

MEMORANDUM OF MEETING

DATE: August 2, 2005

TIME: 2 p.m.

LOCATION: Wright Patterson Air Force Base

MEETING WITH: Dayton DFAS community officials

SUBJECT: To discuss DFAS BRAC recommendation

PARTICIPANTS:

Mark Schwieterman, City of Kettering, Assistant City Manager, (937) 296-2412
Steven Husemann, City of Kettering, City Manager (937) 296-2412
Amy Berlean, City of Kettering, Community Information Manager
Lou Ferraro, Dayton Development Coalition
Jim Leftwich, Vice President, Dayton Development Coalition

Commission Staff:

Marilyn Wasleski, BRAC Analyst (Prepared memo)

MEETING SUMMARY:

The community members presented information on why they feel the DFAS Dayton located in Kettering, Ohio should remain open.

Please see attached briefing for details.

2005 Base Closure & Realignment Commission



BASE VISIT SIGN IN SHEET

Name	Title	Organization	Contact	Email
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letter from

news and events that define the places we live

BY RON ROLLINS

LETTER FROM KETTERING

Can-Do Spirit

Let me be right up front about this part, so that nobody has to wonder while they're reading: I love my town. I love living here.

If you don't know Kettering, allow me to introduce you. It's the second-largest city in Montgomery County, the biggest in the ring of suburbs around Dayton. At about 58,000 people, it's got a nice-sized, easy-going atmosphere, and it feels smaller than it is.

Despite the average American's bias toward suburban stereotypes of white-bread blandness, and admitting that home is where the heart is, or at least should be, let me plead my case here and now on just why I believe Kettering is a fine, fun and even fascinating little corner of the world, and why it's the place my wife and I have been very happy to settle down and raise a family.

Unlike a lot of suburbs, especially newer ones, it's socio-economically diverse, with lower-cost housing on the east side and multi-million-dollar homes just a few miles away on the west side. In between is a wide spread of middle-range housing stock, from cozy brick ranches to early-'60s, four-bedroom tri-levels and plenty of upscale charmers. My wife and I have always felt that this spread works against the homogeneity that can make suburbs downright boring, and we like that.

Our town is built on a heritage of intelligence and wit: It's named after Charles Kettering, the engineering genius who got



Civic assets: Frazee Pavilion (left) and Lincoln Park (above)

his start with the National Cash Register Co. in the early 1900s and decided there was money to be made for whoever could figure out how to start automobiles without having to turn that big hard crank on the front. Sure enough, he got together with some brainy friends and created the electric self-starter, which, from the 1912 Cadillac on, meant all that stood between you and the open road was a little key.

Kettering became filthy rich, needless to say, and was generous. Our town boasts an excellent hospital named after him and his family, where my son was born. When

the good people of Van Buren Township decided back in the 1950s that they were ready to incorporate, it just seemed right to name their new city after Boss Kett.

The center of that celebration was a place called Lincoln Park Commons, and it's as good a place as any to start a conversation about the reasons why I like living here.

Since Kettering was a classic post-war bedroom community carved from a rural township, it was born without any actual town center. No downtown, no cluster of shops, not even a central intersection of roads with a few churches to mark the middle.

About 20 years ago, Kettering's very smart city planners realized that a real city had to have a real center. They looked to a green, tangled patch of undeveloped farmland and foresaw an attractive mixed-use complex that included a restaurant, offices, apartments and condos, a big park with a pond, a paved commons with fountains, and a big outdoor amphitheater.

In fact, that's exactly what we have today. Lincoln Park Commons is a nicely landscaped, wonderfully strollable area that provides a venue for festivals and large community gatherings, which happen all through the summer.

In the middle of it all is the Frazee Pavilion, also named after a famous inventor who lived here. That would be Ermal Frazee, the guy who figured out the beverage can pop-top. Like Boss Kett before him, he made a fortune from creating something that lots of folks realized they couldn't live without. That sort of ingenuity is the Kettering way.

It applies itself to this day, all over town. Say, for instance, that you have a Gold Circle store that's abandoned by its company and just sits there vacant, dragging down its neighborhood. While in many cities it might continue to do just that, in Kettering it gets bought by the city and converted quick-quick into a thriving business — in this case, a catalog phone-room for Victoria's Secret, which employs several hundred ladies.

Or say, for example, that you had a rundown shopping center on the edge of town that was devolving into blight. While in many cities it would keep on doing just that, in Kettering city leaders found a way to convert it into a complex of offices and restaurants that has become a hot new place to locate. Even better, the city's about to do the same thing with another run-down shopping center across town.

Or just pretend that the federal government closed down a big military facility in your city and moved all the jobs to Columbus. In lots of towns, this would mean a big empty base that becomes a home to rats and cobwebs. In Kettering, it's created an opportunity for a new industrial park that's half full and about to become home to the municipal court.

And on and on. The bottom line here

is that the folks at city hall always seem to come up with a solution to whatever problem comes wandering down the planning pike.

That's good, because Kettering is one of those towns that the urban-planner types who write reports and expensive studies call an "at-risk, developed suburb." That means we aren't the hot new place to move to anymore. Our household income isn't the highest in the area, our houses were mostly built before 1970, and people don't want to move here in the same huge numbers that are drawn to farther-out burbs like those in Warren County, where the motto is "Show us a cornfield, and we'll show you a future housing development."

Nope, here in Kettering you can be pretty well assured that your neighborhood will stay the way it was when you found it — but on the other hand, your property values won't double and you won't have a gigantic great room with vaulted ceilings.

What folks in Kettering do have is something you can't grow from a cornfield: city pride. And we've got it in abundance.

We consistently pass school levies, when richer districts around us dump 'em and let their kids attend class in trailers.

We staff a volunteer fire department that's one of the biggest in Ohio.

We celebrate together every Labor Day weekend at the Holiday at Home festival — a big blowout full of parades, fireworks, craft shows and just plain hanging out — created by the city decades ago for the sole reason of keeping people home for the holiday. Judging from the crowds at the huge parade, where hundreds of people start setting lawn chairs along the route at around 3 in the morning, the plan apparently worked.

But my neat little burb has done a lot more than figure out how to throw a parade to keep folks here happy to stick around.

In the last few years, Kettering has built a splashy new water park, one of the first in our area. The schools are using the money from the last levy they (easily) passed to renovate and expand every school — literally, every single one, from K to 12 — in the district. The city and schools are work-

ing together on a spanking new athletic facility for city residents, complete with courts, weight rooms and walking/running tracks, that will be as good as those you find at most colleges these days. It'll be the second one in Kettering.

The city maintains an active public arts program, and two years ago invited sculptors from around the world to come to town and work their magic on massive blocks of limestone that have since been placed at highly visible spots around town — mini-landmarks, if you will. I like to think of them as monuments to why I like it here.

As I've mentioned, Kettering already had a reputation for being smart, livable and can-do when it comes to problem-solving. Does that mean everything is perfect, and that no problems are on the horizon? Of course not. The federal government recently announced that it's moving about 450 defense jobs out of town, and the big Delphi plant that is a major employer is a local question mark as its company faces an unsteady future with General Motors.

Am I worried? Not at all.

Not to sound all Pollyanna about it, but it's reassuring and comforting to live someplace where you're confident in the way it's run. I've lived in plenty of towns where that was decidedly not the case, and as a government reporter I've covered others.

In Kettering, down here in the south Dayton suburbs, I'm happy and proud to report that life is fine, the grass is green and any iceberg we see ahead seems easily steered around.

Last night, I found myself sitting at the Frazee Pavilion as evening fell and the music of jazzman extraordinaire Herbie Hancock filled the breezy summer air around me. Surrounded by a few thousand of my neighbors, just two miles from my house, a block from my church and just a bit farther from my childrens' high school, I felt as though life might get better than this somewhere, but that I just didn't need to worry about that. ●

Ron Rollins is a freelance writer and an editor at the Dayton Daily News, which is located in the city he happily admits is his second favorite, right after Kettering.

**DFAS Dayton
Kettering, Ohio
Index**

1. August 2, 2005 Presentation
2. Draft of August 2, 2005 Letter to BRAC Commission
3. Dayton Region Recommendation Regarding DFAS Dayton
4. DFAS Dayton BRAC Criteria Analysis
5. Press Releases and Buffalo Regional Hearing Information
6. DFAS Dayton Vicinity Map
7. DFAS Dayton Building Capacity Plan

DFAS – Dayton
City of Kettering and Dayton Development
Coalition Presentation

BRAC 2005
August 2, 2005

City of Kettering, Ohio

•Population 57,502

•12th Largest City in Ohio, 2nd Largest City in Montgomery County

•Median Age 38.9

•27% 55 and Older (1,100 over 85)

•25,936 Housing Units (1,279 Vacant Units)

•College Degree – 39% of those over age 25

•Median Household Income \$45,051

First I would like to start with a little history of the City of Kettering.

The City of Kettering was founded in 1952 and our population is roughly 57,500. We are the 12th largest city in Ohio.

City of Kettering - (General Facts)

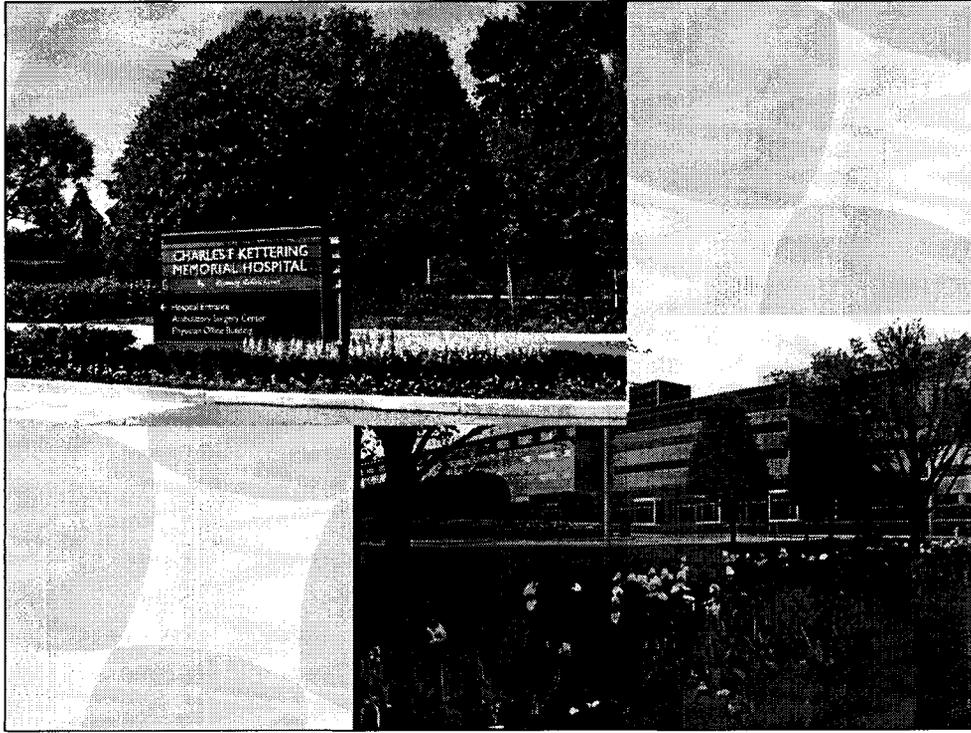
- **1st Tier Suburb of Dayton**
- **Incorporated in 1952**
- **18.4 Square Miles**
- **Annual Budget of \$65 Million**
- **250 Miles of Street**
- **1,700 Businesses/Employers**
- **80% Small and Medium Size Businesses**
- **Income Tax Revenue GT 50% of Revenue**
- **95% Built Out – Focus on Redevelopment**

