



North Central Indiana Economic Development District

by *Monty Henderson, project director at Workforce Development Strategies, Inc.*

During a visit to Dayton, Ohio last spring, I was surprised to read in a flyer in the hotel that Honda was the region's top employer, employing over 13,000 local workers in their four plants located in Marysville, East Liberty, and Anna and 3,000 more in other Ohio locations.

Subsequently, I have read similar Honda Ohio articles in magazines like US News & World Report, newspapers, and various web sites. Most recently, the September 7, 2004 USA Today printed another article about this story in a state that is one of the most hotly contested for the upcoming presidential election.

This is intriguing for many reasons from many angles. Honda opened its first Ohio plant in 1979 amongst cultural misgivings. The risks taken by the company were unique and considered extreme. At that time I was a college student and I recall the interest that the national media and academia had in this story at its inception.

Can a Japanese automaker succeed in the traditional Mid-Western business climate? Will they be able to attract and pay fair wages to good employees? Will Americans fit into the Japanese model? Will anyone buy a Honda produced in the United States?

Today, more than 128,000 jobs have been created by a result of Honda's bold decisions made 25 years ago. A Honda worker with two years experience earns about \$46,800 before overtime. The Honda brand name has become to be recognized as a supplier of quality products in the United States. Honda has pumped more than \$1 billion into the state and local tax districts. The city of Marysville (population 15,492) is obviously one of those prime benefactors of having Honda as tenant in their city.

A visit to Marysville's web site (www.marysvilleohio.org) reveals that they are the county seat of Union County, are located 25 miles Northwest of Columbus, offering "the advantages of a metropolitan area with the charm of a rural community." Further, "The city's administration and leaders are committed to maintaining its 'Quality of Life' while controlling growth, to assure that growth is orderly and productive for its citizens."

If one would substitute the name of Marysville with one of our county seat cities (Logansport, Kokomo, Peru, Rochester, Tipton, and Wabash) and Columbus, Ohio with one of our neighboring metro areas (Indianapolis, Lafayette, Fort Wayne, or South Bend) you would hardly miss a beat of the spirit and attitude of our cities.

Now let's now compare Marysville, Ohio to the averages of our region's six county seat cities:

- The six city (NC IN) average of 17,367 is similar to Marysville (15,492). The education of those with high school and collegiate degrees are nearly the same, as are ethnic backgrounds.
- One striking variation is that the average Median age of Marysville residents is 31.9 years old. This is compared to North Central Indiana's 37.5.
- Union County Ohio has 27.6% of their population that is 18 and under while North Central has 18.9%. This surely has been impacted by having a young, aggressive, growing, multi-national firm planted in your community. Many who hired into Honda in the early 1980's and on are bearing children and growing their community.
- A population increase of 36.9% since 1990 verses 3.5% for North Central Indiana.
- It is a great example of how one key employer can impact an entire region. Undoubtedly, many counties have benefited by having Honda in their region. Two adjacent counties in Ohio to the west of Union County, Logan and Champaign, have grown nearly 10% since 1990. Both of these counties are rural farm counties much like Cass, Fulton, Miami, Tipton, and Wabash counties.
- Even though the neighboring counties may have thought that they had somehow "lost" in their bid to attract Honda into their hometown in 1979, they ultimately have "won" crucial jobs and benefits to their local economies and tax bases.

What has happened with Honda and Marysville can happen with North Central Indiana. The demographics of both regions are very similar.

We must recognize that it will require a cohesive effort between all of our six counties in order to attract a "difference maker" of the magnitude of Honda. Competition is fierce between individual counties in attracting desirable employers. A collective effort by our six counties in North Central Indiana may play a much greater role in locating new industry than we think. No matter where a new employer is located in the region, we all benefit in some way.

Tipton County EDC Director Heads to Connersville

William Konyha, Executive Director of the Tipton County Economic Development Corporation announced in late August his resignation as Executive Director of the Tipton County Economic Development Corporation. Konyha has accepted the Executive Director position at the Economic Development Group in Connersville (Fayette County) Indiana. Konyha has served as director of the Tipton County EDC since February 1996.

Don Havens, Chairman of the Tipton County EDC commented that our loss is Connersville's gain. He added that Bill's time here has been very productive for the community and in its development efforts.

