



PROXIMITY TO MILITARY BASES FUELS DEFENSE INDUSTRY GROWTH



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**FOR THE DEFENSE
INDUSTRY, LOCATIONS
NEAR MILITARY
INSTALLATIONS OFFER
A STRATEGIC EDGE,
UNLOCKING ACCESS
TO MISSION-READY
TALENT, ROBUST
SUPPLY CHAINS AND
KEY MARKETS.**

In site selection, proximity to military installations is a decisive factor for defense manufacturers, service providers, and consulting firms. Operating near to these facilities provide unparalleled access to customers, specialized talent, and a robust industrial eco-system that supports innovation, production, and readiness. At all levels, military facilities are economic anchors that shape regional supply chains and workforce pipelines. For site selectors advising defense-related firms, understanding the value of these installations—and the surrounding ecosystem that grows around them—is essential to identifying locations that can sustain long-term competitiveness.

Defense sector operations often rely on close collaboration with federal customers and prime contractors. Locating near a military installation can reduce barriers to communication and strengthen relationships with key decision-makers, contracting officers, and end users. For instance, aerospace and avionics firms often seek proximity to Air Force bases where aircraft are stationed or maintained, enabling real-time feedback loops for product testing and performance evaluation. Similarly, cybersecurity and intelligence firms gravitate toward locations that are home to major cyber commands and a concentration of cleared professionals.

MISSION-READY TALENT PIPELINE

Defense-related companies depend on a highly skilled, security-cleared, and technically capable workforce. Locations adjacent to military installations tend to offer access to a rich pool of transitioning service members, veterans, and military spouses—individuals with strong technical training, leadership skills, and familiarity with defense operations.

Communities near installations have increasingly developed programs to connect these skilled individuals with civilian careers in advanced manufacturing, logistics, IT, and engineering. Workforce development partnerships between local colleges, military transition offices, and economic development organizations can provide a steady stream of talent attuned to mission-driven work.

These localized efforts not only help meet workforce demand but also support community stability—an attractive feature for companies seeking to retain talent in competitive technical fields.

Defense operations rarely function in isolation. A mature local supplier network—machine shops, electronics manufacturers, testing facilities, logistics firms—can streamline production timelines and reduce costs. Co-location fosters innovation and efficiency across the defense industrial base.

When firms locate within these clusters, they gain access to partners who understand the regulatory, security, and performance standards unique to defense work. The result is a more resilient supply chain, better positioned to adapt to new contract opportunities or changing mission requirements. Moreover, these clusters often benefit from the presence of research institutions and federally funded laboratories that support technology transfer and R&D collaboration. Defense companies engaged in emerging technologies—such as autonomous systems, space systems, hypersonics, or secure communications—are increasingly drawn to regions that combine a strong military presence with university-led innovation ecosystems.

INFRASTRUCTURE & SECURITY CONSIDERATIONS

Beyond workforce and customer access, the physical and digital infrastructure of a site can make or break its suitability for defense operations. Secure transportation networks, reliable power, broadband redundancy, and proximity to

airports or ports are essential to maintaining supply chain reliability and supporting classified or time-sensitive operations.

For facilities handling sensitive materials or data, the ability to implement security perimeters, meet federal cybersecurity requirements, and maintain compliance with International Traffic in Arms Regulations (ITAR) and other export controls is critical. Local and state governments familiar with these needs can expedite permitting and infrastructure improvements tailored to defense sector standards.

“Workforce development partnerships between colleges, military transition offices, and communities address mission-driven work.”

Cybersecurity, in particular, has become a defining site selection factor. Regions with robust cyber infrastructure, data protection frameworks, and access to cleared IT professionals are at an advantage as the defense industry increasingly relies on digital systems and networked technologies.

Economic development organizations and state governments have recognized the economic and strategic importance of supporting defense-related industries. Many offer targeted incentives, training grants, and site readiness programs designed specifically to attract or retain firms engaged in defense contracting or advanced manufacturing.

For example, some states provide tax credits for companies that hire veterans or invest in technology development aligned with federal defense priorities. Others maintain “defense alliance” programs that connect local firms with

procurement opportunities, research partnerships, and export assistance.

RESILIENCE & FUTURE READINESS

The defense sector operates within a rapidly evolving global landscape, where technology innovation, supply chain resilience, and national security imperatives intersect. Companies that position themselves near installations driving these efforts can benefit from early visibility into emerging needs and priorities. For instance, regions supporting space and missile defense, cyber operations, and next-generation energy systems are poised for sustained growth.

Resilient locations—those with diversified economies, strong infrastructure, and supportive policy environments—can help companies weather federal budget cycles and shifting contract landscapes. For defense manufacturers and service providers, that resilience can mean long-term operational stability and agility in responding to new missions.

