

Testimony from Thomas Swoyer, Jr  
Grand Sky Development Company LLC

Good Morning Chairman Holmberg and members of the committee. Thank you for the opportunity to be with you virtually. My name is Thomas Swoyer, Jr and I am the President of Grand Sky Development Company. I am with you today to advocate for continued investment in infrastructure at Grand Sky. My colleagues that have spoken before me and those that will speak after me will offer examples of success and opportunity in the Unmanned Systems industry in North Dakota and I appreciate this opportunity to share Grand Sky's story today.

Grand Sky is a public/private partnership between the US Air Force, Grand Forks County and my group, the Grand Sky Development Company. Together we have executed a 50-year agreement to develop 217 acres on Grand Forks AFB and turn it in to a state-of-the-art, commercial Unmanned Aircraft Airport and Business Park. Grand Sky is one of the only places that supports the commercial development and operations of the largest unmanned aircraft in the world. We're focused on developing the capabilities needed to support flight operations that span not only the upper plains but the entire United States. More recently, Grand Sky has supported international operations and has contributed to the growing national and international reputation of North Dakota's UAS industry. In fact, just this morning, in support of the North Dakota Trade Office, many of us joined in an hour-long pitch to representatives of over 50 European based companies looking for a place in the United States to bring their business. This October will mark the 10<sup>th</sup> anniversary of the Grand Sky's beginning. Over the past 10 years of our shared journey we have seen some incredible successes, but those successes would not have been possible if not for the investment in infrastructure from the State of North Dakota.

Last year, Grand Sky celebrated many successes, but I want to share two with you. Over the summer, Northrop Grumman conducted 10-weeks of flight test for their Firebird aircraft. This effort brought over 40 people representing multiple companies from around the United States. This team came to Grand Sky for more than 10 weeks of non-stop flight activity. While the pandemic ravaged many local businesses this flight test effort supported over 2,000 room nights and tens of thousands of dollars of catering that supported struggling restaurants. While hotel rooms and catering are all great, the real upside was the multiple federal agencies that came to Grand Forks to see the flight tests but left knowing that Grand Sky is a world-class test and evaluation center and will be looked to in the future for other flight tests.

Another important success revolves around the training of pilots and sensor operators for our NATO allies. Members of the Royal British Air Force came to Grand Sky to conduct multiple training classes. Word of the efficacy of these training sessions have resulted in agreements to bring members of the Air Forces of Belgium, Italy, Spain, India, Taiwan and Japan for weeks of training in 2021. The point I want you to leave with is that tests like this will renew in 2021 with the first flights scheduled in February. More training results in more investment in simulators, hangars, classrooms and other buildings to support it all. The investments made to date in Grand Sky are yielding consistent economic benefits for North Dakota.

The Firebird flight tests, and NATO training efforts are examples contributing to the larger economic development story. There are three key economic development metrics that I'd like to share with you. So far, Grand Sky produces roughly \$19.3M per year in wages from direct, indirect and induced business activity. Roughly 175 people report to Grand Sky every day for work with another 167 that indirectly support Grand Sky. Another 400-600 people per year come to Grand Sky for training, official visits, flight operations and other reasons. These visits are as short as 2 or 3 days or, as we saw with the Firebird example, as long as 10 weeks or more. Perhaps the most important economic metric is the ratio of public to private investment at Grand Sky. We are grateful for the Legislature's vision and desire to invest in Grand Sky over the past decade. Over those 10 years, the Legislature has seen fit to appropriate \$21 million for infrastructure at Grand Sky. That investment has been used to repair and replace aircraft aprons, and to install new roads, electric lines, natural gas, water and sewer and security infrastructure necessary to attract the private sector investment that brings the jobs and economic activity. It is very important to note that none of the State's investment has gone to support private buildings. The appropriations have been used for investing in infrastructure like roads, utilities, aprons and similar necessities. The \$21M that has been appropriated has resulted in roughly \$70M in private sector investment in offices, hangars, labs, flight infrastructure and security. Grand Sky has leveraged more than \$3 of private sector investment for every \$1 of state investment. The benefit of the State's investment in Grand Sky is economic activity, jobs and private sector leverage. None of this is possible without the investment in the underlying infrastructure.

The final element that I would like to leave you with is an understanding of where we are headed. Grand Sky is growing. The funding we are requesting will go to extending infrastructure into the park to create more developable area. Grand Sky is moving into a new development phase. We have leased 35 of the 40 developable acres that have access to the runway, we need to create more. We are about to complete construction of our newest asset, our Multi-Tenant building called MT1. Grand Sky Development Company is the equity investor in MT1 which began in autumn of 2019 and is almost complete. While its not yet ready to move in, we have already executed tenant leases for three of its eight suites and are in negotiation with a single tenant for the remaining five. The \$7 million building will be totally leased up before it is complete. We're already planning for MT2 and MT3 and both of our anchor tenants have expansion plans to add more hangars, training space and other assets that will bring more flight test work, more employment and more business to North Dakota.

Thank you for your time and I will be available for any questions.