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## Developing a Vision for Future Growth

**As this document attests, the WestGate Authority**, supported by elected officials and community leaders from Daviess, Greene and Martin counties and the Indiana Economic Development Corporation (IEDC), has attracted developers, created infrastructure and in general laid the strategic groundwork for the economic transformation of the region through the WestGate @ Crane Technology Park. As the park nears the beginning of its second decade, WestGate:

- Has created well over 600 high-impact technology-related jobs
- Attracted more than 20 commercial defense and related technology companies
- Benefitted from the construction of more than a quarter of a million square feet in new commercial development
- Secured more than more than \$75 million in public and private investments

There are few technology parks or related facilities that have grown faster in the past decade, particularly when starting in a former highly rural area of Indiana.

As WestGate develops a vision for its second decade of explosive growth, its guiding team—the WestGate Authority—needs to focus on:

- Continuing the development of park infrastructure and the creation of a sense of place—high technology
- Working with county LEDOs and the Radius Indiana partnership for the promotion, branding and increasing strategic awareness of the opportunities at WestGate
- The attraction of commercial developers and patient capital for development and infrastructure
- Providing the highest quality of service to tenants and the region
- Continued job creation and workforce development promotion to provide a more than satisfactory return on taxpayer and private investments
- The continued diversification and economic transformation toward real wealth creation in the region

This document records both where WestGate has been and where it can go with a new vision lead by the WestGate Authority, area LEDOs and strategic stakeholders.

*There are few technology parks or related facilities that have grown faster in the past decade, particularly when starting in a former highly rural area of Indiana.*

## Developing a Vision for a New Era of Growth

**In 2012, a local newspaper summed it up:** the WestGate @ Crane Technology Park today has grown in just seven years from corn and soybean fields to “a growing mecca for defense-related jobs.”

With \$75 million in public/private investments, more than 600 jobs created, over a quarter million square feet in all-new construction and more than 20 national and regional commercial defense contractors – all built or attracted from scratch with limited funds – WestGate is nothing short of a major success story in the region and for the state of Indiana.

**As one contractor interviewed for this document noted:** “There has been great success with the park to date; it has been very positive, there are world-class companies located in WestGate. WestGate has taken on the challenge of achieving something that has never been done before – that of developing unprecedented cooperation between three counties.” (WestGate occupies contiguous space in three Indiana counties: Daviess, Greene and Martin, and is part of the Radius Indiana regional partnership for economic development).

Considered today to be one unified technology park, WestGate tech park is governed by a nine-person board comprised of three members each from the counties engaged in the certified technology park. Called the WestGate @ Crane Authority, the board has set four general areas for growth in the next decade:

- 1) **Contractor Support** - Attract, retain, and serve contractors and businesses associated with the adjacent Naval Surface Warfare Center (NSWC), Crane Division, operated by NAVSEA and located on the NSA base in southern Indiana.
- 2) **University Engagement** - Attract and sustain direct university engagement and presence within the WestGate tech park, creating new opportunities for workforce development through student training and faculty engagement in research and development.
- 3) **Tech Transfer and Commercialization** - Initiate, foster and sustain a robust technology transfer and commercialization focus using NSWC Crane’s intellectual property and patent portfolio as the basis, and directly engaging university resources (E.g., Ball State Military 2 Market and the University of Southern Indiana’s tech transfer program) to help facilitate the establishment of new businesses and entrepreneurial activity. This also includes the development of an incubator and business accelerator program within the WestGate Academy.
- 4) **Meetings, Conferences & Events** - Position, market and develop the training and meeting facilities within the 64,000 sq. ft. WestGate Academy (and the U.S.S. Indianapolis Conference Center) to attract and hold strategic training and educational seminars, symposia and conferences that serve the needs of NSWC Crane and related contractor development.

*“There has been great success with the park to date; it has been very positive, there are world-class companies located in WestGate. WestGate has taken on the challenge of achieving something that has never been done before – that of developing unprecedented cooperation between three counties.”*

## Brief History and New Vision

Since the late 1980s, numerous Indiana officials have desired to tap into the technological and economic benefits of the \$2 billion Naval Surface Warfare Center (NSWC), Crane Division and other attributes of the 100-square-mile Naval Support Activity (NSA)/U.S. Army facilities that provide a home for NSWC Crane. Beginning in the early 2000s, officials in Daviess, Greene and Martin counties began working in earnest to develop an all-new facility based on the state's Certified Technology Park (CTP) program begun during the O'Bannon/Kernan gubernatorial administration.



Site in 2004



Same site in 2010

Today, where once stood dilapidated and abandoned military housing and corn fields, the three-county-based WestGate @ Crane Technology park is now home to more than a quarter-of-a-million square feet in all-new office/industrial construction, more than 20 major defense contractors and related companies, more than 600 workers, and \$75 million in new private, county, state and federal investments (including more than \$6 million secured through a grant from the U.S. Department of Commerce, Economic Development Administration (EDA). In barely seven years, as one senior NSWC Crane administrator put it: "WestGate has done better than anyone could have imagined."

In July 2011, Gov. Mitch Daniels, a long-time supporter of the park, participated in a formal ground-breaking for the all-new 64,000 sq. ft. \$8.8 million WestGate Academy in the park, a multi-use facility that is expected to house university engagement offices, incubator space for local technology entrepreneurs and training/education facilities to support NSWC Crane advancement. This facility is expected to formally open for business in the fall of 2012 and will essentially mark the beginning of an entirely new era for the park.

**A new Battery Innovation Center**, bringing the potential of a whole new era of university-supported energy research and development in the park, began construction in the Greene County area of WestGate in 2012. It will create about 30 new jobs, and is expected to attract broad industry support from other commercial sectors in Indiana and across the United States.

**Authority officials have identified four general areas** of growth, expansion opportunities, and administration for the park, driving through a period of expected growth 2012-2035. As noted earlier, these are:

*WestGate @ Crane Technology park is now home to more than a quarter-of-a-million square feet in all-new office/industrial construction, more than 23 major defense contractors and related companies*

As of 2012, the majority of contractors locally associated with NSWC Crane have already leased space either in WestGate, the EastGate facility in Bedford or in other facilities scattered around the region.

