

RISE WITH US.

NORTH CAROLINA'S AEROSPACE INDUSTRY

www.edpnc.com



RISE WITH US. THIS IS MOMENTUM, NC.

Largest manufacturing workforce in the Southeast. Lowest corporate income tax in the nation. Two deepwater seaports. North Carolina is where business fires on all cylinders. From the Wright Brother's first flight at Kitty Hawk to today's cutting-edge research, North Carolina continues its legacy as an aerospace leader. Dozens of top aerospace companies operate in North Carolina, including pioneers like GE Aviation, HondaJet, HAECO, and Spirit AeroSystems.

Aerospace companies choose North Carolina for its winning combination of location, workforce, existing industry strength, and business-friendly environment. With more than 10 million residents, the state is the 9th largest in the nation, growing 25% from 2001 to 2017. Our state consistently ranks among the top five in internationally-recognized business environment rankings. Join the momentum. Consider North Carolina for your next location decision.

INDUSTRY LEADERS



NORTH CAROLINA'S AEROSPACE ADVANTAGE

Aerospace companies pick up speed in North Carolina. The state's growing network of suppliers and workforce resources offer industry giants and smaller manufacturers a launch pad for success.

#2

AEROSPACE GROWTH

With 39% growth from 2012-2017, North Carolina boasts the #2 fastest growing aerospace industry in the U.S.

200+

AEROSPACE COMPANIES

North Carolina is home to over 200 leading aerospace companies spread across the state. Major industry sectors include both airplane assembly and parts manufacturing.

400+

AEROSPACE SUPPLIERS

Over 400 establishments make up North Carolina's aerospace supply chain, including engineering, manufacturing, MRO, and other support services.

60%+

SUPPLY CHAIN INPUTS

North Carolina's aerospace industry purchases over 60% of its supply chain inputs from other businesses in the state.



Headquartered in Greensboro, North Carolina, Honda Aircraft Company leads the world in the production of the most advanced light jets. The company employs more than 1,700 people across the state.



Spirit AeroSystems in Kinston, North Carolina produces sections of the composite center fuselage for the Airbus A350 family of aircraft.

PLENTIFUL AND SKILLED WORKFORCE

4,900,000

LABOR FORCE

Largely fueled by domestic in-migration, North Carolina has one of the largest labor forces in the U.S. Since 2010, over 370,000 people have moved to North Carolina.

464,000+

MANUFACTURING EMPLOYEES

North Carolina has the largest manufacturing workforce in the Southeastern U.S. In the last 5 years, the state's manufacturing workforce has grown by 5% and is projected to continue growing.

#2

STEM

North Carolina is home to more than 22,500 Science, Technology, Engineering, and Math grads annually, ranking second for STEM grads in the Southeastern U.S.

40,000+

ENGINEERS

North Carolina's engineering workforce has grown 9% over the past five years, more than twice the U.S. average.

LABOR SUPPLY FOR TOP AEROSPACE OCCUPATIONS

North Carolina offers aerospace companies an abundant and affordable supply of labor. NC's aerospace industry wages are **about 7% below the national average.**

OCCUPATION	NC 2017 JOBS	NC JOB GROWTH (2013 - 2017)	NC AVG. ANNUAL EARNINGS	US AVG. ANNUAL EARNINGS
ASSEMBLERS AND FABRICATORS	63,308	11%	\$30,368	\$33,592
ENGINEERS (INDUSTRIAL AND MECHANICAL)	15,410	10%	\$86,008	\$89,294
INSPECTORS, TESTERS, SORTERS, WEIGHERS	19,261	7%	\$35,464	\$40,372
SOFTWARE DEVELOPERS AND PROGRAMMERS	44,165	18%	\$96,345	\$100,110
MACHINISTS	10,611	10%	\$39,956	\$43,243
AIRCRAFT MECHANICS AND SERVICE TECHNICIANS	4,264	11%	\$56,139	\$61,193

THE PERFECT CLIMATE FOR GROWING TALENT

North Carolina offers one of the nation's most renowned education systems, supplying companies with a pipeline of skilled workers. Companies across the state enjoy unparalleled access to research & development resources.

