

Great Plains board, staff look to future as park activity increases

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Great Plains Industrial Park director Brad Reams works from his desk at the park in Parsons. Great Plains is on the former Kansas Army Ammunition Plant property.

Colleen Williamson/Sun photo

Great Plains Industrial Park property manager Tim Peoples looked out the office window at all of the activity, smiled and expressed the happiness everyone working there is feeling.

Trains were unloaded. Semi trucks were loaded and traveled out of the park. Semi trucks from out of state were headed into the park with items to be stored in leased buildings. General traffic moved up and down the roads, and a company worked on replacing an older asphalt road with concrete to manage the heavy traffic.

"It's a fun experience," GPIP director Brad Reams said. "Things have started to pick up speed. Cold calls become tenants and it's certainly fun."

A white board in Ream's office was filled with current projects and looked toward long-term goals. As he approaches his 15-month mark as director, Reams admits he is amazed with how things have transpired. It just takes a sustained effort every day.

"I've been excited since before my first day, honestly. I haven't had to search for motivation. Some of the feedback we've been getting in recent months makes you more excited. When people say the things that you're thinking ... yes. That's exactly what we wanted to happen," he said.

Last week he spoke to national companies about Great Plains' focus on sustainability and innovation and received great feedback.

"That was really good to hear," he said. "When we got the positive feedback, 'Your park can be a sustainability hub. It can be an innovation center,' that was good to hear. We didn't get, 'Well, you are in Kansas, so it's going to be hard.' We didn't get, 'Well, you can be innovative if you find somebody else that is willing to take a huge risk.' I didn't hear any of the types of comments, which was great."

Reams follows various economic development groups and reads how they're building an innovation park, or investing in clean energy, cutting edge things. He said he reads those things with a little envy, but now that Great Plains is hearing some of these things it is not unreasonable to think Great Plains can do it, too. That helps to keep them motivated.

Great Plains has gone through the initial stage of filling up some buildings that were always show buildings. Now they are going on to the second level of buildings. He said it is important to get the word out to business and industry nationally and internationally that Great Plains is available to meet their needs.

"I've been reading through the master plan from K-State that they did in 2015 and a lot of those things are valid. I was looking at our marketing plan and we are actually working with the interlocal we have with the city and the county, and we are looking at engaging a marketing group called GSLI. Their Kansas representative is actually in Lamar, Missouri, so she is going to come down and do what is called a discovery day and start seeing what industries we want to target the we're already targeting, as to how can we get to them a little bit easier – the renewable energy groups, the rail centric groups, the munitions groups. How do we get our name out there and attract them" to Great Plains, the city and the county, Reams said.

Marketing groups also offer the advantage of presence at trade shows, giving those working with them the opportunity to present out of their booths at the different shows without a huge cost to Great Plains, the city or the county. Reams said as much as Great Plains needs to reach out, it also needs to see what can be cultivated locally, because of the history of being an incubator for some Parsons companies.

"So let's see what we can do," he said.

One step Great Plains is taking is working on becoming a Foreign Trade Zone to help incoming companies and existing local companies with their bottom line.

"We will be an extension of the Greater Kansas City Foreign Trade Zone. They will be putting our application in. We

are working with them. They are the grantee in Kansas, and we're under them. They will extend their authority down here," Reams said.

There are two types of FTZs. You can have a production side, which is manufacturing, or you can have a warehousing side.

"Where we think we can help most companies locally is the warehousing side. So if they have foreign sourced material, they can bring it in here," Reams said.

Foreign products coming into the country have a tariff or quota. Those cannot be applied in an FTZ, as those zones are considered outside the United States, though they exist within its borders. The FTZ provides companies the advantage of buying at a mass quantity at a reduced rate and the items will be warehoused in an FTZ for a year or so before the product is moved. At that time they would have to pay the tax, but they have had the benefit of those funds remaining in their bank accounts an additional year.

If what is shipped to an FTZ is used in manufacturing to produce a different product that will leave the FTZ, the item becomes something assembled in America and leaves with a different code attached to that product, saving the company the original tariff.

