

Economic Impact of Naval Station Everett on Snohomish County

Final Report



Prepared for the City of Everett
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Executive Summary

Naval Station Everett has a significant positive impact on the Snohomish County economy.

Direct Impacts

Community leaders in Everett and Snohomish County sought to attract the Navy during the 1980s to help stabilize the area's employment base and this effort has been successful. There are 6,310 employees at Naval Station Everett, accounting for approximately 2 percent of total employment in Snohomish County. Naval Station Everett is the second largest employer in Snohomish County, behind only The Boeing Company.

The annual payroll earned by these civilian and military workers is \$185.0 million, representing 2.0 percent of countywide labor earnings. The average payroll associated with the station is \$30,000 per year, or around \$15 per hour. These are family wage jobs with benefits.

Many retirees live in counties near the base administering their pension so that they can take advantage of on-base services such as overseas travel or access to commissaries. Pensions administered by the Navy facilities in Snohomish County were \$138.1 million in 2003.

According to the Office of Financial Management, the net direct impact of Naval Station Everett summed to \$296.2 million for 2003.

Total Impacts

When military related payrolls get spent within the county or state, and when the base lets contracts to businesses in the county or state, these expenditures have multiplier impacts that generate additional economic activity.

The total number of jobs directly and indirectly associated with Naval Station Everett is over 10,000 jobs in Snohomish County and nearly 12,000 jobs statewide.

The total impacts in terms of labor earnings sum to \$431 million within Snohomish County, which is about 5.0 percent of wage disbursements in the county. Within Washington State, the impacts are estimated to be \$474 million in 2003.

Survey Results

A survey of 100 businesses in Snohomish County indicates strong support for Naval Station Everett.

Most firms have sales either directly to the base or to Navy personnel and retirees. Some firms have more than 20 percent of their sales from the base (including ship repair, real estate and support services) or from Navy personnel and retirees (including real estate sales/services, retail, lodging, entertainment and services).

Slightly more than one-third of survey respondents have an incentive program (or discounts) for Navy personnel and retirees.

Slightly more than one-third of survey respondents currently employ or have employed a spouse or dependent of a Navy family. These employers regard the work habits and ethics of these employees very favorably.

Nearly all respondents indicated their continued support for Naval Station Everett.

Introduction

BST Associates was retained by the City of Everett to describe the economic impacts associated with Naval Station Everett on Snohomish County and the Pacific Northwest. This study is intended to assist in the Base Realignment and Closure (BRAC) process being undertaken by the Department of Defense (DOD).

The BRAC Process

Since 1988, the United States has gone through four BRAC rounds (1988, 1991, 1993, and 1995) that have closed 97 major military facilities, numerous minor military installations, and conducted 55 major realignments. Washington state's military facilities have remained relatively unchanged in the previous rounds, losing only one major facility¹ with the 1991 closure of Naval Station Puget Sound at Sand Point in Seattle.

The Department of Defense is looking at all bases and analyzing how they fit into the military's 20-year mission. DOD believes that approximately 25 percent of its bases could potentially be closed.

In 2002, Congress passed the National Defense Authorization Act for fiscal year 2002, which called for an additional round of base realignment and closure to occur in 2005. The previous rounds occurred in 1988, 1991, 1993, and 1995. The act requires Defense Secretary Donald Rumsfeld (SECDEF) to compile a list of bases to be closed or realigned in 2005.

The Department of Defense is evaluating the BRAC process based upon eight criteria, including four military and four civilian criteria. Greater weight will be placed on the military criteria.

BRAC Criteria

The four military-value criteria are:

- A base's current and future mission capabilities and the effect on operational readiness of the department's total force.
- Availability and condition of land, facilities, and associated airspace in and near a base.
- Ability to accommodate contingency, mobilization, and future total-force requirements at both current and potential facilities.
- The cost of operating and staffing a base.

The other criteria include:

- The cost of closing a base or moving its operations to another installation, and the length of time it would take to recapture those costs and start saving money.
- The economic impact of an installation on nearby communities.
- The ability of communities' infrastructure to support a base's forces, missions, and personnel.

¹ A minor military installation, Camp Bonneville, located in Clark County, was also closed in 1995.

- The environmental impact, including the potential costs of environmental restoration, waste management, and compliance activities.

This report addresses the second of the civilian criteria.

BRAC Schedule

The schedule associated with the BRAC process is as follows:

- 31 December 2003: DoD published new selection criteria
- February 2004: DoD submitted 20-year force structure plan, worldwide infrastructure inventory and report of infrastructure requirements and excess capacity. SECDEF certified need for BRAC round
- March 2005: President nominates Commissioners
- 15 May 2005: SECDEF recommendations due to Commission and Congress
- 8 September 2005: Commission report due to President
- 7 November 2005: Last date President may send recommendation to Congress

Comparison with Other Bases

Naval Station Everett provides lower costs for housing and a lower cost of living for both the Navy and its sailors, as illustrated in the following section.

Cost of Living

The DOD provides a list of lodging and per diem rates for bases throughout the world. As shown in Table 1, the per diems in Snohomish County are substantially lower than at competing facilities in San Diego or Hawaii. The maximum compensation for lodging at competing facilities is 102% higher than in Snohomish County. The maximum compensation for the all-inclusive per diem rates at competing facilities is 68% to 106% higher than in Snohomish County.

Table 1 – Comparison of Living Costs

Area	Maximum Lodging	% Everett	Maximum Per Diem Rate	% Everett
Snohomish County	64		107	
San Diego	129	202%	180	168%
NAS Barbers Point (Hawaii)	129	202%	220	206%
Pearl Harbor Hawaii (Incl. All Military)	129	202%	220	206%

Source: Department of Defense Per Diem, Travel and Transportation Committee

Housing Costs

Housing costs are also substantially lower at Everett than at San Diego or Hawaii. As shown in Table 2, the down payment for rentals is significantly lower in Snohomish County. As an example, the down payment for a two-bedroom apartment is \$100 to \$700 less in Snohomish County than at the competing areas.

