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## Boeing's Everett focus draws aircraft suppliers

**Puget Sound Business Journal (Seattle) - by [Steve Wilhelm](#) Staff Writer**

The epicenter of Washington's aerospace industry is shifting north, following the lure of cheaper land near Boeing's bustling Everett plant.

A decade ago, [Boeing Commercial](#) Airplanes occupied a sprawling complex of office buildings adjoining the 737 assembly plant in Renton.

But with the headquarters moved and most of that property now becoming shops and apartments, almost all that's left in Renton is the 737 plant, sandwiched between a new LA Fitness and Lake Washington.

Everett is the new hub for aerospace. Most of Boeing's designers work in relatively new facilities there. Last week, as engineers were switching on 787 Dreamliner landing gear for the first time, civic leaders gathered nearby to break ground for a 211,000-square-foot factory for [Korry Electronics](#), which is relocating from Seattle's South Lake Union neighborhood.

Korry's factory, which will supply cockpit assemblies to the Dreamliner, is just the latest sign of the times.

There are plenty of others. Economic leaders in the small cities of Marysville, Burlington and Arlington are preparing for what they expect to be a significant industrial build-out related in part to Boeing, after years of functioning as bedroom communities for manufacturing centers farther south. The cities are strung along Interstate 5 north from Everett in Snohomish and Skagit counties.

John Monroe, aerospace consultant for the Economic Development Council of Snohomish County, said only two industrial sites of significant size are left, even at Everett's Paine Field.

"Before too much longer, the land zoned for light industrial, heavy industrial, will be running out," he said. "That will force companies to look even further north, that will force them into the Arlington area, Marysville area."

Economic boosters farther north say aerospace will be driving the growth, as company owners look for relatively low-cost land surrounded by affordable housing for workers, but close enough to Everett to support Boeing and other aerospace suppliers already there.

“We anticipate that aerospace will be part of this industrial plan going forward, because we’re very closely located to Boeing’s facilities in Everett, and this would be an ideal place,” said Gloria Hirashima, community development director for the city of Marysville.

Hirashima is referring to 700 acres of land that Marysville annexed in 2007 as the “Smokey Point Master Plan,” with the intention of making sure the land is developed to supply jobs to the immediate community. She points out that the property is just 10 miles north of Boeing Commercial Airplanes’ Everett plant. And by Seattle standards, the traffic between the two is almost always light.

“What we’re seeing up here is that there is daily a shrinking availability of large land assemblies, and vacant land within our county,” she said. “While Everett used to have a fairly large supply of industrial land, most of that has been consumed.”

Just this month the city of Marysville and the Snohomish Public Utility District reached an agreement to build a 28-megawatt substation to supply the Smokey Point area, Hirashima said. The city also is negotiating with property owners for roads, and with Gov. Chris Gregoire’s office for fast-track permitting for development.

When companies start signing contracts, the city wants to be ready, Hirashima said, adding that she’s getting increasing inquiries from interested companies.

“We’re trying to get a lot of that stuff taken care of up front, so coming in with a business will be a straightforward and fast process,” Hirashima said. “We want to get the permitting process, and the power and the roads, as our next part of the process. We want to be ready to bring companies in by 2010.”

The Snohomish PUD expects business accounts to climb 37 percent to 37,000 customers in the next 20 years, and energy demand to increase 40 percent overall, said spokesman Neil Neroutsos.

Even farther north in Arlington, Economic Development Manager Vic Ericson said his city has opened a new 80-acre business park at Arlington Airport, at least in part to attract growing or new aerospace suppliers.

“When they look at a location, they’re probably not going to go south of Paine Field, and when they go north, they’re going to see how other businesses have located,” he said. “As the aerospace industry progresses and advances, I think we’ll see additional activity up this way.”

The key to this vision of northward growth is Boeing's 787. Though 18 months behind schedule, it has racked up nearly 900 orders, a record for a new aircraft.

And this week Boeing's new bird started to come alive, with landing gear operating from cockpit control for the first time — a significant milestone toward getting the aircraft into the air, and into full production.

GVA Kidder Mathews Senior Vice President Brian Kenworthy, who represents Windward Real Estate Services, developer of a 77-acre Marysville parcel called NorthPointe Industrial Park, contends that the 787's production delays have caused a parallel delay among suppliers for the aircraft. Some of them would have been building new facilities to make 787 parts, but were waiting for Boeing to successfully transition from the current painstaking manufacture of the first aircraft to full commercial production, he said.

"About eight months ago, these guys were out in the market looking, but they weren't going to pull the trigger until they had the commitment from Boeing. They hadn't received that, and they were on hold," he said. "When the production schedule firms up, we'll see an uptick in demand on the aerospace side."

Existing aerospace companies in or north of Everett already are expanding to keep up with demand, including [Tyee Aircraft Inc.](#) in Everett, C & D Zodiac Inc., in Marysville, and Aerospace Manufacturing Technologies Inc. in Arlington, Monroe said.

And University Swaging of Seattle, a division of Bellevue-based [Primus International Corp.](#), announced in March that it will move to a new 107,000-square-foot building in south Snohomish County in early 2009, after it was unable to find a suitable expansion site in Seattle.

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