

The BCEG identifies those closures/realignments that could achieve reasonable savings, then, the eight DoD selection criteria are considered to assure that the closure/realignment would be cost effective and consistent with the military requirements. The group's evaluation is then presented to the Chief of Staff of the Air Force and the Secretary of the Air Force for decision. The Secretary of the Air Force forwards the agreed upon recommendations to the Secretary of Defense. Upon the Secretary of Defense's acceptance, the final list is forwarded to the BRAC Commission.

## **1991 BRAC**

**The Secretary of Defense's recommendation to the 1991 BRAC as it relates to MacDill AFB was to:**

- **REALIGN AND PARTIALLY CLOSE MacDILL AFB**
- **REALIGN AIRCRAFT TO LUKE AFB**
- **MOVE JOINT COMMUNICATION SUPPORT ELEMENT TO CHARLESTON AFB**
- **CLOSE THE AIRFIELD**
- **REMAINDER OF MacDILL AFB TO BECOME AN ADMINISTRATIVE BASE**

***These recommendations were accepted by the Congress and signed into law by the President.***

## 1993 BRAC

The Secretary of the Air Force forwarded the following recommendations to the Secretary of Defense. The Secretary of Defense's recommendation to the 1993 BRAC as it relates to MacDill AFB was to:

- KEEP JCSE AT MacDILL
- RELOCATE 482nd from HOMESTEAD AFB
- CONVERT 482nd TO KC-135 TANKERS
- TRANSFER AIRFIELD OPERATION TO AFRES

The Air Force recommends the 1991 Commission's actions be redirected as follows: The airfield would not close, but instead, the Air Force Reserves (AFRES) would operate the airfield as an austere reserve base, not open to civil use, until it can be converted into a civil airport. This would accommodate the recommended (see HOMESTEAD AFB, FLORIDA CLOSURE RECOMMENDATION) reassignment of the 482nd Fighter Wing (AFRES) from Homestead AFB to MacDill AFB and its conversion to KC-135 tankers. The Joint Communications Support Element (JCSE) will not be transferred to Charleston AFB, South Carolina, but instead, will remain at MacDill AFB. The Air Force will continue to encourage transition of the airfield to a civil airport, and if successful, both units would remain as cost sharing tenants.

### 1993 JUSTIFICATION:

The 1991 Commission recommended a partial closure of MacDill AFB. Its F-16 training mission has been realigned to LUKE AFB, Arizona, and the JCSE was to be realigned to Charleston AFB. Two Unified Commands, HEADQUARTERS CENTRAL COMMAND and HEADQUARTERS SPECIAL OPERATIONS COMMAND were left in place. The airfield was to close.

Several events since 1991 have made a redirection of the Commission action appropriate. The closure of Homestead AFB results in the relocation of the 482nd Fighter Wing. The best location for this unit is MacDill AFB. The National Oceanic and Atmospheric Administration (NOAA) aircraft element has relocated

from Miami International Airport. It would like to remain permanently at MacDill AFB. It has agreed to pay a fair share of the cost of airport operations. The cost of moving the JCSE to Charleston AFB was underestimated. The original 1991 realignment cost for the JCSE was \$25.6 million in MILCON. Retaining the JCSE at MacDill AFB avoids this cost.

The AFRES's temporary operation of the airfield will have reduced operating hours and services. The 1991 Commission noted a number of deficiencies at MacDill AFB as a fighter base: "pressure on air space, training areas, and low level routes...not located near Army units that will offer joint training opportunities...[and]...ground encroachment." These are largely inapplicable to an AFRES tanker operation. Encroachment remains a problem, but the reduced number of flights and the increased compatibility of both tanker and NOAA aircraft with the predominant types using Tampa International Airport make this a practical approach. As a Reserve/NOAA airfield, use would be modest, and it would not be open to large-scale use by other military units.

#### **1993 IMPACTS:**

The Air Force will continue to encourage transition of the airfield to a civil airport, and if successful, DoD units could remain as cost sharing tenants. The environmental impact on the community infrastructure is not significant.

*These recommendations were not accepted by the 1993 BRAC.*

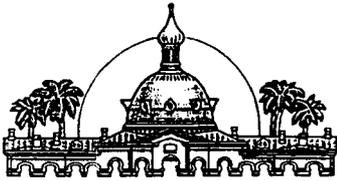
#### **THE 1993 BRAC RECOMMENDATIONS WERE:**

- The 482nd Fighter Wing return to Homestead AFB, Florida and remain a Fighter Wing.
- Retain the Joint Communication Support Element at MacDill as long as the airfield is non-DoD operated.
- Control of the airfield be turned over to the Department of COMMERCE or another Federal Agency. The BRAC's logic to retain the airfield was that MacDill would be "host to several units that require the use of an operational airfield, including the JCSE [and the two Unified Commands]."

*These recommendations were accepted by the Congress and signed into law by the President.*

# MAXIMIZING MACROPLANTS





Hillsborough County  
Florida



**CITY OF TAMPA**

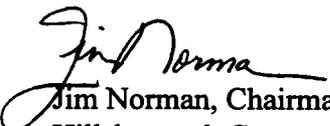


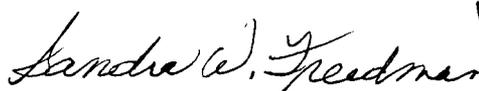
The civic and elected officials of the Tampa Bay area would like to ensure the future of MacDill AFB. Like many other communities throughout the United States, we have made this our number one economic development issue, and we have already been through several rounds of the BRAC process.

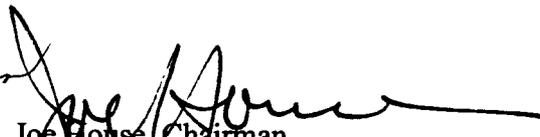
This briefing book has been compiled to assist you in formulating your decisions for the final round of the BRAC process. MacDill is singularly unique because it is the only military installation in the world with two Joint Unified Commands with National Command Authority responsibilities, along with the embedded intelligence and communications infrastructure to support them. The information contained here focuses on enhancing MacDill and identifying it as a receiving base for assets from the other regions of the United States.

We are convinced that MacDill and its uniqueness to the National and DOD mission, stands on its own merit. Our community is dedicated, obviously to MacDill, but also to maximizing the judicious use of taxpayer funds. To this end, we feel that MacDill AFB presents an excellent opportunity to save the taxpayer considerable revenue by utilizing the infrastructure at the base to the maximum extent possible.

We are very fortunate to have such an important national asset here in Tampa. We present this briefing packet to you to assist in your evaluation of bases in order for you to make the best possible decisions for BRAC 95.

  
Jim Norman, Chairman  
Hillsborough County  
Board of County  
Commissioners

  
Sandra W. Freedman, Mayor  
City of Tampa

  
Joe House, Chairman  
Greater Tampa Chamber  
of Commerce

# EXECUTIVE OVERVIEW

The Tampa Bay - St. Petersburg - Clearwater Economic Impact Region (EIR) (Map 1) is comprised of all or part of the following counties: Desoto, Hardee, Hardee, Hernando, Hillsborough, Manatee, Pasco, Pinellas, Polk and Sarasota. With 3.5 million people, it is the largest Florida metropolitan area and the second largest in the southeastern United States. These counties are represented by six Congressional Districts.

The citizens of the six surrounding Congressional Districts, their elected officials and the State of Florida recognize the military and economic values, and the social and geographic impacts of MacDill AFB.

The information provided in this briefing document is intended for use by the BASE CLOSURE and REALIGNMENT COMMISSION (BRAC) members and their staff and will highlight the eight criteria used in making 1995 BRAC decisions. Highlighted are critical areas used as baselines in the assignment of new missions/roles and which offer further evidence in the viability and vitality of MacDill as a base with exceptional facilities in place that can support any Department of Defense flying missions now and into the 21st century.

MacDill AFB is unique among DoD installations. It is the only installation that is home to two JOINT COMMANDS (with National Command Authority-directed missions), the Joint Communication Support Element (JCSE) and the Joint Intelligence Center (JIC).

## **MacDill has the infrastructure in place to support numerous Department of Defense missions.**

- MacDill's 11,241 x 500 foot runway and over 210 acres of ramp space will accommodate any and all type DoD aircraft.
- Tampa's deep water port is connected to fuel storage tanks at MacDill with over 14 million gallons storage capacity, feeding up to 27 hydrants, at 60 gallons per minute, with hot pit capability.
- MacDill's Air-to-Air and Ground-to-Air Tactical Ranges provides for excellent training support and/or "Snowbird" operations.
- MacDill's Command, Control, Communications, and Intelligence networks support two major joint commands and still has the capacity for additional forces requiring an uninterrupted system.

**THESE ASSETS ALLOW FOR THE BASING OF ANY AND ALL DoD FLYING ASSETS and/or USE AS A MAJOR STAGING BASE FOR JOINT OPERATIONS.**

The recommendations that will be made during the 1995 BRAC process are critical to our country's defense efforts. In a time where we must ensure that our dollars are spent wisely and effectively, MacDill offers DoD and the Air Force the opportunity to maximize their investment required at MacDill AFB to support:

- U.S. CENTRAL COMMAND (USCENTCOM)
- U.S. SPECIAL OPERATIONS COMMAND (USSOCOM)
- JOINT COMMUNICATION SUPPORT ELEMENT (JCSE)
- JOINT INTELLIGENCE CENTER (JIC)

**THIS CAN BE DONE SIMPLY BY:**

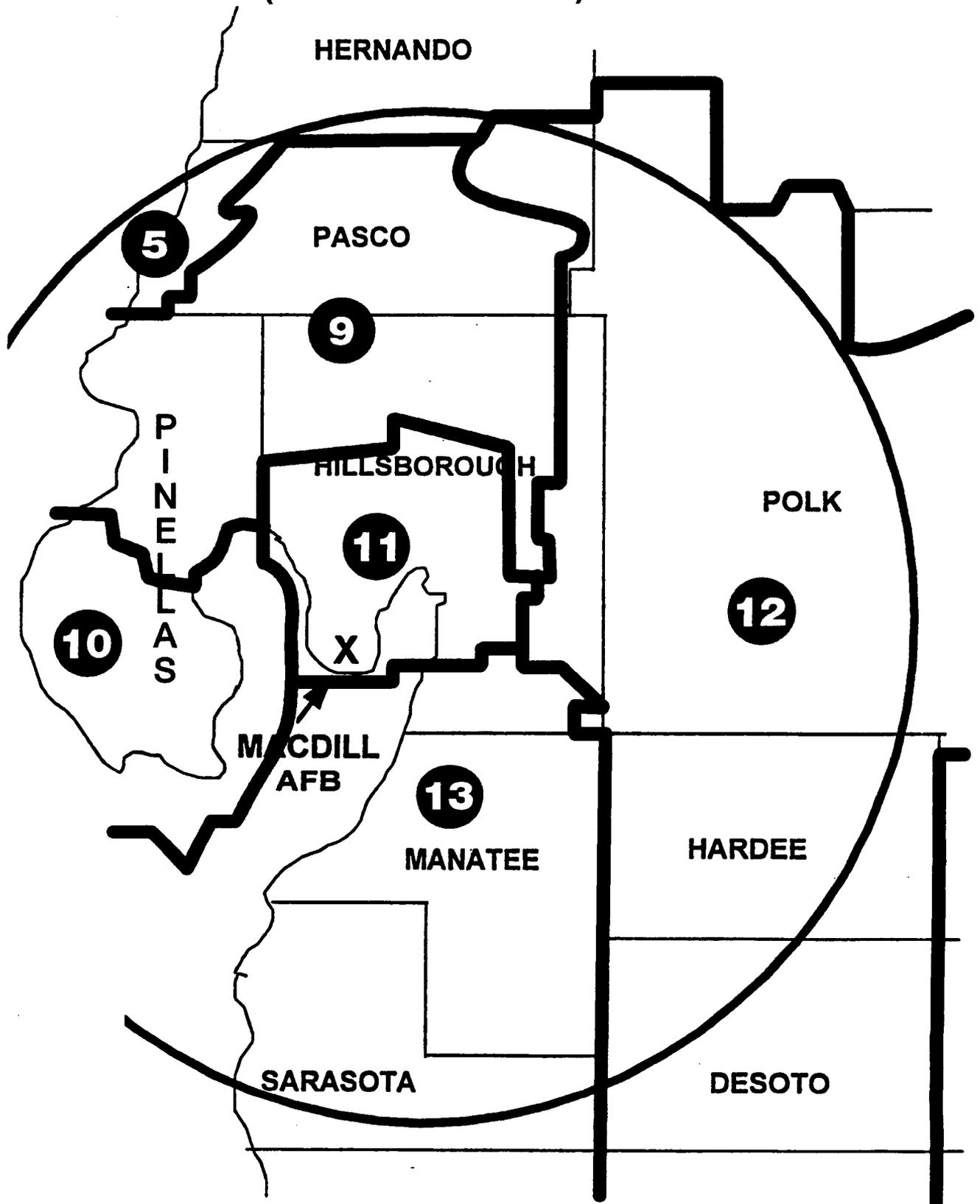
- **UTILIZING THE EXCELLENT INFRASTRUCTURE AND TRAINING ASSETS OF THIS EXCEPTIONAL FACILITY BY ASSIGNING DoD FLYING UNITS TO MACDILL AFB.**

MacDill AFB can accommodate growth. It should be the base of choice in the Southeast most capable of immediate growth. MacDill can grow while still maintaining the quality of life that the military and the civilian community have come to expect. **Ground space, Air space, Congestion, Noise Abatement, Encroachment, Land Use, Environmental Concerns, Weather, Facilities and Force Needs** are factors that have been evaluated in detail. These factors will have **NO ADVERSE IMPACT** on flying units at MacDill AFB.

MacDill AFB has all the necessary facilities to once again become a Major Operational Base for the Air Force. You will find no better partnership than the one that has existed for over 56 years between the Military and the Citizens of the Tampa Bay Area. The citizens of this community urge you to make sound decisions by reviewing these recommended changes which were the result of analysis of changing world order, other base closures, the threat and force structure plan, budgetary reality, as well as, the opportunity to operate more efficiently and effectively.

When you have done this, we feel you will agree and support the DoD recommendation for a **REDIRECT** at **MacDill AFB** which will maximize the cost-effectiveness of MacDill AFB.

