Boeing and City of Long Beach officials discuss development

The Boeing Realty Corporation, a wholly owned subsidiary of The Boeing Company (NYSE BA), announced today that it has been meeting with Long Beach and regional officials to discuss plans to turn surplus commercial airplane facilities at the Boeing Long Beach plant into one of the largest private commercial developments in Southern California.

The plans call for Boeing to consolidate production of the 717 commercial airliner on the east side of Lakewood Boulevard and redevelop the west side of the property as a "mixed-use" business park focused on technology-based companies.

There are no layoffs planned as a result of the proposed consolidation.

"Since the decision more than two years ago to close down the MD-80, MD-90 and MD-11 airliner programs, continuing to own a facility of this size is just not efficient," said Philip W. Cyburt, president of the Boeing Realty Corporation (BRC).

Boeing delivered the last of 1,191 MD-80s in December 1999. Assembly of the last MD-90s and MD-11s will occur this year. With the end of other fabrication and support programs, the company no longer will need the approximately 230 acres of property west of Lakewood to support ongoing production of the 717. C-17 military transport aircraft operations located west of the Long Beach Airport off Cherry Avenue will not be affected by this proposed redevelopment.

"Consolidation of our commercial airplane facilities will help make the 717 program more efficient," said Jim Phillips, Vice President and General Manager of the Long Beach Division. "This move allows us to reduce our costs and make the airplane more competitive in the world marketplace."

"Our plans are to demolish most, if not all, of the five million square feet of surplus facilities," Cyburt said. "We are excited about the opportunity to work with the cities of Long Beach and Lakewood in this redevelopment effort."

Boeing Realty Corporation will coordinate with both cities to redevelop the site as one of the largest private commercial developments in Southern California. Consolidation and redevelopment will take an underutilized commercial industrial real estate site and put it back into the economic base as soon as possible.

"Jobs, diversification of economic base, retail amenities and increased property tax revenues are the economic benefits for the redevelopment of this property," said Long Beach City Manager Henry Taboada.

Boeing Realty Corporation is in the initial stages of the development process. Master planning and the development entitlement work will be completed by the first quarter of 2001. Demolition and construction of the streets and infrastructure will be completed by the second quarter of 2003 with land for sale and build-to-suit opportunities available in 2003.

Douglas Aircraft, which subsequently became part of McDonnell Douglas and now Boeing, began airplane production at the site in 1941. The company built and delivered thousands of military transports, bombers and fighters during and after World War II. The company entered the jet transport age in 1958 with the first flight of the DC-8 in Long Beach. All of the company's DC and MD series commercial jetliners have been produced at the Long Beach location.

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For further information:
Carol Holley
425-865-5180