

# PRINCIPLES AND PRIORITIES

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# ABOUT IEDA

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.

# LEGISLATIVE TEAM



**Mark Shublak, Partner**  
Taft Stettinius & Hollister  
mshublak@taftlaw.com  
(317) 713-9547



**Malika Butler, Director of  
Public Affairs**  
Taft Stettinius & Hollister  
mbutler@taftlaw.com  
(317) 713-9540



**Ann Cottongim, Director Municipal and  
Legislative Relations**  
Taft Stettinius & Hollister  
acottongim@taftlaw.com  
(317) 713-3584

# GOVERNING PRINCIPLES

IEDA believes that state and local economic development efforts should support an effective strategy that encourages private-sector investment, resulting in above-average wages, high-skill jobs, diversified economic sectors, and adequate tax revenues.

Statewide economic development policy should meet these criteria:

## **Improving Quality of Life and Investing in Community Infrastructure**

State economic development policy should ensure Indiana communities have the resources to create superior quality of life, build reliable infrastructure, and develop desirable community amenities to attract new investment and retain existing employers.

The principal driver of economic development is the ability to grow, attract and retain a skilled and diverse workforce. When deciding where to launch or expand, businesses seek vibrant, livable communities attractive to new residents and talented workers. To compete in the current economic climate, Indiana communities require excellent schools, affordable housing, reliable infrastructure, quality healthcare, accessible childcare, and entertainment and recreational amenities.

## **Expanding Workforce Training & Quality Career Opportunities**

State economic development policy should expand workforce training opportunities to develop a skilled workforce so that businesses can compete and communities can prosper.

Businesses grow in communities where they find highly skilled workers. By expanding workforce training programs, Indiana communities will provide businesses with access to talented and productive workers. Additionally, training programs enable workers to command higher wages and salaries, directly contributing to the overall health of the local and state economy. To ensure the continued availability of highly skilled workers, Indiana communities require effective, accessible, and high-quality workforce training pipelines across the state.

# GOVERNING PRINCIPLES

## **Promoting Entrepreneurship and Fostering Innovation**

State economic development policy should foster and promote an effective entrepreneurial ecosystem to foster innovation and support new business startups.

An entrepreneurial culture stimulates new economic growth and employment opportunities. Entrepreneurship is driven by access to top-tier talent. To effectively compete for new startups, Indiana must create communities that attract and retain talented individuals—especially those passing through our state’s premier universities—and ensure adequate financial support for innovative business ventures.

## **Increasing Local Tax Bases and Creating Effective Local Incentives**

State economic development policy should enable Indiana communities to both generate revenue and create local incentives needed to attain their economic development goals.

To create vibrant communities that are competitive in today’s business environment, Indiana’s cities, towns and counties need resources to improve quality of life and invest in community amenities. Local tax bases must be respected, and Indiana communities should be empowered to generate the revenue needed to reach their goals. Additionally, Indiana communities must be included in state-level conversations about attracting large investments and granted the autonomy to create local incentives unique to their regional identity and local industries.

## **Diversifying Indiana’s Economy and Attracting High-Growth Industries**

State economic development policy should diversify Indiana’s economy, especially through expansion of growth-oriented industries, to improve the state’s resilience during economic downturns.

# GOVERNING PRINCIPLES

A diversified economy is much more resilient than single-sector economies in the face of unexpected challenges. For the last half-century, Indiana has focused primarily on attracting traditional manufacturing businesses. To remain resilient in the face of rapid technological changes, growing ecological challenges, and periodic economic downturns, Indiana must also develop strategies to attract businesses in other growth-oriented sectors. By collaborating with the State's world-class universities, Indiana can attract investments in high-growth industries such as electric vehicles, data storage, alternative energy, semiconductor technology, and software development.

## **Maintaining a Competitive Business Environment**

State economic development policy should innovate and seek out best practices to maintain Indiana's competitive advantage.

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 and leverage the State's value proposition stemming from its numerous assets. The ability for local jurisdictions to have flexibility in offering incentives to individuals is just as significant as the State's ability to compete for large development projects.

## **Supporting a Diverse Workforce for a Diverse Economy**

State economic development policy should promote inclusion and tolerance for gender, gender identification, sexual orientation, race and ethnicity, and faith practices.

As many states now face a significant and growing labor shortage, the competitive advantage for attracting and retaining business investment is shifting to areas that are able to grow and retain a skilled workforce. Prosperity results from establishing a diverse and robust economy and a diverse and robust economy requires a diverse and dynamic workforce. The IEDA believes that efforts should be made to create and promote a culture in Indiana which is open, tolerant, and supportive of diversity as a means to attract and retain a competitive, diverse, and dynamic workforce.

