

Economic Diversity

Aviation, Defense Among Growing Industries

By Symone C. Skrzycki

In a state known for making things, Fort Wayne has long been one of Indiana's most manufacturing-intensive communities. While manufacturing remains an important contributor to the local economy, the loss of more than 2% of the city's jobs between 2002 and 2007 opened the proverbial door for other industries to rise to the forefront.

A number of major developments taking place revolve around Fort Wayne International Airport (FWA). Memphis-based Pinnacle Airlines expanded aircraft maintenance operations there by moving to an existing 60,000-square-foot facility (more than doubling its space and creating 16 jobs). The airport also added direct flights to Minneapolis-St. Paul International Airport via Northwest AirlinK for Northwest Airlines.

"Just having service through that hub opened up 40 new markets we previously didn't serve," declares Tory Richardson, executive director of airports for the Fort Wayne-Allen County Airport Authority, which manages FWA and Smith Field Airport (SMD). "Because it's a hub, it provides more connections for our international passengers."

Additional initiatives include:

- SMD opening a new facility to train students in aircraft maintenance and repair
- Raising visibility of the defense sector – Stacey Smith, president and CEO of Fort Wayne-based Prairie Quest Consulting (PQC) asserts, "There's a lot more going on here than most people think about and know about."
- Consolidation of the domestic Moving Services business unit headquarters for relocation services provider SIRVA to its regional business support center in Fort Wayne (resulting in 240 new jobs by 2011)
- A massive downtown revitalization project – involving a new minor league baseball stadium, luxury condominiums, hotel and more



Fort Wayne is named after United States Army General "Mad" Anthony Wayne.

Fort Wayne International Airport provides direct air service to two Northwest Airlines hubs: Minneapolis and Detroit.



Spreading its wings

Operating on Fort Wayne's southwest side, FWA is home to one of the country's largest runways (spanning 12,000 feet). The airport supports commercial passenger and cargo service, military activities and general aviation. Moreover, it provides air service through six carriers (Allegiant, American, Continental, Delta, Northwest and United) and offers daily non-stop flights to 10 destinations.

FWA serves 650,000 passengers and generates more than \$400 million each year.

According to Richardson, timing was a key element in the decision to add daily non-stop flights to Minneapolis and expand Pinnacle's maintenance hub earlier this year.

"It was kind of a double-barrel approach," he recalls. "On one side, you have the Fort Wayne to Minneapolis market – there's demand there. On the other side, you have a need to perform aircraft maintenance, so having both of those things working together at the same time is what prompted the move."

As for the possibility of FWA offering direct flights to other Indiana cities, he cites insufficient demand and the convenience



The Airframe & Powerplant license program at Smith Field Airport blends hands-on and traditional classroom learning.

of simply traveling by vehicle.

“None of the Indiana airports are connected through commercial passenger service anymore,” Richardson comments. “It hasn’t worked out well in our market to pursue that any further.”

He acknowledges that although FWA has been impacted by the nation’s struggling airline industry, the airport has enjoyed several recent successes.

“It’s been a very volatile economy in the industry for us in the last 12 to 14 months,” Richardson observes. “This year for FWA, however, has been one of our most successful. We’ve been able to expand in the area of aircraft maintenance as well as maintaining service levels. We have added the Minneapolis service, doubled our capacity with Continental into Cleveland and American has added a third Dallas trip for us. Most people aren’t able to say they’re having that kind of success.

“Time, fuel and the economy – those three variables will really drive what happens for us and what the future will look like.”

Technicians in training

In August 2007, the FAA-certified Airframe & Powerplant (A&P) license program was relocated to SMD in an effort to boost job creation and strengthen the current/future workforce. Both deal with aircraft maintenance and repair, with the former focused on the hull of the aircraft and the latter on aircraft engines. Originally, training for the Powerplant portion was housed at FWA. Airframe training, on the other hand, was not offered locally so students had to seek outside training to earn A&P certification.

Currently, the Powerplant training is offered at the new Smith Field Aviation Maintenance Technology Facility (five miles north of downtown Fort Wayne). The Airframe portion was launched last fall at a separate building.

The program is serving all ages.

“It’s the only (program) in the state of Indiana and one of the few in the country providing this type of training to high school students,” Richardson states. “They can spend half their day in a classroom (studying) normal curriculum for high school students and half the day doing work on their A&P certification. They can come out of high school with an A&P certificate, earning high wages in a pretty sought-after profession.”

He adds, “It’s not just the high school students. They have an evening class, and it was filled up the first year. There were people in there ranging from 21 to 68 years old. Some had prior degrees, some had master’s. It’s a program that’s applicable to a wide variety of students and a wide variety of professions.”

Playing defense

Founded by Smith in 2004, PQC specializes in acquisition and project management. It operates out of offices in Fort Wayne and Indianapolis.

“Our customer base is predominantly government; however, we have a huge 2009 initiative to take our strategic sourcing component into the private sector,” she notes. Currently, PQC is exploring statewide strategic sourcing initiatives and developing a consortium to “look at how cities, counties, airports and transit authorities spend their dollars and spend collectively to get a better price for what they’re buying. We have a big process going on now that will save Northeast Indiana an estimated \$500,000 annually.”

In addition, the firm recently hired six additional staff members to assist in a pilot project with the Indiana National Guard designed for nationwide implementation that involves “working with the different battalions to analyze and assist soldiers as they return home in remaining and staying healthy.”

