BUILDING THE FUTURE . . . TOGETHER.

The Business Case for 777X Wing and Final Assembly in Washington State

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Department of Commerce
Innovation is in our nature.

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Seattle, WA 98121
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A Message From The Governor

For nearly a century, Washington State and The Boeing Company have been partners in designing and manufacturing the world's most successful airplanes, becoming the global leaders in aerospace in the process. After you read through our response to your company's request for proposals, I believe you will agree with industry experts who say there is simply no better place to build the 777X and its carbon fiber wings than here at home.

The men and women of Boeing in Washington have helped connect the world by making the 777 the best-selling twin-engine, twin-aisle commercial aircraft of all time. More than 1,100 of the company's 777s have taken off from the Everett plant, a testament to Boeing's incredible vision for aviation and the skill of our state's workforce. With a current production rate of 100 planes a year and the future of the program guaranteed with the introduction of the 777X, the importance of this plane to Boeing, its shareholders and commercial aviation in general cannot be overstated.

The program is equally important to Washington State. The 777X will ensure we maintain our leadership in the aerospace industry, employ thousands of workers — not just at Boeing but at more than 1,300 aerospace suppliers — and contribute to our state's vitality and economic growth.

Washington has clearly demonstrated its commitment to Boeing. The Legislature extended our aerospace tax incentive programs for construction of the 777X and its carbon fiber wings, valued at $8.7 billion over 16 years. The Legislature also approved funding for workforce development and to make permitting for major projects smooth and efficient. This legislative package passed quickly and with strong bipartisan support. Work continues on a comprehensive transportation package that we agree is essential to the long-term economic vitality of Washington State. Recent polls have shown tremendous support for this incentive program as our residents understand the important role Boeing plays in our economy.

There is more to be done. We plan to present to the 2014 Legislature additional investments that will help Boeing maintain its high-caliber workforce and assist the industry in developing new technologies in aerospace and advanced materials manufacturing.

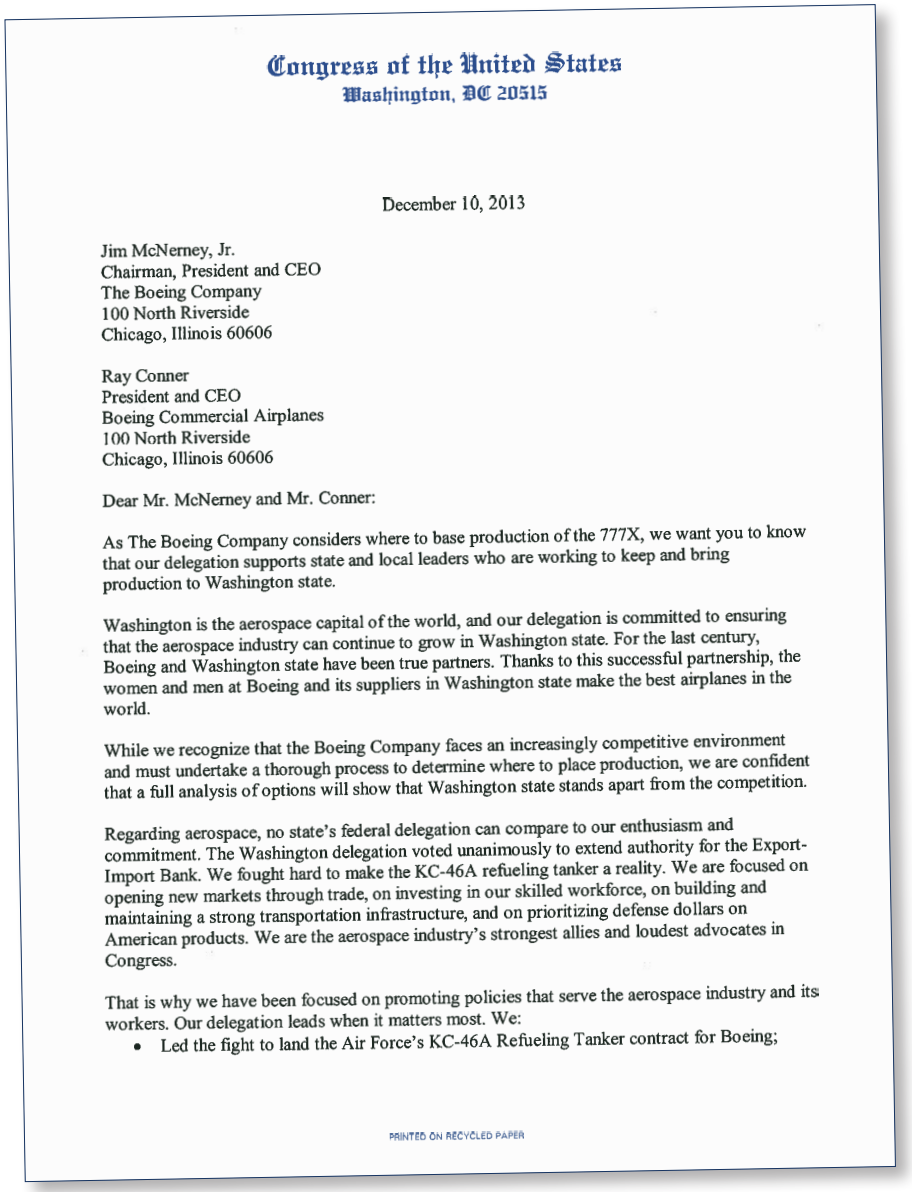
I also continue my personal involvement in looking for ways to bring Boeing and its unions together to secure labor stability, control costs and continue the successful partnership that builds the best airplanes in the world.

Washingtonians are proud of their long and productive partnership with Boeing, and I look forward to strengthening that relationship in the years to come. It is my pleasure to offer our response to this RFP and present a thorough business case for building the 777X and its carbon fiber wings in Washington State.

Very truly yours,

Jay Inslee
Governor

A Message From The Washington State Delegation



Congress of the United States
Washington, DC 20515

December 10, 2013

Jim McNerney, Jr.
Chairman, President and CEO
The Boeing Company
100 North Riverside
Chicago, Illinois 60606

Ray Conner
President and CEO
Boeing Commercial Airplanes
100 North Riverside
Chicago, Illinois 60606

Dear Mr. McNerney and Mr. Conner:

As The Boeing Company considers where to base production of the 777X, we want you to know that our delegation supports state and local leaders who are working to keep and bring production to Washington state.

Washington is the aerospace capital of the world, and our delegation is committed to ensuring that the aerospace industry can continue to grow in Washington state. For the last century, Boeing and Washington state have been true partners. Thanks to this successful partnership, the women and men at Boeing and its suppliers in Washington state make the best airplanes in the world.

While we recognize that the Boeing Company faces an increasingly competitive environment and must undertake a thorough process to determine where to place production, we are confident that a full analysis of options will show that Washington state stands apart from the competition.

Regarding aerospace, no state's federal delegation can compare to our enthusiasm and commitment. The Washington delegation voted unanimously to extend authority for the Export-Import Bank. We fought hard to make the KC-46A refueling tanker a reality. We are focused on opening new markets through trade, on investing in our skilled workforce, on building and maintaining a strong transportation infrastructure, and on prioritizing defense dollars on American products. We are the aerospace industry's strongest allies and loudest advocates in Congress.

That is why we have been focused on promoting policies that serve the aerospace industry and its workers. Our delegation leads when it matters most. We:

- Led the fight to land the Air Force's KC-46A Refueling Tanker contract for Boeing;

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- Led the successful 2012 reauthorization of the Export-Import Bank;
- Voted unanimously for the Korea and Panama trade agreements;
- Helped secure the creation of a national Center of Excellence for jet biofuel research in Washington state; and
- Landed a $20 million federal workforce training grant to train more than 2,600 workers in advanced manufacturing/composites, electronics/avionics, aircraft assembly and aircraft maintenance.

We are tackling the major policy challenges facing the aerospace industry in the decades to come. We are focused on:

- Reauthorizing the Export-Import Bank;
- Investing in STEM education and higher education programs to educate the next generation of Washington aerospace workers;
- Completing the Next Generation Air Transportation System;
- Moving FAA's certification reforms forward to ensure timely manufacturing to market;
- Locating an Unmanned Aircraft Systems test facility in Washington state;
- Reforming the Harbor Maintenance Tax so transporting parts is efficient and affordable; and
- Meeting federal responsibilities to invest in roads, bridges, highways, and runways to make business more accessible.

Our state's history of aviation excellence, our experienced workforce, our delegation's track record of supporting the aerospace industry in the state, and our leaders' unwavering commitment to supporting growth in aviation make Washington the right place to bring the production of the 777X and its composite wing.

We are committed to continue investing in the foundation of long-term economic growth that creates jobs and opportunity in the Pacific Northwest.

We accomplish this by supporting local initiatives with particular emphasis on innovation, transportation, trade, exports and manufacturing. We will continue to look for ways to expand higher education, job skills and training opportunities. Working in concert with local governments and regional economic development organizations, we identify long-range growth opportunities and provide support where appropriate.

As our delegation's support illustrates, support for aerospace manufacturing in Washington is not just statewide, it is miles wide and miles deep. Aerospace manufacturing creates jobs in every corner of the state.

With senior positions on key Congressional committees, including Transportation and Infrastructure, Armed Services, Financial Services, Appropriations, Budget, Ways and Means, Veteran's Affairs, Health, Education, Labor and Pensions (HELP), Finance, Energy and Natural Resources, Commerce and Science, Space and Technology, we are uniquely positioned to work with key stakeholders to further the aerospace industry in Washington state.

We look forward to working with you and our state's leaders to bring the 777X to Washington.

Sincerely,

Patty Murray
U.S. Senator
Washington State

Maria Cantwell
U.S. Senator
Washington State

Rick Larsen
Member of Congress
Washington State, 2nd District

Cathy McMorris Rodgers
Member of Congress
Washington State, 5th District

Suzan K. DelBene
Member of Congress
Washington State, 1st District

Jaime Herrera Beutler
Member of Congress
Washington State, 3rd District

Doc Hastings
Member of Congress
Washington State, 4th District

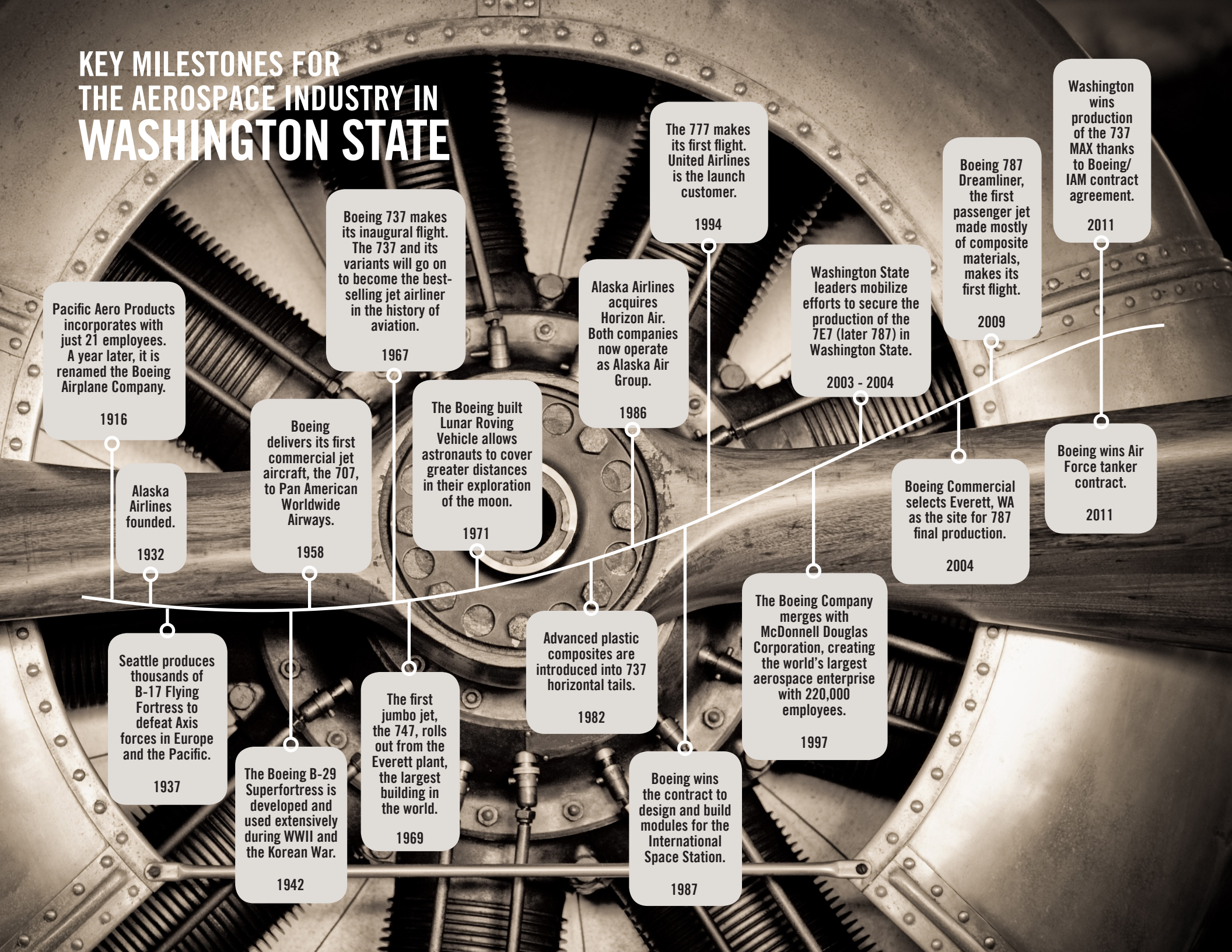
Derek Kilmer
Member of Congress
Washington State, 6th District

Jim McDermott
Member of Congress
Washington State, 7th District

Dave Reichert
Member of Congress
Washington State, 8th District

Adam Smith
Member of Congress
Washington State, 9th District

Denny Heck
Member of Congress
Washington State, 10th District


KEY MILESTONES FOR THE AEROSPACE INDUSTRY IN WASHINGTON STATE
Pacific Aero Products incorporates with just 21 employees. A year later, it is renamed the Boeing Airplane Company.
1916
Alaska Airlines founded.
1932
Seattle produces thousands of B-17 Flying Fortress to defeat Axis forces in Europe and the Pacific.
1937
The Boeing B-29 Superfortress is developed and used extensively during WWII and the Korean War.
1942
Boeing delivers its first commercial jet aircraft, the 707, to Pan American Worldwide Airways.
1958
Boeing 737 makes its inaugural flight. The 737 and its variants will go on to become the best-selling jet airliner in the history of aviation.
1967
The first jumbo jet, the 747, rolls out from the Everett plant, the largest building in the world.
1969
The Boeing built Lunar Roving Vehicle allows astronauts to cover greater distances in their exploration of the moon.
1971
Alaska Airlines acquires Horizon Air. Both companies now operate as Alaska Air Group.
1986
Advanced plastic composites are introduced into 737 horizontal tails.
1982
The 777 makes its first flight. United Airlines is the launch customer.
1994
Boeing wins the contract to design and build modules for the International Space Station.
1987
The Boeing Company merges with McDonnell Douglas Corporation, creating the world's largest aerospace enterprise with 220,000 employees.
1997
Washington State leaders mobilize efforts to secure the production of the 7E7 (later 787) in Washington State.
2003 - 2004
Boeing Commercial selects Everett, WA as the site for 787 final production.
2004
Boeing 787 Dreamliner, the first passenger jet made mostly of composite materials, makes its first flight.
2009
Boeing wins Air Force tanker contract.
2011
Washington wins production of the 737 MAX thanks to Boeing/ IAM contract agreement.
2011

A Century of Know-How

Washington State and Boeing share a history that is nearly as long as the history of the airplane itself. Since 1916, we have partnered to redefine aviation, producing some of the world's most amazing aircraft, bringing people from all across the globe closer together, and in turn, creating a legacy of innovation and excellence unparalleled in the industry.

The expertise and know-how of Washington's workforce is unmatched. We have been building 777s since the program's inception and have established a track record of high productivity and unrivaled quality. One only has to compare production in Washington's Boeing plants with other Boeing sites to see that the state is the optimal choice for delivering the 777X on time with uncompromising quality and profitability.

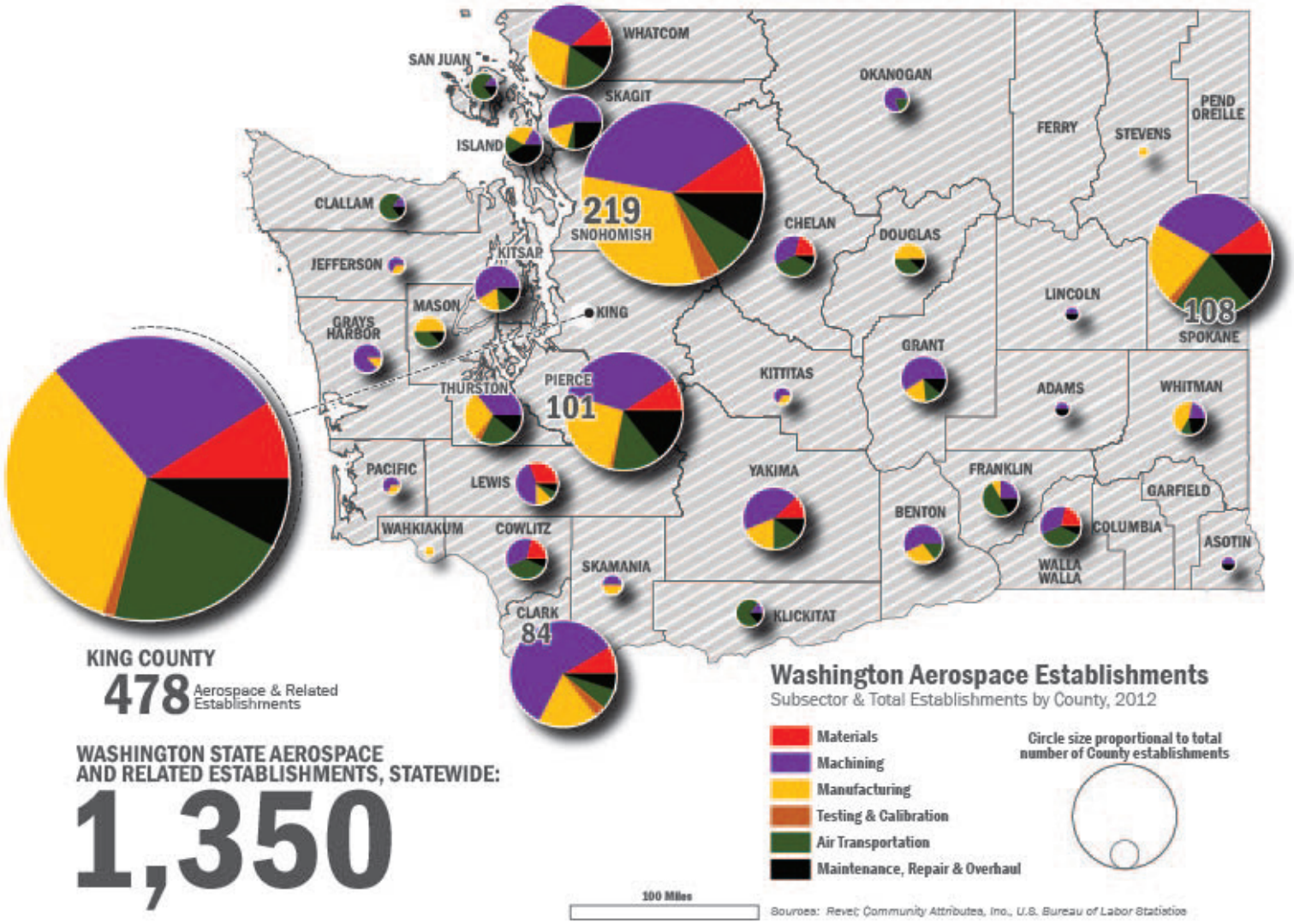
In fact, one of the greatest advantages of selecting the state is our knowledge of the aircraft. Not only does our workforce understand how to build the 777, but our supply chain of Tier 1 and Tier 2 suppliers is also familiar with the exacting requirements of producing a new model of aircraft for The Boeing Company. What's more, our workforce training programs and higher education institutions are teaching the workers of tomorrow to work specifically on Boeing planes, from design and engineering to line production. We can support the introduction of the 777X and continue to build it for decades to come.

Recently, Washington has increased its investment in Boeing's future. In November, the Legislature extended the suite of aerospace tax incentives to include the 777X. The additional 16 years of incentives totals $8.7 billion in reduced tax burden to Boeing and other commercial airplane suppliers. Additionally we have made heavy investments in workforce education and training that will directly support the ramp up to 777X production. We continue to work with the company to improve labor relations with the representing unions and the state Legislature is working on a significant package of investments that will improve transportation throughout the state to support the aerospace industry's needs.

Finally, our mature aerospace cluster offers Boeing a confident environment in which to produce the plane. Our state's aerospace companies are ready to work closely with Boeing to develop a just-in-time manufacturing pipeline that streamlines the development of the plane while greatly reducing the cost associated with building new assembly facilities out of state. As you know only too well, production delays and cost overruns associated with building such a complex aircraft can be a window of opportunity for Boeing's competitors. Collectively, we can ensure that Boeing continues to lead the way in commercial aviation, beating the competition in the process, by working together to build the 777X.

ESTABLISHED SUPPLY CHAIN

The Business Case for 777X Wing and Final Assembly in Washington State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OKANOGAN
FERRY
STEVENS
PEND OREILLE
CLALLAM
CHELAN
DOUGLAS
JEFFERSON
KITSAP
MASON
KING
GRAYS HARBOR
LINCOLN
108
SPOKANE
GRANT
KITTITAS
PIERCE
101
THURSTON
ADAMS
WHITMAN
PACIFIC
LEWIS
YAKIMA
FRANKLIN
GARFIELD
BENTON
COLUMBIA
WAHKIAKUM
COWLITZ
SKAMANIA
WALLA WALLA
ASOTIN
CLARK
84
KLICKITAT
KING COUNTY
478 Aerospace & Related Establishments
WASHINGTON STATE AEROSPACE AND RELATED ESTABLISHMENTS, STATEWIDE:
1,350
Washington Aerospace Establishments
Subsector & Total Establishments by County, 2012
Materials
Machining
Manufacturing
Testing & Calibration
Air Transportation
Maintenance, Repair & Overhaul
Circle size proportional to total number of County establishments
100 Miles
Sources: Revel; Community Attributes, Inc., U.S. Bureau of Labor Statistics

A Proven Supply Chain

The 777X project will benefit greatly from the extensive, multi-tiered supply chain that exists in Washington State. There are 1,350 aerospace and aerospace-related establishments in Washington. Including Boeing, Washington's aerospace workforce stands at 132,515. These companies and their workers support the production of more than 1,300 aircraft annually in the state, including 600 commercial and military jets and 700 unmanned aircraft. Boeing jets pour from factories throughout the state, including the 737, 747, 767, 777 and 787. In Renton alone, nearly two new 737s are produced each and every day.

Washington aerospace suppliers produce a wide range of products and services, from finished components ready for installation in Boeing aircraft to smaller parts. The companies are trusted, dependable partners of Boeing and eager to work on the 777X program.

A robust, seasoned network of suppliers is engaged in all facets of aerospace, including airframing and aerostructures; aerospace engineering, research and design; avionics and navigational systems; composites and advanced materials; tooling; interiors; and maintenance, repair and overhaul.

- About 90% of these aerospace-related companies are within 60 miles of a Boeing facility.
- Washington has the largest average number of employees per aerospace firm in the country.
- The state's network of suppliers is top ranked because it has the largest concentration and greatest diversification of aerospace-related firms in the country.

WORKFORCE AND EDUCATION

The Business Case for 777X Wing and Final Assembly in Washington State

Unparalleled Workforce

The Puget Sound region has the highest concentration of aerospace engineers and skilled aerospace workers with in-depth experience across multiple aircraft programs. This is the only workforce in the country who has experience building a complex aircraft such as the 777X promises to be. These workers are supported by a strong aerospace education and training system.

Washington State's aerospace employment constituted 19% of total aerospace employment in the US. Aerospace employment in the state experienced its second consecutive year of annual growth, with 2012 employment representing an 8.8% increase over 2011.

Across the state, the highest concentration of aerospace jobs is in the Central Puget Sound region. In 2012, 48.3% (45,490 jobs) of all direct aerospace jobs were based in Snohomish County with another 46.8% (44,076 jobs) in King County. Of the remainder, more than 2,400 jobs were based in Pierce County with another 876 in Spokane County. Among aerospace-related activities, the largest concentrations were in King County (21,405), Snohomish County (5,326), and Spokane County (2,934).

Workforce Stability

Washington State's leadership, including U.S. senators, representatives and Governor Inslee, is committed to partnering with Boeing and union leaders to build mutually beneficial relationships that strengthen the state's economy while ensuring the success of Boeing's family of commercial aircraft.

132,000
AEROSPACE WORKERS

295,931
WORKERS IN MANUFACTURING

17,500
AEROSPACE ENGINEERS

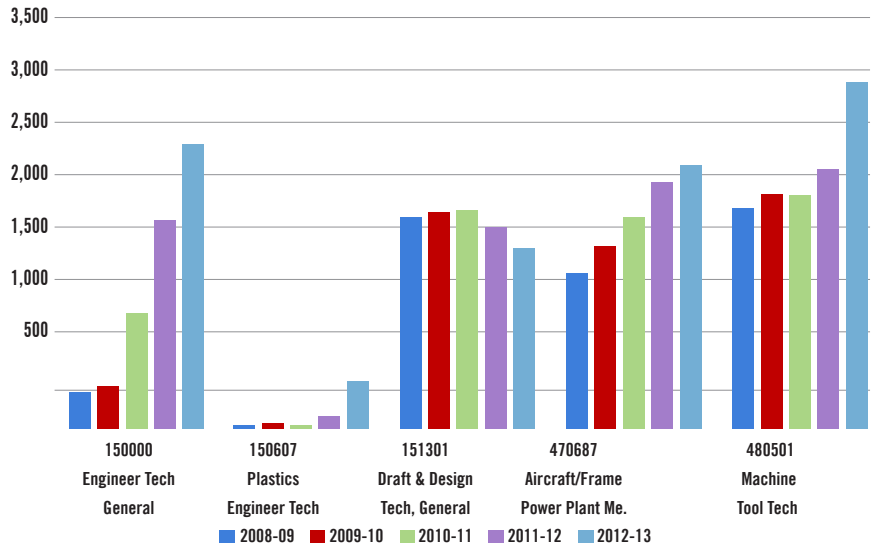
186,800
HIGH-TECH WORKERS

Community and Technical College Infrastructure

Washington has one of the most robust aerospace workforce training programs in the world. Twenty-four of our 34 state community and technical colleges (CTC) currently offer aerospace-related training programs. These programs offer the job training and technical skills needed to ensure that Boeing and the larger aerospace cluster are able to utilize Washington State's workforce. Additionally, a consortium of 11 CTCs collaborated as "Air Washington" to secure a three-year $20 million US Department of Labor grant. These efforts have allowed aerospace training programs to grow from 11,288 to 13,141 students from 2009 to 2013, an increase of more than 16%. Many of the new offerings were put in place to respond to the Boeing 737Max program.

- In 2013, 7,045 students completed a subset of core programs identified by the Aerospace and Advanced Materials Manufacturing Workforce Pipeline Advisory Committee. This represents 20 percent growth in completion over the previous year.
- Enrollment in the five programs offered grew by 79% between 2008 and 2013, including engineering technician, plastics (composites) engineering technician, draft/design technician, aircraft/frame power plant mechanic, machine tool technician.

Select Aerospace Programs - Student Headcount



- Seven CTCs offer aerospace apprenticeship programs with multiple focus areas: Manufacturing Academy (pre-apprenticeship); machining; precision metal; aircraft mechanics. The number of participants has more than tripled between 2010 and 2013.
- Aerospace Joint Apprenticeship Committee (AJAC) apprentice student enrollment has continued to increase since 2011. Employer recruiting has increased 1.6 times from 80 to 129 placements. It is expected that IAM/Boeing programs will continue to grow and subject matter experts (SME) indicate there is considerable need for expansion. AJAC also established Veterans in Aerospace (VIA) to provide pathways for veterans to easily and quickly transition into careers in aerospace and advanced manufacturing.
- The Washington Aerospace Technology & Research (WATR) Center offers short-term certificates for aircraft-assembly, maintenance and inspection. As of August 2013, approximately 1,600 students had completed training. Recent capacity expansion for training from approx. 180/month to 300/month. WATR is also piloting National Career Readiness Certification (NCRC) in Washington.
- The Inland Northwest Aerospace Training Consortium (INATC) in Spokane provides training needed by aerospace companies supplying tools and parts for aircraft. Its programs trained 140 students per year in 2011. An additional 131 students have been trained in new and existing aerospace-related programs per year in 2012 and 2013, bringing the annual total to 271.

Central Sound Aerospace Training Center

Washington is committed to providing state-of-the-art training facilities in close proximity to Boeing and its supply chain. That is why the Legislature has provided $12.5 million (including $5 million in the recent 777X special legislative session) to construct the Central Sound Aerospace Training (CSAT) Center in Renton. Located at the Renton Municipal Airport, CSAT will offer a real-life setting just yards away from the 737 plant. Once constructed, the 19,000 square-foot facility will feature three high bays and multiple classrooms, providing adequate space for large plane parts such as wings and fuselages so students have the very best of hands-on learning and training.

Industry/Training Alignment

In 2012, Washington established the Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee. By law, a majority of the committee's members are to directly represent the aerospace industry and make recommendations to the Legislature about where training investments should be made. We realize this is still a work in progress and will continue to collaborate with Boeing and other companies to further improve the alignment between the state's aerospace training programs and the needs of the industry.

Expanding Training Capacity

EHB 2088 (2013), recently adopted in the legislative special session, provides $8 million per year to increase by 1,000 the number of student slots in high-demand aerospace fields as long as there is demonstrable need. We will work with Boeing, the industry, and the Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee, or its successor, to target this investment toward the fields most critical to the company and its supply chain and in the institutions that are most effectively in delivering graduates with the desired skills.

Wing Fabrication Training

While Washington's aerospace workers are some of the most skilled and well-trained in the world, no workforce in North America has experience producing carbon fiber wings for a commercial airliner, especially those of the size and complexity anticipated for the 777X. Working hand-in-hand with Boeing, the state is prepared to design and fund for 10 years (or until there is no longer sufficient need) a specialized training program at the Washington Aerospace Technology & Research (WATR) Center at Paine Field to provide your incumbent workers, as well as new hires, with the skills necessary to perform this state-of-the-art task. EHB 2088 (2013) provides $500,000 to begin designing this program and $1.5 million to fund facility upgrades and/or equipment. It is assumed that this program will receive additional capital and ongoing operational funding and be up and running to begin offering classes in 2015.

Investing in the Future

STEM Education

The state is working to enhance education programs that build an interest in STEM (science, technology, engineering and math) fields and skills for aerospace crafts and professions among students. Highline School District's Raisbeck Aviation High School and other STEM-based magnet schools, including Delta High School in the Tri-Cities, the Technology Access Foundation Academy in Federal Way, and the new Riverpoint Academy in Spokane, as well as programs such as Washington Aerospace Scholars, have had success in preparing students to pursue aerospace careers.

Additionally, funding has been directed to establish skills centers and aerospace assembly programs to foster high school-to-post-secondary education as well as high school-to-work pathways.

In recent years, Washington has taken specific actions to support STEM education at the K-12 level.

- **HB 1872 – STEM (2013)**: A comprehensive STEM education bill, which includes creation of a STEM Education Innovation Alliance, encourages regional STEM networks, and creates a STEM Benchmark Report Card. This priority from the Governor will provide a strategic framework to better align efforts around STEM education with the growing needs from Washington's industries.
- **HB 1472 – Computer Science – (2013)**: The Legislature and Governor also approved counting Advanced Placement computer science as a science credit for purposes of high school graduation. This legislation will encourage more students who have shown interest in computer science to stick with it and encourage them to follow that path into college.
- **Adopted the Next Generation Science Standards**: Washington is only the eighth state in the nation to adopt Next Generation Science Standards, which provide rigorous, new curricula and relevant project-based learning to build STEM competency for all students from kindergarten through high school
- **Common Core State Standards**: Previously adopted K-12 standards, now in implementation for English/Language Arts and Mathematics.

Engineering

Over the past two years, Washington has pledged more than $25 million in new funding to expand engineering programs at state universities. Recognizing that there is additional demand, the state continues to invest in engineering degree production.

