

AN ORDINANCE 2006-06-29-0744

**AUTHORIZING EXECUTION AND APPROVING THE TERMS OF  
A 10-YEAR TAX PHASE-IN AGREEMENT WITH SINO-  
SWEARINGEN AIRCRAFT CORPORATION TO EXEMPT 100%  
OF AD VALOREM TAXES ON ALL REAL AND PERSONAL  
PROPERTY IMPROVEMENTS AND TO EXEMPT 65% OF AD  
VALOREM TAXES ON ANNUAL INVENTORY.**

\* \* \* \* \*

**WHEREAS**, Sino Swearingen Aircraft Corporation (Sino) was formed 17 years ago in 1989 as a partnership between Swearingen Aircraft Corporation of San Antonio and Sino Aerospace Investment Corporation of Taiwan to develop a new corporate business jet, SJ30-2 jet, which will become the world's fastest and longest-range light business aircraft and the first new American corporate jet designed for manufacture in 45 years; and

**WHEREAS**, Sino maintains four facilities in the United States with its company headquarters and research/testing operations located in a 129,838 sq. ft. facility at the S.A. International Airport (District 9) and presently employs 469 aerospace executives, engineers and mechanics at this facility, with an additional 148 employees at locations in West Virginia and Orange County / John Wayne Airport in Santa Ana, California and Long Beach, California; and

**WHEREAS**, Sino is currently considering S.A. International Airport and its site in West Virginia as potential sites for a final 214,000 square foot manufacturing/assembly facility that will produce 100 aircraft per year (the "Project"), and the company has received final FAA certification on the SJ30-2 jet and expects to begin final assembly and production of the jet in 2006; and

**WHEREAS**, Sino is seeking up to 24.9 additional acres of land adjacent to their current 11.7 acre airport site for construction of a new manufacturing facility, which involves a total capital investment of about \$70 million, including \$20 million for the building, furniture and fixtures, tools and equipment and about \$50 million in annual aircraft inventory; and

**WHEREAS**, Sino intends to create a minimum of 850 jobs by the end of 2012, with an annual average wage of \$50,000/year, and an estimated total annual payroll of \$55 million and to locate this Project in San Antonio, Sino is seeking a tax abatement for the associated improvements and inventory; and

**WHEREAS**, the Project qualifies under the Joint Tax Phase-In Guidelines for a 10-year, 100% tax abatement and the Project supports the City's *Strategic Plan for Enhanced Economic Development* by: (1) encouraging the retention and expansion of local businesses; and (2) promoting continued growth in the targeted industries of aerospace and manufacturing; and

**WHEREAS**, this Project also promotes the retention and creation of good paying jobs for our community, and establishes San Antonio as a manufacturing center for aerospace/aviation, strengthening our community's efforts to improve the aerospace and manufacturing sectors of our economy; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Council authorizes execution and approves the terms of a 10-year Tax Phase-In Agreement with Sino-Swearingen Aircraft Corporation to exempt 100% of ad valorem taxes on all real and personal property improvements and to exempt 65% of ad valorem taxes on annual inventory.

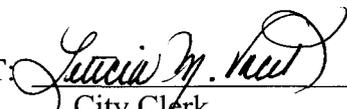
**SECTION 2.** The City Manager or her designee is authorized to execute the Agreement approved in Section 1 within sixty (60) days from the effective date of this ordinance.

**SECTION 3.** This ordinance shall be effective on the tenth (10th) day after passage.

**PASSED AND APPROVED** this 29<sup>th</sup> day of June 2006.

  
M A Y O R

**PHIL HARBERGER**

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
for City Attorney