**Introduction**

Indiana is not homogeneous and different parts of the state have different strengths and opportunities. Recognizing this, the Indiana Department of Commerce (IDOC) announced a regional approach to the delivery of economic development services late in 2002, following a study by Market Street Services on the best practices for economic development in today’s changing economy. The twelve multi-county regional offices were established in 2003 to place representatives from the Indiana Department of Commerce closer to their constituents and to begin to build the regional partnerships that are needed to grow the local economy and strengthen the state. In the first year, there was already evidence that this approach increased the awareness of and utilization of state programs by local businesses, while providing state officials with a clearer understanding of the needs of each region.

Advisory Councils were formed in each region to serve as steering committees for planning and to provide feedback and recommend suggestions to the Regional staff. To ensure coordination in their planning efforts statewide, the Indiana Department of Commerce engaged the Indiana Economic Development Council (IEDC) to direct and manage a regional planning process in conjunction with efforts also underway to update the Statewide Plan for Economic Development. This partnership has resulted in plans that are inter-related at the state and regional levels and help to ensure that the tools and engagement necessary for implementation are in place.

Indiana is standing at a critical juncture in its history with choices that can guarantee Hoosiers a strong economy and a good quality of life. In the state and regional plans, known collectively as A New Path to Progress, decision makers at all levels will find the policy recommendations that lead to that better future. The Indiana Economic Development Council is proud to be a partner in this effort, along with our team member Strategic Development Group, Inc. We want to express our gratitude to the many individuals in Region 12 who have contributed so extensively to this planning process and to the many other economic development efforts across the region that were examined to insure that the Commerce Region 12 staff is positioned to provide the most needed services and leadership to the businesses and residents of this region.

In 2005, the IDOC elected to reduce the number of regions from twelve to five. We believe that the work presented in these regional reports will more critical than ever in assisting the Commerce staff and policy makers in these larger regions as they seek to strengthen their local economy.
Greetings!

In late 2002, in an effort to better bring Commerce closer to the businesses, communities and citizens of Indiana, the Indiana Department of Commerce established a system of regional offices throughout the state. Here, in Region 12, the IDOC has set up shop in New Albany, right across from the campus of Indiana University Southeast. As a continuation of our mission to “empower companies, communities and citizens to act locally in order to compete globally,” each region has created a Regional Advisory Council. These councils have served as a conduit for fostering partnerships between businesses and communities in the regions and the Department of Commerce. In addition, during this past year, the Regional Advisory Councils have played a crucial role in the development of economic strategy for the state and its 12 Commerce regions.

Partnering with the Region 12 stakeholders, the Indiana Economic Development Council and the Strategic Development Group, the Indiana Department of Commerce Region 12 Office recently completed a six-month long strategic planning process that has resulted in an economic development strategy for our seven-county region (Clark, Crawford, Floyd, Harrison, Orange, Scott and Washington County). During the planning process, valuable information was gathered from a multitude of sources, including small and large employers, economic development organizations, educational institutions K through 16, and local government officials, all of them key stakeholders within the region. Based on the input received, several goals were established to promote economic growth and prosperity in the region. The plan also includes a thorough list of objectives that will guide the process as we develop specific objectives and implement strategies to accomplish the plan.

The Region 12 office encourages you to review our economic development strategy and provide any input that you deem appropriate. Thank you for your time and interest!

Best regards,

Ty Graves
Director, Region 12, 2004
Indiana Department of Commerce
Region 12
Economic Development Strategy

Executive Summary

The Indiana Department of Commerce and the Indiana Economic Development Council have partnered to create a new state economic development strategy and a set of strategies for each IDOC region. At the regional level the planning process was overseen by the region's Advisory Council. The Advisory Council consists of community leaders representing small and large employers, economic development organizations, educational institutions K through 16, and local government.

The Region 12 Advisory Council (RAC) has held three planning sessions. Statistical information on the state and regional economy was provided for these sessions by Purdue University and the Indiana Business Research Center. In addition to these sessions, a public meeting and two focus groups were held; the focus groups gathered in depth responses on the regional economy from economic developers and major employers. Over 100 key leaders in business and government were contacted over the phone and asked to respond to a survey.

The Indiana Economic Development Council has identified seven key drivers of the state economy, which have served as the basis for the planning process.

