

Application Score Sheet

Proposed Project: Northwest Florida Beaches International Airport, Project Spinner (#338)
Proposed Project/Program County: Bay
Board of County Commission Support: Yes
Rural County: No
Opportunity Zone: No

Total Projected Project Cost: \$107,500,000
Match Provided: \$82,500,000
Triumph Funds Requested: \$25,000,000 (23%)
Triumph Funds Recommended by Staff: \$25,000,000

Score: A

ROI: increment to household incomes per Triumph dollar awarded is calculated to be 19.2

Economic Analysis, Impact and Score

The Northwest Florida Beaches International Airport proposal describes construction and equipment purchases to house an engine repair facility for commercial jet aircraft, with direct employment of 350 workers. A second facility at the same location will house a jet engine testing facility, known as a test cell, with 25 employees. The company will lease a third facility in Lynn Haven and will operate a distribution facility and a parts testing facility, with 125 workers, for a total of 500 across the three facilities. These improvements will support the growing Northwest Florida aviation maintenance, repair and overhaul sector. The large employment impact of the facility means that this will be a transformational project for Bay and surrounding counties. The Triumph request of \$25,000,000 million represents 23.3 percent of the \$107,500,00 total project cost.

The private sector partner is working with Space Florida to obtain conduit financing of the MRO facility, equipment, and supporting facilities. Triumph funds would go to support the \$25,000,000 estimated construction cost for the engine MRO facility. Space Florida will construct and own the facility, and lease it and associated equipment to the company on a long-term lease. The improvements will become the property of the Airport Authority upon termination of the lease.

The company will service existing contracts with industry leaders such as Pratt & Whitney, General Electric and other OEMs providing engines for Boeing, Airbus, Embraer, Canada Air and others. It will also service military contracts at this facility. The wages paid across the jobs will be at least \$60,000, which exceeds 115 percent of the average wage for the Panama City MSA in the State of Florida's 2024 standards.

Because of the large job creation potential and the likelihood that it will spur location of businesses in the MRO supply chain, it is reasonable to expect that the benefit/cost ratio for the

proposed improvements will be high. Good increases in wages can be expected given the types of businesses that will be providers to activities at the site.

Over a ten-year window these jobs will generate about \$479 million (discounted to present money value) in additional income that stays in the community. At a cost per job of \$50,000 and proposed average wages of \$60,000, the likely increment to household incomes per Triumph dollar awarded is calculated to be 19.2. For these reasons, staff rate this program "A" in terms of economic impact to Bay County.

Project Summary (based on information provided by the applicant)

The Northwest Florida Beaches International Airport (ECP) is requesting a \$25,000,000 Triumph grant toward the construction of an approximately 100,000 sq ft MRO facility including but not limited to site work, foundations, utility extensions, parking areas, and other facility requirements to recruit Project Spinner. The company has committed to create 500 new jobs in Bay County with an average wage of \$60,000 (which is over 115% of the Bay County average) and a capital investment of at least \$107,500,000. The proposed MRO facility will be constructed and owned by Space Florida on Airport Authority property. The company will enter into a 30-year lease with Space Florida. At the end of the building lease, the facility's ownership will revert to the Airport Authority.

Project Spinner is an aviation and aerospace company headquartered in Miami, with multiple locations in the southeastern United States and Europe, specializing in jet engine maintenance with their main customers being Pratt & Whitney, Raytheon and General Electric. The company has evaluated numerous sites over the past five years for its expansion needs including its existing locations inside and outside the State of Florida. Project Spinner desires to relocate and expand in Bay for proximity to key customers and the availability of a skilled, trained workforce including those participating in Triumph funded workforce training programs.

The aviation industry is a key target market for recruitment in Northwest Florida. Project Spinner will complement regional industry growth, new companies locating at ECP, and Florida State University's (FSU) InSPIRE project. The company plans to work closely with the existing FAA approved A&P aviation mechanics program at Haney Technical College and others throughout the eight county Triumph Gulf Coast area.

The complete Project Spinner proposal includes construction and equipment purchases for two distinct but connected facilities dedicated to the repair and testing of jet aircraft engines and the purchase of a third existing facility for distribution and other needs.

The first facility is proposed to be the 100,000 sq ft narrow body MRO facility at ECP employing approximately 350 personnel. It will house a FAA Certified repair station specializing in the repair of commercial jet aircraft engines for aircraft that range from Airbus 220s up to Boeing 777-300s. The company's customers are globally located, including airlines, aircraft engine lessors and investor owners of such assets including but not limited to National Airlines, Lufthansa, MTU, General Electric and Chromalloy. Much of the equipment needed for this

facility will be relocated from South Florida to Panama City, however some will be constructed in place.

The second facility is proposed to be a jet engine testing facility, a "Test Cell" where jet engines can be run at full power in order to measure performance. Facility two will be immediately adjacent to the MRO building allowing for seamless movement of engines between the repair facility and the test facility. The cost of the Test Cell building is estimated to be \$65 million and will employ approximately 25 personnel.

