



SWITZERLAND COUNTY
economic development corporation



ANNUAL REPORT 2014

Report to the Community



Switzerland County's State of Economic Development

In Switzerland County, 2013 will most likely be remembered for looking to back on the community's past. As we celebrated our Bicentennial, we honored the business and civic leaders of years past who left our community with a long and interesting history. As we looked back on 200 years of Switzerland County, I also thought about how those looking back in 50, 100, or even 200 years might view our era and how we left the community for future generations. These are historic times in Switzerland County. Rural communities across the nation continue to shrink, disappear, or simply get overrun by the nearest metropolitan area. We have to decide what steps we are willing to take as a community to make sure we always get to choose our own fate. Whether we accept it or not, we are all playing a role in creating the future of Switzerland County right now. When that future gets here, 2013 may be remembered as the year that some of the most important pieces of the county's economic development puzzle began to come together.

Since 2004, the guide for our local economic development activities has been Switzerland County's Economic Development Strategy. The strategy and its 2011 update can be found online at www.switzerlandusa.com/strategy. A key element of that strategy was to have usable and attractive sites where a business bringing jobs and investment to the county could locate. This task has now been achieved. Construction was completed on the Markland Business Park in November, 2013. The park has already been featured in national industrial real estate magazines and was among the first sites in Indiana to receive a Shovel Ready certification from the Indiana Economic Development Corporation. The project has already attracted over \$1 Million in outside grants to Switzerland County and generated another \$350,000 in new County revenue.

Another key component in the County's Economic Development Strategy was to create better tools to improve training and skills within the county's workforce and to help employers train their workers. 2013 marked the first year of training

programs at the Switzerland County Technology and Education Center (TEC). Switzerland County's workforce initiative has received over \$950,000 in outside grants, much of which was used to develop and furnish the County-owned facility. While the workforce programs are in their very early stages, the project has already earned a Gold Award from the International Economic Development Council, who declared Switzerland County's workforce initiative to be the best small community workforce development program in North America.

Finally, the availability of high speed internet has been a difficult barrier to economic development in Switzerland County, especially among home-based businesses. This issue has been a top priority in our economic development strategy since 2004. In 2013, we saw significant improvement in internet coverage across Switzerland County with the opening of a new wireless high-speed internet service by Enhanced Telecommunications Corporation. This new coverage, along with services from other carriers, makes reliable high-speed internet access available to over 90% of Switzerland County's population.

What lies ahead for us in 2014 and 2015 will be even more important. What Switzerland County is able to accomplish in the next few years could determine what overall quality of life our community will enjoy for generations. Economists expect our national economy to see a stronger improvement in 2014 and 2015. Closer to home, The Greater Cincinnati and Greater Louisville Regions are both expected to see faster growth than the national average over that same time period. Growth in the regions around us will create opportunities for Switzerland County; opportunities to attract new employers to the area and opportunities for existing businesses to grow. Business growth not only helps those looking for work. It also brings in more taxpayers to help ease the burden of funding government. Our ability to participate in this economic revitalization will depend on how prepared we are to seize the opportunities within our reach.

As we prepare for such an important year, the good news is that much of the county's economic development strategy was written to position the area for these types of opportunities. That means that, not only were we planning for a time like this but that much of the hard work has already been done. 2013 was just one of several years that

have been spent getting the county ready to compete for employers.

Switzerland County can also benefit from a solid past. The Switzerland County economy fared better than most of the United States in 2013. With a global economy that is still being referred to as the worst since the Great Depression, Switzerland County has consistently held the lowest unemployment rate in Southeast Indiana. While local communities all over Indiana have been forced to raise local taxes to maintain basic services, Switzerland County's property tax rates were among the five lowest county property tax rates in Indiana last year. Switzerland County did see significant business investment in 2013 with the opening of several new small businesses and a facility upgrade at the Belterra Casino, Resort and Spa valued at approximately \$10 Million.

LOOKING TO 2014

As we work to position the County for success, the 2014 economic development work plan will look different from prior years. Here are some examples of how our ongoing projects will change:

Marketing: It is now time to spread the word about Switzerland County and the benefits our community can offer.

