



IEDC BOARD OF DIRECTORS

3.29.16



THE CROSSROADS OF AMERICA

Access by ground, waterways and air:

- » 1st in pass-through interstates
- » 2nd-largest FedEx Express hub in the world
- » 3rd in freight and local railroads
- » 3 public ports and 67 private ports
- » Airports in all corners of the state

Logistics industry expected to more than double by 2035

Major Moves 2020:

- » Invest an additional \$400M to expand sections of four-lane interstates in Indiana
 - I-65 in Lake County
 - I-65 in Lafayette

2016 Legislation:

- » Committed more than \$1B to improve state and local roads without raising taxes.
- » Nearly \$900M available for local road and bridge improvements over the next four years.





Indianapolis Airport Authority

A STATE THAT WORKS



WELCOME, MICHAEL KUBACKI



Chairman, Warsaw-based Lake City Bank & Lakeland Financial Corporation

Community Involvement:

- » Indiana Chamber of Commerce
- » Indiana University South Bend School of Business
- » LaCasa Business
- » Nature Conservancy, Indiana Chapter
- » Indiana Museum of Art
- » Indiana Society of Chicago

Education:

- » Indiana University
- » MBA, University of Chicago

Recognition:

- » Business Leader of the Year, Indiana Chamber of Commerce 2014
- » Community Banker of the Year, American Banker 2011
- » Best Value CEO, Greater Fort Wayne Business Weekly 2006

Appointment Terms: Through March 2017



WELCOME, MATT KIMMICK



Vice President and Chief Financial Officer

Experience:

- » 14+ years in state and local taxation as well as local government finance
- » Public and private sectors

Previously:

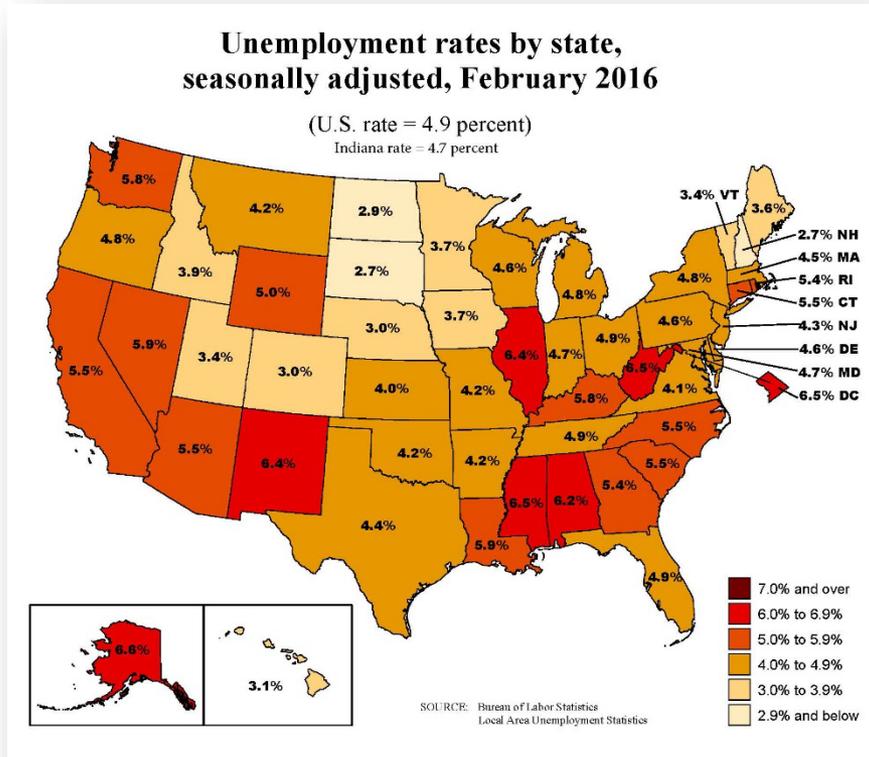
- » Controller, City of Indianapolis
- » Deputy Controller, City of Indianapolis
- » Lead Tax Accountant, Dominion
- » Sr. Property Tax Accountant, Ernst & Young
- » Tax Analyst, Indiana State Budget Agency

Education:

- » University of Southern Indiana
- » MBA, Virginia Commonwealth University



MORE HOOSIERS WORKING NOW THAN EVER BEFORE



2,643,200 JOBS

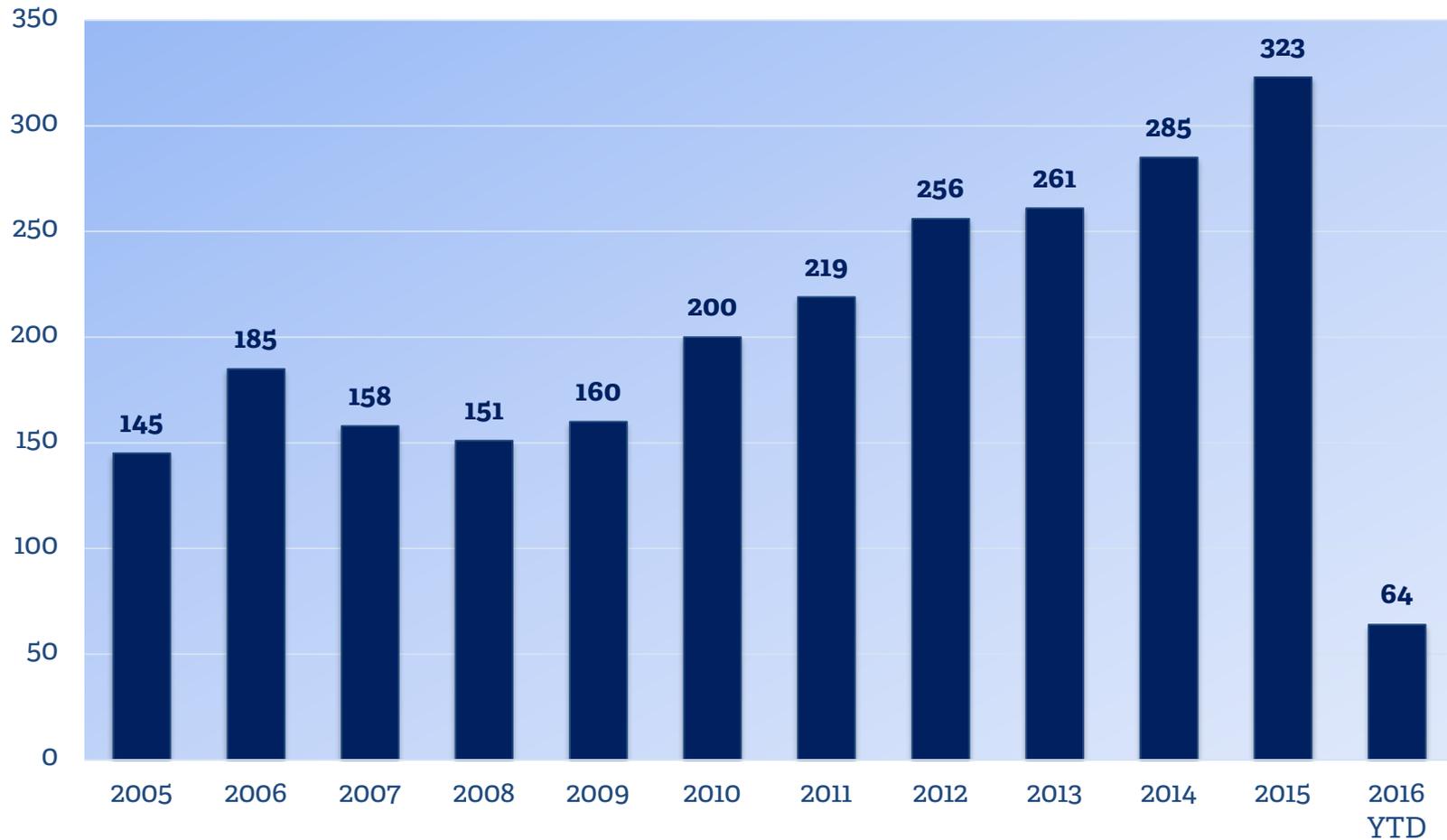
- » +30,600 above the previous March 2000 peak
- » 8th consecutive month above the prior peak

4.7% UNEMPLOYMENT

- » Down 0.5% since February 2015
- » Below national rate of 4.9%
- » Below all of Indiana's neighboring states
 - » Illinois – 6.4%
 - » Kentucky – 5.8%
 - » Ohio – 4.9%
 - » Michigan – 4.8%