Monthly rental rates for apartments, condominiums, townhouses and houses rental rates are also significantly lower at Everett. As an example, the rental of a three-bedroom house ranges from

\$250 to \$317 less per month at Everett than at the competing areas. In addition, the expected monthly bill for utilities is between \$25 and \$175 less per month at Everett than at competing facilities.

Table 2 – Monthly Price for Rental Housing

Area	Deposit	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities
Apartment							
Everett NAVSTA	300	650	750	960	N/A	N/A	45-125
Hawaii	One month's rent	775	850	1,100	-	-	70-146
San Diego CNRSW	470-1,000	991	1,202	1,517	1,570	N/A	80-200
San Diego MCRD	470-1,000	991	1,202	1,517	1,570	N/A	80-200
Condominium							
Everett NAVSTA	500	660	800	960	1,050	N/A	45-125
Hawaii	One month's rent	850	1,000	1,200	-	-	70-146
San Diego CNRSW	575-1,000	991	1,202	1,517	1,570	N/A	100-200
San Diego MCRD	575-1,000	991	1,202	1,517	1,570	N/A	100-200
Townhouse							
Everett NAVSTA	500	660	830	970	1,050	N/A	45-125
Hawaii	One month's rent	900	1,100	1,250	1,400	-	70-146
San Diego CNRSW	625-1,200	N/A	1,202	1,517	1,570	N/A	100-300
San Diego MCRD	625-1,200	N/A	1,202	1,517	1,570	N/A	100-300
House							
Everett NAVSTA	Deposit	750	900	1,200	1,400	-	45-125
Hawaii	One month's rent	-	-	1,450	1,700	1,865	70-146
San Diego CNRSW	1,025+	N/A	N/A	1,517	1,570	N/A	100-300
San Diego MCRD	1,025+	N/A	N/A	1,517	1,570	N/A	100-300

Source: CNI Housing²

Purchase prices for houses are also less at Snohomish County than at San Diego or Hawaii. As shown in Table 3, the purchase price for a three-bedroom condominium is \$125,000 to \$181,000 less at Snohomish County than at the competing areas. In addition, the expected monthly bill for utilities is between \$30 and \$150 less per month at Snohomish County than at competing facilities.

² This table contains information about Navy Family Housing Activity Offices. Navy service members can use this site to obtain general housing office contact information, wait list information, housing costs, local community and other housing related information at Navy Activities. The data in the table is for E-1 with dependents.

Table 3 – Housing Purchase Private

Area	2 BR	3 BR	4 BR	Utilities
Condominium				
Everett NAVSTA	100,000	110,000	140,000	70-150
Hawaii	190,000	225,000	-	-
San Diego CNRSW	354,653	391,212	629,637	100-300
San Diego MCRD	354,653	391,212	629,637	100-300
Townhouse				
Everett NAVSTA	105,000	130,000	150,000	70-150
Hawaii	250,000	250,000	350,000	120
San Diego CNRSW	354,653	391,212	629,637	100-300
San Diego MCRD	354,653	391,212	629,637	100-300
House				
Everett NAVSTA	135,000	175,000	190,000	70-150
Hawaii	-	355,000	375,000	146
San Diego CNRSW	587,590	535,359	585,844	100-300
San Diego MCRD	587,590	535,359	585,844	100-300

Source: CNI Housing

Economic Impact Analysis

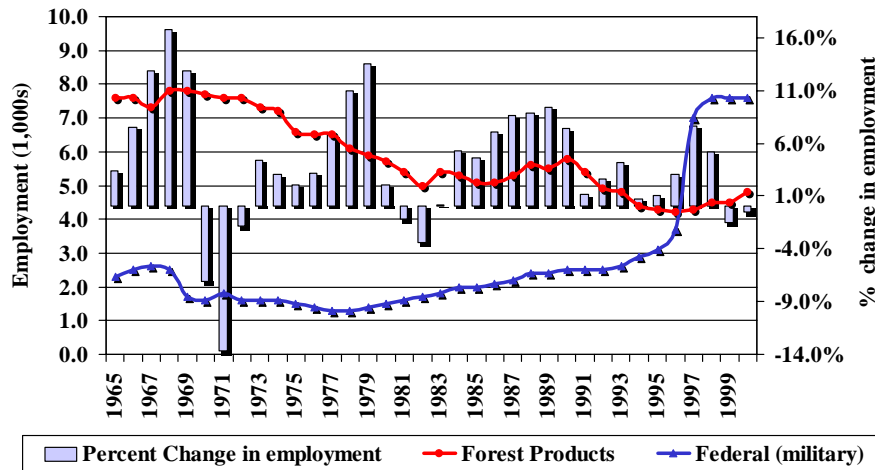
The following section reports on the economic impact of Naval Station Everett.

Overview

In the mid-1980s, the Navy expressed a clear interest in siting a base in Puget Sound. Several sites were carefully evaluated and ultimately Everett was chosen as the optimal site in Puget Sound.

As shown in Figure 1, the introduction of the Navy to Everett assisted the local community in stabilizing the growth of the employment base. The annual percent change in employment swung widely in the late 1960s and early and late 1970s due in large part to the volatility of the forest products industry. The Navy presence at Naval Station Everett commenced in 1994. After its introduction, the volatility of employment in Snohomish County has moderated.

Figure 1 - Stabilizing Effect of Military Presence on Employment in Snohomish County



Methodology

The results in this report are based on standard economic impact methodology. Direct impacts (jobs, payroll etc.) are based on the State of the Station report prepared by Naval Station Everett in May 2004. The multiplier effects in the community are based upon the Economic Impact of the Military Bases in Washington State, July 2004, Office of Financial Management and Dr. Paul Sommers, described as follows:

“When military related payrolls get spent within the county or state, and when the base lets contracts to businesses in the county or state, these expenditures have multiplier or

indirect impacts that generate additional economic activity. These multiplier impacts are estimated using a new input-output model just released by the Office of Financial Management, resulting in total impact estimates (the sum of direct impacts and the multiplier impact).³”

Direct Impacts

The direct economic impacts associated with Naval Station Everett include employment of civilian and military employees and retirees that have chosen to live in Snohomish County as well as payments for health care for Navy personnel and dependents.

