

## Change Coming to Holston AAP



Architectural rendering of Phase 1 commercial development at Holston AAP.

The Holston Business and Technology Park consists of 6,500 acres in Northeast Tennessee. Nestled in the foothills of the Appalachian Mountains along the banks of the Holston River, the site is undergoing major change and is being subdivided to take maximum advantage of available space and abundant infrastructure. While tenants are locating on-site utilizing existing facilities, the Holston Strategic Plan clearly demonstrated the need to develop the abundant, under utilized greenfields at the site. While the new Holston Business Development Center will see construction begin in September 2002, the first parcel of green space is being prepared for development simultaneously. "The parcel's development is in complete harmony with the

strategic plan developed by BAE at the outset and along with the new business development center is expected to set the stage for future development at the facility," states Tony Hewitt, the BAE Director of Commercial Development. The 6,500 acre site is operated for the Army by BAE Systems/Ordnance Systems Inc.

The parcel comprises approximately 25 acres, and as configured will contain a bank, two strip malls and two free standing building units for office or retail use. It is the first land parcel in a 250 acre tract that fronts a four lane highway.

"This parcel is the first of many that are planned to allow a variety of uses, accommodate varying size buildings and pro-

mote planned development of the approximate 1,000 acres of green space available at the site" states Hewitt. "We will continue to utilize our assets and infrastructure on the brownfield areas, but feel that the greenfields must be exploited simultaneously in order to realize the full development potential of the site," Hewitt added.

The facility is strategically located in the southeastern United States on four lane Highway 11W just five (5) minutes from Interstate I-181. Interstate I-81 is located 10 minutes from the facility offering easy access to five (5) states. This site is within a one-day drive of 70% of the U. S. population. The site is served by both the CSX and Norfolk

Southern railroads and has approximately 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 Tri Cities Regional Airport provides access to national and regional hubs throughout the Southeastern United States.

"We believe that the entire Holston AAP is poised to act as a catalyst for major growth in the region and that this first parcel will be the genesis of that growth at the facility" concludes Hewitt.



## Riverbank Industrial Complex - Available for Use



Our space can be readily subdivided or reconfigured to suit both small and large companies. The variety of buildings and production lines can accommodate diverse users - from commercial offices to heavy metals processing; from warehousing of product inventory to centers for shipping and receiving.

An assortment of industrial machinery and equipment currently on-site is available for lease at extremely low rates. Their capabilities span a wide spectrum of processing jobs, including metal forming and forging, cutting, grinding, thermal treatment and surface conditioning.

### Property Specifications:

- 18,684 sq. ft. interior; 11,725 sq. ft. exterior
- 5,000 amp, 480v substation
- Single story masonry building
- 4 docks one each on side of building
- Poured concrete facility
- Dimensions 122' x 162'
- Eave height 31' and 19'
- Mixture of fluorescent and halogen lighting
- Sprinkled: 100% wet
- Voltage: 110v, 240v, 480v
- 6-ton Bridge crane with 40' span
- ADA accessible

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## British Firm Bringing 200-Employee Plant to West Tenn.



FRC signing ceremony

Britain's Flight Refuelling Countermeasures (FRC) is bringing 200 new jobs to West Tennessee, and a U.S. Army arsenal will be home to its new plant.

FRC will manufacture flares and other pyrotechnic devices at the Milan Army Ammunition Plant (Milan AAP), which is located just outside Milan, Tenn. Established in

1941, the Milan AAP spans 22,536 acres. FRC will pay a lease rate ranging between \$700,000 and \$1 million a year in occupying an as-yet undisclosed amount of space, according to Milan AAP officials.

FRC anticipates that its new West Tennessee operation will open in the first quarter of 2003. The project is welcome news in Gibson County, where the



# Forging Business Partnerships

The Holston Business and Technology Park consists of 6500 acres in Northeast Tennessee. Located in Kingsport, Tennessee, the facility offers space which can be readily subdivided and facilities which can be modified for immediate use. The facility is blessed with excellent industrial infrastructure and transportation systems which beckon new development and growth. The facility is located 5 minutes from I-181, situated on a major four lane highway and boasts over 32 miles of on site rail served by both CSX and Norfolk Southern. Abundant electricity, natural gas, water, waste water treatment and steam supply are all resident on site. The rail assets are currently serving as an engine for growth for the partnership forged between BAE Systems/ Ordnance Systems Inc. (BAE) and Kingsport Rail Car Services (KRS).

