

Boom, Toyota, other announcements could mean future Triad investments coming



Boom Supersonic image

by Jason Parker — January 31, 2022

GREENSBORO – As Boom Supersonic plans to open its first full-scale manufacturing facility in a roughly 400,000 square-foot facility at the Piedmont Triad Airport and Toyota plans to open its first U.S. electric battery manufacturing plant down the road, the Triad will be in an “enviable position,” site selection executive John Boyd, Jr. told WRAL TechWire.

That’s because the announcement last week from Boom Supersonic that it would open the facility with a planned groundbreaking later this year could attract additional aerospace industry investment and jobs in the months and years ahead, Boyd noted, adding that the presence of HondaJet in Greensboro and with local workforce development initiatives already geared towards training workers to serve the industry are also attractive proof points for any companies considering expansion sites.

Recovery, resilience, and the future

The decision from Boom is coming at a particularly interesting time, as the aerospace industry is now moving into a growth mode with the disruptions due to the onset of the global coronavirus pandemic now squarely seen as “in the rear-view mirror,” said Boyd.

The site at the airport, at which Boom will construct its supersonic passenger airplane, Overture, was called an “optimal location” by the company in a press statement issued last week.

“Selecting the site for Overture manufacturing is a significant step forward in bringing sustainable supersonic air travel to passengers and airlines,” said Blake Scholl, founder and CEO of Boom Supersonic, in a statement. “With some of the country’s best and brightest aviation talent, key suppliers, and the state of North Carolina’s continued support, Boom is confident that Greensboro will emerge as the world’s supersonic manufacturing hub.”

The plan will carry 65-88 passengers, and the company inked a deal with United Airlines last year. Earlier this month, the company formed a partnership with the United States Air Force.

According to the terms of a state incentive agreement known as a Job Development Investment Grant, or JDIG, the company will create at least 1,750 jobs in the region by 2030, though the company expects that it could employ more than 2,400 by 2032, it noted in a statement.

If all goes according to plan, production of the company’s supersonic passenger planes will begin in 2024 with the first finished plane hitting the runway for passenger travel in 2029.

“The Triad, leveraging North Carolina’s positive business climate, low taxes and low cost of living by national standards, is a very attractive labor market for prospective, site-seeking companies,” said Boyd. “Both in and out of the aerospace sector,” he added.

Not just aerospace

“The past six weeks has shown that the state of North Carolina and the Triad are going to be at the center of transportation technology for many years to come, for decades to come,” said Brent Christensen, president and CEO at the Greensboro Chamber of Commerce, in an interview with WRAL TechWire.

Toyota announced it would invest nearly \$1.3 billion in a manufacturing facility in Randolph County in December, which could on its own have dramatic economic impact for the region, noted Christensen. The Boom Supersonic deal came together in less than a year, he noted, after conversations began in April 2021, and accelerated around Thanksgiving.

“That’s exciting for a community that has long been the manufacturing hub for North Carolina,” said Christensen.

“One of the things that we have going in our favor, in terms of aviation in this area, is that we’ve been doing it a while,” said Christensen. “We’ve got a built-in workforce and talent development pipeline that goes all the way into the high schools in Guilford County and manifests in programs at Guilford Tech and more recently at Forsyth Tech.”

The region is prepared, noted Christensen.

Boom Supersonic is just the latest company to announce an investment in the region. Toyota is investing nearly \$1.3 billion down the road. HondaJet is already present, and recently made plans to expand. Qorvo bought a semiconductor company in 2021 and remains headquartered in Greensboro. Guerilla RF went public last year through a “reverse merger” and expanded its footprint in the region. LT Apparel announced it would invest an additional \$57 million and hire 116 additional workers.

“Economic development is about being prepared for opportunities,” “When the opportunity comes along, it is too late to prepare,” said Christensen. “We’ve been preparing for this for many years, and it’s great to see it come to fruition.”

“The last thing we want is to look back at the end of ten years and see the same amount of jobs as we have now,” said Christensen. “The state and our region are going to be looked upon to ensure we’re developing the workforce that is needed.”

Not just the Triad

The selection of the airport site by Boom Supersonic will be transformative for the region, said Boyd, not unlike what the selection of a Buncombe County site by Pratt & Whitney in 2020 will mean for the western part of the state.

“The aerospace industry is a very demanding one when it comes to site selection due to the state of the art, precision metalworking, advanced materials and electronics skill sets required by aerospace manufacturers,” said Boyd. “The Pratt & Whitney decision to locate in Western North Carolina was a major win for the state as the industry does not make it a practice to be a “pioneer” as it tends to locate in well-established hubs of the industry.”

The aerospace industry is a major player in our economy, said Boyd, and remains one of the highest paid industries due to the demanding skill sets that it requires. Workers in many locations are unionized, as well, by the International Association of Machinists, IAM.

In total, said Boyd, who is the principal of The Boyd Company, which has represented aerospace clients in the site selection process, the industry accounts for nearly 15 percent of the nation’s manufacturing workforce, at about 2.6 million people, with an average salary more than 40% higher than national average wages.

The selection of sites in North Carolina by Boom Supersonic and by Pratt & Whitney position demonstrate the state's attractiveness to companies, Boyd noted. Particularly in the aerospace industry, costs matter, Boyd noted, and given the impact of the onset of the global pandemic on the industry, plummeting revenues by some \$88 billion, firms seeking additional expansion are particularly interested in cost-savings and attractive incentive packages.

"This laser focus on comparative costs will continue for some time now for companies like Boom, whether for new production, supply chain and administrative facilities or consolidations of existing operations," said Boyd. Those fit well with Boom's decision, and could for other aerospace firms as they consider future site locations.