Employment

There are more than 83,000 employees at military bases in Washington State, representing approximately 3% of statewide employment. The number of employees that serve at Naval Station Everett totals 6,310 employees (military and civilian), representing approximately 2.8% of the total employment in Snohomish County.

Table 4 – Direct Military Employment in Snohomish County and Washington State

Area	% of Employment	Employment
Snohomish County	6,310	2.8%
Washington State	83,344	3.0%

Source: State of the Station Report, Naval Station Everett, May 2004, and Economic Impact of the Military Bases in Washington State, July 2004, Office of Financial Management, Dr. Paul Sommers

The 6,310 employees at Naval Station Everett⁴ include 5,657 military employees at Naval Station Everett, including 4,581 afloat and 1,076 on shore as well as 653 civilian employees. Although Naval Station Everett includes facilities located outside of Snohomish County (Seattle and Pacific Beach), virtually all of the employees are located at Snohomish County facilities:

- Jim Creek Radio Station - the United States Navy VLF radio transmitter and Antenna are located at Jim Creek, in Oso, Washington. The primary mission of this radio site is to provide radio transmitting capabilities for the Pacific submarine fleet.⁵
- Navy Support Complex includes the following resources - a commissary, exchange, family service center, thrift shop, education offices, bachelor officer quarters, craft shop/gear issue, chapel and religious education center, an auto hobby shop, ball fields and courts, fleet parking for personnel assigned to deployed Everett-based ships and a 50-room Navy Lodge, and
- Everett Waterfront Site is homeport to the following vessels:
 - Navy vessels

³ Source: Economic Impact of the Military Bases in Washington State - Naval Station Everett in Snohomish County, July 2004, Office of Financial Management, Dr. Paul Sommers, page 1.

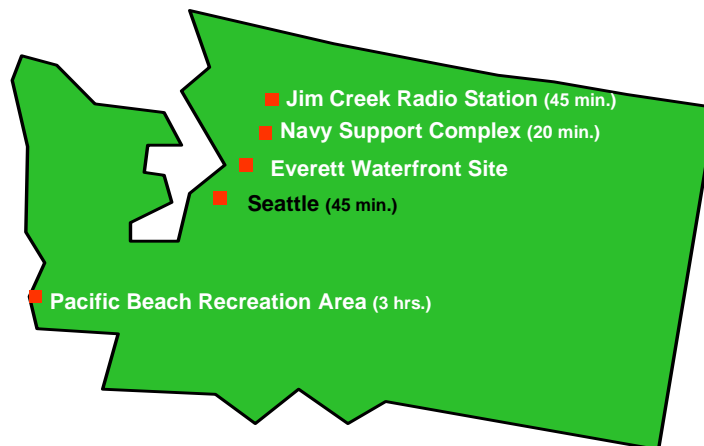
⁴ Source: State of the Station Report, Naval Station Everett, July 2004

⁵ Source: <http://www.globalsecurity.org/military/facility/jim-creek.htm>

- Aircraft carrier (USS ABRAHAM LINCOLN)
- Guided Missile Destroyers (USS SHOUP and USS MOMSEN⁶)
- Frigates (USS FORD; USS RODNEY M. DAVIS; and the USS INGRAHAM)
- Other vessels
 - Military Sealift Command Ship USNS SHASTA
 - United States Coast Guard Ships (USCGC HENRY BLAKE AND USCGC BLUE SHARK).
- Major tenants at Everett Waterfront include:
 - Commander, Cruiser Destroyer Group THREE
 - Commander, Naval Surface Group, PACNW
 - Naval Reserve Readiness Command Northwest
 - Commander, Destroyer Squadron NINE
 - Navy Intermediate Maintenance Facility, PACNW, Everett Detachment
 - Supervisor of Shipbuilding, Conversion and Repair
 - Afloat Training Group Detachment
 - Construction Battalion Unit 421

In addition, some of the personnel that serve at Naval Station Everett are housed in Bremerton.

Figure 2 – Naval Station Everett Geography



⁶ A new destroyer that was just built and homeported in Everett as of October 14, 2004.

Naval Station Everett is the second largest employer in Snohomish County, second only to Boeing. Most of the other major employers include government agencies, health services, retail and other non-industrial sectors. See Table 5.

Table 5 – Top Employers in Snohomish County

Employer	# Employees
Boeing	17,000
Naval Station Everett ¹	6,310
Washington State Government	3,023
Providence Everett Medical Center	2,624
Snohomish County Government	2,566
Premera Blue Cross	1,693
BF Goodrich	1,650
Verizon	1,633
Edmonds School District	1,425
Tulalip Tribes	1,334

Source: U.S. Department of Defense,
Snohomish County Economic Development Council

Payroll

Naval Station Everett generates a payroll of \$185 million. The average payroll associated with the station is approximately \$30,000 per year, or around \$14 per hour. These are family wage jobs with benefits. Military employment at Naval Station Everett accounts for approximately 2 percent of the wage and salary income in Snohomish County. See Table 6.

Table 6 – Direct Military Payroll in Washington State by County

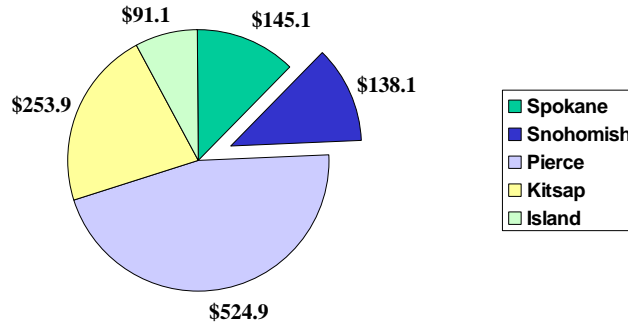
Area	Payroll (\$ millions)	% Countywide Wage & Salary Disbursements
Snohomish	185.0	2.1%
Statewide	3,737.60	3.4%

Source: State of the Station Report, Naval Station Everett, May 2004, and
Economic Impact of the Military Bases in Washington State,
July 2004, Office of Financial Management, Dr. Paul Sommers

Retiree Pensions

Snohomish County has military pensions amounting to \$138.1 million, which represents approximately 12% of the military pensions paid in the State.