Smith also serves on the Greater Fort Wayne Chamber of Commerce’s Military Affairs Committee, which develops strategies for growing the area’s defense sector and demonstrating the importance of the 122nd Fighter Wing of the Indiana Air National Guard (located at FWA after surviving previous base closure and realignment efforts) to the community.

She points out that Fort Wayne has made “big strides” in increasing the prominence of its defense sector, naming successful defense contractors like Raytheon and ITT Aerospace (its Communications Systems division is headquartered in Fort Wayne and works closely with the U.S. Navy).

When considering obstacles the defense arena faces in Fort Wayne, Smith maintains that the absence of Procurement Technical Assistance Centers (PTACs) poses a disadvantage.

“Indiana is one of two states in the entire United States that doesn’t have a PTAC (with the exception of a small one partially funded in Merrillville),” she explains. “PTACs are funded by the Defense Logistics Agency and their purpose is to help small companies do business with the federal government. Any time we need assistance in understanding contract requirements, learning new regulations and trying to grow our business, we have to go to Dayton, Ohio to get it.”

On the move

SIRVA’s history in Fort Wayne dates back to the 1940s when northAmerican Van Lines (NAVL) replanted its headquarters from Cleveland to Indiana. SIRVA, a holding



Eric Baker says the goal driving SIRVA's Fort Wayne consolidation project is the "centralization of personnel, technology and equipment."

company for NAVL and Allied Van Lines, formed when the two merged in the late 1990s. The global company has two pillars: moving services and relocation services.

Currently, SIRVA's domestic Moving Services business

unit (targeting individual, corporate and military/government clients) employs approximately 460 people in Fort Wayne at a 288,000-square-foot facility on U.S. 30. Positions include revenue processing, claims services and call center support. The hiring process for new employees will begin early this year with average salaries ranging from \$30,000 to \$60,000 in positions such as IT, accounting, customer service, transportation planning and dispatching.

Plus, the company will centralize operations for its data centers.

"That really came from the discussions (with Fort Wayne leaders), availability of IT personnel and the incentives," remarks Eric Baker, vice president, legal, for Moving Services Worldwide.

He says that economic incentives (personal property and real estate tax breaks toward new investments, job creation and training) were only part of the attraction.

"One of the things we looked at was no matter how good the incentive package was or could be, the consolidation in a project like this couldn't be just driven off that," he emphasizes. "If we didn't have the labor pool to fill the positions, then no amount of labor incentives would make it work."

Hip to be square

The Harrison Square project consists of several pieces with a new minor league baseball stadium – Parkview Field (slated to open this spring) – at the center.



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The under-construction Parkview Field baseball stadium ties into each element of the Harrison Square downtown revitalization project.

Former Mayor Graham Richard laid out his vision for downtown revitalization in 2006.

“We asked what major catalyst projects could spur additional development,” recalls John Urbahns, director of community development for the city of Fort Wayne. “Our minor league ballpark brings 300,000 people a year (to the city). Knowing it would bring in those people, the other thing we looked at was ‘what else could go along with that project?’ ”

The added attractions include a new 250-room Courtyard by Marriott hotel (construction is scheduled for completion by spring 2010); a two-acre public park with a small amphitheatre and splash pad water fountain area with a view of the baseball field; 900-space parking garage (at the time of this interview, it was slated to open in January); and a retail/condominium development called The Harrison.

Originally, The Harrison was planned as a \$20 million project offering three floors of residential living and 62

condominiums along with 24,000 square feet of retail space. The project will likely be scaled back to feature two residential floors containing 30 larger living spaces (ranging from 986 square feet to 1,748 square feet, according to the Harrison Square web site), paring costs down to \$15 million for the privately funded project.

“They (developers) were hearing from the market that the smaller units weren’t as viable,” Urbahns shares. “The majority of the units will also now face the ballpark, with balconies overlooking the ballpark. Not only do you get downtown living, but also an instant ticket to the game. It’s going to be an upscale construction.

“I think the Harrison Square project will have a significant impact on Fort Wayne because there will be a venue downtown where people can come for a game and then hopefully stay for a bit,” he stresses. “It will bring back some vibrancy to downtown.”

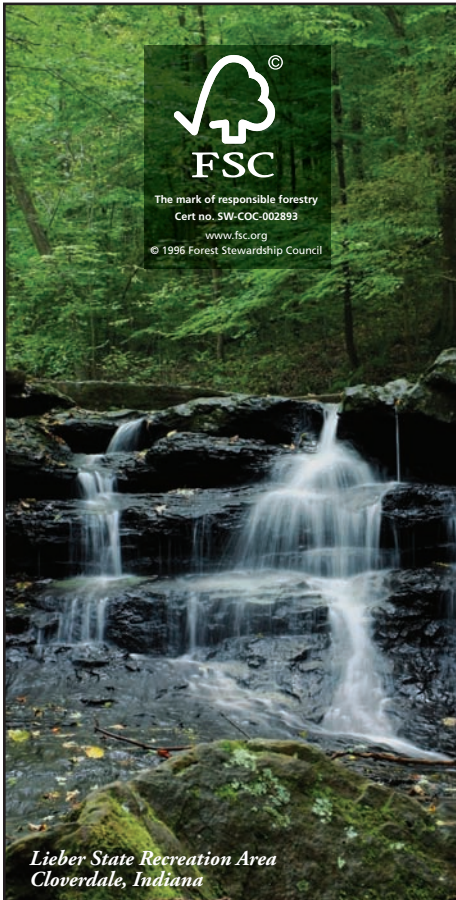
INFORMATION LINK

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