



News @ ARMS

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Heavy Duty Success: Dahmer PowerTrain, Inc.

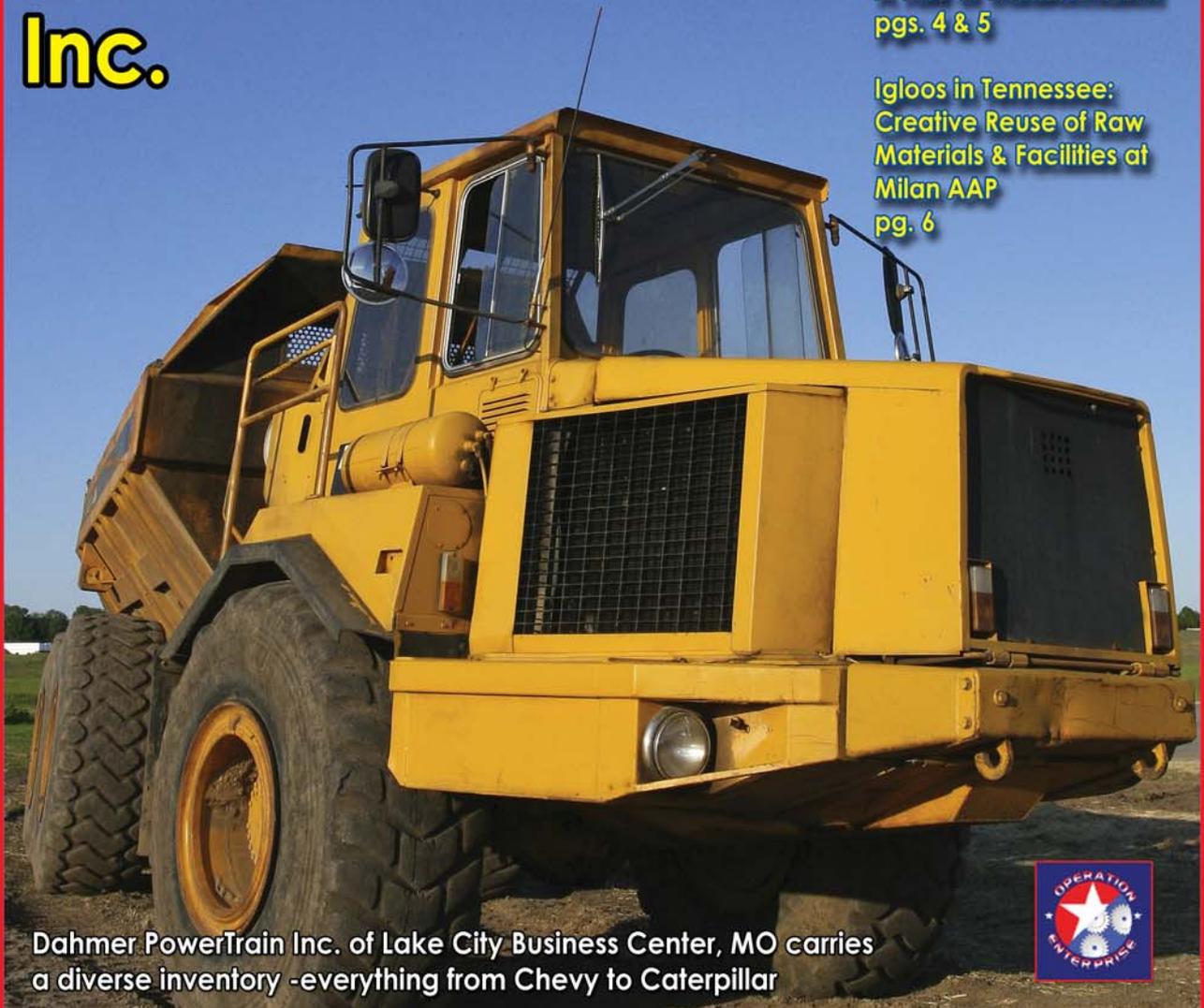
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Dahmer PowerTrain Inc. of Lake City Business Center, MO carries a diverse inventory - everything from Chevy to Caterpillar



Heavy Duty Success: Dahmer PowerTrain Inc.

What started out as a company focused on serving the vehicle fleet needs of local bread companies has grown into a highly successful automotive company with a large and diverse customer base.

Founded in 1975 by Jerry Dahmer, Dahmer PowerTrain Inc. has enjoyed steady growth and success due in large part to the same principles that made Jerry Dahmer a successful Chevrolet dealership owner from 1974 to 2002.

