

# EXECUTIVE OVERVIEW

## AEROSPACE AND DEFENSE

ARKANSAS  
INC



## 2 | PARIS AIRSHOW PARTNERS



The **Arkansas Aerospace & Defense Alliance** is a private-public partnership that promotes the growth and sustainability of the state's aerospace, aviation and defense industries by creating business opportunities, inspiring global competition, facilitating the development of key relationships, providing education opportunities, and encouraging public policies that are beneficial to the industry.  
Chad Causey • chad@causeyfirm.com • +1 (870) 530-1446 • [www.arkansasaerospace.com](http://www.arkansasaerospace.com)



**Bill and Hillary Clinton National Airport** is Arkansas' largest commercial airport and home to both a completion center and a maintenance base for airlines. Located in the capital city of Little Rock, the airport has a variety of property available for lease, including specialized hangar and office space and build-to-suit options.

Shane Carter • scarter@clintonairport.com • +1 (501) 837-6631 • [www.clintonairport.com](http://www.clintonairport.com)



**Galley Support Innovations** is the leading designer and manufacturer of aircraft interior hardware. From conception to completion, industrial to luxury, GSI does it all. GSI offers a world of possibilities with options ranging from a foundation of core products and their thousands of variations, to one-of-a-kind, custom-designed products made to encompass customers' needs, wants, and visions.  
David McCullough • [davidmc-cullough@galleysupport.com](mailto:davidmc-cullough@galleysupport.com) • +1 (501) 833-3700 • [www.galleysupport.com](http://www.galleysupport.com)



The **Little Rock Regional Chamber** is the principal business-driven leadership organization responsible for fostering the economic growth and development of the Little Rock region to ensure that business and industry may operate profitably and enhance the earning opportunities and quality of life for every citizen.

Ben France • [bfrance@littlerockchamber.com](mailto:bfrance@littlerockchamber.com) • +1 (501) 413-2874 • [www.littlerockchamber.com](http://www.littlerockchamber.com)



The **Arkansas Aeroplex** has one of the longest runways in Arkansas (11,600', FAA Class D5). The airspace is unrestricted and not congested and can support 50+ airplanes parked at one time. It is the site of the Former Eaker Air Force Base, and Mississippi County has funding to maintain and attract new industry. The funds can be used toward infrastructure, job training, or to purchase land and/or buildings.  
Barry Harrison • [barrett10@sbcglobal.net](mailto:barrett10@sbcglobal.net) • +1 (870) 780-5871 • [www.arkansasaeroplex.org](http://www.arkansasaeroplex.org)



**Northwest Arkansas Regional Airport**'s mission is to ensure that the safest and most modern aviation infrastructure is in place to satisfy the needs of travelers from Arkansas, Oklahoma, and Missouri to 14 non-stop destinations. Environmentally conscious travel and development is used to protect the natural splendor of the region while providing reliable, cost-effective and convenient transportation.  
Andrew Branch • [andrew.branch@flyxna.com](mailto:andrew.branch@flyxna.com) • +1 (501) 722-8784 • [www.flyxna.com](http://www.flyxna.com)



**Ozark Integrated Circuits (Ozark IC)** is a technology startup located at the Arkansas Research & Technology Park in Northwest Arkansas. Ozark IC has grown to be a premier electronics design company that develops circuits and systems for extreme environments. The company specializes in the development of compact, integrated circuits and modules that can withstand temperatures above 225°C (437°F).  
Matt Francis • [francis@ozarkic.com](mailto:francis@ozarkic.com) • +1 (479) 409-5201 • [www.ozarkic.com](http://www.ozarkic.com)



The **World Trade Center Arkansas** is part of the University of Arkansas and serves as the trade promotion arm for AEDC, delivering world class services, global connections and export development programs to Arkansas businesses. It also advance trade education as well as providing life-changing opportunities for students in global commerce through an immersive and dynamic internship program.  
Boon Tan • [btan@arwtc.org](mailto:btan@arwtc.org) • +1 (479) 200-9580 • [www.arwtc.org](http://www.arwtc.org)



