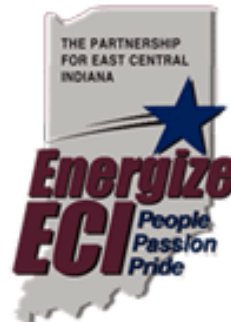




Mapping Assets of East Central Indiana
Unlocking the Region's Critical Assets
August 25, 2010





MAPPING ASSETS OF EAST CENTRAL INDIANA

Unlocking the Region's Critical Assets

Recognizing the importance of enhancing economic development efforts within the region, ECI through funding provided by Indiana Michigan Power, engaged Ginovus to perform an asset mapping study of the region

The primary purpose is to provide an overview of the region so that all assets can be understood and effectively promoted by all those working in economic development activities through the nine-county area



THE GINOVUS TEAM

Ginovus is a national economic development advisory services firm headquartered in Indianapolis

Over five decades of combined experience in:

National site selection

Community comparative analysis

Economic development incentive procurement and management services

Strategic Economic Development Planning



PROCESS USED TO COMPLETE RESEARCH

Extensive review of materials available

Detailed analysis of strengths and challenges within each county through individual county stakeholder meetings which included discussion with 220 individuals that have interest in economic development

Overall economic conditions of the region

Identification of regions outside Indiana for benchmarking

Current structure of economic development and workforce activities

Reliance on experience with site selection, location modeling, and community development experience



PROCESS USED TO COMPLETE RESEARCH

Eight key areas were focused on within each community to ensure comparison on an equal basis

1. Human Capital
2. Research and Development Institutions
3. Physical Infrastructure
4. Real Estate
5. Industrial Base
6. Connective Organizations
7. Quality of Life



EXECUTIVE SUMMARY

“Us” and “Them” vs. “All of Us”

When communities recognize their assets, they shift from worrying about the “us vs. them” mentality toward acting as “all of us”

This shift is not only empowering and productive but necessary

To effectively compete in a global market a community/region must leverage joint resources and create networks to ensure a truly sustainable economy

Delaware County / Educational and workforce benefits
Blackford County / Industrial land opportunities

One of a region’s greatest assets is its’ people



EXECUTIVE SUMMARY

Successful regions balance short-term economic development gains with longer term regional development goals

- Embrace change
- Assume risk without compromising existing quality of life

The communities within East Central Indiana have taken a collaborative approach to growth

- Networking exists across considerable distances, particularly rural areas
- An environment of independence and interdependence



EXECUTIVE SUMMARY

The networking skills developed within the ECI region are exactly what is called for in a global economy

It is why the ECI region is particularly well suited to support a host of opportunities to include:

- Entrepreneurship, manufacturing networks, food markets and alternative energy in addition to cultural, recreational and tourist focused activities



KEY FINDINGS FROM THE COMMUNITY MEETING PROCESS

Renewable energy with high concentration on wind energy is a focus for many parts of the region

High level of commitment to move efforts forward

A relatively strong inventory of available buildings and/or infrastructure ready sites throughout the region



KEY FINDINGS FROM THE COMMUNITY MEETING PROCESS

Water is a strong available resource that should be capitalized upon

ECI as a region has a strong approach to structuring economic development projects and these efforts should be promoted as both creative and aggressive

Agribusiness is a core area of expertise



KEY FINDINGS FROM THE COMMUNITY MEETING PROCESS

Community hospital systems are a key asset

Strong regional private plane airport capacity

I-Light Fiber Optic Network location provides access into the nation's fiber backbone

A solid representation of national and international businesses



KEY FINDINGS FROM THE COMMUNITY MEETING PROCESS

Common goals to create opportunities for young people

Regional focus on graduation rates, mentoring, internships, and enhancing transferable skills are all priorities

Challenges / Opportunities exist for aging population

Housing needs are not being met

Opportunity exist to attract / create businesses to serve this growing population of people who want to remain a part of the community



KEY FINDINGS

COUNTY LEVEL COMMON STRENGTHS

Public/Private partnership and advocacy for economic development strategies

Commitment to move economic development efforts forward

Favorable cost of doing business

Strong community foundations

Low crime rates

Good quality of life



IDENTIFICATION OF ASSETS WITHIN THE REGION IS IMPORTANT

Every region has its own unique set of assets, both tangible and intangible.

