

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
INDIANA ECONOMIC DEVELOPMENT CORPORATION  
MARCH 20, 2008

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") met on March 20, 2008 at Old National Bank, One Main Street, Evansville, Indiana. Present at the meeting were directors Mitchell E. Daniels, Jr., Kip Tom, Bob Koch, Sally R. Byrn, Cathy Langham, Mark Holden and John T. Thompson. Directors absent due to a conflict were Jim Marcuccilli, Dane Miller, Bruce White, John Mutz, and Tim Solso. Also in attendance were Nathan J. Feltman, Chad J. Sweeney, and Ryan Asberry of the Corporation and Christopher A. Ruhl with the Indiana State Budget Agency.

Bob Koch 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.

Mr. Koch then called on the Secretary of Commerce, Nathan J. Feltman to provide the executive report. Mr. Feltman provided the 2007 Annual Report of the Corporation to the Board Members and gave a power point presentation that summarized the Annual Report. Mr. Feltman noted that the Corporation has had 3 consecutive record years of job commitments and ended last year with a total of 22,627 job commitments from 158 companies. He also noted that almost one-half of the new job commitments were from towns with a population of 25,000 or less. Mr. Feltman also provided the Board with an update on recent rankings involving Indiana's competitiveness. Specifically, he noted that in the last year, Indiana ranked number one in North America for attracting international production jobs and number two for international research and development jobs. Mr. Feltman also noted that the average wage for the new job commitments was in excess of the state average wage, consistent with the Corporation's goal to see the average wage of Hoosiers increase against the national average. Finally, Mr. Feltman noted that the Corporation is ahead this year on total job commitments compared to last year at this time.

During Mr. Feltman's presentation, Governor Daniels joined the meeting; and the official portion of the meeting was called to order. Governor Daniels presented for approval the minutes from the previous Board meeting on December 13, 2007. Upon motion duly made and seconded, the minutes from the prior meeting were unanimously adopted. Governor Daniels then acknowledged John Thompson as a new Board member attending his first meeting. Governor Daniels provided a brief background on Mr. Thompson and thanked him for his willingness to serve on the Board.

Governor Daniels then called upon Chris Ruhl, the Director of the Indiana State Budget Agency, to provide the Board with a presentation on year-to-date state revenue collections. Mr. Ruhl gave a power point presentation discussing the revenue collections for the State and provided the Board with some general observations of what collections may indicate for the broader Indiana economy.

Governor Daniels then called upon Chad J. Sweeney, the Vice President and General Counsel of the Corporation, to present three projects for approval. Mr. Sweeney noted that consistent with the Corporation's conflict of interest policy, two projects would be presented due to a member of the Board having a connection to the applicant. Mr. Sweeney summarized an expansion of the headquarters of White Lodging Services in Merrillville, Indiana. Mr. Sweeney noted that the project involved a commitment to create 100 new jobs, with an estimated average annual salary of \$68,000. Mr. Sweeney summarized the incentive package offered by the Corporation for the project, as follows: \$1,500,000 in performance-based tax credits and \$92,000 in training assistance.

Mr. Sweeney then summarized a proposed expansion by Cummins, Inc. in Columbus, Indiana. The project involves the construction of a new administration support building and the anticipated creation of 400 to 500 new jobs, with an estimated average annual salary of \$80,000. Mr. Sweeney summarized the incentive package offered by the Corporation for the project, as follows: \$1,000,000 grant to assist with required infrastructure to accommodate the project.

Mr. Sweeney noted that neither of the directors involved with the projects, Bruce White, the CEO of White Lodging Services and Tim Solso, the CEO of Cummins, Inc., were in attendance at the meeting. Finally, Mr. Sweeney noted that both projects under consideration met the investment parameters established by the Board and that the staff of the Corporation recommended both of the projects to the Board for approval. A motion was made to accept the recommendation to approve both the White Lodging Services project and the Cummins, Inc. project. The motion was seconded and unanimously approved by all Board members present.