- Globalization
- Thinking Regionally
- Business Innovation
- Workforce/Education
- Smart Government
- Infrastructure
- Quality of Life

The Region 12 Advisory Council has chosen seven goals for its economic development strategy. Those goals are:

1. Position Region 12 to compete in the global economy by providing timely information.
2. Create a business environment that promotes and supports innovation among both small and large employers.
3. Recognize the diverse infrastructure needs of the region as a whole and provide timely support and information.
4. Improve the quality of life for each community in the region.
5. Provide information and support to local elected officials in order to promote smart government.
6. Promote cooperation among communities in order to capitalize on regional economic assets and to address regional economic liabilities.
7. Develop more effective partnerships across the region between business, education K through 16, and workforce development providers on the presentation of career choices, curriculum design, and training services.
Region 12 consists of seven counties at the southern edge of Indiana: Clark, Crawford, Floyd, Harrison, Orange, Scott, and Washington. It is bounded by the Ohio River on the south which affords access to the Clark Maritime Center. I-65 bisects the region running north and south providing a major corridor for development. I-64 runs east and west through Crawford, Harrison, and Floyd counties. I-64, I-71, and I-65 all intersect immediately across the Ohio River in Louisville, providing extraordinary access to interstate commerce. Proximity to the Louisville international airport gives the southern part of Region 12 strong transportation assets in air, navigable waters, and roads.

New Albany, Jeffersonville, and Clarksville are part of the Louisville MSA and form the major urban area in the region. The communities north of the Louisville MSA remain primarily rural with smaller cities like Salem, Paoli, and Scottsburg, which is adjacent to I-65. In this region, economic development strategies must address a broad range of needs in rural, suburban, and urban contexts.
Profile of Region 12

Region 12 includes the Indiana portion of the Louisville, KY-IN MSA. The region has one micropolitan* area: Scottsburg.

Region 12’s population is 288,272 (2003). The City of New Albany, which serves as a primary economic hub for the region, has a population of 36,973 (2003). The region’s population grew by 10.5 percent between 1990 and 2000; this compares with a 9.7 percent growth rate for the state of Indiana during the same decade.

The region’s unemployment rate (November 2004) is 5.1 percent. The state’s unemployment rate for the same period was 4.9 percent.

The largest employment sector (comprised of multiple clusters) in the region is manufacturing, which, with 23,516 workers, comprises 16.2 percent of the workforce. Indiana’s manufacturing employment is 16.7 percent of the state’s total workforce.

Region 12’s per capita personal income for 2002 was $26,485. This compares with the state average income of $28,032. Floyd County had the region’s highest per capita personal income of $30,865; Crawford County had the lowest at $21,172.

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* A micropolitan statistical area has at least one urban core with a population of at least 10,000 but less than 50,000. The urban clusters also have an adjacent territory with a high degree of social and economic integration as measured by commuting.
Region 12 Cluster Analysis

For this economic development strategy, Purdue University analyzed business clusters in Region 12. In adopting a cluster strategy, states and regions hope to maximize their competitive advantage in existing industries and to build new strengths in the emerging industries that will replace older, declining sectors. Purdue identified fourteen business clusters that had a presence in this Southern Indiana Region.

The fourteen clusters are:

1. Biomedical / Biotechnical
2. Advanced Materials
3. Arts, Entertainment and Recreation
4. Chemicals
5. Advanced Business Services
6. Earth Products
7. Educational Services
8. Environmental Technology
9. Information Technology
10. Information, Communications and Media
11. Advanced Logistics
12. Agribusiness, Food, Technology
13. Advanced Manufacturing
14. Forest and Wood Products

In Table 1, each cluster is analyzed according to its size (number of jobs) in 2003, the strength and direction of growth in location quotients between 2001 and 2003. For purposes of comparison, the average per capita payroll income for each cluster is also illustrated in this Table.