William E. Boeing Department of Aeronautics & Astronautics

In November 2012, the University of Washington renamed its aeronautics and astronautics department after William E. Boeing, recognizing the shared history of the UW and The Boeing Company and honoring the man who launched them both. The department offers the only aerospace degree program in the Pacific Northwest, preparing undergraduates through classroom instruction, laboratory experience, and special projects and graduate courses and research that extend further into the sciences of aeronautics and astronautics, engineering physics, and applied mathematics. Master of Science and Master of Aerospace Engineering programs are designed to provide graduates a high level of technical competence for careers as professional engineers, and the PhD program is directed to the training of engineers for research leadership roles.

Washington State University Everett

In 2014, Washington State University (WSU) will assume management of the University Center of North Puget Sound in Everett, just a few miles from the Boeing Everett plant. WSU is already providing mechanical engineering instruction at this facility and electrical engineering will begin soon. Programs will continue to expand in Everett as we work to establish WSU Everett as a branch campus by 2019.

WSU School of Advanced Manufacturing and Aerospace

As a cornerstone of WSU Everett, we will establish a School of Advanced Manufacturing and Aerospace. We are eager to work with you to develop this concept in a way that is most beneficial to the industry. It is envisioned that this new program will offer unique, fully integrated degree programs combining traditional aeronautics/ astronautics materials science and core engineering coursework with applied skills such as robotics, lean manufacturing and computer science. The Governor's 2014 Supplemental Budget includes $500,000 to begin designing this program with the hope that the new school will begin offering classes in the 2015/16 academic year.

CULTURE OF INNOVATION

The Business Case for 777X Wing and Final Assembly in Washington State

Research and Development Infrastructure

Washington is dedicated to strengthening its partnership with Boeing by investing in and fostering aerospace innovation through bleeding edge research and development.

Joint Center for Aerospace Innovation

In 2012, the Legislature created the Joint Center for Aerospace Technology Innovation (JCATI) to help facilitate industry/university collaboration. In the first two years of the Center's operation, Boeing has benefited directly. To date, half of the JCATI funded research projects (17 out of 34 projects) have involved partnerships between Boeing and faculty at either the University of Washington or Washington State University. These grants, totaling nearly $1.3 million in state funding, are yielding valuable discoveries related to questions posed directly by the company covering a wide variety of topics—from "Advanced Bio-Derived Aviation Fuel Combustion" to "The Effect of Bond Line Thickness Variation on Joint Strength." As JCATI begins its third round of funding, it is anticipated that Boeing-partnered research will be supported at similar levels.

UW/Boeing Innovation Laboratory

We are also aware that Boeing has expressed interest in co-locating engineers on campus at the UW. At present Per Reinhall, Chair of the University's Mechanical Engineering Department, is working with the company to establish a Boeing Innovation Laboratory in the Mechanical Engineering Building in which Boeing engineers would work on joint research projects side-by-side with faculty and students. Current research projects are focused on manufacturing, which ties in with strong UW strengths in composites (such as the FAA Center of Excellence for Advanced Materials in Transport Aircraft Structures, better known as AMTAS) and mechatronics.

Advanced Materials Institute

Building on these initiatives, the Governor's 2014 Supplemental Budget provides $500,000 to design and develop a new advanced materials manufacturing research and product development institute to be located in close proximity to the Everett plant. Led by the UW, in partnership with Snohomish County, the City of Everett, the Port of Everett and private industry, this publicly funded institute will be staffed with researchers and provide equipment that private companies, including Boeing, can utilize to develop and test new products and manufacturing processes.

Depending upon company interest, we are also interested in exploring whether this institute could own and operate a very large autoclave of the size necessary to cure composite wings and other structures that Boeing could utilize in the 777X manufacturing process. Key to the success of this institute will be active engagement from Boeing in the development of the concept, design and operation.

PRO-AEROSPACE BUSINESS CLIMATE

The Business Case for 777X Wing and Final Assembly in Washington State

Streamlined Permitting

Washington State has already taken steps to ensure a quick and predictable permitting process as soon as you are ready to move forward with 777X-related improvements. Over the summer, at the request of the Governor, Everett Mayor Ray Stephanson chaired a multi-agency task force charged with anticipating the permitting processes that would be necessary to facilitate expansion at the local, state and federal levels. This led to Washington State Department of Commerce designating the 777X and all related development initiatives a "Project of Statewide Significance." This is the first time such a designation has been made since the Legislature created the tool in 1997.

Additionally, through the good work of this task force, potential development sites have been identified both within Boeing's current footprint in Everett and at a large undeveloped site on Paine Field that can accommodate manufacturing facilities. Both the City of Everett and Snohomish County have initiated advanced environmental review and determined that no mitigation will be necessary. Significantly, they have each committed to a four-week permitting process should a project emerge consistent with their assumptions. The state Community Economic Revitalization Board awarded a $2 million loan to Paine Field to begin site work on its potential development site.

The Permitting Task Force stands ready to reconvene and will work through the design, permitting and construction phases to ensure a smooth and speedy process.

Lastly, the Legislature created a $2 million fund in the recent special session (EHB 2088 2013) to help other communities with large potential manufacturing sites reach the same level of advanced permitting as the City of Everett has achieved. As it develops guidelines for this Advanced Permitting Grant Program, the Department of Commerce will look to Boeing first to see if this funding could assist in the preparation of additional sites throughout the state in which the company may be interested in locating and/or expanding.

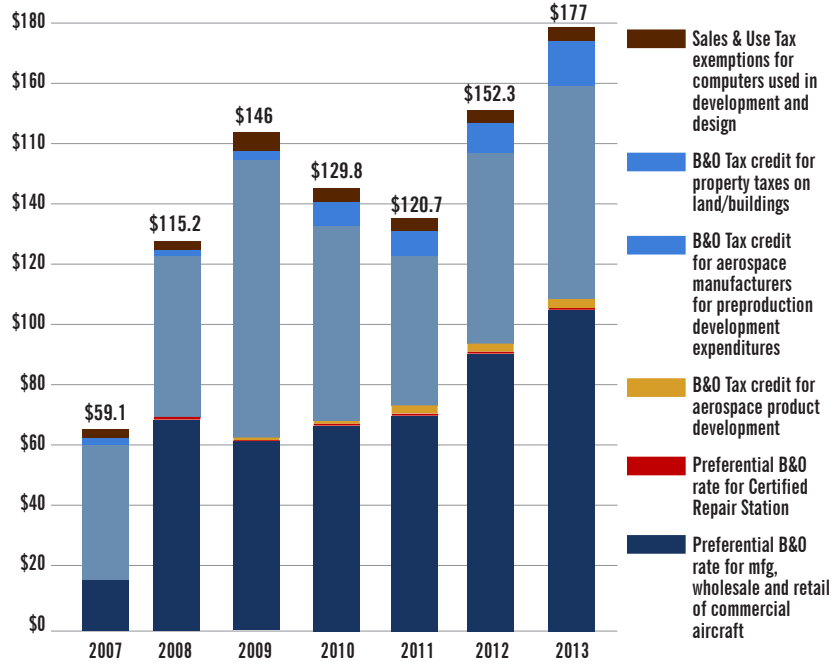
Tax Policy

Local, state, and federal agencies have invested heavily to maintain Washington State's competitive advantage in aerospace and support The Boeing Company. Washington State's lack of an income tax, combined with other tax incentives for aerospace companies established in 2003, have allowed the industry to prosper. Expressed in 2012 dollars, deferred tax revenues totaled an estimated $978 million over this period.

The Washington State Department of Revenue extends preferential tax incentives to manufacturers, wholesalers, and retailers of commercial airplanes, their component parts, tooling used for aerospace, and to repair stations and suppliers to aerospace. These incentives include a preferential B&O tax rate, a B&O tax credit, sales and use tax exemptions on hardware and peripherals, and a B&O tax credit on property taxes paid.

Aerospace Sector Tax Savings Actuals by Fiscal Year*

Estimated and forecast, millions USD (nominal and estimated for 2012)



*Fiscal years in Washington State run from July 1 through June 30 of the following year. Fiscal year 2013 started on July 1, 2012 and ended on June 30, 2013.

Source: Washington State Department of Revenue, 2013.

Washington has clearly demonstrated its commitment to Boeing by extending aerospace tax incentives to 2040 for the 777X.

777X Incentives

In the recent Special Session, the state Legislature adopted ESSB 5952 (2013), which extends all of the existing aerospace incentives beyond their original sunset date of 2024 to the year 2040 contingent on Boeing siting 777X wing and final assembly in Washington State. This extension is valued at $8.7 billion and has been touted as the largest corporate tax break in US history.

Additionally, ESSB 5952 expands the sales and use tax exemption on the cost of construction of new manufacturing buildings provided in RCW 82.08.90 and RCW 82.12.980 to include the 777X and all future commercial airplane programs. It allows a manufacturer of wings and/or fuselages for commercial airplanes to qualify as well. Finally, it enables a municipal corporation such as Snohomish County/Paine Field to pass the savings of the tax exemption on to its tenant in a build-to-suit/leaseback arrangement.

Estimated Aerospace Industry Taxpayer Savings Impact of Extending Incentives from 2025 to 2040

$ in millions

INCENTIVES	RCW	EXPIRES	TAXPAYER SAVINGS FY 2025-2040
B&O aerospace tax rate reduction, rate of 0.2904% (40% reduction from standard mfg rate	82.04.260(11)(a)(b)	7/1/2024	$4,285.50
FAR 145 certified repair stations, rate of 0.2904% (40% reduction from standard manufacturing rate	82.04.250(3)	7/1/2024	$23.4
B&O tax credit for aerospace product development (for others* rate of 0.9%	82.04.290(3)	7/1/2024	$166.5
B&O tax credit for aerospace manufacturers of preproduction development expenditures	82.04.4461	7/1/2024	$3,524.9
B&O tax credit for property taxes on land/buildings	82.04.4463	7/1/2024	$562.6
Sales and use tax exemption for computers used in development and design (state and local)	82.08.975	7/1/2024	$242.0
Extend current sales and use tax exemption for super-efficient airplane facilities to all commercial airplane facilities	82.08.980 and 82.12.980	7/1/2024	unknown
TOTAL IMPACT of EXTENDING INCENTIVES to 2040			$8,717.9

* Allows taxpayer to take credit for aerospace product development it does on behalf of other businesses.

Payroll Costs

Workers' Compensation

Compared to many states, Washington's employer costs are lower per $100 of covered payroll. For example, Washington employers paid $1.46 per $100 of covered payroll, while California employers paid $1.72 and South Carolina employers paid $1.62.

Recently, the state has taken significant steps to reform our workers' compensation system. Since 2011 these reforms have saved over $366 million and we anticipate saving approximately $150 million in 2014. Specifically, the one-year freeze in the cost of living adjustment in 2012 is projected over the long term to save the aerospace industry in Washington $24 million.

Washington is utilizing innovative and evidenced-based methods to help injured workers heal and return to work more quickly. For example:

- We are expanding the use of our Centers of Occupational Health and Education and developing a statewide provider network to ensure that injured workers are seeing doctors who follow state-of-the-art practices;
- The Department of Labor & Industries has implemented the Stay at Work program offering employers financial incentives for providing light-duty jobs to injured workers; and
- The Department has pledged an additional $35 to $70 million in savings in 2014 through a series of efficiencies it has identified using LEAN management.

In addition to these efforts, the administrative costs self-insurers pay will go down an average of 30% in 2014. This means all self-insurers, including Boeing, will pay $27 million less next year than they did in 2013.

While these reforms are significant and hold tremendous promise for reducing costs in the future, we appreciate that Boeing, as a self-insurer, may not realize as much direct benefit from these efficiencies. Therefore, we are committed to working with you to identify and implement additional administrative and, potentially legislative, cost-saving measures that will further reduce your costs while protecting the needs of injured workers.

We are committed to working with you to identify and implement additional administrative and, potentially legislative, cost-saving measures that will further reduce your costs while protecting the needs of injured workers . . .

Unemployment Insurance

Washington state's unemployment insurance trust fund has remained solvent throughout the recent recession and its aftermath with the highest trust fund balance in the nation, at $2.9 billion through October 2013, or 14.1 months of benefits. In contrast, 17 states/territories still owe a total of over $20 billion to the Federal Unemployment Account for loans they have taken out to maintain UI benefits. Over the prior four years, 36 of the 53 UI programs required federal loans to pay UI claims with total borrowing exceeding $43 billion.

At least three consequences loom for states with insolvent or near-insolvent trust funds:

1. Most of the selected states will need to raise unemployment taxes or cut benefits due to a lack of reserve funding. Washington's unemployment insurance trust fund is in better financial shape than that of any competitor state.

2. Insolvent states with solvency provisions will need to enact them. Some states have separate taxes to deal with potential insolvency. Some states have higher tax rate schedules, which go into effect when the state trust fund level is low.

3. Most competitor states will also need to raise taxes to repay loans. Some states have separate tax provisions that go into effect when their unemployment trust fund reserves are low. States with these provisions have begun collecting these taxes. While Washington has the authority to impose a solvency tax, it has not been necessary due to the system's health.

As of the 2nd quarter of 2013, Washington had the 24th lowest average unemployment tax rate in the nation. This is a dramatic improvement from the 2nd quarter of 2008, when Washington had the 4th highest average rate in the nation. One of the major reasons for this decline as compared to other states was the passage of Engrossed House Bill 1091 in 2011. This law permanently restructured the UI tax system, expanded and modified the Training Benefits Program, and provided a temporary benefit increase for new claims filed during a portion of 2011. The law both capped the flat social tax and reduced the percent of it paid by most employers. These changes resulted approximately $316 million in UI savings for employers in 2011, as well as additional savings in 2012 and 2013.

Global Connectivity

Washington State is a global hub of commerce. Routing over the polar cap, businesses can access major trade gateways in Asia and Europe simultaneously by air. By ship, ports in Japan and other key Asian markets are one to two days closer than any other port on the West Coast. And our interconnected transportation grid makes it easy to ship by rail, ship or truck, connecting your company with major highways and rail lines that extend across the country as well as into Canada, Mexico and Central and South America.

Boeing drivers travel 8.5 million miles on Washington roads and highways each year. We recognize that the efficient movement of employees and supplies to and from your manufacturing sites is essential to your efforts to improve productivity, and that's why we're working to develop a multi-billion dollar transportation investment and reform package.

Washington will fund a bipartisan and comprehensive package of significant transportation improvements focused on 1) fixing our maintenance backlog, repairing bridges and keeping the system safe, 2) supporting jobs and the economy through congestion relief, more transit, ferries, multi-modal choices and freight mobility, and 3) investing in the future by widening and extending our major corridors to move people and goods faster and safer.

An initial version of this package includes billions of dollars for several projects key to Boeing's success in Washington State, including:

- $1.66B for SR 167/509 that connects major distribution centers to our Puget Sound ports.
- $1.3B for completion of the SR 520 replacement floating bridge that improves safety and provides traffic relief on a key regional artery.
- $1.29B for Interstate 405 widening near the Renton plant.
- $350M for Interstate 5 at Joint-Base Lewis McChord—a choke point near the Frederickson plant.

Other projects that will reduce congestion in and around the Boeing Everett Plant and Paine Field, include:

- $45M for State Route 526 in the vicinity of Hardeson Road
- $34M for I-5/ Marine Drive to SR 528
- $1.5M for 41st Street to West Marine Drive
- $1.5M for 41st street/Rucker corridor

These projects will be prioritized for construction in the early years of the bonding package.

Finally, these new investments will come with strong accountability reforms to ensure projects are completed on-time and on-budget, and dollars are spent wisely.

Fish consumption rate changes will not limit Boeing's ability to move forward with 777X-related construction.

Human Health and Water Quality

The Washington State Department of Ecology is in the process of updating the human health criteria in Washington's Surface Water Quality Standards, as required by federal law. The Fish Consumption Rate is one factor of an equation the department will use in determining water quality standards under the Clean Water Act. We appreciate and are concerned about any potential impacts that these updated standards could have on Boeing operations.

This is a complex issue with many questions that must be addressed before a final rule is adopted. Governor Inslee is personally involved in finding answers to those questions, and is committed to developing balanced, practical solutions that achieve water quality and human health goals, limit footprint requirements and costs associated with permit compliance, provide certainty and predictability for regulatory compliance, minimize the risk of third party litigation, and ensure the state's ability to retain and attract business. The Governor has committed that the state will not adopt regulations that fail to meet the dual objectives of increased human health protection and a thriving economic climate for existing and new business. The Boeing Company can be assured that cost effective, feasible compliance pathways for your existing and/or new sites will be available as part of any state-driven outcome.

Furthermore, Governor Inslee is confident these goals can be achieved. Given the broad scope of non-point sources that contribute toxic pollution to the environment, and the relative sophistication and effectiveness of point-source regulatory controls developed over the last four decades, he is convinced that real opportunities exist to significantly reduce toxic pollution while meeting Clean Water Act requirements and maintaining feasible compliance pathways for dischargers like Boeing.

We are eager to partner with Boeing to better understand the company's specific challenges and to develop reasonable and rational water quality regulations that protect the health of Washingtonians without unduly impacting the company and other economic engines of our state.

The state is scheduled to adopt new water quality regulations by the end of 2014, and the standards will not take effect until approved by EPA. Given Boeing's November 2014 stated deadline for initiating construction of 777X wing fabrication facilities, the fish consumption rate will not limit Boeing's ability to move forward with 777X-related construction.

The state also commits to working with Boeing on any permitting issues relative to specific sites or specific parameters. Additionally, we commit to exploring how public investment in pollution reduction efforts can contribute to these solutions.

Low Cost Energy

Washington provides cheaper, cleaner power with capacity to serve the 777X and its composite wing assembly than any other state.

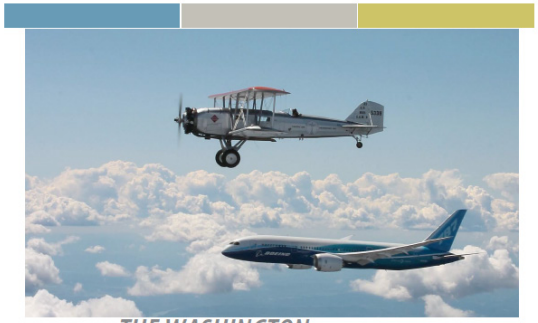
Washington State has the largest coordinated hydroelectric system in the world. Nearly 75% of our power is derived from the many rivers that flow through the state. This renewable resource is augmented by a growing reliance on environmentally friendly and green wind and solar power. As such, our industrial energy costs can run as low as 4.25 cents per kilowatt-hour, lower than any other state in the nation.

In addition to hydroelectric, wind and solar energy, Washington State offers competitively priced natural gas, delivered via pipeline from British Columbia and Alberta in Canada. Additional sources of natural gas are also being explored, as is the ability to manage our power grid for maximum efficiency, stability and reliability, allowing seamless load balancing to ensure uninterrupted and consistent flows of energy.

Specifically, in Snohomish County, the Snohomish County Public Utilities District (SnoPUD) is ready and able to serve expansion related to the 777X with ample clean and affordable power.

- Essentially 100% non-emitting, clean, green, renewable power portfolio coupled with SnoPUD's cost-conscious and innovative approach to challenges.
- No exposure to old carbon emitting fossil fuel plants or significant nuclear plant financing, construction, operations and decommissioning risks, such as is the case in competing states. For example, South Carolina Energy & Gas' portfolio is 48% coal, 28% natural gas, 19% nuclear, 3% hydro and 2% biomass and is in the process of building two nuclear reactors. In fact, SCE&G charges Boeing a "Green Premium" to provide "green power" and allowing it to claim it South Carolina plant is powered by "100% renewable" sources.
- Among the lower industrial rates in the country (SnoPUD's average industrial rate is 6 cents per kWh and South Carolina charges 8 cents plus a premium).
- Ability to serve new additional demand up to approximately 26 aMW without having to pay the New Large Single Load penalty under the Northwest Power Act.
- Near term ability to serve up to approximately 50 MW of new load from existing melded power supply portfolio through increase in BPA contract rather than purchase or construction of expensive new resource.
- Ability for Boeing to serve new load from its existing substation with potentially modest infrastructure upgrade/cost and fast turn-around.

A Partner in Your Success



Washington's business, government, education and non-profit leaders place the highest priority on strengthening the aerospace industry here, and are working closely as a team on innovative solutions to the challenges faced by Boeing and the aerospace industry.

More than 130 companies and organizations — labor, business, education, and non-profits — joined together in the Washington Aerospace Partnership to advocate for the aerospace industry. Top regional leaders, including the presidents of the state Labor Council and the Seattle Metropolitan Chamber of Commerce, lead the Partnership and the organization funds a portion of the salary and benefits of the director of the state's Office of Aerospace.

Thanks to this leadership, Washington developed for the first time a clearly articulated Aerospace Industry Strategy to maintain and improve its competitiveness as a global aerospace center. The five-year strategy is being advanced by local, state and federal government officials, non-profit organizations, trade associations and businesses.

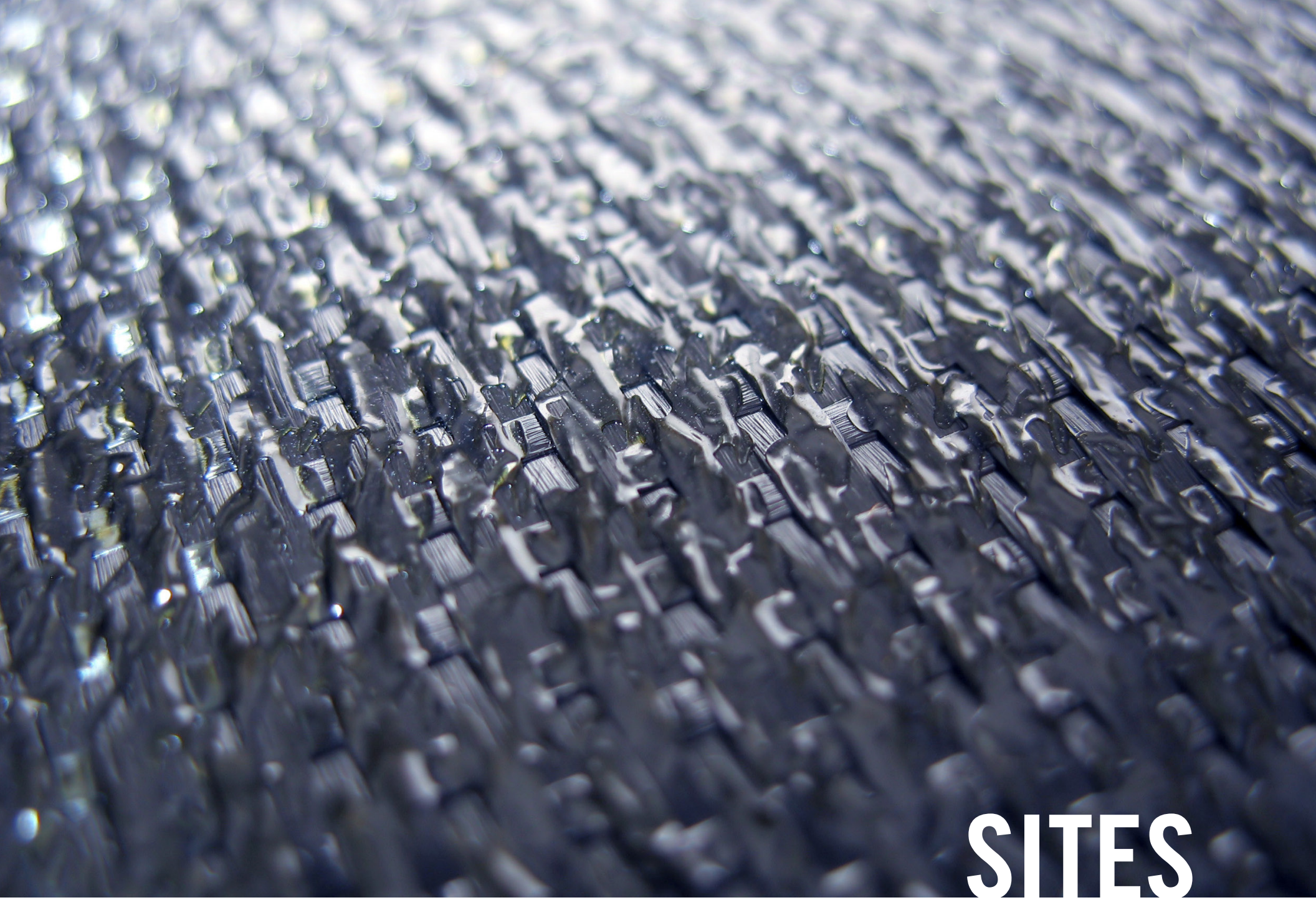
Key Goals of the Washington Aerospace Industry Strategy:

Growing and Diversifying Washington's Aerospace Cluster*:* Building upon strengths, allowing existing companies to thrive, attracting new investments, and diversifying the industry;

Cultivating a Deep and Talented Aerospace Workforce: Developing a robust pipeline of aerospace workers, preschool to graduate school;

Fostering a Culture of Aerospace Innovation: Facilitating discovery of new technologies; and

Linking Washington's Aerospace "Support Chain": Organizing across the state to support the industry and ensure a healthy business climate.



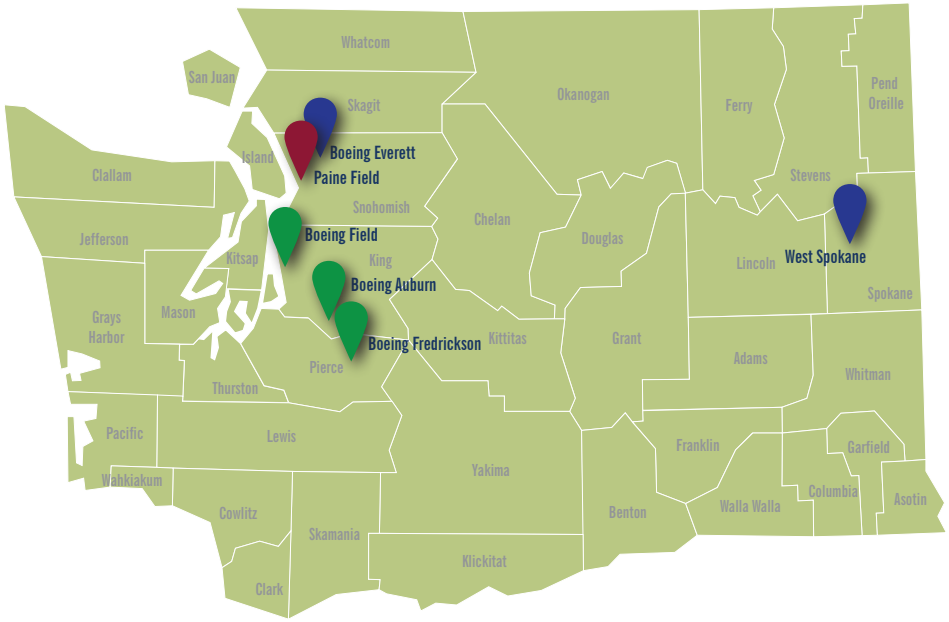
SITES

The Business Case for 777X Wing and Final Assembly in Washington State

777X Site Options

Washington is uniquely positioned to offer premier existing Boeing facilities with unparalleled capacity to produce the 777X at a lower-cost and with less risk than other states.

The Boeing Everett Plant, which currently produces the 777, is the optimal location for 777X final assembly and wing fabrication (RFP Scenario 1). Undeveloped land on the west side of Paine Field provides additional opportunities for wing assembly (RFP Scenario 2A) in close proximity to the Everett Plant at the Paine Field Aerospace Business Park. Additionally, West Spokane offers a low-cost Scenario 1 alternative.



WING AND FINAL ASSEMBLY

Boeing Everett

West Spokane

WING ASSEMBLY ONLY

Paine Field Aerospace Business Park

STRATEGIC SUPPORT FACILITIES

Boeing Frederickson

Boeing Auburn

Boeing Field

Snohomish County, WA

Boeing Everett

The Boeing Everett Plant is a massive complex owned by The Boeing Company uniquely suited as the only location in the world with sufficient existing infrastructure to produce the 777X and its composite wing (RFP Scenario 1).

Located northeast of Snohomish County Airport (Paine Field), it is the largest building in the world by volume and the headquarters of all Boeing Commercial Airplanes wide-body production, including the 747, 767, 777 and 787.

The 777X Permit Streamlining Task Force convened by Governor Inslee and chaired by Everett Mayor Ray Stephanson concluded that already completed environmental review and mitigation efforts provide a solid foundation for streamlining permits for 777X expansion. The 1991 Boeing Master Plan EIS and the 1997 Southwest Everett Planned Action EIS provide a significant baseline of environmental review and the company has already mitigated for additional capacity.

To further prepare for 777X production, the City is in the process of updating the 1997 Planned Action ordinance to allow an additional 2 million square feet of production space. Once this process is complete (anticipated before the end of December 2013), only building (and related infrastructure) permits and process-specific permits (such as air quality permits) would be required to complete the permit process.

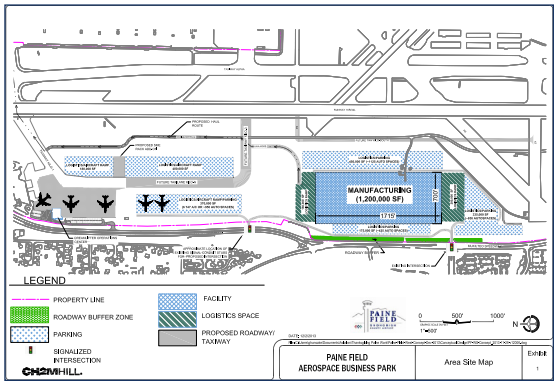
Building permits would be issued immediately after other permit approvals have been obtained (e.g. air quality permits). The City has committed to reviewing and issuing these permits within four weeks of submittal, assuming applications are consistent with project assumptions.

Paine Field Aerospace Business Park

Undeveloped land on the west side of Snohomish County Airport (Paine Field) provides an additional opportunity for 777X wing fabrication and assembly (RFP Scenario 2A).

Located about 30 miles north of downtown Seattle, Paine Field offers high-quality aviation facilities, including an FAA tower, Cat 1 ILS, Part 139 certification, and Fixed Base Operations services. The Airport is home to the Boeing manufacturing plant for 747, 767, 777, and 787 aircraft and saw the first flights of the first in 777 June 1994 and the 787 Dreamliner in December 2009.

In the past three years, Paine Field has seen major expansions from Esterline Control Systems, BE Aerospace, and Boeing with its new Delivery Center and Dreamlifter Operations Center.



Paine Field currently has 75 acres of undeveloped property on the west side of the airport that has been identified as the Paine Field Aerospace Business Park. Access to this property can be obtained through Boeing Everett proper or from Highway 526 on the west side of the airport.

Construction of a 777X wing fabrication and assembly facility could begin within one month of permit application. Snohomish County, as owner of the Paine Field site, has done extensive environmental review and mitigation for aerospace development. A 777X Wing Fabrication and Assembly Facility is consistent with the Paine Field Master Plan and County zoning. The Airport developed the first wetland mitigation bank in Washington and has wetland and stream mitigation credits available for all potential impacts.

The County is preparing applications and supporting environmental review to build a pad for a wing manufacturing building of up to 1.2 million square feet and has secured a $2 million loan from the Washington State Community Economic Revitalization Board to support this project.

If Boeing were to select the Paine Field site, only building (and related infrastructure) permits and process-specific permits (such as air quality permits) would be required to complete the permit process. The building permits would be issued immediately after other permit approvals have been obtained (e.g. air quality permits).

Additionally, Snohomish County has expressed ability and willingness to finance building construction and other infrastructure under a build-to-suit/leaseback arrangement such as that has is successfully underway for the Dreamlifter Operations Center.

Snohomish County Site Benefits for the 777X

Facilities

- Final Assembly – Space exists at Boeing Everett facility, reconfiguration may be required.
- Wing Fabrication – Space exists at Boeing Everett facility and at Paine Field airport.
- Wing Assembly – Space exists at Boeing Everett facility and at Paine Field airport.
- Delivery Center – Facility exists at Boeing Everett.
- Clean/Seal/Paint – Facility exists at Boeing Everett.
- Office Tower – Facility already exists at Boeing Everett, additional lease space available nearby.
- Bodies – Facility already exists at Boeing Everett, reconfiguration may be required.
- Interior Responsibility Center – Facility exists at Boeing Everett.
- The 747 Large Cargo Freighter has a unique facility at Paine Field for the offloading of large components, should that type of delivery option be required.

Infrastructure

- Airport – All requirements met. While others may make same claim, Boeing Everett is the only site that is fully operational.
- Paine Field – generates nearly twice the annual economic output of any other airport in the state.
- Highway – North Puget Sound Manufacturing Corridor covers 40 miles from south county line north, 20 miles east to west and includes the state's Aerospace Innovation Partnership Zone.
- Rail – All requirements met.
- Seaport – All requirements met. The Port of Everett has facilities to deliver over-sized containers by barge and rail directly to Boeing Everett.