Figure 3 - Pensions of Military Retirees, 2003 (\$millions)

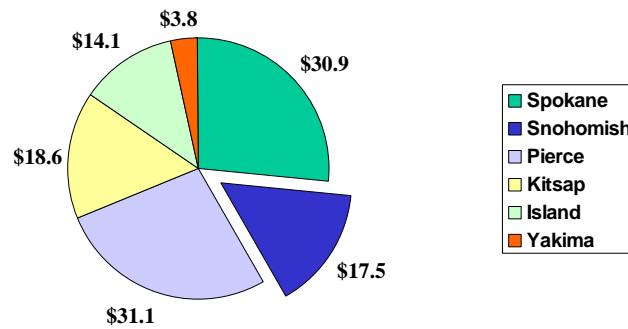


Source: Economic Impact of the Military Bases in Washington State, July 2004, Office of Financial Management, Dr. Paul Sommers

Health Care Payments to Private Providers

TriCare health care payments in Snohomish County amounted to \$17.5 million, accounting for 15% of the military’s health care expenditures in Washington State.

Figure 4 - Health Care Payments by TriCare, 2003 (\$millions)



Source: Economic Impact of the Military Bases in Washington State, July 2004, Office of Financial Management, Dr. Paul Sommers

Total Impacts

As reported above, when military related payrolls get spent within the county or state, and when the base lets contracts to businesses in the county or state, these expenditures have multiplier or indirect impacts that generate additional economic activity. These multiplier impacts were estimated by OFM using an input-output model, resulting in total impact estimates (the sum of direct impacts and the multiplier impacts).

Description of Indirect Impacts

The USS Abraham Lincoln is like a medium sized city as evidenced by the following consumption statistics:

- The distillation plant has a capacity of 400,000 gallons,
- There are more than 900 miles of cable and wiring,
- There are more than 30,000 light fixtures,
- There are more than 1,900 shipboard telephones,
- There are more than 20,000 meals served each day,
- There are 800 loaves of bread baked each day,
- There are 660 gallons of milk consumed each day,
- There are 540 pounds of hamburger meat consumed each day,
- There are 180 dozen eggs consumed each day,
- There are 800 pounds of fresh vegetables consumed each day,
- There are 5,550 pounds of dirty laundry washed each day, and
- There are 250 haircuts given each day, among other goods and services.

Businesses throughout Snohomish County, Washington State and elsewhere provide the supplies that make Naval Station Everett work. Statistics available from the Department of Defense show that firms in Snohomish County were awarded \$77 million in 2002 (See Appendix). However, it should be noted that these firms might serve Naval Station Everett, other bases in Washington State or elsewhere in the rest of the US or the world.

Some of the expenditures in Snohomish County are linked directly to Naval Station Everett. The Public Utility District in Everett received \$435,000 and Verizon in Everett received \$263,000 from the Department of Defense in 2002. Most of the supplies consumed at Naval Station Everett come from Sysco located in Kent and Food Services located in Mount Vernon. A significant amount of specialty goods are also purchased from Apples Northwest in East Wenatchee and Washington Fruit and Produce in Yakima.

There are also significant maintenance and repair contracts associated with keeping the vessels homeported at the Naval Station Everett. Most of these repairs are provided for under contracts by Todd Pacific Shipyards in Seattle or at the Puget Sound Naval Shipyard in Bremerton. If the vessel requires drydocking, then it is generally moved to Todd or the PSNS. After 9/11, vessels

requiring pier-side service are accommodated at the Everett waterfront because the Navy already provides force protection. These repair contracts, which are exercised depending upon vessel availability, budget, wear/tear and other criteria, generate substantial revenues for these ship repair firms, as described below:

- USS ABRAHAM LINCOLN
 - After returning from the Gulf War in 1996, the Lincoln completed \$200 million in repairs, modifications, and systems upgrades.
 - After a tour of duty in the Iraq War, the Lincoln spent approximately 11 months in the Bremerton shipyard for \$280 million in repairs in Bremerton.
 - The annual contracts for repair have averaged between \$1 million and \$2 million per year in recent years.
- The combatant contract, which covers frigates and destroyers, generated an estimated \$4 million to \$7 million per SRA (repairs at dock, which occur in Everett) and between \$6 million and \$10 million per drydocking at Seattle during the recent past.
- USS SHOUP
 - A new business for the Port of Everett and its tenants involves ship repair at the Marine Industrial Repair. In 2002, a large repair/retrofit project was undertaken in conjunction with the US Navy and Northrop Grumman to put the final touches on the USS SHOUP. This work was conducted by Ingalls Shipyard on location in Everett.
- USS RODNEY M. DAVIS
 - The Navy recently exercised a \$7.1 million contract option with Todd Pacific Shipyards for dry dock maintenance and repair work on the USS RODNEY M. DAVIS. The work was performed in Seattle in early 2004.
- USS MOMSEN
 - The USS MOMSEN arrived at Naval Station Everett on October 14, 2004 after commissioning ceremonies in Panama City, Florida. The ship will undergo final testing and modification during Post Shakedown Availability (PSA) in the coming months at Naval Station Everett.

Description of Induced Impacts

Induced impacts include expenditures by employees (and retirees) of Naval Station Everett. In total, the expenditures by employees of Naval Station Everett are estimated to range from \$57 million to \$65 million per year⁷. The distribution of expenditures across a variety of goods and services includes:

- Food at home - \$5.4 million to \$5.6 million,
- Food away from home - \$3.3 million to \$3.9 million,

⁷ Based on annual expenditures of households with an average annual income ranging from \$30,000 to \$49,999, as reported by the US Census Bureau Consumer Expenditure Survey.

