



**Indiana Economic Development Association**

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## Notes from the President

I am very proud to serve as President of the Indiana Economic Development Association for the coming year. We can boast many accomplishments in the past year and I am looking forward to continuing this success in 2010.

I first want to offer my appreciation to Mike Heaton for his effort in making 2009 a great year for IEDA. When a person takes a leadership position with a volunteer organization it is understood that they will have to sacrifice some personal and professional time. However, Mike stepped well beyond what would be expected. Many times in the past year he was conducting IEDA business on the road back from vacation, between meetings, early in the mornings and late in the evenings. He dedicated the year to making IEDA a stronger organization so please help me say Thank You to Mike Heaton for serving as our 2009 President!

(President continues on page 6.)

## 2010 Legislative Agenda

By Dennis Maloy

*The 2010 session of Indiana's General Assembly is already underway. The Senate Committee on Tax and Fiscal Policy and House Ways and Means Committee have already conducted hearings on authorizing a referendum question to make permanent property tax caps passed last year. SJR 1 and HJR 1 have both passed out of these respective committees and are on their way to the full House and Senate for further debate.*

*While the IEDA will not be pursuing a specific piece of legislation this year, attached are policy statements that explain our position on issues pertaining to Indiana's economic tool box, economic development funding, and further study of the impact of these property tax caps."*

### I. Economic Development Tool Box

The Indiana Economic Development Association would like to thank the Indiana General Assembly for its leadership in the creation of innovative economic development tools. However, Indiana must continue to evaluate, enhance, and expand its economic development toolbox if we are to compete for the attraction of new business investment, reinvestment and job creation to our State. For example, many States will assist with relocation costs and/or design training programs that meet the specific needs of an individual company. Indiana should also stand ready to create innovative programs designed to address the needs of emerging or targeted industry sectors.

If Indiana is to compete globally, local economic development organizations must have the ability to build increased local capacity. Companies expect sites to be shovel-ready and the workforce, at a minimum, to have basic skills.

The Indiana Economic Development Association:

- Supports** increased funding for the Skills Enhancement Fund.
- Supports** reinstatement of the Skills Enhancement Fund for non-competitive projects.
- Supports** increased funding for Indiana's Industrial Development Grant Fund.
- Supports** funding for the Indiana Broadband Development Program.
- Supports** the expansion of and increased funding for the shovel-ready site program.
- Supports** reestablishment of the Training Acceleration Grant Fund.
- Supports** funding for the Indiana Economic Development Corporation's R&D Growth Fund, Commercialization Fund and High-Growth Fund.
- Supports** increased funding for Indiana Economic Development Corporation marketing.

### II. Economic Development Revenue

Enacted in 1987, the county economic development income tax was designed as a tool that would allow local government to:

1. Promote significant opportunities for the gainful employment of its citizens;
2. Attract a major new business enterprise to the unit;
3. Retain or expand a significant business enterprise within the unit.

(2010 Legislative Agenda continues on page 6)

# Indiana Small Business Development Center (ISBDC) Offers “Launching Your Own Business” Workshop

By Jim Roudebush

The Indiana Small Business Development Center (ISBDC) is now offering its “Launching Your Own Business” workshops to rural Indiana communities in partnership with the Rural Entrepreneur Network (REN). This workshop is for people considering starting their own business or those who have recently started a business.

Since 1985, ISBDC has been aided small businesses throughout Indiana with their rich counsel and effective research and software tools. REN has assisted entrepreneurs in more than 30 rural counties with training and network support for the past five years. Now, in partnership with ISBDC, REN will be serving entrepreneurs across the state and within many of the sixty-five Indiana counties with populations of less than 50,000 people. While ISBDC has 10 regional offices where candidates receive expert small business training and counsel, REN is helping to extend their resources to reach more rural Indiana residents.

## Workshops Have Rich Content

All participants receive a comprehensive sixty-page workbook which includes a step-by-step guide for evaluating the likelihood of business success, as well as critical elements necessary to start a new business. In addition, the two-hour workshops are moderated by a seasoned small business owner who has extensive experience in training entrepreneurs. The ISBDC/REN Director, Jim Roudebush, indicates that the Launch Your Own Business Workshop is “tested and proven to enhance the chances of business start up success and reduce failure factors” based on experience and usage by the ISBDC in Indiana.