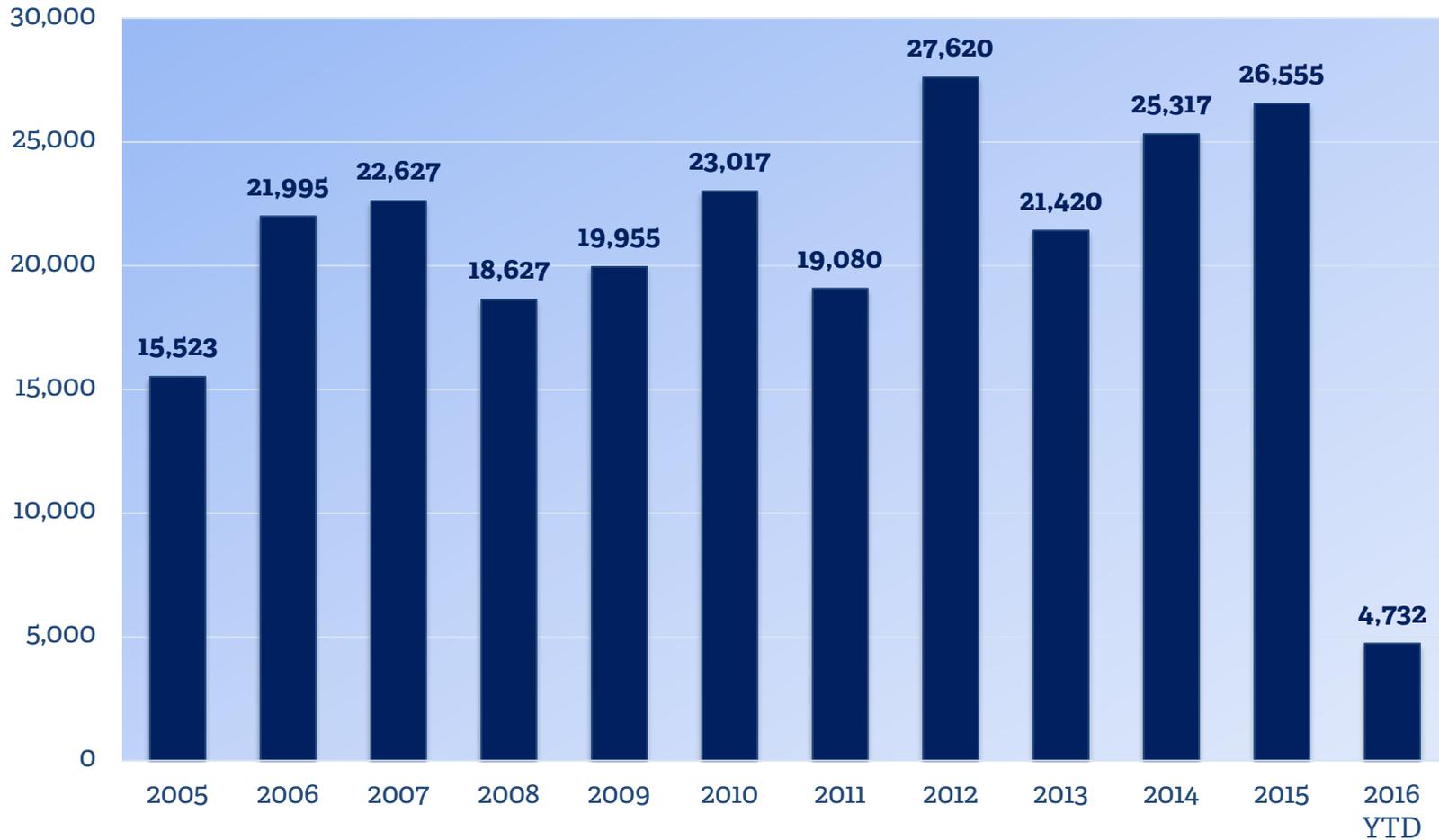


TOTAL COMPETITIVE PROJECTS



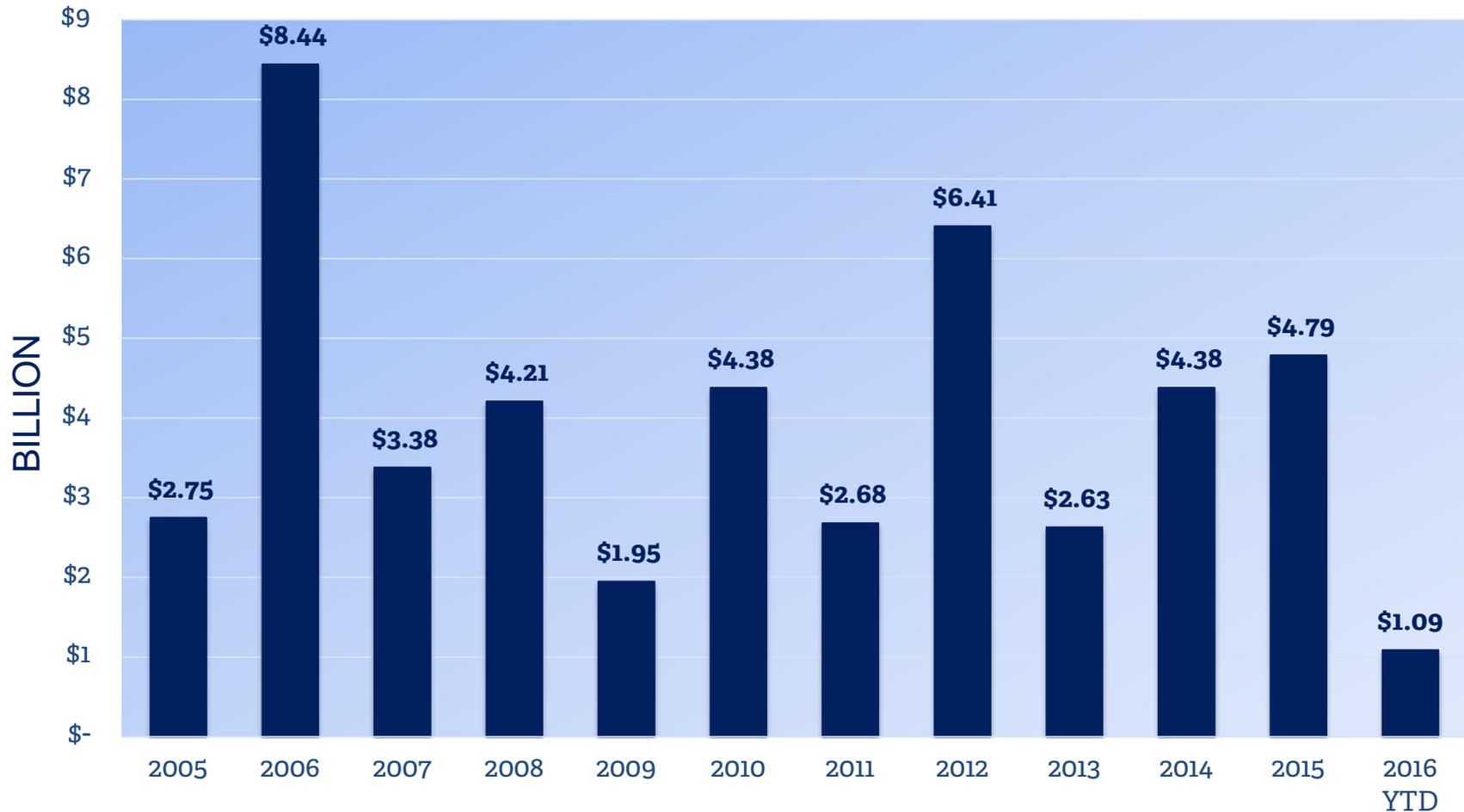


PRIVATE SECTOR JOB PROJECTIONS



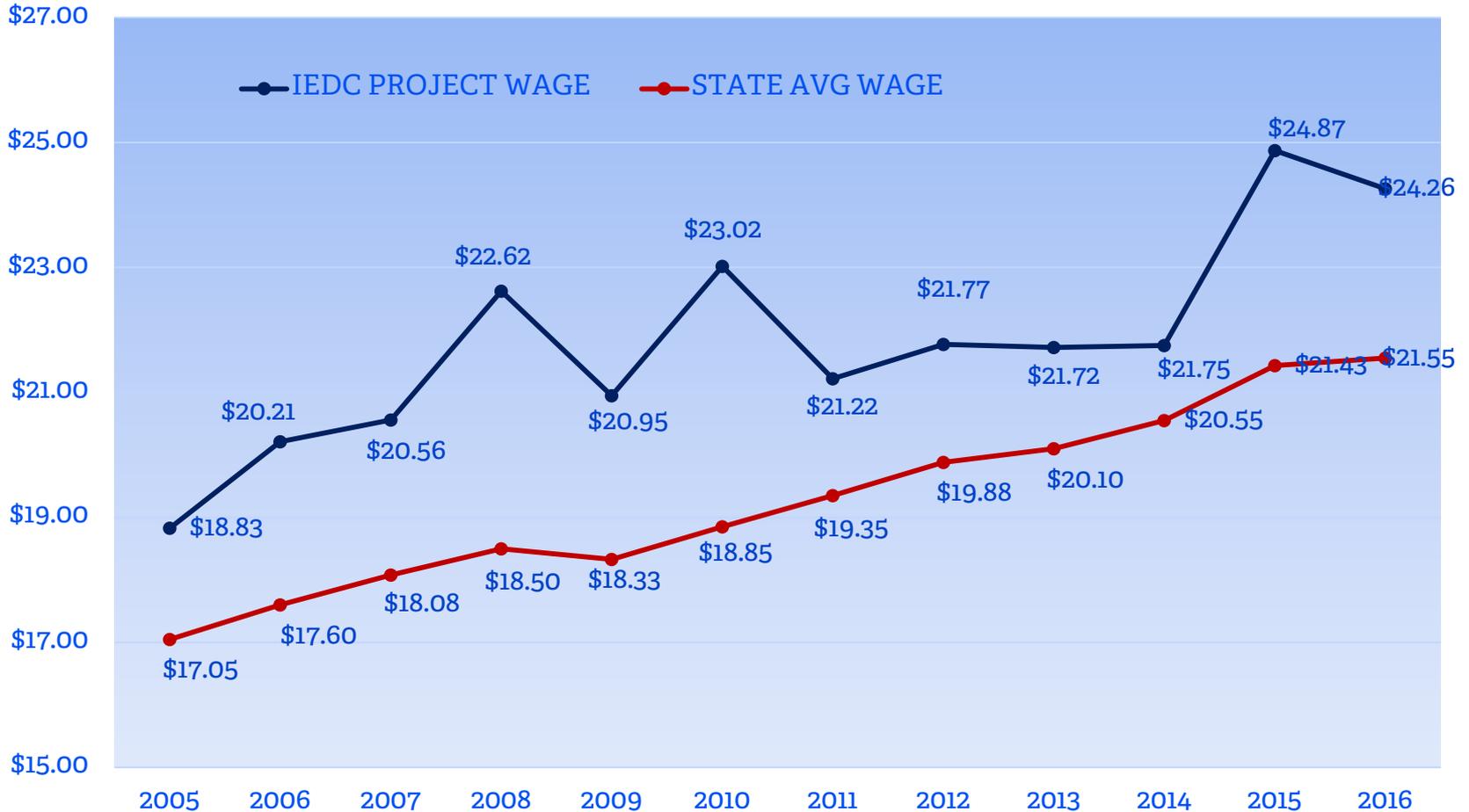


PRIVATE SECTOR INVESTMENT PROJECTIONS





HOOSIER AVERAGE WAGE



Source: Quarterly Census
Employment and Wages
(QCEW)



