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WHEREAS, the City of Dallas (“City”) recognizes the importance of its role in local economic development and the public purposes of fostering economic growth; and

WHEREAS, investment decisions made by business owners, developers, and property owners are often significantly influenced by a municipality’s ability to provide economic development incentives; and

WHEREAS, it is in the interest of the City to support and secure the development, redevelopment, establishment, expansion, and relocation of businesses within the City for the economic vitality and employment opportunities that these businesses bring for Dallas residents; and

WHEREAS, on May 26, 2021, the City Council adopted an Economic Development Policy 2022-2032 (Policy) by Resolution No. 21-0927, which was revised on January 25, 2023 by Resolution No. 23-0220; and

WHEREAS, on January 25, 2023, City Council authorized the City of Dallas Economic Development Incentive Policy by Resolution No. 23-0220, and as amended by Resolution No. 24-0435; and

WHEREAS, the Economic Development Incentive Policy provides negotiated incentives such as Chapter 380 economic development grants for qualified business development projects that promote economic development, stimulate private sector investment, encourage job creation, and grow the tax base in the City; and

WHEREAS, HAECO Global Engine Support, LLC and/or an affiliate (HAECO Global) desires to open a new engine repair facility and is evaluating whether to locate a new aviation engine repair facility at a 290,000 square foot building to be leased at 11124 Goodnight Lane, Dallas, TX 75229 (Dallas Facility) or relocate the operation to North Carolina; and

WHEREAS, the City desires to support the creation of jobs and selection of Dallas as HAECO Global’s new Dallas Facility and, therefore, desires to enter into a conditional grant agreement with HAECO Global in an amount not to exceed \$500,000.00 payable from the Public Private Partnership Fund to support the relocation and creation of a total of 170 full-time jobs and a minimum capital investment of \$17.5 million at the Dallas Facility; and

WHEREAS, the City finds that the relocation will not be undertaken within the city without an offer of economic development incentives from the City; and

WHEREAS, the City finds that the relocation will significantly advance the public purpose of economic development within the city by assisting with the creation of full-

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time jobs with an average salary greater than the Living Wage.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager is hereby authorized to execute a Chapter 380 Economic Development Grant Agreement (“Grant Agreement”) in the amount of \$500,000.00 with HAECO Global Engine Support, LLC and/or an affiliate (HAECO Global) approved as to form by the City Attorney in consideration of a new aviation engine repair facility to be located at 11124 Goodnight Lane in accordance with the City of Dallas Economic Development Incentive Policy.

SECTION 2. That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

SECTION 3. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$500,000.00 to HAECO Global in accordance with the executed grant agreement from Public Private Partnership Fund, Fund 0352, Department ECO, Unit X163, Object 3016, Activity PPPF, Program HAECO, Encumbrance/Contract No CX-ECO-2025-00026621, Vendor VC0000033754.

SECTION 4. That the Chapter 380 economic development grant (Grant) in an amount not to exceed \$500,000.00 to HAECO Global is hereby expressly made subject to the following terms, conditions, and obligations (“Grant Requirements”), which HAECO Global must timely and satisfactory perform or cause to occur:

- a) Job Creation: Prior to December 31, 2027, HAECO Global shall relocate and/or create a minimum of 170 jobs at the Dallas Facility (Grant Eligible Jobs). After this date, HAECO Global must retain all Grant Eligible Jobs for five (5) years after the date of the City’s payment of the Grant, which shall be no later than June 30, 2033 (Compliance Period).
- b) Amount: The amount of the Grant shall be determined by the percent of local hiring achieved by HAECO Global for jobs filled after the date of execution of the Agreement and, if HAECO Global hires and retains a workforce of at least 25% Dallas residents, shall be \$350,000 or if HAECO Global hires and retains a workforce of at least 35% Dallas residents, shall be \$500,000 (Local Hiring

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SECTION 4. (continued)

Requirement). HAECO Global shall comply with the Local Hiring Requirement throughout the Compliance Period. If HAECO Global fails to maintain the Local

Hiring Requirement, it shall constitute an event of default; however, HAECO Global shall have a period not to exceed twelve (12) months to cure such default. The Grant will be paid in one payment upon HAECO Global's documentation of meeting the terms, conditions, and obligations for the Grant, which documentation is to be received by the Office of Economic Development (OED) no later than June 30, 2028.