The third facility will be a typical distribution facility to receive, house, and distribute aircraft parts, aircraft engine parts and will also serve as an aircraft and engine parts testing facility. The equipment needed is typical of any distribution business (racking, forklifts etc). The equipment needed for the component repair business is calibrated to aviation specification. The company is under contract for an existing 140ksf facility in Lynn Haven for this part of the project that is expected to house 125 personnel.

In Northwest Florida and in the Gulf South, the aerospace and aviation industries are prime targets for economic development growth and economic diversification. Northwest Florida has established itself as a burgeoning region for growth in this sector because of its military assets and its geographical proximity to several large original equipment manufacturers (OEMs) and aviation company headquarters. With the aviation and aerospace sector being such a major component of the U.S. economy, Northwest Florida communities are making investments to keep pace with the national growth of the sector.

According to the Aerospace Industries Association (AIA) 2022 report, there are currently 2.2M U.S. jobs that support the aerospace and defense industry. Additionally, the total revenue sales for the industry in 2022 exceeded \$952B, an increase of 6.7% from the prior year. The sector represents 1.65% of the entire GDP. According to AIA, based on global demand, the growth seen over the past several decades is not likely to subside and the projected outlook for the industry is only set to increase in the coming years.

Employment within the Panama City Metropolitan Statistical Area (MSA) is clustered within hospitality and retail trade. On average, the Panama City MSA hospitality employment base is approximately 6% higher than the U.S. average and 5% higher for retail trade. While these sectors are key drivers for the economy, when the tourism industry is impacted by unexpected changes, these sectors are heavily hit. The establishment of Project Spinner will provide new employment opportunities in the "Transportation Services" Sector, which helps provide a new differentiating employment opportunity for residents of the community. With each economic development project 'win' the community is more diversified, which supports the economic recovery in the wake of unforeseen events.

The Bay EDA financial vetting committee has vetted the financials of the Company and reviewed associated support information including performance history, customer list, and planned contracts. The company is working with Space Florida to finance and lease the building and equipment needed for the project. It is estimated that the amount to be financed through Space Florida will be approximately \$82,500,000. Once completed and purchased, the facility

and equipment will be synthetically leased back to the company through Space Florida. Through this lease, the Company will be financially obligated for an estimated \$82,500,000.

ECP is a spotlight for site selection consultants and companies for business locations due to it being one of the newest International Airports in the U.S., its 3,000 developable acres, global air traffic network, and ready development sites adjacent to a 10,000-foot-long runway. These key assets are the prime contributors to making the airport a desirable location for economic development projects. Additionally, with six major military installations throughout Northwest Florida, there are thousands of exiting military service members annually who are looking for promising careers in our region. Project Spinner will join Project Maple as a catalyst for major private sector investments at the airport paving the way for future development and attention.

The FSU InSPIRE initiative, to be located at ECP, is a significant project aimed at advancing aerospace and manufacturing technologies in Northwest Florida. The InSPIRE project is designed to support both secure and open aerospace and defense industry contracts and grants. It focuses on areas such as industrial-scale prototyping, advanced manufacturing, and aerodynamic and hypersonic testing. The project includes building state-of-the-art facilities capable of handling proprietary and sensitive projects efficiently.

The R&D, testing, and workforce development capabilities that this facility brings to Northwest Florida will be unmatched. Due to its location, the InSPIRE initiative provides a unique opportunity for project Spinner to not only collaborate, but also compliment the capabilities with the engine test cell and aviation and aerospace knowledge associated with its line of business.

In addition to the company's match, the Airport Authority in partnership with the FL Dept. of Transportation is investing \$11,000,000 for ramp extension from the 10,000-ft runway.

Budget and Funding

See attached

Exhibit A

Project #, name

Project # 338 Joe

Budget

\$107,500,000

Estimated construction start date if applicable

Q1 2025

Estimated education component start date if applicable

N/A

	Building	Equipment	Category #3	Category #4	Total
Please change year # to actual year					
Project Total					
Pre-award	7,500,000.00	-	-	-	7,500,000.00
2024	-	-	-	-	-
2025	25,000,000.00	2,000,000.00	-	-	27,000,000.00
2026	65,000,000.00	8,000,000.00	-	-	73,000,000.00
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
Project Total	97,500,000.00	10,000,000.00	-	-	107,500,000.00
Triumph					
Pre-award					-
2024					-
2025	20,000,000.00				20,000,000.00
2026	5,000,000.00				5,000,000.00
2027					-
2028					-
2029					-
2030					-
2031					-
2032					-
2033					-
2034					-
2035					-
Triumph Total	25,000,000.00	-	-	-	25,000,000.00
Grantee					
Pre-award					-
2024					-
2025					-
2026					-
2027					-
2028					-
2029					-
2030					-
2031					-
2032					-
2033					-
2034					-
2035					-
Grantee Total	-	-	-	-	-
Company					
Pre-award	7,500,000.00				7,500,000.00
2024					-
2025	5,000,000.00	2,000,000.00			7,000,000.00
2026	60,000,000.00	8,000,000.00			68,000,000.00
2027					-
2028					-
2029					-
2030					-
2031					-
2032					-
2033					-
2034					-
2035					-
Match Source 1 Total	72,500,000.00	10,000,000.00	-	-	82,500,000.00