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Q&A with Jim Staton of the Indiana Economic Development Corporation

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In this edition of *Development Incentives Quarterly*, we welcome Jim Staton, senior vice president and chief business development officer for the *Indiana Economic Development Corporation (IEDC)*. Replacing the former Department of Commerce in 2005, the IEDC is the State of Indiana's lead economic development agency. In this Q&A Jim discusses the impact of COVID-19 on economic development projects as well as the future outlook of these projects as the state starts to reopen.

How is Indiana's project pipeline compared to this time last year?

Our pipeline remains strong, and we continue to see velocity increasing. Last year was a record-setting year – even in the midst of a global pandemic – and while our number of new projects is a bit lower today than we were last year at this time, we expect ebbs and flows throughout the rest of 2021 and look forward to another strong economic year for Indiana.

What types of projects that have slowed down during the pandemic do you expect to come back strong when things continue to open back up?

Aside from the first few months of the pandemic, we actually did not see much of a slowdown on projects. Our Hospitality and Tourism sectors were hit hard, and while we aren't blind to the struggle and loss that took place as a result, we are seeing businesses continue to rebound every day. The news of the entire NCAA Men's Basketball Tournament happening in Indiana is going to be instrumental for the recovery of those sectors.

One great thing we did see was the number of home-grown personal protective equipment (PPE)-related projects that emerged in response to the pandemic. Dozens of companies stepped forward on their own and offered to adapt their production lines to produce PPE instead of,

and in many cases, in addition to their normal products. Many of these companies have permanently added the PPE production to their overall output which has helped keep many people working through the pandemic and beyond. Indiana Face Mask, launched in 2020 from an existing Indiana business, became the fifth U.S. company to secure approval to manufacture N95 face masks. I could go on and on about the encouragement we felt from seeing and supporting so many Hoosiers run toward the challenges.

What have you seen in Indiana that has surprised you during the pandemic with respect to economic development?

We had a record year for job commitments, which a few weeks into the pandemic, I think a lot of people never thought was possible. Equally surprising was the amount of Foreign Direct Investment (FDI) we helped secure for Indiana in a year that traveling internationally wasn't an option. I think we surprised ourselves in what we could accomplish under the strain of a global pandemic. Early in the pandemic the IEDC was asked, because of our ability to move at the speed of business, to act as the PPE procurement agency for the state's first responders and healthcare workers. In a matter of days, our organization made the pivot, and began sourcing, securing and shipping tens of millions of pieces of PPE. As this herculean effort was taking place, we were still working with companies who needed to keep growing in order to meet the new demands of the crisis.

How is the IEDC addressing employees working remotely in existing incentives agreements?

The IEDC's incentives are performance-based and typically tied to payroll taxes collected from new jobs created in Indiana and filled by fulltime Indiana residents. Those incentives include remote workers, as long as those workers are fulltime Indiana residents. There are a couple of exceptions to this, but statutorily, those exceptions only apply to situations in which people are commuting to Indiana operations from Illinois, as well as bordering states with which we have tax reciprocity (i.e. Ohio, Michigan, Kentucky).

What can we look forward to in the State in 2021?

We have been able to maintain our fiscal strength through the pandemic, and we will continue to provide great customer service at the speed of business. We plan to maintain and build upon our international engagement efforts by resuming our international travel schedule. Domestically, we plan to double-down on Business Retention and Expansion (BR&E) efforts, expand our marketing outreach into major U.S. markets, support the IEDC's Defense Development Team in its goal of increasing defense spending in Indiana, and, through the recent integration of the Indiana Office of Career Connections and Talent, support Hoosier businesses by serving as a critical link between businesses and talent resources.