# POLICY PRIORITIES

## 1. 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. Economic development tools need to evolve to support both the present and aspirational economy, quality of life and place, workforce needs and infrastructure.

1. Ensure Tax Increment Financing (TIF) and other state and local revenue sources are flexible and available to finance and maintain necessary infrastructure.
2. Promote new and existing policies and programs to maximize development and preservation of both multifamily and single-family housing options with an emphasis on blending mixed income with market and affordable rates.
3. Amend the Hoosier Business Investment Tax Credit to be refundable so Indiana has a tool to incent capital investments that is not connected to strict job numbers and wage levels.
4. Enable Indiana Development Districts to operate on existing TIFs or within redevelopment areas with consent of local communities.
5. Regional Development Authority membership should be representative of one member per county.
6. Amend economic development incentives and policies so that all communities can benefit equitably, and a portion of resources are targeted to areas of need.
7. Provide regulatory relief and target a reasonable share of resources to small businesses.
8. Enact a local tax mechanism across multiple jurisdictions that enables collaboration for multiple communities to work together for strategic projects.
9. Support tax policies that promote diversification of the state and local tax base to insulate Indiana against economic downturns without shifting the burden to any class of taxpayer.
10. Target federal and state resources toward fossil fuel communities to assist in their economic transition, environmental remediation, and targeted attraction of new investment.

# POLICY PRIORITIES

## 2. Human Capital, Reskilling and Attraction:

'Quality of place and life' has become the new theme for many communities in Indiana to attract people. The push to improve quality of life is not an end, but the means toward attracting new residents to replenish and increase Indiana's workforce. Exceptional quality of place and life assets allow communities to grow and attract an exceptional workforce, especially as that workforce has the capacity to locate anywhere in an increasingly remote work environment. To compete in this age, 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.

1. Continue significant investment in daycare, childcare, early learning and childhood education programs to ensure equitable access.
2. Consider a broad set of strategies to improve childcare business success, including regulatory relief, training and incentives for workers, and increased capacities.
3. Encourage policies supporting workforce attraction and retention efforts, including those that increase access to healthcare and essential services, as well as those which promote tolerance and individual liberties.
4. Eliminate disincentives to joining or rejoining the workforce and increase Indiana's workforce participation rate by addressing barriers such as access to childcare, transportation, or medical care.
5. Continue significant investment and policy review to support the successful Next Level Jobs program.
6. Increasing high school graduation rates, adult high school completion, and certification training should be an urgent workforce policy.
7. Target training programs toward upgrading worker skills to connect them to high-demand, high-wage occupations and increase the proportion of residents with post-secondary credentials.
8. Enable a workshare program for Indiana businesses to retain talent during economic downturns by encouraging hybrid work models.
9. Support the expansion of Jobs for American graduates in all Indiana high schools so every student graduates ready to earn, learn, or enlist.
10. Support policies that incentivize a healthier workforce in order to reduce absenteeism in the workplace and reduce the overall cost of healthcare in Indiana.



# POLICY PRIORITIES

## 3. Infrastructure for an Advanced Economy:

Infrastructure should be designed and constructed in a manner that promotes sustainability. The development and maintenance of infrastructure should be carried out with a mindset of innovation, resulting in improved efficiency and effectiveness. Collaboration between the public and private sectors can facilitate the development of infrastructure projects that are sustainable, affordable, and innovative. Indiana's strategy should revolve around ensuring ample and long-term sustainable funding exists for charging stations, roads, bridges, sidewalks, trails, water and digital infrastructure.

1. Appoint a cabinet level official with authority to convene digital service providers, engage communities with broadband ready plans, coordinate resources and overcome broadband challenges as they arise.
2. Make the creation of an infrastructure funding taskforce an urgent priority.
3. Continue legislative and administrative policy priorities for digital infrastructure enhancements to better connect businesses and residents at higher speeds with more capacity.
4. Increase the flexibility of local government tools – including the State Revolving Fund program and public-private partnerships – to meet growing local transportation needs.
5. Expand the Community Crossings program to support new and existing construction to meet the needs of all local units.
6. Examine current industry and individual incentives to encourage Indiana's transition to an electric automotive future.
7. Identify new funding sources which are not reliant on petroleum-based sales to support construction and maintenance of roads, bridges, and other infrastructure.
8. Enable local units to collaborate to establish and utilize special taxing districts to capture incremental growth for regionally significant projects under a regional plan.