

October 29, 2008

Mr. Ray Wierson
Scott County
Scott County Court House
416 West Fourth Street
Davenport, IA 52801

Dear Mr. Wierson:

Enclosed is the annual billing statement reflecting your share to fund the services of Hurt, Norton and Associates to represent the Quad Cities in the retention and expansion of the Rock Island Arsenal.

The annual community funding of this effort has resulted in scores of millions in additional funding for the Island. During the last five years, Hurt Norton has been successful in helping secure approximately \$80 million in federal funding for the organizations on Arsenal Island. Recently, Congress approved an additional \$19.7 million for Arsenal Island projects as a part of the fiscal year 2009 defense appropriations bill. The spending bill included \$5 million for roof repair on the major warehouse facility; \$4.2 million for a continuing mini-modernization effort for the Joint Manufacturing Technology Center, which has not been fully modernized since the mid-1980s; \$8.5 million to renovate unused office and manufacturing space at the Arsenal to lease to commercial firms; and \$2 million for the Illinois Center for Defense Manufacturing in Rockford and the Quad Cities, which is a start-up manufacturing laboratory to be located in the factory.

The Rock Island Arsenal is also undergoing more than \$98 million in construction and renovation projects. Funding for many of these projects is the result of Hurt Norton's efforts to identify funding sources for facility design, renovation and construction to meet BRAC legislation requirements. The construction projects are important for the Quad Cities economy and come at a time when many communities are experiencing a slowdown in commercial construction. As the largest employer in the Quad Cities with 7,300 jobs that average salaries exceeding \$50,000 annually and an annual economic impact of over \$1 billion to the local economy, these additional construction projects will help maintain our economic position as we undertake avenues to protect ourselves from potential recessionary impacts.

Hurt Norton was instrumental in drafting the original pilot legislation in FY01 that created the Arsenal Support Program Initiative (ASPI). ASPI was created to help reduce operation costs and retain skills from the factory by renovating underutilized space at the Arsenal to lease to commercial firms. It has been a very successful program that has located 20 new companies in over 100,000 sq. ft. of previously underutilized space on the Island and resulted in the creation of 375 jobs. This initiative provides approximately \$1 million annually in new revenue to Rock Island Arsenal through the commercial lease program. The pilot program is scheduled to end in 2010. Hurt Norton is now working with our congressional delegation on draft legislation that would make the ASPI a permanent program.

In addition to the successful funding opportunities, Hurt Norton has provided us with a tremendous amount of technical expertise and advice. Because of their many relationships, they have been able to effectively coordinate communication with top congressional and military officials. Their efforts resulted in the following interactions during the last year:

- Worked with the Congressional staff and drafted Congressional letters on the M-119 howitzer issue, the Expeditionary Contracting Command, the Army Ammunition Life Cycle Management Command and ASPI issues;
- Coordinated meetings between Congressional delegation with Secretary of the Army Geren, General Griffin, and General Dunwoody and a visit by Army Chief of Staff General Casey to the Quad Cities;
- Facilitated Congressional staff visits to the Rock Island Arsenal, as well as a Congressional breakfast and staff tour at the 2008 Association of United States Army annual meeting;
- Provided guidance on Base Realignment and Closure (BRAC) issues related to move of functions to TACOM and the relocation of First Army to Rock Island;
- Assisted with the EPA non-attainability issue;
- Attended Association of the United States Army (AUSA) and Association of Defense Communities (ADC) conferences and meetings to gather information of interest to the QCDG and Rock Island Arsenal;
- Assisted with the coordination of the annual Quad Cities delegation visit to Washington DC;
- Provided daily updates on defense issues and articles.

We continue to be concerned about the potential impact of a future BRAC and understand that by the time a BRAC process comes along it is often too late to impact the recommendations and therefore preparation must be continuous. We will need guidance on how to effectively work with a new administration and congress. Our relationship with Hurt Norton will be a vital component in helping us develop our strategies to address any future BRAC and other policies that could potentially determine the future viability of the Arsenal.

Your funding commitment of the Hurt Norton contract helps to maintain the Arsenal's position as the most effective and efficient military installation in the U.S. Army.

I would be glad to appear before any council, board or committee to give a comprehensive Arsenal briefing. Please contact me if you have any questions or need further information.

Thank you for your continued support.

Sincerely,



Nancy Mulcahey
President