

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

September 8, 2015

The Board of Directors ("Board") of the Indiana Economic Development Corporation (the "Corporation") and the Indiana Economic Development Foundation, Inc. ("Foundation"), met on September 8, 2015 at 11:00 a.m., at Parkview Field, 1301 Ewing Street, Fort Wayne, Indiana 46802. Present at the meeting were directors Governor Michael R. Pence, Angela Braly (attending by telephone), Joel Gorelick, Rick Johnson, Bob Koch, Jim Marcuccilli, John Mutz, Bob Taylor, and John Thompson. Also in attendance were Victor P. Smith, Steve Akard, Jim Schellinger, and Chris W. Cotterill 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 and named Melanie Walker Hart to the Board of Directors of the Corporation. He then called upon Tim Ash, Chief Executive Officer and President of ASH Brokerage Corporation, to make a welcoming statement.

Governor Pence then reviewed and presented for approval the minutes from the previous Board meeting on May 6, 2015. Upon motion duly made and seconded, the minutes from the prior meeting were adopted.

Governor Pence welcomed and acknowledged Jim Schellinger as the new president of the Corporation.

Governor Pence called upon John Thompson to present the Entrepreneurship Committee report. Mr. Thompson reported that the committee discussed the extension of the contract between Elevate Ventures and the Corporation for the remainder of the 2015 year, with the likelihood of renewal in subsequent years. Mr. Thompson reported that the Committee approved changes made to the Investment Policy of the Indiana Twenty-First Century Research and Technology Fund and that the approved version of the investment policy will be reviewed by Senate Budget Committee prior to full implementation of the policy. Mr. Thompson also provided highlights of the proposed investment policy.

Governor Pence then called upon John Mutz to present the Policy Committee report. Mr. Mutz reported that the committee reviewed a pipeline report of 10 non-guaranteed projects, of which six projects are international investments. He then reported on the six projects by the committee.

First, Project Cloud is a headquarter relocation project for a technology consulting firm. The project will bring 259 new jobs by 2020 at an anticipated average hourly wage of \$38.00. The private sector investment for this project is \$7,676,000. The public sector financing is \$4,000,000, with \$3,850,000 in Economic Development for a Growing Economy (EDGE) credits accompanied by \$150,000 in Skills Enhancement Fund (SEF) training grants. Indiana competed with California for this project.

Second, Project Platform is a North American headquarters selection project for a global cloud-based e-marketing company. The project is anticipated to bring 167 new jobs by 2020 at an anticipated average hourly wage of \$52.56. The private sector investment for this project is \$3,220,000. The public sector financing is \$3,825,000 in EDGE credits and \$135,000 in SEF training grants. Indiana competed with California and Texas for this project.

Third, Project Stingray is an attraction and expansion project for an automotive e-fulfillment company. The project is anticipated to bring 200 new jobs by 2020 at an average hourly wage of \$34.00. The private sector investment for this project is \$13,472,520. The public sector financing is \$3,310,000 in EDGE credits and \$100,000 in SEF training grants. Indiana competed with Illinois, Pennsylvania and Texas for this project.

Fourth, Project Rose is an attraction and expansion project for a Japanese automotive supplier to accommodate current labor supply. The project is anticipated to bring 510 new jobs by 2017 at an average hourly wage of \$15.00. The private sector investment for this project is \$127,850,000. The public sector financing is \$4,700,000 in EDGE credits and \$300,000 in SEF training grants. Indiana competed with Georgia for this project.

Two Community Revitalization Enhancement District ("CRED") Tax Credit projects were also approved. AFC Master Tenant Company, LLC's project will receive \$1,200,000 in CRED Tax Credit, with the project anticipated to support 200 employees. GLC Skyline, LLC's "Skyline Tower Project" is anticipated to support 60 new employees (excluding retail employees) and receive \$8,610,357 in CRED Tax Credit.

Upon recommendation of the committee and due to conflict of interest of Mr. Mutz, Project Forward Motion was brought before the full Board of Directors of the Corporation for approval. Mr. Mutz recused himself from the meeting. General Counsel Chris W. Cotterill reported that Project Forward Motion is an expansion project for a transportation consulting services company. The project is anticipated to bring 20 new jobs by 2018 at an average hourly wage of \$17.00. The private sector investment for this project is \$933,000. The public sector financing is \$89,000 in EDGE credits and \$40,000 in training grants. Governor Pence inquired for additional details about the project, which Mr. Cotterill provided. Upon a motion duly made and seconded, Project Forward Motion was unanimously approved. Mr. Mutz then returned to the meeting.

