



SWITZERLAND COUNTY  
economic development corporation



ANNUAL REPORT 2016  
*Report to the Community*



## Economic Development

# Switzerland County's 2015 State of Economic Development

We have begun 2016 with plenty of reminders that the world around us is constantly changing. While it might not have felt like big changes were underway in Switzerland County in 2015, events in the surrounding region and others farther away had impacts on Switzerland County. Some brought new opportunities. Others created new threats. Some will become what the community can make of them. This past year has brought us both threats and opportunities, and our ability to react to them and use them to our advantage will determine our success in the future.

We saw changes to our largest employer and primary industry as Pinnacle Entertainment, the owner of the Belterra Casino Resort & Spa announced that they would be selling their real estate assets to Gaming and Leisure Properties, Inc, a real estate investment trust. While this announcement is not likely to amount to big changes at the property, it comes at a time of declining revenues and overall challenges in the gaming industry.

Belterra is the community's largest employer and taxpayer, so we watch any changes in its operation very closely, just as we do changes in the gaming industry. That is why new legislation at the Indiana General Assembly also had the community's attention this year. As has happened with each budget cycle in recent legislative sessions, legislative leaders attempted to grab local gaming dollars and redirect them to Indianapolis and back in to more casino profits.

In 2015, the community narrowly escaped damaging legislation that would have cost led to a considerable loss of local revenue; funds that are critical for infrastructure and economic development. Even though we avoided legislative action this time, more will money-grabs will be coming. Even without legislative influences, gaming markets are still declining, as will local revenue. Our environment will always be changing, and our success will depend on our ability to adapt to those changes. This is true of government, businesses and our workforce.



Making our community, our businesses, and our workers more resilient in a changing world is a top priority of the Switzerland County Economic Development Corporation. We attack this challenge by making more training available for our residents in areas ranging from nursing, to manufacturing skills, to programs in our school system, to technology. We want to make sure our residents have the skills they need to qualify for the best jobs, wherever they might be located. We work with locating and existing businesses like J&L Extreme Machine, who located in the Markland Business Park this year. It is important that our local businesses are positioned to take advantage of new growth opportunities in the region. We also advise and encourage sound public policy at the local level that will keep a strong business climate in Switzerland County. In 2015, Switzerland County managed to provide training and development services to its residents while still keeping one of the lowest property tax burdens in Indiana.

However, preparing ourselves for change does not always mean that those changes will be negative. In fact, preparing the community to take advantage of good news can be as much of a challenge as bracing it for bad. The news looking forward, while it is more positive, could take just as much

preparation - if not more. In March of 2015, North American Stainless announced a \$150 million expansion of their Ghent stainless steel facility. A \$700 million construction process at Kentucky utilities in Ghent, Kentucky, is already underway and expected to continue for several years. These will not be the last industrial expansions announced in the region. Each of these massive projects will require their own extensive construction presence in the surrounding region. These projects will drive up economic activity in our community by first driving up demand for workers; then by sharply driving up the demand for housing for those workers; then ultimately for goods for services consumed directly and indirectly as a result of the new activity.

While the economic impact from construction is shorter-lived than from permanent jobs, there appear to be enough projects on the horizon to sustain activity for several years. It will fall upon us to make adjustments to our strategy and activities to adapt to the changing needs of the community as these opportunities present themselves in 2016. We are committed to helping our community position itself to benefit from any new growth in our region and we look forward to working with all of our neighbors toward a successful 2016.

## Belterra to Sell Real Estate Assets to Management Company

Pinnacle Entertainment, Inc, the owner of the Belterra Casino and Resort has announced an agreement to sell their real estate assets, including those in Switzerland County. Gaming and Leisure Properties, Inc. has agreed to buy the real estate assets. Under the agreement, Pinnacle Entertainment will continue to lease the property and to operate the Belterra Casino and Resort. The deal was projected to be worth over \$4 billion. Gaming and Leisure Properties is a real estate investment trust (REIT), based in Wyomissing, PA.

