

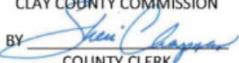
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CLAY COUNTY COMMISSION

BY


COUNTY CLERK

**ADDITIONAL INFORMATION
PRESENTED DURING
DISCUSSION OR AGENDA ITEMS
OF COMMISSION MEETING
FROM PRESENTERS**

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CLAY COUNTY COMMISSION

BY 
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GSA, Office of the Regional Administrator
Heartland Region, Kansas City

December 22, 2011

The Honorable Pamela S. Mason
1 Courthouse Square
Liberty, MO 64068

Dear Commissioner Mason,

This letter is being sent to apprise you of a possible move of the United States Marine Corps (USMC) Information Technology (IT) Data Center Facility in Kansas City, Missouri. The Federal City redevelopment project in New Orleans, Louisiana has submitted a relocation proposal to the Marine Corps for consideration. It is our belief in these austere times that the bi-state, Kansas City metropolitan area offers the best home for the facility in terms of cost savings, regional expertise, amenities and community support.

The data center facility employs over 400 government employees and contractors, approximately 75% of which are Missourians. This highly-skilled workforce has an average yearly income of \$93,000. The current building has a square footage of 562,748 feet but is less than 50% utilized. If a long-term commitment is made by the Marine Corps to the facility, further consolidation of IT data enterprises from across the USMC could be relocated to the facility. This could push the number of employees up over 1,000, with a sizeable percentage of those new employees choosing to live in Missouri.

We would like to provide a united front of support from a wide range of shareholders from both sides of the state line and would ask for your support in keeping these well-paid, highly-trained Missourians and Kansans in our region. Please do not hesitate to contact my office with questions or for more information.

Sincerely,

A handwritten signature in black ink that reads "Jason Klumb".

Jason Klumb
Regional Administrator

U.S. General Services Administration
1500 E. Bannister Road
Kansas City, MO 64131
jason.klumb@gsa.gov



Background of the United States Marine Corps (USMC) Information Technology (IT) Center

The facility resides in the General Services Administration (GSA) – owned, 310-acre Bannister Federal Complex (BFC) 12 miles south of the Central Business District in Kansas City, Missouri. The buildings at 2306 and 2312 East Bannister Road are located on 19 acres in the east quadrant of the BFC at the intersection of 95th Street and Garfield Road. It is bounded on the north by open land, on the south by East 95th Terrace, on the east by the Big Blue River, and on the west by a rail line and the rest of the Bannister Federal Complex. Vehicular access from downtown Kansas City to the site is gained via Highway 71 south to Bannister Road.

Completed in 1955, the building is a single-story steel frame and brick IT Center. It was designed by Anning-Johnson of Chicago, Illinois and constructed by S. Patti Construction Company of Kansas City, MO. The Center contains 562,748 gross square feet (557,879 rentable square feet) of space, 1,643 surface parking spaces and has been given dual building numbers for mailing purposes (2306 and 2312). Adjacent amenities include a cafeteria, snack shop, credit union, barber shop, childcare center, fitness center, basketball court, softball field, volleyball area, other green spaces and a farmers' market during the summer months. The property is generally flat with a slight slope for drainage from north to the south.

