

BASE REUSE REPORT

AUGUST

Economic Development, Planning and Redevelopment of Military Bases

1995

INSIDE

Case Study:

Long Beach 'mega-mall'
fuels regional squabble

By Morris Newman.....p. 2

Closures, reuse and BRAC 2001
'95 BRAC makes 20 reuse
recommendations

By Randall Yim.....p. 4

Tax increment financing:

Will it become the 'financial backbone'
of base reuse?

By David C. DeRoos.....p. 6

Law Column:

NAID proposals—base reuse process
needs streamlining

By George R. Schlossberg,
General Counsel, NAID.....p. 10

Calendar of Events.....p. 11

News Briefs: Dixon calls BRAC
chairmanship 'as bad a job as there is'

• S & P says base closings might not
hurt affected areas ratings much •

Bill to allow Orange County quick
transfer of El Toro facilities •

Report reviews base closures in

Germany • DoD Community

Guide offers info on financing,
strategy • and more.....p. 12

Reuse authority sues Air Force

Alleges failure to follow Pryor
Amendments

By Raymond Takashi Swenson,
Lt. Colonel, USAF (ret.).....p. 18

Coming in Future Issues: BRR

Interview with Joshua Gotbaum,
Assistant Secretary of Defense for

Economic Security • Privatization:

What does it mean? • Analysis of

new McKinney Act regulations •

Case studies of successful reuse,
failures • and more.

BRR Interview: Wilbur F. Hawkins

EDA head in Commerce Dept. helps implement reuse;
struggles with budget limits, increased demand for funds

By Sigrid Bathen

As Acting Assistant Secretary for Economic Development in the U.S. Commerce Department, Wilbur F. Hawkins oversees the operations of the Economic Development Administration (EDA), which, among other responsibilities, provides funds for implementation of base reuse plans in communities throughout the U.S.

Before joining EDA in 1993, Hawkins spent 15 years with the Tennessee Valley Authority in management and economic development positions and was executive director for the Lower Mississippi Delta Development Commission, charged with developing a strategic plan for a seven-state, 219-county region along the Mississippi River. He was active in community service in the Memphis area and served on 18 community boards.

He is an alumnus of the University of Tennessee at Knoxville, where he was a student government leader and All-American in track.

BRR: Please describe the role of the EDA in the base conversion process.

Hawkins: Essentially, the role of the Economic Development Administration is to facilitate the implementation of the Base Reuse Plan as agreed upon and developed by the affected community and the Office of Economic Adjustment. EDA assists the communities in a variety of ways in adjusting to the base closure and economic downsizing as a result of military cutbacks.

BRR: The House has cut your budget substantially, and there have been efforts to eliminate EDA and/or the Commerce Department altogether. How have these factors affected your ability to serve base reuse communities?

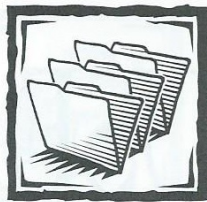
Hawkins: The 1993 round of base closures and cutbacks is just now beginning to have its impact on the national economy, and the base reuse plans are just now beginning to be finalized. The issues now are centered around the fact that with the new rounds just announced, we will have an increased demand [for services], and the question is whether or not we have enough resources to meet that demand. We also have to recognize that defense conversion impacts [defense] industries affected by the end of the Cold War.

Continued on page 8

Conflict over 'mega-mall' See page 2



Long Beach
Naval Hospital



CASE STUDY

**THE
BASE REUSE REPORT**

is published monthly by

Citygate Associates

Publisher

David C. DeRoos

Editor

Sigrid Bathen

Contributing Editor

Randall Yim

Yim, Okun & Watson

Editorial Advisor

William A. Carlson

Manager

Christopher Hart

Contributing Writers

Morris Newman

Senior Editor

Calif. Planning & Development Report

Raymond Takashi Swenson

Lt. Colonel, USAF (ret.)

Ballard, Spahr Andrews & Ingersoll

Law Columnist

George R. Schlossberg

Kutak Rock

General Counsel, NAID

Graphic Design

Lizabeth A. Johnson

The BASE REUSE REPORT (ISSN 1083-3803) is published monthly by Citygate Associates, 1400 K Street, Suite 206, Sacramento, CA 95814, phone (916) 448-6168, fax (916) 448-9397. One year subscription rate for US \$195.00. First-class postage paid at Sacramento, CA. Postmaster: Send address changes to THE BASE REUSE REPORT, 1400 K Street, Suite 206, Sacramento, CA 95814.

The BASE REUSE REPORT is a primary source of current news and analysis of the issues surrounding the closure of U.S. military bases and their reuse for civilian purposes. The BRR will focus on the planning, economic development and redevelopment of closed bases.

© 1995 BASE REUSE REPORT: Material contained in the BRR can be quoted if credited. Reprinting of articles must have written approval.

Long Beach 'mega-mall' fuels regional squabble

By Morris Newman

The U.S. Navy probably thought it was doing the right thing by Long Beach, Calif., by giving the city the go-ahead on a proposed discount retail center on the site of the former Naval Hospital in that city. A 1.1-million square-foot "mega-mall" would stand on the former site of the hospital, and provide 1,400 jobs. The agreement has all the earmarks of a successful reuse process: an economically viable use of surplus military land and the replacement of lost military jobs. A Record of Decision is expected in September to cement the deal.

To the Navy's surprise, however, the deal is fast degenerating into a regional squabble, and possibly litigation, over jobs, traffic congestion, and economic benefits vs. economic drains.

Long Beach is engaged in a scorpion's dance with at least six surrounding cities, which are unhappy about the proposed retail center. Those cities complain that they have already suffered the loss of military jobs and economic benefits from the closure of the Naval Hospital, but will get nothing in return. The City of Long Beach will get to keep an expected \$3 million annually in sales tax. (Under California law, cities get to keep much of the sales tax generated within their borders, which has set city against city in the competition for tax revenues.) The city has promised up to \$100 million in various economic incentives.

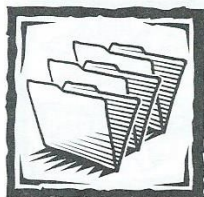
In return, surrounding cities will get the traffic congestion and worsened air quality of Long Beach's golden goose. A number of homes in the working-class community of Hawaiian Gardens may lose their back yards, if a planned street widening takes place to accommodate the new traffic, despite prior assurances to the contrary from Long Beach.

Long Beach's neighbors are further aggrieved that high-paying industrial jobs are being replaced with low-paying service-sector jobs. Although a consultant to the Navy promises that the retail center will offer more jobs than were lost through the closure, a different consultant hired by the dissident cities contends that only 300 of those jobs would be new; the remainder would be employees relocated from other stores in the area.

The crux of the issue is what some critics have described as a mistake by the Navy and DoD to negotiate exclusively with Long Beach, rather than insisting on a joint-powers authority to govern the reuse process. "The source of our anger and frustration is that the Navy encouraged a go-it-alone process on the part of Long Beach," said Don Waldie, a spokesman for the city of Lakewood. He expressed similar frustration at the navy's apparent lack of response to his city's request to be part of the planning process. "We have been talking to the Navy since 1992. We have participated fully and in good faith at every step, and at every step the Navy was just going through the motions. We have been shucked and jived at every stage of the process."

Captain Robert Kiesling, the Navy's base realignment officer responsible for Southern California, defended the decision as proper. While a joint-powers authority with surrounding cities was not inconceivable, he explained, the selection of Long Beach was proper because the Naval Hospital sits inside the boundaries of the city, which is "zoning authority" for the entire parcel.

In sharp disagreement is Virginia-based lawyer Barry Steinberg, a former military lawyer who is advising the City of Lakewood, just north of Long Beach, on the federal base reuse process. Negotiating with Long Beach alone "would make sense in Bozeman, Montana. But this is Southern California, where you can drive through a 15-block area and pass through seven different communities," he said. "For the Navy and DoD to negotiate only with Long Beach is just unconscionable."



