the state, and the tax credit is without a cap," says UFC Director Marshall Moore. "We are hoping to attract a TV series production back to the state, which we haven't had since 'Everwood' in 2006."

The incentive program thus far has been a boon to the state coffers, showing a 20 percent return on investment. The fourth installment in the box-office-record-setting High School Musical franchise is set to film this year, once again starring East High School as main location, in addition to John Carter of Mars, the Disney production Den Brother and others.

Variety magazine recently named Utah's film commission as one of the three top state or provincial governments to offer support to filmmakers because of its assistance with permitting, local government agencies and last but not least, locations. "There is Hollywood and Bollywood; Utah has Saltywood. The combination of the enhanced incentive, our variety of scenery and locations, as well as our proximity to Los Angeles all contribute to our reputation as a premier destination for filmmaking," former Gov. Jon Huntsman has said.

On the slopes

Even in a year of economic downturn, with the national ski industry off 5.5 percent, Utah in 2009 only showed a slight decrease in skier days and revenue from the five years previous, which were the five with the greatest increase on record. The passion of skiers and boarders was only slightly tempered by the cloudy economic forecast.

"We're not cautiously optimistic; we're boldly optimistic" about the 2009-2010 ski season, says Ski Utah President Nathan Rafferty. He projects a 3 percent increase in skier days, due to pent up demand from tourists who stayed at home last year. It's a big deal; according to Rafferty, the ski industry brings in over \$1 billion to the state economy, and provides an average of \$806 of tax relief per household.

Resorts are starting to plug into marketing muscle behind Ski Utah to offer special sales. “It’s the year of the deal,” Rafferty explains, and after last year’s slump, passes can be had at substantial discounts. Other developments include a new iPhone app and redesigned website to make snowfall reports more readily available; Snowbasin Resort’s hosting of the Dew Tour in January; and Ski magazine splashing Utah resorts all over its pages — Deer Valley was ranked the No. 1 resort in North America for the third year in a row, and four Utah resorts made the top 10 in the category of value, six in the top 10 of snow and seven out of 10 in weather.

Travel and tourism

According to the 2009 Economic Report to the Governor, each of the five major tourism sectors (transportation; eating and drinking; hotels and lodging; amusement and recreation; and car rentals) experienced gains in 2008. The outcome at the end of 2009, on the other hand, is still in question, as there are still concerns about the housing crisis, stock market decline, transportation weakness and financial instability.

Utah’s economy was sound compared to some other regions in 2008, and the tourism industry has played a role in that stability. Utah hosted several major conventions in 2008 that contributed to the industry’s strong performance. According the report, total traveler spending rose 6.2 percent in 2008 to \$7.1 billion. Total state and local taxes generated by traveler spending rose 3.6 percent, totaling \$631 million in 2008.

Outdoor recreation contributes \$5.8 billion annually to the Utah economy with \$4 billion annually in retail sales and services, according to Spencer Eccles, the executive director of GOED. “Utah’s national park and state park visitations are up; national parks by 2.8 percent, and national monuments over 4 percent. This last year was a great year for camping as people were looking for value and things to do with their families,” he says.

With plenty to do once visitors are here, the state is focusing on making it easier for people to get here. For example, the state’s partnership with Delta has enabled it to reach new markets domestically and internationally: The direct flight to Paris is highly successful and the seasonal direct flight to Tokyo is expected to grow into regular service as the economy improves.

Synergy between different branches of the entertainment and leisure industries is being created. “Most recently we partnered with Delta to host two events in Los Angeles with the tourism industry and the motion picture industry to push and demonstrate the Utah product for the tourist and the filmmaker,” said Eccles. “Our strategies include advertising in key markets, extending the successful brand of ‘Utah: Life Elevated,’ getting Utah top of mind to the entertainment, travel and leisure industry and increase awareness of what we offer.”

Good Energy

Utah’s renewable energy resources made strides in 2009.

Carl Baumeister

President Barack Obama, in his inaugural speech in January 2009, vowed to “harness the sun and the winds” for their energy. One month later, he signed the American Recovery and Reinvestment Act of 2009 (ARRA), which earmarked significant funds to develop alternative energy and its related job creation.

Utah was allocated \$1.5 billion for its share, of which ARRA requires “not less than 20 percent of the funds shall be

for projects, or portions of projects, that include green infrastructure, water or energy improvements of other environmentally innovative activities.” Utah therefore must spend at least \$300 million in stimulus funds on green initiatives over the next three years.