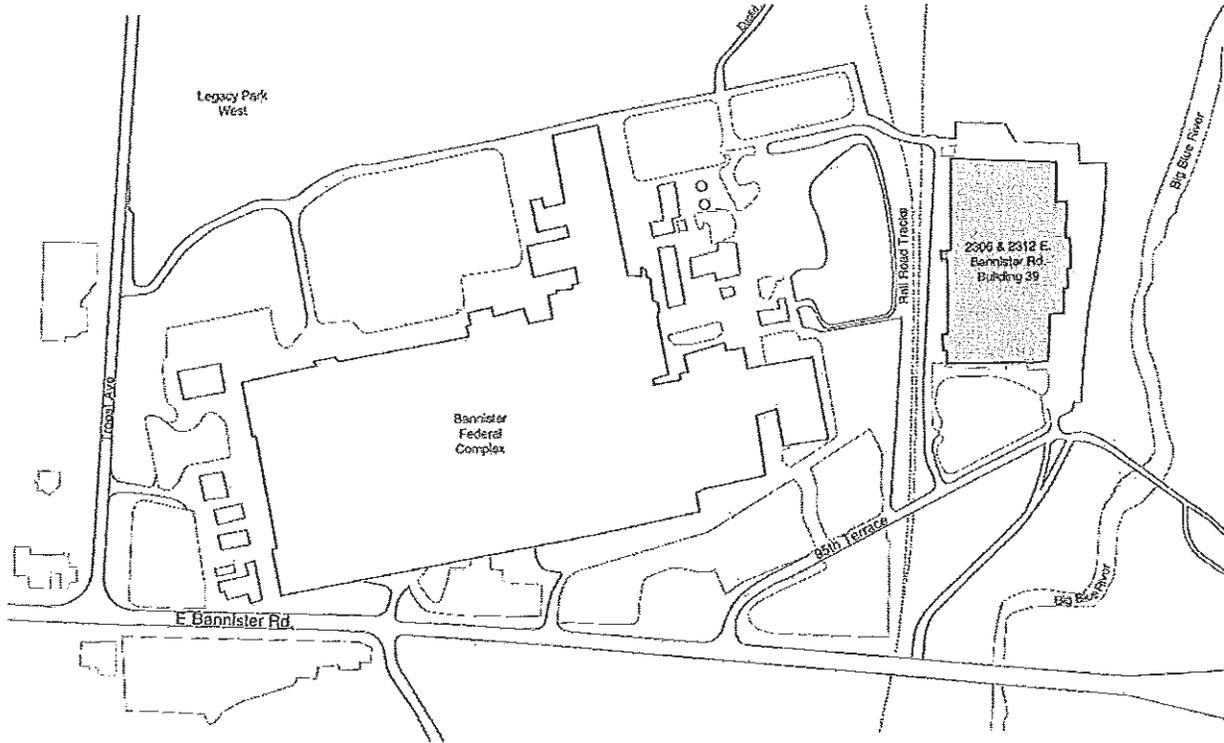
The USMC IT Data Center was the former site of a very successful Internal Revenue Service (IRS) Service Center operation, the space having been well converted into an asset suited to accommodate the USMC's continued mission need in Kansas City. Before the consolidation and relocation of the IRS's Kansas City mission, customer satisfaction survey scores had remained consistently above 90%. That type of high-level service continues in the new facility. The data system that provides Marine Corps pay is rated at 99% on accuracy and timeliness metrics. Currently, Marine Corps Enterprise IT Services (MCEITS) partially inhabits a small portion of Building 2306 with administrative space and server rooms, and GSA's maintenance staff utilizes a small amount of administrative space in the rear of the building. The remainder of the building is currently vacant.

Approximately 400 workers are located at the facility with an average salary of \$93,000. 25% of the workers reside in Kansas. If the Marine Corps makes a long-term commitment to the facility, further consolidation of other USMC IT enterprises could push the employment figure to more than 1,000 employees. It is estimated that ~25% of the new workers would choose Kansas as a place to live.

