

Aerospace firm says WNY is still in its plans

BY DAVID TROESTER
BUSINESS FIRST

Despite delays, a fledgling Minnesota aerospace company insists it will move operations to Wheatfield.

Stavatti Corp. of South St. Paul, had planned to occupy 30,000 square feet at the Wheatfield Business Park (formerly Bell Aerospace Tectron plant) by January of this year. The company plans to build a prototype fighter jet, Stalma (short takeoff advanced light multi-role aircraft), and then go into production. Difficulties in obtaining financing have delayed the project.

"We expect to raise \$6 million in the next couple months. It shouldn't be that big of a deal, when working with a banking investment firm," said Phillip Goebel, Stavatti senior vice president. The company has a \$50,000 commitment from Dakota County Capital LLC in Minnesota, he said. The money will be used to raise additional funds through a private stock offering.

It will enable Stavatti to start up in Wheatfield. "That (\$6 million) provides enough money to pay the employees for a substantial period of time and get some work done towards proceeding along the business

plan," Goebel said.

Updated plans call for locating in Wheatfield by spring 2000 with production by 2002 of the Sleek, a general aviation aircraft. Stalma production is planned by 2005.

Stalma is designed to compete against five aircraft in the next 15 years: Lockheed Martin F-16C, Boeing F/A-18C, British Aerospace Typhoon, Dassault Rafale and Saab JAS 39 Gripen. It will be marketed to U.S. allies and NATO countries. Stalma export productions range from \$17 billion to \$34 billion. One Stalma will initially sell for about \$28 million.

"I've been watching how the market has been going, and personally, my opinion is this is probably one of the few times in history that somebody that has not been in the market before has a chance to break into it," said David Murphy, a weapons systems analyst

Stavatti Corp.

■ **Headquarters:** South St. Paul, Minn.

■ **President:** Christopher Beskar

■ **Target:** Stavatti hopes to employ 112 at Wheatfield Business Park by July 2001.

from a Washington, D.C.-based defense company. Murphy has reviewed Stalma plans.

"I'm very positive that they're going to work very diligently to try to raise the initial

capital to make the move," said John Simon, executive director of the Niagara County Industrial Development Agency. "They look at the former Bell Aerospace facility as a perfect site for them." The IDA and Empire State Development Corp. are offering Stavatti financial incentives for a move to Wheatfield.

"Buffalo used to be an aerospace source," said Roman Paryz, manager of the transonic wind tunnel at Veridian Engineering in Cheektowaga. The tunnel is used to test aircraft models. Virtually all aircraft in the United States have been tested at the site. Paryz is familiar with Stavatti but declined to say whether Stalma has been tested at Veridian.

"To have an aircraft manufacturer back in town that would be a good plus," he said. "All of the sudden it's another aerospace company that Veridian can support. It's going to give us another customer."

NFTA awards contracts for airport expansion

Construction contracts totaling \$4.8 million were awarded Sept. 3 by the Niagara Frontier Transportation Authority to initialize a \$90 million airport expansion project.

DiPizio Construction Co. Inc. of Cheektowaga was awarded a \$1.83 million contract for excavation, paving and drainage work. The work is being done in preparation to build seven gates on the East Concourse of the Buffalo Niagara International Airport terminal. The work by DiPizio will include extension of taxiway D at the airport, installation of new drainage and asphalt.

The Rome Iron Group Ltd. of Rome, N.Y. was awarded a \$2.43 million contract to provide and erect structural steel for the ter-

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