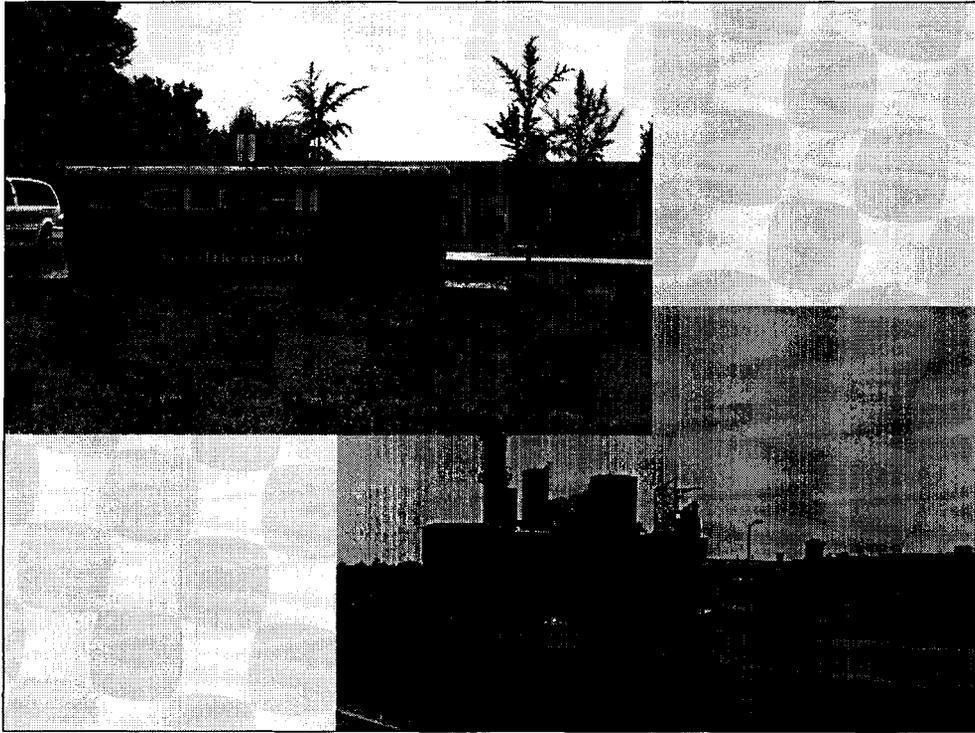
Kettering is a first-tier suburb of the City of Dayton and has been experiencing a decline in population and tax base over the last 10 years due to Urban sprawl. Kettering offers a diverse housing stock, has a reasonable cost of living and an excellent public school system. We offer outstanding cultural and recreational amenities for those who live, work and visit Kettering.

The City of Kettering consists of 18.4 square miles, 250 miles of roadway and has an annual budget of \$67 million. The community consists of approximately 1,700 businesses. 80% percent of those businesses are considered small- and medium-sized companies. Our major source of revenue is generated from a local income tax. This income tax generates greater than 50% of the total revenue for our community. We are a community that is 95% built out and we must focus on retention and redevelopment to maintain our quality community.

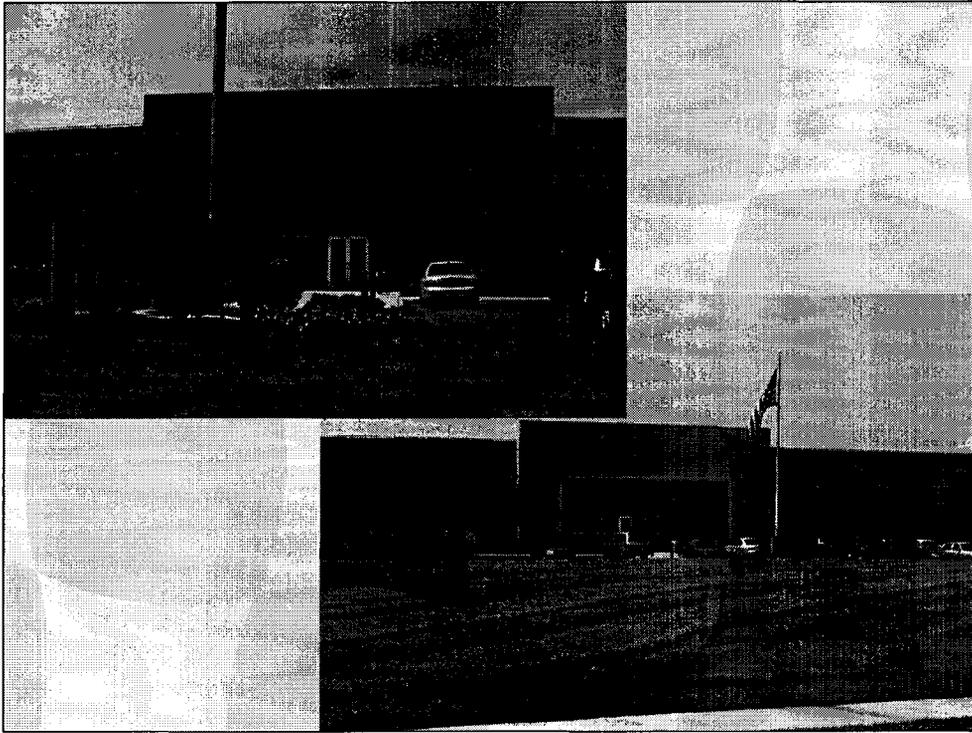
Major Employers in Kettering

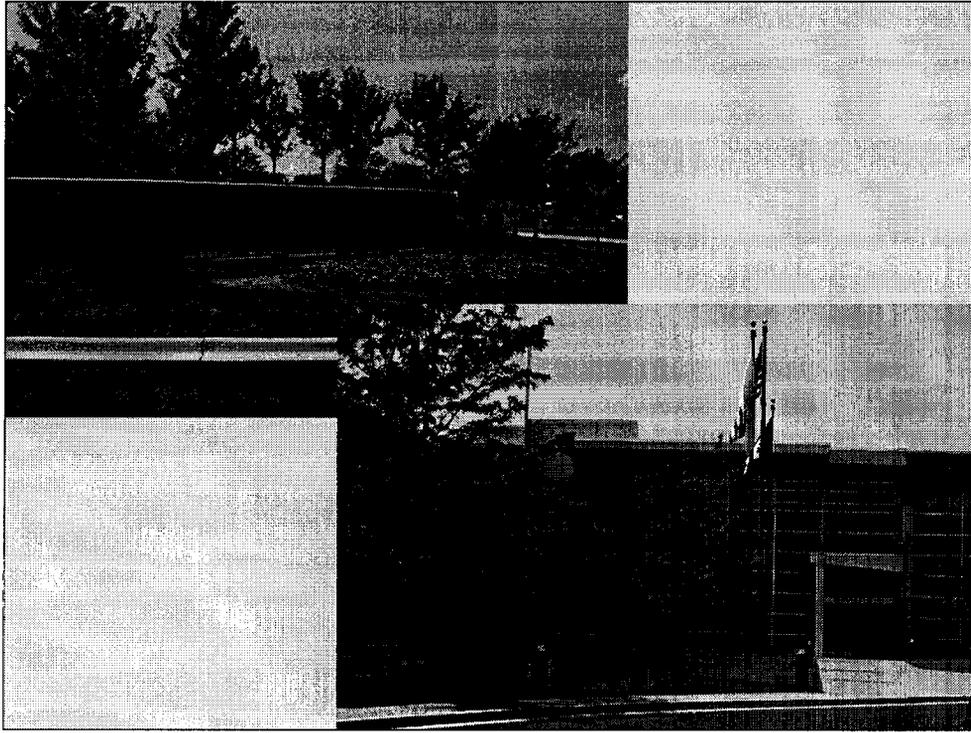
- Kettering Medical Center
- Delphi
- Reynolds and Reynolds
- GE Retail Sales Finance
- Kodak Versamark
- Kettering City Schools
- DFAS and Other Federal Gov't Agencies



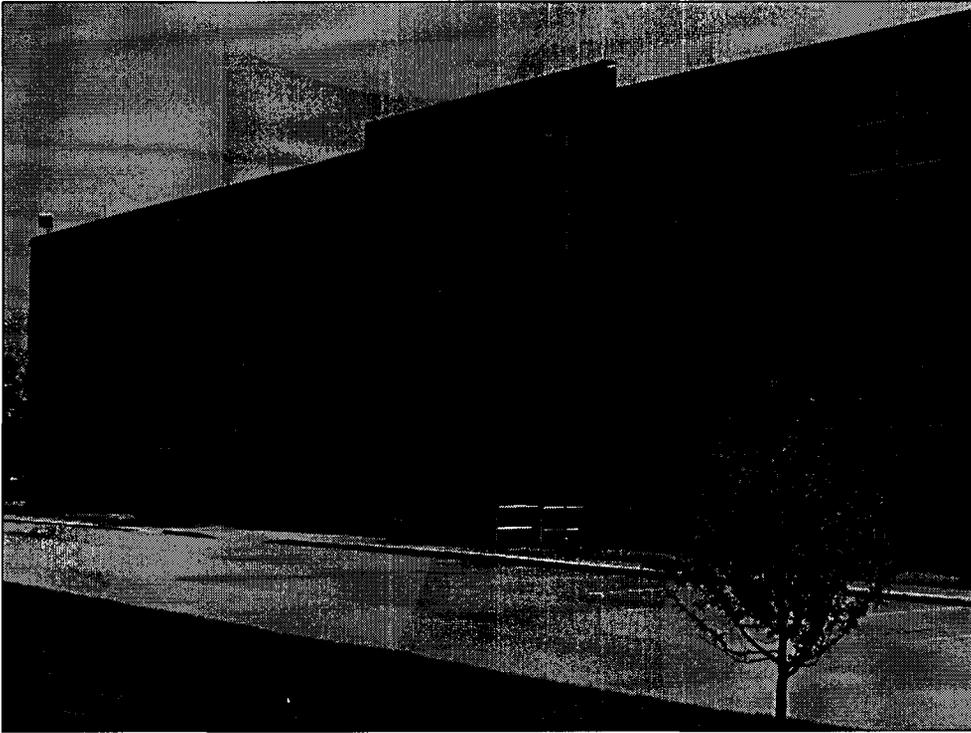












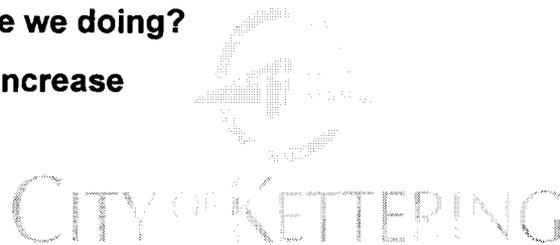
Kettering – 2005 – Current Challenges

•Financial Issues

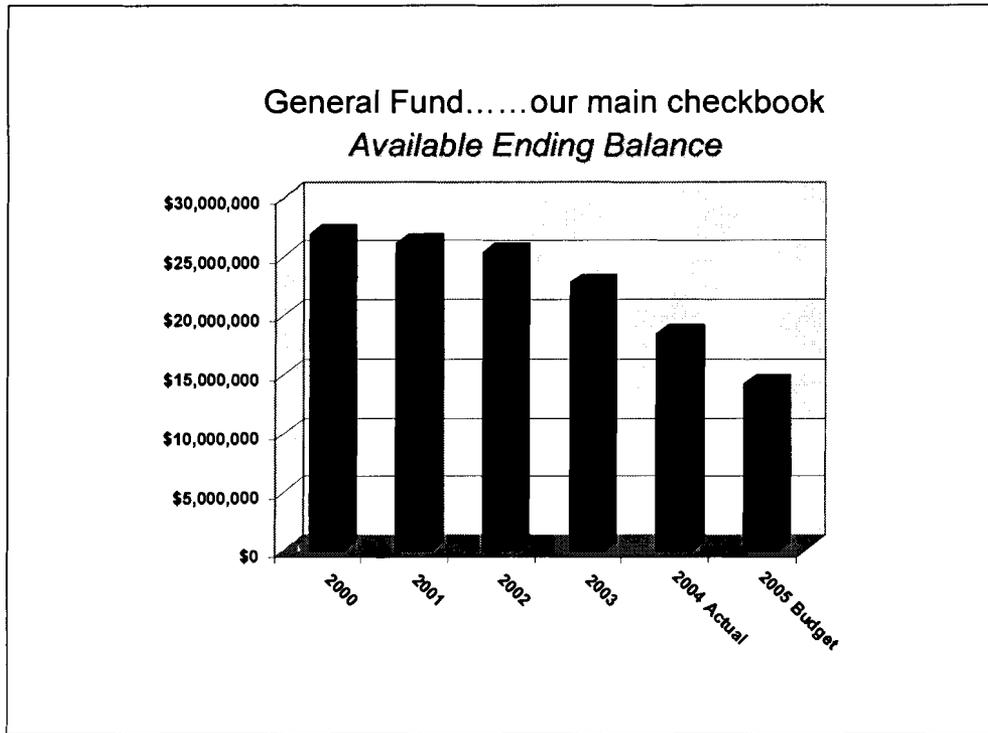
- Declining Fund Balance**
- State Budget Cuts**
- Expenses increasing faster than revenues**
- DFAS Closure Announcement**
- Delphi Uncertainty**

•What are we doing?

