



2016 OUTLOOK

IN/defense

NORTHEAST INDIANA

A LEGACY OF INNOVATION AND MANUFACTURING IN NATIONAL SECURITY



ENDURING//legacy

“Every second, somewhere in the world, an aircraft lands or takes off with control systems made or maintained in Fort Wayne, Indiana.”

– Scott Swymeler, Director of Manufacturing, Controls and Avionics, BAE Systems

Since World War I, the Northeast Indiana region has played a pivotal role in R&D and manufacturing for the U.S. aerospace and defense industries, innovating and producing systems for virtually all defense environments: undersea, sea, land, air and space.

Department of Defense contractors in Northeast Indiana are producing –

- » Earth and space satellites, sensors and imaging systems
- » Software-defined radios
- » Military vehicles and components
- » Aircraft electronic controls
- » C4ISR Systems
- » Sonobuoys
- » Petroleum wholesaling
- » Electronics

Northeast Indiana’s heritage, talent-pool, business climate, supply chain and manufacturing infrastructure are primed to support the requirements of large-scale military and defense industry R&D and manufacturing.



2.8
BILLION
IN DEFENSE AWARDS
SINCE 2005

SMALL BUSINESS//innovation



2016 OUTLOOK

"Technology Disruption is the key to moving the needle for the Department of Defense as our adversaries continue to advance in the state-of-the-art. Stryke Industries chose NE Indiana as one of our primary business locations due to the diversity of companies, academia engagement, proven capabilities and motivated employees that perform to the needs of our warfighters!"

– Van Flamion, *President of Stryke Industries*

Fort Wayne and the entire Northeast Indiana region is home to hundreds of DoD suppliers and service providers, including:

NIDIA Member Companies:

- » A & A Sheet Metal Products, Inc.
- » ABC Industries, Inc.
- » ACE Recycling Inc.
- » Actium Consulting, LLC
- » Advanced Metal Etchings
- » Aerotek Inc.
- » Alpha Rae Personnel, Inc.
- » Auburn Gear
- » Beers Mallers Backs & Salin, LLP
- » Bowmar
- » BSE Inc.
- » Carson Boxberger
- » CHAS Group
- » CNC Industries Inc.
- » Connections That Matter
- » Decision Driven® Solutions
- » Disc-O-Bed LP
- » Elevatus Architecture
- » Engine Research Associates
- » ENOCHS Manufacturing Inc.
- » Enzyme Solutions Inc.
- » Garrity Tool Company
- » GCG Industries, Inc.
- » General Industrial Supply
- » Gravity Drive
- » Greater Fort Wayne Inc.
- » Grissom Regional Defense Alliance (GRDA)
- » Hentz Manufacturing, LLC
- » Hupp Aerospace
- » Indiana Aerospace & Defense Council
- » Industrial Steering Products
- » IPFW - Office of Engagement
- » J&L Dimensional Services, Inc.
- » JB Tool, Die & Engineering
- » Kem Krest Corp.
- » KIHM Metal Technologies
- » Knight Mechanical Testing
- » Laketronics
- » LIFELINE DATA CENTERS LLC
- » Logikos Inc.
- » Logistikos Engineering LLC
- » LYFT Digital
- » Northeast Indiana Innovation Center
- » Northeast Indiana Regional Partnership
- » Numerix
- » PALADIN DEFENSE GROUP, INC.
- » PHD Inc.
- » Prairie Quest Consulting
- » Pro Seal & Plastics, LLC
- » Purdue Manufacturing Extension Partnership
- » Recovery Force, LLC
- » Regional Chamber of Northeast Indiana
- » Riverside Mfg., LLC
- » RLS Graphic Design LLC
- » Ross Development
- » Security and Software Engineering Research Center
- » Serim Research Corporation
- » SkySight Technologies LLC
- » SPEED SPACE
- » Stanley Security Solutions, Inc.
- » STARBASE Indiana, Inc.
- » Stryke Industries, LLC
- » Sunburst Supply
- » Sustained Quality
- » Team Quality Services
- » Titus Inc.
- » Trail 9 LLC
- » TriTech Manufacturing, Inc.
- » Triton Metal Products
- » Weaxon LLC
- » Whitley County Economic Development Corp.
- » XcelHR

STRONG//capacity

"The outstanding quality, experience, and work ethic long associated with the workforce in Northeast Indiana ideally positions the region to meet the demands of a diverse mix of domestic and international customers."