Public Input on Strategy Update: Around the end of the year we will reach out to the community to collect their input for a new strategy update to be developed and released in 2015.

Continue to Grow Training Programs: Developing the best adult education and training system we can will benefit the entire community.

Support for Small Businesses: There are a wide range of small business tools already available. The challenge is to make them more assessable and easier to navigate for businesses in our community.

Watch for Threats: As with every year, we have to keep our eyes open for threats to our local economy. Like the loss of Vevay's grocery store in early 2012, an emerging threat to the community can instantly rearrange the County's economic development priorities. In 2014, the two greatest threats we are aware of involve the gaming industry.



Switzerland County Economic Development Corporation Participates in Regional Gaming Study

The Switzerland County Economic Development Corporation, in cooperation with the Southeast Indiana Growth Alliance helped to develop a study of the Casino industry in Southeast Indiana. The Southeast Indiana Growth Alliance has issued the report to elected leadership in Southeast Indiana describing the current state of Indiana’s gaming industry, new competition, and how these factors will impact the region. In addition, the report examines the potential impact of proposed legislation by the Indiana general assembly.

The report, available on SCEDC’s website, makes the following findings regarding Indiana’s casino industry and competition:

- The majority of our out of state competition is owned by Indiana casinos
 - ~ 8 of 11 planned Ohio casinos have ownership interest from an Indiana operator
 - 6 of 10 in Illinois (See image on following page)
 - ~ It will be critical to ensure that incentive gains will be used to compete (in Indiana)
- 2012 Statewide gaming revenues are up 1.3% from where they were five years earlier
 - ~ State gaming tax collections are down in-part because business at the riverboat casinos has been displaced by the racetrack facilities, which pay a lower tax percentage overall. Tax collections are also down because of a Bankruptcy Court ruling lowering the taxes of the State’s two casinos.
 - ~ Gaming revenues are expected to decline in 2013-2014 due to out of state competition.
- Legislation aimed only at increasing revenues could do far more harm than good to the industry and to Indiana.
- Tax benefits proposed to date are not strong enough to make a meaningful impact and do not have adequate enforcement or accountability.
- The expansion of gambling within Indiana would likely create even more turmoil and uncertainty for existing properties.
- If not carefully written “tax relief” provisions could encourage some casinos to hedge their bets in Indiana. A decision by any casino operator to “scale-down” their facility will be damaging to the host community and to the state’s bottom line.
- Tax benefits proposed to date are not strong enough to make a meaningful impact and do not have adequate enforcement or accountability.

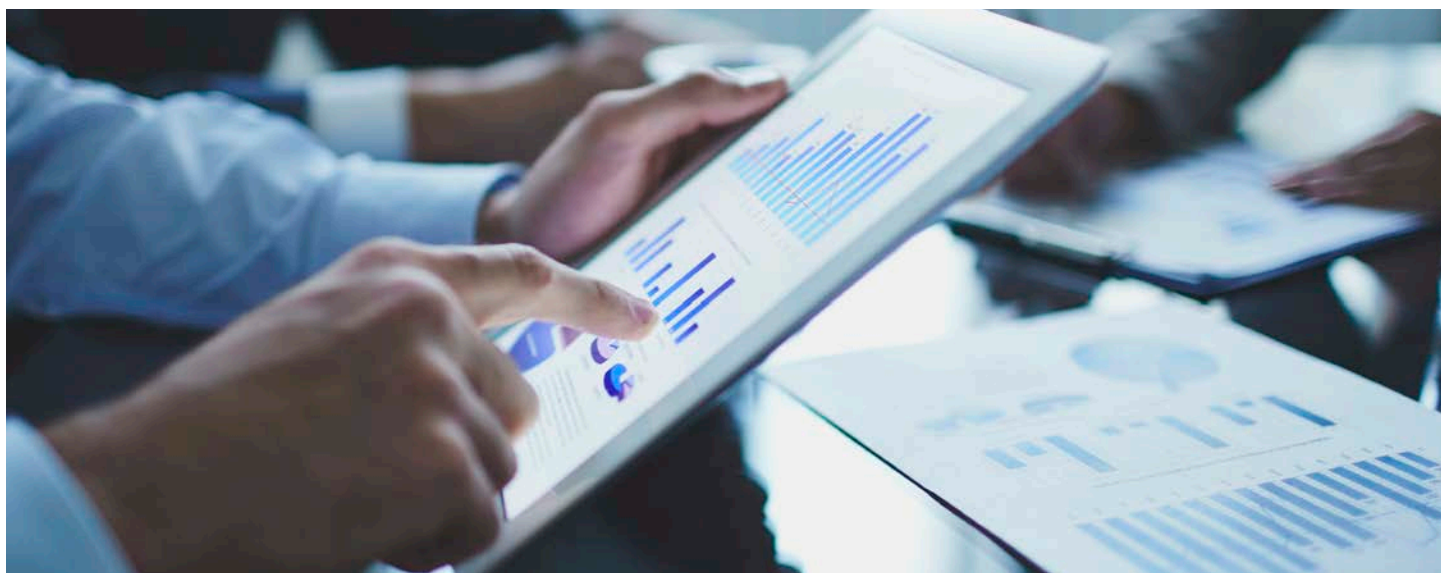
- Riverboat communities will be devastated by the state breaking gaming distribution agreements:

- ~ The full infrastructure and public service cost of hosting a Casino falls on the local community.
- ~ The damage to local communities will be far worse than state projections.
- ~ Some communities would lose as much as 60% of their revenue under current proposals.
- ~ Five counties with no casino at all will receive more gaming revenue than some riverboat counties if current proposals were to become law.



- Loss of local revenue will cost the casinos far more money than any state tax break proposed to date could save them.
 - ~ Increased taxes, utilities, service fees.
 - ~ Less services offered that the casino will have to fund on their own.
 - ~ Current partnerships between locals and casinos are generating investment. These types of projects will not exist if the resources are removed.

SOUTHEAST INDIANA
Growth Alliance
 The affordable Cincinnati address



County Escapes Damaging Legislation in the 2013 Session

What started as an effort at the Indiana Statehouse to change the tax structure of Indiana’s Casinos almost became disastrous for Switzerland County and other gaming host communities as the Indiana Senate voted to take millions of dollars in gaming tax dollars from casino host communities like Switzerland County to pay for the tax breaks. Representatives of southeast Indiana testified as the bill moved to the Indiana House of Representatives including Jon Bond of SCEDC. The portions taking local tax dollars were removed in the House. When the final provisions were added to the state budget and signed by

Governor Pence, they did cost Switzerland County some local tax dollars but the impact was far less severe than earlier versions.

Local gaming revenue is used to cover the costs of having casinos in a community. In Indiana, all of the costs of supporting the casino are carried at the local level. The purpose of casino gaming as established by Indiana law is to benefit the public by promoting tourism and economic development. It is expected that local gaming tax dollars will be used for this purpose.

Switzerland County Economic Development Corporation The Best in North America



The Switzerland County Economic Development Corporation has won the Gold Award from the International Economic Development Council for its workforce training initiative. With over 4,500 members belonging to the IEDC, being named the best in North America is an honor for Switzerland County. But what does this award and workforce initiative mean for the people of Switzerland County?

“The Excellence in Economic Development Awards recognize Switzerland County Economic Development Corporation as being one of the leading organizations in the industry for innovation, creativity and successful strategies,” said Paul Krutko, IEDC chair. “These awards are meant to honor the organizations and individuals who are dedicated to making a positive change in their communities.”

“In Switzerland County, we realized we could not effectively negotiate with prospects demanding a pipeline of skilled workers until we had constructed that pipeline for them,” said Jon Bond, president of Switzerland County Economic Development Corporation.

Switzerland County Economic Development Corporation’s EcO15 initiative assists residents seeking the necessary skills to enter, re-enter or re-position themselves in the workforce. Its approach focuses on people, not programs, and measures success one person at a time.

The Technology and Education Center is the cornerstone of the EcO15 program. Completed in 2012, the multi-use facility features classrooms and labs for adult educational opportunities. The EcO15 effort also created an advanced manufacturing lab at Switzerland County High School, and initiated a focus on STEM education. And the community’s residents now receive frequent, regular messages on the importance of upgrading their workplace skills to remain competitive in today’s economy.