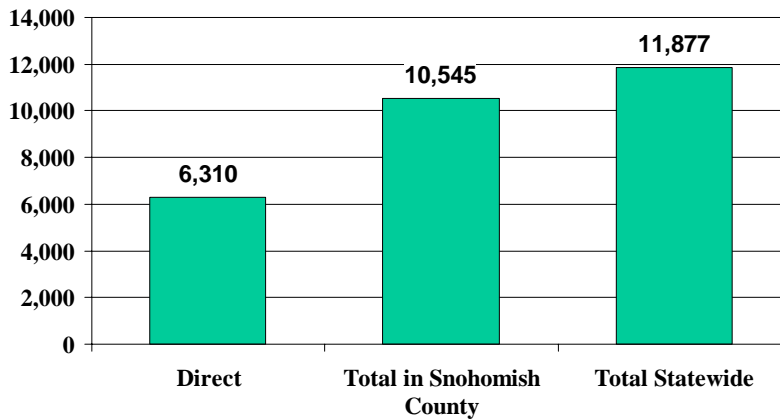
- Household operations - \$1.0 million to \$1.1 million,
- Housekeeping supplies - \$885,000 to \$909,000,
- Apparel and services - \$2.7 million to \$2.9 million,
- Vehicle purchases (net outlay) - \$6.0 million to \$7.5 million,
- Gasoline and motor oil - \$2.2 million to \$2.3 million,
- Other vehicle expenses - \$3.9 million to \$4.7 million,
- Public transportation - \$477,000 to \$664,000,
- Entertainment - \$2.8 million to \$3.3 million,
- Personal care products and services - \$838,000 to \$957,000,
- Reading materials and supplies - \$197,000 to \$243,000,
- Education - \$701,000 to \$931,000, and,
- Miscellaneous goods and services - \$1.4 million to \$1.5 million.

Total Employment

Snohomish County has 6,310 direct jobs and 10,545 total jobs associated with Naval Station Everett.

Every direct job at Naval Station Everett creates 0.67 additional jobs in Snohomish County. Including direct, indirect and induced impacts, Naval Station Everett accounts for 1 out of 20 jobs in Snohomish County.

Figure 5 - Total Impacts of Military Presence in Snohomish County – Jobs

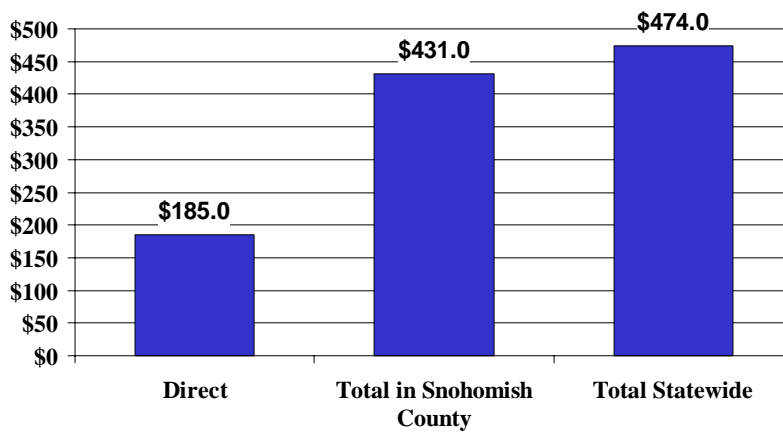


Total Income

The payrolls of active and retired personnel associated with Naval Station Everett generate approximately \$431 million in total income in Snohomish County.

Total income related to Naval Station Everett accounts for \$1 out of every \$20 of wage & salary income in the County.

Figure 6 - Total Impacts of Military Presence in Snohomish County – Income

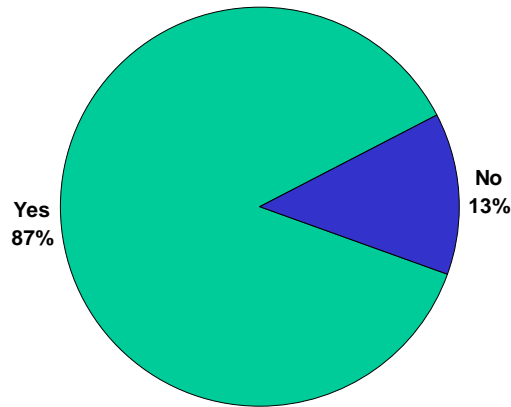


Review of Survey Results

In order to better understand the impacts of Naval Station Everett to Snohomish County, BST Associates conducted a survey of businesses in conjunction with the Everett Area Chamber of Commerce⁸. There were 100 survey respondents from a broad geographic coverage of member firms from all Snohomish County Chambers Of Commerce.

A strong majority of firms believed that Naval Station Everett positively impacts their business, as shown in Figure 7.

Figure 7 - Do you think that the presence of Naval Station Everett positively impacts your business?



Source: Everett Area Chamber of Commerce Survey

Direct Business with Naval Station Everett

Of the respondents who stated that their firms were positively impacted by the Navy, most businesses estimated that the percentage of sales directly to the base were less than 20% of total sales.

In addition, 14 percent of respondents indicated that more than 20 percent of their sales are directly with the Navy.

The distribution of sales to the Naval Station Everett included:

⁸ Special thanks to Louise Stanton-Masten and her staff for their assistance in conducting this survey. Thanks also to all Snohomish County Chambers of Commerce for enlisting the assistance of their membership in completing the survey.

- 0%-20% of business - 86% of sales were from Naval Station Everett,
- 21%-40% of business – 8%,
- 61%-80% of business – 3%,
- More than 80% of business – 3%.

Goods and services supplied directly to the Navy base included the following:

- Construction
 - Renovating Navy facilities
- Ship repair
 - Hydraulic supplies & repair
 - Mechanical & electrical repair
 - Specialized cleaning (confined spaces, et al)
- Supplies/provisions
 - Provisions for crews
- Services
 - Security systems
 - Accounting support services
 - Printing and copying for the base
- Utilities
 - Electricity and related services (energy efficiency etc.)
 - Telecommunications services

Firms engaged in ship repair, real estate and services were more likely to have a larger share of their total sales dependent upon sales to Naval Station Everett.

Direct Business with Navy Personnel & Retirees

Of the respondents who stated that their firm was positively impacted by sales to Naval personnel or retirees, most businesses also estimated that the percentage of sales directly to the base were less than 20% of total sales. However, 11 percent of the respondents indicated that more than 20 per cent of their sales are directly with the Navy.

