

APRIL 7, 2017

RETHINKING ECONOMIC DEVELOPMENT IN DELAWARE

A REPORT FROM THE DELAWARE ECONOMIC
DEVELOPMENT WORKING GROUP

DELAWARE ECONOMIC DEVELOPMENT WORKING GROUP

The members of the working group include:

Rod Ward - President, Corporation Service Company (Co-Chair)
Mark Brainard - President, Delaware Technical Community College (Co-Chair)
Doneene Damon - Executive Vice President, Richards, Layton & Finger, P.A.
Mark Kleinschmidt - President, New Castle County Chamber of Commerce
Nick Lambrow - President, M&T Bank, Delaware Region
Jim Maravelias - President, Delaware AFL-CIO
Terry Murphy - President, Bayhealth Medical Center & Chairman of the Delaware Business Roundtable
Mona Parikh - Community Engagement Liaison, UD Horn Program in Entrepreneurship
Sen. Brian Pettyjohn - Senate Republican Caucus
Albert Shields - Policy Director, Office of Governor Carney
Rep. Bryon Short - House Democratic Caucus
Richelle Vible - Executive Director, Catholic Charities
Sen. Jack Walsh - Senate Democratic Caucus
Bernice Whaley - Director, Delaware Economic Development Office
Rep. Lyndon Yearick - House Republican Caucus

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INTRODUCTION

The Delaware Economic Development Working Group (DEDWG) was formed at the request of Governor John Carney. The group's mission is to consider a public-private partnership (P3) between the state's economic development efforts and the broader business community. The State's involvement centers on the Delaware Economic Development Office (DEDO) as well as other state-supported functions. Through Executive Order One, Governor Carney asked that the working group provide recommendations for implementing such a partnership.

Specifically, the executive order requested that the working group provide a report to the governor that included the following elements:

- Policy recommendations regarding the use of a P3 to foster economic development in Delaware, particularly in strengthening the environment for entrepreneurs and innovative companies;
- The features essential to the success of any recommended P3, including a proposed governance structure and an estimate of necessary appropriations from the General Assembly;
- A proposed timeline for implementing any policy recommendation; and
- A draft of any necessary implementing legislation. This task will be performed by the Carney Administration.

The full text of Executive Order One is presented in Appendix One.

To this end, DEDWG convened four public meetings to help craft recommendations for this report. A kickoff meeting was held on February 24 to allow the working group members to introduce themselves and provide their interest and perspective on economic development in Delaware. The meeting also included an overview presentation of DEDO's current structure, responsibilities, programs, and funding.

The second working group meeting included presentations by two experts detailing how P3s are structured and operated: Mike Downing, Executive Director of the Missouri Department of Economic Development and Bob Coy, recent President and CEO of CincyTech. The third working group meeting focused on reviewing and discussing preliminary recommendations from the consulting team regarding the structure, functions, governance, composition, and funding of a P3. The working group provided final input and approved the final draft report at the fourth meeting.

BACKGROUND

Economic development in Delaware is essentially a public sector activity. At the state level, it includes DEDO, the Delaware Economic Development Authority, and the Council on Development Finance. In addition, international development activities are handled by the Secretary of State's Office.

It is worth noting that there are other public sector players active in economic development. These include the three counties and—to varying degrees—all of the state's cities. The recommended partnership has the responsibility of coordinating activities not just between the state and the private sector, but, whenever possible, with other organizations as well.

Broadly speaking, the involvement of the private sector will include major employers throughout the state as well as business-related organizations such as the Delaware Business Roundtable and chambers of commerce, higher education institutions, foundations, nonprofits, and labor organizations.

RECOMMENDATION FOR CREATING A NEW P3 TO LEAD ECONOMIC DEVELOPMENT IN DELAWARE

The Delaware Economic Development Working Group supports the creation of a new P3—tentatively referred to as the Delaware Prosperity Partnership—to lead the state’s economic development efforts. The members of the working group view the formation of a P3 as a critical step to improving economic development efforts in Delaware by partnering with the private sector. The goal is to enhance the state’s ability to attract, grow, and retain companies; to build a stronger entrepreneurial and innovation ecosystem; and to support private employers in identifying, recruiting, and developing talent.

Delaware’s economy has undergone a substantial transformation over the last quarter century. Many of the traditional pillars of the state—whether cars or chemicals—are no longer significant job generators. In fact, goods-producing industries (i.e., manufacturing) accounted for about 20 percent of the state’s non-farm employment in 1990. By 2015, this was cut in half to just 10 percent of all jobs. At the same time, the state is experiencing new growth in sectors such as financial technology, aircraft parts, professional services, research and development, and healthcare. The state is also home to a nascent yet expanding employment base on which to build a vibrant entrepreneurship and innovation ecosystem.