The IEDC’s Krutko commended the organization’s creative solutions and inventive ideas, saying, “The award represents an acknowledgment and appreciation for Switzerland Economic Development Corporation’s dedication to continuous growth within itself, as well as improving the industry overall.”

For more information about the Switzerland County Economic Development Corporation and its Eco15 initiative, please visit www.switzerlandusa.com.

The Switzerland County Economic Development Corporation Represented at Indiana Chamber of Commerce Roundtable

The Switzerland County Economic Development Corporation was invited to participate in a roundtable hosted by the Indiana Chamber of Commerce to talk about regional economic development efforts. Jon Bond was one of two local economic development representatives invited to sit on the four-member panel. The group discussed changes in economic development and how local economic groups are working together more at the regional level. The discussion included advantages to marketing as a region, challenges to regional cooperation and what the state can do to support regional development.

A full article on the newsletter is available online in the Indiana Chamber of Commerce’s November/December BizVoice Magazine and on SCEDC’s website at switzerlandusa.com.





Just the Facts About Markland Business Park

Late 2013 marked the five year anniversary of the beginning of construction at the Markland Business Park. The project has received its share of commentary around the community. Unfortunately, the rumors and speculation have strayed a long way from the actual facts about what is happening with this important project and why. The information below is accurate and should clarify most of the confusion about the park.

- This is not a new project. The original planning on the Markland Business Park began in 1992. The project has been studied and planned for nearly 20 years. Many community leaders, past and current have worked on it. Bringing the project to its current phase has taken the approval of over a dozen local boards, commissions and agencies in addition to another ten State and Federal Agencies. Over 100 community members have been directly involved in the Business park project at one time.
- The Markland Business Park is a long term project. The original projection was that it would take ten years from the beginning of construction for the project to begin attracting investment and jobs. Construction started in late 2008, which puts the project in the middle of its fourth year, far too early to draw any conclusions about its success. The marketing of the park to businesses was not even scheduled to begin until construction was complete.
- The Business Park is not real estate project. The goal of the Markland Business Park project is not to sell real estate. It is to have development land available for businesses that will create

...Markland Business Park Continued

- good jobs for Switzerland County residents and add to the county's tax base. Unlike a private developer, the Switzerland County will make money from the property and income tax revenue that the new businesses pay. This makes the price of the property the least important part of the project. It is the revenue that the County can collect every year that makes the project pay off over the long-term. For example, each lot that has been sold to date has sold for the same-per acre cost that the County paid for it but, when the income and property tax collections over the project period are factored in, the County is making a gain of over \$45,000 per acre sold.
- We now have proof that the decision to proceed with the project was the correct one. It took over three years to get all of the designs, permits and regulatory approvals needed to start construction. Some suggested that the county not consider the project until a business was standing in front of them. We now know that his approach would have failed. The site could never have been ready to build fast enough for the business and they would have gone somewhere else. This is why all of our competitor communities have developed industrial parks of their own. It is the only way to have a sight ready in the time frame that a business has to have it.
 - Business attraction for the park is already ahead of projections. The original development timeline did not expect any businesses to locate in the park within the first five years after the start of construction. In less than a year after construction started, the first business was announced. A second business was announced within the following year. This happened in spite of the worst national economy since the Great Depression. We can expect the success of the project to grow even faster as the economy improves. Local job growth does not immediately follow a new plant opening. It takes several years for a business to grow into a new space.
 - The Park has already attracted multiple grants and national attention. Since the project's announcement, the Markland Business Park has attracted over \$1 Million Dollars in state, federal, and non-profit grants. The park was among the first in Indiana to be certified as Shovel Ready by the State of Indiana. The Markland Business Park has been mentioned in national publications such as Site Selection and Expansion Solutions magazines and has been featured on regional media, including The Indianapolis Star and Inside Indiana Business.
 - The Markland Business Park has already lowered your taxes. Each business that has moved into the Park has paid more taxes on their property in their first year of operation than was paid on the same property in the 100 years prior to their arrival combined. This has already added over two million dollars to the County's property tax base, which lowers the taxes for every other taxpayer in Switzerland County. For Example:
 - ~ Businesses in the Markland Business Park added nearly \$2.2 million dollars to the County's assessed valuation for 2011. This is in the same year that the County lost over \$4 Million in assessed valuation from other property in the county.
 - ~ If the Markland Business Park continues to develop at the same pace it is now. It will lower every property tax bill in Switzerland County between 5% and 10% over the next ten years and generate over \$450,000 per year in additional general fund revenue for the county.
 - There is no risk to the project. Switzerland County's investment of Casino Revenue into the Markland Business Park to date adds up to less than 2% of total riverboat revenue spent since Belterra's arrival. The project was financed in a way that prevents it