**Supporting U.S. military operations and commercial defense contractors serving NSWC Crane and other branches/sectors of the military.** This includes providing high-quality facilities and support with the WestGate Park and the surrounding region. As of 2012, the majority of contractors locally associated with NSWC Crane (not including the \$2 billion in service contracts outside of Indiana administered by NSWC Crane) have already leased space either in WestGate, the EastGate facility in Bedford or in other facilities scattered around the region.

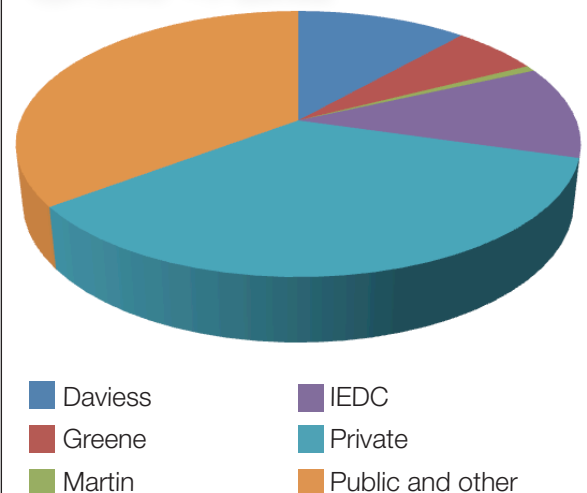
**Localized university engagement and direct regional involvement/support of research operations of institutions of higher learning.** Since its inception in 2004, WestGate has sought deeper and direct ties with universities and colleges located in Indiana. NSWC Crane currently maintains cooperative research agreements with several Indiana-based institutions including Purdue, Indiana University (and the Indiana University Research and Technology Corporation), the University of Southern Indiana, the University of Evansville, the University of Notre Dame, the Rose-Hulman Institute of Technology, Ivy Tech and Vincennes University. Purdue has recently started up two internal institutions for commercialization of technology and an applied research center, both of which possess important dimensions for advancing the WestGate development vision.

**Technology transfer from NSWC Crane intellectual property (patents) and former/current employees and contractors associated with the base.** This technology transfer and the successful commercialization of NSWC-related intellectual property are expected to lead to the creation of new small companies, which can be incubated in specialized space within the WestGate Academy. It is the understanding of WestGate officials that NSWC Crane will provide engineering and technical support for these small companies. Typical concept-to-commercialization-to-profitability cycles for new companies are 48-60 months, and the Authority plans to provide subsidized office space and support for such companies within the WestGate Academy. However, the success model for new ideas to create entrepreneurial opportunities is in response to real-world challenges.

**Conference Attraction and Support.** The opening of the WestGate Academy and the presence of a public facility at CTC's USS Indianapolis Conference Center offer the region considerable new advantages to attract major technology conferences and associations directly to WestGate. NSWC Crane has contracted with Stimulus Engineering to provide and support extensive training seminars, meetings and conferences within the WestGate Academy.

Also, through combined leadership, working business model and assets of the Battery Innovation Center (BIC) and the new WestGate Academy, the potential for true innovation and the creation of a new innovation culture can be created, nurtured and sustained. Such an achievement would likely reverberate positively through the entire region.

**WestGate Investments (\$75M +) 2012**



SOURCE: SIDC, IEDC, DAVIESS, GREENE AND MARTIN COUNTIES

## History of WestGate

**1989-1995** – NSA/NSWC Crane officials and state/county community leaders have numerous formal and informal discussions about how to establish a commercial technology-focused entity to partner with military technology assets and activities in the region

**1995** – NSA/NSWC Crane facility technically closed in Pentagon's Base Realignment and Closure process (BRAC); Pentagon officials later determine to keep NSWC Crane facility open and re-evaluate the base's value in the 2005 BRAC process. Indiana loses six military bases in 1995 Pentagon action (including multi-billion-dollar Naval Avionics Center in Indianapolis, which is converted to private sector operations and now used by Raytheon). Louisville operations of NSWC Crane are closed and consolidated into Crane, Indiana operations.

**2000-2002** – In re-organization and growth period, NSWC Crane hires more scientists, engineers and technology professionals to work at the southern Indiana base than does Eli Lilly & Co in central Indiana for comparable professionals. Base re-org efforts are nationally recognized as innovative and outstanding.

**2002** – State of Indiana creates Certified Technology Park (CTP) program; Martin County officials express interest in securing CTP status in support of Crane. Former NSWC Crane officials form new non-profit organization to support NSWC Crane against 2005 BRAC process, Southern Indiana Business Alliance (SIBA) formally organized. CICP (Central Indiana Corporate Partnership) receives funding from the Lilly Endowment to formally conduct research about the economic impact of NSWC Crane and how to best potentially leverage that impact.



**2003** – Daviess County Economic Development Corporation (DCEDC) begins process of securing CTP status for a possible tech park site. Purdue and Rose-Hulman commit to supporting Daviess County, and URS (then EG&G) agrees to become the park's first tenant. Southern Indiana Development Commission secures federal grant to clean up brown fields in area set to become Martin County section of the future WestGate park. SIDC grant becomes funding source for water and sewer connectivity for future WestGate.

**2004** – Daviess County section of future WestGate formally receives certification in spring, although no new buildings exist. O'Bannon and Kernan Gubernatorial Administrations announce that new I-69 route will go very near to NSWC Crane and proposed Greene County section of future WestGate park. Greene and Martin counties submit application for certification, but new gubernatorial administration creates new agency (Indiana Economic Development Corporation) to replace old CTP administrative agency (Indiana Department of Commerce) and a temporary moratorium on new certifications is put into place. Three counties assemble formal steering committee to help organize new park. Counties abandon old "working" name of park (referred to as the North Crane Project or the Crane park). New name of WestGate @ Crane Technology Park is adopted.

**2005** – New administration of Gov. Mitch Daniels becomes directly engaged in BRAC defense, creates Indiana Military Base Planning Council, chaired by Lt. Gov. Becky Skillman.

# DEVELOPING A VISION • WESTGATE @ CRANE

IEDC officials meet in July 2005 with county economic development leaders and elected officials, and approve conceptual plans to integrate Greene and Martin counties into one general Certified Technology Park. IEDC agrees to provide up to \$10 million in state and local tax recapture under CTP legislation.

**2006** – WestGate achieves state certification for all three counties, creates WestGate Authority to oversee park development and progress. Daviess County arranges financing and development of the first new building in the Westgate tech park for EG&G (later URS), and Lt. Governor Becky Skillman participates in a high profile ground-breaking for the new facility.

