

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

June 26, 2014

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") and the Indiana Economic Development Foundation, Inc. ("Foundation"), met on June 26, 2014 at The Ford Center, 1 SE Martin Luther King Jr Blvd, Evansville, IN 47708. Present at the meeting were directors Michael R. Pence, Kip Tom, John Thompson, John Mutz, Bob Koch, Joel Gorelick, Angela Braly, Jim Marcuccilli, and Jim Schellinger. Absent due to conflicts were Bob Taylor, Rick Johnson, and Dane Miller. Also in attendance were Victor P. Smith, Eric R. Doden, and Chad A. Pittman of the corporation.

Mayor of Evansville, IN, Lloyd Winnecke rendered a welcome address to The Ford Center for the meeting. Upon completion of the overview of the City of Evansville, IN, Mayor Winnecke introduced Governor Pence.

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 The Ford Center for hosting today's meeting. The Governor called upon Scott Schoenike to give an overview of The Ford Center.

Governor Pence then reviewed and presented for approval the minutes from the previous Board meeting on March 25, 2014. 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 that the committee approved two programs to be implemented. The committee approved the SSBCI Co-Investment Program, which approved and updated RFP for SSBCIC fund allocation and authorized staff to proceed with RFP investment manager qualifications. He reported that the committee also approved the SBLA Small Business Administration growth accelerated fund competition. The committee approved a 2-1 state matching program for Indiana accelerators. Mr. Thompson reported on updates of the Angel Network Fund and 21 Fund. He reported that since January of 2012 the Angel Network Fund has invested \$5,011,000 among 20 companies, accompanied by \$27M in private co-investment. He provided the 21 Fund year-to-date summary; active portfolio of 12 companies, 5 investment commitments totaling \$6.5M accompanied by \$13.5M in private co-investment.

Governor Pence then called upon John Mutz to provide the Policy Committee report. Mr. Mutz reported that Project Dragonfly will create 320 jobs at an hourly rate lower than the state average. The project is accompanied by \$3.25M in Economic Development for a Growing Economy (EDGE) Credit, \$200,000 in training grants. This project is expected to recover costs within two and one half years. Project Daredevil will create 400 jobs at an hourly rate above average for Howard and Hamilton Counties, utilizing \$5.65M in EDGE Credits and \$100,000 in

training grants. Costs for this project are expected to be recovered within the first year. Project Our Health will create 450 jobs and has been granted \$4.75M in EDGE Credits and \$300,000 in training grants. The committee discussed procedures being implemented to prevent premature exposure of projects. The Nuclear Key Option, signatures of Chad Pittman and Kent Anderson are necessary for any deal exceeding \$3M and media team signatures for deals reaching certain thresholds. As a control measure Project Managers will also be required to make notification within the Customer Relationship Management Portal to signify the project is sufficient for release.

Governor Pence then called upon Jim Marcuccilli to provide the Audit Committee report. As a result of the October 2013 audit submitted by KPG, by January 2014 several recommendations of the sponsor group of Elevate Ventures were employed. All entities identified on the report have been resolved. He reported on the recovery and investment made that all monies plus 15% have been returned to the fund totaling \$499,986. It was approved that the committee grant an automatic ninety day extension to companies thirty days afar of meeting the annual fund requirements. Mr. Marcucilli noted that the foundation currently has \$1.4M in assets. The annual audit will begin in August to be conducted by Katz, Sapper and Miller. He reported that the SBDC will transfer to the Lieutenant Governor's office with a savings to be overviewed by the State Board of Accounts.

Governor Pence then asked the executive staff of the Corporation to provide the Board with a report of activity since the previous Board meeting. Eric Doden, President of the IEDC reported on the IEDC Good to Great Plan. Mr. Doden reported on the completion of the MidCap strategy. ~~To date we have met with 165 companies, hosted 74 roundtables, visited all 92 counties.~~ Mr. Doden reported that 25 of the 165 companies are considering acquisition as a means of growth. He reported that 16 companies are actively pursuing acquisitions. As a result of the company meetings, 9 new project leads have derived. There will be nine regional roundtables planned accompanied by workshops to further MidCap Strategy efforts.

Secretary of Commerce, Victor Smith reported on the current marketing strategies of the Corporation. The IEDC had more than 10,000 square feet of signage throughout the downtown area during the 2014 NRA Convention. IEDC was able to visit with companies at the convention, resulting in 28 leads. Following the signage launch, The Chicago- Stillinnoyed Campaign, has seen a 600% increase in Illinois leads with a 231% rise in Illinois-based visits to the website. New York, New York and Los Angeles, California have been recognized as target rich areas to promote Indiana's pro-business climate to company prospects as high tax states. He reported that during the Governor's April 2014 jobs mission to Germany, three companies announced Indiana as the location for new jobs and investments. Secretary Smith reported that the Governor will lead a delegation to the United Kingdom in July to build upon the state's momentum in the aviation industry to include attending the Farnborough International Airshow.

IEDC President, Eric Doden presented year-to-date summaries of projects and projections for the IEDC. Of the 265 total competitive projects goal for 2014, the IEDC is at 140 competitive projects to date. The private sector job projection is 22,000, the IEDC being at 14,646 as of June 25, 2014. The private sector investment is at \$2.82B, short \$0.18B of the 2014 \$3B goal. The conditional incentives per job are at \$8,793 which has decreased from approximately \$37,000 in 2004. The 2014 IEDC project wage is down \$0.83 from 2013 at \$20.89, yet above the 2013 state average wage of \$20.35.

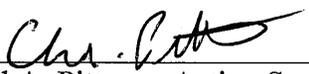
Kent Anderson (Vice President – Business Development at IEDC) gave report on a project win, project loss and compliance report. The Project Win, Alcoa of La Porte, Indiana will bring 329 new jobs to Hoosiers. The company will invest \$100 million for construction and to equip a new 320,000 square foot facility. Alcoa, a global leader in lightweight metals engineering and manufacturing also considered Alabama, Georgia, Kentucky, Michigan, North Carolina and Ohio before selecting Indiana. Borgers AG potentially of Wabash, Indiana is a tier 1 German automotive supplier of automotive carpets and wheel liners. Borgers AG, a narrow project loss to Norwalk, Ohio is a prime competitor of Autoneum, which will be located in River Ridge Commerce Center, Jeffersonville, Indiana. This project would have provided 263 new jobs for Hoosiers with a capital investment of \$83 million. Borgers AG was a logistics intensive product, involving large volume with low value. The compliance report provided the following analysis of ten companies with funds amounting to \$2,398,342. Between January and May 2014 \$2,306,295 has been received from seven companies, \$309,819 being cash contributions from three companies and \$1,996,476 of forgone credits from four companies. During this time there has been write-offs totaling \$92,047 of three companies, with no company, zero dollars of referrals for tax assessment or collection.

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 June 26, 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 June 26, 2014 at 10:00 a.m. Central, at The Ford Center, 1SE Martin Luther King Jr Blvd, Evansville, IN 47708.

In addition, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on June 26, 2014 at 11:00 a.m. Central at The Ford Center, 1SE Martin Luther King Jr Blvd, Evansville, IN 47708 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.**

**June 26, 2014 (10:00 a.m. Central)
The Ford Center
1 SE Martin Luther King Jr Blvd
Evansville, IN**

- I. Welcome Board Members and Guests
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from March 25, 2014 Meeting

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