from ever requiring property taxes to support it. The State of Indiana has made it clear that communities are expected to use their local gaming revenue for economic development or risk having it taken away.

- Accountability is built into every step of the project. State law requires a public entity to conduct two independent appraisals before buying property and pay no more than the average of the two. For the Markland Business Park, the County not only obtained the two required appraisals but also brought in a third appraisal company to verify that the first two appraisals were accurate. In addition, all construction work is subject to public bid as required by state law. The entire project receives an audit by the State of Indiana every year.

The Park Leverages Additional Grant Dollars to Complete Construction

The Markland Business Park is now in its final phase of construction under the grant program funded by the US Economic Development Administration. Careful project management has allowed SCEDC to extend the federal grant dollars further and add several new items to the project in late 2013. Included in this new round of construction are:

- Better separation between business traffic and residential areas
- Entryway sign with LED Message Board
- Directory Sign showing businesses in the park
- A new paved drive & cul-de-sac facing the Markland Bridge
- Completion of water line extensions throughout the park
- Additional grading and storm drainage

Final Construction should be complete by mid-2014.

Markland Business Park Featured in Business Facilities Magazine

The Markland Business Park was featured in the September/October edition of Business Facilities magazine. The article can be viewed on SCEDC's website, switzerlandusa.com. Business Facilities has been a leading source of intelligence on corporate expansion and relocation since 1968, covering the full range of the experience, from "how-to" information

Lt. Governor Ellspermann discusses Switzerland County's Success

Indiana Lt. Governor Sue Ellspermann visited Switzerland County on Friday November 8th as part of her Listen and Learn tour.

The Lt. Governor made two stops in Switzerland County. The first was a meeting with elected officials and community leaders at the Switzerland County Technology and Education Center. At this meeting, Lt. Governor Ellspermann praised the TEC Center's recent IEDC Gold award and discussed the importance of workforce development programs in today's economy. Lt. Governor Ellspermann's second visit was at the Markland Business Park, where she facilitated a Business and Agricultural Conversation hosted at the facility of Trenwa, Inc.



on comparing the financial incentives offered by different communities around the world, to profiles of the latest relocations undertaken by major corporations. The magazine focuses on innovative, strategic ideas that help business executives make the best location choices. The Markland Business Park has been praised in other national site magazines in recent years as well, including Site Selection and Area Development.



First College Course Offered at TEC

The Switzerland County Technology and Education Center offered its first college-credit course in 2013. Ivy Tech Community College's "PSYC 101—Introduction to Psychology" surveyed behavior and cognitive processes as they affect the individual. The course focused on biological foundations, learning processes, research methodologies, personality, human development and abnormal and social psychology. Offered as "hybrid" course, the class met on Wednesday evenings in June and July, and required on-line assignments. The benefit to a hybrid course is that a full-semester class can be completed in just eight weeks by integrating on-line assignments. This course's credits transferred to all Indiana public colleges and universities, and allowed residents enrolled in other institutions to earn college credits quickly and at Ivy Tech's less-expensive tuition rate.

TEC Center Begins Lunch and Learn Program

One of the goals of the SCEDC's workforce development program is to create on-going learning opportunities for adults in Switzerland County. The TEC Center's Lunch and Learn program is one way we are achieving that goal.

