

MINUTES OF THE MEETING OF THE ECONOMIC POLICY COMMITTEE OF THE
BOARD OF DIRECTORS OF THE INDIANA ECONOMIC DEVELOPMENT
CORPORATION
December 9, 2014

Executive Session

The Economic Policy Committee of the Indiana Economic Development Corporation held an executive session on December 9, 2014, commencing at 12:30 p.m. at Project Lead The Way, 3939 Priority Way South Drive, #400, Indianapolis, Indiana 46240, 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 or circumstances classified as confidential by state or federal statute, IC, 5-14-1.5-6.1 (b)(4) and (7).

The Economic Policy Committee ("Committee") of the Board of Directors of the Indiana Economic Development Corporation (the "Corporation") met on December 9, 2014, 12:50 p.m. at Project Lead The Way, 3939 Priority Way South Drive, #400, Indianapolis, Indiana 46240. Present at the meeting were Committee Members John Mutz, Bob Koch, Bob Taylor and Jim Schellinger. Representing the Corporation were Steve Akard, Kent Anderson and Eric Shields.

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 Economic Policy Committee, held on September 18, 2014. Upon motion duly made and seconded, the minutes from the prior meeting were unanimously adopted.

Mr. Mutz called upon Ashley Craig and Mindy Herman of Crowe Horwath to provide the jobs realization report, per requirement of the Indiana General Assembly. Crowe Horwath used the IEDC Transparency Portal to retrieve information for the report in addition to the state revenue and project cost data. Of 1,038 projects in 2013, there were 95,522 expected jobs at an average wage of \$20.01 that netted 85,292 with an average wage of \$20.30. Skills Enhancement Fund (SEF) payments totaled \$6,084,451 and \$843,020 of Industrial Development Grant Fund (IDGF). \$84,533,450 of Economic Development for a Growing Economy (EDGE) tax credits were awarded in 2013. \$58,587,901 of EDGE Credits awarded and \$5,199,370 of Hoosier Business Investment (HBI) have been certified. Mr. Mutz commented regarding the approximate 5,620 jobs that were not created. The number of jobs not created for the 2013 reporting year is 10,230 which is the variance between the expected 2013 jobs and the actual 2013 jobs as represented on Transparency Portal component of the 2013 jobs report. The 5,620 jobs mentioned are the number of jobs below the base employment and is referenced in the Clarifications portion of the 2013 Jobs Report.

Mr. Mutz then called for the presentation of three projects for approval. The following incentives for each project were recommended to the Committee for approval.

Project Accelerate

\$50,000 in training grant assistance from Indiana Economic Development Corporation (IEDC)

Kent Anderson reported that this employment increase and training advancement project of a multi-industry servicing company presents a conflict of interest with board member, Rick Johnson. The project will bring 30 new jobs by 2017 at an anticipated average wage of is \$21.98. The private sector investment for this project is \$7,725,000; and public sector financing is \$50,000 with state costs expecting to be recovered in the second year of the project. Mr. Mutz opened up the floor for questions and management on the project. There was general discussion about the nature of the project. The motion to approve the project to be presented to the full board for approval was seconded and unanimously approved by all Committee members present.

Project Bottle

\$3,175,000 Proposed Indiana Economic Development Corporation (IEDC) Incentives

Kent Anderson reported that this is an EDGE for retention project to maintain 203 employees and consolidate headquarters to Muncie, Indiana for the glass bottle producing division the company. The project will not net any new jobs, maintaining anticipated current wages at \$45.67. The private sector investment for this project is \$7,500,000; and public sector financing is \$3,175,000. State costs are expected to be recovered in the first year of the project. Kent Anderson opened up the floor for questions on the project. There was general discussion about the nature of the project. The motion to approve the project was seconded and unanimously approved by all Committee members present.

Project Growth

\$3,300,000 in Economic Development for a Growing Economy (EDGE) Tax Credits

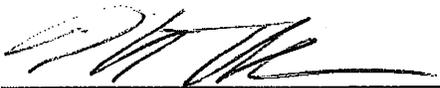
\$115,000 in training grant assistance from the Indiana Economic Development Corporation (IEDC)

Kent Anderson reported that this project is an employment increase supporting aggressive company growth, to emphasize employee training for a virtualization technology firm. The project will bring 182 new jobs by 2024 at an anticipated wage of \$41.00. The private sector investment for this project is \$968,500; and public sector financing is \$3,415,000. State costs are expected to be recovered in the first year of the project. Board member, John Thompson has economic interest in the company, presenting a conflict of interest for the project. Kent Anderson opened up the floor for questions on the project. There was general discussion about the nature of the project.

The motion to approve the project was seconded and unanimously approved by all Committee members present and will be presented to the full board.

Mr. Mutz prompted discussion regarding the Flaherty and Collins Industrial Recovery "Dinosaur" Tax Credit (IRTC) Proposal: Flaherty and Collins Proposed Redevelopment of NISCO Building (Kokomo, Indiana). The NISCO building is more than 100 years old, eligible to receive the 25% tax credit rate. With the assistance of the IRTC, Flaherty and Collins would redevelop the NISCO building into multi lease/industry building, primarily Class A residential apartments. The projected investment is \$23M, with the city offering \$8.4M in cash, TIF, land contribution and permitting fees. The developer is contributing \$15M to the project. The IRTC will fulfill the 25% financial gap of \$5.2M. A projected time frame for the project is 2015-2017, encompassing the start of the project through leasing 178 units. There was general discussion about the nature of the project. The motion to approve the project was seconded and unanimously approved by all Committee members present and will be presented to the full board due to a modest conflict of interest.

Respectively submitted,



Kent Anderson, Acting Secretary

Approved:



John Mutz, ~~Acting~~ Chairman

Attachments:

- I. Public Notice of meeting
- II. Meeting Agenda dated December 9, 2014



**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 December 9, 2014 at 12:50 p.m., at Project Lead The Way, 3939 Priority Way South Drive, Indianapolis, Indiana 46240



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

**December 9, 2014
Project Lead The Way
3939 Priority Way South Drive
Indianapolis, Indiana 46240**

- I. Welcome Board Members and Guests
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from September 18, 2014 Meeting

- II. Jobs Realization Report

- III. Projects for Consideration
 - a. Project Accelerate
 - b. Project Bottle
 - c. Project Growth

- IV. Flaherty & Collins Industrial Recovery Tax Credit