The distribution of sales to the Naval Station Everett included:

- 0%-20% of business - 85% of sales were from Naval Station Everett,
- 21%-40% of business – 8%,
- 61%-80% of business – 2%,
- More than 80% of business – 1%.

Goods and services for Naval personnel and retirees included the following:

- Lodging
 - Sailors & their families staying at motels/hotels
 - Overnight get-aways
 - Contractors doing work at the base or for the Navy
 - Naval Reserve Groups
 - Meeting rooms
- Dining
 - Pub in Marysville serving Navy veterans (kinship with incoming personnel)
 - Rapport with retired Navy Personnel that are regular dinner guests
- Retail Sales
 - Auto sales and service
 - Engraving recognition items
 - Home furniture and floor coverings
 - Retail florist - Navy orders flowers for homecoming of ships and other events
 - Screen printing & embroidery
 - Sports garments & hats with embroidered logo's
 - Wireless retail prepaid cards
- Services
 - Accounting, bookkeeping and tax services
 - Child Care
 - Inpatient hospital services and outpatient healthcare services
 - Insurance
 - Personal banking services
 - Security Systems
 - Telecommunications products and services
- Real Estate
 - Home and land sales
 - Rentals (homes, apartments, mobile home spaces etc.)
 - Home loans
 - Moving
 - Storage
- Education

- Active and retired Navy personnel and their families are enrolled in classes at Everett Community College and through distance learning programs.
- Scottish and Irish dance lessons
- Of a total student population of approximately 2,600 approximately 360 of those students are from Navy families living in the Lakewood School District.
- Undergraduate and MBA degree programs to military their dependants and civilians at Naval Station Everett and the Navy Support Complex at Smokey Point.
- Entertainment
 - Everett Silvertips Hockey season tickets
 - City of Everett's municipal golf courses
 - Navy events - Birthday Ball, Command picnics, ship parties, 4th of July etc.
 - Navy pays for memberships for 200 youth from Navy families
 - Roller skating parties
 - Evergreen State Fair offers discount admission tickets and special recognition with all Armed Forces

Firms engaged in real estate sales/services, retail, lodging, entertainment and services were more likely to have a larger share of their total sales dependent upon sales to Naval Station Everett employees and retirees.

Several restaurants and pubs have fostered a strong relationship with the Navy. In particular, Flying Pig and Scuttlebutts Brew Pubs have built a strong relationship with the Navy, sailors and retirees. These establishments have a significant portion of their income associated with Navy functions (Hail and Farewells, home welcoming and other related events). These relationships underscore the importance of the Navy in both the economic and social fabric of Everett. As Joel Starr, owner of the Flying Pig, puts it “the presence of the Navy is very important to what it means to be from Everett”.

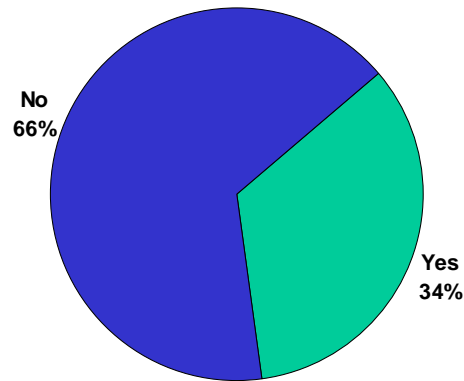
Local auto dealers also have a significant share of their income come from the active and retired military. Most auto factories give a rebate of around \$500 per sale for active military duty personnel. The Navy presence has increased the size of the market for these dealers and this in turn increases annual sales.

Snohomish County has several other recreation and entertainment venues of interest to Navy families, including the Everett Memorial Stadium (Everett AquaSox), the Everett Events Center (Silvertips Hockey and Everett Hawks Arena Football Club), Everett Performing Arts Center (Village Theater), Everett Waterfront (Port of Everett Marina, Marina Village), The Tulalip Casino, in addition to outdoor recreational opportunities such as skiing, hiking, rafting, and ice skating, among other activities.

Discount Programs for Navy Personnel & Retirees

Slightly more than one-third of survey respondents have an incentive program (or discounts) for Navy personnel and retirees.

Figure 8 - Do you have any programs that provide discounts for Navy families (active or retired)?



Source: Everett Area Chamber of Commerce Survey

The discount program may include the following items:

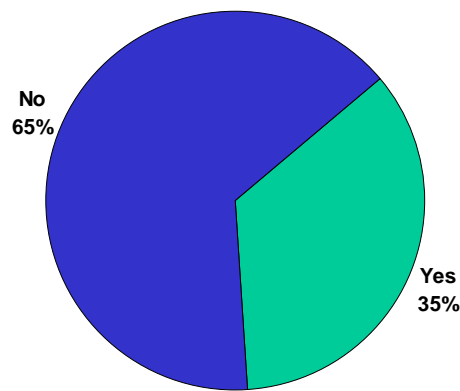
- Subsidized rental rates in some situations,
- No charge to Navy families for business speaking engagements and free, no obligation, one hour consultations for Navy family members starting side businesses.
- 10% discount on all APO/FPO shipments
- Children's' programs and special events that are paid for by the friends for the families of Naval Personnel.
- 10% off for military active or retired
- 10% off phones and accessories with valid ID
- 15% discount on season tickets
- 10-20% discounts on all rooms
- Buy one; get one free on all our concert tickets with military ID.
- Usually \$25 to \$75 off rent
- My classes are offered at 50% off the regular tuition for Navy families.

- We give special rates for friends, family and contractors visiting the Naval Station Everett

Employment of Navy Spouses or Dependents

Slightly more than one-third of survey respondents currently employ or have employed a spouse or dependent of a Navy family.

Figure 9 - Do you now or have you in the past employed any Navy spouses or dependents?



