

EXECUTIVE OVERVIEW
AEROSPACE
AND DEFENSE

ARKANSAS
INC





WHY ARKANSAS FOR AEROSPACE AND DEFENSE?

- Arkansas's #1 export is aircraft and aircraft-related parts and services.
- 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.



AEROSPACE AND DEFENSE IN ARKANSAS



WORKFORCE

- 8,276 employees in aerospace and defense manufacturing; 4,050 directly engaged in aerospace products and parts manufacturing
- Arkansas is one of 28 right to work states
- 2,528 Airframe and Powertrain (A&P) mechanics
- The Little Rock Air Force Base has over 6,600 personnel, including civilians, active duty and Army Reserve Forces.



EDUCATION

- 45 colleges, universities & 2-year colleges throughout Arkansas
- Five educational institutions offer a certification in Aviation Maintenance Technology including both Powerplant and Airframe mechanic career education
- 21 colleges, universities, 2-year colleges, all high schools and other organizations offer coursework, instruction or degrees in cybersecurity. The Arkansas Department of Education cybersecurity education initiative offers free coursework to all high school students with an interest in the field.
- Over 2,100 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 National, and close proximity to Memphis International Airport and the FedEx hub.



"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





IN THE U.S.
FOR RELATIVE
VALUE OF \$100



BALANCED
BUDGET SINCE
1945



INCOME TAX CUTS
SIGNED IN 2015,
2017, 2019, 2021



LOWEST
COST OF DOING
BUSINESS



ARKANSAS' HOME-GROWN FORTUNE 500s



ON THE COST OF LIVING INDEX

(second Qtr 2021, Source: C2er)



LOWEST INDUSTRIAL ELECTRICITY RATES

Source: Business Facilities Magazine 2020, 16th Annual State Ranking Report



LOWEST IN UNION MEMBERSHIP RATES IN THE U.S

Source: Bureau of Labor Statistics



RANKED IN QUALITY OF LIFE

Source: U.S. News



FOREIGN OWNED OPERATIONS IN THE STATE

Source: Global Business Alliance, 2021

ADVANTAGE ARKANSAS PROGRAM

- Income tax credit
- 1-4% of new payroll
- 5 year accrual; 9 year carry forward

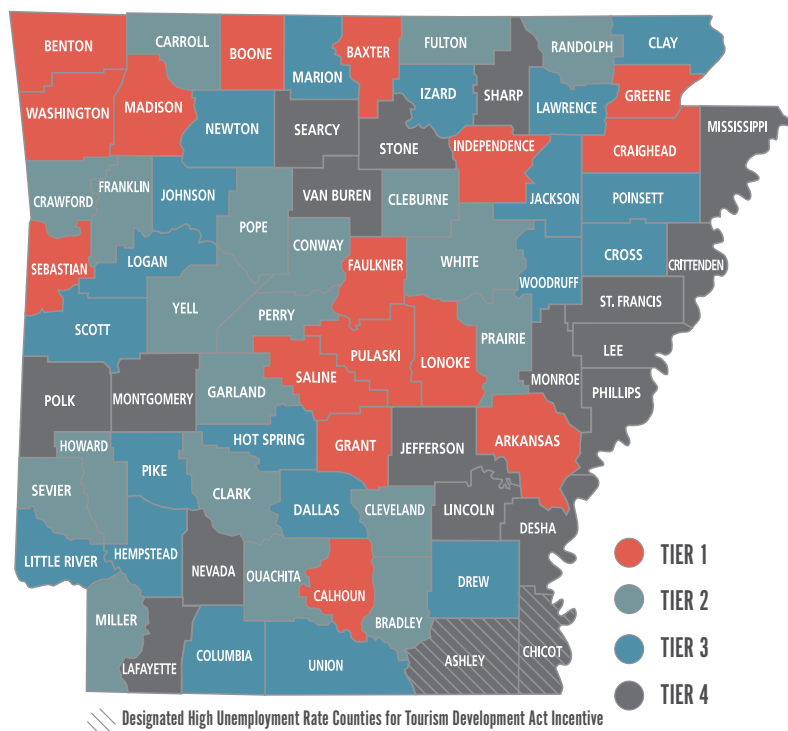
ARKPLUS PROGRAM

- Income tax credit
- 10% of initial investment
- 9 year carry forward

CREATE REBATE PROGRAM

- Cash payment
- 3.9-5% of new payroll
- 1-10 year accrual

ARKANSAS INCENTIVE TIER MAP - EFFECTIVE JULY 1, 2021



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

Minimum average hourly wage to qualify for an incentive program is \$14.11.