During 2000, BAE Systems joined Kingsport Railcar Services (KRS) to form a joint venture to utilize the rail assets at Holston AAP for the storage of railcars. KRS agreed to provide both switching and rail maintenance as a part of the agreement. That agreement marked BAE Systems first commercial development at the facility. A second agreement was initiated which allowed utilizing a portion of Building 100 for railcar repair. In 2002, a third agreement has been reached which allows a major expansion of the facility. Building 100 will now be fully utilized, tracks realigned and added, and a new "shot blast" and "paint" facility will be established. Kingsport Railcar already has orders in hand to utilize the facility. The expansion is assisted by use of ARMS incentive funds to help defray cost of site preparation and building modifications.



KRS finished rail cars.

A third expansion of the site is planned as soon as the current effort is completed in September 2002. The current and future expansion represent the realization of KRS' vision to make the Holston Plant a "one-stop shop" for all railcar servicing, maintenance, storage and repair requirements for the region. The Holston site benefits greatly from being an interchange point for both CSX and Norfolk Southern Railroads.

"The KRS expansion is on schedule and is fulfilling the promise that BAE Systems recognized early on as well as

becoming a magnet for other prospects," said Tony Hewitt, Commercial Development Director at the site. Lou Love, Operations Director of KRS, echoes that view and states, "We realized that the facility was a tremendous asset at the outset and have learned that the ARMS program is a growth engine that will allow even greater growth in the future."

## News at Lake City



Fort Osage School District has renewed its lease and will be returning to Lake City in August for another year of customized public school classroom activities for students who have been identified as "at risk" of not otherwise excelling in the conventional school setting.

Patriot Inc., our newest tenant, joined us in August. They bring with them the mission of handling in-bound quantities of footwear from Famous Footwear, clothing that must be distributed to the many GAP retail stores in our area

and probably more importantly, the confidence of their business success and their plans for growth at the Lake City Business Center.



## Army Ammunition Plant Payroll reaches \$10 million

Employment at the Louisiana Army Ammunition Plant (LAAAP) in Minden is on the rise. A just-completed survey of businesses located at the deactivated facility reveals an annual payroll figure of just over \$10 million.

The LAAAP was established in 1941 and produced numerous types of ammunition for the U.S. Army until its deactivation in 1993. Employment levels that had approached 10,000 during WWII and the Korean conflict were reduced to a caretaker staff at that time. This reduction in force resulted in a serious decline in the economic fortunes of South Webster Parish and the surrounding area.

Valentec Systems, Inc. has served in the capacity of Facility Use Contractor of LAAAP since December 1997. Valentec's mis-

sion, in part, is to develop the commercial use of the 15,000-acre plant. In cooperation with the U.S. Army's Operations Support Command, Valentec has succeeded in leasing over 1 million square feet of the facility to 18 public and private tenants.

Today LAAAP tenants account for 241 employees with an average annual salary of \$41,000. Workforce growth for current tenants is expected to raise that number to more than 280 by the end of 2002 and to more than 400 by the end of 2003.

With the addition of businesses already in the process of moving to LAAAP, this employment total could easily top 500 by December of 2003. At current wage averages, this would indicate an annual wage total generated on the plant of approximately \$20 million.



Refurbished home for youth challenge program.

### The LAAAP's resources include:

- 15,000 acres of managed forest, fenced since 1941
- 2 million square feet of facilities
- 100 miles of road
- 65 miles of rail

### Some LAAAP tenants:

- Louisiana Army National Guard - Youth Challenge Program
- Louisiana Army National Guard - Camp Minden
- Bellsouth
- Webster Parish Law Enforcement District - Bayou Dorcheat Correctional Center
- GOEX, Inc. - Black powder manufacture
- East Camden and Highland Railroad
- B & B Worm Farm, Inc. - Composting and agriculture
- Explo Systems - Munitions and explosive reclamation

## British Firm

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unemployment rate stands at 79 percent.

### Arsenal Recruiting Private Sector to Cut Costs

FRC isn't the first private-sector concern to establish an opera-

tion in the Milan AAP. Seeking to reduce its operating costs, the arsenal in 1999 began recruiting individual businesses to lease space.

FRC will be the fifth private-sector firm to open an opera-

tion in the Milan AAP, which is located some 100 miles northeast of Memphis. The arsenal has a total of 1461 individual buildings on its grounds.

FRC's West Tennessee operation will make its pyrotechnic

devices for the U.S. Dept. of Defense. The company is a subsidiary of Flight Refuelling Ltd., which is based in Dorset on England's south coast.