Utilities

- Domestic Water – All requirements met with competitive rates.
- Sewer – All requirements met with competitive rates.
- Natural Gas – All requirements met with competitive rates and additional incentives available for energy conservation programs.
- Electricity – All requirements met with competitive rates and additional incentives available for energy conservation programs and power sub-station dedicated to Boeing Everett.

Business Climate and Taxes

- The City of Everett provides additional local B&O tax preference to Boeing.
- The City of Everett and Snohomish County have committed to have all needed permits approved within 30 days of submittal.

Workforce / Education

- 50,816 aerospace related employees, including 40,231 on-site at Boeing Everett.
- Snohomish County Aerospace Training Complex – major training programs in place today and growing for tomorrow, including Aerospace Joint Apprenticeship Committee (AJAC), Advanced Manufacturing Training Center, Aviation Maintenance Technician School, Center of Excellence for Aerospace & Advanced Materials Manufacturing, Corporate and Continuing Education Center, Embry-Riddle Aeronautical University, Sno-Isle Tech Skills Center, Washington Aerospace Training and Research Center.
- University Center of North Puget Sound, managed by Washington State University, offers mechanical, electrical and software engineering programs as well as degrees from six other colleges.
- University of Washington Bothell.

Supplier Base

Home to 219 commercial aerospace companies, including 13 direct 777 suppliers.

Spokane, WA

West Spokane

Spokane County offers an in-state, lower-cost alternative to Everett for 777X Final Assembly and Wing Assembly (RFP Scenario 1) or Wing Fabrication and Assembly or Body and Final Assembly and Delivery alone (RFP Scenarios 2A and 2B).

Spokane has the largest presence of aerospace companies in Washington State, outside of the Puget Sound region. Over the past six years, the region's aerospace industry has grown by more than 20% in number of companies, as well as the number of employees. The diversity of these companies ranges from Tier Ones through the supply chain, with a focus on the manufacture of aircraft parts and auxiliary equipment to maintenance, repair and overhaul activities.

The Spokane region can provide an affordable alternative to other areas, due to its 18% lower business cost than the national average, one of the best commute times in the nation and the sixth lowest natural disaster rate.

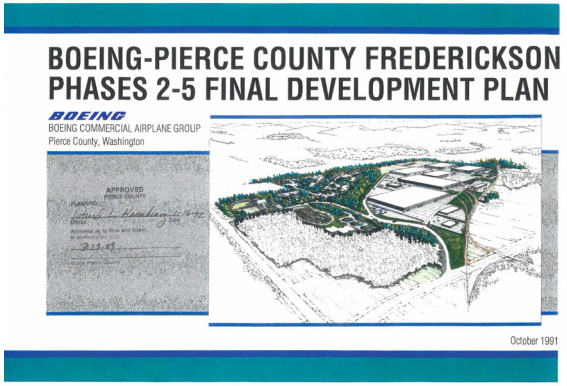
The region's workforce is highly skilled in the advanced manufacturing and aerospace industry sectors, with additional capabilities available through the entire education platform from K-20+, including alternatives in STEM education, on-the-job training, apprenticeships, internships and customized technical training. The Community Colleges of Spokane are the home of Air Washington, a US Department of Labor grant funding aerospace training across the state.

AIR Spokane is a collaboration of local government, education and business focused on the recruitment of aerospace companies. This effort has included the site certification of a large greenfield site on Spokane International Airport property with runway access, transportation and utility infrastructure investments, Boeing KSAs training and incentive development.

The project as proposed would provide an 800-acre footprint that could accommodate final assembly, wing fabrication or a combination of both. A local incentive package includes a two-week streamlined permitting process, transportation and utility build outs, rail siding, WSDOT interchange upgrades and airfield improvements. A cash incentive is included which can be paid out over ten years. This package is estimated to be valued at approximately $100 million. In addition to this incentive package, the community is reviewing opportunities to assist the company with construction costs.

The 777X is an ideal project for Spokane and has the attention of elected officials from Spokane County and the City of Spokane, in addition to the Spokane Airport Board and business and community members.

Strategic Support Facilities



Additional Sites Play an Important Role in the 777X Value Chain

Due to Boeing's large presence throughout Washington and the Pacific Northwest, there are other sites and facilities that may play an important role in the 777X value chain. As these facilities do not meet the minimum criteria established for the 777X site selection process, we are not providing a full response to the Site Selection RFP, but are highlighting them in this overview.

- Boeing Frederickson - Frederickson, WA
- Boeing Auburn - Auburn, WA
- Boeing Field - Seattle, WA

Please recognize the willingness of the state and local jurisdictions to partner with you should improvement and/or expansion of these facilities be necessary to support 777X (or other Boeing program) operations.

Boeing Frederickson

Located in central Pierce County, Frederickson anchors the southern end of Boeing's Puget Sound supply chain. The region's infrastructure, workforce and aerospace supply chain have developed step-by-step with Boeing's growing dominance in the commercial aircraft market. Boeing and the Puget Sound area work together to build the world's best aircraft and Pierce County is an important part of that partnership.

Boeing already owns more than 500 acres in Frederickson where it operates two major production facilities: the Composite Manufacturing Center and the Skin and Spar Plant. The former specializes in composite materials and wing component production ideally suited to 777X wing fabrication and assembly.

The site includes more than 300 acres of undeveloped land which is anticipated for development of aircraft production facilities in the approved "Boeing-Pierce County Frederickson Phases 2-5 Final Development Plan." This plan provides a significant level of property entitlement, including the company having already completed an Environmental Impact Study and SEPA process.

Due to the significant benefits the 777X wing project will bring to Pierce County, County Executive Pat McCarthy will ensure that expansion of the Boeing facility in Frederickson will be designated as an "Executive Priority" project. This designation means all permitting

departments will make this project their top priority. Senior personnel will be assigned to review permits and immediate attention will be given to project applications and inquiries, ensuring the utmost attention to Boeing's needs and expediting the permitting process.

Pierce County also will reduce Traffic Impact Fees by 90%, which will result in a savings of $662,850 in development costs (based on the current site plan), and will also reduce the standard building permit fee by 24%, which will result in a savings of $184,369.

Boeing Auburn

Located in south King County, Auburn is home to one of the Boeing Company's most successful and strategically important Fabrication Divisions. Described as the largest airplane parts plant in the world, the Auburn Division supports production for all Boeing commercial jetliners specializing in machining, tooling and equipment, emergent and specialty production, tube and duct center.

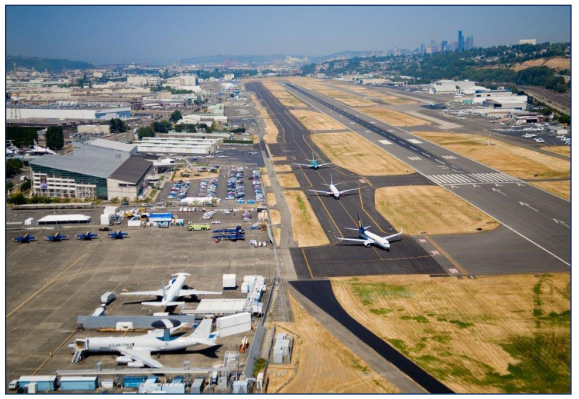
Auburn provides immediate shipside support for final assembly and onsite support for customers around the world. The Auburn Plant has a proud history of serving as an industry leader known for quickly delivering unique, quality parts.

The Auburn Fabrication Site has 2.1 million square feet with over 5,000 employees currently housed there. In the last several years the plant has seen consolidation of operations providing for potential additional capacity in the future.

Additionally, there is potential to expand the current Boeing Auburn facility with property adjacent to the site. The US General Services Administration (GSA) facility is adjacent to the Boeing Auburn facility and there have been preliminary discussions that it could be relocated. The potential relocation of GSA would provide 134.49 acres of future industrially zoned acres. This would provide the opportunity to develop a new state-of-the-art production facility.

This potential site provides numerous obvious benefits including: size, shape, location and infrastructure allowing for the opportunity to develop a new facility with over million square feet of assembly space. The location has easy (north/south or east/west) truck access for the movement of parts including easy access to three major state highway interchanges. The site would offer redundant rail services (including existing site spurs) from both the Union Pacific (UP) and the Burlington Northern Santa Fe (BNSF) railroads systems. While this opportunity is only a possibility, it would create an exceptional location for additional Boeing operations.

The City of Auburn is enthusiastically committed to assisting the Boeing Company with any aspect of the 777X production and would be happy to provide additional information at the company's request.



King County International Airport/Boeing Field, Seattle, WA

King County International Airport — also known as Boeing Field — is a Class IV, primary, non-hub, commercial service, reliever airport and one of the busiest in the nation. Located just five miles south of downtown Seattle, it has 24/7 all-weather operational capability, firefighting services and averages more than 200,000 operations (takeoffs and landings) each year. In 2001, it was selected by the National Air Transportation Association as one of the "100 Most Needed Airports" in the United States.

Founded in 1928, Boeing Field ranks among the most successful public investments in state history. It comprises 614 acres and has a 10,000 foot runway and taxiway system. The airport's economic impact is $3.2 billion in terms of local business sales that support 12,618 jobs and create $804 million in labor income in the county (2013 data). The airport's 150 tenant businesses also directly support 4,900 jobs in the local economy.

Boeing Field is home to The Boeing Company's flight test program and 737 delivery center, as well as the company's military flight center. It has worked with Boeing for 85 years and considers itself an extension of the Boeing manufacturing floor.

Boeing leases 4,530,240 square feet of space and enjoys the following benefits:

- Fair market lease rates with a 20% size discount (savings) estimated at $1.4 million annually,
- No fuel flowage fees or landing fees saving an estimated $400,000 annually,
- Parking for aircraft on request.

The airport also serves small commercial passenger airlines, cargo carriers, private aircraft owners, helicopters, corporate jets, and military and other aircraft. The Museum of Flight is located there, with its wide variety of aircraft and exhibits showcasing aviation history.

The airport works with several educational institutions to ensure a strong pipeline of professional and technical aerospace workers. These include:

- The University of Washington
- Seattle Community College Power Plant and Airframe Program
- Embry-Riddle Aeronautical University
- Raisbeck Aviation High School located adjacent to Boeing Field. Raisbeck provides a future pool of engineers, logisticians, and other disciplines for the aerospace industry

The airport is currently developing a business plan for financial self-sufficiency as well as a long-range strategic plan to develop its and adjacent properties for future aerospace/aviation growth.

SUMMARY

The Business Case for 777X Wing and Final Assembly in Washington State

Why Washington

Washington provides Boeing with everything it needs to continue making the world's best airplanes including the 777X at a competitive cost, with the lowest possible risk.

Our position as the global aerospace leader provides Boeing with flexibility and stability in process development. Boeing has an extensive supply chain that can utilize our 1,350 companies to support development of the next generation of the 777. They have the capabilities, experience and desire to see that the 777X is produced on time, providing the company with just-in-time-delivery and streamlined production. They know what it takes to build a world-class aircraft.

Washington's workforce is bigger, more highly trained, and already knows how to build the 777 and composite aircraft. With over 132,000 people working in the aerospace industry, Washington's talent pool is unmatched by any competing state. It takes decades to build this level of expertise, especially in the area of bringing a new aircraft online. Washington has a strong advantage, offering Boeing a century of aerospace know-how and a workforce that understands Boeing's culture and processes.

Washington's Governor and other leaders are committed to working with the company and labor workforce unions to develop long term workforce stability.

Washington's government is stable and is dedicated to partnering with Boeing and its supply chain to create the most competitive economic environment possible. Our elected officials at all levels are strong advocates for the aerospace industry. We have been investing billions of dollars in developing our workforce education and training to serve Boeing's and its suppliers' needs for more skilled workers. Washington has also shown its commitment to Boeing by providing an estimated $8. 7 billion in additional tax reduction by extending incentives for another 16 years and continues to look for new ways to make the industry even more competitive. The state's Legislature is currently working on a multi-billion dollar package that will improve transportation throughout the state to support the aerospace industry's needs.

We strongly believe that Washington State has all the qualities to build the Boeing 777X and its carbon fiber wing and is much more prepared than its competitors. Washington State and Boeing have a long history and we are ready to build our future . . . together.

CONTACT

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777X SITE SELECTION PROPOSAL

BOEING EVERETT

Request for Proposal
for
777X Program Site Selection

**** Please refer to 777X Program Site Selection Outline Criteria Document and Addendum for specific details ****

Primary Project State Contact Information:

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Regional Project Contact Information:

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Primary Local Project Contact Information:

NAME:	Matt Smith - Economic Alliance Snohomish County
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Secondary Local Project Contact Information:

NAME:	Mayor Ray Stephanson
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	Suite 10-A
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General Site Information:

SITE NAME:	Everett Aircraft Assembly and Manufacturing Site
CITY, COUNTY, STATE:	Everett, WA
POSTAL CODE:	98204

NOTE: Read all comments inserted in titles for an explanation of proper answer format and content
An asterisk (*) indicates that attachments are required.

Refer to separate document:
"Appendix - Boeing Everett" for access to required Attachments

I. SITE INFORMATION

a. Site Name and Address:

(1) Site Name:	Everett Aircraft Assembly and Manufacturing Site
(2) Airport Name and FAA Identifier:	Snohomish County Airport (Paine Field), KPAE
(3) Site Street Address:	3003 West Casino Road
(4) City, County:	Everett, Snohomish County, Washington
(5) Directions & Distance to Site from Major Highway / Interstate:	Located on SR 526, 3 miles west of Interstate 5
(6) Site Coordinates	

b. Site Information:

(1) Number of total contiguous and developable acres of proposed site:	1,000 total, about 900 developable
(2) Is site unencumbered?	Yes
(3) Total property price OR average price per acre:	Not Applicable

(4) Describe general site configuration/shape including any out parcels or site development limitations:

Site consists of approximately 1,000 contiguous acres already developed with a large manufacturing complex owned and operated by The Boeing Company. Development is governed by an adopted master plan initially established in 1991, and amended occasionally since then. The majority of the site is level, with some steep topography to the north and west sides of the site.

c. Location Proximity to Major Surrounding Cities

City Name	Miles
Everett	Within city of Everett
Seattle	25 miles to south
Vancouver, BC	100 miles to north
Spokane, WA	300 miles to east

d. Cities within 50-mile radius of site (ranked by population)

City	2012 Population	2010-12 % change	
Seattle	616,500	1.30%	
Bellevue	124,600	1.80%	
Everett	103,300	0.30%	
Marysville	61,360	2.20%	
Edmonds	39,800	0.23%	
Lynnwood	35,900	0.18%	
Lake Stevens	28,510	1.57%	
Mukilteo	20,360	0.52%	
Mountlake Terrace	20,090	0.91%	
Arlington	17,970	0.25%	
Snohomish	9,215	1.29%	

I. SITE INFORMATION (Continued)

e. Location Proximity to Major Cities (General comments – i.e.. Center of Commercial, Retail, Medical Activity For Region? / County Seat / Proximity To Major Cities / Other General Statements)

Everett is the county seat, center of commerce, government, and medical activity for Snohomish County. Everett is 25 miles north of Seattle, and is home to a Naval Station. Everett has about 95,000 jobs within the city limits (2012).

f. Brief Description of Economic Base (Historic and current trends)

Natural resource based manufacturing economy has transformed to aerospace, high tech, health sciences, and biomedical manufacturing economy.

g. Runway Characteristics

(1) Total Number of Runways: 3

(2) Describe the Length/Expansion capability of each runway

	Runway Name (i.e. 14/32)	Current Length & Width	Expansion Capability	Planned or Pending	Weight Limits	ILS, etc. systems for non-VFR flight
a.	16R / 34L	9010 x 150	yes 830 dd	pending	pcn 83/F/A/W/T	ILS, VOR DME, RNAV
b.	16L / 34R	3004 x 75	no		pcn 4/F/B/Y/T	
c.	30-Dec	4504 x 75	no		pcn 6/F/B/Y/T	

(3) Discuss the improvements required to reach 9,000 feet of runway length and the approximate cost:

Not required. 9,010 feet existing.

(4) Details of existing compass rose at airfield

Located on Boeing Commercial flightline.

h. Identify all current property owners; including names, addresses and phone #'s:

Owner	Address	City, State Zip	Phone #
Boeing Commercial Airplane Company	P.O. Box 3707, MS: OH-13	Seattle, WA 98124-2207	

I. SITE INFORMATION (Continued)

i. Will conveyance of the property / runway(s) be required?

No

(1) Conveyance Requirement Details

Not required. Property is owned by Boeing.

j. Provide a chronology of previous land use for each of the parcels including dates of reference:

1969 to Present: Manufacture and final assembly of commercial aircraft. It was undeveloped prior to that.

k. Environmental History

* (1) Indicate and attach any environmental or other site studies (i.e. Environmental Site Assessments) that have been performed or are currently underway at this site and highlight the major findings of those studies.

Type of Study	Date Conducted / Completed	Major Findings and Action Taken
Environmental Impact Statement and Master Plan	1991	Site can support manufacture of new line of commercial aircraft (777). All environmental impacts (traffic, air quality, noise, land use compatibility, etc) can be adequately mitigated.
SW Everett/Paine Field Subarea Plan Planned Action and Environmental Impact Statement	1997 Amended in 2013	Subarea plan providing integrated comprehensive plan and environmental review. Addresses planned industrial growth in a 4,000-acre portion of City of Everett and Snohomish County, focusing around Boeing property and Paine Field Airport. 2013 Addendum clarified that an additional building for composite wing manufacturing on Boeing Everett site is covered by the Subarea Plan Planned Action.
Boeing North Tower SEPA Checklist and Supporting Studies	2012	Environmental documentation for a new, 650,000 square foot office building on Boeing property. Includes geotechnical evaluation, critical areas and drainage studies. This information may be used in conjunction with future development proposals on Boeing property.

(2) Indicate any significant environmental events (I.e. spills or other contaminations) that have occurred on or adjacent to this site.

Trichloroethylene (TCE) contaminated groundwater on Boeing property and adjacent property. Cleanup of TCE originating from Boeing property is currently taking place under an interim cleanup action being conducting by Boeing, under the direction of the Washington State Department of Ecology.

l. Identify surrounding contiguous land uses:

Refer to separate document "Appendix - Boeing Everett", Attachment 5. Surrounding land uses are either industrial or airport-related. There are some vacant lands that are undeveloped and unbuildable due to critical areas and steep topography (i.e., Japanese Creek Gulch northwest of the site). All adjacent parcels are zoned for industrial or airport uses.

I. SITE INFORMATION (Continued)

m. Are there any existing structures on the site? Yes

If yes, please answer the following questions.

(1) Indicate number of structures on site: Over 40 structures on site

(2) Describe the structures on site:

There are approximately 40 structures on site all related to aircraft manufacturing activities, including: Aircraft Manufacturing and Assembly Structures; Aircraft Interior Fabrication Structures; Aircraft Static Test and other Testing Facilities; Aircraft Paint Hangars; Office Buildings; Customer Delivery Center; Tool Shops; Fire Station; Wastewater Treatment Plant. See master plan map **(Attachment 8)** and aerial photo **(Attachments 5).**

n. Topography & Soils:

(1) Indicate the minimum topographic elevation of the site (ft. MSL)	320
(2) Indicate the maximum topographic elevation of the site (ft MSL)	560
(3) Maximum Elevation Change (ft MSL)	240

(4) Indicate the terrain of the site (select one):	Mostly flat, with slopes to north and west sides.
(5) Site subject to flooding (Y/N)	N
Elevation range of site (ft. MSL)	320 to 560
100-year Flood Plain elevation (ft. MSL)	Not Applicable

(6) Ownership/transferability of mineral rights

Not Applicable

(7) Describe any areas with bodies of water, creeks, wetlands, etc. on site and identify the jurisdiction controlling each:

Name (if applicable)	Description	Size	Jurisdiction
Powdermill Creek - downstream from detention pond	Stream	Small	City of Everett
Japanese Creek - downhill west of site	Stream	Small	City of Everett
Lake Boeing - southeast of flightline	Lake in southeast	30 acres	City of Everett
Created wetland - Powder Mill Basin	Mitigation site	2.1 acres	City of Everett

(8) Identify any easement & right-of-ways and ownership for each:

Type of Easement	Location on property	Owner/Right to Access/Easement
Boeing Facilities Department has this information	**Refer to Attachment 6** for utility locations	
Wildlife Corridor	Adjacent to Fluke property east of proposed 40-95 building; 200 feet south of Seaway Blvd at 36th Street; 60 feet connecting to Japanese Gulch	Boeing

I. SITE INFORMATION (Continued)

(9) Describe Soil Types and Conditions. (Please provide any geotechnical data and/or soil borings that have been completed.)

Buildable portions of site consist mostly of stable glacial till, which is suitable for large industrial buildings.

o. Site Accessibility:

(1) Rate site ingress/egress routes as excellent, average or poor on the following factors (Boeing to provide estimated number of employees):

Congestion	Average
Safety	Excellent

(2) Indicate the number of roads with access to the site: 4

(3) Is access to the site controlled with a traffic signal? Yes

(4) Please describe surrounding land use (e.g. open space with acreage estimates, occupied and vacant industrial, residential, etc.)

The surrounding area consists of 3,000 acres of industrially zoned land, airport, industrial uses, and vacant industrial land.

II. TRANSPORTATION

Commercial Service Airport(s)

a. Regional Airport(s):

(1) Name of Airport:	Snohomish County Airport at Paine Field
(2) Distance (miles) to Closest Commercial Airport:	40 miles to Seattle-Tacoma International Airport
(3) Provide the transit time (minutes) from site to airport:	60
(4) Number of Airline Carriers:	30

b. Presence of Air Freight Services at Airport:

(1) List Service Providers:

Charter Aircraft at Paine Field. Scheduled freight carriers fly out of King County Municipal (Boeing Field) and SeaTac International.

Interstate Highways

c. Distance to Interstate:

(1) Identify Closest North/South Interstate(s)	Interstate 5
(2) Distance (miles) to North/South Interstate	3 miles
(3) Identify Closest East/West Interstate(s)	US 2, Interstate 90
(4) Distance (miles) to East/West Interstate	7 miles to US 2, 30 miles to Interstate 90

d. Transportation route to interstate / freeway (or a separated, 4-lane primary road with limited access) and interstate/4 lane interchange accesses:

(1) Describe the transportation route from site to interstate (road type, controlled intersections, traffic patterns, congestion, surrounding land use, etc.):

SR 526 limited access freeway provides direct access between the site and Interstate 5. SR 526 is congested during am and pm peak hour commutes. Surrounding land uses are developed urban industrial, commercial and, beyond the surrounding industrial zoning, there are residential neighborhoods.

(2) Describe the interstate interchange accesses (physical description, controlled intersections, traffic patterns, congestion, surrounding land use, etc.):

Access from SR 526 to Interstate 5 is by grade separated on-ramps. I-5 is congested during peak am and pm commute times. Surrounding land uses are developed urban industrial, commercial and, beyond the surrounding industrial zoning, there are residential neighborhoods.

II. TRANSPORTATION (Continued)

e. Access improvements

(1) Please describe any road access improvements that will be necessary (i.e.. Extension of roads, improvement of intersections, etc.)

None required

(2) Please estimate the cost of any access improvements: Not Applicable

f. Trucking Service:

(1) Indicate number of trucking agencies serving the site: Numerous in the region

(2) Provide list of trucking companies.

	Company Name	Services Provided	Terminal Location	Comments
a.	Hoglands Transfer	LTL/Truckload/ Logistics	Everett	www.hoglands.com
b.	United Motor Freight	Cargo, long and heavy haul, and drayage and intermodal delivery	Seattle	www.unitedmotorfreight.com
c.	Boeing Licensed Transport	Corp transport service	Regional	NA
d.	Elliot Bay Transfer	LTL/Truckload	Seattle	None

Rail

g. Rail to Site:

(1) Distance (miles) to the Nearest Rail Siding Extendable to the Site: Onsite

(2) Do you currently have control of right-of-ways, etc. to the site? The Boeing Company

* (3) If yes, attach proof of control. If no, include letters of commitment to obtain control of right-of-ways for service to the site.

(4) Are there any restrictions on rail traffic volume and frequency? No

h. Rail Service:

(1) Indicate Mainline Rail or Shortline Rail: Mainline

(2) Rail Carrier(s) Servicing Site: BNSF

II. TRANSPORTATION (Continued)

i. What are maximum allowable dimensions that can be delivered to the site (Multiple-car transport systems):

35' x 35' x 140' was design specification of Mount Baker Barge Terminal, which transloads Boeing parts for delivery by rail to the plant. Actual rail access to site to be approved by BNSF based on design dimensions.

j. Access improvements

(1) Please describe any rail access improvements that will be necessary

None

(2) Please estimate the cost of any access improvements: None

Port

k. Port Access

(1) Distance (miles) to nearest Port Facility capable of handling

	Barge	Ocean Vessels
Container loading and unloading	1	4
Special Over-sized cargo	1	4
Cranes	1	4

l. Port Improvements

(1) Describe improvements to integrate the unloading, transport and delivery of containers and oversized components using multi-modal transport systems.

Port of Everett has invested over $90 million over the last 10 years in facilities and equipment to support aerospace by truck, ship, barge and rail.

(2) Please estimate the cost of any access improvements: None

(3) Please provide additional information on studies, permits required or other regulatory matters that must be addressed if port improvements or access must be provided. Include a timeline and schedule for each activity.

None required

m. Storage and Handling Capabilities

75 acres on dock

II. TRANSPORTATION (Continued)

Other

n. Briefly describe work stoppages at the nearest ports within a 150 mile radius to include the following:

Strikes or work stoppages in last 10 years	None at Port of Everett. Port of Seattle short-haul truckers (2012)
Specific circumstance of each event	In February 2012, independent short-haul truckers at the Port of Seattle staged a boycott. While there were some delays in initially unloading ships while other drivers could be brought in, cargo movement at the Port was not impacted. It was not a strike, or wholesale picketing or official work stoppage from a represented work force.

Comments

Port of Everett has not seen a work stoppage since 2002 due to a lockout by employers. Ports of Seattle/Tacoma have had one day sporadic spot stoppages for safety issues over the past ten years.

o. Briefly describe work stoppages and other transport terminals (all modes rail, ports, air) within a 150 mile radius to include:

Strikes or work stoppages in last 10 years	None
Specific circumstance of each event	

Comments

Transport-associated unions working in Snohomish County are the Longshormen, Inland Boatmens (Tugs) and BNSF. No work stoppages with any of these in the last ten years.

III. ENVIRONMENTAL / BUILDING PERMITTING

a. List all Required Environmental / Building Permits:

Air Permit(s) (Major Source PSD Level)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
PSD permits	Dept of Ecology	Depends on size		Plans and supporting air quality data
Notice of Construction	PSCAA	Depends on size		Plans and supporting air quality data

Ground Water Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Water is provided by the City of Everett				**Attachment 10**

Waste Water Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Existing waste water permits from City	City of Everett	Varies	60-90	**Attachment 11**
Attachment 11	City of Everett	**Attachment 11**		

Hazardous Materials Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Boeing has existing hazardous waste handling permits for Everett site	Dept. of Ecology	$0.1179385 per pound	Five to ten days	An EPA ID# could be issued in a few days

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

Building / Construction Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Building / Construction Permit(s)	City of Everett	Depends on size	28 days maximum	Full building, structural, electrical, plumbing, mechanical plans

Zoning Permits	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Master Plan already approved	City of Everett	None required	28 days maximum	Site plans for building location, building plans to determine consistency with zoning standards
Attachment 9				

b. Permitting Process:

(1) Can permit application data be kept confidential during the permitting process?

A permit application is a public document. An application is not made public by the City. A public records request would trigger release of the application. A third party could be listed as the applicant. The City does publicize that a permit has been issued.

(2) Is the environment permit obtained sequentially OR concurrently to a building permit?

Concurrently

(3) Once an application is submitted, how long does the reviewing authority have before they must make a final decision?

The City of Everett has committed to issuing a building permit within 4 weeks for an aerospace manufacturer on this site.

(4) What regulatory law does the regulatory agency base its decisions and interpretations by?

City of Everett Municipal Code, Washington State Environmental Policy Act, Washington State building code

(5) Will the approving agency compile and publish a preliminary decision on our application?

The City of Everett has already pre-approved development of up to 2 million square feet of additional aerospace manufacturing on this site. Decisions will be final, not preliminary.

(6) During the public comment period, if there are objections to our applications, how are these objections addressed and by whom? How long can it further the review time by law?

As a result of the City of Everett Planned Action permitting system, there is no public comment period. Therefore, there are no permit delays.

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

c. Environmental Impact Assessments / Studies:

(1) What activities or industries require the completion of an Environmental Impact Assessment or study?

The City of Everett has already approved an Environmental Impact Statement for development of the subject property. Additional capacity for up to 2 million square feet of additional building space is available under this environmental approval. **Refer to Attachment 7**.

(2) What requirements and procedures are necessary to complete the Environmental Impact Assessment or Study?

No additional environmental review is required. The City will review a building for compliance with zoning standards.

d. Current Air Quality Status:

(1) If the site is located in an area that does NOT achieve quality air status, define characteristics:

This site is not located within a non-attainment area.

(2) Identify and define local issues (if any) with regard to Air Quality Status of the region:

The Puget Sound Clean Air Agency works closely with the City of Everett and the current site user to review and approve air quality permits.

(3) Can a company purchase emission credits? Are "Tradable Emission Rights" available?

No

e. Industrial Non-Hazardous Solid Waste:

(1) Identify the solid waste disposal sites that will accept non-hazardous industrial waste:

The Snohomish county solid waste utility serves the subject site, including solid waste removal, recycling (cardboard, plastic, wood, Styrofoam, landscape, compost, construction debris, metal)

(2) Indicate the potential remaining life of the disposal site:

The County solid waste utility has a long-term disposal contract with a landfill operation in eastern Washington with plenty of capacity.

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

(3) Indicate type of disposal Site: Solid waste transfer station

(4) Distance (miles) from Site: 10 miles

(5) If more than 1 non-hazardous solid waste site, repeat steps 1-4 and insert information here.

f. Identify any Noise Restrictions for Site:

City of Everett Noise Ordinance

g. Identify any stack height or building height restrictions for this site:

120' building height is permitted for this site by City zoning. Additional height may be approved if needed.

h. Relative to any variances and/or special exceptions which are required for a maximum facility height, what are the processes and timing?

The City of Everett has committed to issuing a building permit for aerospace use on this site within 4 weeks.

i. Local Building Codes

(1) Indicate the prevailing building codes and any related amendments relevant to the proposed site (i.e. Uniform Building Codes).

International Building Codes

(2) If hangars are already constructed on the site, do they conform to the prevailing building codes? Yes

(3) If no, please indicate and describe the building codes to which the hangers do conform.

(4) If certain building designs and requirements do not readily conform to local building codes, please describe the process for requesting exceptions or exemptions.

The City has an appeal board for building code related issues.

IV. ZONING & FUTURE PLANNED ZONING

a. Current Zoning:

(1) Identify Site's Current Zoning:

M-2 Heavy Manufacturing and M-1 Office and Industrial Park

(2) Will zone designation require change for intended usage? No

If yes, please provide a letter of commitment indicating the community's willingness to rezone the proposed site.

None required

b. Current Surrounding Land Use & Zoning:

(1) Identify Current Surrounding Land Use & Zoning

Surrounding Land Uses are industrial uses, airport, and all surrounding lands are zoned industrial, either M-1 or M-2.

c. Protective covenants in place

Not Applicable

d. Unrestricted 24-hour use and/or applicable noise curfews

Noise Ordinance allows for nighttime manufacturing activities. There are no noise-sensitive land uses surrounding the site.

e. Maximum allowable site coverage (%)

Facilities	Impervious Surface
Up to 90% of the site may be covered with buildings or impervious surfaces.	

f. Provide a copy of the applicable zoning **Attachment 9**

V. UTILITY SERVICE

Utility Providers

a. Name of Electric Power Company(s) serving this site:

Transmission	Snohomish County Public Utility District #1 (PUD)
Distribution	PUD

b. Name of Gas Company(s) serving this site:

Transmission	Puget Sound Energy (PSE)
Distribution	PSE

c. Name of Water / Wastewater Company serving this site: City of Everett

d. Name of Solid Waste Handler: Snohomish County

Utility Infrastructure (Please Refer to 777X Site Selection Outline Criteria Document if more details needed)

e. Electric:

* (1) Please provide an electrical grid and distribution map (if available). **Attachment 6**

(2) Are electric facilities near or adjacent to the site? See (3) below

If so, what lines are available?