Ensuring this transformation is successful and has a positive impact on all communities and populations in the state requires a bold new initiative. This initiative brings together the resources, commitment, and energy of both the public and private sectors. It will require a reset of economic development. To think of the task ahead as anything less than a reset is to fight a rear-guard action against the overwhelming forces of change and disruption that are sweeping the nation.

This should not be seen simply as an effort to privatize statewide economic development in Delaware. Privatization is not what the working group is recommending. Rather, a new P3 should be viewed as a true partnership able to tap private sector expertise and resources. It should include the traditional public sector entities, like DEDO and local economic development organizations, while involving the state’s business, academic, and nonprofit leaders. It will represent a genuine “Team Delaware” for economic development.

If successfully executed and adequately funded, a new partnership has the power to be transformative for Delaware. Employers will have access to a broader and deeper pool of talent to drive innovation. Delaware will become a destination for entrepreneurs and innovative people. The state’s finances will be strengthened and tax base will be expanded. Underserved neighborhoods and communities will be invigorated. In this respect, the Delaware Prosperity Partnership can become a leader not only within the state, but in the broader region, both expanding the Delaware brand, invigorating business growth, and acting as a talent magnet.

“ENGAGING THE PRIVATE SECTOR IN A LONG-TERM, FOCUSED PARTNERSHIP FOR STATE ECONOMIC DEVELOPMENT IS ESSENTIAL TO INCREASING THE EFFECTIVENESS OF STATE ECONOMIC DEVELOPMENT AGENCIES AND HELPING THEM ADJUST TO THE NEW ROLE THAT THEY ARE CALLED TO PLAY.”

—Redesigning State Economic Development Agencies, National Governors Association, 2012.

GUIDING PRINCIPLES

Guiding principles reflect the values and tenets that will serve as foundations for a new economic development P3 and guide its creation. These principles were crafted by the working group and embody the collective view that this new organization will become integral to ensuring long-term economic vitality in Delaware.

- **Transparency:** The funding and operations of the organization will be open and transparent to ensure public and private investments are protected and properly managed.
- **Co-investment:** The public and private sectors are co-investors in Delaware's economic development success. These investments are not just limited to finances, but include expertise, networks, facilities, and time.
- **Measures-Driven:** The organization will establish a clear and realistic set of metrics to evaluate its success. These measures will address the activities and initiatives the organization will lead. They will also reflect the desirable outcomes sought by the state, including new job creation, higher wages, expanding high quality talent base, growing tax base, and new business formation.
- **Strategic:** The organization will be forward looking, anticipating trends and economic conditions.
- **Co-Governance:** Responsibility for guiding the direction and management of the P3 will be shared by public and private sectors.

ORGANIZATIONAL OUTLINE

The following draft outlines a new structure for economic development in the State of Delaware. The name of the group, the Delaware Prosperity Partnership (DPP), is provisional. The Delaware Prosperity Partnership or similarly branded organization should have a name that is distinct from DEDO to avoid any confusion. Further consideration should be given to renaming DEDO in order to clearly distinguish the roles of each organization, especially among potential customers.

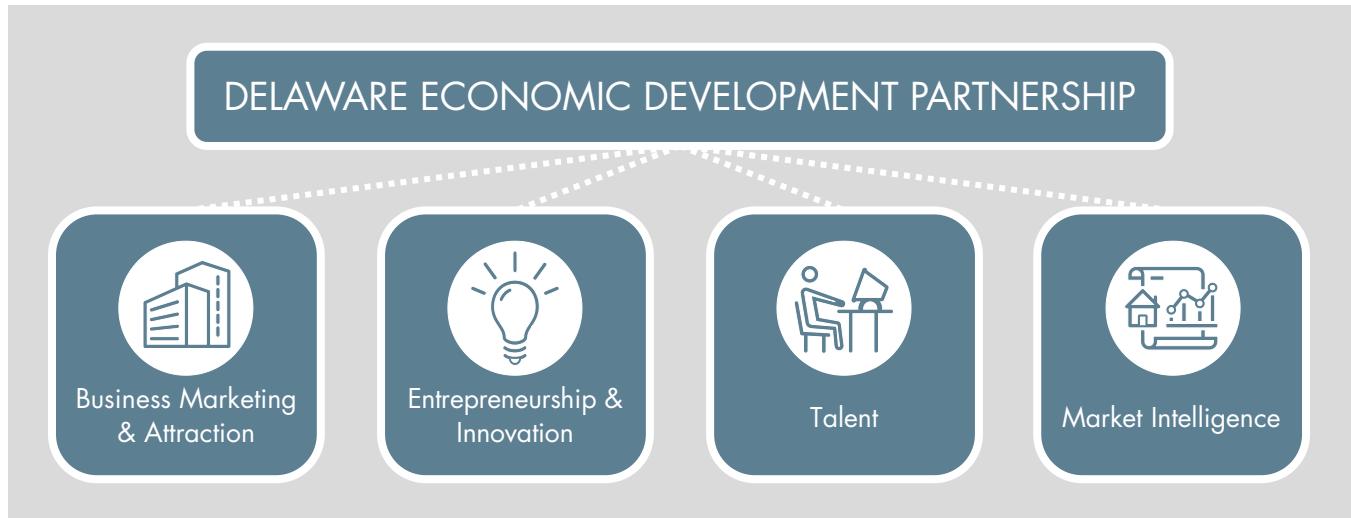
- The Delaware Prosperity Partnership should be structured as a public-private entity. It would contract with the State of Delaware to provide a range of economic development services, many of which are currently offered by the Delaware Economic Development Office. A portion of current appropriations for DEDO (program-specific) would be transferred to the DPP.
- Rules regarding the structure, governance, operations, and oversight of the DPP would be laid out in a new state statute. The existing statute delegating economic development duties to DEDO would be amended.
- The two primary options for DPP's legal tax structure are either a 501(c)(3) or a 501(c)(6). The table below helps provide guidance on key aspects of both.
- The working group recommends that the P3 should be formed as a 501(c)(3) primarily due to its capacity to receive charitable donations. This will offer the entity greater flexibility in being able to raise non-public funds. And while it will be limited in its ability to advocate directly on policy matters, it can still have a prominent role in educating the public on state economic development issues. Future consideration, however, could be given to reclassifying the DPP as a (c)(6) if circumstances warranted or to creating a new (c)(6) sub-entity.