Table 1 – Region 12 Changes in Employment and Concentration in Clusters

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Total, all industries</td>
<td>104,918</td>
<td>-1.7%</td>
<td>1.00</td>
<td>0.0%</td>
<td>27,627</td>
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<td>Specialized, Increasing Concentration</td>
<td></td>
<td></td>
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<tr>
<td>Chemicals</td>
<td>3,866</td>
<td>-3.7%</td>
<td>1.92</td>
<td>3.6%</td>
<td>36,239</td>
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<td>Earth Products</td>
<td>1,020</td>
<td>-6.4%</td>
<td>1.39</td>
<td>2.8%</td>
<td>37,124</td>
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<tr>
<td>Advanced Manufacturing</td>
<td>7,527</td>
<td>-6.5%</td>
<td>1.38</td>
<td>9.5%</td>
<td>35,208</td>
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<tr>
<td>Agribusiness, Food Processing and Technology</td>
<td>3,190</td>
<td>-1.6%</td>
<td>1.28</td>
<td>2.0%</td>
<td>34,180</td>
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<tr>
<td>Arts, Entertainment, Recreation and Visitor Industries</td>
<td>4,513</td>
<td>-0.9%</td>
<td>1.19</td>
<td>0.0%</td>
<td>20,833</td>
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<td>Advanced Materials</td>
<td>1,634</td>
<td>-0.7%</td>
<td>1.19</td>
<td>16.2%</td>
<td>50,384</td>
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<td>Specialized, Decreasing Concentration</td>
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<tr>
<td>Forest and Wood Products</td>
<td>6,869</td>
<td>-9.0%</td>
<td>3.01</td>
<td>-5.8%</td>
<td>28,583</td>
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<tr>
<td>Advanced Services</td>
<td>5,496</td>
<td>-7.1%</td>
<td>1.75</td>
<td>-19%</td>
<td>35,317</td>
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<tr>
<td>Not Specialized, Increasing Concentration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Business Services</td>
<td>3,134</td>
<td>3.9%</td>
<td>0.38</td>
<td>5.6%</td>
<td>39,706</td>
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<tr>
<td>Educational Services</td>
<td>1,062</td>
<td>37.9%</td>
<td>0.37</td>
<td>31.9%</td>
<td>25,515</td>
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<tr>
<td>Information, Communications and Media</td>
<td>1,066</td>
<td>-10.3%</td>
<td>0.37</td>
<td>2.4%</td>
<td>26,489</td>
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<tr>
<td>Information Technology</td>
<td>1,655</td>
<td>4.5%</td>
<td>0.34</td>
<td>21.6%</td>
<td>44,261</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Biomedical/Biotechnical (Life Sciences)</td>
<td>11,371</td>
<td>3.6%</td>
<td>0.88</td>
<td>-0.5%</td>
<td>31,424</td>
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<td>Environmental Technology</td>
<td>946</td>
<td>-16.0%</td>
<td>0.72</td>
<td>-14.7%</td>
<td>34,338</td>
</tr>
</tbody>
</table>

Source: Indiana Economic Development Council and Purdue University Cooperative Extension Service, from third quarter CEW data supplied by the Indiana Business Research Center, January 2005
Because of the short, two-year time period (2001-2003), this analysis should be seen as a snapshot of the regional economy and might not necessarily indicate long-term trends. These clusters were analyzed from several perspectives, including total employment, employment growth, wages and the growth in specialization in each cluster relative to the growth of those same clusters nationally.

**Chart 1 – Region 12 Clusters**

A cluster can be categorized by the growth of its employment specialization. A Star cluster is one that is already specialized and is becoming even more specialized. A Mature cluster refers to those that are specialized and are currently becoming less specialized. The Emerging clusters are defined as those that are currently not specialized, but are becoming specialized in their particular grouping. The Transforming clusters are not specialized, and appear to be decreasing in any specialization that might exist.

1. The Biomedical / Biotechnical business cluster has a strong presence in Region 12. This cluster employs over 11,000 people within the region, which is 10.8 percent of total employment in Region 12. Its specialization within this field has increased slightly between 2001 and 2003, although that level remains below the national average. During that same period Region 12’s employment in Biomedical / Biotechnical increased by almost 400 jobs. Given the region’s proximity to Louisville, with its excellent Life Sciences facilities, this cluster has the potential to be an increasing part of the region’s economic foundation.

2. Advanced Manufacturing continues to serve as an important cluster for Region 12. This sector employs over 7,500 people. The region’s level of specialized employment is above national average. During the study period, the cluster lost almost 6.5 percent
of its jobs; however it remains strongly concentrated due to even bigger declines in Advanced Manufacturing at the national level.

3. Advanced Logistics employs almost 5,500 people in the region. The region's share of specialized employment in this cluster is above the national average. Although it declined in terms of both employment and specialization, this is a cluster with potential for growth in the region given its interstate highways, Ohio River ports and access to the Louisville International Airport.

4. Advanced Business Services is an emerging cluster for the region. This cluster provides over 3,000 jobs in Region 12. The region's level of specialized employment has increased but remains below the national average. "Emerging" clusters and industries present targets of opportunity for future development, as they are currently increasing in strength and importance in the local economy, even if they are not yet specialized.

5. The Forest and Wood Products cluster continues to be important in the region, although it has declined in concentration and employment from 2001-2003. The cluster employs over 6,500 people. This cluster provides a significant level of employment for Region 12 (three times as concentrated as the nation). Although the cluster's industries are declining nationally, Region 12 has several strengths in cluster sub-sectors such as hardwood veneer and plywood manufacturing; and wood furniture and kitchen cabinet manufacturing.

6. As a cluster, Arts, Entertainment and Recreation employs over 4,500 people in Region 12. While the region's level of specialized employment in this cluster is above that of the national average, Region 12's level has remained stable during the period of this study. The Arts, Entertainment and Recreation business cluster has potential to grow in Region 9 considering the growth potential from the region's casino(s).