UNIVERSITIES UNDERGRADUATE AND GRADUATE DEGREES

North Carolina has 53 colleges and universities. The publicly-funded University of North Carolina System draws students from all over the world to its 17 campuses. The state's three Tier 1 research universities: North Carolina State University, Duke University, and the University of North Carolina at Chapel Hill, are at the cutting edge of education and R&D. North Carolina State University offers degree programs in aerospace engineering. The program has conferred more than 400 aerospace engineering degrees over the past five years.

COMMUNITY COLLEGES VOCATIONAL DEGREES

The North Carolina Community College System (NCCCS) is the nation's third-largest community college system, pioneering the nation's most advanced vocational and technical programs. More than 800,000 students enroll at one of NCCCS's 58 campuses each year. NCCCS offers degrees and certificates relevant to the aerospace industry like aviation electronics, computer engineering, aviation systems technology, and welding. Spirit AeroSystems' Composite Center of Excellence at Lenoir Community College and Guilford Technical Community College's advanced aviation programs are examples of North Carolina's top-notch workforce programs designed to serve the growing aerospace industry.



NCWORKS CUSTOMIZED TRAINING PROGRAMS

NCWorks is a free, customized job training and recruiting program for new and expanding businesses. The program offers comprehensive training via our state's community colleges as well as customized curricula tailored to address the specific needs of the aerospace industry. In 2016, NCWorks trained more than 35,000 employees from 942 companies across the state.

MILITARY WORKFORCE 3RD LARGEST MILITARY POPULATION IN THE U.S.

About 21,000 military personnel are projected to re-enter North Carolina's civilian workforce each year. Many of these workers specialize in aerospace propulsion and ground equipment. Aerospace companies enjoy close proximity to military air operations. The Marine Corps Air Station at Cherry Point maintains a Fleet Readiness Center (FRC) that provides maintenance, engineering, and logistics support for Navy and Marine Corps aviation activities.

INDUSTRY RESOURCES TARGETED INDUSTRY SUPPORT

North Carolina has numerous programs and research centers that support aerospace businesses. Examples include:

- **The North Carolina Advanced Manufacturing Alliance (NCAMA)** works to accelerate job training, build programs to meet industry needs, and bolster online learning.
- **The NextGen Air Transportation (NGAT) Center** focuses on developing improvements to air traffic control, airspace managements, airport and airspace system capacity, surface traffic management and flight safety.
- **North Carolina Global TransPark** offers an 11,500 foot runway, onsite rail spur, fiber optic network, and warehouse facilities.



The Spirit AeroSystems Composite Center of Excellence, operated by Lenoir Community College, provides workforce training for aerospace businesses in North Carolina.

UNMATCHED BUSINESS ENVIRONMENT

#1

BEST STATE FOR BUSINESS

- Forbes (2017)

#1

TOP COMPETITIVE STATE

- Site Selection (Prosperity Cup, 2018)

#3

BEST STATE FOR BUSINESS

- Chief Executive (2018)

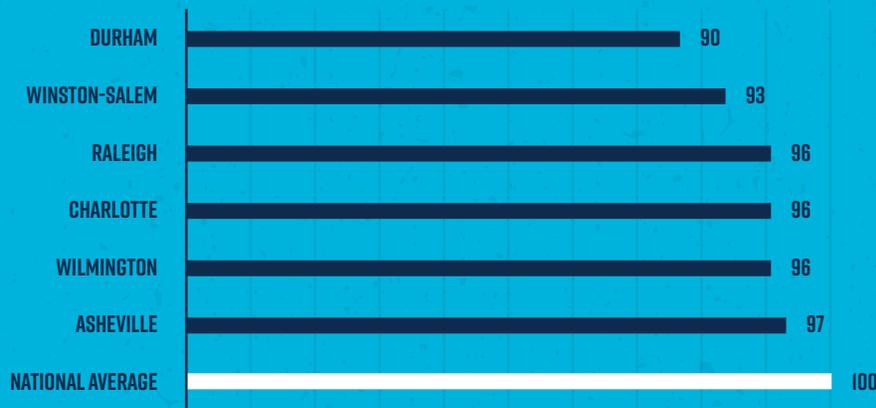
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COMPETITIVE LABOR ENVIRONMENT

- Area Development (2017)