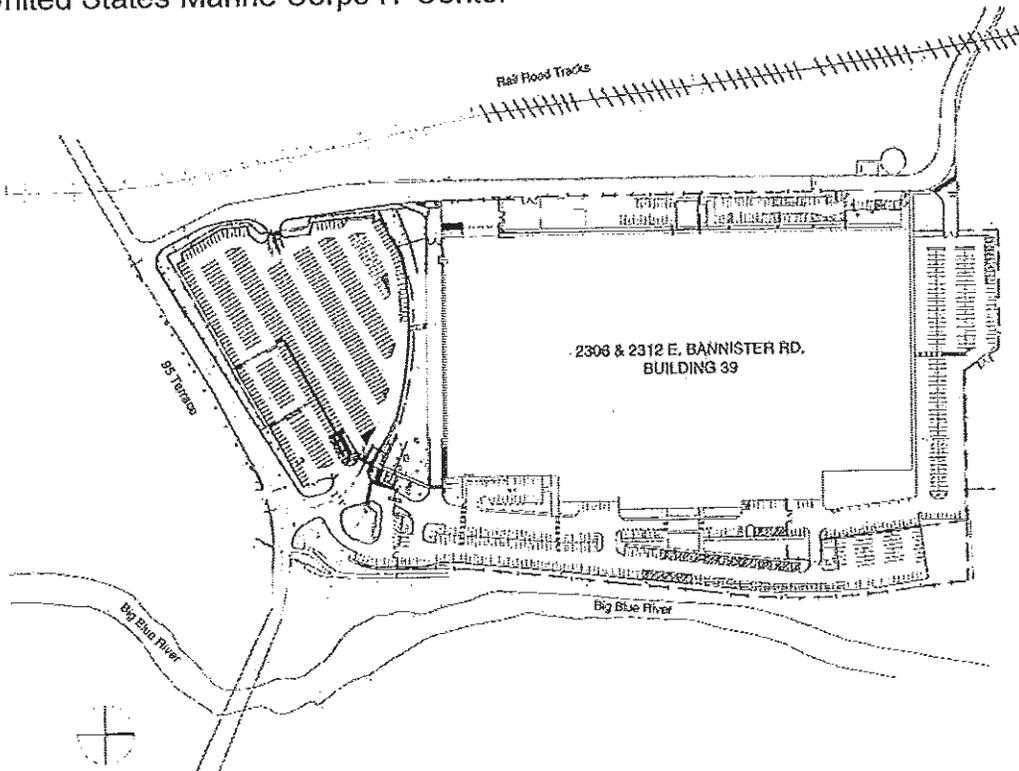
Page 2 includes maps of the Bannister Federal Complex and of the Marine Corps Data Center.

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Bannister Federal Complex



United States Marine Corps IT Center





Kansas City is a Leader in Information Technology

Information Technology is a well-established and dynamic business sector in Kansas City. Many factors contribute to Kansas City's appeal to technology companies, including our geo-central location, robust telecommunications infrastructure, superior energy capability, and deep IT talent pool.

Kansas City, Missouri, can lay claim to a number of innovative software companies of all sizes – many of them homegrown. Local software success stories include:

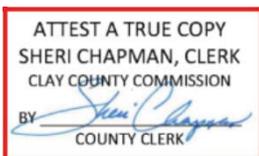
- ❖ **Cerner Corporation**, founded in Kansas City in 1979 and now headquartered in North Kansas City, specializes in healthcare information technology. Cerner has 7,500 employees worldwide (4,500 in Kansas City), and serves more than 8,000 clients.
- ❖ **DST Systems** was founded in 1969 as a subsidiary of Kansas City Southern to develop an automated recordkeeping system for the mutual fund industry. Today, DST has 11,000 employees worldwide (4,500 in Kansas City) and provides information processing, software services and business solutions to the financial services, communications, and healthcare industries.
- ❖ **FishNet Security**, founded in 1996, provides information security solutions to multiple industries, including energy, financial services, government, healthcare, and retail. FishNet has 300 employees at 27 offices worldwide, including its state-of-the-art Security Operations Center in downtown Kansas City, Missouri.
- ❖ **Tradebot Systems**, founded in 1999, uses computer algorithms to analyze the potential of stock market trades. In 2008, Tradebot began trading in markets outside of the United States.
- ❖ **Yoodle**, founded in 2007, is a software development and services company serving clients regionally and branching out nationally, offering a range of services, including enterprise application development, web content management, and e-commerce.

Where there is software there will be data, and Kansas City offers an ideal location for secure data storage. In addition to the data centers associated with software giants like Cerner and DST, major companies in many industries operate data centers in Kansas City, including American Century, Bank of America, Hallmark, Honeywell, H&R Block, Liberty Mutual, MasterCard International, and State Street.

Why is Kansas City, Missouri a great location for IT businesses and data centers?

