

Angola Area Chamber of Commerce Annual Meeting Address, March 6, 2009

Good afternoon everyone. I want to start out by thanking Jennifer Rumsey and the Angola Area Chamber of Commerce for inviting me here today to share with you some information about our city and to also share with you some thoughts I have about economic development in Angola and Steuben County. I would also like to say thank you to the chamber staff and its members for the countless hours you spend working to help make this community a better place to live and to do business.

I want to preface my thoughts about economic development by saying that the statements I will be making about economic development will be my thoughts and not necessarily the same ideas that other elected officials in the city or the county may have. I speak only for myself today.

I am not going to stand up here today and talk to you about all of the doom and gloom there is in our economy. We can all see that in our newspapers, or on television and radio news programs. Or we can just look at the bottom lines of our businesses. I want to talk to you today about the hopes I have for the City of Angola and Steuben County to come out of this economic downturn quicker and better than many places will. But, to come out of this recession quicker and better all of us, including those of us who are elected officials from all over our county, are going to have to be willing to work harder than ever before. And that is something I believe we are all willing to do. We are also going to have to accept the fact that all of us, especially the elected officials, will have to change the way we do business and we may have to take a gamble once in a while by implementing some new ideas. Two things we are not always comfortable with doing in Steuben County.

I would like to start out today by having you close your eyes for a minute. Now please don't go to sleep you'll have plenty of time for that during the rest of my speech. Now picture in your mind a map of Indiana. Start out by looking in the northeast corner of the state where we are located. Now start thinking in your mind about the roads going thru our city and county. Think about major cities around us. Go west on the toll road or US. Highway 20 thru Elkhart, South Bend over to Whiting. Then go south and you will see Lafayette and then Terre Haute. Go east to Indianapolis and then south to Jeffersonville. Think about other communities around the state and the major roads that they have leading to them. Think about what other counties have for attracting tourism. Now think about, outside of Indianapolis, any other area of the state you would have more opportunities for growth and economic development than here in Steuben County. I don't believe there are any. I know that seems like a pretty bold statement but I have several reasons to be optimistic.

Just one week ago yesterday I was at a Northeast Indiana Regional Partnership meeting in Ft. Wayne where the featured speaker was Robert Ady who is recognized as the leading site consultant in the United States. During his speech he remarked that he had taken a ride through Steuben County that day with several of the Regional Partnership executives looking the area over. After his speech I went up to him and told

him about the statement I was planning on making today about the potential for growth and economic development in Steuben County. I asked him for his opinion if that statement was being optimistic or not. He said that he felt the statement was right on the money. But he felt that our biggest problem was that we don't have a product to sell right now. He said that if we don't have land available and ready to be built on then we don't have a product to sell. And that is a huge part of economic development-having available land to build on. When that happens he believes the potential for economic development in Steuben County will be unbelievable.

Everything else is in place. For instance, we don't have to wish that we were in an area that was within 200 to 250 miles of several big metropolitan areas where we could ship and receive products that are being manufactured or distributed or where we could draw tourism from those cities. Where we are sitting we are within 250 miles of Chicago, Detroit, Cleveland, Columbus, Cincinnati, Louisville and Indianapolis.

We don't have to ask the State of Indiana to build us an Interstate Highway through our county that connects all the way from Canada to the most southern boundaries of our country. We already have that with I-69 and its connections. We don't have to ask the federal government to build us a federal or U.S. Highway that goes east and west through our county and goes from the east coast to the west coast. We already have 2 of those with the I-80/90 Toll Road and U.S. Highway 20.

We don't have to ask the state to come in and create a state park or build us a couple of big manmade lakes for tourism. We already have Pokagon State Park and 101 lakes.

We don't need to go to a university and ask them to build a branch campus in our county to bring in 500 fresh new faces to our county each year plus provide a place for higher education for people living in our county. We already have Trine University.

Folks, we have it all here. We have all of the economic development and growth potential tools we need already here in the City of Angola and Steuben County. I want you to keep these things in mind today as we talk about the City of Angola and Steuben County. We need to be thinking bigger.

