

Kansas Army Ammunition Plant, Kansas

&

Watervliet Arsenal, New York

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TAB A

AVERY

Kansas Army Ammunition Plant, Kansas

Recommendation: Close Kansas Army Ammunition Plant (AAP), KS. Relocate Sensor Fuzed Weapon/Cluster Bomb function and Missile warhead production to McAlester AAP, OK; 155MM ICM Artillery and 60MM, 81MM, and 120MM Mortar functions to Milan, TN; 105MM HE, 155MM HE, and Missile Warhead functions to Iowa AAP, IA; and Detonators/relays/delays to Crane Army Ammunition Activity, IN.

Justification: Capacity and capability for Artillery, Mortars, Missiles, and Pyro/Demo exists at numerous munitions sites. There are 8 sites producing Artillery, 5 producing Mortars, 9 producing Pyro/Demo, and 13 performing Demilitarization. To reduce redundancy and remove excess from the Industrial Base, the closure allows DoD to create centers of excellence, avoid single point failure, and generate efficiencies.

Payback: The total estimated one-time cost to the Department of Defense to implement this recommendation is \$25.15M. The net of all costs and savings to the Department during the implementation period is a savings of \$2.14M. Annual recurring savings to the Department after implementation are \$10.28M with a payback expected within 2 years. The net present value of the costs and savings to the Department over 20 years is a savings of \$101.44M.

Economic Impact on Communities: Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 276 jobs (167 direct jobs and 109 indirect jobs) over the period 2006-2011 in the Parsons, KS Micropolitan Statistical Area, which is 1.82 percent of the economic area employment. The aggregate economic impact of all recommended actions on this economic region of influence was considered and is at Appendix B of Volume I.

Community Infrastructure: A review of community attributes indicates no issues regarding the ability of the infrastructure of the communities to support missions, forces, and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

Environmental Impact: This recommendation has possible water resources impact at McAlester and Crane. Significant mitigation measures must be taken to limit releases into waterway. This recommendation has potential impact on air quality at Crane AAA. Crane AAA may need upgrades to industrial wastewater treatment to handle additional lead wastes. Kansas AAP has domestic and industrial wastewater treatments plants that may require closure.

This recommendation has no impact on dredging; marine mammals, resources, or sanctuaries; noise; threatened and endangered species or critical habitat; waste management; water resources; or wetlands. This recommendation will require spending approximately \$5.15M for environmental compliance activities. This cost was included in the payback calculation. Kansas reports approximately \$33.183M in environmental

TAB B

AVERY

DRAFT BRAC COMMISSION FINDINGS LANGUAGE RE:

Kansas Army Ammunition Plant – Parsons, Kansas

**SECRETARY OF DEFENSE
RECOMMENDATION**

Close Kansas Army ammunition plant. Relocate Sensor Fuzed Weapon / Cluster Bomb function and Missile warhead production to McAlester Army Ammunition Plant, Oklahoma; 155mm ICM Artillery and 60 mm, 81mm and 120mm Mortar functions to Milan, Tennessee; 105mm HE, and Missile Warhead functions to Iowa AAP, Iowa; and Detonators/relays/delays to Crane Army Ammunition Activity, Indiana.

**SECRETARY OF DEFENSE
JUSTIFICATION**

Capacity and capability for Artillery, Mortars, Missiles, and Pyro / Demo exists at numerous munitions sites. There are 8 sites producing Artillery, 5 producing Mortars, 9 producing Pyro / Demo, and 13 performing Demilitarization. To reduce redundancy and remove excess from the Industrial Base, the closure allows DOD to Create centers of excellence, avoid single point failure, and generate efficiencies.

COMMUNITY CONCERNS

The Kansas Army Ammunition Plant is located in Labette County, Kansas near the town of Parsons, which is in the southeast corner of the State. The community did not oppose the closure of the Army Ammunition plant, but expressed significant concerns about their ability to redevelop the facilities and property of the site. The Plant is located in a very rural area of the State, with limited transportation access, which may inhibit redevelopment activity. The loss of 267 jobs will exacerbate the economic hardship that the region and Labette County already face. The community has proposed that the Government conduct an early transfer and clean-up of the Ammunition Plant to, be completed within 3 years. During this transition phase, the community proposes a \$1 dollar per annum lease to the Local Reuse Authority (LRA). At the conclusion of the clean-up and transition phase, the community proposes that the Government transfer all equipment, facilities and property to the LRA at no cost.