Dahmer Chevrolet opened for business in 1974 in Independence, Mo. Not long after opening, the dealership had an opportunity to purchase a large volume of engines from a local farm machinery manufacturer. That inventory was ultimately purchased and subsequently sold in a timely manner.

It was during this same time frame that Mr. Dahmer was developing his direct contact with many assembly plants that had surplus engines, transmissions, etc. following each model year. To free up their factory floor space with a single sale of all surplus, they were only too happy to make one phone call instead of many. From those humble beginnings and many solid business relationships with both automotive assembly plants and

automobile dealerships, Mr. Dahmer created his second career by founding Dahmer PowerTrain, Inc.

Five years ago, Mr. Dahmer sold his new and used auto dealership interests and he now devotes his full attention to the timely and cost effective distribution of new and re-manufactured vehicle powertrain equipment throughout the United States from his centrally located Kansas City area facilities.

According to Mike Walker, Executive Vice President, for Dahmer PowerTrain, Inc., “We have steadily expanded our service to automotive dealerships (Chevrolet, GMC, Ford and Dodge) while expanding our customer base to include U.S. Army motor pools at facilities like Ft. Riley, Kansas, Ft. Leonard Wood, Missouri, Ft. Leavenworth, Kansas, etc. We have always been successful with companies who use infrequently changing body styles and drive a lot of miles. Customers like UPS, FedEx and other firms with fleet vehicles are part of the customer base that has allowed Dahmer PowerTrain, Inc. to grow

steadily to become the employer of more than 30 sales, warehouse and administrative jobs.

“A few years ago, we had the opportunity to provide equipment used by airport ground crews for tugging airplanes and towing baggage carts at major airports,” said Steve Fairchild, Vice President, Sales. “As a result of that experience, our inventory now includes Caterpillar, Cummins and Mercedes Benz powertrain equipment in addition to our automotive lines of equipment.”

With each success, Dahmer responded with the addition of jobs to their specialized workforce and additional warehouse capacity to meet their customer’s needs.

“Just a few short years ago, Dahmer only needed approximately 6,000 SF at Lake City to handle the surge in inventory that exceeded the capacity of their headquarters facility in Lee’s Summit.” said Jack Figg, Director of the ARMS program at the Lake City Business Center. “Today, Dahmer’s has use of nearly 30,000 SF of dock-served warehouse at the Lake City Business Center.”

“We find the Lake City warehouse to be a good business decision because of the security and services they have in place,” said Mike Walker. “The Lake City warehouse is older, but well maintained and as our needs have grown, the Lake City Business Center



Dahmer PowerTrain Inc. recently expanded again at the Lake City AAP. Dahmer PowerTrain has posted an average of 20% growth annually over the past four years.



Dahmer PowerTrain Inc.

■ Dahmer stocks over 3,000 engines and transmissions. Whether it's a small 4-cylinder or a 300 HP Caterpillar Diesel, Dahmer carries a wide range of inventory.

For more info visit dahmerpower.com

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Holston Business & Technology Park

Holston is a 6,500 acre facility located in Northeast Tennessee. The facility is strategically located on Highway 11W, a four lane highway and just five (5) minutes from Interstate I-181. Holston is also just ten (10) minutes from I-81 which provides easy access to five (5) states. The site is within one-day drive of 70% of the U. S. population and is served by both CSX and Norfolk Southern railroads. It has 32 miles of on-site tracks and rail spurs. The facility offers ample, affordable electricity, on-site water and wastewater treatment capability, natural gas and a significant steam generating capacity.

The featured building at the Holston Business & Technology Park is a 50,000 sq ft warehouse.

This is a great opportunity for a light manufacturing operation in the secure environment of Holston Business & Technology Park, with plenty of room for growth. Other benefits include:

- Small city location
- Within the Tri Cities MSA with a population of approximately 500,000
- At a ranking of 49th, the Tax Burden per capita in Tennessee is among the lowest in the U.S.

For more information visit holston2025.com or call Tony Hewitt at (423) 578-6255.

Featured Building:

50,000 sq ft warehouse



- Two fully heated and air conditioned warehouses, 30,000 sq. ft and 20,000 sq. ft. (currently co-joining but could be separated) with a third 7,000 sq ft 'stand alone' building, all situated on a 4.5 acre site
- Numerous servicing doors including 4 with road access and two with rail access
- Dry sprinkler system
- 20' high ceilings
- Finished office space
- Further area available for additional buildings or laydown yard
- Ample parking



Facilities Spotlight

Your Tax Dollars & Mine: A Tale of Transformation

Fiscal responsibility is always a concern of the American taxpayer. Simply put, we want accountability for the money that is spent. Most people can readily think of “pork barrel” examples of wasteful spending but few can point to examples of innovative government spending. The ARMS program is one shining example of an innovative government program funded in part by your tax dollars and mine.

