

## WINNING A HONDA PLANT FOR DECATUR COUNTY

Decatur County, Indiana, had the opportunity of a lifetime in 2006. All they had to do was present the winning case for why their area was the most advantageous location for a new Honda Motors automobile assembly plant. And like most economic development projects, responding quickly was essential to stay in the running.

“For me, this project was very challenging,” said Jerome Buening, a Decatur County commissioner. “Decatur County had never been through anything of this magnitude. We enlisted professionals to help us, and the State was very important to the effort in funding for infrastructure.”

Indiana was one of five states being considered for what became a \$550 million investment and a potential of up to 2,000 jobs. All the “short list” locations were close to interstate highway and rail transportation and within supplying distance of Honda’s Marysville, Ohio, location.

“Honda’s main issue was trying to assemble enough pieces of property. They had looked at one site in Decatur County that wouldn’t work, but we found a better area they hadn’t looked at,” said Buening.

Umbaugh was a member of the professional services team helping evaluate proposed options and create just the right package to attract Honda. The eventual agreement was creative and beneficial to everyone.

“Umbaugh put the numbers together. They let us know what was and wasn’t going to work, what pieces were missing, what we needed and when we needed it,” said Buening.

When Decatur County was named the winning location June 28, 2006, an *Indianapolis Star* reporter remarked on just how competitive the field had been: “Indiana not only prevailed over Ohio, but also Illinois, Wisconsin and Michigan – fellow rustbelt holdovers desperate to prod their economies.”

Buening says: “Our TIF (tax increment financing) was somewhat complicated. It’s a county TIF because of the Honda location, but the City of Greensburg needed improvements in its water and wastewater systems to serve the new facility. We needed a creative TIF structure that would allow that to happen. In addition, we structured excess TIF revenue up front to help the City make those improvements.

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Honda, of course, brought jobs to the area along with new tax revenue, but Buening notes that Honda has become an “anchoring company” attracting other new businesses and

keeping companies in Decatur County: “At least one company that was in danger of leaving to consolidate with their other location elsewhere not only stayed in Decatur County, they brought their other operations here rather than other way around.”

The Honda plant opened in 2008, just before the automotive industry and the economy in general began serious financial struggles. Nonetheless, the economic development deal is still a great boost for Decatur County.

“Honda has not been able to advance to a second shift as they thought they might, but the fact that they were able to hold the number of employees and the amount of time working steady in the current economic conditions is outstanding. The potential here is amazing for Decatur County,” Buening adds.

### **PULL-OUT QUOTES**

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(Regarding Decatur County’s economic development package for Honda)

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