The community argues that due to the limited employment base in the region, it will be imperative for the community to expeditiously gain access, control and ownership of the former Kansas Army Ammunition Plant to create any hope of viable reuse efforts. Further, the community states that execution of this proposal will not affect U.S. Army production requirements, inasmuch as the Department of Defense has determined that the facility is excess capacity, and other Army installations already possess the capability to manufacture the weapons that the Kansas Army Ammunition Plant has provided to the Department of Defense. Finally, the community presented the case that an interim lease (lease in furtherance of conveyance) with the LRA during the accelerated clean-up and property transfer process, culminating in a no-cost conveyance, would reduce the Government's carrying cost for the property. .

COMMISSION RECOMMENDATION

The Commission finds the Secretary of Defense did not deviate substantially from the force structure plan or the final criteria. The Commission, however, has determined that the prospects are extremely low that the Kansas Army Ammunition Plant property and facilities could be sold for any significant sum of monies to any public or private interest. Therefore, the Commission provides that the Army shall work with the LRA and the State of Kansas to implement an early transfer of the property and facilities at the Kansas Army Ammunition Plant, with the associated environmental services contract agreement for environmental clean-up, to the Local Reuse Authority and, that during the intervening period prior to the transfer, that the Army may execute a low-cost lease with the Local Reuse Authority.

AMERY

TAB C

KAAP Community
Presentation to the
BRAC Commission Staff

on behalf of the

Labette County Commissioners

Jerry D. Carson, Commissioner

Ronald Fundis

Carolyn Kennett

Mike McReynolds

Community's Preferred Approach

- Community supports closure
- Request excess capacity be removed in accordance with the Secretary's request
 - Abandon/transfer all equipment, personal property, etc. in place, for the benefit of the Community
 - Possible lease in furtherance of conveyance in '06
- Propose Early Transfer and Clean-up
 - Accelerate new development on unused portions of KAAP
- Community and Contractor will work cooperatively to ensure that capability/capacity is available for to compete for Army needs

Key Stakeholder Benefits

- Community keeps jobs, takes ownership of land/equipment/ facilities
- Operating contractor still competes for DoD requirements
- Keeps a U.S. firm in place as a DoD supplier for munitions manufacturing
- DoD has low cost competitive producer providing requirements
- DoD eliminates ownership costs, transfer costs, set-up costs, new equipment costs, (BRAC one time costs) etc.
- No downtime due to movement of the line

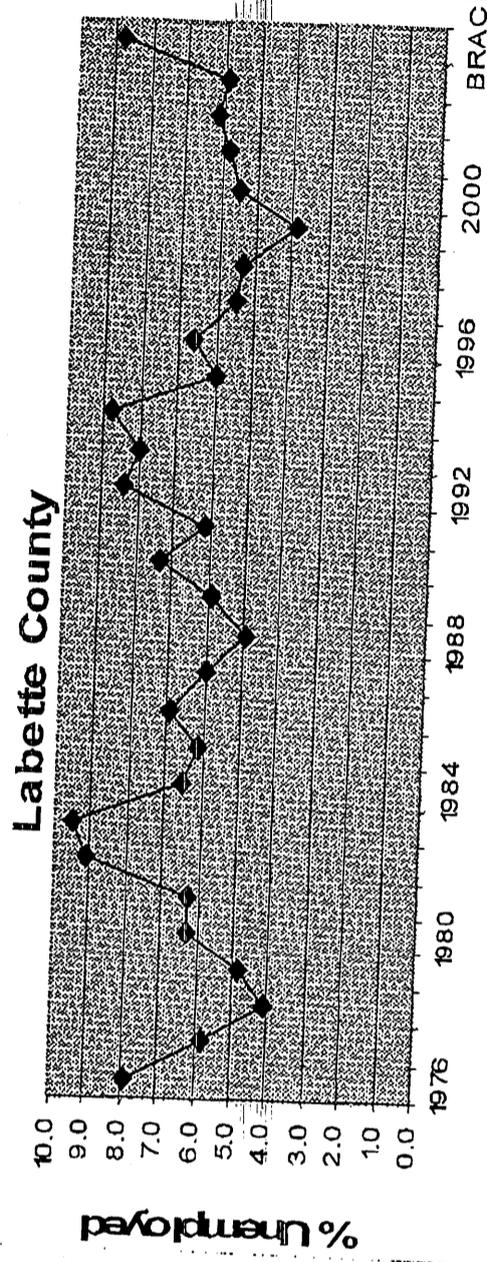
Summary

- Transfer of land/equipment/facilities to community supports BRAC decision/intent
 - Requires minor BRAC language change regarding equipment
- Key stakeholders all benefit
 - Many DOD costs eliminated/reduced/avoided
 - Community retains jobs
 - Contractor still competes for DOD needs
 - BRAC closure of KAAP

