

After Florida loses satellite project to California, how does the region's aerospace industry stack up?



Space Florida aims to grow the portfolio of aerospace projects it's financing to \$10 billion by 2030.
SpaceX



By Alex Soderstrom – OBJ Staff Writer & Orlando Inno Reporter, Orlando Business Journal - Nov 2, 2022

Site selector John Boyd says it's not the time for Florida's high-tech space sector to panic.

Despite the fact Florida's Space Coast just lost a planned 2,100-job satellite manufacturing plant to California, the Sunshine State's aerospace industry remains in good shape, Boyd, principal at Boca Raton-based site selection firm The Boyd Co. Inc., told *OBJ*.

However, the loss of the project highlights ways the local industry can improve to become more competitive.

Why this story matters: The fast-growing aerospace sector is projected by Morgan Stanley to be on its way to becoming a \$1 trillion industry. Central Florida is working to attract business from that industry to generate high-wage jobs and economic impact, but it faces competition from other states.

“When a state is a finalist for a project and loses, the tendency sometimes is to panic,” Boyd said. “This is a unique situation. The Florida ecosystem is strong.”



John Boyd

South Florida small satellite manufacturer Terran Orbital Corp. (NYSE: LLAP) last September announced it would invest hundreds of millions of dollars into a 660,000-square-foot Space Coast facility. The project was supposed to create 2,100 high-wage jobs by 2025.

However, Terran Orbital on Oct. 31 announced it landed a \$100 million investment from Lockheed Martin Corp. (NYSE: LMT), infusing Terran Orbital with cash to expand its manufacturing capabilities. Terran Orbital decided to cancel its planned \$300 million investment in building a Brevard County production facility to instead set up shop in Irvine, California, where it was faster to do so, co-founder, Chairman and CEO Marc Bell previously told *OBJ*.

“It was just taking too long to get everything financed and permitted there,” Bell said. “We were able to get space quickly in Irvine.”

Despite the Space Coast’s longtime ties to the industry, aerospace and real estate experts in Brevard County previously told *OBJ* about the area’s lack of industrial buildings capable of hosting growing space companies.

Boyd, whose site selection firm has worked with aerospace giants like Boeing and Pratt & Whitney, agrees Central Florida lacks enough available sites. Despite Florida’s reputation as a more business-friendly state than California, Boyd said it’s not uncommon for companies to pick less business-friendly states if they have premier relocation sites, especially in a government contract-heavy sector like aerospace where businesses want to move fast.



Frank DiBello

“Speed is key. It's a reminder to developers, lawmakers and officials on the Space Coast about how important speed is for zoning, site readiness, etc.”

Although Central Florida’s Cape Canaveral is the nation’s historic rocket launch hub, the Sunshine State only ranked eighth on PricewaterhouseCooper’s recent list of the most attractive states to the aerospace industry. The top three were Texas, Ohio and Washington, respectively.

Still, Boyd said Florida is a “premier state” for the industry given its academic institutions, large military footprint, growing representation in Congress and the concentration of emerging space firms like SpaceX and Blue Origin.

Meanwhile, nothing is slowing down for Space Florida, the state’s spaceport development authority responsible for helping aerospace firms grow and luring businesses to the state. For example, Space Florida before the Covid-19 pandemic worked on an average of 40 potential economic development projects at a time, but that is now more than 100, President and CEO Frank DiBello told *OBJ*.

Space Florida aims to grow the portfolio of aerospace projects it is financing to \$10 billion by 2030, DiBello added. “That gives you some feeling for the optimism we have for the growth of the space market.”