

Warsaw, Indiana

High Speed Rail Impact

Parsons-Brinkerhoff Study by Orthoworx



Welcome to Warsaw, Indiana



- Population – 13,000+ & growing
- Located in Kosciusko County
 - Other communities include Winona Lake, Syracuse, Mentone, Milford, Leesburg, Etna Green, North Webster, Silver Lake, etc.
- Highways - US 30, In 13, In 14, In 19, & In 25
- Warsaw Municipal Airport
- 4 Rail Lines
 - Chicago Ft. Wayne Eastern, Norfolk Southern [East/West & North/South], & CSX

Warsaw Overview



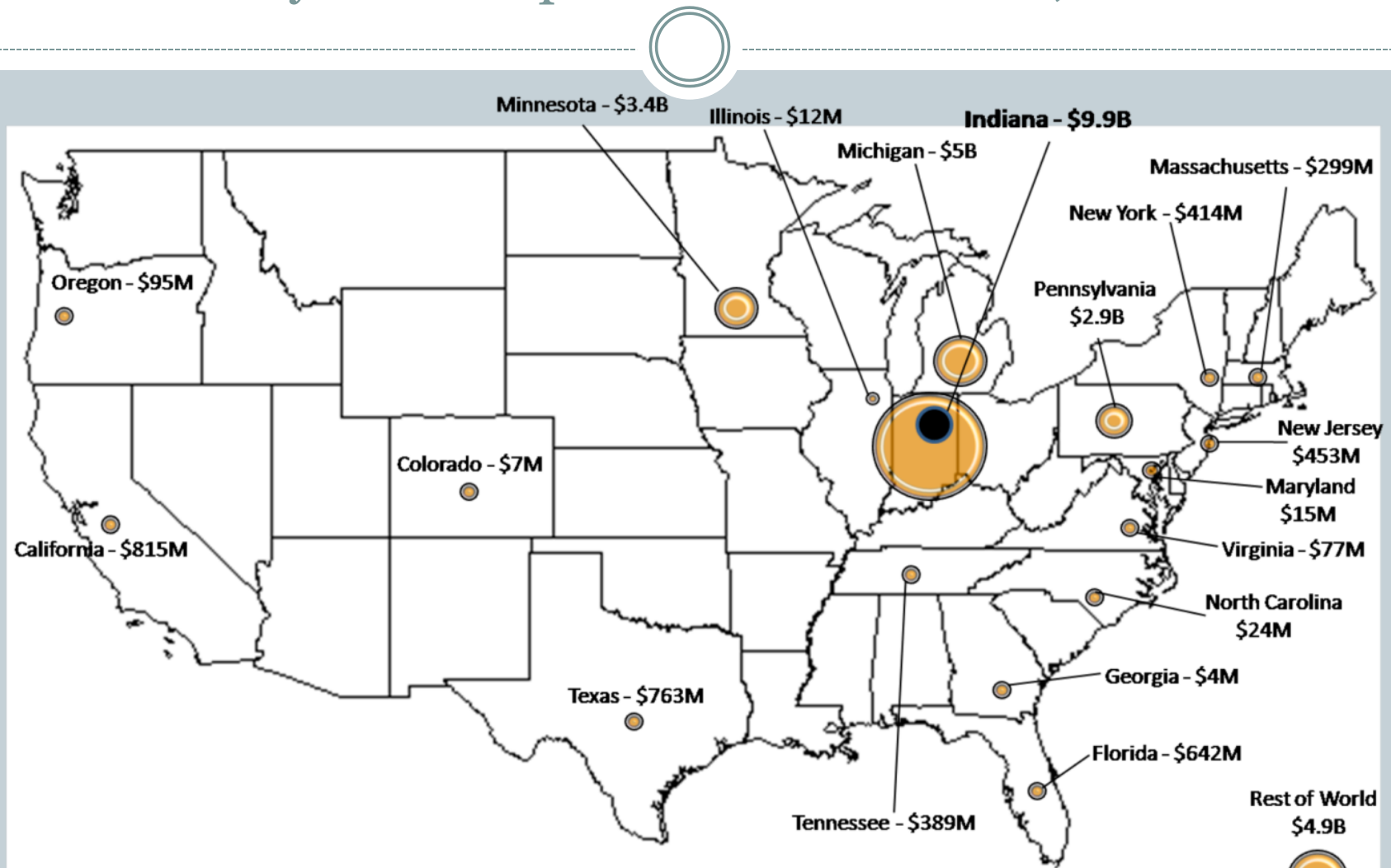
- Home to over 30 Orthopaedic Device Manufacturers
 - Accounting for 11 Billion of 36 Billion Dollar **Worldwide** Industry
 - 50% Market Share in United States
 - 30% Market Share Globally

