

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

June 2, 2016

The Board of Directors (the "Board") of the Indiana Economic Development Corporation (the "Corporation") and the Indiana Economic Development Foundation, Inc. (the "Foundation"), met on June 2, 2016, at Hillenbrand, Inc., One Batesville Boulevard, Batesville, Indiana 47006. Present at the public meeting were directors Governor Michael R. Pence, Angela Braly, Joel Gorelick, Dominic Grote, Bob Koch, Michael Kubacki, Jim Marcuccilli (via telephone), Mark Neal, John Thompson, and Melanie Walker. Absent were directors Rick Johnson and John Mutz. 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 thanked board members in attendance and recognized State Senator Jean Leising, State Representative Cindy Ziemke, and Batesville Mayor Mike Bettice for attending the board meeting and for their significant contributions to the State of Indiana. He also thanked Joe Raver, President & CEO of Hillenbrand, for hosting the board meeting.

After Mr. Raver's welcoming remarks, Governor Pence presented for approval the minutes from the previous Board meeting on March 29, 2016, at the Indianapolis International Airport, 7800 Col. H. Weir Cook Memorial Drive, Indianapolis, Indiana 46241. 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 three investments. Healthiest Employer LLC DBA Springbuk, a population health solution for employers, brokers, and onsite clinics, received approval for up to \$500,000.00 of investment contingent upon private co-investment of \$2 million. Nextremity Solutions, Inc., a foot and ankle surgical implant company, received qualified approval for up to \$2 million of investment. PharmacoPhotonics, Inc. DBA Fast BioMedical, a medical technology company, received approval for up to \$500,000.00 of investment with a private co-investment of at least \$3.5 million.

Mr. Thompson then provided an update on the Elevate Purdue Foundry Fund and the SBIR/STTR matching program. Five new first tier Black awards were approved for start-ups at \$20,000.00 per company and three Gold awards at \$60,000.00 per company from the Purdue Foundry Fund. The Entrepreneurship Committee approved up to \$1 million in matching funds for Fiscal Year 2017 for the SBIR/STTR Phase I matching program. Additionally, the Entrepreneurship Committee approved the conditional application of Cambridge Ventures, L.P. to participate in the Indiana Seed Fund.

Governor Pence then called upon Mr. Koch to present the Economic Policy Committee report, which consisted of one incentive transaction and two Industrial Recovery ("DINO") Tax Credit proposals.

The Economic Policy Committee approved Project Innovate, a regional headquarters creation project to accommodate growth for a global leader in cloud-based customer relationship management services and systems. The project is anticipated to bring 800 new jobs by 2021. The private sector investment for this project is \$43,812,500.00. The public sector financing is \$17.2 million in Economic Development for a Growing Economy Tax Credit and \$750,000.00 in Skills Enhancement Fund Workforce Training Grant.

The Economic Policy Committee approved a DINO Tax Credit proposal by Flaherty & Collins Development involving the renovation of the 200,000 square foot former Elkhart Foundry in Elkhart. The existing building will be redeveloped into approximately 200 luxury apartment units with a retail component on site. A DINO Tax Credit of \$5.853 million was requested, which is approximately 25% of the qualified investment of \$23,412,767.00.

The Economic Policy Committee also approved a DINO Tax Credit proposal by Core Redevelopment, LLC involving the rehabilitation of the approximately 190,000 square foot former American Can Factory (ICON Building) near downtown Terre Haute. The building and proposed end use were identified as a key redevelopment objective in the West Central Regional Cities Initiative plan, Terre Haute community plan and the Indiana State University campus master plan. The existing structure will be redeveloped into approximately 178 market rate residential units, amenities and Indiana State University/tenant and public parking. A DINO Tax Credit of \$4.7 million was requested, which is approximately 22.8% of the qualified investment of \$20,572,670.

Governor Pence then called upon Mr. Gorelick to present the Audit Committee report. The Audit Committee approved the engagement letter for Katz, Sapper & Miller, LLP. Chris W. Cotterill, Executive Vice President & General Counsel, then provided an update on the Alcohol Policy and Contributions & Expenditures Policy, which were adopted by the Audit Committee. Mr. Gorelick discussed the Quarterly Stress Report and requested that the Corporation review the process of portfolio management of investments and provide an update at the next meeting.

