

Application Score Sheet

Proposed Project: Northwest Florida Beaches International Airport Authority, Project Maple (#296)

Proposed Project/Program County: Bay

Board of County Commission Support: Yes

Total Projected Project Cost: \$25,000,000

Match Provided: \$13,750,000

Triumph Funds Requested: \$11,250,000 (45%)

Triumph Funds Recommended by Staff: \$11,250,000

Score: A

ROI: \$19.5 in additional personal income per Triumph Gulf Coast dollar requested

Economic Analysis, Impact and Score

The Northwest Florida Beaches International Airport Authority (ECP) is recruiting a major international aviation and aerospace company to expand existing operations and perform aviation maintenance, repair, and overhaul (MRO) activities at ECP. Triumph funds are proposed to help construct an 80,000 square foot narrow body hangar with access to the runway. The project will create 250 net new jobs and have a total capital investment of \$25 million. This will put the company closer to several key customers.

Triumph staff analysis is based on a proposed award amount of \$11,250,000 from Triumph as part of the \$25 million construction project. The proposed Triumph investment would represent 45 percent of total project cost. The airport authority and its partner Space Florida will build the hangar and lease it to Project Maple. The building is proposed for completion in late 2024, with job ramp-up to commence immediately upon completion. The company will have hired 250 FTE staff for the facility by the end of 2027, at an average wage rate of \$55,000. This exceeds the 2023 Panama City MSA wage requirement of \$54,036.

Space Florida will obtain conduit financing of \$13,750,000 for construction of the hangar and acquisition of equipment, and will then lease to the company. At the end of the lease, these improvements will revert to the Airport Authority. The application notes that the airport authority is investing \$11 million for ramp improvements to support Project Maple and future development of the ECP Aviation Center of Excellence that is anticipated to have multiple tenants. However, these amounts are not counted as match for Project Maple because these improvements will benefit multiple users. Thus, the match estimate is conservative.

For purposes of calculating this impact score, we use the company's estimated wage bill as presented in the award application. The average pay meets the 115 percent of the current EFI-specified average wage for Bay County and the Panama City MSA. That average wage to be used in 2023 incentive calculations is \$46,988, so that 115% of the average wage is then

\$54,036. The 250 positions once ramp-up is complete will support a projected annual payroll of \$13.75 million.

For a job guarantee of 250 jobs and an award amount of \$11,250,000, the cost per direct job to Triumph Gulf Coast is \$45,000. This is at the higher end of costs per job relative to other infrastructure programs approved for potential funding by the Board. However, the proposed private sector is in the key aviation maintenance, repair, and overhaul (MRO) business sector and may well serve as the nucleus of an MRO cluster for the Northwest Florida Beaches International Airport.

It is expected that the increment to personal income in the region will be approximately \$219.5 million over a 10 year job maintenance period following completion of the improvements and associated employment ramp-up. This represents \$19.5 in additional personal income per Triumph Gulf Coast dollar requested.

For these reasons, staff score this program as a “A.”

Project Summary (based on information provided by the applicant)

The Northwest Florida Beaches International Airport (ECP) is requesting an \$11,250,000 grant toward infrastructure improvements to support the recruitment of Project Maple, an aviation and aerospace company. Project Maple will establish a new aircraft maintenance, repair and overhaul (MRO) facility for both commercial and military aircraft clients at ECP. The company will create 250 new jobs paying an average of at least \$55,000, 115% of the Bay County average wage.

Triumph grant funds will be designated to support the construction of a two-bay narrow body hangar (~80,000 sq. ft.) including but not limited to site work, foundations, utility extension, parking areas, and other facility requirements. The facility and equipment financing and construction will occur through Space Florida which will maintain ownership of the Project Maple hangar and enter into a long-term lease with the company. It is estimated that the amount to be financed through Space Florida for Project Maple is \$13,750,000. Through the lease, the Company will be financially obligated for an estimated \$13,750,000.

