

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

March 29, 2016

The Board of Directors (the "Board") of the Indiana Economic Development Corporation (the "Corporation") and the Indiana Economic Development Foundation, Inc., met on March 29, 2016, at the Indianapolis International Airport, 7800 Col. H. Weir Cook Memorial Drive, Indianapolis, Indiana 46241. Present at the public meeting were directors Governor Michael R. Pence, Angela Braly, Dominic Grote, Rick Johnson, Bob Koch, Michael Kubacki, John Mutz (via telephone), Mark Neal, John Thompson, and Melanie Walker. Absent were directors Joel Gorelick and Jim Marcuccilli. Representing the Corporation were Victor P. Smith, Jim Schellinger, Steve Akard, and Chris W. Cotterill.

Governor Pence recognized that a sufficient number of board members were present to constitute a quorum. Governor Pence also recognized that the board meeting was being held in full compliance with the Indiana Open Door Law.

Governor Pence began by highlighting Indiana's strong logistics industry and major investments in infrastructure across Indiana, including \$1 billion to improve state and local roads and another \$900 million for local road and bridge improvements over the next four years—all without raising taxes. He thanked Mario Rodriguez, Executive Director of the Indianapolis Airport Authority, for hosting the board meeting. After Mr. Rodriguez's welcoming remarks, Governor Pence welcomed Dominic Grote and Michael Kubacki to the Board.

Governor Pence then reviewed and presented for approval the minutes from the previous Board meeting on December 15, 2015, at Ivy Tech Corporate College and Culinary Center, 2820 North Meridian Street, Indianapolis, Indiana 46208. Upon motion duly made and seconded, the minutes from the prior meeting were unanimously approved.

Governor Pence then called upon Mr. Thompson to present the Entrepreneurship Committee report. Mr. Thompson reported that the Entrepreneurship Committee approved two investment deals. CloudOne Corporation received approval from the Entrepreneurship Committee for up to \$912,500.00 of investment contingent upon private co-investment of \$7 million. CloudOne Corporation is a software as a service business. Mr. Thompson then reported on Indianapolis-based Secured FTP Hosting, LLC, DBA SmartFile, a file management company. SmartFile received approval from the Entrepreneurship Committee for up to \$500,000.00 of investment with a private co-investment of at least \$500,000.00. The Entrepreneurship Committee also approved two investment managers for the State Small Business Credit Initiative ("SSBCI"). The Entrepreneurship Committee also approved the transfer of \$4.3 million from the SSBCI program to the Indiana Angel Network Fund.

Governor Pence then called upon Mr. Koch to present the Economic Policy Committee report. Mr. Koch reported that the Economic Policy Committee took action on two projects.

The Economic Policy Committee approved Project Protection, an expansion project to grow the headquarters, manufacturing, and research and development capabilities in Central Indiana for a leading global security products and solutions provider. The project is anticipated to bring 832 new jobs by 2020. The private sector investment for this project is \$13.078 million.

The public sector financing is \$4.8 million in Economic Development for a Growing Economy Tax Credit and \$200,000.00 in Skills Enhancement Fund Workforce Training Grant.

Upon recommendation of the Economic Policy Committee due to a conflict of interest, an amended Industrial Recovery (“DINO”) Tax Credit application was submitted to the Board for approval. Mr. Koch reminded the Board of Mr. Marcuccilli’s previously disclosed conflict and of his recusal during the consideration of this application at the most recent board meeting. Mr. Kubacki also left the room to recuse himself from the discussion because his employer Lake City Bank has worked on unrelated matters with RealAmerica Development and Management, LLC, in the past. Mr. Koch then presented the proposal for Superior Lofts, LP, by RealAmerica, which proposes to rehabilitate the 125,000 square foot Jefferson-Smurfit box factory in Fort Wayne. A DINO Tax Credit of \$2 million was previously approved by the Board. The request of an additional \$700,000.00 is necessary to bridge a gap, which resulted from historic tax credits no longer being available. Upon a motion duly made and seconded, the amended application was approved.

Governor Pence then asked for the executive report. Chris W. Cotterill, Executive Vice President & General Counsel, began the report by introducing Matt Kimmick, the Corporation’s new Vice President & Chief Financial Officer, and thanking Mark Pishon who has taken on the new role of Director of Investment Assurance. Secretary of Commerce Smith then reported that private sector employment in Indiana is now 30,600 higher than the previous March 2000 peak of 2,643,200 jobs—an increase for the eighth consecutive month.