Governor Pence then remarked that the State of Indiana is at record employment for the ninth consecutive month. The State is also ranked number one in the Midwest and fifth in the nation as best states for doing business. Governor Pence then asked Secretary of Commerce Smith to provide the executive report. Secretary of Commerce Smith reported that since the inauguration of Governor Pence 152,100 jobs have been added to the State of Indiana. The State is at 2,643,200 jobs for the 10th consecutive month above the prior peak. The unemployment rate is 5.2% with 61,100 Hoosiers joining the labor force in 2016.

Steve Akard, Executive Vice President & Chief of Staff, reported on the Corporation's metrics to date. Total competitive projects are 105, private sector job projections are 8,021, and capital investment projections are \$1.68 billion. President Schellinger reported on the average wages across the state and average wages among the Corporation's projects. At \$27.23, the Corporation's project average wage is 26.3% higher than the State's average wage and is 9.5% higher than the 2015 Corporation's average project wage of \$24.87. The State has one of the lowest cost of living and the second lowest in workers' compensation costs across the nation.

Sarah Iglehart, Project Manager, presented the Project Win Report. Salesforce is a top ten largest software firm with 20,000 employees worldwide. The California-based company plans to

create a new regional headquarters in downtown Indianapolis. The company will invest \$43,812,500.00 and is projected to bring 800 new jobs by 2021.

Ian Steff, Senior Advisor, Nanotechnology and Manufacturing, reported on the state of Indiana's technology sector trajectory. The State is at a 17% growth rate, triple the rate of technology jobs nationally. Top talent and strategic university partnerships have contributed to the growth of the technology sector for the state. In 2015 there were 59 Corporation technology projects with 4,622 new jobs committed at an average wage of \$34.71.

Mr. Cotterill provided an overview of the Indiana Executive Council on Cybersecurity formed by Governor Pence in April 2016. Mr. Cotterill, Mr. Steff, and Doug Rapp are leading the IEDC's efforts to support the Council.

Rollie Helmling, Director Motorsports, provided a recap on the 100th running of the Indianapolis 500. Visit Indy estimated the Indianapolis 500 brought \$330 million to the local economy, which surpassed Super Bowl XLVI at \$278 million. Indiana is one of the world's top three motorsports hubs and an epi-center for drag racing. Motorsports-related businesses exist in each of Indiana's 92 counties, employing 23,000 Hoosiers. The motorsports and auto-racing industries contribute \$4 billion to Indiana yearly. During May 2016, 10 economic development events were held at the Indianapolis Motor Speedway. The events were industry-focused networking, connecting with over 700 business leaders and economic development partners.

Matt Wade, Interim Marketing Director, provided an overview of current marketing efforts. Prior to the Indianapolis 500 through the Conference of Mayors in June 2016, "A State That Works" advertising was displayed in Concourse A and B of the Indianapolis International Airport. With approximately 200,000 arrivals and departures over eight weeks, there were over 1 million impressions. Additionally, "Balanced State Budget" billboard advertising commenced April 2016 and will run through the end of the summer. The billboard advertising targets border states of Illinois, Kentucky and Ohio and is on three Chicago Transit buses, which commute twice daily between downtown Chicago and Valparaiso, Indiana. This effort appropriates 10 million impressions weekly. Geo-targeted mobile ads are also active in the same border areas, acquiring 2 million impressions weekly. In addition to these efforts, the Corporation expanded marketing opportunities in 21 Chicago business towers in elevators, displays and lobbies as the Chicago Research and Development Tax Credit expired May 2016. Geo-targeted mobile advertising is currently running to companies that focus on heavy research and development research users.

Eric Shields, Vice President of Policy & Strategic Initiatives, provided an update on the Regional Cities Initiative ("RCI"). Agreements with the three Regional Development Authorities were executed, and a process was developed to review claim forms submitted by Regional Development Authorities as projects mature and funds are distributed, as needed.

The first RCI funding was distributed to the Skyline Tower project in Fort Wayne from the Northeast region with \$40 million investment. The Studebaker Factory Buildings redevelopment is underway with \$165.7 million investment in the North Central region. Overall, the portfolio of RCI projects includes 100 projects with \$2 billion in investment. Fifty-two projects are to be completed in the first three years with a 15:1 investment ratio. The North Central region has 39 projects totaling \$703 million in investment with 26 projects to be completed in the first three

years. The Northeast region has 38 projects totaling \$400 million in investment with 26 projects to be completed in the first three years. The Southwest region has 19 projects totaling \$926 million in investment with seven projects to be completed in the first three years.