SPECIAL REPORT: DOWDUPONT

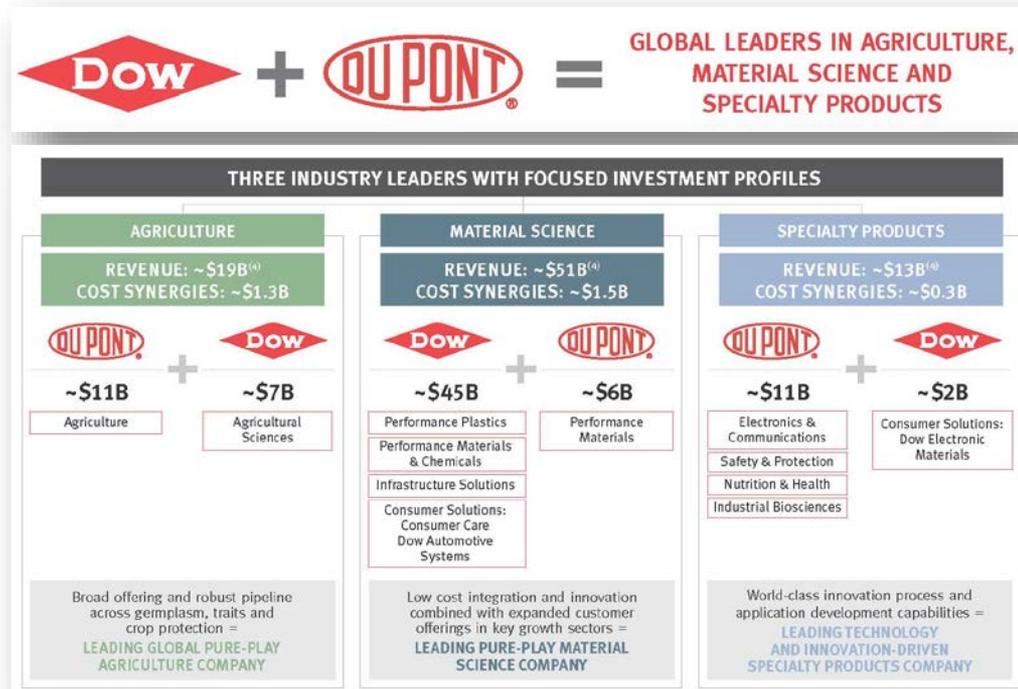
Dow AgroSciences in Indianapolis:

- » Employees: 1,385 full-time + 400 contract
- » High-paying, skilled jobs

Indianapolis will serve as a Global Business Center for the planned agriculture company formed by DuPont and The Dow Chemical Company.

