



Project Report

Esterline Control Systems (NYSE: ESL) recently relocated its Korry unit to a new \$53 million facility at the Snohomish County Airport Paine Field in Washington State. Occupancy of the 216,000 square-foot building on a 14-acre site was celebrated on September 1, 2009 with a ribbon-cutting ceremony attended by Esterline Korry President Dan McFeeley, Governor Christine Gregoire and County Executive Aaron Reardon. The project will retain 600 full-time jobs in Washington and create 35 new full-time positions.

Deborah Knutson, President of the Economic Development Council (EDC) of Snohomish County, is excited about the impact this project will have on the community. "These jobs and the associated capital investment are a welcome addition to our aerospace cluster. Esterline's approach to this project and the quality of the completed facility confirms that we have a great new corporate citizen. I'm glad the EDC was able to be the facilitator for this significant new investment."

Esterline's Korry products range from advanced switches and indicators to custom interface and lighting solutions, including integrated switch panels, displays and controls. These products can be found in most military and commercial aircraft cockpits,



Governor Christine Gregoire and Esterline Korry President Dan McFeeley. (Photo: Snohomish County Business Journal)

including the Boeing 787 Dreamliner, in addition to many military ships and vehicles.

The Esterline project team evaluated eight sites over a period of 18 months. The company identified a site five miles from their existing Seattle location as the preferred option. That option became untenable in early 2008 and a new search began .



Open-office configuration with meeting rooms.

Esterline contacted the EDC in February 2008 to identify sites of 10-15 acres as close to Seattle as possible. The EDC, Snohomish County (owner of Paine Field airport) and the City of Everett collaborated to create a short list. The company selected the Paine Field location as the best technical match and the site best able to achieve their aggressive project schedule.

A public/private partnership began to develop. Paine Field set the stage by making all decision makers available to negotiate and execute a complicated ground lease as fast as possible. Negotiations with Capstone Partners, Esterline's project developer, went smoothly and the ground lease between Capstone and the County was executed within seven days. The County processed the State Environmental Checklist in 45 days, including a public comment period and US Army Corps of Engineers review due to onsite wetlands. The project broke ground in July.



Korry integrated switch panels, displays and controls.

The construction start would not have been possible without the close collaboration of Paine Field and Planning and Development Services (PDS), the County permitting authority. PDS agreed to phase the permitting to allow Foushée and Associates, the general contractor, to begin abatement and demolition of the existing World War II Navy housing almost immediately. PDS issued civil/storm and grading permits in one week, the shell building permit two weeks after submittal and the tenant improvement permit less than two weeks after submittal. The construction team also met their deadlines for each phase of the permitting process to assure record-breaking reviews by PDS. From site mobilization to substantial completion, the project had an overall 14 month construction duration. The building was turned over to Esterline on August 28, 2009.

Mike Hubbard of Capstone stated: "As a developer, we have done a lot of projects in our history in jurisdictions all over the state; millions of square feet. We have never seen two agencies perform at the superior levels we experienced from Snohomish County and Paine Field. Their collective commitment to Esterline's business needs and schedule was one of the key reasons Esterline chose the site. Everyone that had a chance to work on some portion of the project jumped in with both feet. The thousand project level issues that could have delayed or derailed the project happened as usual but, in this rare case, every one of them was conquered resulting in not one delay."

"Paine Field and Snohomish County were extremely helpful to our team on this fast-track scheduled project. Other municipalities can benchmark this project as an example of how to help the development team accelerate project approvals. Their approach to the Esterline project is a tremendous benefit to our business climate and in keeping Washington as an attractive place to do business" stated Britt Slone, Principal of Foushée.