Warsaw Overview



- World Headquarters to 3 of largest 4 Orthopaedic Device Manufacturers in the World
 - Biomet, DePuy, & Zimmer [largest employer in North Central Indiana]
- Manufacturing Headquarters to largest Spinal & Biologic – MedTronic
- Orthopediatrics, Symmetry, Paragon...

Nearly One-Third of the \$38 Billion Global Orthopedic Industry is Headquartered in Warsaw, Indiana



* Data includes Orthopedic Companies with 2007 Sales > \$5MM as reported by Knowledge Enterprises and independent research conducted by BioCrossroads

Warsaw Overview



- Beyond Orthopaedics...
 - Da-Lite Screen – Largest screen manufacturer
 - CTB, Inc. – World leader agricultural manufacturing
 - Maple Leaf Farms – Largest duck producer
 - Creighton Farms – Large egg producer
 - R.R. Donnelly – Large print production facility
 - Louis Dreyfus – Large Bio-Fuel production facility
 - Little Crow Foods – CoCo Wheats
 - Explorer Van – One of the last converters left

Ortho Industry Forecasts



- Employment Growth – from 20,500 in 2009 to 35,000+ by 2019 -- 40,000+ by 2029
- 674% increased demand for knee replacements, 174% increased demand for hip replacements through 2030

We're getting older...

Ortho Industry Forecasts



- Threats:

- US Tax & Regulatory Policy

- ✦ 2013 Medical Device Tax -- Indiana effectively highest corporate income tax in World

- Foreign Manufacturing

- Availability of Engineers

- Availability of Skilled Production Workforce

- TALENT ATTRACTION...

High Speed Rail Impacts



- Parsons Brinckerhoff Study
 - Travel Time Savings to Orthopaedic Industry over 20 years – 770,000 to 1.1 million person hours – equates to \$32.2 million to \$44.6 million
 - Productivity Increases to Orthopaedic Industry over 20 years – 932,000 to 1.1 million person hours – equates to \$33.9 million to \$40.1 million
 - Key Differentiator – Union Station v. O’Hare Connection

High Speed Rail Impacts



- 2006 Midwest Rail Initiative Report
 - Job Gains – 105 to 160 [1.3% gain]
 - \$9 Million to \$13 Million additional household income
 - \$35 Million to \$53 Million in increased property valuations

High Speed Rail Impacts



- Intangibles:

- Industry Infrastructure is STRENGTHENED

- ✦ Shipping & Delivery, Travel, Logistics

- Access to Industry talent is STRENGTHENED

- Eliminates an obstacle to Retention & Expansion of Industry in Warsaw!

HSR Focus



- More Business Case studies are needed to justify investment in current political climate
 - Ft. Wayne, Indiana
- How will HSR integrate with existing modes of Transportation
- What priority has Indiana placed on HSR
- What motivates the opposition to HSR

HSR Final Thoughts



- Interstate cooperation vital
- Access to O'Hare critical
- Route competition is not healthy for Indiana
- Can the P₃ Model work?



WARSAW
KOSCIUSKO
COUNTY

CHAMBER
OF COMMERCE