

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
INDIANA ECONOMIC DEVELOPMENT CORPORATION
OCTOBER 4, 2007

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") met on October 4, 2007 on the campus of Cummins, Inc., 500 Jackson St., Columbus, Indiana. Present at the meeting were directors Mitchell E. Daniels, Jr., James Marcuccilli, William Mays, John Mutz, Cathy Langham, Mark Holden, Dane Miller, Tim Solso, Kip Tom, and Sarah R. Byrn. Absent from the meeting were Robert Koch Bruce White. Representing the Corporation were Nathan J. Feltman, Chad J. Sweeney, Ryan Asberry, and Steve Akard.

Governor Daniels, as chairman of the Board, called the meeting to order. He recognized that a sufficient number of the members of the Board were present to constitute a quorum. Governor Daniels also recognized that the meeting of the Board was being held in full compliance with the open door laws of the State of Indiana and noted that all postings and other related requirements were observed. Governor Daniels then presented the minutes from the June 21, 2007 Board meeting and asked if any directors had changes to the minutes as presented. Since no directors proposed changes to the minutes, a motion to approve was made and seconded, and the minutes were approved.

Governor Daniels then recognized Tim Solso for hosting the meeting at the Cummins corporate headquarters. Mr. Solso provided welcoming remarks and a general history of Cummins. Governor Daniels then introduced Fred Armstrong, Mayor of Columbus, who welcomed the Board and briefly discussed economic activity in the state and region.

Governor Daniels asked the executive staff of the Corporation to provide the Board with a report of activity since the prior Board meeting. Corporation President and Secretary of Commerce, Nathan J. Feltman, reported that year to date in 2007 the Corporation has closed 113 competitive deals resulting in 16,000 new job commitments and \$2.6 billion in capital investment commitments. Mr. Feltman then commented on the importance of an international investment strategy as a part of the Corporation's efforts. Mr. Feltman cited several recent projects with international firms including: Getrag, Veolia, FoxConn, ASUS, and Nestle Waters. Mr. Feltman then commented on the Corporation's success in the Southeast Indiana region. Since 2005, competitive rojects in Southeastern Indiana have resulted in commitments to create nearly 8,500 jobs and invest approximately \$1.5 billion. Major projects in the Southeast Indiana region include: Honda, Cummins, American Commercial Lines, and MedVenture. Mr. Feltman concluded his report by noting that recently released figures from the Bureau of Economic Analysis showing strong earnings growth for Indiana workers reflect the economic progress taking place in Indiana.

Governor Daniels then called upon Steve Akard, the Corporation's Director of International Development, to provide an update on the Corporation's efforts to attract international investment. Mr. Akard noted that in 2007 the Governor and the Corporation led international investment missions in Asia and Europe. Mr. Akard provided additional detail on

the prominent role of Japanese investment in Indiana and noted that significant Japanese investment has occurred in the Southeast Indiana region. Mr. Akard then provided a summary of the 2007 mission to Japan which included executive level meetings with companies that have made or announced major investments in Indiana.

Governor Daniels then called upon Indiana Department of Workforce Development Commissioner Teresa Voors to provide a report on workforce issues at the statewide and regional level, with particular emphasis on developments in the Southeast Indiana region. Ms. Voors commented on recent Corporation projects in the Southeast Indiana region and noted that the average wage of new job commitments associated with these projects compares favorably with the overall average wage for the region. Ms. Voors stated that the economic development, workforce development, and education sectors have collaborated extensively in Southeast Indiana to ensure that the region has the necessary skilled workforce to support new growth opportunities. Ms. Voors noted that the Columbus Learning Center is an excellent example of this collaboration. Mr. Mutz commented on the success of the Columbus Learning Center and asked if the Learning Center model is being replicated in other parts of Indiana. Governor Daniels indicated that he meets regularly with the leaders of Indiana's public universities and that the type of collaboration observed in the Columbus Learning Center should be encouraged. Mr. Solso noted that Cummins has been a beneficiary of the Columbus Learning Center and emphasized the importance of workforce supply to the Cummins' growth. Mark Holden commented on growth opportunities at American Commercial Lines and concurred that a skilled workforce is an important part of that growth.

