

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

September 18, 2014

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") and the Indiana Economic Development Foundation, Inc. ("Foundation"), met on September 18, 2014 at The Kokomo Automotive Museum, 1500 N Reed Road, Kokomo, Indiana 46901. Present at the meeting were directors Michael R. Pence, Kip Tom, Bob Taylor, Rick Johnson, John Mutz, Bob Koch, Joel Gorelick, Angela Braly, Jim Marcuccilli Jim Schellinger. Absent due to conflicts were Dane Miller and John Thompson. 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 then reviewed and presented for approval the minutes from the previous Board meeting on June 26, 2014. Upon motion duly made and seconded, the minutes from the prior meeting were adopted.

Governor Pence then called upon Kip Tom to provide the Entrepreneurship Committee report. Mr. Tom reported on several program updates. He reported that the committee approved three investment managers for the SSBCI Seed Fund allocation and authorized staff to proceed with investment allocation agreements for the SSBCI Seed Fund Fund-of-Funds Program. The SBIR/STTR Matching program re-launched on July 30, 2014, qualifying fifteen companies for sixteen awards, totaling \$2,822,061.50 in federal dollars and \$764,988.75 in state matching dollars. Mr. Tom reported that the committee approved a 2-1 State-matching program for Indiana accelerators to enter the Small Business Administration Growth Accelerator Fund Competition in June 2014. The competition awards \$50,000 per accelerator in operating capital and the state will match \$100,000 from the 21 Fund. The committee approved the investment criteria for the \$2.9M Elevate Purdue Foundry Fund. The committee also approved the use of funds for the \$5M Indiana University Clinical and Translational Sciences Institute. Mr. Tom reported that since January of 2012 the Angel Network Fund has invested \$6,335,953.68 among 23 companies, accompanied by \$28.5M in private co-investment. He provided the Q3 2014 summary for the 21 Fund; ImmuneWorks was reviewed and voted upon with the 21 Fund investing \$1M conditional upon ImmuneWorks achieving \$13M in private co-investment.

Governor Pence then called upon John Mutz to provide the Policy Committee report. Mr. Mutz reported that Carrington Mortgage Services will create 360 jobs at an hourly rate above average for Hamilton County. The project is accompanied by \$3.65M in Economic Development for a Growing Economy (EDGE) Credit. This project is expected to recover costs within the first year. Project Optimize will create 203 jobs at an hourly rate above average for Marion County, utilizing \$3.9M in EDGE Credits and \$200,000 in training grants. Costs for this project are expected to be recovered within the second year. The committee discussed the progression of healthcare. While providing healthcare insurance to employees, businesses establishing onsite

clinics use stock loss coverage to handle larger expenses, covering the first round of healthcare. Such businesses foresee an increase in productivity as a result of providing an onsite clinic for employees. The committee anticipates growth of onsite clinics in the workplace.

Governor Pence then called upon Jim Marcuccilli to provide the Audit Committee report. Upon review of the Foundation Financial Report, \$156,000 was identified that prompted further review and clarification from finance officers. The budget request going before legislation in 2016 contains a \$37.4M increase over a two year period for the Indiana Economic Development Corporation. A substantial portion of the budget increase will support the marketing department and workforce training fund. There was general discussion of the nature of this matter.

Governor Pence then asked the executive staff of the Corporation to provide the Board with a report of activity since the previous Board meeting. Secretary of Commerce, Victor Smith reported on new Indiana rankings and the IEDC Good to Great Plan. Under new metrics, Indiana has been recognized as the top state for skilled labor availability and second best state for water availability and cost. Governor Pence led the largest out-of-state delegation to the Midwest U.S.-Japan Association conference in Iowa to strengthen economic ties between Indiana and Japan. Governor Pence also led a delegation to the United Kingdom on an economic development mission. Indiana's inaugural booth at the Farnborough International Airshow gave opportunities for the Governor to meet with executives for the world's most influential aviation and aerospace companies.

IEDC Chief of Staff, Chad Pittman 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 208 competitive projects to date. The private sector job projection is 22,000, the IEDC being at 19,755 as of September 17, 2014. The private sector investment is at \$3.63B, exceeding the 2014 \$3B goal. The conditional incentives per job are at \$8,794 which has decreased from approximately \$37,000 in 2004. The 2014 IEDC project wage is down \$0.13 from 2013 at \$21.59, yet above the 2014 state average wage of \$20.12.

Kent Anderson (Vice President – Business Development at IEDC) gave report on a project win, project loss. The Project Win, Haier America of Evansville, Indiana will 50 new high-wage jobs to Hoosiers. The company will open a 30,000 square foot tech center in Evansville, Indiana. Haier America is a division of Haier Group, a global leader in home appliances and consumer electronics also considered South Carolina and Georgia before selecting Indiana. Mitsui High-Tec is a manufacturer of electrical motor cares for hybrid engines. The Toyota supplier would have brought 30 new jobs to Hoosiers with a capital investment of \$16 million. Mitsui High-Tec decided to establish operations in Mexico upon the U.S. domestic steel industry brought dumping charges to International Trade Commission (ITC), where the ITC ruled in favor of tariffs.

Steve Akard (General Counsel of the IEDC) presented the year-to-date compliance report.

IEDC President, Eric Doden and Rich Overmoyer, CEO of Fourth Economy presented an overview of the Indiana Regional City Transformation study. The project is comprised of developing a balance set of indicators measuring the quality of place for each city case study and Indiana communities, interviews and site visits, case study development and compiling recommendations and tools. The planning and strategic thinking of the leadership to develop and

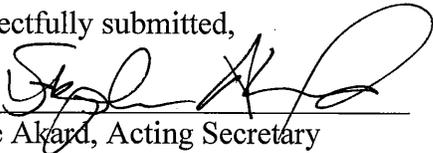
execute plans served as a catalyst to create necessary urgency within each regional city case study. The regional cities that were chosen as site visits are; Fayetteville, Arkansas, Manhattan, Kansas, Raleigh/Durham, North Carolina, Austin, Texas and Denver, Colorado. These cities identify a range of actions to support regional and city living including; investment in community and cultural amenities, K-12 education and real estate and related infrastructure development. Other themes reviewed throughout the study in each regional city were the balance of economic development efforts and mixed prioritization of focus for sector vs. infrastructure. Such themes are relative to each city, addressing specific needs and concerns for the region. A non-partisan commitment to goals and relentless execution of plans brought about the success and growth the cities are experiencing. To finance regional transformation, the regional cities studied presented four models (varying by community); private investment, "penny tax", local (city/region) public sector bonding and annual appropriations. The Indiana Regional City Transformation study is approaching completion and will be submitted October 1, 2014.

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, and Steve Akard each of the Corporation.

Respectfully submitted,


Steve Akard, Acting Secretary

Approved:


Michael R. Pence, Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated September 18, 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 September 18, 2014 at 11:00 a.m. Eastern, at The Kokomo Automotive Museum, 1500 N Reed Road, Kokomo, Indiana 46901.

In addition, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on September 18, 2014 at 12:00 p.m. Central at The Kokomo Automotive Museum, 1500 N Reed Road, Kokomo, Indiana 46901 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.**

**September 18, 2014 (11:00 a.m. Central)
Kokomo Automotive Museum
1500 N Reed Road
Kokomo, Indiana 46901**

- I. Welcome Board Members and Guests
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from June 26, 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).