

Spirit AeroSystems to invest \$600 million, bring 1,100 jobs to Kinston

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Spirit AeroSystems, a leading supplier to the aerospace industry, plans to locate a plant at the Global TransPark, making an investment of \$600 million and creating about 1,100 jobs in its initial phase, sources said Friday.

The formal announcement is expected Wednesday morning, when the Global TransPark Authority is to meet in Kinston. Spirit filed a certificate of authority May 1 with the state Secretary of State to do business in North Carolina.

That announcement represents the culmination of about 18 months of negotiations between Wichita, Kan.-based Spirit and the state, which owns the TransPark, and, more importantly to Kinston, better than 15 years of waiting for a breakthrough success at the GTP.

A source familiar with the deal, who requested anonymity because an official announcement is pending, says Spirit's investment promises to have that kind of impact — becoming the anchor for the TransPark's growth, the "home run" local leaders have longed hoped the often-derided industrial park would produce.

"It wouldn't be out of the question to see 4,000 to 5,000 jobs (created) over the next five to seven years," the source said. "In my mind, it's transformational for Eastern North Carolina because it puts us in the aerospace game the way only Wichita and Seattle are now."

Spirit AeroSystems was owned by Boeing until 2005 when the Onex Corporation bought the company. Spirit became a standalone company later that year.

The company manufactures several components for aircraft such as the Airbus, 787s and business jets. Some of those components include fuselages, under-wing components, composites, wings and spares. Spirit also does repairs for various aircraft.

In addition to its Wichita location, the company has operations in Tulsa and McAlester, Okla., Prestwick, Scotland, and Sablesbury, England.

Company officials did not immediately respond to a phone message and email sent Friday to Spirit's Wichita headquarters.

GTP Executive Director Darlene Waddell declined comment Friday. Lenoir County Economic Development Director Mark Pope could not be reached for comment.

Spirit AeroSystems, which is listed on the New York Stock Exchange as SPR, reported a strong first quarter this year, according to a news release on the company's Web site.

The company's first quarter revenue grew 9 percent compared to the same quarter in 2007, from \$954 million to nearly \$1.04 billion. Spirit's annual revenues increased 20 percent from 2006 to 2007, from \$3.208 billion to \$3.861 billion.

Spirit's ties to Boeing played a role in bringing the company to the TransPark, the odd result of Kinston's being rejected in 2003 as a site for the construction of Boeing's new 7E7 Dreamliner passenger plane. Though Boeing decided to keep the work in Washington state, the GTP appeared on a three-site short list and its attributes apparently stuck with Boeing.

The aerospace giant steered at least two Dreamliner suppliers, including Spirit competitor Vought, to the GTP, but those jobs — like the 1,200 jobs associated with a Boeing plant — went elsewhere.

Rumors had been circulating around Kinston since late last year that a major manufacturer, most often said to be Boeing, would be locating at the GTP.

In landing Spirit, the TransPark has essentially reclaimed what it lost with Boeing and for the same reasons.

"Some of the origin (of the deal) is really back to the Boeing recruitment," said the source. "The TransPark got a lot of visibility in that."

Ultimately, Spirit was sold on "the assets of the TransPark, the work ethic and the work force capability that could be marshaled. Obviously, there were some economic incentives in this package that would make it attractive."

The source would not comment further on incentives. The state offered Boeing a package valued at more than \$534 million.

During the Boeing courtship, the state emphasized the GTP's proximity to military installations like Seymour Johnson Air Force Base in Goldsboro and Cherry Point Marine Corps Air Station in Havelock where for decades workers in the region have developed skills related to airplane manufacturing and repair.

Aeronautics then became a theme in development of the TransPark, a shift from its original effort to appeal to a broad range of manufacturers. That focus brought the GTP some success in the past few years as it landed several companies but a relatively small number of jobs.

With Spirit, said the source, the GTP could become "a center of excellence for composite aircraft manufacturing."