With the completion of the Pinnacle deal, Gaming Leisure Properties will become the third largest REIT in the United States holding 35 casino and properties in 14 states. Fourteen of these properties will be operated by Pinnacle Entertainment. Eighteen of the properties will be

operated by Penn National, operator of the Hollywood Casino in Lawrenceburg, IN. Once the deal is finalized, Pinnacle Entertainment will hold a ten year, triple net lease on the Belterra property, with options for a five year renewal at the end of the term.

As their 2015 fiscal year came to a close, Belterra saw a 3% decline in adjusted gross receipts from their 2014 fiscal year. While this is a loss, it is a very strong performance compared to the two other Southeast Indiana casinos who saw much larger losses. During the same time period, the Hollywood Casino in Lawrenceburg saw a decline of 16% and the Rising Star Casino in Rising Sun saw a decline of 17%. This strong performance in the face of increased competition should encourage ongoing investment in the property.

# Switzerland County Economic Development Corporation Welcomes to the Community

## Carrol County Hospital's New Vevay Clinic

The Carrol County Memorial Hospital has announced that a new clinic will be opening in Vevay later this year. The facility will be a primary care facility, where patients can visit without an appointment. The clinic is open initially from 8 am to 4:30 pm Monday through Friday.

The Carrol County Memorial Hospital already had a strong presence in Switzerland County, providing medical direction to the Switzerland County Emergency Medical Service and occupational medicine services to the Belterra Resort and Casino. This will be the first

time, however, that the hospital has provided service in Vevay for the public at large.

An additional medical clinic in the county should provide another option for affordable care and the overall wellness of county residents. The new clinic has already received approval from the Carrol County Memorial Hospital Board of directors and now awaits regulatory approval from the State of Indiana. The clinic opened in 2015.



## J & L Extreme Machine Joins Markland Business Park

A new manufacturer supplying the automotive industry began production in the Markland Business Park in January 2015. J & L Xtreme machine manufactures exhaust components for a variety of diesel engines. The company will be located in the Markland Center, a 10,000 square foot facility constructed by Switzerland County in 2012.