Timeline:

- » Dec. 2015: Merger announced
- » Feb. 2016: Agriculture company structure announced
- » End of 2016: DowDuPont merger finalized
- » 18-24 months after: Split into three independent, global companies



“Our No. 1 goal was to develop a chemistry, to get them to see who our leaders were. The Governor, the Mayor and the [Purdue University] president all said this is higher than their highest priority. They looked them in the eye and told them, ‘We will personally handle all of this.’”

Jim Schellinger, Indy Star



PROJECT WIN REPORT: KRONE NORTH AMERICA

German-owned company and leading producer of hay and forage products that are sold to more than 400 dealers across the United States, Canada, Mexico and Puerto Rico.

North American HQ: Memphis, Tennessee

- » Established in 1973

Project summary:

- » **Shelbyville:** 200,000-square-foot facility
 - Headquarters relocation (2017)
 - Distribution hub, showroom and training center
- » **Investment:** \$12.5 million
- » **New jobs:** 101 high-wage by 2021

Construction starting spring 2017





2016: TELLING INDIANA'S STORY

Domestic sales trips:

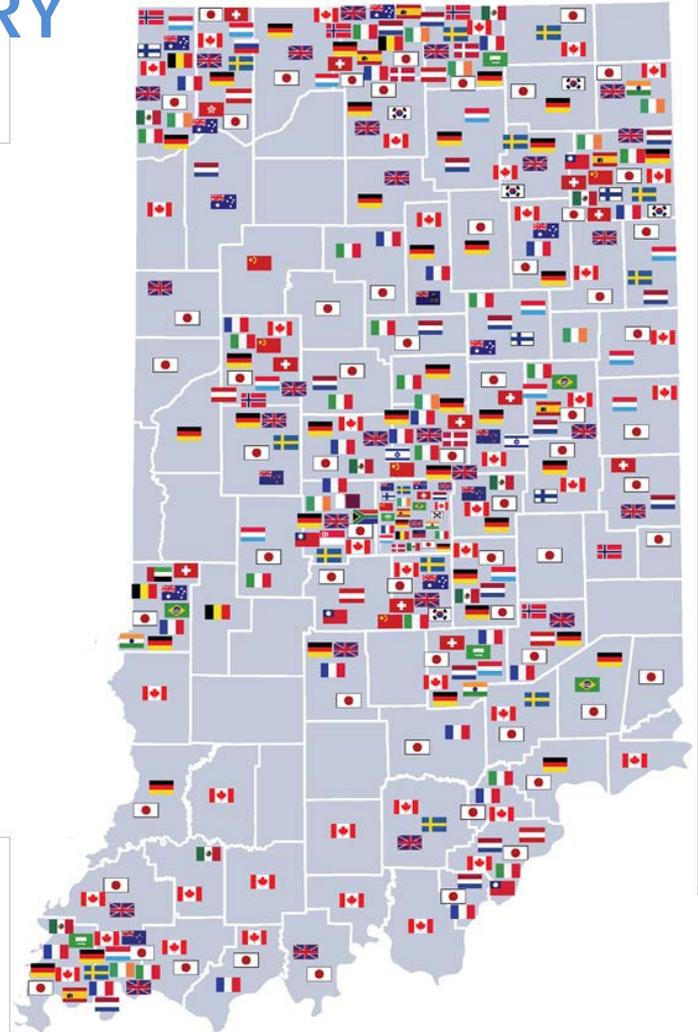
- » **Chicago** (February)
- » **Dallas** (March)
- » **100th Indy 500** (May)
- » **New York** (June)
- » **Chicago** (August)
- » **Atlanta** (November)

Attracting international investment:

- » 2012-2014: **\$4.6 Billion** in international investment & **13,300 new jobs**
- » 2016: Economic development missions to:
 - Japan, Israel, China, Germany

Marketing efforts:

- » Border campaigns in Illinois, Ohio and Kentucky
- » Industry-specific native ads in national outlets





TELLING INDIANA'S STORY: HANNOVER MESSE

Germany, April 25-29

World's largest industrial exposition, drawing 6,000 exhibitors and 220,000 visitors.

Hundreds of international companies in:

- » Industrial Automation
- » Digital Factory (Smart Manufacturing)
- » Industrial Supply (Advanced Materials)
- » Research and Technology
- » Energy
- » Mobilitec (Advanced Transportation)

USA is the 2016 Partner Country. President Obama and German Chancellor Angela Merkel will give opening remarks.





TELLING INDIANA'S STORY: FARNBOROUGH

Farnborough International Air Show London, July 11-17

The world's largest Aviation, Aerospace and Defense tradeshow, attracting 200,000+ attendees and 1,500 exhibitors.

In 2016, several Indiana businesses will have the opportunity to be a partner of the Indiana exhibit.

During the last two years, leading aerospace businesses have announced plans to invest more than \$900 million in Indiana and to create more than 1,200 new Hoosier jobs in the coming years.

- » Alcoa, La Porte
- » Alcoa, Lafayette
- » BAE Systems, Fort Wayne
- » GE Aviation, Lafayette
- » Raytheon, Indianapolis
- » Rolls-Royce, Indianapolis





UPDATE: CARRIER, UTEC OPERATIONS

Carrier Corporation (Indianapolis) and UTEC (Huntington) announced plans to relocate manufacturing operations to Mexico, impacting up to 2,100 Hoosier jobs.