*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

INFRASTRUCTURE ASSISTANCE

- Offset infrastructure costs
- State and Federal funds
- Based on need and due diligence

TAX BACK PROGRAM

- Sales and use tax refund
- Full refund less 1% on eligible expenditures
- 4 year accrual

CUSTOMIZED TRAINING PROGRAM

- Reimbursement of eligible costs
- On and Off-site training
- Customized based on need

EQUITY INVESTMENT TAX CREDIT

- Transferable income tax credit given to investor
- 33% of amount invested
- Used to attract investment in new, tech-based, high-wage businesses

RESEARCH & DEVELOPMENT TAX CREDITS

- In-house R&D = 20% of eligible costs
- University-based R&D = 33% of eligible costs
- Must qualify for federal R&D tax credit

PROPERTY TAX ABATEMENT

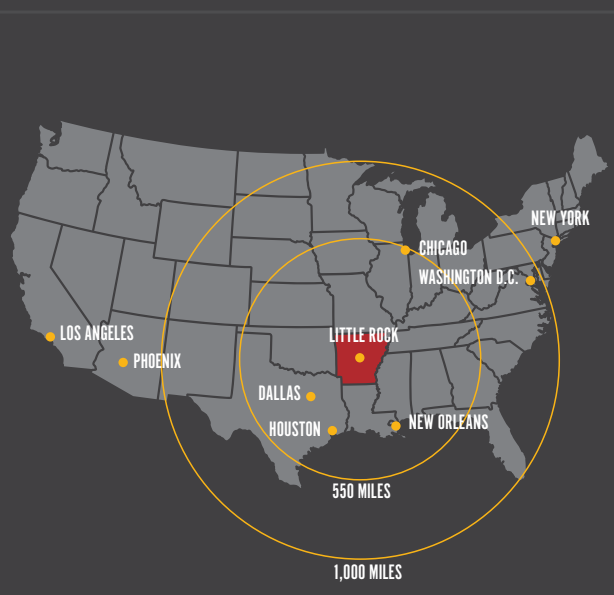
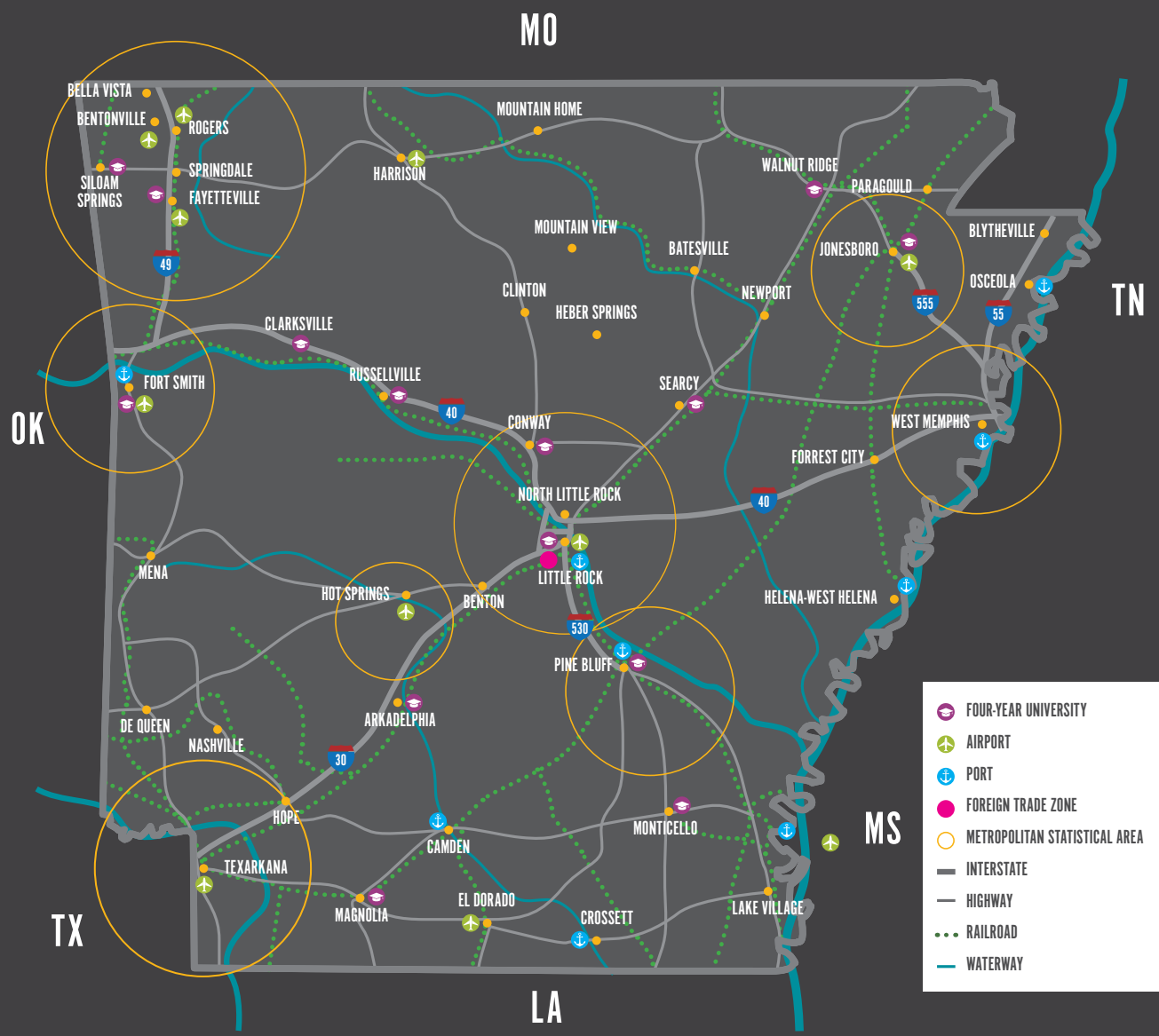
- Authorized and offered by city or county
- Up to 65% abatement
- Length of abatement = length of bond issuance