Impacts on the Communities

- Loss of at least 267 jobs
- Unemployment could increase to highest level since '83
- County believes job loss is understated
- Residential and non-residential property tax revenues at-risk
- Employment levels evaluated at the low point of recent history

Historic Unemployment



AVERY

TAB D

POINTS OF CONTACT

Watervliet Arsenal, New York

UNITED STATES ARMY

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STATE OF NEW YORK

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Chief of Staff, Governor George E. Pataki
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Mr. Paul Richter
Executive Director, Governor's Military Base Task Force
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Mr. Steve Hyjek
Consultant to Governor's Military Base Task Force
(202-223-4800)
shyjek@hyjekfix.com

COMMUNITY OF WATERVLIET

Mr. Tony Gaetano, Executive Director of the Arsenal Partnership
(518-266-6006)
TGaetano@ArsenalPartnership.com



SAVERY



TAB E

Watervliet Arsenal, New York

Recommendation: Realign Watervliet Arsenal, NY, by disestablishing all capabilities for Other Field Artillery Components.

Justification: The Department no longer requires the capability for Other Field Artillery Components at Watervliet Arsenal. The Department will require and will retain at Watervliet the capability to support core cannon tube, rotary forge, and swage. Disestablishing the Other Field Artillery Components capability will allow the Department to reduce its overall footprint at Watervliet. It will also allow the Department to explore partnering with the local community, perhaps through a leaseback arrangement. This type of partnering could allow the government to reduce its footprint while maintaining that portion of Watervliet needed to fulfill core capabilities.

Payback: The total estimated one-time cost to the Department of Defense to implement this recommendation is \$63.70M. The net of all costs and savings to the Department during the implementation period is a cost of \$46.81M. Annual recurring savings to the Department after implementation are \$5.17M with a payback expected in 18 years. The net present value of the costs and savings to the Department over 20 years is a savings of \$5.17M.

Economic Impact on Communities: This recommendation will not result in any job reductions over the period 2006-2011 in the Troy, NY Metropolitan Statistical Area. The aggregate economic impact of all recommended actions on this economic region of influence was considered and is at Appendix B of Volume I.

Community Infrastructure: A review of community attributes indicates no issues regarding the ability of the infrastructure of the community to support missions, forces, and personnel. There are no known community infrastructure impediments to implementation of all recommendations affecting the installations in this recommendation.

Environmental Impact: Surveys and consultation with SHPO will be required to ensure protection of cultural resources on Watervliet. Restoration and monitoring of contaminated groundwater sites at Watervliet will likely be required after to prevent significant long-term impacts to the environment. This recommendation has no impact on air quality; dredging; land use constraints or sensitive resource areas; marine mammals, resources, or sanctuaries; noise; threatened and endangered species or critical habitat; waste management; or wetlands. This recommendation will require spending approximately \$1.3M for environmental compliance activities. This cost was included in the payback calculation. This recommendation does not otherwise impact the costs of environmental restoration, waste management, or environmental compliance activities. The aggregate environmental impact of all recommended BRAC actions affecting the bases in this recommendation has been reviewed. There are no known environmental impediments to implementation of this recommendation.

AVERY

TAB F

DRAFT BRAC COMMISSION FINDINGS LANGUAGE RE:

Watervliet Arsenal – Watervliet, New York

SECRETARY OF DEFENSE RECOMMENDATION

Realign Watervliet Arsenal, NY, by disestablishing all capabilities for Other Field Artillery Components.

SECRETARY OF DEFENSE JUSTIFICATION

The Department no longer requires the capability for Other Field Artillery Components at Watervliet Arsenal. The Department will require and will retain at Watervliet the capability to support core cannon tube, rotary forge, and swage. Disestablishing the Other Field Artillery Components capability will allow the Department to reduce its overall footprint at Watervliet. It will also allow the Department to explore partnering with the local community, perhaps through a leaseback arrangement. This type of partnering could allow the government to reduce its footprint while maintaining that portion of Watervliet needed to fulfill core capabilities.