501(C)(3)	501(C)(6)
Operated exclusively for charitable, educational, religious, literary, or scientific purposes	Operated to promote and improve business conditions in the industry
Includes membership associations (e.g., professional society), if the purpose is to advance the profession with respect to "educational" activities	A membership organization (e.g., business league, industry trade association) that advances a common business interest
Lobbying and political activities are significantly restricted – a (c)(3) will lose tax-exempt status if the IRS determines that it has engaged in "substantial" lobbying activities	Allowed a wide range of lobbying. However, a (c)(6) is required to disclose to membership the percent of their annual dues allocated to lobbying (i.e., non-deductible to members for tax purposes)
Special advantages of the (c)(3) include:	
Enhanced fundraising advantages, such as eligibility to receive tax-deductible "charitable contributions", gifts of property, and funds from grants	Dues or other payments to a (c)(6) are only deductible to the extent that they serve an "ordinary and necessary" business purpose of the payer
Eligibility to receive other state and local tax exemptions (e.g., sales tax)	

Source: www.amrms.com/Blog/ArtMid/448/ArticleID/25/501c3-or-501c6-%E2%80%93-What%E2%80%99s-the-difference

FUNCTIONS

DPP would assume some of the existing functions DEDO administers, as well as other economic development duties currently not being addressed at the state level. These functions include:



- **Statewide business marketing and attraction:** The DPP will lead an expanded business recruitment program designed to attract new domestic and foreign direct investment to Delaware through targeted marketing. This program function will:
 - Place a new emphasis on attracting early stage, technology focused enterprises and entrepreneurs;
 - Recruit large employers; and
 - Provide international business attraction and export assistance.
 - Global Delaware will be relocated from the Secretary of State's office to DPP.
- **Entrepreneurship & Innovation:** The DPP will have a central coordinating and marketing role in building a deep and diverse entrepreneurship and innovation ecosystem in the state and promoting the Delaware for entrepreneurial ideas, talent, and capital. In this role, DPP will:
 - Provide dedicated support to startups and early stage ventures;
 - Emphasize high-growth firms that will serve external markets;
 - Closely coordinate and collaborate with organizations and institutions in the state who are also working to enhance Delaware's entrepreneurship and innovation ecosystem; and
 - Support educational institutions and other organizations seeking to bolster technology transfer/commercialization and the attraction of federal research grants (e.g., NIH, SBIR/STTR).
- **Talent:** DPP will raise talent development, retention, and attraction as a central issue impacting Delaware's economic competitiveness by:
 - Performing analyses on forecasted skill and occupation gaps;
 - Working with employers, education providers (K-12 and postsecondary), and workforce development organizations to strategically align efforts and programs around key talent competitiveness issues; and

- Identifying and investing in strategic initiatives that address key talent gaps in the state.
- **Market Intelligence:** DPP's investment attraction, entrepreneurship and innovation, and talent efforts will be informed by creative and forward-looking research and analysis. The market intelligence will:
 - Provide specialized research and analysis on specific economic topics (e.g., industry, occupation, socioeconomic conditions, commuting, migration, innovation, business climate, etc.); and
 - Support specific DPP business development and talent initiatives.

The following functions and responsibilities, among others, would initially remain at DEDO. Some functions, however, could be transferred to the DPP in the future if the State determines they would be most effectively managed and implemented by the Partnership. See Appendix 2 for an overview of DEDO's existing structure and functions.