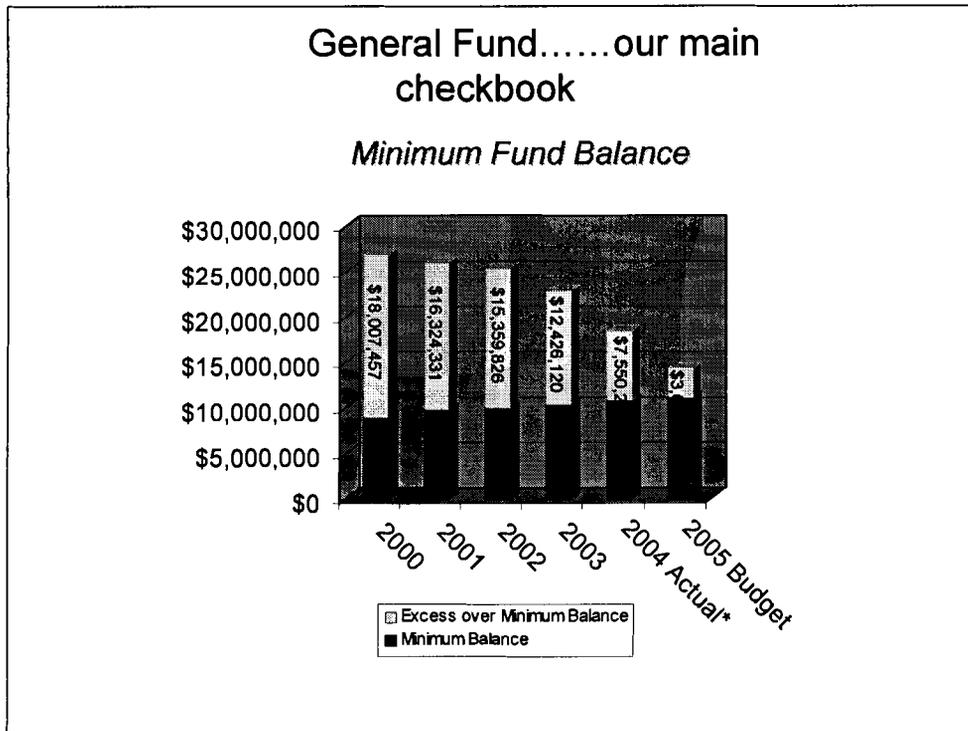
- Tax Increase**



The City is currently suffering through the current economic downturn as are many cities throughout Ohio. We are experiencing a declining fund balance, state budget cuts, expenses that are growing faster than revenue sources and a decline in our income tax base. The proposed closure of DFAS and the uncertain future of our largest employer Delphi has certainly kept us on edge this past few months.



Due to this economic decline, the City has been very aggressive in reducing expenses, payroll and other costs. Reductions that are very similar to the type of reductions in the BRAC 2005 recommendations. Based upon the current economic trend of the City, we anticipate asking our voters in 2006 for a one-half percent increase in the local income tax rate. Which is actually a 29% increase in the rate. This is the same tax that is paid by the 400 plus employees at DFAS Dayton.



This slide shows that we are getting dangerously close to the benchmark for an acceptable minimum General Fund Balance of 90 days worth of operating expenditures. This minimum balance is the reason for our intended request to raise our tax rate.

DFAS - Dayton

- BRAC 1993
 - Closure of Gentile Air Force Station in 1996
 - 2,500 jobs
 - Regional Economic Impact
 - Loss in Kettering Income Tax Base
 - Condition of Gentile for Redevelopment

As I am sure you are aware, the City of Kettering was involved in the BRAC 1993 process. BRAC 1993 recommended the closure of the Gentile Air Force Station, which was located in Kettering.

The closure of Gentile Air Force Station, with DESC as its main tenant in 1996 resulted in the loss of over 2,500 jobs. It was estimated at that time the regional impact of that loss was \$1 billion per year. Obviously, this was a significant impact to the local income tax base for the City of Kettering and the redevelopment of the Gentile Air Force Station became our number one priority.

As you can see from the video, demolition of much of the existing base was required for redevelopment into a public/private business park operation.

DFAS - Dayton

- BRAC 1993
 - Opening of the Kettering Business Park
 - 1,800 Jobs
 - 920,000 s.f. Occupied
 - 560,000 s.f. Vacant
 - \$43M in Governmental Investment

Although we have received a national award for the redevelopment of the Gentile Air Force Station, we have still not yet fully recovered from the loss of Gentile Air Force Station.

Of the 2,500 jobs that were lost on the base in 1996, the City has been fortunate to be able to replace 1,800 of those jobs. However, the new 1,800 jobs do not have the same economic value as the jobs that left in 1996 both in wage amounts and spinoff activity. Also, the City, the State and the Federal Government have had to invest over \$40 million into the redevelopment of Gentile Air Force Station into what is known today as the Kettering Business Park. After over 10 years of redevelopment efforts, the City has just received the final parcel of land from the Air Force. Today, the Kettering Business Park consists of 920,000 square feet of occupied space and 560,000 square feet of vacant buildings. We also have yet to redevelop over 25 acres of previous park land that was associated with the air force station.

DFAS - Dayton

- BRAC 2005
 - Closure of DFAS-Dayton
 - 230 Direct Employees
 - 195 Indirect Employees
 - 1.37% of Kettering Employment
 - Loss of 21,250,000 in Wages
 - Loss of \$372,000 in Annual Kettering Income Tax (1.39% of Total Annual Tax Collections)

We were certainly saddened, if not surprised, by the news that on May 13, that DFAS Dayton had been recommended for closure by the Department of Defense's Base Closure and Realignment proposal. We certainly believe that the City of Kettering has paid their dues through the 1993 closure process and did not anticipate that we would once again be impacted by BRAC in 2005. According to the Department of Defense calculations, the DFAS Dayton location operates with 230 direct employees and 195 indirect employees. Based on City of Kettering models, these 425 jobs accounts for 1.37% of all jobs in the City of Kettering. Using an average salary of \$50,000 per year, which is almost \$10,000 less than the average salary used in the modeling processes by the Department of Defense, the City of Kettering would lose \$21.2 million in wages and \$372,000 in local income tax – 1.39% of our annual income tax collections. The number of employees at DFAS Dayton places the operation as a top 10 employer in the City of Kettering.

DFAS - Dayton

- BRAC 2005
 - Kettering Business Park
 - DFAS Building
 - 199,000 s.f.
 - Excess Capacity for 500 new employees
 - No Rental Expense
 - 560,000 s.f. Available in other buildings
 - DFAS is 22% of Employees @ KBP

Over the last 10 years, the City of Kettering has worked diligently with the DFAS Dayton operation to help ensure its success within the City of Kettering as well as within the Greater Dayton region.

DFAS is currently located in a 199,000 gross square foot (gsf) building that was renovated with Federal funds in 1995. Since the building footprint consists of 199,000 gsf, we were certainly surprised by the Department of Defense calculations that indicates a capacity of only 81,605 square feet (sf) and that DFAS Dayton is only using 50,080 sf of that space. Our previous tours of the building would certainly indicate that they are using well in excess of 50,080 sf. We are certainly concerned that the incorrect square foot usage has reduced the likelihood of DFAS Dayton remaining open in the future. Certainly, DFAS can handle more than the 400 employees it has in the building. In fact, we have plans that would indicate the capacity for around 500 new employees at the location. The Federal Government completed these plans in 1997 when the building was built out.

Our relationship with DFAS is certainly one of value to the community. The City values this organization such that it has leased this building to the Federal Government for \$0 in rent for 50 years with renewable options.

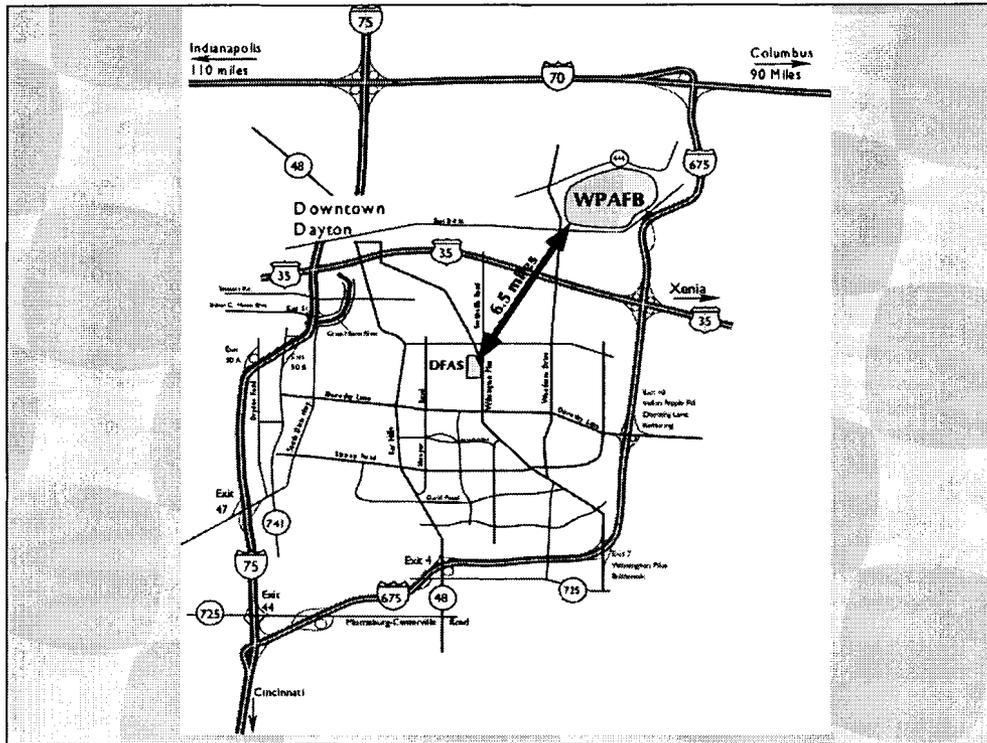
Excess capacity was an item of interest in the Department of Defense's recommendations. We would like to point out that not only does the current location of DFAS have excess capacity, but also that there is 560,000 gsf of building space available within the Kettering Business Park in close proximity to the current location of DFAS.

DFAS - Dayton

- BRAC 2005
 - Keep DFAS Dayton Open
 - Efficient Operation
 - Free Rent
 - Excess Capacity
 - Military Value Ranking
 - Proximity to WPAFB (Air Force Material Command)
 - We paid the price in BRAC 93

Keeping DFAS Dayton open simply makes sense. The operation is very effective and efficient; their operating costs are the lowest of all DFAS operations in part due to the free rent they receive. They have excess capacity to handle new employees coming in from other locations; they have a high military value ranking of 10 out of 26.

And DFAS Dayton's current close proximity to Wright Patterson Air Force Base (WPAFB), we believe, should be a substantial reason for keeping DFAS Dayton open. Wright Patterson Air Force Base is the headquarters for the Air Force Material Command (AFMC). This Command is in charge of at least 11 bases that are serviced by DFAS Dayton. DFAS Dayton is responsible for the financial recordkeeping for the Air Force Material Command and we certainly believe that customer service is enhanced by the close proximity of DFAS Dayton to WPAFB.



DFAS - Dayton

- BRAC 2005
 - Keep DFAS Dayton Open
 - Efficient Operation
 - Free Rent
 - Excess Capacity
 - Military Value Ranking
 - Proximity to WPAFB (Air Force Material Command)
 - We paid the price in BRAC 93

We also believe that some value should be given to the City of Kettering for having endured the closure of Gentile Air Force Station in BRAC 1993.

DFAS - Dayton

- Analysis of Closure Costs and Savings
 - 296 Direct Jobs & 195 Indirect
 - 66 NonBrac
 - 19 to Denver
 - 204 to Columbus
 - 7 Eliminated
 - Of the 223, 22 Will Retire, 21 Will Quit, 13 Will not move

DFAS Dayton, prior to BRAC will lose 66 positions, 15 in 2006, 29 in 2007 and 22 in 2008. Seven of the 230 direct positions will be eliminated because of BRAC. The other 223 will be realigned in 2009. Of the 223 positions that would be realigned 19 will retire early, 3 will retire, 21 will be civilian turnover and 13 civilians will not move. That creates 167 civilian positions that will be moving and opens up 56 positions for hire.

