



# News @ ARMS

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## ARMS Strong Business Growth Supports Our Soldiers

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By reducing the overhead of Army ammunition plants and actually re-investing in the facilities, the ARMS program has strengthened our defense resources to meet the needs of our soldiers.



# ARMS Strong Business Growth Supports Our Soldiers

Just like the message proclaims “there’s strong and then there’s Army Strong” – this slogan could also apply to the business and economic growth at the Lake City Army Ammunition Plant (LCAAP) through the Army’s Armament Retooling and Manufacturing Support (ARMS) program.

ARMS has encouraged commercial use of Army manufacturing facilities by third party commercial users that has produced outstanding results.

Since the program’s inception in 1993, ARMS has generated a total economic impact of \$5.9 billion. The ARMS program has produced a total savings of \$351.5 million which has outpaced the total investment of \$271 million. In fiscal year 2006, the average annual rate of return reached 9 percent.

The commercial marketplace is a mixture of risk and reward and the ARMS team and key ARMS marketing professionals who participate in the ARMS program have accepted the challenge of managing the risk/reward relationship for more than 15 years now. The key to success has always been the balance struck by both partners (Government/Contractor) as to the amount of risk versus the amount of the reward and their control over both. The Government, like most industrial property owners, is constantly balancing their investment in under utilized property, which

they may need someday for ongoing core business operations, against the annual investment they must make today to keep the customer (the soldier) properly supplied. For the past 20 years the Government has found it necessary to close and liquidate their ownership of a number of facilities no longer cost effective to own and maintain. The resulting smaller ownership position in the remaining industrial facilities needed as a safety net for our nation’s defense makes it critical that all remaining facilities are as cost efficient and up to date as possible.

The ARMS program is but one small tool available to this vital partnership between the Army and the facility operating contractor. The unique ability of ARMS to operate successfully with the operation of an ongoing ammunition plant with no adverse impact to the core mission makes the ARMS program one of the Army’s best ways to offset overhead. An investment in ARMS facilities provide upgrades that are ready to support the soldier at a moment’s notice and in this sense both parties in the ARMS partnership have the same end objective which is to meet the needs of the soldiers.

LCAAP has tried to bring special attention to prospective ARMS tenants who support the soldier with their product. One good example of this is MAST Technology, Inc., a Department of Defense Small Business Contractor.

MAST Technology came to LCAAP in 2001 with two employees and great confidence in their product and previous manufacturing experience. Today MAST Technology has expanded into four facilities and employs more than 130 workers making munitions related products that benefit the U.S. Army directly.

Projected growth plans indicate that MAST Technology will be a successful supplier of small caliber ammunition to the soldiers around the world guarding our U.S. Embassies. In addition to these Department of State customers, MAST sees a role for their business supporting the Department of Energy and the Department of Homeland Security according to Gerald Pickens, President & CEO of MAST Technology, Inc. Pickens believes with the support of the Government/Alliant Techsystems, Inc. ARMS Partnership, LCAAP could facilitate unlimited growth for MAST Technology in the area of small caliber ammunition needed in small quantities, 40mm practice rounds for the U.S. Army and in the rebuilding of ammunition production machinery - all skills MAST Technology has in the workforce at Lake City.

LCAAP is operated by Alliant Techsystems, Inc. (ATK). ATK was one of the earliest participants in the ARMS Program at the Radford Army Ammunition Plant in Virginia. With successful ARMS program experiences under their belt, ATK was very confident in their ability to have a positive impact on the community surrounding the LCAAP located near Independence, Missouri. As the prime contractor for small caliber ammunition production at LCAAP from April 2000 through the present, ATK initially saw more than 1 million square feet of idle or under utilized facilities plus nearly 1,000 undeveloped acres with potential to attract commercial users and at the same time offset the overhead costs that impact the cost of ammunition products needed by the soldier.

LCAAP was one of the last Army ammunition plants to join the ARMS program. LCAAP entered the program in April 2000 when ATK was awarded the prime contract. The Lake City Business



MAST Technology, Inc. at LCAAP makes practice rounds for the M203 pictured here. Photo courtesy U.S. Army

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Plans have been announced for a new Welcome Center at the Lake City Business Center.



Center commercial leasing effort was launched with high hopes for a successful partnership. By 2001, ideas for subdivision of the 4,000 acre Army Ammunition Plant were introduced.

The benefit of encouraging commercial use was just beginning to succeed when the events of September 11th were felt across our nation. Unlike other industrial parks in the area, the Lake City Business Center was forced to take a step back from an aggressive plan to provide competitive commercial access. The Army had little choice but to launch major change in the way entry and exit from the plant was progressing in favor of ammunition production.

Ammunition production activity began to "ramp up" to meet new military demands and hundreds of thousands of square feet of formerly idle and under utilized facilities were reclassified from potential commercial use to primary production use. For the ARMS program to remain successful in attracting commercial tenants during this time, commercial segregation would become critical. To that end, today the 4,000 acre Government owned facility has three distinct activity zones. Ammunition production and related functions make up approximately 3,000 acres specifically enclosed by an inner fence and heightened security appropriate for these essential facilities. Approximately 300 acres safely surrounds and separates Government housing activity from the ammunition plant activities and provides ample land to buffer residential activities from the remaining 700 acres designated for commercial activities associated with the ARMS program.

Today the Lake City Business Center is home to seven different ARMS tenants operating under 10 separate Subcontractor Facility Use Agreements (leases).

This spring marks the eighth year of the Lake City Partnership. Reinvestments at Lake City from tenant rents alone have totaled nearly \$4 million and officials hope to equal or exceed that level of reinvestment for several years into the future.