CASE STUDY

What the Navy failed to appreciate was the low flash-point among California cities, who compete for sales tax, particularly in the wake of California's famous "tax revolt" law, Proposition 13, which slashed property taxes and left cities with few revenue sources, other than new development and retail sales.

Further frustrating surrounding communities is a suggestion in the Navy's draft Environmental Impact Statement (EIS) that requires surrounding cities to pay the cost of mitigating traffic generated by the retail center in Long Beach, even though those cities do not share in the direct benefits of the center.

A Long Beach city official acknowledged that surrounding communities may experience increased traffic from the retail center in Long Beach, but maintained that surrounding communities would still benefit. "Residents in

those cities may get jobs (at the retail center,) so it's not a completely no-win situation for them," said Mike Sanders, economic adjustment consultant for the City at Long Beach.

For Hawaiian Gardens, a working-class city with a large minority population, and one of the nation's most impoverished, the prospect of a new retail center nearby is anxiety-provoking, because the mega-mall may present a threat to the city's fragile efforts to create a shopping area in its tiny downtown.

For Mayor Kathleen Navejas, however, the issue is one of "environmental justice." The Navy, she said in a statement, "can't dump more traffic, air

pollution and unemployment in my community, merely because Long Beach wants to build a shopping center that only benefits Long Beach."

"The Navy screwed it up from the very beginning," said attorney Steinberg. "They made a mistake. They know they made a mistake. My guess is that they would not do it again. But they are so far down the road on this that they don't know how to get out of it."

Morris Newman is Senior Editor of the California Planning & Development Report and Editor of L.A. Architect.

Contacts:

James Hankla, city manager, City of Long Beach (310) 570-6711.

Barry Steinberg, attorney for City of Lakewood, (703) 351-5273.

D.J. Waldie, spokesman for Southeast Area Military Facility Reuse Alliance of Cities (310) 866-9771.



The Liaison Group, Inc.

"Innovation, Teamwork and Excellence"

- Military Base Reuse and Conversion Planning
- BRAC Rebuttal Services
- Caretaker/Cooperative Agreements
- Economic Development Strategies
- Site Selection, Recruitment & Marketing
- Financing/Funding Mechanisms

The Liaison Group, Inc. was the architect of the largest military base conversion grant awarded to date.

Washington, DC Office

2300 M Street NW
Suite 800
Washington, DC 20037
(202) 973-2823 ♦ (202) 293-3083 FAX

Midwest Regional Office

1864 North US-23
P.O. Box 383
East Tawas, Michigan 48730
(517) 362-0280 ♦ (517) 362-0281 FAX

Representative Projects

Louisiana Army Ammunition Plant
Loring Air Force Base
Grissom Air Force Base
Griffiss Air Force Base
Wurtsmith Air Force Base
RAF Chicksands, UK
Novgorod, Russia

Closures, reuse and BRAC 2001

By Randall Yim

Base closures involve a two-step process. Cost savings from closing unneeded military facilities are just the first step. The second and more important step is creation of a peacetime-based more diversified civilian economy. Base closing and reuse are inextricably bound together. Like it or not, the military and the local communities are partners in both base closure and reuse.

Failing to recognize the close relationship between closure and reuse creates an adversarial relationship between the military and the local reuse communities. This delays the entire process. The military is unable to escape its overhead costs if property does not rapidly transfer. Conversely, the local reuse authority cannot bring the property into productive reuse, creating the jobs necessary to replace the military losses.

The 1995 Base Closure and Realignment Commission explicitly acknowledged this relationship by including in its closure report 20 reuse recommendations to Congress, the President and local communities—recommendations designed to improve the federal government's performance in fostering a timely, successful transition of bases from military use to civilian reuse.

Although not novel, the commission's recommendations help focus attention on the pressing need to coordinate closure with reuse activities. The commission concludes: "[T]here can be life after a base is closed. Economic recovery is, however, in large part dependent upon a concerted community effort to look towards the future. The same dedicated effort expended by communities over the last several months to save their bases should be redirected toward building and implementing a reuse plan that will revitalize the community and the local economy."



BRAC DEVELOPMENTS

This same message must be taken to heart by the military. The dedicated effort expended to defend the country must now be redirected toward partnering with the local communities in the

"The current system permits former military bases to be 'picked apart' by other federal agencies."
—BRAC Commission

inter-related processes of closure and reuse.

BRAC recommendations

To Congress:

- Allow DoD to take into consideration the long-term, anticipated land use when making cleanup decisions.
- Provide flexibility in the choice of cleanup methods—permanent solutions may not make sense in all instances.
- Provide EPA with discretionary authority not to place closing military bases on the national priority list (NPL). Clarify CERCLA section 120(h) to allow long-term leasing of contaminated property.
- Amend CERFA to clarify that the storage of hazardous materials does not automatically prevent a parcel of land from being clean if the amount of material stored was either minimal or if there was no release.
- Continue adequate funding levels in order to support cleanup, community

planning, job training and retraining, and economic development.

- Change property disposal laws and policies to allow "all parties demonstrating an interest in property . . . to come to the table at the same time, bringing their needs and requests for evaluation The current system permits former military bases to be 'picked apart' by other federal agencies, which have first call on the most desirable portions of the installation."

To the Executive Branch:

- The federal government and agencies must adhere to statutory deadlines for completing the property screening process.
- The General Services Administration should reconsider its interpretation of the "Federal Property Act" to allow the transfer and leaseback of base closure property in certain limited circumstances where there are economic advantages to the community and to the DoD remaining tenants.
- DoD and EPA should identify factors that will encourage senior DoD environmental cleanup personnel to remain at closing bases throughout the cleanup process.
- The base transition coordinator should be given authority to make and implement more local decisions in a timely fashion.
- DoD must "take a more pro-active role and work more aggressively with public and private organizations in developing strategies that will help communities use advance reuse planning as a tool rather than seeing it as an obstacle."
- DoD should act expeditiously to promulgate final rules and regulations to implement the President's Five-Point Plan and an air credits emission trading policy.

To the communities:

- Communities should work closely with federal departments (OEA and EDA) for assistance in the reuse process.




BRAC DEVELOPMENTS

- Early formation of a local redevelopment authority is critical to early development of a comprehensive redevelopment plan.
- The local redevelopment authority should be well-organized and speak with a single voice.
- Early support for the community reuse plan must be solicited broadly from the impacted jurisdictions.
- The local community must work closely with the military to resolve issues surrounding real and personal property it wishes to retain for reuse, such as tenant use of utilities and responsibility for property maintenance.
- The local reuse authority must work closely with the military to develop an effective marketing strategy for reuse.

The BRAC Commission noted that despite four rounds of base closures and

realignments, reductions in DoD infrastructure have not kept pace with reductions in funding and force levels. In the last 10 years, the defense budget has declined by almost 40 percent, and will continue to decline each year through 1999. Overall, DoD has reduced the size of the military services by 30 percent. With the additional reductions proposed by the 1995 Commission, the cumulative reduction of military installations from the four closure rounds will be approximately 21 percent if accepted by the President and the Congress.

As a result, consistent with testimony of the Secretary of Defense and the

Chairman of the Joint Chiefs of Staff, the Commission recommended that Congress authorize another base closure commission for 2001, and that existing authority be revised to allow modifications to past base closure commission recommendations between now and then, using a process similar to the first four closure rounds. 

Randall Yim is Contributing Editor of the BASE REUSE REPORT and a member of the California Military Base Reuse Task Force.

Contact:

Randall A. Yim

Yim, Okun & Watson, A Professional Corporation, 3745 Whitehead Street, Suite 101 Mather, California 95655

Telephone (916) 368-1591

Fax (916) 368-9219

EXPEDITING BRAC BASE TRANSFER AND REUSE SOLUTIONS THAT WORK

Integrating BRAC Elements HLA expedites property transfer by integrating comprehensive cleanup, EIR, and reuse requirements. Our creative strategic planning provides solutions for rapid transfer.