"If you exported that to Mexico, for instance, technically, because of the rules, it was never in the United States in the first place, but we all know it physically came in, someone worked on it and it went back out," Reams said. "So those are the import/export rules everybody plays by."

If a local company ordered a component from China, and they rented 2,000 square feet of space at Great Plains, hired two people to attach another part to it before sending it back out, their finished product is assembled in the U.S. It's something different.

“It saves them money. That money can go to their bottom line. They can hire more people. They can raise wages. It creates a trickle effect in the community. So that is something we are really hoping, once we put in the application, that Great Kansas City will do that for us,” Reams said. “We will have three months’ wait on that through the International Trade (Administration) because we will have to get on their docket. It takes them about three months to analyze it. There have been a lot of pre-conversations. ... I can’t say it is a slam dunk, but I’m 90% confident it is going to happen in 90 days once we get it in.”

Playing into the addition of an FTZ in Great Plains, Reams said he believes the ability to store wind and solar components is going to become more attractive in the next two years, creating more potential for Great Plains.

As far as existing buildings, he said they could use igloos for cargo, such as solar panels or crates, bringing their total available space to anywhere from 500,000 to another 750,000 square feet available, but it is likely not enough to meet the potential demand as the park develops.

“That gets us to a good point to where we have to consider is it worth building a building? That’s what we’re trying to gauge right now,” Reams said. “Between the time we send in our FTZ application and February, it’s going to be our time to work on prospects and see what’s the volume going to be? If somebody needs a 200,000- square-foot building, that we don’t have, with a 30-foot ceiling. We build that building and how does that get built? What’s the funding look like? ...We certainly have strategic partners that could come in and build it for us, and we could lease it back, but as far as revenue all we would have is the land sale.”

Selling off land that can serve as ongoing revenue is a concept that Great Plains moved away from years ago. Now, Great Plains staff is focusing on using that land for potential growth and expansion for warehousing and manufacturing and ongoing income for the industrial park.

“It’s been eye-opening in the last year what people need for warehousing. Because in our eyes, those were warehouses down there in the 1400 Area and we thought, ‘Everybody will want those.’ Well, a lot of people want 30-

foot ceilings. They want to be able to put in a big racking system, like Amazon warehouse, and that's not those. That's a whole different building," Reams said.

The industrial park needs diversity in its offerings as interest continues to grow. A lot of those conversations have happened in the last 12 months, so the staff and board know what's ideal and what they need to focus on.

"If you are going to be an effective warehousing site, what does that look like and how does that operate? Just having an empty building is only part of it," Reams said.

Having limited space to suit specific needs has placed Great Plains in the position of multiple companies wanting to lease the same building, Reams said. For example, he said, building 1206, the tallest building on site, is being looked at by companies considering it for warehousing and manufacturing. Manufacturers like the 30-foot ceilings, but so do warehouse users.

"So it's kind of a race as to who is going to get it first, because it could become an 18,000 square-foot warehouse, but someone could add on to it and it could become a 100,000 foot production site," Reams said.

The newest contracts signed at Great Plains have provided the staff with new perspective, especially pertaining to potentially erecting new buildings and how that would be done and where.

"I do think there are some funding opportunities out there that wouldn't be real hard on our bottom line. I don't know that there is a straight grant out there, but I know there are some low interest loan opportunities for us if an opportunity like this comes along. What we have to start working on right now is what are the opportunities working with (FTZ) in Kansas City, so what is our timeline on building a building? Who's going to need it? When are they going to need it, that type of thing.

"It is something we'd pull the trigger on if it is a 200,000- to 500,000-square-foot opportunity that's probably five-

to 10-year lease," he said.

Reams said he sees a similar trade balance with Asia. He does not see tariffs going away. For American companies to be competitive, they have to get some materials from Asia. That's going to create the demand.

"So I think it would be something on the kind of scale that would cause us to build a new building for warehouse. While we have filled up the buildings in the 1400 Area, those are two-year leases, so at the end of those two years, we will have those buildings back. So it will be something that needs the height and that needs the modern warehousing, but I think there will be a demand for those other buildings once the two-year lease is up, and once people know there is an FTZ in place."