DEFENSE

A PROUD HISTORY. A STRONG FUTURE.

DEVELOPMENT STRATEGY

GREATER OMAHA
ECONOMIC DEVELOPMENT PARTNERSHIP

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Executive Summary

For more than 70 years, Offutt Air Force Base has been providing vital support to our national security. Home to the 55th Wing, the 557th Weather Wing and U.S. Strategic Command, Offutt executes a significant portion of worldwide defense missions. Those missions encompass intelligence, surveillance and reconnaissance to weather support, all critical to national security and strategic stability. More than 10,000 dedicated, talented and professional men and women from the military and civilian communities stand ready to support the significant defense challenges facing our nation.

We recognize the greatest driver of defense contractor expansion is the number, size and scope of the Offutt AFB mission set. Parallel to this defense contractor strategy, we have developed an aggressive, comprehensive plan to retain and grow existing Offutt AFB missions as well as attract new missions.

Greater Omaha has built a business community around these U.S. military missions, including private enterprises involved in supply chain, direct contract work and developing new technology for the defense industry. The Greater Omaha Economic Development Partnership is committed to expanding this community in both jobs and investment. By leveraging the strengths of our regional technical expertise, we have a unique ability to attract new firms, develop new startups and expand the job base of existing Offutt AFB defense contractors. Success requires a focused strategy and unified effort of all regional partners. By doing so, Greater Omaha will elevate its position as a national defense leader.

THE PATH FORWARD

To become a national-level leader in the Defense sector, we will focus on the following:

1

EXPANDING OUR REGIONAL BUSINESS OPPORTUNITY WITHIN THE DEPARTMENT OF DEFENSE

Attract new missions to Offutt AFB

Assisting existing and attracting new companies to expand and diversify regional operations

2

ENCOURAGING NEW BUSINESS STARTUP ACTIVITY SUPPORTING THE OFFUTT AFB MISSION SET

Increasing small business contracting

Linking Greater Omaha startups to defense research initiatives

3

DEVELOPING THE TALENT TO SUPPORT THE DEFENSE COMMUNITY

Excelling at retaining military personnel as they exit the base

Aligning area schools with the technical needs of the base, particularly around potential growth areas of cyber/IT security, aerospace maintenance and Unmanned Aircraft technology

4

BRANDING GREATER OMAHA AS A LEADER IN DEFENSE STRATEGY AND OPERATIONS

Gaining exposure and national recognition as a leading defense community

Supporting regular technical defense conferences and symposiums to attract thought leaders to the market

CURRENT ENVIRONMENT

Offutt AFB has always been vital to our nation's security. It was originally located in the Midwest due to timing and Soviet missile survivability requirements. Today, Offutt AFB is recognized by U.S. friends, allies and potential adversaries alike as the hub for this nation's nuclear force structure, a national symbol of military strength and ultimate global power projection. In the most recent Base Realignment and Closure final report, Offutt AFB was recognized as a first-tier location (four of 344) to host headquarters and administrative functions.

