

Tax Abatement Agreement with GE On Wing Support (GE Aerospace)

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Company Overview

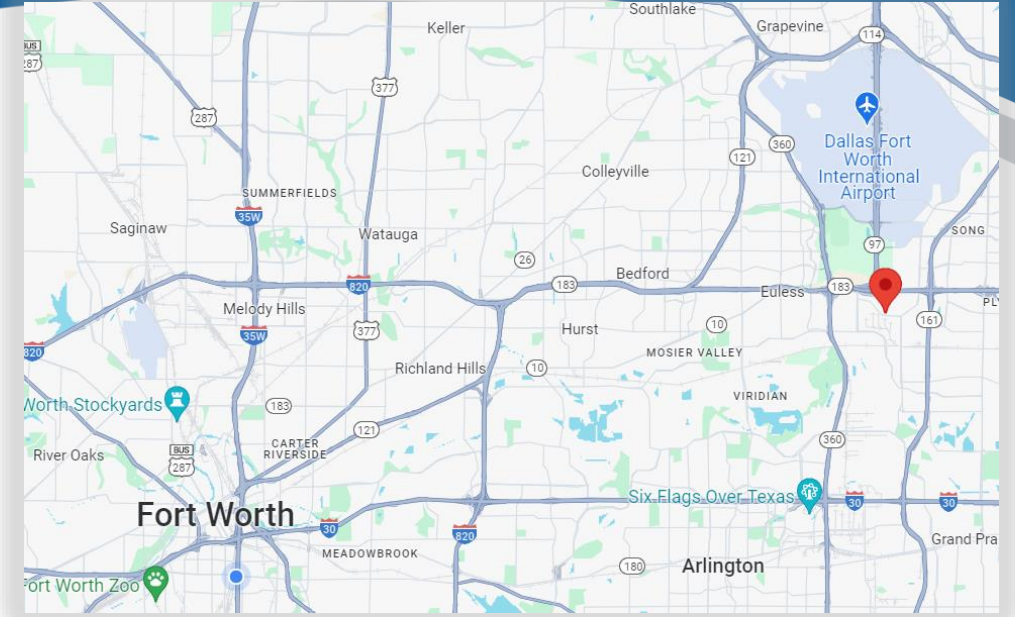
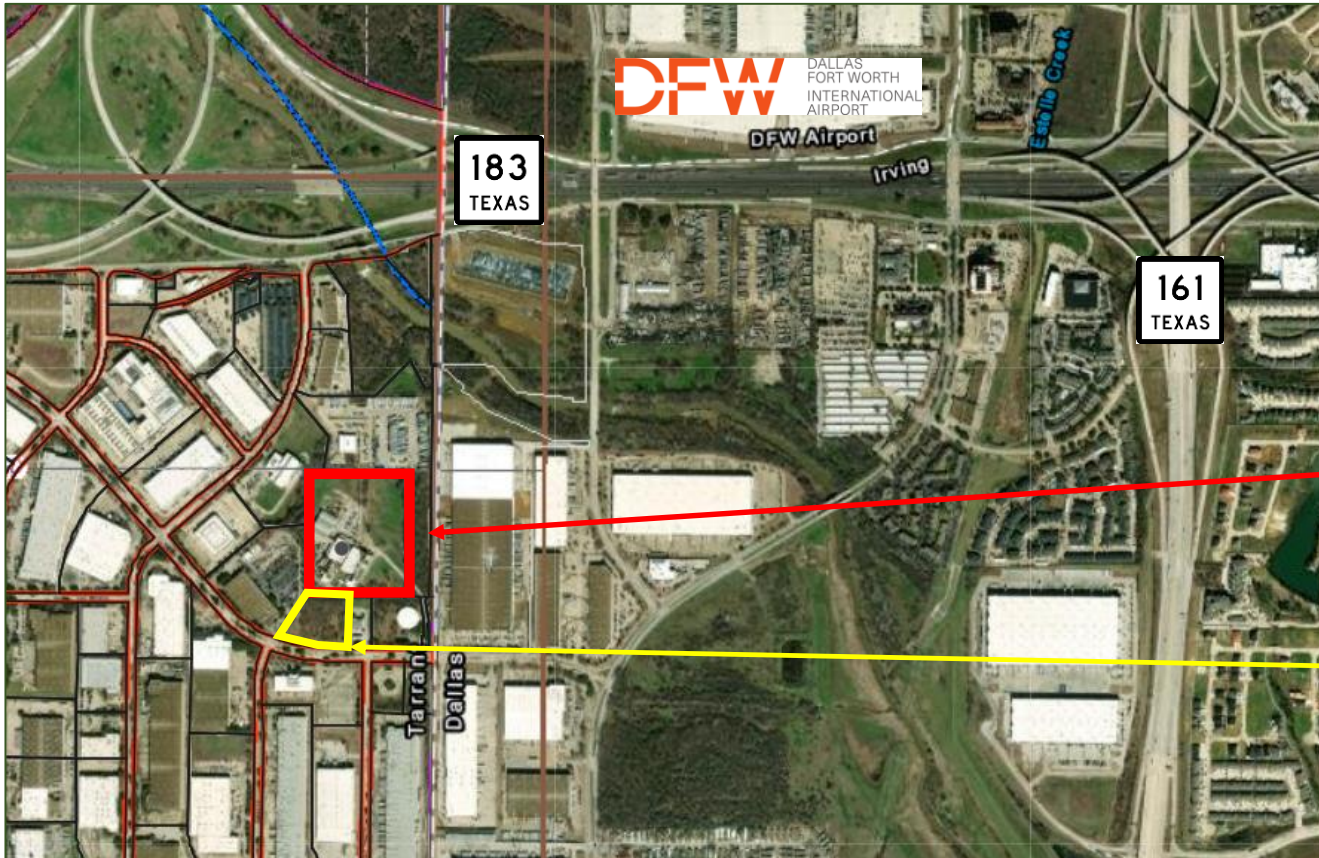