	Kv
	Kv
	Kv

(3) If electrical facilities are not adjacent to site, approximately how far away are the nearest facilities?

Boeing's existing Paine Field location has District-owned 115-12.5 kV transformers that supply Boeing-owned 12.5 kV switchgear. Capacity to serve the projected 15.58 MW (16.4 MVA) normal load and the 20.25 MW (21.3 MVA) peak load is currently available. Anticipate that Boeing can extend its 12.5 kV distribution to any location on the Boeing property. Currently, Boeing has three 40 MVA transformer banks serving the entire site which provide N-1 redundancy if the banks are bused together. A fourth transformer bank could be added to provide N-2 transformer redundancy. Extension of existing 12.5 kV distribution system is anticipated to be less than a mile. This approach puts Boeing in the driver's seat regarding schedule and project managment.

(4) What is the approximate distance to the nearest substation that presently provides electric service to the site?

Less than a mile	yes
More than a mile	

(5) Provide the details of independent dual-feed service

As noted above, the existing Boeing 12.5 kV distribution system has capacity, when configured to allow dual feed, to provide N-1 redundancy. If additional redundancy is required, a 4th transformer bank may be added as noted above.

V. UTILITY SERVICE (Continued)

(6) Please provide a brief comment / description relating to your response:

Snohomish PUD has a long and successful working partnership with Boeing that we value and look forward to continuing. Snohomish's power supply portfolio provides 100% non-carbon emitting power to its customers.

(7) Please estimate the cost of extending electric service to the site:

Extension of Boeing owned existing 12.5 kV distribution system entails Boeing cost parameters that the District is not able to estimate. A fourth transformer bank can be added to the District owned substation to enhance redundancy as described above. A ballpark estimate of adding a fourth transfomer bank to the substation is $3 million in 2014 dollars. Cost for any land purchase needed are not included in this estimate.

(8) Assumption is transmission level service - 15 to 20 MW demand with a 50% diversity. What is the average cost per kWh?

Based on load data submitted, the District Schedule 36 Large Industrial Load average rate would be $.0602/kWh - this assumes service continues at 12.5 kv from the existing substation. Significant departures from these load and/or delivery assumptions could result in a different rate. This is not an offer to buy or sell electricity or other related services. PUD rate schedules are subject to approval by the Board of Commissioners and may change from time to time.

f. Natural Gas:

(1) Is natural gas service available at the site?	Yes
(2) Distance (feet/miles) to the Closest Gas Line to Service the Site:	On-site

(3) Assumption is transport level service - 95 to 124 mmbtu/hr (24 hrs/day, 7 days/week). What is the average cost per million cubic feet?

http://pse.com/aboutpse/Rates/Pages/Natural-Gas-Rate-Schedules.aspx?Schedule_x0020_Type=Rate%20and%20Adjusting%20Schedules

(4) Provide details of the gas line(s), both actual and proposed extensions / upgrades should be included. Indicate line size, capacity, pressure of line, current peak utilization, and any "bottlenecks" within the line/system which may have to be upgraded, etc.:

An 8" gas main serves the property. Per PSE, "confirming that PSE is able to serve both locations as specified. We've confirmed with our System Planning that the local gas lines for those locations are sufficient, and of course, can provide even more details as project(s) develops". Dom Amor, Manager, Local Govt & Community Engagement dom.amor@pse.com (C) 206-604-3066

(5) Please estimate the cost of extending natural gas service to the site:	Service to the site already is in place

g. Water:

(1) Confirm that treated water is available at the site?	Yes
Distance (feet/miles) to the closest water line serving the site:	On-site;100 feet?
Indicate the size of the line serving the site:	16 inch
Indicate the capacity of the line serving the site:	4000 gpm
Indicate the capacity of the water system (million gallons per day):	130
Indicate the avg. utilization of the water system (million gallons per day):	50
Indicate the peak utilization of the water system (million gallons per day):	115
Indicate the excess capacity of the water system (million gallons per day):	15

V. UTILITY SERVICE (Continued)

(2) Assumption is peak 40 kgal/hr. What is the average rate per 1,000 gallons per day?

$2.16/day; Est. $16,000/mo. if peaking factor is 4.

Indicate any planned upgrades of the system, including the timeframe and funding of the project:

None

* Provide detail of treated water chemical analysis

Refer to Attachment 10.

(3) Please estimate the following costs with regards to water service to the site:

Extension of water lines:	Water service is already located on-site
Water Meter	$2300/1" meter
Tap Fee	$2012/ERU
Impact Fee	NA

h. Waste Water / Sewer:

(1) Is municipal sewer available at the site?	Yes
Distance (feet/miles) to the closest sewer line serving the site:	On-site; 100 feet
Indicate the size of the sewer line serving the site:	21 inch
Indicate the capacity of the sewer line serving the site:	1500 gpm
Indicate the capacity of sewer system (million gallons per day):	33
Indicate the average utilization of sewer system (million gallons per day):	20
Indicate the peak utilization of sewer system (million gallons per day):	32
Indicate the excess capacity of sewer system (million gallons per day):	1

(2) Assumption is peak 30 kgal/day. What is the average rate per 1,000 gallons per day?

$7.30/day; est. $2,200/mo. if peak factor is 3. Note: 30 kgal/day is a very low sewage flow for a major manufacturing plant.

* What are the regulations for waste water pre-treatment? Provide copies.

Refer to Attachment 11.

V. UTILITY SERVICE (Continued)

Indicate any planned upgrades of the system, including the timeframe and funding of the project:

A major ($80 million) upgrade is being designed for Everett's wastewater treatment plant. It should be complete by 2017 and funded by bonds.

Cost to Service the Site: $40,000/month

(3) Please estimate the following costs with regards to wastewater service to the site:

Extension of sewer lines:	Not Applicable
Discharge Metering	$0.19/1000gal
Tap Fee	$3,026
Impact Fee	Not Applicable

i. Solid Waste Disposal:

(1) Please indicate the services provided for solid waste: Waste Management Northwest

(2) Indicate a tippage fee **per ton** for solid waste: $150 *General Solid Waste*

(3) Indicate a tippage fee **per ton** for solid waste (Composite Waste): $150 *Specific to Composite Material Waste*

j. Telecommunications

(1) Please provide an explanation of the existing network: Frontier is the local telco.

VI. QUALITY WORK FORCE

a. Indicate the total employment (workforce) within 50 miles of site: 1,673,485

b. Indicate the number of people employed in manufacturing within 50 miles of site: 166,834

c. Please provide the following unemployment rates for your community:

2012	7.80%
2011	9.40%
2010	10.60%
Current	6.00%

d. Please provide a list of top **manufacturers** employing more than 100 people within a 50 mile radius of the proposed site location:

	SIC* Code	Name of Company	No. of Employees	Average Experience (years)
1		Boeing	70,859	Not Applicable
2	7372-01	Microsoft Corp	55,000	Not Applicable
3	3531-98	Terex Aerial Work Platform	3000	Not Applicable
4	3599-03	Harbor Island Machine Works	2520	Not Applicable
5	5211-28	Cal Portland Co.	1500	Not Applicable
6	3841-04	Philips Healthcare	1500	Not Applicable
7	3825-98	Fluke Corp.	1200	Not Applicable
8	3728-01	Zodiac Aerospace	1000	Not Applicable
9	3812-01	Crane Aerospace	700	Not Applicable
10	3569-98	Electroimpact	600	Not Applicable

**SIC = Standard Industrial Classification*

e. Shift Experience:

(1) Of the major manufacturing operations in your community, how many utilize more than one shift? 5

(2) How many operate seven days per week? 1

f. Please provide the average manufacturing wage **(excluding benefits)** in the region: $92,265/ yr.

VI. QUALITY WORK FORCE (Continued)

g. Please provide the average percentage of wage cost of the total benefit package, including govt. programs, medical, dental, vacations, holidays, pensions, etc.:
Example - If total benefits equal $10 per hour and base wage is $20 per hour report 50% benefit cost.

30%

h. Please characterize the availability of trained workers in the skills identified in the attached addendum for job descriptions

Job Title	Availability
Refer to "Workforce Availability December 2013" in Attachment 1.	

i. Please provide the following information on Worker's Compensation and Unemployment Insurance.

Worker's Compensation

(1) Average Cost of all manufacturing occupations per $100 of payroll	$3.84	
(2) Average rate for Aircraft Manufacturing occupations (NCCI Code 3830)	$1.05	L&I risk class 3403
(3) Maximum Weekly Benefit	$1,203.86	7/1/2013-6/30/2014

j. Unemployment Insurance

(1) Taxable Base	$39,800
(2) Average rate among existing employers	0.74
(3) Average rate for new employers	0.666
(4) Maximum Weekly Benefit	604

VII. TAXES

A. Corporate Income

(1) Rate Structure	NO Income Tax in Washington State
(2) Apportionment Formula	Not Applicable
(3) Weightings for such factor:	Not Applicable
(4) Is Worldwide unitary taxation applicable?	Not Applicable

B. Franchise

(1) Rate Structure	NO franchise tax in Washington State
(2) Application	Not Applicable

C. Ad Valorem

	County Ratio of Assessment (%)	Total Rate/$100 Value
(1) Real Property	100%	$1.39827 (Snohomish County: $1.301)
(2) Production Equipment	100%	$1.39827
(3) Other tangible personal property	100%	$1.39827
(4) Tooling	100%	$1.39827
(5) Inventories	Not applicable	Not applicable
(a) Components	Not applicable	Not applicable
(b) Work in process	Not applicable	Not applicable
(c) Finished products	Not applicable	Not applicable
(6) Pollution abatement equipment	100%	$1.39827

VII. TAXES (Continued)

D. Sales/Use *(State and Local)*

(1) Facility construction materials	Exempt under the provisions of ESB 5952, Chapter 2, Laws of 2013, 3rd Special Session
(2) Production Equipment	Exempt
(3) Other tangible personal property	Everett: 9.2% total; 6.5% state, 2.7% local
(4) Tooling	Exempt
(5) Equipment installation	Exempt
(6) Major exceptions	Computers, equipment, software and peripherals as well as related labor & services related to installation exempt
(7) Jet Fuel	Intrastate only: Everett: 9.2% total; 6.5% state, 2.7% local

E. Business License Fees

The City of Everett has a Business & Occupation (B&O) Tax calculated at 0.1% of gross receipts. The B&O tax rate on the value of products that exceeds $7 billion is 0.025%. There is also a one-time application fee of $10.00

F. Personal Income Tax

Ratio Range	Schedule
Not applicable	

G. Local Occupational Tax (paid by employee and/or Employer)

	Ratio Range	Schedule
(1) City Residents	Not applicable	
(2) Non-City Residents	Not applicable	

H. Describe all sales, property, or other tax exemptions that would be available to airline customers who purchased and took delivery of an airplane in your state.

There are no taxes that apply to a person purchasing, and taking delivery in Washington, an airplane that will be used primarily in interstate or foreign commerce. There is a specific sales tax exemption for such purchases and no other taxes apply.

VIII. EDUCATION

Two Year College

a. Number of Community College/Vocational/Tech. Schools serving the area: 3

(1) Community College / Vocation / Technical School Information:

Name of Community College / Vocation / Technical School	Edmonds Community College
Distance from Site (miles)	9
Identify Number & Type of Industry Training Programs	19
Identify Current Industries Served	Aircraft-related
# Graduates Per Year in Industrial Training Programs:	4070 (+/- 3000 of this number are graduates of a two month mechanical/electrical assembly program for aerospace employers)

Name of Community College / Vocation / Technical School	Everett Community College
Distance from Site (miles)	9 and 2; two facilities
Identify Number & Type of Industry Training Programs	18
Identify Current Industries Served	Aircraft-related
# Graduates Per Year in Industrial Training Programs:	506

Name of Community College / Vocation / Technical School	Lake Washington Institute of Technology
Distance from Site (miles)	18
Identify Number & Type of Industry Training Programs	22
Identify Current Industries Served	Aircraft-related
# Graduates Per Year in Industrial Training Programs:	660

Training Resources

b. Describe local administration of government-sponsored new industry or expansion training programs? Please define and describe programs and resources available.

The **Air Washington** project is a consortium of eleven of the state's community and technical colleges which have received a $20M Department of Labor grant to strengthen our aerospace industry through workforce training. By fall of 2014, Air Washington campuses will train more than 2,600 workers in advanced manufacturing/composites, electronics/avionics, aircraft assembly, and aircraft maintenance. Everett Community College received a $3.3 million federal grant for targeted training and workforce development to help workers changing careers, including expanding the college's aviation maintenance, machining and composites programs. For more information, please visit http://www.airwashington.org/.

The **Aerospace Loan Program (ALP)** provides low-interest loans to Washington students who have demonstrated inability to pay the full cost of attending a short-term aerospace training certificate program offered by the Washington Aerospace Training and Research Center Program. Students can receive up to $2,400 per training module to enhance their existing job skills or earn certificates in various aerospace production fields. The Washington Aerospace Training and Research Center was created to help meet the demand for skilled aerospace workers in Washington. After completion of the program, ALP recipients have up to three years to repay their loans.

Edmonds Community College (EdCC), in a partnership with the National Aviation Consortium (NAC), was awarded $1.8 million from the U.S. Department of Labor Trade Adjustment Assistance Community College Career Training (TAACCCT) Grant Program. The grant is based on the training developed by EdCC and 180 Skills that is offered by the Washington Aerospace Training & Research Center (WATR). The WATR Center has been identified as a national model for its method of delivering in-demand industry-driven training that helps fill the skills and workforce gaps in aerospace. WATR has a proven 12 week model of accelerated training in Washington State. Since its first graduating class in August 2010, this training has led to over 800 WATR alumnae working in 50 aerospace companies. Currently WATR provides training for the following aerospace certificates: Assembly Mechanic, Electrical Assembly Mechanic, Tooling Mechanic, and Quality Assurance. For more information, please visit http://www.washingtonaerospace.com/docs/NAC_Press_Release.pdf.

c. Either privately or publicly, does local area provide vocational / technical support to new or expanding industry? Please define and describe programs and resources available.

The Washington State Department of Commerces' **Work Start** is a business-driven workforce training program using The Governor's Strategic Reserve Funds to provide employers with flexible customized training in direct alignment with the state's business recruitment, retention and expansion efforts. Work Start will be directed to target sectors including but not limited to: aerospace, clean technology, advanced materials, advanced manufacturing, maritime, forest products, agribusiness, life sciences, information, communications and technology, and locally targeted industries. Work Start will coordinate with state and local training programs to assure the best program of training is delivered in the most efficient manner. Projects will be approximately $100,000 with a required company match. Successful Work Start contracts will result in the following: attract new business to Washington and/or expand existing business and jobs; provide excellent service to new and expanding businesses as they compete globally; increase the skills of Washington citizens through training, certifications, and employment in targeted industries.

Washington's **Job Skills Program (JSP**) is customized training to meet employers' specific needs. Training is delivered to new or current employees at the work site or in a classroom. JSP training is a tool for enhancing the growth of Washington's economy and increasing employment opportunities. JSP provides funding for training in regions with high unemployment rates and high levels of poverty. It also supports areas with new and growing industries; locations where the local population does not have the skills needed to stay employed; and those regions impacted by economic changes that cause large-scale job loss. A central focus of JSP is to provide training and employment for those at risk of losing their jobs due to technological or economic changes. JSP awards grants to licensed educational institutions in Washington. JSP funds half of the training cost; partner employers provide a cash or in-kind match to fund the other half. As of October 1, 2013, $1,346,054 is available for qualifying projects. For more information, please visit http://www.sbctc.ctc.edu/college/_e-wkforcejobskillsprogram.aspx.

IX. COMMUNITY CHARACTERISTICS

Primary & Secondary Education

d. Schools within 50 miles:

Snohomish County is the selected community, which spans about 50 miles from Mukilteo to Index (East to West) and Stanwood to Northshore (North to South).

(1) Kindergarten - Year 12:	*Public*	*Private*
Number of Primary Schools	266	64

(2) Secondary Vocational Schools:		
Number of Secondary Vocational Schools	1	0

(3) Universities / Community Colleges / Post-Secondary Technical Training Institutions

Number of Universities	4	4
Number of Community Colleges	3	1
Number of Post Secondary Technical Institutions	2	1

(4) Rankings:

Outcome	STATE		COMMUNITY	
College Board Scores	National Rank	Score	National Rank	Score
Avg. SAT	1	1545	Not Available	Not Available
Avg ACT	9	22.8	Not Available	Not Available
Graduation Rates	19	77.2%	Not Available	77.7%

Resources	STATE		COMMUNITY	
	National Rank	Amount/Ratio	National Rank	Amount/Ratio
Teacher's Salaries	23	$49,111 average	Not Available	$46,000 average
Student-teacher ratio	4	19.7:1	Not Available	20.18:1
Per Pupil Expenditure	27	$10,000	Not Available	$9,445.9

e. Community Graduates:

% Completed Year 12:	91.8%
% Technical College Graduates:	Not Available
% University Graduates:	29.7%

IX. COMMUNITY CHARACTERISTICS (Continued)

f. Other

(1) Please provide information on the following:

	5 Miles of Site	In the Community
Fitness Centers:	42	138
Parks	20	100

(2) Cost of Living Composite for average 2012 (ACCRA)	111.9
(2) Cost of Living Composite for 3rd Quarter 2013 (ACCRA)	110.9

(3) Individual tax Burden to the employee:

Sales Tax (List)	9.50%
Income (Detail)	Not Applicable
Property Tax	
Land/Home (Define)	$13.9827/$1,000
Personal Property (Define)	Not Applicable

(4) Average travel time to work (Commute):	29.3 minutes

X. CLIMATOLOGICAL DATA

Natural Disasters (Source: NOAA)

a. Please provide information, including dates and details, on natural Disaster occurrences (past 100 years) as recorded and maintained by State and Federal Climatological Offices:

Floods	FEMA Disaster Declarations in 2009, 2007, 2003, 1997, 1996, 1990, 1986, 1979, 1977, 1975, 1964, 1962
Tornadoes	None
Hurricanes	None
Earthquakes	Earthquake May 1965; Nisqually Earthquake March 2001
Other	Mt St Helens Volcano, 1980; Windstorms combined with regional flooding

Climate

b. Climate:

Elevation Above Mean Sea Level (ft. MSL)	604

Temperature Ranges by Month (°F)

Month	Avg. High	Avg. Low	Mean	Avg. Precip	Record High	Record Low
Jan	48°F	35°F	42°F	5.11 in.	67°F (1986)	1°F (1950)
Feb	51°F	34°F	43°F	3.19 in.	74°F (1986)	2°F (1950)
Mar	55°F	37°F	46°F	3.69 in.	82°F (2004)	10°F (1955)
Apr	60°F	41°F	51°F	3.00 in.	85°F (2004)	27°F (1951)
May	65°F	46°F	56°F	2.67 in.	88°F (1953)	29°F (1954)
Jun	70°F	51°F	61°F	2.30 in.	98°F (1955)	37°F (1952)
Jul	75°F	54°F	65°F	1.17 in.	93°F (1958)	39°F (1972)
Aug	75°F	54°F	65°F	1.15 in.	94°F (1960)	40°F (1987)
Sep	70°F	49°F	60°F	1.95 in.	89°F (1986)	31°F (1992)
Oct	61°F	42°F	52°F	3.58 in.	80°F (1992)	22°F (1971)
Nov	52°F	38°F	45°F	5.57 in.	74°F (1981)	0°F (1993)
Dec	46°F	33°F	40°F	5.17 in.	66°F (1980)	5°F (1964)

Humidity Factors % by Month

Jan 90.9%; Feb. 95.1%; Mar. 75.6%; Apr 79.8%; May 72.6%; Jun 68.9%; Jul 86.1%; Aug 88.9%; Sept 77.1%; Oct 92%; Nov 81.4%; Dec 80.7%

Climatological Effects

c. Climatic Effects:

(1) Frequency of Road Closures:

Interstates / Freeways	There were no closures of interstates/freeways in Snohomish County in the last 2 years due to weather/climatic issues.
Primary Roads	There were no closures of Primary Routes on WSDOT operated routes due to weather/climatic effects in Snohomish County in the last 2 years in elevations less than 1000'.

(2) Average Duration of Road Closures:

Interstates / Freeways	Not Applicable
Primary Roads	Not Applicable

XI. EMERGENCY PROTECTIVE SERVICES

Ambulance Services

a. Ambulance Services:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

Everett Fire Department provides the Boeing Company factory at 3003 West Casino Road with three (3) two-paramedic Advanced Life Support (ALS) units and eight (8) three-person EMT-Basic Life Support (BLS) staffed fire apparatus. Stations 4 (5920 Glenwood Avenue) and 6 (9520 Evergreen Way) are closest in proximity to the main Boeing manufacturing facility and regularly respond there. In addition, three private ambulance companies support our department with BLS transport when requested by the on-scene crews. Both BLS and ALS travel times measured from Stations 4 and 6 to arrival at the main factory gate would be in the neighborhood of 6-7 minutes when dispatched from station.

Fire Protection

b. Fire Protection:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

Everett Fire Department responds to commercial fire incidents with four (4) 3-person fire pumpers, two (2) 3 or 4-person ladder apparatus, three (3) two-paramedic ALS units, the on-duty battalion chief, and senior command staff personnel. In an escalating incident, the department adds three fire pumpers and calls in off-duty personnel to staff additional apparatus. In addition, the department has mutual aid agreements with surrounding fire districts and departments for additional resources. First arriving units will normally be at the main gate about 6-7 minutes after leaving station, with the remainder coming from their more remote station locations throughout the city to the north and east of the factory location.

(2) Indicate % paid vs. voluntary status of fire house: Everett Fire Department is a 100% paid/career department. No volunteers.

(3) Number of Personnel per 1,000 Population: Everett Fire Department has 165 firefighters divided between four (4) 24-hour shifts. The population of Everett is 103,000, with the resulting ratio of 1.6 career firefighters per 1000 Population.

(4) Indicate current fire insurance rating for each fire house servicing site:

The Washington Survey and Ratings Bureau (ISO equivalent) has calculated the City of Everett's fire insurance rating as Class 3, with Class 1 being the best and Class 10 being the worst.

(5) Does the community/airpark provide aircraft accident/crash and damage emergency services: Yes

If not please detail the manner with which these services will be provided:

Snohomish County Airport Fire Department provides initial Aircraft Rescue and Fire Fighting capability for aircraft crash and damage emergency services. Everett Fire Department trains with the airport fire crews for these emergencies, and is dispatched automatically for such an incident.

XI. EMERGENCY PROTECTIVE SERVICES (Continued)

Police Protection

c. Police Protection:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

The Everett Police Department is a full-service state accredited law enforcement agency with a total of 201 commissioned police officers and 43 civilian personnel. The Everett Police Department has two precincts, one located in North Everett and the other in South Everett, approximately 4 miles from the Boeing plant with a response time of approximately 2-3 minutes for emergency calls. Calls for service are dispatched via an independent dispatch center (Snopac), which is located in the police south precinct facility. The police department is comprised of three divisions: Administrative Services, Investigations and Operations (uniformed patrol). The primary function of the police department is to proactively patrol the city of Everett and respond to 911 calls for service. This is accomplished through the 96 officers and supervisors assigned to patrol. The department also staffs an Anti-Crime Team, which is a proactive unit designed to address all types of neighborhood and community issues that arise in a city the size of Everett.

The Administrative Services Division is comprised of the Everett Police Records Unit, Police Training and Property Room. The Records Unit maintains staffing 24-hours per day and manages several thousand police records on an annual basis. The Everett Police Department is committed to training not only its newest officers, but to the ongoing, continued education and training of its existing personnel as well. The Everett Police Property Room is staffed with four full-time employees and maintains nearly 56,000 items of evidence on an annual basis.

The Investigations Division is tasked with conducting follow-up investigations for patrol-generated police reports. The Everett Police Department maintains not only a Major Crimes Unit, but also Property Crimes, Financial Crimes, Special Assault and Special Investigations Units. Members of these units are on call and available for major crimes response 24-hours a day, 7 days a week. The Everett Police Department has maintained long-standing relationships with several federal law enforcement agencies to include the Federal Bureau of Investigation, Burlington Northern Santa Fe, Naval Criminal Investigative Services and the United States Coast Guard, to name a few. In the recent past, the department had a full-time officer assigned to the local FBI Joint Terrorism Task Force (JTTF) Everett office. The Everett Police Department has also established and maintained a strong professional relationship with Boeing Security and worked cooperatively with them on numerous large scale dignitary visits to the Boeing site. The Everett Police Department has demonstrated itself as a regional leader in law enforcement intelligence sharing and has hosted the Regional Intelligence Group since its inception in the early 2000's.

Within the Operations Division, the Everett Police Department also maintains a full-response Marine/Dive Unit as well as two police officers assigned to our multi-agency regional Hazardous Device Technician (Bomb) Team. The Everett Police Department has its own full-time Special Weapons and Tactics (SWAT) Team and partners with the Snohomish County Sheriff's Office as members of the Region 1 SWAT Team. Additionally, the Everett Police Department has over a dozen officers assigned to the Allied Law Enforcement Response Team (ALERT). This multi-agency civil disturbance team trains regularly to respond to large-scale civil disturbance and riot situations. And the Everett Police Department response to significant incidents has recently been enhanced with the acquisition of a new 33-foot patrol safe boat as well as a new incident command vehicle.

XII. BUSINESS CLIMATE

a. Industrial Growth:

(1) List new industry and major expansions in the last 3 years:

Firm	Description	Year	Jobs	Investment ($)
B/E Aerospace	aircraft components/interiors	2013	400	$50 million
Esterline/Korry	aircraft electronic	2010	600	$50 million
Electroimpact	tooling	2013	100	$4 million
Boeing Commercial	aircraft delivery center	2013	unknown	$17 million
		Total Jobs:	1100	

(2) Total Number of New Jobs Created in the Last 3 years:

2012	39,000
2011	26,600
2010	-23,100
Total	42,500

(3) Job Growth for the Last 3 Years as a % of Total Work Force: 3%

b. Bond Rating:

(1) State:	AA+	Standard & Poor's
(2) City:	AA+	
(3) County:	Aa	

c. Identify any pending rules, regulations or laws that may inhibit Boeing's ability to build or expand facilities to meet the specifications required for this project. Please also describe how you will prevent these actions from inhibiting Boeing's ability to build or expand to meet these specifications.

The Washington State Department of Ecology is in the process of updating the human health criteria in Washington's Surface Water Quality Standards, as required by federal law. The Fish Consumption Rate is one factor of an equation the Department will use in determining water quality standards under the Clean Water Act. Washington is committed to developing balanced, practical solutions that achieve water quality and human health goals, limit footprint requirements and costs associated with permit compliance, provide certainty and predictability for regulatory compliance, minimize the risk of third party litigation, and ensure the state's ability to retain and attract business. Boeing can be assured that cost effective, feasible compliance pathways for existing and/or new sites will part of any state-driven outcome.

The State is scheduled to adopt new water quality regulations by the end of 2014, and the standards will not take effect until approved by EPA. Given Boeing's November 2014 stated deadline for initiating construction of 777X wing fabrication facilities, the fish consumption rate will not limit Boeing's ability to move forward with 777X-related construction.

The State also commits to working with Boeing on any permitting issues relative to specific sites or specific parameters. Additionally, we commit to exploring how public investment in pollution reduction efforts can contribute to these solutions.

d. Outline any recently enacted State level legislation which has positively or negatively affected existing and/or new business (i.e. tax related, labor related, transportation related, etc.)

ESSB 5952 (2013)
Extension of Tax Incentives:
Extends existing aerospace incentives beyond their current sunset date of 2024 to the year 2040 contingent on Boeing siting 777X wing and final assembly in Washington State. This extension is valued at $8.7 billion and has been touted as the largest corporate tax break in US history.

Sales & Use Tax Exemption on Construction of New Manufacturing Buildings:
The sales and use tax exemption on the cost of construction of new manufacturing buildings provided in RCW 82.08.90 and RCW 82.12.980 was expanded to include the 777X and all future commercial airplane programs. It allows a manufacturer of wings and/or fuselages for commercial airplanes to qualify and enables a municipal corporation such as Snohomish County/Paine Field to pass the savings from the tax exemption on to its tenant in a build-to-suit/leaseback arrangement.

EHB 2088 (2013)
Expansion of Aerospace Training Capacity:
Provides $8 million per year to increase by 1,000 the number of student slots in high-demand aerospace fields as long as there is demonstrable need. The State Board for Community & Technical Colleges is required to work with Boeing and the industry, through the Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee, or its successor, to target this investment toward the fields most critical to the company and its supply chain and to the institutions that are most effectively in delivering graduates with the desired skills.

Wing Fabrication Training:
The state will design and fund for 10 years (or until there is no longer sufficient need) a specialized training program at the Washington Aerospace Technology & Research (WATR) Center at Paine Field to provide your incumbent workers, as well as new hires, with the skills necessary to perform fabrication and assembly of the 777X's carbon fiber wing. $500,000 was provided to begin designing this program and $1.5 million to fund facility upgrades and/or equipment. It is assumed that this program will receive additional capital and ongoing operational funding and be up and running to begin offering classes in 2015.

Central Sound Aerospace Training Center:
Washington is committed to providing state-of-the-art training facilities in close proximity to Boeing and its supply chain. That is why the Legislature has provided $12.5 million (including $5 million in the recent 777X special legislative session) to construct the Central Sound Aerospace Training (CSAT) Center in Renton. Located at the Renton Municipal Airport, CSAT will offer a real-life setting just yards away from the 737 plant. Once constructed, the 19,000 square-foot facility will feature three high bays and multiple classrooms, providing adequate space for large plane parts such as wings and fuselages so students have the very best of hands-on learning and training.

HB 1872 (2013):
Comprehensive STEM education bill, which includes creation of a STEM Education Innovation Alliance, encourages regional STEM networks, and creates a STEM Benchmark Report Card. This will provide a strategic framework to better align our efforts around STEM education with the growing needs from Washington's industries.

Adopted the Next Generation Science Standards (2013):
Washington is only the eighth state in the nation to adopt Next Generation Science Standards, which provides rigorous, new curricula and relevant project-based learning to build STEM competency for all students from Kindergarten through high school.

HB 1472 (2013):
Established Advanced Placement (AP) computer science coursework as a science credit for purposes of high school graduation. This legislation will encourage more students who have shown interest in computer science to stick with it and encourage them to follow that path into college.

Engineering Education (2012 and 2013):
Over the past two years the legislature has pledged more than $25 million in new funding to expand engineering programs at state universities. Recognizing that there is additional demand, the state continues to invest in engineering degree production across the state.

Common Core State Standards (2013):
Previously adopted K-12 standards, now in implementation for English/Language Arts and Mathematics.

Joint Center for Aerospace Technology Innovation (2012):
Established to facilitate industry/university collaboration. In its first two years of the Center's operation, half of the JCATI funded research projects (17 out of 34 projects) have involved partnerships between Boeing and faculty at either the University of Washington or Washington State University. These grants, total nearly $1.3 million in state funding and it is anticipated that Boeing-partnered research will be supported at similar levels in future funding rounds.

Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee (2012):
A majority of this new committee's members are to directly represent the aerospace industry and make recommendations to the legislature about where it should invest its training resources. We realize this is still a work in progress and will continue to work with Boeing and other companies to further improve the alignment between the state's aerospace training programs and the needs of the industry.

e. Describe ability to provide a low cost site with all infrastructure improvements and adequate access roads in place, or to be extended.

Not Applicable

XII. BUSINESS CLIMATE (Continued)

f. Tax reductions/abatements/credits of all types (income, franchise, property, sales/use, payroll, etc.) to the highest levels possible.

Local, state, and federal agencies have invested heavily to maintain Washington State's competitive advantage in aerospace and support The Boeing Company. Washington State's lack of an income tax, combined with other tax incentives for aerospace companies outlined below, has allowed the industry to prosper. Expressed in 2012 dollars, deferred tax revenues totaled an estimated $978 million over this period, equal to 69% of total direct investments.

The Washington State Department of Revenue extends preferential tax incentives to manufacturers, wholesalers, and retailers of commercial airplanes, their component parts, tooling used for aerospace, and to repair stations and suppliers to aerospace.

