

FIRST ACRES TRANSFERRED!

After nearly five years, the first parcel of the Kansas Army Ammunition Plant finally transferred. As drawn out as those five years may have seemed, this transfer actually marked the first acreage to move through the process for the Army.

On February 9, 2,600 acres was acquired by the Great Plains Development Authority. It included 2,000 acres along the west and south borders, which will later be transferred to the Kansas Department of Wildlife and Parks, and 600 acres, which have been determined free of environmental contamination and ready for industrial development. The 600 acres lies roughly along both sides of the intersection of Road D and Road 1, which will become county roads Scott and 23,000.

There are no buildings on any of the property that was acquired.

Members of the GPDA's board of directors, and the board of the authority's predecessor, the Local Redevelopment Planning Authority, were in attendance and each kicked



Chairman Bob Wood signs the \$1.00 check to purchase 2,600 acres from the Army, while past-chairman James McCarty waits to add his signature.

in a nickel to help raise the necessary dollar for the purchase price. Other nickels came from staff and legal counsel, Fred Johnson.

Unfortunately chief executive officer Dan Goddard had to join the meeting by phone. Goddard had been pulling together last minute details for the signing package at the Pentagon when the historic D.C. blizzard hit, delaying his return home.

Goddard said that difficulties in being first in line for transfer slowed the process because the Army will use the

KSAAP transfer as precedence for later transfers.

A second parcel of 6,100 acres is expected to be acquired by the GPDA in mid-to late-summer. The organization will pay a cash amount of \$49,999 for that parcel, plus enter into a 10-year revenue sharing agreement.

Additional revenue sharing payments will not exceed \$3,450,000. The GPDA has the ability to cap out on those payments at the end of seven years if a total of \$3 million has been paid.

CEO Dan Goddard said he

was extremely pleased with the deal that was struck with the Army, saying, "The real benefit of this payment structure is that it's not a financial burden for the residents of Labette County.

"If we're successful, the Army wins, but if development is slower than anticipated, the people of the county aren't saddled with a financial obligation."

Details of the transaction can be found on page 2.



NEGOTIATED SALE DETAILS

PURCHASE PRICE

The purchase price for the first 2,600 acres is \$1.00. The purchase price for the next 6,100 acres will be \$49,999. Additional payments will be made from gross revenues for a 10-year period, with the total additional payments not to exceed \$3,450,000.

This financial obligation terminates:

- When the 10-year period ends, whether or not the \$3,450,000 has been paid, or
- When the total of \$3,450,000 has been paid, or
- At the end of seven years, if payment of \$3,000,000 has already been paid.

ALLOWED EXPENDITURES

The GPDA's portion of proceeds realized from the property must be reinvested in the property to further enhance its value for future operations. The GPDA is required to submit annual financial statements, audited by an independent CPA, that account for the reinvestment of those proceeds during the 10-year reporting period. All expenditures must fall into one of the following 12 categories.

1. Road Construction
2. Transportation management facilities
3. Storm and sanitary sewer construction
4. Police and fire protection facilities and other public facilities
5. Utility construction
6. Building rehabilitation
7. Historic property preservation
8. Pollution prevention equipment or facilities
9. Demolition
10. Disposal of hazardous materials generated by demolition
11. Landscaping, grading, and other site or public improvements
12. Planning for, or the marketing of, the development and reuse of the installation.

REVENUE TO BE SHARED WITH ARMY

Revenues received by the GPDA, from the property itself and excluding grants, will be shared with the Army in three categories.

Land Sales

(any property sold other than the original 2,600 acres)

- Years 1 through 6: 25%
- Years 7 and 8: 30%
- Years 9 and 10: 50%

Operational, Industrial and Commercial activities

(lease of ag land, storage units, etc.)

- Years 1-4: none
- Years 5 and 6: 5%
- Years 7 and 8: 30%
- Years 9 and 10: 50%

Rail Operations (rail car storage and movement)

- Years 1-5: none
- Years 6 and 7: 5%
- Years 8 and 9: 30%
- Years 10: 50%



FROM THE PAST...



This 1986 aerial view of the Kansas Army Ammunition Plant shows two administration buildings during the move from one to the other.

DZI's manager of quality assurance, Bill Gorman, said he began work in the old building in May 1986, but was moved into the new one about three months later. It is believed that the old one was demolished early in 1987. The circle drive and flag pole can still be seen today.

The "new" administration building contains 67,000 sq. ft. of space and cost \$4,989,400. The building and a surrounding 10 acres will be put up for public bid sometime this summer by the Army.

FOCUS ON GPDA AT ADC

All eyes were on the Great Plains Development Authority at the Association of Defense Communities (ADC) Winter Conference. Only a week after the Army's first transfer of the 2005 BRAC round, the GPDA had a voice that other closure communities were clamoring to hear.

CEO Dan Goddard was a featured speaker for a session on Economic Development Conveyances (EDC). He explained the details of the GPDA's purchase contract with the Army – the first such contract to be negotiated, and one that is expected to become a model for other transfers.