DFAS - Dayton

- Analysis of Closure Costs and Savings
 - \$6,056,049 One time closure costs
 - \$1.9M Savings from 2006 – 2011
 - \$767,000 Annual Savings after 2011

The closure of DFAS Dayton will cost \$6,056,049; \$1,053,600 in personnel costs, \$5,002,450 in moving expenses. It is anticipated that all of these expenditures will incur in 2009. Other than Kansas City, DFAS Dayton will be the last location to close.

The total savings for closing DFAS Dayton from fiscal year 2006 to 2011 will be only \$1.9 million. It is anticipated that annual savings of \$767,000 will be achieved by the closure. This savings is based upon \$297,000 in reduced operating costs and \$470,000 in reduced salary. Of all the DFAS sites, DFAS Dayton is the lowest in generating savings by closure due to DFAS Dayton's low operating costs.

DFAS - Dayton

- MSA Analysis
 - Why Ohio is Unique and should be looked at by City
 - Number of Cities in small geographic area
 - Impact on City – Other additions in MSA don't fully negate Kettering losses
 - Revenue Source is income tax based, not Sales or Property tax based

We understand, due to the global presence that the Department of Defense has to work with, their use of MSA statistical data. However, we do not believe that using the statistical MSA for the Dayton area makes sense when analyzing the DFAS Dayton operation. MSA's in Ohio are different from those throughout the country. The differences result from the small geographic areas that are occupied by many cities within an MSA. In Montgomery County alone, there are over 30 political jurisdictions and the MSA includes not only Montgomery County but also several counties in the surrounding area. While the loss of 425 jobs in the MSA does not appear large, in fact it is less than .01 percent; however, it is 1.37 percent of all jobs in the City of Kettering. We certainly believe that is a material amount. Our revenues are also based upon income tax from employees within our political jurisdiction. While losing \$372,000 in income tax is not substantial to the MSA, it is certainly substantial to Kettering who utilizes those funds as its major source of operating revenue.

DFAS - Dayton

- **Cobra Data Analysis**
 - **Square Footage Error**
 - Cobra = 81,605 s.f Available
 - 50,080 s.f. Used
 - Actual = 199,000 s.f. Gross
 - DFAS System Furniture Plan – 822 positions
 - **Direct Employee Error**
 - Over 400 employees in the Building

We believe that two substantial errors have been made in the COBRA data calculations. First and foremost would be that the building is 199,000 gsf, not 81,605 gsf as indicated in the COBRA data. We also take issue with the number of direct and indirect employees that are listed in the COBRA data. By the Department of Defense definition of direct employee, we believe that direct employee numbers are in excess of 400 as opposed to the 296 current direct employees that the Department of Defense has indicated.

DFAS - Dayton

- **New Consolidation Scenario**
 - DFAS Dayton remains open
 - Close Proximity to WPAFB
 - Responsible for Largest Database
 - Assumed San Bernardino, Omaha and Orlando Databases
 - Responsible for MAJCOMS – AFMC, AFSPC, AMC
 - Specialize in Customer Support, by being responsible for a single site Air Force, field level, operational database.

I realize that it would be short-sided of the City of Kettering to simply complain about the current situation and not offer any recommendations for the future.

We concur with DFAS site consolidation and believe that DFAS should assign responsibility to a single site for a consolidated Air Force, field-level, operational database. DFAS Dayton should be assigned responsibility for managing this single database because it manages the largest portion of that database today and is located close to the largest Air Force customer.

DFAS Dayton is an effective and efficient operation that is currently responsible for the largest of the 5 DFAS databases. The Dayton database supports the major commands of Air Force Materiel Command (AFMC), Air Force Space Command (AFSPC), and Air Mobility Command (AMC).

DFAS - Dayton

• Recommendation

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DFAS Dayton is located within 20 minutes of DFAS' largest customer's headquarters. The AFMC Headquarters is located at Wright Patterson Air Force Base. The close proximity of DFAS Dayton to its largest customer is a vital element to its providing exceptional customer service.

We also recommend that the DFAS operations in San Bernardino and Omaha be realigned to the DFAS Dayton site. San Bernardino provides support to the Air Force in Working Capital Fund (WCF) accounting for AFMC, and Omaha supports WCF accounting for AMC. Consolidating these sites at DFAS Dayton makes both operational and geographic sense based on DFAS Dayton's close proximity to AFMC Headquarters.

The Defense Finance and Account Service located in Kettering, Ohio, should remain in place and not be realigned to one of the three proposed major DFAS sites. In fact, DFAS Dayton should be a receiver site. Strong consideration should be given to the operational value of realigning the San Bernardino and Omaha DFAS operations to the DFAS Dayton site to complete the consolidation of a DFAS operational business line in close proximity to its largest customer, Headquarters Air Force Materiel Command at WPAFB.

DFAS Dayton has a quality workforce operating in a low cost facility, thanks to the City of Kettering. Of all the DFAS sites, DFAS Dayton is the lowest in generating savings by closure due to DFAS Dayton's low operating costs. For this reason, coupled with the quality workforce, DFAS Dayton should be the receiver site for all of HQ AFMC Air Force support. This "face to the customer" is important to DFAS and is reflected in DFAS' establishing liaison positions within HQ AFMC.

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DFAS Dayton has a quality workforce operating in a low cost facility, thanks to the City of Kettering and other government agencies. Of all the DFAS sites, DFAS Dayton is the lowest in generating savings by closure due to Dayton DFAS' low operating costs. For this reason, coupled with the quality workforce, DFAS Dayton should be the receiver site for all of HQ AFMC Air Force support. This "face to the customer" is important to DFAS and is reflected in DFAS' establishing liaison positions within HQ AFMC.

City of Kettering

- **Contact Information**
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City of Kettering, Ohio

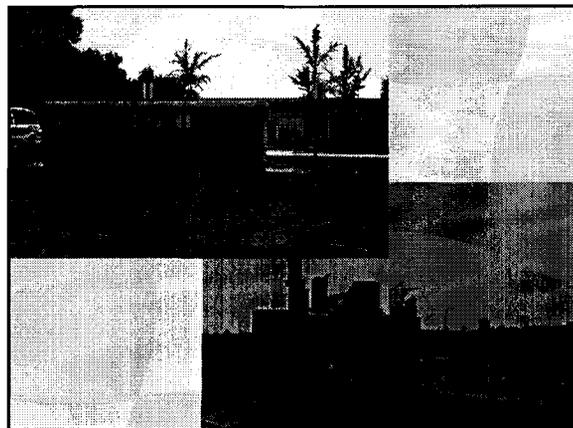
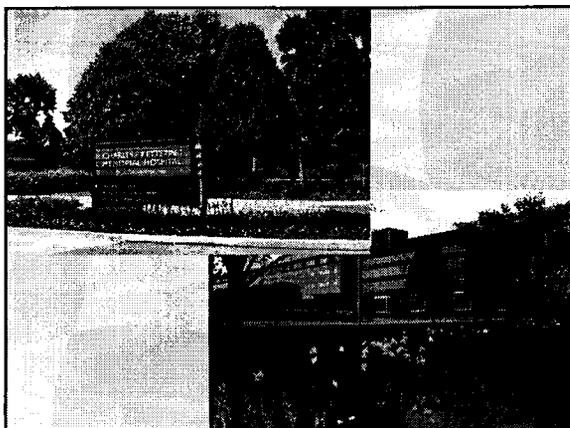
- Population 57,502
- 12th Largest City in Ohio, 2nd Largest City in Montgomery County
- Median Age 38.9
- 27% 55 and Older (1,100 over 85)
- 25,936 Housing Units (1,279 Vacant Units)
- College Degree – 39% of those over age 25
- Median Household Income \$45,051

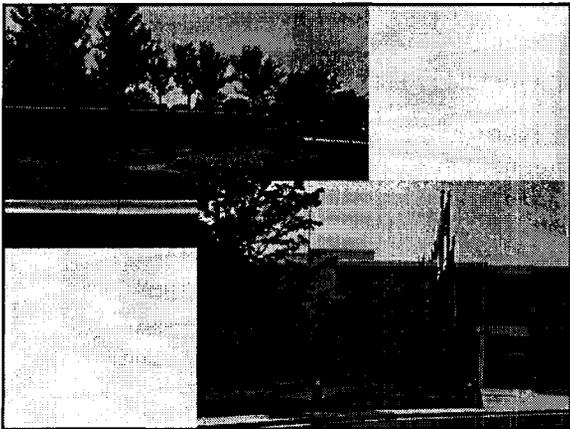
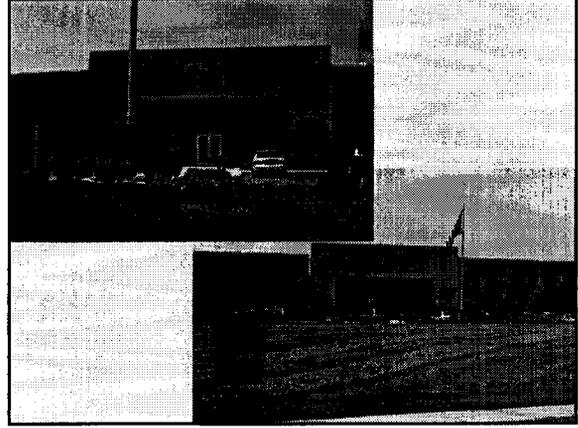
City of Kettering - (General Facts)

- 1st Tier Suburb of Dayton
- Incorporated in 1952
- 18.4 Square Miles
- Annual Budget of \$65 Million
- 250 Miles of Street
- 1,700 Businesses/Employers
- 80% Small and Medium Size Businesses
- Income Tax Revenue GT 50% of Revenue
- 95% Built Out – Focus on Redevelopment

Major Employers in Kettering

- Kettering Medical Center
- Delphi
- Reynolds and Reynolds
- GE Retail Sales Finance
- Kodak Versamark
- Kettering City Schools
- DFAS and Other Federal Gov't Agencies

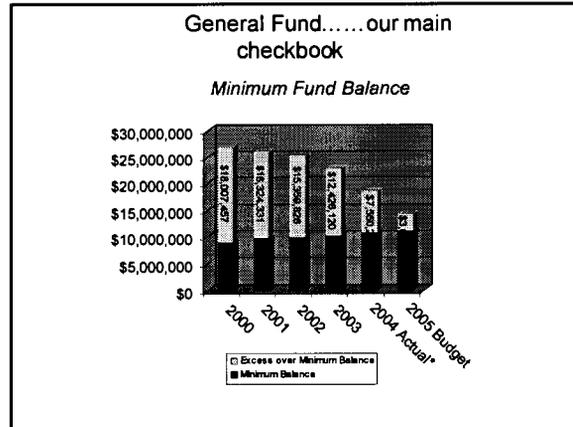
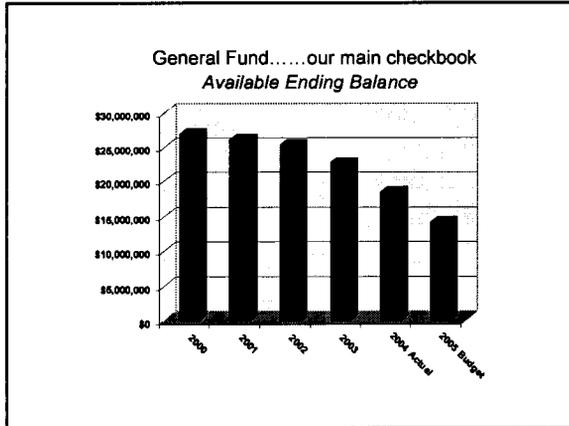




Kettering – 2005 – Current Challenges

- Financial Issues
 - Declining Fund Balance
 - State Budget Cuts
 - Expenses increasing faster than revenues
 - DFAS Closure Announcement
 - Delphi Uncertainty
- What are we doing?
 - Tax Increase

CITY OF KETTERING



DFAS - Dayton

- BRAC 1993
 - Closure of Gentile Air Force Station in 1996
 - 2,500 jobs
 - Regional Economic Impact
 - Loss in Kettering Income Tax Base
 - Condition of Gentile for Redevelopment

DFAS - Dayton

- BRAC 1993
 - Opening of the Kettering Business Park
 - 1,800 Jobs
 - 920,000 s.f. Occupied
 - 560,000 s.f. Vacant
 - \$43M in Governmental Investment