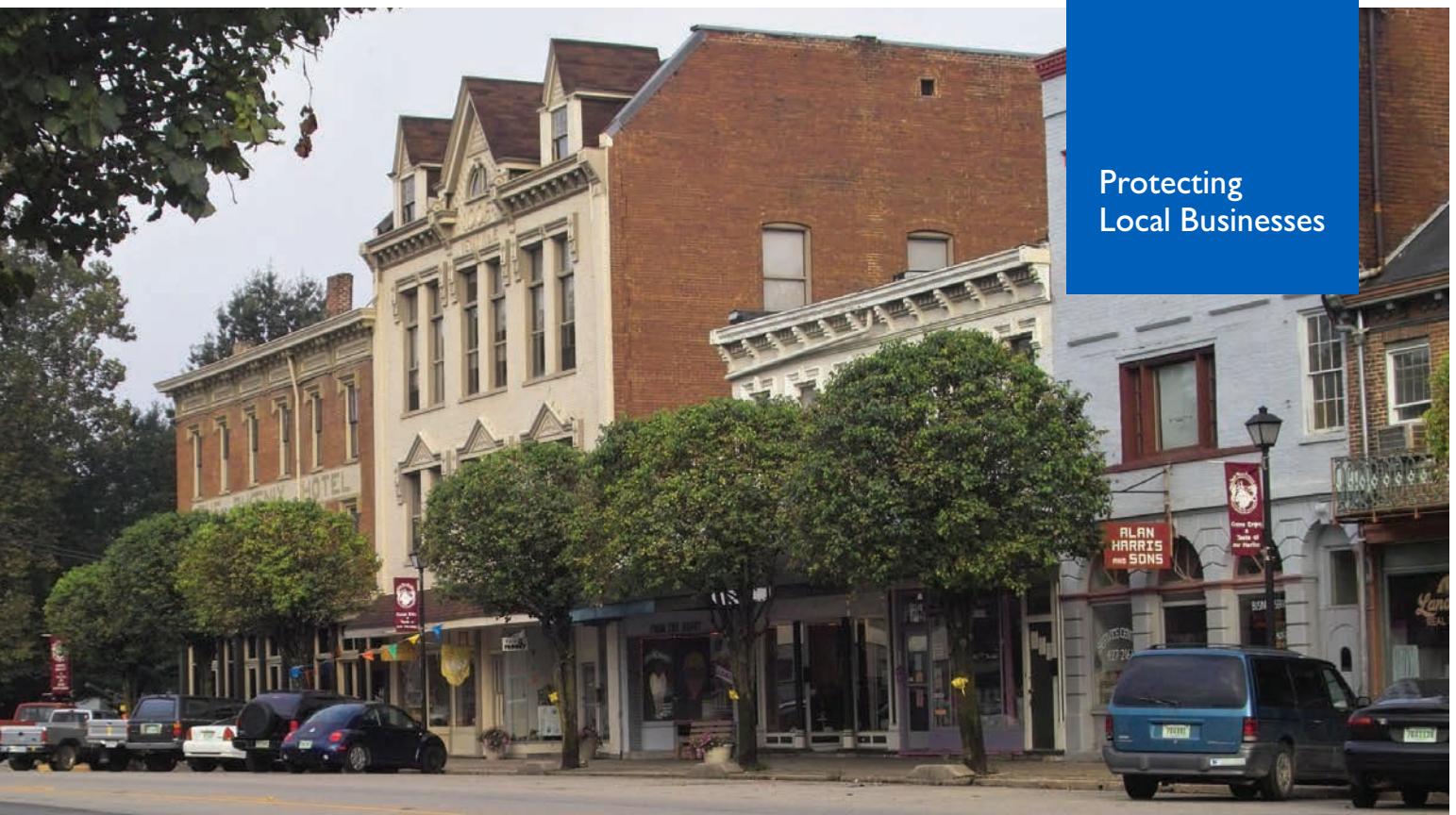
The company has been in operation since 2011. Company President James Peters is a Switzerland County native and has worked in the automotive supply industry since 1988.

Like most small manufacturers the company will start out at their new Switzerland County location was just a handful of employees. Employment is expected to grow to 20 employees over a three-year period. Jobs at the facility are expected to pay above the county average wage and will require workers with advanced manufacturing skills.

The total economic benefit to the area of the location and operation of J&L Extreme Machine is estimated at more than twelve million dollars over the next ten years.

It was possible to bring a company like J&L Xtreme machine to Switzerland County because of the investment in land and infrastructure Switzerland County made at the Markland Business Park and because of the existence available building at the park, also constructed by the county.

Switzerland County received a grant from the US Economic Development Administration to construct infrastructure in the 100 acre Markland Business Park in 2010. Construction was complete in 2013. The site has been certified as Shovel Ready by the State of Indiana. The Markland Center was constructed in 2012.



Protecting  
Local Businesses

## Switzerland County Tax Burden is SECOND LOWEST in Indiana

Switzerland County's historically low tax rates are now the second lowest in Indiana, according to a prominent online financial data group. Smartasset is a financial technology company that provides financial data to businesses and individuals to allow for more informed decisions on matters ranging from which community a business should choose to locate to what neighborhood an investor should chose for a project. The company's website provides a variety of comparison tools, including a comparison of Indiana property tax rates by county.

*Switzerland County's overall tax burden was second lowest among 92 counties.*

Switzerland County's overall tax burden was second lowest among 92 counties. The overall tax burden is combination of Income Taxes, Property Taxes, Sales Taxes, and Fuel Taxes. The purpose of the measurement is to determine what communities offer the best value for a locating business or individual.

In terms of Property Taxes, Switzerland County has made strategic investments to help keep rates low. Investments into the Switzerland County School Endowment have allowed the Switzerland County School Corporation to keep debt service off of the property tax bill. Investments in economic development, like the Markland Business Park bring new taxpayers

into Switzerland County to lower the

overall tax burden for other residents and businesses.

