

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

December 9, 2014

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") and the Indiana Economic Development Foundation, Inc. ("Foundation"), met on December 9, 2014 at Project Lead The Way, 3939 Priority Way South Drive, #400, Indianapolis, Indiana 46240. Present at the meeting were directors Michael R. Pence, Kip Tom, Bob Taylor, Rick Johnson, John Mutz, Bob Koch, Joel Gorelick, Jim Marcuccilli, John Thompson, and Jim Schellinger. Absent due to conflicts were Angela Braly and Dane Miller. Also in attendance were Victor P. Smith, Eric R. Doden, and Steve Akard 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 introduced Vince Bertram, President and CEO of Project Lead The Way who provided an overview of Project Lead The Way and rendered a welcome address.

Governor Pence then reviewed and presented for approval the minutes from the previous Board meeting on September 18, 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 provided the 2014 year end summary for the Entrepreneurship Committee. He reported that the committee approved seven 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 twenty companies for twenty-five awards, totaling \$4,366,149.09 in federal SBIR/STTR dollars and \$1,164,988.75 in state matching dollars. Mr. Thompson reported that the committee approved a 2-1 State-matching program for Indiana accelerators to enter the Small Business Administration (SBA) 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 SBA received over 800 applications nationwide. Two out of 100 finalists were from Indiana, though neither was chosen as a final winner. The committee approved the investment criteria for the \$2.9M Elevate Purdue Foundry Fund. The first 10 Black Award recipients were selected for final review and are scheduled to be announced January 2015. Partnership discussions are underway with Indiana University and University of Notre Dame. The committee approved the use of funds for the \$5M Indiana University Clinical and Translational Sciences Institute. Mr. Thompson reported that monthly webinars were broadcasted to a network of 761 individual and institutional investors. Two investor roadshows were executed. At each roadshow, over 20 Indiana companies engaged in one-on-one meetings with over 20 venture capital firms and commercial lenders. He reported that since January of 2012 the Angel Network Fund has completed 34 investment transactions (16 transactions in 2014), invested \$6,858,765.68 among 24 companies, accompanied by \$29.1M in private co-

investment. The 21 Fund 2014 Investment Commitments include nine investments to nine companies totaling \$10.8M invested with leverage of \$33.2M in private co-investment.

Governor Pence then called upon John Mutz to provide the Policy Committee report. He reported on the executive session for the Policy Committee. There are six deals currently under negotiation involving top rate tax credits. The Committee also reviewed the Indiana Economic Development Corporation jobs realization report. The jobs realization report showed that of 1038 projects, 95,522 new jobs were projected, netting only 85,292 new jobs. To date only \$22M of \$58M in available tax credits have been claimed. Mr. Mutz also reported on four projects. Project Accelerate will bring 30 new jobs by 2017 at an anticipated average wage of is \$21.98. The private sector investment for this project is \$7,725,000 with \$50,000 in training grant assistance from the IEDC. State costs are expected to be recovered in the second year of the project. Upon recommendation of the committee and due to conflict of interest of member Rick Johnson, Project Accelerate was brought before the full board for approval. Governor Pence opened discussion of the project. Upon motion duly made and seconded, Project Accelerate was unanimously approved. Project Bottle, an Economic Development for a Growing Economy (EDGE) for retention project will not net any new jobs, maintaining anticipated current wages at \$45.67. The private sector investment for this project is \$7,500,000 accompanied by \$3,175,000 proposed IEDC incentives. State costs are expected to be recovered in the first year of the project. Project Growth is projected to bring 182 new jobs by 2024 at an anticipated wage of \$41.00. The private sector investment for this project is \$968,500 with \$3,300,000 in EDGE Tax Credits and \$115,000 in training grant assistance from the IEDC. State costs are expected to be recovered in the first year of the project. Due to conflict of interest of member John Thompson and committee recommendation, Project Growth was brought before the full board for approval. There was discussion regarding the nature of this project. Upon motion duly made and seconded, Project Growth was unanimously approved. Mr. Mutz prompted discussion regarding the Flaherty and Collins Industrial Recovery "Dinosaur" Tax Credit (IRTC) Proposal: Flaherty and Collins Proposed Redevelopment of NISCO Building (Kokomo, Indiana). With the assistance of the IRTC, Flaherty and Collins would redevelop the NISCO building into multi lease/industry building, primarily Class A residential apartments. The projected investment is \$23M, with the city offering \$8.4M in cash, TIF, land contribution and permitting fees. The developer is contributing \$15M to the project. The IRTC will fulfill the 25% financial gap of \$5.2M. Upon recommendation of the committee and due to conflict of interest of members Eric Doden and Jim Schellinger, the Flaherty and Collins Industrial Recovery Tax Credit was brought before the full board for approval. Governor Pence opened discussion of the project. Upon motion duly made and seconded, the Flaherty and Collins Industrial Recovery Tax Credit was unanimously approved.

