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Piper to stay in Vero Beach

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VERO BEACH — Piper Aircraft Inc. spent more than a year entertaining offers from other cities and states, but in the end decided to keep its headquarters in the town where it has operated for more than 50 years.

Company executives and Gov. Charlie Crist announced Wednesday that Piper would remain and expand in Vero Beach - a huge relief to the local employees, whose careers were in limbo as the search dragged on.



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"This is a win for Indian River County, this is a win for Piper, this is a win for Florida, this is a win for you," Crist told a large crowd of jubilant workers during an event Wednesday at Piper's headquarters at Vero Beach Municipal Airport.

The company's strong base of local employees and a \$32 million incentive package were driving factors in Piper's decision to choose Vero Beach over two other finalists - Albuquerque, N.M., and Oklahoma City - President and Chief Executive Officer James Bass said.

"We have a skilled workforce and many talented people throughout the state," Bass said. "This is a demonstration that Florida is a friend of business."

The \$32 million includes \$12 million that Indian River County commissioners agreed to contribute last month and \$20 million from Crist's Quick Action Closing Fund.

In exchange for the money, Piper must have 1,417 employees by 2012 and maintain that employment level for at least three years. The plant now employs about 1,200 workers - most of whom attended Wednesday's announcement.

The company also must prove it has at least 75 orders and \$5 million in deposits for its new PiperJet, invest \$20 million in local product development and \$21.3 million in capital equipment.

If it doesn't meet those benchmarks, Piper will be docked some of the incentive money.



Bass declined to reveal the exact amounts of the incentive offers from Albuquerque and Oklahoma City but said they were "extremely competitive." So were offers from other cities, he said.

"When we announced the PiperJet (in 2006), we had over 65 different communities actively trying to woo us," Bass said.

It's no big surprise that the company decided to stay in Vero Beach, said Raymond Jaworowski, senior aerospace analyst for Newtown, Conn.-based Forecast International Inc.

"Vero Beach was probably always the front-runner," he said Wednesday.

Piper's decision means it will enter a new era of manufacturing on the Treasure Coast as it develops the PiperJet, its first plane with a turbofan engine.

About 200 orders with refundable deposits have been placed for the aircraft, Bass said.

"It definitely has some promise," Jaworowski said of the new plane.

Piper, which is part-owned by Bethesda, Md.-based American Capital Strategies Ltd. (Nasdaq: ACAS, \$31.52), plans to use the \$32 million incentive package to buy equipment and renovate its 700,000-square-foot plant, which suffered severe damage during the 2004 hurricane season.

Luckily, the company's insurance premiums have dropped 50 to 70 percent after jumping from \$400,000 to about \$4.5 million after the 2004 hurricanes, CEO Bass said.


Shantrel Jennings, 25, who works in fuselage assembly, said she was ecstatic.

"We have to take care of our families," said the Vero Beach resident, who has worked at Piper for three years.

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