Mr. Cotterill then presented a resolution to restructure the Board's committees. The restructuring proposed renaming the Audit Committee to the Audit & Finance Committee and Economic Policy Committee to the Business Development Committee, with no change to the name of the Entrepreneurship Committee. The duties of the existing committees were also updated to reflect current practice. The proposed resolution includes the creation of a new Regional Economic Development Committee to oversee the Regional Cities Initiative, Economic Development Fund grant agreements, DINO Tax Credits, Certified Technology Parks, the Community Revitalization Enhancement District Tax Credit, and Urban Enterprise Zones. If the resolution is adopted, Governor Pence would make appointments to the committees for the third quarter board meeting. The floor was opened for questions about the presented resolution, and there was general discussion. A motion to approve the resolution was made, seconded, and unanimously approved.

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.

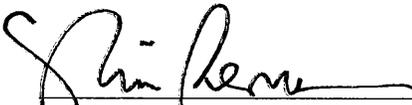
Executive Session

Prior to the public session, the Board held an executive session at the same location. Present at the executive session were directors Governor Michael R. Pence, Angela Braly, Joel Gorelick, Dominic Grote, Bob Koch, Michael Kubacki, and Jim Marcuccilli (via telephone), Mark Neal, John Thompson, and Melanie Walker. Absent were directors Rick Johnson and John Mutz. 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,

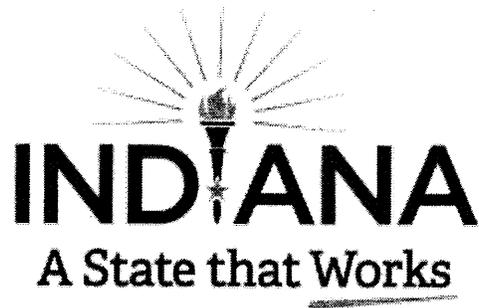

Chris W. Cotterill, Secretary

Approved:


Michael R. Pence, Chairman

Attachments:

1. Public meeting noticed dated June 2, 2016
2. Public session agenda dated June 2, 2016
3. Resolution of the Board of Directors of the Indiana Economic Development Corporation



**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 Thursday, June 2, 2016 at 12:00 p.m. (EDT), at Hillenbrand, Inc., One Batesville Boulevard, Batesville, Indiana 47006.

Prior thereto, the Board of Directors of the Indiana Economic Development Corporation will hold an executive session on Thursday, June 2, 2016 at 11:00 a.m. (EDT), at Hillenbrand, Inc., One Batesville Boulevard, Batesville, Indiana 47006 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.**

**Thursday, June 2, 2016 12:00 p.m. (EDT)
Hillenbrand, Inc.
One Batesville Boulevard
Batesville, Indiana 47006**

- 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 March 29, 2016 Board Meeting

- II. Committee Reports
 - a. Entrepreneurship Committee
 - b. Economic Policy Committee
 - c. Audit 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 11:00 a.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).

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

WHEREAS, in 2005, the Indiana General Assembly created the Indiana Economic Development Corporation (the "Corporation") to improve the quality of life for the citizens of Indiana by encouraging the diversification of Indiana's economy and the orderly economic development and growth of Indiana; creation of new jobs; retention of existing jobs; growth and modernization of existing industry; and, promotion of Indiana;

WHEREAS, the Indiana General Assembly found that such functions can be achieved most efficiently by making the Corporation a body politic and corporate that serves the interests of the State by carrying out the programs set forth in Indiana Code § 5-28; is free from certain administrative restrictions that would hinder its performance; and, possesses broad powers designed to maximize the State's economic development efforts;

WHEREAS, in accordance with Article VI, Section 1 of the Bylaws of the Corporation and consistent with the best practices of corporate governance, the Board of Directors (the "Board") created three committees—the Audit Committee, the Economic Policy Committee, and the Entrepreneurship Committee—at the first meeting of the Board on March 17, 2005, and these committees have contributed to the efficient operation of the Corporation;

WHEREAS, since 2005, through the skilled and innovative efforts of Hoosiers and so many who have chosen to relocate and expand their businesses here in Indiana and due to the leadership of Governors Daniels and Pence, the Indiana General Assembly, the Board, and the employees of the Corporation, Indiana has been transformed into a state consistently recognized among the very best in which to do business; and,

WHEREAS, with so many successes achieved and new challenges to overcome, the Board has determined that it should reconstitute its standing committees to ensure the most efficient operations going forward and to address related matters.

