

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

March 25, 2014

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") and the Indiana Economic Development Foundation, Inc. ("Foundation"), met on March 25, 2014 at One Click Ventures, 1300 Windhorst Way, Greenwood, Indiana. Present at the meeting were directors Michael R. Pence, Kip Tom, Bob Taylor, John Thompson and Rick Johnson. Attending via telephone were directors John Mutz, Bob Koch and Joel Gorelick. Absent due to conflicts were Angela Braly, Jim Marcuccilli, Dane Miller, and Jim Schellinger. Also in attendance were Victor P. Smith, Eric R. Doden, and Chad A. Pittman of the corporation.

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 thanked One Click Ventures for hosting today's meeting. The Governor called upon Randy and Angie Stocklin to give an overview of One Click Ventures.

Governor Pence then reviewed and presented for approval the minutes from the previous Board meeting on December 11, 2013. Upon motion duly made and seconded, the minutes from the prior meeting were adopted.

Governor Pence then called upon John Thompson to provide the Entrepreneurship Committee report. Mr. Thompson reported on updates of the 21 Fund and Indiana Angel Network Fund. He reported that the committee formally approved 21 Fund and updated the Indiana Angel Network Fund investment policies and procedures. Precision Hawk, a 21 Fund company was granted \$2M accompanied by private co-investment of \$3M. Mr. Thompson reported on the 21 Fund Grantee Annual Survey Summary. He reported that revenues are over \$109M with average annual salaries of \$82,000, 179 patents were issued and estimate payroll exceeds \$56M. Per the active portfolio investment summary, there are 31 portfolio companies with \$21.2M invested through the 21 Fund and Indiana Angel Network Fund and co-investment of \$132M since 2010. There are 516 full time equivalents with an average annual salary of \$72,000.

Governor Pence then called upon Bob Taylor to provide the Policy Committee report. Mr. Taylor reported that Project Kermit will create 200 jobs at an hourly rate of above average for the local area. The project is accompanied by \$3.3M in Economic Development for a Growing Economy (EDGE) Credit, \$332,000 in training grants and \$1.35M in Industrial Development Growth Fund which is 50% of actual cost. Project Cast will create 329 jobs in La Porte County, utilizing \$4M in EDGE Credit and expected to pay for itself within the first year. Project Secretariat will bring 8 jobs to Allen County and has been granted \$4.6M in Hoosier Business Investment- Logistics Tax Credit (HBI-L). Project Airplane is set to retain 1,000 jobs at an hourly rate above average in Allen County, utilizing \$8M in EDGE Credits for retention. This

project is expected to recover costs within the first year. Project Airplane has been recommended by the committee to be presented to the state budget committee for final adjudication. The committee was charged with approving a \$25M commitment for the creation of Indiana Biosciences Research Institute that was authorized by the assembly. Indiana is among the top 5 states for total life sciences jobs. This institute is a great opportunity and providing an economic impact of more than 50 billion statewide and an average annual salary of \$88,000. Project Kermit, Project Cast, Project Secretariat, Project Airplane and the Indiana Biosciences Research Institute commitment have been approved by the Committee. Project Hammer will create 1,000 jobs utilizing \$5.5M in EDGE Credits and \$100,000 in training grants. Upon recommendation of the committee and due to conflict of interest of member Angela Braly, Project Hammer was brought before the full board for approval. Governor Pence opened discussion of the project. Upon motion duly made and seconded, Project Hammer was unanimously approved.

Governor Pence reported on the 2014 session of the general assembly. Being signed into law on March 25, 2014 were goals to reform business personal property tax, adoption tax credit and lower corporate tax. A pilot pre-K program for disadvantaged children will be signed into law in the near future. Indiana has the second lowest corporate tax rate in the country, offering \$185M in tax relief for job creators. Access to \$400M for infrastructure has given way to a major highway expansion project. 9,800 jobs will be created in Indiana due to road funding. A new emphasis of recycling was launched, while an expanded version of the military relief fund was created.

Governor Pence then asked the executive staff of the Corporation to provide the Board with a report of activity since the prior Board meeting. Secretary of Commerce, Victor Smith reported on the current marketing strategies of the Corporation. The Chicago- Stillinnoyed Campaign, New York- Times Square and Crain's Chicago Business ads will continue as they are presently. A more aggressive media campaign will begin, targeting CEOs and company decision makers. This campaign will add The Economist and Forbes print ads to the current corporation media strategy.