The session was so popular that a wall partition had to be removed to double the size of

the room, and additional seating was put in place to accommodate all the people trying to listen from the hallway.

The local conveyance application was completed with the guidance of Matrix Design Group and was the first received and approved by the Army. The application process was funded by the Department of Defense's Office of Economic Adjustment.

Later in the conference Goddard and LRPA chairman/county commissioner Brian Kinzie were invited to sit in at a private session with the Army to provide feedback and assistance in developing EDC guidelines for the properties that are still waiting to transfer.

Congresswoman Helps Celebrate DZI Anniversary



Photo courtesy of Parsons Sun

Day & Zimmermann, Inc. 40th anniversary reception on Monday, March 1. General manager Sally Boulanger took advantage of the anniversary to remind the attendees of the company's long-standing presence in the community and of the two- and three-generation families it has supported in Southeast Kansas. Boulanger also recognized

long-term employees, as well as all the employees who are standing by the company during its transition from Army contractor to private operation.

Congresswoman Lynn Jenkins took time out of her business schedule to attend the event and complimented the employees for their perseverance in helping the company reorganize.

SECURITY NOTICE

Although property has begun to transfer from the Army to the GPDA, security is still in place at the Kansas Army Ammunition Plant.

Only those who have been through security clearance and have official business on the grounds are allowed inside the gates. All entries must be made through Gate 1 at 23,000 and Rooks roads.

The public should remember that trespassing on the property is a federal offense.

Although the GPDA anticipates acquiring its second parcel of land this summer the Army will still have ownership of several thousand other

acres with the continued federal enclave designation.

The entire plant area will remain closed to the

public for some time though, even after all transfers have occurred.

Decontamination of explosive hazards must be conducted and sensitive areas must be secured. CEO Dan Goddard says the property may remain closed to the public for a year or so until other security measures can be put into place to protect the public from contaminated areas and explosive hazards.



Comments from the Chairman

The following comments were made by chairman Bob Wood during the board meeting where the GPDA acquired its first 2,600 acres.

"When the BRAC issue first came up, I expected a much more difficult, contentious process to transition the property from the Army's ownership to whomever it was that was going to end up with it.

"Today, I strongly believe that the Army has worked hard to make our opportunity for success the best it can be. It recognized the need for economic growth in our area, and has worked to give us some tools to realize that success.

"The agreement that we've entered into today gives us the best opportunity to keep DZI jobs in Labette County, and create many more in the future."

BOARD OF DIRECTORS

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- Dan Peterson**
Vice-chairman
- Montie Taylor**
Secretary/Treasurer
- James McCarty**
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- Craig VanWey**
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- Ann Charles**
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- Larry Hastings**
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- Marti Morris**
Office Manager

I LOVE IT WHEN A PLAN COMES TOGETHER!

I love it when a plan comes together! Over the past five years, we have been steadily moving toward property transfer and converting the Kansas Army Ammunition Plant to the Great Plains Industrial Park. With transfer of 2,600 acres of property from the Army to the Great Plains Development Authority (GPDA) we have taken a giant step forward and lead the 2005 base closure communities.

This transfer would not have taken place nearly as soon as it did without the great relationship between the Army and the community and the support of many people. Governor Sebelius, Governor Parkinson, Senators Brownback and Roberts, Congresswomen Boyda and Jenkins and the remainder of the Kansas delegation, State Senator Umbarger, Representative Proehl, and many others all helped us during our negotiations.

Our next effort is to transfer the remaining 6,100 acres to the GPDA. This transfer is more complicated since it will be an early transfer which means the property will transfer prior to environmental remediation being complete. There is much more involvement from the Kansas Department of Health and Environment and the Environmental Protection Agency, and the Governor needs to approve the transfer. We are well on our way to completing this process as well as contracting with the Army for environmental clean-up and long-term monitoring — all funded by the Army.

In the meantime, we have completed several initiatives designed to standardize development of the Great Plains Industrial Park (GPIP). First, we have completed a Public Safety Feasibility Study which looked into fire protection, emergency management and response, and security and law enforcement. Second, 911 addressing for the GPIP has been completed since the Kan-

sas Army Ammunition Plant was not addressed when the rest of the county was.

Third, the GPDA has established utility easements for all new utility construction so utility companies and future tenants of the park can plan for development.

Fourth, a zoning study was completed for the GPIP except for the property which will transfer to the Kansas Department of Wildlife and Parks (3,000 acres). The zoning study only pertains to the property inside the boundaries of the GPIP and does not affect property outside the fence line. The study has been referred to the Labette County Commission for consideration.

Finally, the GPDA has requested the Labette County Commission designate 600 acres of the first transfer a Redevelopment District.

Keeping on top of this entire process is a huge task. The members of the GPDA and my staff are to be commended for their dedication to being engaged in the process. We have also briefed many local organizations during the past several months and are willing to meet with any group which wants to better understand what is happening at the Great Plains Industrial Park. All anyone needs to do is give our office a call.

FROM THE CEO'S DESK



Daniel Goddard,
Chief Executive Officer

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