Of course, not all of Utah’s energy initiatives are green. According to Spencer Eccles, executive director of the Governor’s Office of Economic Development (GOED), Gov. Gary Herbert’s administration is focusing on a balanced approach to energy, both traditional and renewable.

Solar energy

One readily available natural resource in Utah is solar energy. Salt Lake-based Ron Barness is the business development manager of Idaho, Nevada and Utah for Bella Energy, a firm headquartered in Boulder, Colo. According to Barness, Utah lags behind neighboring Arizona, Colorado, Nevada and New Mexico in terms of solar megawatts in operation.

The reason? Utah lacks a Renewable Portfolio Standard (RPS).

“These other states have very progressive energy standards in place,” Barness says. “That means those states have mandates and laws in place that require utility companies to make room for certain renewable energies like wind and solar. In Colorado, Nevada and California, for example, the utilities are required in the RPS legislation to offer incentives (rebates) per watt for solar installations. The lack of incentives is what makes it impossible for solar projects to pencil in Utah.”

Barness believes Utah is missing out on economic growth. For instance, he meets lots of out-of-state outdoor retailers who come to Utah conventions twice a year.

“Lots of them are really interested in setting up shop here, but the lack of such things as office space with solar is a turnoff to them. Many of these companies have renewable energy requirements.”

Barness laments that although Utah considered RPS a few years ago, they instead settled on a set of “goals that have no teeth.” He explains that Utah and Wyoming are less inclined to RPS because, “like West Virginia, they have lots of coal, which is one of the least expensive forms of energy.”

Interestingly, Utah’s largest solar farm was unveiled at Hill Air Force Base on June 25, 2009. The project consists of 1,400 panels that produce enough energy to completely power 25 homes. The military likes it not only because of the energy savings, but because in case of attack or other disaster that may preclude drawing from the grid, there will still be energy available.

Wind energy

Eccles says the highlight of the year was the November 10 ribbon cutting in Milford for Boston-based First Wind’s completion of the first phase of the Milford Wind Corridor project. The 97 wind turbines will provide the complete energy needs for 45,000 homes in Southern California. Windpoweramerica.gov reports that Utah’s terrain can easily support utility-scale power production, especially in western Utah, as well as near the border of Idaho,

Milford and the Raft River Mountains. The Milford Project, which began in November 2008, has created 18 permanent full-time maintenance jobs in Milford, a town of only 1,451 people.

Geothermal energy

Utah also contains a good deal of geothermal energy. Perhaps the best company for harnessing it is Provo-based Raser Technology, which has invented a zero-emission, closed-loop process that can produce electricity with water barely hotter than a cup of coffee. This means plant construction necessitates less digging, and that locations unusable for traditional geothermal are now viable.

In an e-mail to *Utah CEO*, principal executive officer Richard Clayton says that, "Raser holds one of the largest geothermal resource portfolios in the United States, much of which is located in Utah."

A great advantage of geothermal sources is that they are "baseload renewable," meaning they deliver power 24/7, unlike wind and solar, which produce only in the presence of wind or sunshine.

"Utah's strong geothermal resource base and transmission infrastructure position it to become a leading producer of baseload geothermal renewable electricity," says Clayton.

Raser managed to garner national media attention with its more than 100 mpg Hummer hybrid, the Electric H3, featured on networks such as CNBC, MSNBC and Fox Business Network. In February, BusinessWeek highlighted Raser's success, and Fast Company listed them on their "50 Most Innovative Companies" list.

'Creating a market'

"It's pretty clear that renewable energy is becoming important," says Eccles. "We're trying to enhance the environment. The more we do to enhance the business and green energy sector, the more positive impact we have on other companies that want to utilize our technology."

GOED is emphasizing benefits to businesses for developing renewable and sustainable energy. Eccles points to the passage in March 2009 of the Renewable Energy Development Incentive (REDI), which, among other things, creates refundable tax credits of up to 100 percent for companies that manufacture new energy components, or that produce renewable energy. Such companies can also receive up to 75 percent reductions on wage benefits withholding taxes.

Also this year, the state passed the Utah Generated Renewable Energy Electricity Network (UGREEN), aimed at creating renewable energy and getting it to the public.

In addition to using sustainable energy to keep Utah cleaner, Eccles says, "Our business environment is sustainable. We don't have the [economic and business] problems other states have. What we're really doing is creating a market."