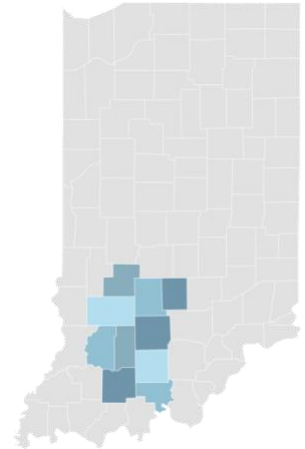




The Indiana Uplands: Essential to Indiana’s Economy of the Future Executive Summary

Given its abundance of forests, parks, rolling hills, and expansive waterways, those unfamiliar with the Indiana Uplands might mistakenly characterize this region as only a vacation and recreation destination. Over the past decade, however, economic analyses conducted regularly by TEconomy Partners provide evidence that this region is an increasingly important innovation driver for the state. With multiple high-performing industry sectors, aligned regional leadership, and a coordinated strategy for growth, data confirms that the Indiana Uplands is a “region on the rise.” Uplands firms are thriving, and the region has a prominent role in state/national initiatives, including CHIPS+Science, Microelectronics Commons, medical device and pharmaceutical development, including vaccines, and Industry 4.0.



An important indicator of opportunity in the Uplands is the significant new investments made by economic anchors in recent years. Indiana University’s \$111 microelectronics investment, NSWC Crane’s high-profile role in the CHIPS+Science Act, and the acquisition of two of our leading biopharma companies prove that the Uplands region is fertile ground for innovation investment. Not counting these recent purchases, the top 25 projects in Uplands Biomedical and Manufacturing sectors have generated \$1.09B in CapEx over the last five years.

In developing our READI 2.0 plan, it has become clear that now is the time for the Uplands to push forward and assert its role as a region essential to Indiana’s economy of the future. Our \$75M ask is big, but our potential is bigger.

Vision and READI 2.0 Goals

Our vision for the Uplands is to grow our capacity as a national innovation hub with quality of place assets that attract and retain the best and brightest talent. Achieving this will require a focus on advanced technologies (Goal 1), given the specialization, growth, and unique positioning sectors hold here. Leveraging the economic opportunities and community benefits that derive from sector growth will require a coordinated, resolute focus on place-based strategies (Goal 2), talent (Goal 3), and activating the creative-class (Goal 4). READI 2.0 funding will position this region to accomplish the goals detailed below, creating multi-generational impact and elevating outcomes for both the region and state.



Goal 1: Leverage advanced technologies to position the Indiana Uplands for economic opportunity and continued growth across its key employment sectors: advanced manufacturing, life sciences, and national security and defense.

Strategies: Infrastructure/facilities to support attraction and growth in high tech/high wage areas; establish Uplands as a national center for microelectronics research, testing, and development; support R&D through unique facilities and infrastructure; deploy talent and quality of place strategies to support advanced technologies clusters

Action Plans: Complete essential infrastructure at WG Technology Park; develop network of highly specialized shared test facilities; grow talent programming and partnerships; develop housing and physical infrastructure at WestGate Technology Park; improve physical environments for downtown redevelopment, housing, community gathering, outdoor recreation

Goal 2: Develop and enhance quality of place assets to support economic opportunity and growth.

Strategies: Increase supply and infrastructure for rental/owner-occupied housing; grow access to quality early learning/childcare; improve air and surface transportation; improve quality of place; expand access to healthcare

Action Plans: Support high-density housing development; blight remediation; infrastructure for regional airports, highway interchanges, electric vehicles; invest in healthcare and recreation facilities; increase capacity for early learning/childcare

Goal 3: Grow Uplands talent pipeline through educational programming and targeted attraction and retention strategies that build upon existing robust programming.