- Capital Resources Unit
 - Administration of the Delaware Strategic Fund
 - ◆ Advisory Board: Council on Development Finance
- Tourism Office
 - Tourism Advisory Board
- Business Development
 - Business Retention and Expansion (BRE)
 - Small business support
 - Downtown Delaware
- Workforce Development Training Fund Administration
- Administration of the various other initiatives that DEDO currently handles (i.e., State Small Business Credit Initiative, Federal Research Matching Grant initiative, Neighborhood Building Blocks Fund initiative, etc.)

FUNDING

- The State of Delaware and the private sector would both contribute to DPP's operations budget.
- The private sector should contribute a targeted percentage of total funding for DPP operations. The recommended range of private sector funding is 40-60 percent of the total operating budget.
- Private sector funding should be raised by membership fees. There should be three membership levels:
 - Board member
 - General membership
 - Advisory body
- A fundraising campaign should be launched to raise private funds to support the organization's operations and key strategic initiatives over a five-year period. Categories of possible private funders include private business, educational institutions, healthcare institutions, organized labor, foundations, and business associations. In addition, local governments and authorities should be considered as potential funding sources.
- The State should evaluate options for allocating a dedicated funding stream of public money to support DPP.

COMPOSITION

BOARD OF DIRECTORS

- A total of 15 board members
- Two co-chairs: 1 public official (governor) and 1 private representative (prominent business executive)
- Board appointments allocated between the governor (5), legislature (4), and private sector (6)
 - At least two of the governor's and legislature's appointments should be from the private sector
 - The private sector members should include representatives of business, higher education, nonprofits, foundations, labor, minority communities, etc.
- An executive committee consisting of no more than five members will set the agenda for the board as a whole.

EXECUTIVE TEAM

- Create a Chief Executive Officer position. The CEO should be responsible for the selection of staff and all staff management decisions.
 - DPP staff should be considered private sector employees.
 - Transfer of DEDO functions does not assume transfer of personnel. The CEO and the Executive Team should treat all staff as "new to the organization" and hire accordingly.

ADVISORY COUNCILS

- As needed, the DPP board should establish advisory councils to research, educate, and offer recommendations on specific critical economic competitive issues for Delaware. Two potential advisory councils could include:
 - A **Futures Council** may be created in response to one or more major challenges or opportunities. There are several examples of successful futures councils. In San Antonio, TechBloc (a new/emerging futures council) was created by leaders from the city's largest tech company (Rackspace) in response to a continued failure of the community to attract tech talent and tech firms. In Austin, the long-standing AARO (Austin Area Research Organization) works to advance the economic and social well-being of Central Texas by researching and addressing public policy issues in five priority areas: energy & water, healthcare, P-16 education, social equity, and transportation. The Winston-Salem Alliance was launched by a corporate executive not satisfied with the community's stagnant economy and lack of corporate engagement in economic development issues.
 - A **Talent Council** would have a specific focus on developing recommendations to ensure Delaware is able to develop, retain, and attract the talent it will need to compete for new investment and high-paying jobs. The Oregon Legislature established the Oregon Talent Council in 2015 to address the critical gap in skilled talent across the state and to promote economic growth.

TOOLS AND INCENTIVES

Broadly speaking, the DPP has both an advisory role to and for certain applicants to the Delaware Strategic Fund and an advocacy role to recommend approval of funding authority to promote business growth in the state. Oversight of the Strategic Fund would remain appropriated to DEDO. However, DPP will provide application assistance and

consultation for its investment and job creation prospects. DPP will conduct the initial evaluation of eligibility requirements for the prospects and facilitate completion of the application process to include a letter of recommendation in support of the application for funding.

ESTIMATED BUDGET

State Funding: \$1,500,000

Anticipated Private Contributions: \$1,000,000

Estimated Total Goal: \$2,500,000

It is important to note that State and private sector funding recommendations have been estimated by determining an appropriate budget to carry out the identified functions of the P3 as well as considering budgets of comparable economic development organizations. The State funding recommendation assumes no increase in funding for economic development activities from the State of Delaware. However, this assumption should not be construed as a recommended limitation on State funding for economic development. This new P3 will take a bold and creative approach to generating economic activity in Delaware and supporting these activities with the necessary funding from a variety of sources should be a priority.

TIMELINE

Review of existing economic development funding by OMB: Q2 2017

Pass Legislation: Q2 2017

Conduct private sector fundraising: Q2-Q3 2017

Establish legal entity: Q2-Q3 2017

Appoint Board: End of Q4 2017

Hire chief executive: Q1 2018

Transition programs from State agencies: Q1-Q2 2018

Begin Developing a Strategic Plan: Q1 2018

APPENDIX 1: EXECUTIVE ORDER ONE

TO: HEADS OF ALL STATE DEPARTMENTS AND AGENCIES

RE: CREATING A WORKING GROUP TO CONSIDER A PUBLIC-PRIVATE PARTNERSHIP BETWEEN THE DELAWARE ECONOMIC DEVELOPMENT OFFICE AND DELAWARE'S BUSINESS COMMUNITY

WHEREAS, Delaware's economy is undergoing a fundamental shift toward industries and employment that require innovation and higher levels of skill.