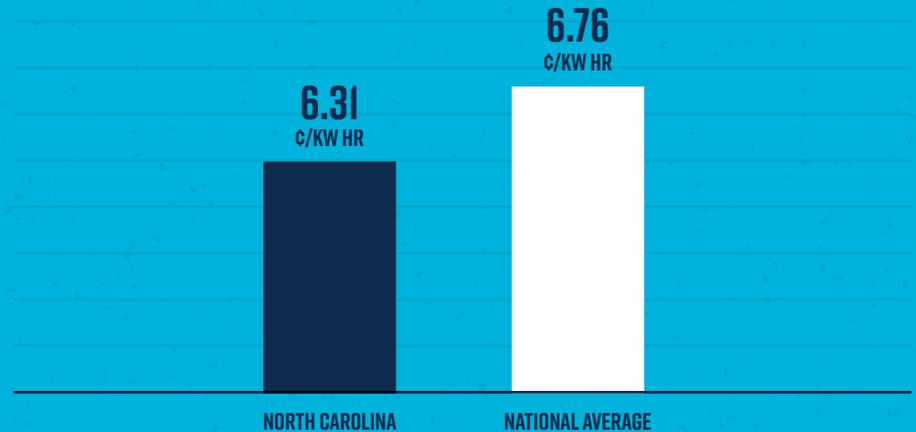
LOW COST OF LIVING

The cost of living in many of North Carolina's metropolitan areas is well below the national average.



LOW ELECTRICITY COSTS

NC's industrial electricity costs are about 7% below the national average.



LOW BUILDING COSTS

Average construction costs in North Carolina's metropolitan areas are up to 16% below the national average.

UNPARALLELED INNOVATION

North Carolina businesses lead the nation in innovation with 70% patent growth over the past 10 years.

RIGHT TO WORK STATE

North Carolina is one of 28 right to work states.

AAA BOND RATING

North Carolina is one of only three states to earn Standard & Poor's highest rating for 50 consecutive years.



**THE POSITIVE BUSINESS ENVIRONMENT
AND EMPLOYEE WORK ETHIC IN THE REGION
WERE KEY FACTORS IN THE SELECTION
OF UNION COUNTY FOR THE EXPANSION.
OUR CONFIDENCE IN NORTH CAROLINA IS
VALIDATED BY OUR INVESTMENT...**

**RICHARD HARSHMAN,
CEO, ATI SPECIALTY MATERIALS**



North Carolina metros are hotspots for innovation in advanced manufacturing and offer a high quality of life at low costs.

GO BIG. SPEND LESS.

3.0%

CORPORATE INCOME TAX

North Carolina has the lowest rate among the 44 states which levy this tax. The rate will be reduced to 2.5% in 2019. NC uses single sales factor apportionment.

4.75%

STATE SALES & USE TAX

Counties levy an additional 2-2.75%. Sales tax exemptions are available for manufacturers. Aviation gasoline and jet fuel are exempt.

5.499%

PERSONAL INCOME TAX

Standard deduction is \$8,750 for single tax payers, \$17,500 for married couples, and \$14,000 for head of households. In 2019, the standard deductions will increase and the rate will be reduced to 5.25%.

NONE

STATE PROPERTY TAX

There is no state-level property tax. Real and personal property taxes vary by local government. In 2017, N.C. had the 7th lowest commercial and 9th lowest industrial effective property tax rates in the U.S.

INCENTIVES

Targeted, performance-based incentive programs complement North Carolina's competitive cost structure. The Economic Development Partnership of North Carolina (EDPNC) helps companies navigate the incentive process.

JOB DEVELOPMENT INVESTMENT GRANT (JDIG)

JDIG is a performance-based, discretionary incentive program that provides cash grants to new and expanding businesses to help offset the cost of locating or expanding a business facility in North Carolina. Companies can qualify for a JDIG based on the project location, number of jobs, and average wage. The grant amount is based on a percentage of the personal income tax withholdings associated with the new jobs. A company can use JDIG funds for any purpose.

ONE NORTH CAROLINA FUND (ONE NC)

One NC is a discretionary cash-grant program that allows the Governor to respond quickly to competitive job-creation projects. The local government must provide an incentive to match the One NC funding. Awards are based on the number of jobs created, level of investment, location of the project, economic impact of the project, and the importance of the project to the state and region. Awards may be used in new or existing buildings for installation or purchase of equipment, structural repairs and/or renovations, construction and/or improvements to utility lines.

