



2864 Miller Drive  
Plymouth, IN 46563

Phone: 574-935-8499  
Fax: 574-936-2645  
[tom@marshallcountyedc.org](mailto:tom@marshallcountyedc.org)  
[www.marshallcountyedc.org](http://www.marshallcountyedc.org)

## **Marshall County Economic Development Corporation Newsletter June, 2009**

### **Incentives for industries of the Mind – Senate Bill SEA 448**

In the previous newsletter a good deal was written regarding the Marshall County MetroNet and how it will help the county diversify its economic portfolio to include so-called knowledge based industries. Senator Ed Charbonneau has sponsored and secured passage of SEA448 which provides us with an additional economic development tool that will complement the MetroNet and existing fiber-optic providers in the county.

Heretofore, Indiana's tax structure has not been conducive to certain kinds of knowledge based "enterprise" or "data class" industries that support computing, data storage and networking firms. Needless to say, this has placed Indiana and Marshall County at a disadvantage not only with surrounding states, but other countries as well. SEA448 remedies this deficiency and places the state on an equal footing with its competitors.

SEA 448 applies to companies investing a minimum of \$10 million in enterprise information technology equipment with an employee wage rate that must be 125% of the county average wage. This bill allows a county or town council to permanently exempt this equipment from personal property taxation.

The need for this legislation was documented in a report, "Indiana Economic Development Analysis Base Case for New Technology Companies (December 10, 2008)," by Cender and Company LLC in Merrillville.

### **Unemployment in Growth Region 2 (GR 2)**

As Chart 1 below indicates, unemployment in Marshall County fell by 1.5% in April to 13.5% and remained unchanged in May. During the beginning of the financial downturn, Marshall County had the second highest unemployment in GR2, surpassed

only by Elkhart County. Interestingly Wabash, Cass and Miami Counties, in addition to Elkhart County, now have higher unemployment than Marshall County. Marshall County has fallen from second to fifth out of eight in a race in which last is best.

Let us hope we have seen the worst of what some economists have termed the Great Recession. At the very least perhaps this is an indication that the rate of unemployment growth is declining.

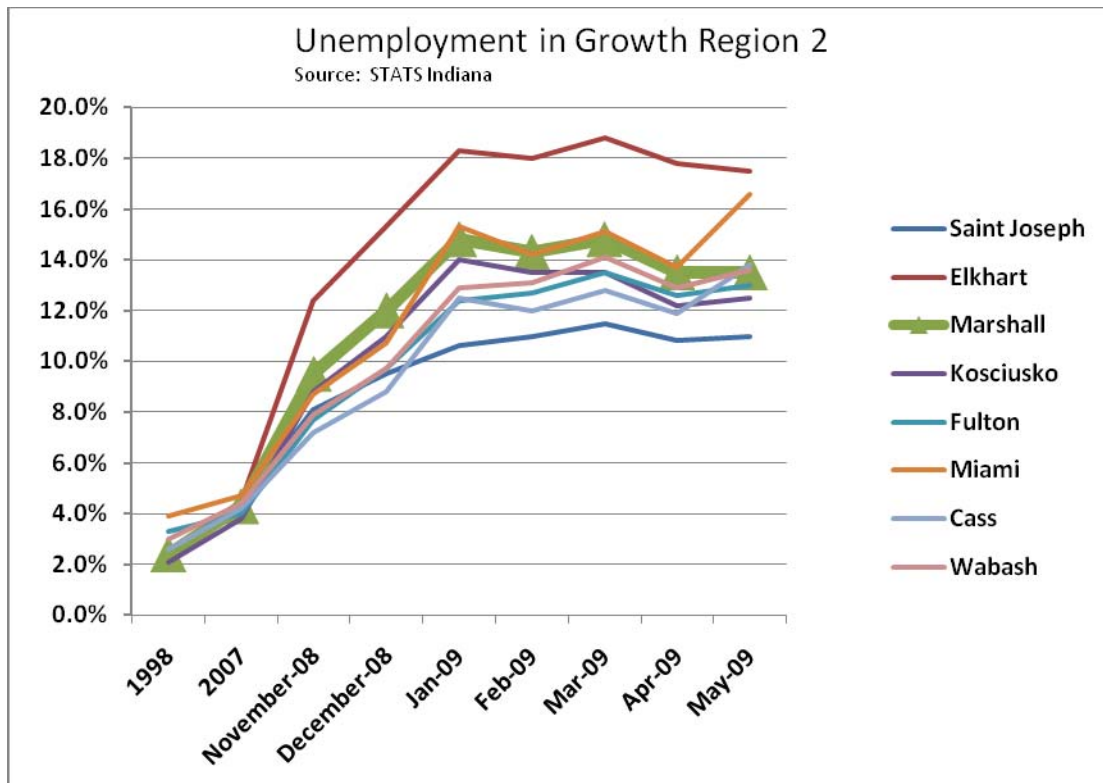


Chart 1

## Marketing Communities

Every three years since 1996, Development Counselors International, an economic development consulting group in New York, has surveyed American corporate executives in an effort to identify best practices in marketing communities. The 2008 survey, "A View from Corporate America: Winning Strategies in Economic Development Marketing," has recently been made available. Here are some highlights from it.

- The sources of information that have the most influence on business executives have not changed since 1996. These sources are dialogue with industry peers, articles in newspapers and magazines, and business travel.
- In 2008, "Internet/Website" became the highest ranked economic development marketing tool.

