

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: C-3

DATE: September 24, 2009

SUBJECT: Resolution No. 09-19 in Support of the Boeing Company

CONTACT PERSON: Deborah Knight, City Administrator

ISSUE:

The issue before the city council is to consider joining other Snohomish and King County cities in supporting the Boeing Company and the aerospace industry as an important economic driver in Washington State.

STAFF RECOMMENDATION:

Authorize the Mayor to sign Resolution 09-19 supporting the Boeing Company and encouraging the location of the second 787 assembly line in Snohomish County.

SUMMARY:

The City of Sultan and other Snohomish County and King County cities have been working together to develop a resolution supporting the Boeing Company in locating future manufacturing sites in our region.

The Boeing Company is currently considering other out-of-state locations for a second assembly line for the 787 passenger aircraft. The Boeing Company in-house jobs and contracts account for a significant portion of the economic strength of Snohomish County. A decision by Boeing to locate its manufacturing operations outside of Washington State would have serious economic impacts to the Sultan community and region.

The proposed resolution is the first step in a larger regional effort to identify specific legislative actions the state and local governments could take to keep our region competitive in attracting new businesses and retaining existing cornerstone industries such as aerospace. In the short term, Snohomish County cities are working together to identify specific legislative actions to encourage Boeing to locate the second 787 assembly line in our area.

The proposed resolution has been adopted by the cities of Arlington, Lake Stevens, Monroe, Snohomish and Stanwood. Other cities including Mill Creek, Mountlake

Terrace and Mukilteo have the resolution on their upcoming agendas for action. The adopting resolutions will be delivered to Boeing executives as a single package by the end of September.

The Puget Sound Regional Council (PSRC) is preparing a similar resolution for the region. The PSRC resolution seeks support from all local governments within the four county PSRC region. The PSRC resolution focuses on decisions regarding the military refueling tanker project managed by the federal Department of Defense.

FISCAL IMPACT:

There is no fiscal impact associated with this resolution.

ALTERNATIVES:

1. Authorize the Mayor to sign Resolution 09-19 supporting the Boeing Company and encouraging the location of the second 787 assembly line in Snohomish County. This alternative implies the city council supports the Boeing Company and endorses a decision to locate the second 787 assembly line in Snohomish County.
2. Do not authorize the Mayor to sign Resolution 09-19 and direct staff to areas of concern. This alternative implies the city council does not support the purpose of the resolution or has additional questions regarding the proposal.

RECOMMENDED ACTION:

Authorize the Mayor to sign Resolution 09-19 supporting the Boeing Company and encouraging the location of the second 787 assembly line in Snohomish County.

ATTACHMENT

A – Resolution 09-19

**CITY OF SULTAN
Sultan, Washington**

RESOLUTION 09-19

A RESOLUTION OF THE SULTAN CITY COUNCIL SUPPORTING THE CONTINUED SUCCESS AND BUSINESS PRESENCE OF THE BOEING COMPANY AND URGING THAT THE SECOND PRODUCTION LINE OF THE 787 AIRPLANE BE LOCATED IN SNOHOMISH COUNTY, WASHINGTON

WHEREAS, William Boeing first incorporated his Seattle airplane design and manufacturing business in 1916 as Pacific Aero Products Co., and then in 1917 renamed the company as The Boeing Airplane Co.; and

WHEREAS, the continued innovation and success of The Boeing Company during more than nine decades has made it the world's leading aerospace company and the largest manufacturer of commercial jetliners; and

WHEREAS, Boeing's main assembly plant in Everett, Washington, was originally completed in 1968 and has been repeatedly expanded to meet the company's manufacturing needs to now cover 1,025 acres; and

WHEREAS, over the next 20 years, Boeing projects that the global commercial-jetliner market will exceed \$3.2 trillion; and

WHEREAS, Washington state currently has more than 600 aerospace companies, creating more than \$36 billion in economic value and representing 66 percent of the state's exports; and

WHEREAS, the state now has more than 86,000 aerospace employees, with an annual payroll topping \$5.4 billion; and

WHEREAS, the multiplier effect of the aerospace industry in Washington's economy demonstrates that approximately 220,000 jobs in the state are dependent upon this industry that has been initially created and sustained primarily by The Boeing Company's presence; and

WHEREAS, we recognize that our state and region must continue to support the aerospace industry and the Boeing Company through efforts to improve transportation, K-12 and higher education, align our unemployment and workers-compensation programs with competing states, as well as explore how we encourage capital investment, job creation and industry purchases from in-state suppliers; and

WHEREAS, the expertise of its workforce has made The Boeing Company an employer whose impact has been significant through the creation of a wide range of technologies and job skills in our economy; and

WHEREAS, the Port of Everett handles shipment of all the oversized parts for the 747, 777, and 767, resulting in more than 5,800 hours a month of work by longshore crews; and

WHEREAS, Snohomish County hotels earned nearly \$8 million last year from lodging Boeing-related travelers; and

WHEREAS, the impacts of The Boeing Company in creating jobs and the economic growth of Snohomish County and the State of Washington have immeasurably enhanced Washington state and our region specifically as one of the nation's best places to develop businesses and to raise families, positively affecting the entire business community and public agencies throughout the Puget Sound area.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON AS FOLLOWS:

1. The city councils representing the cities of Snohomish County express their appreciation for and support of the continued business success of the Boeing Company and its presence as an employer and manufacturer within Washington State and Snohomish County.

2. The cities of Snohomish County strongly urge that the anticipated second production line for assembly of the 787 airplane be located in Snohomish County in order to take best advantage of the skilled labor force that has been developed in the region to support the company's manufacturing and design programs.

3. The cities of Snohomish County offer The Boeing Company their organizational and intergovernmental support in any way that is feasible to achieve the goals of maintaining the jobs and economic accomplishments that The Boeing Company has continued to produce with such significant value for Washington State and Snohomish County.

IN WITNESS WHEREOF, the parties have caused this Addendum to be signed and executed this 24TH day of September, 2009.

CITY OF SULTAN

By _____
Carolyn Eslick, Mayor

ATTEST:

APPROVED AS TO FORM:

By _____
LAURA KOENIG, CITY CLERK

By _____
MARGARET KING, CITY ATTORNEY