7. The Chemicals cluster provides over 3,500 jobs in the region. This is a star category cluster for Region 12, with a growing level of specialized employment that is above the national average.

8. Information Technology is a cluster that employs over 1,500 people in the region. It is an emerging cluster. Although specialization for Region 12 in terms of Information Technology remains significantly below the national level, this cluster has grown both in terms of employment and specialization during the study period.

9. The Education Services cluster employs over 1,000 people. Region 12's level of specialized employment is growing but remains far below the national average.

10. Advanced Materials is a star cluster for Region 12. It provides over 1,500 high wage employees for the region. The region has a level of specialized employment above the national average; that level has increased.
11. Agribusiness, Food Processing and Technology is a star cluster for Region 12. It has a level of specialized employment that is above the national average. The cluster employs over 3,000 people in the region.

12. Environmental Technology employs nearly 1,000 people in the region. It has a level of specialized employment that is below the national average and that has declined during the two-year period of the study.

13. The Earth Products cluster includes industries such as mining, glass and refractories manufacturing. Earth Products is a star cluster. In Region 12 the cluster provides over 1,000 jobs. The region has a level of specialized employment that is above the national average.

14. The Information, Communications and Media cluster is in the emerging category. The region has a level of specialized employment that is below the national average. The cluster provides slightly over 1,000 jobs for the region.

The four clusters with the largest number of employees – Biomedical / Biotechnical, Advanced Manufacturing, Advanced Logistics, and Forest and Wood Products, accounted for approximately 29.8 percent of the region's workforce in 2003.

The average payroll wage per capita for the region in 2003 was $27,627. This contrasts with a 2003 average payroll wage per capita in the U. S. of $37,765. The four clusters with the highest average payroll wage per capita in Region 12 were Advanced Materials at $50,384, Information Technology at $44,261, Earth Products at $37,124, and Chemicals at $36,239. The four clusters with the lowest average payroll wage per capita in 2003 were Forest and Wood Products at $28,583, Information, Communications and Media at $26,489, Educational Services at $25,515, and Arts, Entertainment and Recreation at $20,833.

The members of the Regional Advisory Council agreed that Advanced Manufacturing, Educational Services, Arts, Entertainment & Recreation, and Biomedical / Biotechnical business clusters sector clusters will play important roles in the region's economy over the next 12 years.
Map 3

Indiana's Industry Cluster Establishments by Indiana Department of Commerce Region, 2003

Cluster Classification
- Advanced Business Services
- Adv. Medical Equipment
- Advanced Research
- Agribusiness & Food Processing
- Arts, Entertainment & Pub.
- Biomedical/Biotechnology
- Chemicals
- Earth Products
- Education/Services
- Environmental Technology
- Forest & Wood Products
- Heavy Industry and Electronics
- Information Technology
- Info. Communications & Media

Number of Establishments
- 1 - 199
- 200 - 399
- 400 - 799
- 800 - 1,199
- 1,200 - 1,599
- More than 1,600

Source: Indiana Economic Development Council and Purdue University Cooperative Extension Service Region.
Prepared by the Indiana Business Research Center, Indiana University, November 2005.

Map 4

Indiana's Industry Cluster Employment by Indiana Department of Commerce Region, 2003

Cluster Classification
- Advanced Business Services
- Advanced Logistics
- Advanced Marketing
- Agribusiness & Food Processing
- Arts, Entertainment & Pub.
- Biomedical/Biotechnology
- Chemicals
- Earth Products
- Education/Services
- Environmental Technology
- Forest & Wood Products
- Heavy Industry and Electronics
- Information Technology
- Info. Communications & Media

Number of Employees
- 1 - 50
- 51 - 1,200
- 1,201 - 3,999
- 4,000 - 9,999
- 10,000 - 24,999
- 25,000 - 50,999
- More than 50,000

Note: Employment locations in each region are randomly distributed.

Source: Indiana Economic Development Council and Purdue University Cooperative Extension Service.
Prepared by the Indiana Business Research Center, Indiana University, November 2005.
Region 12 Vision, Goals, and Measurements

Region 12 Vision 2016:
By 2016 Region 12 is recognized for its vibrant economy. Every county has fully occupied business parks, access to broadband telecommunications and more convenient postsecondary opportunities. Major indices of prosperity in wealth and job creation, population, and educational attainment meet or exceed national standards. Region 12 is part of a two-state economic area, and Region 12 has formed a strong partnership with Louisville, Kentucky. Additional bridges have increased intraregional access across the Ohio River. Transportation and education assets have been fully leveraged. The region is a leader in advanced logistics, advanced manufacturing, chemicals, earth products, forest and wood products, and food processing. Clusters which were emerging in 2004 have become “stars” in areas such as biomedical / biotechnical, information technology, arts, entertainment and recreation, and educational services. Sub cluster business groups that have remained important economic assets include automotive parts manufacturing and gaming. Tourism activity has continued to grow in response to the development of clusters in arts, entertainment and recreation.