The ARMS program has consistently provided a path forward for the U.S. Army to convert non-strategic assets from their originally intended use to commercial use that would generate cash proceeds from their commercial rental. The cash proceeds from commercial rental could actually exceed the cost of carrying these facilities with tax payer dollars. One of the key components of the program has been incentive funds for the conversion of government facilities to commercial use.

ARMS Funds in Action at Lake City AAP

ATK successfully bid the right to serve as the facility operator at the Lake City Army Ammunition Plant effective April 1, 2000. ATK knew in order for them to be successful at Lake City, they would have to reduce the operating footprint previously occupied by the plant during its 60 years of operation under cost plus operating contracts with previous contractors. ATK was familiar with the ARMS program tools and incentives and saw no reason idle Lake City facilities could not be converted from their originally intended use to today’s commercial use utilizing ARMS funds.

ATK set about the process of gathering market rates for comparable facilities in the area, as well as,

gathering the cost to remove obsolete machinery and equipment currently cluttering nearly every idle square foot at Lake City. With this information, it became very clear the ARMS funds investment in Lake City infrastructure (roads, parking lots, utilities, etc.) and idle buildings would need to be done systematically and over time because of the sheer magnitude of the investment that would be required if completed in a single phase. It was also clear that without the use of ARMS funds, Lake City would have very few square feet indoors or outside that would be suitable for rent.

As Jack Figg, Director Lake City ARMS Program points out, “I would seriously doubt if Lake City facilities could meet any commercial code for occupancy when we first embarked on the ARMS program at Lake City in 2000. However, from a marketing standpoint, I’m not sure that really mattered because we had no space to show a prospective tenant that wasn’t cluttered with 1941 obsolete machinery. When I showed these properties, I would always suggest to the prospect that they ‘imagine this

building cleaned out before they move in’. Nearly every prospect would leave and look for space elsewhere that was more ready to occupy.”

The U.S. Army approved funds in 2003 for critical asphalt infrastructure upgrades and ATK was able to attract an ARMS tenant looking for a hard surface staging area for new automobiles that must be kept secure from theft or vandalism as the new model launch approached each year.

According to Jack Figg, the Ford Motor factory has become so comfortable with the Lake City Business Center, “we are their 1st choice if they are in need of long term staging and cannot afford to worry about theft or vandalism.”

The Impact of 9/11

Events following 9/11 have dramatically shifted the facility use at Lake City. Prior to 9/11, ATK estimated there might be as much as 1,000,000 square feet of idle facilities and as much as 1,000 acres that could be devoted to commercial use under the ARMS program. The realities of post 9/11 shifted priorities and slightly



Lake City Business Center has become Ford’s top choice for long term staging.

Your Tax Dollars & Mine Cont.

more than 350,000 square feet under roof and less than 500 acres of underdeveloped land has been designated as available for commercial use. Nearly all of the under roof available space was cluttered with obsolete machinery and equipment, had badly neglected utilities and roads and parking lots that have to be mowed to realize they were once surfaced with asphalt.

Approaching 100% occupancy of any building that was safe to occupy, Lake City needed more leasable product. To ask for millions of dollars to complete the conversion of buildings from idle to usable just was not realistic. In the summer of 2004, Jack Figg developed a Commercialization Master Plan focused specifically on two large buildings near the main entrance. The goal was to secure a small amount of ARMS funding in 2005 to convert Building 10 from its previous use to a commercially acceptable facility, complete the conversion during 2006 and place it on the market by 2007. By the end of 2005, funding had been programmed for Lake City by the ARMS team. Demolition of the building interior was completed during the first half of 2006.

Location of a preferred end user was underway during this same time frame.

“Interest in the building increased with each change ATK made to the building,” according to Tom Riederer, President of Independence Council for Economic Development. “Before the conversion work, we had literally no prospects that would seriously consider the building. When a prospect is looking for used facilities, they are not prepared to wait three to nine months before they can move in. They do have other choices in the

Kansas City metropolitan area. Today, we are pleased to report the building is wide open and not cluttered with 60 year old equipment.”

The Future

“We have a serious prospect for about two thirds of the building making plans to relocate to Lake City from California,” said Jack Figg. “We remain confident this prospect will grow in two or three phases and will have full use of all 64,000 square feet. This prospect brings critical machine design and rebuilding skills to Lake City.”

