

The Elkhart County Philosophy
Toward Taxpayer Support of Private Development
Incentives as a precision tool for implementing a technology-rich economy

The Horizon Project was the result of community wide goal setting over the course of two years leading up to the start of the new millennium. Its self-described blueprint for the successful transformation of the Elkhart County economy includes clear and measurable objectives. The document also expresses the county's nagging concerns over the very short list of prevailing skill sets in the business arena here.

To expand these competencies toward higher job skills – and the higher salaries they would bring – the Horizon Project carved out a set of criteria for preferred business growth sectors. They include a **knowledge-based workforce**, using a **variety of high technologies** in the production cycle, where intellectual rather than mechanical muscle is applied. And, to “walk the talk” of ramping up the application of technology and innovation, **local government support of business growth would be directed to this task** very specifically.

At a February 2006 retreat for County leadership, the group resolved to initiate the County's use of tax phase-ins using criteria that measures the presence of these values in their operations and corporate vision. The Elkhart County Redevelopment Commission was asked to design a scoring system that evaluates the level of innovative skills in companies requesting tax relief (although it is the County Council that grants tax phase-ins). The Redevelopment Commission, whose jurisdiction includes approving Tax Increment Financing and other incentives, also uses these desired outcomes to evaluate proposals.

Here are some of the economic observations and goals formed by the Horizon Project, from which the County takes its cue in applying the business incentive tools it has available:

The Elkhart County Horizon Project

On the current use of technology, and expanding innovation in the workplace:

- The county has not seen a significant increase in the use of technology or the development of the skilled workers necessary to move into the advanced manufacturing arena or other high technology related economic sectors.
- Investing in an infrastructure of innovation will build locally grown and locally owned businesses will bring financial and regulatory support for new and existing businesses, creative programs and initiatives to support local entrepreneurs and creative economic diversification efforts, plus proactive efforts to develop, modernize and maintain the existing industry base.
- The county must increase the highly skilled workforce necessary to keep and attract technology rich businesses: ...partner with and/or locate institutions of higher education in the county ... to move toward specific niches rather than offer redundant programs.

- ❑ Objective 1.3: Aggressively pursue a creativity-driven, economic strategy by partnering with an Indiana research university to establish a Technology-Based Incubator / Certified Tech Park.
- ❑ Objective 1.5: Study the feasibility of developing a network of technology focused, business incubators. They would be technologically linked and support individual IT infrastructures, with particular focus on broadband Internet access. The goal would be to attract small, high growth companies, with the potential of creating high paying jobs.
- ❑ Objective 1.8. Review traditional government funded support for business growth (TIF, tax phase-in/abatement, tax credits, etc.) and creative additional mechanisms to...reward investment in advanced technology...etc.)

These values are the tenets that guide the County's boards in public support of private development. Funds or other resources of value are limited in County government, but its vision for the future is not.

Incentives therefore are offered to reassert and strengthen the innovative economic forces that have been the hallmark of Elkhart County.