COMMUNITY CONCERNS

Watervliet Arsenal is located in Albany Capitol District of New York State. Albany, New York is the location of a significant non-technology development effort spearheaded by the State of New York in partnership with academia and the private sector. At the same time, the workforce at the Arsenal has experienced a steady and significant decline over the last ten years, representing economic hardship in the city of Watervliet. The community did not oppose the realignment of Watervliet Arsenal, but during its testimony at the Buffalo Regional hearing, the community spokesman expressed a desire for a clarification of the Secretary's recommendation on the issue of leaseback arrangements. The Secretary's recommendation addresses the option of a partnering with the local community and exploring leaseback options, but does not address the issue of property management or conveyance.

The community proposes that the entire Watervliet Arsenal site be conveyed to a Local Re-Use Authority, identified as "The Arsenal Partnership", which will in turn lease-back to the Department of the Army, those facilities it requires for continuation of core functions referred to in the Secretary's recommendation. The community states that the addition of the term "conveyance" to the recommendation is a clarification, rather than modification of the Secretary's recommendation because the Secretary's recommendations already denote an option for leaseback arrangements. The community states further that conveyance/leaseback provides a greater opportunity for the establishment of a high technology business park supporting the Arsenal core functions as well as the military technology research & development functions of Benet Laboratory which, under the terms of the Secretary's recommendations, will remain operational at the Watervliet Arsenal site. It is the community's position that, while unstated, the option of a conveyance/leaseback was the intent of the Department that will enable the Government to reduce its footprint consistent with the Secretary's recommendation and do so at less costs as the result of avoidance of operations & maintenance costs.

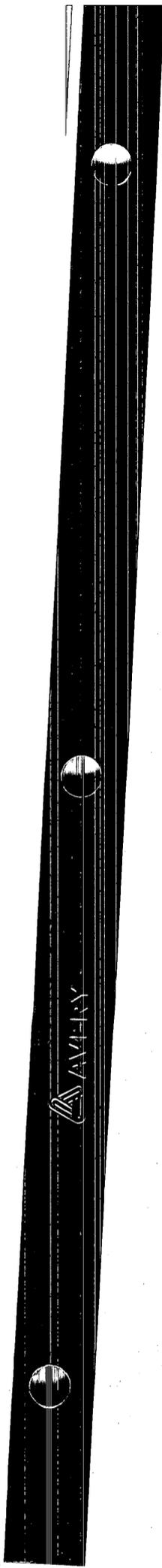
COMMUNITY CONCERNS (CONT.)

The Secretary's recommendation does address its objective to seek a reduction in footprint and alludes to the option of a leaseback arrangement, but it is ambiguous regarding which entity would manage a leaseback and whether this option would be within the context of a conveyance of any facilities or properties on the Arsenal Site.

The Commission staff received communications from the Department of the Army and the Army Materiel Command, the higher headquarters for Watervliet Arsenal, that the Department and the Command endorses the option of conveyance to the Local Reuse Authority and leaseback of required facilities by the Department, but only consistent with a low-cost leaseback for as long as the Department requires the facilities, not to exceed \$1 per year for use of the leased facilities.

COMMISSION RECOMMENDATION

The Commission finds the Secretary of Defense did not deviate substantially from the force structure plan and the final criteria. The Commission approves the Secretary's recommendation with the inclusion of a conveyance to the Local Re-use Authority and low cost leaseback, as desired by the Department of the Army.



AVERY

TAB G

Subject: RE: Requested Material
Date: Thu, 28 Jul 2005 09:19:11 -0400
X-MS-Has-Attach:
X-MS-TNEF-Correlator:
Thread-Topic: Requested Material
thread-index: AcWTdD7m0LFilsMPQKKtmqSc5XnuPQAAFpNg
From: "Tony Gaetano" <tgaetano@arsenalpartnership.com>
To: "Susan Paul" <spaul@arsenalpartnership.com>, <shyjek@hyjekfix.com>

Steve:

Sorry about the way these documents are packaged. They are PDF's so we can't highlight sections or bold them either.

The first two documents are messages from Army command sent to the Arsenal commander providing guidance/explication of the Secretary's recommendations for the installation. One is from the Secretary of the Army's BRAC implementation office; the second is from a personal message sent from TACOM Commander General Lenaers. Both were sent on the day of the Secretary's announcement.

In the ACSIM message, under the heading "Other", the last line explicitly says the Army intends to convey. Gen. Lenaers message is word for word duplicative of the ACSIM message.