WHEREAS, Delaware must embrace this change and focus its economic development efforts on making investments that result in jobs for Delaware workers, maintaining a business climate and infrastructure that supports economic growth, and developing a culture of entrepreneurship to grow the industries and jobs of the future.

WHEREAS, Delaware's business community has valuable information about emerging markets, the skills needed in a modern workforce, and resources to invest in new opportunities.

WHEREAS, the strength of Delaware's economy will increasingly rely on identifying opportunities for growth and developing a well-trained workforce to meet the needs of existing and potential Delaware companies.

WHEREAS, allowing the Delaware Economic Development Office to work in partnership with Delaware's business community will enhance the resources available for job creation and economic growth.

NOW, THEREFORE, I JOHN C. CARNEY, by virtue of the authority vested in me as Governor of the State of Delaware, do hereby declare and order the following:

1. A working group is hereby established to study how Delaware's public and private sectors can work together to improve the process of economic development in Delaware, including, in particular, to attract more growing and fledgling companies to the state and to build a stronger entrepreneurial community (the "Working Group").
2. The Working Group shall consist of no fewer than 14 members to include:
 - a. Four members of the General Assembly, to include one member from each of the House Majority and Minority caucuses, who shall be appointed by the Speaker of the House, and one member from each of the Senate Majority and Minority caucuses, who shall be appointed by the President Pro Tempore of the Senate;
 - b. The Director of the Delaware Economic Development Office (DEDO);
 - c. Four members of Delaware's business community, to be recommended by the Delaware State Chamber of Commerce;
 - d. The Governor's Policy Director; and
 - e. Representatives from the higher education, non-profit and labor union communities, and one member of the public, to be appointed by the Governor.
3. The Governor may appoint a chair and vice-chair, or two co-chairs, one each from the public and private sectors.
4. The Governor may increase the size of the Working Group and appoint additional members at his pleasure.

5. The Working Group shall convene in February and shall consider at least the following matters:

- a. All duties and responsibilities of DEDO mandated by the Delaware Code and other applicable Delaware law;
- b. All additional duties and responsibilities currently being undertaken by DEDO;
- c. Current DEDO staffing and funding levels;
- d. The extent to which other states in the United States have used public-private partnerships (PPPs) as a tool to promote innovation and build an entrepreneurial community, the significant features of those partnerships and the degree to which they have achieved measurable results; and
- e. The conditions necessary to making effective use of a PPP to foster economic development in Delaware.

6. No later than April 7, 2017, the Working Group shall produce a report to the Governor that includes at least the following:

- a. Policy recommendations regarding the use of a PPP to foster economic development in Delaware, particularly in the area of strengthening the environment for entrepreneurs;
- b. The features essential to the success of any recommended PPP, including but not limited to a proposed governance structure and an estimate of necessary appropriations from the General Assembly;
- c. A proposed process and timeline for implementing any policy recommendation; and
- d. A draft of any necessary implementing legislation.

7. The Working Group shall dissolve on April 7, 2017 unless reconstituted by further executive order.

APPROVED this 18th date of January 2017.

John C. Carney

Governor

ATTEST:

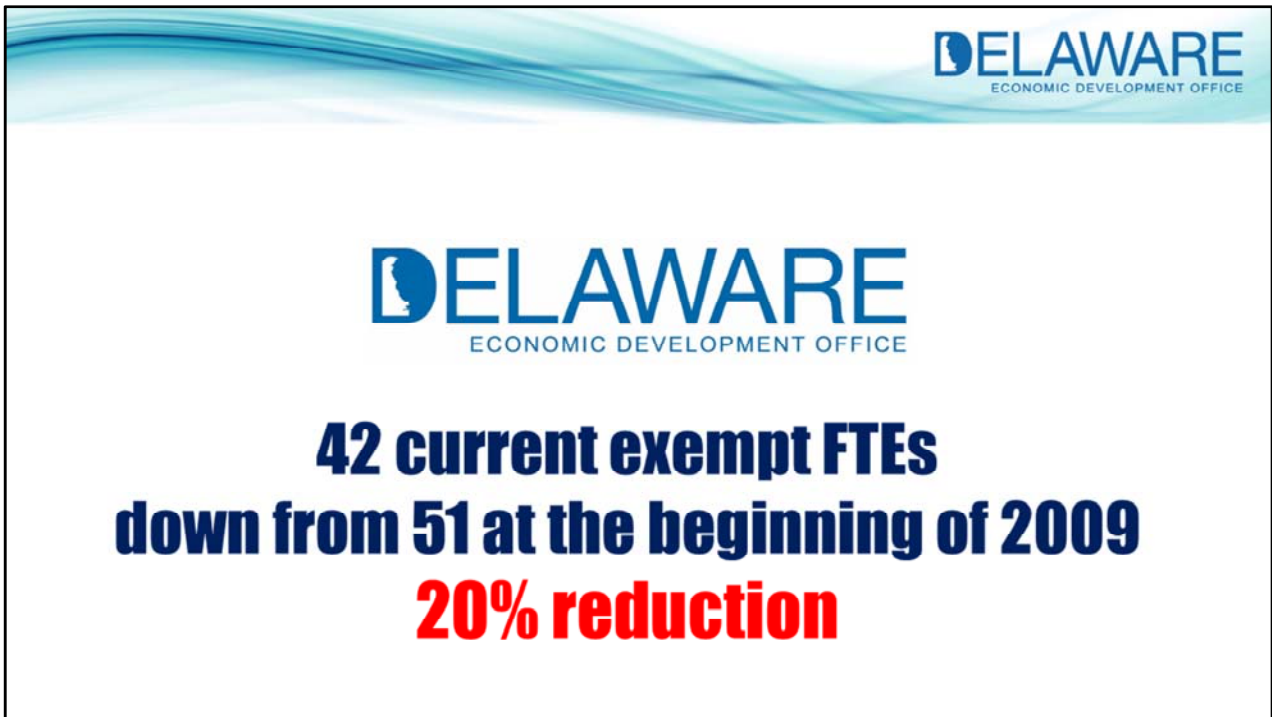
Secretary of State

APPENDIX 2: AN OVERVIEW OF DEDO



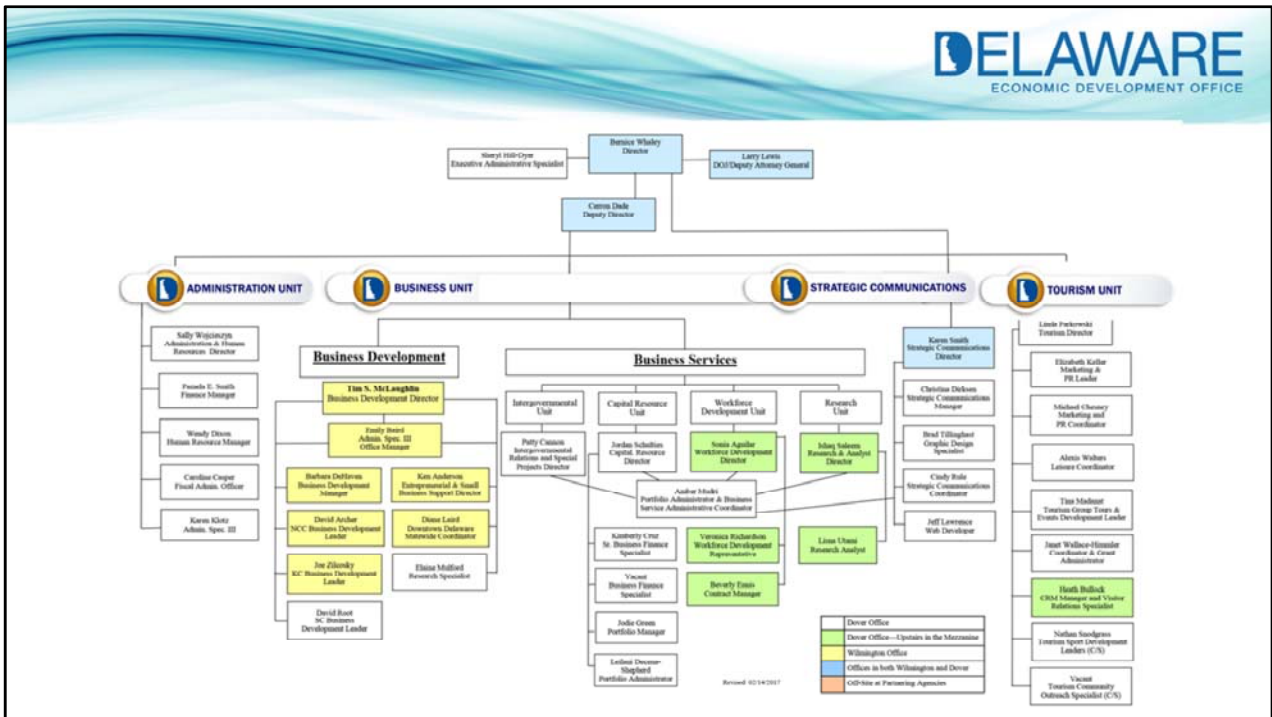


Mission The mission of the Delaware Economic Development Office (DEDO) is to be responsible for attracting new investors and businesses to the state, for promoting the expansion of existing industry, for assisting small, veteran-, minority-, and disabled-owned businesses, for promoting and developing tourism, and for creating new and improved employment opportunities for all citizens in Delaware.