Resource Identification

A mismatch of strategy and assets can severely diminish the potential impact of economic development strategy

Foundation for Strategic Planning

Process will help illuminate the gaps, redundancies and inefficiencies and help the region re-allocate resources if needed

Visual Resource Map

Demonstrates to stakeholders that they work within a regional community for the good of the whole and serves as a catalyst for partnership by aggregating knowledge and making it available to everyone



ASSET INVENTORY REGIONAL OVERVIEW

Human Capital	
Total Population	464,372
Total Available Workforce	221,767
June 2010 Regional Unemployment	11.6%
K-12 Assets	
Public Schools	150
Private Schools	30
Total Student Population	57,827
Student Teacher Ratio	16.5:1
High School Graduation Rate	85%
State High School Graduation Rate	70%
SAT State Average	1003
SAT National Average	1016



ASSET INVENTORY REGIONAL OVERVIEW

Community Colleges	2; Harrison and Ivy Tech
Four Year College/University	5; Anderson, Ball State, Huntington, Indiana Wesleyan and Taylor University
Private/Non-Profit/Tech	4; Burns Laboratory, IN Academy for Science/Math/Humanities, BMH School of Radiologic Technology and White Water Technical Career Center
Research & Development	11; Known research collaborations/programs
Physical Infrastructure	I-69, I-70, US 36, US 35, US 27
Airports	Commercial (2) Reliever and Corporate(6) – 3 with 5,000+ ft runways
Rail Lines	6, Central, C & NC, CSX, Honey Creek, and Indian Creek
Natural Gas	Vectren, Ohio Valley Gas
Electricity	Indiana Michigan Power, Duke, Hoosier Energy



ASSET INVENTORY REGIONAL OVERVIEW

Industrial Base - ECI Region	
Headquarters	86 HQ operations totaling 15,053 employees
Publically Traded Companies	86
Foreign Direct Investment Firms	35 Companies



ASSET INVENTORY REGIONAL OVERVIEW

Real Estate	
Number of Industrial Parks	21
Number of Shovel Ready Sites	8; Certified by the State
Number of Established TIF Districts	52
Number of Existing Industrial Buildings	
Up to 50,000 Square Feet	76; many obsolete/do not meet today's standards
50,000 to 150,000	18
150,000 to 200,000	3
200,000+	11
Number of Rail Served Sites	47



ASSET INVENTORY REGIONAL OVERVIEW

Foundations & Government	
Community Foundations	12
Work One Centers	9
Government	County Government is led by a Board of Commissioners. County Officials that are elected for 4-year terms include – Auditor, Recorder, Treasurer, Sheriff, Coroner and Clerk of the Circuit Court. All Incorporated Cities have a Mayor and Council and Townships are governed by Township Trustee and Advisory Board
Local Economic Development Incentives	Personal and Real Property Tax Reductions, Tax Increment Financing, Training Assistance, Low Cost Financing, Reduced Cost Land and Infrastructure Assistance



ASSET INVENTORY REGIONAL OVERVIEW

Foundations & Government (Continued)	
State Economic Incentives	Refundable Tax Credits based upon Job Creation
	Tax Credits based upon Capital Investment
	Innovation/Commercialization Grants
	New and Incumbent Working Training Grants
	Headquarter Relocation Tax Credit Program
	Venture Capital Investment Credit Program
	Biofuels Production Tax Credit Program
	Alternative Energy Power and Energy Grant Program



ASSET INVENTORY REGIONAL OVERVIEW

Connective Organizations	
State Level	Indiana Economic Development Corporation
	Indiana Department of Agriculture
	Office of Community and Rural Affairs
	State Chamber of Commerce
	Indiana Department of Workforce Development
Regional	Regional Colleges/Universities
	Work One
Local Level	Chambers of Commerce
	Local /Colleges Universities
	Community Foundations Existing Businesses
	Not-for-profits