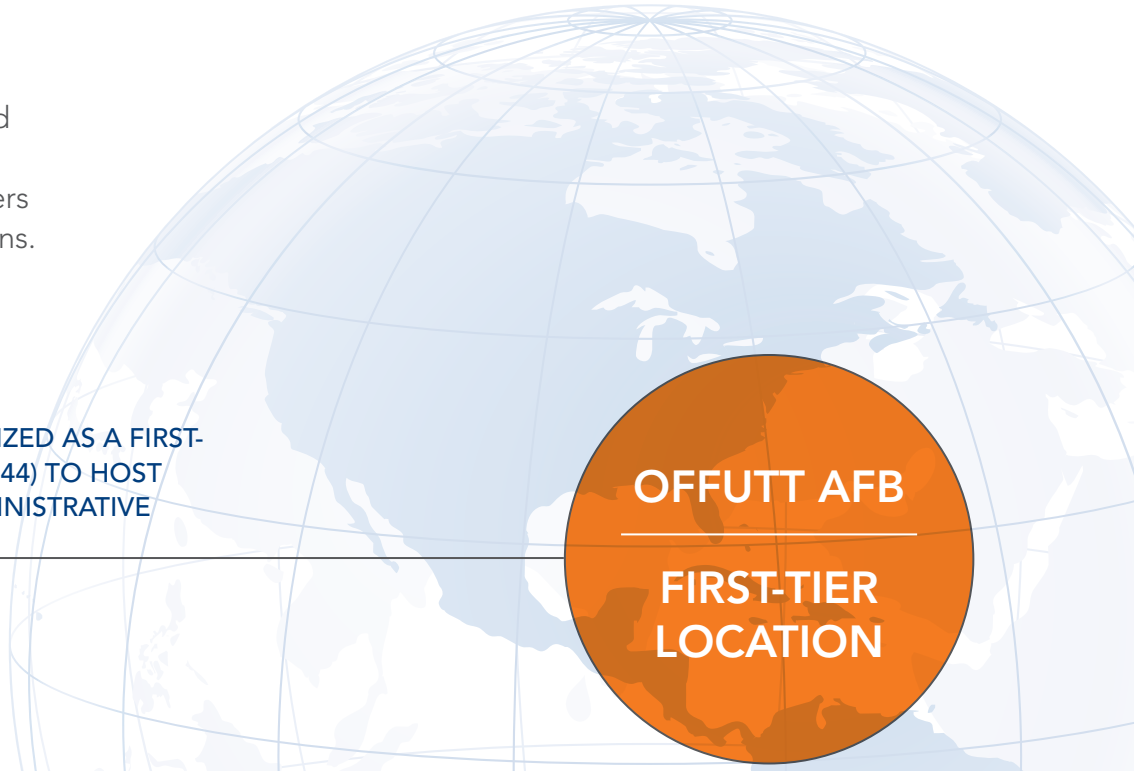
Since 1947, Offutt AFB has been vital not only to our national security but also the regional economy.

The business environment in defense communities is in flux. Recent years have witnessed sizeable defense spending cuts and DoD projects spending to stay relatively level through FY2020.

However, with the military seeking lower-cost, more efficient solutions, DoD will favor those innovative defense contractors who deliver high-value, low-cost alternatives. These challenging budget times will result in opportunities never before deemed possible.

OFFUTT AFB WAS RECOGNIZED AS A FIRST-TIER LOCATION (FOUR OF 344) TO HOST HEADQUARTERS AND ADMINISTRATIVE FUNCTIONS.

BRAC, 2005, Joint Cross Service Group (JCSG), HQ & Support Activities



Offutt Air Force Base Facts

Offutt AFB is among the nation's largest concentrations of ISR operational assets and supporting infrastructure, centrally located to respond to any theater requirement within hours.

SPECIFICALLY:

55th Wing provides: global ISR; nuclear airborne command; control and communications; treaty monitoring assets, president and secretary support

- Largest operational wing in Air Combat Command
- 48 command and control, ISR aircraft, 11,700 ft. runway

  Aircraft Owners and Pilots Association, http://www.aopa.org/airports/KOFF
- Significant operational tempo: 28,000 flying hours and 4,700 operational sorties annually
- National Airborne Operations Center/Joint Chiefs of Staff

557th Weather Wing provides global weather to all services and combatant commands

- State-of-the-art forecasting capabilities; services every major Air Force command in CONUS, combatant commands and overseas operations

CONUS is the military acronym for Continental United States.

USSTRATCOM is responsible 24/7 for: strategic deterrence; space operations; cyberspace operations; global strike; joint electronic warfare; missile defense; intelligence; surveillance and reconnaissance; combating weapons of mass destruction; and analysis and targeting – central location of critical importance

- Nation's only operational command responsible for all nuclear, space and cyber forces
- New $1.2 billion USSTRATCOM command and control facility fully operational in 2018
- Airborne command post supporting USSTRATCOM and national leadership

Current Environment

Notable companies with headquarters or with major presence in the region:

- Aviture
- BAE Systems
- Boeing Corporation
- Booz Allen Hamilton
- CACI
- CSC
- Constellation West
- The Garrett Group, Inc.
- Harris Corporation
- IBM
- ISYS Technologies
- Joint Strategic Solutions
- L-3 Communication
- Lockheed Martin
- MaCaulay-Brown
- Northrop Grumman
- Raytheon
- S4
- SAIC
- Scitor Corporation
- Serrano IT Services
- SES
- SPARTA, Inc.
- Sumaria Systems, Inc.
- TEKsystems
- Vanguard Research, Inc.

Joint POW/MIA Accounting Command CONUS Annex (forensics identification)

Multi-service reserve forces reside at Offutt AFB in support of operations mission

Market Scope

According to McKinsey's "Defense Outlook 2017" report, defense industry leaders see opportunity in base services, ISR, space, unmanned aircraft and cybersecurity. By building upon Offutt AFB's strengths, additional opportunities exist in the region for additional expertise to support nuclear and virtual training.