But, we have a tendency to think that because we live in a small community that life just goes on and not much changes around us. We get up every morning, maybe get our children ready for school, get ready to go to work, go to work, do our jobs, come home from work, do our chores around the house, have supper, maybe go to some function in the evening, go home and go to bed and then we start it all over the next morning. We don't see great changes in our skyline with new 10 story buildings going up, big new sports stadiums being built or huge industrial parks being developed.

But then you get to talking with a friend or relative who has come back to visit our community and they start talking about how Angola has changed over the years and

you get to thinking about it and go “Wow, they’re right. There have been a lot of changes around here”.

The same is true for the City of Angola in 2008. This past year we had almost \$26 million of new construction in our city limits. This included 22 new single-family homes, 56 residential alterations or additions, 6 new commercial or industrial buildings, 32 commercial and industrial additions and 7 new multi housing units at Trine University. And then you start looking over just the last 10 years of growth and suddenly you find that we have had over \$238 million of new construction and additions in Angola alone since 1998. When you consider that for all intent and purposes Steuben County has been in a recession in one degree or another since Sept. 11, 2001, I believe that this speaks volumes for our city, our business people, our industrialists, our university, all of our elected officials and city employees, along with our Chamber of Commerce, the people working on economic development and our citizens. All of these people and entities have worked very hard in one way or another during difficult times to keep our city a beautiful place to live and a viable place to do business.

Several industries were in an expansion mode in 2008 as Allied Manufacturing, General Products, JK Investment Properties, Steffy Wood Products, Univertical, Tenneco and Vestil Manufacturing pledged to invest over \$2.3 million in our community with the hope of creating 110 jobs with annual salaries of nearly \$5 million. Unfortunately the massive recession we are in has slowed some of these expansions down. But we appreciate those companies being here and we know they will be expanding more when this economy turns around.

We also had several businesses start up in Angola this year. We appreciate the faith they have shown in our community and the efforts of businesses such as Kohl’s, Maxton Motors, Farmer’s and Merchant’s Bank, Cartridges Unlimited, Little Caesar’s, Professional Federal Credit Union, Fuzz Motorsports and Cocoa Moon who expanded or opened new businesses in the City of Angola during 2008. And we also want to thank all of the other businesses in our city that allow our consumers the great variety of choices they make available.

These are difficult times for all of the businesses and industries located in Angola just as it is for the people who are employed wondering if their jobs will be here next week and especially those that are unemployed and underemployed. However, Angola and Steuben County have survived a Civil War, two World Wars, other wars, many recessions and a depression over the last 150 years. Although I don’t believe the economic recovery will be quick, I do believe that we have the opportunity to come out of this stronger than we have some past recessions. I also believe that we can come out of this recession in a better position than many communities across our state and our country. I believe this because of some of the things that are in place today that weren’t in place in the past.

One of the things in place today that hasn’t been there before is that the City of Angola still has \$3.9 million dollars and the county \$30 million dollars left over from the

Toll Road lease. Although the city has pledged some of this money to the Downtown 20/20 Revitalization program, the Univertical remediation situation and our neighborhood revitalization and the county has some of their money tied up in different projects we both still have most of this money to be used for economic development. Although I believe it should have been done earlier, now would be a very good time for all of the communities in our county to sit down with Steuben County Government and the Steuben County Economic Development Corporation and come up with a plan to utilize this much needed money for economic development throughout our county.

The way I see it is we have two choices in how to plan for this. We can sit back and wait for the economy to change and then start putting a plan together or we can act now by putting plans into place that will have us ahead of communities all over this country when the economy changes. It makes more sense to me to invest this money into projects now that will start bringing jobs to this city and county sooner rather than later.

