



PRINCIPLES AND PRIORITIES

2022 - 2023

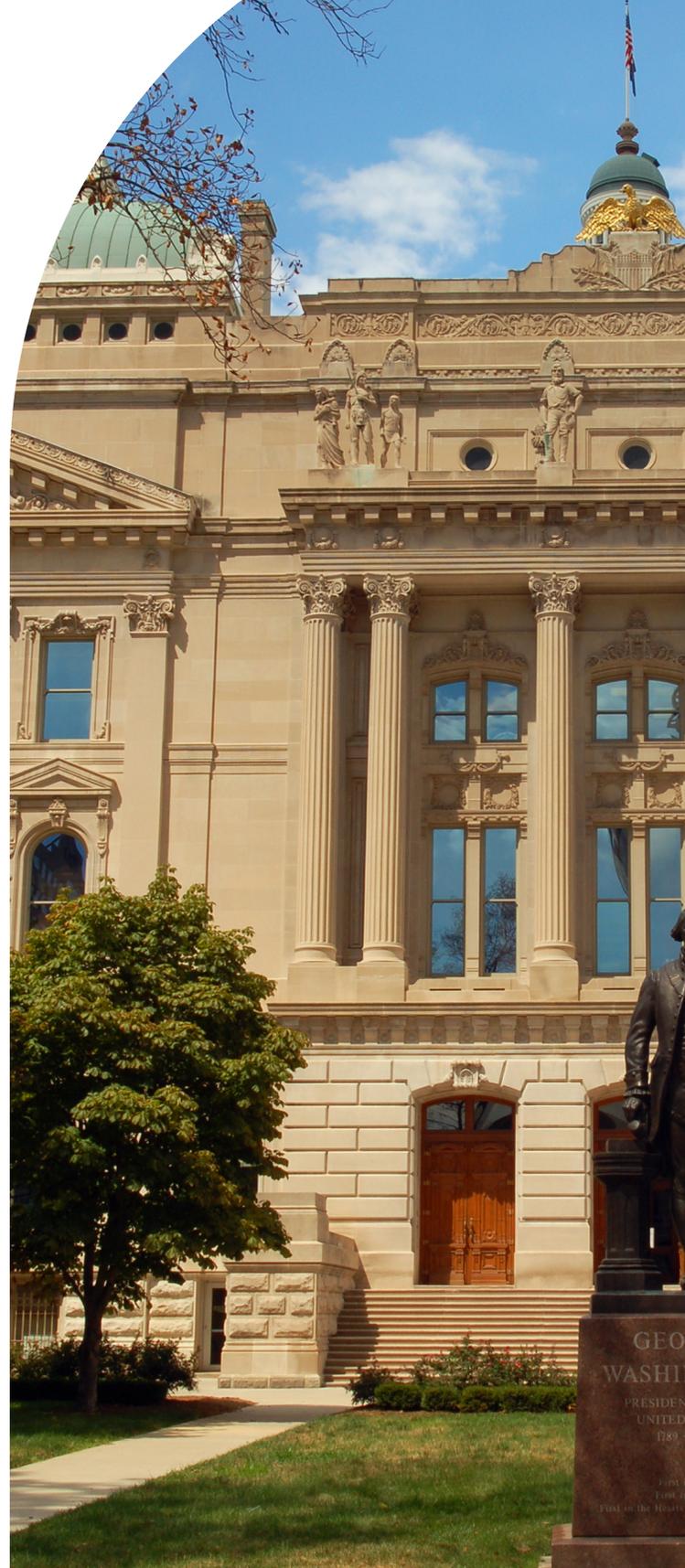


Economic Development is More Important Than Ever

As Indiana embraces the post-pandemic economic rebound, resilience is strengthened and the pendulum is swinging in the right direction. The economy is back to pre-pandemic levels with pent-up consumer demand, new strategies for supply chains and modernization that are now permanent extensions to new business models and cultures.

Economic developers stand at the hub of local efforts to grow their communities through business and workforce attraction, retaining and adding jobs, expanding the tax base and working to reduce barriers to growth. At this time, economic development is more important than ever as we adjust to disruptive change and embrace emerging new opportunities.