In the recent Special Session, the State Legislature adopted ESSB 5952 (2013), which extends all of the existing aerospace incentives beyond their current sunset date of 2024 to the year 2040 contingent on Boeing siting 777X wing and final assembly in Washington State. This extension is valued at $8.7 billion and has been touted as the largest corporate tax break in US history:

B&O aerospace tax rate reduction, rate of 0.2904% (40% reduction from standard manufacturing rate)
FAR 145 certified repair stations, rate of 0.2904% (40% reduction from standard manufacturing rate)
B&O tax credit for aerospace product development (for others*), rate of 0.9%
B&O tax credit for aerospace manufacturers for preproduction development expenditures
B&O tax credit for property taxes on land/buildings
Sales and use tax exemption for computers used in development and design (state and local)

g. Employee selection training (facilities, programs, level of funding)

Following the 787 site selection process, Washington invested more than $20 million to build the Employment Resource Center adjacent to Paine Field where it provided pre-hire screening and post-hire training for new Boeing employees. Edmonds Community College continues to operate this facility in partnership with Boeing. It is available for 777X future pre-hire screening and post-hire training programs. The current state-funded lease is set to expire in February 2016.

h. Financing: Bonds (State, local, or Company issued - non-Boeing binding)

Snohomish County Airport just completed a $30+ million build-to-suit Dreamlifter Operations Center project for Boeing. The County Executive and Chair of the County Council have both pledged their support for a similar project to develop all site improvements and facilities for the 777X project. The County would obtain permits, develop, finance, and construct the facility and all improvements, including access, utilities, grading, internal roads, parking, buildings and stormwater to Boeing's specifications. Boeing would participate in the design process. Financing would be obtained by the County with debt service provided by lease payments. Construction would be contracted through the County purchasing process. The County and the Cities of Everett and Mukilteo strongly support this project.

i. Accelerated permitting (environment and physical project development related)
(1) Accelerated permitting (Federal, State, local levels) for any required process air permits.

City of Everett, Snohomish County, State of WA and others have streamlined permitting by conducting early review and preparation, update of documents, including Federal documents. A 777x Permit Streamlining Task Force was created by Governor Inslee; the report was finalized in July 2013. The Puget Sound Clean Air Agency, the permitting authority for air issues at both proposed Snohomish County sites, was a party to the task force.

(2) Accelerated permitting (State and local levels) for all project construction related activities; and wavier on rebates for permit fees.

City of Everett, Snohomish County, the State of Washington and Boeing came together in 2003 to create the Project Olympus agreement associated with assembly of the 787 Dreamliner. A key component of Olympus was granting building permits for aerospace projects expedited handling. Any such permit is processed ahead of any non-aerospace project. Additionally, the Permit Streamlining Task Force has identified and assessed all permit requirements for the candidate sites in Snohomish County.

j. Direct Grants and/or employee rebates to assist with an offset to the project's overall development costs.

Work Start Program:

Washington Work Start is a business driven workforce training program designed to provide new and existing employers with flexible customized training in direct alignment with the state's business recruitment and expansion efforts. Work Start will target key sectors including: aerospace, clean technology, advanced materials, advanced manufacturing, maritime, forest products, agribusiness, life sciences, information, communications and technology, and locally targeted industries.

Work Start flexible training grants will be used to:

- Attract new business to Washington
- Support existing businesses as they make significant expansions through new business activity.
- Increase the skills of citizens through training, certifications, and employment in targeted industries.

Work Start Teams will meet with each company to discuss their unique training needs. Work Start training along with traditional workforce development services (position posting, screening, assessment, testing, interviewing and other pre-employment activities) will be provided at little or no cost to the company. Work Start Teams will carefully review available training programs to assure the best training is delivered in the most efficient manner.

Work Start is an allocation of the Governor's Strategic Reserve Fund with uses outlined in RCW 43.330.250. It is anticipated that expenditures will be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, to enable significant expansion of a business in the state rather than in an alternative location, recruit a business or facility to the state or other lawfully approved activity. Work Start allocations will coordinate with state and local business recruitment and retention efforts, other SRF commitments, loan programs, and Job Skills and Workforce Investment Act.

Training will be delivered by the trainer that best meets the company needs wherever best for the company e.g. at the community or technical college or at the workplace. Training subcontractors will be selected based on their ability to provide training that will focus on employment and training for skills required in defined high growth, high-demand occupations that are critical to the health and growth of the state's economy.

Washington State Department of Commerce will manage the requests and anticipate the review and approval in 30 days or less. Individual company funding levels depend on the complexity of training and number of trainees. The Employment Security Department is a collaborative partner in Work Start. Program ends June 30, 2015.

k. Incentives for the use of Renewable Energy sources

Machinery & Equipment Used to Generate Electricity Using Renewable Energy & Solar Thermal Heat Systems - Sales/Use Tax Exemption http://dor.wa.gov/Docs/Pubs/SpecialNotices/2013/sn_13_EnergyHeatSurvey.pdf
Renewable Energy Cost Recovery Incentive Payment Program - Electrical Energy Production Using Power from Solar, Wind & Anaerobic Digester http://dor.wa.gov/Docs/Pubs/SpecialNotices/2010/sn_10_RenewableEnergy.pdf

l. Incentives for LEED Certified Project

Not applicable

m. Electric service provider cost reduction package

The Snohomish County Public Utility District delivers electricity throughout Snohomish County. They offer one-time energy incentive payments of $.15 to $0.30/kWh for energy saved that exceeds building code requirements. Funds can be used for building envelope, lighting, HVAC, and process equipment.

n. Other programs and opportunities (explanation)

Boeing Innovation Laboratory at the University of Washington:
Per Reinhall, Chair of the University's Mechanical Engineering Department, is working with the company to establish a lab in the Mechanical Engineering Building in which Boeing engineers would work on joint research projects side-by-side with faculty and students. Current research projects are focused on manufacturing, which tie in with UW strengths in composites (such as the FAA Center of Excellence for Advanced Materials in Transport Aircraft Structures, better known as AMTAS) and mechatronics.

Advanced Materials Research & Development and Product Development Facility:
The Governor's 2014 Supplemental Budget provides $500,000 to design and develop a new advanced materials manufacturing research and product development institute to be located in close proximity to the Everett plant. Led by the University of Washington, in partnership with Snohomish County, the City of Everett, the Port of Everett and private industry, this publicly funded institute will be staffed with researchers and provide equipment that private companies, including Boeing, can utilize to develop and test new products and manufacturing processes.
Depending upon company interest, we are also interested in exploring whether this institute could own and operate a very large autoclave of the size necessary to cure composite wings and other structures that Boeing could utilize in the 777X manufacturing process.

Washington State University Everett:
In 2014, Washington State University will assume management of the University Center of North Puget Sound in Everett, just a few miles from the Boeing Everett plant. WSU is already providing mechanical engineering instruction at this facility and electrical engineering will begin soon. Programs will continue to expand in Everett as we work to establish WSU Everett as a branch campus by 2019.

WSU School of Advanced Manufacturing & Aerospace:
As a cornerstone of WSU Everett, we will establish a School of Advanced Manufacturing & Aerospace. We are eager to work with Boeing to develop this concept in a way that is most beneficial to the industry. It is envisioned that this new program will offer unique, fully integrated degree programs combining traditional aeronautics/astronautics, materials science and core engineering coursework with applied skills such as robotics, lean manufacturing and computer science. The Governor's 2014 Supplemental Budget includes $500,000 to begin designing this program with the hope that the new school will begin offering classes in the 2015/16 academic year.

XIII. ATTACHMENTS REQUIRED

1.	Area Site Map	"Appendix - Boeing Everett" - Attachment 2
2.	Site Boundary Map	"Appendix - Boeing Everett" - Attachment 3
3.	Site Topographical Survey	"Appendix - Boeing Everett" - Attachment 4
4.	Site Aerial Photograph	"Appendix - Boeing Everett" - Attachment 5
5.	Site Infrastructure (Roads and Utilities)	"Appendix - Boeing Everett" - Attachment 6
6.	Copies of all due diligence studies of the site (Ex. - Environmental, Endangered Species, Geotechnical, etc.)	"Appendix - Boeing Everett" - Attachment 7
7.	Airport concept Plan - Current and	"Appendix - Boeing Everett" - Attachment 8
8.	Site zoning regulations and covenants	"Appendix - Boeing Everett" - Attachment 9
9.	Treated water chemical analysis	"Appendix - Boeing Everett" - Attachment 10
10.	Waste water pre-treatment regulations	"Appendix - Boeing Everett" - Attachment 11
11	Solid Waste	"Appendix - Boeing Everett" - Attachment 12

777X SITE SELECTION PROPOSAL

WEST SPOKANE

Request for Proposal
for
777X Program Site Selection

**** Please refer to 777X Program Site Selection Outline Criteria Document and Addendum for specific details ****

Primary Project State Contact Information:

NAME:	Alex Pietsch - WA Department of Commerce
ADDRESS:	2001 6th Avenue
	Suite 2600
CITY, COUNTY, STATE:	Seattle, WA
POSTAL CODE:	98121
PHONE:	206-256-6100
CELLPHONE:	NA
FAX:	NA
E-MAIL:	alex.pietsch@commerce.wa.gov

Regional Project Contact Information:

NAME:	Robin Toth
ADDRESS:	801 West Riverside
CITY, COUNTY, STATE:	Spokane, Spokane, Washington
POSTAL CODE:	99201
PHONE:	509.321.3636
CELLPHONE:	509.994.6602
FAX:	509.747.0077
E-MAIL:	rtoth@greaterspokane.org

Local Project Contact Information:

NAME:	Robin Toth
ADDRESS:	801 West Riverside
CITY, COUNTY, STATE:	Spokane, Spokane, Washington
POSTAL CODE:	99201
PHONE:	509.321.3636
CELLPHONE:	509.994.6602
FAX:	509.747.0077
E-MAIL:	rtoth@greaterspokane.org

General Site Information:

SITE NAME:	West Spokane
CITY, COUNTY, STATE:	Spokane, Spokane, Washington
POSTAL CODE:	99224

NOTE: Read all comments inserted in titles for an explanation of proper answer format and content
An asterisk (*) indicates that attachments are required.

Refer to separate document: "Appendix - West Spokane" for access to required Attachments

I. SITE INFORMATION

a. Site Name and Address:

(1) Site Name:	West Spokane
(2) Airport Name and FAA Identifier:	Spokane International Airport/GEG
(3) Site Street Address:	Southwest corner intersection of Hayford and McFarlane Roads
(4) City, County:	Spokane, Spokane
(5) Directions & Distance to Site from Major Highway / Interstate:	From I90, merge onto US-2 W via EXIT 277 toward Davenport/Fairchild AFB/Spokane Airport. In one mile, take exit to Spokane International Airport. In .7 mile, merge onto West Airport Drive.
(6) Site Coordinates	Latitude: 47°37'29.95"N Longitude: 117°33'44.47"W

b. Site Information:

(1) Number of total contiguous and developable acres of proposed site:	800
(2) Is site unencumbered?	No material encumberances other than utility easements
(3) Total property price OR average price per acre:	Though the property would be leased, land in the adjacent area has been appraised in a range from $0.06 - $0.10/SF ($2,613.60 - $4,356/acre).

(4) Describe general site configuration/shape including any out parcels or site development limitations:

Site is roughly square with a diagonal leg adjacent to the future runway. Primary limitation is building height restrictions for airway surfaces. Small portion of site lies within City of Airway Heights boundary on north.

c. Location Proximity to Major Surrounding Cities

City Name	Miles
Spokane, WA	7
Spokane Valley, WA	15
Liberty Lake, WA	23
Post Falls, ID	30

d. Cities within 50-mile radius of site (ranked by population)

City	2012 Population	2010-12 % change	
Spokane, WA	216,181	3.20%	
Spokane Valley, WA	92,674	3.20%	
Coeur d'Alene, ID	46,054	9.00%	
Post Falls, ID	28,104	15.00%	

I. SITE INFORMATION (Continued)

e. Location Proximity to Major Cities (General comments – i.e. Center of Commercial, Retail, Medical Activity For Region? / County Seat / Proximity To Major Cities / Other General Statements)

Spokane County is situated east of the Cascade Range and on the western slope of the Coeur d'Alene Mountains next to the Idaho border. Spokane County ranks in the middle of other counties in terms of land area, which was 1,763.79 square miles in 2010. It was the eighth most densely populated county at 267.2 persons per square mile in 2010. Spokane is the most populous county in Eastern Washington, and ranks fourth in the state.

The city of Spokane is the second-largest city in Washington state. It serves as the business, transportation, medical, industrial and cultural hub of the region, the inland Northwest. In 2013, the city of Spokane had 211,300 residents, 44.0 percent of the county's population.

f. Brief Description of Economic Base (Historic and current trends)

Spokane County was created by an act passed by the Territorial Assembly in 1858. After settlement in the 1870s, Spokane became the hub in the inland Northwest for mining, timber and railroad activities.

Of all the forces that shaped the Spokane County economy, none is more powerful than Spokane's historic role as a regional center of services for the surrounding rural populations of Eastern Washington and Northern Idaho. Regional services include government and higher education, medical services, retail trade and finance.

Fairchild Air Force Base is the county's largest employer. In addition, manufacturing has had a solid base due to the nexus of the Bonneville dam power generation, rail systems and the Interstate highway system. Spokane is competitive with other urban centers in attracting national and international investment in the form of tourism and conventions, the military and research. These investments in turn support the creation and expansion of still other complementary businesses, creating a well-rounded and diversified economy. For 2013, there will be a slight increase in jobs, mainly in the private sector. However, most new hires will be in the form of replacements in existing businesses rather than in new businesses. The markets are continuing to recover. A backlog of orders and pent-up demand will drive growth in a number of key industries, such as professional and technical services, especially in research, design and consulting and in waste management, remediation and clean water, transportation (aviation), advanced manufacturing, healthcare, the military and agriculture. Also, energy will become a well-defined industry cluster affecting almost every sector of the area economy.

Firms specializing in research, development and biotechnology that have made Spokane their home will play an increasingly important role in the area's economy. Economic development will cause growth in health science and services sectors. A new medical school broke ground in October 2011. In addition, other targeted industries include advanced manufacturing and materials, energy products and services, information technology and digital services and logistics and distribution businesses.

g. Runway Characteristics

(1) Total Number of Runways: 2

(2) Describe the Length/Expansion capability of each runway

	Runway Name (i.e. 14/32)	Current Length & Width	Expansion Capability	Planned or Pending	Weight Limits	ILS, etc. systems for non-VFR flight
a.	3/21 primary runway	11,002'x150'	An additional 1,000'	The 1,000' extension is planned in the Airport's Master Plan, but not scheduled	Single wheel, 200,000 lbs.; Tandem, 200,000 lbs.; dual tandem, 400,000 lbs.	Runway 3, CAT lllb 600; RVR; Runway 21, CAT lllb 600' RVR
b.	7 / 25	150' x 8,199'	None	None is planned	Single wheel, 150,000 lbs.; Tandem, 180,000 lbs., Dual tandem, 280,000 lbs.	Runway 7 and 25 are both VFR

(3) Discuss the improvements required to reach 9,000 feet of runway length and the approximate cost:

The airport would construct a connecting taxiway to Runway 3-21 which is 11,000' in length

(4) Details of existing compass rose at airfield

Not Applicable

h. Identify all current property owners; including names, addresses and phone #'s:

Owner	Address	City, State Zip	Phone #
Spokane Airport Board	9000 West Airport Drive, Suite 204	Spokane, WA 99224	509.455.6434

I. SITE INFORMATION (Continued)

i. Will conveyance of the property / runway(s) be required? No. Property will be leased.

(1) Conveyance Requirement Details

Not Applicable

j. Provide a chronology of previous land use for each of the parcels including dates of reference:

The land and all acreage has only been used for farming and was last in production in the early 1980s.

k. Environmental History

* (1) Indicate and attach any environmental or other site studies (i.e. Environmental Site Assessments) that have been performed or are currently underway at this site and highlight the major findings of those studies.

Type of Study	Date Conducted / Completed	Major Findings and Action Taken
SEPA Checklist	May-12	None
Burrowing Owl Survey	Mar-12	None
Phase I ESA	Apr-13	None
Critical Area Report	9-Jun	None

(2) Indicate any significant environmental events (I.e. spills or other contaminations) that have occurred on or adjacent to this site.

None

l. Identify surrounding contiguous land uses:

Surrounding land is mostly vacant and former agricultural use. Some industrial/commercial mostly within City of Airway Heights. City of Airway Heights water tower adjacent to northwest corner of property.

I. SITE INFORMATION (Continued)

m. Are there any existing structures on the site? No

If yes, please answer the following questions.

(1) Indicate number of structures on site:

(2) Describe the structures on site:

n. Topography & Soils:

(1) Indicate the minimum topographic elevation of the site (ft. MSL)	2372'
(2) Indicate the maximum topographic elevation of the site (ft MSL)	2390'
(3) Maximum Elevation Change (ft MSL)	18'

(4) Indicate the terrain of the site (select one):	Flat
(5) Site subject to flooding (Y/N)	No
Elevation range of site (ft. MSL)	18'
100-year Flood Plain elevation (ft. MSL)	

(6) Ownership/transferability of mineral rights

Because the prospective tenant's use of the property requires aeronautical access, the Airport is intending to lease the land. However, as a practical matter, the land was originally purchased using federal funds and the deed requires the mineral rights to remain with the U.S. government.

(7) Describe any areas with bodies of water, creeks, wetlands, etc. on site and identify the jurisdiction controlling each:

Name (if applicable)	Description	Size	Jurisdiction
Seven wetlands identified on site.			Delineation and jurisdictional determination not complete.

(8) Identify any easement & right-of-ways and ownership for each:

Type of Easement	Location on property	Owner/Right to Access/Easement
Multiple utility easements	**Refer to separate document "Appendix - West Spokane" Attachment 6**	Yes

I. SITE INFORMATION (Continued)

(9) Describe Soil Types and Conditions. (Please provide any geotechnical data and/or soil borings that have been completed.)

Generally well drained soils, sands and gravels over, near and at surface basalt formations.

o. Site Accessibility:

(1) Rate site ingress/egress routes as excellent, average or poor on the following factors (Boeing to provide estimated number of employees):

Congestion	Excellent
Safety	Excellent

(2) Indicate the number of roads with access to the site:	Three - Hayford Road, McFarlane Road, and Thorpe Road
(3) Is access to the site controlled with a traffic signal?	No

(4) Please describe surrounding land use (e.g. open space with acreage estimates, occupied and vacant industrial, residential, etc.)

Surrounding approximately 3,000 acres is industrially zoned land; approximately 70 percent vacant. Exception is adjacent water tower on City of Airway Heights property.

II. TRANSPORTATION

Commercial Service Airport(s)

a. Regional Airport(s):

(1) Name of Airport:	Spokane International Airport
(2) Distance (miles) to Closest Commercial Airport:	2 miles
(3) Provide the transit time (minutes) from site to airport:	5 minutes
(4) Number of Airline Carriers:	7

b. Presence of Air Freight Services at Airport:

(1) List Service Providers:

FedEx and UPS.

Interstate Highways

c. Distance to Interstate:

(1) Identify Closest North/South Interstate(s)	US Highway 2
(2) Distance (miles) to North/South Interstate	1 mile
(3) Identify Closest East/West Interstate(s)	Interstate 90
(4) Distance (miles) to East/West Interstate	4 miles

d. Transportation route to interstate / freeway (or a separated, 4-lane primary road with limited access) and interstate/4 lane interchange accesses:

(1) Describe the transportation route from site to interstate (road type, controlled intersections, traffic patterns, congestion, surrounding land use, etc.):

Craig Road and McFarlane Road are county roads capable of handling the high end of allowable gross weight ratings in the State of Washington. Both are two lane roads with a two-way stop and no left turn lanes. Craig Road has one to three foot paved shoulders with posted speed limit of 35 mph near US 2 and 45 mph outside of the city boundaries. Craig Road supports 3,700 ADT north of SR 902 and 3,300 south of US 2. McFarlane is a two lane local road with one to three foot paved shoulders.

(2) Describe the interstate interchange accesses (physical description, controlled intersections, traffic patterns, congestion, surrounding land use, etc.):

Access to Interstate 90 would be at the Medical Lake (exit 272) interchange. WSDOT has done extensive evaulation of this interchange and will be able to provide the upgrades to accommodate increased traffic based on daily car trips. Full funding to upgrade this interchange has been included in the current transportation package and includes widening of the bridge-deck to accommodate additional through/turn lanes, plus the signalization or construction of roundabouts at the ramp intersections.

II. TRANSPORTATION (Continued)

e. Access improvements

(1) Please describe any road access improvements that will be necessary (i.e.. Extension of roads, improvement of intersections, etc.)

Road access improvements will likely be necessary including extension of roads into the site and improvement of intersections depending on traffic volumes.

(2) Please estimate the cost of any access improvements

Cost of improvements cannot be known until project specifics are analyzed. However, the City of Spokane and the County are committed to ensuring that sufficient transportation infrastructure is built to facilitate the project's needs.

f. Trucking Service:

(1) Indicate number of trucking agencies serving the site: 19

(2) Provide list of trucking companies.

	Company Name	Services Provided	Terminal Location	Comments
a.	Trans-Systems, Inc.	Flatbed, refer, bulk	Spokane	
b.	Fast Way Freight System	LTL, flatbed	Spokane	
c.	FedEx Freight	General commodities	Spokane	
d.	Inland Empire Distribution	Flatbed, refer, bulk	Spokane Valley	General freight, hazardous materials
e.	Old Dominion Freight Line	LTL, flatbed	Spokane Valley	
f.	Peninsula Truck Lines	General freight	Spokane	
g.	YRC Freight	LTL, general freight	Spokane Valley	
h.	Wrays Trucking	Equipment	Spokane	Steel and industrial

Rail

g. Rail to Site:

(1) Distance (miles) to the Nearest Rail Siding Extendable to the Site: The nearest rail siding is located to the north of the site.

(2) Do you currently have control of right-of-ways, etc. to the site? A county road is between the existing siding and the proposed site. The county would be willing to allow access for rail construction.

* (3) If yes, attach proof of control. If no, include letters of commitment to obtain control of right-of-ways for service to the site.

(4) Are there any restrictions on rail traffic volume and frequency? No

h. Rail Service:

(1) Indicate Mainline Rail or Shortline Rail: shortline rail

(2) Rail Carrier(s) Servicing Site: Eastern Washington Gateway RR

II. TRANSPORTATION (Continued)

i. What are maximum allowable dimensions that can be delivered to the site (Multiple-car transport systems):

Eastern Washington Gateway Railroad has extended clearances on the line designed to handle generators for Grand Coulee Dam - 22' height and 12' width.

j. Access improvements

(1) Please describe any rail access improvements that will be necessary

A spur would need to be extended from the north location across McFarlane Road and would require crossing signals. Coordination would occur between all of the municipal partners.

(2) Please estimate the cost of any access improvements $1M

Port

k. Port Access

(1) Distance (miles) to nearest Port Facility capable of handling 135 miles

	Barge	Ocean Vessels
Container loading and unloading	Yes barge	No Ocean Vessels
Special Over-sized cargo		
Cranes	50 ton crawler crane	

l. Port Improvements

(1) Describe improvements to integrate the unloading, transport and delivery of containers and oversized components using multi-modal transport systems.

None

(2) Please estimate the cost of any access improvements

(3) Please provide additional information on studies, permits required or other regulatory matters that must be addressed if port improvements or access must be provided. Include a timeline and schedule for each activity.

Not Applicable

m. Storage and Handling Capabilities

1000 containers on 12.5 acres - additional ten acres available within 1/4 mile.

II. TRANSPORTATION (Continued)

Other

n. Briefly describe work stoppages at the nearest ports within a 150 mile radius to include the following:

Strikes or work stoppages in last 10 years	None
Specific circumstance of each event	None

Comments

o. Briefly describe work stoppages and other transport terminals (all modes rail, ports, air) within a 150 mile radius to include:

Strikes or work stoppages in last 10 years	None
Specific circumstance of each event	None

Comments

III. ENVIRONMENTAL / BUILDING PERMITTING

a. List all Required Environmental / Building Permits:

Air Permit(s) (Major Source PSD Level)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Notice of construction and Air Operating Permit	Spokane Regional Clean Air Agency		14 to 60 days	Documentation of emissions and compliance with federal requirements and a 30 day comment period

Ground Water Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Not applicable - served by City of Spokane				

Waste Water Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Significant Discharge Permit	City of Spokane Wastewater Management		45 to 60 days	Review for compliance with Spokane Municipal Code Section 13.03A.0204 Local Limits [2.4].

Hazardous Materials Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Not applicable				

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

Building / Construction Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Building Permit	Spokane County or City of Spokane depending on site of facility on property		varies based on proposal	Submit plans and supporting documents for review
Determination of no hazard to Air Navigation	Federal Aviation Administration			

Zoning Permits	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Not applicable				

b. Permitting Process:

(1) Can permit application data be kept confidential during the permitting process? no

(2) Is the environment permit obtained sequentially OR concurrently to a building permit? Sequentially

(3) Once an application is submitted, how long does the reviewing authority have before they must make a final decision?

The Washington State Environmental Protection Act (SEPA), which Spokane International Airport is the jurisdiction having process authority on, requires that public officials consider the environmental impacts of their decisions. The best case scenario would be that mitigation would be identified for any significant environmental impacts of the project and a mitigated determination of non-significance (MDNS) would be issued. After the MSND was issued, there would be a 15 day public comment period. This could be completed concurrently with above listed permit reviews. Should the impacts of the project be determined to be significant, an Environmental Impact Statement would be required. This process would require thorough analyses of those impacts and potential mitigations and two public comment periods of 14-30 days and 30 days respectively. This could also be completed concurrently with the above listed permit reviews.

(4) What regulatory law does the regulatory agency base its decisions and interpretations by?

Washington State Environmental Policy Act

(5) Will the approving agency compile and publish a preliminary decision on our application?

Yes

(6) During the public comment period, if there are objections to our applications, how are these objections addressed and by whom? How long can it further the review time by law?

The comments are inventoried and noted. If there are no significant objections, then a Determination of nonsignificance is released. If objections have basis, then An Environmental Site Assessment is required.

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

c. Environmental Impact Assessments / Studies:

(1) What activities or industries require the completion of an Environmental Impact Assessment or study?

The SEPA Process would determine appropriate level of study based on likely impacts on a project-specific basis

(2) What requirements and procedures are necessary to complete the Environmental Impact Assessment or Study?

The level of effort required would be determined on a project-specific basis depending on identified impact areas.

d. Current Air Quality Status:

(1) If the site is located in an area that does NOT achieve quality air status, define characteristics:

Not applicable

(2) Identify and define local issues (if any) with regard to Air Quality Status of the region:

Not applicable

(3) Can a company purchase emission credits? Are "Tradable Emission Rights" a+C367vailable?

Yes they can be issued per WAC 173400.

e. Industrial Non-Hazardous Solid Waste:

(1) Identify the solid waste disposal sites that will accept non-hazardous industrial waste:

Three licensed disposal sites are available nearby, depending upon the type of waste requiring disposal. For general municipal solid waste, the Spokane Regional Waste to Energy Facility, owned by the City of Spokane, is available to combust the waste. For nonburnable waste, the Graham Road limited purpose landfill, owned and operated by Waste Management, Inc., is available for landfill waste. For non-hazardous sludges, the Barr-Tech Regional Composting Facility is available for composting. The distance from the site to the Waste to Energy Facility is 5 miles, to the Graham Road limited purpose landfill is 5 miles and to Barr-Tech Composting facility is 27 miles. Tipping fees per ton for solid waste at the municpal WTE is $98.00 per ton. Non burnable waste at Graham Road landfill is $32.00 per ton. At the composting facility it runs between $45 to $65 per ton.

(2) Indicate the potential remaining life of the disposal site:

103 Years

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

(3) Indicate type of disposal Site:	Municipal solid waste - combustion
(4) Distance (miles) from Site:	5
(3) Indicate type of disposal Site:	Landfill waste, including: •Asbestos - Friable/Non-Friable •Industrial & Special Waste •CERCLA •Tires •Construction & Demolition (C&D) Debris
(4) Distance (miles) from Site:	5
(3) Indicate type of disposal Site:	Compostable waste
(4) Distance (miles) from Site:	27

f. Identify any Noise Restrictions for Site:

None

g. Identify any stack height or building height restrictions for this site:

City of Spokane max height 150 feet; no maximum FAR. SIA can administratively modify the zoning requirements. For small portion of Airway Heights maximum building height is 35 feet. However, maximum height may be lowered where Airplane surfaces govern.

h. Relative to any variances and/or special exceptions which are required for a maximum facility height, what are the processes and timing?

SIA can administratively grant variances. FAA Form 7460 required; FAA has max 90-day response time.

i. Local Building Codes

(1) Indicate the prevailing building codes and any related amendments relevant to the proposed site (i.e. Uniform Building Codes).

City of Spokane is the Code Authority Having Jurisdiction, and would stipulate code requirements and relevant amendments.

(2) If hangars are already constructed on the site, do they conform to the prevailing building codes?

There are no structures or improvements on the site.

(3) If no, please indicate and describe the building codes to which the hangers do conform.

(4) If certain building designs and requirements do not readily conform to local building codes, please describe the process for requesting exceptions or exemptions.

City of Spokane is the Code Authority Having Jurisdiction, and would grant exceptions or exemptions.

IV. ZONING & FUTURE PLANNED ZONING

a. Current Zoning:

(1) Identify Site's Current Zoning:

I-2

(2) Will zone designation require change for intended usage?

The site is designated as Light Industrial on the City's zoning map. However, per an interlocal agreement between the City and the Airport, Airport properties are not subject to zoning land use controls. This proposal is consistent with the Airport's Master Plan which governs land use on airport property.

If yes, please provide a letter of commitment indicating the community's willingness to rezone the proposed site.

b. Current Surrounding Land Use & Zoning:

(1) Identify Current Surrounding Land Use & Zoning

Surrounding land is mostly vacant and former agricultural use, plus industrial/commercial. Surrounding zoning is all Light Industrial (LI; City of Spokane) and Heavy Industrial (I-2; City of Airway Heights), except for adjacent water tower parcel which is "City Property" zone.

c. Protective covenants in place

None

d. Unrestricted 24-hour use and/or applicable noise curfews

There are no curfew or noise restrictions.

e. Maximum allowable site coverage (%)

Facilities	Impervious Surface
SIA has no requirements. For reference, City of Spokane is 85-percent minimum, including parking, up to 100-percent, depending on landscape. 60-percent maximum for portion in City of Airway Heights. For impervious surface, City of Spokane 85-percent minimum, including building, up to 100-percent, depending on landscape and storm drainage.	

f. Provide a copy of the applicable zoning

V. UTILITY SERVICE

Utility Providers

a. Name of Electric Power Company(s) serving this site:

Transmission	Avista
Distribution	Avista

b. Name of Gas Company(s) serving this site:

Transmission	Williams Pipeline
Distribution	Avista

c. Name of Water / Wastewater Company serving this site: City of Spokane

d. Name of Solid Waste Handler: Spokane Regional Solid Waste Systems

Utility Infrastructure (Please Refer to 777X Site Selection Outline Criteria Document if more details needed)

e. Electric:

* (1) Please provide an electrical grid and distribution map (if available).

(2) Are electric facilities near or adjacent to the site? Yes

If so, what lines are available?

	Kv
	Kv
	Kv

(3) If electrical facilities are not adjacent to site, approximately how far away are the nearest facilities?

Not Applicable

(4) What is the approximate distance to the nearest substation that presently provides electric service to the site?

Less than a mile	One mile
More than a mile	

(5) Provide the details of independent dual-feed service

Avista has three substations presently in this area for service. Should this plant be constructed, it is likely a dedicated substation would be built.

V. UTILITY SERVICE (Continued)

(6) Please provide a brief comment / description relating to your response:

Avista may reserve the right to request location of this dedicated substantion on the project property.

(7) Please estimate the cost of extending electric service to the site:	The assumption by Avista is that the infrastructure will be cost justified based on the electric demand/usage of the customer, whereby a credit will be assigned to the project effectively limiting the cost of the investment.

(8) Assumption is transmission level service - 15 to 20 MW demand with a 50% diversity. What is the average cost per kWh?

5.559 to 5.707 depending on use

f. Natural Gas:

(1) Is natural gas service available at the site?	Yes
(2) Distance (feet/miles) to the Closest Gas Line to Service the Site:	1,000 feet

(3) Assumption is transport level service - 95 to 124 mmbtu/hr (24 hrs/day, 7 days/week). What is the average cost per million cubic feet?

Transport level service is available - cost is dependent upon market rates.

(4) Provide details of the gas line(s), both actual and proposed extensions / upgrades should be included. Indicate line size, capacity, pressure of line, current peak utilization, and any "bottlenecks" within the line/system which may have to be upgraded, etc.:

Upgrades dependent upon customer requirements

(5) Please estimate the cost of extending natural gas service to the site:	Costs are offset by future customer allowances - customer would pay difference if allowances did not cover costs.

g. Water:

(1) Confirm that treated water is available at the site?	Yes
Distance (feet/miles) to the closest water line serving the site:	Borders site
Indicate the size of the line serving the site:	36 inch
Indicate the capacity of the line serving the site:	1.68 MGD
Indicate the capacity of the water system (million gallons per day):	280 MGD
Indicate the avg. utilization of the water system (million gallons per day):	61 MGD
Indicate the peak utilization of the water system (million gallons per day):	155 MGD
Indicate the excess capacity of the water system (million gallons per day):	125 MGD

V. UTILITY SERVICE (Continued)

(2) Assumption is peak 40 kgal/hr. What is the average rate per 1,000 gallons per day?

