



**Northern Indiana Regional Development Authority
Board Meeting Minutes
March 14, 2016 – 4:00 PM (EST)**

The March 14, 2016 meeting of the Northern Indiana Regional Development Authority (RDA) was held at Innovation Park, 1400 East Angela Boulevard, South Bend IN 46617. John Affleck-Graves called the meeting to order. Roll call was taken and it was noted there was a quorum present.

RDA Board Members Present: John Affleck-Graves, University of Notre Dame
Regina Emberton, Michiana Partnership
John DeSalle, Hoosier Racing Tire Corp.
Pete McCown, Elkhart County Community Foundation
Dallas Bergl, INOVA Federal Credit Union

Others Present: Stephen Studer, Krieg DeVault LLP
James Turnwald, Michiana Area Council of Governments

Report of Secretary

Turnwald confirmed that the required public notice was made for the meeting.

Minutes of the February 11, 2016 Meeting

There were no additions or corrections to the February 11, 2016 minutes.

A MOTION WAS MADE BY EMBERTON AND SECONDED BY
McCOWN TO APPROVE THE MINUTES FROM FEBRUARY 11,
2016. ALL IN FAVOR, THE MOTION CARRIED.

Reports of Officers, Consultants and Staff

Treasurers Report:

Bergl reviewed the current financial status of the RDA and provided the February 2016 financial statements, as well as an accounting of invoices for payment approval. 2016 Budget planning is in the early stages.

A MOTION WAS MADE BY EMBERTON AND SECONDED BY
MCCOWN TO APPROVE THE PAYMENT OF THE TWO INVOICES
ATTACHED TO THE FINANCIAL STATEMENTS FOR A TOTAL
DISPURSEMENT OF \$2,510. ALL IN FAVOR, THE MOTION CARRIED.

Bergl indicated the need for a process to approve invoices for payment outside of the RDA Board meetings. Affleck-Graves suggested bringing the consideration to the next meeting to approve a specific business practice.



Administrative Report:

Emberton informed the Board that the RDA received an Audit Engagement Letter from a firm in Indianapolis for 2015 through 2017. The Office of Management and Budget has the authority to do an audit of the RDA every year. Of concern is the request to do an audit in 2015 when the RDA did not have a budget, bank account, or any financial activities. Emberton spoke with the IEDC and was advised to wait on signing the Engagement Letter. The IEDC is working to find a way for the RDA to avoid incurring the burden of an audit for 2015. This issue will be brought back to the Board for further discussion or action as necessary.

Committee Reports

Regional Economic Development Strategy:

McCown indicated there was no report. The committee will meet next on March 24, 2016.

Old Business

Insurance Policy:

Studer reported the committee determined there is a statute that protects the Board and limits the liability to \$700,000. Studer, McCown, and Turnwald are working to determine a policy that ensures the cost of legal defense fees. A recommended policy will be submitted for the Board's approval at the next RDA meeting.

Staffing Contract with Michiana Partnership:

Studer provided an overview of the proposed contract for services with Michiana Partnership. He suggested that DeSalle and Bergl continue to work on the scope of services and provided the recommendation that Michiana Partnership be paid a small monthly stipend to cover overhead fees but at project closings, the balance of fees be paid based on an hourly rate and would come out of the 4% project fee due to the RDA.

Alternately, Michiana Partnership has proposed a flat monthly fee for the services it provides to the RDA.

Studer indicated the RDA and Michiana Partnership need to determine the scope of services and associated fees. Both entities are in agreement with the contract language.

Emberton provided an outline of how Michiana Partnership employee engagement operates. The Michiana Partnership Board hires employees through the St. Joseph County Chamber of Commerce and reimburses the Chamber for 100% of the cost used, similar to a leased employee situation.

Affleck-Graves indicated that the contract with Michiana Partnership will need formal approval of the RDA Board.

Regional Cities Initiative:

- **Status of the Contract with IEDC:**



Emberton reported the “red line” version of the contract discussed at the February RDA meeting was submitted back to the IEDC for review. The IEDC will provide their “red line” version back to the RDA on March 15. Emberton foresees the contract being finalized within the next week.

- **Discussion on Implementation Process:**

Materials were distributed to the Board for review and discussion.

Emberton noted that all discussions on the process at this point are assumptions and would be finalized in accordance with the IEC Agreement once finalized. Emberton provided a funding flow chart and explained the process begins with the 39 projects in the Regional Development Plan. Those 39 projects will need to submit a Project Claim Form to the RDA. The RDA will then review the project for readiness. If the project is approved, it is submitted to the IEDC for review. This review will take 30 to 45 days. If the IEDC needs additional information, it will be returned for amendments to be made. If the project is approved, the approval will come with funding to the RDA. An agreement will be made between the RDA and the approved project that mirrors the IEDC and RDA agreement. There will be a process to manage material and non material project changes. Any unused project funds will be return to the RDA fund with the IEDC for redistribution.