Accelerating Cleanup & Transfer HLA has a track record of successfully accelerating cleanup and transfer. We've helped transfer thousands of acres of BRAC property to public and private reusers. Our numerous commendations attest to our abilities and accomplishments.

Nationwide BRAC Experience HLA has worked for both public and private sector clients at Army, Navy and Air Force installations nationwide to successfully accomplish transfer.



Harding Lawson Associates

Engineering and
Environmental Services

**For more information on
HLA's BRAC solutions,
call Jim Davies at (415) 884-3104
or Steve Farley at (415) 884-3175**



FINANCE

Tax increment financing

Will it become the 'financial backbone' of military base reuse?

By David C. DeRoos

For all of the controversies and differences of opinion surrounding the closure and reuse of America's military installations, there are two observations that do not seem to generate serious disagreement. First, base reuse is a tremendously expensive endeavor. The more that is known, the higher the costs of reuse appear to be. And second, the current sources of revenue available to complete the transition of our nation's excess bases from military to productive civilian reuse amount to only a small fraction of the funds that will ultimately be needed.

The federal government will only be willing or able to finance a minor

portion of the costs for cleanup, demolition, infrastructure upgrades, and the other capital investments necessary to attract viable uses to a former base (see BRR interview with EDA head Wilbur Hawkins, p. 1.) Likewise, most state governments have a very limited ability to finance these costs, due to intra-state competition for resources and the resulting lack of political support sufficient to galvanize comprehensive solutions. So where will the money come from?

California has experienced the largest total net job loss of any state from the four rounds of BRAC closures. (In Figure 1, the 10 states with the greatest number of total lost jobs resulting from BRAC rounds one through four are

presented in descending order.) If California's 20-plus major closures and realignments resulting from the 1988, 1991 and 1993 BRAC rounds are any indication, the single most significant source of revenue for military base reuse will ultimately come from tax increment financing.

Tax increment financing (TIF) is the authority used under California's redevelopment law (CRL) to pay for the public costs associated with development within specified areas. "Tax increment" is created via the increased property taxes generated by new development within the redevelopment project area and the sale of existing properties at higher values. Infrastructure, other public costs, and economic incentives to private businesses locating in the project area are generally paid through the issuance of bonds.

With a few isolated exceptions, redevelopment's TIF is the financial

FIGURE 1: TOP TEN STATES IN JOB LOSS DURING FOUR BRAC ROUNDS

State/Base	Job loss	Does TIF exist?	Is TIF used in reuse?	What other tools are used?
California	122,919	Yes	Yes	TIF is commonly used
Pennsylvania	35,319	Yes	Maybe—future	Wide range of alternatives
South Carolina	18,394	Yes	Maybe—future	N/A
Louisiana	16,883	Yes, very rare	No	Have relied primarily on federal and state grants
Indiana	16,463	Yes	Yes	State legislation was passed to allow TIFs for base reuse.
New York	13,368	Yes	No	Interim leasing is 'primary tool' because little land has been transferred.
Texas	12,739	Yes	Maybe—future	N/A
Florida	11,189	Yes	Yes	TIF is commonly used. For military bases, it is mostly for infrastructure.
Tennessee	9,156	Yes	Maybe—future	N/A
Massachusetts	7,963	Yes, but only with special legislation	No	TIF allowed by special legislation. State General Obligation Bonds are the key financial tool. A \$200 million bond was passed for Ft. Devens.

THE BASE REUSE REPORT



FINANCE

common denominator for the California bases closed in the first three BRAC rounds (see Figure 3, p. 17). These bases have been established as redevelopment project areas either under the standard California redevelopment law, or under special legislation used to adapt redevelopment authority to the unique characteristics of a particular closed base. Although the tax increment amounts

generated in the early years of a project are fairly small, over the 20- to 40-year life of the redevelopment project area, the TIF can be substantial. Future issues

of the BRR will report on the growth of tax increment on former bases.

Ironically, TIF originated in California in the early 1950s in response to need by local governments to generate a local match for federally funded redevelopment projects. Since the time that this financing tool was created in California,

Continued on Page 17

FIGURE II: OTHER STATES OF INTEREST

State/Base	Job loss	Does TIF exist?	Is TIF used	What other tools are used?
Virginia	7,507	No	No	Use of TIF is limited by the Dillon Rule. Enterprise zones are used as an alternative.
Illinois	8,674 Net Increase	Yes	Yes	State legislation was passed to allow TIFs for base reuse.
Arkansas	528	No	No	TIF is prohibited by state Constitution. They plan to use grants and incentives. Most of the existing incentive programs in AR have been expanded to include businesses interested in relocating to bases.

Katz Hollis

- Tax Increment Financial Planning/Analysis
- Feasibility Analysis
- Special Legislation/Disaster Project Adoption
- Redevelopment Plan Adoption

865 South Figueroa
Suite 1300

Los Angeles, CA 90017
(213) 629-3065

555 Capitol Mall
Suite 750

Sacramento, CA 95814
(916) 448-5295

Specializing in redevelopment services for over 17 years

DCG DEVELOPMENT
CONCEPTS
GROUP

□ □ □ □ □ □

Development Consulting

Land Use Planning

Geo-Demographic Analyses

Adaptive ReUse Design

111 Northfield Ave.
West Orange, NJ 07052
Tel. 201.736.8404
Fax. 201.736.8402

E-Mail bmhoch@dgc.corplan.com



INTERVIEW

Continued from Cover

EDA truly tries to mitigate the overall impact that the base closure or scale-back has to the economic base [of the community]. And that is truly a process that requires a lot of organization and planning at the community level . . . Beyond the initial shock of the base closing, [people ask], "what do we do"? The base can be treated as a physical asset, but without the revenue stream the community itself will be unable to maximize or to overcome the economic impact.

BRR: *How would you rate the efficiency of the EDA?*

Hawkins: Of all the bureaus within the Department of Commerce, the EDA has the highest customer satisfaction rate, 95 per cent. In 1990, EDA had a 12 per cent administrative ratio to program dollars. In 1995, we have roughly a 6.6 per cent administrative ratio. I don't think the federal government or even the private sector can get that kind of bang for its buck. Our ability to serve communities is a tried and true process. The fact that the Defense Department recognizes EDA as the only legitimate partner able to effectively mitigate base closures and cutbacks is a testament to our ability. At the same time, we have to talk about the threshold of the cutbacks and having some 135-plus facilities affected by the new round. I question whether any en-

tity can step forward and do the quality job that we do at the cost that we can do it at.

BRR: *How will you be affected by the '95 round?*

Hawkins: The '95 round probably won't hit us in full impact until '97 or '98. But we still have a number of bases affected by the 1993 round that will only

"The earlier they get started in advance of closure, the more time they have."

be able to get resources within the context of the appropriations we receive. It would be a tragedy to the American public to have a scaled-back approach to this, no multi-year approach, and then in 1997-98 have all of the '95 round hitting. It would be just devastating.

BRR: *Can you cite some success stories in base reuse?*

Hawkins: We can find example after example. Look at England AFB in Alexandria, LA. There was a serious blow due to downsizing, and EDA's resources helped establish industrial and commercial operations and trained over 1,000 employees in transition. If you look at Eakar AFB in little old Blytheville, Ark., which is a small community with basically aircraft maintenance workers [at the base]. Working with the private mail corporate companies and some of the small package carriers, not Federal Express or UPS, the area was able to get seasonal employment. Now, you say, wait a minute, what's seasonal employment got to do with jobs? Well, jobs are jobs to people who are unemployed, and many people liked to live in the communities in which they have become accustomed. The net benefit to the nation is to keep people where they are in many cases and minimize the dislocation and get new jobs or replacement jobs in the affected community.

BRR: *What are your views on privatization of bases?*

Hawkins: In some cases, privatization makes sense. But you cannot totally privatize the federal government, which exists to do what the private sector literally cannot do because it is geared to returning a profit to its investors. We are one of the smallest agencies in the smallest department in the federal govern-

KEYSER MARSTON ASSOCIATES INC.