Rates are detailed in Spokane Municipal Code Section 13.04.2004 and 13.04.2016. The rate currently is $1.04 per 1,000 gallons.

Indicate any planned upgrades of the system, including the timeframe and funding of the project:

Planned upgrades to the portion of the system that would serve the proposed parcel include the addition of an approximately 10 million gallon reservoir and new booster station. They are scheduled for construction in 2015, estimated costs of $6M and $750K respectively.

* Provide detail of treated water chemical analysis

Not Applicable

(3) Please estimate the following costs with regards to water service to the site:

Not knowing where the site is located, it is not possible to predict the cost to extend a main to the site.

Extension of water lines:

Water Meter	$9,495.00	This cost is for a 6-inch meter with backflow assembly. If meter size required is different, or if it is a combination domestic/fire meter the prices will be different.
Tap Fee	$2,115.00	The tap fee includes the cost of the tap and the pipe extension from the main to the property line, but does NOT include the cost of excavation, backfill, nor surfacing repair. Those costs will be charged by the project proponent's contractor and not by the city.
Impact Fee	$18,108.00	The price listed is based on a 6-inch service.

h. Waste Water / Sewer:

(1) Is municipal sewer available at the site?	Yes
Distance (feet/miles) to the closest sewer line serving the site:	850
Indicate the size of the sewer line serving the site:	21
Indicate the capacity of the sewer line serving the site:	1900 gpm max
Indicate the capacity of sewer system (million gallons per day):	52/100 MGD
Indicate the average utilization of sewer system (million gallons per day):	34 MGD dry
Indicate the peak utilization of sewer system (million gallons per day):	42 MGD dry
Indicate the excess capacity of sewer system (million gallons per day):	18 MGD average

(2) Assumption is peak 30 kgal/day. What is the average rate per 1,000 gallons per day?

The average rate is $2.57 per 1,000 gallons.

* What are the regulations for waste water pre-treatment? Provide copies.

Refer to the 2012 Water Quality Report in Attachment 11.

V. UTILITY SERVICE (Continued)

Indicate any planned upgrades of the system, including the timeframe and funding of the project:

New projects that address maintenance, growth and more stringent effluent requirements are selected and prioritized by City staff. Currently three projects are underway. The first will result in less phosphorous being discharged to the river. We have also put together a NLT booklet that details the NLT (Next Level of Treatment).
The second project will prepare treated wastewater to be reused by public golf courses, in place of drinking-quality water.
The third project, which will be appreciated by the treatment plant's neighbors as well as visitors to Riverside State Park, will improve air quality surrounding the facility.

Cost to Service the Site:

(3) Please estimate the following costs with regards to wastewater service to the site:

Extension of sewer lines:	If sanitary sewer and water main extensions are required on Craig Road, the combined estimated cost for extending both lines is $250.00 per foot. If only one of the lines needs to be extended, the estimated cost is $150.00 per foot.
Discharge Metering	Not Applicable
Tap Fee	Not Applicable
Impact Fee	$13,000

i. Solid Waste Disposal:

(1) Please indicate the services provided for solid waste: Combustion facility, landfill and compostable facilities

(2) Indicate a tippage fee **per ton** for solid waste: 98 *General Solid Waste*

(3) Indicate a tippage fee **per ton** for solid waste (Composite Waste): 32 *Specific to Composite Material Waste*

j. Telecommunications

(1) Please provide an explanation of the existing network

CenturyLink Spokane market:
In the west plains area of Spokane, CenturyLink has diverse local fiber optic network both west and east of the Spokane International Airport property back to the main downtown central office. In fact the Spokane International Airport is surrounded with a diverse local fiber optic network that connects to multiple central offices. From the downtown main central office CenturyLink also has diverse network paths that extend out to other major connection points within the CenturyLink footprint. CenturyLink is a full service telecommunication provider with a vast array of products and services, from networking solutions to cloud services up to fully managed IT services.
If you require more detailed fiber path information regarding CenturyLink's local network layout, we have a Non-Disclosure Agreement that would need to be executed between the two companies.

VI. QUALITY WORK FORCE

a. Indicate the total employment (workforce) within 50 miles of site: 323,046

b. Indicate the number of people employed in manufacturing within 50 miles of site: 19,100

c. Please provide the following unemployment rates for your community:

2012	8.60%	As the hub of a larger region, Spokane County experiences high levels of in-migration from outlying rural areas.
2011	9.30%	As the hub of a larger region, Spokane County experiences high levels of in-migration from outlying rural areas.
2010	9.90%	As the hub of a larger region, Spokane County experiences high levels of in-migration from outlying rural areas.
Current	8.00%	Spokane County

d. Please provide a list of top **manufacturers** employing more than 100 people within a 50 mile radius of the proposed site location:

	SIC* Code	Name of Company	No. of Employees	Average Experience (years)
1	3354	Kaiser Aluminum Corp.	850	
2	3724	Triumph Composite Systems, Inc.	602	
3	2834	Jubilant-HollisterStier	572	
4	3523	Travis Pattern & Foundry, Inc.	490	
5	3273	CPM Development Corp	417	
6	3219	Huntwood Industries	380	
7	3325	Spokane Industries, Inc.	303	
8	3542	Wagstaff, Inc.	297	
9	3523	SCAFCO Corp	251	
10	3554	Alliance Machine Systems International	200	

**SIC = Standard Industrial Classification*

e. Shift Experience:

(1) Of the major manufacturing operations in your community, how many utilize more than one shift? 10

(2) How many operate seven days per week? 3

f. Please provide the average manufacturing wage **(excluding benefits)** in the region: $34,420/year

VI. QUALITY WORK FORCE (Continued)

g. Please provide the average percentage of wage cost of the total benefit package, including govt. programs, medical, dental, vacations, holidays, pensions, etc.:
Example - If total benefits equal $10 per hour and base wage is $20 per hour report 50% benefit cost.

32%

h. Please characterize the availability of trained workers in the skills identified in the attached addendum for job descriptions

Job Title	Availability
Refer to "Workforce Availability December 2013" in Attachment 1.	

i. Please provide the following information on Worker's Compensation and Unemployment Insurance.

Worker's Compensation

(1) Average Cost of all manufacturing occupations per $100 of payroll	$3.84
(2) Average rate for Aircraft Manufacturing occupations (NCCI Code 3830)	$1.05
(3) Maximum Weekly Benefit	$1,203.86

j. Unemployment Insurance

(1) Taxable Base	$39,800
(2) Average rate among existing employers	0.74
(3) Average rate for new employers	0.666
(4) Maximum Weekly Benefit	604

VII. TAXES

A. Corporate Income

(1) Rate Structure	NO Income Tax in Washington State
(2) Apportionment Formula	Not Applicable
(3) Weightings for such factor:	Not Applicable
(4) Is Worldwide unitary taxation applicable?	Not Applicable

B. Franchise

(1) Rate Structure	NO franchise tax in Washington State
(2) Application	Not Applicable

C. Ad Valorem

	County Ratio of Assessment (%)	Total Rate/$100 Value
(1) Real Property	100%	$1.39827 (Spokane County: $1.432)
(2) Production Equipment	100%	$1.39827
(3) Other tangible personal property	100%	$1.39827
(4) Tooling	100%	$1.39827
(5) Inventories	Not applicable	Not applicable
(a) Components	Not applicable	Not applicable
(b) Work in process	Not applicable	Not applicable
(c) Finished products	Not applicable	Not applicable
(6) Pollution abatement equipment	100%	$1.39827

VII. TAXES (Continued)

D. Sales/Use *(State and Local)*

(1) Facility construction materials	Exempt under the provisions of ESB 5952, Chapter 2, Laws of 2013, 3rd Special Session
(2) Production Equipment	Exempt
(3) Other tangible personal property	Spokane: 8.7% total; 6.5% state, 2.2% local
(4) Tooling	Exempt
(5) Equipment installation	Exempt
(6) Major exceptions	Computers, equipment, software and peripherals as well as related labor & services related to installation exempt
(7) Jet Fuel	Intrastate only: Spokane: 8.7% total; 6.5% state, 2.2% local

E. Business License Fees

$110, PLUS PER EMPLOYEE ASSESSMENT

F. Personal Income Tax

Ratio Range	Schedule
Not applicable	

G. Local Occupational Tax *(paid by employee and/or Employer)*

	Ratio Range	Schedule
(1) City Residents	Not applicable	
(2) Non-City Residents	Not applicable	

H. Describe all sales, property, or other tax exemptions that would be available to airline customers who purchased and took delivery of an airplane in your state.

There are no taxes that apply to a person purchasing, and taking delivery in Washington, an airplane that will be used primarily in interstate or foreign commerce. There is a specific sales tax exemption for such purchases and no other taxes apply.

VIII. EDUCATION

Two Year College

a. Number of Community College/Vocational/Tech. Schools serving the area: 9

(1) Community College / Vocation / Technical School Information:

Name of Community College / Vocation / Technical School	Community Colleges of Spokane (11 miles), Moody Aviation, Carrington College, ITT Tech, Webster University, Park University, Embry Riddle, University of Phoenix and Lewis and Clark State College
Distance from Site (miles)	Within 50 miles
Identify Number & Type of Industry Training Programs	22 programs - Aviation Maintenance and technology, CNC machining, CAD/drafting and design, Hydraulics/pneumatics, avionics/electronics, mechanical engineering technology, composites for manufacturing, short term rural aerospace training program, blueprint reading for vision impaired, aerospace industry readiness program, aviation maintenance technology, CATIA, coordinate measuring machine basics, AS9100 certification, performance skills basics, TIG welding for aerospace, electronics troubleshooting, aircraft assembly, short term CNC operator, NDT, fiber optics and wire assembly.
Identify Current Industries Served	Advanced manufacturing and aerospace
# Graduates Per Year in Industrial Training Programs:	300

Training Resources

b. Describe local administration of government-sponsored new industry or expansion training programs? Please define and describe programs and resources available.

The Spokane Area Workforce Development Council (SAWDC) and Community Colleges of Spokane work together to provide administration and execution of new and existing industrial training programs. The Community Colleges of Spokane is the lead agency for the Air Washington consortium, implementing a $20 million dollar grant for aerospace industry training needs. In addition, the colleges have launched an aerospace apprenticeship program working with the statewide AJAC program. The SAWDC manages federal funds that are used to support the career development center, the aerospace business services representatives, job posting and screening, candidate sourcing and On-The-Job training. In addition, they are assisting with the management of the Job Skills Program and Washington Work Start, both with targets for training future aerospace workers.

c. Either privately or publicly, does local area provide vocational / technical support to new or expanding industry? Please define and describe programs and resources available.

Please see the information posted above. The community colleges engage local businesses to participate as part of various industry advisory groups, providing input and feedback to the faculty regarding specific needs for their industry.

IX. COMMUNITY CHARACTERISTICS

Primary & Secondary Education

d. Schools within 50 miles:

(1) Kindergarten - Year 12:

	Public	***Private***
Number of Primary Schools	158	34

(2) Secondary Vocational Schools:

Number of Secondary Vocational Schools	0	4

(3) Universities / Community Colleges / Post-Secondary Technical Training Institutions

Number of Universities	7	2
Number of Community Colleges	3	0
Number of Post Secondary Technical Institutions	0	4

(4) Rankings:

Outcome	STATE		COMMUNITY	
College Board Scores	National Rank	Score	National Rank	Score
Avg. SAT	29	1537	NA	1543
Avg ACT	9	22.9	NA	NA
Graduation Rates	35	76%	NA	80.80%

Resources	STATE		COMMUNITY	
	National Rank	Amount/Ratio	National Rank	Amount/Ratio
Teacher's Salaries	NA	$53,056	NA	$54,504
Student-teacher ratio	NA	17.06	NA	17.44
Per Pupil Expenditure	NA	$9,739	NA	$9,702

e. Community Graduates:

% Completed Year 12:	92.7
% Technical College Graduates:	11.4
% University Graduates:	27.4

IX. COMMUNITY CHARACTERISTICS (Continued)

f. Other

(1) Please provide information on the following:

	5 Miles of Site	In the Community
Fitness Centers:	5	41
Parks	11	136

(2) Cost of Living Composite for average 2012 (ACCRA): 96.2

(2) Cost of Living Composite for 3rd Quarter 2013 (ACCRA): 95.4

(3) Individual tax Burden to the employee:

Sales Tax (List)	8.7%, except on groceries
Income (Detail)	none
Property Tax	
Land/Home (Define)	$14.00/$1000
Personal Property (Define)	none

(4) Average travel time to work (Commute): 22 minutes

X. CLIMATOLOGICAL DATA

Natural Disasters (Source: NOAA)

a. Please provide information, including dates and details, on Natural Disaster occurrences (past 100 years) as recorded and maintained by State and Federal Climatological Offices:

Floods	Low risk
Tornadoes	1:33, 422
Hurricanes	None
Earthquakes	1 in 2,500 years/8-16g/low hazard
Other	

Climate

b. Climate:

Elevation Above Mean Sea Level (ft MSL)	2,376

Temperature Ranges by Month (°F)

Jan 27.1, Feb 33.3, Mar 38.7, Apr 45.9, May 53.9, Jun 62.0, Jul 68.8, Aug 68.4, Sep 58.9, Oct 47.3, Nov 35.1, Dec 27.8 - Annual 47.3

Humidity Factors % by Month

Jan 62.0, Feb 81.5, Mar 75.0, Apr 66.5, May 60.5, Jun 58.0, Jul 50.5, Aug 45.5, Sep 49.0, Oct 57.0, Nov 68.0, Dec 81.5 - Annual 80.5

Climatological Effects

c. Climatic Effects:

(1) Frequency of Road Closures:

Interstates / Freeways	None
Primary Roads	None

(2) Average Duration of Road Closures:

Interstates / Freeways	
Primary Roads	

XI. EMERGENCY PROTECTIVE SERVICES

Ambulance Services

a. Ambulance Services:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

The Spokane Fire Department provides primary emergency medical response and contracts for ambulance transport services. Additional resources are available through mutual aid agreements. SFD has 18 response units staffed with 3 EMT personnel each. The ambulance service provider (AMR) has 15 transport units normally available for response within the City. Each of these units is staffed with 2 EMS personnel. The closest SFD station to the site is within 4 miles and the response time is within 8 minutes. There are 1.4 personnel per 1,000 population.

Fire Protection

b. Fire Protection:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

Engine company staffed with 3 personnel, 1000 gpm pumping capacity and EMS paramedic capability located within four miles. Response time is within 8 minutes. There are 1.3 personnel per 1,000 population.

(2) Indicate % paid vs. voluntary status of fire house: 100% paid

(3) Number of Personnel per 1,000 Population: See above

(4) Indicate current fire insurance rating for each fire house servicing site:

Class 3 rating

(5) Does the community/airpark provide aircraft accident/crash and damage emergency services: Yes

If not please detail the manner with which these services will be provided:

Police Protection

c. Police Protection:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

The Spokane International Airport Police Department provides police protection to the site. Normally 3 police officers are on duty to respond individually. The Airport Police Department is located at the Airport Terminal and is able to respond to the site within six minutes.

XII. BUSINESS CLIMATE

a. Industrial Growth:

(1) List new industry and major expansions in the last 3 years:

Firm	Description		Year	Jobs	Investment ($)
American Tire Distributors	Tire distribution and logistics		2011	20	$7,000,000
Caterpillar	Parts center logistics		2011	90	$33,800,000
Confidential - retention project (LM)	Financial services		2011	865	$5,322,000
Ecolite Manufacturing	Manufacturing		2011	10	
Global Future Energy Holdings, Inc	Manufacturing		2011	3	
Inland Lighthouse for the Blind CEZ 2011	Manufacturing		2011	30	$3,900,000
Providence Health and Services	Health sciences		2011	250	$0
Pyrotek	Manufacturing		2011		$1,040,000
MacKay Manufacturing	Manufacturing		2012	40	$3,250,000
PepsiCo	Distribution and logistics		2012	128	$1,445,000
SCAFCO	Manufacturing		2012	22	$9,400,000
Schweitzer Engineering Labs	Clean Technology		2012	40	$0
Confidential (fV)	Information Technology		2012	20	$0
Pyrotek HQ	Manufacturing		2012	60	$1,200,000
Paw Print Genetics	Health Sciences		2012	12	$300,000
Puget E Group	Manufacturing		2012	3	$0
Kaiser Aluminum	Manufacturing		2012	75	$160,000,000
Horizon Airlines	Aircraft maintenance		2013	20	$1,916,492
Bath Fitter	Retail		2013	6	$100,000
Vivint	Info Tech sales		2013	400	$250,000
Seattle Reproductive Medicine	Health Sciences		2013	8	$250,000
Providence Health Care	Health Sciences		2013	150	$58,000,000
CarMax	Retail auto		2013	50	$17,400,000
Odom Corporation	Distribution and logistics		2013	173	$20,000,000
			Total Jobs:	**2495**	

(2) Total Number of New Jobs Created in the Last 3 years:

2013	4,000
2012	3,100
2011	-300
2010	-4500
Total	2,900

(3) Job Growth for the Last 3 Years as a % of Total Work Force: 13%

b. Bond Rating:

(1) State:	AA+	Standard & Poor's
(2) City:		
(3) County:	AA	

c. Identify any pending rules, regulations or laws that may inhibit Boeing's ability to build or expand facilities to meet the specifications required for this project. Please also describe how you will prevent these actions from inhibiting Boeing's ability to build or expand to meet these specifications.

The Washington State Department of Ecology is in the process of updating the human health criteria in Washington's Surface Water Quality Standards, as required by federal law. The Fish Consumption Rate is one factor in the equation the Department will use in determining water quality standards under the Clean Water Act.

Washington is committed to developing balanced, practical solutions that achieve water quality and human health goals, limit footprint requirements and costs associated with permit compliance, provide certainty and predictability for regulatory compliance, minimize the risk of third party litigation, and ensure the state's ability to retain and attract business. Boeing can be assured that cost effective, feasible compliance pathways for existing and/or new sites will be part of any state-driven outcome.

The State is scheduled to adopt new water quality regulations by the end of 2014, and the standards will not take effect until approved by EPA. Given Boeing's November 2014 stated deadline for initiating construction of 777X wing fabrication facilities, the fish consumption rate will not limit Boeing's ability to move forward with 777X-related construction.
The State also commits to working with Boeing on any permitting issues relative to specific sites or specific parameters. Additionally, we commit to exploring how public investment in pollution reduction efforts can contribute to these solutions.

d. Outline any recently enacted State level legislation which has positively or negatively affected existing and/or new business (i.e. tax related, labor related, transportation related, etc.)

ESSB 5952 (2013)
Extension of Tax Incentives:
Extends existing aerospace incentives beyond their current sunset date of 2024 to the year 2040 contingent on Boeing siting 777X wing and final assembly in Washington State. This extension is valued at $8.7 billion and has been touted as the largest corporate tax break in US history.

Sales & Use Tax Exemption on Construction of New Manufacturing Buildings:
The sales and use tax exemption on the cost of construction of new manufacturing buildings provided in RCW 82.08.90 and RCW 82.12.980 was expanded to include the 777X and all future commercial airplane programs. It allows a manufacturer of wings and/or fuselages for commercial airplanes to qualify and enables a municipal corporation such as Snohomish County/Paine Field to pass the savings from the tax exemption on to its tenant in a build-to-suit/leaseback arrangement.

EHB 2088 (2013)
Expansion of Aerospace Training Capacity:
Provides $8 million per year to increase by 1,000 the number of student slots in high-demand aerospace fields as long as there is demonstrable need. The State Board for Community & Technical Colleges is required to work with Boeing and the industry, through the Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee, or its successor, to target this investment toward the fields most critical to the company and its supply chain and to the institutions that are most effective in delivering graduates with the desired skills.

Wing Fabrication Training:
The state will design and fund for 10 years (or until there is no longer sufficient need) a specialized training program at the Washington Aerospace Technology & Research (WATR) Center at Paine Field to provide your incumbent workers, as well as new hires, with the skills necessary to perform fabrication and assembly of the 777X's carbon fiber wing. $500,000 was provided to begin designing this program and $1.5 million to fund facility upgrades and/or equipment. It is assumed that this program will receive additional capital and ongoing operational funding and be up and running to begin offering classes in 2015.

Central Sound Aerospace Training Center:
Washington is committed to providing state-of-the-art training facilities in close proximity to Boeing and its supply chain. That is why the Legislature has provided $12.5 million (including $5 million in the recent 777X special legislative session) to construct the Central Sound Aerospace Training (CSAT) Center in Renton. Located at the Renton Municipal Airport, CSAT will offer a real-life setting just yards away from the 737 plant. Once constructed, the 19,000 square-foot facility will feature three high bays and multiple classrooms, providing adequate space for large plane parts such as wings and fuselages so students have the very best of hands-on learning and training.

HB 1872 (2013):
Comprehensive STEM education bill, which includes creation of a STEM Education Innovation Alliance, encourages regional STEM networks, and creates a STEM Benchmark Report Card. This will provide a strategic framework to better align our efforts around STEM education with the growing needs from Washington's industries.

Adopted the Next Generation Science Standards (2013):
Washington is only the eighth state in the nation to adopt Next Generation Science Standards, which provides rigorous, new curricula and relevant project-based learning to build STEM competency for all students from Kindergarten through high school.

HB 1472 (2013):
Established Advanced Placement (AP) computer science coursework as a science credit for purposes of high school graduation. This legislation will encourage more students who have shown interest in computer science to stick with it and encourage them to follow that path into college.

Engineering Education (2012 and 2013):
Over the past two years the legislature has pledged more than $25 million in new funding to expand engineering programs at state universities. Recognizing that there is additional demand, the state continues to invest in engineering degree production across the state.

Common Core State Standards (2013):
Previously adopted K-12 standards, now in implementation for English/Language Arts and Mathematics.

Joint Center for Aerospace Technology Innovation (2012):
Established to facilitate industry/university collaboration. In its first two years of the Center's operation, half of the JCATI funded research projects (17 out of 34 projects) have involved partnerships between Boeing and faculty at either the University of Washington or Washington State University. These grants total nearly $1.3 million in state funding and it is anticipated that Boeing-partnered research will be supported at similar levels in future funding rounds.

Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee (2012):
A majority of this new committee's members are to directly represent the aerospace industry and make recommendations to the legislature about where it should invest its training resources. We realize this is still a work in progress and will continue to work with Boeing and other companies to further improve the alignment between the state's aerospace training programs and the needs of the industry.

e. Describe ability to provide a low cost site with all infrastructure improvements and adequate access roads in place, or to be extended.

In 2011, the Spokane community founded the AIR Spokane team (Aerospace Initiative for Recruitment). This team was developed to respond to the 737 MAX project. Even though that project is moving forward with work dedicated to the Renton facility, the team is still functioning, and is responding to this RFP. The team members have each dedicated resources and funding towards this project as follows. The Spokane region is proposing a site on the Spokane International Airport that will be the most economical decision for the company. In addition to the site, the partners of the AIR Spokane team are willing to provide the following: transportation infrastructure buildout to the site to accommmodate personal and freight traffic, utility infrastructure to the facility for electric, gas, water, wastewater and telecommunications, recruitment of employees and training to the Boeing KSAs and the requirements of the RFP, local community incentive to be paid over ten years, all state incentives including the new super efficient aircraft package authorized by the state and approved by the local legislators, additional incentives offered through the state for relocation, technical assistance and/or planning assistance. In addition, there is a program that would offer a portion of funding for construction of the facility. WSDOT has included funding for improvements to two I90 interchanges that would facilitate the additional traffic needed to run the facility, and to transport supplies into the facility and products out to customers or to final assembly sites. This package - without funding for the facility - is in the range of $100 million. As mentioned in another section, the community has identified various sources for construction funding that could be discussed with the company.

XII. BUSINESS CLIMATE (Continued)

f. Tax reductions/abatements/credits of all types (income, franchise, property, sales/use, payroll, etc.) to the highest levels possible.

Local, state, and federal agencies have invested heavily to maintain Washington State's competitive advantage in aerospace and support The Boeing Company. Washington State's lack of an income tax, combined with other tax incentives for aerospace companies outlined below, has allowed the industry to prosper. Expressed in 2012 dollars, deferred tax revenues totaled an estimated $978 million over this period, equal to 69% of total direct investments.

The Washington State Department of Revenue extends preferential tax incentives to manufacturers, wholesalers, and retailers of commercial airplanes, their component parts, tooling used for aerospace, and to repair stations and suppliers to aerospace.

In the recent Special Session, the State Legislature adopted ESSB 5952 (2013), which extends all of the existing aerospace incentives beyond their current sunset date of 2024 to the year 2040 contingent on Boeing siting 777X wing and final assembly in Washington State. This extension is valued at $8.7 billion and has been touted as the largest corporate tax break in US history:

B&O aerospace tax rate reduction, rate of 0.2904% (40% reduction from standard manufacturing rate)
FAR 145 certified repair stations, rate of 0.2904% (40% reduction from standard manufacturing rate)
B&O tax credit for aerospace product development (for others*), rate of 0.9%
B&O tax credit for aerospace manufacturers for preproduction development expenditures
B&O tax credit for property taxes on land/buildings
Sales and use tax exemption for computers used in development and design (state and local)

g. Employee selection training (facilities, programs, level of funding)

Community Colleges of Spokane works hand in hand with the Spokane Area Workforce Development Council to provide a solution for recruiting, pre-screening, vetting, and training for aerospace companies. Funding to support this work is available at the federal level through WIA and at the state level through new programs authorized by the legislature in 2013. In addition, Community Colleges of Spokane is the founding member and management arm of the AIR Washington DOL grant.

h. Financing: Bonds (State, local, or Company issued - non-Boeing binding)

The County is willing to issue a bond to assist with construction of the facility. In addition, Spokane has identified three potential fund sources that could be tapped for the construction - these include EB5, bonds and conventional financing. The community would be willing to work on the assemblage of a fund package for the $500M to $1B facility.

i. Accelerated permitting (environment and physical project development related)
(1) Accelerated permitting (Federal, State, local levels) for any required process air permits.

Accelerated permitting is available in Spokane County, both through the County and through the City of Spokane which are co-owners of the Spokane International Airport. We would work directly with the Spokane Regional Clean Air Agency to expedite the approval of any necessary air permits.

(2) Accelerated permitting (State and local levels) for all project construction related activities; and wavier on rebates for permit fees.

Accelerated permitting is available in Spokane County, both through the County and through the City of Spokane which are co-owners of the Spokane International Airport. Both jurisdictions commit to a two week turnaround for building permit, and at that time, will provide information on permit fee waivers or discounts.

j. Direct Grants and/or employee rebates to assist with an offset to the project's overall development costs.

Work Start Program:
Washington Work Start is a business driven workforce training program designed to provide new and existing employers with flexible customized training in direct alignment with the state's business recruitment and expansion efforts. Work Start will target key sectors including: aerospace, clean technology, advanced materials, advanced manufacturing, maritime, forest products, agribusiness, life sciences, information, communications and technology, and locally targeted industries.

Work Start flexible training grants will be used to:
• Attract new business to Washington
• Support existing businesses as they make significant expansions through new business activity.
• Increase the skills of citizens through training, certifications, and employment in targeted industries.

Work Start Teams will meet with each company to discuss their unique training needs. Work Start training along with traditional workforce development services (position posting, screening, assessment, testing, interviewing and other pre-employment activities) will be provided at little or no cost to the company. Work Start Teams will carefully review available training programs to assure the best training is delivered in the most efficient manner.

Work Start is an allocation of the Governor's Strategic Reserve Fund with uses outlined in RCW 43.330.250. It is anticipated that expenditures will be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, to enable significant expansion of a business in the state rather than in an alternative location, recruit a business or facility to the state or other lawfully approved activity. Work Start allocations will coordinate with state and local business recruitment and retention efforts, other SRF commitments, loan programs, and Job Skills and Workforce Investment Act.

Training will be delivered by the trainer that best meets the company needs wherever best for the company e.g. at the community or technical college or at the workplace. Training subcontractors will be selected on the ability to provide training that will focus on employment and training for skills required in defined high growth, high-demand occupations that are critical to the health and growth of the state's economy.

Washington State Department of Commerce will manage the requests and anticipate the review and approval in 30 days or less. Individual company funding levels depend on the complexity of training and number of trainees. The Employment Security Department is a collaborative partner in Work Start. Program ends June 30, 2015.

k. Incentives for the use of Renewable Energy sources

The local electric and gas utility, Avista, has a program available that provides credits for the use of green energy, via their 100% Green-E certified energy program. In addition, they are willing to partner with the client to develop onsite renewable generation.

l. Incentives for LEED Certified Project

The City of Spokane is willing to consider a reduction in permit fees for LEED certified projects.

m. Electric service provider cost reduction package

The electric service provider will consider cost reductions for extension of services and in addition have indicated willingness to provide an incentive for this project that would be available at $500,000 each year for the next ten years.

n. Other programs and opportunities (explanation)

In addition to the costs of runway extension mentioned previously in this document, the Spokane International Airport would also submit funding assistance for the following items:
Site Entrance Road Participation - $500,000
Wetlands Mitigation - $262,000
Stormwater Conveyance - $100,000
Assistance with Permitting Process - $38,000

XIII. ATTACHMENTS REQUIRED

1.	Area Site Map	"Appendix - West Spokane" - Attachment 2
2.	Site Boundary Map	"Appendix - West Spokane" - Attachment 3
3.	Site Topographical Survey	"Appendix - West Spokane" - Attachment 4
4.	Site Aerial Photograph	"Appendix - West Spokane" - Attachment 5
5.	Site Infrastructure (Roads and Utilities)	"Appendix - West Spokane" - Attachment 6
6.	Copies of all due diligence studies of the site (Ex. - Environmental, Endangered Species, Geotechnical, etc.)	"Appendix - West Spokane" - Attachment 7
7.	Airport concept Plan - Current and Planned Future	"Appendix - West Spokane" - Attachment 8
8.	Site zoning regulations and covenants	"Appendix - West Spokane" - Attachment 9
9.	Treated water chemical analysis	"Appendix - West Spokane" - Attachment 10
10	Waste water pre-treatment regulations	"Appendix - West Spokane" - Attachment 11

777X SITE SELECTION PROPOSAL

PAINE FIELD AEROSPACE BUSINESS PARK

Request for Proposal

for

777X Program Site Selection

**** Please refer to 777X Program Site Selection Outline Criteria Document and Addendum for specific details ****

Primary Project State Contact Information:

NAME:	Alex Pietsch - WA Department of Commerce
ADDRESS:	2001 6th Avenue
	Suite 2600
CITY, COUNTY, STATE:	Seattle, WA
POSTAL CODE:	98121
PHONE:	206-256-6100
CELLPHONE:	NA
E-MAIL:	alex.pietsch@commerce.wa.gov

Regional Project Contact Information:

NAME:	John Monroe - Economic Alliance Snohomish County
ADDRESS:	808 134th Suite SW
	Suite 101
CITY, COUNTY, STATE:	Everett, WA
POSTAL CODE:	98204
PHONE:	425-248-4225
CELLPHONE:	NA
E-MAIL:	johnm@economicalliances.org

Primary Local Project Contact Information:

NAME:	Matt Smith - Economic Alliance Snohomish County
ADDRESS:	808 134th Suite SW, Suite 101
CITY, COUNTY, STATE:	Everett, WA
POSTAL CODE:	98204
PHONE:	425-248-4225
CELLPHONE:	NA
E-MAIL:	matts@economicalliancesc.org

General Site Information:

SITE NAME:	Paine Field Aerospace Business Park
CITY, COUNTY, STATE:	Everett, WA
POSTAL CODE:	98204

Secondary Local Project Contact Information:

NAME:	Peter Camp, Executive Director, Snohomish County
ADDRESS:	3000 Rockefeller Avenue
CITY, COUNTY, STATE:	Everett, WA
POSTAL CODE:	98201
PHONE:	425-388-3123
CELLPHONE:	NA
E-MAIL:	peter.camp@co.snohomish.wa.us

General Site Information:

SITE NAME:	Paine Field Aerospace Business Park
CITY, COUNTY, STATE:	Everett, WA
POSTAL CODE:	98204

NOTE: Read all comments inserted in titles for an explanation of proper answer format and content
An asterisk (*) indicates that attachments are required.