DFAS - Dayton

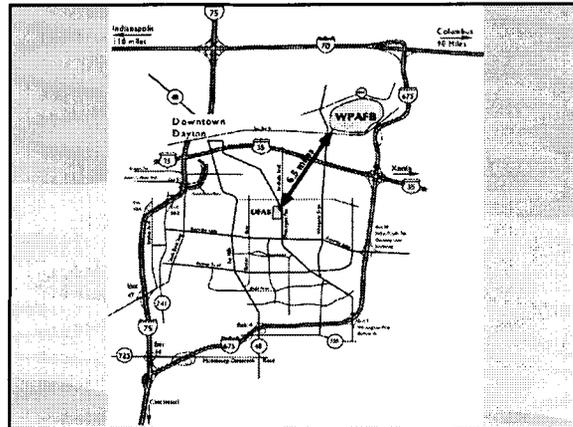
- BRAC 2005
 - Closure of DFAS-Dayton
 - 230 Direct Employees
 - 195 Indirect Employees
 - 1.37% of Kettering Employment
 - Loss of 21,250,000 in Wages
 - Loss of \$372,000 in Annual Kettering Income Tax (1.39% of Total Annual Tax Collections)

DFAS - Dayton

- BRAC 2005
 - Kettering Business Park
 - DFAS Building
 - 199,000 s.f.
 - Excess Capacity for 500 new employees
 - No Rental Expense
 - 560,000 s.f. Available in other buildings
 - DFAS is 22% of Employees @ KBP

DFAS - Dayton

- BRAC 2005
 - Keep DFAS Dayton Open
 - Efficient Operation
 - Free Rent
 - Excess Capacity
 - Military Value Ranking
 - Proximity to WPAFB (Air Force Material Command)
 - We paid the price in BRAC 93



DFAS - Dayton

- BRAC 2005
 - Keep DFAS Dayton Open
 - Efficient Operation
 - Free Rent
 - Excess Capacity
 - Military Value Ranking
 - Proximity to WPAFB (Air Force Material Command)
 - We paid the price in BRAC 93

DFAS - Dayton

- Analysis of Closure Costs and Savings
 - 296 Direct Jobs & 195 Indirect
 - 66 NonBrac
 - 19 to Denver
 - 204 to Columbus
 - 7 Eliminated
 - Of the 223, 22 Will Retire, 21 Will Quit, 13 Will not move

DFAS - Dayton

- Analysis of Closure Costs and Savings
 - \$6,056,049 One time closure costs
 - \$1.9M Savings from 2006 - 2011
 - \$767,000 Annual Savings after 2011

DFAS - Dayton

- MSA Analysis
 - Why Ohio is Unique and should be looked at by City
 - Number of Cities in small geographic area
 - Impact on City - Other additions in MSA don't fully negate Kettering losses
 - Revenue Source is income tax based, not Sales or Property tax based

DFAS - Dayton

- Cobra Data Analysis
 - Square Footage Error
 - Cobra = 81,605 s.f Available
 - 50,080 s.f. Used
 - Actual = 199,000 s.f. Gross
 - DFAS System Furniture Plan – 822 positions
 - Direct Employee Error
 - Over 400 employees in the Building

DFAS - Dayton

- **New Consolidation Scenario**
 - DFAS Dayton remains open
 - Close Proximity to WPAFB
 - Responsible for Largest Database
 - Assumed San Bernardino, Omaha and Orlando Databases
 - Responsible for MAJCOMS – AFMC, AFSPC, AMC
 - Specialize in Customer Support, by being responsible for a single site Air Force, field level, operational database.

DFAS - Dayton

• Recommendation

We concur with DFAS site consolidation and believe that DFAS should assign responsibility to a single site for a consolidated Air Force, field-level, operational database. DFAS Dayton should be assigned responsibility for managing this single database because it manages the largest portion of that database today and is located close to the largest Air Force customer.

DFAS Dayton is an effective and efficient operation that is currently responsible for the largest of the 5 DFAS databases. The Dayton database supports the major commands of Air Force Materiel Command (AFMC), Air Force Space Command (AFSPC), and Air Mobility Command (AMC).

DFAS Dayton is located within 20 minutes of DFAS' largest customer's headquarters. The AFMC Headquarters is located at Wright Patterson Air Force Base. The close proximity of DFAS Dayton to its largest customer is a vital element to its providing exceptional customer service.

We also recommend that the DFAS operations in San Bernardino and Omaha be realigned to the DFAS Dayton site. San Bernardino provides support to the Air Force in Working Capital Fund (WCF) accounting for AFMC, and Omaha supports WCF accounting for AMC. Consolidating these sites at DFAS Dayton makes both operational and geographic sense based on DFAS Dayton's close proximity to AFMC Headquarters.

The Defense Finance and Account Service located in Kettering, Ohio, should remain in place and not be realigned to one of the three proposed major DFAS sites. In fact, DFAS Dayton should be a receiver site. Strong consideration should be given to the operational value of realigning the San Bernardino and Omaha DFAS operations to the DFAS Dayton site to complete the consolidation of a DFAS operational business line in close proximity to its largest customer, Headquarters Air Force Materiel Command at WPAFB.

DFAS Dayton has a quality workforce operating in a low cost facility, thanks to the City of Kettering. Of all the DFAS sites, DFAS Dayton is the lowest in generating savings by closure due to DFAS Dayton's low operating costs. For this reason, coupled with the quality workforce, DFAS Dayton should be the receiver site for all of HQ AFMC Air Force support. This "face to the customer" is important to DFAS and is reflected in DFAS' establishing liaison positions within HQ AFMC.

City of Kettering

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DRAFT

August 2, 2005

The Honorable Anthony J. Principi
Chairman
2005 Defense Base Realignment and Closure Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

Dear Commissioners:

First let me start by thanking you for your time and attention during our recent visit to Buffalo, New York, for our presentation to the commission in regards to the closure of the DFAS Dayton location in Kettering, Ohio. Our community certainly believes that the DFAS Dayton location should remain open and should continue to be a vital part of the Defense Finance and Accounting Service Organization. We realize that the job in front of you is extremely important and difficult and we hope that you will take the time to review the information included in this letter.

The City of Kettering

First I would like to start with a little history of the City of Kettering. The City of Kettering was founded in 1952 and according to the 2000 census our population is 57,502. Kettering is a first-tier suburb of the City of Dayton and has been experiencing a decline in population over the last 10 years. Our population has a median age of 39 and 27% of our population is 55 and older. We have 26,000 housing units, with approximately 1,300 being vacant. The City of Kettering is not unlike many urban cities in the country today in that we are suffering from a declining tax base as well as declining population. The City of Kettering consists of 18.4 square miles, 250 miles of roadway and has an annual budget of \$67 million. The community consists of approximately 1,700 businesses. 80% percent of those businesses are considered small- and medium-sized companies. Our major source of revenue is generated from a local income tax. This income tax generates greater than 50% of the total revenue for our community. Our major employers include hospitals, automotive suppliers, information technology, a school system and federal government agencies, including over 400 jobs at DFAS Dayton. The City is currently suffering through the current economic downturn as is many cities throughout Ohio. We are experiencing a declining fund balance, state budget cuts, expenses that are growing faster than revenue sources and a decline in our income tax base. Due to this economic decline, the City has been very aggressive in reducing expenses, payroll and other costs. Reductions that are very similar to the type of reductions in the BRAC 2005 recommendations. Based upon the current economic trend of the City, we anticipate asking our voters in 2006 for a one-half percent increase (our current rate is 1.75%) in the local income tax. This is the same tax that is paid by the 400 plus employees at DFAS Dayton.

BRAC 1993

As I am sure you are aware, the City of Kettering was involved in the BRAC 1993 process. The process recommended the closure of the Gentile Air Force Station, which was located in Kettering, Ohio. The closure of Gentile Air Force Station (DESC was the main tenant) in 1996 resulted in the loss of over 2,500 jobs. It was estimated at that time the regional impact of that loss was \$1 billion per year. Obviously, this was a significant impact to the local income tax base for the City of Kettering and the redevelopment of the Gentile Air Force Station became our number one priority. Although we have received a national award for the redevelopment of the Gentile Air Force Station, we have still not yet fully recovered from the loss of Gentile Air Force Station. Of the 2,500 jobs that were lost on the base in 1996, the City has been fortunate to be able to replace 1,800 of those jobs. However, the new 1,800 jobs do not have the same economic value as the jobs that left in 1996 both in wage amounts and in spin-off activity. Also, the City, the State and the Federal Government have had to invest over \$40 million into the redevelopment of Gentile Air Force Station into what is known today as the Kettering Business Park. After over 10 years of redevelopment efforts, the City has just received the final parcel of land from the Air Force. Today, the Kettering Business Park consists of 920,000 square feet of occupied space and 560,000 square feet of vacant buildings. We also have yet to redevelop over 25 acres of previous park land that was associated with Gentile.

BRAC 2005

We were certainly saddened, if not surprised, by the news on May 13, 2005, that DFAS Dayton had been recommended for closure by the Department of Defense's Base Closure and Realignment proposal. We certainly believe that the City of Kettering has paid their dues through the 1993 closure process and did not anticipate that we would once again be impacted by BRAC in 2005. According to the Department of Defense calculations, the DFAS Dayton location operates with 230 direct employees and 195 indirect employees. Based on City of Kettering models, these 425 jobs accounts for 1.37% of all jobs in the City of Kettering. Using an average salary of \$50,000 per year, which is almost \$10,000 less than the average salary used in the COBRA modeling processes by the Department of Defense, the City of Kettering would lose \$21.2 million in wages and \$372,000 in local income tax. The number of employees at DFAS Dayton places the operation as a top 10 employer in the City of Kettering.

Over the last 10 years, the City of Kettering has worked diligently with the DFAS Dayton operation to help ensure its success within the City of Kettering as well as within the Greater Dayton region. DFAS is currently located in a 199,000 gross square foot (gsf) building that was renovated with Federal funds in 1995. Since the building footprint consists of 199,000 gsf, we were certainly surprised by the Department of Defense calculations that indicates a capacity of only 81,605 square feet (sf) and that DFAS Dayton is only using 50,080 sf of that space. Our previous tours of the building would certainly indicate that they are using well in excess of 50,080 sf. We are certainly concerned that the incorrect square foot usage has reduced the likelihood of DFAS Dayton remaining open in the future. Certainly, DFAS can handle more than the 400 employees it has in the building. In fact, we have attached plans that would indicate the

capacity for approximately 500 new employees at the location. The Federal Government completed these plans in 1997 when the building was built out.

Our relationship with DFAS is certainly one of value to the community. The City values this organization such that it has leased this building to the Federal Government for \$0 in rent for 50 years with renewable options.

Excess capacity was an item of interest in the Department of Defense's recommendations. We would like to point out that not only does the current location of DFAS have excess capacity, but also that there is 560,000 gsf of building space available within the Kettering Business Park in close proximity to the current location of DFAS.

DFAS Dayton's current close proximity to Wright Patterson Air Force Base (WPAFB), we believe, should be a substantial reason for keeping DFAS Dayton open. Wright Patterson Air Force Base is the headquarters for the Air Force Materiel Command (AFMC). This Command is in charge of at least 11 bases that are serviced by DFAS Dayton. DFAS Dayton is responsible for the financial recordkeeping for the Air Force Materiel Command and we certainly believe that customer service is enhanced by the close proximity of DFAS Dayton to WPAFB.

Keeping DFAS Dayton open simply makes sense. The operation is very effective and efficient; their operating costs are the lowest of all DFAS operations in part due to the free rent they receive from the City of Kettering. They have excess capacity to handle new employees coming in from other locations; they have a high military value ranking of 10 out of 26 and, most importantly, their close proximity to WPAFB and the AFMC. We also believe that some value should be given to the City of Kettering for having endured the closure of Gentile Air Force Station in BRAC 1993.

Our Recommendation

I realize that it would be short-sided of the City of Kettering to simply complain about the current situation and not offer any recommendations for the future.

We concur with DFAS site consolidation and believe that DFAS should assign responsibility to a single site for a consolidated Air Force, field-level, operational database. DFAS Dayton should be assigned responsibility for managing this single database because it manages the largest portion of that database today and is located close to the largest Air Force customer.

DFAS Dayton is an effective and efficient operation that is currently responsible for the largest of the 5 DFAS databases. The Dayton database supports the major commands of Air Force Materiel Command (AFMC), Air Force Space Command (AFSPC), and Air Mobility Command (AMC).