PUBLIC INFRASTRUCTURE & TRANSPORTATION PROGRAMS

North Carolina offers a number of different programs to fund public infrastructure development, including the Community Development Block Grant Economic Development Program, Utility Account, Rural Division's Economic Infrastructure Program, NCDOT's Rail Industrial Access Program, North Carolina Railroad Company's NCRRI Invests program, and the NC Department of Commerce's Joint Economic Development Program with the NCDOT.

BUILDING REUSE PROGRAMS

North Carolina offers two different programs that provide grants to renovate and upfit vacant industrial and commercial buildings including:

- Community Development Block Grant Building Reuse Program
- Rural Division's Building Reuse Program

OTHER INCENTIVE PROGRAMS

- NCWorks Customized Training Program
- Foreign Trade Zones
- NC Biotechnology Center Economic Development Award
- Recycling Business Development Award Grants
- Golden LEAF Foundation Grants
- Building Demolition Programs

MARKET ACCESS & TRANSPORTATION INFRASTRUCTURE

North Carolina's robust transportation infrastructure connects companies to domestic and international markets. Ten airports offer commercial services, including four international airports that connect North Carolina to major cities in the U.S. and abroad. North Carolina also has the second-largest state-owned highway system and major controlled-access arteries such as I-95 (running the length of the East Coast), I-85, and I-40 (running from NC to California). Two deepwater seaports and an integrated rail system ensure that North Carolina companies can easily reach suppliers and customers.

ROADS

Second-largest state-owned highway system

North Carolina's roads stretch for more than 90,000 miles (145,000 km). The state's central East Coast location offers easy access to the country's most important transportation corridors.

Major controlled-access arteries include:

- I-95, running the length of the East Coast
- I-40, linking North Carolina to California
- I-85, stretching through the manufacturing heart of the Southeast

PORTS

Two deepwater seaports in-state with on-dock rail

North Carolina's ports offer fast turn times and capacity for ships carrying up to 10,000 TEUs. Inland terminals in Charlotte and Greensboro provide easy market access. North Carolina companies also enjoy easy access to the Port of Norfolk and the Port of Charleston.

Port of Wilmington

- Container and general cargo operations
- Channel depth of 42 feet M.L.L.W.
- On-terminal cold storage facility and 1M sf of covered storage

Port of Morehead City

- General cargo and bulk handling facility
- Channel depth of 45 feet M.L.L.W.
- 1M sf of covered storage

AIR

The world's 7th busiest airport is located in Charlotte

Ten airports offer commercial services, including four international airports that provide easy access to global markets. International airports include:

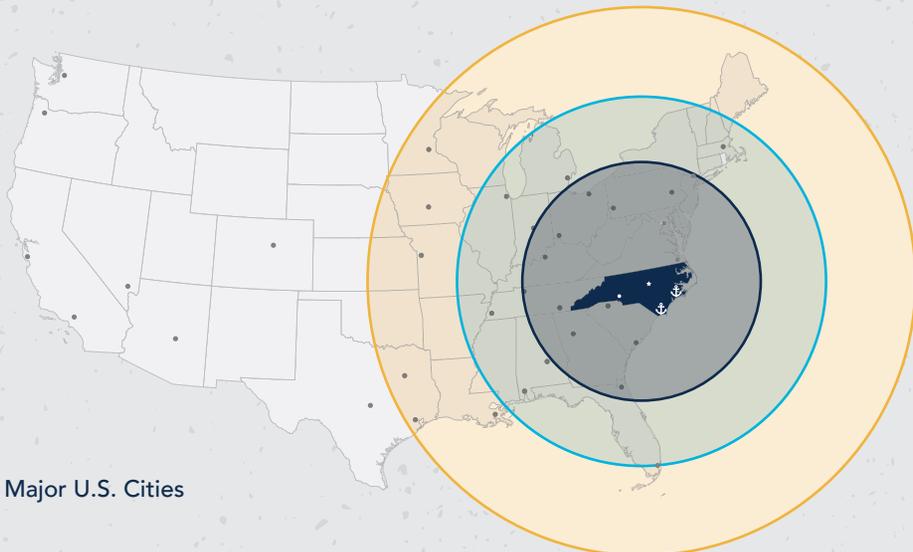
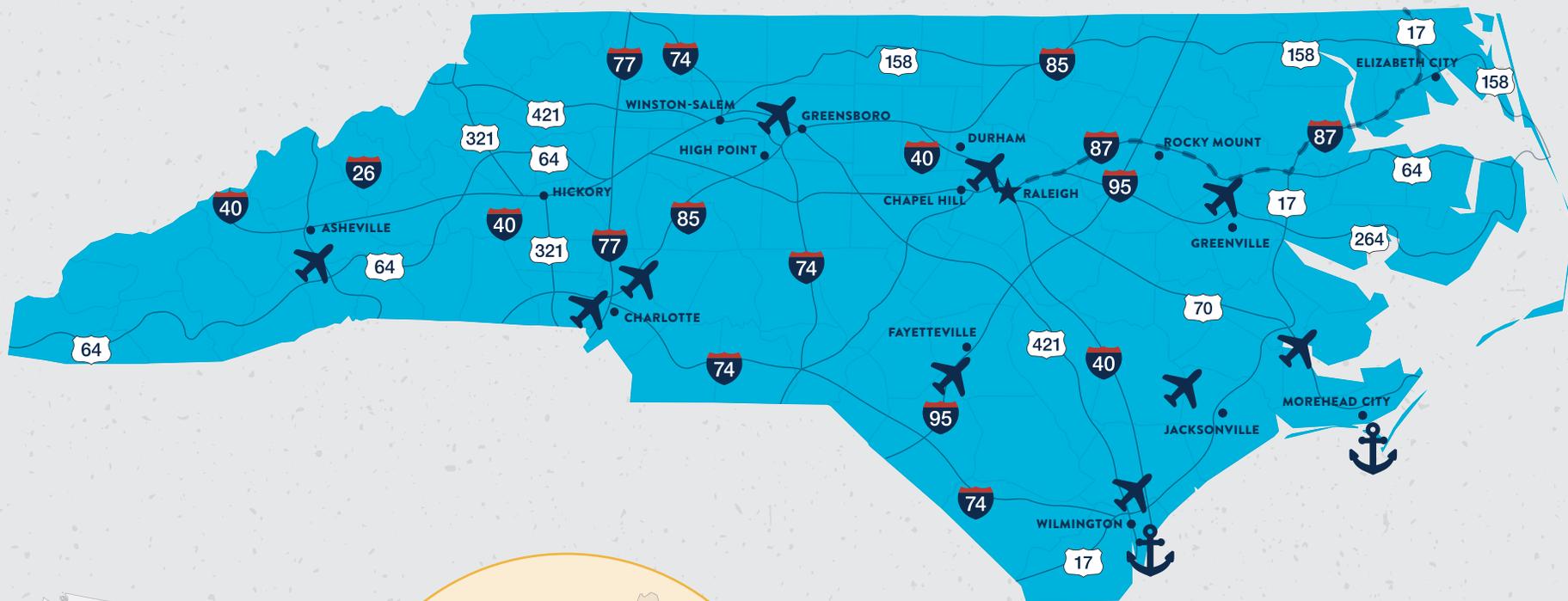
- Charlotte-Douglas International Airport (CLT)
- Raleigh-Durham International Airport (RDU)
- Wilmington International Airport (ILM)
- Piedmont Triad International Airport (GSO)

RAIL

Two Class 1 Carriers

North Carolina has more than 3,200 miles (5,100km) of track. Two class 1 carriers, CSX Transportation (CSX) and Norfolk Southern (NS), offer direct service to North American markets and to all major ports along the U.S. East Coast.

- Intermodal service hubs in Charlotte (NS, CSX) and Greensboro (NS)
- Direct intermodal service from Port of Wilmington to CSX terminal in Charlotte
- Major rail yards in Lexington (NS) and Hamlet (CSX)
- 19 regional railroads, including six that connect to both NS and CSX railroads