Governor Daniels then called on Sally Byrn to provide a report of the Entrepreneurship Committee. Ms. Byrn noted that in total the Committee has approved forty-nine grant awards from the 21st Century Fund with a total award value of \$56 million. Ms. Byrn also stated that the Corporation has made five grants through the SBIR Phase Two enhancement program with a total award value of \$1.6 million. Mr. Mutz inquired about the extent of success in improving Indiana's participation in the SBIR program. Mr. Feltman commented that significant progress has been made. Governor Daniels asked that additional information regarding Indiana's progress in the SBIR program be provided at a future meeting of the Board. Ms. Byrn indicated that two independent accounting firms have been selected to review compliance of 21st Century Fund award recipients.

Jim Marcuccilli, as chairman of the Audit Committee, then provided a summary of an independent audit of the Corporation completed in May 2007. Mr. Marcuccilli noted that the purpose of the audit was to validate the changeover of accounts from the Department of Commerce to the Corporation and to assess the IEDC's internal financial controls. Mr. Marcuccilli stated that the audit did not reveal any major internal control or other issues and that the Committee accepts the findings of the audit report. Governor Daniels inquired about the process for ensuring company compliance with the terms of incentives provided through the IEDC. Mr. Sweeney noted that incentive compliance is reviewed annually and that the Corporation has established a process to recoup incentive funds from companies that fail to comply with incentive agreements. Governor Daniels requested that a summary of these issues be presented to the Board at a future meeting. A motion was made to approve the report of the Audit Committee and the Committee's report was approved.

John Mutz, as chairman of the Economic Policy Committee, provided a report of the Policy Committee meeting. Mr. Mutz reported that the Committee approved incentive awards for three companies whose incentive awards exceeded the threshold at which Committee approval is required: Toyota – Subaru Indiana Automotive, Steel Dynamics, and Interactive Intelligence. Mr. Mutz then reported that the Committee approved recertification of the Certified Technology Parks in West Lafayette and Anderson for a term of four years. The Committee approved the recertification of the Shelbyville Certified Technology Park for a two year term subject to certain conditions. Governor Daniels asked for examples of the conditions of the Shelbyville recertification. Mr. Feltman stated that the conditions include the creation of at least fifty new high tech jobs, the construction of a flexible use facility, the hiring of a developer to market the park, and limitations on the recapture of state taxes. Mr. Mutz reported that the Committee former Smurfit Container facility as an Industrial Recovery Site in connection with the Monday Boyz project in Anderson. Mr. Mutz concluded his report by stating that the Committee approved a modification of the boundaries of the Enterprise Zone in Connersville.

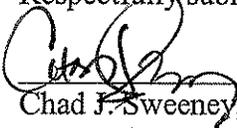
There being no more business to come before the Board at the public meeting, Governor Daniels concluded the public portion of the meeting, thanked all of the visitors for attending and excused the visitors and members of the media so that the Executive Session could be called to order.

Executive Session

The Executive Session was called to order by Governor Daniels. Present other than members of the Board were Nathan J. Feltman and Chad J. Sweeney.

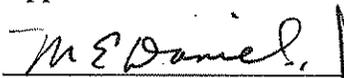
The subject matter of discussion during the Executive Session related to the matters specified in the public notice, i.e., consideration of confidential pending incentive requests made to the State of Indiana (confidential proposals in progress) and discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b). No other subject matter was discussed during the Executive Session.

Respectfully submitted,



Chad J. Sweeney, Acting Secretary

Approved:



Mitchell E. Daniels, Jr., Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated October 4, 2007



**NOTICE OF A MEETING OF THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

AND

**NOTICE OF EXECUTIVE SESSION OF
THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

Notice is hereby given that the Board of Directors of the Indiana Economic Development Corporation will hold a public meeting on October 4, 2007, at 10:30 a.m., in the Customer Visit Room at the Cummins Columbus Engine Plant, located at 500 Central Avenue, Columbus, Indiana.

In addition, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on October 4, 2007, at 11:45 p.m., in the Customer Visit Room at the Cummins Columbus Engine Plant, located at 500 Central Avenue, Columbus, Indiana, for consideration of confidential pending incentive requests made to the State of Indiana (confidential proposals in progress) and discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b).

Indiana Economic Development Corporation Board of Directors Meeting

October 4, 2007 (10:30 a.m.)

- I. Welcome
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from June 21, 2007 Meeting
- II. IEDC Executive Report
- III. Trade Mission Update
- IV. Workforce Development Update
- V. Committee Reports
 - Entrepreneurship Committee
 - Audit Committee
 - Policy Committee
- VI. Place and Time of Next IEDC Board Meeting

EXECUTIVE SESSION

Consideration of confidential pending incentive requests made to the State of Indiana (confidential proposals in progress) and discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b).