A vision reflects the values of its residents. To achieve the vision, an effective strategy requires one or more large goals – priorities that will lead to the future. The Region 12 Advisory Council has chosen seven goals for its economic development strategy.

Goal 1 - Position Region 12 to compete in the global economy by providing timely information.

Measurements: In the short-term, periodically provide information to the region’s businesses; in the long-term, increase the number of businesses exporting goods and services.

Goal 2 - Create a business environment that promotes and supports innovation among both small and large employers.

Measurements: In the short-term, developing practical vehicles to enable regional businesses to create innovative solutions to a wide range of problems; in the long-term, increasing the number of established basic employers in the region that expand.

Goal 3 - Recognize the diverse infrastructure needs of the region as a whole and provide timely support and information.

Measurements: In the short-term, the establishment of leadership groups to share information on local and regional infrastructure development; in the long-term, the development of one business park available for new business locations in each county and improvements to the intra-regional highway system.
**Goal 4 - Improve the quality of life for each community in the region.**

**Measurements:** In the short-term, the establishment of the regional Development Network to promote planning on a variety of issues; in the long-term, increases in site-ready land in each county available for future business and industrial development, increases in the vitality of downtowns, and increased availability of adequate housing in the region.

**Goal 5 - Provide information and support to local elected officials (LEOs) in order to promote smart government.**

**Measurements:** In the short-term, establishment of the LEO mentoring program; in the long-term, an increase in the number of communities in Region 12 that are taking advantage of smart government approaches.

**Goal 6 - Promote cooperation among communities in order to capitalize on regional economic assets and to address regional economic liabilities.**

**Measurements:** In the short-term, the creation of a region-wide incubator-without-walls program, the location of a local office for Purdue University within the region, and the creation of an Advanced Logistics Task Force; in the long-term, the establishment of regional cooperation resulting in improved local and regional economies.

**Goal 7 - Develop more effective partnerships across the region between business, education K through 16, and workforce development providers on the presentation of career choices, curriculum design, and training services.**

**Measurements:** In the short-term, the development of a schools to careers conference, the creation of a Rural Education Alliance, and the establishment of a bi-state, regional university-based center that provides on-going information on workforce development needs and opportunities; in the long-term, an increase in the educational attainment rate of the region’s residents and workers.
Drivers, Goals and Objectives

Driver 1: Globalization

In the new economy, regions will be successful to the extent that they are anticipating and adapting to the socio-economic forces that make up the global economy; conversely, regions will be unsuccessful to the extent that they are not responding to those forces.

Goal One: Position Region 12 to compete in the global economy by providing timely information.

2005 Action Items

1. Provide up to date information on the global economy regarding trends, threats, and opportunities.
   - Initiate a quarterly newsletter for regional businesses
   - Develop a website to promote exporting opportunities
   - Partner with an Indiana University Southeast/University of Louisville consortium to provide research on the export market

2. Convene an annual World Markets Conference organized in cooperation with local economic development organizations with presentations on:
   - New international business standards
   - Threats from imports
   - Opportunities to export
   - Global socio-economic trends

3. Continue the IDOC business “blitzes” on international trade

Long-term Directions

4. Add an IDOC international trade staff professional to the Region 12 office who could serve as a circuit rider working with regional businesses

5. Support IDOC in continued international trade missions with business representatives from Region 12
**Driver 2: Business Innovation**

Successful new economy businesses will be characterized by continuous innovation and creation.

**Goal Two:** Create a business environment that promotes and supports innovation among both small and large employers.

**2005 Action Items**

1. Create a Cluster Task Force to represent targeted areas in the regional economy.
   - Joint task forces are created between Region 12 and Greater Louisville, Inc. (GLI) Partnership to represent targeted clusters and address:
     - Global threats and opportunities
     - Needs and opportunities in the local supply chain
     - Technology and infrastructure needs including access to broadband telecommunications
     - Education and workforce development needs
   - A Region 12 Development Network consisting of economic development professionals and elected officials is created specifically to bridge the gaps between the region’s resources and the unique needs of developing clusters in its rural areas:
     - Global threats and opportunities
     - Needs and opportunities in the local supply chain
     - Technology and infrastructure needs including access to broadband telecommunications
     - Education and workforce development needs
     - Access to postsecondary services
     - Basic infrastructure development
     1. Water/Sewer
     2. Telecommunications

**Long-term Directions**

2. Create a network among higher education providers in Region 12 and Louisville to work with Cluster Task Forces to provide technology assistance
   - Global trends analysis
   - Research support in both product development and operations
   - Individual small business counseling by the regional Small Business Development Center
Driver 3: Infrastructure

Each region must have adequate infrastructure that will enable it to compete. Infrastructure categories include: broadband telecommunications, water, sewer, power, and transportation. Each community within a region must have a minimum level of infrastructure assets with which to work, and each community must create a strategy to develop those assets.