Governor Pence called upon Jim Marcuccilli to present the Audit Committee report. Mr. Marcuccilli reported that the committee reviewed the pipeline for Elevate Ventures and its investments and returns going to the 21 Fund, LLC. Mr. Marcuccilli also commented on the stress testing on the companies receiving such investments. He then reported on a recent audit by the State Board of Accounts in which there was a recommendation that the Foundation adopt a policy regarding the consumption of alcohol. The Corporation's outside auditor, Katz, Sapper & Miller, LLP was also in the process of auditing the Corporation and the Foundation, with sufficient, positive progress to date. The committee also reviewed the financials of the Foundation, and Mr. Marcuccilli reported that there is currently \$1,100,000 in cash; \$330,000 in receivables; and no liabilities.

Governor Pence then asked the Corporation's executive staff to provide the Board with an update since the previous meeting. Secretary of Commerce Victor P. Smith reported that the Governor led a successful jobs mission to New York. Indiana is ranked No. 1 for cost of doing business by CNBC, surpassing New York, New Jersey and Connecticut. Site or project consultant leads are up 73% after three quarters from 2014. Project leads from company representatives, Corporation's international section, LEDO or REDO, or "other" sources are down from 2014. The Corporation is up 300% of dollars of investment year over year internationally. Secretary of Commerce Smith also noted that Governor Pence will lead a delegation to Japan, meeting with over 250 Japanese business facilities operating in Indiana.

Chief of Staff Steve Akard reported on the Corporation's metrics to date. Total competitive projects are 254, private sector job projections are 19,041, capital investment projections are \$3.90 billion, and conditional incentives are \$12,196 per job.

President Jim Schellinger then presented figures on employment and wage levels. Private sector employment has increased to 2,614,800, which is an all-time record in the State's history. Since January 2013, 121,900 new jobs were added. Indiana has the lowest unemployment rate amongst neighboring states at 4.7%. In 2015, the Corporation's average project wage is up \$5.84 from the 2014 state average hourly wage at \$26.29. Since January 2013 nearly 60% of jobs created were above the average hourly wage. The State has seen an increased growth in industries with traditionally high wages such as technology and life sciences.

The Corporation's Director, Northwest Office, Jim Staton presented the Project Win Report. Illinois-based manufacturer Hoist Lifttruck Mfg., Inc. will relocate its headquarters from Bedford Park, Illinois to East Chicago, Indiana. The company plans to invest several million dollars to renovate and equip a 555,000-square-foot building. The relocation is anticipated to net up to 500 new jobs by 2022 at an average hourly wage 20% above the average hourly wage in Lake County, Indiana.

The Corporation's Vice President of Business Development Kent Anderson presented the Project Loss Report. AM General manufactures the high mobility multipurpose wheeled vehicle ("HMMWV") and employs 756 Indiana associates. The company was competing of the joint light tactical vehicle ("JLTV") program, the replacement for the HMMWV. The United States Department of Defense is procuring 55,000 JLTVs by 2040 at an average cost of \$240,000 per vehicle. The project anticipated 582 jobs and \$51,800,000 in capital investment. The JLTV contract was awarded to Oshkosh Defense Corporation in Oshkosh, Wisconsin.

Secretary of Commerce Smith reviewed the Corporation's marketing approach. There will be a transition away from trade publications to national publications, and strategic targeting is taking place varying between markets, cities, specific venues, and even specific companies. The next approach is "native advertising," which is a cost-effective global marketing approach. Domestically, the Corporation began a nine-week radio campaign on WGN Radio in the Chicago-Northwest Indiana market.

The Corporation's Vice President of Policy & Strategic Initiatives Eric Shields presented an update on Governor Pence's Regional Cities Initiative. Seven regions submitted applications

for the initiative. These applications include over 420 quality of place projects and \$3.78 billion planned investment dollars. Regions will present plans to the Strategic Review Committee on October 6th and 7th. Strategic Review Committee Chair John Thompson then randomly selected presentation times for each region. The Board of Directors will consider recommendations from the Strategic Review Committee on December 15, 2015.

There being no more business to come before the Board of Directors 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, Steve Akard, and Chris W. Cotterill each of the Corporation.

Respectfully submitted,



Chris W. Cotterill, Secretary

Approved:



Michael R. Pence, Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated September 8, 2015



**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 08, 2015 at 11:00 a.m. Eastern, at Parkview Field, 1301 Ewing Street, Fort Wayne, Indiana 46802.

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

**September 08, 2015 (11:00 a.m. Eastern)
Parkview Field
1301 Ewing Street
Fort Wayne, Indiana 46802**

- I. Welcome Board Members and Guests
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from May 06, 2015 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).