## No Cost to Rural Communities

The ISBDC is looking for local sponsors for the “Launch Your Own Business” workshops such as LEDO’s Chambers, or other local community leaders. There is no cost for sponsorship; however we appreciate local help in promoting the

workshops and finding meeting space. Participants pay a small fee to attend the workshop, but early bird registration provides a significant discount. ISBDC/REN develops all promotion and registration materials as well as handles all registration. In addition, ISBDC/REN provides the moderator and workbook.

## How to Bring the “Launching Your Own Business” Workshop to Your Community

For more information about how to bring this exciting workshop to new business owners in your area, please contact Jim Roudebush, REN Director at 317-850-3012 or email [jroudebush@isbdc.org](mailto:jroudebush@isbdc.org). Several openings are available in early 2010.

*Project partners include the Indiana Small Business Development Center, the Rural Entrepreneur Network™, Hoosier Heartland Resource Conservation & Development Council, Inc., and the Indiana Office of Community and Rural Affairs. This cooperative agreement is partially funded by the U.S. Small Business Administration. SBA’s funding is not an endorsement of any products, opinions or services*

*All partners are equal opportunity program providers and employers.*

### About the Author:

Roudebush has an MBA in Marketing and Finance. The first half of his career was spent as Brand Manager or Marketing Executive with such Fortune 500 companies as Procter and Gamble, Merck/Schering-Plough, and Capital One-Hibernia Bank.

The second half of his career has consisted of ownership positions in small companies in Indiana. Mr. Roudebush has consulted with and provided workshops to hundreds of entrepreneurs in Indiana over the past five years. He has served as a two-term Chairman of the Central Indiana Better Business Bureau, which covers 42 counties. Mr. Roudebush is also an adjunct professor at the University of Indianapolis.



# Economic Development Organizations Adapt to the Current Economic Environment

By Larry Gigerich

While everyone hopes that the latest economic stimulus package approved by Congress helps resurrect the economy quickly, economic development leaders can not count on the federal government to make their jobs easier or deliver concrete results. As a result, many of the economic development professionals that I have spoken with are adapting their plans to adjust to the current economic environment.

I have summarized many of the tactics and action steps employed by economic development leaders to sustain and grow the economy of their respective areas. These items may shed some light on what issues economic development professionals are focusing on in today’s economic environment.

## 1. Greater emphasis on retention/expansion projects with existing companies.

- On average 80-85% of all new jobs in a community come from existing businesses.
- It is easier to keep an existing business than attract a new.
- More visits to existing employers to discuss their needs.
- Collaboration between economic development groups and utility companies to monitor significant trends regarding customers’ use of utilities.

## 2. Enhanced marketing/outreach efforts.

- Partnering with other organizations to place advertisements in key business and site selection industry publications.
- Use of electronic newsletters to reach clients and prospective clients more quickly.
- Emails and/or postcards citing positive events taking place in their area.

*(ED Organizations Adapt to the Current Economic Environment continues on page 4.)*

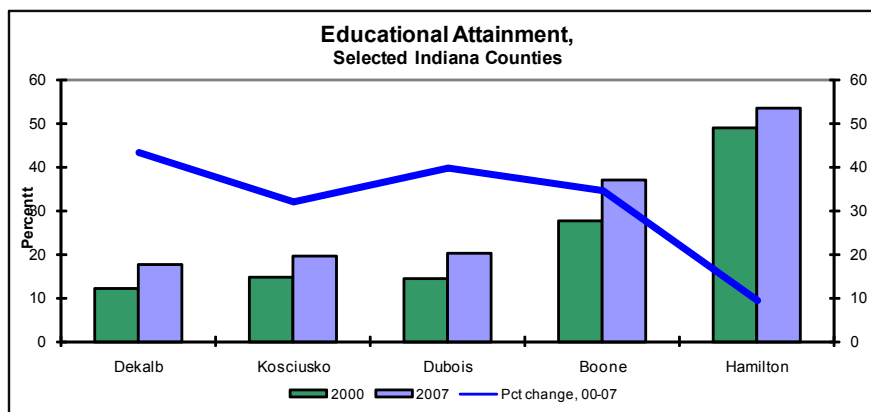
# The American Community Survey: A new source of community information

By Andy Zehner

The American Community Survey (ACS) is a new data product from the US Census Bureau. It provides an immense amount of data, but a good on-line interface (<http://factfinder.census.gov>) enables users to zero in on the data they need. ACS has been around since 2002, but recently expanded coverage to more areas and introduced more accurate, three-year estimates. Economic developers may find that the ACS, because it is newer and more detailed than the data they're using now, allows them to look at their communities in fresh ways and describe them more favorably.