**2007** – The WestGate @ Crane Development Company (WCDC) announces plans to design and build an all-new facility for the Science Applications International Corporation (SAIC) in the Martin County section of the park. Gov. Daniels participates in the formal ground-breaking for the two-story facility. Later in the fall, Lt. Governor Skillman returns to WestGate for a formal ribbon-cutting of the EG&G/URS facility in Daviess County. WCDC begins construction of a new 20,000 sq. ft. facility north of the SAIC building.



**2008** – WCDC begins development of a new multi-tenant facility north of the EG&G (URS) facility in Daviess County and announces that it plans to invest about \$9 million in WestGate. Lt. Gov. Skillman leads a ground-breaking for the first building in Greene County, designed and built by MLE Enterprises.

**2009** – Beginning in 2009 Developer Kevin Bush designs and builds two new multi-use facilities in the Daviess County portion of WestGate. Work on additional buildings in Martin County continues.

**2010** – SIDC and WestGate officials work together with state officials (IEDC, state office of Defense Development and IEDC) to secure a \$6.6 million federal Stimulus-related grant from the U.S. Department of Commerce, which with additional funding from IEDC and other county/state organizations, will build the \$8.8 million WestGate Academy. URS (formerly EG&G) expands its original 25,000 sq. ft. footprint by 17,000 sq. ft. to accommodate growth.

**2011** – Greene County officials and the WestGate Authority announce plans and break-ground for a \$3.5 million wastewater treatment facility to serve WestGate and the region. Later in the summer, Gov. Daniels returns to WestGate to join federal and state officials to formally break ground for the \$8.8 million WestGate Academy.

**2012** – The WestGate Academy opens in the fall, followed by the opening of the all-new I-69 interchange northwest of the park in Greene County. Lt. Gov. Skillman and Congressman Larry Buchson lead a formal ground-breaking for a \$14 million Battery Innovation Center (BIC) in Greene County near the I-69 interchange. With the opening of the WestGate Academy, the park now has over 300,000 sq. ft. in new construction and a total of more than \$75 million in public and private investments. More than 20 commercial defense, technology and other companies lease facilities in WestGate and employ more than 600 professionals. The WestGate Authority approves plans for additional strategic infrastructure, including a new water tower, a fire station to serve the park, a health clinic, and connecting roads (or improvements of existing roads) to promote continued and rapid growth.





## New Opportunities

**The opening of the WestGate Academy in 2012** and the Battery Innovation Center (BIC) in 2013 will coincide with the long-awaited opening of the I-69 interstate connection from Evansville (including connectivity to I-64 and major interstates surrounding Indianapolis) through Indianapolis. A major interchange located immediately northwest of the park on U.S. 231 is expected to dramatically improve access to WestGate.

The opening of I-69 is also expected to substantially increase the potential for high-tech secure inventory and warehousing in the region, and the increase of transportation, distribution and logistics (TDL) operations associated both with military-related operations on the base and those in the region. NSA is already one of the most active and largest TDL operations in the state of Indiana and I-69 access is only expected to offer opportunities for increasing these operations.

**Tapping into \$330 million** in managed high-tech and other inventory associated with NSWC Crane and leveraging all-new high-tech and secure warehousing opportunities with GSA-served agencies represents a new venue of potential growth for WestGate.

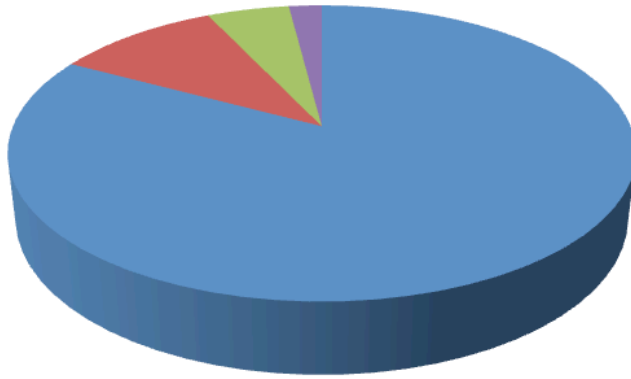
WestGate tenant executives interviewed for this document suggested that new warehousing growth (including secured facilities) in the WestGate region can enable NSA/NSWC Crane to move warehousing operations and inventory off the base. GSA lease requirements may prove to be a challenge, but WestGate defense contractors suggested that WestGate consult warehousing industry experts familiar with the defense industry/GSA needs.

**Current WestGate tenants expect** that the WestGate Authority will continue to increase the overall attractiveness and strategic value of WestGate to ensure continued growth and sustained retention of current (and future tenants) once I-69 access materializes.

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# Major Considerations

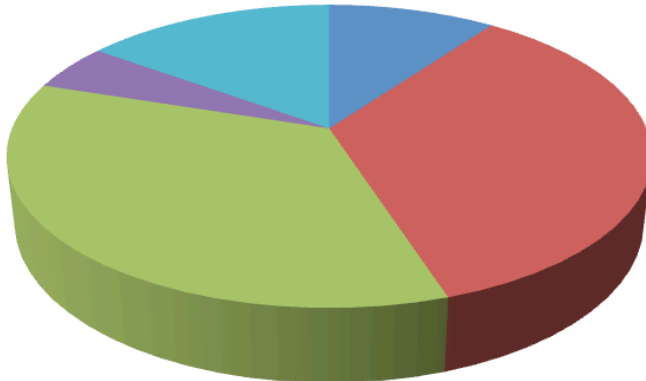
## WestGate Property Segmentation 2012-2015



- Office/Industrial
- Battery Innovation Center
- Academy
- Retail/Hotel

**Current build-out of >250,000 sq. ft. and \$75M+ public/private investment**

## WestGate Property Segmentation 2035 (projected)



- University
- Defense Cos
- Warehousing
- Energy Cos
- Hotel/Retail

**Future build-out of 3 million sq. ft. and \$225 million public/private investment**

## Capital Formation for WestGate

Like virtually every other public/private partnership venture, WestGate has faced—to date successfully—its share of funding issues and capital formation. Because of the huge potential represented by the park, WestGate has attracted and nearly consummated a major investment deal with patient capital on two occasions. While not successful initially, the fact that it occurred at all in such a rural location eloquently underscores the overall strategic attractiveness of the park. Success is likely to occur in this venture.