Goal Three: Recognize the diverse infrastructure needs of the region as a whole and provide timely support and information.

2005 Action Items

1. Promote and convene meetings among rural counties for collaborative action on specific infrastructure challenges such as sewage treatment, water, and solid waste
   - Work with regional planning and economic development organizations
   - Promote alternative waste water treatment systems for small communities

Long-term Directions

2. Assist each county in the establishment of at least one business park served by adequate infrastructure in cooperation with the appropriate regional planning district
   - Provide information and support on the creation of regional business parks through inter-local agreements
   - Provide information on special taxing districts: Certified Tech Parks, Tax Increment Financing (TIFs), Community Revitalization Enhancement Districts (CreEds), and Enterprise Zones
   - Build on regional economic development resources such as the Clark Maritime Center
   - Recognize the economic strengths of each county
   - Work with the Indiana General Assembly for additional regional tools

3. Provide leadership for improving intercity highways throughout the region
Driver 4: Quality of Life

In the new economy people increasingly want to live in places that are safe and attractive and that have high levels of educational, cultural, recreational assets and economic opportunities.

Goal Four: Improve the quality of life for each community in the region.

2005 Action Items

1. Work through the Region 12 Development Network to provide information on the relationship of planning with:
   - The development and preservation of sites for quality job creation
   - Conservation of natural resources
   - Protection of the environment through drainage and erosion control
   - The protection of green space and provision of parks and recreational areas

2. Convene a Regional Downtown Summit annually to discuss revitalization in regard to issues such as:
   - Redevelopment and hospitality
   - Maintaining and attracting cultural venues
   - Economic impact of arts and crafts commerce
   - Niche retail development
   - Façade and beautification programs
   - Tourism highway signage
   - Regional Main Street success stories

Long-term Directions

3. Improve tourism development opportunities on a regional basis
   Redevelopment and historic preservation
   - Encourage new tourist attractions
   - Promote more funding for tourism infrastructure

4. Promote land use planning as both an economic development and quality of life tool

5. Ensure adequate housing opportunities throughout the region
   - Work through the regional plan commissions that serve the region to develop joint housing strategies
**Driver 5: Smart Government**

New economy challenges for government at all levels include:
- Balancing tax revenue environment with timely investments in public services, infrastructure and education
- Providing state-of-the-art telecommunications solutions so that citizens can conduct their business with the government on-line or electronically

**Goal Five: Provide information and support to local elected officials in order to promote smart government.**

**2005 Action Items**

1. To cooperate with the Indiana Association of Cities and Towns (IACT), the Association of Indiana Counties (AIC) and IUS on providing a Smart Government Briefing semiannually on issues such as
   - Planning and finance
   - Technology and e-government
   - Continued training at the regional level for local elected officials

2. Create an Local Elected Officials (LEO) mentoring program
   - A series of small teams that serve LEOs
   - Each team focuses on one county

**Long-term Directions**

3. Keep officials up to date on economic development issues in the region through
   - Periodic newsletters with economic development strategies and success stories
   - An economic development booth at IACT and AIC meetings
   - Annual Economic Development Summit for elected official across the region presenting information on topics such as:
     - Tax abatement
     - Special taxing districts: TIFs, Certified Tech Parks, and CReEDs
     - Local Option Income Taxes: County Option Income Tax (COIT), County Adjusted Gross Income Tax (CAGIT), and County Economic Development Income Tax (CEDIT)
     - Regulatory Environments
     - Compliance Issues
     - Infrastructure Planning
     - Workforce Development
   - Quarterly attendance at meetings of county, city and town councils to present economic development information
**Driver 6: Regional Thinking**

In a global economy every community is dependent upon other communities in its multi-county region for labor and other resources. Economies are regional and communities can benefit greatly by thinking beyond political boundaries and building coalitions tailored to address specific development issues including transportation and workforce development. Communities will succeed to the extent that they understand their regional economy and the economic development opportunities it offers to each locality.