We don't have to look very far to see a good example of how this could work. For years Trine University tried every way possible to increase their enrollment at the university. And for several years their enrollment would either gain a few students or lose a few students each year. But it could never get over the hump of having sizable student population increases at a university that offers so much and has such a good reputation all over the world. Dr. Earl Brooks and the university board realized that they were going after the same students that many other good Midwestern universities were going after but were losing many of these students to schools that were marketing, not just the educational side of higher learning, but the social and amenities side of university life.

Once the decision was made to expand their curriculum and to upgrade the living and social facilities at Trine University, their enrollment has been steadily increasing. It took a huge investment and commitment by the president, the university's board and the university's alumni and friends to get this accomplished and it is paying big dividends for them now. But this change didn't come about without all of them committing to the fact that they had to change with the times. This change did not come about overnight. This change did not come about without some pain and a certain amount of controversy. And now is the perfect time for the City of Angola, the surrounding towns and Steuben County governments to realize the same thing. We need to change our way of thinking about how we do economic development in Angola and Steuben County. We need to strengthen our industrial and technology base with new places for these types of companies to be able to build their new facilities. For this county to once again flourish we need to have that needed balance between industry, technology, retail and tourism.

We can only strengthen that base if we have available sites and buildings that 21st century industries and technology businesses are going to want and be able to locate in and if we have the workforce available that is educated in the "New Economy" to fill those jobs. I'll talk about the "New Economy" later on.

Many of us in this room today have been to meetings sponsored by the Steuben Economic Development Corporation, the Northeast Indiana Regional Partnership, or the

REMC, where the featured speaker was a professional site selection specialist. Each and every one of the site selection people told us the same things.

They told us that when a company tells them to find a new location to expand their business the first thing the site selector does is to go through their process and eliminate communities from consideration. In other words if their job is to find a location within 150 miles of a certain destination they will get out a map and draw a circle that is 150 miles around that destination. Then they will look at what communities are inside of that circle and start going to each of those community's economic development websites. If they don't find a website for that community that community is immediately eliminated. If they do have a website and that website doesn't have information about a building that will fit their criteria or doesn't show an industrial site where they could build a new building that community is immediately eliminated. This process is the quickest way site selectors can reach their objective of narrowing their process to 3 or 4 viable communities. And this process is pretty universal among site selectors nationwide.

Our own Steuben County Economic Development Corporation has a website. So that will put us in the running for consideration. We also have some available buildings on that website. Our biggest problem in Angola and Steuben County is that not all but most of our available buildings are too small, or too old, or the ceilings are too low and they are on small parcels of ground that are landlocked where an addition cannot be added on to the building in the future. We are very short on land that has been purchased for the specific reason of putting in an industrial slash technology park where the infrastructure has been put in place already. Now is the time for the private and public sector to come together, put their minds and their money together, and come up with viable plans for each community that will help all of Steuben County to come out of this recession quicker than other communities in our country.

I think that most people in this room would agree that it is NOT government's job to create jobs. It is businesses pursuing "profitability" that will create most of our jobs locally. It is government's job to create the infrastructure such as sewer, water, roads, fiber optics along with a positive living and working environment in our communities that will attract these businesses. Elected officials and Local Economic Development Organizations are simply the facilitators for businesses that want to expand or locate in a specific community. Too often economic development is judged strictly by the number of jobs that are created in a community. But we need to ask ourselves, "Are we better off bringing in a company that employs 100 people at an average wage of \$10.00 an hour or are we better off bringing in 4 companies that each hire 15 people at an average wage of \$16.00 to \$20.00 an hour".

We should be looking for the type of economic development that increases the standard of living in our county that creates a "real" increase in the level of average household incomes and shows the "equity" of income distribution is improving. We should be encouraging economic development where the local tax base is keeping up with the demand and the cost of government services, where business and industry are creating "quality" jobs and the quality of life is improving.