The ARMS Program has proven its ability to offset the cost of overhead at Army Ammunition Plants across the nation. Even though Lake City entered the ARMS Program nearly 8 years after other plants were a part of the Program, Lake City has slowly and steadily upgraded and modified facilities with ARMS funds enabling them to meet commercial lease tenant needs.

“ATK and its government partner have reinvested 100% of all ARMS tenant rent proceeds back into the Lake City infrastructure, facilities and ARMS marketing efforts,” said Jack Figg. “As a result, we have retained or attracted critical skills to Lake City to offset overhead costs that affect the cost of products purchased by the U.S. Army. We’ve also had a significant economic impact on the local economy during both the site preparation time frame and from tenant business payrolls when we are done. We can assure you, we are keeping your tax dollars and mine hard at work at the Lake City Business Center.”



Building 10 Transformation



Before conversion for commercial use



After conversion for commercial use

Dahmer Cont.

has been able to expand our warehouse space to meet our growing needs.”

“While we find the government review and approval process more involved and time consuming than traditional commercial lease paperwork and procedures, we have never had any doubt that our Lake City warehouse is highly secure,” Mr. Walker said.

To meet the growing demand, Dahmer recently completed an expansion that became effective January 1, 2007. The final site prep included upgrading restroom facilities that were far overdue. As a result of this expansion, Lake City had the opportunity to remove several non-load bearing walls resulting in even more unencumbered warehouse space and replacing aging lighting systems as well as steam lines that have heated the area for 60 years. These upgrades were made possible through the use of ARMS funds.

Dahmer PowerTrain has been able to utilize the ARMS program to ensure heavy duty success for their own business and the future businesses that will choose to locate their facilities at Lake City AAP.



Igloos in Tennessee: Creative Reuse of Raw Materials & Facilities at Milan AAP

Accurate Energetics not only manufacture explosive materials and end items from scratch, but also recycle excess and obsolete materials no longer needed by the Department of Defense (DOD) and re-use unneeded government facilities as well!

Recycling explosives offers an environmentally friendly solution to excess and obsolete munitions raw materials no longer needed by the U.S. Government. The same recycling also works well for residual materials left over from manufacturing end items for the U. S. Military. Army ammunition plants (AAP's) also work extremely well for short term storage of these materials. Most AAP's have earth covered bunkers known as igloos or magazines that were designed to safely and securely store these materials in full compliance with all commercial and Department of Defense (DOD) rules and regulations.

The inherent energy captive in explosive raw materials can be very useful in making commercial products suitable for use in construction, mining, quarrying and even in gas and oil exploration. Some materials are melted and poured into a particular shape while others are pressed to unique shapes.

Earth covered igloos or magazines safely store materials for Accurate Energetics.



Using the bunkers built in the 1940's to store materials until they can be consumed into commercial products also allows facilities not currently needed to be recycled as well. One such example is Accurate Energetics use of magazines (bunkers) at Milan AAP to store such materials until transformation to a commercial product can be completed. Accurate rents 24 such magazines which are separately fenced and separated from magazines used to store government owned materials.

Accurate's manufacturing facilities are located in McEwen, TN approximately 80 miles to the east of the Milan AAP facility and therefore allows reasonable logistics.

"Acquisition of these materials is usually on a spot basis and our McEwen facility does not have the capacity to store large volumes of material at any given time. Use of the Milan AAP facilities allows us to accommodate our needs when materials are available," says John Sunday, Chief Manager of Accurate Energetics. "We simply could not afford to construct new facilities that would meet all the Bureau of Alcohol, Tobacco and Firearms (BATF) regulations. Thus, we feel that the

AES

Accurate Energetic Systems, LLC

AES is a manufacturer of various high explosive compositions and specialty products for the U.S. Department of Defense and U.S. Industrial markets. These include products for aerospace, military, oil exploration, commercial blasting and precision demolition applications.

Fabricated products include linear shaped charges, conical shaped charges, boosters and detonating cord. Some military products include FMU 124 LAP, demolition charges M3A1, M112, M118 and Mark 80 series. Quality capabilities include a chemical laboratory and a range for destructive testing.

aesys.biz

Milan AAP facility has allowed us to expand our markets while also generating revenue to American Ordnance, LLC (Facility Manager and Contract Operator of Milan AAP). It also allows an environmentally friendly way to use excess and obsolete materials that would otherwise have to be detonated or burned. In the end, all parties benefit from reuse of the materials and the facilities."