Governor Pence then called upon Jim Marcuccilli to provide the Audit Committee report. The financial statement shows the audit reports having no comments, resulting in a clean audit. The internal control over financial reporting contained one material weakness of adding to the loan reserve. The recommendation was made to conduct a quarterly loan and investment review. A clean report was received regarding the importance of meeting compliance with federal awards. Two entities were addressed by the committee. Defying benefits deficiencies in 2015 must be acknowledged and the recommendation to retain Katz, Sapper, Miller LLP for auditing needs was made to the full board. There was general discussion of the nature of this matter. Upon motion duly made and seconded, retaining Katz, Sapper, Miller LLP for auditing purposes was unanimously approved.

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 Indiana rankings and international delegations of Governor Pence and the Indiana Economic Development Corporation. Indiana maintains being the top state of low taxes in the Midwest, ranking 8<sup>th</sup> nationally. Governor Pence led a Canadian delegation on a one-day jobs and economic development mission to Toronto. The Governor met with business and government officials considering investment opportunities in Hoosier companies and hosted a business recruitment event. Secretary Smith led a jobs mission to China, visiting Beijing, Hangzhou and Guangzhou. The job-hunting trip showcased Indiana as the best option for Chinese companies looking to expand into the global market. Nearly 400 Chinese leaders and officials attended one of two Indiana forums in Hangzhou and Guangzhou. Governor Pence will lead a delegation in late December to Israel, visiting cultural sites and a three-day jobs mission. Governor Pence will meet with government and business leaders to further develop economic ties between Indiana and Israel.

IEDC President, Eric Doden presented Regional Cities Initiative update. The Regional Cities Initiative sets to attract and retain talent through quality of place elements and motivating cities and regions to leverage improvements into national brands. The state government serves as a catalyst for the initiative and a financial partner, pending legislation. The IEDC traveled across the state hosting Regional Cities Initiative forums attended by approximately 500 community leaders.

IEDC Chief of Staff, Steve Akard presented year-to-date summaries of projects and projections for the IEDC. The IEDC is at 281 competitive projects, with 25, 116 new job commitments to date. The private sector investment is at \$4.37B as of December 1, 2014. The conditional incentives per job are at \$8,789 which has decreased from approximately \$37,000 in 2004. The 2014 IEDC project wage is continues to be above the state average by \$1.33 at \$21.50.

Kent Anderson (Vice President – Business Development at IEDC) gave report on a project win and loss opportunities. The Project Win, Grain Processing Corporation of Washington, Indiana will invest \$70M to expand its MALTRIN maltodextrins capacity at its 600 acre Washington complex. Grain Processing Corporation is a subsidiary of Muscatine, Iowa-based Kent Corporation, manufacturing and marketing corn-based products. Recent automotive investment increases to Mexico have resulted in loss opportunities. Since 2009 all new assembly plants have re-located to Mexico, largely due to Mexico's more than forty free trade agreements.

Steve Akard (Chief of Staff for the IEDC) presented the year-to-date compliance report. The total recovered funds for January-November 2014 is \$2,707,572, marginally above the previous quarter. This reflects continued confidence in the economy.

Secretary of Commerce, Victor Smith reported on the 2015 Marketing opportunities. The statewide billboard campaign will introduce a more individual approach through "A State That Works For Me". Other marketing opportunities include special event sponsorships, print and online advertising.

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 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 December 9, 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 December 9, 2014 at 2:00 p.m. Eastern, at Project Lead The Way, 3939 Priority Way South Drive, Indianapolis, Indiana 46240.

In addition, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on December 9, 2014 at 3:00 p.m. Central at Project Lead The Way, 3939 Priority Way South Drive, #400, Indianapolis, Indiana 46240 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.**

**December 9, 2014 (2:00 p.m. Eastern)**

**Project Lead The Way  
3939 Priority Way South Drive  
Indianapolis, Indiana 46240**

- I. Welcome Board Members and Guests
  - Recognition of Quorum
  - Recognition of Compliance with Open Door Law
  - Approval of Minutes from September 18, 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).