

MINUTES OF THE JOINT MEETING OF THE BOARD OF DIRECTORS OF THE INDIANA
ECONOMIC DEVELOPMENT CORPORATION AND THE INDIANA ECONOMIC
DEVELOPMENT FOUNDATION, INC.

October 1, 2013

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") and the Indiana Economic Development Foundation, Inc. ("Foundation"), met on October 1, 2013 at the Union Station Technology Center, 506 W. South Street, South Bend, Indiana. Present at the meeting were directors Michael R. Pence, Kip Tom, Bob Koch, Bob Taylor, John Thompson, Angela Braly, Jim Schellinger, Jim Marcuccilli, and Rick Johnson. Director Dane Miller joined the meeting by telephone. Absent due to conflict was director John Mutz. Also in attendance were Victor P. Smith, Eric R. Doden, Chad A. Pittman, Charlie Sparks, and Justin Hage of the Corporation.

Governor Pence thanked the Union Station Technology Center and Kevin Smith, CEO, for hosting the board meeting.

The Governor called upon Kevin Smith to provide an overview of the Union Station Technology Center.

Governor Pence recognized that a sufficient number of the members of the Board were present to constitute a quorum. Governor Pence 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 Pence then reviewed and presented for approval the minutes from the previous Board meeting on May 7, 2013. Upon motion duly made and seconded, the minutes from the prior meeting were unanimously adopted.

Governor Pence then called upon John Thompson to provide the Entrepreneurship Committee Report. Mr. Thompson reported on the 21 Fund Investment Leverage Ratio. Since April of 2011, the leverage ratio is 3:1; and since April 2009 the leverage ratio is 5:1. Mr. Thompson reported that the first angel fund exit took place within 18 months of investment and returned 2.3 times capital to the Fund to be reinvested in future opportunities. Mr. Thompson reported on the regional quickstart and REAP Economic Impact in Northern Indiana. This includes three regions and seventeen counties. They have raised over \$2.2 million in private philanthropic dollars. A survey also showed that companies that have been through this program have achieved 20% job growth and 30% revenue growth. Mr. Thompson reported that because of these results, the Committee has approved an expansion plan for the rest of the state. They also approved an updated RFP structure for the SSBCI Seed Fund allocation, and authorized the staff to proceed with RFP solicitation and review.

Governor Pence then called upon Bob Koch to provide the Policy Committee report. Mr. Koch called on Mindy Herman and Ashley Craig from Crowe Horwath to provide a summary of their review of the IEDC's 2012 Jobs Realization-Transparency Portal. They reported that of the 902 projects, the total new jobs by 2012 was 85,368 and the net new jobs was 78,403. The percent realization is at 91.84%. Mr. Koch also reported on the new logistics tax credit. This will be administered by the IEDC and takes effect January 1, 2014. Mr. Koch reported that more discussions will take place to develop both an application process and a process to approve the

new credit. Mr. Koch then reported on the following two projects that were approved: American Specialty Health, and Project Jumbo. American Specialty Health is a company that is moving its headquarters from San Diego, California to Carmel, Indiana. The job projections are 675 employees by 2016 with an anticipated annual payroll of \$40,716,000 by 2016. The private sector investment for this project is \$5,275,000. The IEDC incentives include \$10,500,000 in EDGE tax credits, \$1,000,000 in Headquarters Relocation Tax Credit and \$250,000 in training grants. Mr. Koch reported that Project Jumbo. The anticipated new jobs by 2016 is 400. The annual payroll of new jobs is \$24,960,000 by 2017. The IEDC incentives include \$4,986,250 in EDGE tax credits, and \$161,250 in training.

Governor Pence called upon Jim Marcuccilli to provide the Audit Committee Report. Mr. Marcuccilli reported that the annual audit from the State Board of Accounts and the annual financial audit by Katz Sapp & Miller were being done; and that we anticipate no adverse comments from those audits. Mr. Marcuccilli also reported that the company has a bond from 2005 that has presented us with having equity and this is not allowed. We are in the process of doing a transfer. Mr. Marcuccilli reported that the audit for Elevate Ventures should be complete soon. The committee recommended that an audit also be done on the operational process for the 21 Fund and Elevate Venture. He also report that the IEDC has recently installed software for a better budget process.

