



September 27, 2024

Mr. David Jones
Vanderburgh County Commissioners
20 N.W. Third St., Ste. 400
P.O. Box 1055
Evansville, Indiana 47706

RE: Semi Annual Report and Financial Statements to Vanderburgh County
Commissioners by Evansville Regional Economic Partnership (E-REP)

Dear Mr. Jones,

Thank you for your inquiry following our presentation at the August 13 Vanderburgh County Commissioners meeting. We appreciate the opportunity to provide additional information and clarification on the topics discussed. In response to the questions raised and the subsequent letter from you dated August 30, first received September 27 in an email from a news reporter, we have prepared the following detailed answers:

1. I-69 Corridor Study re: University Parkway

University Parkway was not included in the I-69 Corridor Study as the study is centered on logistics and other transportation growth created by the new I-69 Ohio River Crossing Bridge (ORX). The study's laser focus is on transportation logistics and site development opportunities involving major routes for goods entering and exiting the area, through interstates, the Evansville Regional Airport, and the Ports of Indiana-Mount Vernon. The corridor study aims to impact regional transportation, especially connected to significant freight and distribution channels, which University Parkway does not directly influence.

2. Economic Development District

An Economic Development District (EDD) receives annual funding from the Economic Development Administration (EDA) in the ballpark of \$65,000-70,000. This funding is sufficient to cover operational expenses, including maintaining the Comprehensive Economic Development Strategy (CEDS) with annual reports. Although matching funds are required on a dollar-for-dollar basis, this requirement can be met through in-kind contributions, such as staff time. Existing service agreements with the four counties involved in the proposed EDD are adequate to fulfill the matching requirement, ensuring

support and implementation of the CEDS without the need for additional local taxpayer funds for the operation of the federally designated district.

3. READI Program re: Coliseum

As a result of additional research with the Indiana Economic Development Corporation (IEDC), which administers the READI program, it's clear that a waiver the Commissioners have requested is not available. The private funding component is a core requirement of the READI program and is specified in the enabling legislation. As the IEDC reminded us, its purpose is to encourage public-private partnerships and leverage private investment in regional development projects. While we understand the challenges this may present for government-owned buildings, the requirement applies uniformly to all READI-funded projects across the state.

4. 5th & Main Audit Report

Approximately \$3,025,000 of funds (initial \$210,000 and private and public grant monies of \$2.8 million) were contributed to this equity investment. The auditor's report and footnotes indicate that the cost method investment was written down to its "estimated" fair value of \$210,000 which resulted in an impairment of \$2.8 million. Thus, grant monies in as revenues and impairment expenses offset each other within the fiscal reporting year. Following the advice of our accountants, we did not attempt to determine the actual fair value of the 7% investment and estimated it to be the original cost of \$210,000 given that the additional monies contributed did not increase the 7% investment; thus, the qualified opinion by Elbehar Whitehead, PLLC for the lack of a formal appraisal.

5. Business Attraction

At the August 13 commissioner's meeting, the question regarding new businesses was misunderstood, leading to the response that no new large-scale industrial businesses have relocated to the county in the past 12 months. This lack of activity is mainly due to a shortage of available sites over 50 acres with utility services available or nearby. For example, while the University Parkway Corridor has water, wastewater, broadband and power utilities, the lack of appropriately scaled, relatively level sites near the Parkway but not abutting residential parcels has limited demand by the industrial development community.

That said, the County and regional economy continues to grow. In 2023, Vanderburgh County saw a continued rise in Employer Identification Number (EIN) applications meaning a growth in new businesses domiciled within the County. According to the Business Formation Statistics via Census.gov, the county registered 2,090 EINs, marking a 9.7% increase from 2022. This marked continued growth as there has been an 85.8% rise from 2019 to 2023, indicative of a growing and healthy business environment, which E-REP and its predecessor organizations have worked for decades to enhance. In terms of job growth (70% of new jobs are in ongoing entities), our efforts at creating a strong regional economic environment are showing dividends: during E-REP's 2023-24 Business Retention &

Expansion visits, 32 out of 35 surveyed companies in the county reported growth, two remained stable, and only one is experiencing decline. There are currently numerous expansion projects occurring in unincorporated parts of the County.

Despite the lack of site inventory, E-REP proactively engages with site selectors by responding to RFPs with appropriate Vanderburgh County sites whenever possible. Additionally, we connect with site selectors and brokers - providing information and marketing material to keep our region top-of-mind when looking for sites. Lastly, E-REP is working on site development through the I-69 Corridor Study and having advanced conversations on funding opportunities with federal partners to enhance the appeal of available inventory to potential new businesses.

Cordially,

A handwritten signature in black ink, appearing to read "Patrick Hickey", written in a cursive style.

Patrick Hickey
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