For site selectors guiding companies in the defense sector, proximity to military installations offers more than convenience—it’s a strategic asset that touches every part of the operation: customer access, workforce talent, supply chain strength, and innovation capacity.

Selecting the right location means balancing these advantages with practical considerations such as cost, logistics, and community support. The most successful defense-related firms are those that view location not just as a point on the map, but as an integral part of their mission readiness and competitive strategy.

In today’s defense landscape—where speed, security, and collaboration define success—the smartest move may be one that brings a company closer to the heartbeat of America’s defense enterprise: the installations and communities that sustain it.

A CLOSER LOOK: TEXAMERICAS CENTER

TexAmericas Center (TAC) is a premier industrial park in the Texarkana region, offering a strategic location and robust infrastructure tailored to meet the needs of defense sector companies.

The region has experience with tactical systems, defense logistics, and cyber security. A broader manufacturing base (machining, plastics, rubber, composites) is present. For example, manufacturing jobs account for approximately 18.6% of the workforce.

The U.S. Army facility, Red River Army Depot (RRAD), collaborates with various companies at TAC to support defense operations, including partnerships with Original Equipment Manufacturers like Lockheed Martin.

Meanwhile, the Defense Logistics Agency (DLA) is collocated at the Red River Army Depot (RRAD), and partners with depot operations to manage the supply, maintenance, and distribution of military vehicle parts and munitions. DLA ensures timely delivery of critical components for readiness and modernization programs. They streamline logistics, enhance depot efficiency, and help maintain its warfighter readiness.

Companies operating at TexAmericas Center include:

Cherokee Nation Armored Solutions

(CNAS): A division of Cherokee Federal, CNAS has expanded its footprint at TAC with a 16,000-square-foot building, increasing its total leased space to 165,000 square feet across four buildings. This expansion supports its growth and service to defense customers.

Day & Zimmermann: A leading provider of defense and industrial services, Day & Zimmermann has operations adjacent to TAC, contributing to the region's defense sector capabilities.

Veptos (formerly AGR): Specializing in defense contracting, Veptos has established its presence at TAC, leveraging the center's infrastructure

and proximity to defense installations to serve the foreign military sales market.

BAE Systems: A global defense, aerospace, and security company, BAE Systems has operations at TAC, contributing to the region's defense manufacturing capabilities.

Amentum: A provider of engineering, environmental, and energy services, Amentum supports defense operations at TAC, enhancing the center's service offerings. The company is the largest supplier of touch labor to the Red River Army Depot.

Lockheed Martin: A global security and aerospace company, Lockheed Martin utilizes a portion of the floor space at TAC in support of a Public/Private Partnership contract with the Red River Army Depot for the Army's Multiple Launch Rocket System Fleet Expansion.

“Under the proposed federal SkyFoundry Act of 2025, Red River Army Depot is poised to lead drone production for the U.S. Army.”

TAC benefits from proximity to the Red River Army Depot, providing access to a highly trained workforce experienced in defense contracting.

Texarkana College operates TC@TAC, offering programs in Diesel Technology, Welding, and Professional Driving, aligning with the needs of defense sector employers. And, Texas A&M University - Texarkana supports the defense industry by producing skilled graduates in engineering, computing and related fields; by offering applied projects and research that align with defense technology; by fostering regional workforce and supply-chain development; by serving as a training hub for defense-oriented skills;

and by building R&D and other partnerships with industry and government.

RRAD's Expanding Role in Tomorrow's Army: Drone Manufacturing and Testing.

In July 2025, Defense Secretary Pete Hegseth issued a memo on “Unleashing U.S. Military Drone Dominance,” which called for approving “hundreds” of American products for purchase by the DOD and arming combat units with a variety of “low-cost drones made by America's world-leading engineers and AI experts,” among other steps.

The Army is forging ahead to try to meet those ambitious goals targeting expansion of mission within its Organic Industrial Base. Its Organic Industrial Base is really the backbone of manufacturing capacity of the Army as it is composed of the production and remanufacturing facilities spread across the force.

The Red River Army Depot (RRAD) is set to become a pivotal center for the U.S. Army's drone production and innovation efforts. Under the proposed SkyFoundry Act of 2025, RRAD will host a government-owned, government-operated facility dedicated to producing propellers, assembly and testing small Unmanned Aircraft Systems (sUAS) for defense applications. This initiative aims to produce up to 10,000 composite-based drones per month, enhancing the Army's capabilities in reconnaissance, surveillance, and tactical operations. Army's initial effort to produce 10,000 drones a month should not require MILCON oversight.

RRAD's involvement may also encompass battery manufacturing, in addition to final assembly and rigorous testing of drones, ensuring they meet the Army's stringent operational standards. The facility would operate under a Government-Owned, Government-Operated Contractor Augmented (GOGO/CA) model, fostering collaboration between military personnel, civilian experts, and private industry partners.