The third item includes two pages from Arsenal Commander Don Olson's presentation to the The Army Basing Study group, chaired by Assistant Secretary Craig College. This is the section of his presentation devoted to conveyance of the site to the Partnership.

Thanks for all the help. When you have a chance I;d like to have an off-line conversation with you.

ITony

-----Original Message-----

From: Susan Paul
Sent: Thursday, July 28, 2005 9:00 AM
To: 'STEVEN HYJEK (shyjek@hyjekfix.com)'
Cc: Tony Gaetano
Subject: Requested Material

Steve,

Attached are the documents that Tony recommended I send. Thanks.

Susan Paul~
Arsenal Partnership

ACSIM
~~AME~~ Message to Col. Olson 5/13/05

Watervliet Arsenal

BRAC 05 recommendations transform the arsenal into a Joint Manufacturing & Technology center of excellence that supports critical armament skills and creates a technologically oriented business park with the local community. The realignment of Watervliet Arsenal eliminates redundancy and excess from the Industrial Base and creates a DoD Center of Industrial and Technical Excellence that support readiness for all the Services.

Incoming Activities

None

Departing Activities

None

Other

The reduction of the footprint of Watervliet Arsenal would create a technology-oriented business park accommodating and supporting the military technology Research & Development functions. The facilities of the Joint Manufacturing & Technology Center (fabrication/prototyping operations and Benet Laboratories) would be consolidated into a contiguous, compact and secure area surrounded by high technology commercial and academic partners. The entire site would be conveyed to a non-government entity capable of developing a high technology park, providing complete infrastructure services to its tenants, and leasing back to the Army the facilities it requires.

Quantitative Results

Net Personnel Impacts ¹			MILCON Cost Estimate
Military	Civilian	Student	
0	0	0	0

Implementation Timeline:

According to BRAC law, this action must be initiated within two years and completed within six years from the date the President transmits the report to Congress.

¹ Based on FY03 ASIP data. Does not reflect any personnel changes resulting from standard programming and Command Plan actions since FY03.

Anc message (cont'd)

Internal Communications: (Watervliet Arsenal Work Force)

- Watervliet Arsenal has played a long and storied role in the history of the US Army and it will continue to do so.
- Watervliet Arsenal will gain a new importance as a DoD Center of Industrial and Technical Excellence. It becomes a focal point for one of the most critical aspects of Army combat capability the vehicles and combat equipment on which our Soldiers depend.

External Communications: (Civilian community)

- Watervliet Arsenal has played a long and storied role in the history of the US Army and it will continue to do so.
- Watervliet Arsenal will gain a new importance as a DoD Center of Industrial and Technical Excellence. It becomes a focal point for one of the most critical aspects of Army combat capability the vehicles and combat equipment on which our Soldiers depend.

Approving BRAC Recommendations - Statutory Steps:

- 16 May 05 SECDEF forwards Recommendations to BRAC Commission
- 08 Sept 05 ✓ BRAC Commission recommendations due to President
- 23 Sept 05 President approves/disapproves Commission recommendations
- 20 Oct 05 Commission resubmits recommendations (if initially rejected by President)
- 07 Nov 05 President submits final recommendations to Congress. Once submitted, the plan becomes final within 45 legislative days, unless Congress passes a joint resolution to block the entire package.

BRAC Recommendations impacting Watervliet Arsenal

- Realign Watervliet Arsenal

General Lemaers' message
to WVA 5/13/05

Watervliet Arsenal

Other

- The Army intends to transform Watervliet Arsenal by creating a technology-oriented business park accommodating and supporting the military technology Research & Development functions. The facilities of the Joint Manufacturing & Technology Center fabrication/prototyping operations and Benet Laboratories) would be consolidated into a contiguous, compact and secure area surrounded by high technology commercial and academic partners. The entire site would be conveyed to a non-government entity capable of developing a high technology park, providing complete infrastructure services to its tenants, and leasing back to the Army the facilities it requires. The transformation will result in a 42.6% reduction in footprint.

What your leaders will be doing

While the exact impact upon the TACOM LCMC is uncertain at this time, some of TACOM's communities will have major impacts if the BRAC recommendations are approved. As I told you earlier this month, I have scheduled meetings with the installation / garrison commanders, the TACOM LCMC Executive Steering Committee, business center heads, along with our enterprise and alliance partners to discuss and assess the initial impacts to our LCMC community.