– Joe Peters, President, Ultra Electronics USSI

BAE SYSTEMS

BAE Systems – 1,000 Employees

BAE Systems recently confirmed its commitment to and satisfaction with Fort Wayne by building a \$39 million, 334,000 square foot aircraft electronics parts manufacturing facility in the city, where it employs 1,000. BAE Systems' electronic controls can be found on 12,000 different aircraft and 15,000 engines.

BAE Systems' aircraft and electronics facility produces and services electronic controls equipment that flies on nearly all commercial aircraft currently in use. Its engine control systems govern GE and CFM International jet engines. BAE Systems also builds subsystems for military aircraft such as the F/A 22 Raptor fighter jet, the KC-135 tanker, and the UH-60 Black Hawk helicopter.

Raytheon

Customer Success Is Our Mission

Raytheon – 500+ Employees

Raytheon's Fort Wayne campus has roots stretching back to 1930 and today is a thriving engineering design center for Raytheon's Tactical Communications, Electronic Warfare and Mission Integration Systems.

Raytheon experts in Fort Wayne develop advanced radio frequency communications for the U.S. Department of Defense, and U.S. Department of Homeland Security, among others. With more than 500 employees in the area, Raytheon's Fort Wayne operation includes professionals in Engineering, Program Management and Finance disciplines. A recently-completed renovation of the Fort Wayne Engineering Design Center exceeds the defense industry's highest standards.

Raytheon's leaders in Fort Wayne attribute the company's ongoing success in the region to area universities and colleges providing a wide array of talents and specialized capabilities, and area work/life interests that foster personal career growth and outstanding family life.

HARRIS

Harris Corporation – 425+ Employees

Harris' Fort Wayne facility designs and builds the world's most advanced weather and climate instruments for use in space, air, and on the ground. The facility manages on-going contracts totaling \$2 billion and customers include: the U.S. National Aeronautics and Space Administration (NASA), the U.S. National Oceanic and Atmospheric Administration (NOAA), and Japanese and Korean agencies and companies. The sensors built in Fort Wayne are the primary satellite instruments used by U.S. National Weather Service and foreign governments

for severe weather warnings as well as global weather forecasts.

Harris engineers, scientists and technicians have built more than 75 space instruments during the past 50 years. Harris instruments are known for their accuracy, sensitivity and longevity with 100 percent on-orbit mission success. Harris is working to expand capabilities in defense and commercial markets with new technologies and applications, including measuring greenhouse gases for climate change monitoring. The company's unprecedented success comes from the unique skill sets and expertise the Fort Wayne professional workforce provides.



Ultra Electronics USSI – 450 Employees

Ultra Electronics USSI designs, develops and manufactures advanced underwater sensors, sonar algorithms, signal processors, surveillance systems, long-range acoustic hailing and communication devices, and first-responder communication devices for military, homeland security and commercial applications.

This Northeast Indiana-based company, which began as a division of Magnavox, became a wholly owned subsidiary of UK-based Ultra Electronics in 1998.

The company is a long-time supplier of cost-effective sonobuoys for Anti-Submarine Warfare (ASW) platforms worldwide, including the United States Navy. Through its ERAPSCO partnership, in 2016, USSI won a new \$53.7 million contract for USN sonobuoys, many of which will be produced in the Columbia City-based plant.

Ultra Electronics USSI is well-known for its speakers, amplifiers, and attachments for SCBAs and acoustic hailing devices, such as the HyperSpike, the world's loudest electro-

6TH
IN THE NATION
FOR DEFENSE-RELATED
COMMUNICATIONS
MANUFACTURING



2016 OUTLOOK

mechanical speaker. Ultra Electronics USSI also produces solid oxide fuel cells.

GENERAL DYNAMICS
Mission Systems

General Dynamics – 130 Employees

The Fort Wayne site has grown from a single program to a leading provider of tactical software/systems since its 2002 acquisition by General Dynamics. Employing agile software development methodologies, the team's highly-skilled engineering workforce provides cost-effective, high-quality software and systems for the development and fielding of tactical networks utilized by our nation's warfighters and allies.

The site, known for the design, development and integration of the premier British Command and Control system, now leads the key network modernization effort for the British Ministry of Defence as well as the development of an exportable version of battle management software for use on light armored vehicles.