**ECONOMIC IMPACT REGION (EIR)  
SHOWING CONGRESSIONAL DISTRICTS  
(50 MILE RADIUS)**



**Map 1**



Map © 1993 by Rand McNally R.L. 93-S-167-RENEWAL B

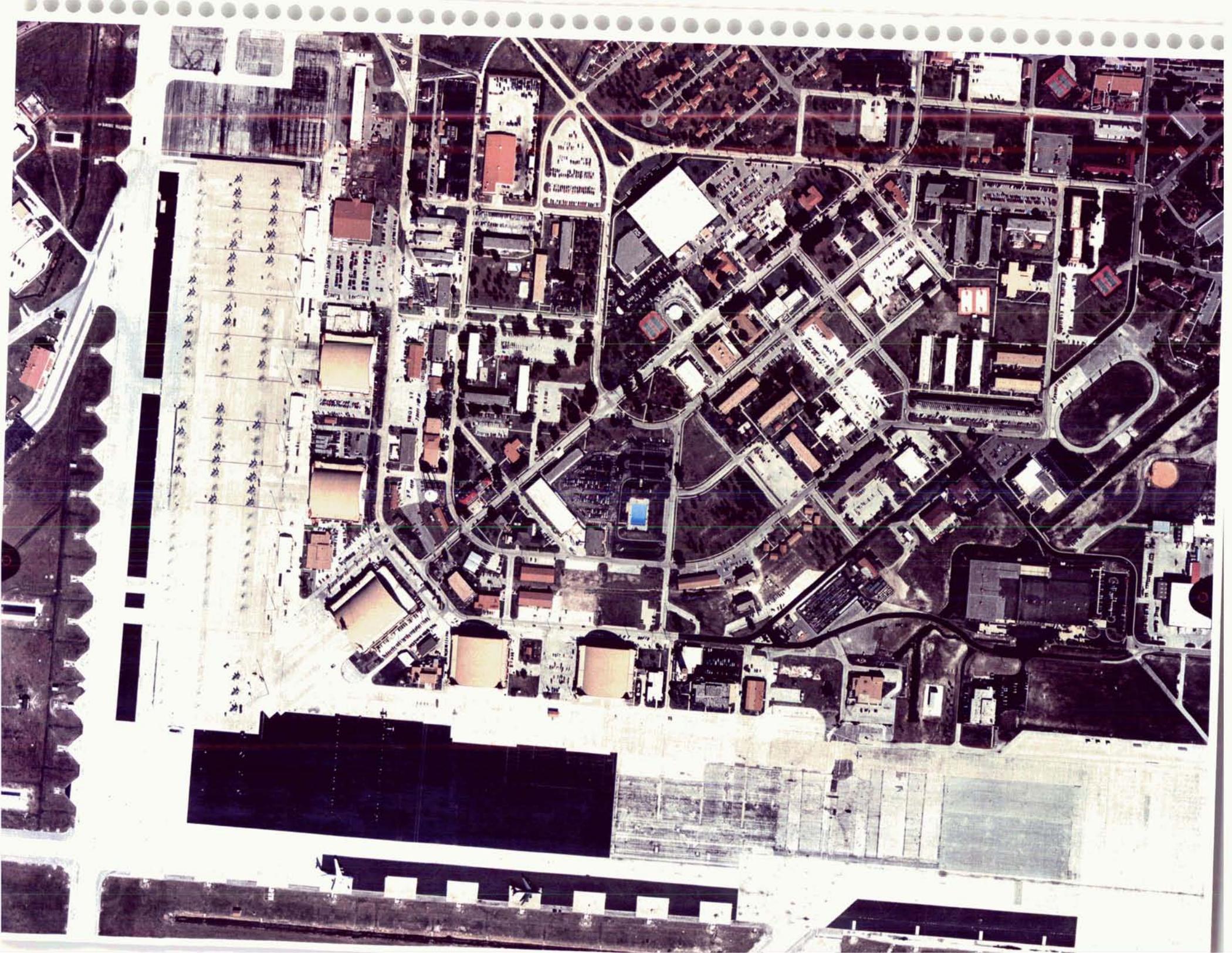


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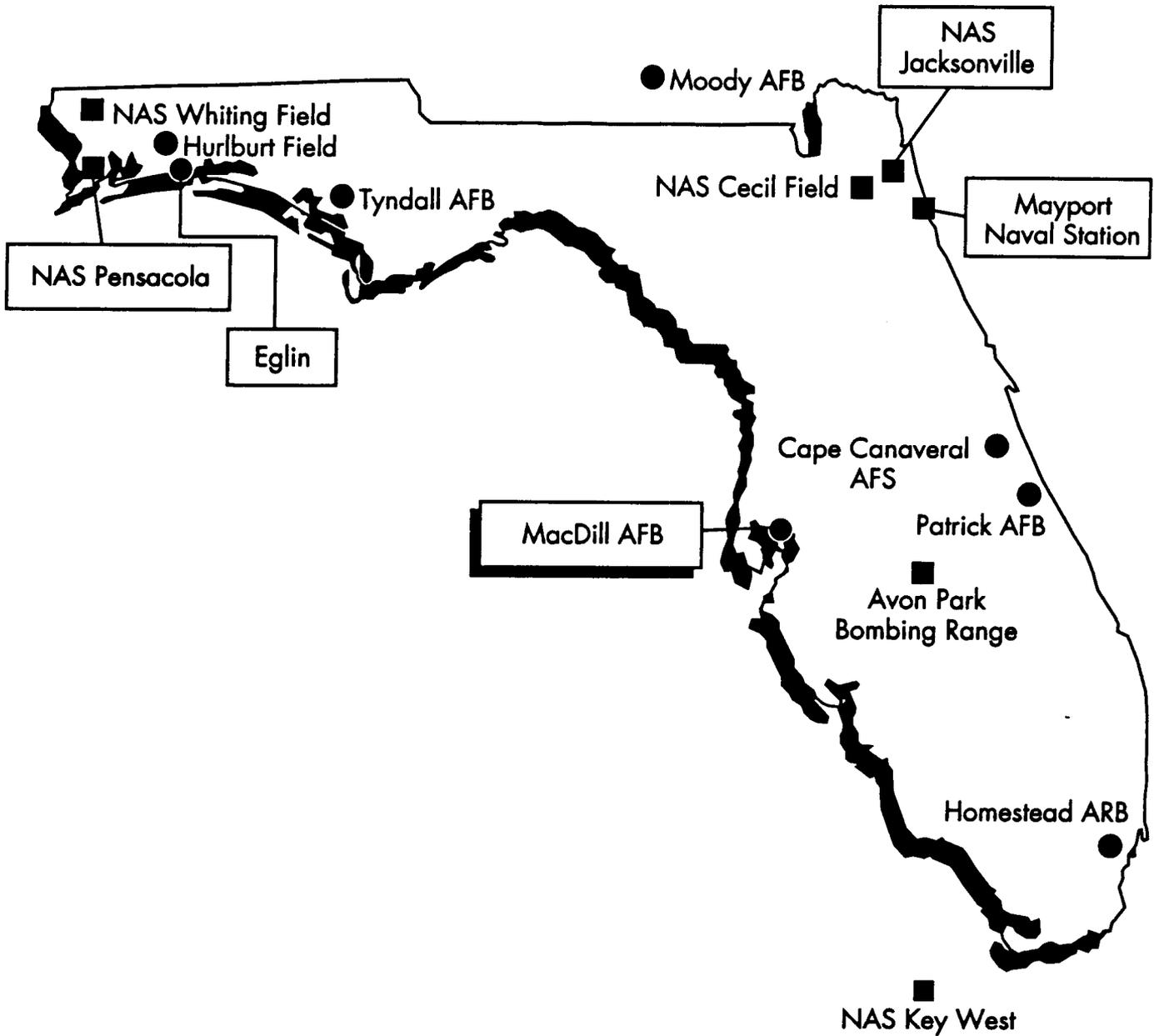
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ALN

NO. 7774



***Military Installations with  
Access to MacDill AFB Facilities***





# **HISTORY AND MILITARY VALUE OF MACDILL AFB**

## **HISTORY**

MacDill AFB is located on 5,621 acres in Hillsborough County, Florida. The base is approximately 8 miles south of downtown Tampa on the southern tip of the Interbay Peninsula. Hillsborough Bay borders the base on the east; Tampa Bay borders the base on the south and the west. Current land use directly north of the base is primarily commercial and residential.

Construction of an Army Air Corps base began in December 1939. The base was officially activated in April 1941. Between activation and World War II, MacDill's mission was transitional training. During World War II, MacDill trained airmen from every operational theater in B-17 and B-26 aircraft. In 1948, MacDill began training airmen on the B-29. After World War II, MacDill became an operational base of the Strategic Air Command (SAC). Between 1946 and 1960, SAC units stationed at MacDill included the 311th Reconnaissance Wing, the 307th Bombardment Wing, and the 6th Air Division. In 1951, base facilities were converted to accommodate B-47 and KC-97 operations. In September 1961, as a result of the Cuban Missile Crisis, the Headquarters of the U.S. Strike Command was activated at MacDill.

The base was transferred from SAC to the Tactical Air Command (TAC) in July 1961. Between then and 1979, MacDill served as a training and/or operational base for the MacDonall-Dougllass F-4C Phantom II jet fighter, the B-57 Canberra tactical bomber, and the F-4E. In October 1979, conversion from the F-4E to the F-16 Fighting Falcon began. From that time until July 1992, MacDill's primary mission was F-16 training. The host unit during that time was the 56th Tactical Fighter Wing. In 1992, the base was transferred from TAC to Air Combat Command (ACC). On January 4, 1994, the 56th Tactical Fighter Wing was replaced as the 6th Air Base Wing with the primary mission of supporting two Joint Unified Commands.

## **MILITARY VALUE**

MacDill AFB is unique among DoD installations. It is the only installation that is home to two JOINT UNIFIED COMMANDS (with National Command Authority-directed missions), the Joint Communication Support Element (JCSE) and the Joint Intelligence Center (JIC). A brief summary of their missions will highlight their military value to our nation's defenses.

The United States Central Command (USCENTCOM) is the administrative headquarters for U.S. military affairs in 19 countries of the Middle East, Southwest Asia and Northeast Africa including the Arabian Gulf. The command was established in 1983 as the evolutionary successor to the Rapid Deployment Joint Task Force and is responsible for a region that contains more than 70 per cent of the world's oil reserves. The mission of USCENTCOM is to support U.S. and free-world interests by: assuring access to Mideast oil resources; helping friendly regional states maintain their own security and collective defense; maintaining an effective and visible U.S. military presence in the region; deterring threats by hostile regional states and by projecting U.S. military force into the region if necessary.

The second of the two commands, the United States Special Operations Command (USSOCOM), was established in 1987 to provide unified command and control for all Special Operations Forces (SOF) and to prepare these forces to carry out assigned missions worldwide. The command's mission is to prepare Special Operations Forces to conduct successful worldwide special operations, civil affairs, and psychological operations in peace and war. USSOCOM's components include the Army Special Operations Command, Air Force Special Operations Command, Naval Special Warfare Command, and Joint Special Operations Command. Additionally, the John F. Kennedy Special Warfare Center and School, U.S. Air Force Special Operations School, and Naval Special Warfare Center are assigned to USSOCOM.

The JOINT COMMUNICATION SUPPORT ELEMENT'S (JCSE) primary mission is to provide simultaneous communications for two Joint Task Force Headquarters, two Joint Special Operations Task Force Headquarters, and smaller communication packages for worldwide crisis, contingency, and wartime operations. JCSE also provides communications support to the Chairman, Joint

Chiefs of Staff and directed communication support to other U.S. entities and foreign governments. Over the past five years JCSE has participated in twenty-eight joint readiness and contingency operations annually.

The JOINT INTELLIGENCE CENTER (JIC) has recently been established at MacDill AFB. Its mission is to provide theater intelligence activities for Unified and Specified Commanders.

MacDill AFB hosts several other units including 37th Aero Medical Unit, U.S. Customs, National Oceanic and Atmospheric Administration, U.S. Army Aviation Support Element, 209th Joint Communications Support Squadron, 610th Aeromedical Evacuation Squadron, and the 1839th Engineering Group.

As can be seen by the worldwide mission of the units stationed at MacDill AFB, it is truly unique. The responsibilities of the Joint Unified Commands become more important as the role of Special Operations Forces continue to expand. The AOR for CENTCOM remains in turmoil and will continue as an area of vital interest for the U.S. government now and into the foreseeable future.

# **HISTORY OF BRAC AND MACDILL AFB**

In January 1990, the Secretary of Defense announced DoD's intent to study several bases for closure and requested special legislation to streamline the process. Congress responded by terminating the study and enacting the BASE CLOSURE and REALIGNMENT ACT (BC&RA/90) or PUBLIC LAW 101-5100.

Congress's intent was to create an independent commission, the BASE CLOSURE and REALIGNMENT COMMISSION (BRAC), to provide a fair process that would result in the timely closure and realignment of military installations within the United States. Three (3) commissions were approved, one in 1991, the second in 1993 and the final one under this law in 1995.

Each of the Armed Service components developed a process by which they evaluated and submitted to the Secretary of Defense their recommendations relative to this process.

In accordance with BRAC, the Air Force develops a list of bases for closure and/or realignment. The Secretary of the Air Force has formed the Base Closure Executive Group (BCEG) with the primary objective of ensuring that the Air Force process for closing and realigning bases within the United States is conducted in accordance with the law. The members of the BCEG are composed of general officers and senior civilians from the appropriate offices within the Air Staff and the Secretariat.

The BCEG reviews and considers for closure/realignment all Air Force bases in the United States that have at least 300 civilian manpower positions authorized. The bases are categorized according to mission. A substantial number of sub-elements, or measurement factors, are identified under the following eight DoD selection criteria for each category of base.

# **DoD BASE CLOSURE AND REALIGNMENT SELECTION CRITERIA**

## **MILITARY VALUE** (given priority consideration)

1. Current and future mission requirements and the impact of operational readiness of the Department of Defense's total force.
2. The availability and condition of land, facilities, and associated airspace at both the existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.
4. The cost and manpower implications.

## **RETURN ON INVESTMENT**

5. The extent and timing of potential cost and savings, including the number of years, beginning with the date of completion of closure or realignment for the savings to exceed the cost.

## **IMPACTS**

6. The economic impact on local communities.
7. The ability of both the existing and potential receiving communities' infrastructures to support forces, missions, and personnel.
8. The environmental impact.

Extensive data are gathered to support the evaluation of each base under consideration. Whenever possible, existing data sources are used. The collection effort is started at base level. It is verified, and supplemented when required, at Major Command level. It is again verified and supplemented at Headquarters USAF. As an additional control measure, an auditor from the Air Force Audit Agency is tasked to review the Air Force process and procedures for consistency with the law and DoD policy and to ensure that the data validation process is adequate.

The BCEG identifies those closures/realignments that could achieve reasonable savings, then, the eight DoD selection criteria are considered to assure that the closure/realignment would be cost effective and consistent with the military requirements. The group's evaluation is then presented to the Chief of Staff of the Air Force and the Secretary of the Air Force for decision. The Secretary of the Air Force forwards the agreed upon recommendations to the Secretary of Defense. Upon the Secretary of Defense's acceptance, the final list is forwarded to the BRAC Commission.

## **1991 BRAC**

**The Secretary of Defense's recommendation to the 1991 BRAC as it relates to MacDill AFB was to:**

- REALIGN AND PARTIALLY CLOSE MacDILL AFB
- REALIGN AIRCRAFT TO LUKE AFB
- MOVE JOINT COMMUNICATION SUPPORT ELEMENT TO CHARLESTON AFB
- CLOSE THE AIRFIELD
- REMAINDER OF MacDILL AFB TO BECOME AN ADMINISTRATIVE BASE

***These recommendations were accepted by the Congress and signed into law by the President.***

## 1993 BRAC

The Secretary of the Air Force forwarded the following recommendations to the Secretary of Defense. The Secretary of Defense's recommendation to the 1993 BRAC as it relates to MacDill AFB was to:

- KEEP JCSE AT MacDILL
- RELOCATE 482nd from HOMESTEAD AFB
- CONVERT 482nd TO KC-135 TANKERS
- TRANSFER AIRFIELD OPERATION TO AFRES

The Air Force recommends the 1991 Commission's actions be redirected as follows: The airfield would not close, but instead, the Air Force Reserves (AFRES) would operate the airfield as an austere reserve base, not open to civil use, until it can be converted into a civil airport. This would accommodate the recommended (see HOMESTEAD AFB, FLORIDA CLOSURE RECOMMENDATION) reassignment of the 482nd Fighter Wing (AFRES) from Homestead AFB to MacDill AFB and its conversion to KC-135 tankers. The Joint Communications Support Element (JCSE) will not be transferred to Charleston AFB, South Carolina, but instead, will remain at MacDill AFB. The Air Force will continue to encourage transition of the airfield to a civil airport, and if successful, both units would remain as cost sharing tenants.

### 1993 JUSTIFICATION:

The 1991 Commission recommended a partial closure of MacDill AFB. Its F-16 training mission has been realigned to LUKE AFB, Arizona, and the JCSE was to be realigned to Charleston AFB. Two Unified Commands, HEADQUARTERS CENTRAL COMMAND and HEADQUARTERS SPECIAL OPERATIONS COMMAND were left in place. The airfield was to close.

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The AFRES's temporary operation of the airfield will have reduced operating hours and services. The 1991 Commission noted a number of deficiencies at MacDill AFB as a fighter base: "pressure on air space, training areas, and low level routes...not located near Army units that will offer joint training opportunities...[and]...ground encroachment." These are largely inapplicable to an AFRES tanker operation. Encroachment remains a problem, but the reduced number of flights and the increased compatibility of both tanker and NOAA aircraft with the predominant types using Tampa International Airport make this a practical approach. As a Reserve/NOAA airfield, use would be modest, and it would not be open to large-scale use by other military units.

#### **1993 IMPACTS:**

The Air Force will continue to encourage transition of the airfield to a civil airport, and if successful, DoD units could remain as cost sharing tenants. The environmental impact on the community infrastructure is not significant.

*These recommendations were not accepted by the 1993 BRAC.*

#### **THE 1993 BRAC RECOMMENDATIONS WERE:**

- The 482nd Fighter Wing return to Homestead AFB, Florida and remain a Fighter Wing.
- Retain the Joint Communication Support Element at MacDill as long as the airfield is non-DoD operated.
- Control of the airfield be turned over to the Department of COMMERCE or another Federal Agency. The BRAC's logic to retain the airfield was that MacDill would be "host to several units that require the use of an operational airfield, including the JCSE [and the two Unified Commands]."

*These recommendations were accepted by the Congress and signed into law by the President.*

In preparation for the 1995 BRAC, extensive discussions have been held at the Assistant Secretary level of both the Air Force and the Department of Defense concerning the 1995 BRAC process as it relates to MacDill AFB.

The following 6 points are a summation of those discussions:

1. The Air Force recognizes their responsibility to support the Joint Command's and JCSE's needs for air operations from MacDill Airfield.
2. A study conducted by Price Waterhouse for the Department of Commerce found that the adjusted cost associated with the operation of the runway at MacDill in support of stated DoD requirements was approximately \$9-9.5 million per year.
3. The Air Force also conducted a study and found the cost associated with the operation of the runway at MacDill in support of stated DoD requirements was approximately \$10 million per year.
4. Both the Air Force and Price Waterhouse studies verified the majority of the cost associated with DoD requirements was the responsibility of the Air Force. (Price-Waterhouse 85-90% and the Air Force 85-93%).
5. The Air Force study found the manpower necessary to conduct the stated requirements to be between 119 and 140 Air Force personnel. The Price Waterhouse study found the manpower necessary for a contract operation at MacDill Airfield to be approximately 120.

6. The Air Force recognizes its responsibility to provide airfield support for USCENTCOM, USSOCOM, and JSCE at MacDill Airfield. In addition, this airfield support requires the Air Force to bear over 90% of the airfield costs. Not only does it make good economic sense, but as stewards of our resources, the Air Force should maximize their investment in MacDill Airfield by:
  - **Retaining Ownership of MacDill Airfield**
  - **Stationing flying units at MacDill Airfield**
  - **Designating MacDill as a RECEIVER location for flying assets**
  - **Recommending a REDIRECT**

On February 28th, 1995 the Secretary of Defense released the following statements on MacDill AFB as part of DoD's 1995 BRAC recommendations; Bases identified by the 1993 Defense Base Closure and Realignment Commission as receiving bases were evaluated by mission category along with all other bases in the United States. As part of this review, the 1993 Commission's realignment recommendations were reevaluated against recent force structure reductions, as well as, opportunities to operate more efficiently and effectively. The Air Force recommended changes result from analysis of changing world order, other base closures, the threat and force structure plan, and budgetary reality.

Change the recommendations of the 1991 and 1993 Defense Base Closure and Realignment Commissions regarding the closure and transfer of the airfield to the Department of Commerce as follows: Redirect the retention of the MacDill AFB airfield as part of MacDill AFB. The Air Force will continue to operate the runway and its associated activities. The Department of Commerce will remain as a tenant.

Since the 1993 Commission, the Deputy Secretary of Defense and the Chairman of the Joint Chiefs of Staff have validated airfield requirements of the two Unified Commands, and the Air Force has the responsibility to support the requirements. Studies indicate that the Tampa International Airport cannot support the Unified Commands' airfield needs, so it is more cost efficient for the Air Force to operate the airfield from the existing active duty support base. Additional cost savings will be achieved when the KC-135 aircraft and associated personnel are relocated from Malmstrom AFB.