Audit & Finance Committee

WHEREAS, the Board believes it to be in the best interests of the Corporation to have an Audit & Finance Committee to consider matters relating to the integrity of the Corporation's and the Indiana Economic Development Foundation, Inc.'s ("Foundation") financial statements and financial reporting processes, the systems of internal accounting and financial controls, audits of the Corporation and the Foundation, the stress testing of the Corporation's investments, the Corporation's certification processes, and the Corporation's and the Foundation's compliance with legal and regulatory requirements, including compliance with the Indiana Code of Ethics and the Corporation's Confidentiality and Conflict of Interest Policy.

NOW, THEREFORE, BE IT RESOLVED that the Audit & Finance Committee, as the successor to the Audit Committee established on March 17, 2005, is hereby established to consider all such matters.

FURTHER RESOLVED, except as required by the Corporation's Confidentiality and Conflict of Interest Policy, that the Audit & Finance Committee is hereby authorized to make any decision

relating to the matters assigned to the committee on behalf of the Corporation and without further action of the Board.

Business Development Committee

WHEREAS, the Board believes it to be in the best interests of the Corporation to have a Business Development Committee to consider matters relating to the Economic Development for a Growing Economy tax credit, Headquarters Relocation Tax Credit, Industrial Development Grant Fund grant, Hoosier Business Investment tax credit, and the Skills Enhancement Fund workforce training grant.

NOW, THEREFORE, BE IT RESOLVED that the Business Development Committee, as the successor to the Economic Policy Committee established on March 17, 2005, is hereby established to consider all such matters.

FURTHER RESOLVED, except as required by the Corporation's Confidentiality and Conflict of Interest Policy, that the Business Development Committee is hereby authorized to make any decision relating to the matters assigned to the committee on behalf of the Corporation and without further action of the Board.

Entrepreneurship Committee

WHEREAS, the Board believes it to be in the best interests of the Corporation to have an Entrepreneurship Committee to consider matters relating to the 21st Century Research & Technology Fund (the "21 Fund"), Elevate Ventures, the Venture Capital Investment tax credit, Small Business Innovation Research program, and the Small Business Technology Transfer program.

NOW, THEREFORE, BE IT RESOLVED that the Entrepreneurship Committee established on March 17, 2005, is hereby continued to consider all such matters.

FURTHER RESOLVED, except as required by the Corporation's Confidentiality and Conflict of Interest Policy, that the Entrepreneurship Committee is hereby authorized to make any decision relating to the matters assigned to the committee on behalf of the Corporation and without further action of the Board.

Regional Economic Development Committee

WHEREAS, the Board believes it to be in the best interests of the Corporation to have a Regional Economic Development Committee to consider matters associated with the Regional Cities Initiative, Economic Development Fund grant agreements, the Industrial Recovery Tax Credit (commonly referred to as the DINO tax credit), Certified Technology Parks, the Community Revitalization Enhancement District tax credit, and Urban Enterprise Zones.

NOW, THEREFORE, BE IT RESOLVED that the Regional Economic Development Committee is hereby established to consider all such matters.

FURTHER RESOLVED, except as required by the Corporation's Confidentiality and Conflict of Interest Policy, that the Regional Economic Development Committee is hereby authorized to make any decision relating to the matters assigned to the committee on behalf of the Corporation and without further action of the Board.

Other Matters

FURTHER RESOLVED, that the Board hereby approves and ratifies all prior actions of the committees previously constituted by the Board.

FURTHER RESOLVED, that any action on any tax credit, award, grant, or program administered by the Corporation that is not specifically identified above, shall be referred to the most logically associated committee.

FURTHER RESOLVED, that the chairperson of each committee shall provide a report at each meeting of the Board on the official actions of the committee.

FURTHER RESOLVED, except as required by the Corporation's Confidentiality and Conflict of Interest Policy, that the officers of the Corporation are hereby delegated authority to approve, without further action of the Board, any grant, loan, or tax credit provided that (i) this does not apply to applications for funds from the 21 Fund and (ii) the approvals would not provide grants, loans, or tax credits to an entity in excess of \$3 million.

FURTHER RESOLVED, notwithstanding any delegation of authority authorized by this Resolution, any matter involving a conflict of interest, as provided in the Corporation's Confidentiality and Conflict of Interest Policy, shall be submitted to the full Board for review and approval with the conflicted individual recusing himself or herself and otherwise complying with the Indiana Code of Ethics and the Corporation's Confidentiality and Conflict of Interest Policy.