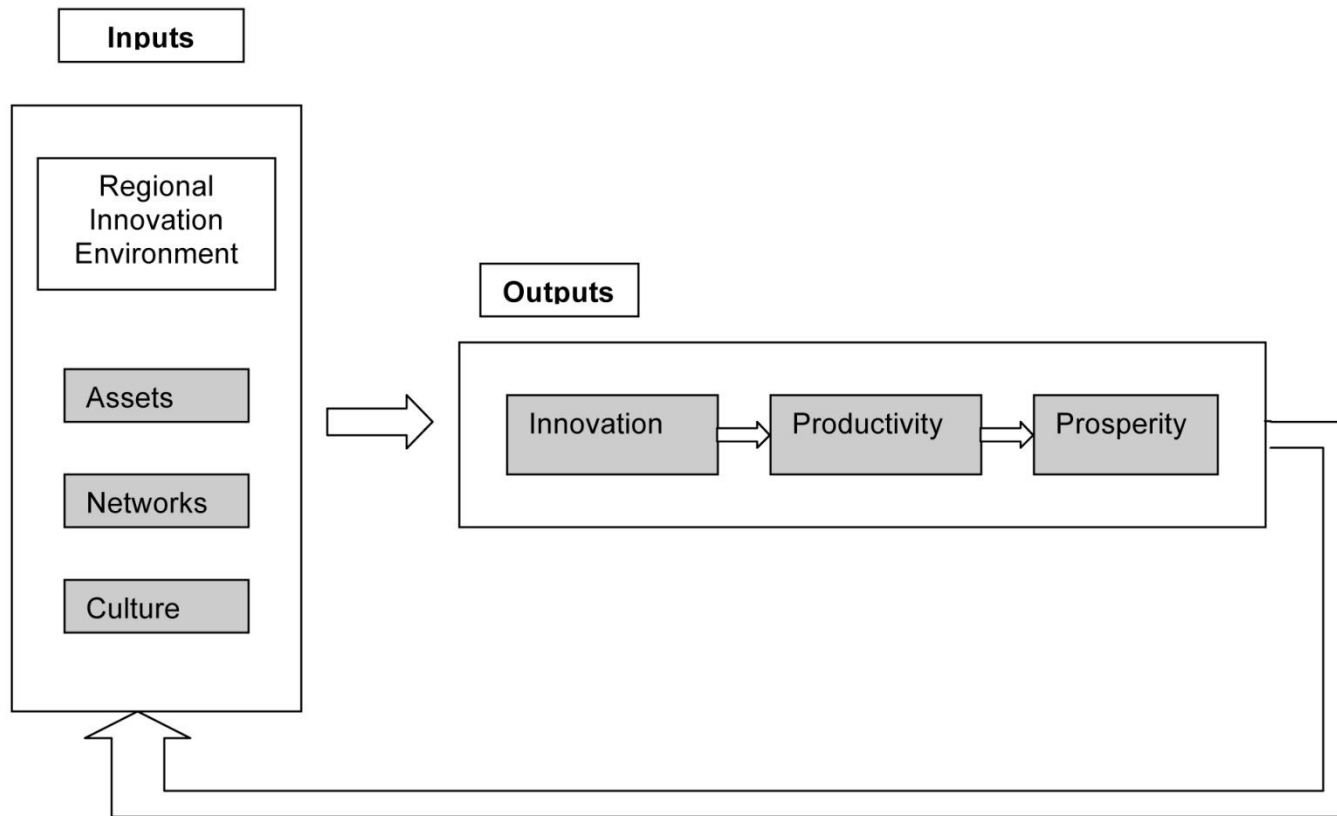


ASSET INVENTORY REGIONAL OVERVIEW

Quality of Life	
Open Trails	Wilbur Wright Trail - will follow former Penn Central Rail Corridor and make a historic connection between New Castle-Henry County to the state's longest rail-trail, the Cardinal Greenway.
Green space/Community Parks	Mounds State Park, Summit Lake State Park
Golf Courses	Numerous well located, Walnut Creek
Entertainment	A variety of venues, Paramount Theatre
Art	Anderson Fine Art Center, Ball State Museum of Art
Museums	Basketball Hall of Fame, Wilbur Wright Memorial, Veterans Memorial
Wineries	Tonne, Wilson, Madison County, New Day, Oak Hill
Casino/Horse Racing	Hoosier Park Racing and Casino