# 1995 BRAC

## MACDILL AIR FORCE BASE, FLORIDA

**1995 RECOMMENDATIONS:** Change the recommendation of the 1991 and 1993 Commissions regarding the closure and transfer of the MacDill AFB airfield to the Department of Commerce (DoC) as follows: Redirect the retention of the MacDill airfield as part of the MacDill AFB. The Air Force will continue to operate the runway and its associated activities. DoC will remain as a tenant.

**1995 JUSTIFICATION:** Since the 1993 Commission, the Deputy Secretary of Defense and the Chairman of the Joint Chiefs of Staff have validated airfield requirements of the two Unified Commands at MacDill

AFB and the Air Force has the responsibility to support those requirements. Studies indicate that Tampa International Airport cannot support the Unified Commands' airfield needs. The validated DoD requirements will constitute approximately 95 percent of the planned airfield operations and associated cost. Given the requirement to support the vast majority of airfield operations, it is more efficient for the Air Force to operate the airfield from the existing active duty support base. Additional cost savings will be achieved when the KC-135 aircraft and associated personnel are relocated from Malmstrom AFB in an associated action.

**RETURN ON INVESTMENT:** The cost and savings data associated with this redirect are reflected in the Malmstrom AFB realignment recommendations: (See Appendices 1) There will be no cost to implement this action, even if the Malmstrom AFB action does not occur, compared to Air Force support of a DoC owned airfield.

**1995 IMPACTS:** There is no economic or environmental impact associated with this action

The citizens of the Tampa Bay area, our elected officials, and the Department of Commerce give our wholehearted support to DoD's recommendation for a redirect of MacDill airfield and associated activities. With your help we can strengthen our Nation's defense and save the taxpayer's dollars at the same time. Once you have evaluated the facts associated with DoD's proposed action, we are certain you will agree that this is a win-win situation for the Department of Defense, the taxpayers, and our Nation.



# DoD BASE CLOSURE AND REALIGNMENT SELECTION CRITERIA

## MILITARY VALUE (given priority consideration)

1. Current and future mission requirements and the impact of operational readiness of the Department of Defense's total force.

## CURRENT MISSIONS

**USCENTCOM** - Area of Responsibility (AOR) 19 countries, Middle East, SW Asia, NE Africa, 70% of the World's Oil Reserves  
**USSOCOM** - AOR Worldwide responsibilities for Special Operations, Civil Affairs, and Psychological Operations.  
**JCSE** - AOR Worldwide, simultaneous communication for two Joint Task ForceS, two Special Operation Headquarters, and contingency for the Chairman, Joint Chiefs  
**JIC** - Theater intelligence for Joint Command

The following information is given by the categories utilized by DoD when evaluating facilities for **FUTURE MISSIONS**.

## EXCEPTIONAL YEAR-ROUND FLYING WEATHER

The local flying area around MacDill AFB has exceptional flying weather. Operations can be conducted on an average of 355 days a year. The average weather conditions at MacDill AFB, as compiled by Scott AFB are:

<u>CONDITIONS</u>	<u>NUMBER OF DAYS</u>
Greater than 3000 feet ceiling and 3 miles visibility (VFR)	327 or 92%
Greater than 1500 feet ceiling and 3 miles visibility	337 or 95%
Greater than 300 feet ceiling and 1 mile visibility	350 or 98.6%
Frozen or freezing precipitation	0

Not only can flying operations be conducted year round, but the majority of the time these operations can be conducted in visual flight conditions (VFR). These weather conditions greatly enhance overall safety and increase the versatility and flexibility of all operations.

### **MINIMUM AIR TRAFFIC DELAYS**

An average of 1 - 2 traffic delays is experienced per month at MacDill AFB. These average not more than 10 minutes and are the result of IFR approaches or departures from Peter O. Knight Airport. The standard MacDill AFB departure is climb via the 080 radial of MacDill Tacan or heading 080 degrees. This gives Tampa Approach Control their ability to release MacDill traffic "almost" automatically since this departure corridor is protected from other traffic.

### **UNCONGESTED BASE TRAFFIC PATTERN**

The location of MacDill AFB as it relates to Tampa International Airport and Peter O. Knight Airport prevent this from being a problem. Tampa International Airport is located 10 miles to the north of MacDill AFB. MacDill AFB has in effect noise abatement procedures but these do not impact operations.

### **LOW NOISE LEVEL COMPLAINTS**

The traffic patterns at MacDill AFB are designed to avoid overflight of facilities and populated areas. The approach to runway 04 is entirely over water and the takeoff on runway 04 to the east makes a climbing right turn that allows the major climb out over MacDill AFB, then continuing over water. The approach to the runway 22 has the last 2 miles over land; the takeoff on runway 22 to the west is entirely over water. These procedures limit the potential for noise complaints. In fact an average of only 1-2 complaints per month have been received.

### **MINIMUM ACCIDENT POTENTIAL ZONES INCOMPATIBILITY**

Approximately 30% of Approach Zones 1 and 2 on the runway 22 have residential single and multi-family dwelling beneath them. These dwellings were in place prior to the implementation of the current Air Force AICUZ program. All clear zones associated with MacDill AFB are government owned.

The adoption of the City of Tampa and the Hillsborough County "Comprehensive Land Use Plan" has helped slow growth and now places restrictions on the kind and locations of residential housing that can be built near MacDill AFB. We do not anticipate any serious challenges to the current compatible use provisions contained in the MacDill AFB portion of the City and County "Comprehensive Land Use Plan".

### **ABILITY TO BEDDOWN TANKER RESOURCES AND PROXIMITY TO TRAINING ROUTES**

The 1993 Air Force rating of Tanker resources in the South is POOR. There is a shortage of tanker resources in the south. This is true for both real world contingencies and training. During the 1995 process, the Air Force analysis highlighted a shortage of refueling aircraft in the southeastern United States. The OSD direction to support the Unified Commands located at MacDill AFB creates an opportunity to relocate a tanker unit from the greater tanker resources on the northwestern United States to the southeast. Movement of the refueling unit from Malmstrom AFB to MacDill AFB will also maximize the cost-effectiveness of the MacDill airfield. The location and the physical plant at MacDill AFB make it an ideal location for the beddown for tanker aircraft.

MacDill AFB has a fueling system that is unique in DoD. A pipeline runs approximately 3700 feet from a deep water port directly to an above ground storage facility with a capacity in excess of 14,000,000 gallons of fuel. From there fuel is distributed by underground pipes to a hydrant system consisting of 27 hydrants that can transmit fuel directly into the aircraft at the rate of 600 GPM, with hot pit capability. This system is operational today, environmentally permitted and would be extremely difficult and extremely expensive to duplicate under today's environmental rules and regulations.

MacDill AFB has over 210 acres of ramp space that can support any aircraft that the Air Force flies.

MacDill AFB has 5 hangers that each have in excess of one square acre of usable floor space under roof, plus 20,000 square feet of usable office and shop space per hanger.

MacDill AFB assigned tankers could offload maximum amounts of fuel due to the distance to the nearest refueling routes. The closest one being less than 25 miles away, and 3 other routes within 60NM. With the close proximity of these routes, by the time the tanker has launched and climbed to altitude, the aircraft

would be on station, thereby reducing flying time each sortie would become more mission effective and more cost effective.

Excerpts taken from the March 1993 AIR FORCE QUESTIONNAIRE state the following concerning the missions could be flown from the MacDill Airfield:

- **TANKER MISSION**

MacDill would be ideal for tanker operations. Large runway, extremely large ramp and parking areas, large hangers and support facilities would make MacDill a logical choice for this kind of operation.

- **BOMBER MISSION**

MacDill AFB has previously supported a bomber mission. The location, infrastructure, and air space would make MacDill an ideal location for bomber operations.

- **FIGHTER MISSION**

MacDill AFB has supported a Fighter mission in the recent past. Location and infrastructure qualify MacDill for this mission, a four squadron fighter mission has been successful over the years at MacDill.

- **AIRLIFT MISSION**

MacDill AFB's current location and infrastructure make it well suited for an airlift mission.

- **FLYING TRAINING MISSION**

MacDill AFB recently supported a fighter training mission. Location and infrastructure qualify MacDill for this type mission.

MacDill Airfield has the ideal facilities that are currently in place to support all flying operations in the Air Force's inventory. The use of MacDill's facilities would enhance operational readiness and mission effectiveness and meet the needs of the Air Force into the 21st century.

(Map 2)

2. **The availability and condition of land, facilities, and associated airspace at both the existing and potential receiving locations.**

**LAND**

(Map 2)

**5,621 Acres**

All Government owned

**Encroachment - Ground** - no ground encroachment problem exists (USAF BASE QUESTIONNAIRE March 1993)  
**Air** - the Airfield Traffic Area (ATA) extends only to 2,100 feet instead of the normal 3,000 feet and is only half the standard radius. Both IFR and VFR patterns are at the same altitude and the half circle ATA. These conditions **DO NOT** present a problem.

**FACILITIES**

(Map 2)

**210 Acres of Ramp**

**11,421 x 500 ft Runway**

**5 large hangers**

**200 x 200 ft floor space**

**20,000 sq ft shop & office space**

**200 x 38 ft entrance doors**

**AIRCRAFT FUELING SYSTEM**

(Map 2)

**3,700 foot pipeline from Deep Water Port to EPA permitted above ground storage**

**14,000,000 gallons storage capacity**

**27 Hydrants, at 600 GPM to Aircraft on ramp**

**Hot pit refueling capability**

**MUNITIONS STORAGE**

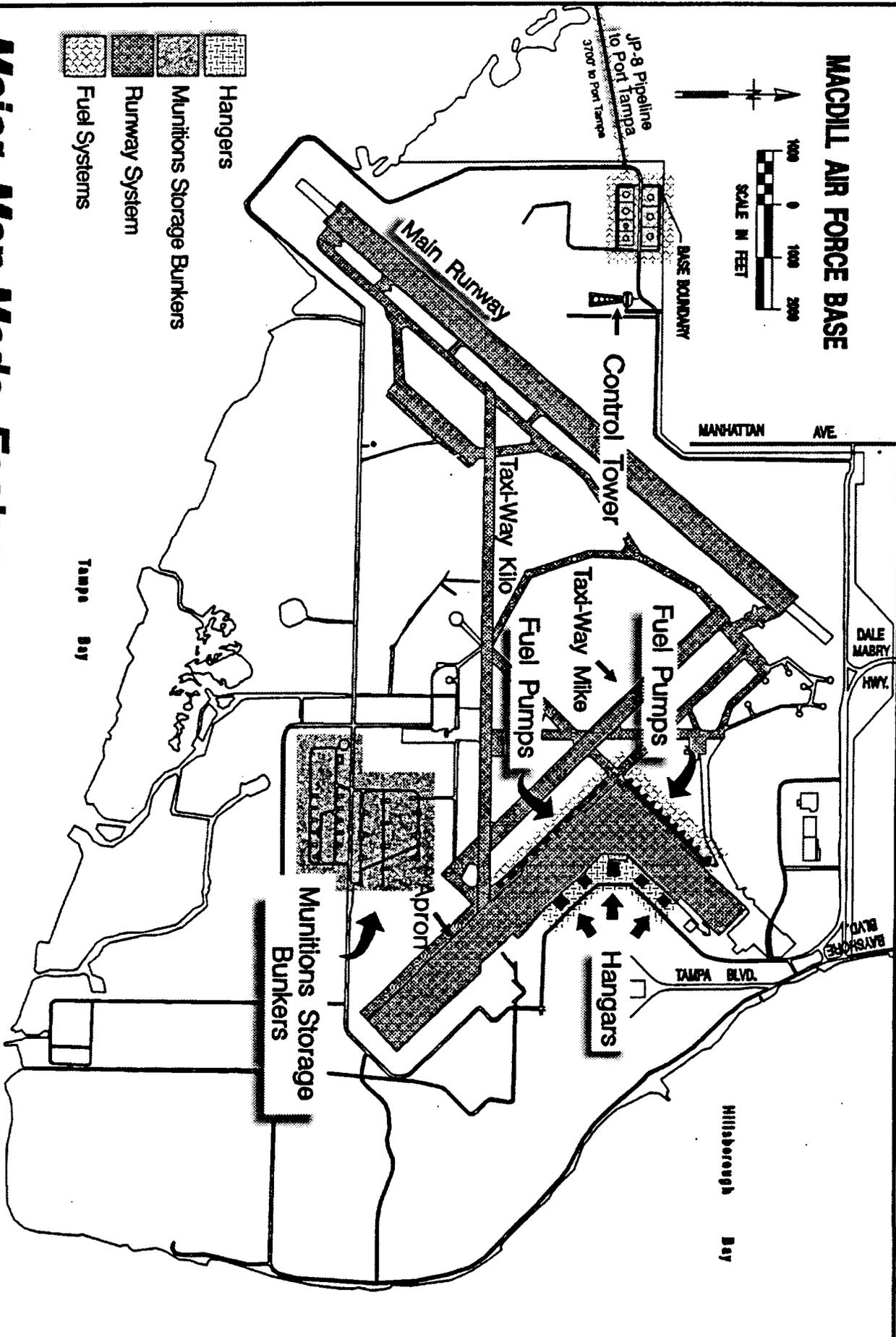
(Map 2)

**Hot cargo pad**

# MACDILL AIR FORCE BASE



- Hangers
- Munitions Storage Bunkers
- Runway System
- Fuel Systems



## Major Man-Made Features

Map 2

**ASSOCIATED AIR SPACE**

**AVON PARK RANGE**

(Maps 3 & 4)

74NM from MacDill AFB

**167 Square Miles** of land space

Auxiliary Airfield

**AIR-AIR RANGES**

(Map 5)

Blue, White, Sonet, Nova and Avon Park

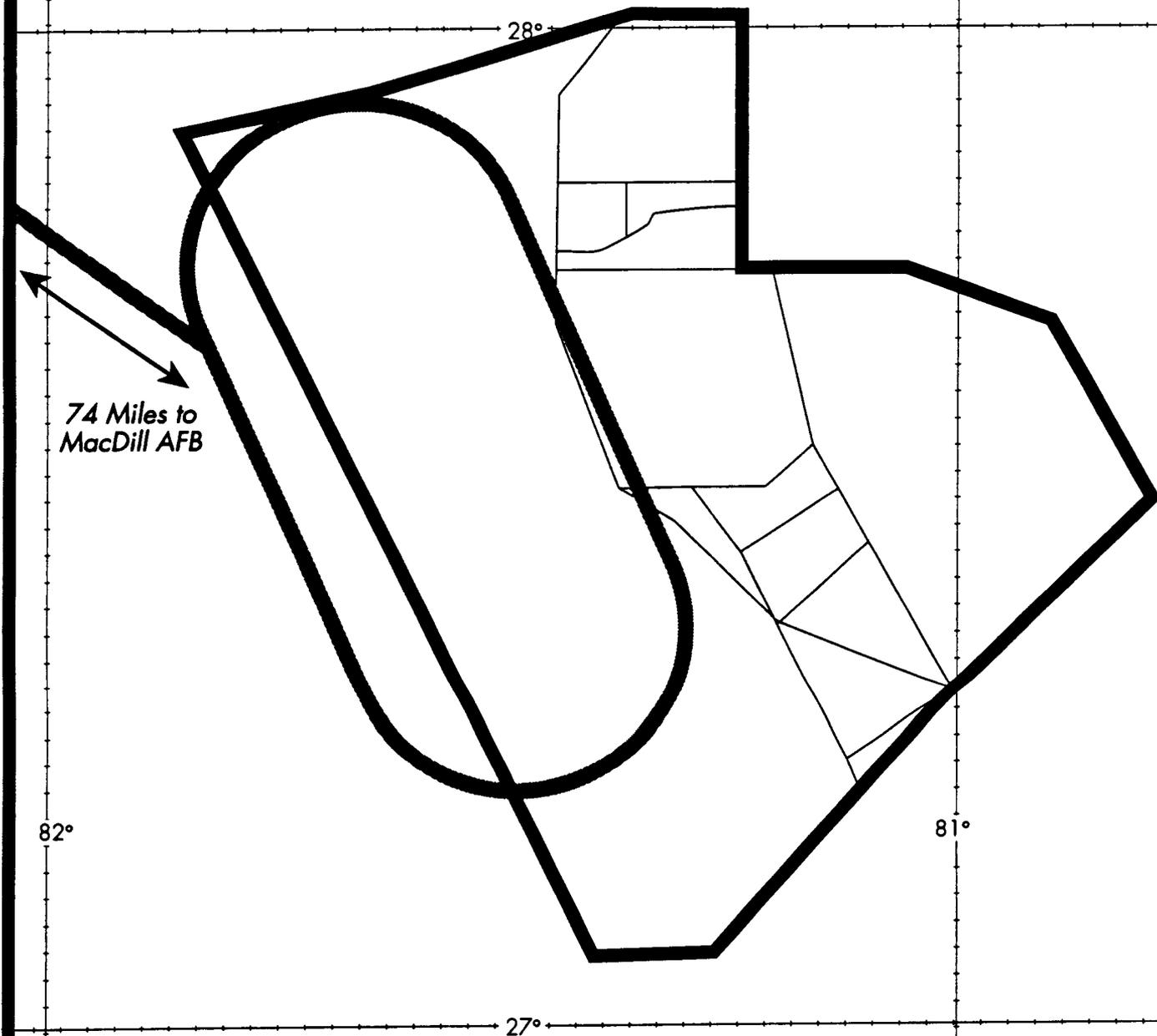
**LOW LEVEL TRAINING ROUTES**

(Map 6)