Infrastructure

Kansas City has a world-class telecommunications infrastructure and is a point of convergence for transcontinental fiber and related communications networks. The Kansas City metro is home to Sprint's world headquarters, and Sprint has deployed a set of four



MAN (Major Area Network) rings throughout the Kansas City area, an architecture designed to provide self-healing capabilities during fiber cuts and electronic outages.

The city's state-of-the-art technology landscape also includes 1102 GRAND, a carrier hotel located in a 26-story landmark building in the heart of downtown. 1102 GRAND is the largest carrier neutral facility in the Kansas City Metro area and one of the fastest growing of its kind in the Midwest, and its success is a testament to Kansas City's robust telecommunications infrastructure and reputation for reliability.

IT talent pool

Kansas City, Missouri, is at the center of a metro area with a labor force of more than 1 million, and 32% of the metro area population has a four-year degree – 5% higher than the national average. In addition, Kansas City has a solid base of employees with IT experience and training:

- ♣ The IT workforce in the Kansas City area numbers more than 34,000, with a high concentration of IT professionals working in financial services, telecommunications, data processing, software and engineering.
- ♣ Kansas City area universities and community colleges produce more than 1,000 IT graduates each year.
- ♣ Fifteen institutions in the area offer bachelor's degrees in computer and information sciences (about 430 graduates each year), and the University of Missouri-Kansas City and the University of Kansas also offer graduate degrees.
- ♣ Computing-related engineering programs in the Kansas City area award about 130 bachelor's degrees each year and twice that many associate's degrees.
- ♣ The IT recruitment pool also includes recent graduates from major universities in a multi-state region.

Reliable, affordable energy

The Kansas City region boasts one of the most robust energy delivery networks in the world. Transmission systems serving Kansas City are designed and built on "first contingency" basis, so the loss of any particular generator or transmission line has no effect on supplies across the region. In general, systems here are less interconnected and less densely populated than those on the East and West Coasts, and Kansas City is a very unlikely candidate for an energy blackout.

KCP&L (Kansas City Power & Light), which serves more than 80% of the region's customers, consistently ranks among the best at providing constant, uninterrupted electric service. The company annually invests in improvements that contribute to power quality and delivery throughout its own system and the successful Southwest Power Pool, the area's regional transmission coordinator.



Not only is energy here reliable, but it is also very affordable. Operational efficiencies have allowed KCP&L to actually reduce prices four times since 1987, making Kansas City one of the most competitively priced energy markets in the country. In its Winter 2007 report, Edison Electric Institute, which tracks average retail rates for investor-owned utilities, reported average rates per kWh of 5.74¢ in Missouri, compared to average rates in New York of 14.99¢/kWh in New York and 13.69¢/kWh in California.

Cost savings and incentives

Kansas City offers lower costs than most major metro areas and is consistently ranked among most affordable major markets in which to live and operate a business. In 2009, the Kansas City metro area scored 95.7 on the cost of living index from the Council for Community and Economic Research (C2ER). According to the U.S. Bureau of Labor Statistics, the 2009 average hourly wage for computer and mathematical occupations in Greater Kansas City was 92% of the national average.

IT businesses in Kansas City, Missouri, can qualify for several available incentives:

- ✦ Five-year decreasing utilities discount equivalent to one year of free electricity
- ✦ Tax credits based on job creation and capital investment
- ✦ Real property tax abatement in some locations (discretionary program)
- ✦ Personal property tax exemption to reduce property tax on machinery and equipment (discretionary program)

Low natural disaster area

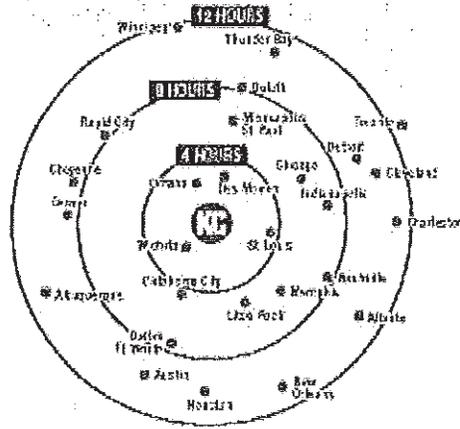
Kansas City's central location in the U.S. reduces the likelihood that KC-based operations will become a target for disruption. In the case that recovery is required, Kansas City is within a day's driving distance of a number of metropolitan areas.