Next, Emberton reviewed the draft information for the RDA and IEDC Review of Project Claim Forms, which currently includes the following:

- Project Administrator Information
- Project Description
- Connection to Regional Development Plan (RDP)
- Deviations from Project, as approved in RDP
- Expected Project Timeline
- Itemized Breakdown of Project Budget
 - Including 4% RDA administrative withholding amount (max \$300k/project)

Studer suggested the 4% be paid to the RDA at the beginning of the project. This will allow the RDA to dispense to consultants.

Affleck-Graves indicated the project administrator should provide a time line of expected draws. This will allow the RDA to forecast cash flow for necessary disbursements. Also, the RDA needs to be informed regarding time restrictions for financial contributions.

- Financial Contribution (Amount and Percentage)
 - Non Public Support (60% or more)
 - State Support (20% or less)
 - Other public support (Local Amount = or > State Amount)
 - Firm Financial Commitments and Statuses
 - Pending Financial Commitments, Expected Amounts and Statuses
 - Supplemental Documentation (LOIs, Commitment Letters, drawings, development agreements, etc.)



Emberton opened a discussion on when and how the RDA will accept project claim forms; should projects be accepted at specific times or on a rolling basis.

Based on many assumptions and information that has been publicized through the media, there may be approximately 10-15 projects from the original plan that could be shovel ready at this point. Depending on the number of projects submitted, and the amounts they request, projects may need to be prioritized. It was noted the RDA may want to consider projects by county as well as readiness.

Affleck-Graves stated the first process should be to go back to all of the projects and have them submit an updated project form. It is important to know if projects have the required 80% funding so the RDA can meet the 80/20 funding requirement. The Board will have to decide if projects are first come first serve or prorate the funds across the ready projects until additional funds are available.

Studer suggested the Board consider writing an RDA mission statement to clearly indicate what the RDA goals for the region.

McCown suggested the RDA choose several dates to receive project forms. This will provide several projects to thoughtfully consider and determine which projects most advance the region. For example, the Board could have the first and second round of submissions be in June and November or 2016 and only accept forms from the projects found within the original regional development application. That would give the projects in the application an opportunity to mature. Then in June of 2017, open the process up to projects not found in the original application.

The Board expressed the desire to develop a process that advances the concept of regionalism and agreed that a firm criteria needs to be established for project selection.

Affleck-Graves indicated the Board needs to formulate two sets of criteria. First; what is the IECDC's criteria, what is the mandate? Second; what are the criteria the RDA is going to use for funding projects in the region? He also suggested reviewing projects once per quarter for the first year, depending on the volume of projects received. Several members of the Board spoke favorably in regarding to having a quarterly project submission schedule.

The Board discussed establishing expiration dates for awarding funds to projects. Initially, the RDA could provide project administrators with a preliminary approval for a specified period of time. Once projects demonstrate the availability of private funding, the RDA can enter into a contract to provide funds. It was noted that all funding is subject to approval from IECDC.

There was quite a bit of discussion revolving around funding the 20% at different levels; the entire 20% or a portion of it, and determining the regional significance of projects as an indicator of the funding level. Emberton stated there needs to be a balance of being open to future projects and wanting to demonstrate early success.

Affleck-Graves offered two tasks for the Board: 1) Develop the criteria for project evaluation and 2) What will the RDA ask from projects in the first round of requests; time lines and



allocations. Affleck-Graves and Bergl will work on item 1 and DeSalle and McCown will work on item 2.

Elevate Ventures Entrepreneurship Ecosystem:

Affleck-Graves reminded the Board that Elevate Ventures (EV) would like the RDA's involvement in a proposal to develop an entrepreneurial ecosystem plan for the region. EV will partner with six regions in Indiana over a three year period and would like to finalize selection of those regions by the end of March. Regions are asked to contribute \$1 million; EV will contribute \$1.5 million of the total \$2.5 million necessary.

McCown expressed his concern over how the RDA will fund the required \$1 million but indicated his support of the project. Affleck-Graves stated the RDA would not be responsible for raising the funds; a committee would serve that purpose. The RDA is being asked for the opportunity to organize a committee to work with EV to negotiate a contract and bring back to the RDA Board in the next 30 days for review. The Entrepreneurship Ecosystem Committee will not only develop the contract and secure funding, but will manage and guide the initiative over the term of the partnership. Committee members noted included RDA members Pete McCown and John DeSalle; as well as Larry Garatoni, Jim Larkin, Amish Shah and Jim Keenan.

Affleck-Grave requested the Board give the authority for the Entrepreneurship Ecosystem Committee to draft a contract with Elevate Ventures to the board. It was clarified that the funding and work with EV is not related to the Regional Cities initiative or funding. This is a separate initiative under the functioning RDA.

McCown surmised that within a month, there would be a proposed contract with EV and an indication as to how the \$1 million will be funded.

Affleck-Graves asked the RDA for a voice vote to move ahead with the proposed activities working with Elevate Ventures. All were in favor.

New Business - There was no new business.

Other Items

Save the Date

There will be a Regional Cities inaugural groundbreaking event on May 12th at the Studebaker Factory in South Bend.

The next scheduled Northern Indiana RDA meeting will be held on Thursday, April 14th from 4:30-6:30 PM (EST) at Bethel College, Mishawaka (Trustees Board Room in the Miller-Moore Academic Building).

Adjournment – Affleck-Graves adjourned the meeting.