"The commercial benefit of the ARMS program has a quiet but very real benefit," said Jack Figg, Lake City ARMS Program Director. "ARMS Incentive Funds used to initially convert a facility for commercial use actually upgrades the value and appearance of the real estate beyond the normal maintenance and repair standards. Roads, utilities, telecommunications, fire protection, etc., have been improved through the generated revenue. In addition you see an economic impact on the whole area - ARMS projects pay the salaries of hundreds of area workers who are hired to make ARMS related upgrades, materials are purchased locally and this quietly creates a favorable economic impact on the entire region when those labor and material dollars are converted to food, entertainment and many more consumer goods and services."

This strong economic impact generated by ARMS has translated into lower overhead costs for the Army which directly impacts the future of our soldiers and the strength of our nation's defense – a win/win scenario for everyone involved.



## ARMS Program Participants Receive Awards for Economic Impact

The Independence Council for Economic Development (ICED) hosted its first annual "Salute to Industry" luncheon and Impact Awards this past February. The awards were established to honor companies that have created a minimum of 2 new jobs and/or \$25,000 of new capital investment during 2007.

Fifteen Independence companies received the awards sponsored by Stewardship Capital and presented by Independence Mayor Don Reimel.

The companies combined added 439 jobs and over \$285 million dollars of investment in 2007. They are responsible for total employment of 4,300 and their payrolls account for \$172 million that flows through the community.

"Recognizing the companies that have contributed to the success and growth of Independence is a priority," said Tom Lesnak, ICED President.

Award recipients from the Lake City Business Center included ATK, MAST Technology, Inc. and Pride Machinery.

"Well paying manufacturing careers offer high paying jobs, attract a highly skilled workforce and create a positive economic ripple effect throughout the community," said Paul Scianna, President – AIM KC, an affiliate of the National Association of Manufacturers (N.A.M.) "This is critical to quality of life in the area."



Pictured (Left to Right) are Mark Hissong from ATK; Susan Sarna holding MAST Technology's award and Bob Sarna, Sr. with Pride Machinery.

# Bringing "Pride" to Lake City - Pride Machinery Inc.

**P**ride Machinery Inc., a machine design and rebuild firm, has finally made it to the City. Lake City, Missouri – that is...

Jack Figg, Director of Business Development and Community Affairs at the Lake City Business Center has been working with the President and CEO of Pride Machinery, Inc., Robert Sarna, Sr. for nearly two years to insure a smooth transition.

"We are very pleased Pride Machinery has committed to make Missouri their new home with the recent relocation of their machinery design and rebuild division to the Lake City Business Center from their former California home," stated Figg.



**Building 10 - Ramp Area Before.**

With over 35 years experience in screw machine technology and rebuilding, Pride Machinery was established in 1981 by Sarna Sr.

Relying on his invaluable experience dealing with top management of many Fortune 500 companies as well as working with National Acme as an Assembler, Service Engineer, Service Manager and Supervisor in Top Management; Sarna Sr. structured a successful growing business. The client list includes such major corporations as Schlage Lock, Primex (formerly Aerojet-General), Honeywell, Fairchild and Brass Craft, Huck Fastener, New Hampshire Ball Bearing and Cerro Brass.

In addition, Pride Machinery is also a good corporate citizen as demonstrated with their work with the City of Anaheim in their Job Training and Welfare to Work Programs. As a result, Pride Machinery was awarded the 1997-1998 Anaheim Employer of the Year.

Pride Machinery represents a major business attraction that will yield positive results for Lake City and the Independence area. Robert Sarna, Jr. will be in charge of the Lake City division.

Beneficial use of the original 8,500 square foot space (Phase I) offered a place to store several machines Pride had purchased for reconditioning and future sale. Last summer very few amenities beyond that were completed at that time.

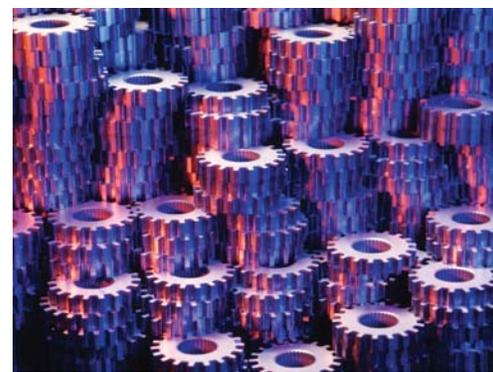
"Pride Machinery Phase II was the significant expansion that would make access to the Lake City shop area workable for our real needs," said Robert Sarna, Sr.

Pride Machinery now occupies approximately 20,000 square feet of recently updated manufacturing space at Lake City.

Tom Lesnak, President of the Independence Council for Economic Development (ICED), announced the Pride Machinery, Inc. relocation during his year end report to the ICED Board of Directors by saying, "I have great faith in the ability of Pride Machinery to not only complete their relocation from California, but to grow their business impact on our community for many years to come. The building at the Lake City Business Center they have selected would easily accommodate business expansion up to 40,000 square feet and perhaps as many as 35-40 new jobs as we look to their long range potential."



**Building 10 - Ramp Area After.**



## Pride Machinery Inc.

- Complete Acme Gridley Rebuilding
- Complete Control Replacement with PLC
- Two Axis Turning Slide Retrofit
- Turnkey Design & Rebuild
- Slide Flaking and Fitting for all Machines
- Clutch Rebuilding
- Spindle Rebuilding
- Motor and Control
- Engineering
- CNC
- Servo Retrofits Model "B"

[pridemachinery.com](http://pridemachinery.com)