Steve Akard, Executive Vice President & Chief of Staff, reported on the Corporation’s metrics to date. Mr. Akard explained that the Corporation’s approach to incentives has been even more selective as the economy continues to improve and then reported on the Corporation’s key metrics: total competitive projects (64); private sector job projections (4,732); and, capital investment projections (\$1.09 billion). The average wage for projects incentivized by the Corporation is \$2.71 above the state average wage at \$24.26. Mr. Akard then explained that the incentives per job and incentives per payroll are lower, bringing more value to the taxpayer.

President Schellinger reported on the DowDuPont merger. The merger retained 1,385 full-time jobs, 400 contract jobs, and is anticipated to bring additional jobs to Indiana. The City of Indianapolis will serve as one of two Global Business Centers for the planned agriculture company of DuPont and The Dow Chemical Company. President Schellinger then recognized and attributed the success of the project to the seamless working relationship of Governor Pence, Indianapolis Mayor Joe Hogsett, and Purdue University President Mitch Daniels.

Rollie Helmling, Director Motorsports, presented the Project Win Report. Krone North America is the leading producer of hay and forage products that are sold to more than 400 dealers across the United States, Canada, and Mexico. The German-owned company plans to locate its North American headquarters to Shelbyville. The company will invest \$12.5 million and is projected to bring 101 new high-wage jobs by 2021.

Erin Schneider, Central Region Director, presented on the Corporation’s sales events. The domestic sales efforts occurring in 2016 repeat those made in 2015, with the addition of a Dallas, Texas (March 2016) sales trip. The domestic sales trips scheduled in June, August, and November

2016 are projected to have approximately 10 partners in attendance, the highest number on record. Governor Pence noted the unique opportunity for outreach in May 2016 with the large number of events relating to the 100th running of the Indianapolis 500, and he encouraged board members to attend.

Secretary of Commerce Smith reported on international investment. Approximately 30% of the capital investment overseen by the Corporation is now international. Between 2012 and 2014, there was \$4.6 billion in international investment with 13,300 new jobs. In 2016, the Corporation will host economic development missions to Japan, Israel, China, and Germany. Secretary of Commerce Smith also provided an update on the Corporation's marketing efforts, including efforts to attract businesses from communities near Indiana's borders.

Kent Anderson, Vice President of Business Development, presented on Hannover Messe, the world's largest industrial exposition. Indiana was the first state to provide a letter of support to make the United States the partner country for the first time at the exposition. The Corporation will attend Hannover Messe with the Northeast Regional Partnership, Southeast Coalition, and Cass County Local Economic Development Organization.

Mr. Helmling then reported on the Farnborough International Air Show. The Farnborough International Air Show is the world's largest aviation, aerospace and defense tradeshow. Indiana will return with its largest presence. Indiana businesses will have the opportunity to be a partner with the Indiana exhibit. Within the past two years, leading aerospace businesses have announced plans to invest more than \$900 million in Indiana and create 1,200 new jobs. Mr. Helmling offered an invitation to the GE Aviation and Aerospace breakfast in conjunction with the *Indianapolis Business Journal* on April 14, 2016.

President Schellinger then provided an update on Carrier and UTEC's operations in Indiana. Carrier Corporation of Indianapolis and UTEC of Huntington (collectively "UTC") announced the relocation of manufacturing operations to Mexico, impacting up to 2,100 Hoosier jobs. UTC explained that the relocation was the result of the recent rise in federal regulations, not Indiana's business climate. Governor Pence emphasized in a meeting with UTC President and United Steelworkers Local 1999 that the State's primary focus is on Hoosier families impacted by the relocation. Upon the conclusion of the meeting, UTC agreed to reimburse incentives totaling \$380,315.76 to the State and to reimburse local tax abatements to the cities of Indianapolis and Huntington. Further, UTC will also provide severance packages and education stipends, assist displaced employees in coordination with the Department of Workforce Development, maintain current operations and employees for three years, and retain 400 high-wage jobs in Indiana.

Mr. Cotterill then presented key aspects of the Corporation's compliance framework to explain how the Corporation protects the public interest in each economic development transaction. The Corporation's performance-based incentives are provided based on a cost benefit analysis. The Corporation maintains a clear separation of duties between the Business Development Department and the Account Management Department. Standardized contracts, annual reporting by companies, auditing, and legal action are also key components. Mr. Cotterill commented that implementation of the compliance framework demands that the Corporation maintain the right balance between encouraging private investment and protecting the public interest when public resources are committed.