The Lunch and Learn program examines one specific topic in an informal, one-hour setting. The first Lunch and Learn program was held in May 2013, and featured an introduction to the new Microsoft Windows 8 operating system. This major overhaul of the Windows system began development in 2009, and provided users with a cross-functioning system that could be used on smartphones, tablets, and personal computers. Attendees were able to see how Windows 8 differed from previous Windows platforms, and highlighted the system's new touch-screen technology.





Busy Year at Switzerland County Technology and Education Center



WGU Visits Switzerland County

The Switzerland County Technology and Education Center's Lunch and Learn program recently featured WGU-Indiana, Indiana's on-line university. WGU's commitment to serving Switzerland County started back in 2011, when the Switzerland County Economic Development Corporation President Jon Bond and Vice-President Mike Busch met with WGU-Indiana Chancellor Alison Barber in her office in Indianapolis to

discuss ways WGU could assist our residents. WGU-Indiana offers Bachelors, Masters, and Post-Baccalaureate training in teaching professions, health care fields, business, and technology. WGU-Indiana Community Relations Manager Doug Hooper talked about how an on-line education differs from a traditional college degree, and the benefits to Switzerland County residents who have some college, but have not yet earned their degrees.

Continuing Education for Professionals

One profession that requires extensive continuing education and professional development is public safety. Law enforcement, firefighters, emergency medical services, and emergency management occupations all require frequent, regular upgrading of their skill certifications. The Switzerland County Technology and Education Center has partnered with several agencies – the Switzerland County Emergency Management Agency, the Switzerland County Sheriff's Department, the Indiana State Police, the Vevay Police Department, the Jeff-Craig Volunteer Fire Department, and the Indiana

Department of Homeland Security to make sure public safety employees are up-to-date on their skill certifications and knowledgeable about the latest technologies in their fields. In the first half of 2013, the Switzerland County Technology and Education Center hosted 10 training events, ranging from public health safety to active shooter scenarios to emergency operations center planning and operations. Over 130 public safety employees were trained during these sessions, with certifications earned from various institutions such as Louisiana State University, the American Academy of Orthopedic Surgeons, and the Indiana Dept. of Homeland Security.



TEC Center Sees Wide/Diverse Use

The first six months of the Switzerland County Technology and Education Center's operations showed just how strong the need had been for adult education and training facilities in Switzerland County. Between January and June 2013, 1,580 people attended 112 events held at the TEC Center. 89 of these events were education/training-based classes or meetings. 15 events were public meetings, and 8 events were held by nonprofit organizations for meetings, including the Switzerland County Farmers' Market and the Switzerland County School Corporation's Technology Committee.

Financial Report

Years Ended December 31, 2013 and 2012

	2013	2012
Support & Revenues		
Contract Service Revenue	\$170,000	\$171,200
Grant Revenue	\$129,354	\$433,338
Other Revenue	\$86,500	\$90,000
Investment Return	\$625	\$162
Total Support & Revenues	\$386,479	\$694,700
Expenses		
Economic Development	\$331,524	\$430,886
Management & General	\$48,574	\$37,616
Total Expenses	\$380,098	\$468,502
Change in Net Assets	\$6,381	\$226,198
Net Assets, Beginning of Year	\$217,709	(\$8,489)
Net Assets, End of Year	\$224,090	\$217,709

Grant Dollars Raised

It is SCEDC's goal to bring as many economic resources to Switzerland County as possible. In the past, SCEDC has matched every dollar invested in its services by Switzerland County with as much as \$3 in outside grant dollars and the same amount in in-kind contributions. This type of leverage of local resources is key to helping the community achieve its long term goals as efficiently as possible. Unfortunately, this type of grant leveraging has dropped off sharply as local investment in economic development has declined. SCEDC has managed to accomplish as much as possible of most critical elements of the County's economic development strategy and address specific requests of county leadership but resources to pursue outside funding and resources are now more limited than ever. Even with grant funding at an all-time low, SCEDC was able to match local investment dollar for dollar on average over the last five years.

Year	2013	2012	2011	2010	2009	Total	5 Year Average
Grant Dollars Accumulated	\$10,500	\$127,000	\$61,000	\$765,000	\$47,000	\$1,010,500	\$202,100

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