The EDC board of directors will begin the replacement process very soon. A committee will be designated to begin this process and narrow the search. Until then, Joe VanBibber will serve as the Interim Director.

Web Building Database

If you are an owner of vacant property and/or a building consisting of office, retail or industrial space in Tipton County, the Tipton County EDC can list your property on the *Available Properties Database* located on the Tipton County EDC website at www.tiptonedc.com. National site selection databases of the major utility companies and the Indiana Department of Commerce are linked to ours expanding and increasing its effectiveness.

In order to do so, we ask owners to provide their permission in writing. Owners will be asked to complete an Available Properties form to assist staff with the addition of their information to the database. Staff will create a page listing all information about the facility including location, square footage, contact information, and will take a photograph to be included in the database as well if none is provided. The completed information will be submitted to the owner to assure all information is correct before it is posted on the website.

This service is available at no cost to Tipton County property owners and is a great way to market your vacant building to potential tenants and/or buyers. Check out *Available Properties* on our website at www.tiptonedc.com. If you are interested in participating in this opportunity, contact our office by calling (765) 675-7417, by email to degillam@tds.net or stop by the office located at 136 E. Jefferson Street to inquire.



Building a better community ~ Advocates for business ~ Working together for you and your business

Tipton County EDC MISSION STATEMENT

The TCEDC was organized for the purpose of promoting economic development, to increase the number of available employment opportunities, to enhance the strength of the business sector, and to create economic stability in Tipton County.

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Visit us on the Web at
www.tiptonedc.com

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TCEDC Executive Director's Report

from the desk of William S. Konyha



February 2, 1996, Ground Hog Day, was my first day as Executive Director of the Tipton County Economic Development Corporation. The TCEDC Board of Directors hired me the previous November and permitted me to give my current employer a little more than sixty-day notice. They asked if I would pledge to remain employed by TCEDC for at least five years. Although I made it for nearly nine years my hope and my goal was to retire from TCEDC.

I remember my first day in vivid detail. I was full of energy, enthusiasm and a passion to make positive things happen in my newly adopted home. I set about my job with determination to become integrated into the community. Almost immediately I was made aware of the parochial attitude in Tipton and I had to face the fact that as I was not born here I would never be accepted as a true member of the community by some Tipton County residents.

I hit the ground running and began recruitment efforts with Package Right Corporation, an expansion effort with D.C. Coaters, Inc., I joined the effort to recruit the Farm Progress Show, attended my first meeting with the Tipton City Council to speak in favor of a tax abatement for the Apple Group, met with Durex Products in Windfall and with Baumgartner Asphalt in Goldsmith.

Eventually we secured Package Right Corp., facilitating an investment of more than \$3,000,000 and the creation of 50 jobs, Durex invested \$40,000 and created 4 jobs, and the Apple Group invested approximately \$30,000 creating two additional jobs. After a lengthy process we succeeded in landing the Farm Progress Show. We began working to support a sale of the vacant Quaker Oats Building, assisted Herman and Associates efforts to bring 40 units of quality affordable housing to Tipton, assisted Baumgartner Asphalt to construct a new facility, landed the Farm Progress Show for 1998, began discussions with Böttcher America Corp. and Gaylord Container Corp. (Midwest Sheets), developed a system through which we could more effectively and objectively evaluate requests for abatements of property taxes, and expanded the golf outing and our base of supporters.

The second year also yielded significant success. We attempted to secure an agreement that would permit Tax Increment Financing (TIF) in order to expand the industrial park and to bring two new businesses to Tipton. We were not able to persuade the County Commissioners to authorize TIF financing of the expanded industrial park. TIF would have enabled us to capture property taxes paid by businesses locating in the park to pay the costs to acquire the land and construct infrastructure. It is likely that we would have had to commit a portion of the local County Economic Development Income Tax (CEDIT) to guaranty bonds issued to finance the park while we waited on the tax increment. We would not have had to commit ten-years of CEDIT to finance the park had we authorized the creation of a TIF District. Therefore, after the Commissioners declined the opportunity to authorize a TIF we approached County Council and asked them to increase the CEDIT in order to attract Böttcher America Corp. and Gaylord Container Corp (Midwest Sheets). Council agreed and Northgate Industrial Center was off and running.