The following describes the general financial condition and outlays of the park, as provided by SIDC:

### Revenues

Historically the Westgate @Crane Authority has had three sources of revenue; Local funds from participating counties, the Indiana Economic Development Corporation (IEDC), and Interest from deposited funds. To date the total deposits for the Authority are \$403,106.75 from County contributions, \$3,747,335 from IEDC and \$14,182.38 from Interest income. A breakdown Of IEDC Tech Park Funding can be viewed below.

Historically the Westgate @Crane Authority has had three sources of revenue; Local funds from participating counties, the Indiana Economic Development Corporation (IEDC), and Interest from deposited funds.

Daviess County			Martin County			Greene County		
FY	TOTAL	running total	FY	TOTAL	running total	FY	TOTAL	running total
FY 2007	51,393	51,393	FY 2009	533,372	533,372	FY 2011	8,480	8,480
FY 2008	131,793	183,186	FY 2010	592,315	1,125,687	FY 2012	25,000	33,480
FY 2009	829,550	1,012,736	FY 2011	619,074	1,744,761	FY 2013	100,000	133,480
FY 2010	981,358	1,994,094	FY 2012	619,074	2,363,835	FY 2014	300,000	433,480
FY 2011	981,358	2,975,452	FY 2013	136,165	2,500,000	FY 2015	600,000	1,033,480
FY 2012	981,358	3,956,810	FY 2014	0	2,500,000	FY 2016	600,000	1,633,480
FY 2013	981,358	4,938,168	<b>Total</b>	<b>2,500,000</b>		FY 2017	600,000	2,233,480
FY 2014	61,832	5,000,000				FY 2018	266,520	2,500,000
<b>Total</b>	<b>5,000,000</b>					<b>Total</b>	<b>2,500,000</b>	

\*Yellow highlighting indicates the funds have not been allocated to WGA by the IEDC

Total Received	2,975,452	Total Received	1,744,761	Total Received	8,480
Total Anticipated	2,024,548	Total Anticipated	755,239	Total Anticipated	2,491,520
<b>Total</b>	<b>5,000,000</b>	<b>Total</b>	<b>2,500,000</b>	<b>Total</b>	<b>2,500,000</b>

The Counties stopped contributing local funds to the Authority in 3/30/2009 for two reasons: IEDC Tech Park Funds started being contributed 4/22/2009 and the Counties started utilizing the local funds on projects that would benefit their own TIF districts either at the Westgate @ Crane or other areas in their respective Counties.

**All other revenues received by the Authority were through grants.** The Authority has received grants from IEDC and the Economic Development Authority (EDA). A breakdown of the Grants received, funds drawn and available balances are in the following chart.

Grants received	Date	Amount	Drawn to date	Available Balances
IN Dept. of Commerce - Brownfield	2003 - 2004	600,000	\$60,0000	\$ -
IEDC - SAIC Building	07/23/2008	\$ 500,000	\$ 500,000	\$ -
IEDC - EG&G Facility	10/01/2008	\$ 500,000	\$ 500,000	\$ -
IEDC - Academy	12/07/2011	\$ 1,000,000	\$ 196,049.00	\$ 803,951.00
EDA - Academy	10/17/2011	\$ 6,664,500	\$ 2,647,515.00	\$ 4,016,985.00

**The WestGate @Crane Authority anticipates continuing to receive revenues** from IEDC and to receive the remaining funds available from the Academy Grant. The WGA understands that revenues are not infinite and it is anticipated that all contributions by IEDC to the Authority will be received by 2018 (As of the date of this report - September 2012). The remaining revenues from IEDC tech Park funds are \$6,252,665. The Authority anticipates utilizing the remaining funds to pay debt, market the park, manage the Authority, and create infrastructure for economic development. The WestGate @ Crane Technology Park represents the collaboration of Daviess, Greene and Martin Counties, but it is not anticipated that additional revenues from the three Counties will be contributed to the Authority.

**The largest reason for not receiving** additional funds is the individual counties are bonding for additional economic development projects in the tech park and require the revenue from the TIF (property Tax) funds in order to repay the bonds. Greene County has bonded for approximately \$5,200,000 and is using the funds to make improvements in the Tech Park on 800 S, building a water tower, construction of a wastewater treatment facility, construct four lift stations, construct collection lines, and develop the Battery Innovation Center. Daviess County has bonded through the Daviess County Foundation for approximately \$4,600,000 for the purchase of land in the Tech Park. Martin County has not bonded, but is seeking additional land for development in the Park and may bond in the future.

## Future Revenue and Grants

**The Authority does anticipate that revenue will be generated** from use of the Academy building over the useful life of the facility (essentially 2012-2052). The projections on use that were used in the grant application anticipated net revenue of \$150,000 - \$200,000 a year after expenses are paid to maintain and market the facility. Those funds will be used for Authority expenses and to establish an escrow fund on the Academy.

### EDA

The Authority has received a substantial grant from EDA and IEDC for the construction of the Academy Facility. EDA does not typically invest in an area twice unless significant job creation and investment has occurred. The Academy is still in the construction process so it has not directly contributed to generating new jobs or investment in the Tech Park. Therefore it would not be anticipated that EDA would invest in the Park again until at least another 250 jobs are created and 20 million in investment has occurred. The Authority will continue to monitor the job creation and investment and when they are eligible for EDA funding again will seek their assistance in infrastructure improvements in the Park if the opportunity and timing is right.

### IEDC

The Authority is currently only seeking to maintain the agreement they have with IEDC for Tech Park funding. The Authority is working to develop a significantly sized technology park in an area that does not have sufficient infrastructure for the projected growth of the park. Therefore the Authority may seek additional grants for job creation or a CAP increase tied to additional park development.

### Lilly Endowment

The Authority is researching the potential for Lilly endowment funds and has discussed the potential of an Advanced Manufacturing Center and/or Logistics Center to augment the workforce development in the region. No request has been made to date but it remains a potential funding source.

### Anticipated Future Short-term Expenses with Approximate Costs (as provided by SIDC)

**Academy** – \$1,006,930.28 remaining on local match on the Academy facility

**Debt** – The Authority has \$514,000 in debt to Bloomfield State Bank for the cost of construction of Roads in the Technology Park.

**Water Tower** – The Authority has agreed to provide up to \$750,000 for the cost of a water tower that will sufficiently supply water capacity for the Park for the next 20 years and maybe longer depending on the rate of development.