CYBERSECURITY

Cybersecurity is more than a trend. It is a top concern for all companies and consumers in both the private and public sector. In fact, nearly nine out of 10 defense industry executives believe that cybersecurity is the area with the highest potential for growth. With threats developing at exponential speeds, the DoD is constantly revising tactics and procedures to maintain our edge in cyberspace.

"Defense Outlook 2017: A global survey of defense-industry executives", John Dowdy and Elizabeth Oakes of McKinsey & Company

Greater Omaha is home to the new $1.2 billion USSTRATCOM Command and Control Facility as well as data centers that include Google, Yahoo! and Fidelity Investments. These missions and companies are charged with keeping military secrets and security of consumer data.

HOME TO THE NEW $1.2 BILLION USSTRATCOM COMMAND AND CONTROL FACILITY. FULLY OPERATIONAL 2018

Our region has proven its value to businesses as a prime location to house and protect data.

The region's strength in cybersecurity, aligned with growing public and private investment in this segment, offer businesses the ability to provide cyber services to a diverse portfolio of customers — defense and private businesses alike.

UNMANNED AIRCRAFT

From 2009 to 2013, the number of permits granted by the FAA for unmanned aerial operations increased by 98 percent. We have a unique opportunity to attract both the UAV mission and the private enterprises to the region. In 2014 alone, there were 142 military exits (military retirements and separations) who specialized in aircraft avionics. Our skilled labor force makes it an ideal location to leverage that growth into private businesses that will be able to operate the unmanned aircraft systems technology and potentially innovate new businesses models. Additionally, investment from the U.S. military into UAS continues to grow as these aircrafts have proven their value to the ISR mission. The primary mission of the 55th Wing is ISR, so the concept of incorporating UAS technology into the current mission set would be a logical force multiplier, which in turn would lead to more military exits with these specializations. The UAS community could easily move and re-establish their HQ staff into existing structures on Offutt AFB. These ground control systems would operate the UAV aircraft operating overseas in a defined theater of operations. Greater Omaha would also be prime spot for any business looking tap into the highly-skilled labor pool.

UNMANNED AERIAL OPERATIONS PERMITS **UP 98%**

Source: "Defense by the numbers", McKinsey & Company

Market Scope

NUCLEAR

Offutt AFB is the nation's nuclear headquarters. Our region is unique in the fact that it can tap this specific skill set to ensure USSTRATCOM is able to perform this specialized mission. The DoD is beginning a major review and upgrade of the nation's nuclear deterrent capabilities. USSTRATCOM oversees these operations and stands to benefit from budgetary growth in these areas. Greater Omaha also boasts a strong local, talented, experienced and professional workforce. Through retirements and separations, Offutt AFB provides scores of qualified individuals each year looking to continue their work in this highly-technical field. In 2014, there were 771 military exits in the region. Many defense contractors employ these personnel with sustained, credentialed experience in nuclear, bomber and intercontinental ballistic missile expertise. Based on the specialized labor availability alone, businesses seeking to begin or expand work in the nuclear field will be able to rely on our sustained supply of highly specialized and qualified labor.

2014

771

MILITARY EXITS IN THE REGION HELP SUSTAIN A SUPPLY OF HIGHLY SPECIALIZED AND QUALIFIED LABOR

FY2014, as reported by Chmura Economics & Analytics

SPACE

Space, in the context of Offutt AFB's mission set, is not about launching rockets and satellites – rather the control and operation of satellites and downloading communications and intelligence from on-orbit assets. Space professionals, both civilian and active duty, are currently coordinating efforts with other space units. Our central location and stable economic environment provide an ideal business setting. The supply chain has long existed here to support communication, whether across the country or globe.

DEFENSE SERVICES AND SUPPORT

The new missions provide opportunities to grow the overall supply chain of defense support. Historically, the military has outsourced work in many areas: building maintenance; utility monitoring; IT support and catering to name a few. To remain competitive, defense contractors will have to innovate to operate within new budget constraints. Yet, Offutt AFB remains an economic powerhouse driving private sector job growth. The real possibility of growth from Offutt AFB will bring about the need for more contractors to provide this vital support. Business in the region will be able to provide the same support for less money. The low cost of living and doing business enable savings while maintaining the needed workforce.