The original CEDIT commitment was for the city and the county to each provide \$120,000 per year for ten-years as a grant to the EDC. This amount would pay the estimated cost of site acquisition, development, and provide some incentives to businesses to locate in Northgate Business Center. TCEDC created a subsidiary capable of tax exempt financing and immediately saved the city and the county a combined \$480,000 from their commitment. Still later, an additional savings of \$106,000 of interest expense was passed through as a result of the EDC spending the funds at a much slower rate than was anticipated.

Later that same year we were asked to assist the Town of Windfall to develop a new town hall and Wildcat Township was in need of a new fire station. TCEDC came forward as a not for profit building corporation, developed, financed and constructed both projects. The community now has a wonderful community center, town hall, utility office, and a four bay fire barn.

Throughout my tenure, TCEDC has been entrepreneurial in its approach to issues. We worked to find solutions to problems, our "can do" attitude made it possible for us to overcome obstacles, create employment and economic opportunities, and to improve the quality of life for Tipton residents. By any measure the efforts of TCEDC can only be described as successful. Nine years ago the average wage in Tipton County was about \$9.00 per hour, today it is well over \$13.30 per hour. Tipton County experienced the largest increase to its median household income in the region. Median income is the point where one-half of the household incomes in the county are greater than and one-half are less than. Many economists believe that the median is a more accurate measurement than "average income". We focused our efforts to facilitate the creation of jobs with the potential of average wages that exceeded the average wage at the time. The result is that we created competition for employees among the businesses and significantly raised the bottom of wage scale thus improving the "median household income" for Tipton County.

TCEDC Executive Director's Report

from the desk of William S. Konyha

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Business attraction projects of the past eight and one-half years are currently generating more than \$21,531,448 of assessed values for real property and personal property. This figure is net of any tax abatements and is currently generating \$82,487 in county property taxes, \$281,028 in school taxes, and \$17,144 in library taxes and \$2,778 in solid waste district taxes. This total of \$383,437 in county property taxes is net of all abatements and it includes almost nothing for 84 Components Co. as their tax abatement has just begun. Neither does it include any taxes for the many expansion projects that TCEDC assisted with during the past eight years. None of the local County Adjusted Gross Income Taxes (CAGIT) or CEDIT taxes paid are included within this figure. Neither are any property taxes paid to townships or to cities or towns. Tipton County pays TCEDC \$60,000 per year for its services, which is a bargain by almost any standard.

Since the events of 9/11 business attraction projects have been scarce, yet TCEDC has performed. In spite of the recession and the contraction of manufacturing we never the less succeeded in attracting 84 Components. We also won competition with several other states for an expansion of bulk storage and warehouse for Pioneer, a DuPont Company. Since that time we assisted Steel Parts Corp. and Acraline Products, Inc. with three expansions. TCEDC staff and board are currently working with four expansion projects and one business attraction project. Each of these projects is targeted for the industrial park area.

TCEDC staff wrote numerous grants and assisted groups such as Tipton County, the City of Tipton, the town of Windfall, the Kempton Fire Department, the Boy Scouts, the Chamber of Commerce, the Senior Center, Tipton Community Theater, and others secure funding for projects as diverse as the Comprehensive Plan, the Golf Course Club House, and Fire Trucks. We supported Tipton County and its businesses through our participation with the Common Construction Wage Committee. We assisted the City by participating on the Downtown Revitalization Committee.

Much has been accomplished by TCEDC before I arrived, more was accomplished during my service and much remains to be accomplished. Tipton is a wonderful community with an opportunity to become just about whatever it chooses to become. However, community agreement on a vision for Tipton County in the future must be a priority. This cannot be established by any one segment of the community, it must be accomplished with the participation of the entire community. There must be a place at the table for the farmer whose family has been in Tipton County for several generations. But there also must be a place for the newly arrived professional residing in Tipton while working elsewhere. The factory worker must be represented and so must the merchant. The senior citizens must have a prominent place at the table, but so must our schools, our industry and our commerce.