**800 South** – The Authority has agreed to provide \$400,000 for the improvements made on 800 S. Greene County will share the cost of the construction and the anticipated cost of the project is \$800,000.

**Road, Water, Sewer, Fiber optics** – The Authority anticipates constructing a road over new terrain that would connect the Martin County site to the Academy through Daviess County up to the site of the Battery Innovation Center in Greene County. The anticipated cost of construction of the road with water, sewer and fiber optics is \$1,500,000.

**Escrow for the Academy** - The Authority has agreed to escrow \$500,000 in funds to be held in case the Academy would not meet the projected revenues before the useful life of the facility is over. The escrowed funds could be utilized as short term funds to help in increasing the revenue of the facility with additional marketing. The funds are also set in order to protect the Co-applicant on the Academy project, SIDC, in case the Authority was to dissolve its rights on managing the facility. The escrowed funds would be utilized by SIDC to make the facility financially feasible again.

Within the calendar year 2012, once the Authority funds the above commitments the Authority will have \$1,581,734.72 remaining in the CAP with IEDC (this figure does not include environmental, administrative, architectural, marketing, Executive Director, legal, financial or other expenses of the Authority).

## Unique Challenges

**Private investments, particularly in attracting and securing bank** financing for construction, have faced and met the considerable challenge of limited contracts to commercial defense companies. WestGate developers face a unique challenge that traditional full service, Triple Net leases for 10 years or more are generally not available from most commercial defense contractors. The reason being that most commercial defense contractors have to include the lease payments as an overhead cost, and will not extend their risk exposure for lease agreements that transcend the length the current federal contract they serve. Accordingly, most Westgate lease agreements are for four-to-five years, and many possess an early opt-out clause if a contract ends early or other financial issues force termination of same.

**In reality, there is a positive historical precedent** associated with NSWC Crane that if a contract is not continued for one company, the company that is subsequently awarded the new contract simply hires the professionals who previously worked on the old contract, and retains them, often in the same working space as before. The financial exposure is thus not generally significant, presuming the contract is renewed for NSWC Crane.

**Without a financial history of performance,** this fact was initially a difficult “sell” to Indiana banks not familiar with commercial defense issues. However, according to executives from the WestGate @ Crane Development Company, the seven-year performance and growth of WestGate has produced a high degree of confidence from area lenders, and sufficient capital for new construction now exists.

**As noted by several figures,** the above previous financial constraints forced a “tenant financing” model for new construction, where buildings were pre-leased or had lease agreements secured prior to commitment to construction. As a result (and as exacerbated the financial deep recession of 2008-2010), construction of new facilities was slow and no speculative buildings were built.

The forward-looking 2035+ vision for WestGate will include the development of speculative space in the park to help attract new companies.

WestGate officials have expressed confidence that the attractiveness of the park, together with a new attractiveness for capital investment and public/private formation, will be enhanced by the expected development of a new energy-related cluster strategy. That strategy is expected to be developed jointly by the Battery Innovation Center (BIC), academic institutions, and NSWC Crane partners.

*...according to executives from the WestGate @ Crane Development Company, the seven-year performance and growth of WestGate has produced a high degree of confidence from area lenders, and sufficient capital for new construction now exists.*

# Future Capital Formation – Options for Consideration

**As the Authority contemplates economic diversification** in the region and its future role, the question and challenge of long-term capital formation for infrastructure comes to bear.

Moving forward, the Authority has several options to consider for funding (and thereby achieving) a vision for 2015-2035. Following are brief descriptions of strategic options.

## **Creating a Future Service Agreement Fee**

Many tech parks and related facilities require tenants to pay a service or related association fee to help fund and maintain the park. To date this represents an option that has not been exercised by the Authority. Such a future fee could help establish funds for park growth and help fund Authority activities (such as actively seeking patient capital investments and additional developers).

## **Developing an Advisory Board**

In helping to attract future investors, WestGate might consider establishing and developing a high-profile Advisory Board made up of regional and national executives. This non-paid advisory board concept is used by many tech parks and related facilities (E.g., Discovery Park at Purdue) to help identify funds and increase the strategic awareness of the facility among key potential contributors. Depending on the composition of such an advisory board, WestGate could also use such a group to seek new developers and cultivate high net worth individuals (and groups) to secure patient capital for the development of critical amenities that would create a technology campus feel (such as walking and bike trails, small parks in WestGate, and other amenities).

## **Venture and Angel Capital**

The Authority can also consider making more formal and informal outreach to established venture capitalists firms and angel networks in terms of helping both the park and entrepreneurs associated with WestGate find funding. These investors (perhaps working with established groups such as the Indiana Venture Club) can also provide much-needed guidance to entrepreneurial start-ups in the region, whether tech transfer/commercialization or technology/production spin-offs from NSWC Crane, the BIC, companies with NSWC Crane-related ties from other Indiana tech parks (E.g., the Purdue Research Park in West Lafayette) or other places.

## **Institutional Investors**

Given its success and potential, WestGate may be able to attract institutional investors and funds from REITs, thereby creating long-term “patient capital” investments. This would require the creation of proposals offering long-term suitable ROI from funding streams developed by WestGate.

Many defense and energy companies may well also be interested in investing in WestGate, particularly as major industry clusters around energy development and defense growth emerge.

## **Cummings Research Park (CRP) Huntsville Alabama Model**

Starting the facility as a public/private initiative originally named the Huntsville Research Park, the state of Alabama and notably the growing city of Huntsville ultimately purchased upwards of 3,000 acres to control the development and expansion of the park. Associated with the NASA/government rocket development and engineering, the Cummins Research Park became a highly attractive facility. It is marketed and developed today by the City of Huntsville.



## **Lilly Endowment**

The Lilly Endowment in Indianapolis has a deep history in assisting multi-government entities like WestGate, including the Columbus EcO15 initiative (\$38 million), the NE Indiana TOpS 2015 STEM/defense workforce initiative (\$20 million) and Purdue’s Discovery Park (\$150 million). Generally the Lilly Endowment does not fund “bricks and mortar” initiatives, but exceptions have been made. Virtually all Lilly grants have major workforce development and education components, and generally require an invitation before a detailed and exacting proposal can be submitted.

