Boeing Outlines St. Louis Facilities Modernization Plan

The Boeing Company today outlined a multi-stage facilities modernization plan that will transform its St. Louis site into one of the most competitive operations in the aerospace industry.

Boeing plans to invest up to $250 million for new and expanded buildings at the site, including a Joint Strike Fighter final assembly building should the company win that program. It also intends to sell approximately 1.8 million square feet of office and production space on 81 acres of land to the St. Louis Airport Authority, which operates the adjacent Lambert-St. Louis International Airport.

In June, the company announced its intention to sell its St. Louis fabrication operations by year-end.

Once all of these actions are complete, Boeing will have a net reduction of about 2 million square feet of facility space, or about 20 percent less space than it occupies today. The plan is part of the company's ongoing effort to more efficiently use its facilities in order to reduce costs and improve competitiveness, both of which are key aspects of winning new business.

"Boeing and the community will benefit from this," said Military Aircraft and Missile Systems President Jerry Daniels. "This is a clear sign of our commitment to St. Louis. I am particularly proud that we are able to do this in a way that benefits the Lambert-St. Louis Airport, which is a major contributor to the economic health of this region."

"The announcement today is clear evidence of the City of St. Louis' commitment to the growth and development of its business partners and citizens," said Clarence Harmon, mayor of the City of St. Louis. "This plan is good for everyone - St. Louis, the region, our economy, the continued growth of aviation and the 17,000-plus Boeing workers who will continue to live and work in our nation's sports capital. This is truly a touchdown play by the City of St. Louis, the State of Missouri and Boeing."

The Boeing Military Aircraft and Missile Systems Group and its predecessors have designed and produced defense systems in St. Louis for more than 60 years. The plan outlined today provides a clear picture of how the Boeing St. Louis campus will look for the foreseeable future.

"The airport is pleased to be a partner in accommodating the expansion and modernization of Boeing's St. Louis production facilities," said Col. Leonard Griggs, director, Lambert-St. Louis International Airport. "It is a distinct pleasure to work with Jerry Daniels and his team on this effort."

"Boeing employees are the finest aerospace workers in the world," Daniels said. "They deserve the very best facilities to continue to produce the systems that help keep this country safe. This extraordinary situation is possible only because of the trust that the airport and Boeing teams were able to place in each other. Col. Griggs set the tone, and together, we were able to reach an agreement in which nobody loses - and everybody wins."

The company anticipates that natural attrition will absorb any job reductions that may result from the move into smaller facilities.

Phase I of the plan includes construction of a 210,000-square-foot hangar and ramp facility adjacent to the recently expanded F/A-18E/F Super Hornet final-assembly complex. That will support flight-test operations for all Boeing St. Louis-built aircraft. Boeing will also build a 140,000-square-foot addition to its Building 101. C-17 subassembly work, along with T-45 and AV-8B production, will be consolidated there. Construction is expected to begin later this year, with these new facilities expected to open by mid-2002.

For the next several years Boeing will continue to assemble F-15s in their existing location (Building 2) under a lease-back arrangement with the airport authority. Boeing is reviewing several alternatives for production of any future F-15 orders.

Phase II depends on Boeing winning the Joint Strike Fighter production contract. If that happens, the company will build new final assembly and office space that together would total about 550,000 square feet. These facilities would be located southeast of the Boeing Military Aircraft and Missile Systems headquarters building, on property leased from the airport authority.

The property Boeing intends to sell includes Buildings 1, 2, 3, 42 and 45, which face the airport's runways.

# # #

For further information:
Jo Anne Davis
office: 314-233-8957