The re-construction of U.S. 31 will have a drastic and permanent impact upon Tipton County, which will either be immensely positive or destructively negative. Those who believe that the only issue is to push the Kokomo bypass as far north as possible so as not to impact Tipton County are short sighted and not truly interested in serving the needs of all the citizens and taxpayers of Tipton County. We have to begin to consider the future, our children and our grandchildren as we undertake planning issues. Preservation of farm ground is crucial for Tipton County. However, we have to strike a balance between preserving our past and planning for the future.

Ultimately a community will either grow, or it will die. What it cannot do is stay the same. Our schools need people, as do our hospital, our banks, our businesses, and all of our local institutions. Our schools are experiencing declining enrollment. Tipton Utilities is experiencing a declining customer base. We have lost all of the population gain of the past decade plus a little. The forecast is for the continued loss of population and a dangerously aging population.

All of these issues impact everyone in Tipton County. Homeowners run the risk of losing equity if the community does not grow. The continued loss of population places our schools, hospital, and other institutions at risk. We cannot hope to attract another grocery store or any other retail venture unless there is fairly significant population growth.

Input from the entire community is required if we are to deal with these issues. We must learn to talk with one another without launching personal attacks because there is a difference of opinion. Communications should be direct and personal instead of divisive. We cannot hope to solve anything if we continue to communicate with letters to the Editor. This is no way for a community to discuss issues or to solve problems. These personal attacks only serve to further divide the community and progress much more difficult to achieve.

Success Grows Best at Home...

Böttcher America Corporation Expands

The Board of Directors of the Tipton EDC recently voted to convey an additional one-half acre of land to Böttcher America Corp. in order to facilitate an expansion of their Tipton operations. This relatively small expansion provides them with greatly needed warehouse space that will free up floor space for additional production.

Böttcher intends to bring two new processes and new technologies to Tipton, creating up to 15 new jobs in the process. The addition of these new processes and technologies enhances the future viability of Böttcher's Tipton operation.

This expansion also enables Böttcher to contemplate additional expansions for Tipton. They are currently in the earliest stages of planning future operations and Tipton will be considered for additional new technologies and processes that could cause Böttcher to double the size of the existing facility.

The staff and Board of Directors of the EDC are anxious to assist Böttcher in these expansion efforts as the jobs that Böttcher creates are of the more highly skilled and compensated and are consistent with TCEDC strategies for economic development.



DC Coaters to Expand

The TCEDC Board of Directors acted favorably to the recommendation of the staff and voted to support the strategy of selling D.C. Coaters, Inc. an additional one-acre parcel of land. D.C. Coaters, Inc. will use this land to expand their current facilities from 20,000 to 40,000 square feet.

According to Dennis Cook, President of D.C. Coaters, Inc. the capital expense associated with this expansion is estimated to be \$600,000. This will bring D.C. Coaters total investment in real estate to well over \$1 million. In addition, the company will move and upgrade its e-coat machine from Muncie at a cost in excess of \$550,000.

This expansion will add approximately 17 full-time equivalent (FTEs) to the company's Tipton payroll. They anticipate that the total payroll during 2005 will be in excess of \$1,700,000.

D C Coaters, Inc. supplies the automotive industry with electro-deposition painting services. During 2004 they painted over 40 million parts for customers such as Steel Parts Corp., LH Industries, Small Parts Corp., Delphi Automotive and others.

PACKAGE RIGHT CORPORATION

Package Right Corporation has requested tax abatement on a new piece of equipment that will bag and heat seal the jigsaw puzzles and board games made by the company. The cost of the equipment is \$500,000. The company's customers are insisting they heat-seal the packaging. If Package Right does not make the change, they stand to lose 50% of their business.

No new employees will be added as a result of this purchase; however, the company will be able to retain 25 people who otherwise could lose their jobs. A six-year abatement of property taxes on the equipment purchase has been recommended to the Tipton City Council.

Chamber / EDC 11th Annual Golf Invitational

Heartfelt Thanks to Sponsors & Participants

The 11th Annual Tipton County Chamber & Tipton County EDC Golf Invitational was held July 16 at Tipton Municipal Golf Course. The dedication and support of our many sponsors and volunteers helps to make it one of our most successful and enjoyable annual events. We extend our sincere appreciation to our sponsors, contributors, volunteers and participants.

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