Strategies: Expand education and workforce initiatives; grow post-secondary programming aligned with high-growth sectors; develop sector-specific training programs/facilities; deploy talent attraction/marketing initiatives

Action Plans: Expand digital fabrication and entrepreneurship programming through labs and student-run businesses; create sector-aligned post-secondary degree programs; develop/equip controlled environment training facility(ies) at WestGate and higher-education campuses; support sector-specific training programs like BioTrain or other Industry 4.0 relevant programming

Goal 4: Increase economic vitality across the Uplands through a focus on unique cultural, artistic, physical, and livability assets.

Strategies: Grow the livability of cities and towns for diverse populations, defined by age, race/ethnicity; attract and retain creative class, through visual, performing, and literary arts, filmmaking, architecture, and graphic design; convene regional arts/culture task force and conduct landscape assessments

Action Plans: Invest in community gathering spaces and leverage for arts/cultural events; expand cultural centers and festivals; identify arts/cultural/historic districts and develop/invest to improve, revitalize, or expand; Engage local and regional entities in supporting temporary or permanent public-art

Regional Assets and Unique Qualities:

Numbering 370,000 residents, the Uplands region is the sixth largest of Indiana's 15 READI regions. Its 10 READI counties and 40 cities and towns are primarily rural, stretching across 4,000 square miles. All but one Uplands County is categorized as rural or rural-mix; eight counties are considered disadvantaged. Despite our rural nature, the story of this region is not defined by perceived barriers. Rather, the outsized impact that the region exhibits and the accelerated trajectory of its sectors provides evidence for the importance of investing in this region.

- Four Upland's advanced industry clusters are highly specialized, with location quotients that exceed that of the state and nation (Biomedical, National Security/Defense, Furniture, Food Processing/ Manufacturing). The Automotive/Heavy Vehicle sector also significantly outperforms the nation.
- Medical Device and BioPharma rank first and second, respectively, for manufacturing capacity in small U.S. MSAs.
- The region's defense cluster has been on a steep growth trajectory, providing national leadership in areas of DoD prioritization, including microelectronics and hypersonics. As of 2022, the sector's employment concentration is three times that of other Indiana locations.

The growth of jobs and capital expenditures in regional high-wage key employment sectors has been exceptional. While 5.5% of Indiana's population resides in the Uplands, 17.7% of the state's jobs in Biomedical, 16% in National Security/Defense, and 26% in Furniture Manufacturing exist in the region. Employment metrics in key sectors continue to grow as private and public investments in the region accelerate. From 2012 to 2023, Automotive/Heavy Vehicles jobs grew by 212%, National Security and Defense by 16.6%, and Biomedical by 23.2%. Except for biomedical, job growth in the region's key sectors has outpaced that of the state.

Coupling job growth with growing innovation capacity offers a more complete picture of the region's essential role in driving current and future outcomes for the State of Indiana.

- From 2012 to 2023, the region saw a rapid increase in patent activity, with total patents of 7,951. The Uplands claims 17.9% of the state's patents in its key sectors. Biomedical in the region is responsible for 34.4% of Indiana's patents, National Security/Defense 17.7%, and Furniture 27.4%.

- Venture capital investment is also increasing dramatically. From 2020 to 2023, \$170 million was invested in over 80 venture deals, far outpacing the prior eight years (\$37 million invested).

Both IU and Naval Surface Warfare Center Crane (NSWC Crane) have made major strides as innovation drivers and have been highly engaged in the region's and state's economic development strategy:

- IU's Research and Development (R&D) expenditures increased by 32.5% from 2018 to 2022, outpacing total U.S. R&D growth by 8.9%. IU is also launching the Faculty 100 initiative, which will add 100 faculty members with entrepreneurial and commercialization track records in key areas.
- NSWC Crane, a premier federal laboratory, continues adding DoD-wide contract authority, attracting significant interest in partnerships with industry. Sixty-five percent of NSWC Crane's 3,914 employees and 2,849 contractors are scientists, engineers, and technicians, with 60% growth in PhDs over the last five years.