- c) Minimum Average Annual Wage: The Minimum Average Annual Salary shall be \$85,000 before overtime, bonuses, and benefits for all Grant Eligible Jobs. HAECO Global shall maintain compliance with the Minimum Average Annual Salary requirement throughout the term of the Agreement.
- d) Minimum Wage: For all Grant Eligible Jobs, the minimum wage shall be equal to or greater than the then-current living wage for an individual in Dallas County as determined by the Massachusetts Institute of Technology's Living Wage Calculator (figure may be adjusted throughout the term of the Agreement). The living wage rate in Dallas County is currently \$22.06 per hour (excluding overtime, bonuses, and benefits) and notice of the rate shall be provided to HAECO Global by the OED annually for each upcoming year. Compliance with the minimum wage requirement shall be maintained through the term of the Agreement.
- e) Workforce Program Initiative: HAECO Global shall engage with Dallas College and serve as an employer partner for its Workforce Scholars program and/or its adult apprenticeship program. Such a partnership would engage students in work-based activities including but not limited to paid or unpaid internships, co-ops, practicums, pre-apprenticeships, and registered and non-registered apprenticeships for youth and adults.

As an alternative to the partnership with Dallas College, HAECO Global may engage with one of the three following educational partners to enhance the career pipeline, provide internship opportunities, and/or other career readiness opportunities as agreed to by both parties.

- i. Paul Quinn College
- ii. University of North Texas-Dallas
- iii. Dallas Independent School District

HAECO Global shall deliver to the OED Director (Director) an agreement executed by HAECO Global and the appropriate educational partner documenting the terms of the employer partner program no later than December 31, 2026, with an

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SECTION 4. (continued)

expected program start date of January 1, 2027. At a minimum, HAECO Global will continue this program through December 31, 2033. Additionally, HAECO Global or its educational partner shall provide an annual summary regarding the status/outcomes of the workforce programs involving educational partners, including number of participants, salaries or other benefits paid to participants, and race/gender/ethnicity of participants, and a summary of the program. This requirement shall be referenced herein as the Workforce Requirement.

- f) Facility Access: HAECO Global shall, upon reasonable advance request, permit staff from the OED access to the facility to review all records and documents related to the obligations contained herein to monitor compliance with the Agreement.
- g) Annual Reporting: HAECO Global shall provide written annual reports to the OED regarding compliance with the terms of the Agreement, including results of the Workforce Requirement. The year-end summary report shall be due to OED by April 15 of the following year in a format acceptable to the Director. As an example, the 2025 annual summary report will be due by April 15, 2026.
- h) Other/Miscellaneous: HAECO Global's failure to comply with the terms of the Agreement may result in its repayment of the Grant. The final Grant Agreement must be executed by all parties no later than March 1, 2025, unless otherwise extended by the Director. If the Agreement is not fully executed by that date, or any extension thereto, this resolution is void and the City Manager shall have no obligation to enter into the Agreement. The Director, in his or her sole discretion, may extend any of the completion deadlines for up to six months. The Agreement may not be assigned to any third party that is not a direct affiliate of HAECO Global without the Director's advance written approval.

SECTION 5. The required minimum capital investment associated with the business expansion and relocation in total is \$17.5 million (Minimum Investment Requirement), which must take place by December 31, 2028, and is inclusive of the following:

- \$2.5 million in tenant improvements at the Dallas Facility, and
- \$15 million in new furniture, fixtures, equipment, and machinery in the Dallas Facility.

Any amounts spent on acquisition costs, developer fees or other profit line items, legal fees, marketing fees, realtor or broker fees, carrying costs, reserves, operating deficits through stabilization and other similar costs shall not be counted toward the Minimum Investment Requirement.

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SECTION 6. That upon City approval of annual appropriations, the Chief Financial Officer is hereby authorized to encumber and disburse funds to HAECO Global Engine Support, LLC and/or an affiliate from the Public/Private Partnership Fund, Fund 0352, Department ECO, Unit X163, Object 3016, Activity PPPF, Program: HAECO, Contract/Encumbrance No. CX-ECO-2025-00026621, Vendor VC0000033754 in an amount not to exceed \$500,000.00.

SECTION 7. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to this grant, until such time as the Agreement is duly executed by all parties. Should the execution of this Agreement by the parties, as contemplated by Section 4.h) of this Resolution, not occur, this Resolution shall thereafter be null and void.

SECTION 8. That, subject to Section 7 of this resolution, this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.