I mentioned earlier about the “new economy” jobs. These are the new skilled jobs that are being created in today’s job market. So the second thing we need to do is we, as a community, need to be doing more to help our workforce prepare for the “New Economy Jobs”. In 1950 our nation’s workforce was made up of 20% professional jobs, 20 % skilled jobs and 60% unskilled jobs. But in the 1950’s we were basically a manufacturing based country. In 2005 we were still 20% professional jobs, but had changed to 68% skilled jobs and only 12% unskilled jobs. As of 2005 the information industry had an average wage of over \$23.00 an hour. In 2007 professional services had an average wage of over \$26.00 an hour, financial services over \$20.00 an hour and wholesale industries had an average wage over \$19.00 an hour. These are the types of new economy jobs we should be trying to attract and these are the types of jobs we should be trying to train our workforce for.

The new economy is increasingly being driven by digital and information technology. We need to be doing a better job of training those in our workforce who come from the manufacturing sector about technology and services. We need to train them to go from an unskilled employee to a skilled employee. Today’s businesses have to be able to compete in a global market. The more skilled employees we have in our community the better opportunity we will have in attracting global businesses. It is estimated that over 95% of all new jobs over the next 10 years will be service oriented. We need to help our work force become trained for the higher skilled service jobs such as computer systems, software and information technology. We need to help them to prepare to go into health care, technical consulting services, employment services and professional & business services. Telecommunications and computers will need to be used more effectively to improve business profitability and our workforce will need to know how to work in these environments.

So what can we as individuals and elected officials do to help facilitate this new economy the change of work environment for our workforce? Well, once again on the elected officials side, it comes back to the Toll Road Money.

There are some elected officials as well as some taxpayers that say we need to make this money last for the 75 years of the toll road lease. We need to save it for future generations. This is a noble gesture on their parts. This would be a wonderful goal to reach for if the economy was in good order. But with a local economy that has an unemployment rate over 11% and climbing, I would have a very difficult time looking an unemployed or underemployed person in the eye and tell them that I didn’t feel we should invest our Major Moves money right now into trying to facilitate the creation of jobs for him or her today. I would have a difficult time explaining to them why I felt it more important to save this money for future generations than to do what I could to help this generation find local jobs today and in the months ahead.

Because we haven’t invested the Major Moves Money into job creation projects like the state wants us to, has created some problems for us. Every time we approach the state about help with a project, such as the Univertical situation we are going through, the

first question out of their mouths is why are we coming to them when we still have the Major Moves Money.

So whether or not you were for or against the toll road lease, I believe we should feel very fortunate to have this money at our disposal today to be used for economic development and helping to create jobs for this generation and future generations. But if we as elected officials don't invest this money for its intended use now, I believe it is your responsibility to be asking us why we are not investing this money for its intended purpose, *which is to create economic development*. We need to prepare a true countywide vision for our future and a plan on how to make this money work best for all of us within that vision and plan.

Now would be an excellent time for the county to put together a countywide redevelopment commission. The county redevelopment commission could work with each community and the Steuben County Economic Development Corporation Board to come up with a true countywide plan on how to best invest this money in our county to create economic development. We might find one community wants to concentrate on medium and heavy industry. We might find another community wants to concentrate developing a technology park. One area of our county might be looking for distribution businesses. Or another area may want to concentrate more on tourism and try and develop a hotel with a water park or another type of theme park. This commission should be made up of business people from around the county whose only concern is to help facilitate the increasing of jobs and the quality of life in all of Steuben County.

We could be checking in to see if this money could be used as incentives for new businesses in the future or to help current businesses expand. Maybe it could be used for low interest or no interest loans to help a business expand or relocate here. Maybe it could be used to purchase a site for an industrial or technology park in one or more of our communities.

Maybe we could use this money to expand our fiber optics throughout the county or help get wireless technology expanded in our county to help businesses move their information faster.

We should also be working with Workforce One, Trine University and Ivy Tech on programs to retrain our workforce to meet our workers needs for the new economy jobs.

These are all ideas I have taken away from the many different economic development meetings that I have attended. These are the thoughts given to me by professionals from all over the country that have been paid thousands of dollars to study economic development. It is their expertise, most of which we have obtained for free, that we are trying to get implemented in our city. Many of you have already stepped up and helped this community in the past. And I hope that some of you in this room today will step up as community leaders and help move some of these ideas into realities in the near future.

