



CITY OF KETTERING

3600 Shroyer Road
Kettering, OH 45429-2799

OFFICE OF THE MAYOR

August 9, 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:

DFAS Dayton (Building 45 of the Kettering Business Park)

The City of Kettering is the owner/landlord for the DFAS Dayton operation, which is located in the Kettering Business Park (KBP) in Kettering, Ohio. I would like to take this opportunity to provide the Commission with some capacity data related to the DFAS Dayton site and the KBP.

	Ground Floor	Second Floor	Third Floor	Total
Gross Square Footage (gsf)	101,300	95,625	5,700	202,625
Useable Square Footage ¹	70,910	66,938	3,990	141,838
Technical/ Clerical Cubicles	349	505	N/A	
Supervisor Cubicles	2	5	N/A	
Private Offices	23	2	N/A	
Other Areas	6	8	N/A	
Total Positions Available ²	380	520	50 ³	950

Based upon the number of positions available, over 500 employees could be added to the DFAS Dayton site with no significant infrastructure cost required.

¹ 70% of Gross Square Footage.

² Additional position capacity is not based simply on available square footage, but also the capacity of the existing data network.

³ The 3rd Floor is currently used for storage only. The Ohio Building Code would allow for up to 50 occupants.

Adjacent Space

In addition to the current location of DFAS Dayton, the KBP has approximately 560,000 gsf available for use by DFAS. Included in this available space, is 80,000 gsf that is adjacent to DFAS Dayton and, based upon the occupant per square foot ratios established in Building 45 this additional 80,000 gsf could reasonably accommodate an additional 400 occupants.

All of the available 560,000 gsf would require rehabilitation/MILCON. In 1995 -1997 DFAS Dayton spent approximately \$61 per square foot to bring Building 45 to its current condition. Indexed for inflation and the rising costs of construction materials, we would estimate that the cost today would be approximately \$79 per square foot.

Employee Capacity

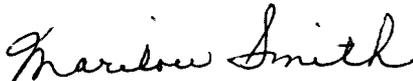
DFAS Dayton currently has approximately 400 employees working in Building 45. Thus, Building 45 has excess capacity for over 500 additional positions with no additional MILCON required. As stated above, the former Gentile Air Force Station has 560,000 gsf available for use by DFAS. This additional space could conservatively allow for an additional 2,000 employees.

The BRAC data indicates that the operating cost per square foot is \$2.91, which is the second lowest among DFAS sites. The City of Kettering leases Building 45 to DFAS Dayton through a 50-year lease that requires no lease payments.

I hope that you will agree that the additional capacity of DFAS Dayton and the low cost of operations make DFAS Dayton an excellent site for the future operations of DFAS.

If you have any questions, please contact me at 937-296-2416, or our City Manager, Steve Husemann, at 937-296-2412.

Sincerely yours,



Marilou Smith
Mayor of Kettering, Ohio



CITY OF KETTERING

3600 Shroyer Road
Kettering, OH 45429-2799

OFFICE OF THE MAYOR

August 11, 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:

DFAS Dayton

DFAS Dayton is located in Kettering, Ohio. Kettering is the second largest city in Montgomery County. The DFAS site, located in the Kettering Business Park, is less than 10 miles from Wright Patterson Air Force Base. The Kettering Business Park is situated on the former Gentile Air Force Station that was closed in 1996 through the BRAC 1993 process.

The current site offers excess gross square footage (gsf) and parking surface to accommodate several hundred more employees than the current employment count of approximately 400. The cost of operations in 2005 is only \$2.88 per square foot. Existing buildings within the Kettering Business Park provide an additional 560,000 gsf of building space and 1,176 parking spaces.

I have attached a listing of what we feel are the top 10 compelling reasons why DFAS Dayton should remain open or become a receiver site (perhaps for the San Bernardino and Omaha operations). We have provided you with documentation in the past through Ms. Wasleski and we would be happy to provide any additional information that you might need. I appreciate the assistance of Ms. Wasleski throughout this process. I recognize the difficulty of your task but I really feel that as you review this data you will recognize that closing DFAS Dayton makes no sense.

Sincerely yours,

Marilou Smith
Mayor of Kettering, Ohio

Top 10 Reasons to Make DFAS Dayton a Receiver Site

1. Available Space

- Systems furniture is already available to accommodate 950 positions. Only 400 are currently used.
- Parking is available for 842 cars.
- Public bus service is available on site.

2. Operating Costs

- \$2.88 per square foot – lowest in DFAS.
- DFAS pays no rent to the City of Kettering who owns the building.

3. Proximity to Wright Patterson AFB

- The largest DFAS customer (AFMC) is headquartered less than 10 miles away.

4. Location in Kettering Business Park

- This beautiful 165 acre office park was named "1998 Facility of the Year" by the National Association of Installation Developers. The DFAS building was reconstructed in 1997 at a cost in excess of \$12 million.
- Federal, state, county and city agencies have invested \$43 million in the Kettering Business Park in the past 10 years.

5. Educational Opportunities

- 4 Associate Degree granting colleges within 5 miles.
- 2 four-year colleges within 5 miles.
- 7 four-year colleges within 30 miles.
- Numerous satellite BA and MPA programs in the community.

6. Availability of Workforce

- Unfortunately, the unemployment rate in Dayton is one of the highest in the state and it's getting worse. Two of the top five employers are considering Chapter 11.
- Montgomery County's award winning One Stop Job Center is prepared to help DFAS find additional employees in a short period of time.
- Kettering's location allows easy access to residents from Cincinnati and Springfield for a total population base in excess of two million people.

7. **Quality of Life**

- DFAS is located in Kettering, Ohio which is nationally known for its parks and recreation programs. DFAS employees qualify for the city's resident rates.
- Known for excellent public and private schools.
- The south suburbs of Dayton offer housing in the \$50,000 to \$2 million price range.
- Low cost of living – Median home sales price in the Dayton region is an affordable \$135,000 compared to \$172,000 in Columbus.

8. **Community Support**

- The Dayton area loves the military.
- The largest crowd to ever attend a Kettering City Council meeting came to honor a wounded marine in June 2005.
- DFAS is the only remaining tie to Gentile Air Station which was once the employer for over 4,000 people.
- DFAS is of major importance to the Dayton area, not merely one of hundreds of large employers.

9. **Not Again!**

- The closure of Gentile Air Station in Kettering in the 1993 BRAC resulted in the loss of 2500 jobs of which only 1800 have been recovered.
- City incurred a loss of over \$1 million per year in taxes from Gentile closure and will lose over \$372,000 per year if DFAS Dayton closes.

10. **Lowest Closure Savings**

- Closure of DFAS Dayton produces the lowest savings of any proposed closure. Total savings of only \$1.9 million from 2006 to 2011 and an annual savings of only \$767,000 in annual operating and personnel costs.
- The closure costs is projected at \$6,056,049.

Conclusion

Closure of DFAS Dayton would not produce any return on investment until 2017.

Closure would cause further economic damage to a City which was damaged in 1993 and made substantial efforts and investments but has only recovered 72% of the jobs lost.

Bringing additional positions to DFAS-Dayton takes advantage of 500 empty cubicles, the lowest per square foot operating cost in DFAS and provides better service to DFAS's largest customer.

Bringing additional positions to DFAS Dayton allows more DFAS employees to experience an exceptional quality of life at a low cost of living and helps stabilize a declining local economy.