- ✦ **Earthquakes:** Historically, strong earthquakes have not occurred in the region and the Kansas City area is in relatively little threat of significant seismic activity. Greater Kansas City is located in Zone I, minor damage, with anticipated intensity of V-VI on the Modified Mercalli Scale. This seismicity is directly related to the New Madrid Rift Zone to the southeast and the Nemaha Uplift to the west; both features represent weak zones in the crust.
- ✦ **Tornadoes:** Tornadoes can strike in any city in the U.S., and an average of five tornadoes touch down each year within a 50-mile radius of Kansas City (approximately 10,000 square miles), according to the National Weather Service. In the Midwest, tornado frequency is highest from early spring through the summer.
- ✦ Kansas City's abundance of underground commercial space provides unique advantages to businesses with seismic and/or extreme weather concerns.

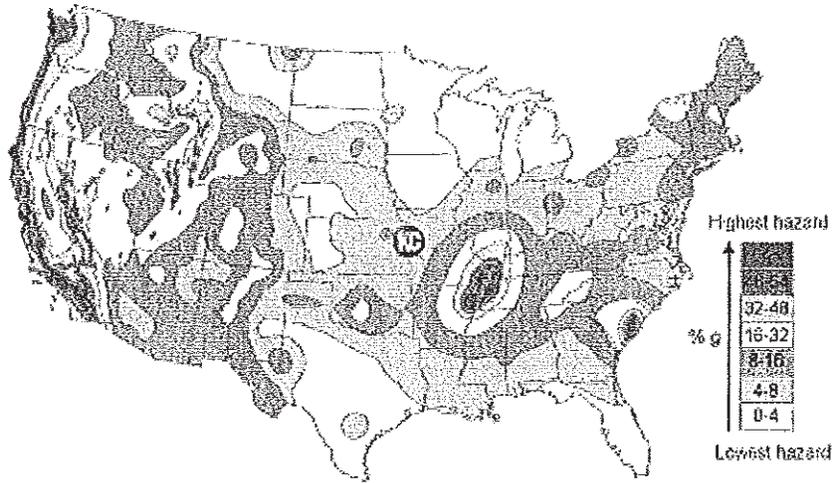
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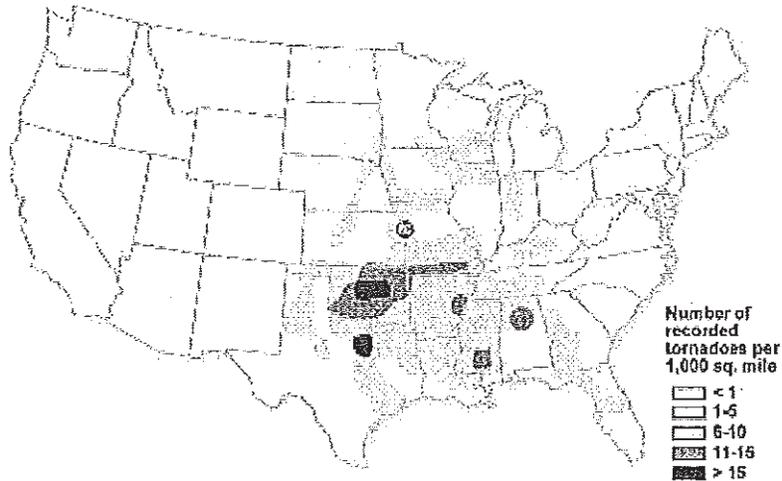
Driving distance to other metro areas



Seismic activity



Tornado activity



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Source: NOAA, Storm Prediction Center Statistics.

Source: All information (pages 2-6) was taken from 'Information Technology' section of the website of the Economic Development Corporation of Kansas City, Missouri.

<http://edckc.com/why-kansas-city-missouri/target-industries/information-technology/>