

ST ENGINEERING FINDS A HOME



ST Engineering

By Duwayne Escobedo

When ST Engineering began looking at sites to expand its maintenance, repair and overhaul operations in Mobile, executives scoured locations across the Mississippi, central and northern Alabama and western Florida more than five years ago.

Finally, it chose Pensacola. One of the main reasons? The Gulf Coast town's highly skilled aviation workforce.

The 2015 decision has exceeded the expectations of the Singapore-based MRO giant. Five months after opening its first facility at Pensacola International Airport, top ST Engineering executives just signed an agreement in Singapore with local officials to invest \$210 million more to expand its Pensacola Aerospace campus with three more widebody hangars and an office.

It's estimated the new positions will spur another 3,400 indirect jobs, which could generate \$400 million into the local economy.

Like never before, educators, local and state political leaders and the community joined hands to make sure ST Engineering had a deep pool of aviation mechanics to employ. Not only can the company draw on highly trained former military personnel but the Escambia County School District did something right—it added aerospace and aviation programs. This includes high school programs at Escambia and Booker T. Washington high schools that give them a head start to high-paying aviation careers. Additionally, its George Stone Technical College created a way for locals to earn highly coveted airframe and powerplant certifications.

"The attractiveness of this investment is further strengthened by the strong ecosystem and robust aerospace industry,

supported by a ready workforce pool in the Florida panhandle region that we can tap on," said Lim Serh Ghee, who heads Aerospace of ST Engineering. "We look forward to working as closely as ever with the mayor's office and relevant local authorities and organizations to realize this expansion plan."

Initially, ST Engineering called for 400 employees to operate its \$46 million, 173,500-square-foot facility that it opened in June. One of three MRO sites in the United States—Mobile and San

Antonio being the other two—Pensacola has already overhauled 25 aircraft.

The recently signed agreement in Singapore between the company and the Pensacola delegation promises 1,300 direct jobs to operate a 655,000-square-foot airframe facility at its Pensacola Aerospace Campus. ST Engineering will invest \$35 million to the \$210 million expansion project with the city, county, Triumph Gulf Coast, state and federal organizations paying the rest of the development costs. Triumph Gulf Coast, which will distribute \$1.5 billion from BP for its unprecedented 2010 Deepwater Horizon oil spill to eight Northwest counties through 2033, will pitch in \$56 million to the project when ST Engineering and the city begin construction in 2022.

Bill Davis, a George Stone aviation maintenance instructor, said its program graduated its first class in December 2017, and half of the 14 who finished went to work at ST Engineering. In June, the company hired all 14 George Stone graduates for its MRO plant. Another 15 are on target to complete their qualifications this December, and there are 25 enrolled in the program scheduled to finish in June 2019, Davis reported.

"This puts a big load on us to try and get them people. It's going to be a large task, but the company keeps coming through big for us." Bill Davis

"This puts a big load on us to try and get them people," Davis said. "It's going to be a large task, but the company keeps coming through big for us."

Ken Atkinson, the workforce education specialist for the Escambia school system, said it's committed to supplying the future generation of aerospace and aviation workers.

"We're very receptive to (ST Engineering)," he said.

Triumph Gulf Coast has approved \$3 million to boost what the school district already has in place, which includes a new aviation maintenance training building at George Stone, new tools and supplies for aviation maintenance education at Washington High School, and provides for advanced Science, Technology, Engineering and Math education to elementary students and more.

Meanwhile, Pensacola State College offers manufacturing certification, airframe and powerplant (A&P) certification and an airframe coatings and corrosion control certification. Its plans include developing an Avionics Technology program, a professional pilot program and associate's and bachelor's degrees associated with aviation, such as aerospace management and cybersecurity. Not to be outdone, the University of West Florida partners with the U.S. Air Force ROTC program, which has an aerospace studies degree. Also, it further supports the burgeoning aerospace industry in Northwest Florida with electronics and computer degrees.

Targeted investments in aerospace and aviation clusters often lead to even more companies. Florida currently ranks No. 2 in the nation for aerospace and aviation organizations and added more than any other state in the Southeast in 2017.

"We are very high on aerospace jobs. These are high paying jobs that our people can do and make a decent living." Don Gaetz

"We are very high on aerospace jobs," said Don Gaetz, the Triumph board chairman and former Senate president. "These are high paying jobs that our people can do and make a decent living."

Besides all the education and training programs, Florida military personnel attract top aerospace and aviation companies, such as ST Engineering, looking for their skills and experience. Florida is a big player in defense, with more than 20 major military installations. Meanwhile, Northwest Florida has a long tradition of supporting military aviation with Naval Air Station Pensacola first training military aviators more than 100 years ago to earn the nickname "The Cradle of Aviation," Additionally, the surrounding area includes Whiting Field, Hurlburt Field, Eglin Air Force Base and Tyndall Air Force Base.

The Pensacola delegation all expressed

enthusiasm in solidifying the city's partnership with the major Singapore company. Its airframe MRO division increased revenue by 19 percent in 2017 to \$1.74 billion. Its Pensacola Aerospace Campus, which is located just 65 miles east from the Brookley Aeroplex where it started in 1991, is projected to increase further those profits servicing commercial airlines and airfreight operators once it grows more than five times its current size.

The expansion is seen by many to strengthen the aerospace network in the region further.

"It is about that growth and where we've come in the last six years and the growth of ST Engineering," said Pensacola Mayor Ashton Hayward. "There's not one person that gets you over the finish line; it's about collaboration."

"What an awesome deal," Bergosh added. "I'm very bullish on ST Engineering."

Luth said, "They are global leaders, and it's very significant to have a partner like that. This is a giant step forward for everybody."

ST Engineering Aerospace President and CEO Vincent Chong said the memorandum of understanding benefits both the company and city.

"With today's milestone, our growth in the city of Pensacola will be advanced even further," Chong said.

Hayward agreed.

"The incredible partnership between the City of Pensacola and ST Engineering has brought forth a monumental opportunity to expand the I-10 aviation corridor and ignite transformational change to the region with economic impacts to be seen for generations to come," he said.

The collaboration between Pensacola and ST Engineering to establish one of the largest MRO facilities in the world has received recognition throughout Florida.

One Enterprise Florida official said the effort is a model for other communities and companies to follow.

"It's a good example of training programs supplying (ST Engineering's) growing workforce. There are tremendous opportunities like that all over Florida to find employees and train them." Katie Hogan

"It's a good example of training programs supplying (ST Engineering's) growing workforce," said Katie Hogan, Enterprise Florida's manager of aviation/aerospace and defense. "There are tremendous opportunities like that all over Florida to find employees and train them." *[in]*