The company noted that the move was dictated by the recent rise in federal regulations:

- » 260 since 2013
- » 53 of which directly impact residential HVAC operations

March 2: Governor Pence met with UTC President and United Steelworkers Local 1999.

Governor Pence emphasized that the state's primary focus has and will continue to be on the Hoosier families impacted by the announcement.





UPDATE: CARRIER, UTEC COMMITMENTS

Workforce:

- » Assist displaced employees in coordination with DWD
- » Severance packages and education stipends

Operations:

- » Maintain current operations and employees for 3 years
- » Maintain UTEC corporate headquarters in Huntington
- » Maintain Carrier corporate headquarters in Indianapolis
- » Maintain 400 corporate, high-wage jobs in Indiana

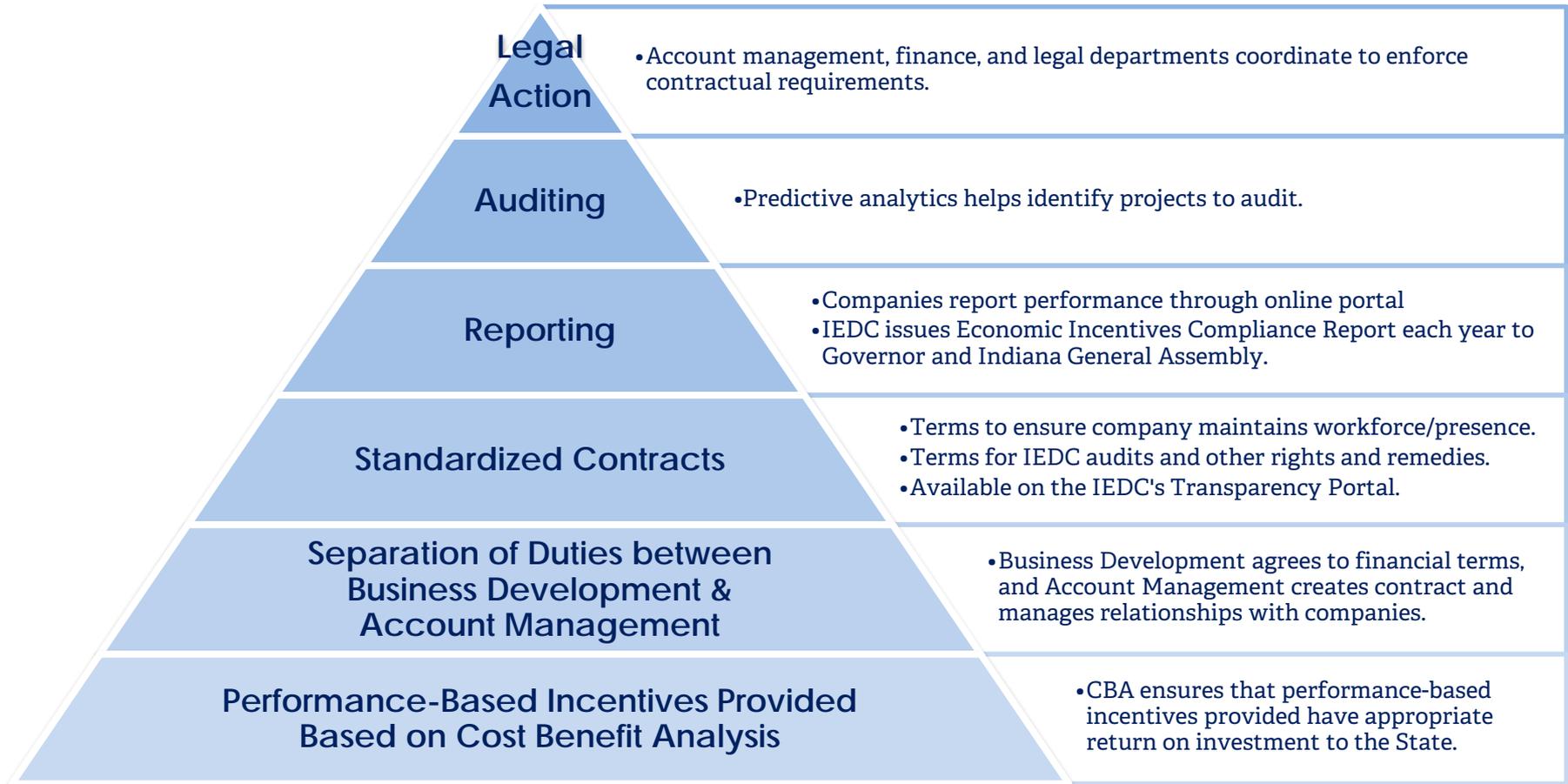
Reimbursements:

- » Reimburse all state incentives totaling \$380,315.76 to the state of Indiana
- » Reimburse all local tax abatements to Indianapolis and Huntington