## **Developing New State Funding Streams**

In addition to extending the IEDC \$10 million cap, the Authority can consider other state funding means from the Indiana Finance Authority, particularly if WestGate becomes the active home of on-site faculty and academic operations of major state universities.

The Authority can consider formal lobbying and legislative support through the General Assembly Crane Caucus and similar groups.

## **Future Federal Funding Opportunities**

Depending on the status of the economy, new and additional federal funding streams similar to the ARRA Stimulus Act (which provided additional funds through the through the federal EDA recovery funding platform for the WestGate Academy) may become available for physical expansion.

## A Chief Critical Task – Create a Park with a Technology Campus Look and Feel – A “sense of place”

**The majority of the contractors presently located in the WestGate Park** are divisions and operations of much larger companies. These companies have cultivated high-end strategic brands and technology profiles, and regard that componentry of their brand as critical to their positioning and continued success.

In the course of the interviews conducted for this vision document, a chief recommendation for the Authority emerged from contractors: dedicate whatever resources are necessary and required to complete the infrastructure development of a facility that has a high-technology “look and feel.” Contractors noted that this tech campus “look and feel” is critical for:

- Workforce attraction and retention (especially for attracting “top talent”)
- Business development and marketing
- Organizational growth and investment commitment (existing and new)
- Positioning for winning contracts
- Consistency in corporate brand
- Human resources issues (company gatherings, etc.)
- Creation of a “culture of innovation” through “idea space”

Contractors noted that they understood that WestGate was still essentially in its early days of development and that needed infrastructure would come. They often referred to the park as needing a “techy” look and feel. This “techy” look included:

- Building of outdoor spaces that included a park, walking and biking trails, boulevard-style roadways with bike lanes and “park-like” landscape attributes
- Functional high-tech signage
- Open and neutral spaces between buildings, with benches and amenities (like a high-end “Starbucks” level coffee shop that would allow for impromptu meetings and collaboration opportunities
- Water landscaping

*...a chief recommendation for the Authority emerged from contractors: dedicate whatever resources are necessary and required to complete the infrastructure development of a facility that has a high-technology “look and feel.”*

*As one person noted: “We need spaces for teaming, places to come together in neutral spots; these spaces are a requirement for recruiting top talent”*

**As one contractor noted:** “We need spaces for teaming, places to come together in neutral spots; these spaces are a requirement for recruiting top talent”

**According to those contractors interviewed,** long-term objectives of the Authority should include:

- Name-brand high end hotel that offers and accepts reward points (the only “perk” left to government employees are reward points from travel – these are considered more important than per diem levels)
- Establishment of new residential neighborhoods and communities within five miles of the park
- Critical amenities for lifestyle (entertainment, groceries, restaurants)

## Overview of Noted WestGate Future Design Attributes and Recommended Available Services

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Landscaped roadways                     <ul style="list-style-type: none"> <li>• Street lights</li> <li>• Tree and shrub lined</li> <li>• Bike lanes</li> </ul> </li> <li>• Walking trails                     <ul style="list-style-type: none"> <li>• Trails connecting to retail area, hotel and the WestGate Academy</li> <li>• Lighting (safety and security) for working late and night-time classes and events</li> </ul> </li> <li>• Retail Centers                     <ul style="list-style-type: none"> <li>• Accessible by trails</li> <li>• ATM</li> <li>• Florist</li> <li>• Hair salon/beauty shop</li> </ul> </li> <li>• Outdoor seating                     <ul style="list-style-type: none"> <li>• Tables and seating</li> <li>• Outdoor meeting potentials</li> </ul> </li> <li>• Day care – centrally located</li> </ul> | <ul style="list-style-type: none"> <li>• Restaurants                     <ul style="list-style-type: none"> <li>• Coffee shop (“Starbucks” level)</li> <li>• Deli (i.e. Panera Bread)</li> <li>• Ethic restaurants (Italian, Mexican, Chinese, Thai)</li> <li>• Bar that also serves meal-level upscale food</li> <li>• Bakery</li> </ul> </li> <li>• Office supply center (Office Depot)</li> <li>• Dry cleaning</li> <li>• Convenience, fuel and/or small grocery store</li> <li>• Hardware store</li> <li>• Medical services (“Doc in the Box”)</li> <li>• Dentist, Optometrist, Chiropractor, Pharmacy</li> <li>• Information center</li> <li>• Commons – exercise facility with showers</li> <li>• High-tech appropriate signage</li> </ul> |
|--|--|



# Growth Considerations – Focus Area One: Contractor Support

**Attract, retain, and serve contractors and businesses associated with the adjacent Naval Surface Warfare Center (NSWC), Crane Division, operated by NAVSEA and located on the NSA base in southern Indiana**

***Authority tasks and action steps:***

- Explore possibility of securing relocation/sustainment funds and support from the Indiana General Assembly, IEDC, and state Finance Authority for companies seeking to match military/defense cost-cutting issues (possible “fly-in” Congressional briefing trip and meetings with major contractors in Crystal City Virginia).
- In cooperation with LEDOs and Radius Indiana, develop and conduct attraction and marketing activities to raise strategic awareness of WestGate among relocation professionals and site selectors
- Provide strategic amenities for satisfying employees, and building engagement, teaming and collaboration opportunities
- Create academic infrastructure to support educational and training opportunities for contractor workforce development
- Host and/or support annual/bi-annual job fairs in cooperation with WestGate tenants and NSWC Crane
- Partner as appropriate with Work One - Crane centric job board
- Promote multi-county collaboration to provide strong competitive K-12 schools and daycare options for WestGate workforce
- Create “Tenant Council” to allow for collaborative input to solve/resolve/prevent community issues (E.g., blighting, community roadway repair, etc.)
- Support state-level groups who support commercial defense development (CICP, Indiana Defense Council, IEDC, NIDA, etc.)
- Create opportunities for NSWC Crane to fulfill federally required community and educational support (STEM, etc.)
- Explore possibility of creating new relationships with national consultancy firms (E.g., Accenture or McKinsey) as well as national laboratories (E.g., Argonne, Rocky Mountain)

## Growth Considerations – Focus Area Two: Education

**Attract and sustain direct university engagement and presence within the WestGate tech park, creating new opportunities for workforce development through student training and faculty engagement in research and development.**