Agency Structure

- Compliment is 42 exempt FTEs down from 51 at the beginning of 2009; 20% reduction (1999 through 2006 - 56 positions, 52 - 2007 and 2008)
- Restructured in 2009 to ensure we could meet the administrations goals with 20% less staff
 - External stakeholders were involved in the process undertaken to identify DEDO's "future" state.



Current Organization Chart



Operating Budget


FY 2017 General Funds = \$2,928,600

FY 2017 Appropriated Special Funds = \$5,976,400

- \$1,700,100 funds DEDO's workforce training programs
- \$2,418,600 funds the Delaware Tourism office
 - \$95,000 to support the Kalmar Nyckel
 - \$21,200 National HS Wrestling Tournament
 - \$6,000 Northeast Old Car Rally
 - \$12,000 Juneteenth

Operating Budget – Next Slide

- FY 2017 General Funds = \$2,928,600
- FY 2017 Appropriated Special Funds = \$5,976,400 of which:
 - \$1,700,100 funds DEDO's workforce training programs (Delaware Economic Development Training Act), funded through the unemployment taxes collected from businesses
 - \$2,418,600 funds the Delaware Tourism office through the public accommodations tax collections. This includes the following legislative commitments:
 - \$95,000 to support the Kalmar Nyckel
 - \$21,200 National HS Wrestling Tournament
 - \$6,000 Northeast Old Car Rally
 - \$12,000 Juneteenth



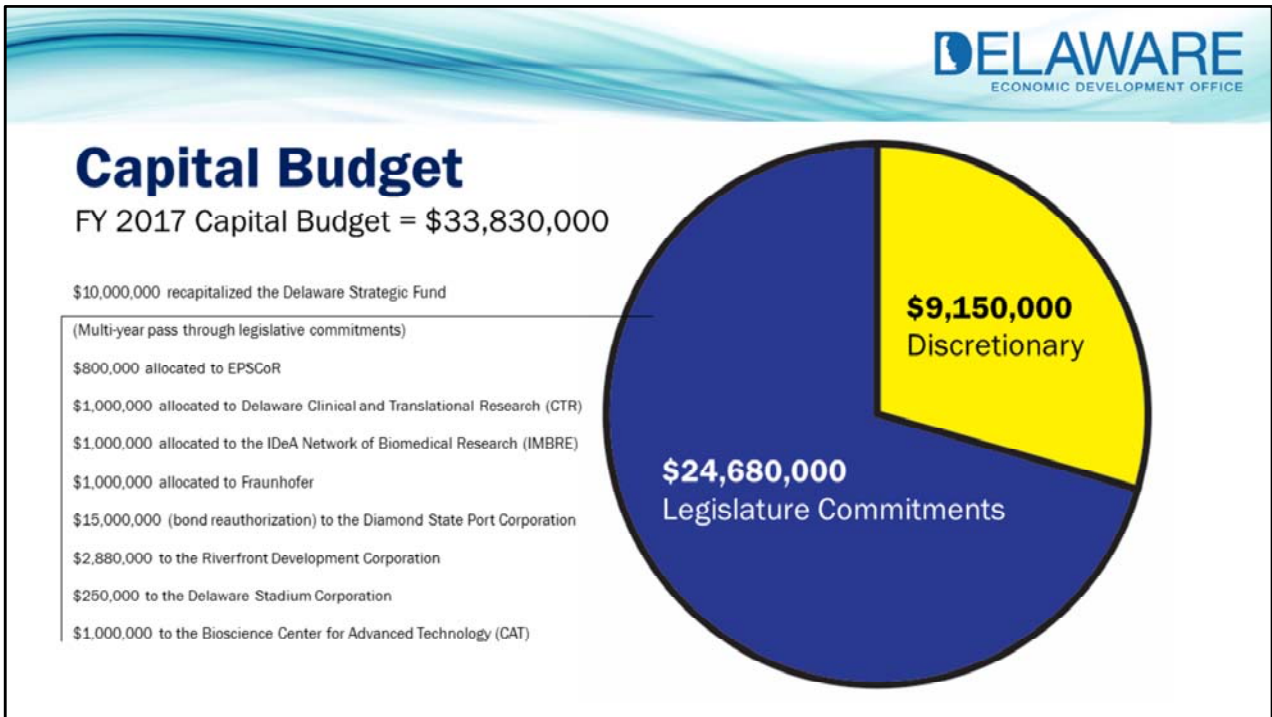
Operating Budget

FY 2017 Appropriated Special Funds from the Strategic Fund

- \$400,000 General Operating
- \$300,000 Business Marketing
- \$125,000 NCCCC's Emerging Enterprise Center
- \$25,000 The MCC's business incubator