The strength of ACS can be seen by looking at a characteristic in which Indiana is weak. In the 2000 Census, Indiana ranked 44th among the states for Adult Educational Attainment, with a rate of 19.4%. But that's old data. The newer ACS data shows Indiana rising to 21.6%.

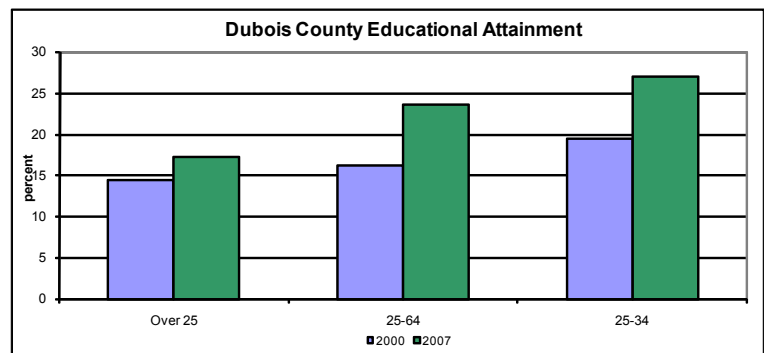
Progress in educational attainment is much more substantial at the county level. Chart 1 shows progress since the old Census in five selected counties. Boone County improved from 27.6%



to 37.2%. Dekalb County started lower, but made a more impressive percentage improvement of 43.2%. Such improvements could make a county more competitive in the site selection process. A consultant looking for counties with attainment over 15% would eliminate Dekalb, Kosciusko and Dubois according to the old data, but would keep them in

contention with the newer ACS data. Let's look further. The preceding values indicate the educational attainment of the total adult population, 25 years and older. The elderly and retired are included, though most of them are out of the workforce. The educational attainment of the working-age population is what matters, and it is generally much higher than that of the total adult population.

We've already seen how Dubois County improved since the Census. Chart 2 compares the educational attainment data for two time periods and for three slices of the population. The familiar value of 14.5% from the "25 and over" measure in the 2000 Census is the lowest of several measures. The 25-64 group represents the core of the labor supply and this cohort has a better rate of educational



attainment (23.7% in 2007) than the total adult population. More strikingly, 27% of Dubois County's young adult residents, 25 to 34 years of age, have a bachelor's degree or more.

There are three caveat about using the ACS.

First, only 72 of Indiana's counties are included. The smallest counties have no alternative to continue using the 2000 data until the 2010 Census data becomes available two or three years from now.

Second, the American Community Survey is not as precise as the decennial Census. Samples are smaller and margins of error are wider. But a wide margin of error doesn't mean the data is wrong – only that we are less confident of it. I compared 2007 and 2008 values for 72 Indiana counties in order to check for very erratic results. The disparity

between those samples was greater than two percent in eight counties. In only two counties are data from the two samples far enough apart to bring their reliability into question. For the rest, the two samples align closely. The possibility of error in the ACS is an important consideration, but not reason enough to avoid it. We know the 2000 Census is out of date.

Finally, you may not get much competitive advantage from this exercise. The newer data probably will show improvement over time in your county or region, and the working age 25-64 group almost certainly will have better attainment than the catch-all "25 and over" group. But what is true for your county will also be true for competitors. Using the ACS might not give you an advantage, but if other communities start describing themselves with this more advantageous data, you'll need to do the same just to keep abreast.

*(The American Community Survey continues on page 5.)*

# Economic Development Organizations Adapt to the Current Economic Environment

(continued from page 2)

- Inviting business leaders and site selectors to special events in their area.
3. Development of supplier/vendor retention and recruitment programs.
    - Working with existing companies to identify and retain suppliers in the area.
    - Pre-packaging of economic development incentives for companies meeting established criteria.
    - Collaborating with existing businesses to identify and recruit new suppliers to the area.
    - Expediting permitting and planning approvals for economic development projects.
  4. Greater flexibility with economic development incentive programs.
    - Developing new economic development programs by setting aside or shifting funding to allow more creativity.
    - Suspending or altering threshold criteria for economic development incentives to allow more companies an opportunity to benefit from assistance during difficult economic times.
    - Increasing funding of economic development incentive programs tied to workforce development, to help companies improve the skill level of new and existing employees.
    - Allowing site selectors and/or companies more flexibility in working with governmental officials to determine which incentives are most meaningful to support a project, in order to allocate financial resources to most directly impact companies.
  5. Working with universities, entrepreneur development centers and incubators to grow start-ups.
    - Developing entrepreneurs and small businesses in an area creates an environment where it is more likely that a firm will locate long-term.

