

Airbus to Establish Aircraft Assembly Facility in Mobile, Alabama

July 6, 2012

On July 2, 2012, **Kelley Drye** client Airbus announced that it will build its first aircraft assembly line, in the United States, at the Brookley Aeroplex in Mobile, Alabama. The festive announcement, attended by more than 2,000 people, was held at the Mobile Convention Center and the speakers included Fabrice Bregier, President of Airbus, Alabama Governor Robert Bentley, and U.S. Senators Richard Shelby and Jeff Sessions. The announcement received wide coverage in the U.S. and European media.

The company will initially assemble its popular 150 seat A-320 aircraft at a \$600 million facility to be constructed at Brookley, and will employ more than 1,000 production workers at full facility implementation. The economic impact study for the project estimated that almost 4,000 additional jobs will be created in the Mobile community in support of the project's operations.

Kelley Drye represented Airbus in the negotiation and documentation of the site location and development agreement, and other related agreements, pursuant to which the State of Alabama, Mobile Airport Authority, City of Mobile and Mobile County have agreed to make a project site available at the Brookley Aeroplex for construction of the new facility, and to provide Airbus with required infrastructure, roadway and airport improvements, tax incentives and a cash grant of \$82 million. Kelley Drye will continue to represent Airbus throughout the implementation stages of the project.