

PTI appears to be in hunt for Boeing

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North Carolina and Piedmont Triad International Airport appear to be in the hunt for a “transformational” aircraft assembly plant rumored to be the latest expansion of Boeing Co.

Officials in Charlotte and Greensboro, as well as PTI and Charlotte Douglas International Airport, said Thursday they have received a request to make a bid from a large aircraft manufacturer for a plant that eventually could have up to 8,000 employees.

“Every community in the country would like to win a project like this with a large aircraft manufacturer,” said Kevin Baker, PTI’s executive director. “Whichever community gets it will be getting a game-changer from an economic standpoint.”

Boeing said on its website it wants to begin building the 777x in 2017 and deliver it to customers in 2020.

Boeing spokesman Doug Alder said the company hopes to make a decision on where to put the plant early next year and potentially begin operations in early 2015.

Courtship overdrive

The courtship of Boeing already appears to be in overdrive.

According to The Associated Press, bids to Boeing are to be submitted by Tuesday. Boeing is reviewing about 40 sites for where it may build what is being called its 777x aircraft, the latest and largest version of its twin-aisle aircraft.

Analysts said North Carolina may be facing long odds even though it is a right-to-work state and has a sizable aviation and aerospace industry in the Charlotte and Triad areas.

For example, state senators in Missouri approved Wednesday offering \$1.74 billion in economic incentives over 20 years. A final legislative vote could come today.

Alabama Gov. Robert Bentley is considering a similarly sized incentive offer. Governors from at least another 10 states are reportedly putting together incentive packages.

By comparison, N.C. Sen. Bob Rucho, R-Mecklenburg, said Thursday he had “heard nothing on the subject.” Commerce spokeswoman Beth Gargan said the department “does not discuss whether it is or isn’t working with any company in any capacity.”

Documents obtained by The Charlotte Observer show Boeing wants land for the plant at little or no cost, as well as tax incentives. It also says it needs a technically skilled workforce. Charlotte Douglas International Airport has undeveloped land and a new rail yard.

Baker said PTI has “hundreds of acres” to offer such a project, as well as a Triad work force that has

proven attractive enough to develop a prominent aviation cluster.

“We have been preparing the airport to attract this kind of project,” Baker said. “We will put our best foot forward for what is proving to be an intensively competitive project.”

Boeing says on its website that the 777X “will be the largest and most-efficient twin-engine jet in the world, with 12 percent lower fuel consumption and 10 percent lower operating costs than the competition.”

Boeing said it gained 259 aircraft commitments from four international airline customers at the Dubai Air Show. The total value of the commitments was estimated at \$95 billion by Boeing, “placing the 777X as the largest product launch in commercial jetliner history by value.”

Expansion of the bidding process intensified after union machinists in Washington state rejected a proposed Boeing contract that sought concessions on benefits.

The recruitment could be a key early test of the McCrory administration’s ability to react quickly to major economic projects, and the willingness of legislators to potentially commit billions of dollars in performance-based incentive funding.

Commerce is overhauling how it handles such projects to make the agency more nimble and responsive, a necessary change as Gov. Pat McCrory and Commerce Secretary Sharon Decker have stressed.

“We’re going to be faster, smarter and more aggressive to the point that no state will have a better system in place to recruit jobs and help existing business grow than we have right here in North Carolina,” McCrory said this week in a letter to the editor in the Charlotte and Raleigh newspapers.

South Carolina plant

A comparable Boeing project is the \$750 million North Charleston, S.C., 787 Dreamliner assembly plant in which South Carolina has provided at least \$570 million in initial and subsequent incentives. The plant currently has 6,000 employees, with another 2,000 pledged for a \$120 million expansion announced earlier this year.

The North Charleston site is considered among the possible 777X plant sites.

The News & Observer of Raleigh reported in 2005 that North Carolina made a \$534 million incentive offer to Boeing for the Dreamliner project – the largest ever offered at that time – to place the plant at Global TransPark in Kinston.

John H. Boyd, a principal in The Boyd Co. Inc., a site-location consulting company in New Jersey, said the Boeing Dreamliner plant has been the biggest N.C. economic project miss of the past 20 years.

Missouri Gov. Jay Nixon called a special session to address the incentive package. The package is larger than state law currently permits. Boeing has about 15,000 employees in Missouri, making it the state’s fourth-largest private sector employer.

The N.C. General Assembly required a one-day special session in November 2004 when it approved making Dell Inc. eligible for up to \$287 million in state incentives for the \$110 million desktop-assembly it built in Winston-Salem.

Keith Debbage, a geography professor at UNC Greensboro and an aviation industry expert, said the Triad is fortunate that some of the ancillary steps required to recruit a Boeing plant are moving forward.

“Our community has been very actively engaged in preparing sites near our airport for large-scale industrial plants,” Debbage said.

He cited the potential 1,300-acre “field of dreams” to the immediate northwest of PTI, and about \$250 million in federal and state infrastructure investment secured for developing a potential industrial mega-site bounded by Bryan Boulevard and Regional, Pleasant Ridge and Old Oak Ridge roads.

“All of these projects have been moved up in the construction schedule so that much of it could be in place by no later than 2015-16,” Debbage said. “By accelerating these projects, the Airport Authority will then be able to grade about 1,000 acres and purchase an additional 300 acres northwest of the airport.”

“Could this site include Boeing, maybe although it is a long shot? But, we can dream about the 777X plant, can’t we?”

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The Associated Press contributed to this story.