WestGate@Crane Technology Park, located just outside the gates of the naval base, is an emerging innovation hub for the region and the state. Driven by the innovation activity of NSWC Crane, academia, and the private sector, this state-certified technology park is experiencing rapid growth as a nucleus for DoD-relevant microelectronics, advanced packaging, and hypersonics. The region's largest READI 1.0 investment is supporting infrastructure needed at WestGate for a microelectronics and advanced packaging facility. WestGate One will open in early 2026 and house multiple companies employing several hundred employees with salaries averaging \$100,000/year. In addition to WestGate One, five additional projects at the park are in the planning phase. Funding from READI 2.0 would facilitate the completion of the infrastructure necessary to advance this critical state asset and help Indiana capture additional federal investments from Microelectronics Commons and Commerce Department's CHIPS Program.

WestGate@Crane is also critical to the state's research universities as a vehicle for growing innovation relationships with NSWC Crane. In 2023, like the \$111 million investment mentioned previously, IU is accelerating innovative solutions to national security challenges through collaboration with NSWC Crane. Similarly, in 2023, Purdue University announced a significant commitment to growing its partnership with NSWC Crane at WestGate Technology Park through a focus on microelectronics, hypersonics, and energetic materials.

Innovation and opportunity are not limited to the region's defense sector. A recent study by TEconomy Partners highlights the strides employers in the region's manufacturing sector are making relative to Industry 4.0, including investment in automation/robotics by entities like General Motors and OFS. In addition, investments in biopharma are occurring in the region, including Simtra's acquisition of Baxter's Bloomington facility and Novo Nordisk's purchase of Catalent.

Regional Collaboration

Critical to regional growth is a commitment to collaboration and regionalism that, over the last 12 years, has coalesced stakeholders around a cohesive regional identity. A 2014 strategic plan for economic and community prosperity provided the region's roadmap to sector strategies and improving quality of place. Aligned leadership, trusted partnerships, and commitment to data-driven strategies have allowed a geographically-large region to move forward with a lens of regional coordination that drives impact.

This READI proposal reflects regional stakeholder engagement shepherded by a regional advisory committee and informed by ten+ listening sessions, regional studies, and convenings in topical areas, including childcare and housing. This work builds upon the regular cadence of stakeholder meetings that drive implementation strategies in K-12 pipeline development, training, degree programming, broadband, and other quality-of-life priorities.

While progress has been made, the region continues to play catch up in creating the conditions needed to keep pace with significant industry and employment growth. The Uplands region recently completed an update of its 2019 Regional Housing Study detailing housing needs in every county by type, price, and location. The region requires an additional 16,000+ housing units by 2035 to meet the needs of local employers and overcome housing scarcity barriers in the region. READI 1.0 funding helped establish the Indiana Uplands Regional Land Bank to address blight and stimulate infill development in six counties. READI also funded more than \$7M in housing infrastructure that will bring seven new housing developments to six counties in the Uplands – an important start that has attracted new developers to the region. However, housing continues to be an urgent need that READI 2.0 funding could address with a degree of acceleration that might not otherwise be feasible. Childcare falls into the same category and is equally relevant.

Benchmark Community and Alignment with State's Economic Development Goals

Huntsville and Northern Alabama serve as benchmarks and an aspirational region for the Uplands. Home to a federal laboratory and a research university in a primarily rural 13-county region, the parallels to the Uplands are meaningful. We have much to strive for in comparison. Northern Alabama's transformation began decades ago, and they have the metrics, including population, to prove it. Like Northern Alabama, the Indiana Uplands is proving that innovation can generate investment and outcomes that will elevate this region and the state of Indiana.

As detailed throughout this summary, the Uplands will play an essential role in the growth of per capita income, skilled talent attraction, and educational attainment, aligning with the priorities IEDC has established for Indiana. The vision we have set forth for READI 2.0 is evidence of our commitment to doing more than our part in the growth of per capita income, employment opportunities, and educational attainment. In addition, the region's high-profile wins and increasing national prominence in innovation-focused sectors, our abundant outdoor recreation opportunities, charming communities, and strong regional alignment put us in an excellent position to attract in-demand talent and the creative class.