Workforce investments, like the Switzerland County Technology and Education center allow county residents to earn more money by developing

new skills and credentials. This results in a smaller percentage of their income going to taxes and, in some cases, dollars saved on public services. More information on the study can be found at <https://smartasset.com/taxes/iniana-tax-calculator#us/tax>.



## Switzerland County Economic Development Strategy Set for 2015 Update

It is important to always look ahead to determine what Switzerland County can do to better prepare itself for the future. In terms of Switzerland County's economic development efforts, this means studying what can be done to better position the county for success.

Improving our local economy is a long-term challenge that requires long-term planning but also calls for adjustments when circumstances change. The work plan for economic development in Switzerland County is outlined years in advance in Switzerland County's Economic Development Strategy. The strategy and its 2011 update can be found online at [www.switzerlandusa.com/strategy](http://www.switzerlandusa.com/strategy). When these plans were written, the entire community was invited to add their ideas. Those who chose to participate have played a key role in building the county's future. Those who have not offered their input yet will get another chance this upcoming year when the plan is updated again. The Switzerland County Economic Development Strategy is updated every five years, giving the entire community a chance to weigh in on what is important to them.

Updating our Economic Development Plan is a year-long process that begins with public suggestions on what the County should do for long term success. In the summer 2015, community input will be requested. The total process of updating the new strategy will take approximately nine months. The finished product will guide Switzerland County's economic development activities for the next decade.



Because SCEDC's work is guided by a written economic development strategy, it comes with built-in accountability and ways to measure success. One way to measure success is by actual economic impact. In the last five years, The Switzerland County Economic Development Corporation has worked to bring over two million dollars in grants to Switzerland County. During that same time period, businesses directly assisted by the Switzerland County Economic Development Corporation have invested over five million dollars in Switzerland County and paid a projected 3.2 million dollars in wages. They have also been assessed over \$150,000 in property taxes, lowering rates for every taxpayer in Switzerland County.

A key element of the county's economic development plan was to have usable sites for new employers to locate. This task has now been achieved and, so far, the results are encouraging. Industrial Parks are a long term investments. In our region, the vast majority of new industrial location announcements were made on industrial property that had been developed for over fifteen years. Even though early success is rare, the Markland Business Park is now preparing to welcome its third industry, barely a year after final construction was completed.

We have worked with existing and start-up businesses as well. In 2014, The Switzerland County Economic Development Corporation partnered with Vevay Main Street to bring a business consultant to Switzerland County for seminars and one-on-one meetings with any interested business.

We partnered with Chambers of Commerce from Jefferson, Scott, Jennings, and Carroll counties to put on the third annual Regional Business Expo. This year, the Expo was held at the Mid-America Science Park in Scottsburg. The expo will be in Madison in 2015.

The Switzerland County Economic Development Corporation offers a Tools for Business Success section on its website. This is a free resource to guide new and existing businesses, including startup, financial, hiring, regulatory and other information. This tool can be found on the Switzerland County Economic Development website at [switzerlandusa.com](http://switzerlandusa.com).

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 get the workforce training they need. In 2014, workforce training efforts at the Switzerland County Technology and Education Center (TEC) were rewarded with additional grant dollars from the EcO15 Program. This project is a collaboration with the Community Foundation of Switzerland County and has resulted in over 1.3 million dollars of education and training funding into our community since it began. College credit courses, Certified Nursing Assistant training, and High School Equivalency are just a few examples of the training our residents can now receive right here in Switzerland County.

The County's overall economic health is improving but we still have a long way to go. Total employment in Switzerland County is increasing in 2014 but we are still below our pre-recession employment levels.