The City of Angola is working to change the business and working atmosphere in our city. The city along with members of the chamber of commerce and the Indiana Department of Transportation are working to make our downtown a more beautiful, safer and more viable downtown. We want people to want to shop downtown, to feel safe from the traffic in our downtown and we want the building owners and shop owners to be able to make money in our downtown. Our city planner and economic development director, Julie Cole, and the 20/20 Downtown Project members and our chamber of commerce have worked very hard to make this project, which has been talked about for at least 35 years, to become a reality. The City of Angola has and will apply for every grant available to us and we've also applied for every part of the President's new stimulus package that pertains to projects in our city. But, so has just about every other community in our country.

These are interesting and very difficult times for many people. But I want to assure you that your city employees are doing everything we can to get our city through this recession as best as we can. We have been engaged in a program called High Performance Government Network. This program will eventually be bringing all of our employees together to work on ways to make our city government even more efficient. We are looking at ways to better serve our citizens thru more efficient delivery of our services instead of possibly having to get rid of some services. Efficiency is something we work at all the time. But the HPGN is a new concept that we are working with to continually improve ourselves.

The City of Angola will have many challenges that we must face in the near future as well as in the long term. The State Legislature is constantly changing the ways in how we receive our revenues. The last change they made was to try and reduce property taxes and replace those lost revenues by increasing our sales tax. They have taken what has been a stable revenue stream through property taxes and changed it to an economy based revenue stream with the sales tax increase. They want to put the tax cap legislation into our constitution and make the tax caps permanent. And although we applaud the governor and the legislature for trying to come up with property tax reform, we believe that this recession will quickly prove that replacing the stability of property taxes with an unstable economy driven sales tax is not the best way to go. Since the tax caps are already law, I would encourage our legislature to hold off trying to get the caps in our state constitution until more hard evidence is collected to see if this really is the best way to proceed.

As of December 31, 2008 the City of Angola's cash on hand was almost \$2 million and our investments were \$9.3 million. This puts the City in pretty good shape for the time being. However, that could change quickly if uncollected property taxes were to rise and the sales tax revenues decrease substantially. We also have several capital projects we are working on that will reduce these balances.

So the bottom line for the City of Angola is that we are in better shape than many communities in Indiana that are more than 50 miles from downtown Indianapolis. We

are, however, because of the recession under the same stresses that cities, towns and counties all over our state and country are under. We as elected officials must work harder and smarter than ever before. And we as elected officials cannot be afraid to be true leaders in our communities. Sometimes that leadership role may mean that we make mistakes and that we will have to take the criticism that goes with those mistakes. But sitting back and doing nothing is the biggest mistake we could make right now. We, as citizens of our communities, must do everything we can to make sure as many of our businesses as possible are able to survive this recession and people keep working. We can all help our local businesses by doing everything we can to buy everything possible locally. We enjoy a great variety of options for shopping in a community our size. But these businesses will only be able to stay open and available to us in Angola only if they are able to make a profit.

This will also be a time that our non-profit agencies will be called upon for help like we have never seen in our life times. We, who are fortunate enough to still have jobs, need to try and do more to help these organizations financially and voluntarily to serve those who are less fortunate than we are right now. Even those who are unemployed could help out by volunteering their time to help these organizations.

As I said before we all have many challenges ahead of us. We as individuals, or a city, or a nation will never be defined or remembered by what we do during the good times in our lifetime. We will only truly be remembered and defined by what we were able to accomplish and the leadership we were able show during our most difficult times. I am confident that with the leaders we have in this room today along with the determination and entrepreneurship of the men and women from throughout our county that we will, as I said earlier, survive this recession and with good planning be a much stronger community in the future.

Thank you for inviting me here today to share some thoughts with you and tell you a little bit about the city that I love and that I am proud to call home. And thank you all for what you do for this city and county both as chamber members and individually.