Expanding capabilities include the web-based design, development and deployment of the Tactical Ground Reporting (TIGR), it's Post Production Sustainment Support, the Army Common Operating Environment (COE) in the Command Post (CP CE), Mounted (MCE) and Mobile/Handheld (MACE) Computing Environments, the Warfighter Information Network-Tactical (WIN-T) Rapid Vehicle Provisioning System and the Tactical Air Integration System (TAIS) software modernization.

SUBSTANTIAL//assets

Northeast IN Defense Industry Association

NIDIA supports the local defense community's ability to develop, attract and retain talent; fosters increased interaction between the regional DoD primes and suppliers; advocates on behalf of the Northeast Indiana defense industry; and serves as liaison with all levels of government.



Northeast Indiana Regional Partnership

The Northeast Indiana Regional Partnership was formed in 2006 to help build a globally competitive economy in an 11-county region in Northeast Indiana. It is a public-private partnership focused on generating business leads and building regional capacity through product development and effective collaboration with partner organizations at the state, regional and local level.



Greater Fort Wayne, Inc.

An experienced team of local professionals, Greater Fort Wayne Inc., works with site selectors and procurement officials to secure incentives and location agreements for major defense contractors. The Alliance manages a local military planning group that meets regularly with major defense contractors, government officials, university administrators and cluster defense companies.



Northeast Indiana Procurement Technical Assistance Center (PTAC)

Indiana's PTAC system helps Indiana companies capture and execute government contracts. This state program provides free education and consulting for businesses marketing products and services to government agencies.



Northeast Indiana Innovation Center

The Northeast Indiana Innovation Center (NIIC) supports small businesses and entrepreneurs seeking to develop and commercialize new technology. Its physical location next to IPFW and Ivy Tech ensures ready access to research facilities and faculty.



2016 OUTLOOK

NORTHEAST INDIANA AREA: 11 COUNTIES // POPULATION: 765,570

Medical Device Cluster

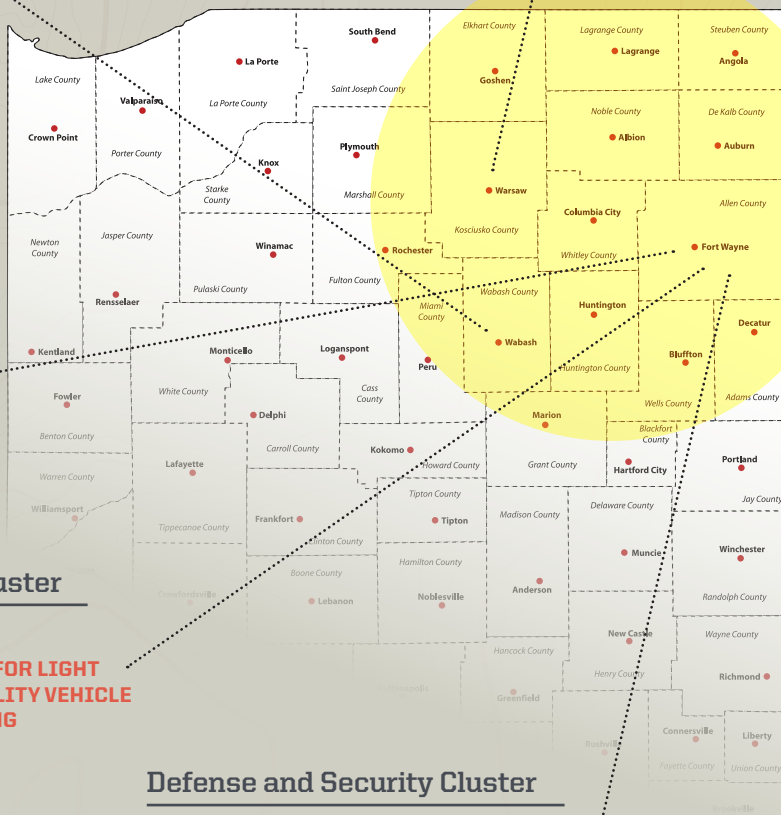
» **IN THE NATION FOR SECONDARY SMELTING AND ALLOYING OF ALUMINUM** (WABASH COUNTY)

» **IN THE NATION FOR SURGICAL
APPLIANCES AND SUPPLIES**
[KOSCIUSKO COUNTY]

» **IN THE NATION
FOR LIGHT TRUCK
AND UTILITY
VEHICLE
MANUFACTURING
(ALLEN COUNTY)**

» **IN THE NATION FOR LIGHT
TRUCK AND UTILITY VEHICLE
MANUFACTURING**
[ALLEN COUNTY]

» **IN THE NATION FOR RADIO AND
TELEVISION BROADCASTING AND
WIRELESS COMMUNICATION
EQUIPMENT MANUFACTURING**
[ALLEN COUNTY]



SUPERIOR//business climate



Indiana is consistently recognized as one of the most business-friendly states in the nation.