Let's put BRAC in perspective

The BRAC Commission, appointed by President Bush, will now evaluate the recommendations from the Secretary of Defense. The Commission assessment process will start today and end in September. After evaluating DoD's recommendations, the independent BRAC Commission will submit its own list to the president for review and approval, no later than September 8.

I want you to know that I believe our people are our greatest asset and that what you do is vital to our military. I understand that individual lives and whole communities are being impacted by BRAC. As a Soldier I am used to changes and reassignments; Soldiers expect to be given new assignments and missions. That is not the case with the civilian members of the Army team and with the communities you are a part of.

As the BRAC process moves forward, I will continue to keep you informed as information becomes available. But please remember that if you are contacted by any news media member about this that you shouldn't respond to any of their queries or speculate on the outcome of today's BRAC announcement and what it might mean for us. Please refer all news media queries to the G5 Public Communications Office at 586-574-8820.

In the meantime, I am asking you to continue the great job that you all are doing for our Soldiers, our military and our nation. Remember that we are still a nation at war and we must remain committed to defeating terrorism. Thank you and may God bless America.



INSTALLATION FAMILIARIZATION BRIEFING
FOR THE
JOINT MANUFACTURING & TECHNOLOGY CENTER
AT WATERVLIET

- **BRIEFER: COLONEL DONALD C. OLSON**
- **POSITION: COMMANDER, WATERVLIET ARSENAL**
- **PHONE: DSN 374-4294, COMM 518-266-4294**

PROVIDING WEAPONS TO WARFIGHTERS

MASTER PLAN IMPLEMENTATION STRATEGY

- ID Opportunities for EUL
- Use Brooks AFB/San Antonio EFI Model
- Convey site to Arsenal Partnership
- Army leaseback mission essential facilities
- Obtain Refootprint Funding
- Create secure area within new tech park
- Army focus on core responsibilities and capacities
- Expand synergistic private uses

Synergistic
Commercial
Growth Supports
DOD Programs

Leverage
State, Federal,
& Private
Investment

Refootprint
Manufacturing
Area \$21M

EFI Designation
& Support

Refootprint
Benet Labs
\$45M

Solid Vision for Overall Site Development

Joint Manufacturing and Technology Center at Watervliet – Weapons to Warfighters

30

Deliberative Document - For Discussion Purposes Only - Do Not Release Under FOIA

MASTER PLAN OUTCOMES

- **Maximizes Joint Armaments Capabilities**
 - Defense Manufacturing & Technology Center
 - High Technology (Partnered) Park
- **Minimizes Burdens On DOD**
 - Enhanced Technology Development And Application
 - Reduced Base Operating Cost
 - Reduced Ownership Distraction
- – **Distriected Site With Distributed Costs**
- **Establishes Efficiently Sized Core Organic Capability**
- **Focus On Public-private Partnership & Economic Development**
- **Model For Industrial Support To Transformation**

Creates High
Tech Business
Park

Maintains
Military
Unique
Capability

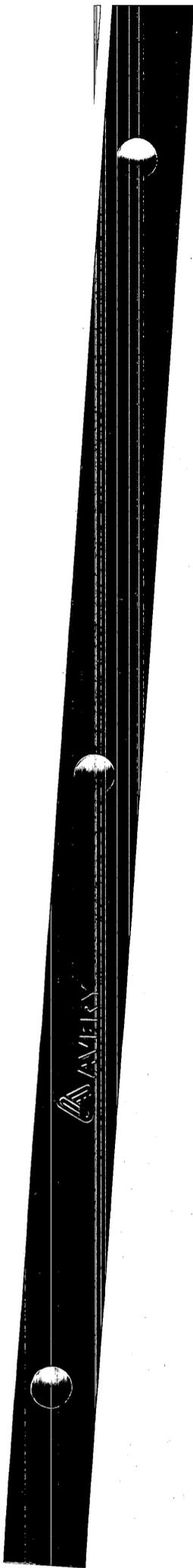
Canon Cost
Reduced Up
To 60%

Reduce
BASOPS
Cost By
85%

*Manufacturing & Technology Center at Watervliet Provides
Critical Warfighting Capability – Current & Future*

Joint Manufacturing and Technology Center at Watervliet – Weapons to Warfighters

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TAB H

POINTS OF CONTACT

Kansas Army Ammunition Plant

STATE OF KANSAS

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Mr. John Armbrust

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COMMUNITY OF PARSONS, KANSAS

Mr. Jerry Carson

Labette County Commissioner
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Mr. Jeff Donahoe

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