Governor Pence then asked the executive staff of the Corporation to provide the Board with a report of activity since the prior Board meeting. Victor P. Smith, Secretary of Commerce, on the IEDC Good to Great Plan which includes three parts: Hunting Strategy, MidCap Strategy and Marketing Strategy. As part of our hunting strategy, Secretary Smith reported on the trip to Japan. The trip included a 40 person delegation with 20+ meetings with Japanese company executives. Mr. Schellinger, who was part of the delegation, also reported on the success of the trip to Japan. Mr. Doden reported on the progress of the Good to Great MidCap strategy. To date, the Secretary of Commerce and IEDC President have met with 25 mayors, 77 companies and visited 41 counties and 13,000 miles. Mr. Doden reported that 18 of the 77 companies are considering acquisition as a means of growth. He reported that 14 companies are actively pursuing acquisitions. Mr. Doden also reported on the IndyXpat Initiative. This is a talent recruitment and retention initiative. It is an effort to retain young talent and recruit native Hoosiers living elsewhere to return. It is a collaboration between the IEDC and TechPoint. Secretary Smith reported on the new air service from United that will provide non-stop flights from Indianapolis to San Francisco starting January 7, 2014. Mr. Doden reported on the product development of mega sites in Indiana. The IEDC has engaged an engineering firm to help access and analyze the potential mega sites in Indiana. A report was completed by the firm that provides the IEDC with a list of qualified candidates. The IEDC is now performing due diligence on the sites and will narrow it down. Chad Pittman reported that the Corporation has closed 194 competitive economic development projects year-to-date. These projects have resulted in commitments to create 15,090 new jobs with investment of \$1.89B of private capital. The average wage is at \$21.52. The cost of incentives is at \$8,864. Charlie Sparks of the corporation provided a report on the project win. He reported on American Specialty Health. The project started with a potential for an operations center with 250 jobs; and in the end, they decided to move their headquarters and the projected jobs increased to 675. The three key factors in this win were that we needed to be nimble to work with the company, be persistent and don't be afraid to ask for the headquarters. He reported that we had great cooperation from the City of Carmel and Mayor Brainard on this win. Justin Hage of the corporation reported on a MidCap win. He reported on Alliance Barrier Films in Washington, Indiana. The company will

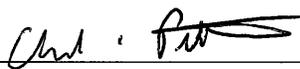
invest \$16M to construct and equip a 17,600 square-foot facility in Washington. The projected new jobs are 48. He reported that their reason for picking Washington was the quality of workforce. Charlie Sparks reported on the project loss. Project Smart in Bloomington was an attraction project for a global information technology firm. Indiana was competing with Ohio and multiple southern states. The company received \$1M in cash for a previous project and disclosed they were offered more than that for this expansion. Steve Akard of the corporation reported on the Compliance Report. The amount that has been received this year is \$2.3M. Secretary Smith reported on Indiana's rankings. Indiana is best in the Midwest and 2nd nationally for ability to attract investment by Site Selection Magazine. He reported on our marketing strategy.

There being no more business to come before the Board at the public meeting, Governor Pence 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 Pence. Present other than members of the Board were Victor P. Smith, Eric R. Doden and Chad A. Pittman, each of the Corporation.

Respectfully submitted,



Chad A. Pittman, Acting Secretary

Approved: 

Michael R. Pence, Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated October 1, 2013

**Joint Meeting of the Board of Directors of the Indiana Economic Development Corporation
and the Indiana Economic Development Foundation, Inc.**

**October 1, 2013 (11:00 a.m.)
Union Station Technology Center
506 W. South Street
South Bend, IN**

- I. Welcome Board Members and Guests
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from May 7, 2013 Meeting

- II. Committee Reports
 - Entrepreneurship Committee Report
 - Policy Committee Report
 - Audit Committee Report

- III. IEDC Executive Report

EXECUTIVE SESSION

Consideration of confidential pending incentive requests made to the State of Indiana by industrial or commercial prospects (confidential proposals in progress) and discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b)(2)(B),(4) and (7).



**NOTICE OF A JOINT MEETING OF THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION AND
THE INDIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.**

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 and of the Indiana Economic Development Foundation, Inc. will hold a public meeting on October 1, 2013 at 11:00 a.m., at the Union Station Technology Center, 506 W. South Street, South Bend, Indiana.

In addition, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on October 1, 2013 at 12:15 p.m. at the Union Station Technology Center, 506 W. South Street, South Bend, Indiana for consideration of confidential pending incentive requests made to the State of Indiana by industrial or commercial prospects (confidential proposals in progress) and discussion of records classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b)(2)(B),(4) and (7).