Refer to separate document: "Appendix - Paine Field Aerospace Business Park" for access to required Attachments

I. SITE INFORMATION

a. Site Name and Address:

(1) Site Name:	Paine Field Aerospace Business Park
(2) Airport Name and FAA Identifier:	Snohomish County Airport / Paine Field (PAE)
(3) Site Street Address:	3220 100th Street SW
(4) City, County:	Everett, Snohomish County, Washington
(5) Directions & Distance to Site from Major Highway / Interstate:	4 miles east to Interstate 5
(6) Site Coordinates	Lat 47 54' 30" N, Lon 122 17' 30 W

b. Site Information:

(1) Number of total contiguous and developable acres of proposed site:	125 Acres
(2) Is site unencumbered?	Yes
(3) Total property price OR average price per acre:	$20,909/acre/yr rent

(4) Describe general site configuration/shape including any out parcels or site development limitations:

The 125 acre site is generally rectangular shape located between Runway 16R / 34L and State Route 525 with access to Boeing Everett plant via airport roads and taxiway system. Paine Field was part of the Governor's Task Force and developed a permit matrix with multiple local and state agencies **(Refer to separate document "Appendix - Paine Field Aerospace Business Park", Attachment 2)**. The Washington Department of Commerce has listed the Paine Field site as being a Project of Statewide Significance.

c. Location Proximity to Major Surrounding Cities

City Name	Miles
Everett	1
Mukilteo	1
Seattle	25
Vancouver, BC	100

d. Cities within 50-mile radius of site (ranked by population)

City	2012 Population	2010-12 % change
Seattle	616,500	1.30%
Bellevue	124,600	1.80%
Everett	103,300	0.30%
Marysville	61,360	2.20%
Edmonds	39,800	0.23%
Lynnwood	35,900	0.18%
Lake Stevens	28,510	1.57%
Mukilteo	20,360	0.52%
Mountlake Terrace	20,090	0.91%
Arlington	17,970	0.25%
Snohomish	9,215	1.29%

I. SITE INFORMATION (Continued)

e. Location Proximity to Major Cities (General comments – i.e.. Center of Commercial, Retail, Medical Activity For Region? / County Seat / Proximity To Major Cities / Other General Statements)

Everett is the county seat. The site is near Seattle, providing access to a highly technical workforce and the amenities typical of a major urban center. The site is in a developed area and surrounded by other industry, retail, office and residential.

f. Brief Description of Economic Base (Historic and current trends)

Snohomish County has a natural resource manufacturing history which has been replaced by advanced manufacturing, with aerospace playing a prominent role. 22% of workforce is in manufacturing; twice the state average.

g. Runway Characteristics

(1) Total Number of Runways: 3

(2) Describe the Length/Expansion capability of each runway

	Runway Name (i.e. 14/32)	Current Length & Width	Expansion Capability	Planned or Pending	Weight Limits	ILS, etc. systems for non-VFR flight
a.	16R / 34L	9010 x 150	yes 830 dd	pending	pcn 83/F/A/W/T	ILS, VOR DME, RNAV
b.	16L / 34R	3004 x 75	no		pcn 4/F/B/Y/T	
c.	12 / 30	4504 x 75	no		pcn 6/F/B/Y/T	
d.						

(3) Discuss the improvements required to reach 9,000 feet of runway length and the approximate cost:

None required - 9,010 feet existing

(4) Details of existing compass rose at airfield

Located on Boeing Company fliteline

h. Identify all current property owners; including names, addresses and phone #'s:

Owner	Address	City, State Zip	Phone #
Snohomish County Airport	3220 100th Street SW	Everett WA 98204	425 388-5100

I. SITE INFORMATION (Continued)

i. Will conveyance of the property / runway(s) be required?

No

(1) Conveyance Requirement Details

No conveyance required

j. Provide a chronology of previous land use for each of the parcels including dates of reference:

The site is a portion of the original 640 acre parcel aquired from Puget Mill Company in 1936 after they logged the property. Construction of Snohomish County Airport started in 1936 as a WPA project. The property was used as an Army Airfield and an Air Force Base in the 1940s - 60s. For more info see: http://www.historylink.org/index.cfm?displaypage=output.cfm&file_id=8266

k. Environmental History

(1) * Indicate and attach any environmental or other site studies (i.e. Environmental Site Assessments) that have been performed or are currently underway at this site and highlight the major findings of those studies.

Type of Study	Date Conducted / Completed	Major Findings and Action Taken
Phase I Kilo	9/13/1996	
VCP #1626 Sheriff Pistol Range	10/25/2007	Cleanup of gun range, which led to Ecology NFA in December of 2007.
Phase I and Limited Phase II	10/21/1996	Sampling of area which led to cleanup in 2007.

(2) Indicate any significant environmental events (I.e. spills or other contaminations) that have occurred on or adjacent to this site.

This site has had multiple environmental investigations, reports are attached **(Refer to separate document "Appendix - Paine Field Aerospace Business Park", Attachment 8)**. A former fire pit and gun range were cleaned up and received No Further Action letters from the WA Dept. of Ecology.

l. Identify surrounding contiguous land uses:

To the north, Dreamlifter Operation Center. To the west are commercial and retail uses. To the east is runway and taxiways. To the south, general aviation hangars.

I. SITE INFORMATION (Continued)

m. Are there any existing structures on the site? Yes

If yes, please answer the following questions.

(1) Indicate number of structures on site: 2

(2) Describe the structures on site:

Two small wooden buildings that were part of the former quarter midget racing association are on site. One a "snack shack" and the other the racing tower. Two concrete block buildings - one is the airfields night lighting vault and the other is the old emergency generator building. Structures will be demolished as part of the development.

n. Topography & Soils:

(1) Indicate the minimum topographic elevation of the site (ft. MSL)	Approx. 520 Ft	**Refer to separate document "Appendix - Paine Field Aerospace Business Park", Attachment 5** Note, min. 480 ft (bottom of exist. drainage way - Stream A)
(2) Indicate the maximum topographic elevation of the site (ft MSL)	Approx. 580 ft	
(3) Maximum Elevation Change (ft MSL)	60 ft	

(4) Indicate the terrain of the site (select one):	Variable topography (rolling hills), forested with various wetlands and streams.
(5) Site subject to flooding (Y/N)	No
Elevation range of site (ft. MSL)	480 ft - 580 ft
100-year Flood Plain elevation (ft. MSL)	Not Applicable

(6) Ownership/transferability of mineral rights

Owned by Snohomish County

(7) Describe any areas with bodies of water, creeks, wetlands, etc. on site and identify the jurisdiction controlling each:

Name (if applicable)	Description	Size	Jurisdiction
Stream A (to Big Gulch Creek downstream)	**Attachment 8**	Approx. 1,900 LF	USACE/Dept of Ecology
Stream B (to Big Gulch Creek downstream)	**Attachment 8**	Approx. 550 LF	USACE/Dept of Ecology
Wetlands (Various)	**Attachment 8**	Approx. 11 AC	USACE/Dept of Ecology

(8) Identify any easement & right-of-ways and ownership for each:

Type of Easement	Location on property	Owner/Right to Access/Easement
Road ROW	SR525 Buffering Site on West	Wash DOT
Road ROW	Paine Field Boulevard Buffering Site on West	Wash DOT
Power pole Easement	Adjacent to SR525 ROW	Sno Co PUD # 1

I. SITE INFORMATION (Continued)

(9) Describe Soil Types and Conditions. (Please provide any geotechnical data and/or soil borings that have been completed.)

The subsurface conditions at the Westside Development site consist of approximately 1 foot of topsoil underlain by medium dense to very dense gray till consisting of silty sand to an undetermined depth. Some interbedded layers of clay, silt, and sand may be encountered in the top 5 to 8 feet. Occasional perched water may be encountered in sand lenses in the till. Groundwater at the Paine Field Airport area consists of shallow perched groundwater within the fill and weathered glacial till layer, and deep regional groundwater within the advance outwash (Esperance Sand). The perched groundwater is typically about 0 to 13 feet bgs in the weathered till at the Westside Development site and about 0 to 25 feet bgs at a proposed park-and-ride site, and is recharged by direct precipitation. The low permeability of the unweathered till forces the infiltrated water (for example, from rainfall) to move laterally by gravity along the weathered/unweathered interface at a very slow rate due to high silt content and low gradients of the glacial till. The regional groundwater system is approximately 200 feet bgs at elevations ranging from 300 to 340 feet. This deep groundwater system flows within the permeable advance outwash (Esperance Sand) that underlies the Vashon Till. This groundwater system was not encountered in any of the previous subsurface explorations conducted within the general vicinity of the Project, primarily because the test borings and wells were not deep enough to penetrate it. (Refer to geotechnical studies, 2012)

o. Site Accessibility:

(1) Rate site ingress/egress routes as excellent, average or poor on the following factors (Boeing to provide estimated number of employees):

Congestion	Average
Safety	Excellent

(2) Indicate the number of roads with access to the site: Two - Paine Field Blvd. & Mukilteo Speedway (SR 525)

(3) Is access to the site controlled with a traffic signal? Yes, Harbor Pointe & Mukilteo Speedway (SR 525)

(4) Please describe surrounding land use (e.g. open space with acreage estimates, occupied and vacant industrial, residential, etc.)

The site is bordered to the East, South and North by Paine Field Airport. To the West, the site is bounded by two major arterials, the Mukilteo Speedway (State Route 525) and Paine Field Boulevard. A strip of commercial retail exists along West side of SR 525 bordering the site, and on both sides of SR525 for 5 miles south of site. Mukilteo has master planned approximately 30 acres on West side of SR 525 for future development. The area to the West of Paine Field Boulevard is substantially residential.

II. TRANSPORTATION

Commercial Service Airport(s)

a. Regional Airport(s):

(1) Name of Airport:	Seattle-Tacoma International Airport (SEA)
(2) Distance (miles) to Closest Commercial Airport:	40 miles
(3) Provide the transit time (minutes) from site to airport:	60
(4) Number of Airline Carriers:	23

b. Presence of Air Freight Services at Airport:

(1) List Service Providers:

www.portseattle.org/cargo/aircargo/pages/carriers.aspx

Interstate Highways

c. Distance to Interstate:

(1) Identify Closest North/South Interstate(s)	I-5 & I-405. Other primary north-south roads include Airport Road/128th Street SW, SR 525 and SR 99
(2) Distance (miles) to North/South Interstate	5.3 miles via SR 526. 5.4 miles via SR 525 to Interstate 5
(3) Identify Closest East/West Interstate(s)	I-90. Other primary east/west facilities include SR 526 and US 2
(4) Distance (miles) to East/West Interstate	25 miles via SR 525 & I-405 to I-90

II. TRANSPORTATION (Continued)

d. Transportation route to interstate / freeway (or a separated, 4-lane primary road with limited access) and interstate/4 lane interchange accesses:

(1) Describe the transportation route from site to interstate (road type, controlled intersections, traffic patterns, congestion, surrounding land use, etc.):

Access to and from the site may be taken from several different options. The primary access is from SR 525 at Harbour Pointe Blvd. N, which is an existing signalized intersection. An additional right in/out ingress/egress on Paine Field Blvd is proposed. In the vicinity of the site both SR 525 and Paine Field Blvd. are 4-lane, divided highways. The route to northbound I-5 would be via SR 525 to Paine Field Blvd, or directly onto Paine Field Blvd, to SR 526. The intersection of SR 526/Paine Field Blvd and 84th Street SW is signalized. Beyond that SR 526 is an access controlled freeway for eastbound traffic. Westbound traffic has one additional half signal at the Boeing parking lot, just west of the main plant. The surrounding land use is a mixture of commercial and aerospace industrial. Congestion is considered to be average.

The route from the site to southbound I-5 and I-405 would be via SR 525. Again, SR 525 is a 4-lane divided highway. In addition to the signal at the site access at Harbour Pointe Blvd. N, there are four additional traffic signals for southbound traffic. The last signal is at SR 525 and Lincoln Way. To the south of this intersection SR 525 becomes an access controlled freeway to the interchange of I-5 and I-405. The land use along this route is primarily commercial with some airport use along Paine Field. Congestion is considered to be average.

There are other potential access points along SR 525 that could also use the routes described above. Access could be taken from Airport Road. Airport Road is a six lane, principle arterial and is part of the National Highway System (NHS) linking the Everett Boeing plant with I-5. Peak hour HOV facilities for Boeing commute periods exist along the length of Airport Road/128th Street between the plant and I-5. Land use along this corridor is industrial, multifamily residential and commercial. Congestion is considered to be average. Access points on Airport Road are signalized.

Access to the site may be taken from several different options. The primary access is to be from SR 525 at Harbour Pointe Blvd. N, which is an existing signalized intersection, with an additional right in/out access on Paine Field Blvd. In the vicinity of the site both roads are 4-lane, divided highways. The route to northbound I-5 would be would be via SR 525 to Paine Field Blvd, or directly onto Paine Field Blvd, to SR 526. The intersection of SR 526 and Paine Field Blvd is signalized. Beyond that SR 526 is an access controlled freeway for eastbound traffic. Westbound traffic has one additional half signal at the Boeing parking lot, just west of the main plant. The surrounding land use is a mixture of commercial and aerospace industrial. Congestion is considered to be average.

The route to southbound I-5 and I-405 would be via SR 525. Again, SR 525 is a 4-lane divided highway. In addition to the signal at the site access at Harbour Pointe Blvd. N, there are four additional traffic signals for southbound traffic. The last signal is at SR 525 and Lincoln Way. To the south of this intersection SR 525 becomes an access controlled freeway to the interchange of I-5 and I-405. The land use along this route is primarily commercial with some airport use along Paine Field. Congestion is considered to be average.

There are other potential access points along SR 525 that could use the routes described above. If access would be considered along Airport Road that facility would be used to access I-5 at 128th Street SW. Airport Road is a six lane, principle arterial and is part of the National Highway System (NHS). At SR 99 it reduces to 4 lanes and becomes 128th Street SW at 8th Avenue W. At this intersection westbound traffic expands to three lanes. Peak hour HOV facilities for Boeing commute periods exist along the length of Airport Road/128th Street between the plant and I-5. Land use along this corridor is industrial, multifamily residential and commercial. Congestion is considered to be average.

(2) Describe the interstate interchange accesses (physical description, controlled intersections, traffic patterns, congestion, surrounding land use, etc.):

The interchange of SR 526 and I-5 is grade separated and provides free flow, high capacity movements for all directions. There are no signal controlled movements with the exception of ramp metering for southbound I-5 traffic. Land use is a primarily commercial. Congestion is considered average.

The interchange at 128th Street and I-5 is a diamond interchange design. Ramps are controlled by traffic signals. All movements are available for traffic. Land use is commercial and congestion is considered to be average.

The interchange at SR 525 and I-5/I-405 is a free flow, high capacity, grade separated interchange. There are no traffic signal controlled movements. All movements are available with the exception of southbound I-5 to northbound SR 525. Land use is primarily commercial and congestion is considered average.

Other important transportation facilities to in the vicinity of the site include:

- Mukilteo/Clinton Ferry
- Burlington Northern Santa Fe Railroad Mainline with access to the Port of Everett and the spur to the Boeing plant
- Port of Everett
- The Boeing dock located just north of the ferry terminal (with a railroad spur to the Boeing plant).
- Sound Transit provides commuter rail service between Everett and Tacoma with a station in Mukilteo.
- Community Transit and Everett Transit provide bus rapid transit (BRT) along the SR 99 corridor between Everett and the King/Snohomish County line.
- King County Metro will be adding a BRT line on SR 99 from the King Snohomish County to Seattle in 2014.

It should be noted that WSDOT, Everett and Snohomish County have invested over $500 million in local and state transportation system improvement in the vicinity of the Boeing & Paine Field area.

II. TRANSPORTATION (Continued)

e. Access improvements

(1) Please describe any road access improvements that will be necessary (i.e.. Extension of roads, improvement of intersections, etc.)

None required

(2) Please estimate the cost of any access improvements: Not Applicable

f. Trucking Service:

(1) Indicate number of trucking agencies serving the site: Numerous in the region

(2) Provide list of trucking companies.

	Company Name	Services Provided	Terminal Location	Comments
a.	Hoglands Transfer	LTL/Truckload/ Logistics	Everett	www.hoglands.com
b.	United Motor Freight	Cargo, long and heavy haul, and drayage and intermodal delivery	Seattle	www.unitedmotorfreight.com
c.	Boeing Licensed Transport	Corp transport service	Regional	None
d.	Elliot Bay Transfer	LTL/Truckload	Seattle	None

Rail

g. Rail to Site:

(1) Distance (miles) to the Nearest Rail Siding Extendable to the Site: Onsite

(2) Do you currently have control of right-of-ways, etc. to the site? The Boeing Company

* (3) If yes, attach proof of control. If no, include letters of commitment to obtain control of right-of-ways for service to the site.

(4) Are there any restrictions on rail traffic volume and frequency? No

h. Rail Service:

(1) Indicate Mainline Rail or Shortline Rail: Mainline

(2) Rail Carrier(s) Servicing Site: BNSF

II. TRANSPORTATION (Continued)

i. What are maximum allowable dimensions that can be delivered to the site (Multiple-car transport systems):

35' x 35' x 140' was design spec of Mount Baker Barge Terminal, which transloads Boeing parts for delivery to the plant. Actual rail access to site to be approved by BNSF based on design dimensions.

j. Access improvements

(1) Please describe any rail access improvements that will be necessary

None

(2) Please estimate the cost of any access improvements: None

Port

k. Port Access

(1) Distance (miles) to nearest Port Facility capable of handling

	Barge	Ocean Vessels
Container loading and unloading	1	4
Special Over-sized cargo	1	4
Cranes	1	4

l. Port Improvements

(1) Describe improvements to integrate the unloading, transport and delivery of containers and oversized components using multi-modal transport systems.

Port of Everett has invested over $90 million over the last 10 years in facilities and equipment to support aerospace by truck, ship, barge and rail.

(2) Please estimate the cost of any access improvements: None

(3) Please provide additional information on studies, permits required or other regulatory matters that must be addressed if port improvements or access must be provided. Include a timeline and schedule for each activity.

None required

m. Storage and Handling Capabilities

75 acres on dock

II. TRANSPORTATION (Continued)

Other

n. Briefly describe work stoppages at the nearest ports within a 150 mile radius to include the following:

Strikes or work stoppages in last 10 years	None at Port of Everett. Port of Seattle short-haul truckers (2012)
Specific circumstance of each event	In February 2012, independent short-haul truckers at the Port of Seattle staged a boycott. While there were some delays in initially unloading ships while other drivers could be brought in, cargo movement at the Port was not impacted. It was not a strike, or wholesale picketing or official work stoppage from a represented work force.

Comments

Port of Everett has not seen a work stoppage since 2002 due to a lockout by employers. Ports of Seattle/Tacoma have had one day sporadic spot stoppages for safety issues over the past ten years.

o. Briefly describe work stoppages and other transport terminals (all modes rail, ports, air) within a 150 mile radius to include:

Strikes or work stoppages in last 10 years	None
Specific circumstance of each event	

Comments

Transport-associated unions working in Snohomish County are the Longshoremen, Inland Boatmens (Tugs) and BNSF. No work stoppages with any of these in the last ten years.

III. ENVIRONMENTAL / BUILDING PERMITTING

a. List all Required Environmental / Building Permits:

Air Permit(s) (Major Source PSD Level)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
See attached Permit Matrix	Puget Sound Clean Air Agency			

Ground Water Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
See attached Permit Matrix				

Waste Water Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Mukilteo Water and Waste Water				
See attached Permit Matrix				

Hazardous Materials Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
See attached Permit Matrix				

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

Building / Construction Permit(s)	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
Land Disturbing Activity Permit	Snohomish County	$34,700	5 / 7 days	http://www.co.snohomish.wa.us/documents/Departments/PDS/Forms/gradingpermitapplicationform.pdf
Building Permit	Snohomish County	Based on value	5 / 7 days	http://www.co.snohomish.wa.us/documents/Departments/PDS/Forms/commercialbuildingpermitapplicationform9_10.pdf

Zoning Permits	Approval Authority	Fee	Min. / Max. Days from Application for Approval	Necessary Application Procedures / Requirements (#'s & Types of Documents, etc.)
None required - existing zoning is correct	Snohomish County		Not Applicable	

b. Permitting Process:

(1) Can permit application data be kept confidential during the permitting process?

A permit application is a public document. An application is not made public by the County. A public records request would trigger release of the application. A third party could be listed as the applicant. The County does publicize that a permit has been issued.

(2) Is the environment permit obtained sequentially OR concurrently to a building permit?

Concurrently

(3) Once an application is submitted, how long does the reviewing authority have before they must make a final decision?

120 days pursuant to SCC 30.70.110. However, as noted above, permit application review and permit issuance are expected to take 5 - 7 days.

(4) What regulatory law does the regulatory agency base its decisions and interpretations by?

Snohomish County Uniform Development Code, Title 30

(5) Will the approving agency compile and publish a preliminary decision on our application?

Snohomish County Uniform Development Code, Title 30

http://www.codepublishing.com/wa/snohomishcounty/?SnohomishCounty30/SnohomishCounty30.html

(6) During the public comment period, if there are objections to our applications, how are these objections addressed and by whom? How long can it further the review time by law?

Snohomish County Uniform Development Code, Title 30

http://www.codepublishing.com/wa/snohomishcounty/?SnohomishCounty30/SnohomishCounty30.html

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

c. Environmental Impact Assessments / Studies:

(1) What activities or industries require the completion of an Environmental Impact Assessment or study?

Projects that are likely to result in a "probable, significant environmental impact" could be required to provide an Environmental Impact Statement. However, the Snohomish County Airport's extensive prior preparation for development means that many or most impacts are likely to be known in advance.

(2) What requirements and procedures are necessary to complete the Environmental Impact Assessment or Study?

It is unclear that an Environmental Impact Study (EIS) would be required. However, if so, existing documentation would be used to the greatest extent possible. An EIS *cannot* be required if all significant impacts will be mitigated by existing requirements in local, state, or federal regulations.

d. Current Air Quality Status:

(1) If the site is located in an area that does NOT achieve quality air status, define characteristics:

Site is not in non-attainment area. **See Permit Matrix in Attachment 2.**

(2) Identify and define local issues (if any) with regard to Air Quality Status of the region:

Air quality issues are regulated by the Puget Sound Clean Air Agency. **See Permit Matrix in Attachment 2.**

(3) Can a company purchase emission credits? Are "Tradable Emission Rights" available?

No. Not regulated by Snohomish County.

e. Industrial Non-Hazardous Solid Waste:

(1) Identify the solid waste disposal sites that will accept non-hazardous industrial waste:

Eastern Washington. **See Permit Matrix in Attachment 2.**

(2) Indicate the potential remaining life of the disposal site:

The County has a long-term service contract and expects no capacity concerns.

III. ENVIRONMENTAL / BUILDING PERMITTING (Continued)

(3) Indicate type of disposal Site: Landfill

(4) Distance (miles) from Site: 10 miles to transfer facility

f. Identify any Noise Restrictions for Site:

Noise is regulated at SCC 10.01.030 ( ) SCC 10.01.050(2) specifically exempts sounds created by aircraft engine testing and maintenance, during daytime hours.
http://www.codepublishing.com/wa/snohomishcounty/?snohomishcounty10/SnohomishCounty1001.html

g. Identify any stack height or building height restrictions for this site:

Maximum building height is 50 feet; stack height is exempt from height regulations.

h. Relative to any variances and/or special exceptions which are required for a maximum facility height, what are the processes and timing?

A building height variance would be necessary to exceed 50 feet. A zoning code variance would be processed administratively, and done concurrently with the building permit review process.

i. Local Building Codes

(1) Indicate the prevailing building codes and any related amendments relevant to the proposed site (i.e. Uniform Building Codes).

2012 International Building Codes; SCC 30.52 through SCC 30.53 - Snohomish County amendments
http://www.codepublishing.com/wa/snohomishcounty

(2) If hangars are already constructed on the site, do they conform to the prevailing building codes? Yes

(3) If no, please indicate and describe the building codes to which the hangers do conform.

(4) If certain building designs and requirements do not readily conform to local building codes, please describe the process for requesting exceptions or exemptions.

A request for a "Decision of the Building Official" is submitted to the Snohomish County Department of Planning and Development Services; response time is 5 to 7 days, and will be handled concurrently with permit application review.

IV. ZONING & FUTURE PLANNED ZONING

a. Current Zoning:

(1) Identify Site's Current Zoning:

Light Industrial (LI) which allows manufacturing of aircraft and parts

(2) Will zone designation require change for intended usage? No

If yes, please provide a letter of commitment indicating the community's willingness to rezone the proposed site.

b. Current Surrounding Land Use & Zoning:

(1) Identify Current Surrounding Land Use & Zoning

The entire Paine Field Airport property is zoned LI; the main Boeing plant to the north has existing industrial zoning.

c. Protective covenants in place

Recorded Binding Site Plan is in place for this site.
http://198.238.192.100/imgcache/opr200812105004-1-11.pdf

d. Unrestricted 24-hour use and/or applicable noise curfews

Noise is regulated at SCC 10.01.030 ( ) SCC 10.01.050(2) specifically exempts sounds created by aircraft engine testing and maintenance, during daytime hours.

e. Maximum allowable site coverage (%)

Facilities	Impervious Surface
No limits for facilities nor for impervious surface	

f. Provide a copy of the applicable zoning

http://www.codepublishing.com/wa/snohomishcounty/?SnohomishCounty30/SnohomishCounty30.html

V. UTILITY SERVICE

Utility Providers

a. Name of Electric Power Company(s) serving this site:

Transmission	Snohomish County Public Utility Disrict #1 (PUD)
Distribution	PUD

b. Name of Gas Company(s) serving this site:

Transmission	Puget Sound Energy (PSE)
Distribution	PSE

c. Name of Water / Wastewater Company serving this site: Mukilteo Water and Wastewater

d. Name of Solid Waste Handler: Waste Management Northwest

Utility Infrastructure (Please Refer to 777X Site Selection Outline Criteria Document if more details needed)

e. Electric:

* (1) Please provide an electrical grid and distribution map (if available). **Refer to Attachment 7**

(2) Are electric facilities near or adjacent to the site? See (3) below

If so, what lines are available?

	Kv
	Kv
	Kv

(3) If electrical facilities are not adjacent to site, approximately how far away are the nearest facilities?

The preferred option to electrically serve this new site is for Boeing to extend its 12.5 kV distribution system. This approach would involve negotiations between Snohomish County Airport and Boeing on right-of-way in the associated areas. The routing is +/- 3 miles following existing public right-of-way. If a route across the airport can be identified, the distance could shorten to +/- 2 miles. The second option would be for District to construct a dedicated substation to serve the anticipated new load at this site. The second option would be more expensive and could require as much as 2 to 3 years to complete construction.

(4) What is the approximate distance to the nearest substation that **will** provide electric service to the site?

Less than a mile	
More than a mile	Yes

(5) Provide the details of independent dual-feed service

See (3) above

V. UTILITY SERVICE (Continued)

(6) Please provide a brief comment / description relating to your response:

Snohomish PUD has a long and successful working partnership with Boeing that we value and look forward to continuing. Snohomish's power supply portfolio provides 100% non-carbon emitting power to its customers.

(7) Please estimate the cost of extending electric service to the site:

Option 1: Snohomish County Airport served by extension of the Boeing 12.5 kV distribution system; this entails Boeing cost parameters that the District is not able to estimate.
Option 2. Snohomish County Airport served by construction of dedicated substation by the District. The ballpark cost for this option is $8.6 million in 2014 dollars including lines, transformers and substation. Cost of any land purchase needed are not included in this estimate.

(8) Assumption is transmission level service - 15 to 20 MW demand with a 50% diversity. What is the average cost per kWh?

Based on load data submitted, the District Schedule 36 Large Industrial Load average rate would be $.0602/kWh - this assumes service continues at 12.5 kv from the existing substation. Significant departures from these load and/or delivery assumptions could result in a different rate. This is not an offer to buy or sell electricity or other related services. PUD rate schedules are subject to approval by the Board of Commissioners and may change from time to time.

f. Natural Gas:

(1) Is natural gas service available at the site?	Yes
(2) Distance (feet/miles) to the Closest Gas Line to Service the Site:	Within 500 ft

(3) Assumption is transport level service - 95 to 124 mmbtu/hr (24 hrs/day, 7 days/week). What is the average cost per million cubic feet?

See http://pse.com/aboutpse/Rates/Pages/Natural-Gas-Rate-Schedules.aspx?Schedule_x0020_Type=Rate%20and%20Adjusting%20Schedules

(4) Provide details of the gas line(s), both actual and proposed extensions / upgrades should be included. Indicate line size, capacity, pressure of line, current peak utilization, and any "bottlenecks" within the line/system which may have to be upgraded, etc.:

Per PSE, "confirming that PSE is able to serve both locations as specified. We've confirmed with our System Planning that the local gas lines for those locations are sufficient, and of course, can provide even more details as project(s) develops. Dom Amor, Manager, Local Govt & Community Engagement dom.amor@pse.com, (C) 206-604-3066.

(5) Please estimate the cost of extending natural gas service to the site:	Unknown

g. Water:

(1) Confirm that treated water is available at the site?	Yes
Distance (feet/miles) to the closest water line serving the site:	200'
Indicate the size of the line serving the site:	16" DI
Indicate the capacity of the line serving the site:	5013 GPM
Indicate the capacity of the water system (million gallons per day):	10 MGD
Indicate the avg. utilization of the water system (million gallons per day):	1.5 MGD
Indicate the peak utilization of the water system (million gallons per day):	3.0 MGD
Indicate the excess capacity of the water system (million gallons per day):	7.0 MGD

V. UTILITY SERVICE (Continued)

(2) Assumption is peak 40 kgal/hr. What is the average rate per 1,000 gallons per day?

Current water rate is $3.31 per 1,000 gallons.

Indicate any planned upgrades of the system, including the timeframe and funding of the project:

Water would need to be extended/looped to site through the developer extension process.

* Provide detail of treated water chemical analysis

See 2012 Drinking Water Qualtiy Report in Attachment 11.

(3) Please estimate the following costs with regards to water service to the site:

Extension of water lines:	$0.00
Water Meter	4"=$2,500
Tap Fee	DE Deposit $10,000
Impact Fee	4"= $122,000

h. Waste Water / Sewer:

(1) Is municipal sewer available at the site?	Yes
Distance (feet/miles) to the closest sewer line serving the site:	100
Indicate the size of the sewer line serving the site:	12"
Indicate the capacity of the sewer line serving the site:	>1,000 GPM
Indicate the capacity of sewer system (million gallons per day):	6.6 MGD
Indicate the average utilization of sewer system (million gallons per day):	1.6 MGD
Indicate the peak utilization of sewer system (million gallons per day):	4.3 MGD
Indicate the excess capacity of sewer system (million gallons per day):	2.3 MGD

(2) Assumption is peak 30 kgal/day. What is the average rate per 1,000 gallons per day?

$11.00

* What are the regulations for waste water pre-treatment? Provide copies.

See MWWD Westside Wastewater Pretreatment Code (May 1, 2013) in Attachment 12.

V. UTILITY SERVICE (Continued)

Indicate any planned upgrades of the system, including the timeframe and funding of the project:

Snohomish County Airport owned sewer system would need to be extended to the site and connected to the MWWD System.

Cost to Service the Site: $10,000

(3) Please estimate the following costs with regards to wastewater service to the site:

Extension of sewer lines:	$10,000
Discharge Metering	$0.00
Tap Fee	DE Dep. $10,000
Impact Fee	4"=$118,000

i. Solid Waste Disposal:

(1) Please indicate the services provided for solid waste: Waste Management Northwest is the local transporter

(2) Indicate a tippage fee **per ton** for solid waste: $105/ton transfer station fee **plus transport** *General Solid Waste*

(3) Indicate a tippage fee **per ton** for solid waste (Composite Waste): Same as above *Specific to Composite Material Waste*

j. Telecommunications

(1) Please provide an explanation of the existing network: Frontier has services adjacent to the site. A secured telcom line from the Dreamlifter Operation Center to the Boeing Plant is adjacent to the north.

