

# Tax Abatement Agreement with Embraer Aircraft Maintenance Services

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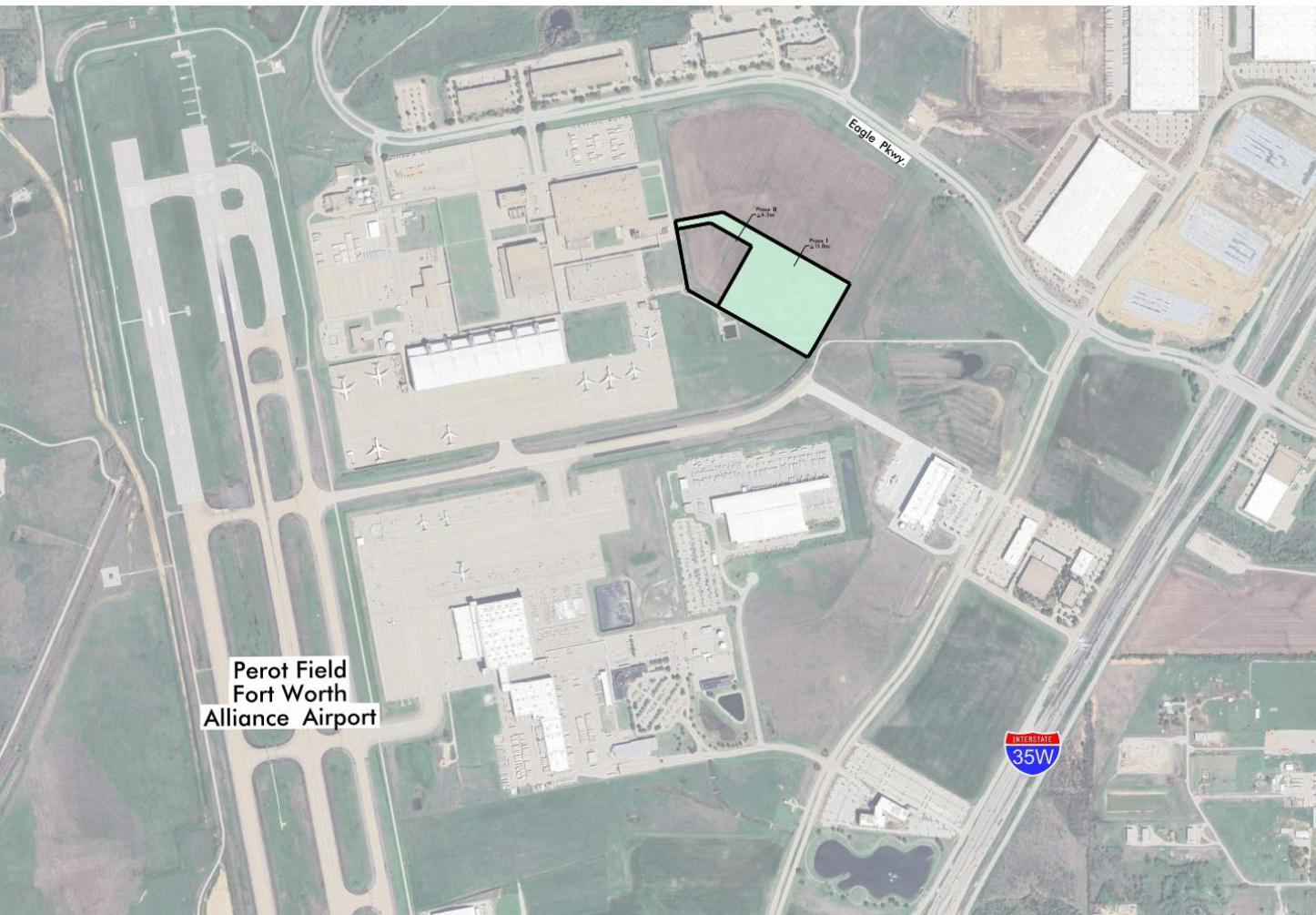
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# Company Overview