Advisors in:

- REAL ESTATE
- AFFORDABLE HOUSING
- REDEVELOPMENT
- ECONOMIC DEVELOPMENT
- BASE CONVERSION
- INFRASTRUCTURE FINANCE
- PLAN ADOPTION & FINANCIAL ANALYSIS
- FISCAL IMPACT ANALYSIS

SAN FRANCISCO
415/398-3050

SAN DIEGO
619/792-7577

LOS ANGELES
213/622-8095

DEFCON CORP

Alan Rubin, President

Professional Services

- Reuse Strategies
- Office/Industrial/Warehouses
- Feasibility Studies
- Market, Financial and Location Analysis
- Fiscal Impact Analysis
- Concept Definition and Refinement Translation of Reuse Plan
- Public/Private Partnership Assistance
- Development Advisory Services

5960 S.W. 57th Ave., Miami, FL 33143
Ph. 305-663-5887 • Fax 305-669-9875



INTERVIEW

ment. We are making our contribution to the national economy by leveraging a limited amount of money for private sector investments.

BRR: *How can delivery of services to communities be expedited?*

Hawkins: Let me give you an example of the entrepreneurial spirit of the federal government. Senator [Barbara] Boxer proposed the creation of a national data base last year. We took a look at the legislation and said, okay, here we are involved in defense conversion, what is prohibiting the EDA from establishing this Office of Economic Conversion Information? Can we do it cheaper? Can we do it better? Can we do it faster? Within 30 days, the OECI was up and running, and we have continued to perfect it. You go into the system, you want information, you want a voice, you want a fax, you want to download it by computer? There is no profit motive here. Now, if you put that on line and charged every community for an hour or minute, and then you billed them for access, it would not get the utilization. It would not give the community the level of information that they get.

BRR: *Give us an example.*

Hawkins: The Defense Depot in Memphis. Somebody called me up and said, "We need somebody from Commerce, from EDA, to come out to the community and talk about base closure activity". I said we don't mind coming out, but the first thing I'd like for you to do is to plug into OECI and see if some of your more fundamental questions on process and the like can get answered. The person called me back and said, "We don't need you at all, not at this point because we were able to put the directory on the intercom system, and we had a meeting and went through the list of things that you had to offer".

BRR: *Businesses complain that the base reuse process takes too long. Comment?*

Hawkins: I think there has been, overall, responsiveness by the federal government in several arenas. And here again is a point to be made for interagency coordination. Yes, there have been concerns about red tape. The base closure coordinator is an example of someone put in place to serve as a single point of contact in expediting transfers. Within

"There have been concerns about red tape."

EDA, we have responded to the call. Our grants processing time was a monster a few years ago. Now we have delegated greater authority to the regional offices, and we have streamlined our regulations. We have cut regulations by 60 per cent, and we now have a 60-day processing time.

We make a mistake in government in unilaterally refuting or denying that there is red tape in our process. When you turn a deaf ear to your customers, then your customers are saying, 'Well, you do a good job, but your processing is slow as molasses'. Then they will go elsewhere. A developer can't wait forever and a day for the community to get its financing act together. There are competing forces on an international and a national basis. Just because you've got a facility that may be attractive, it doesn't mean there are not demands elsewhere.

BRR: *If you could offer some key advice to communities stunned by closures and contemplating reuse, what would you say?*

Hawkins: It is very important to focus, and to seek out other communities that

have undergone the base closure process and learn from their lessons so that you don't reinvent the wheel. We have to look at competition issues; communities across the country must be objective in their decision so that they do not get into a marketplace that is oversaturated.


The other point I cannot emphasize enough is coordination at the federal, state and local level. I have found that it is very easy to make decisions at the national level when a community walks in and has consensus. They know where the competition is, they know where their growth opportunities are, and they have sorted through and said definitively what they want to do.

And, it is so important for communities to really address the environmental issues.

BRR: *What about utilities issues?*

Hawkins: Many communities are facing a utility bill that grossly exceeds their imagination. You've got to plan for that. Even on the maintenance level, there is a minimum amount of electricity even if you mothball a facility. Going beyond that and looking at the transportation and utilities infrastructure that may exist is important, because many times that can be an asset that is overlooked. We have to address utilities as part of the overall physical infrastructure of the community. It is to the advantage of impacted communities to make certain that they really do some accurate projections and assessments of capabilities.

BRR: *How do communities initiate EDA services for base reuse?*

Hawkins: The simplest thing to do is call the Economic Development representative within the state, usually at the state capital. Or they can call the OECI 1-800 number. If you call the OECI regardless of where you are in the country, you're going to be able to get the most direct contact and the direct answer to your question. 

Sigrid Bathen is the editor of the BASE REUSE REPORT.

Editor's Note:

OECI Director Erik Pages can be reached at 1-800-345-1222.



LEGAL ISSUES

NAID proposals: base reuse process needs streamlining

by George R. Schlossberg

George R. Schlossberg serves as the General Counsel of the National Association of Installation Developers (NAID), a national not-for-profit educational organization formed in the 1970s to assist state and local communities adjust to the economic dislocation caused by base closures and realignments. Schlossberg is a partner in the National Real Estate Practice Group of the Law Firm of Kutak Rock in Washington, D.C. Previously, Schlossberg served as senior counsel for base closures and real estate in the Office of the Secretary of Defense and counsel to the Office of Economic Adjustment.

Since the enactment of the 1988 Base Closure Act, the Department of Defense (DoD) has been responsible for disposing of excess and surplus property at military installations closed and realigned by that and subsequent Base Closure Acts. Nevertheless, the DoD has labored to close and dispose of bases under procedures created originally in 1949 for general use by the General Services Administration (GSA) and ill-suited for the large scale disposals that accompany a modern base closure. Fortunately, several helpful changes have been made to improve and streamline the base disposal process, chiefly to increase the likelihood of successful reuse.

The most important of these changes has been the so-called Pryor amendment to permit the DoD to dispose of base property at or below its fair market value for economic development purposes. Another important addition to the process is the requirement that homeless assistance providers work with the local redevelopment authority (LRA) to arrive at a community reuse plan that balances the needs of the homeless with the needs of the community for economic recovery. While these changes have modernized the base

reuse process, the sheer scope of the amendments has created certain ambiguities that must be addressed.

The National Association of Installation Developers (NAID) has polled its members to determine what problems remain in the successful reuse of military property following a closure or

The most important of these changes has been the so-called Pryor amendment to permit the DoD to dispose of base property at or below its fair market value for economic development purposes.

realignment. The result of that poll highlighted several areas that form the basis of NAID's analysis of needed changes as follows:

- **Broaden the definition of Local Redevelopment Authority.** NAID believes that state and local bodies—and not DoD—are in the best position to judge the appropriate base reuse management organization for their communities, based upon their state codes. NAID members suggest an amendment that would allow a wide variety of publicly-appointed economic development structures to be recognized and approved as the ap-

propriate LRA for the purposes of receiving assistance from DoD and acquiring closed military base property.

- **Extend the department's authority to provide diversification assistance.** It is important that DoD encourage states and local communities to begin economic diversification efforts. NAID members suggest an amendment to restore for a two-year period (fiscal years 1996 and 1997) the advanced economic diversification planning authority that was previously contained in the 1993 Defense Authorization Act.
- **Guarantee a community role in preparation of the Environmental Impact Statement.** Base reuse planning and the preparation of the Environmental Impact Statement (EIS) for property disposal are now conducted largely as separate activities with some *ad hoc* cooperation and sharing of information. NAID members suggest an amendment to require direct participation and cooperation by the affected community LRA in the preparation of disposal EIS documents; this suggestion is in keeping with the President's Council on Environmental Quality guidelines that allow local communities to participate fully in matters which affect the future of the community.
- **Ensure the availability of funds for public works improvements.** In the event that the Economic Development Administration is not re-authorized by the Congress, NAID members suggest that the Department of Defense be authorized to step in to meet essential start-up infrastructure costs at former military bases.
- **Recognize the key role of personal property in the economic recovery of communities.** Despite numerous attempts to address the important personal property area, there have been several cases in which personal property essential for successful

THE BASE REUSE REPORT



LEGAL ISSUES

reuse has been removed from closing military installations—such as waterfront pier electrical systems, overhead cranes and compressors from aircraft hangars, pipes from base water irrigation systems, radars from airfield control towers, and even fire alarms and fire extinguishers from dormitories and hangars. NAID members suggest an amendment to bring the DoD equipment disposal process into compliance with the Federal Property Management Regulations and to ensure that buildings are retained in a fully functional condition for early civilian reuse.

