

EXECUTIVE OVERVIEW
AEROSPACE
AND DEFENSE



“WE DON’T WANT TO JUST COMPETE, WE WANT TO WIN.”
Governor Asa Hutchinson



40% OF THE U.S. POPULATION
IS WITHIN A DAY’S DRIVE (550 MILES/880 KILOMETERS)



161
NUMBER OF FOREIGN COMPANIES

ARKANSAS
HAS SOME OF THE LOWEST UNION
MEMBERSHIP RATES IN THE U.S.

\$115.93 BILLION
2018 REAL GROSS DOMESTIC PRODUCT
FOR ARKANSAS

ARKANSAS AT A GLANCE

Arkansas offers a pro-business environment operating leaner, faster, and more focused through a streamlined state government designed to act quickly and decisively on corporate interests. Led by a governor who operates like a CEO, the state delivers the quick action and nimble solutions that companies need to efficiently expand and thrive in a competitive global economy. Solutions are built on the successes of six Fortune 500 companies and other business success stories. Come join this amazing venture we call “Arkansas Inc” and see how doing business in Arkansas can put you in some pretty good company.

Dillard’s



BUSINESS CLIMATE IN ARKANSAS

1ST

TOP STATE FOR SMALL BUSINESS FRIENDLINESS

Source: Thumbtack, 2019

3RD

LOWEST COST OF DOING BUSINESS

Source: CNBC, Cost of Doing Business State Rankings 2019

3RD

ON THE COST OF LIVING INDEX (SECOND QTR 2019, SOURCE: C2ER)

Source: U.S. News and World Report, Best States Rankings Report 2019

7TH

TOP MANUFACTURING STATE BY PERCENTAGE OF WORKFORCE, THIRD IN THE SOUTH (SOURCE: BLS EMPLOYMENT & EARNINGS, ANNUAL 2018)

Source: Business Facilities Magazine 2019, 15th Annual State Ranking Report

10TH

BEST BUSINESS CLIMATE

Source: Business Facilities Magazine 2019, 15th Annual State Ranking Report

AEROSPACE AND DEFENSE IN ARKANSAS



WORKFORCE

- 7,800 employees in aerospace and defense manufacturing; 3,000 directly engaged in aerospace products and parts manufacturing
- Arkansas is one of 27 Right to work states
- 2,475 Airframe and Powertrain (A&P) mechanics
- The Little Rock Air Force Base has over 12,000 personnel, including civilians, active duty and Army Reserve Forces.



EDUCATION

- 45 colleges, universities & 2-year colleges throughout Arkansas
- 6 educational institutions offer a certification in Aviation Maintenance Technology including both Powerplant and Airframe mechanic career education
- 26 colleges, universities, 2-year colleges, high schools and other organizations offer coursework, instruction or degrees in cybersecurity.
- Over 1,600 engineering-related certificates and degrees awarded annually.



INFRASTRUCTURE

- Three U.S. Interstates connecting, including I-30, I-55, and I-40, connecting east and west coasts, and the Canada and Mexico borders.
- 16,418 miles of state and U.S. Highways – 12th largest system in the U.S.
- Eight Intermodal freight facilities with four riverports.
- 2,505 miles of rail and three Class 1 rail systems.
- #3 in the nation with 1,000 miles of inland, navigable waterways.
- More than 90 public airports including Clinton National, Northwest Arkansas Regional, and close proximity to Memphis International Airport and the Fed-Ex hub.



WHY ARKANSAS FOR AEROSPACE AND DEFENSE?

- **Arkansas's #1 export is aircraft and aircraft-related parts and services.**
- **Ammunitions of War (missiles and similar munitions of war) is Arkansas's #3 export.**
- **1.5M square feet of available space at the Arkansas Aeroplex including an aviation park.**
- **Centrally located between coasts, as well as Canada and Mexico borders.**
- **Arkansas's Highland Industrial Park is one of the nation's fastest growing defense corridors.**
- **The Little Rock Air Force Base is home to the C-130 Hercules, and the 19th and 314th maintenance groups.**



4 | AEROSPACE AND DEFENSE IN ARKANSAS



"We greatly value our longstanding partnership with Arkansas and their support for our continued growth in Camden."

- Eileen Drake, CEO and President of Aerojet Rocketdyne



ADVANTAGE ARKANSAS PROGRAM

The Advantage Arkansas Program is an income tax credit program for qualifying new and expanding companies. The credits earned will be equal to the appropriate percentage (based on tier map) of the net, new payroll for a period of five years.

