

MINUTES OF THE MEETING OF THE
ECONOMIC POLICY COMMITTEE OF THE BOARD OF DIRECTORS OF THE
INDIANA ECONOMIC DEVELOPMENT CORPORATION
March 15, 2007

The Economic Policy Committee ("Committee") of the Board of Directors of the Indiana Economic Development Corporation (the "Corporation") met on March 15, 2007 at the Indiana University Emerging Technologies Center ("IU ETC"), 351 W. 10th Street, Indianapolis, Indiana. Present at the meeting were committee members Bob Koch, Bill Mays, and John Mutz. Absent due to a conflict was committee member Kip Tom. Representing the Corporation were Chad J. Sweeney, Ryan Asberry and Tom Skidmore.

John Mutz, as chairman of the Committee, called the meeting to order. Mr. Mutz noted that a sufficient number of the members of the Committee were present to constitute a quorum.

Mr. Mutz also 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 then reviewed and presented for approval the minutes from the previous meeting of the Economic Policy Committee, held on December 7, 2006 in Indianapolis, Indiana. Upon motion duly made and seconded, the minutes from the prior meeting were unanimously adopted.

Mr. Mutz then called upon Chad J. Sweeney, as the Executive Vice President of the Corporation to present projects for approval. Mr. Sweeney summarized two economic development projects for consideration and approval by the Committee. The following incentives for each of the projects were recommended to the Committee for approval:

Aprimo, Inc.:

\$4,600,000 in Economic Development for a Growing Economy ("EDGE") Tax Credits

Mr. Mutz opened up the floor for questions on the project. Following discussion on the project and a general discussion on the process by which economic incentives are earned, a motion was made to approve the project. The motion to approve the project was seconded and unanimously approved by all Committee members present.

Fulton Industries:

\$5,670,300 in Hoosier Business Investment ("HBI") Tax Credits

Mr. Mutz opened up the floor for questions on the project. Mr. Sweeney noted

that Fulton's Industry's HBI award was made under prior legislation providing a 30% investment credit that could only be claimed against incremental tax growth in a given year. Mr. Koch commented that the large size of the award appeared misleading given the significant restrictions in claiming the tax credit. Mr. Mays agreed with Mr. Koch's comment. Mr. Sweeney provided additional information on the prior HBI legislation and noted that it was not well received by the business community. Following additional discussion on the project, a motion was made to approve the project. The motion to approve the project was seconded and unanimously approved by all Committee members present.

Mr. Koch commented on the length of time between a company's acceptance of an incentive award and the time in which the company formally applies. Mr. Sweeney explained that in many instances there are reasons for this delay and noted that IEDC encourages companies to formally apply for their incentives as soon as possible after formal acceptance.

Following the consideration of projects for approval, Mr. Asberry provided the Committee with an update regarding the Corporation's policy for consideration of renewal requests by Urban Enterprise Zones and the Corporation's determination regarding the request for renewal of the Bloomington Urban Enterprise Zone. Mr. Asberry reported that the Corporation's renewal policy focuses principally on an analysis of the following issues:

- Economic Impact
- Fiscal Impact
- Management and Accountability.

Mr. Asberry also reported that based on Bloomington Enterprise Zone's performance in these areas, the Corporation elected to extend the Bloomington Enterprise Zone's designation for the final five years of its twenty year term.

Messrs. Mays and Mutz commented on the importance of ensuring proper oversight in the administration of Urban Enterprise Zones. At Mr. Mutz's request, Mr. Asberry provided a brief update on developments regarding the former Gary Urban Enterprise Association. A general discussion followed regarding the role of regular audits in ensuring proper use of resources.

Mr. Asberry then briefed the Committee on the current process for reinstatement of businesses that have been disqualified from the Enterprise Zone program for failure to submit the necessary forms by the required deadline. Mr. Asberry noted that current law vests the authority for reinstatement with the Committee and asked the Committee how they would like to administer this function. Mr. Mutz commented that he was agreeable to delegating business reinstatement authority to the Corporation staff level with the requirement that staff report to the committee on an annual basis regarding the number of businesses reinstated. Following general discussion on the matter Mr. Mutz presented for approval a resolution delegating to Corporation staff the authority to reinstate businesses that have been disqualified from the Enterprise Zone program and requiring the

Corporation staff to report annually on the number of businesses reinstated. Mr. Koch seconded the motion and the resolution was unanimously approved.

Mr. Koch then commented that project summaries included in the Committee's meeting materials reflect significant variation in the reported State incentive cost per new job created. Mr. Koch asked whether limits should be placed upon the State incentive cost per job resulting from incentive offers made by the Corporation. Mr. Sweeney explained several circumstances that can lead to variation in State incentive cost per job and noted that the payback period to recoup State incentives is a more appropriate measure of the true incentive cost.

Mr. Mutz then commented that the term over which state incentives are claimed can affect the point at which the State recoups its investment from providing incentives. Mr. Sweeney noted that, irrespective of the time period over which credits are claimed, the Corporation has the right to recoup incentives from companies that fail to meet their obligations under an incentive agreement with the Corporation. Mr. Mutz requested that the Corporation provide an update at the next Committee meeting regarding the Corporation's efforts to recoup incentives from companies that have not satisfied their obligations under incentive agreements.

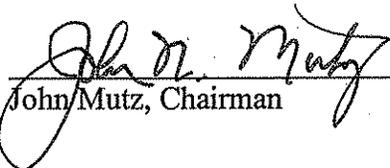
There being no more business to come before the Committee, Mr. Mutz concluded the public portion of the meeting.

Respectfully submitted,



Chad J. Sweeney, Acting Secretary

Approved:



John Mutz, Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated March 15, 2007

**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 March 15, 2007, at 9:30 a.m., at the Indiana University Emerging Technology Center, 351 West 10th Street, Indianapolis, Indiana.

Indiana Economic Development Corporation Economic Policy Committee Meeting

March 15, 2007 (9:30 a.m.)

- I. Welcome
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from December 7, 2006 Meeting
- II. Consideration of Projects for Approval
- III. Program Update