

By: Uresti

H.R. No. 679

R E S O L U T I O N

1 WHEREAS, The Boeing Company, the world's largest
2 manufacturer of commercial jetliners and military aircraft, is the
3 principal anchor tenant at KellyUSA, the former Kelly Air Force
4 Base site being redeveloped as a business and industrial park by the
5 City of San Antonio; and

6 WHEREAS, Boeing's operations at KellyUSA provide
7 high-quality maintenance, repair, overhaul, and support services
8 under contracts awarded by the United States Air Force to optimize
9 utilization of the KC-135, C-17, KC-10, and C-130 aircraft fleets;
10 and

11 WHEREAS, A recent study of 2004 financial and contract data
12 by the Center for Community and Business Research, a division of the
13 Institute for Economic Development at The University of Texas at
14 San Antonio, highlights Boeing's positive economic impact on
15 KellyUSA, the City of San Antonio, and the State of Texas; and

16 WHEREAS, Boeing is a major contributor to the redevelopment
17 and success of KellyUSA, investing more than \$82 million for
18 facilities and infrastructure, accounting for 29 percent of the
19 private sector jobs, and leasing 17 percent of the marketable space
20 at the business park since beginning operations there in 1998,
21 according to the study; and

22 WHEREAS, Boeing's impact on the City of San Antonio is
23 illustrated by comparing the \$62,000 average annual salary of
24 production workers at Boeing's KellyUSA site in 2004 with the

1 \$33,000 average annual salary for all other workers in the metro
2 area that year; the higher-skilled and higher-wage jobs at Boeing
3 improve the makeup of the labor pool and ultimately improve the
4 quality of life for all San Antonio residents; and

5 WHEREAS, Additionally, San Antonio companies accounted for
6 more than half of Boeing's suppliers and received 83 percent of the
7 company's financial commitments to purchase goods and services in
8 2004; the study found that Boeing paid \$29.2 million for goods and
9 services from 208 Texas suppliers during this period; and

10 WHEREAS, The total positive impact of Boeing's San Antonio
11 operations on the Texas economy in 2004 was \$357.1 million: the
12 company's expenditures provided a direct economic impact of \$163.7
13 million; the indirect impact of supplier activity amounted to \$39.5
14 million; and spending by Boeing employees on consumer goods added
15 another \$153.9 million; and

16 WHEREAS, In 2004, according to the study, Boeing's operations
17 at KellyUSA employed 1,436 persons and spawned 1,336
18 supplier-related jobs; these 2,772 workers, in turn, leveraged
19 another 1,402 jobs, resulting in 4,174 jobs in Texas that can be
20 attributed to Boeing's San Antonio operations; and

21 WHEREAS, The Institute for Economic Development study
22 concludes that Texas will receive a projected benefit of more than
23 \$2 billion in economic activity if the U.S. Air Force continues
24 aircraft maintenance programs at KellyUSA that expire in 2009;
25 these include the KC-135 and KC-10 contracts that employ
26 approximately 900 Boeing workers in San Antonio; and

27 WHEREAS, In light of the importance of these aircraft

1 maintenance programs to KellyUSA, the City of San Antonio, and the
2 State of Texas, as well as to the readiness and effectiveness of
3 U.S. armed services missions, it is critical that the U.S. Air Force
4 continue aircraft maintenance programs currently performed at
5 KellyUSA; now, therefore, be it

6 RESOLVED, That the House of Representatives of the 79th Texas
7 Legislature, 3rd Called Session, hereby recognize The Boeing
8 Company for its contributions to KellyUSA, the City of San Antonio,
9 and the State of Texas and urge the United States Air Force to
10 continue aircraft maintenance programs currently performed at
11 KellyUSA.