- » Indiana has one of the best overall tax climates in the U.S., ranking 8th in the nation and 3rd among states with a similar cost-of-business environment.
- » Relative to other states in the U.S., Indiana has one of the lowest corporate income tax rates, at seven percent.
- » In July 2016, Indiana lowered its corporate tax rate to 6.25%.
- » Among states competing for defense industry contracts, Indiana has the lowest cost for electricity, at 8.3 cents per KWh.

Tax Foundation.org



2016 OUTLOOK



1ST
IN THE
MIDWEST
TO DO BUSINESS

Top States for Doing Business
survey, Area Development
Magazine, 2014



1-of-11
STATES
WITH A
TRIPLE-A
CREDIT RATING

Standard & Poor's, Fitch, and
Moody's. IEDC, 2014

Indiana by the Numbers

- » Indiana is 4th in the nation for its concentration of jobs in advanced industries.

Brookings Institution

- » Tech-related industries employ more than 11 percent of the state's workforce.

2015 Brookings Institution Study, 2015

- » Indiana's business climate ranks best in the Midwest and 5th in the nation.

2014 Business Facilities' State Rankings Report, 2014

State Business Tax Climate Index



Source: www.taxfoundation.org

- » Indiana is ranked 3rd within the nine comparative states. Overall, Indiana's ranking is 8th among the 50 states.

Overall ranking on five components of taxes: corporate tax, individual income tax, sales tax, unemployment insurance tax, and property tax.

SUPPLY-CHAIN//infrastructure

Northeast Indiana, with a strong tradition in manufacturing and a growing STEM R&D climate, offers unmatched support infrastructure for defense contracting.

-
- » Centrally located in the Great Lakes region with convenient access to major Midwest markets (two hours drive south to Indianapolis, Columbus and Cincinnati and three hours north to Chicago and Detroit).
 - » The area's innovation ecosystem connects to Purdue University in the West, to Chicago and South Bend in the North, and seventy miles south, to Grissom Air Force base.

TRANSPORTATION



Airports

- » Two 10,000-foot runway airports currently operate with military processes and assets, supporting national guard flights and other heavy and military aircraft.
- » Fort Wayne International Airport provides more than 140 weekly non-stop flights to Chicago, Atlanta, Detroit, Dallas/Fort Worth, Minneapolis, Charlotte and other major cities. Major carriers are Delta, United, American, and Allegiant Air.



Roadways

- » Interstate 69 runs north-south from Evansville to Indy through Northeast Indiana to the Canadian border at Port Huron, Michigan.
- » I-69 has the potential of serving as a major NAFTA corridor. Once construction of I-69 is complete, this corridor will connect Canada to Mexico.
- » Interstate 80/90, the Indiana Toll Road, runs east-west across the northernmost part of Indiana, which also is part of the New York-Chicago Toll Road system.
- » Businesses in the centrally-located Northeast Indiana region have a one-day drive by truck to more than 40% of the U.S. population and over one-fifth of the Canadian population.



Railways

- » Northeast Indiana is served by two class I freight railroads, CSX and Norfolk Southern connecting to Detroit, Chicago, Cincinnati, Buffalo, Kansas City and Toledo. Numerous Class III lines also serve the region.
- » Visit www.neindiana.com/docs/regional-industry/logistics-sales-sheet.pdf for additional data.

The state of Indiana ranks in the top 10 states for logistics:



2016 OUTLOOK

#2

IN WORLD'S LARGEST
FEDEX AIR HUBS,
INDIANAPOLIS

#5

IN CLASS 1 ROADS

#1

IN PASS-THROUGH
INTERSTATES

#3

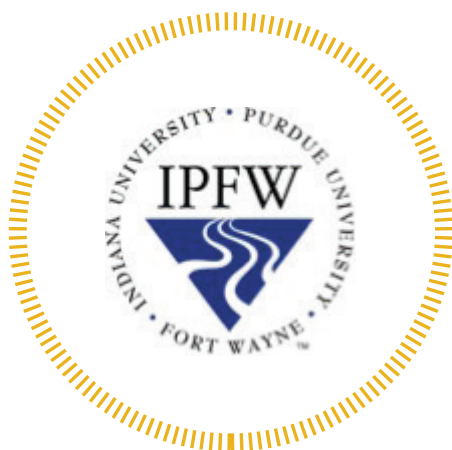
IN FREIGHT
RAILROADS

TALENT//central

Regional universities serve as talent pipelines for new employees and as valuable conduits for furthering the education of the workforce.