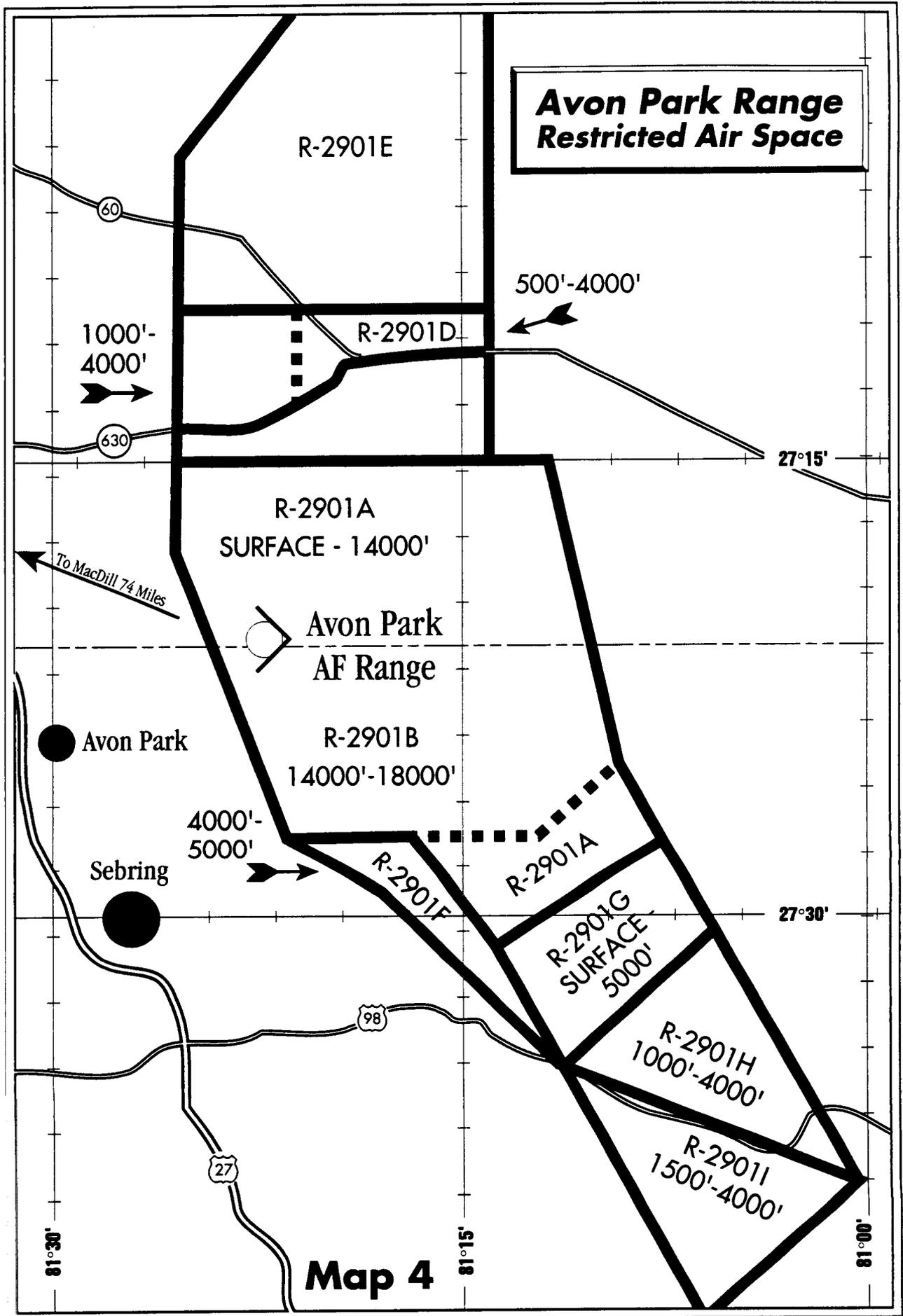
**4 AIR REFUELING TRACKS WITHIN 60NM**

(Map 7)

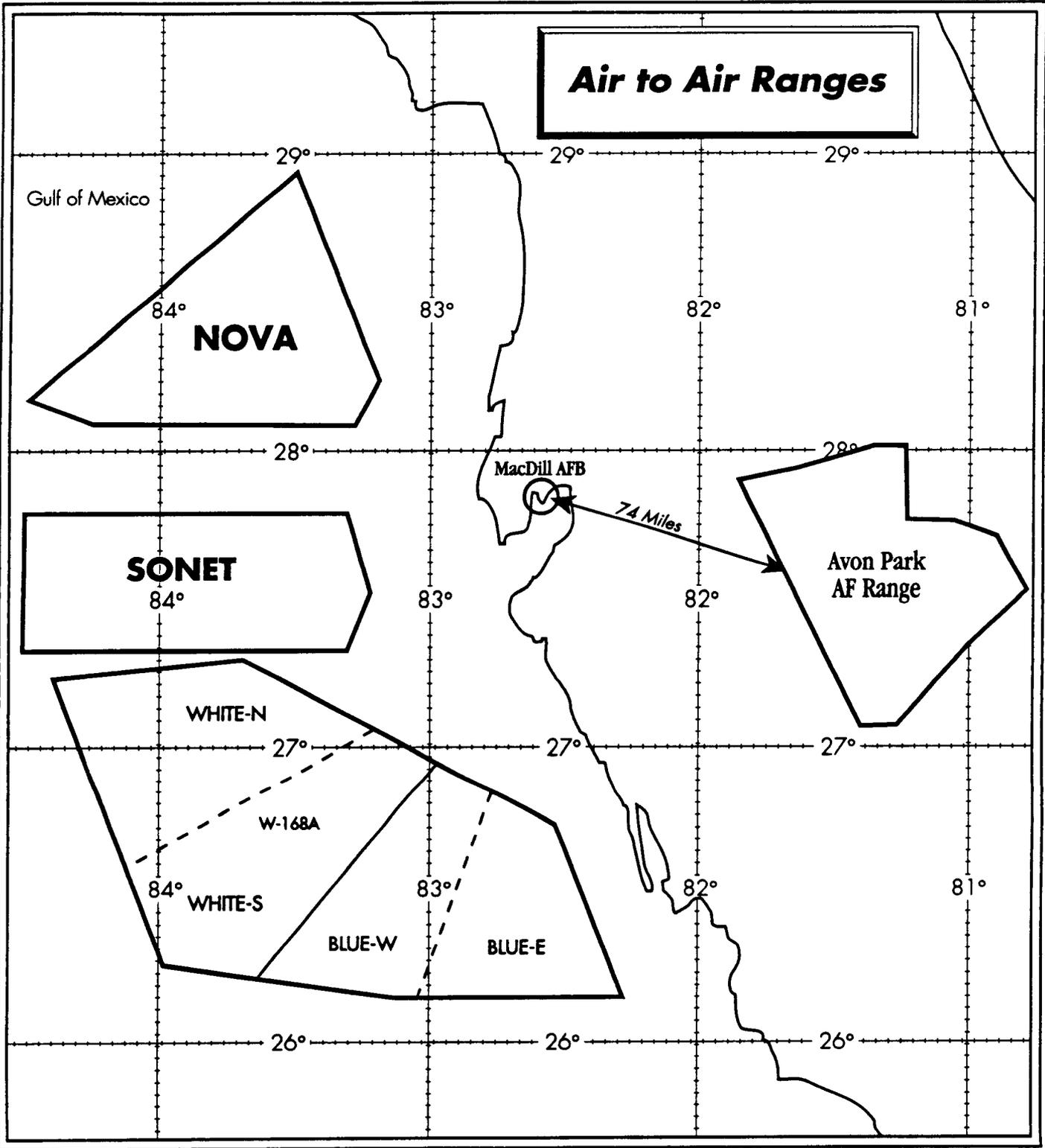
**Avon Park Range  
and Air Refueling Track**



**Map 3**

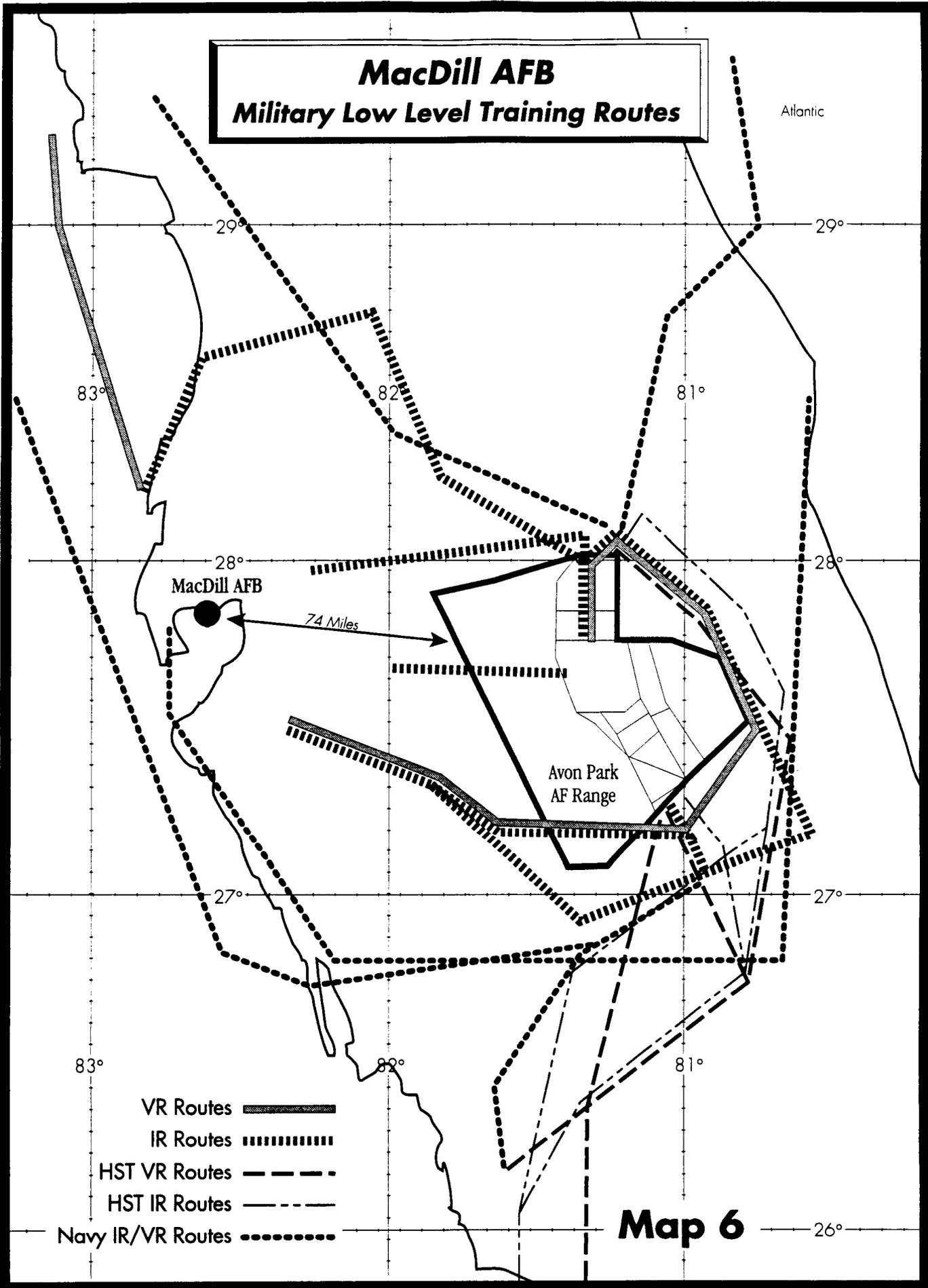


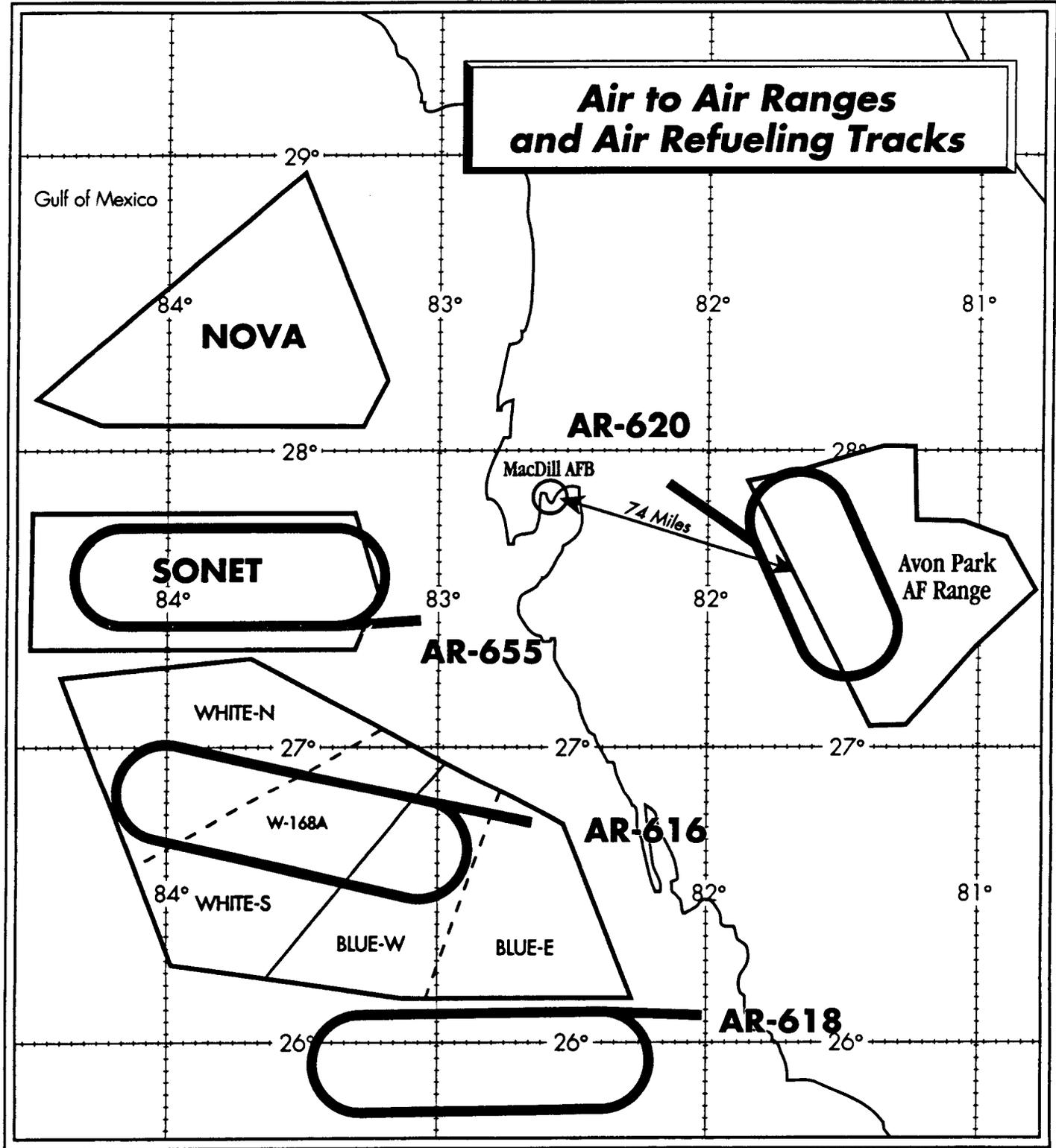
**Map 4**



**Map 5**

# MacDill AFB Military Low Level Training Routes





**Map 7**

**3. The ability to accommodate contingency, mobilization, and future total force requirements at both the existing and potential receiving locations.**

In the recent past, from August 1990 through March 1991, while still fully operational as a Fighter Training Wing, operating over 100 F-16s on a daily basis, **DESERT SHIELD AND DESERT STORM** utilized MacDill AFB as a major staging base and mobilization location.

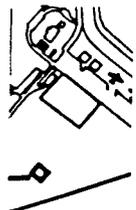
The most recent example of MacDill AFB being able to accommodate mobilization and contingency operations came in September 1994 during **OPERATION RESTORE DEMOCRACY**. Between 17 September and 27 September, 1994, Three Hundred Thirty Six transient aircraft (336) of Twenty Five (25) different types were temporarily based at MacDill AFB. The Transient Alert Quality Survey (TAQS) responses rated MacDill AFB and its facilities an astounding **99.87%** for its response; these include parking, equipment, servicing, launch and recovery.

All transient personnel were processed and billeted on MacDill AFB or in the local community.

The following map shows the placement of eighty C-130 aircraft, each of which could either park or stage without tow assistance.

