

Spotlight on the State of Indiana

1. Background and mission of the Indiana Economic Development Corporation

- The Indiana Economic Development Corporation (IEDC) is the State of Indiana's lead economic development agency. The IEDC was officially established in February 2005 to replace the former Department of Commerce. In order to respond quickly to the needs of businesses, the IEDC operates like a business. Led by Indiana Secretary of Commerce and IEDC Chief Executive Officer E. Mitchell Roob, Jr, the IEDC is organized as a public private partnership governed by a twelve-member board. The IEDC Board of Directors is chaired by Governor Mitch Daniels and reflects the geographic and economic diversity of Indiana. The IEDC focuses its efforts on growing and retaining businesses in Indiana and attracting new business to the state.

2. 2010 Year in Review

- IEDC worked with more than 200 companies from around the country and world in 2010, earning commitments for more than 23,000 new jobs and more than \$4 billion in committed capital investment. Those committed new jobs, which will be created over the next five years, will pay an average hourly wage of \$23.02, above the state's current hourly wage of \$18.40.

The state's 23,017 new job commitments represent a record for the IEDC topping the previous record of 22,627 set in 2007. The total is also an increase of more than 3,000 from the 2009 year-end total of 19,955 committed new jobs.

2010 Success Stories:

- **Evonik** – Lafayette – announced that it would acquire the Tippecanoe Laboratories from Eli Lilly and Company, preserving up to 650 jobs that may have otherwise been eliminated.
- **Arcadia HealthCare** – Indianapolis – Will invest more than \$3.9 million to expand its corporate headquarters and a pharmacy fulfillment center on Indianapolis' northeast side, creating up to 930 new jobs by 2015.
- **Progress Rail** – Muncie – The subsidiary of Caterpillar Inc. will invest around \$50 million to site a diesel locomotive manufacturing facility and test track in the former ABB Power T&D Co. building which closed in 1998. The facility will be the first locomotive manufacturing plant established in the U.S. in many years. PRL will create up to 650 new jobs by 2012 as part of the project.
- **Cummins** – Columbus and Seymour – In July, the company announced that it will invest \$100 million to expand its High Horsepower Technical Center at its Seymour Engine Plant, creating up to 200 new jobs by 2015. In October, Cummins announced that it would invest \$5.25 million to expand its headquarters operations in Columbus, creating up to 350 new jobs by 2012.

3. Highlights of Indiana's Green/Alternative Energy Initiatives

- Indiana is a leader in the development of electric and alternative fuel vehicles and received several commitments from companies in the industry
 - In January, electric car manufacturer, THINK, announced plans to locate its first North American production facility in Elkhart, creating more than 400 new jobs by 2013. Assembly of vehicles commenced in December at the plant and later that month, the state of Indiana purchased 15 THINK City vehicles for use in state parks.

- In May, lithium-ion battery maker EnerDel announced its plans to form a joint-venture with major Chinese auto parts maker Wanxiang to develop and manufacture electric battery systems for light and heavy-duty vehicles. The joint-venture will be located in the Indianapolis area
- The American Wind Energy Association continues to list Indiana as among the fastest growing states for wind energy. In a 2010 report, AWEA rated Indiana second in terms of new capacity added, behind only Texas. Several wind energy firms announced plans to expand in Indiana in 2010 including:
 - Steve Reiff Inc., which plans to invest more than \$1 million and hire up to 47 new workers as its wind turbine painting operation in southern Whitley County.
 - Vela Gear, which plans to make a multi-million dollar investment and create more than 163 jobs by establishing a manufacturing facility for wind energy power transmission components in Anderson.
- In addition to developments in the electric car and wind industries, Indiana received a commitment of more than 850 jobs and \$500 million in investment from solar panel manufacturer Abound Solar Inc. Once completed, the facility is anticipated to be the largest solar panel manufacturing facility in the United States. Abound will occupy a facility in Tipton, Ind. which was constructed for German transmission manufacturer Getrag.

4. Indiana's national awards and rankings in 2010

- Indiana ranks as first in the Midwest for business tax climate. (Oct. 2010, Tax Foundation)
- Indiana ranks second in the Midwest as a "Best State to do Business." (April 2010, *Chief Executive*)
- Indiana ranks 4th in the nation for its business tax and regulatory climate according to the *Enterprising States* study by the U.S. Chamber of Commerce and National Chamber Foundation (May 2010).
- Indiana ranks 8th in the nation for its business climate according to *Site Selection* magazine (Oct. 2010).
- Indiana ranks 2nd in the Midwest and 16th in the nation in *Chief Executive* magazine's annual "Best & Worst States" survey (April 2010).

5. What are the advantages to doing business in Indiana?

- Under the direction of Governor Mitch Daniels Indiana has:
 - Recently cut property taxes by one-third and placed property tax caps on homes, farms and businesses.
 - Overhauled its regulatory system
 - Passed the most far-reaching deregulation of telecommunications in the country
 - Dedicated more than \$12 billion in a 10-year period to transportation infrastructure improvements without raising gas or diesel taxes
 - Established a business-friendly tax structure including:
 - no inventory tax
 - no gross receipts tax
 - among the lowest workers compensation rates in the country
 - a state tax exemption on partial income derived from federal patents for new technology or processes
 - a tax credit that provides an exemption on the amount companies pay in state sales taxes on research and development equipment
 - a personal property tax exemption on information technology equipment