*"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



**“WE DON’T  
WANT TO JUST  
COMPETE, WE  
WANT TO WIN.”**

Governor Asa Hutchinson

## BUSINESS CLIMATE IN ARKANSAS



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



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

**\$113.95 BILLION**

2017 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**



**MURPHY  
USA**



**Tyson**



**1<sup>ST</sup>**

### IN COST OF DOING BUSINESS

Source: CNBC, Cost of Doing Business State Rankings 2018

**3<sup>RD</sup>**

### ON THE COST OF LIVING INDEX (ANNUAL 2018, SOURCE: C2ER)

- 7th in Quality of Life
- 6th in Quality Rating for State-Run Pre-K
- 16th in College Costs, Tuition and Fees
- 16th Lowest College Debt at Graduation

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

**8<sup>TH</sup>**

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

- Fort Smith, AR-OK MSA ranked second; Fayetteville-Springdale-Rogers, AR-MO MSA ranked sixth in Food Processing Leaders.
- Fayetteville-Springdale-Rogers, AR-MO MSA ranks seventh in job growth among mid-size metros.
- Conway ranks second and Jonesboro ranks eighth in lowest cost of living among American metros

Source: Business Facilities Magazine 2018, 14th Annual Metros Ranking Report

**11<sup>TH</sup>**

### LOWEST 2017 MEAN AVERAGE COMMUTE TO WORK AT 21.6 MINUTES

- 68% of Arkansas workers spend less than 25 minutes commuting to work

Source: U.S. Census

# 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.**



# INCENTIVE PROGRAMS

ADVANTAGE ARKANSAS

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.

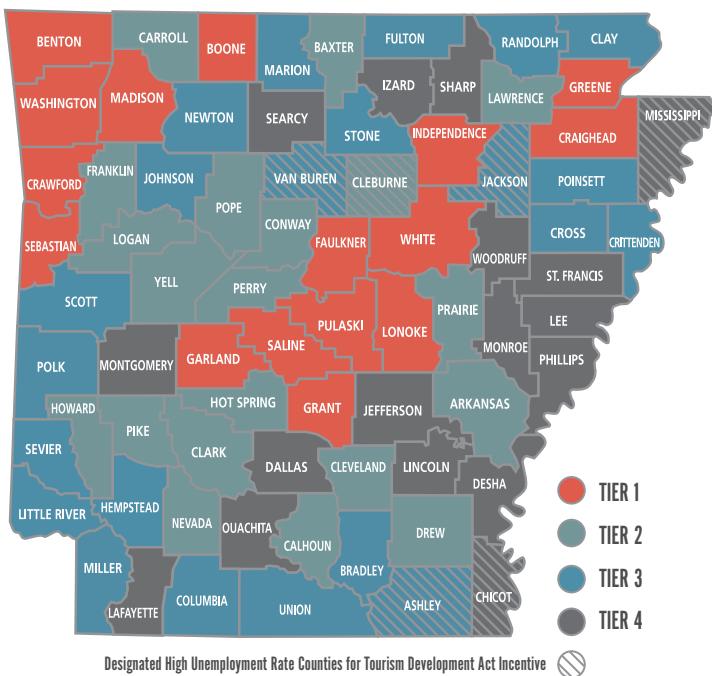
ARKPLUS

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 ten percent (10%) income tax credit based on the total investment in a new location or expansion project.

CREATE REBATE

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



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

*\*Minimum payroll of \$2,000,000 required to qualify, regardless of tier.*

## 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:

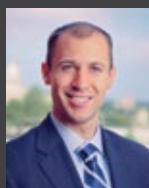
- Community Development Block Grant (CDBG)
  - Governor's Quick Action Closing Fund (GQACF)

## 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



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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.



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