VI. QUALITY WORK FORCE

a. Indicate the total employment (workforce) within 50 miles of site: 1,673,485

b. Indicate the number of people employed in manufacturing within 50 miles of site: 166,834

c. Please provide the following unemployment rates for your community:

2012	7.80%
2011	9.40%
2010	10.60%
Current	6.00%

d. Please provide a list of top **manufacturers** employing more than 100 people within a 50 mile radius of the proposed site location:

	SIC* Code	Name of Company	No. of Employees	Average Experience (years)
1		Boeing	70,859	NA
2	7372-01	Microsoft Corp	55,000	NA
3	3531-98	Terex Aerial Work Platform	3000	NA
4	3599-03	Harbor Island Machine Works	2520	NA
5	5211-28	Cal Portland Co.	1500	NA
6	3841-04	Philips Healthcare	1500	NA
7	3825-98	Fluke Corp.	1200	NA
8	3728-01	Zodiac Aerospace	1000	NA
9	3812-01	Crane Aerospace	700	NA
10	3569-98	Electroimpact	600	NA

**SIC = Standard Industrial Classification*

e. Shift Experience:

(1) Of the major manufacturing operations in your community, how many utilize more than one shift? 5

(2) How many operate seven days per week? 1

f. Please provide the average manufacturing wage **(excluding benefits)** in the region: $92,265/ yr

VI. QUALITY WORK FORCE (Continued)

g. Please provide the average percentage of wage cost of the total benefit package, including govt. programs, medical, dental, vacations, holidays, pensions, etc.:
Example - If total benefits equal $10 per hour and base wage is $20 per hour report 50% benefit cost.

30%

h. Please characterize the availability of trained workers in the skills identified in the attached addendum for job descriptions

Job Title	Availability
Refer to "Workforce Availability December 2013" in Attachment 1.	

i. Please provide the following information on Worker's Compensation and Unemployment Insurance.

Worker's Compensation

(1) Average Cost of all manufacturing occupations per $100 of payroll	$3.84
(2) Average rate for Aircraft Manufacturing occupations (NCCI Code 3830)	$1.05
(3) Maximum Weekly Benefit	$1,203.86

j. Unemployment Insurance

(1) Taxable Base	$39,800
(2) Average rate among existing employers	0.74
(3) Average rate for new employers	0.666
(4) Maximum Weekly Benefit	604

VII. TAXES

A. Corporate Income

(1) Rate Structure	NO Income Tax in Washington State
(2) Apportionment Formula	Not Applicable
(3) Weightings for such factor:	Not Applicable
(4) Is Worldwide unitary taxation applicable?	Not Applicable

B. Franchise

(1) Rate Structure	NO franchise tax in Washington State
(2) Application	Not Applicable

C. Ad Valorem

	County Ratio of Assessment (%)	Total Rate/$100 Value
(1) Real Property	100%	$1.39827 (Snohomish County: $1.301)
(2) Production Equipment	100%	$1.39827
(3) Other tangible personal property	100%	$1.39827
(4) Tooling	100%	$1.39827
(5) Inventories	Not applicable	Not applicable
(a) Components	Not applicable	Not applicable
(b) Work in process	Not applicable	Not applicable
(c) Finished products	Not applicable	Not applicable
(6) Pollution abatement equipment	100%	$1.39827

VII. TAXES (Continued)

D. Sales/Use *(State and Local)*

(1) Facility construction materials	Exempt under the provisions of ESB 5952, Chapter 2, Laws of 2013, 3rd Special Session
(2) Production Equipment	Exempt
(3) Other tangible personal property	Everett: 9.2% total; 6.5% state, 2.7% local
(4) Tooling	Exempt
(5) Equipment installation	Exempt
(6) Major exceptions	Computers, equipment, software and peripherals as well as related labor & services related to installation exempt
(7) Jet Fuel	Intrastate only: Everett: 9.2% total; 6.5% state, 2.7% local

E. Business License Fees

The City of Everett has a Business & Occupation (B&O) Tax calculated at 0.1% of gross receipts. The B&O tax rate on the value of products that exceeds $7 billion is 0.025%. There is also a one-time application fee of $10.00

F. Personal Income Tax

Ratio Range	Schedule
Not applicable	

G. Local Occupational Tax *(paid by employee and/or Employer)*

	Ratio Range	Schedule
(1) City Residents	Not applicable	
(2) Non-City Residents	Not applicable	

H. Describe all sales, property, or other tax exemptions that would be available to airline customers who purchased and took delivery of an airplane in your state.

There are no taxes that apply to a person purchasing, and taking delivery in Washington, an airplane that will be used primarily in interstate or foreign commerce. There is a specific sales tax exemption for such purchases and no other taxes apply.

VIII. EDUCATION

Two Year College

a. Number of Community College/Vocational/Tech. Schools serving the area: 3

(1) Community College / Vocation / Technical School Information:

Name of Community College / Vocation / Technical School	Edmonds Community College
Distance from Site (miles)	9
Identify Number & Type of Industry Training Programs	19
Identify Current Industries Served	Aircraft-related
# Graduates Per Year in Industrial Training Programs:	4070 (+/- 3000 of this number are graduates of a two month mechanical/electrical assembly program for aerospace employers)

Name of Community College / Vocation / Technical School	Everett Community College
Distance from Site (miles)	9 and 2; two facilities
Identify Number & Type of Industry Training Programs	18
Identify Current Industries Served	Aircraft-related
# Graduates Per Year in Industrial Training Programs:	506

Name of Community College / Vocation / Technical School	Lake Washington Institute of Technology
Distance from Site (miles)	18
Identify Number & Type of Industry Training Programs	22
Identify Current Industries Served	Aircraft-related
# Graduates Per Year in Industrial Training Programs:	660

VIII. EDUCATION (Continued)

Training Resources

b. Describe local administration of government-sponsored new industry or expansion training programs? Please define and describe programs and resources available.

The **Air Washington** project is a consortium of eleven of the state's community and technical colleges which have received a $20M Department of Labor grant to strengthen our aerospace industry through workforce training. By fall of 2014, Air Washington campuses will train more than 2,600 workers in advanced manufacturing/composites, electronics/avionics, aircraft assembly, and aircraft maintenance. Everett Community College received a $3.3 million federal grant for targeted training and workforce development to help workers changing careers, including expanding the college's aviation maintenance, machining and composites programs. For more information, please visit http://www.airwashington.org/.

The **Aerospace Loan Program (ALP)** provides low-interest loans to Washington students who have demonstrated inability to pay the full cost of attending a short-term aerospace training certificate program offered by the Washington Aerospace Training and Research Center Program. Students can receive up to $2,400 per training module to enhance their existing job skills or earn certificates in various aerospace production fields. The Washington Aerospace Training and Research Center was created to help meet the demand for skilled aerospace workers in Washington. After completion of the program, ALP recipients have up to three years to repay their loans.

Edmonds Community College (EdCC), in a partnership with the National Aviation Consortium (NAC), was awarded $1.8 million from the U.S. Department of Labor Trade Adjustment Assistance Community College Career Training (TAACCCT) Grant Program. The grant is based on the training developed by EdCC and 180 Skills that is offered by the Washington Aerospace Training & Research Center (WATR). The WATR Center has been identified as a national model for its method of delivering in-demand industry-driven training that helps fill the skills and workforce gaps in aerospace. WATR has a proven 12 week model of accelerated training in Washington State. Since its first graduating class in August 2010, this training has led to over 800 WATR alumnae working in 50 aerospace companies. Currently WATR provides training for the following aerospace certificates: Assembly Mechanic, Electrical Assembly Mechanic, Tooling Mechanic, and Quality Assurance. For more information, please visit http://www.washingtonaerospace.com/docs/NAC_Press_Release.pdf.

VIII. EDUCATION (Continued)

c. Either privately or publicly, does local area provide vocational / technical support to new or expanding industry? Please define and describe programs and

The Washington State Department of Commerces' **Work Start** is a business-driven workforce training program using The Governor's Strategic Reserve Funds to provide employers with flexible customized training in direct alignment with the state's business recruitment, retention and expansion efforts. Work Start will be directed to target sectors including but not limited to: aerospace, clean technology, advanced materials, advanced manufacturing, maritime, forest products, agribusiness, life sciences, information, communications and technology, and locally targeted industries. Work Start will coordinate with state and local training programs to assure the best program of training is delivered in the most efficient manner. Projects will be approximately $100,000 with a required company match. Successful Work Start contracts will result in the following: attract new business to Washington and/or expand existing business and jobs; provide excellent service to new and expanding businesses as they compete globally; increase the skills of Washington citizens through training, certifications, and employment in targeted industries.

Washington's **Job Skills Program (JSP**) is customized training to meet employers' specific needs. Training is delivered to new or current employees at the work site or in a classroom. JSP training is a tool for enhancing the growth of Washington's economy and increasing employment opportunities. JSP provides funding for training in regions with high unemployment rates and high levels of poverty. It also supports areas with new and growing industries; locations where the local population does not have the skills needed to stay employed; and those regions impacted by economic changes that cause large-scale job loss. A central focus of JSP is to provide training and employment for those at risk of losing their jobs due to technological or economic changes. JSP awards grants to licensed educational institutions in Washington. JSP funds half of the training cost; partner employers provide a cash or in-kind match to fund the other half. As of October 1, 2013, $1,346,054 is available for qualifying projects. For more information, please visit http://www.sbctc.ctc.edu/college/_e-wkforcejobskillsprogram.aspx.

IX. COMMUNITY CHARACTERISTICS

Primary & Secondary Education

d. Schools within 50 miles:

Snohomish County is the selected community, which spans about 50 miles from Mukilteo to Index (East to West) and Stanwood to Northshore (North to South)

	Public	***Private***
(1) Kindergarten - Year 12:		
Number of Primary Schools	266	64
(2) Secondary Vocational Schools:		
Number of Secondary Vocational Schools	1	0
(3) Universities / Community Colleges / Post-Secondary Technical Training Institutions		
Number of Universities	4	4
Number of Community Colleges	3	1
Number of Post Secondary Technical Institutions	2	1

(4) Rankings:

Outcome	STATE		COMMUNITY	
College Board Scores	National Rank	Score	National Rank	Score
Avg. SAT	1	1545	Not Available	N/A
Avg ACT	9	22.8	Not Available	N/A
Graduation Rates	19	77.2%	Not Available	77.7%

Resources	STATE		COMMUNITY	
	National Rank	Amount/Ratio	National Rank	Amount/Ratio
Teacher's Salaries	23	$49,111 average	Not Available	$46,000 average
Student-teacher ratio	4	19.7:1	Not Available	20.18:1
Per Pupil Expenditure	27	$10,000	Not Available	$9,445.9

e. Community Graduates:

% Completed Year 12:	91.8%
% Technical College Graduates:	Not Available
% University Graduates:	29.7%

IX. COMMUNITY CHARACTERISTICS (Continued)

f. Other

(1) Please provide information on the following:

	5 Miles of Site	In the Community
Fitness Centers:	42	138
Parks	20	100

(2) Cost of Living Composite for average 2012 (ACCRA): 111.9

(2) Cost of Living Composite for 3rd Quarter 2013 (ACCRA): 110.9

(3) Individual tax Burden to the employee:

Sales Tax (List)	9.50%
Income (Detail)	Not Applicable
Property Tax	
Land/Home (Define)	$13.9827/$1,000
Personal Property (Define)	Not Applicable

(4) Average travel time to work (Commute): 29.3 minutes

X. CLIMATOLOGICAL DATA

Natural Disasters (Source: NOAA)

a. Please provide information, including dates and details, on Natural Disaster occurrences (past 100 years) as recorded and maintained by State and Federal Climatological Offices:

Floods	FEMA Disaster Declarations in 2009, 2007, 2003, 1997, 1996, 1990, 1986, 1979, 1977, 1975, 1964, 1962
Tornadoes	None
Hurricanes	None
Earthquakes	Earthquake May 1965; Nisqually Earthquake March 2001
Other	Mt St Helens Volcano, 1980; Windstorms combined with regional flooding

Climate

b. Climate:

Elevation Above Mean Sea Level (ft MSL): 604

Temperature Ranges by Month (°F)

Month	Avg. High	Avg. Low	Mean	Avg. Precip	Record High	Record Low
Jan	48°F	35°F	42°F	5.11 in.	67°F (1986)	1°F (1950)
Feb	51°F	34°F	43°F	3.19 in.	74°F (1986)	2°F (1950)
Mar	55°F	37°F	46°F	3.69 in.	82°F (2004)	10°F (1955)
Apr	60°F	41°F	51°F	3.00 in.	85°F (2004)	27°F (1951)
May	65°F	46°F	56°F	2.67 in.	88°F (1953)	29°F (1954)
Jun	70°F	51°F	61°F	2.30 in.	98°F (1955)	37°F (1952)
Jul	75°F	54°F	65°F	1.17 in.	93°F (1958)	39°F (1972)
Aug	75°F	54°F	65°F	1.15 in.	94°F (1960)	40°F (1987)
Sep	70°F	49°F	60°F	1.95 in.	89°F (1986)	31°F (1992)
Oct	61°F	42°F	52°F	3.58 in.	80°F (1992)	22°F (1971)
Nov	52°F	38°F	45°F	5.57 in.	74°F (1981)	0°F (1993)
Dec	46°F	33°F	40°F	5.17 in.	66°F (1980)	5°F (1964)

Humidity Factors % by Month

Jan 90.9%; Feb. 95.1%; Mar. 75.6%; Apr 79.8%; May 72.6%; Jun 68.9%; Jul 86.1%; Aug 88.9%; Sept 77.1%; Oct 92%; Nov 81.4%; Dec 80.7%

Climatological Effects

c. Climatic Effects:

(1) Frequency of Road Closures:

Interstates / Freeways	There were no closures of interstates/freeways in Snohomish County in the last 2 years due to weather/climatic issues.
Primary Roads	There were no closures of Primary Routes on WSDOT operated routes due to weather/climatic effects in Snohomish County in the last 2 years in elevations less than 1000’

(2) Average Duration of Road Closures:

Interstates / Freeways	Not Applicable
Primary Roads	Not Applicable

XI. EMERGENCY PROTECTIVE SERVICES

Ambulance Services

a. Ambulance Services:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

The Paine Field Fire Department has an average response time of under 4 minutes to medical emergency responses.Initial response is with a minimum of two EMT's. A "private" ambulance is dispatched automatically on all medical emergencies. An advanced life support (paramedic) unit is dispatched automatically on all calls identified by Snohomish County as "more serious" than basic life support emergencies. The paramedic unit is staffed by two paramedics and has an average response time of 6 to 8 minutes. The private ambulance service responds from the Everett area (within 5 miles) and the paramedic units are located within 3 miles.

Fire Protection

b. Fire Protection:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

The Paine Field Fire Department has an average response time of under 4 minutes to structural fire/fire alarm responses. Initial response is with a minimum of two full time/paid firefighters. The Everett Fire Department (1 to 5 miles response area) is automatically dispatched to all structural emergencies and has an average response time of 6 to 8 minutes. The Paine Field fire department has established the response criteria set forth by NFPA 1720. Additional mutual aid is provided by the City of Mukilteo (1/4 miles), Sno. Co. Fire Dist. #1 ((1 to 5 miles) and the Everett Boeing Fire Department (1 mile). Paine Field has 12 full time personnel, the Everett Fire Department has 177 full time personnel, Sno. Co. Fire Dist. #1 has 188 full time personnel, City of Mukilteo has 29 full time personnel and the Everett Boeing Fire Department has 30 + full time personnel.

(2) Indicate % paid vs. voluntary status of fire house:	100% Paid
(3) Number of Personnel per 1,000 Population:	2 to 3

(4) Indicate current fire insurance rating for each fire house servicing site:

(2) All fire personnel that respond with Paine Field are full time/paid. (3) Paine Field does not have a resident population, but employs 3 firefighters per thousand employees that work at various industries at the airport. (4) The Everett Fire Department has a fire insurance rating of 3 and Paine Field has a rating of 6, but is currently being reviewed and will probably be reduced to a 5. The City of Mukilteo has a rating of 4 and Sno. Co. Fire Dist. #1 has a rating of 4.

(5) Does the community/airpark provide aircraft accident/crash and damage emergency services: Yes

If not please detail the manner with which these services will be provided:

Paine Field provides ARFF services with two 3000 gallon Crash Rescue Vehicles. Both units have 400 gallons of AFFF foam and one has a secondary agent of Halon and the other has a secondary agent of Dry Chemical. Paine Field has recently ordered a new ARFF unit that will have foam, dry chemical and Halotron (Halon) all on one unit. Paine Field has automatic response with the Everett Boeing Fire Department, which provides an additional three ARFF units, two 3000 gallon units and one 5000 gallon unit. A total of 10 personnel are typically available for an immediate response to an aircraft incident.

Police Protection

c. Police Protection:

(1) Identification/Description of the resources, personnel, capabilities, response time, location, etc. of service to the site:

Paine Field contracts with the Snohomish County Sheriff's Office for the services of a full time deputy, who is assigned to the airport Monday through Thursday for 10 hours a day. The Sheriff's department, which has a staff of approximately 265 sworn officers provides 24 hour service to the Airport. The response time to the airport is dependent upon the location of available resources. Serious responses are typically under 5 minutes because the Sheriff's Office has mutual aid from the City of Mukilteo and Everett. Both the Cities of Everett and Mukilteo border the airport. The Everett Boeing Company has immediate access to security police on site to assist with Aircraft incidents.

XII. BUSINESS CLIMATE

a. Industrial Growth:

(1) List new industry and major expansions in the last 3 years:

Firm	Description	Year	Jobs	Investment ($)
B/E Aerospace	Aircraft components/interiors	2013	400	$50 million
Esterline/Korry	Aircraft electronic	2010	600	$50 million
Electroimpact	Tooling	2013	100	$4 million
Boeing Commercial	Delivery center	2013	Unknown	$17 million
		Total Jobs:	1100	

(2) Total Number of New Jobs Created in the Last 3 years:

2012	39,000
2011	26,600
2010	-23,100
Total	42,500

(3) Job Growth for the Last 3 Years as a % of Total Work Force: 3%

b. Bond Rating:

(1) State:	AA+	Standard & Poor's
(2) City:	AA+	
(3) County:	Aa	

c. Identify any pending rules, regulations or laws that may inhibit Boeing's ability to build or expand facilities to meet the specifications required for this project. Please also describe how you will prevent these actions from inhibiting Boeing's ability to build or expand to meet these specifications.

The Washington State Department of Ecology is in the process of updating the human health criteria in Washington's Surface Water Quality Standards, as required by federal law. The Fish Consumption Rate is one factor in the equation the Department will use in determining water quality standards under the Clean Water Act.

Washington is committed to developing balanced, practical solutions that achieve water quality and human health goals, limit footprint requirements and costs associated with permit compliance, provide certainty and predictability for regulatory compliance, minimize the risk of third party litigation, and ensure the state's ability to retain and attract business. Boeing can be assured that cost effective, feasible compliance pathways for existing and/or new sites will be part of any state-driven outcome.

The State is scheduled to adopt new water quality regulations by the end of 2014, and the standards will not take effect until approved by EPA. Given Boeing's November 2014 stated deadline for initiating construction of 777X wing fabrication facilities, the fish consumption rate will not limit Boeing's ability to move forward with 777X-related construction.

The State also commits to working with Boeing on any permitting issues relative to specific sites or specific parameters. Additionally, we commit to exploring how public investment in pollution reduction efforts can contribute to these solutions.

d. Outline any recently enacted State level legislation which has positively or negatively affected existing and/or new business (i.e. tax related, labor related, transportation related, etc.)

ESSB 5952 (2013)
Extension of Tax Incentives:
Extends existing aerospace incentives beyond their current sunset date of 2024 to the year 2040 contingent on Boeing siting 777X wing and final assembly in Washington State. This extension is valued at $8.7 billion and has been touted as the largest corporate tax break in US history.

Sales & Use Tax Exemption on Construction of New Manufacturing Buildings:
The sales and use tax exemption on the cost of construction of new manufacturing buildings provided in RCW 82.08.90 and RCW 82.12.980 was expanded to include the 777X and all future commercial airplane programs. It allows a manufacturer of wings and/or fuselages for commercial airplanes to qualify and enables a municipal corporation such as Snohomish County/Paine Field to pass the savings from the tax exemption on to its tenant in a build-to-suit/leaseback arrangement.

EHB 2088 (2013)
Expansion of Aerospace Training Capacity:
Provides $8 million per year to increase by 1,000 the number of student slots in high-demand aerospace fields as long as there is demonstrable need. The State Board for Community & Technical Colleges is required to work with Boeing and the industry, through the Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee, or its successor, to target this investment toward the fields most critical to the company and its supply chain and to the institutions that are most effectively in delivering graduates with the desired skills.

Wing Fabrication Training:
The state will design and fund for 10 years (or until there is no longer sufficient need) a specialized training program at the Washington Aerospace Technology & Research (WATR) Center at Paine Field to provide your incumbent workers, as well as new hires, with the skills necessary to perform fabrication and assembly of the 777X's carbon fiber wing. $500,000 was provided to begin designing this program and $1.5 million to fund facility upgrades and/or equipment. It is assumed that this program will receive additional capital and ongoing operational funding and be up and running to begin offering classes in 2015.

Central Sound Aerospace Training Center:
Washington is committed to providing state-of-the-art training facilities in close proximity to Boeing and its supply chain. That is why the Legislature has provided $12.5 million (including $5 million in the recent 777X special legislative session) to construct the Central Sound Aerospace Training (CSAT) Center in Renton. Located at the Renton Municipal Airport, CSAT will offer a real-life setting just yards away from the 737 plant. Once constructed, the 19,000 square-foot facility will feature three high bays and multiple classrooms, providing adequate space for large plane parts such as wings and fuselages so students have the very best of hands-on learning and training.

HB 1872 (2013):
Comprehensive STEM education bill, which includes creation of a STEM Education Innovation Alliance, encourages regional STEM networks, and creates a STEM Benchmark Report Card. This will provide a strategic framework to better align our efforts around STEM education with the growing needs from Washington's industries.

Adopted the Next Generation Science Standards (2013):
Washington is only the eighth state in the nation to adopt Next Generation Science Standards, which provides rigorous, new curricula and relevant project-based learning to build STEM competency for all students from Kindergarten through high school.

HB 1472 (2013):
Established Advanced Placement (AP) computer science coursework as a science credit for purposes of high school graduation. This legislation will encourage more students who have shown interest in computer science to stick with it and encourage them to follow that path into college.

Engineering Education (2012 and 2013):
Over the past two years the legislature has pledged more than $25 million in new funding to expand engineering programs at state universities. Recognizing that there is additional demand, the state continues to invest in engineering degree production across the state.

Common Core State Standards (2013):
Previously adopted K-12 standards, now in implementation for English/Language Arts and Mathematics.

Joint Center for Aerospace Technology Innovation (2012):
Established to facilitate industry/university collaboration. In its first two years of the Center's operation, half of the JCATI funded research projects (17 out of 34 projects) have involved partnerships between Boeing and faculty at either the University of Washington or Washington State University. These grants, total nearly $1.3 million in state funding and it is anticipated that Boeing-partnered research will be supported at similar levels in future funding rounds.

Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee (2012):
A majority of this new committee's members are to directly represent the aerospace industry and make recommendations to the legislature about where it should invest its training resources. We realize this is still a work in progress and will continue to work with Boeing and other companies to further improve the alignment between the state's aerospace training programs and the needs of the industry.

e. Describe ability to provide a low cost site with all infrastructure improvements and adequate access roads in place, or to be extended.

Snohomish County Airport just completed a $30+ million build-to-suit Dreamlifter Operations Center project for Boeing. The County Executive and Chair of the County Council have both pledged their support for a similar project to develop all site improvements and facilities for the 777X project. The County would obtain permits, develop, finance, and construct the facility and all improvements, including access, utilities, grading, internal roads, parking, buildings and stormwater to Boeing's specifications. Boeing would participate in the design process. Financing would be obtained by the County with debt service provided by lease payments. Construction would be contracted through the County purchasing process. The County and the Cities of Everett and Mukilteo strongly support this project.

XII. BUSINESS CLIMATE (Continued)

f. Tax reductions/abatements/credits of all types (income, franchise, property, sales/use, payroll, etc.) to the highest levels possible.

Local, state, and federal agencies have invested heavily to maintain Washington State's competitive advantage in aerospace and support The Boeing Company. Washington State's lack of an income tax, combined with other tax incentives for aerospace companies outlined below, has allowed the industry to prosper. Expressed in 2012 dollars, deferred tax revenues totaled an estimated $978 million over this period, equal to 69% of total direct investments.

The Washington State Department of Revenue extends preferential tax incentives to manufacturers, wholesalers, and retailers of commercial airplanes, their component parts, tooling used for aerospace, and to repair stations and suppliers to aerospace.

In the recent Special Session, the State Legislature adopted ESSB 5952 (2013), which extends all of the existing aerospace incentives beyond their current sunset date of 2024 to the year 2040 contingent on Boeing siting 777X wing and final assembly in Washington State. This extension is valued at $8.7 billion and has been touted as the largest corporate tax break in US history:

B&O aerospace tax rate reduction, rate of 0.2904% (40% reduction from standard manufacturing rate)
FAR 145 certified repair stations, rate of 0.2904% (40% reduction from standard manufacturing rate)
B&O tax credit for aerospace product development (for others*), rate of 0.9%
B&O tax credit for aerospace manufacturers for preproduction development expenditures
B&O tax credit for property taxes on land/buildings
Sales and use tax exemption for computers used in development and design (state and local)

g. Employee selection training (facilities, programs, level of funding)

Following the 787 site selection process, Washington invested more than $20 million to build the Employment Resource Center adjacent to Paine Field where it provided pre-hire screening and post-hire training for new Boeing employees. Edmonds Community College continues to operate this facility in partnership with Boeing. It is available for 777X future pre-hire screening and post-hire training programs. The current state-funded lease is set to expire in February 2016.

h. Financing: Bonds (State, local, or Company issued - non-Boeing binding)

Snohomish County Airport just completed a $30+ million build-to-suit Dreamlifter Operations Center project for Boeing. The County Executive and Chair of the County Council have both pledged their support for a similar project to develop all site improvements and facilities for the 777X project. The County would obtain permits, develop, finance, and construct the facility and all improvements, including access, utilities, grading, internal roads, parking, buildings and stormwater to Boeing's specifications. Boeing would participate in the design process. Financing would be obtained by the County with debt service provided by lease payments. Construction would be contracted through the County purchasing process. The County and the Cities of Everett and Mukilteo strongly support this project.

i. Accelerated permitting (environment and physical project development related)

(1) Accelerated permitting (Federal, State, local levels) for any required process air permits.

City of Everett, Snohomish County, State of WA and others have streamlined permitting by conducting early review and preparation, update of documents, including Federal documents. A 777x Permit Streamlining Task Force was created by Governor Inslee; the report was finalized in July 2013. The Puget Sound Clean Air Agency, the permitting authority for air issues at both proposed Snohomish County sites, was a party to the task force.

(2) Accelerated permitting (State and local levels) for all project construction related activities; and wavier on rebates for permit fees.

City of Everett, Snohomish County, the State of Washington and Boeing came together in 2003 to create the Project Olympus agreement associated with assembly of the 787 Dreamliner. A key component of Olympus was granting building permits for aerospace projects expedited handling. Any such permit is processed ahead of any non-aerospace project. Additionally, the Permit Streamlining Task Force has identified and assessed all permit requirments for the candidate sites in Snohomish County.

j. Direct Grants and/or employee rebates to assist with an offset to the project's overall development costs.

Work Start Program:

Washington Work Start is a business driven workforce training program designed to provide new and existing employers with flexible customized training in direct alignment with the state's business recruitment and expansion efforts. Work Start will target key sectors including: aerospace, clean technology, advanced materials, advanced manufacturing, maritime, forest products, agribusiness, life sciences, information, communications and technology, and locally targeted industries.

Work Start flexible training grants will be used to:
• Attract new business to Washington
• Support existing businesses as they make significant expansions through new business activity.
• Increase the skills of citizens through training, certifications, and employment in targeted industries.

Work Start Teams will meet with each company to discuss their unique training needs. Work Start training along with traditional workforce development services (position posting, screening, assessment, testing, interviewing and other pre-employment activities) will be provided at little or no cost to the company. Work Start Teams will carefully review available training programs to assure the best training is delivered in the most efficient manner.

Work Start is an allocation of the Governor's Strategic Reserve Fund with uses outlined in RCW 43.330.250. It is anticipated that expenditures will be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, to enable significant expansion of a business in the state rather than in an alternative location, recruit a business or facility to the state or other lawfully approved activity. Work Start allocations will coordinate with state and local business recruitment and retention efforts, other SRF commitments, loan programs, and Job Skills and Workforce Investment Act.

Training will be delivered by the trainer that best meets the company needs wherever best for the company e.g. at the community or technical college or at the workplace. Training subcontractors will be selected based on their ability to provide training that will focus on employment and training for skills required in defined high growth, high-demand occupations that are critical to the health and growth of the state's economy.

Washington State Department of Commerce will manage the requests and anticipate the review and approval in 30 days or less. Individual company funding levels depend on the complexity of training and number of trainees. The Employment Security Department is a collaborative partner in Work Start. Program ends June 30, 2015.

k. Incentives for the use of Renewable Energy sources

Machinery & Equipment Used to Generate Electricity Using Renewable Energy & Solar Thermal Heat Systems - Sales/Use Tax Exemption
http://dor.wa.gov/Docs/Pubs/SpecialNotices/2013/sn_13_EnergyHeatSurvey.pdf

Renewable Energy Cost Recovery Incentive Payment Program - Electrical Energy Production Using Power from Solar, Wind & Anaerobic Digester
http://dor.wa.gov/Docs/Pubs/SpecialNotices/2010/sn_10_RenewableEnergy.pdf

l. Incentives for LEED Certified Project

Not applicable

m. Electric service provider cost reduction package

The Snohomish County Public Utility District delivers electricity throughout Snohomish County. They offer one-time energy incentive payments of $.15 to $0.30/kWh for energy saved that exceeds building code requirements. Funds can be used for building envelope, lighting, HVAC, and process equipment.

n. Other programs and opportunities (explanation)

Boeing Innovation Laboratory at the University of Washington:
Per Reinhall, Chair of the University's Mechanical Engineering Department, is working with the company to establish a lab in the Mechanical Engineering Building in which Boeing engineers would work on joint research projects side-by-side with faculty and students. Current research projects are focused on manufacturing, which tie in with UW strengths in composites (such as the FAA Center of Excellence for Advanced Materials in Transport Aircraft Structures, better known as AMTAS) and mechatronics.

Advanced Materials Research & Development and Product Development Facility:
The Governor's 2014 Supplemental Budget provides $500,000 to design and develop a new advanced materials manufacturing research and product development institute to be located in close proximity to the Everett plant. Led by the University of Washington, in partnership with Snohomish County, the City of Everett, the Port of Everett and private industry, this publicly funded institute will be staffed with researchers and provide equipment that private companies, including Boeing, can utilize to develop and test new products and manufacturing processes.
Depending upon company interest, we are also interested in exploring whether this institute could own and operate a very large autoclave of the size necessary to cure composite wings and other structures that Boeing could utilize in the 777X manufacturing process.

Washington State University Everett:
In 2014, Washington State University will assume management of the University Center of North Puget Sound in Everett, just a few miles from the Boeing Everett plant. WSU is already providing mechanical engineering instruction at this facility and electrical engineering will begin soon. Programs will continue to expand in Everett as we work to establish WSU Everett as a branch campus by 2019.

WSU School of Advanced Manufacturing & Aerospace:
As a cornerstone of WSU Everett, we will establish a School of Advanced Manufacturing & Aerospace. We are eager to work with Boeing to develop this concept in a way that is most beneficial to the industry. It is envisioned that this new program will offer unique, fully integrated degree programs combining traditional aeronautics/astronautics, materials science and core engineering coursework with applied skills such as robotics, lean manufacturing and computer science. The Governor's 2014 Supplemental Budget includes $500,000 to begin designing this program with the hope that the new school will begin offering classes in the 2015/16 academic year.

XIII. ATTACHMENTS REQUIRED

1.	Area Site Map	"Appendix - Paine Field Aerospace Business Park" - Attachment 3
2.	Site Boundary Map	"Appendix - Paine Field Aerospace Business Park" - Attachment 4
3.	Site Topographical Survey	"Appendix - Paine Field Aerospace Business Park" - Attachment 5
4.	Site Aerial Photograph	"Appendix - Paine Field Aerospace Business Park" - Attachment 6
5.	Site Infrastructure (Roads and Utilities)	"Appendix - Paine Field Aerospace Business Park" - Attachment 7
6.	Copies of all due diligence studies of the site (Ex. - Environmental, Endangered Species, Geotechnical, etc.)	"Appendix - Paine Field Aerospace Business Park" - Attachment 8
7.	Airport concept Plan - Current and Planned Future	"Appendix - Paine Field Aerospace Business Park" - Attachment 9
8.	Site zoning regulations and covenants	"Appendix - Paine Field Aerospace Business Park" - Attachment 10
9.	Treated water chemical analysis	"Appendix - Paine Field Aerospace Business Park" - Attachment 11
10.	Waste water pre-treatment regulations	"Appendix - Paine Field Aerospace Business Park" - Attachment 12
11	Permit matrix	"Appendix - Paine Field Aerospace Business Park" - Attachment 2

Department of Commerce

Innovation is in our nature.