REGIONAL INNOVATION





REGIONAL INNOVATION

Networking (Input)

Numerous and high quality assets are not sufficient to drive growth

Assets must be linked to support regional innovation-based growth

Informal ties are often as important as formal ones



REGIONAL INNOVATION

Culture (Input)

Degree to which business leaders are willing to share ideas and collaborate

For regions to get ahead of the innovation curve, it is critically important for local leaders to be open and willing to share ideas

The primary goals of economic development are not business rankings or number of jobs created, but rather the prosperity of its residents

Therefore it is important to track outcome measures



REGIONAL OUTPUT OVERVIEW

	ECI	Iowa -East 14 Counties	Ohio -NW 11 Counties	NC Piedmont Triad 11 Counties
Innovation				
Patents (by state)	5,490	3,058	11,772	9,182
Productivity measured in jobs/100 Population	46.7	68.1	57.3	46.5
Prosperity				
Population	464,372	801,589	863,916	791,871
Unemployment	11.7%	6.7%	11.6%	11.0%
Average Wage by Place of Work	\$37,389	\$42,604	\$42,102	\$32,763
Median Income	\$29,810	\$38,026	\$32,857	\$30,435
Poverty Level	14.4%	11.1%	13.8%	14.9%



FOCUS AREAS COMMUNITY BENCHMARKING

Objective:

Identify regions that are comparable to the nine-county ECI region in terms of regional leadership, population, industry, and workforce availability

Identify targeted industry sector focus and discover the underlying assets available to promote to targeted industry sectors



COMMUNITY BENCHMARKING WHY WERE THE 3 AREAS CHOSEN?

Several small cities that have a strong history in manufacturing and have leveraged the presence of universities

Strong agriculture based economies

Economies that are in transition

Depth of advanced manufacturing

Presence of biotechnology companies and research

Food processing company concentration



COMMUNITY BENCHMARKING WHY WERE THE 3 AREAS CHOSEN?

Food Ingredient/Bio-processing strength

Renewable energy emergence

History of traditional industries joining advanced industries

Emergence of creative enterprises and arts

Level of collaboration between industry, education and creative enterprises

Logistics and distribution strengths



FOCUS AREAS LOCATION QUOTIENT

Clusters vs. Agglomeration of Business

Characteristics of a cluster

- Members reinforce one another
- Sell to and buy from one another
- Share ideas and labor pools
- Strength in clusters

Given existing related industries, East Central Indiana is well positioned for full development of advanced manufacturing with emphasis on renewable energy and agribusiness food processing clusters



FOCUS AREAS LOCATION QUOTIENT

Initial review of established business within industries

North American Industrial Classification Codes (NAICS) used to determine Location Quotient (LQ)

$LQ > 1$ = County or Region has more services or product than needed i.e. export of goods or services

$LQ < 1$ = Not enough service or product available

Ginovus focus: $LQ \geq 1.2$ within each county/ 2001 - 2008

13 Industry sectors within the region that have LQ's above 1.2

Indicates a high level of business and economic diversity



FOCUS AREAS ECI INDUSTRY LOCATION QUOTIENT

Advanced Materials (1.79)

Agribusiness, Food Processing & Technology (1.37)

Apparel & Textiles (2.82)

Biomedical/Biotechnical (Life Sciences) (1.37)

Defense & Security (1.98)

Education & Knowledge Creation (1.34)

Glass & Ceramics (2.04)

Transportation & Logistics (1.37)



FOCUS AREAS ECI INDUSTRY LOCATION QUOTIENT

Manufacturing super cluster comprised of sub-clusters (2.15)

Primary Metal Manufacturing (4.10)

Fabricated Metal Product Production (2.04)

Machinery Manufacturing (2.82)

Transportation Equipment Manufacturing (3.38)