GE Aerospace

- GE Aerospace is a world leader in providing aircraft engines, systems and avionics. GE On Wing Support, Inc. is a legal entity of GE Aerospace
 - ✓ GE On Wing Support (OWS) is a full-service provider of engine maintenance and repair, with eight (8) facilities across the globe, **including a current facility in Fort Worth at 15225 FAA Blvd**
 - ✓ Competing Sites for this project at sister facilities in Oklahoma, Kansas, Tennessee and Ohio
- GE Aerospace has over 52,000 employees
 - ✓ OWS has more than 300 employees worldwide and **65 based in Fort Worth** in test cell and engine maintenance operations
- GE Aerospace had \$38.1B in revenue in 2023

Project Location

15225 FAA Blvd.



Current location at 15225 FAA Blvd.
14.8 Acres, current building 84,344 SF

Additional site at 15101 FAA Blvd of
3.25 Acres, greenfield

Project Overview

GE On Wing Support, Inc. plans to expand their current facility at 15225 FAA Blvd, and adjacent parcel 15101 FAA Blvd, for a larger single footprint over both sites

- Proposed capital investment of **\$50M**
- **100** additional full time jobs, for a total of **165** at the site
- Expected average annual salary for all jobs > **\$70,000**

Company Commitments

- Proposed capital investment of **\$50M**
 - **\$37.5** million in real property improvements by Dec 31, 2026
 - **\$12.5** million in business personal property by Jan 1, 2027
- **100** additional full time jobs by Dec 31, 2026
- Minimum average annual salary for all jobs > **\$70,000**
- 15% of construction costs to BEF companies

Overview of Proposed Incentive Terms

7-year Tax Abatement of up to **60%** of Incremental Real & BPP

- Abatement is subject to company performance requirements
 - Failure to meet **minimum investment** results in **default**
 - Failure to meet **min. \$70,000 average salary** requirement results in **forfeiture** of annual abatement
 - Failure to meet full **jobs commitment** results in **reduction** of abatement
 - Failure to deliver **15% of construction costs to BEF** companies results in **10% reduction** of abatement
- Additional rights, requirements, and penalties apply as negotiated

Project Summary

Private Investment

- Min. \$50.0 Million total capital investment
- Min. \$37.5 Million in Real Property Improvements by 12/31/2026
- Min. BPP of \$12.5 Million

Employment

- Create 100 new FTEs by 12/31/2026
- Minimum Average Annual Wages: \$70,000

7-year incentive proposal

- Up to 60% of the incremental increase in value of real and business personal property estimated at \$1.2 Million

Private/Public Ratio

Est. Benefit	\$1.2 Million
NPV Benefit	\$0.967 Million
City Participation	2.4%
Est. Ratio	41.1:1

CFW Tax Revenue (10 yr. projection)

Net New Taxes (gross)	\$ 811,784
Net New Taxes (NPV)	\$ 645,185

Payback

3.88 years

Recommendation

- Enter into a 7 year tax abatement agreement on up to 60% of the incremental value of real and business personal property taxes
- M&C for City Council consideration: August 13th

Thank you

