

# VT MAE MRO Hangar Project at Pensacola International Airport Pensacola City Council - Agenda Conference

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For more detailed information:  
<http://cityofpensacola.com/1131/VT-MAE>

# Profile of VT MAE and the MRO Industry

- ST Aerospace is the world's largest airframe MRO (Maintenance, Repair and Overhaul) provider
- VT MAE is a subsidiary of ST Aerospace
  - Inception in 1991
  - Currently based in Mobile, AL (Brookley Field) with 900,000 square feet of MRO hangars and over 1,500 employees
  - Customers include all major airlines, FedEx and UPS
  - Since 1991, has delivered over 5,000 aircraft to customers

# Largest MRO Airframe Providers – 2016



MAINTENANCE, REPAIR & OVERHAUL > AIRFRAMES

## Top 10 MROs Worldwide Unveiled

## Top 10 Airframe MROs

Top 10 Airframe MROs

Company	Airframe Man-hours	Total MRO Man-hours	Total Revenue
<b>1. ST Aerospace</b>	<b>12.5 million</b>	<b>not disclosed</b>	<b>\$1.2 billion</b>
2. HAECO Group	10.3 million	12.8 million	\$1.8 billion
3. AAR	5.3 million	not disclosed	not disclosed
4. MRO Holdings	4.3 million	4.7 million	not disclosed
5. Lufthansa Technk	4.2 million	8 million	\$5.6 billion
6. AFI KLM E&M	3.7 million	not disclosed	\$4.6 billion
7. Ameco Beijing	3.1 million	4.8 million	\$230 million for third-party only
8. Turkish Technic	3.0 million	6.0 million	\$1 billion
9. Gameco	2.8 million	5.2 million	not disclosed
10. Aviation Technical Services	2.6 million	3.0 million	not disclosed

Source: Aviation Week Network. Based on 2016 reported man-hours and revenue.

# MRO Industry Trends

- Market demand is outpacing labor growth
- Shift to newer model aircrafts is creating an expertise gap
- Over the next 10 years, airlines will retire 10,311 older planes and add 20,444 newer technology planes
- Tomorrow's maintenance technicians will be in great demand with commensurate upward pressure on wages.
- MRO industry forecast to grow from \$75.6B to \$109.2B over next 10 years

Source: Oliver Wyman MRO Survey 2016 and 2017

# Construction Update



727.520.8181  
www.aerophoto.com

MRO Hangar  
(Pensacola International Airport)

