

CAUCUS REPORT

February 2, 2005

This is another edition of *Caucus Report* – a regular e-newsletter for supporters of the Port Authority in its efforts to retain and grow the jobs at the Central Ohio Aerospace and Technology Center (The Base).

IN THE NEWS: BOEING EXPANSION BRINGS JOBS, STABILITY

Over the past year, any of our congressional delegation or state government officials who have visited the Port Authority's Central Ohio Aerospace and Technology Center have been briefed on the possible relocation of the Boeing facility in Corinth, TX to Heath. News reports, particularly today's *Columbus Dispatch* business page, give us the best sense to date that federal, state, and local efforts to convince Boeing to move this work up from Texas have been successful. **Indeed, it appears imminent that Boeing will be going forward with a \$4.2 million project that will create 35 high-paying new jobs by 2006 and retain 10 jobs associated with this program already in Heath.**

ONLINE NEWS CLIPS

- 2/2/05 Columbus Dispatch: [Boeing To Move 35 Jobs To Heath](#) (subscription required)
- 2/1/05 Columbus Business First: [Boeing to Expand in Licking County](#)
- 2/1/05: WCLT Radio: [Boeing Receives 75% Tax Abatement](#)
- 1/13/05: This Week Licking County: [Boeing Plan Could Bring Up To 50 Jobs](#)

MORE BACKGROUND

The Corinth work is associated with the AWACS platform used by the USAF as well as NATO, France, and other allied countries. The most substantial part of that work is production, testing, and repair of the ESM antennae manufactured by Boeing for AWACS/E-3. It is widely believed by Boeing, though conservatively not part of the promises required for the incentive package, that the location of this new work also brings with it a ramp up of production of prototype new antennae that would double the job creation of this project in 2008-2009. Overall, this promises long-term stability for Boeing's presence in Heath and Ohio.

Besides the incentives which helped to make the strong corporate case and overcome some areas of non-competitiveness, the key to getting this work here was 1.) A sense that Boeing could get a critical mass of skilled workers in Texas to relocate to and 2.) An ability to duplicate the one-of-a-kind anechoic chamber in Texas (no small feat since others have tried to do the same and failed). Boeing looked at everything from total outsourcing of the work to another operator or relocating it to other Boeing facilities with excess capacity and existing anechoic chambers.

ANATOMY OF A DEAL

Credit goes to too numerous of people to name here for assembling an aggressive state-local-port incentive package which promises Boeing at least \$1.5 million in cost savings over 10 years. The package includes:

- State 2%/10-year R&D Investment Loan: \$200,000 savings
- Port Authority Grant/Loan: \$600,000 savings (\$450,000 grant blended with state R&D Loan)
- State R&D Investment Tax Credit & Manufacturing Tax Credit: \$250,000 savings
- State Job Creation Tax Credit: \$210,000 refundable tax credit (like a grant)
- State OITP Training Grant: \$40,000 grant
- Local Tax Abatement: \$214,000 savings

TOTAL STATE-LOCAL-PORT INCENTIVES PACKAGE VALUE: \$1,514,000

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