- **Recognize that delayed conveyances are part of the reuse process.** During the property disposal process, base closure property may be transferred to other military departments or federal agencies to meet valid program requirements. Should the military department or federal agency subsequently no longer have a need for that property, it will be declared ex-

cess and reported to the GSA for utilization or disposal. In this case, the local community loses the ability to ensure consistency with the community's overall redevelopment efforts. In the event the property is subsequently declared surplus, NAID members suggest an amendment to allow the DoD to convey the property directly to the LRA (or the local government with jurisdiction over the property in the event that the LRA has been disestablished) in accordance with standard base closure disposal procedures. ■

Contact:

George R. Schlossberg, General Counsel
of the National Association of Installation
Developers : (202) 828-2418.

Calendar of Events

August 19: Treasure Island Naval Station Public Planning Forum—San Francisco, CA (415) 749-2504 Cntct: Laurie Glass

August 20-22: National Association of Installation Developers (NAID) 1995 Conference—Chicago, IL (703) 836-7973

Sept. 25-28: National Association for County Community and Economic Development (NACCED) Conference—Salt Lake City, UT (202) 429-5118.

October 1-3: National Council on Urban Economic Development, Urban Economic Development Summit—Arlington, VA (202) 223-4735

October 12-13: Executive Enterprises, Conference on Military Base Reuse—Washington, DC (212) 645-7880

October 19-20: NAID Regional Seminar on Military Base Reuse Grant Proposals—Jacksonville, FL (703) 836-7973

October 25-27: Council of Development Finance Agencies' Conference: *Bridging the Gap—Specialty Financing for Economic Development*—San Francisco, CA (202) 857-1162

November 13-14: Executive Enterprises, Conference on Military Base Reuse—San Francisco, CA (212) 645-7880



JBF Associates, Inc.



Washington, D.C.

New York • Chicago • Tampa • Cincinnati • Boston • Los Angeles • San Francisco
Phoenix • London • Bonn • Berlin • Munich • Paris • Amsterdam • Geneva
Rome • Milan • Moscow • New Delhi • Singapore • Buenos Aires

BASE MARKETING AND PLANNING PROFESSIONALS

- Client Identification
- Marketing Plans
- Marketing Campaigns
- Negotiation & Closure
- Market Research
- Brochures & Videos
- Shows & Exhibitions
- Advertising

REPRESENTATIVE ENGAGEMENTS

Pease AFB, NY

now Pease International Tradeport

Plattsburgh AFB, NY

now Champlain Valley International TradeParc

Scott AFB, IL

now Mid-America Airport

Stewart AFB, NY

now Stewart International Airport

Willow Run Airport, MI

now Willow Run International Tradeport

Republic Aviation, NY

now Republic Airport

For additional information, please contact Dr. John Fallon, President, in our Washington, DC office at (202) 338-9000 or by facsimile at (202) 333-0002



NEWS BRIEFS

News Briefs

Washington, D. C.

Dixon calls BRAC chair 'as bad a job as there is [in] humankind'

"I would never care to have that responsibility again," said **BRAC Chairman Alan Dixon**. "To go to those bases and see thousands of people standing there with their children and signs that say, 'Don't close my base, you're taking food from my children's mouths'—that's very tough stuff, and not a thing I'd like to do again."

Fellow commissioner **Gen. Josue Robles Jr.**, said the job is an important but perhaps no-win job. "I don't know why anybody with a sane and rational mind would want to take the role on of being, by definition, the bad guys."

The **BRAC Commission**—which Dixon referred to "as apolitical an instrument as you can create for this work" (see *BRR Interview*, Jan. 1995)—recommended that the government close or realign more than 100 bases, at a savings of more than \$19 billion over 20 years.

Initially, **President Clinton** objected to the BRAC recommendations because of the extensive job loss in Texas and California. After getting assurances from the **Pentagon** that jobs at the **Texas** and **California** bases would be spared through privatization, however, Clinton accepted the list.

Dixon defends his commissions recommendations, "We did exactly and precisely the right thing and frankly more should have been done by us" to reduce excess military capacity. Clinton's charge that the commission did not weigh economic impact struck a nerve with Dixon.

As an **Illinois** Senator, Dixon waged a spirited but unsuccessful fight to keep **Chanute Air Force Base** open in the first base-closing round in 1989. On the Senate floor, he criticized the

recommendations by the "faceless, nameless members of the commission." Dixon later helped create laws that opened the process to more public scrutiny.

Robles said Dixon cited Chanute when people testified about the impact of possible base closings in their communities. "He thought it was the worst thing that could happen. He fought to the bitter end and lost . . . and now in retrospect, the community is moving along and there's a lot of positive things going on, . . . So he's basically telling them it ain't as bad as you think it is. Give it a while and see how it comes out."

Commissioner **Rebecca Cox** praised Dixon for his defense of the panel's actions. "There tends to be the assumption that if you're on the base-closing commission, you don't like the military," she said. "It was nice to have a chairman who's willing to stand up and say we want to have the best military we can and that might mean making some tough decisions."

The difficulty of those decisions prompted Dixon to refer to his position "as bad a job as there is within the gift of humankind."

Source: *Associated Press*

Washington, D.C.

Base closings might not hurt affected areas' ratings much

The military base closures and realignments accepted by **President Clinton** last week may have only a modest impact on the credit ratings of the areas affected, **Standard & Poor's Corp.** said last week.

Even though an independent commission's decision to close 79 bases and shrink 26 others signals economic

woes for the areas, "the closure of significant installations may not have the drastic impact that might otherwise be expected because closures can liberate large parcels of land for taxable enterprises or for local government needs," Standard & Poor's said.

Based on a credit impact table developed by Standard & Poor's to quantify the effect of the closings, **Anniston, Ala.**, will feel the largest impact due to the closure of nearby **Fort McClellan**. The table gives each area's impact ratio, the loss or gain of jobs, and earnings relative to overall employment.

Anniston, which is rated A, anticipates losing 8,279 military and civilian jobs. Standard & Poor's calculated the impact ratio for the city at 23.1 percent, which the rating agency said indicates "severe dislocation ahead."

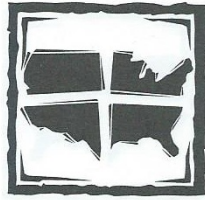
However, Standard & Poor's said the community's debt rating is unlikely to be affected since Anniston's remaining debt will be paid in a few years. "Bases generally take two to six years to close and for local economies to feel the full effect, meaning despite the substantial economic impact, no ratings actions could take place."

"Other factors must be taken into account in arriving at the final outcome, from a credit perspective. The ultimate (effect) on a community depends not only on the net number of military and civilian jobs eliminated or gained, but on the size of the employment base in the (county) or metropolitan statistical area," Standard & Poor's said.

The rating agency said the closure of **Kelly Air Force Base** in **San Antonio** will result in the largest loss of employees, some 12,277, but the impact ratio will be a manageable 3.54 percent. That figure will be mitigated further by efforts of the Clinton administration to retain some of the affected jobs by using local private contractors, Standard & Poor's said.

Similarly, the closure of **McClellan Air Force Base** in **Sacramento** will

THE BASE REUSE REPORT



NEWS BRIEFS

result in the loss of 11,585 jobs, but the impact ratio will be 3.54%, Standard & Poor's said.

Source: *The Bond Buyer*

Orange County, Calif.