OTHER INCENTIVES:

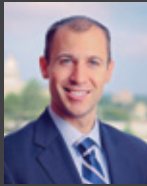
- Recycling Tax Credit
- Tourism Tax Credit
- Early Stage-Knowledge Based Programs
- Tuition Reimbursement Tax Credits



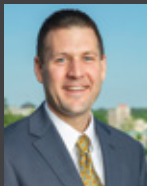
6 | INFRASTRUCTURE AND TRANSPORTATION



-  **NAVIGABLE WATERWAYS**
1,000 miles
-  **CLASS I RAILROAD**
1,670 miles
-  **STATE AND U.S. HIGHWAYS**
16,418 miles
-  **PUBLIC AIRPORTS**
approximately 90+



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

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

BETHANY DUNCAN
Business Development Coordinator
501-516-5090
bethany.duncan@arkansasedc.com

JACK PILLOW
Project Manager
501-683-4408
jack.pillow@arkansasedc.com

JAROD WICKLIFFE
Project Manager
501-682-2555
jarod.wickliffe@arkansasedc.com

OLIVIA WOMACK
Project Manager
501.682.5275
l.olivia.womack@arkansasedc.com

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

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

NEAL JANSEN
Director, Asia Office
njansen@arkansasedc.com

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

YAM YEE WONG
Director Of China, Hong Kong,
And Taiwan Business Relations
yam.yee.wong@arkansasedc.com





Arkansas Economic Development Commission
ArkansasEDC.com | 1-800-ARKANSAS

