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2020-2021 PRINCIPLES AND PRIORITIES

Economic Development is More Important Than Ever

The COVID-19 crisis will be a defining event for many Hoosiers who lived through it because of the remarkable impact it had on their lives, whether they contracted the virus or not. The economic impact has been significant, catapulting Indiana's unemployment rate from single to double digits in a matter of months. Businesses large and small saw revenues disappear along with the household incomes they supported and the taxes they generated for state and local governments.

Government will not be able to spend its way out of the economic impact of the virus crisis.

Economic developers stand at the hub of local efforts to grow business investment, add and retain jobs, expand tax bases and reduce barriers to businesses that want to expand in their local communities.

At this time, economic development is more important than ever as we mobilize to grow Indiana back to prosperity and eliminate the economic impact of the coronavirus crisis.

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.



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.

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:

Prioritizing Economic Recovery

- Public policy should be prioritized to stimulate recovery, return workers to jobs, and restore tax bases. IEDA has prioritized preserving and investing in economic development tools that enable Indiana to grow out of this crisis and, where possible, are revenue neutral.

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

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 pay above the local average wage or require diverse skills that create higher-paying, sustainable employment will improve Indiana's per capita income ranking.

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.

Preserving Quality of Place

- 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.

Preserve, Maintain, and Grow Economic Development Tools: Local and regional economic development efforts are helping communities to recover from the economic collapse created by COVID-19. With high unemployment, economic growth is now more important than ever. The only way to recover is through economic growth and getting workers going back to work. Maintaining investment in existing economic development tools is critical for Indiana to leverage multiple returns, enabling it to grow out of this crisis. Transformational change should be promoted in an equitable manner appropriate for rural and urban communities.

- Preserve TIF, EDGE, urban enterprise zones, and tax abatements as vital local economic development tools.*
- Preserve the redevelopment tax credit for future budget cycles.*
- Establish a one stop shop for recovery and state resources for careers, training, and financial supports.*
- Establish a funding priority for the Skills Enhancement Fund (SEF) and enable it for all companies.*
- Allow recent changes in the TIF statute to work before more changes are enacted or contemplated.*
- Continue to create an attractive environment to recruit foreign direct investments.*

Workforce Development: Workforce demand is a top priority for stimulating economic recovery. Going forward, a significant number of employers will still find themselves unable to fill their job vacancies because of an ongoing "skills gap." Aligning the available workforce with current employer needs is an urgent priority requiring investment in training. A strategic priority should be to initiate programs to attract and retain skilled workers with an emphasis on veterans and graduates. Removing barriers to workforce participation, such as lack of daycare and transportation, are critical.

- Leverage the Skills Enhancement Fund (SEF) to assist companies addressing skills gaps and reengaging workers.*
- Increase the proportion of residents with post-secondary credentials.*
- Scale benefits to promote incentives to rejoin the workforce.*
- Create policies so that access to daycare, childcare, or medical care does not become a disincentive to rejoin the workforce.*
- Streamline access points so that training and education are as accessible as possible.*
- Promote a diverse, equitable, and civil culture that attracts and retains talented individuals.*
- Target training toward upgrading worker skills to connect them to high-demand, high wage occupations.*
- Consider the 4% tax credit in order to fill the gap in production of single-family and multifamily workforce housing.*
- Maintain previous commitment to school funding as a priority, and hold schools harmless for distance learning versus classroom learning.*

Broadband: One of the greatest challenges exposed by the coronavirus pandemic is the degree to which lack of access to broadband creates two classes of Hoosiers: those who have access and those who don't. Affordable, universal access to state-of-the-art broadband communications across the state is critical to creating a level playing field for rural and urban areas to recover, attract investment, provide education, and develop telemedicine. All sectors of modern business - agriculture, manufacturing, distribution, life sciences, services, and retail - are being dramatically transformed and increasingly reliant on dependable, ubiquitous broadband access. Economic developers in rural counties increasingly report that lack of affordable broadband is a competitive barrier to businesses that would otherwise find rural Indiana an attractive operating location.

- Support policies that aggregate demand to induce private sector return on investment for deployment of networks in unserved and underserved areas.*
- Invest in a more accurate service map that details service down to the parcel level, not just the FCC map that is only accurate to the census block level.*
- Eliminate the challenge process to the Next Level Connections Broadband Grant Fund and allow competition in a census block.*
- In unserved and underserved areas, state policy should promote flexibility to enable service by municipal entities or other non-traditional market participants.*
- Consider use of the Indiana Universal Service Fund and I-Light fiber optic network for broadband deployment into unserved and underserved areas of the state.*
- Amend the Economic Improvement District statute and Barrett Law program to enable deployment of middle and last mile broadband service.*
- Align federal and state investments to current speed thresholds.*