Bill to allow Orange County quick transfer of El Toro facilities

Faced with bankruptcy, **Orange County Supervisors** are supporting **Congressman Ed Royce's** bill to speed the transfer of **El Toro Marine Corps Air Station** to the county. Royce estimates that the facilities could raise more than \$1 billion for the county.

The bill would require that all facilities be transferred no later than 1999 and non-contaminated portions even sooner. Further, the bill prevents any federal agency or nearby city from taking a portion of the 4,700 acre facilities. The bill faces widespread opposition.

Bonn, Germany

Publication reviews widespread closure of US bases in Germany

The **Bonn International Center for Conversion** released a 100 page report on the massive task and severe local impact of closing U.S. military bases in Germany. The publication is titled **Report 4: Restructuring the US Military Bases in Germany: Scope, Impacts, and Opportunities**.

Since the end of the Cold War, the U.S. has withdrawn nearly 200,000 personnel from Germany—more than 75 percent of its force. As a result, the U.S.

military's demand for goods and services has decreased by more than \$3 billion, and more than 70,000 Germans have lost their jobs.

The *Report*, which was released in June, studies the drawdown of U.S. military forces, the impact on local communities and the opportunities for redevelopment. Several case studies are included.

The Bonn International Center for Conversion is a non-profit organization that supports and promotes the processes by which people, skills, technology, equipment, financial and economic resources are shifted from military towards civilian purposes. The organization is located at An Der Elisabethkirche 25, 53113 Bonn, Germany. Their fax number is +49-228-241215.

Continued on Page 14

ERA Economics Research Associates Affiliated with Drivers Jonas

The Nation's Leader in Military Base Reuse Strategies

- Base Reuse Planning • Impact Analysis
- Marketing Programs • Economic Adjustment Strategies
- Property Conveyance Applications • Grant Applications

Clients

Ft. Polk
Myrtle Beach
NAWC Warminster
Hancock Field AFB
Umatilla Army Depot
Griffiss AFB
Orlando Navy Base
Chanute AFB

Ft. Sheridan
AFB Mather AFB
George AFB
Jefferson Proving Ground
FDA McClelland
Bainbridge Naval Base
Tustin Marine Air Station
Norton AFB

20 East Jackson Blvd., Suite 1200, Chicago, IL 60604
(312) 427-3855

Los Angeles • San Francisco • Washington DC



DEL-JEN, INC.

Seventeen years
of proven performance

- Work Management
- Job Order Construction
- Transportation
- Grounds
- Utilities Operations
- Supply Operations
- Building Maintenance
- Preventative Maintenance

28441 Highridge Road, Suite 401,
Rolling Hills Estates, CA 90274
(310) 544-2299



NEWS BRIEFS

Continued from Page 13

Seattle, Wash.

Muckleshoot Tribe agrees to let Seattle take Sand Point Navy Base

The **Muckleshoot Tribe** agreed to let **Seattle** take over most of the 151 acre **Sand Point Naval Base** when the **Navy** departs in September. In return, the Muckleshoot Tribe will receive other property and assistance, said **Virginia Cross**, chairwoman of the **Tribal Council**.

To achieve an agreement, the Muckleshoot Tribe, the City Council and the current owner, the DoD, must all approve the agreement. Seattle officials wouldn't confirm whether an agreement had been reached.

Previously, the tribe planned to make **Sand Point** a satellite to the tribe's reservation near **Auburn, Wash.** It would have had a marina, a commercial boat launch and fish hatchery, an

American Indian college, housing for seniors and students, a tribal meeting place, a drug and alcohol clinic, a tribal jail and a medical center.

Seattle officials plan to use the base as a center for community groups, parks and wildlife habitat, homeless and low-income housing, ball fields, and tennis courts.

Source: *The Seattle Times*

Alexandria, Virginia

Homepage introduced on Internet to provide info on privatization

Defense Facilities Corporation has created a homepage on the Internet that focuses exclusively on the **privatization** of federal facilities and services. This resource is intended to provide gov-

ernment officials and employees, community leaders, and contractors a means to "see what can and has been done, rather than just speculating."

The homepage address is <http://www.cquest.com/dfc.html>. DFC is located at 601 Madison Street, Suite 200, Alexandria, VA. Their phone number is 703-684-4654.

Castle AFB, Calif.

Large blimp maker leases space, plans to hire local employees

WorldwideAeros Corporation has leased eight buildings for the production of large blimps. Aeros will take occupancy in September and will pay \$100,000 in rent annually and hire at least half of its 1,500 employees locally. In five years, the rent will escalate to \$500,000. Aeros has an option of buying the facilities for \$3 million.

The buildings occupy 385,000 square feet. They will house the construction

HR & A

HAMILTON, RABINOVITZ & ALSCHULER, INC.
Policy, Financial & Management Consultants

HR&A is a full-service real estate and financial consulting firm with a proven track record in the creation and implementation of economic development focused reuse strategies.

HR&A provides a wide range of services for base reuse efforts including:

- Strategic planning
- Project management
- Public/private financing structures
- Fiscal and economic impact analysis
- Market and demographic analysis
- Business Plans for Economic Development
- Conveyances
- Negotiations with federal regulators

Projects include: Griffiss Air Force Base, Rome, NY; Charleston Naval Complex, Charleston, South Carolina; Norton Air Force Base, San Bernardino County, California; Calverton Naval Air Facility, Riverhead, NY; and Brooklyn Navy Yard, Brooklyn, NY.

For more information, please contact John H. Alschuler, Jr.
Tel: 212.977.5597 Fax: 212.977.6202



NEWS BRIEFS

of blimps that are 633 feet in length and capable of carrying 331,000 pounds of cargo.

Source: *California Planning and Development Report*

Washington, D.C.

DoD community guide offers info on base reuse financing, strategy

The **Department of Defense** has released a publication to assist with the reuse of close military bases. **The Community Guide to Base Reuse** describes programs designed to assist with base reuse and the available financial assistance programs. In addition, the publication provides numerous illustrations, lessons and successful strategies from reuse efforts across the nation.

For more information, contact the **Office of Economic Adjustment** at 400 Army Navy Drive, Suite 200, Arlington VA 22202, 703-604-6020.

Mesa, Ariz.

Pathcor locates at former Williams Air Force Base

Electronic guidance equipment firm **Pathcor** is moving to **Williams Gateway Airport**, previously **Williams Air Force Base**. The firm will occupy 18,865 square feet of hanger space.

Pathcor, a division of **Technology Projects, Ltd.**, designs and manufactures a wide range of specialized electronic devices. One of Pathcor's products is the **PATHLINK System** which is a computerized vehicular data collection system that displays and analyzes the path of any terrestrial, airborne or marine vessel. The system has been used for defense, law enforcement, toxic waste

management, oil spill tracing and insect eradication.

Lynn Kusy, executive director of Williams Gateway Airport, said that "marketing efforts have been targeted to companies such as Pathcor... The company fits in very nicely with our redevelopment efforts and the types of aerospace companies we are locating here."

Washington, D.C.

Defense job loss increases in 1995; California hit for 20 percent

The **National Commission on Economic Conversion and Disarmament** estimates that this year's loss of defense industry jobs will exceed the 145,000 lost in 1994. Their conclusion is based on the 48,000 defense jobs cut in the first quarter of 1995, the estimated 33,000 civilian jobs eliminated over the next 2 years from **BRAC** closures, and expected **DoD** procurement reductions.

Continued on Page 16

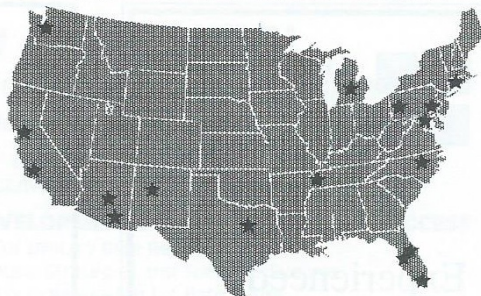
Greiner, Inc.