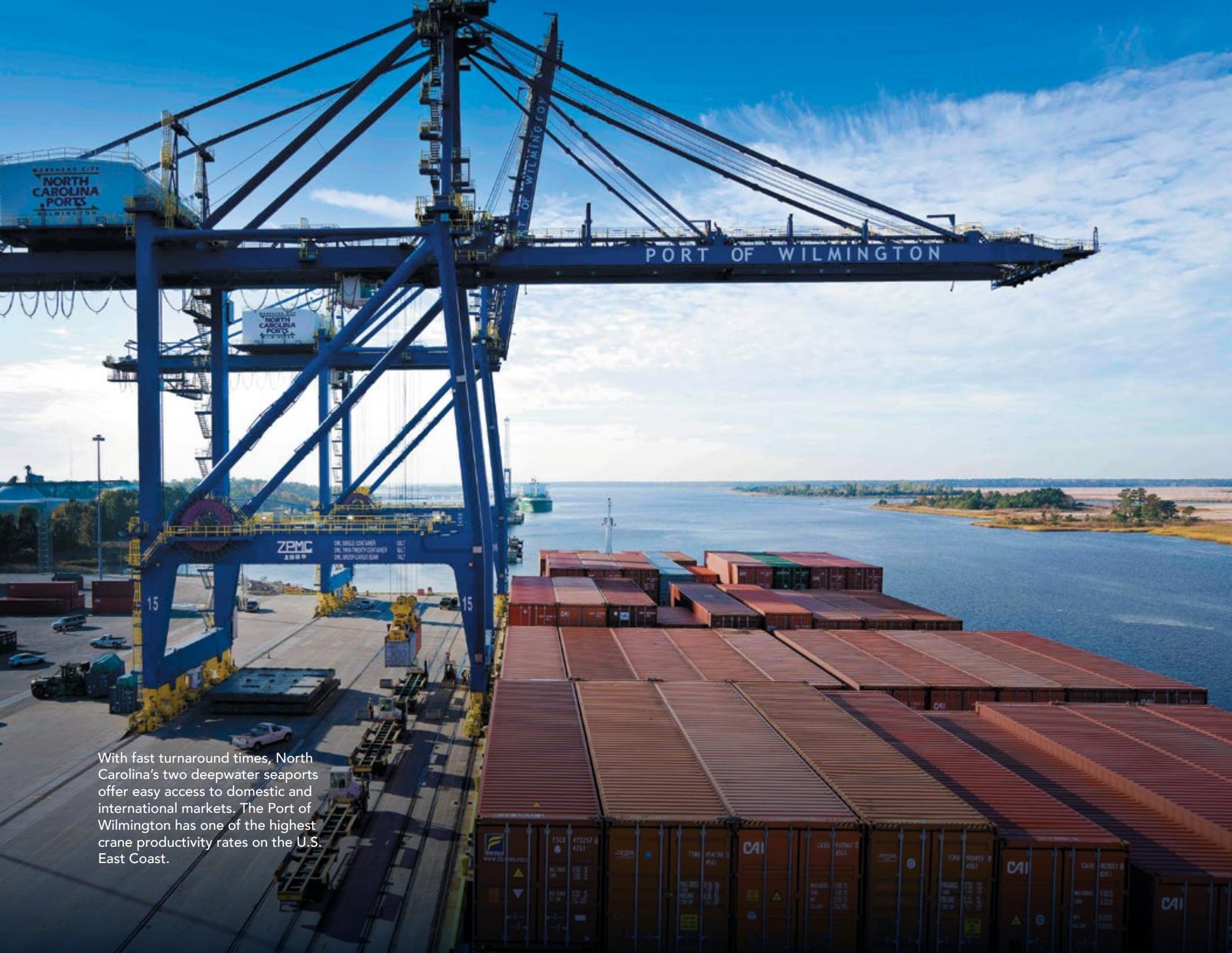


178 MILLION CUSTOMERS WITHIN A DAYS DRIVE

Easily access other major U.S. markets



● Major U.S. Cities



With fast turnaround times, North Carolina's two deepwater seaports offer easy access to domestic and international markets. The Port of Wilmington has one of the highest crane productivity rates on the U.S. East Coast.



NORTH CAROLINA WAS CHOSEN FOR THE LOCATION, FOR THE UTILITY AND TRANSPORTATION ADVANTAGES, AND THE STATE CONTAINS AN EXCEPTIONAL WORKFORCE. IN ADDITION, WE CAN SERVICE OUR CUSTOMER BASE QUICKER AND PROVIDE MORE COST-EFFECTIVE TRANSPORTATION.

**GERARDO MURAIRA,
OPERATIONS DIRECTOR, NUTEC GROUP**



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