DFAS Dayton is located within 20 minutes of DFAS' largest customer's headquarters. The AFMC Headquarters is located at Wright Patterson Air Force Base. The close proximity of

DFAS Dayton to its largest customer is a vital element to its providing exceptional customer service.

We also recommend that the DFAS operations in San Bernardino and Omaha be realigned to the DFAS Dayton site. San Bernardino provides support to the Air Force in Working Capital Fund (WCF) accounting for AFMC, and Omaha supports WCF accounting for AMC. Consolidating these sites at DFAS Dayton makes both operational and geographic sense based on DFAS Dayton's close proximity to AFMC Headquarters.

The Defense Finance and Account Service located in Kettering, Ohio, should remain in place and not be realigned to one of the three proposed major DFAS sites. In fact, DFAS Dayton should be a receiver site. Strong consideration should be given to the operational value of realigning the San Bernardino and Omaha DFAS operations to the DFAS Dayton site to complete the consolidation of a DFAS operational business line in close proximity to its largest customer, Headquarters Air Force Materiel Command at WPAFB.

DFAS Dayton has a quality workforce operating in a low cost facility, thanks to the City of Kettering. Of all the DFAS sites, DFAS Dayton is the lowest in generating savings by closure due to DFAS Dayton's low operating costs. For this reason, coupled with the quality workforce, DFAS Dayton should be the receiver site for all of HQ AFMC Air Force support. This "face to the customer" is important to DFAS and is reflected in DFAS' establishing liaison positions within HQ AFMC.

We appreciate your consideration of our recommendation and would be happy to answer any questions that you may have. DFAS Dayton is a valued member of the City of Kettering and an integral part of the future success of our community.

Sincerely yours,

Marilou M. Smith
Mayor



A Partnership For Regional Growth

900 Kettering Tower
Dayton, Ohio 45423
(937) 222-4422
(937) 222-1323 fax
www.daytonregion.com

Dayton Defense Finance and Accounting Service

BRAC Recommendation: Close the Defense Finance and Accounting Service (DFAS) site at Dayton, OH.

DAYTON REGION RECOMMENDATION

We concur with DFAS site consolidation and believe that DFAS should assign responsibility to a single site for a consolidated Air Force, field-level, operational database. DFAS Dayton should be assigned responsibility for managing this single database because it manages the largest portion of that database today and is located close to the largest Air Force customer.

DFAS Dayton is an effective and efficient operation that is currently responsible for the largest of the 5 DFAS databases. The Dayton database supports the major commands of Air Force Materiel Command (AFMC), Air Force Space Command (AFSPC), and Air Mobility Command (AMC).

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DFAS Dayton has a quality workforce operating in a low cost facility, thanks to the City of Kettering. Of all the DFAS sites, DFAS Dayton is the lowest in generating savings by closure due to Dayton DFAS' low operating costs. For this reason, coupled with the quality workforce, DFAS Dayton should be the receiver site for all of HQ AFMC Air Force support. This "face to the customer" is important to DFAS and is reflected in DFAS' establishing liaison positions within HQ AFMC.

RATIONALE FOR MAKING DFAS DAYTON A RECEIVER SITE

- The City of Kettering would suffer an annual earnings impact loss of \$34 million.
- The 1993 loss of 2500 jobs coupled with the proposed loss of 425 jobs will have had a crippling effect on the Kettering economy.
- Government Agencies have invested over \$40 million in the redevelopment of Gentile Air Force Station into the Kettering Business Park. DFAS Dayton is located within the Park.
- DFAS operating review standards identify DFAS Dayton as one of the most efficient DFAS operations.
- DFAS Dayton has a strong military value ranking and is strategically located within 20 minutes of Wright Patterson Air Force Base.
- DFAS Dayton's current location offers ample expansion capacity within its facility and adjacent facilities.
- BRAC savings associated with closing DFAS Dayton are small (\$776K) in relation to the benefits to be gained by consolidating DFAS support for AFMC in Dayton.

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in the maximum potential job reductions (direct and indirect) over the 2006-2011 period, as follows:

Source of Numbers	2006-2011 Period			Immediate			
	Direct Job Reductions	Indirect Job Reductions	Total	In Total (M/C/CM)	Out Total (M/C/CM)	Non-A&S Contractor	Total
BRAC Report	(230)	(195)	(425)	0/0/0	0/230/0		(230)
Local Validation	(296)	(195)	(491)				

Statement of Representative Michael Turner
Hearing before the 2005 Defense Base Closure and Realignment Commission
Buffalo, New York
June 27, 2005

Chairman Principi and members of the Commission, I join Kettering Mayor Marilou Smith in opposing the recommendation of the Defense Department to close the Defense Finance and Accounting Service (DFAS) located in Kettering, Ohio, south of Dayton.

DFAS-Dayton, as it is officially known, administers the accounting and finance functions of the Air Force for 34 main operating bases, 15 Air Force Reserve units,

56 Air National Guard sites, and 4 Defense Department agencies throughout the continental United States.

According to the Defense Department figures accompanying the Secretary's recommendations, the closure of DFAS-Dayton will result in the loss of 230 government employees and an additional 195 related non-government jobs for a total of 425. The City of Kettering estimates these jobs generate an annual payroll of \$21 million, which is a significant loss for a city with an operating budget of \$53 million. According to the DoD recommendations, this represents only 0.1% of the area employment, but it does not account for the economic impact directly upon the city in which it is located. This recommendation by DoD deviates from criteria six as the recommendation will result in a large economic impact in the vicinity of the installation.

The closure of DFAS-Dayton is one of 20 recommended DFAS office closures. One of the Defense Department's justifications for these actions is to "leverage benefits from economies of scale and synergistic efficiencies." However, this is unlikely to occur in the case of DFAS-Dayton, which uses a building provided by City of Kettering rent free under a 50-year lease (and renewable for another 50 years). Leveraging synergistic efficiencies is important in generating cost savings.

The value to the taxpayers does not seem to be a driving force behind these recommendations from the Department of Defense. As my Ohio colleague, Congressman LaTourette discovered, and will be speaking about later today, the series of moves for DFAS centers will cost nearly \$160 million, of which \$6.1 million will be spent just to close down DFAS-Dayton. The total savings for closing DFAS-Dayton from fiscal years 2006 to 2011 will be only \$1.9 million. Criterion four of the BRAC selection criteria states that sufficient cost savings should result to justify the initial expense. In this instance, the recommendation deviates from the established criteria.

DFAS-Dayton lies in close proximity to Wright-Patterson Air Force Base and results in a convenient, efficient working relationship. Wright-Patterson is headquarters to the Air Force Materiel Command (AFMC), which oversees 11 of the bases serviced by DFAS-Dayton. More importantly, AFMC is DFAS-Dayton's most important customer, as AFMC controls 60 percent of the entire Air Force budget. There is considerable employee travel back and forth between DFAS-Dayton and Wright-Patterson to resolve the most critical financial issues. I recommend consolidating the other three DFAS operating units that serve AFMC at DFAS-Dayton. These DFAS units are located in San Bernardino, California; Omaha, Nebraska; and Orlando, Florida.¹ This action would leverage the synergistic efficiency of client and customer being in close proximity to one another. The City of Kettering has adequate space available at the business park and can provide an attractive rent offer.

¹ They are located in San Bernardino, California; Omaha, Nebraska; and Orlando, Florida

DFAS-Dayton is an important military asset to the nation and should not be closed. I encourage the Commission to reject the recommendation from the Department of Defense to close DFAS-Dayton.

Thank you again for the opportunity to testify.

**DFAS Dayton Analysis in the Context of BRAC Criteria
 Provided to Marilyn Wasleski by the City of Kettering
 August 2, 2005**

Criteria	Position and Support Data
<p>Military Value:</p> <p>The current and future mission capabilities</p>	<p>DFAS operating review standards identify DFAS Dayton as one of the most efficient DFAS operations.</p> <p>DFAS Dayton has a strong military value ranking and is strategically located within 20 minutes of Wright Patterson Air Force Base.</p> <p>AFMC is DFAS-Dayton’s most important customer, as AFMC controls 60 percent of the entire Air Force budget. There is considerable employee travel back and forth between DFAS-Dayton and Wright-Patterson to resolve the most critical financial issues.</p> <p>DFAS Dayton is an effective and efficient operation that is currently responsible for the largest of the 5 DFAS databases. The Dayton database supports the major commands of Air Force Materiel Command (AFMC), Air Force Space Command (AFSPC), and Air Mobility Command (AMC).</p> <p>The DFAS Transformation Strategy is based on the <i>DFAS Segments</i> option – defined as transformation on a Product Line basis – and would result in the best value to DoD. Pursuing the DFAS Product Line approach, DFAS’ initial analysis identified four Transformation methodologies as most likely to yield the best value to DoD for the various DFAS Product Lines. Given DFAS Daytons Operations high operational performance standards, consolidated business line support and low cost of operations, DFAS Dayton is clearly a “best value” choice for DoD.</p>
<p>The availability and condition of land, facilities and associated airspace</p>	<p>N/A</p>
<p>The ability to accommodate contingency, mobilization,</p>	<p>N/A</p>

Criteria	Position and Support Data
surge, and future total force requirements	
The cost of operations and the manpower implications.	<p>DFAS Dayton is one of the most efficient DFAS operations today.</p> <p>DFAS Dayton operates on very low costs and pays NO rent for the facilities in which it operates.</p>
Other Considerations:	
The extent and timing of potential costs and savings.	<p>BRAC savings associated with closing DFAS Dayton are small (\$776K) in relation to the benefits to be gained by consolidating DFAS support for AFMC in Dayton.</p> <p>Closing DFAS Dayton will result in the lowest saving per direct job reduction of all of the DFAS sites. See attached spreadsheet.</p> <p>The DoD will not realize a return on investment until roughly 2016. And then the recurring savings is a minimal \$776,000 (this assumes high fidelity in the accuracy of the data and COBRA model algorithms).</p>
Economic impact on communities in the vicinity of military installations.	<p>Closure of Gentile Air Force Station in 1996 resulted in the loss of 2,500 jobs.</p> <p>Closure of DFAS-Dayton directly affects 230 employees and indirectly effects an additional 195 jobs. Local validation of the number of employees at DFAS Dayton puts the number of direct job losses in a range from 325-350.</p> <p>The City of Kettering would suffer an annual earnings impact loss of \$34 million.</p> <p>Economically this will results in a loss of over \$21 Million in wages and a loss of \$372,000 in Annual Kettering Income Tax (1.39% of Total Annual Tax Collections). The city still has not recovered from the 1993 BRAC losses. The 1993 loss of 2500 jobs coupled with the proposed loss of 425 jobs will have had a crippling effect on the Kettering economy.</p>

Criteria	Position and Support Data
	<p>The City of Kettering would suffer an annual earnings impact loss of \$34 million.</p> <p>Government Agencies have invested over \$40 million in the redevelopment of Gentile Air Force Station into the Kettering Business Park.</p>
<p>The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.</p>	<p>DFAS Building is in the Kettering Business Park. DFAS building has 199,000 usable s.f.</p> <p>Cobra Data Analysis inaccurately reflects amount of available space at DFAS Dayton. Cobra = 81,605 s.f Available/50,080 s.f. Used Actual = 205,200 s.f. Gross</p> <p>DFAS System Furniture Plan shows space for 822 positions</p> <p>There are 560,000 s.f. available in other buildings in the Kettering Business Park. Excess Capacity for over 500 new employees.</p>
<p>The environmental impact</p>	<p>N/A</p>