BASE REUSE PLANNING / IMPLEMENTATION CONSULTANTS

Greiner recognizes that the need to restore lost jobs and to create opportunities for new business is paramount. Our expertise includes:

- ✈ Reuse planning
- ✈ Environmental assessment
- ✈ Hazardous material / site assessment and clean up
- ✈ Terminal, hangar, airfield, roadways, fuel systems planning and design services

Reuse consultant for the award-winning strategy for the conversion of England Air Force Base to Alexandria International Airport and Industrial Airpark. Other assignments include K. I. Sawyer AFB and Griffiss AFB



CLIENTS SPEAK OUT

"Special thanks to the Greiner Consulting Team for extraordinary professionalism developing the documentation which helped justify the confidence placed in central Louisiana by the U.S. government in issuing its Record of Decision. (for 100% transfer of England AFB)."

England Economic & Development District

Greiner, Inc.
Reuse Coordination Office
4100 Amon Carter Blvd. Suite 108
Forth Worth, Texas 76155

Gene Faulkner - Principal
Tel: 817-545-0891
Fax: 817-545-0534

Bruce Capps - Project Manager
Tel: 504-638-8682
Fax: 504-638-8200

THE BASE REUSE REPORT



NEWS BRIEFS

Continued from Page 15

California had 20 percent of this year's total, **Connecticut** and **Massachusetts** combined for 16 percent, **Texas** had 9 percent, **Pennsylvania** 7 percent and **Virginia** had 5 percent.

The NCECD is located at 1828 Jefferson Place NW, Washington, DC 20036. Their phone number is 202-728-0815.

Source: *Community Development Digest*

Washington, D.C.

BENS recommends 'mid-course' corrections to technology program
Business Executives for National Security released a report in June titled **The Technology Reinvestment Project: Mid-Course Corrections to the Pentagon's Premier Dual Use Technology Program**.

The 'dual use' Technology Reinvestment Project was intended to promote

technology that could be applied in the commercial as well as the military sector. Such a program, it was argued, would soften the blow to the defense industry that was suffering from the defense cutbacks.

The TRP has come under criticism, however, by the members of the **104th Congress** as 'wasteful government'. The authors initiated the report in order to determine why the once popular TRP has developed such opposition.

The report concludes that the TRP continues to be viable and hold promise but needs several "mid-course" improvements, such as:

- Making Advanced Research Project Agency solely responsible for TRP
- Restricting awards to the Technology Development competition
- Expanding the Small Business Innovation Research competition
- Streamlining dual use program oversight
- Increasing industry participation in technology focus area selection
- Improving the Pentagon's options for risk- and cost-sharing, completion time-tables and project evaluation

The study was written by Paul Taibl (BENS) and was researched by Alan Landis (BENS), Margaret Lezcano (Harvard University), and David Manero (Harvard University). BENS is located at 1615 L Street, Suite 330, Washington D.C. 20036. Their phone number is 202-296-2125.

Written and compiled by Christopher Hart.



Ballard
Spahr
Andrews &
Ingersoll

Experienced
National Legal
Counsel for Base
Redevelopment

Philadelphia
Washington, DC
Baltimore
Camden, NJ
Denver
Salt Lake City

801-531-3024 FAX 801-531-3001

Interdisciplinary Design

S A S A K I

Planning for Base Reuse and Redevelopment

Master plans

Implementation strategies

Facilities analysis and programming

Community consensus-building

Sasaki Associates Inc.
64 Pleasant Street
Watertown Massachusetts
02172 USA
617 926 3300

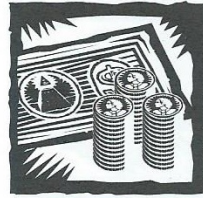
Dallas San Francisco

Tax increment . . .

Continued from Page 7

44 states have developed some form of TIF. In Figure 1 (see p. 6), the 10 states hardest hit with closure-related job losses were surveyed by the BRR to determine if each state had TIF authority, and if so, whether it was being used for base reuse. In this sample of states, all have TIF authority, and the majority are either currently using TIF to finance reuse activities, or may use it in the future.

TIF statutes from various states have quite similar characteristics. Nearly all statutes require the condition of blight to initiate redevelopment, as documented in a preliminary project plan, adopted in a redevelopment plan, reviewed in a public hearing, and adopted by elected officials. Some statutes do not require the existence of blight, and use TIF's for new development in the same way that California uses assessment districts.



FINANCE

Redevelopment's TIF has many aspects that make it well-suited to base reuse. First, it has been historically used to eradicate blight, such as dilapidated, unusable buildings. Second, TIF is used when proposed projects are not economically viable without some form of public assistance to make the deal "pencil out." Third, TIF has been the driving force for "public-private partnerships," and could also play a role in the recently discussed "privatization" proposals for various bases. Fourth, in California 20 percent of the TIF must be used to produce or rehabilitate low- and moderate-income housing—an ideal resource for transitioning base housing to civilian

use. Finally, TIF has been relied on as an economic development tool. These characteristics provide TIF with many of the elements necessary to make it an important tool in reusing base real estate. With TIF authority available in most states, this tool is well-positioned to emerge as a crucial and core strategy to facilitate base reuse across the country.

Because the emergence of TIF is anticipated to have such a dominant role in base reuse, BRR is asking its readers to send information to us on the use of TIF and other financial approaches. BRR will take this information to amplify the survey presented above, and report in future issues on successful methods for financing base reuse.

David C. DeRoos is the Publisher of the BASE REUSE REPORT. He also serves as the Deputy Director of the California Redevelopment Association. He can be reached at (916) 448-6168.

FIGURE III: CURRENT STATUS

BRAC I (1988)

Mather AFB	Will use TIF
Hamilton	Private Developer
Presidio	May use public/private trust.
George AFB	Will use TIF
Norton AFB	Using TIF

BRAC II (1991)

Sacramento Depot	Will use TIF
Hunter's Pt.	Will use TIF
Fort Ord	Will use TIF
Castle AFB	Using TIF
Long Beach	Developers, Bonds, & Leases
Tustin	Will use TIF

BRAC III (1993)

Alameda	Still planning
Mare Island	Will use TIF
El Toro	Not Available
Oakland	Probably use TIF
Treasure Isl.	Will use TIF
March AFB	Will use TIF

Source: CA office of Planning & Research

New from CUED!

Best Practices in Defense Conversion

A Practitioner's Guide to Successful Strategies and Programs

INTRODUCTION

Defense Conversion: A Syntax for Action

MILITARY BASE REDEVELOPMENT: STRATEGIES FOR SUCCESS

Planning for Military Base Redevelopment

Military Base Reuse: Strategies and Tools for Success

Community Organization for Base Reuse

New Job Creation Through Interim Use Leases

Acquiring Base Closure Property

Land Use and Military Base Re-use: Environmental Issues

MANAGING THE LABOR FORCE TRANSITION

Responding to the impacts of Defense Cutbacks on Workers

Layoffs of High Skilled Defense Workers and the Response of impacted Communities

Defense Conversion and Military Staff Dislocations

ISSUES AND OPPORTUNITIES FOR INDUSTRY ADJUSTMENT

Defense Contractors: The Challenge of Adapting to Civilian Markets

Company Competitiveness

Diversification Opportunities in the Environmental Technology Industry

ACCESSING RESOURCES AND MANAGING PARTNERSHIPS

Federal Resources to Plan and Implement Defense Adjustment Strategies

The State Role in Defense Conversion

Resources and Options for Business Finance

Community Colleges and Defense Conversion

Cost: \$60.00 + \$4.50 Shipping. To order, contact Cynthia Murray

1730 K St. NW, Suite 915, Washington, DC 20006 (202) 223-4735 • FAX (202) 223-4745

Reuse authority sues Air Force

By Raymond Takashi Swenson
Lt. Colonel, USAF (Ret.)

Lt. Colonel Swenson is an attorney in the Salt Lake City office of Ballard Spahr Andrews & Ingersoll. He is a former Air Force Regional Counsel for the Western U.S. who practices environmental law and represents communities in base reuse negotiations with the DoD. He helped establish the California Base Closure Environmental Committee and taught courses on base closure in Washington, D.C., San Francisco, Monterey and Irvine, Calif. He belongs to the California and Utah State Bars.