Eric Doden, President of the IEDC reported on the IEDC Good to Great Plan. Mr. Doden reported on the progress of the MidCap strategy. To date we have met with 33 mayors, 113 companies, 48 roundtables, visited 65 counties and 25,000 miles. Mr. Doden reported that 25 of the 112 companies are considering acquisition as a means of growth. Companies have cited market and emotional reasons for difficulty in proceeding with acquisition. He reported that 16 companies are actively pursuing acquisitions. As a result of the company meetings, 8 new project leads have derived. The companies visited express gratitude and display interest in company growth and increased employment.

Kim Roderer reported on product development and the spec to lead program. Currently, 8 of 13 available spec buildings are under development. She reported that the IEDC will host a workshop with developers, localities and banks on how to potentially finance buildings to share upfront risk. With 60% of site search requests being for existing building over land sites, it is vital that communities have available product to attract businesses to Indiana.

Kent Anderson (Vice President – Business Development at IEDC) gave report on behalf of the international department at IEDC. Mr. Anderson reported that there is an upcoming overseas trip to Germany. This trip includes company visits, political appointments and a reception. Rick Pease, Chad Pittman, Paul Roland and Mr. Anderson recently returned from Asia

on behalf of the IEDC to discuss and plan restructuring in Japan and China. They were able to visit Foreign Affairs and the Department of Commerce while in the Zhejiang province of China. He reported that the Corporation is prepared to make an offer for the next director in Japan, with a start date of June 1, 2014.

Eric Shields (Policy Director) reported on the 2014 legislative session. The Corporate Tax rate will continue to decrease 0.25% each year. It will fall one final time to 4.9% in 2021. The regional cities study is being conducted to compile data on how Indiana's regional cities can make themselves more attractive, bringing new investments. He reported that \$400M has been allotted for transportation funding. House Bill 1020 will place every incentive on a five year review cycle with the legislature, economic development related or otherwise.

Mr. Pittman reported that the Corporation has closed 58 competitive economic development projects year-to-date. These projects have resulted in commitments to create 6,861 new jobs with investment of \$1.43B of private capital. The average wage per project is \$21.72; and conditional incentives per job are \$8,006. Trevor Lane reported on a Project win, Autoneum North America, Jeffersonville. Autoneum North America is a Detroit-headquartered, U.S. subsidiary of Switzerland based company. The company is a global technology provider of acoustic and thermal management solutions for vehicles. This project will bring a new 300,000 square foot manufacturing facility to River Ridge Commerce Center for Autoneum North America. The projected new jobs are 224 with a capital investment of \$33M. The cost of doing business, real estate availability and incentives attracted the company to Indiana versus competitors, Kentucky and Michigan. Eric Doden reported on a Project Loss. Arthur J. Gallagher and Company, is the nation's fourth largest commercial insurance broker and was in need for a larger and updated headquarters facility. The project would have brought 975 jobs at an average wage of \$100K per year with \$48M of capital investment. The company chose to remain in Illinois after considering Kansas City and Indianapolis. Mr. Doden reported that Indiana was considered only to retrieve a competitive number to negotiate higher values in Illinois. The project seemingly had no intention of relocating away from its labor force. Steve Akard (Vice President & General Counsel – IEDC) reported on IEDC's compliance reported. He reported that we have pursued 28 companies in 2014 for a total of \$2,544,228. Laurie Kuhl (Director – Business Account Management Incentive Team) reported on IEDC's annual company report process. The Business Account Management Incentive Team (BAMIT) is 93% complete with processing 2013 company reports. Mrs. Kuhl credits preventative communication from the BAMIT team during 2013 to the responsiveness of companies and assisting in reducing the processing rate to 9 days.

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 March 25, 2014



**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 March 25, 2014 at 11:00 a.m., at One Click Ventures, 1300 Windhorst Way, Greenwood, Indiana.

In addition, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on March 25, 2014 at 12:15 p.m. at One Click Ventures, 1300 Windhorst Way, Greenwood, 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).

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

**March 25, 2014 (11:00 a.m.)
One Click Ventures
1300 Windhorst Way
Greenwood, Indiana**

- I. Welcome Board Members and Guests
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from December 11, 2013 Meeting

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