Members of the Indiana Economic Development Association pledge to work alongside Indiana's elected officials as partners to restore vibrancy and momentum to the Hoosier economy.



GOVERNING PRINCIPLES



IEDA believes that state and local economic development efforts should support a consistent strategy to encourage private-sector investment that brings above average wages, high-skill jobs, diversified economic sectors, and robust tax revenues. Economic development policy should meet one or more of these criteria:

Preserving and Enhancing Quality of Place

Human capital has become a primary driver of economic development. Attracting and retaining workforce is dependent upon creating and sustaining quality, community amenities for recreation, education, entertainment and infrastructure.

- Livable and distinctive communities draw economic development by having functional land use for employment, education, recreation, entertainment, shopping, transportation, and other services. A community's history, culture, and social diversity should be preserved.

Investing in Human Capital

- Providing communities with necessary skills through accessible education and training fills specific gaps and niches within industries. Growth within communities allows for more focus on development and less on marketing for recruitment.

Creating Quality Career Opportunities

- An available supply of a diverse and highly skilled workforce is critical to business. New business investment heightens the demands on the labor force, which generally increases wages and benefits across the economy. Creating quality career opportunities that increase the local average wage or require diverse skills that create higher-paying, sustainable employment will improve Indiana's per capita income ranking.

GOVERNING PRINCIPLES



Expanding and Preserving the Tax Base

- The tax base grows when new plants or facilities are built or expanded, generating taxable activity. Policies should assist companies already in Indiana and those relocating here. Public and private sectors should collaborate as well by promoting regional structures that respect the local identity of regions and communities.

Diversifying Indiana's Economy

- Attracting and facilitating new enterprise and expanding/increasing the competitiveness and productivity of existing industries are the principal means for diversifying the state's economy.

Maintaining a Competitive Business Environment

- Tax policies, incentives, litigation, and regulations all have an impact on whether a business locates or grows in Indiana. Policies should remove or reduce disadvantages for Indiana relative to other jurisdictions.

1. **Infrastructure for an Advanced Economy:** Changes in energy supply will create new opportunities and challenges for Indiana's economy. Increasingly, companies are demanding a mix of traditional and renewable sources of affordable energy. As major vehicle manufacturers move toward producing electric fleets, use of gasoline taxes for roads will become increasingly untenable and charging stations will need to be more ubiquitous. The emergence of autonomous vehicles will require changes to infrastructure. And recent cyber-attacks on gas pipelines and energy infrastructure heightens awareness of the increasing vulnerability of infrastructure that is vital to the economy and the need to take steps to reduce that vulnerability.

- *Ensure modernization and agility in the statutory requirements for the 2021 tax incentives under current review by the Indiana General Assembly: Community Revitalization Enhancement District Credit; Brownfield Revitalization Zone Deduction; Certified Technology Park Deduction; and Infrastructure Development Zone Deduction.*
- *Develop uniform standards and incentives for accelerating the deployment of renewable energy projects to diversify Indiana's energy supply;*
- *Examine current industry incentives to determine that they do not favor internal combustion engine production over electric or hybrid vehicle production;*
- *Encourage and support Governor Holcomb's participation in the 'Regional Electric Vehicle Midwest Coalition' that aims to deploy a network of electric vehicle charging stations in Indiana and four nearby states;*
- *Identify new funding sources for roads, bridges and other infrastructure that are not dependent on gasoline consumption.*
- *Support further analysis and research executed by the 21st Century Energy Taskforce.*



2. **Human Capital, Reskilling and Attraction:** Nearly any community, anywhere in the world has developed the capacity to build an industrial shell building, extend infrastructure and utilities to it and offer incentives to attract new business. Competitive advantage over land costs, site availability, tax structure, and the cost of doing business has leveled out: countries, states and communities know how to play and compete in the traditional economic development 'game.'

The real competition is for workforce and talent: how many and how good.