SIMULATORS AND VIRTUAL TRAINING

As the military pushes to become more automated, so does its training system. The existing $10.4 billion market that makes up these systems is slated to grow to an estimated $15.8 billion by 2025. Programs such as the 2015 IT Innovation Cup, hosted by the University of Nebraska at Omaha's College of Science and Technology, provide high school students with Oculus Rift (a virtual reality technology) and tasks them to find a marketable use for it. The skills learned in the year-long project provide valuable skills and can be leveraged toward better training technology. As we continue to grow the pipeline of technologically-talented workforce, new startups will provide innovation needed to move forward.

SIMULATORS AND VIRTUAL TRAINING **$15.8 BILLION BY 2025**

"The Global Military Simulation and Virtual Training Market 2015-2025", March 2015, authored by Strategic Defense Intelligence

Summary

For more than 70 years, Offutt AFB and USSTRATCOM have been a vital part of our national security and our regional economy.

As a result of this strong foundation, defense contractors big and small have made Greater Omaha their base of operations. Our region is committed to maintaining and growing our position as a leader in the defense community. We seek to remain on the cutting edge of defense industry trends, delivering greater value to our business environment, citizens and nation's defense.

Strategic Plan

The Greater Omaha region strives to become a national-level leader in defense contracting. We seek to elevate the region as a more attractive location by targeting a higher percentage of the DoD supply chain and associated professional personnel to support current and future missions assigned to Offutt AFB and USSTRATCOM. We are optimistic in our region's ability to expand existing businesses, attract new business and provide a strong talent pipeline. We have a proven track record of positive stakeholder engagement. This, combined with the potential of future opportunities, makes a strong case for business development. Execution of this strategy will ensure achievement of our vision.

VISION

To grow and expand our leadership position within the defense industry.

How Do We Get There?

1

EXPAND OUR REGIONAL BUSINESS OPPORTUNITY WITHIN THE DOD

- Execute strategy to grow the mission set of Offutt AFB
- Work with existing contractors to expand their business capabilities in the region
- Develop targeted incentives to assist companies pursuing business opportunities
- Identify out-of-market firms with close ties to Offutt AFB for relocation
- Conduct retention visits with all existing defense contractors every year
- Identify specific gaps in the current supply chain
- Assist businesses by leveraging their core competency into other industry in the region
- Develop business cases for relocation to Greater Omaha

2

ENCOURAGE NEW BUSINESS STARTUP ACTIVITY SUPPORTING THE OFFUTT AFB MISSION SET

- Engage with local accelerator facilities and programs to align with defense industry opportunities
- Develop a defense focus at one area accelerator to co-locate defense startups
- Work with major defense contractors to support the local startup community
- Create relationship with Defense Advanced Research Projects Agency to expose tech entrepreneurs to the latest trends in defense innovation

3

DEVELOPING THE TALENT TO SUPPORT THE DEFENSE COMMUNITY

- Identify post-secondary programs that are specializing in the skills needed by local contractors and market to attract participants
- Engage students to create awareness for opportunities in defense contracting
- Provide training that creates a knowledge base of how to win government contracts
- Engage with base personnel to retain talent in the region after enlisted service ends
- Develop unique research and educational opportunities for students in biosecurity, combating weapons of mass destruction and consequence management

4

BRAND GREATER OMAHA AS A LEADER IN DEFENSE STRATEGY AND OPERATIONS

- Apply regional brand messaging to the defense community, creating a consistent image
- Host a series of conferences and conventions centered on core defense industry issues
- Launch targeted market campaign focusing on companies that contract with Offutt AFB not located in the region and those contractors that specialize in our core competencies
- Support the Annual Deterrence Symposium
- Partner with governmental agencies and officials to ensure Greater Omaha remains a priority for the U.S. Military
- Identify partners to advocate and tell the story of our region to the defense contracting community

SIGNIFICANT OPERATIONAL TEMPO

28,000 FLYING HOURS AND 4,700 OPERATIONAL SORTIES ANNUALLY

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OMAHA

WE DON'T COAST®

30+ COMMUNITIES THAT MAKE OMAHA - GREATER OMAHA

WE SERVE

Service. Bravery. Freedom. These are ideals we hold dear – and uphold daily. Our defense community boasts a proud history and a strong future, anchored by our connection to Offutt Air Force Base, a watch keeper in a world with rough edges, centered in the "land of the free," dedicated to keeping it that way.

GREATER OMAHA
ECONOMIC DEVELOPMENT PARTNERSHIP

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