

For Release: Embargoed until 4 p.m. Wednesday, March 17, 2010

Cooperation helps land new factory

NORTH MANCHESTER, Ind. – Gov. Mitch Daniels was on hand today to welcome Novae Corp. of Markle, Ind., to this community in northern Wabash County.

The Sure-Trac Trailer Division of Novae, “one of the fastest growing privately held companies in the U.S.,” recently purchased the former Dexter Axle building on State Road 114 east of North Manchester and expects to employ approximately 80 workers during the first phase of its new operations here.

Novae President and Chief Development Officer Mike Bermes said his company will invest \$2.1 million in the new venture. In addition to buying the 88,000-square-foot facility at 11870N 650E and the 73 acres it sits on, Novae will spend \$818,500 on building improvements, \$236,000 on new equipment and \$75,000 for its own wastewater treatment plant.

To assist Novae in its venture, the company will receive:

- A \$500,000 Community Development Block Grant from the U.S. Department of Housing and Urban Development, to be administered through the Indiana Office of Community and Rural Affairs;
- Performance-based tax credits of \$750,000 over 10 years from the Indiana Economic Development Corporation under that agency’s Economic Development for a Growing Economy (EDGE) program;
- A CEDIT grant of \$200,000 from Wabash County;
- A CEDIT grant of \$200,000 from the Town of North Manchester;
- A CEDIT grant of \$10,000 from the City of Wabash.

“The cooperation among economic development and elected officials from North Manchester, Wabash County and the City of Wabash was a significant factor in the Novae Corp. decision to expand in northeast Indiana,” Bill Konyha, president and CEO of the Economic Development Group of Wabash County, said.

This marks the second time in less than a month that these three governmental bodies cooperated to enhance the economic development of Wabash County. Earlier they worked together to

create a Tax Increment Finance district for Cinergy MetroNet to help finance its venture to bring fiber-optic cable – an invaluable piece of infrastructure -- to the county.

“We need to work together,” said Chris Garber, president of the North Manchester Town Board, “and this was a good cooperative effort. Of course, it has a lot of benefit for us, but it also has positive benefit for the entire county.

“It requires a lot of trust, and EDG is right there in the middle making it work,” he continued.

Bob Vanlandingham, Wabash’s mayor, said, “We have to think regionally when it comes to economic development, but the first step is to think of your own county. I’m honored that we could be a part of this project.

“This project and this kind of cooperation have far-reaching effects,” said Barry Eppley, president of the Wabash County Commissioners. “Economic development is not a destination, it is an ongoing process, and it is exciting to see a company make Wabash County its choice.

“It is important to keep our business community healthy, and new jobs will help foster that good health,” Eppley said. “We hope this project will benefit our existing businesses.”

Konyha said Novae officials contacted EDG through its Website in November and said they were looking to expand. “Things heated up between Christmas and New Year’s,” he continued.

“The Dexter Axle facility was the most marketable building we had. It has 24-foot ceilings, the building is in great shape and it has plenty of land on which to grow,” Konyha said.

Novae was also looking at sites in North Carolina and Pennsylvania, he said.

“In an industry that has been especially hard-hit by national and global economic conditions, Novae has found a way to grow and continue to create new opportunities for Hoosiers,” Daniels said. “This is further proof that Northeast Indiana is the best place around for small businesses to prosper.”

Konyha said the average salary at the Novae plant will be \$15.60 per hour plus benefits. “The average salary in Wabash County in 2008 was \$14.40,” he noted.

Steve Bermes, president and chief executive officer, and younger brother, Greg, started the business in 1995. Three years later, Greg left to pursue other goals. Still working in a barn, in 1998 -- Steve asked his other brother, Mike, to join him and grow this business.

Mike agreed and focused on selling the products that Steve had created. Sales doubled that year, to \$250,000 and by the end of 1999 sales were more than \$1 million. By 2000 the decision was made to acquire the assets of the defunct Sure-Trac trailers.

In 2006 Novae Corp. was named by Inc Magazine as one of the fastest growing privately held companies in the U.S. It ranked No.392 on the Inc 500 list that year and was also listed in 2007 and 2008.

Novae has averaged more than 60 percent growth for the year for the last nine years. The company was recently recognized at the NATM (National Association of Trailer Manufacturers) for two things: (1) Largest increase in market share and (2) the only manufacturer (of the top 50) to increase actual unit volume for 2009 (over 2008).

Novae grew its business by about 13 percent in 2009

The North Manchester location gives Novae three locations. Company officials expect revenues this year to be about \$30 million.

Dexter Axle closed the North Manchester plant about 18 months ago to consolidate its operations in Noble County.