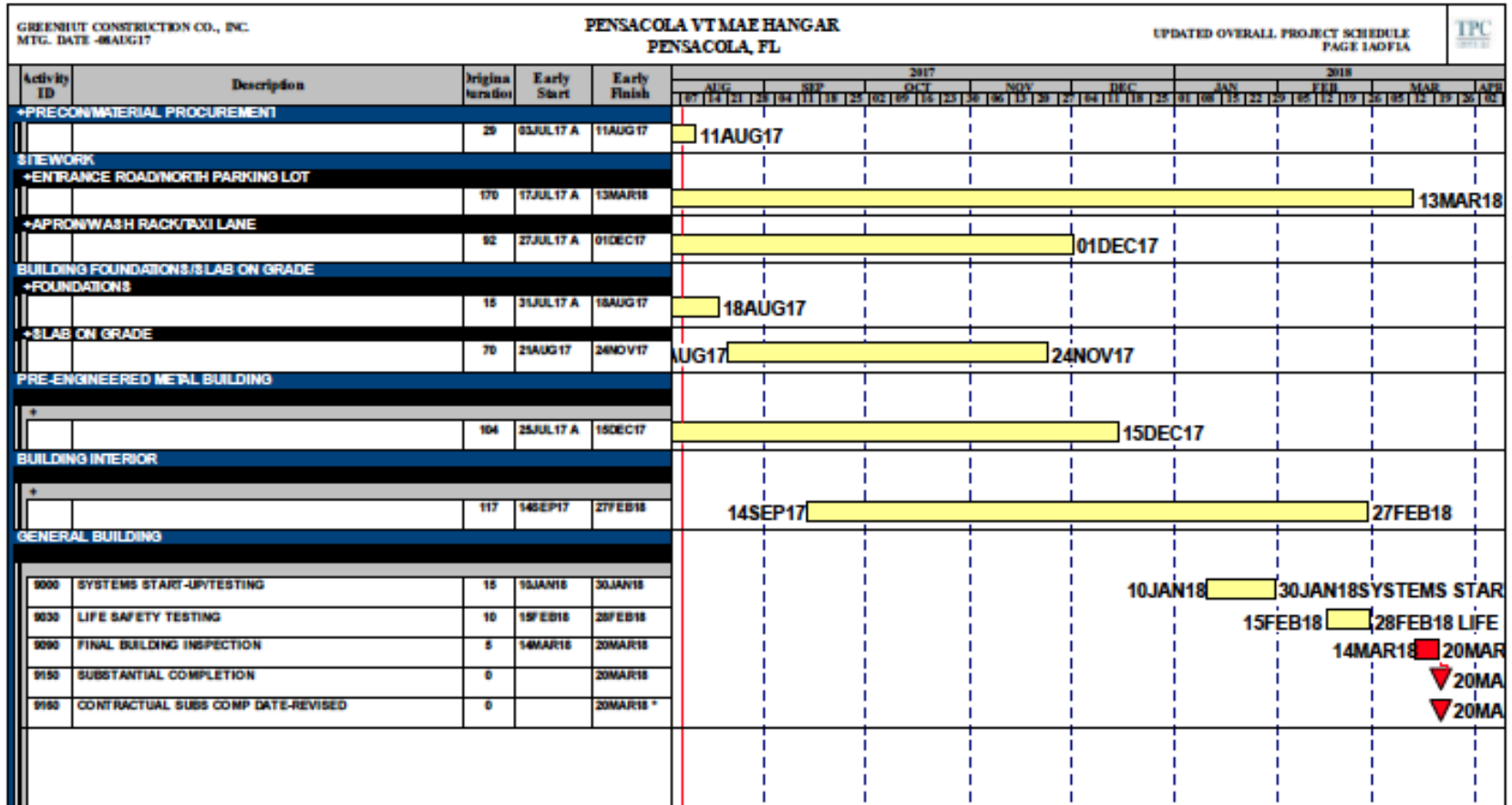
Image # 77  
Date 02.01.17

# Groundbreaking – October 28, 2016



# Construction Schedule

## Substantial Completion, March 20, 2018





# Construction Progress 9/5/2017



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MRO Hangar  
(Pensacola International Airport)

Image # 63  
Date 09.05.17

# Construction Progress 9/5/2017



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MRO Hangar  
(Pensacola International Airport)

Image # 61  
Date 09.05.17

# Construction Progress 9/5/2017



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MRO Hangar  
(Pensacola International Airport)

Image # 65  
Date 09.05.17

# Finished Concept

## 3D Renderings and Videos



# Construction Budget

- On Budget
- Construction Manager at Risk – Greenhut Construction
- Construction Administrator – Mott MacDonald
- A&E Team – Atkins Global
- Weekly communication with all team members and daily communication with airport director and contractors on-site.

# Economic Impact - Jobs

- Job commitment by VT MAE for 400 full time jobs
- Average annual salary of \$41,000
- Ripple Effect – The creation of 400 new jobs in the manufacturing sector creates 380 additional jobs in ancillary services (UWF Haas Center study – The Economic Impact of ST Aerospace)
- Hiring timeline:

Activity	Date
Begin recruitment for Leadership	In progress
Extend offers for Leadership team	In progress
Leadership team to hire 150 workers	November 2017
Workers begin 3 month training in Mobile	January 2018
Facility opens in Pensacola – Employment ramp-up	March 2018

# Economic Impact – Workforce Development

- Workforce Development
  - Goal is to align education with economic development
  - Coordination of resources with FloridaWest
  - Booker T Washington Aviation Career Academy
  - George Stone Technical College – Aviation Maintenance Technology Program
  - Pensacola State College – Associate of Science degree in Avionics Technology
- Funding Sources
  - Workforce Florida – Quick Response Training (QRT) Program provides up to \$450,000 in training grants
  - Career Source Escarosa – Provides up to \$100,000 for On-the-Job (OJT) training programs

# Future Possibilities?

- City will aggressively pursue all growth opportunities for economic development and new job creation in the MRO and Aviation space. Available funding sources include the Florida Job Growth Grant Fund and Triumph funds.
- Possible Phase 2 for additional MRO growth
- Possible relocation of ancillary services to Pensacola
- Possible relocation of Corporate HQ
- Possible migration of related suppliers and vendors



# Future Vision?



# Future Vision?



# Future Vision?