## About the Author

Larry Gigerich serves as Managing Director of Ginovus. Ginovus is a leading provider of national site selection, public policy development, community comparative analysis and economic development incentive procurement & management services to private sector, educational, governmental and not-for-profit organizations throughout North America. Ginovus is headquartered in Indianapolis, Indiana.



## IEDA Annual Sponsors

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- Vectren Corporation

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- Bose McKinney & Evans, LLP
- Indiana Municipal Power Agency

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- Nurturing emerging cottage industries in an incubator or university setting helps position young firms for success.
- Assisting a small business ready to leave its current location helps ensure that the company will remain in the area.
- Meeting with a group of entrepreneurs and small businesses on a regular basis to understand their needs and concerns.

## 6. Selection and/or re-evaluation of targeted industry sectors.

- Scrutinizing which industry sectors an area is best suited for in the future, even if it means shifting away from certain industry sectors that were prosperous in the past.
- Completing a lot of research and analysis on targeted industry sectors to ensure that the area's assets and opportunities are really understood.
- Understanding the business climate in the area and how it positively or negatively affects different industry sectors.
- Having the courage to say what industry sectors are and are not realistic for an area to pursue.

Needless to say, economic development professionals have a steep uphill climb in 2009 and 2010. In a recession like the one we are facing today, there is a great opportunity for economic development leaders to step back and examine what is working and what should be changed. By investing the time and financial resources now to examine these issues, areas will be well-positioned for success as the economy recovers. More planning today will generate more success in the future.

## The American Community Survey

(continued from page 3)

The American Community Survey can be used to produce a fresh look at your county's or region's population characteristics. I focused on educational attainment, but the ACS is rich in other details as well. The ACS represents an expansion and an improvement in population data from the US Census Bureau. The ACS can help Indiana local and regional development agents prove their communities are growing and progressing.

### About the Author

Andy Zehner is a consultant and economic development researcher. He is affiliated with Growth Economics, Inc., and can be contacted at [azehner@tds.net](mailto:azehner@tds.net) or 765-721-6769.

## New Management Group

IEDA has a new management company. January 1, 2010 was the contract start date with The Cordyon Group.

The Corydon Group manages several Indiana trade associations providing a tailored set of services to fit the needs of each group. This could include the formation of a regular newsletter, scheduling board meetings at intervals to be decided by the board, helping draft agendas for these meetings, and attending and facilitating these regular meetings around the state. TCG has offices directly across from the State House which provides us and our clients easy access to and from the Capitol.

## President

(continued from page 1)

Times are changing in the world of Economic Development and I know that means that IEDA must adapt to these changes in order to serve our membership. I believe the make-up of our statewide Association provides the framework to identify the necessary changes that we need to make.....in simple words: "the more things stay the same, the more they change"...I mean continuing what IEDA has been doing successfully for 41 years has prepared us to adapt to the changing environment we now face. We will continue many projects and programs that are consistent with the past because they provide the tools that we need to make progress and to address the changes in the future.

The state legislature has already been conducting business and the session ahead may be short but they are considering issues that will have a significant impact on business and community development in the future. We have been very fortunate to have the professionals at Bose Public Affairs working for us in recent years and the outstanding success we have experienced with impacting state legislation is almost unprecedented! Thanks to our Leadership Award winner Dennis Maloy for his years of service as the Legislative Committee Chair and for continuing to serve on this important Committee in 2010.

The uncertain economic conditions also make the IEDA professional development platform vital to our membership. The Education and Program Committee is being led this year by Jim Tidd and Cheryl Morphew. They have been active participants in the Program Committee in the past and they recognize the fact that IEDA Programs is more than just sessions at our conferences...it is a year-long delivery of educational programs for our 400+ members.

