

## FloridaWest engaging aerospace and aviation companies at Paris Air Show

Joseph Baucum. June 21, 2017



(Photo: Tony Giberson/tgiberson@pnj.com)

Since arriving in Paris over the weekend for this week's Paris Air Show, FloridaWest Economic Development Alliance officials have met with more than 65 aerospace and aviation companies to market the Pensacola region's business parks, most notably The Bluffs.

"Our goal is to stay in contact with those companies, and when they put their plan together, our intent is to put together proposals to invite them to come to our area," said Scott Luth, CEO of FloridaWest.

Luth said about 2,600 companies have attended the air show, a biennial convention focused on aviation and the defense industry. Of those engaged by FloridaWest, about seven have expansion or relocation plans slated in the next two to three years.

“Those companies are possible suppliers to Airbus or Boeing,” Luth said. “They may want to have closer access to the interstate. Some of the larger ones that we are speaking with are definitely good candidates for The Bluffs.”

Luth said The Bluffs provides the most certainty on what the region can offer in terms of amenities for large aerospace or aviation manufacturers. He said the location, consisting of four sites near Cantonment along a five-mile stretch north of Nine Mile Road, would serve companies requiring access to water to transport heavy materials. The location also offers access to railways, highways, Gulf Power Company’s Crist Plant and the Emerald Coast Utilities Authority Central Water Reclamation Facility.

Another business park that could potentially be in play for manufacturers is the Midtown Commerce Park, but more layout studies on the site must be completed in order for economic development officials to know what type of company would work best at it. The site’s uncertainty stems from its history of hazardous waste contamination.



*Dave Hemphill, project manager for the Bluffs, left, and Don Palmer, ECUA, water reclamation director, right, look over a set of plans for the proposed new industrial park located off the Escambia River. (Photo: Tony Giberson/tgiberson@pnj.com)*

The site is a remediated Superfund site designated by the Environmental Protection Agency as "Escambia Wood-Pensacola." A wood preserving facility known as the Escambia Wood Treating Company operated at the heart of the site at 3910 N. Palafox St. and contaminated the area's soil and groundwater with hazardous chemicals including creosote, pentachlorophenol and dioxin. The company ceased operations in 1982.

A portion of the property has been capped with protective layers that guard against the deeper contaminated soil. The cap could prevent certain types of manufacturers from siting facilities at the park. Luth speculated the site could house companies working in light manufacturing, warehouse and distribution and possibly those with a focus in the trade industry.

"Looking at that site now with a different set of eyes will give us a better understanding of the size of companies that can be placed out there," Luth said. "I think it's a little too early right now to say specifically what type of companies those are."

Advanced manufacturers, such as companies that supply products for larger aerospace manufacturers, would benefit from locating facilities in Florida in terms of operating costs, based on a recent report from The Boyd Company. The firm, a Princeton, New Jersey-based consulting business, is a site selection advisor for companies looking to relocate or expand.

"This will be a competitive advantage for our local region."

Rick Harper, UWF economist

In a study released in April by the firm on the annual cost of operating an advanced manufacturing plant in the continental United States, Florida's cost was estimated at \$32 million. For comparison, New Jersey ranked the most expensive at \$39.8 million. South Carolina was lowest at \$30.1 million.

Based on the report, John Boyd, a principal at the firm, said the Panhandle would work well for an aerospace supplier. He added that Northwest Florida's main competitors would be the Dillon, South Carolina region as well as Palm Beach County. Of the aerospace manufacturers considering expansion, he said local economic development officials would do well to engage those in Canada.

"Focusing on Canada would be very smart right now," Boyd said. "It's a rite of passage for Canadian aerospace companies to have a brick and mortar in the U.S."

But rather than offering the cheapest labor market, the state could benefit more in attracting advanced manufacturers through emphasizing other aspects. Rick Harper, an economist and professor at the University of West Florida, said the priorities should be workforce education, improved infrastructure and an attractive tax environment.

Harper added that the cost and distribution of natural gas and other petroleum-related chemicals benefits the Pensacola region, particularly as it relates to The Bluffs. He said natural gas costs are among the lowest compared to other states. And with natural gas and other chemicals centered in Texas, Louisiana and Oklahoma, the region also benefits by being closer to those primary suppliers.

“This is an attractive feature of The Bluffs project, as it has major pipeline access to the producing states to the west,” Harper said. “This will be a competitive advantage for our local region.”