

FOR IMMEDIATE RELEASE:
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AIRPORT BOARD APPROVES 20-YR LEASE WITH CASCADE AEROSPACE, PASSES STATE FINANCING RESOLUTION

(Spokane, WA) Yesterday, the Spokane Airport Board approved a 20-year lease agreement with Cascade Aerospace USA, Inc. headquartered in Abbotsford, British Columbia, Canada. Cascade is an established aircraft maintenance, repair, and overhaul (MRO) provider with a mix of military and commercial airline customers in Canada, U.S, and Europe. Cascade will lease approximately 353,397 square feet of facilities that are part of the MRO Hangar complex, which includes shops and office space, as well as, aircraft parking apron and vehicular parking for employees and customers. Their lease date is effective February 1, 2009.

In addition to the lease agreement, the Airport Board also unanimously passed a resolution authorizing airport staff to submit an application to the Washington State Community Economic Revitalization Board (CERB) for \$2,000,000 in partial funding of the MRO Hangar Infrastructure Expansion and Utility Systems Upgrade project. The CERB will convene on July 17, 2008 at Seattle-Tacoma International Airport to consider and vote on the Airport's application. Cascade's Spokane project is contingent on securing the CERB financing package.

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While structurally sound, the MRO Hangar has not received any upgrades of utilities, building systems, or expansion of physical infrastructure in literally decades. The Airport is seeking funds that will simply accommodate a modern MRO facility, which will produce substantial jobs and provide tremendous stimulus to our growing aerospace cluster. CERB funds will be directed at the following:

\$ 500,000	Electrical upgrades for lighting, wiring, and breaker panels
\$ 375,000	Hangar door tail enclosure to accommodate 737 & 757 aircraft
\$ 350,000	HVAC, mechanical and electrical upgrades
\$ 300,000	Expand/upgrade 1,800 SF shop space
\$ 250,000	Parking lot paving to accommodate 120 employees
<u>\$ 225,000</u>	Hangar Sprinkler Fire Suppression System
\$2,000,000	Subtotal

Cascade's Abbotsford facility consists of a 250,000 SF hangar, office and shop complex that employs approximately 700 people. In 2006, they were awarded a \$423,000,000 contract with the Canadian national defense to maintain their fleet of C-130s. This contract has effectively taken over their Abbotsford facility and has left them with capacity challenges to accommodate their commercial aircraft business, which includes heavy maintenance, cargo and firefighting conversions, and modifications (e.g., adding exterior doors, interior refurbishing, carpeting, upholstery, etc.) as well as exhausting the available labor supply. Abbotsford will remain as their center for military aircraft MRO

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work and commercial operations. The Spokane facility will allow the expansion of the current business and provides existing and prospective customers an online lower cost alternative. Cascade's professional industry expertise and established North American and European clientele cannot be emphasized enough. The economic ripple effect on Spokane's aerospace cluster will be substantial and the presence of a large MRO on the airfield will bolster our air service because of the carriers' ability to cycle aircraft in and out of Spokane. Some of the more substantial points include:

- 138 positions to start on or before February 2009. Skilled labor will be recruited locally and from throughout the Pacific Northwest region.
- 24/7 operation
- Cascade's Annual Average Salary of \$43,238, includes health benefits and is 30% higher than Spokane average wage of \$34,020.
- Additional facilities and 245 positions within 36 months
- Cascade represents direct foreign investment of capital, talent and commerce into the Spokane economy
- Aerospace is a Spokane community and State of Washington priority industry

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