**Goal Six: Promote cooperation among communities in order to capitalize on regional economic assets and to address regional economic liabilities.**

**2005 Action Items**

1. Reach every county through a regional incubator-without-walls or virtual incubator project to deliver services such as
   - Business training
   - Marketing assistance
   - Individual counseling and coaching
   - Networking opportunities
   - Assistance in applying for financing
   - Purdue University engineering and research services

2. Promote Purdue University’s local office in Region 12

**Long-term Directions**

3. Create a region wide Advanced Logistics Task Force to review infrastructure needs on an ongoing basis, lobby for necessary additional investments, and insure that existing transportation assets are fully leveraged:
   - Lobby for accelerated construction of additional bridges across the Ohio River
   - Provide direct testimony to elected officials on the importance of preserving land for the development of advanced logistics facilities along key sections of I-64 and I-65.
   - Develop marketing materials on transportation assets:
     - Port facilities
     - Louisville International Airport
     - UPS Hub
     - Clark County Airport
     - Interstate nexus: I-64, I-65, and I-71
     - Rail service

4. Continue to integrate the Southern areas of Region 12 more fully into joint Indiana and Kentucky bi-state regional economy through the leadership of the River Hills Economic Development District, the Workforce Investment Boards that serve the region, and the Regional Leadership Coalition.
Driver 7: Workforce Development / Education

In the new economy education/skill attainment and access to continuing education and training will be among the most important factors for competitive success.

Goal Seven: Develop more effective partnerships across the region between business, education K through 16, and workforce development providers on the presentation of career choices, curriculum design, and training services.

2005 Action Items

1. Assist economic development and education partners in convening a region-wide School to Careers Conference
   - To promote business and education partnerships
   - To introduce School to Careers to nonparticipating schools
   - To share best practices
   - To provide information on career opportunities and required skills that will meet the demands of expanding employment clusters within the region

2. Establish a Rural Education Alliance among businesses, educators, elected officials and economic developers in order to create outreach programs for postsecondary education opportunities
   - Explore the development of a circuit rider concept to deliver
     - Onsite classroom instruction
     - Training for high school internships and apprenticeships for small employers
     - Distance learning

Long-term Directions

3. Create a lasting partnership among higher education organizations in Louisville and Region 12 to improve the area economy through providing continued access to education and training in order to meet the demands of new economy businesses

4. Create a bi-state, regional university-based center that provides on-going information on workforce development needs and opportunities for Region 12

5. Create a Vocational Technology Task Force to position the region to become a leader in Vocational and Technical Training Services
   - Identify and convene partners
   - Create a plan to conduct a region wide needs assessment encompassing
     - Student needs
     - Incumbent worker needs
     - Business needs
     - Regional employment trends
   - Pursue funding from sources like the Lilly Endowment to conduct the needs assessment, create a collaborative delivery plan, and implement the program
Appendix 1

Region 12 SWOT: Strengths, Weaknesses, Opportunities and Threats Analysis

Introduction

The Region 9 Advisory Council developed a set of issues based upon an extended discussion of the region's economic strengths, weaknesses, opportunities and threats.

Strengths

1. One of the region's strengths is technical expertise.
2. Downtowns are still vital centers for many communities in the region.
3. Ivy Tech, Purdue, and IU have many partnerships that are tailored more towards necessary skills.
4. High schools are doing better with vocational programs that address higher technical skills needed in vocational fields such as construction and machining.
5. The southern LEDOs in Region 12 have a good working relationship with their counterparts in Louisville.
6. Louisville, New Albany, and Clarksville are tourism major draws in this region, and their downtowns are important.
7. The Regional Leadership Coalition looks at the region as a whole (counties in both Kentucky and Indiana).
8. I-65 and I-64 are major strengths for the region.
9. The new bridges over the Ohio River will provide an economic boost for the region.
10. The Ohio River continues to be an economic asset for transportation and tourism.
11. Access to the Louisville Airport
12. There are two technology parks in Region 12.
13. World class research facilities are located in the metro area.

Weaknesses

1. The region has had difficulty competing for manufacturing jobs with developing countries.
2. Some downtowns continue to deteriorate.
3. It is difficult to get local elected officials (LEOs) to focus on the importance of their downtowns.
4. Vocational education is insufficiently valued.
5. More apprenticeship programs are needed.
6. The region lacks sufficient infrastructure - roads and sewers - for economic development.
Opportunities

1. This is an opportune time to raise our workforce’s level of education.
2. There should be significant job openings as the baby boom workforce begins to retire.
3. A new cluster analysis will be necessary for Region 12 to show the larger MSA.
4. A challenge is the regional coordination of efforts.
5. The region needs to continue to work as part of the Greater Louisville region, rather than try only to compete against the Kentucky parts of the region.
6. The Biomedical / Biotechnical cluster appears to be a growth area for the region.
7. There is a need to plan for mass transportation.
8. The expansion of access to broadband telephone services is essential.