Utility delivery was addressed early in the project schedule. The EDC was able to expedite the relocation of an underground fiber optic line running through the center of the site. Existing electricity distribution to the area served a residential load. An upgrade was designed by the Snohomish County Public

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Utility District (PUD) to serve Esterline as well as the future use of adjacent industrial land. In addition to developing a cost-effective design for bringing power on-site, PUD engineers suggested energy efficiency measures which would allow the company to take advantage of financial incentives offered by the utility. Improvements in lighting, HVAC and compressed air systems are expected to save 698,000 kWh/year and earned the company an energy rebate of \$114,000. According to Esterline's project director, David Rhoden, "The PUD integrated seamlessly with the project team to meet both design, energy and construction targets. They did a phenomenal job!"

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As with the electric service, other infrastructure improvements were needed for the airport property. Accommodating the daily movement of 600 employees required upgrades to airport service roads. Additionally, airport wastewater lines were extended and upgraded. In September 2008, the Washington State Community Economic Revitalization Board (CERB) approved a \$1,700,000 low-interest loan and a \$300,000 grant for Snohomish County. This funding paid for the improvements which will serve the Esterline operation and the adjacent property.

"CERB is dedicated to supporting the growth of business and local communities," said Rogers Weed, director of the Washington State Department of Commerce. "This project's location in the state-designated Aerospace Convergence Innovation Partnership Zone is an example of the type of investments that will help the area



The all-employee groundbreaking ceremony.

continue as a global leader in aerospace. Washington State's aerospace industry has thrived for nearly 100 years, supported by the highest concentration of aerospace engineers in the U.S."

The Esterline workforce was evenly split with half living north of the Seattle site and half living south. Minimizing any disruption to the workforce was a key concern for the company. They have a family-like atmosphere within the company and wanted everyone to make the move. When the decision on the new location was made, the senior management team came to the site and met executives from Paine Field, the County and the EDC. A key message to the workforce was the value of being located near Boeing (which assembles its wide-body aircraft at Paine Field) and being close to the larger aerospace supply chain already located in the county. On the day of the ground-breaking, plant operations were put on hold while the Esterline employees came to the site to see first-hand their new home. Real-time construction video was available to employees throughout the construction process.

The Workforce Development Council of Snohomish County joined with Worksource to solicit participation by community organizations and local businesses in a Korry Resource Fair, an event to familiarize the workforce with their new neighborhood. Health clubs, banks, realtors, apartments, transit agencies, medical clinics, school districts, restaurants and others came to the Esterline Seattle location for a trade show format. Over a three hour period, all employees were invited to take time off to talk with the representatives. Further, Worksource has supported the company continuously by providing information on the skill sets of individuals registered in their system and has organized employer fairs for selected candidates to meet Esterline representatives.



Surface treatment area with paint booths.



Transition from office to manufacturing.

Esterline is deservedly proud of the completed project. It is the most efficient manufacturing facility in the corporation's nine-country network. The company was an early adopter of Lean Manufacturing principles (maximize value and minimize waste) and made five trips to factories in Japan to examine best practices. Flexibility was a driving principle in building design. The building has no private offices. The manufacturing operation occurs in cells located across the factory floor. All utilities are located overhead so that floor areas can be converted from office to manufacturing use (or the reverse) within 72 hours. Provisions were made to add mezzanine space in the future when needed.

Sustainability was another driving principle. The building is in the process for LEED (Leadership in Energy and Environmental Design) Silver Certification



From left: Matt Smith (EDC), Executive Reardon, Governor Gregoire and Dan McFeeley.

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by the U.S. Green Building Council. Esterline will have the largest such manufacturing facility in Washington State. Green attributes of the project include:

- Redevelopment of an under-utilized site.
- Diversion of 90% of the demolition construction debris to re-use. Concrete and asphalt were crushed on-site and used for temporary roads during construction.
- Efficient mechanical systems using 26% less energy than a typical industrial building.
- Building water use reduced by 40% and landscape using native and low-water-usage plants.
- Low-emitting building materials.
- Extensive use of vanpools and the construction of a bus stop for transit.

“Esterline is pleased to be located in Snohomish County,” says Dan McFeeley, Esterline Korry president. “Each individual and organization we worked with during the relocation process was helpful and professional. Snohomish County certainly lives up to its business-friendly reputation and we look forward to being a part of the community.” ■

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Snohomish County

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