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Smith Reynolds Airport could land \$6.5M deal

Premium content from The Business Journal by Katie Arcieri, Reporter

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Smith Reynolds Airport is in the process of finalizing a lease with Piedmont Propulsion Systems LLC that could represent a 40-year deal worth nearly \$6.5 million.

The deal with Piedmont Propulsion Systems is significant because it not only breathes new life into a vacant **US Airways** landing gear building at Smith Reynolds but also provides a new revenue stream for the airport, which has struggled financially since the demise of **Pace Airlines** three years ago.

Airport officials said the 10-year lease with Piedmont Propulsion Systems comes with three 10-year options, which could potentially guarantee a steady stream of revenue for the airport during the next four decades. The company's annual rent will be \$161,648, or about \$6.5 million over 40 years.

In addition to providing a new revenue stream, Piedmont Propulsion Systems is adding 25 jobs on top of its 35 current employees at the airport. Average annual wages for the new positions will be \$34,304.

The employees are needed to repair high-end propeller blades for the regional, corporate and military aircraft market. The company also plans to invest about \$2 million into its operations at Smith Reynolds, including training and manuals for employees.

"It's just terrific for us to get a high-quality tenant and company like Piedmont Propulsion to commit to such a long-term arrangement with the airport," said [Tom McKim](#), chairman of the Airport Commission of Forsyth County.

Landing a deal

Piedmont Propulsion Systems has been sharing about 30,000 square feet at the Smith Reynolds Airport with Piedmont Aviation Component Services, but needed to expand as it expects new business from both the military and helicopter market. The company also sees a large market for repairing propellers on the Bombardier Q400 aircraft.

"It's a very old building; it's an inefficient building," said [Aaron Hollander](#), CEO of Connecticut-based **First**

Aviation Services Inc., the parent company of Piedmont Propulsion Systems. "We need a modern facility."

Hollander said that Piedmont Propulsion Systems had considered other areas within North Carolina as well as Memphis, Tenn., where First Aviation Services has another subsidiary called **Aerospace Products International**.

But he said the company's first choice was to stay at Smith Reynolds, where it already has a talented work force.

Local, state and airport officials jumped to action. The state provided a \$50,000 grant while the airport is providing \$400,000 worth of improvements that will include upfits to the landing gear facility.

Under the lease, Piedmont Propulsion Systems will initially occupy 40,412 square feet of space within the landing gear facility at the airport this spring, said [Mark Davidson](#), the airport's director. The company is expected to eventually occupy the entire 54,396-square-foot landing gear facility, he said.

Once the lease is finalized, companies will have leased about half of the 511,000 square feet of leasable building space owned by the Airport Commission of Forsyth County.

Growing an MRO hub

The deal also is significant because it will help the Smith Reynolds Airport brand itself as a center for maintenance, repair and overhaul operations. The airport has been busy building on that vision with last year's announcement that aviation maintenance firm North State Aviation would add more than 300 jobs to Smith Reynolds during the next four years. Thus far, the company has about 32 full-time employees and plans to add another 70 by the year's end.

[Charles Creech](#), former president of Pace Airlines and current president of North State Aviation, said that Piedmont Propulsion Systems' plans to expand will help identify the airport as a "strong, aviation rich community."

With companies including **TIMCO Aviation Services** and Honda Aircraft Co., the Triad is now home to many different types of aviation companies that provide an array of employment opportunities, Creech said.

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