Governor Daniels then called on Mr. Sweeney to present to the Board for approval the proposed state investment incentive for Duke Energy's coal gasification power plant proposed to be constructed near Edwardsport, Indiana. Prior to summarizing the project, Mr. Sweeney noted that the Board had received detailed information regarding the project in advance of the meeting. Mr. Sweeney stated that in 2005, Cinergy/PSI, now Duke Energy, conducted a feasibility study for construction of a coal gasification power plant in Indiana. Also in 2005, the Indiana General Assembly passed the Indiana Coal Gasification Technology Investment Tax Credit ("Investment Credit"). Mr. Sweeney noted that the Corporation is responsible for administering the Investment Credit. Mr. Sweeney described the estimated need for new baseload electric generation capacity in Indiana, described the project's fit with Indiana's strategic energy plan and described the scope of the proposed project. Specifically, Mr. Sweeney indicated that Duke Energy will use integrated gasification combined cycle technology to construct a 630-megawatt baseload capacity power plant at an estimated cost of approximately \$2 Billion. He noted that it is estimated that the plant will use approximately 1.5 million tons of Indiana coal annually at full operation. Mr. Sweeney also noted the projected environmental benefits of the project over a traditional coal fired power plant and generally described the economic benefits of the project, including: the estimated creation of approximately 900 construction jobs over the 3 year construction period, the estimated creation of 79-99 new positions at the project location with an estimated average annual salary of \$52,000 and the estimated creation of 300 new mining jobs with average annual salary of \$60,000. Mr. Sweeney also noted the importance of continuing to have an affordable energy supply for Indiana businesses. Finally, Mr. Sweeney generally

described the estimated benefits to state and local governmental units in Indiana resulting from increased tax revenues expected to result from the project.

Mr. Sweeney then described the Investment Tax Credit that was being presented to the Board for approval. He noted that the Investment Tax Credit provided a credit of 10% of the qualified capital investment up to the first \$500,000,000 of investment and 5% of qualified capital investment in excess of \$500,000,000. Based on current cost estimates filed by Duke Energy with the Corporation and the Indiana Utility Regulatory Commission ("IURC"), Mr. Sweeney noted that the total value of the state incentive would be approximately \$121,300,000, which would be claimed over a ten year period beginning after the plant was placed in service. Mr. Sweeney noted that the credit could increase to up to \$150,000,000 if the IURC approved additional cost increases prior to the project being placed in service. Following Board discussion of the project, Governor Daniels invited a motion for Board approval of the Investment Tax Credit to be granted to Duke Energy in connection with the proposed project. A motion was made to approve the Investment Tax Credit. The motion was seconded and unanimously approved by all Board members present.

Governor Daniels then called upon Sally Byrn, as the chairperson of the Entrepreneurship Committee, to provide the Board with a committee report. Ms. Byrn summarized the activities of the committee at its last meeting and the year to date activity of the 21<sup>st</sup> Century Research and Technology Fund.

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.

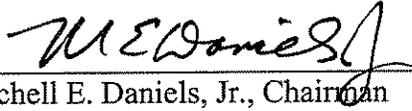
#### Executive Session

The Executive Session was called to order by Governor Daniels. Present other than members of the Board were Nathan J. Feltman, Chad J. Sweeney and Ryan Asberry, each of the Corporation and Christopher A. Ruhl of the Indiana State Budget Agency.

Respectfully submitted,

  
Chad J. Sweeney, Acting Secretary

Approved:

A handwritten signature in black ink, appearing to read "M E Daniels, Jr.", is written over a horizontal line.

Mitchell E. Daniels, Jr., Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated March 20, 2008

**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 March 20, 2008, at 10:30 a.m. (CST), in the Eighth Floor Conference Room of Old National Bank at One Main Street, Evansville, Indiana.

In addition, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on March 20, 2008, at 11:45 a.m. (CST), in the Eighth Floor Conference Room of Old National Bank at One Main Street, Evansville, 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)(7).

**Indiana Economic Development Corporation  
Board of Directors Meeting**

**March 20, 2008 (10:30 a.m.) (CST)  
Eighth Floor Conference Room  
Old National Bank  
One Main Street  
Evansville, Indiana**

- I. Welcome Board Members and Guests
  - Recognition of Quorum
  - Recognition of Compliance with Open Door Law
  - Approval of Minutes from December 13, 2007 Meeting
- II. IEDC Executive Report
- III. Legislative Update
- IV. 2008 Revenue Receipts
- V. Projects for Consideration
- VI. Committee Reports
  - Entrepreneurship Committee
- VII. 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), discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b)(7).