Source: Everett Area Chamber of Commerce Survey

The work habits and ethics of these employees are regarded very favorably by these employers. When asked to describe their satisfaction with employment of Navy spouses/dependents, these firms stated:

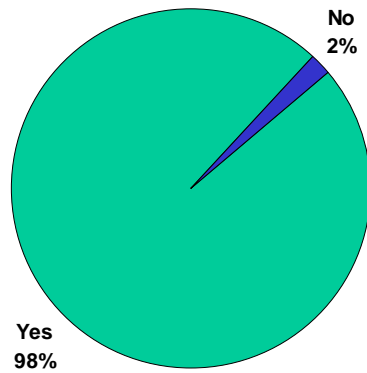
- Excellent
- Two employees were both excellent
- The family members that we have had working for my company have been great associates.
- Excellent workers!
- Have been very good!
- Positive.
- Only wished they could have stayed on longer.
- One of the best employees I ever hired. Was sorry to see him leave upon reassignment.
- Great work ethic and great attitudes. Skills vary according to the needs of our clients

- They are very good employees; dependable, punctual, friendly attitude & dedicated.

Continued Support for Naval Station Everett

Nearly all respondents indicated their continued support for Naval Station Everett.

Figure 10 - Do you support continued operations at the Naval Station?



Source: Everett Area Chamber of Commerce Survey

Appendix

Table 7 – Department of Defense Awards to Companies Located in Snohomish County

City	Firm	Amount	Typical Services
Arlington	Xantrex Technology Inc	\$462,000	Converters, Electrical, Nonrotating
Arlington	Steel Fab Inc	\$92,250	Miscellaneous Prefabricated Structures
Arlington	Kva Electric Inc	\$12,913	Miscellaneous Items
Total		\$567,163	
Bothell	Sonosite, Inc	\$3,858,610	X-ray Equip & Sup: Medical, Dental, & Vet
Bothell	Philips Ultrasound, Inc	\$1,161,800	X-ray Equip & Sup: Medical, Dental, & Vet
Bothell	Iron Mountain Quarry Llc	\$369,351	Mineral Construction Materials, Bulk
Bothell	Washington Wastehauling And Re	\$192,412	Lease or Rental of Eq/Miscellaneous Equipment
Bothell	Advanced Technology Computers	\$147,863	ADP Software
Bothell	Young, Virginia A	\$48,500	Other Professional Services
Bothell	Issi Business Solutions	\$30,276	Ophthalmic Instruments, Equip, & Supplies
Bothell	Quinton Inc	\$9,846	Medical & Surgical Instruments, Equip & Supplies
Bothell	Diagnostic Ultrasound Corp	\$8,584	Hospital Furniture, Equip, Utensils, & Sup
Total		\$5,827,242	
Edmonds	Sound & Sea Technology, Inc	\$6,015,992	Oceanological Studies
Edmonds	Pacific International Engineer	\$666,045	RDTE/Other Research & Development-Applied Research
Edmonds	William E Munson Co, Inc	\$321,109	Miscellaneous Ship and Marine Equipment
Edmonds	Eglobe Solutions, Inc	\$63,772	ADPE System Configuration
Edmonds	Cascade Clinical Perfusion, Llc	\$46,900	Cardio-Vascular Services
Edmonds	D I A L Pro Northwestinc	\$43,737	Miscellaneous Communication Equipment
Edmonds	Sound Seal & Packing Company I	\$34,151	Packing and Gasket Materials
Edmonds	Robert J Brown PE	\$29,480	Regulatory Studies
Edmonds	Npi, Inc	\$10,999	Tuition, Registration & Membership Fees
Edmonds	James Hampson	\$5,341	Electrical Hardware and Supplies
Total		\$7,237,526	
Everett	Fluke Corporation	\$13,600,763	Electrical & Elect Properties Meas & Tst Instruments
Everett	American Construction Co, Inc	\$2,760,000	Dredging, excl. dustpan and sea-going hoppers
Everett	Ec America/Intermec	\$2,628,920	Mini & Micro Computer Control Devices
Everett	Wilder Construction Company	\$2,447,104	Maint/Surface Mine Reclamation Facilities
Everett	Reid Middleton Inc	\$2,420,010	Architect-Engineering Services
Everett	Boundary Layer Research, Inc	\$1,496,064	Aircraft Fixed Wing
Everett	Ace Rockl L C	\$647,794	Mineral Construction Materials, Bulk
Everett	Fliteline Services Inc	\$597,442	Liquid Propellants & Fuel, Petroleum Base
Everett	Western Sky Industries	\$481,847	Miscellaneous Power Transmission Equip
Everett	Public Utility District No 1	\$435,575	Electric Services
Everett	Everett Shipyard, Inc	\$297,621	Non-nuclear Ship Repair (West)
Everett	Verizon Northwest Inc	\$263,649	Telephone and/or Communications Services
Everett	Umbra Cuscinetti, Inc	\$146,568	Fire Control Radar Equip, Except Airborne
Everett	Mckechnie Investments, Inc	\$143,958	Miscellaneous Power Transmission Equip
Everett	Sitelines Park And Playground	\$117,898	Recreational and Gymnastic Equipment
Everett	Maxview Corporation	\$109,942	Other ADP & Telecommunication Services
Everett	Parker Products	\$100,828	Drugs & Biologicals
Everett	Reliable Business Concerns	\$92,834	Video Recording and Reproducing Equipment
Everett	Lang Manufacturing Company	\$77,772	Misc Household & Com'l Furnishings & Appliances
Everett	Onamac Industries Incorporated	\$73,316	Guns, over 150 mm through 200 mm
Everett	Terry Albrecht	\$52,275	Installation of Eq/Household Furnishings
Everett	Ballard Technology Inc	\$44,488	Cable, Cord, Wire Assemblies: Comm Equip