Indiana, like many Midwestern states, has struggled in recent years to retain home-grown talent, to adequately train and upgrade existing talent, and to specifically attract new talent to the state. The degree to which Indiana continues to struggle in this task and fall behind, is the degree to which Indiana will fall behind in attracting new investment and new prosperity.

'Quality of life' has become the new theme for many communities in Indiana. The push to improve quality of life is not an end, in and of itself, but the means toward the end of attracting new residents to replenish and increase Indiana's workforce. Exceptional quality of life assets attract an exceptional workforce, especially as that workforce has the capacity to locate anywhere and increasingly chooses a community and lifestyle before settling on a job.

To compete in this environment, Indiana must consider a variety of concurrent strategies and offer new tools and options to communities as even the smallest town in Indiana is forced to compete in a global workforce market.

- Mobilizing Indiana's workforce, short-term and long-term requires significant investment in equitable access to early learning and childhood education grants. IEDA supports policies so that access to daycare, childcare, or medical care does not become a disincentive to rejoin the workforce.
- Target training toward upgrading worker skills to connect them to high-demand, high wage occupations.
- Increase the proportion of residents with post-secondary credentials to achieve higher education attainment.
- Support policies that incentivize a healthier workforce to reduce absenteeism in the work place and reduce the overall cost of healthcare in Indiana.
- Improving Indiana's position on smoking, infant mortality and obesity as ways to eliminate headwinds on Indiana's workforce.
- Promote a diverse, equitable, and civil culture that attracts and retains talented individuals.
- Consider the 4% tax credit in order to fill the gap in production of single-family and multifamily workforce housing.
- Support initiatives of the Indiana Destination Development Corporation, INVets and re-entry initiatives to encourage more labor force participation and market Indiana.
- Indiana needs to provide incentives to public school corporations to equally encourage students to pursue four-year college degrees, or to alternatively pursue career technology certification that enables them to productively enter key occupations, e.g., manufacturing, construction, healthcare, etc. upon graduation.
- Oppose policies that discourage workforce attraction and retention efforts and encourage initiatives promoting inclusivity, diversity and innovation for unique opportunities.



3. Regional and Economic Development Tools: With the creation of the Regional Economic Advantage and Development Initiative (READI), the Indiana General Assembly took a major step toward positioning Indiana's economic regions to compete globally for new investment. The READI program incentivizes regional collaboration for the development of business and quality of life assets. But regional collaboration efforts may still be hampered by antiquated laws that prohibit, or at least discourage, cooperation across jurisdictions. Even though economic development is now often conducted on a regional basis and business prospects consider an entire region's assets when looking to invest, tax policy still rewards a 'zero sum' mentality which disincentives communities working together, even when doing so provides mutual benefit to both.

- *Indiana currently has multiple overlapping and competing regional structures: economic regions, workforce regions and other state agencies. Streamlining these regions would provide better coordination among key constituencies.*
- *Encourage the administration to continue rapid deployment of broadband throughout the state to enhance the state's competitive position.*
- *Address statutory barriers that impact investment in multi-jurisdictional projects for communities and counties.*
- *Support a thorough review of state statute to identify policies and provisions that either prohibit or discourage revenue sharing.*
- *Modernize provisions that may cause barriers for school corporations from collaborating on cross-corporation programs and instructional assets.*
- *Indiana has a number of overlapping taxing districts. This can be confusing for new investors coming to Indiana and may unnecessarily increase tax burdens as taxpayers are required to fund the same service in multiple jurisdictions. Streamlining local government to remove redundancies could improve service and reduce cost.*
- *Continue to create an attractive environment to recruit foreign direct investments.*
- *Encourage policy makers to continue to evaluate policies that support the overall health and viability of businesses.*
- *Clarify the public hearing process when offering property by redevelopment commissions.*
- *Ensure Indiana's tax base is fair and equitable to tax payers to maintain sufficient tax revenue so that taxing units can provide essential services.*



The Indiana Economic Development Association is the voice and advocate for economic development. Made up of economic developers, utilities, attorneys, consultants, financial institutions, higher education professionals, engineers, architects, and construction professionals, our members are passionately dedicated to advancing Indiana's prosperity by attracting and retaining investment.

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