Your Board of Directors is already deeply engaged in working toward our success. The year ahead will see more of a focus on Strategic Planning so the future leaders of our organization can start their years with some elements of a plan of action already in place. The Executive Committee: Bill Dory, Vice President, Susan Reed, Secretary and Julie Ashmore, Treasurer has extraordinary leadership abilities and along with me they are looking forward to serving the membership in 2010.

I recognize that making the investment to belong to IEDA is optional. I also know that attending our conferences and other events require a time commitment that is often more valuable than money. It is my promise that the IEDA leadership team will do our best to make sure that this is an investment that you can afford to put in your 2010 plans!!

Best wishes to all for a successful year!!!

### Board of Directors

#### Officers

President: Darrell Voelker  
[dvoelker@harrisonchamber.org](mailto:dvoelker@harrisonchamber.org)

Vice President: William Dory  
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Secretary: Susan Borries Reed  
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Treasurer: Julie Ashmore  
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Past President: Michael Heaton  
[mike.heaton@duke-energy.com](mailto:mike.heaton@duke-energy.com)

### Board Members

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Vicki Kellerman: [vkellerman@edcgdc.com](mailto:vkellerman@edcgdc.com)  
Nolan 'Skip' Kuker: [skip@ledf.com](mailto:skip@ledf.com)  
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Alan Tio: [edc@whitleybiz.com](mailto:edc@whitleybiz.com)

# Call for Committee Members

With every year there are resolutions. If you made a resolution to become more involved in the Indiana Economic Development Association now is your chance!

IEDA is officially having a call for committee members. Please contact the association office if you would like to join one or more of the committees listed below. Email Jill Ewing at [jillewing@ieda.org](mailto:jillewing@ieda.org) and indicate which committee is of interest to you.

## **Membership Committee Duties:**

Works with the association staff to help achieve goals established by the Board of Directors concerning membership recruitment and retention and develops strategies for increasing the value of membership as a whole.

## **Programs and Conference Committee Duties:**

Works with the association staff to help plan quarterly and annual meetings. This committee advises on site selection, social events and overall program development.

## **Sponsorship/Communications Committee Duties:**

Works with the association staff to help complete the quarterly newsletter by seeking suitable articles. This committee also finds annual sponsors for the IEDA.

# Welcome IEDA New Members

*Since September 2009*

Patrick F. Dooley  
FWAC Economic Development Alliance,  
Fort Wayne, IN

James Knapp  
Praxair Surface Technologies,  
Pittsboro, IN

Mark Miller  
InSpec Group, Atlanta, GA

Joshua O'Brien  
GIS Planning Inc, San Francisco, CA

Dave Ogle  
EDC of Elkhart County, Goshen, IN

Steve Wolff  
Shiel Sexton, Indianapolis, IN

Linda Yoder  
Electric Motors Corporation, Wakarusa, IN

## 2010 Legislative Agenda (continued from page 6)

It also included expenditures for:

1. The acquisition of land;
2. Site improvements
3. Infrastructure improvements;
4. Buildings;
5. Expansion of existing buildings and/or structures;
6. Machinery and/or equipment.

In recent years, the use of the county economic development income tax has been expanded allowing for expenditures for correctional facilities, libraries, parking structures, and general operating expenses.

The statute's original language allows for the tax to be used for funding of local economic development organizations. Therefore, the IEDA is not suggesting a new use or interpretation of existing statute.

The Indiana Economic Development Association:  
Supports dedication of a percentage of the county economic development income tax to a county wide local economic development organization.  
Supports the authority of local government to capture incremental increases in sales and income taxes within defined economic development areas.

### **III. Property Tax Caps**

In 2008, HEA 1001 established property tax caps of:

1. 1% on residential property;
2. 2% on multi-family, agricultural, and long-term facilities; and,
3. 3% on business, commercial, and industrial property.

While tax stability provides certainty to businesses considering Indiana for new or expanded operations, the impact of these caps is still unknown. The ability of local government to provide services to business and its citizens could be compromised if these caps were constitutionally mandated. Permanently capping property taxes would make it difficult for state and local government to respond effectively to unforeseen changes in the economy.

In addition, Indiana could be placed at a competitive disadvantage when competing for economic development projects. A key driver of a business investment decision is based on the cost of doing business and the structure of the tax system.

The Indiana Economic Development Association:  
Supports a comprehensive, nonpartisan analysis of the possible impacts of property caps.