



Economic Development Group of Wabash County

March 2010

Dedicated to Creating Economic and Employment Opportunities for the People and Businesses of Wabash County.

Novae Corp. Brings Close to 100 Jobs to North Manchester

Gov. Mitch Daniels was on hand 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.



Gov. Mitch Daniels along with officials from Novae and Wabash “break ground” at the new North Manchester location.

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.

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EDG Board of Directors

- Skip Daughtry**, Chair
- Ken Perkins**, Vice Chair
- Dan Hannaford**, Secretary
- Ralph Naragon**, Treasurer
- Robert Vanlandingham**
- Jeff Kellam**
- Rob Pearson**
- Ron Kerby**
- Brian Hauptert**

Motions Of The Board

EDG Board of Director Meetings were held on March 12, 2010 in the EDG Offices at 7:30 am. During this meetings February’s financial statements, loan portfolios, website data sheets, membership sheets, minutes and President’s Report were presented and approved by the board.

There was one New Business Item (NBI):

NBI 03-10-01—Authorized EDG to sponsor a Wabash County Pilot Study by Purdue’s Educational Leadership initiative for Small and Rural Schools. (PELISARS). The staff recommendation was to authorize this Pilot Study as an initiative of the EDG and seek a partnership with the Wabash County Chamber of Commerce.

A motion was made by Chairman Daughtry to approve NBI 03-10-01. The motion approved unanimously.

Meeting was adjourned at 8:50 am.

Novae Corp. Brings Close to 100 Jobs to North Manchester (cont.)

“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 benefits 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 Years,” 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,” Gov. 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.



Gov. Mitch Daniels being interviewed by the media after the announcement and groundbreaking.



A crowd gathered at a Novae Corp. event, waiting for the announcement.

Steve Bermes, president and chief executive officer, and 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 per 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.

President's Report March 2010



William S.
Konyha
President

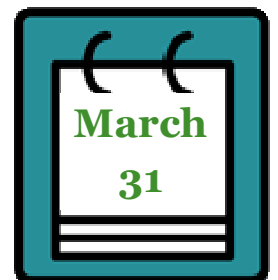
These items were reported on by the President:

- **Novae Corp.** - Mr. Konyha worked with Steve Downs (attorney for Wabash County), Doug Lehman (attorney for the City of Wabash) and Matt Mize (attorney for North Manchester) to develop an incentive agreement.
- **Living Essentials** - LE is planning a 200,000 s.f. addition this spring which will include approximately 1000,000 s.f. of new manufacturing space and a like amount of distribution space. They are currently estimating the addition of 60 jobs. They are requesting some assistance with the drive that will need to be constructed between their building and, their neighbor, Wabash County REMC. The President requested the details on costs of the total project, job total and payroll to enable EDG to complete an analysis and to make a recommendation to Mayor Vanlandingham. LE is currently exporting their product to Europe and the company continues to be a rapid growth project.
- **Cinergy MetroNet** - EDG did a complete Economic Development Plan and submitted it to the Wabash Economic Redevelopment Commission who considered and passed the Declaratory Resolution. The President has also met with the Plan Commission of the City and the County and secured resolutions stating that it is in compliance with the planning and zoning requirements within their jurisdictions. The next steps will be to present to the City Council, County Commissioners and the Town Board. Once each of them approves, we will schedule the public hearing as required then proceed to seek approval of the Confirmatory Resolution. Prior to the public hearing we will circulate a tax impact statement (prepared by London Witte) to each taxing unit affected by the TIF.
- **Fundraising** - EDG staff has taken the step requested of them in the last board meeting (creating a fund raising letter for board members to use and pledge sheets) and we are actively working on this effort.
- **Executive Pulse** - EDG staff and the Wabash County Chamber President attended a training program for the Executive Pulse program. EP is a business intelligence program that should help with connecting with county businesses and help EDG gain insight into the business viability and operations as well as enhance their ability to take advantage of state, federal and local programs to assist them.
- **Vision 2020** - Vision 2020 is a regional visioning process that will result in a regional vision, driven by business, institutions and government. The Wabash County session happened in early March and was well attended by about 30 Wabash County residents.

Are you joining us for EDG's Annual Meeting?

RSVP's are due by March 24th— be sure that you have yours in!

Our special guest will be **Indiana State Treasurer Mr. Richard Mourdock**. During this meeting we will be distributing our annual report which will review all of the exciting things that happened in 2009. Also, President and CEO, Mr. Bill Konyha and Chairman of the Board, Mr. Skip Daughtry will address attendees about the past, present and future of our organization. We will also be handing out ballots and asking our members to elect two directors for a three year term.



You don't want to miss this exciting event! Get your RSVP in today!