### **Authority tasks and action steps:**

- Create and maintain strong strategic relationships with area Indiana colleges and universities, specifically in the areas of
  - Engagement
  - On-site and distance learning
  - Community-based learning initiatives
  - Alternative funding (besides Indiana Higher Education Commission)
  - Academic development
  - Research and development
  - Faculty engagement
- Provide (as available) strategic commercial-leased space in WestGate Academy for area universities (including conference and distance learning); work with LEDOs to augment
- Create and maintain critical relationships with workforce development groups (WorkOne, Indiana Workforce Commission, etc.) for job training and workforce development resources
- Promote and maintain infrastructure to create “outside the fence” opportunities for engineering, scientific and technology faculty to conduct research and development off of the NSWC Crane base
- Create and maintain opportunities for training and conferences to take place in WestGate Academy and USS Indianapolis facilities
- Create and maintain relationships with non-government agencies working on workforce development and education issues (E.g., CICIP, Conexus Indiana, Brain Trust, TechPoint, etc.)
- Explore opportunities to support workforce needs of NSWC Crane (both short- and long-term; E.g., both electrical engineering undergrads and PhDs) in producing workforce program

## Growth Considerations – Focus Area Three: Tech Transfer

**Initiate, foster and sustain a robust technology transfer and commercialization focus using NSWC Crane intellectual property and patent portfolio as the basis, and directly engaging university resources (E.g., Ball State Military 2 Market and the University of Southern Indiana's tech transfer program) to help facilitate the establishment of new businesses and entrepreneurial activity.**

### **Authority tasks and action steps:**

- Create and sustain productive and strategic relationships with existing Indiana institutions of higher learning (Ball State, Purdue, Notre Dame, etc.) who have either existing programs for technology commercialization (Purdue Center for Technology Commercialization), specific programs in place for commercializing NSWC Crane intellectual property/tech transfer (E.g., Ball State's Military 2 Market) and cooperative research/collaboration agreements.
- Account for the fact that since the commercialization of technology through a start-up is generally a 36-52 month proposition to reach initial goals, companies need to create and sustain critical relationships with:
  - Indiana SBDC officials
  - Indiana PICC (Partners in Contracting for bid notices and government contractors)
  - Area venture capital firms and contacts
  - Angel investors
  - Entrepreneurial Boot Camp start-up facilitators (E.g., TechPoint)
  - Business mentoring executives
- Develop and maintain relationships with university or for-profit companies who maintain proto-typing facilities
- Provide infrastructure for on-site business operating services (IT, accounting, tax advice and management, etc.)
- Explore developing the local capacity to provide marketing expertise and managerial skills to firms (through SBDC or other related entities)
- Provide or provide access to legal expertise for safeguarding of intellectual property

*(continued on next page)*

- Explore and/or support relationships that can identify and assist entrepreneurs with opportunities in:
  - Advanced microwave, infrared and imaging applications
  - Energy research and development
  - Electric/hybrid vehicles
  - Advanced battery and energy storage
  - Pyrotechnic and commercial explosives
  - Conversion of processing and information management legacy systems
  - Advanced manufacturing

## The WestGate Academy - Key Asset for the WestGate Technology Park

ACADEMIC ADVANCEMENT	WORKFORCE DEVELOPMENT & DEFENSE RELATED TRAINING	BUSINESS DEVELOPMENT	MEETINGS, CONFERENCES, & EVENTS
University Partners	Workforce Development Contract in place	Incubator	\$ 500,000 Revenue Stream
<b>FOCUS</b> OBTAINING A DEGREE (H.S. to PhD) SPECIALIZATION TO SUPPORT CRANE	<b>FOCUS</b> ADVANCING SKILL SET TECHNICAL TRAINING CONTINUING EDUCATION CREDITS	<b>FOCUS</b> ADVANCING TECH IDEAS THROUGH DEVELOPMENT STAGES TECH TRANSFER	<b>FOCUS</b> SUPPORTING CRANE AND CONTRACTOR EVENTS OUTSIDE EVENT VENUE
Establish an Advisory Group, develop a strategic plan that includes marketing, identify funding stream, hire operations personnel, execute on plan for each area			
2035	2015	2035	
<p>The WestGate Academy's Academic Advancement, Workforce Development and Defense Related Training Programs properly shepherded and nurtured will grow to use this building in its entirety with the exception of dedicated meeting, conference and event space</p> <hr/> <p>Additionally, WestGate needs to plan to provide Workout Center services including showers for people who bike to work (a commonality among the young professionals dominating the technology industries). In some areas of the country each facility has its own, however in WestGate it could be designed into one of the central buildings in the "Advancement" area of the Park</p>	<p>WestGate will need a dedicated facility for Business Development activities.</p> <p>Gap Programs → Start-up → Incubator activity will require a dedicated facility or become a part of a new Business Development Center within five years</p> <p>WestGate will need to address the need for a new Accelerator Building probably within three years, by (2015) with the addition of possibly two more by 2025-2030</p>	<p>The WestGate Academy's Meetings &amp; Conferences, Events and the USS Indianapolis Conference Facility activities will be the WestGate Technology Park's window to the world and properly marketed and managed should be operating close to capacity within five years</p> <hr/>	

## Growth Considerations – Focus Area Four: Meetings & Conference Events

**Position, market and develop the training and meeting facilities within the 64,000 sq. ft. WestGate Academy (and as appropriate the U.S.S. Indianapolis Conference Center) to attract and hold strategic training and educational seminars, symposia and conferences that serve the needs of NSWC Crane and related contractor development.**

### **Authority tasks and action steps:**

Develop and execute business plan for the Academy that will generate revenue over operating costs of about \$200,000 annually (per SIDC remarks)

- Business plan should include contracting and retention of management entity to conduct managerial, financial, positioning, and marketing activities to:
  - Achieve university engagement and local academic involvement
  - Identify and attract technology- and defense-related conferences and symposia
  - Identify and provide training meetings and sessions required and conducted by NSWC Crane and related contractors
  - Serve contractors-related events and meetings
  - Develop and execute business incubator operational plan for attracting, recruiting, subsidizing and aiding areas entrepreneurs and start-ups
  - Develop and execute operational plans for aiding regional economic development
  - Provide partnership support for Radius Indiana and area LEDOs
  - Provide strategic workforce development (including university-level training and academic coursework for earning a degree)

Identify and secure revenue-enhancing activities outside daytime scope of Academy operations (E.g., receptions, weddings, bar mitzvahs, etc.)