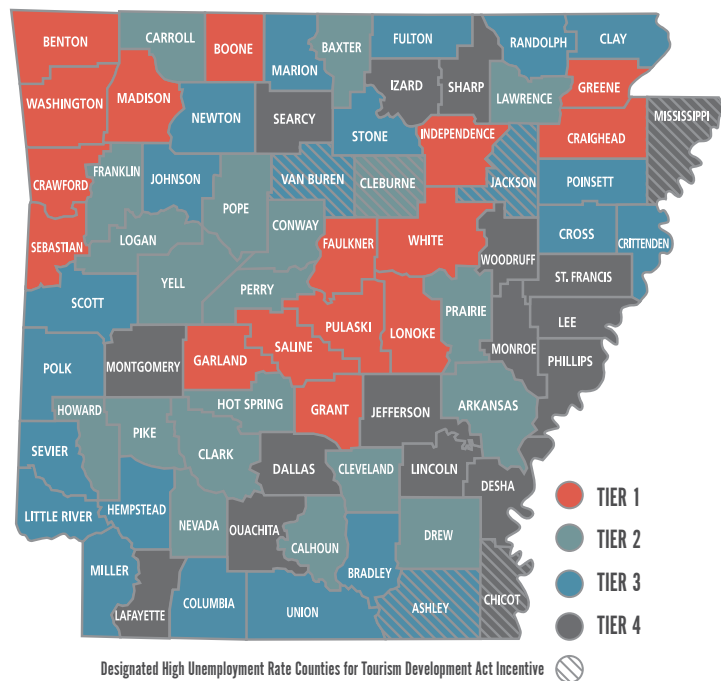
ARKPLUS PROGRAM

The ArkPlus Program is offered at the discretion of the Arkansas Economic Development Commission (AEDC) Executive Director. The incentive offers an income tax credit for qualifying new and expanding companies. The program provides a 10% income tax credit based on the total investment in a new location or expansion project.

CREATE REBATE PROGRAM

The Create Rebate Program is an incentive the State of Arkansas reserves for projects that bring quality jobs to communities. The program is offered at the discretion of the AEDC Executive Director. This program offers a cash rebate based on the eligible net new payroll of a qualifying company.

ARKANSAS INCENTIVE TIER MAP



	TAX BACK		CREATE REBATE		ARKPLUS		ADVANTAGE ARKANSAS	
	INVESTMENT THRESHOLD		PAYROLL THRESHOLD	BENEFIT (% OF PAYROLL)	INVESTMENT THRESHOLD (BENEFIT = 10% OF INVESTMENT)	PAYROLL THRESHOLD	PAYROLL THRESHOLD	BENEFIT* (% OF PAYROLL)
TIER 1	\$500,000		\$2,000,000	3.9%	\$5,000,000	\$2,000,000	\$125,000	1%
TIER 2	\$400,000		\$1,750,000	4.25%	\$3,750,000	\$1,500,000	\$100,000	2%
TIER 3	\$300,000		\$1,500,000	4.5%	\$3,000,000	\$1,200,000	\$75,000	3%
TIER 4	\$200,000		\$1,250,000	5%	\$2,000,000	\$800,000	\$50,000	4%

Minimum average hourly wage to qualify for incentive program is \$12.50

*Qualified businesses shall receive an additional tax credit of 1% of payroll if the new employees' average hourly wage exceeds 125% of the lesser of the state or county average wage

TAX BACK PROGRAM

The Tax Back Program grants a majority refund of state and local sales and use taxes paid on the purchases of materials used in the construction of a building or buildings or any addition, modernization or improvement to a new or expanding eligible business. A sales and use tax refund is also allowed for the purchases of taxable machinery or equipment associated with the building or project.

INFRASTRUCTURE ASSISTANCE

The AEDC often partners with companies and communities to share the cost of project infrastructure needs. The infrastructure needs can include, but are not limited to, site preparation, industrial access roads, sewer and water improvements, moving of existing equipment, rail spurs, parking lots and necessary improvements to the facility that have been approved by the Commission. Two programs available:

- Community Development Block Grant (CDBG)
- Governor's Quick Action Closing Fund (GOACF)