DFAS Site	MV	Total Net Cost (Savings)	Beyond Costs (Savings)	Beyond Costs (Savings) per Job Reduction	Region of Influence	Direct Job Reductions	Indirect Job Reductions	Total Job Reductions
Rock Island	0.8455	4,200,000	(946,000)	(4,026)	Davenport-Moline-Rock Island, IA	235	206	441
Pensacola	0.805	4,771,000	(2,968,000)	(4,659)	Pensacola-Ferry Pass-Brent, FL Metropolitan	637	1,100	1,737
Denver	0.803	(144,314,000)	(52,697,000)					
Norfolk	0.7871	(7,307,000)	(3,515,000)	(11,194)	Virginia Beach-Norfolk-Newport News, VA-NC	314	435	749
Lawton	0.7869	(422,000)	(2,220,000)	(9,528)	Lawton, OK Metropolitan Statistical Area	233	207	440
Columbus	0.6882	(28,442,000)	(17,287,000)					
Omaha	0.6732	(3,760,000)	(3,117,000)	(13,264)	Omaha-Council Bluffs, NE-IA Metropolitan	235	259	494
Indiannapolis	0.651	(10,035,000)	(1,417,000)					
Dayton	0.625	4,139,000	(767,000)	(3,335)	Dayton, OH Metropolitan Statistical Area	230	195	425
St Louis	0.6117	3,074,000	(1,699,000)	(5,799)	St Louis, MO-IL Metropolitan Statistical Area	293	318	611
Cleveland	0.5869	6,012,000	(9,134,000)	(8,885)	Cleveland-Elyria-Mentor,	1,028	847	1,875
San Antonio	0.5861	1,747,000	(1,695,000)	(5,060)	San Antonio, TX Metropolitan Statistical Area	335	367	702
San Diego	0.5692	2,888,000	(2,281,000)	(9,504)	San Diego-Carlsbad-San Marcos, CA	240	257	497
Pacific Ford Island	0.569	(5,578,000)	(3,440,000)	(16,699)	Honolulu, HI Metropolitan Statistical Area	206	199	405
Paxtuxent River	0.5648	921,000	(237,000)	(4,472)	Lexington Park, MD Metropolitan Statistical	53	70	123
Limestone	0.5484	3,287,000	(886,000)	(3,676)	Aroostook County, ME	241	150	391
Charleston	0.5457	4,646,000	(1,944,000)	(5,283)	Charleston-North Charleston, SC Metropolitan	368	607	975
Rome	0.5415	4,662,000	(1,357,000)	(4,663)	Utica-Rome, NY Metropolitan Statistical Area	291	275	566
Orlando	0.5397	330,000	(1,370,000)	(6,555)	Orlando, FL Metropolitan Statistical Area	209	205	414
Lexington	0.5322	14,000	(211,000)	(4,689)	Lexington-Fayette, KY Metropolitan Statistical	45	27	72
Kansas City	0.4507	9,885,000	(4,439,000)	(7,241)	Kansas City, MO-KS Metropolitan Statistical	613	549	1,162
Seaside	0.4326	(1,888,000)	(838,000)	(13,738)	Salinas, CA Metropolitan Statistical Area	61	62	123
San Bernadino	0.4285	(842,000)	(1,201,000)	(10,008)	Riverside-San Bernardino-	120	122	242
Arlington	0.3128	(8,061,000)	(5,001,000)	(12,257)	Washington-Arlington-Alexandria, DC-VA-MD-	408	308	716
Oakland	0.2427	(2,214,000)	(954,000)	(19,080)	Oakland-Fremont-Hayward, CA Metropolitan	50	41	91



Official Release

**Contact: Amy Berlean
Phone: 296-2415**

Kettering City Officials Will Fight for DFAS Jobs
Site named on Base Realignment and Closure (BRAC) list

Kettering, OH – 400 jobs at the Defense Finance Accounting Systems (DFAS) are worthy of a fight and Kettering City officials are gearing up to save the site.

“Amidst all the talk about jobs at Wright Patt and Springfield, we just don’t want people to forget we have 400 defense employees here who matter a great deal,” says Kettering Mayor Marilou Smith.

Kettering is no stranger to base closures, having lost the Defense Electronics Supply Command (DESC) to the 1993 BRAC decision. The City rebounded from that loss by creating the Kettering Business Park on the former DESC site.

“There was really no way to completely recover the loss of jobs and people from DESC,” says City Manager Steve Husemann. “But the Business Park was certainly a step in the right direction.”

Incidentally, DFAS is located in the Kettering Business Park, essentially serving as the Park’s anchor business.

“The DFAS function for the Department of Defense has been in the Business Park since its inception,” says Husemann.

The fact that DFAS was listed on the most recent BRAC list for closure was a surprise to City officials, as well as the employees of DFAS themselves. There are a number of reasons why the Kettering site makes sense, and City officials, along with the Dayton Development Coalition, hope to convince BRAC officials that the Kettering site needs to stay.

“We are currently doing a number of things to state our case,” says Husemann. “Among them, we are requesting a site visit from a BRAC commissioner, based upon the fact that DFAS is being recommended for closure and has over 400 employees. Additionally, we are preparing for a hearing in New York on June 27th where we will justify the need for this site.”

According to Husemann, the Kettering DFAS site is valuable due to its close proximity to Wright Patterson Air Force Base. Additionally, the Kettering Business Park has space for expansion and the Kettering DFAS site has been recognized in the past for efficiency.

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Official Release

**Contact: Amy Berlean
Phone: 296-2415**

Kettering Officials request DFAS Site Visit, Prepare for Presentation

Kettering, OH – In response to the recent announcement that the Defense Accounting and Finance Services are on the BRAC closing list, the City of Kettering has officially asked BRAC officials to visit the Kettering Business Park. In a letter to Anthony Principi, Chairman of the 2005 BRAC commission, Mayor Marilou Smith points out that DFAS has a strong military value and is recognized as one of the most efficient of all DFAS operations.

Assistant City Manager Mark Schwieterman, who coordinates the Kettering Business Park for the City, says “the location and atmosphere at the Park is a definite selling point. DFAS pays only \$1 per year in rent for a 200,000 square foot structure with Class A office space.”

In a separate action, Kettering has also requested an opportunity to address members of the BRAC commission at the regional meeting on June 27th in Buffalo. Senator Mike DeWine is coordinating the state of Ohio’s input. The City has requested an opportunity to present the case for DFAS Dayton at that time in cooperation with the WPAFB presentation. Kettering officials will tout the excellent operational record of the facility, its strong military value and its proximity to WPAFB.

“We don’t want to build false hope,” says City Manager Steve Husemann, “but we certainly want to be sure that the BRAC commission is aware of the true value of the DFAS Dayton facility. We are working closely with the Dayton Development Coalition to put forth a good argument in support of removing DFAS Dayton from the BRAC list.”

“Kettering’s DFAS office has done outstanding work serving the Nation’s military. The Dayton Development Coalition is working with the City of Kettering to make sure that the BRAC Commission understands the value of keeping the office open,” said JP Nauseef, President and CEO of the Dayton Development Coalition, which advocates on behalf of Dayton Region defense installations.

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Official Release

Contact: Amy Berlean, 296-2415

City of Kettering to Testify Regarding BRAC Announcement of DFAS-Dayton Closure

Kettering, OH – Monday, June 27 three City of Kettering officials will travel to Buffalo, New York to participate in a regional hearing regarding recent Base Realignment and Closure decisions. The City was recently notified through the BRAC process that more than 400 jobs at the Defense Finance and Accounting Services, located at the Kettering Business Park, are to be lost through the BRAC process.

“We are all too familiar with the BRAC process,” says City Manager Steve Husemann. “While we have recouped a percentage of the loss we experienced through the closure of the Gentile Air Force Base in 1993, we have still not fully recovered. This new announcement regarding DFAS is another blow to our community, to our region and most significantly to the families of the workers at DFAS.”

Husemann will join Mayor Marilou Smith, United States Congressman Mike Turner, Assistant City Manager Mark Schwieterman and representatives from the Dayton Development Coalition in Buffalo on Monday to testify before the BRAC committee on the merits of retaining the DFAS organization in Kettering. DFAS currently employs more than 400 people and represents approximately 21 million dollars in annual earnings for the community.

“We intend to alert the committee of the worthiness of our DFAS organization,” says Mayor Marilou Smith. “We have been recognized as one of the most efficient DFAS operations in the country and we will petition the committee to reconsider their decision to close our facility.”

Mayor Smith and Congressman Mike Turner will defend the importance of the installation. Arguments will include:

- Loss of installation means \$21 million annual impact to earnings
- DFAS-Dayton provides \$367,500 in annual local income tax
- DFAS-Dayton is ready for expansion
- Economical lease agreement – and one of the lowest per unit cost among DFAS
- Among the top 10 DFAS operating units for military value
- Close proximity to WPAFB
- Track record for excellent performance
- Closing DFAS-Dayton will cost the Department of Defense \$6.1 million
- DFAS-Dayton provides accounting & finance functions for
 - 34 main operating bases
 - 15 air force reserve units
 - 56 air national guard sites
 - 4 defense department agencies

A press conference at Ball Aerospace in Fairborn at 9:00 a.m. Friday will further outline the City’s message for saving this instrumental operation.

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**Testimony of Marilou Smith
Mayor, City of Kettering
Before the 2005 Defense Base Closure and Realignment Commission
Buffalo, New York
June 27, 2005**

Mr. Chairman and Commissioners, my name is Marilou Smith and I am proud to serve as the Mayor of Kettering, Ohio.

Just 12 years ago we received the devastating news that our Gentile Air Force Station was to be closed through this very same process. We lost more than 2500 jobs in our City.

The estimated annual economic impact of that loss to our region was 1 billion dollars. Yet we forged ahead. We redeveloped Gentile into the Kettering Business Park. Anchoring that Park is the Defense Finance and Accounting Services – which is responsible for more than 400 jobs. We have done the right thing by making the best of a devastating situation. To date, the Kettering Business Park employs 1800 people – 700 jobs less than 12 years ago and we still own 560,000 square feet of vacant buildings.

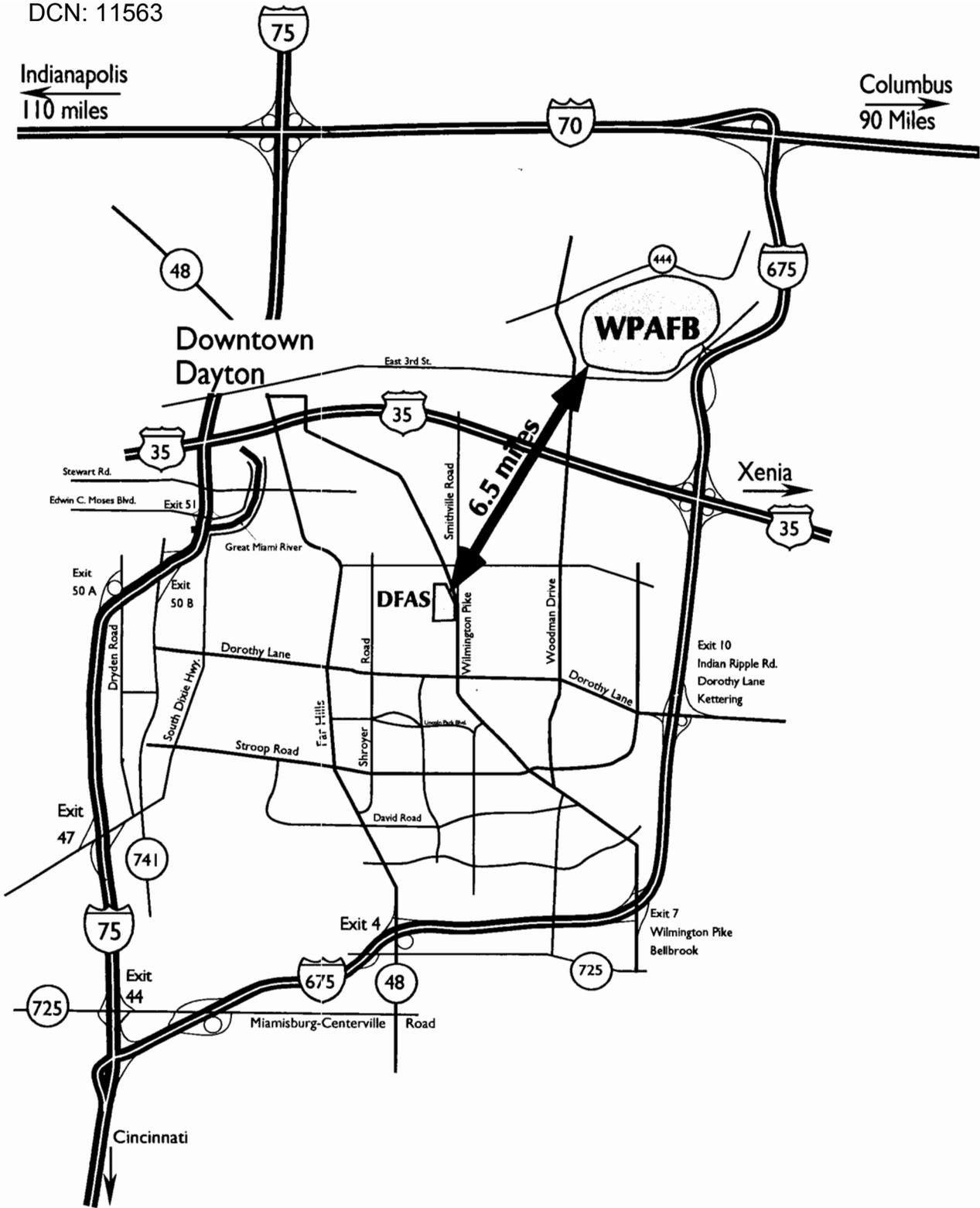
Our Business Park is ready for expansion. The DFAS building alone could handle 600 new employees. So you can imagine our disbelief to learn that this elite operation, recognized for its efficiency, was to be a part of BRAC 2005. Now our community faces an additional loss of 425 jobs and a 21 million dollar annual impact to earnings.