For the first time, a local redevelopment authority has sued the Defense Department. Litigation filed by the March Joint



LEGAL ISSUES

Powers Authority, representing Riverside County, Calif., and the cities of Riverside, Perris, and Moreno Valley, alleges that the Air Force has failed to follow the requirements of the Pryor Amendments to the Base Closure Act of 1990, which govern the transfer of personal property at March Air Force Base.

March was designated for realignment and reduction in size in 1993, with its main active military mission, a wing of KC-10 tanker/cargo aircraft, being relocated to Travis AFB in Northern California. An Air Force Reserve unit and other federal operations remain at the

base, but 2,600 acres of land adjoining interstate 215 are potentially available for civilian redevelopment, pending resolution of land use restrictions due to the endangered Stephens kangaroo rat living on much of the acreage.

Stephen Albright, Executive Director of the March JPA, said that 90 percent of the personal property disposal has not been a problem, but the lawsuit was triggered by the Air Force decision to transfer a fire engine from March to Vandenberg Air Force Base in Santa Barbara County, Calif. Albright asserts that the fire truck was intended for support of the base hospital, which is being declared surplus, and therefore is "related personal property" which should be available to the community. The draft complaint had been shown to Air Force representatives several weeks before,

Carter and Burgess has assisted in several BRAC closures, working to identify new uses for facilities in concert with the multiple agencies involved in the communities' redevelopment process. The firm's services related to BRAC include base planning and programming, aviation planning and design, environmental assessment and clean up, and engineering modifications to convert existing facilities to new uses. Fueling and vehicle maintenance facilities are particular strengths.

Significant redevelopment projects include Carswell AFB (Fort Worth, Texas) Reuse Implementation, Wurtsmith AFB (Oscoda, Michigan) Transition Plan, Key Field (Meridian, Mississippi) Master Plan, and Cecil Field/Naval Air Station (Jacksonville, Florida) Base Reuse Plan.

Other Carter and Burgess work includes Kelly AFB Comprehensive Plan (San Antonio, Texas) and Bergstrom AFB Conversion (Austin, Texas).



Carter = Burgess

For more information contact Carter and Burgess Representatives:
Larry Bauman, Aviation Planning Group, 817-735-6141 Russell Karr, Federal Division, 817-735-6040

Offices in Texas, Florida, Colorado, California, North Carolina, Arkansas, Arizona, Nevada, Montana, Nebraska



LEGAL ISSUES

during the course of four months of acrimonious dispute over the engine and other property.

Joy Defenbaugh, March JPA chair, said, "I think it says something about the process, that it is not working well. We are deeply disappointed that we were not able to resolve it prior to this point."

Albright complains that the JPA was not allowed to see and claim property within the area which the Air Force Reserve is keeping at the base. He said that the Air Force is sending valuable items to other Air Force bases and federal agencies. "What is left is what no one else wants." He said another example is the shipment of all the furnishings, appliances and equipment of the March AFB child care center to Travis AFB, to furnish a new child care center for the children of airmen being transferred from March to Travis.

Albright claims that other base redevelopment agencies he has spoken to have not encountered this kind of problem. Shirley Curry, with the Air Force Base Conversion Agency, while not addressing the claim, did agree that, "This would be the first instance that a personal property dispute has gone to the courts."

The March JPA complaint was filed in U.S. District Court in California on July 19 by John Brown, of the law firm of Best, Best & Krieger. The complaint asserts that the Air Force has "acted arbitrarily, without a rational basis and in

violation of federal law," and asks the court for a declaratory judgement, defining the rights of the JPA to receive personal property from the Air Force, plus a specific order to return the fire truck and other removed equipment to March.

A new final regulation on real and personal property transfer was published by the Defense Department on July 20, 1995, including a procedure for personal property disputes to be resolved by an Assistant Secretary of the Air Force, but Jones said he is not sure what effect it would have on the lawsuit.

The Air Force Judge Advocate General's Department Special Litigation office and the Department of Justice are preparing a response to the complaint. Airman John Pavliga, a March Air

Continued on Page 20

SABO & GREEN

Los Angeles - San Bernardino

BASE REUSE LEGAL COUNSEL

- 5 YEARS OF BASE REUSE EXPERIENCE ● LEGAL COUNSEL ON MULTIPLE BASE CLOSURES
- MUNICIPAL LAW AND PUBLIC FINANCE ● EXPERIENCE IN:

- | | | |
|--------------------------------------|---------------------------------------|---------------------------------------|
| ● BRAC Process | ● Environmental Issues | ● Long-term and Interim Leases |
| ● Base Reuse/
Redevelopment Plans | ● Public Benefit Transfers | ● Caretaker/Cooperative
Agreements |
| ● Financing Mechanisms | ● Economic Development
Conveyances | ● McKinney Act |

Free initial consultation. For additional information about our firm or to arrange a workshop on base closure issues, please contact Andre de Bortnowsky at (818) 704-0195 or fax (818) 704-4729

Sabo & Green, 23801 Calabasas, Suite 2039, Calabasas, CA 91302-1595

Reuse authority ...

Continued from Page 19

Force Base spokesman, said, "It's a shame it's gone this far." Representatives from the Pentagon will reportedly soon meet with the March JPA to try to resolve the controversy.

During the discussion prior to the lawsuit, the Air Force said that the fire engine, a new \$340,000 aerial ladder truck, was misrouted to March and should have been sent directly to Vandenberg AFB.

A new final regulation on real and personal property transfer was published by the Defense Department on July 20, 1995, including a procedure for personal property disputes to be resolved by an Assistant Secretary of the Air Force. The attorney for the March JPA



LEGAL ISSUES

said he is not sure what effect that would have on the lawsuit.

However, since the suit is based on alleged violations of proper administrative procedures by the Air Force, it seems likely that the Air Force will ask the court to dismiss the suit and direct the plaintiffs to try using the new administrative dispute procedure to resolve the problem before going back into court.

Contact:

*Stephen Albright, Executive Director,
March Air Force Base, Joint Powers Authority: (909) 984-3400.*

Advertiser's Index

Ballard, Spahr, Andrews & Ingersoll . . .	p. 16
BRW	p. 20
Carter and Burgess	p. 18
CUED	p. 17
DEFCON CORP	p. 8
DEL-JEN, INC	p. 13
Development Concepts Group	p. 7
Economics Research Associates	p. 13
Greiner, Inc	p. 15
Hamilton, Rabinovitz, Alschuler, Inc . . .	p. 14
Harding Lawson Associates	p. 5
JBF Associates, Inc	p. 11
Katz Hollis	p. 7
Keyser Marston Associates Inc	p. 8
Liaison Group, Inc	p. 3
Sabo & Green	p. 19
Sasaki Associates Inc	p. 16



Planning • Transportation • Urban Design • Engineering

"An interdisciplinary group of planners, designers and facilitators dedicated to the creation of quality sustainable communities"

- Strategic Planning
- Base Reuse Planning
- Economic Recovery and Diversification
- Site Planning and Design
- Community Involvement
- Base Redevelopment Financing

Telephone: 800 . 966-5294

Facsimile 602 . 230-9189

**Arlington • Denver • Milwaukee • Minneapolis • Newark
Orlando • Phoenix • Portland • San Diego • Seattle**

*Readers : If you contact
one of our advertisers
directly, please let them
know you read about
them in*

**THE
BASE REUSE REPORT**

Advertisements

One Time Only Publication

1/6 Page	\$145.00
1/3 Page	\$265.00
1/2 Page	\$340.00
Full Page	\$600.00

Employment Opportunity/RFP Ads

One Time Only Publication

.	\$10.00/Line
-----------	--------------

Business Card Ads

Published for One Year

2 1/8 w x 3 1/4 h	\$865.00
3 3/8 w x 2 1/16 h	\$865.00

For more information, please contact

Ms. Kelly Moore at (916) 448-6168