*...attract and hold strategic training and educational seminars, symposia and conferences that serve the needs of NSWC Crane and related contractor development*

## A new regional “Culture of Innovation”

**Several executives and administrators interviewed** for this plan noted the need and capacity for a new “culture of innovation” to take hold in the WestGate region. The critical mass now achieved by the current mix of commercial defense companies offered what several described as “exciting opportunities” for WestGate. Tenant executives noted that innovation typically cannot be driven by government entities, but that the growing technology-focused intellectual and human capital base in the WestGate region increasingly offers opportunities to transform the area and create a new “culture of innovation.”

Several noted that the WestGate Authority relies too heavily on direction from NSWC Crane for future growth and instead “tell Crane what WestGate wants to drive in the region.”

A number of those interviewed asked for expanded relationships with the National Center for Complex Operations (NCCO), Radius Indiana, the National Defense Industrial Association (NDIA), the centers of excellence (wireless/systems engineering) at IPFW and PICC.

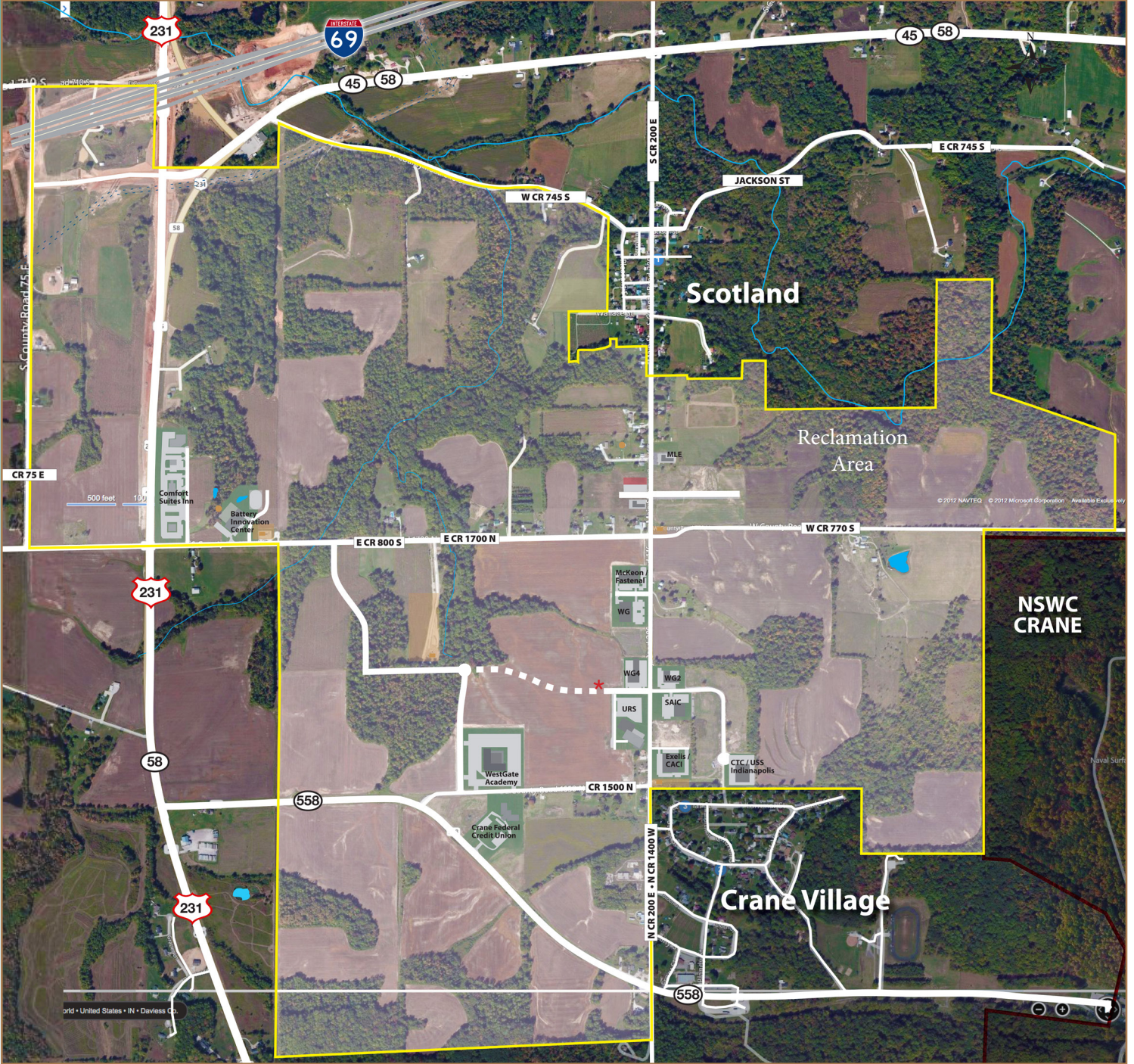
## Key Performance Indicators

Based on past historical performance (E.g., square footage built and leased within a 24 month period), the WestGate Authority can set growth goals to measure progress.

These may include:

- Percentage of reported occupied vs. vacant commercial existing property
- Average time of vacancy by month/year
- Square feet of proposed new construction and date of completion
- Number of lease requests (with estimated requests for square feet), followed by lease requests that were unfulfilled because no space existed (and estimated square feet that could have been filled by prospects); this figure would provide some quantitative insight as to the possible need for a spec facility
- Projected funding from existing tax recapture mechanism and length of proposed expenditure
- Proposed new funding resources and potential annual income/receipts
- Estimated funding required for growth (including spec building, marketing expenses, conversion)
- Number of known contracts served annually
- Number of tenants (on annual basis)
- Growth of number of tenants (estimated and real as measurable)
- Web traffic by type (monthly); conversions or leads generated by Web site
- Leads (new tenants, events, training sessions, conferences) generated by marketing and conversion rates
- Itemized tenant comments (monthly) from Tenant Advisory Committee, with assigned action steps and completion dates
- Development of BRAC action plan (legislator goals and objectives, federal and state objectives with timelines)
- Number of new companies/start-ups associated with NSW Crane technology and patent portfolio/intellectual property
- Number of undergrad/grad programs offered at WestGate Academy and enrollment figures for same
- Development of formal tenant satisfaction surveys, co-administered with developers; action steps based on responses

# Vision 2012 - 2015



\*Road contingent upon funding

# Vision 2035+