Threats

1. The region will continue to lose manufacturing and information technology jobs unless we rethink our approach to global economy.
2. The region’s educational attainment levels must be improved.
3. Failing to keep up with the demand for health care professionals could slow progress in the development of the health sectors.
### Region 12 Economic Development – Planning Meetings 2004

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Date</th>
<th>Location</th>
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<tbody>
<tr>
<td>Planning Session 1</td>
<td>August 2, 2004</td>
<td>IUS Hausfeldt Building, New Albany, Indiana</td>
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<tr>
<td>Planning Session 2</td>
<td>September 8, 2004</td>
<td>IUS Hausfeldt Building, New Albany, Indiana</td>
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<tr>
<td>Public Meeting</td>
<td>November 10, 2004</td>
<td>IUS Hausfeldt Building, New Albany, Indiana</td>
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<td>Planning Session 3</td>
<td>October 29, 2004</td>
<td>IUS Hausfeldt Building, New Albany, Indiana</td>
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<tr>
<td>Focus Groups 1 and 2</td>
<td>September 27, 2004</td>
<td>IUS Hausfeldt Building, New Albany, Indiana</td>
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# Region 12 Economic Development - Council Members and Participants

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization/Role</th>
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</thead>
<tbody>
<tr>
<td>James Bye, V.P.</td>
<td>Community First Bank (Crawford)</td>
</tr>
<tr>
<td>Deanna Epperly Karem</td>
<td>Greater Louisville Economic Development</td>
</tr>
<tr>
<td>Don Dubois</td>
<td>Crawford County Economic Development Corp.</td>
</tr>
<tr>
<td>Ron McKulick</td>
<td>Southern Seven Workforce Investment Board</td>
</tr>
<tr>
<td>Welby Edwards, Insurance</td>
<td>Community leader (Clark)</td>
</tr>
<tr>
<td>Robert Peacock</td>
<td>LEDO, Scott County</td>
</tr>
<tr>
<td>Doug England</td>
<td>Hughes Group (Floyd)</td>
</tr>
<tr>
<td>Todd Perkins, President</td>
<td>Amatrol (Clark)</td>
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<tr>
<td>Greg Fitzloff</td>
<td>Southern Indiana Chamber of Commerce</td>
</tr>
<tr>
<td>Ken Ogden, Labor President</td>
<td>Labor President covering all counties in Region 12</td>
</tr>
<tr>
<td>Mabel Fultz</td>
<td>Paoli Chamber of Commerce (Orange)</td>
</tr>
<tr>
<td>Dale Orem</td>
<td>Community Bank (Clark)</td>
</tr>
<tr>
<td>Judy Gray</td>
<td>Orange County Economic Dev. Council</td>
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<tr>
<td>Pam Ottersbach</td>
<td>Metro United Way (Seven Counties)</td>
</tr>
<tr>
<td>Matt Hall</td>
<td>Southern Indiana Economic Dev. Council</td>
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<tr>
<td>Jack Ragland</td>
<td>Southern Indiana Economic Dev. Council</td>
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<tr>
<td>Rob Heinrich, Plant Manager</td>
<td>Pat Stroud</td>
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<td>Pat Stroud</td>
<td>Crawford Co. Chamber of Commerce</td>
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<tr>
<td>GKN Sinter Metals (Washington)</td>
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<tr>
<td>Steve Johnson</td>
<td>Paoli Inc. (Orange)</td>
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<tr>
<td>William (Bill) L. Taylor,</td>
<td>Vice President Union Planters Bank (Harrison)</td>
</tr>
<tr>
<td>Jim Keith</td>
<td>Clark-Floyd Tourism Bureau</td>
</tr>
<tr>
<td>Darrel Voelker</td>
<td>Harrison County Chamber of Commerce</td>
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Partners in the Region 12 Planning Team

Region 12 Office
Tyler Graves, Director
Theresa Brading, Program Manager
James Johnson, Administrative Coordinator

Kathy Noland, Indiana Dept. of Commerce

Purdue University Extension Services
Christine Nolan, Area Educator

Indiana Business Research Center
Jerry Conover, Executive Director
Carol Rogers, Associate Director

Insight Consulting, LLC
M. Jean Woods, Principal
Peggy Morrow, Principal

Strategic Development Group
Thayr Richey, Program Manager
Mark Keillor, Project Manager

Indiana Economic Development Council, Inc.
Jackie Nytes, President
Le Anh Long, Research Director

About the Strategic Development Group

Strategic Development Group, Inc. was founded in 1991. One of Indiana’s most respected consulting firms, SDG has worked in more than 100 communities throughout the US, helping businesses, governments, and community-based organizations on strategic planning, research, management and economic development projects.