The Airport Authority in partnership with the FL Dept. of Transportation will invest an additional \$11,000,000 for ramp extension from the 10,000-ft runway to support the project and other airport users' needs. The Airport Authority will hold a long-term ground lease for the hangar facility.

ECP is one of the newest International Airports in the U.S., with 3,000 developable acres, a 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 the region. Project Maple will be one of the first major private sector investments at the airport paving the way for future development and investments.

Project Maple, headquartered in Canada, is a full-service provider of airframe maintenance. They are certified to maintain a wide variety of regional type aircraft. With six maintenance bays at their existing hangar in Canada, the company is interested in expanding to Bay County to be closer to clients. This potential expansion will have no impact on the company's current operating locations. Once operational, the project will allow Project Maple the opportunity to service additional customers and contracts to support their growing business.

Project Maple will be the first locating at major investment from a private aviation maintenance company the Northwest Florida Beaches International Airport. The investment will be a major milestone in the establishment of the ECP Aviation Center of Excellence. This new company would contribute significantly to one of the main economic priorities for Bay County - further diversification of the employment base.

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 is working to ensure that the proper investments are made now to keep pace with the national growth of the sector.

Specifically, for the Northwest Florida Beaches International Airport, airport officials, community officials, and economic development officials have a vision to establish the ECP Aviation Center of Excellence. This vision combines educational and airport assets directly with private sector companies. The Center would accomplish several goals for the community. First, it would establish Bay County as a prime location for private sector aviation related companies to invest within. Secondly, it would diversify the regional workforce further beyond the established pillars of tourism and military, helping to remain resilient in the face of unforeseen disasters. With the addition of Project Maple to the ECP Airport Campus, an important milestone in the creation of the Center of Excellence will be achieved, the establishment of a private sector partner to compliment future education components.

A large portion of the employment within the Panama City Metropolitan Statistical Area (MSA) is clustered within hospitality and 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 the Aviation Center of Excellence at ECP and Project Maple 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 and region are more diversified, which supports economic recovery in the wake of unforeseen events.

Economic disasters have become more common in the recent decade. In 2010, Bay County was directly impacted by the Deepwater Horizon Oil Spill, in 2018 Bay County suffered through

Hurricane Michael, and in 2020 the Global Coronavirus Pandemic had substantial adverse effects on the largest existing sectors. The establishment of the ECP Center of Excellence and specifically Project Maple would further diversify the revenue streams for the airport, which has proven to be necessary in the wake of disasters. This Project also provides diversified employment opportunities as previously mentioned, which help distribute the employment clusters into various sectors which is necessary for a quick economic recovery when disaster strikes a community.

To bring the ECP Aviation Center of Excellence to fruition, the establishment of private aviation facilities, such as Project Maple are necessary. Private company investment will provide the full-time private sector jobs that are necessary to sustain growth at the airport and act as a pipeline for students coming out of training centers such as Haney Technical Center's FAA Certified A&P Program. Community leaders are working to grow the airport into an economic development hub by solidifying the establishment of private sector companies at the airport. This will lead to high wage job creation and create alternate sources of revenue flowing to the airport to diversify its financial position. Adding this diversity to the revenue streams has become crucial in the wake of disasters and when air travel is depressed.

For the company, adding the Project Maple facility will allow the company to expand and establish a presence at an "on line" airport. Adding Project Maple would put the company in a position to grow to a capacity of greater than 25M of annual revenue. The pattern of the 4-year revenue history proves that now is the time to sustainably add capacity for their network of clients.

To support Project Maple, Space Florida has vetted the financials of the Company and reviewed associated support information including performance history, customer list, and planned contracts.

Another positive impact that will be tracked from Project Maple will be the additional aviation activity that occurs directly from the establishment of this new facility. As the company continues to expand at ECP, there will be an increase in the aeronautical activity derived from Project Maple and its support facilities.