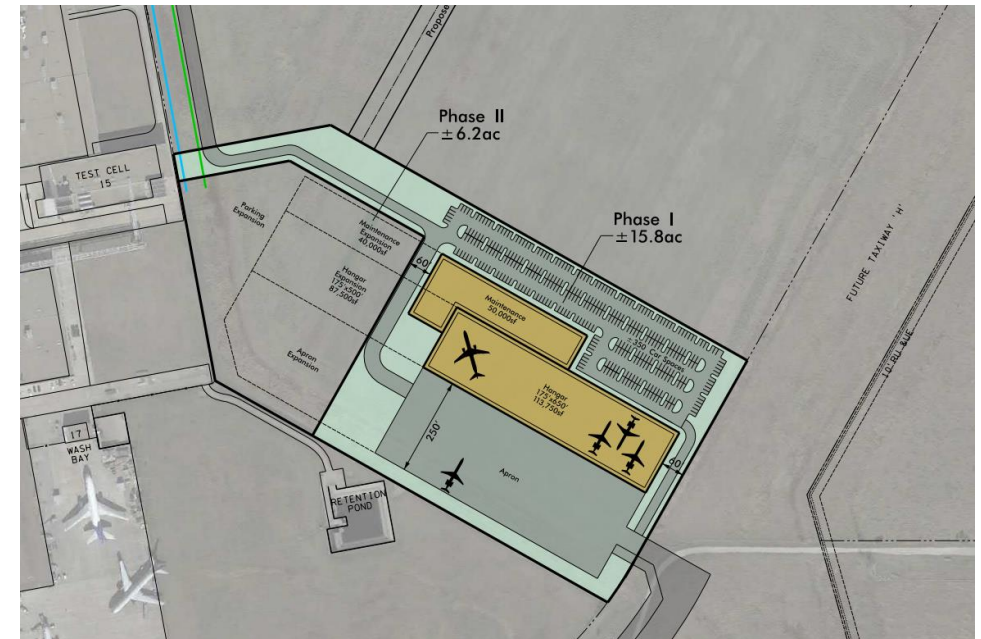


- Embraer S.A. is a Brazilian multinational aerospace corporation, the third largest producer of civil aircraft worldwide after Boeing and Airbus
  - Headquarters located in Sao Paulo, Brazil. Offices in Washington D.C. and Fort Lauderdale.
  - Embraer S.A. had \$5.27B in revenue in 2023 with 22,000 employees worldwide
- Embraer Aircraft Maintenance Services is a subsidiary of Embraer S.A., based in Nashville TN, with additional location at Macon GA
- Embraer Aircraft Maintenance Services has 550 employees

# Project Location - Greenfield at Alliance



*In proximity to Perot Field Fort Worth Alliance Airport and Eagle Pkwy*



# Project Overview

*Company proposes to develop a maintenance, repair and overhaul operation for commercial aircraft and related parts, at an approximately 16-acre greenfield site in partnership with Hillwood, with access provided via Eagle Parkway, and in proximity to Perot Field Fort Worth Alliance Airport*

- Proposed capital investment of **\$57M**
- **250** full time jobs
- Expected average annual salary for all jobs > **\$67,000**

# Company Commitments

- Proposed capital investment of **\$57M**
  - **\$42** million in real property improvements by Dec 31, 2026
  - **\$15** million in business personal property by Jan 1, 2027
- **250** full time jobs by Dec 31, 2029 (100 minimum by Dec 31, 2026)
- Minimum average annual salary for all jobs > **\$67,000**
- 15% of construction costs to BEF companies

# Overview of Proposed Incentive Terms

## 7-year Tax Abatement of up to **50%** of Incremental Real & BPP

- Abatement is subject to company performance requirements
  - Failure to meet **minimum investment** results in **default**
  - Failure to meet **min. \$67,000 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. \$57.0 Million total capital investment
- Min. \$42.0 Million in Real Property Improvements by 12/31/2026
- Min. BPP of \$15.0 Million

## Employment

- Create 250 new FTEs by 12/31/2029
- Minimum Average Annual Wages: \$67,000

## 7-year incentive proposal

- Up to 50% of the incremental increase in value of real and business personal property estimated at \$1.2 Million

## Private/Public Ratio

Taxable Value	\$47.1 Million
Est. Benefit	\$1.2 Million
NPV Benefit	\$0.974 Million
City Participation	2.2%
Est. Ratio	46.5:1

## CFW Tax Revenue (10 yr. projection)

Net New Taxes (gross)	\$ 1,226,540
Net New Taxes (NPV)	\$ 974,882

## Payback

3.25 years

# Recommendation

- Enter into a 7 year tax abatement agreement on up to 50% of the incremental value of real and business personal property taxes
- M&C for City Council consideration Oct 15<sup>th</sup>



# Thank you