## County Avoids Damaging Casino Legislation

Policy leaders in The Indiana General Assembly set out in 2015 to enact new legislation aimed at making Indiana's casino industry more competitive. This process began with a study committee in the early fall. The recommendations of the study committee were drafted into House Bill 1540, introduced when the legislature reconvened in January 2015. During the legislative process, the bill saw drastic changes that would have directed millions of dollars away from riverboat communities.

Local tax dollars generated by gaming operations are critical to economic development. In smaller riverboat communities like Switzerland County, economic development efforts would not exist without dollars generated by gaming activities. In Southeast Indiana as a whole, local investment of casino tax dollars has led to the commitment of over 10,000 jobs and over \$1 Billion in private investment. The loss of these resources would have been a devastating blow to the region.

Leaders in Southeast Indiana's riverboat communities worked together to communicate a consistent and sincere message to members of the Indiana General Assembly that starving one of Indiana's strongest economic development engines was bad for business growth. Legislative leadership ultimately agreed and amended the bill to remove the language most harmful to riverboat host communities. House Bill 1540 was passed, without this language. The final version of the Enrolled Act gave casinos new options for land-based gaming operations and options to reduce their overall burden. It also called for additional study of the issue of gaming taxes in Indiana.

## —FREE— Certification Training for Switzerland County Residents

Switzerland County residents are eligible for the WorkINdiana program, which allows you to earn your high school equivalency certificate or improve your skills in an Adult Education classroom, AND earn a career certificate giving you the boost you need to get the job you want. There are over 30 certifications available to help start a career in Advanced Manufacturing, Business Administration and Support, Health Care, Hospitality, Information Technology, or Transportation and Logistics.

Residents who do not have a high school diploma can enroll in a free, one-on-one class that will prepare you to take the High School Equivalency examination. After 12 hours of class, residents are eligible to begin a WorkINdiana certification program...and many residents will qualify for free tuition.

Residents who have earned their high school diploma are also eligible for free tuition for a certification program after completing at least 12 hours of an adult education course, such as resume writing or successful work habits.

Interested residents should contact WorkOne Southeast in Madison at (812) 265-3734, or visit the Switzerland County Technology and Education Center on Tuesdays from 8:00 am to 4:30 pm.

The WorkOne office at the Switzerland County Technology and Education Center is a partnership between WorkOne Southeast and EcO15, the SCEDC's workforce development initiative.



## Workforce Development: A Priority for Switzerland County

Workforce development issues remain a top factor in deciding where to locate or expand a business venture.

“Finding highly skilled labor is the number-one driver for nearly every site-selection decision. Companies are increasingly seeking more refinement in identifying specialized skill sets as their labor needs become more specialized,” writes Mark Crawford in Area Development, a site selection publication for the economic development industry.

This sentiment was reinforced by Indiana Lt. Governor Sue Ellspermann during her visit to the Switzerland County Technology and Education Center in 2013. “Nothing we can do is as important as creating a skilled workforce in Indiana,” she said.

In 2008, the Switzerland County Economic Development Corporation joined nine other Southeast Indiana counties in an effort to improve our workforce rankings. Funded initially by the Lilly Endowment, EcO15 sought to bring business, community leaders, and education administrators together to help

Switzerland County better prepare citizens for good-paying jobs, both today and in the near future.

A Georgetown University study predicted that by 2018, 55% of available jobs in Indiana will require some level of post-high school education. To ensure that there are enough skilled workers to fill those jobs, more Indiana communities will need to follow Switzerland County’s lead and commit economic development resources to worker education and training. As part of the EcO15 initiative, the SCEDC created a position to specifically address workforce issues. The Switzerland County Technology and Education Center was developed to help residents find resources they need to further their own skills. And EcO15 helped create Advanced Manufacturing and Project Lead-the-Way courses in the Switzerland County schools to give students an edge in starting their working careers.

Switzerland County residents can receive one-on-one assistance with state and federal workforce programs at the Switzerland County Technology and Education Center. The WorkOne office is open each Tuesday from 8:00 a.m. to 4:30 p.m. Switzerland County resident Rosie Rohmann staffs the office along with Youth Program manager Sandy Wehner.