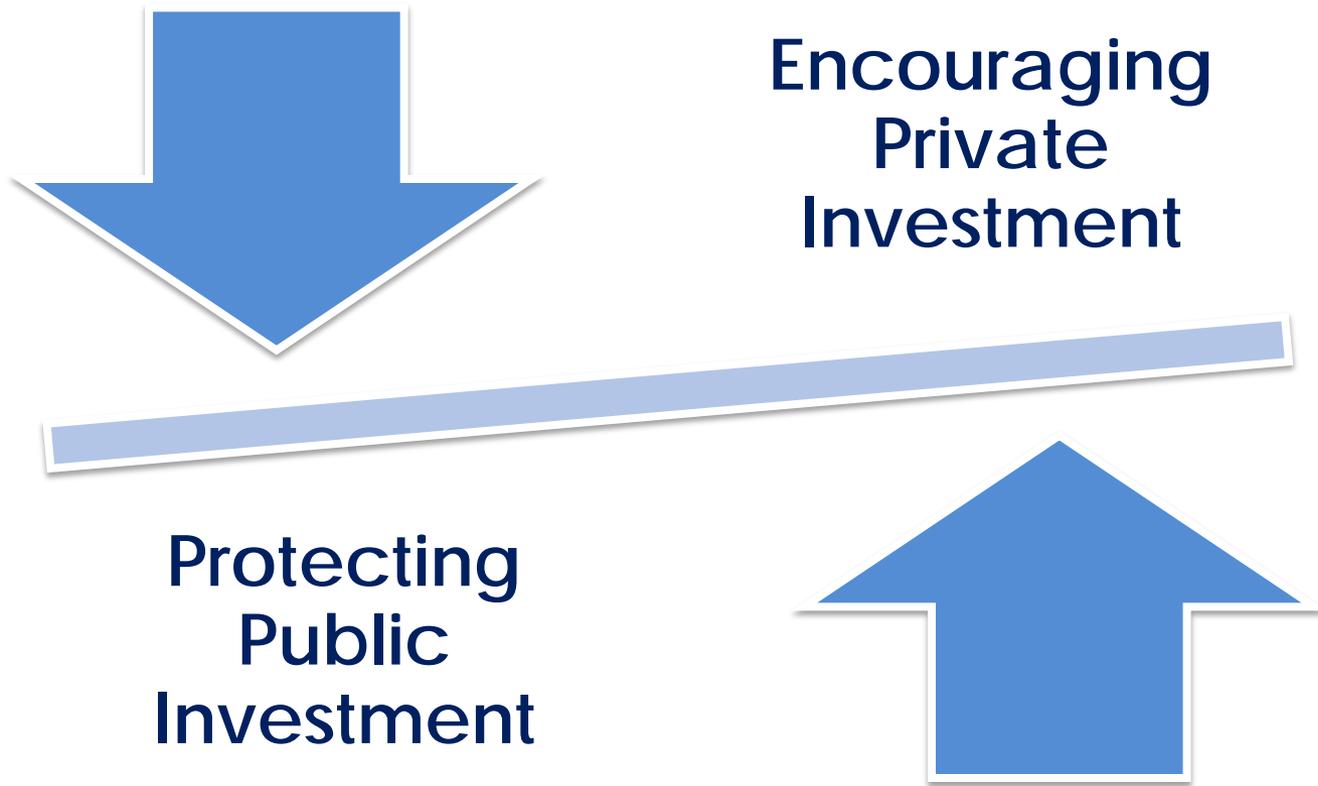


KEY ASPECTS OF COMPLIANCE PROGRAM





MAINTAINING THE RIGHT BALANCE



A STATE THAT WORKS



CERTIFICATION PROCESS

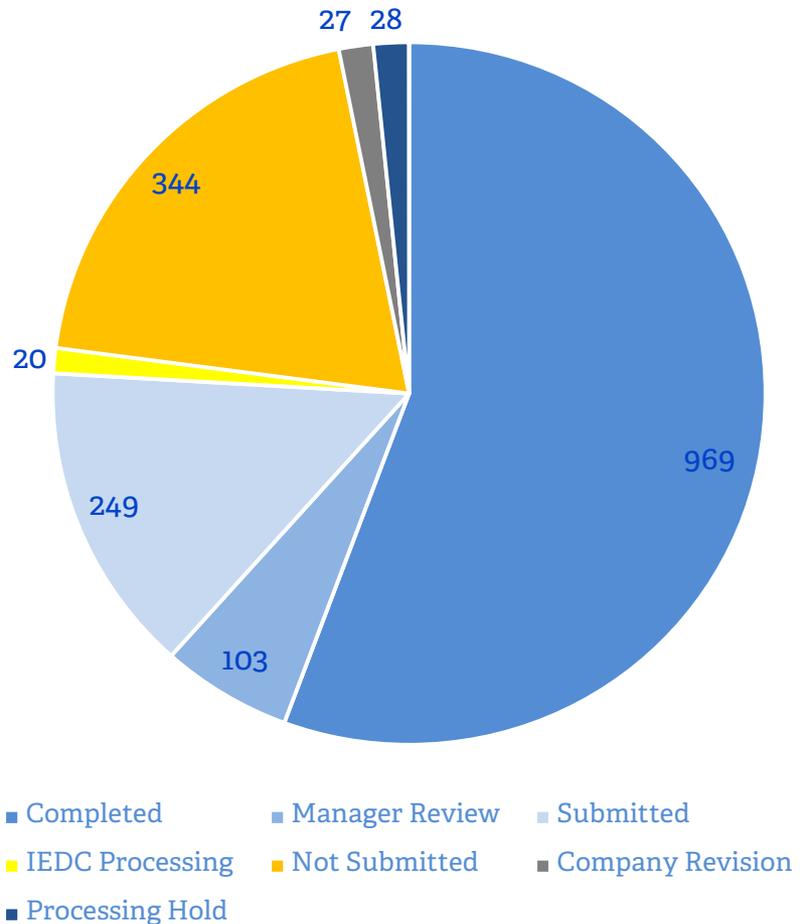
In 2015, IEDC had 323 total competitive projects.

- » This is the highest number on record.
- » It is more than double the number of projects in 2005.

Projects are monitored by the IEDC's Department of Account Management.

- » Projects are monitored for up to 12 years.
- » Account Managers have a close working relationship with the companies they assist and monitor.

We are currently in the process of reviewing 1763 "performance goals."