“The IPFW Center for Excellence in Systems Engineering is unique to Indiana and is one of the few in the nation. Its defense focus directly contributes to the innovation and success of major Fort Wayne-based defense contractors and the U.S. military.”

—Carl Drummond, PhD, Vice Chancellor for Academic Affairs, IPFW



Indiana University-Purdue University Fort Wayne (IPFW)

Indiana University-Purdue University Fort Wayne (IPFW) is the largest university in northeast Indiana. As the region's Multisystem Metropolitan University, IPFW is uniquely positioned to serve as a crossroads of intellectual, social, economic, and cultural advancement, as it continues to expand its global reach through research, scholarship, and creative expression. IPFW combines challenging academics with a focus on student success across more than 200 Indiana University and Purdue University degree programs, taught by nearly 350 full-time faculty. Approximately 13,000 students of diverse ages, races, and nationalities pursue their education on the almost 700-acre campus.



Ivy Tech Northeast

Ivy Tech is the largest statewide community college in the nation, providing more than 40 degrees and numerous certificate options to the Northeast Indiana region. Ivy Tech Northeast serves nearly 15,000 student annually, offering programs in homeland security and public safety, supply chain management and logistics, aviation, manufacturing production and operations, and advanced automation and robotics technology.

The Epicenter of Engineering Excellence

Northeast Indiana has a regional population of more than 750,000. STEM and engineering-focused educational institutions in the region provide a highly trained workforce, laboratory testing space, facilities, and industry-focused centers of excellence.



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Regional Resources for Continued Growth

There are numerous independent colleges and universities offering undergraduate and graduate degree programs in the region, with some of the world's finest research institutions within a short drive.

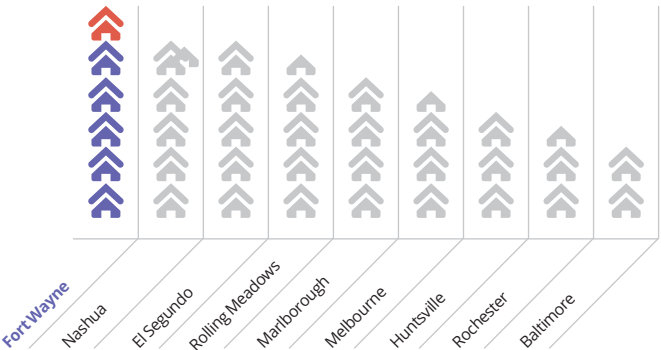
- | | | | |
|--|------------------------------|--|-------------------------------------|
| 1. Indiana University | 6. Butler University | 11. Loyola University | 16. Case Western Reserve University |
| 2. Purdue University | 7. Michigan State University | 12. DePaul University | 17. University of Dayton |
| 3. Rose-Hulman Institute of Technology | 8. University of Michigan | 13. DeVry University | 18. Xavier University |
| 4. Notre Dame University | 9. University of Illinois | 14. Ohio State University | 19. University of Cincinnati |
| 5. Valparaiso University | 10. Northwestern University | 15. Air Force Institute of Technology, WPAFB | 20. Kent State University |

QUALITY // life

In 2015, the Northeast Indiana region was successful in securing \$42 million in state funding under the Regional Cities program to create dynamic communities for attraction and retention of talent. Among US defense regions, the Fort Wayne area combines a low cost of living with high level of amenities, largely due to the high purchasing power of residents.