John Huang, Director of Account Management, reported on the status of the Corporation's certification process. The Account Management Department is in the process of reviewing 1,763 performance goals, with 55% completed to date. The process is expected to be completed by the end of April.

Eric Shields, Vice President of Policy & Strategic Initiatives, provided an update on the Regional Cities Initiative. The Indiana General Assembly approved \$42 million for the matching funds for each of the regional development plans of the North Central, Northeast, and Southwest regions. Together, the three regional development plans include 100 projects amounting to over \$2 billion of investment. The Corporation's \$126 million is expected to be leveraged at a ratio of 15:1 against private sector dollars and other public sector money. The Corporation also expects to continue collaborating with the Central, East Central, Northwest, and West Central regions.

Mr. Akard then asked Lee Lewellen of the Indiana Economic Development Association ("IEDA"), a close partner to the Corporation, to provide an update on the IEDA's efforts. Mr. Lewellen thanked the Governor and members of the Board for their leadership and support. The IEDA has approximately 400 members, servicing all 92 Indiana counties. Mr. Lewellen reported that there will be 30% turnover among local economic development professionals due to anticipated retirements; thus, professional development is a major priority of the IEDA. The IEDA hosted the first Indiana Economic Development Director's Course in 2015, has also started a young professionals group, and will create a mentoring program. A few Indiana banks are working with the IEDA foundation to create scholarship funds to help subsidize members trying to pursue certifications or attending workshops. In 2015, with the help of the Corporation, the first Indiana Economic Development Glossary was produced.

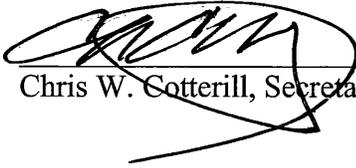
Governor Pence thanked Mr. Lewellen and IEDA members for their partnership with the Corporation. Governor Pence then encouraged board members to join the Corporation's staff in the many upcoming efforts to tell Indiana's story.

There being no more business to come before the Board at the public meeting, Governor Pence adjourned the meeting and thanked all present for attending.

Executive Session

Prior to the public session, the Board held an executive session at the same location 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, Indiana Code §§ 5-14-1.5-6.1(b)(4) and (7). Present at the executive session were directors Governor Michael R. Pence, Angela Braly, Dominic Grote, Rick Johnson, Bob Koch, Michael Kubacki, John Mutz (via telephone), Mark Neal, John Thompson, and Melanie Walker. Absent were directors Joel Gorelick and Jim Marcuccilli. Representing the Corporation were Victor P. Smith, Jim Schellinger, Steve Akard, and Chris W. Cotterill. No subject matter was discussed in the executive session other than the subject matter specified in the public notice.

Respectfully submitted,



Chris W. Cotterill, Secretary

Approved:



Michael R. Pence, Chairman

Attachments:

1. Public meeting noticed dated March 29, 2016
2. Public session agenda dated March 29, 2016



**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 Tuesday, March 29, 2016 at 3:30 p.m. (EDT), at the Indianapolis International Airport, 7800 Col. H. Weir Cook Memorial Drive, Indianapolis, Indiana 46241.

Prior thereto, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on Tuesday, March 29, 2016 at 3:00 p.m. (EDT), at the Indianapolis International Airport, 7800 Col. H. Weir Cook Memorial Drive, Indianapolis, IN 46241 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, Indiana Code §§ 5-14-1.5-6.1(b)(4) and (7).



**PUBLIC SESSION AGENDA OF THE BOARDS OF DIRECTORS OF THE
INDIANA ECONOMIC DEVELOPMENT CORPORATION AND
THE INDIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.**

**Tuesday, March 29, 2016 at 3:30 p.m. (EDT)
Indianapolis International Airport
7800 Col. H. Weir Cook Memorial Drive
Indianapolis, Indiana 46241**

- I. Welcome Board Members and Guests
 - a. Recognition of Quorum
 - b. Recognition of Compliance with Indiana Open Door Law
 - c. Approval of Minutes from the December 15, 2015 Board Meeting

- II. Committee Reports
 - a. Economic Policy Committee
 - b. Entrepreneurship Committee

- III. Indiana Economic Development Corporation Executive Report

**EXECUTIVE SESSION OF THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

An executive session is called at 3:00 p.m. 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, Indiana Code §§ 5-14-1.5-6.1(b)(4) and (7).