

MINUTES OF THE MEETING OF
THE ECONOMIC POLICY COMMITTEE OF THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION
July 15, 2015

The Economic Policy Committee (“Committee”) of the Board of Directors of the Indiana Economic Development Corporation (the “Corporation”) met on July 15, 2015, at 2:55 p.m. at the IEDC, One North Capitol, Suite 700, Indianapolis, IN 46204. Present at the meeting were Committee members, John Mutz, Kip Tom and Jim Schellinger. Bob Koch attended via conference call. Representing the Corporation were Secretary of Commerce Victor P. Smith, Steve Akard, Chris W. Cotterill, Eric Shields, and Kent Anderson.

Mr. Mutz called the meeting to order. Mr. Mutz recognized that the meeting of the Committee 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. Mr. Mutz also noted that a sufficient number of the members of the Committee were present to constitute a quorum.

Mr. Mutz then reviewed and presented for approval the minutes from the previous meeting of the Committee, held on March 12, 2015. Upon a motion duly made and seconded, the minutes from the prior meeting were unanimously adopted.

Mr. Mutz called upon Vice President of Policy and Strategic Initiatives Eric Shields to present an update on the Regional Cities Initiative (RCI). Mr. Shields provided a comprehensive overview of the background of the RCI, with particular focus on the importance of the peer cities study and the primary threat to Indiana’s economy in the future: population stagnation. He emphasized that the study revealed three key principles evident among all of the peer cities studied: regions having a bold vision for the community; the importance of collaborating with workforce pipelines, and engaging the private sector wholly and consistently. The RCI was created to address the threat of population stagnation and includes those three principles. Ultimately, it is hoped that one to two regions in our state will attain a consistent, positive national brand over the next eight years, becoming a destination for talent and an in-migration state.

Mr. Shields explained that House Enrolled Act 1403 provides an improved structural framework for Regional Development Authorities (RDAs) and the initiative will be funded through an appropriation of \$84M for the biennium coming from a tax amnesty program that will be conducted by the Indiana Department of Revenue later this year. A RDA is a regional board comprised of five local leaders in economic development to act as a central body to organize and implement each region’s application for funding. Under the law, a RDA must be the applicant for the RCI funding. Mr. Shields also explained that there is no longer an upfront financial obligation to establish a RDA. The following RDAs are currently established or anticipated to be established: North Central, Northeast, Central, East Central, Southwest and Southeast.

Mr. Shields then focused on the nature of the plans that local participants are developing. Plans are expected to include a bold, but achievable vision, and the IEDC is expecting a focus on brick and mortar projects driven to improve quality of place. Mr. Mutz and other committee members discussed the appropriateness of limiting the funding to such projects and there was general discussion about whether a different approach to incentivizing talent attraction would be advisable.

Mr. Shields also commented on the importance of the return on investment (ROI) analytical tool developed by the Indiana Business Research Center (IBRC). With regard to the ROI tool, board members commented on the importance of considering the overall value of the plans through the combination of projects, and not just each individual project.

Mr. Shields then turned to discussing the role of the Strategic Review Committee, which will review RDA applications prior to the consideration of those applications by the IEDC Board, and proposed timing for the IEDC Board and State Budget Committee review of the applications selected. Mr. Shields also emphasized that while only two plans would be selected for funding, it remained the IEDC's intent to work with other regions to help them be successful in their efforts and to have an annual review of all efforts. Mr. Tom commented on the importance of the review process, on which Mr. Shields elaborated further.

Committee members also inquired on various financial aspects of the RCI. First, there was some discussion as to whether the tax amnesty program might not result in sufficient funding, though it was noted by Mr. Mutz that the prior tax amnesty program returned more than was anticipated. Mr. Mutz also inquired about how philanthropic funds should be considered and commented on the importance of such funding; Mr. Shields explained that philanthropic funds would be considered by the IEDC as part of the local contribution. Mr. Mutz also inquired as to how the 3:2 ratio for investment—60% private and 40% public—was set, which Mr. Shields explained further.

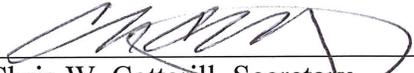
Mr. Mutz then turned the discussion to the business at hand before the board: the selection of the members of the Strategic Review Committee. Mr. Mutz inquired as to who selected the individuals proposed, and Mr. Mutz commented on his personal knowledge of the proposed candidates and the fact that many hailed from Marion County. Mr. Shields explained the variety and deep experience of the individuals proposed, the practicality of needing the group to convene five times over the upcoming four months, and that each of these individuals largely represents statewide organizations, while the IEDC Board, which has board members from various regions, would reflect the regional concerns. While there was high regard for each of the individuals proposed, there was wide-ranging committee discussion on the appropriate composition of the Strategic Review Committee. The discussion concluded with the Committee urging up to three additional members be added to the Strategic Review Committee.

There was then general discussion of ethical protections that should be considered with regard to the Strategic Review Committee and the IEDC Board. There was also a discussion of the transparency that is built into the RCI process through public meetings and placing the RDA plans online.

The committee unanimously approved the individuals proposed for the Strategic Review Committee and to allow IEDC staff to add up to three more members.

Mr. Mutz then declared the meeting adjourned.

Respectively submitted,


Chris W. Cotterill, Secretary

Approved:


John Mutz, Chairman

Attachments:

- I. Public Notice of meeting
- II. Meeting Agenda dated July 15, 2015



**NOTICE OF A MEETING OF THE
ECONOMIC POLICY COMMITTEE
OF THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

Notice is hereby given that the Economic Policy Committee of the Board of Directors of the Indiana Economic Development Corporation will hold a public meeting on July 15, 2015 at 2:30 p.m., at IEDC, One North Capitol, Suite 700, Indianapolis, IN 46204.



**Economic Policy Committee Meeting of the
Indiana Economic Development Corporation
Board of Directors**

**July 15, 2015 (2:30 p.m.)
IEDC
One North Capitol, Suite 700
Indianapolis, IN 46204**

- I. Welcome Board Members and Guests
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from March 12, 2015 Meeting
- II. Regional Cities Initiative Update
- III. Consideration of Candidates for the Strategic Review Committee