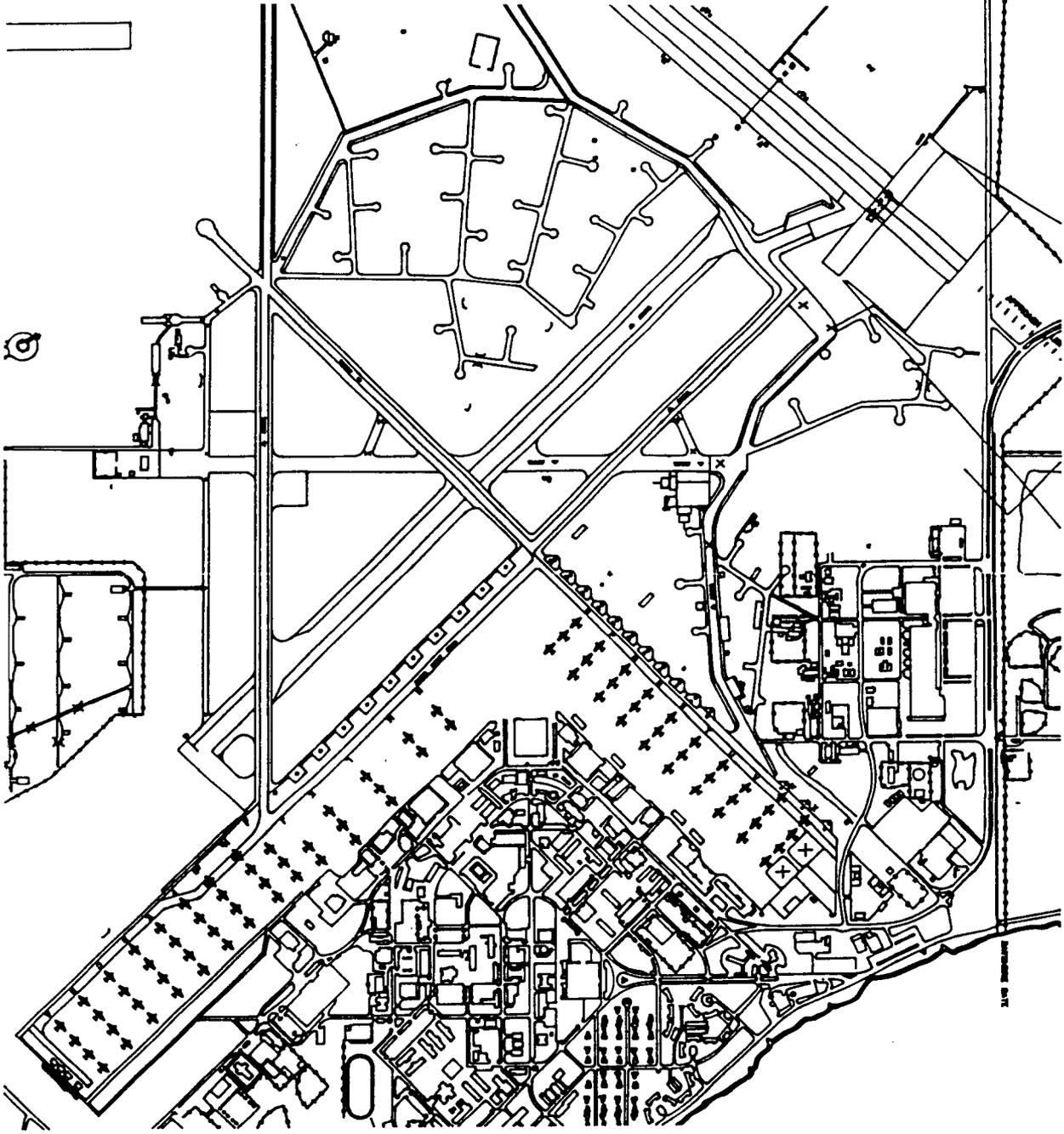
Map 8 and Photos





**MacDill AFB**  
**Large Force Parking**

Operation Restore Democracy - Haiti



**Map 8**





**4. The cost and manpower implications.**

**The cost and manpower to keep MacDill Airfield operational have been validated in two different studies (Price Waterhouse, April, 1994 and the Air Force, November, 1994) to be:**

**COST - approximately \$10,000,000 for AIRFIELD OPERATIONS**

**MANPOWER - 119 to 140 PERSONNEL**

**\* PRICE WATERHOUSE Study dated April, 1994**  
adjusted to 12 hours a day 7 days a week  
\$9-9.5 Million for 12 hours/day & 7 days/week  
Surge capability for Extended period  
**Contractor operated with 120 personnel**

**\* U.S. AIR FORCE Study dated November, 1994**  
\$9.8 Million for 12 hours/day & 7 days/week  
Surge capability for extended period  
**USAF operated with between 119 - 140 personnel**

Operational Airlift requirements exist that can only be met at MacDill AFB. These have been verified by the Secretary of Defense, validated by the Chairman of the Joint Chiefs of Staff, and passed to the Secretary of the Air Force for support. The USAF, as the Executive Agent (DoD Directive 5100.3 and AF Regulation 23-14) for the Joint Commands and the Joint Communication Support Element, must fund those requirements at MacDill Airfield. The Air Force accepts its Executive Agent responsibilities and is programming funding to meet this tasking. In accordance with these actions, DoD is requesting a REDIRECT for MacDill AFB.

\* These studies can be obtained from the Department of Commerce and the Air Force.

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## RETURN ON INVESTMENT

5. The extent and timing of potential cost and savings, including the number of years, beginning with the date of completion of closure or realignment, for the savings to exceed the cost.

**The Air Force has been tasked by DoD with funding the requirements for Airfield support for the two Joint Commands and JCSE at MacDill Airfield. This support will cost approximately \$10 million dollars per year.**

The DoD has invested heavily in the required infrastructure to support the two Major Joint Commands, the JCSE and the JIC located at MacDill AFB. The building and structures they occupy, have an extensive, specialized communication network that is unique to their National Command Authority Missions. The cost to move and replicate the existing structures, the command, control, communication, and intelligence systems, would cost upwards of **\$ 1 BILLION**.

Due to the operational missions of these commands, there would be a requirement to duplicate the facilities and systems, with no lapse in capability. The new facilities and systems would have to be fully operational for an extended period before any relocation could take place. **State-of-art command, control, communication and intelligence systems and excellent facilities exist, and are AVAILABLE TODAY as MacDill AFB.**

Operational Airlift requirements exist that can only be met at MacDill Airfield. These have been verified by the Secretary of Defense, validated by the Chairman of the Joint Chiefs of Staff and passed to the Secretary of the Air Force for support. The USAF, as the Executive Agent (DoD Directive 5100.3 and AF Regulation 23-14) for the Joint Commands and the Joint Communication Support Element, must fund for those requirements at MacDill Airfield. The Air Force accepts its Executive Agent responsibilities and is programming funding to meet this tasking. The Air Force Study (see Criteria 4) found the most economical means of providing the support required was to use MacDill Airfield as Tampa International Airport, is incapable of providing the necessary level of operational air support.

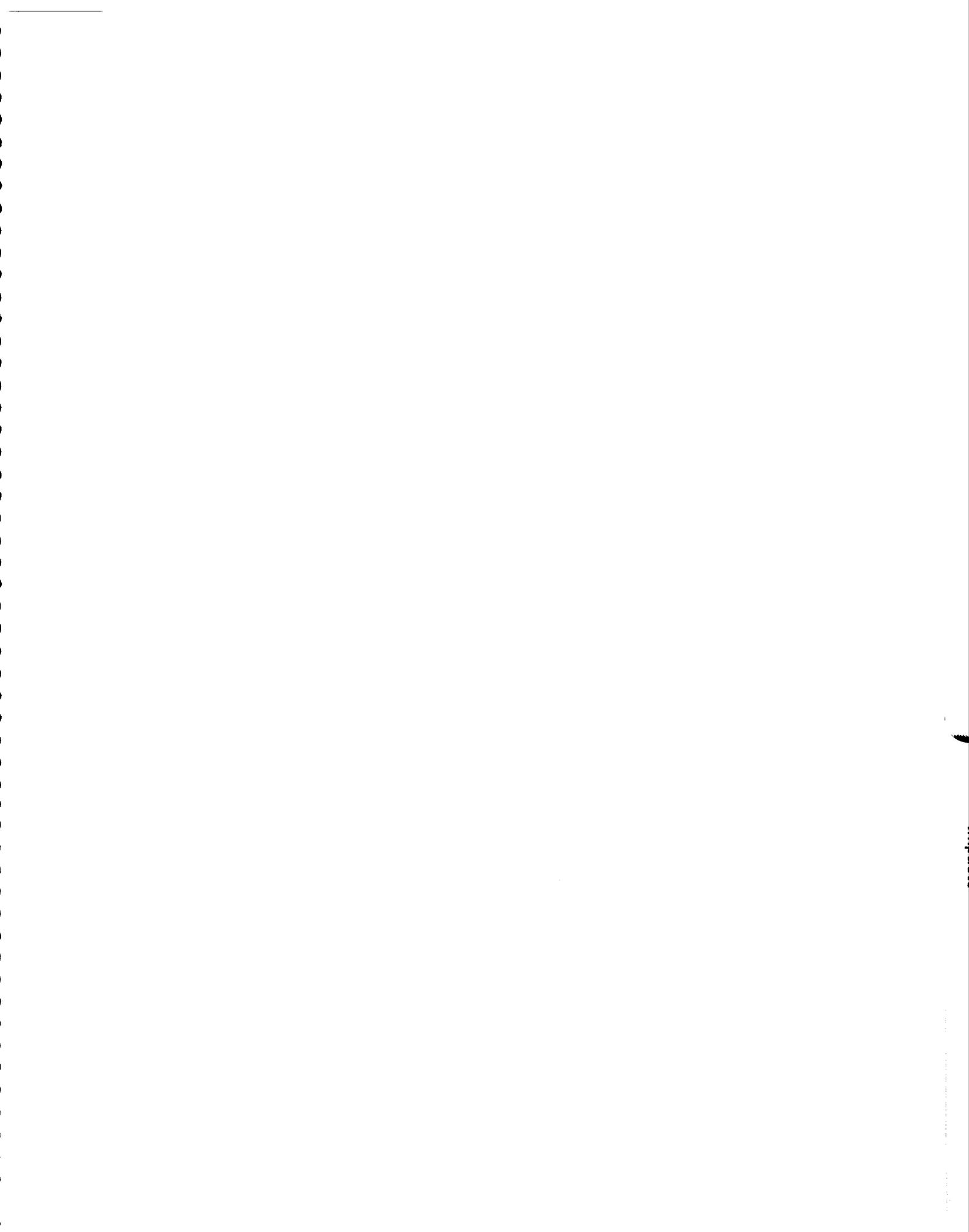
The cost of this airfield support has been estimated, by two studies (see Criteria 4) to be approximately **\$10 million** with DoD responsible for 90-93% of the cost. The 1993 BRAC law requires the Air Force to transfer MacDill Airfield to DoC. The Air Force's fair share of the cost of airfield operations has been determined to be approximately **\$10 million**, and DoC will expect those funds to be transferred on an annual bases to its operational unit at MacDill Airfield.

Since the extent of utilization for DoD is approximately **90-93%** of MacDill Airfield operations, it makes fiscal and operational sense for this facility to remain within the DoD installation structure. For DoD to maximize their investment in MacDill Airfield, it makes economic and operational sense to retain ownership of the Airfield and to use MacDill's facilities to the **FULLEST EXTENT POSSIBLE**.

Recognizing this, the Department of Defense is responsibly seeking a **REDIRECT**, which retains ownership of the MacDill airfield as a part of MacDill AFB and recommends the relocation of the 43rd Air Refueling Group from Malmstrom AFB to MacDill AFB.

The total estimated one-time cost to implement the 1995 DoD BRAC recommendation (relocate the 43rd Air Refueling Group, Malmstrom AFB) is \$17.4 million. The net of all costs and savings during the implementation period is a savings of \$5.2 million. Annual recurring savings after implementation are \$5.1 million with a return on investment expected in four years. The net present value costs and savings over 20 tears is a savings of \$54.3 million. (See Appendices 1, Malmstrom AFB)

The movement of the refueling unit from Malmstrom AFB to MacDill AFB will maximize the cost-effectiveness of the MacDill airfield.



## **IMPACTS**

### **6. The economic impact on local communities.**

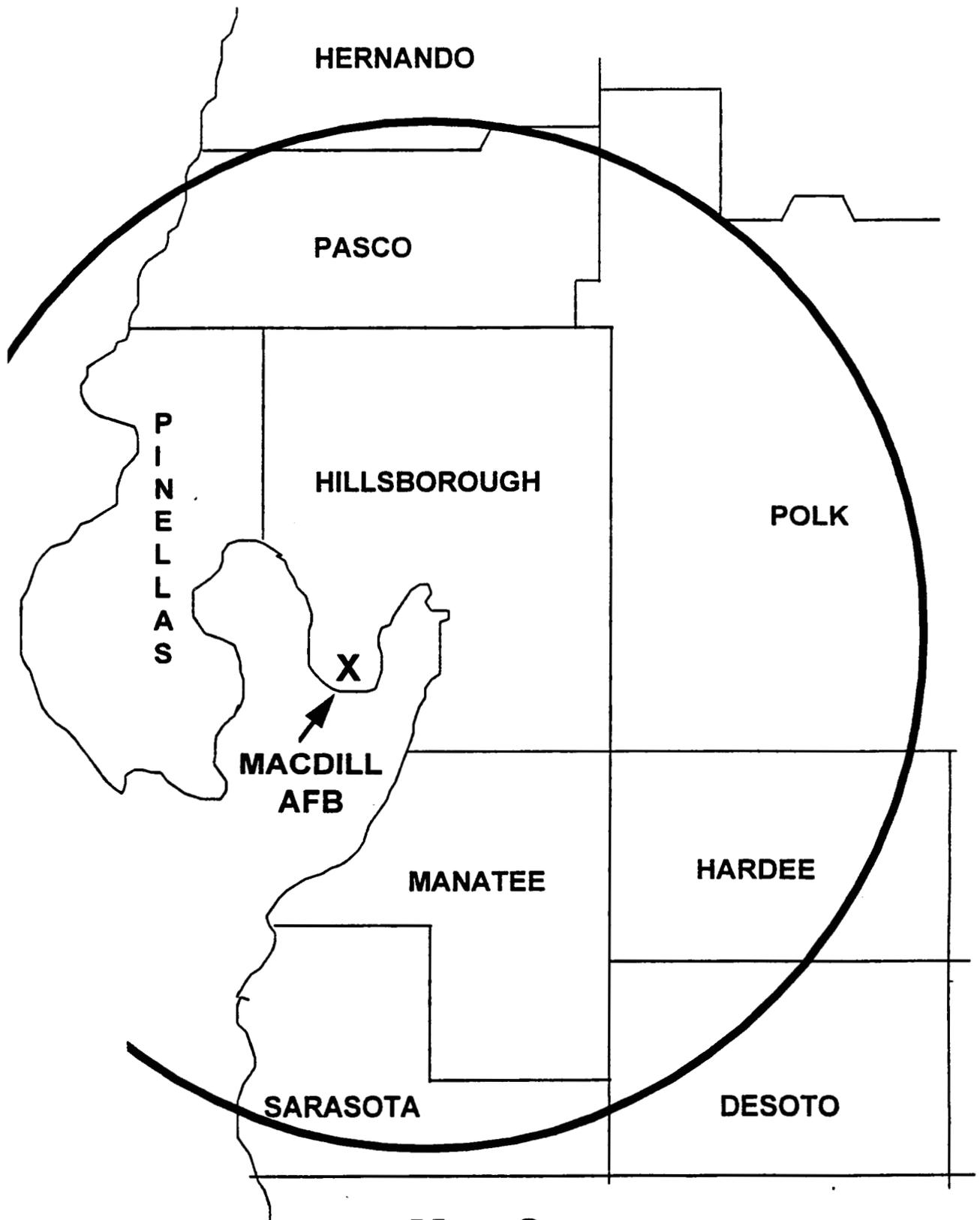
The Economic Impact Region (EIR) (Map 9) is defined as an area encompassing a 50 mile radius from the center of MacDill AFB. The total economic impact of MacDill AFB on the Tampa Bay Region is greater than \$2.2 billion dollars, as estimated by the Center for Economic and Management Research (CEMR), University of South Florida. The total impact is a combination of the effects of base operations and retiree payroll. To put this in perspective with two other studies done by CEMR, one for USF itself, and one for the 1991 Super Bowl, MacDill's impact is twice as great as USF and sixteen times greater than the Super Bowl.

An economic impact analysis estimates the effects of industries or events on an economy. It looks at expenditures of an industry or a person in a specified region and the effects of this initial demand on the rest of the economy that supplies goods, services, or labor. In the case of MacDill AFB there are two types of impacts. The first type is the impact of base operations, which requires inputs of local labor, goods, and services for daily operations. The second is the impact of retiree income: military retirees, who have moved into the region because of base services, add additional demands on all facets of the region's economy. These two impacts combine to support a large number of jobs in the impacted region.

To estimate these effects, the Center of Economic and Management Research used a input-output model that produced a multiplier of 3.2715 for the operations impact and 2.7019 for the combined impacts, both operations and retiree pay.

The Economic Resource Impact Statement (ERIS), Air Force Publication, dated 15 February 1995 shows MacDill AFB, with its total economic impact of over \$2 billion, represents a major economic influence on the Tampa Bay region. Growth of the military retiree population, in addition to the ongoing operations of the base, will continue to produce similar results on a yearly basis.

**ECONOMIC IMPACT REGION (EIR)  
(50 MILE RADIUS)**



**Map 9**

**MACDILL AIR FORCE BASE  
ECONOMIC IMPACT**

**TOTAL ECONOMIC IMPACT  
\$ 2,214,871,900**

**TOTAL JOBS SUPPORTED  
71,627**

DIRECT IMPACT OF OPERATIONS	\$	220,061,000
INDIRECT AND INDUCED IMPACT OF OPERATIONS		499,864,800
<b>TOTAL IMPACT OF OPERATIONS</b>		<b><u>719,925,800</u></b>

JOBS SUPPORTED	24,085
----------------	--------

DIRECT IMPACT OF RETIREE'S INDIRECT AND INDUCED IMPACT OF RETIREE'S PAY	\$	0
<b>TOTAL IMPACT OF RETIREE'S PAYROLL</b>		<b>1,494,946,100</b>

JOBS SUPPORTED	47,542
----------------	--------

7. **The ability of both the existing and potential receiving communities' infrastructures to support forces, missions, and personnel.**

## **COMMUNITY INFRASTRUCTURE**

### **HOUSING**

In 1993, the Federal Housing Board of the United States reported that housing costs for the Tampa area are approximately 37% below the national average with new homes averaging \$91,730 and existing home sales averaging \$78,981. There are approximately 400 apartment complexes with 68,700 units in the Tampa area. A two bedroom two bath unit will rent from \$530 to \$699 per month.

### **EDUCATION SYSTEM**

Tampa/Hillsborough County has the third largest school district in Florida and the 12th largest in the United States with more than 138,000 students enrolled. The Hillsborough County School District averages 3,500 to 4,500 new students per year and has one of the lowest dropout rates in Florida (less than three percent) and above average SAT scores.

The Tampa Bay area has superior post-secondary education programs. The University of South Florida is currently the 18th largest state university in the nation, with more than 36,000 enrolled in five campus locations.

The area also maintains a very strong and effective community college system. Hillsborough Community College offers both undergraduate degrees and continuing education programs. Tampa has an additional 19 centers serving approximately 20,000 adult students in academic and vocational training.

