

DEPARTMENT OF AVIATION

Gulfstream Aerospace Corporation New Ground Lease Proposal at Love Field

Briefing to the Economic Development and Housing Committee

June 4, 2007



Gulfstream

❖ Gulfstream Aerospace Corporation

- ❖ Wholly owned subsidiary of General Dynamics
 - ❖ General Dynamics revenues rose to \$24 billion in 2006, a 14.7 percent increase over 2005*
- ❖ Gulfstream revenues rose 20 percent to \$4.1 billion in 2006*
- ❖ Gulfstream designs, develops, manufactures, markets, services and supports advanced business-jet aircraft
- ❖ Delivered 113 “green” aircraft (w/o interior and paint) in 2006, a 27% increase*

*General Dynamics 2006 Annual Shareholders Report



Gulfstream

❖ Gulfstream Aerospace Corporation

- ❖ Types of aircraft:
 - ❖ G150, G200, G350, G450, G500, and G550
 - ❖ With seating capacities of 6-19 passengers
- ❖ Employment
 - ❖ 7,900 employees at 7 major locations
- ❖ Dallas Love Field Facility
 - ❖ Final Phase Manufacturing (interior and painting)
 - ❖ 55 new aircraft projected for 2007, which is a 206% increase since 2003 (G150** and G200**)
 - ❖ Provide customer services to over 2,000 aircraft annually that are currently in operation
 - ❖ 757 employees currently at Dallas location
 - ❖ \$26 per hour - average employee wages

**See pictures next two pages



Gulfstream G150 – Completed at Dallas Love Field



Gulfstream G200 – Completed at Dallas Love Field



History of Negotiations

- July 2006 - Local Gulfstream management and Aviation Dept staff exchanged proposals for new ground lease and hangar development.
- Jan 2007 - General Dynamics Real Estate Vice President accompanied local Gulfstream mgt in further discussions with Aviation Dept staff.
- Mar 2007 – Follow-up meeting resulted in General Dynamics proposed term sheet for lease and hangar development.
- May 2007 – Continued negotiations led to revised proposed term sheet and tentative acceptance by staff.



Proposal

- ❖ 3-bay paint hangar facility at the former 6.18 acre Ampco parking site
 - ❖ Increase annual production from 55 to 65 new aircraft
- ❖ Related Jobs
 - ❖ 2005-07 - 150 new jobs
 - ❖ By 2008 - 150 additional new jobs
- ❖ We are competing with Appleton, WI for the hangars