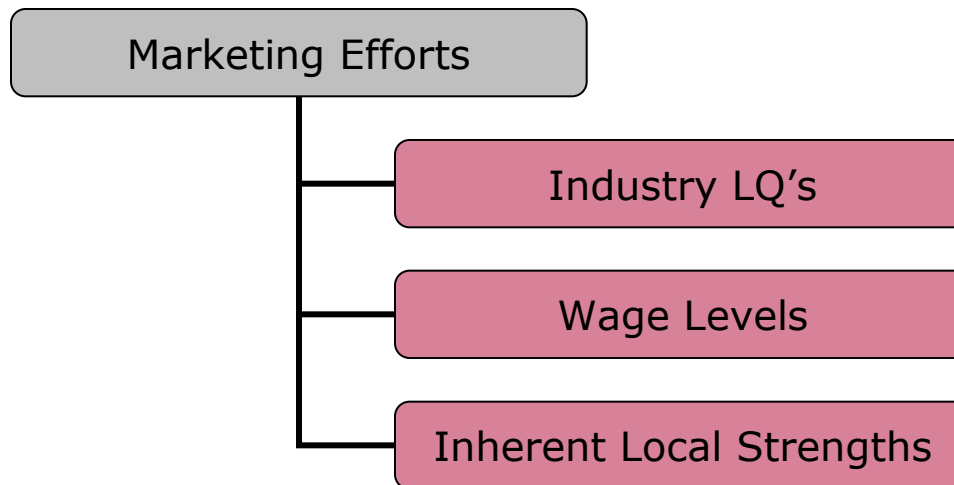


FOCUS AREAS LOCATION QUOTIENT

Focus must extend beyond strength of industry LQ

Strengths may occur within a dying industry

Low wage levels





FOCUS AREAS LOCATION QUOTIENT

Regional Industry and Wage Location Quotient Above 1.2 – 7 of the 13 industries have LQ's above 1.2	
Cluster	2008
Agribusiness/Food Processing	I= 1.37 W= 1.16
Biomedical/ Biotechnical (Life Sciences)	I= 1.37 W= 1.46
Manufacturing Super Cluster	I= 2.15 W= 1.67
Transportation Equipment Manufacturing	I= 3.38 W= 3.15
Fabricated Metal Manufacturing	I= 2.04 W= 1.72
Primary Metal	I= 4.10 W= 2.97
Machine Manufacturing	I= 2.82 W= 2.03



FOCUS AREAS ECI LOCATION QUOTIENT

Agribusiness / Food Processing

Industry LQ = 1.37

Wage LQ = 1.16 trending upward

Indiana: 63,000 farms and 15.4 million acres of farmland

Top 5 agricultural commodities: corn, soybeans, hogs, dairy products, and chicken eggs

Agriculture adds \$25 billion to Indiana's economy from farm, food and forestry products

\$10 billion multiplier effect on local economies

For every dollar in direct wages and income from farm food and forest workers, more than 2.5 times that amount flows into a local economy

In 2005, Indiana ranked 14th in the U.S. in cash receipts from the sale of all commodities



AGRIBUSINESS/FOOD PROCESSING IN THE REGION

Ethanol/Inorganic Chemicals	Food Preparation
Grain Mill Products	Food Packaging
Seed Production	Bakery Products
Private Farms	Sugar & Confectionary Products
Hardwood Mill	Preserved Fruits and Vegetables
Livestock Equipment	Meat Products
	Beverages



FOCUS AREAS ECI LOCATION QUOTIENT

Manufacturing Super Cluster

Industry LQ = 2.15 Wage LQ = 1.67 trending downward

11,000+ Indiana manufacturing plants employ 700,000+ workers

Worker productivity in the region is high and the cost of doing business is relatively low

Workers' compensation rates and unemployment insurance rates low

Must heavily market the region as an attractive place to do business



MANUFACTURING IN THE REGION

Hardwood and Veneer	Wood Products / Cabinetry & Flooring
Glass Containers	Audio/Video Equipment
Primary & Secondary Metal	Household Fixtures
Steel and Fabricated Wood	Agricultural Equipment/Supplies
Metal Fabrication / Machine Tool	Measuring / Control Devices
Food Containers	Foam Product



FOCUS AREAS ECI LOCATION QUOTIENT

Biomedical / Biotechnical (Life Sciences)

Industry LQ = 1.37

Wage LQ = 1.46 trending stable

Accounts for over 20% of Indiana's total state taxes and almost 10% of its employment