### **MEDICAL**

In the Tampa Bay Region, there are more than 50 hospitals, including several referral centers and state medical schools. The University of South Florida's Health Science Center, with its college of medicine, nursing, and public health is a magnet for attracting prominent physicians and researchers who provide many specialized services at our hospitals. Tampa General Hospital, with 3,500 employees, a medical staff of 1,000 and over 400 residents, is a 1,000 bed regional medical center and is the primary teaching hospital for USF's college of

medicine. The 6th Medical Group at MacDill AFB provides care for 92,000 eligible beneficiaries in the Tampa Bay area. Medical, Surgical, occupational, and preventive services accommodate over 300,000 ambulatory visits and 4,800 admissions annually. The Air Force has also established a PRIMUS clinic in the Brandon area.

## **TRANSPORTATION SYSTEM**

The Tampa International Airport (TIA) has been rated first in the nation by both the International Air Passenger Association and Conde Nast Magazine. The Port of Tampa is the largest deep water port in Florida and the third largest in the United States, with respect to tonnage, and is the closest full-service port to the Panama Canal. Rail service is supplied by CSX. Tampa is at the intersection of Interstate 4 and Interstate 75, with an I-275 loop encompassing the general area. Greyhound provides service to and from the Tampa area and the Hillsborough Area Regional Transit (HARTline) operates 44 routes within the County.

## **RECREATIONAL OPPORTUNITIES**

Many sports, recreational, and cultural opportunities exist in the Tampa Bay area. Tampa is a major league town, home of the NFL Tampa Bay Buccaneers, and the NHL Tampa Bay Lightning. The Bay area is also home to top college teams and many world-class events. Golf opportunities abound with nearly three dozen public, private, and semi-private courses, two being at MacDill AFB. There are over 1,000 public and private tennis courts. Tampa and the surrounding areas are home to major and minor league baseball training camps. Thoroughbred racing, Jai-Alia, and dog racing are available in the area. Tampa, being positioned on the water, has many boating, fishing and cruising activities. There are numerous theme parks, zoos, attractions and museums that appeal to people of all ages and special interest groups. Some of those include Busch Gardens, Walt Disney World, Cypress Gardens, Sea World, Florida Aquarium, Adventure Island, Tampa Bay Performing Art Center, Tampa Museum of Art and many more within a one hour drive of MacDill AFB.

## **WATER QUALITY**

The regional water supplies are adequate. Quality and quantity are excellent and approximately 50,000,000 gallons a day are available for use at MacDill AFB.

## **ELECTRICAL**

MacDill AFB is supplied electrical power by the Tampa Electric Company. There are no concerns on either reliability or capacity, as the system has supplied over 82,000,000 KWHs annually to MacDill AFB. MacDill AFB's electrical system can be increased by 50% over its current operating capacity.

## **AIR QUALITY**

Hillsborough County is currently in a non-attainment status for ozone (O3). The county has met attainment standards for the past three years and has applied for an upgrade to the maintenance category. (See environmental impact criteria 8.)

## **8. The environmental impact.**

Over time, the operation and maintenance of aircraft at MacDill AFB have required the use of toxic and hazardous materials. These materials have included solvents such as trichloroethane, caustic cleaners, and volatile organic compounds from waste fuels such as benzene and toluene. During the course of their use and disposal, these materials were disposed and spilled onto the ground. The methods used to handle and dispose of these substances were standard practice of the time, and it was not thought that they would generate a threat to the environment or to public health. Thus, the vast majority of the contaminated sites located on MacDill AFB are petroleum related.

In 1981, MacDill AFB began a record search and preliminary assessment/site inspection activities at a number of areas of industrial activity. These efforts identified 24 potentially contaminated sites. In January 1988, under the Resource Conservation and Recovery Act (RCRA), a RCRA facility assessment (RFA) was conducted at various locations to assess the potential for the release of hazardous constituents to the environment. Based on the RFA findings, eighteen solid waste management units (SWMUs) and two areas of concern (AOCs) were evaluated as having a potential for release of hazardous constituents. The Environmental Protection Agency (EPA), in conjunction with the Florida Department of Environmental Protection (FDEP), issued a RCRA Hazardous and Solid Waste Amendments (HSWA) to MacDill AFB on 15 August, 1991. The permit requires MacDill to conduct a RCRA facility investigation (RFI) and, if necessary, a corrective measures study (CMS) of the twenty sites identified during the 1988 RFA. However, a letter from the EPA dated 28 July, 1993, allows for the investigation and remediation of six of the SWMU and the two AOC under Chapter 62-770 of the Florida Administrative Code (FAC), Petroleum Contamination Cleanup Criteria.

To date, a total of 41 individual sites have been identified in the IRP. In summary, twelve sites are to be addressed under RCRA and nineteen sites under Chapter 62-770, FAC. Ten sites are under review for no further action.

MacDill AFB is not listed on the National Priorities List nor required to have an Interagency Agreement in place with either the FDEP or EPA.

## AIR QUALITY

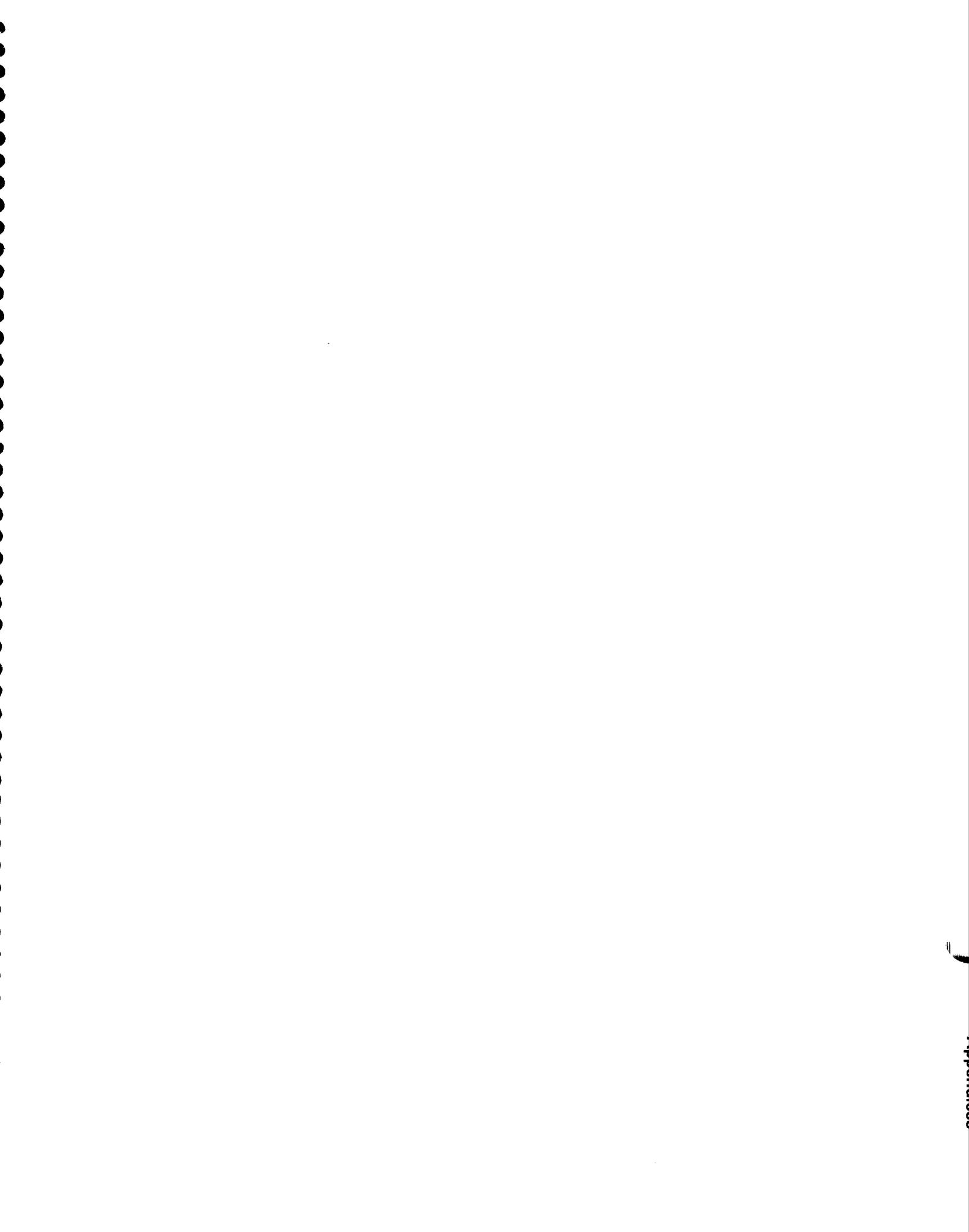
Hillsborough County is currently in a non-attainment status for ozone (O3). The county has met attainment standards for the past three years while the 56th Fighter Training Wing, with over 100 F-16 aircraft was fully operational at MacDill AFB, and has applied for an upgrade to the maintenance category.

The Director, Hillsborough County Environmental Protection Commission has stated "I see no reason this request will not be approved by the US EPA."

Follow-up correspondence with the Department of Environmental Protection for the State of Florida produced the following statement; "there will be no impediments to the Air Force stationing more squadrons at the base, except they would have to use the 'best available control technology', but they would have to do this anywhere in the country."

The State of Florida, and the citizens of the Tampa Bay Region see no impediments or reasons not to give full consideration to and approval for the Department of Defense's recommendation to retain the MacDill airfield as a part of MacDill AFB and to relocate the 43rd Air Refueling Group from Malmstrom AFB to MacDill AFB.

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## **MALMSTROM AIR FORCE BASE, MONTANA**

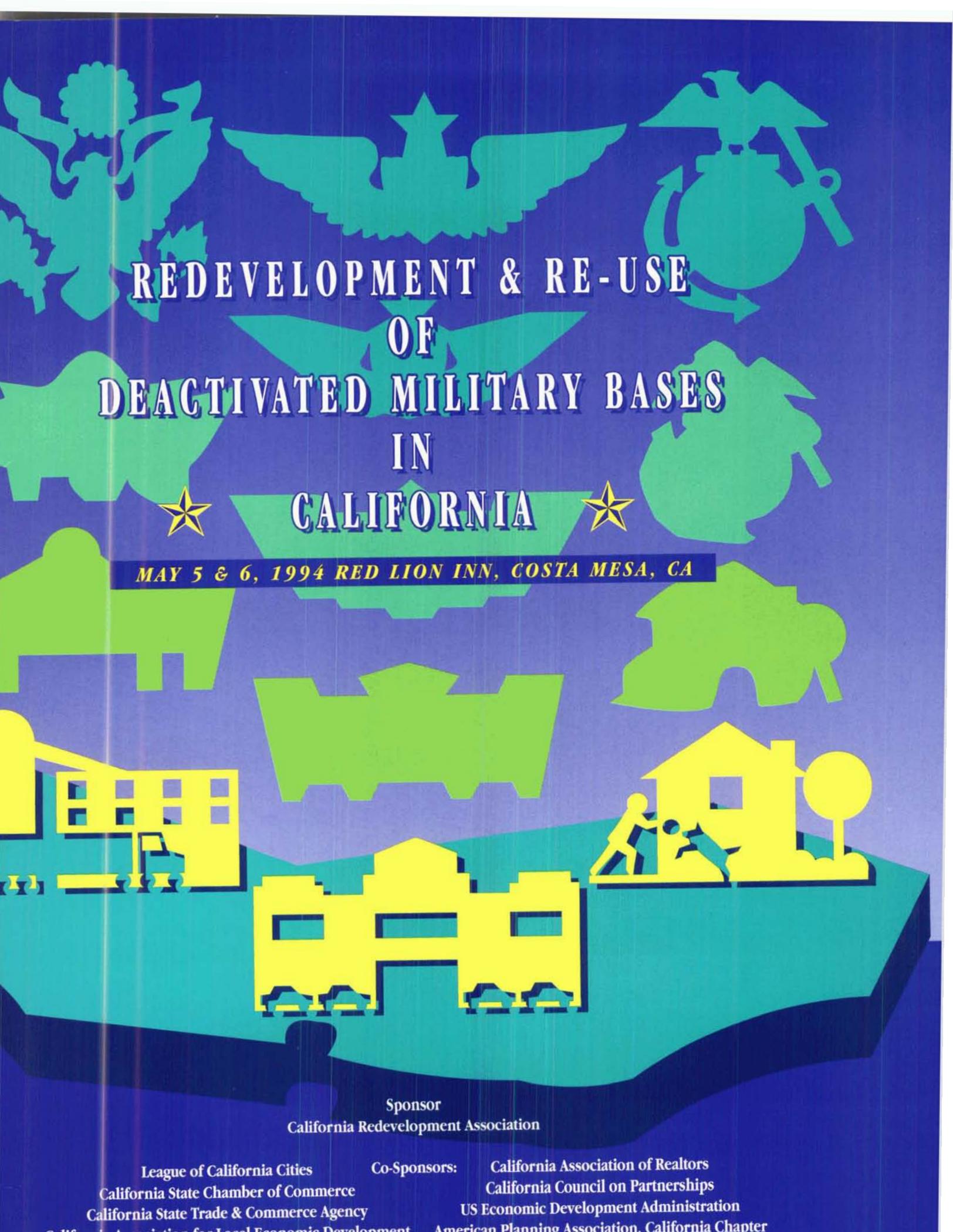
**RECOMMENDATION:** Realign Malmstrom AFB. The 43rd Air Refueling Group will inactivate and its KC-135 aircraft will relocate to MacDill AFB, Florida. All fixed-wing aircraft flying operations at Malmstrom AFB will cease and the airfield will be closed. A small airfield operational area will continue to be available to support the helicopter operations of the 40th Rescue Flight which will remain to support missile wing operations. All base activities and facilities associated with the 341st Missile Wing will remain.

**JUSTIFICATION:** Although the missile field at Malmstrom AFB ranked very high, its airfield resources can efficiently support only a small number of tanker aircraft. Its ability to support other large aircraft missions (bomber and airlift) is limited and closure of the airfield will generate substantial savings.

During the 1995 process, the Air Force analysis highlighted a shortage of refueling aircraft in the southeastern United States. The OSD direction to support the Unified Commands located at MacDill AFB creates an opportunity to relocate a tanker unit from the greater tanker resources of the northwestern United States to the southeast. Movement of the refueling unit from Malmstrom AFB to MacDill AFB will also maximize the cost-effectiveness of that airfield.

**RETURN ON INVESTMENT:** The total estimated one-time cost to implement this recommendation is \$17.4 million. The net of all costs and savings during the implementation period is a savings of \$5.3 million. Annual recurring savings after implementation are \$5.1 million with a return on investment expected in four years. The net present value of the costs and savings over 20 years is a savings of \$54.3 million.

**IMPACT:** Assuming no economic recovery, this recommendation could result in a maximum potential reduction of 1,013 jobs (779 direct jobs and 234 indirect jobs) over the 1996-to-2001 period in the Great Falls, Montana Metropolitan Statistical Area, which is 2.3 percent of the economic area's employment. The cumulative economic impact of all BRAC 95 recommendations and all prior-round BRAC actions in the economic area over the 1994-to-2001 period could result in a maximum potential decrease equal to 2.3 percent of employment in the economic area. Environmental impact from this action is minimal and ongoing restoration of Malmstrom AFB will continue.



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& Private Perspectives on Case Studies on Military Base Re-Use &  
Redevelopment)

Report of the California Military Base Reuse Task Force to Governor  
Pete Wilson - A Strategic Response to Base Reuse Opportunities  
(Sessions entitled: Overview of Redevelopment & Military Base Re-  
Use / Community Participation, Political Considerations & Financing  
Issues in Military Base Re-Use & Redevelopment)



# MILITARY BASE RE-USE CONFERENCE

May 5-6, 1994

## PROGRAM

### DAY ONE: THURSDAY, MAY 5

#### *Red Lion IV - Level B2*

9:00am - 9:15am

Welcome

#### **SPEAKER:**

Cindy Nelson, Executive Director, Santa Ana Redevelopment Agency

9:15am - 10:15am

#### **Overview of Redevelopment and Military Base Re-Use**

- Overview of Base Closures
- The Role of Redevelopment in the Base Re-Use Process
- Integrating Federal and State Base Re-Use Programs with Local Initiatives
- Review of Current and Proposed Legislation that will Affect the Re-Use Process

#### **SPEAKERS:**

Ben A. Williams, Governor's Office of Planning and Research

Christine Shingleton, Community Development Director, City of Tustin

10:15am - 10:30am: **BREAK**

#### *Red Lion IV - Level B2*

10:30am - 12:00pm

#### **SUBJECT: Economic Impacts of Base Closure and the Base Closure Process**

- Forecast of the Economic Impact of Current and Potential Base Closures on the State and Local Level
- Overview of the Federal Process and Timelines for Base Re-Use
- Strategies for Revitalizing Communities after Base Closures

#### **SPEAKERS:**

Steven N. Kleiman, Office of the Secretary of Defense, Office of Economic Adjustment

Gary G. Anderson, SRI International

***Fountain Terrace Room - Lobby Level***

**12:00pm - 2:00pm**

**LUNCHEON TOPIC: A Commissioner's Perspective on Base Closure and Realignment**

**KEYNOTE SPEAKER:** Jim Courter; Courter, Kobert, Laufer, Purcell & Cohen  
Chairman, Defense Base Closure and Realignment Commission

***Red Lion IV - Level B2***

**2:00pm - 3:15pm**

**SUBJECT: REDEVELOPMENT TOOLS APPLIED TO BASE RE-USE: Part I**

- Organizational Structures for Dealing with Re-Use and Redevelopment
- Relating State and Federal Government Directives to Local Action
- Accelerating the Re-Use Process to Return Bases to a Productive Role in Communities
- The Impacts of Public Ownership on Tax Increment
- Dealing with Federal Planning Regulations
- What Future Financial Issues may Affect the Re-Use Process
- How to Convert or Replace Base Infrastructure
- Unique Redevelopment Incentives to Generate Jobs
- Leveraging to Acquire Base Property

**SPEAKERS:**

Jerry Trimble, Keyser Marston  
Felise Acosta, Rosenow Spevacek Group  
Charles Oaks, U.S. Economic Development Administration

**3:15pm - 3:30pm BREAK**

***Red Lion IV - Level B2***

**3:30pm - 4:45pm**

**SUBJECT: REDEVELOPMENT TOOLS APPLIED TO BASE RE-USE: Part II**

- Physical Planning and Land Use Dilemmas for Base Re-Use
- Differentiating Between Base Re-Use Plans Among Deactivated Bases
- High Density Housing on Bases in Low Density Communities
- Military and Community Interest in Getting the Highest Value for Base Land
- Financing Strategies for Necessary Infrastructure Changes
- Flexible Re-Use Strategies that Adapt to Rapid Changes in Real Estate Markets

**SPEAKERS:**

David Wilcox, ERA  
Bonnie Fisher, ROMA

***Balboa II - Level B2***

**4:45pm - 6:30pm**

**RECEPTION Hosted by the Conference's Corporate Sponsors**

**DAY TWO: FRIDAY, MAY 6**

***Emerald I - Level B2***

**7:30am - 8:45am**

**INFORMAL BREAKFAST DISCUSSION (Optional Program: Separate Registration Required)**

This is an informal discussion session about opportunities for coordination between public and private sector organizations involved in Military Base Re-Use. (Who, what, why, how.)