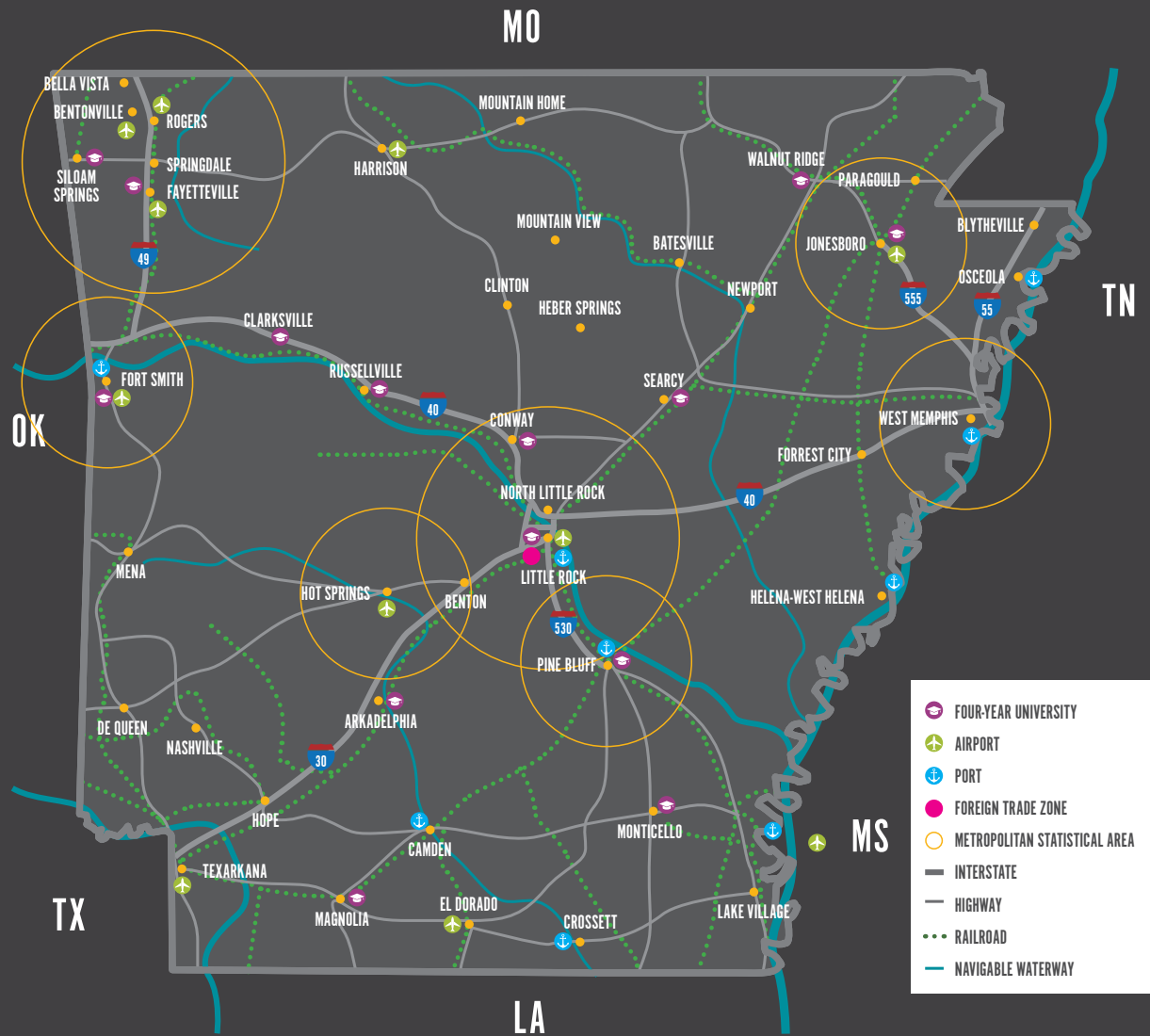
CUSTOMIZED TRAINING INCENTIVES

AEDC is committed to meeting the training needs of new and expanding businesses in the state. The AEDC's Customized Training Grants are flexible and highly customizable, providing reimbursement for both on- and off-site training for newly created positions related to an expansion or new location. Pre-employment training, new employee orientation, on-the-job training, and/or skills upgrades for new positions qualify under this program. These funds are offered at the discretion of the Executive Director of the AEDC.

OTHER INCENTIVES:

- Property Tax Abatement
- Equity Investment Tax Credits
- Recycling Tax Credit
- Research and Development Tax Credits
- Early Stage-Knowledge Based Programs
- Tuition Reimbursement Tax Credits

6 | INFRASTRUCTURE AND TRANSPORTATION



With its central location and comprehensive transportation infrastructure, it's not surprising that Arkansas has a large and growing distribution and logistics services sector.

In fact, Arkansas is home to two transportation/trucking companies on Fortune magazine's list of the largest 1,000 companies in the United States, based on annual revenue – J.B. Hunt Transport Services, Inc. and ArcBest.

Arkansas offers access to a market of 100 million people within a 550-mile radius of the state. That represents 40% of the total U.S. population.



MIKE PRESTON
Secretary of Commerce,
Executive Director
501-682-7351
mpreston@arkansasedc.com



CLINT O'NEAL
Executive Vice President, Global Business
501-682-7350
coneal@arkansasedc.com



BENTLEY STORY
Director, Business Development
501-682-7384
bstory@arkansasedc.com



**COL (RET)
ROB 'GATOR' ATOR**
Director, Military Affairs
501-682-7337
rator@arkansasedc.com

BUSINESS DEVELOPMENT TEAM

KATHERINE HOLMSTROM
Senior Project Manager
501-682-7376
kholmstrom@arkansasedc.com

KATHERINE ANDREWS
Project Manager
501-682-6098
kandrews@arkansasedc.com

DUTCH KING
Project Manager
501-682-7353
dking@arkansasedc.com

JACK THOMAS
Project Manager
501-682-5355
jthomas@arkansasedc.com

STEVE JONES
Building & Sites Coordinator
501-682-7311
sjones@arkansasedc.com

BRITTANY BOHANNON
Business Development Coordinator
501-682-1152
bbohannon@arkansasedc.com

BEN WALTERS
International Business Development Manager
501-682-7334
bwalters@arkansasedc.com

NEAL JANSEN
Director, Japan & Southeast Asia Office
njansen@arkansasedc.com

LINDSAY LIU
Director, China Office
lliu@arkansasedc.com

DR. CORNELIUS SCHNITZLER
Director, Europe Office
cschnitzler@arkansasedc.com