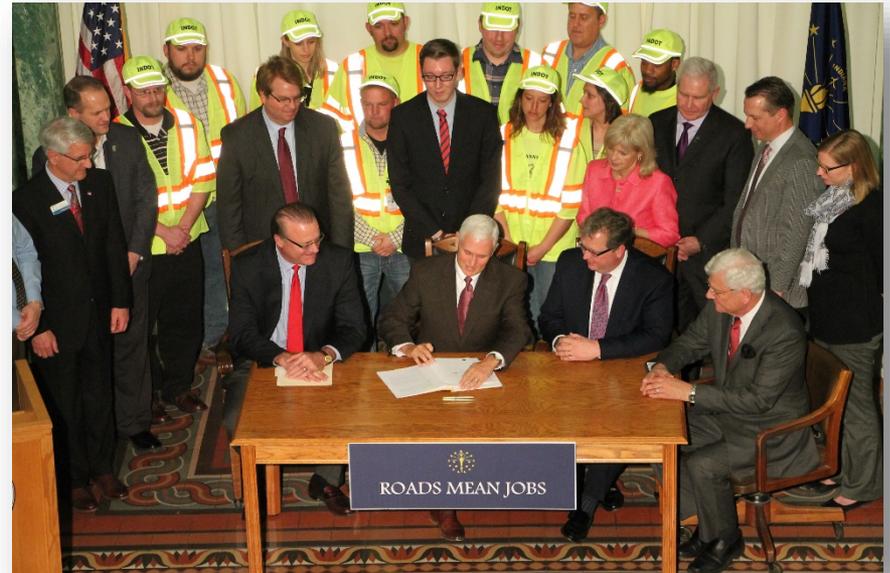
UPDATE: REGIONAL CITIES INITIATIVE

HEA 1001: Indiana General Assembly approved full state match funding at \$42M each for three regional development plans:

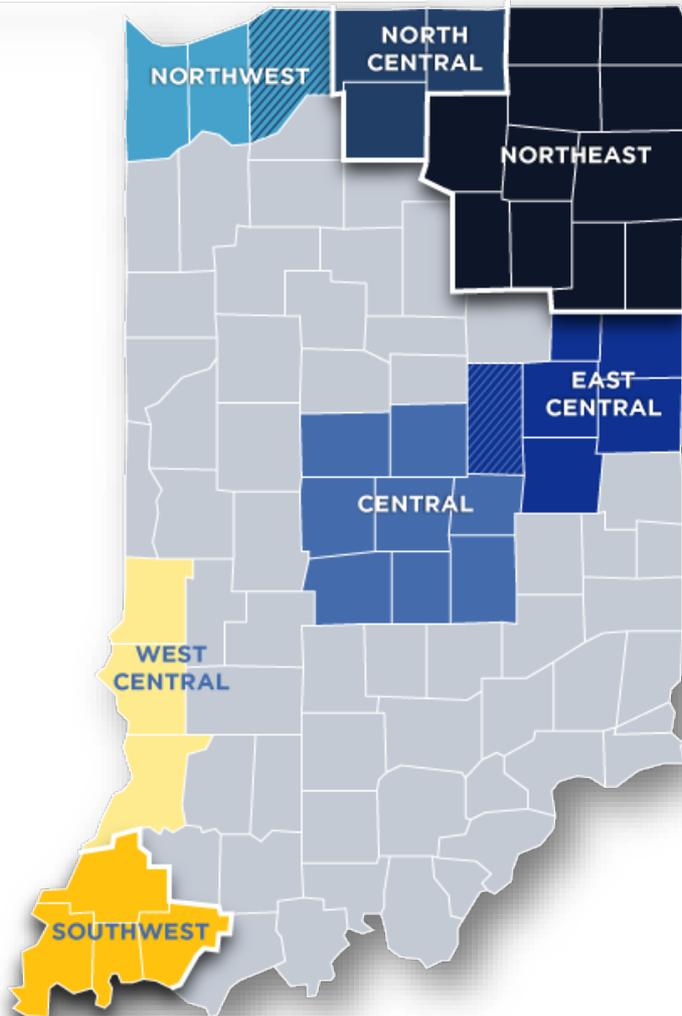
- » North Central
- » Northeast
- » Southwest

Next steps:

- » Finalize contracts with 3 RDAs; implementation begins
- » Continue to support and collaborate with four additional participating regions
 - Central, East Central, Northwest, West Central
- » Encourage other regions to embrace regionalism and long-term planning focused on quality of place



Governor Pence will hold ceremonial bill signings in North Central and Southwest Indiana next week.



- **INDIANA PORTFOLIO**

- » 100 projects, \$2B investment
- » 52 projects completed in first 3 years
- » 15:1 investment leverage ratio

- **NORTH CENTRAL**

- » 39 projects, \$703M investment
- » 26 projects completed in first 3 years

- **NORTHEAST**

- » 38 projects, \$400M investment
- » 26 projects completed in first 3 years

- **SOUTHWEST**

- » 19 projects, \$926M investment
- » 7 projects completed in first 3 years



INDIANA RANKINGS

FIRST Nationally for Cost of Doing Business

CNBC, June 2015

FIRST Nationally for Small Business Regulations

The Pacific Research Institute, July 2015

FIRST in the Midwest for low taxes and **8TH NATIONALLY**

Tax Foundation, October 2014

SECOND Nationally for Availability of Skilled Labor

Area Development, September 2015

THIRD in the Nation for **TOP 10 Pro-Business States.**

Pollina Corporation Real Estate, November 2015

FOURTH Nationally for Cost of Living

CNBC, June 2015

BEST BUSINESS CLIMATE in the Midwest
and **6TH NATIONALLY**

Chief Executive, May 2015

EIGHTH Nationally for Best Business Climate

Forbes, October 2015

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