***Red Lion IV - Level B2***

**9:00am - 10:30am**

**SUBJECT: Public and Private Perspectives on Case Studies on Military Base Re-Use and Redevelopment**

**Case Study #1 -- Mather AFB: Housing Re-Use**

John Molloy, Sacramento Housing and Redevelopment Association  
Chris Gouig, CGMS Incorporated

**Case Study #2 -- Hunter's Point: Commercial Re-Use**

Commander Al Elkins, Bay Area Military Base Transition Coordinator  
Scott Madison, Director of the Hunter's Point Business Community

**10:30am - 10:45am BREAK**

***Red Lion IV - Level B2***

**10:45pm - 12:30pm**

**SUBJECT: Community Participation, Political Considerations and Financing Issues in Military Base Re-Use and Redevelopment**

- Toxics Clean-up: Process, Timing, Funding and Liability
- Environmental Considerations of Base Re-Use and Redevelopment
- Unique Role of Utilities in Redevelopment Project Areas
- Revolving Loan Funds for Small Business Development and Growth
- Sources of Planning and Technical Assistance

**SPEAKERS:**

David Wang, CAL/EPA

Tim Sabo, Sabo and Green

George R. Schlossberg, KUTAK ROCK,

General Counsel to the National Association of Installation Developers

Former Counsel to the Secretary of Defense for Base Closure and

the Office of Economic Adjustment, and Counsel to the City of Tustin

***Emerald I - Level B2***

**12:30 - 1:30 - LUNCHEON**

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# Document Separator

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CALIFORNIA REDEVELOPMENT ASSOCIATION'S

Military Base Re-Use Seminar

May 5-6, 1994, Costa Mesa

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CALIFORNIA REDEVELOPMENT ASSOCIATION'S

Military Base Re-Use Seminar

May 5-6, 1994, Costa Mesa

Updated Participant Roster

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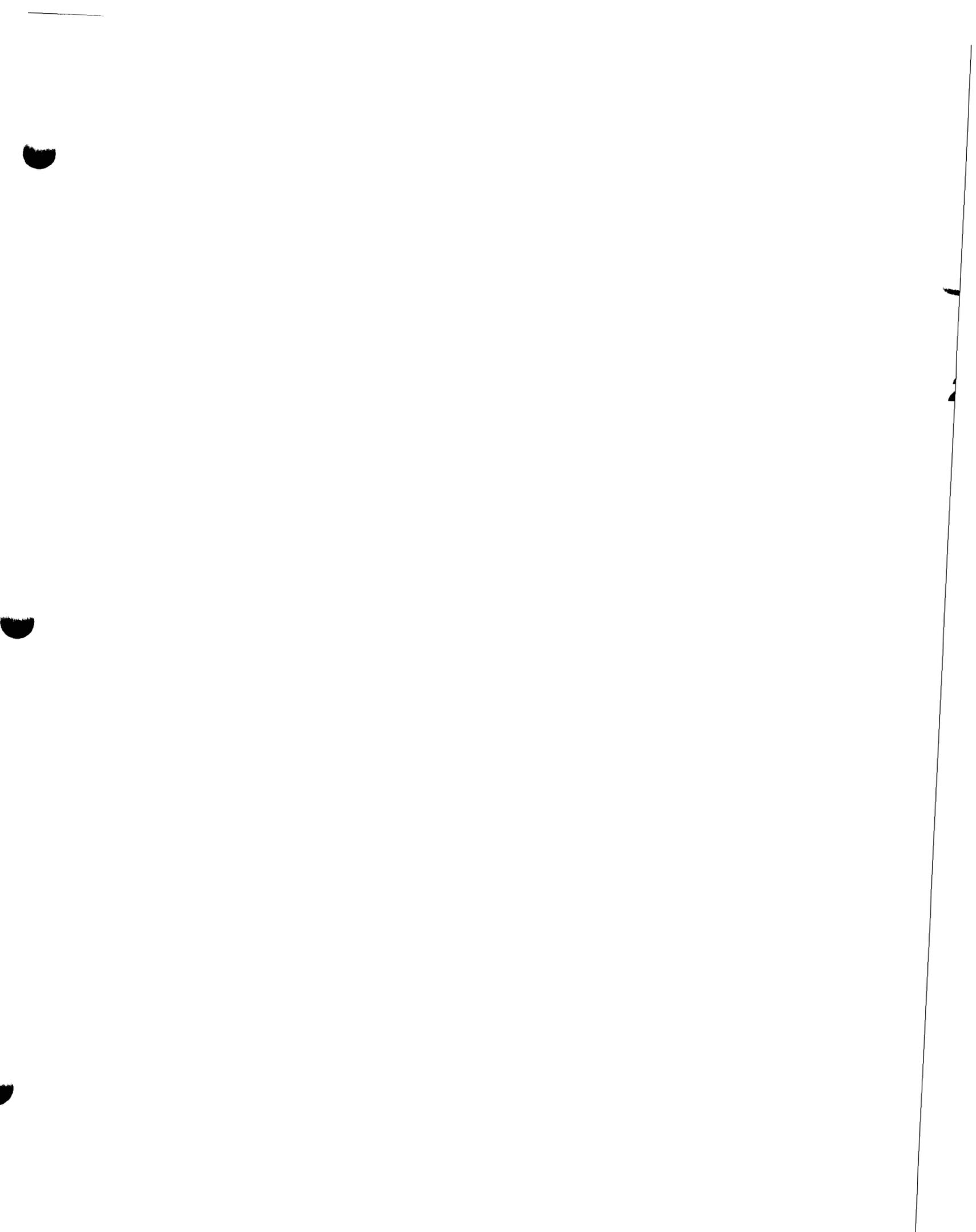
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**GOVERNOR PETE WILSON**  
**MILITARY BASE REUSE INITIATIVE**

*"This [Base Reuse Task Force] report will help make California the nation's leader in converting closed military bases from economic black holes into job-creating assets. Its bold vision to cut bureaucracy and slash red tape presents a dynamic alternative to the centralized status quo that's simply not converting bases quickly enough."*

-- Governor Pete Wilson, February 27, 1994

***Initiative 1: Regulatory Streamlining***

**Objective:** To remove impediments to rapid reuse created by state and federal regulatory requirements. The Base Reuse Task Force report calls for better coordination of regulatory activities, sensitivity of regulations to local reuse planning timelines and requirements, and integration of federal NEPA requirements with State environmental review procedures under CEQA.

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**CEQA/NEPA Coordination**

Legislation has been introduced (SB 1971, Bergeson) that will establish the operating base, rather than the closed base, as the baseline for evaluating environmental impacts of reuse. In addition, where an EIR has been prepared for base reuse under CEQA (either as a joint EIS/EIR or independently), the bill will establish future projects for the same area as related to the primary project, to simplify CEQA review.

Administratively, the Office of Planning and Research and the Resources Agency will prepare informal guidelines for local governments, to advise them on how to integrate the state and federal processes under current law, including using an EIS as the basis for an EIR. The methods will be tested against the facility plan EIR for California State University, Monterey Bay, which will work cooperatively with OPR and Resources on a pilot basis.

**Regulatory Coordination**

Through Executive Order W-81-94, Governor Wilson has established a regulatory council, chaired by the Secretaries of Resources and Cal/EPA, to coordinate and inform the actions of departments within those agencies. In addition, departments within the Resources Agency will prepare resource reviews of closing bases, and transmit the findings to base reuse entities early in their planning process.

### **CEQA Mediation**

Governor Wilson has affirmed his support for SB 517 (Bergeson), which would create a state CEQA and land use dispute mediation process. Prior to filing a lawsuit under CEQA (including a lawsuit pertaining to a military base), a plaintiff must submit to a mediation process to resolve the dispute. This effectively fulfills a recommendation of the Base Reuse Task Force.

### **Public Trust**

Several closing bases, particularly those located in the San Francisco Bay region, are limited in their reuse options by existence of the "public trust." Public trust status derives from the fact that portions of the bases were developed by filling former navigable waters of the Bay. Once the land leaves military ownership, it may only be used for maritime, open space, or public recreation purposes. OPR is working with the State Lands Commission to define the boundaries of potential trust areas and to develop land trades to remove trust status from properties where base reuse plans call for non-trust uses. If necessary and appropriate, legislation will be considered to provide greater planning flexibility.

### **McKinney Homeless Assistance Act**

The Administration will sponsor federal legislation to amend the McKinney Homeless Assistance Act to allow base reuse entities to better align homeless needs with development of a comprehensive local reuse plan. The legislation will propose a single McKinney Act screening period, consistent with timing of development of the local reuse plan, will require homeless agencies to coordinate their proposals with local reuse entities, and will allow the local reuse entity the ability to offer equivalent facilities elsewhere on or off the base.

## ***Initiative 2: Toxic Clean-up***

**Objective:** To expedite the remediation of bases and to ensure that the remediated parcels are economically viable for use by the public and private businesses.

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### **Clean-up Certification**

Governor Wilson, through Executive Order W-81-94, has directed Cal/EPA to see that formal procedures are developed to certify all base cleanup actions, to the satisfaction of private lenders. This action will be carried out by Cal/EPA and the Base Closure Environmental Committee, established by Governor Wilson in 1991,

### **Clean-up Coordination**

Governor Wilson, through Executive Order W-81-94, has directed all State agencies which deal with base toxic cleanup issues to work through the State-Federal Base Cleanup Teams. All state activities are to be coordinated with the Cal/EPA representative to the Base Cleanup Teams.

### **Expediting Federal Contracting**

The Administration will sponsor federal legislation to permit the use of "cradle-to-grave" contracting for clean-up of environmental contamination on bases. Currently, most contracts are performed in phases, and a different contractor must be used for each phase. This delays the cleanup as each contract is bid and a new contractor becomes familiar with the project, and diminishes accountability for the cleanup work.

### **Ensuring Federal Funding for Cleanup**

In an effort to ensure that adequate federal funding is available for toxic cleanup, the Administration will propose federal legislation to require the Secretary of Defense to report annually to the President, Congress, and the governors of states having closing military bases on the estimated total cost to clean-up each base, including the necessary expenditures to meet the closure and reuse schedule for each base in the coming budget year. This estimate should be the basis for Congressional appropriations for base remediation.

### **Database for Toxic Remediation**

Cal/EPA will begin compiling a database of remediation methods used at various bases and their successes and limitations. This information will be available to all closing bases, to assist with their clean-up plans.

### ***Initiative 3: Financing and Economic Development of Bases***

**Objective:** To facilitate the reuse of base property by assuring that adequate financial resources are available to renovate and upgrade base facilities, especially water, sewer, utility lines, and other critical infrastructure, and that incentives are given to encourage businesses to locate on the base.

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#### **Base Redevelopment Legislation**

The infrastructure on military bases is often decades old, and in need of upgrading or replacement before it can be converted to civilian use. Moreover, it is generally undersized for urban uses and may not meet standards for non-federal use. Financing these upgrades is essential to base reuse.

Legislation has been introduced (AB 3768, Weggeland/Presley) to broaden the ability of local base reuse authorities to use State redevelopment law as a means of planning for, financing, and implementing base reuse. The legislation will specifically authorize use of redevelopment on military bases, broaden current tax sharing arrangements for military base redevelopment, and permit deferral of the low- and moderate-income housing set-aside for up to 10 years, to make additional funds available in the early years after the base closes.

#### **Infrastructure Bank Bond Financing**

Governor Wilson reaffirms his support for AB 1495 (Peace), which would establish a State Infrastructure Bank, and the recently-added provision that would specifically allow use of Bank funds on closing military bases. Creation of an Infrastructure Bank and future bond measures which would provide its capital, were recommendations of the Base Reuse Task Force.

#### **Retention of Air Emission Credits**

As military bases close, the military service is eligible for "emission reduction credits" for sources of air pollution (i.e., generators, industrial facilities, etc.) that are no longer operating and, therefore, no longer producing pollutants. Governor Wilson wants to ensure that these credits are available for use by future tenants after the base closes. If no credits are available, virtually no reuse can occur.

Legislation has been introduced (AB 3178, McPherson) that will require local air districts to work with the military bases to quantify air emission reductions from base closure and preserve the credits for future base tenants. If the military base has not developed the necessary information to preserve the credits, the local district will assist them in doing so.

In addition, Federal legislation will be introduced to ensure that credits are not transferred off the base, unless they are needed by a military base that will receive units transferring from the closing base.

### **State "Enterprise Zones" for Bases**

In 1993, Governor Wilson signed into law AB 693 (Cannella), which authorized up to five Local Area Military Base Recovery Act (LAMBRA) areas on closing military bases. The selected areas would receive tax and other incentives for businesses that locate in the area, similar to state enterprise zone designations. The Trade and Commerce Agency will adopt regulations in the fall of 1994 to name the LAMBRA bases through a competitive selection process.

### **Federal Enterprise Zones**

The Administration will propose federal legislation to designate additional federal enterprise, empowerment, or free trade zones on closing military bases. The legislation will propose that such designations be made where state and local incentives are included, such as California LAMBRA designations.

### **Indemnification of Businesses Locating on Closing Bases**

The Administration will propose federal legislation to protect businesses locating on closing military bases from future business losses and liabilities in the event that previously unknown contamination is discovered after property is transferred. The legislation will propose full indemnification of subsequent owners where the contamination is determined to have been caused by DOD use of the property.

### **Marketing Base Facilities**

The Governor, through Executive Order W-81-94, has directed the Trade and Commerce Agency to develop and refine an ongoing program to aggressively market military base properties to State, national, and international business interests. In addition, the Defense Conversion Council will assume responsibility for developing and implementing a base redevelopment strategy and funding assistance program.

#### ***Initiative 4: Leadership and Accountability for Base Reuse***

**Objective:** To make individuals responsible and accountable for actions to expedite base reuse. This will require designation of points of contact and coordination mechanisms by the state and by local base reuse entities.

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#### **Central State Point of Contact**

To fast-track reuse planning and problem resolution, Governor Wilson, through Executive Order W-81-94, has designated the Director of the Office of Planning and Research as the central point of contact for the State for base closure and reuse issues. All State agencies must coordinate their base reuse interests through OPR.

In addition, the Governor has directed three other agencies -- the Trade and Commerce Agency, the Employment Development Department, and the California Environmental Protection Agency -- to name a specific individual to be responsible for each closing base. This contact will assist communities in the three areas vital to successful base reuse: business development, employment and training opportunities, and environmental cleanup.

Finally, the Governor has directed each State agency, department, board, and commission to designate a central point of contact for base closure and reuse issues. This contact will see to immediate resolution to problems or responses to questions regarding base closure activities.

#### **Local Reuse Planning Responsibility**

Legislation has been introduced (AB 3755, Honeycutt) to establish a process for designating a single local authority for planning the reuse of each closing base. If clear agreement cannot be reached locally and if mediation by OPR fails, a Base Reuse Commission will be established to recommend a single reuse authority, and introduce legislation to place it into effect, if necessary. Once a local reuse authority is recognized by the State, it will become eligible for state benefits and programs, and all State agencies will be required to consult with the local entity regarding any planned uses on the base.

#### **Washington, D.C. Consultant**

Pursuant to legislation signed by Governor Wilson last year (SB 1X, Ayala), the State will contract with a Washington advocacy firm to obtain federal funding for base reuse and defense conversion, promote legislative changes to expedite base reuse, and resolve problems with the federal bureaucracy.

EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA



EXECUTIVE ORDER W-81-94

WHEREAS, California currently is faced with the closure or realignment of 22 major military bases, and faces the possible closure of additional bases in 1995; and

WHEREAS, these base closures have deepened the effects of the current recession in California and have caused severe economic dislocations in communities that are located adjacent to closing bases; and

WHEREAS, the California Military Base Reuse Task Force has issued its report on base closures and has documented numerous barriers that threaten to inhibit the successful economic reuse of military base facilities unless mitigated by local, State and federal actions; and

WHEREAS, the State of California has provided leadership in matters that affect closing bases, such as the remediation of toxic hazards, and has facilitated local initiatives planning for reuse of closing military facilities; and

WHEREAS, government at all levels must recognize that much greater efforts will be required to assist in military base reuse and to implement the recommendations of the California Military Base Reuse Task Force;

NOW, THEREFORE, I, PETE WILSON, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately, to promote the speedy conversion of closing California military bases and maximize their contribution to our State's economy.

1. State Military Base Reuse Policy

- a. It is the policy of the State of California that the successful economic conversion of military bases shall be given priority consideration in the implementation of State programs, regulatory pursuits, and allocation of resources for State-funded capital outlay projects. State agencies, departments, boards, and commissions (hereinafter referred to as "State agencies") shall regard base conversion as a priority matter and shall assist and cooperate with local base reuse entities to the maximum extent possible within their statutory mandates.