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City	Firm	Amount	Typical Services
Everett	Tcsystems, Inc	\$38,000	Maint & Repair of Eq/Ship & Marine Equipment
Everett	Western Fluid Components Inc	\$37,628	Fittings and Specialties; Hose, Pipe, Tube
Everett	Washington Automated Inc	\$32,584	Laundry and Dry Cleaning Equipment
Everett	Precision Data Technology	\$32,277	Misc Electrical & Electronic Components
Everett	Propulsion Controls Engineering	\$25,822	Non-nuclear Ship Repair (West)
Everett	Jl Manufacturing, Inc	\$18,600	Hand Tools, Nonedged, Nonpowered
Everett	Emutec Inc	\$15,780	ADP Support Equip
Everett	Performance marine Inc	\$13,914	Engine Instruments
Everett	D R Smith Co, Inc	\$13,389	Compressors and Vacuum Pumps
Everett	Pacific Topsoils, Inc	\$12,653	Restoration
Everett	All Weather Rooftop Solutions	\$10,217	Maint/Other Miscellaneous Buildings
Everett	Macaulay & Associates Ltd	\$9,175	Real Property Appraisal Services (SIC 6531)
Everett	Western Gear Corporation	\$6,510	Pipe and Tube
Everett	Componet Concepts Inc	\$6,272	Other Environ Svcs, Studies, & Analytical Support
Everett	Richard Eitel, Surveyor	\$6,230	Other Special Studies & Analyses
Everett	Compuchair, Inc	\$3,156	Office Furniture
Everett	Best Western Cambridge Inn	\$2,500	Lodging – Hotel/Motel
Everett	Northern Systems Llc	\$1,500	ADP Supplies
Total		\$29,322,875	
Lynnwood	Engineering Support Personnel,	\$15,321,533	Engineering Technical Services
Lynnwood	Eldec Corporation	\$7,979,345	Converters, Electrical, Nonrotating
Lynnwood	S L Larsen Construction Compa	\$770,300	Maint & Repair of Eq/Miscellaneous Equipment
Lynnwood	Magna Design, Inc	\$763,764	Office Furniture
Lynnwood	Simrad, Inc	\$698,597	Flight Instruments
Lynnwood	Journey Lines Inc	\$364,559	Passenger Motor Charter Service
Lynnwood	Tethers Unlimited, Inc	\$350,000	RDTE/Other Defense-Adv Tech Dev
Lynnwood	Kongsberg Simrad Inc	\$126,009	Flight Instruments
Lynnwood	Cole Industrial Inc	\$50,705	Miscellaneous Maint & Repair Shop Specialized Eq
Lynnwood	Dataworks Development, Inc	\$30,665	ADP Software
Lynnwood	Innotech, Inc	\$13,712	Radio & TV Comm Equipment, Except Airborne
Lynnwood	Compusave Inc	\$7,309	ADP Support Equip
Lynnwood	Sog Specialty Knives, Inc	\$4,608	Hand Tools, Edged, Nonpowered
Lynnwood	EDP System Services Inc	\$4,545	ADP Support Equip
Lynnwood	McManus Brothers Inc	\$4,500	Maint & Repair of Eq/Office Supplies & Devices
Total		\$26,490,151	
Marysville	D E W Management Services I	\$1,468,199	Food Services
Marysville	Seacast, Inc	\$112,706	Automatic Pilot Mechanisms & Airborne Gyro Comps
Marysville	Aerospace & Defense Manufacture	\$33,226	Airframe Structural Components
Marysville	Williams Scotsman, Inc	\$31,402	Prefabricated and Portable Buildings
Marysville	Industrial Technologies Inc	\$10,740	Recycling and Reclamation Equipment
Total		\$1,656,273	
Mill Creek	Huntron, Inc	\$2,270,987	Electrical & Elect Properties Meas & Tst Instruments
Mill Creek	McClure And Sons Inc	\$1,544,530	Maint/Dams
Mill Creek	Lrt, Inc	\$308,935	Airframe Structural Components
Total		\$4,124,452	
Mountlake Terrace	Tetra Tech, Inc	\$146,466	Other Special Studies & Analyses
Mountlake Terrace	Financial And Personal Success	\$65,106	Educational Services
Mountlake Terrace	Nova-Tech Engineering, Inc	\$58,408	Engineering Technical Services
Total		\$269,980	
Mukilteo	Ametek, Inc	\$272,301	Motors, Electrical
Mukilteo	Synrad Inc/Excel Purchasing Gr	\$67,057	ADP Support Equip
Mukilteo	Smith & Benzel, Inc	\$66,006	Circuit Breakers

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Mukilteo	Skyline Communications, Inc	\$65,224	Other Conservation & Development Facilities
Mukilteo	Striegel Supply Inc	\$45,500	Diesel Engines and Components
Mukilteo	Tone Commander Systems Inc	\$41,756	Telephone and Telegraph Equipment
City	Firm	Amount	Typical Services
Mukilteo	Wizard International, Inc	\$34,885	Woodworking Machines
Mukilteo	LJM Installation	\$32,200	Installation of Eq/ADP Equip & Supplies
Mukilteo	Metron, Inc	\$18,869	Inspection Gages & Precision Layout Tools
Mukilteo	Slope Indicator	\$13,867	Physical Properties Testing Equipment
Mukilteo	Prop Shop Incorporated	\$4,400	Ship and Boat Propulsion Components
Total		\$662,065	
Snohomish	Snyder Roofing & Sheet metal, I	\$976,468	Maint/Other Miscellaneous Buildings
Snohomish	Darling Sons Int'l, Llc	\$232,041	Trucks and Truck Tractors, Wheeled
Snohomish	Canyon Motor Rewind Inc	\$53,000	Non-nuclear Ship Repair (West)
Snohomish	Kennedy-Johnsen Lumber Inc	\$35,980	Lumber and Related Basic Wood Materials
Snohomish	MJH Creative Design Inc	\$22,842	Maint/Other Miscellaneous Buildings
Snohomish	Cascade International Technology	\$21,930	Maint & Repair of Eq/Communication Equipment
Snohomish	Harvey, Lance Trucking & Excavate	\$15,500	Unimproved Real Property (land)
Snohomish	Eagle Pest Eliminators, Inc	\$9,852	Pesticides Support Services
Snohomish	AAA Monroe Rock Corp	\$396	Mineral Construction Materials, Bulk
Total		\$1,368,009	
Grand Total		\$77,525,736	

Source: Department of Defense database, includes payments to firms located in Snohomish County that serve the DOD in Snohomish County and elsewhere in Washington State, the United States and overseas.