Opportunity Index // Livability



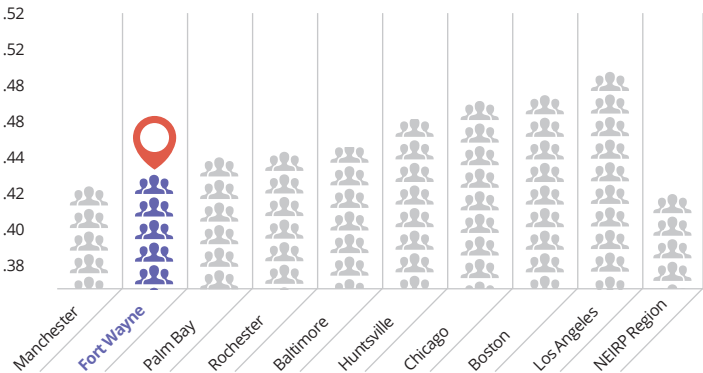
This index comprises metrics such as income inequality, jobs/worker, high school graduate rate, and age diversity. It also takes into account local government creditworthiness, minimum wage, expansion of the family and medical leave act, and whether a community is age-friendly.

Source: AARP Foundation

The GINI INDEX is an index of income concentration. If all incomes in a region were equal, the index would be zero, and at the other extreme, if all the income in an area was held by one person, this would be interpreted as maximum inequality, and the GINI index would be 1.0.

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, tables B19083 and B01003 (for NEIRP estimate)

GINI Index // Measuring Income Inequality



Unparalleled Quality of Life

Northeast Indiana offers a quality of life for workers and families that is unparalleled among defense regions, along with a cohesive, low-stress, sustainable community. In fact, Northeast Indiana outranks competing defense regions when it comes to livability, the scale measuring clean air and drinking water, local energy efficiency, healthcare services, access to civic organizations, age diversity, employment rates and financial stability of local governments.

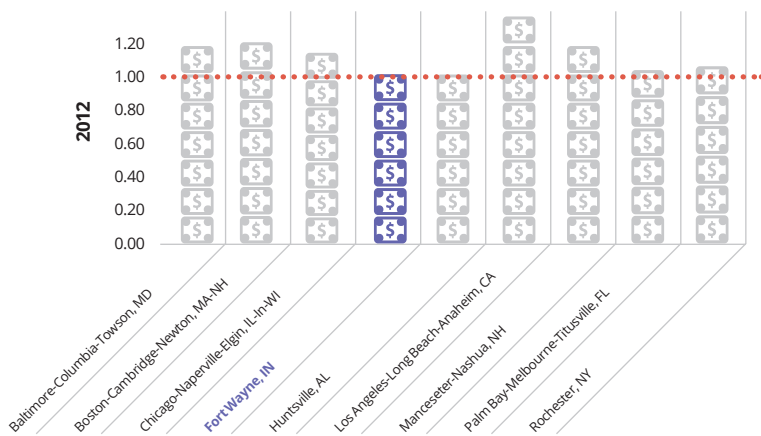


2016 OUTLOOK

Compared with residents in similar, defense-centric regions, citizens in Northeast Indiana have relatively low income inequality. The region supports a thriving fine arts scene, with multiple civic theater groups, a symphony, an art museum — and Indiana's only professional ballet company. Hockey, basketball and baseball are popular for local spectators and players. And its proximity to the Great Lakes watershed means plenty of outdoor recreation at nearby rivers and lakes.

Purchasing Power // Parity Comparison

The amount of money needed in eight key cities to be at par with \$1 earned in Fort Wayne (higher costs of living in the other cities)



Source: Bureau of Economic Analysis (BEA)



There are so many reasons to call Northeast Indiana home.



PROOF//positive

"Northeast Indiana offers a robust environment in which to start and grow a business, especially one focused on innovation and research in the defense industry. SkySight Technologies has benefited from the support structure and varied resources provided to small business and from the ability to collaborate with large defense contractors across Indiana."

– Patrick McCammon, President/Founder, SkySight Technologies LLC

"In 2004, when I started my business, we made a very strategic decision to stay in NE Indiana. We saw this as the right place to build our business with exceptional human resources, ability to manage our costs and create an exceptional organization that stood out from our peers. We knew we'd be able to bring the very best to our customers because NE Indiana is committed to the excellence, quality and innovation that our customers in the defense industry expect."

– Stacey Smith, President and CEO PQC

"NE Indiana, a great place to live and work, is centrally located less than 200 miles from Detroit, Cleveland, Indianapolis, Cincinnati and Chicago. With a great mid-western work ethic, educated employee base and ultra-low cost of living, we couldn't have chosen a better place for our defense business!"

– Chris Straw, President and CEO, Team Quality Services

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IN/defense

Northeast Indiana Defense Industry Association

Northeast Indiana Regional Partnership

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