- Sixty four percent of respondents indicated that they would use an economic development organization’s website in their next site location search.
- Nationally, the states of Texas, North Carolina and Georgia were perceived as having the most favorable business climates while the states of California, New York and Michigan were perceived as having the least favorable. Indiana was ninth in this category. I believe that Indiana could and should be in the top three.
- Internationally, the nations of China, India and Mexico were seen as having the most favorable investment climates.
- Chart 2 indicates the most important sources of economic development information for business executives.

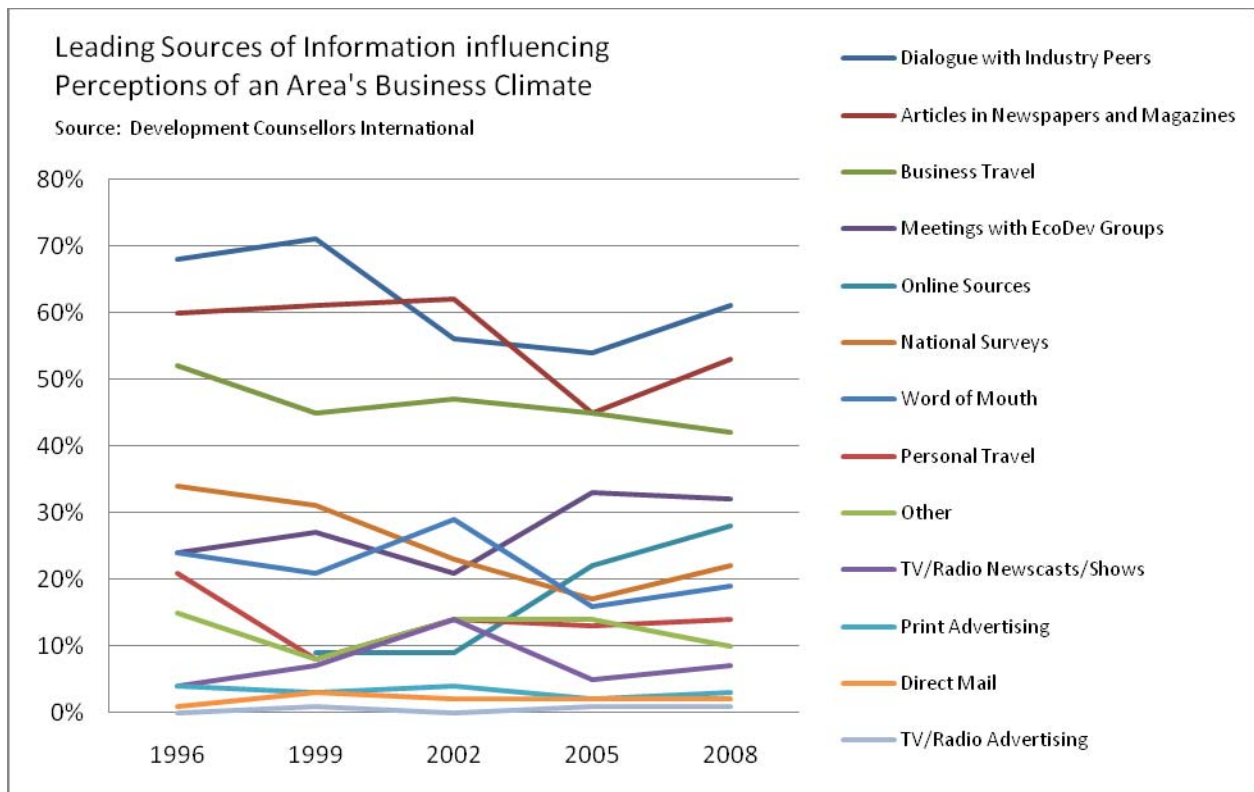


Chart 2

### Excerpts from the Indiana Economic Development Corporation’s Press Release on the Madras Packaging Expansion

Argos, Ind. (July 8, 2009) – Madras packaging, a manufacturer of plastic bottles and containers, announced today that it will expand its operations here with expectations to create up to 30 jobs by the end of 2012.

The company, which produces dairy, industrial, household chemical and personal care bottles, will begin construction this month on a 40,000 square foot warehouse adjacent to its existing 130,000 square foot bottle production facility on Dewey Street in Argos. Total investment in the new building and equipment is expected to be \$ 5.8 million over the next three years.

“For Madras Packaging to choose to grow its business in our state over all other options [including Fulton County Georgia] is a testament to the fine workers and compelling business environment Indiana has to offer,” said Governor Mitch Daniels.

Madras Packaging currently employs 79 at its north central Indiana operation and plans to begin hiring additional operators and warehouse associates upon completion of its new facility this fall.

"Our Argos facility has experienced significant growth in sales over the last year requiring the expansion of the facility and Argos is in a perfect location when you consider it is centrally located within a number of major markets for plastic bottles such as Indianapolis, Chicago, Detroit and others," said Joe Carr, vice president and general manager at Madras Packaging. "This is why we chose to continue to invest in our Indiana facility versus erecting a plant in another state."

It is important for every resident of Marshall County to understand that this was a very competitive project in which we prevailed over a site in Georgia where Madras has an existing facility. By most accounts, Georgia is ranked ahead of Indiana in terms of business climate, yet Madras chose to locate in Argos.

### **A Word to Recipients**

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Thanks for your support!