Eastern Central Indiana region emerging as a leader in the industry

Every county within the region has a hospital, skilled nursing care, and/or intermediate care facility



BIOMEDICAL/BIOTECHNICAL IN THE REGION

Agriculture and Veterinary Science	Medical Devices & Equipment
Drugs and Pharmaceuticals	Research, Testing & Medical Labs
Health Information Technology	Support Services
Hospital/Healthcare Delivery	Universities and Colleges



EMERGING SECTORS INCREASING LOCATION QUOTIENT TRENDS

Emerging Sectors Based Upon Steady Trend of Increasing LQ's 2005 -2008	
Sector	2008
Education and Knowledge Creation	I = 1.34 W = .70
Renewable Energy	I= 1.07 W= 1.0
Chemicals & Chemical Based Products	I= 1.11 W= .27
Business and Financial Services	I= .71 W= .24
Transportation & Logistics	I= 1.37 W= .75



EMERGING SECTORS RENEWABLE ENERGY / CLEAN TECHNOLOGIES

Investments in clean technology are growing rapidly

Funding in 2007:

\$148 billion for wind, solar and biofuels
companies (\$50 billion in wind power)

Rising oil prices and climate change policies encourage
investment

Overall investment in the industries **rose 60%** from 2006-
2007

By 2018 it is forecast that the three main clean technology
sectors, solar photovoltaics, wind power, and biofuels will
have **revenues of \$325 billion**



RENEWABLE ENERGY / CLEAN TECHNOLOGIES

How does this worldwide trend relate to Indiana?

Progressive in the energy industry

Ranked by the American Wind Energy Association as the fastest-growing state for wind energy development in the nation in 2008

Pro-business environment with a rich history of manufacturing expertise and extensive research and development capabilities

A leader in alternative energy fields



RENEWABLE ENERGY / CLEAN TECHNOLOGIES

How does this worldwide trend relate to the East Central Indiana region?

Strong consideration of wind power and alternative energy component manufacturing

Farm land sought for wind power is within the region

Innovative wind companies located in Indiana:

Horizon Wind Energy, BP America, Dominion, Fairfield Manufacturing Company, ATI Casting Services and Brevini Wind USA

Service and production businesses to support wind farm component manufacturing, transportation and ongoing service support



EMERGING SECTORS

Technology / Data Centers

Used to house computer systems and components, such as telecommunications and storage systems

Generally include Redundant / backup power supplies, redundant data communications connections, environment controls, security devices

Criteria for data center locations:

Zoning/Building Codes

Site Risk Factors

Networking Infrastructure

Price of Power and Reliability

Natural Disasters

Accessibility

Talent Pool

Local Incentives

Operating Costs



EMERGING SECTORS

Technology / Data Centers

East Central Indiana Regional Strengths

Zoning would not restrict data center use

Low site risk factors

Natural disaster risks are below the state average

Affordable operating costs to include land price, utilities, real estate tax, and labor costs

Economic development incentives

Available talent pool

Networking Infrastructure – I-Light



EMERGING SECTORS

Technology / Data Centers

East Central Indiana Regional Strengths (continued)

State supported economic development initiative

Indiana Telecommunication Reform Act

Investments in broadband and fiber optic networks

2009: Personal property tax exemptions permitted on data center equipment

Revised law removes significant obstacles

Increases competitive advantages with neighboring states



ACKNOWLEDGEMENTS

A Special Thank You to the Following Organizations:

Anderson/Madison County Corporation of Economic Development

Blackford County Economic Development

East Central Indiana Workforce Board

Economic Development Corporation, Connersville, Indiana

Energize-ECI

Grant County Economic Growth Council

Indiana Michigan Power, A Unit of American Electric Power

Jay County Development Corporation

Muncie-Delaware County, Indiana Economic Development Alliance

New Castle-Henry County Economic Development Corporation

Randolph County Economic Development Corporation

Rush County Economic and Community Development Corporation



THANK YOU

For more information please contact:

Ginovus
8888 Keystone Crossing
Suite 1450
Indianapolis, IN 46240
317.819.0890

Leslie Wagner
leslie@ginovus.com
317.819.4412

Chad Sweeney
chad@ginovus.com
317.819.4415