We put the work into making the best out of the 93 closure. Now today I urge you to reconsider the closing of the DFAS Dayton operation. Kettering has suffered enough.

DCN: 11563

Indianapolis
110 miles

Columbus
90 Miles



Not to Scale



NORTH



CITY OF KETTERING

DFAS & WPAFB

8.01.05

**DFAS-Dayton
Mayor Marilou Smith, Kettering, Ohio**



June 27, 2005 - Buffalo, NY



'93 BRAC Impact on Kettering

- **Gentile Employment Prior to 1993 = 2500**
- **Kettering Business Park Employment = 1800**
- **Total Jobs Unrecovered = 700**



'05 BRAC Impact on Kettering

- Loss of 491 Jobs
- \$37m Annual Impact to Earnings
- \$430,000 in Annual Local Income Tax



DFAS-Dayton Congressman Michael Turner



DFAS - Dayton

Accounting & Finance Functions for:

- **34 Main Operating Bases**
- **15 Air Force Reserve Units**
- **56 Air National Guard Sites**
- **4 Defense Department Agencies**



'05 BRAC Impact on Kettering

- **Loss of 230 government employees**
 - **Loss of additional 66 employees (non BRAC)**
- **Loss of 195 related non-government jobs**
- **Total Loss of 491 jobs**
- **\$37m annual impact to earnings**



'93 BRAC Impact on Kettering

- Loss of 2500 jobs
- 700 Jobs Still Unrecovered



DFAS – Dayton Makes Economical Sense

- **DFAS – Dayton Pays the City of Kettering \$0 a year through a 50-year Lease (option to renew for additional 50 years)**
- **Closing DFAS – Dayton will cost \$6.1 million**



DFAS – Dayton – Close to WPAFB

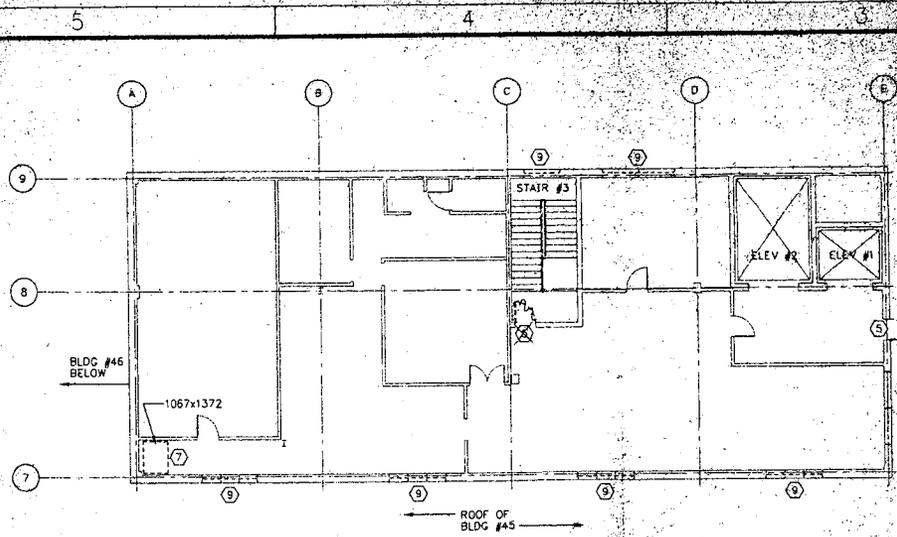
- **15 Miles away from Wright Patterson Air Force Base**
 - **headquarters to Air Force Material Command (AFMC)**
 - **owner of 11 bases serviced by DFAS - Dayton – much travel is required to and from WPAFB**
- **DFAS-Dayton should be a consolidation site for DFAS locations that serve AFMC**



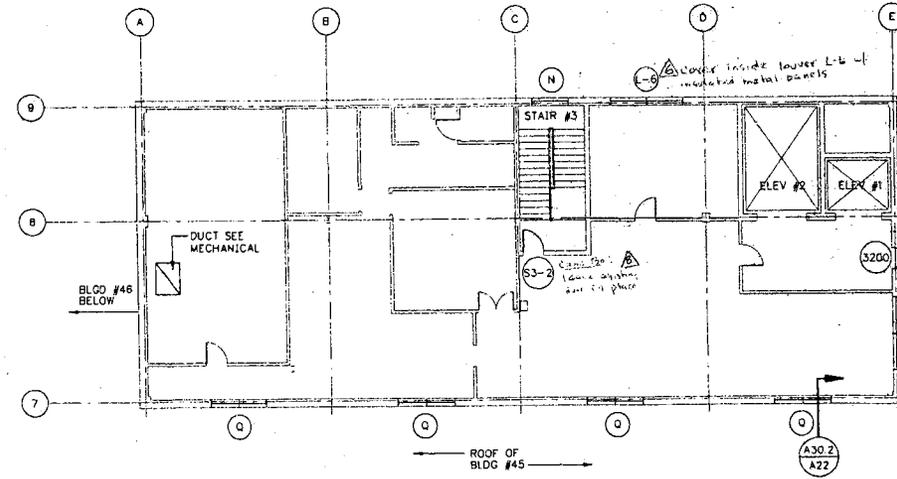
Benefits of DFAS - Dayton

- **Knowledgeable employees with high morale**
- **Track record for excellent performance**
- **One of the lowest per unit cost among DFAS**
- **Among the top 10 DFAS operating units for military value**
- **Insufficient cost savings to justify initial closing expense**
- **Positive impact on Kettering economy**





EXISTING THIRD FLOOR PLAN - DEMOLITION
SCALE: 1:100



THIRD FLOOR PLAN
SCALE: 1:100

GENERAL DEMOLITION NOTES

1. ALL ROOMS TO PROTECT ALL FURNISHINGS, OFFICE SUPPLIES AND FINISHES REMAINING IN PLACE FOR THE DURATION OF DEMOLITION AND CONSTRUCTION IN THESE AREAS.
2. DPAS TO REMOVE ALL LOOSE FURNITURE FROM AREAS BEFORE WORK BEGINS. CONTRACTOR TO REMOVE ALL WORK STATIONS FROM AREA BEFORE WORK BEGINS.
3. EXISTING WALLS, DOORS, ETC. TO REMAIN ARE SHOWN AS SOLID LINES. EXISTING WALLS, DOORS, ETC. TO BE REMOVED ARE SHOWN AS DASHED LINES. WALLS ARE TO BE REMOVED IN THEIR ENTIRETY FROM FINISH FLOOR TO CEILING OR UNDERSIDE OF STRUCTURE ABOVE, TO THE EXTENT SHOWN ON PLAN.
4. EXISTING DOORS AND DOOR FRAMES TO BE REMOVED SHALL BE STORED FOR POSSIBLE REUSE.

DEMOLITION NOTES

1. REMOVE EXISTING MASONRY PARTITION. SAW CUT REMAINING EDGES TO BE STRAIGHT AND SMOOTH TO ACCEPT NEW FINISH OR MATCH NEW FLUSH PARTITION.
2. REMOVE EXISTING GYPSUM WALLBOARD PARTITION. LEAVE EDGES STRAIGHT AND SMOOTH TO ACCEPT NEW FINISH OR MATCH NEW FLUSH PARTITION.
3. SAW CUT SECTION OF MASONRY AS REQUIRED TO INSTALL NEW DOOR AND FRAME AS SCHEDULED.
4. CUT OUT SECTION OF GYPSUM WALLBOARD PARTITION AS REQUIRED TO INSTALL NEW DOOR AND FRAME.
5. REMOVE EXISTING DOOR AND FRAME.
6. REMOVE EXISTING METAL TOILET PARTITIONS.
7. SAW CUT AND REMOVE EXISTING 152mm CONCRETE SLAB TO EXTENT SHOWN.
8. REMOVE CERAMIC TILE FLOORS.
9. REMOVE EXISTING WINDOWS.
10. REMOVE EXISTING CHAIN LINK FENCE AND GATES. PATCH ALL SURFACES DAMAGED BY REMOVAL.
11. REMOVE EXISTING CASEWORK.
12. REMOVE EXISTING METAL STAIRS.

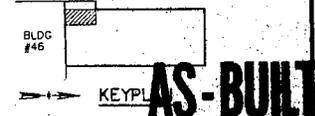
3. Add demolition notes to be prepared drawing A22, see note. Temporary existing ceiling grid and tile in the room created. See list of the notes on sheet. Temporary existing ceiling grid and tile in the room created. See list of the notes on sheet. Temporary existing ceiling grid and tile in the room created. See list of the notes on sheet.

GENERAL NOTES

1. COORDINATE ARCHITECTURAL WORK WITH NEW MECHANICAL, FIRE PROTECTION, PLUMBING AND ELECTRICAL WORK.
2. ALL OPENINGS CREATED IN WALLS, PARTITIONS AND FLOORS BY THE REMOVAL OF DUCTS, GRILLES, LOUVERS, DIFFUSERS, PIPES, CONDUIT, ETC. SHALL BE FILLED TO MATCH EXISTING CONSTRUCTION. CLOSE ALL OPENINGS IN FIRE RATED WALLS AND PARTITIONS WITH RATED CONSTRUCTION TO MATCH EXISTING.
3. PROTECT ALL FINISHES REMAINING IN PLACE FOR THE DURATION OF CONSTRUCTION IN THESE AREAS.
4. PATCH AND REPAIR WALL SURFACES ADJACENT TO DEMOLISHED WALLS. CONSTRUCTION AND FINISH TO MATCH EXISTING.

CONSTRUCTION NOTES

- △ PATCH EXISTING OPENING IN MASONRY WALL WITH MATCHING CONSTRUCTION. SURFACES AND SEAMS TO BE SMOOTH FLUSH, AND READY TO ACCEPT NEW FINISH PER FINISH SCHEDULE. PROVIDE 1 HR CONSTRUCTION AT △.
- △ PATCH EXISTING OPENING IN GYPSUM WALL WITH SIMILAR CONSTRUCTION. SURFACES AND SEAMS TO BE SMOOTH FLUSH AND READY TO ACCEPT NEW FINISH PER FINISH SCHEDULE.
- △ ALIGN NEW PARTITION FINISH FLUSH WITH EXISTING CONSTRUCTION FINISH. PATCH JOINT SMOOTH.
- △ ALIGN CENTER OF NEW PARTITION ON CENTER OF EXISTING COLUMN.
- △ ALIGN CENTER OF NEW PARTITION ON CENTER OF NEW WINDOW MULLION. SEE TYPICAL DETAIL SHEET A40.



Revisions			
Symbol	Descriptions	Date	Approved
△	Case 072 - CT - A Medley of		
△	Change		
△	Case AG		
△	Case BD		
HAYES, SEAY, MATTERN & MATTERN, INC. ARCHITECTS - ENGINEERS - PLANNERS ROANOKE, VIRGINIA		U.S. ARMY ENGINEER DISTRICT CORPS OF ENGINEERS LOUISVILLE, KENTUCKY	
Designed by: GGG/GLH	SPS US Army Corps of Engineers	DEFENSE FINANCE ACCOUNTING SERVICE (DFAS) REGIONAL FINANCE CENTER GENTILE STATION, DAYTON, OHIO	
Drawn by: JLS	ARCHITECTURAL		
Checked by: TMJ	THIRD FLOOR PLAN		
Reviewed by: BJF	Scale: AS NOTED	Sheet reference number: A22	Project number: 44812
Approved by: DCH	Date: 17 JAN 97	Drawing Code: F-610-50-13	Sheet 55 of 223