Appropriated Special Funds from the Delaware Strategic Fund (interest earnings if available) support legislative commitments (through epilogue):

- \$400,000 – General Operations
- \$300,000 – Business Marketing
- \$125,000 – To the NCCCC's Emerging Enterprise Center - \$125,000
- \$25,000 – To the Middletown Chamber of Commerce's business incubator -\$25,000



Capital Budget

FY 2017 Capital Budget = \$33,830,000 – of which \$9,150,000 is discretionary (funds the DSF grants and loan programs) and \$24,680,000 funds legislative commitments

- \$10,000,000 recapitalized the Delaware Strategic Fund and the remainder supporting external programs and organizations
- \$800,000 allocated to EPSCoR (Experimental Program to Stimulate Competitive Research)
- \$1,000,000 allocated to Delaware Clinical and Translational Research (CTR)
- \$1,000,000 allocated to the IDeA Network of Biomedical Research (IMBRE)
- \$1,000,000 allocated to Fraunhofer for research center in Newark; Matching Funds
- \$15,000,000 (bond reauthorization) to the Diamond State Port Corporation
- \$2,880,000 to the Riverfront Development Corporation
- \$250,000 to the Delaware Stadium Corporation
- \$1,000,000 to the Bioscience Center for Advanced Technology (CAT)

APPENDIX 3: EXAMPLES OF OTHER ECONOMIC DEVELOPMENT PUBLIC-PRIVATE PARTNERSHIPS

Below are brief summaries of other state economic development P3s.

ENTERPRISE FLORIDA	
STRUCTURE	A 501(c)(3) created by Fla. Stat. § 288.901 et seq. receiving state funds via contract with the State
FUNCTIONS	Core Services; Tourism is administered through two public-private partnerships: (1) Florida Commission on Tourism and (2) Florida Sports Foundation
FUNDING	Public/Private—Public: State General Fund; Private: Board membership (minimum of \$50k/year)
BOARD	Board Members: Chaired by Governor, currently 54 members Appointments: Governor (4), Senate President (2), House Speaker (2), Commissioner of Agriculture (4) Paid Memberships: Remainder are private paid memberships
EXECUTIVE	CEO paid out of private sector superfund; sits on Cabinet; CFO: State Treasurer
INCENTIVES	State approval required—EF Business Development Team owns relationship and assists in preparing proposal; state entity approves, delivers package, and administers oversight

MISSOURI PARTNERSHIP	
STRUCTURE	A 501(c)(6) permitted under Mo. Rev. Stat. 620.647 to contract with the state commerce department to provide economic development services
FUNCTIONS	Supplemental Services—Business recruitment and marketing only
FUNDING	Public/Private Public (80%): State general fund administered through the Missouri Dept. of Economic Development Private (20%): Private donations provided by the Hawthorne Foundation
BOARD	12 Board Members: Hawthorn Foundation appointments (9), the Director of the Missouri Dept. of Economic Development (1), (1) state trade counsel, (1) member of the regional economic development advisory counsel
EXECUTIVE	President hired by the board
INCENTIVES	Missouri Dept. of Economic Development determines and administers incentives

VIRGINIA ECONOMIC PARTNERSHIP	
STRUCTURE	An IRC § 115 political subdivision of the state established under Va. Code Ann. § 2.2-2233 et seq.
FUNCTIONS	Core Services Virginia Tourism Corporation established as a separate public-private partnership
FUNDING	100% Public State General Fund dollars; some fee-for-service programs
BOARD	Ex Officio Voting Members (6): Lt. Governor, Sec. of Agriculture, Sec. of Commerce, Sec. of Finance, Sec. of Technology, Chancellor of the Community College System Appointed Members (18): Governor appointments subject to G.A. confirmation (6), House Speaker appointments (4), Senate Committee appointments (2), General Assembly appointments from areas with threshold levels of unemployment (6)
EXECUTIVE	CEO: hired by Board of Directors; does not sit on Governor's Cabinet
INCENTIVES	State final approval required; VEDP manages business development, sales, and projects

INDIANA ECONOMIC DEVELOPMENT CORPORATION	
STRUCTURE	An independent instrumentality organized as an IRC § 115 political subdivision authorized by Ind. Code Ann. Title 5 Article 28 to receive state and federal funds in order to exercise essential public functions
FUNCTIONS	Full Services Existing industry supported through a network of private industry associations, many of which were established through IEDC initiatives
FUNDING	Public/Private Public (70%): State general fund; covers administration & payroll costs Private (30%): Corporate contributions to a private foundation; covers business client development expenses and travel
BOARD	Chairman: Governor Members of the Board of Directors (11) are appointed by the Governor
EXECUTIVE	CEO appointed by Governor and also serves as the state's Secretary of Commerce
INCENTIVES	State approval required for incentives rewards