The success of Project Maple will support the marketability of Bay County and Northwest Florida for additional aviation related business investments. Once Project Maple is established, and because of their customer list, the region is expected to see worldwide exposure to attract other MROs and aviation/aerospace manufacturing companies.

Growth of the aviation industry in Northwest Florida is crucial to ensure that the Region remains competitive in the decades to come. The Aerospace Industries Association (AIA) expects the industry to grow significantly over the next decade. However, according to the UWF - HAAS Center report, this industry in Northwest Florida is likely to see a decrease in overall jobs unless changes are made and investments occur to support the continued growth. With the industry being nearly 2% of the U.S. GDP, there is clear evidence that Northwest Florida must be on the leading edge of new company investments and educational training. If investments are not made now, the region will continue to lose exiting military personnel looking to stay in the industry,

young professionals who are eager to get into aerospace, and skilled technicians who would otherwise find employment in another region with a strong aviation cluster.

With the establishment of Project Maple at the ECP Aviation Center of Excellence, Bay County and Northwest Florida would be launching the creation of a hub for skilled aviation employees who are looking to relocate or stay in the area for employment opportunities. According to EMSI, careers in “Support Activities for Air Transportation” and “All Other Support Activities for Transportation” have average earnings that are \$76,341 and \$53,474, respectively, within the State of Florida. This sector provides extremely competitive wages, and the region has the assets to grow the sector.

The vision for the Northwest Florida Beaches International Airport began nearly two decades ago. The vision came to fruition in 2010 with the first landing. From the establishment of the airport, community leaders across Northwest Florida recognized the need for the region to establish an aviation center that would include world class amenities for traditional travel and premier development sites for aviation related projects. These leaders could foresee the need for a new and expanded airport in the region, but one with economic development opportunities. They knew that this was essential in order to accommodate the future growth of Bay County and to act as a catalyst to spur further regional development.

To see this vision come to fruition, private investment is necessary for the airport to be not only a transportation hub, but a hub for economic development activity as well. The Airport Authority, Bay EDA, and several of its partners are working to establish the ECP Aviation Center of Excellence which will include an educational institution, training operations, maintenance, repair, and overhaul operations, and other aviation related businesses. Project Maple is the first project that will enact this vision as a hub for aviation related companies.

Budget and Funding (attached)

Exhibit A

Project #, name

Project # 296 Maple

Budget

\$25,000,000

Estimated construction start date if applicable

October 1st 2023

Estimated education component start date if applicable

N/A

	Construction & Equipment	Category #2	Category #3	Category #4	Total
Please change year # to actual year					
Project Total					
Calendar Year 1	5,000,000.00	-	-	-	5,000,000.00
Calendar Year 2	20,000,000.00	-	-	-	20,000,000.00
Calendar Year 3	-	-	-	-	-
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
Calendar Year 12	-	-	-	-	-
Project Total	25,000,000.00	-	-	-	25,000,000.00
Triumph					
Calendar Year 1	2,250,000.00	-	-	-	2,250,000.00
Calendar Year 2	9,000,000.00	-	-	-	9,000,000.00
Calendar Year 3	-	-	-	-	-
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
Calendar Year 12	-	-	-	-	-
Triumph Total	11,250,000.00	-	-	-	11,250,000.00
Grantee					
Calendar Year 1	-	-	-	-	-
Calendar Year 2	-	-	-	-	-
Calendar Year 3	-	-	-	-	-
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
Calendar Year 12	-	-	-	-	-
Grantee Total	-	-	-	-	-
Space Florida					
Calendar Year 1	2,750,000.00	-	-	-	2,750,000.00
Calendar Year 2	11,000,000.00	-	-	-	11,000,000.00
Calendar Year 3	-	-	-	-	-
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
Calendar Year 12	-	-	-	-	-
Space Florida Total	13,750,000.00	-	-	-	13,750,000.00