**WorkOne**  
Southeast



## Technology & Education Center



## Dual Enrollment Program Offers SCHS Students College Credit



The Switzerland County Technology and Education Center, an initiative of the SCEDC, has partnered with Ivy Tech Community College and the Switzerland County School Corporation (SCSC) to allow Switzerland County High School students to enroll in Ivy Tech courses while still in high school.

Classes will be held Monday through Thursday at the TEC Center. SCHS students who successfully complete the class will earn both Ivy Tech college credits and credits toward their high school graduation. Parents will be responsible for the Ivy Tech tuition, while the Switzerland County School Endowment Fund will provide textbook fees for the students. The SCSC also will provide transportation to the students from the high school to the TEC Center. The SCEDC is providing the facility rental charges for the classes, and is upgrading the instructional equipment in the TEC Center's classrooms.

Switzerland County High School Principal Greg Goewert, SCSC Superintendent Mike Jones, and Ivy Tech Madison campus president Katie Mote all played critical roles in making this program accessible to Switzerland County residents. With over 30 students expressing interest in this program, the first year's success of the program is assured.





# Busy Year at Switzerland County Technology and Education Center

## Certified Nursing Assistant Courses Now Available

Of all the occupations available in the Switzerland County region, jobs in health care are among the most numerous. Health care jobs pay well, and nearly every single health care job requires some level of specialized training.

For residents who are interested in direct patient care, the Certified Nursing Assistant is the first step on the large health care career ladder.

A certified nursing assistant, or CNA, helps patients or clients with healthcare needs under the supervision of a Registered Nurse (RN) or a Licensed Practical Nurse (LPN). The regular responsibilities of a nursing assistant vary based on where you work. Nursing assistants can work in a wide variety of settings, such as nursing homes, hospitals, adult day care centers, personal homes and assisted living facilities. In many cases, the nursing assistant serves as the RN's or LPN's eyes and ears. Nursing assistants fulfill

basic quality-of-life needs for patients, and since nursing assistants have daily contact with patients, they are gatherers of vital information about the patients' conditions for their supervisors.

The Switzerland County Technology and Education Center has partnered with the Tri-State Health Care Training Academy to offer CNA classes at the TEC Center. The three-week course included two weeks of on-site practice at a health care provider and one week of classroom instruction.

The entire cost of the Certified Nursing Assistant course can be paid by the WorkINdiana program for Switzerland County residents who qualify.

Interested residents should contact the Tri-State Health Care Training Academy at 812.571.4079 for information on tuition assistance and a schedule of training courses.



# Financial Report

*Years Ended December 31, 2015 and 2014*

	2015	2014
<b>Support &amp; Revenues</b>		
Contract Service Revenue	\$170,000	\$170,000
Grant Revenue	\$119,801	\$137,033
Rental Income	\$27,000	\$0
Other Revenue	\$29,381	\$223
<b>Total Support &amp; Revenues</b>	<b>\$346,182</b>	<b>\$307,256</b>
<b>Expenses</b>		
Economic Development	\$315,199	\$285,404
Management & General	\$46,830	\$39,115
<b>Total Expenses</b>	<b>\$362,029</b>	<b>\$324,519</b>
<b>Change in Net Assets</b>	<b>(-\$15,847)</b>	<b>(-\$17,263)</b>
<b>Net Assets, Beginning of Year</b>	<b>\$206,827</b>	<b>\$224,090</b>
<b>Net Assets, End of Year</b>	<b>\$190,980</b>	<b>\$206,827</b>

## 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, declining funding and staff resources has hit SCEDC's ability to bring in outside dollars the hardest, with the five-year average dropping to 49 cents in outside funding per dollar of local investment. We are optimistic that this trend will reverse in the future.

Year	2015	2014	2013	2012	2011	Total	5 Year Average
Grant Dollars Accumulated	\$119,801	\$99,000	\$10,500	\$127,000	\$61,000	\$417,301	<b>\$83,460.20</b>

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