2. One Stop Public Access

- a. The Director, Office of Planning and Research shall be the lead state public contact for redevelopment of military bases. In addition, the Office of Planning and Research shall coordinate a comprehensive program to implement the recommendations of the Military Base Reuse Task Force through State and Federal legislation. All departments and agencies shall cooperate in this effort.

PAGE TWO

- b. The heads of all State agencies, departments, boards, and commissions shall designate a single point of contact for military base reuse issues and report the name of this individual to the Director, Office of Planning and Research or shall inform the Director that the agency anticipates no programmatic or reuse involvement in closing bases. The single point of contact shall be an individual who can represent the agency in policy matters relative to military base reuse.
- c. The Director, Office of Planning and Research shall notify all State agencies, departments, boards, and commissions which have designated a point of contact for base closures of the potential availability of base property and request notification of any interest within 60 days of such notice. Any final State reuse proposals shall conform with emerging local base reuse plans, unless a strong overriding State interest can be demonstrated.

3. Expedite Economic Assistance

- a. The Secretary of Trade and Commerce shall develop and refine an ongoing program to aggressively market military base properties to State, national and international business interests, in consultation with local base reuse entities. The Secretary shall name a point of contact for each closing or realigning base and shall be the lead State agency for marketing base property.
- b. The Secretary of Trade and Commerce, in conjunction with the Defense Conversion Council shall assume responsibility for developing and implementing all redevelopment strategy and funding assistance.

4. Expedited Regulatory and Resource Reviews

- a. The Secretary of Resources and the Secretary of the California Environmental Protection Agency, in coordination with the Director of the Office of Planning and Research and the Secretary of Trade and Commerce, shall establish a resource and regulatory coordinating council, which shall involve representatives of appropriate departments, boards, and commissions having statutory oversight of regulatory and environmental issues affecting base reuse. The council shall periodically inform regulatory agencies of the status of base reuse planning and shall ensure that State actions are coordinated and consistent. The council shall resolve conflicts to the maximum extent possible.
- b. The Secretary of the Resources Agency shall prepare a resource assessment and inventory for all closing bases, identifying natural resources and opportunities that may be present. These assessments shall be made available to local base reuse entities and State agencies.
- c. The Office of Planning and Research and the Resources Agency shall prepare advisory guidelines for use by local military base reuse entities to assist them with the integration of the environmental impact statements prepared by the federal agencies of jurisdiction the environmental impact reports required by the California Environment Quality Act. These guidelines shall be designed to minimize duplication and delays which may arise during the federal and State environmental reviews of proposed base reuse actions.
- d. All State regulatory and resource protection agencies are directed to coordinate any base specific activities involving hazardous waste remedial actions with the State member of the Base Cleanup Team.

PAGE THREE

- e. The California Environmental Protection Agency is directed to work with Federal agencies and the military to develop formal documents that will serve as certifications acceptable to future tenants and lenders that all necessary remedial actions have been taken at closing military bases.
5. Reporting
- a. The California Military Base Reuse Task Force may reconvene to hold public hearings, as appropriate, to ensure that the actions mandated by this order are carried out, and shall report to me on progress by September 1.

IN WITNESS WHEREOF I have hereunto set my hand  
and caused the Great Seal of the State of  
California to be affixed this 24th day of  
February 1994.

*Pete Wilson*  
Governor of California

ATTEST:

*Tomy Miller*  
Acting Secretary of State





THE DEPUTY SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301-1000



30 MAR 1994

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
COMPTROLLER  
GENERAL COUNSEL  
INSPECTOR GENERAL  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR OF ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Pryor Amendment Implementation

The attached document consists of a Department of Defense Directive and a Department of Defense Instruction, both of which are to be published in the Federal Register to implement the revised base closure property disposal processes authorized by Title XXIX of the National Defense Authorization Act for Fiscal Year 1994, Public Law 103-160, also known as the Pryor Amendment. Although these documents are being distributed in a format unlike those normally used for Departmental Directives and Instructions, these documents are nevertheless an effective Directive and Instruction and are binding on the Department. The attached directive and instruction will become effective upon publication in the Federal Register.

This issuance is not subject to the requirement contained in DoD 5025.1-M, DoD Directives System Procedures, that a directive-type memorandum be converted into a Department of Defense Directive or Department of Defense Instruction within 90 days.

A handwritten signature in black ink, appearing to read "John Slattery".

06887



# NEWS RELEASE

OFFICE OF ASSISTANT SECRETARY OF DEFENSE  
(PUBLIC AFFAIRS)  
WASHINGTON, D.C. - 20301  
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IMMEDIATE RELEASE April 6, 1994

## DOD ISSUES INTERIM RULE FOR REVITALIZING BASE CLOSURE COMMUNITIES

The Department of Defense today released its interim instruction concerning Revitalizing Base Closure Communities. This instruction implements provisions of the 1994 Base Closure Community Assistance Act. They support President Clinton's five-part economic reinvestment program announced on July 2, 1993. The general public has 90 days to provide the DoD written comment on the instruction prior to DoD publishing its final regulation this Fall.

The interim instruction was prepared in coordination with the President's National Economic Council. Congress, building on the conversion proposals of Senator David Pryor, supported President Clinton's five-part program by providing the DoD new authority to give priority to early reuse of the base's valuable assets--its land and buildings. The interim instruction should help communities impacted by base closures by stimulating and encouraging community reinvestment and rapid job creation.

"This change is a new way of doing business for the Department. I believe this interim instruction will permit communities to immediately take advantage of the new authorities to convey property quickly and create new jobs," said Deputy Secretary of Defense John Deutch. Deputy Secretary Deutch also said that those authorities support the President's job-centered property disposal initiative by providing additional tools for the DoD and communities to use in streamlining the base conversion process.

In putting economic development at the center of base closure asset disposition, the DoD will adhere to the following framework:

- Where a ready market exists, sell properties quickly for public or private development to speed up job creation;
- Where a ready market does not exist, make property available to the local redevelopment authority, without initial cost, for economic development;

-MORE-

- Share the net profits between the DoD and the local redevelopment authority if a property conveyed without initial cost is subsequently leased or sold.

The interim instruction will help communities achieve rapid economic recovery more quickly and more effectively. This will occur based on local market conditions and local reuse plans which encourage transferring real and personal property quickly to local redevelopment authorities in ways that enhance economic development and job creation. This is best accomplished by:

- Expediting transfer of surplus land, facilities and equipment to a redevelopment authority for job creation or other public benefits;
- Performing the property screening process early in the disposal process to determine other potential federal uses of the property, including the needs of homeless assistance providers. This will determine how much of the property is available for early economic development and/or other community reuses.
- Informing communities, as early as possible if surplus property will be sold to stimulate job creation, or if it will be available for economic development conveyance or for another public purpose.
- Encouraging interim leases at less than the estimated fair market value in order to facilitate early reuse.
- Delegating authority to approve interim leases and simple land transfers.
- Considering the personal property requirements of the community redevelopment plan when making decisions on the disposition of base equipment.

Attached is a summary of the DoD interim instruction. Included in the summary is a proposed rule that is also being published for public comment. Unlike the interim rule, no action can be taken on the proposed rule. The proposed rule would allow the transfer of property or facilities to people willing to pay the cost of environmental restoration on the property. The interim rule and the proposed rule were published in the April 6, 1994 issue of the *Federal Register*.

-END-

## *Revitalizing Base Closure Communities and Community Assistance*

The Department of Defense (DoD) is getting smaller so we don't need all the land and buildings we used to. Congress passed legislation in 1988 (Public Law 100-526) and 1990 (Public Law 101-510) creating non-partisan Commissions to make base closure and realignment recommendations. The 70 major bases recommended for closure and realignment by the 1988, 1991, and 1993 Commissions were all approved by the President and the Congress. Another Commission will meet in 1995.

Closing a military base results in a significant jobs loss and has deep impacts on the local economy. Without a base's multimillion dollar payroll, the local community suffers a serious blow. In the past, DoD focused on selling land, buildings and personal property to the highest bidder with little regard to improving the prospects for economic recovery in the community. Recognizing that the old way of disposing of major military installations would not revitalize base closure communities, President Clinton announced, on July 2, 1993, a major program to speed the economic recovery of communities where military bases are scheduled to close. The Clinton Administration pledged to give top priority to early reuse of the base's valuable assets -- its land and buildings. Community reinvestment and rapid job creation are the principal goals of this new initiative -- a sharp departure from the past.

The President's community reinvestment program has five parts:

- o Jobs-centered property disposal that puts local economic redevelopment first. This means transferring land from DoD to public or private control as quickly as possible for rapid job creation.
- o Fast-track environmental cleanup that removes needless delays while protecting human health and the environment. This means starting the required environmental analyses earlier and completing them sooner than ever before.
- o Transition coordinators at major bases slated for closure. This means putting DoD people on-site in the local community and available, on a day-to-day basis, to assist in cutting through red tape to speed economic development.
- o Easy access to transition and redevelopment help for workers and communities. This means being able to obtain information and assistance from other Federal agencies about programs and grant money available for those that qualify.
- o Larger economic development planning grants to base closure communities. This means that DoD's Office of Economic Adjustment will visit communities sooner and provide more money for planning grants faster.

The task of remaking the economic foundation of a community is never easy. But a closed military base can be a community's single greatest asset in charting a new future. An airfield, a port, or the land, buildings, furniture and equipment on a base can stimulate new economic activity. Making real and personal property more affordable to communities is a fundamental change in the way the Government has done business. It allows communities that have workable plans for economic redevelopment to obtain property for job creation at prices they can afford.

President Clinton knew that existing Federal law required DoD to charge full price when selling land at closing bases to those willing to create jobs and spur economic development. The President also knew that DoD could transfer bases for free for a variety of "public" uses, including recreation, aviation, education and health. Accordingly, the President said that the Administration would seek to change the

law so DoD could transfer property free or at a discount when community development plans meet the test of economic viability and job creation potential. The President asked the National Economic Council (NEC), an interagency coordinating arm of the White House, and the DoD to draft a proposal that put economic development at the center of base closure asset disposition. The NEC convened an interagency working group that created the following framework for base disposal:

- o Where a ready market exists, sell properties quickly for public or private development to speed up job creation.
- o Where a ready market does not exist, make property available to the local redevelopment authority, without initial cost, for economic development.
- o Share the net profits between the DoD and the local redevelopment authority if a property conveyed without initial cost is subsequently sold.

The Congress, understanding the need to reform the base disposal process, endorsed the President's plan by enacting Title XXIX of Public Law 103-160, The Base Closure Communities Assistance Act. Based largely on legislation sponsored by Senator Pryor, Title XXIX provides the legal authority to carry out the President's plan. Among other things it authorizes conveyance of real and personal property at or below fair market value to local redevelopment authorities, and sharing profits on any subsequent sales and leases.

Public Law 103-160 requires the Secretary of Defense to write formal regulations to implement its provisions. Since some communities may wish to take advantage of these authorities immediately, DoD has issued most of these regulations in the form of an interim rule. This procedure allows DoD to use the new authorities right away without waiting until the final regulations are issued later this year.

Here is a summary of the major elements of the interim rule.

### Real Property Screening

When the DoD no longer needs to keep real property at a closing base, the Department must follow the screening process prescribed in the General Services Administration (GSA) regulations. But DoD can use now, quicker time frames authorized in Title XXIX. This faster screening process permits other DoD components, other Federal agencies and homeless assistance providers to expeditiously identify land and buildings they may be interested in acquiring when the base closes.

The screening process works this way. First, DoD identifies what it might need to retain to support any DoD activities that will remain even after the base closes. Any property that DoD doesn't need to keep, usually most of the base, is then considered by other Federal agencies. If they don't need the property, it is then reported to the Department of Housing and Urban Development (HUD). HUD determines the suitability of surplus Federal land and buildings for use by homeless assistance providers in accordance with the Stewart B. McKinney Homeless Assistance Act (McKinney Act). Properties that HUD says are suitable, are listed in the Federal Register to determine if there is any interest in reuse by organizations assisting the homeless. The Department of Health & Human Services (HHS) is the Federal agency responsible for qualifying organizations to receive property for homeless use. Property in which there is no interest, as determined by HHS, becomes available for direct sale to the public; a negotiated transfer to the local redevelopment authority; public benefit conveyances for airports, schools, ports, etc.; or the newly authorized economic development conveyance.

DoD is committed to working with the other Federal agencies, homeless assistance providers and local reuse planners, early in the closure process to sort out their requests. Identifying real property which will be available for early reuse is critical to the local redevelopment authority's ability to design a realistic redevelopment plan. Federal agency requests for property as well as requests for public benefit conveyances for parks, recreation, airports, schools, etc., will normally be approved by DoD if they are compatible with the local reuse plan. HHS approved applications from homeless providers will be honored unless DoD determines that there is further and compelling Federal need for the property that supersedes the McKinney request. Agreement with the proposed uses, other than for McKinney Act homeless use, is at the discretion of the Military Departments which have been delegated disposal authority.

### **McKinney Act Screening**

The McKinney Act is designed to permit recognized providers of assistance to the homeless to receive a high priority in acquiring surplus land and buildings. Closing bases provide excellent opportunities for homeless providers to acquire buildings they need to establish their programs. A new screening process for base closure properties will result in the early identification of homeless assistance needs. DoD will work with communities to identify eligible homeless assistance organizations and will hold local outreach seminars for homeless providers to tell them about the land and buildings that will become available. The process they must follow to make a formal application to HHS to acquire such land and buildings will also be described. Identifying homeless assistance needs, beginning six months after the base is approved for closure, rather than 12 months before the base closes should permit communities to develop reuse plans that are more realistic. Communities will know what land and buildings have been reserved for McKinney uses. Communities will also have early identification of the remaining property available for quick sale to create jobs; a Federally-sponsored public benefit conveyance; or conveyance to a local redevelopment authority for economic development purposes.

### **Local Redevelopment Plan**

The early formation of a local redevelopment authority is critical to the successful reuse of a base. The primary focus of the local redevelopment authority should be developing a comprehensive local redevelopment plan. This plan should identify a broad range of reuse options that will result in rapid job creation. The local redevelopment plan will generally be used as the basis for the environmental analyses required by the National Environmental Policy Act (NEPA).

### **Jobs-Centered Property Disposal**

The new property disposal process (described here and in the next two sections of this summary) is designed to create new jobs rapidly. In most cases, that will occur through conveyances for economic development without initial cost. However, in a few cases, an entire base or a substantial portion of it, may have high value and willing buyers. In these few cases, sale of the property by bid or public auction may prove to be the most effective way to rapidly create new jobs.

DoD will identify properties believed to have a ready market and begin the appraisal process as soon as possible: not later than 6 months after completion of the new expedited McKinney Act screening process. The appraisals will take into consideration the uncertainties and the associated risks in property development as well as the impact the base closure has on market conditions. Moreover, the appraisal will reflect the most likely future uses of the land consistent with local planning. Appraisals used to be based on the unrealistic expectation of highest and best use.

To assist in determining the estimated fair market value of these properties, DoD will ask for expressions of interest from the private sector for developing the entire or a substantial portion of a closing base. DoD will accept expressions of interest for a period no longer than six months. Any expressions of interest received by DoD will be shared with the respective local redevelopment authority. Expressions of interest will be solicited at the same time as other screening and disposal actions and will not cause a delay in the disposal process. DoD will analyze each expression of interest to see if it represents a reasonable proposal that is likely to lead to economic development and rapid job creation. If, after consulting with the local community, DoD decides to offer the property for sale, the local redevelopment authority will be promptly notified of the decision and may formally challenge the decision. If, after considering the local redevelopment authority's views, DoD decides to proceed with the sale, potential bidders will be strongly encouraged to work with the local redevelopment authority so that their proposals are compatible with the local redevelopment plan. Identifying a substantial portion of the base for sale does not rule out the local redevelopment authority's ability to acquire the property directly from DoD through a negotiated sale. This option is always available to the local redevelopment authority.

If a base or substantial portion of a base is identified as potentially valuable, but fails to sell, the property will be made available for conveyance for public benefit or economic development purposes.

Throughout this process, DoD will give community desires a high priority.

#### **Economic Development Conveyances**

Closing military bases often have a great deal of land that may not be readily developable or marketable. Location may be a reason. Closing bases often have buildings that are old, in need of repair or just not easily or affordably adaptable to other uses. In these circumstances the buildings may need to be demolished in order to encourage redevelopment and economic reinvestment. Historically, the process of selling bases for fair market value based on highest and best use has been a lengthy process. The monies received from the few sales have been far less than originally anticipated. Before enactment of Title XXIX, DoD was permitted to convey property free of charge to state and local governments for specific public purposes such as health (for hospitals), aviation (for airports), recreation (for parks), and education (for schools), -- but not for economic development (to create new jobs).

The new authority in Title XXIX corrects this situation. It permits DoD to transfer land and buildings at closing bases to redevelopment authorities, initially for free, after it is determined that the base, or significant portion, cannot be sold in accordance with the rapid job creation concept. Conveyances at no initial cost to local communities may help create a market for the property. For example, the dollars the community might have paid for the property become available for other uses such as infrastructure improvements or marketing. Such "savings" will enable the redevelopment authority to offer attractive, low-cost leasing arrangements to prospective tenants jump-starting economic recovery.

To receive a conveyance for economic development, redevelopment authorities need only submit a simple written request containing four basic elements described in the interim rule. Generally, bases will be conveyed at no initial cost with a "recoupment" provision that will permit the DoD to share in any future net profits should the base be later leased or sold by the redevelopment authority. Bases in rural areas will be conveyed at no cost and with no recoupment provision if the community meets the standards with respect to substantial economic impact and substantial impact on the prospects for economic recovery described in the interim rule. The conveyance for economic development should be used by local redevelopment authorities to gain control of large areas of the base, not just individual buildings.

The income received from some of the more desirable (high value) property should help offset the maintenance and marketing costs of the less desirable parcels. The conveyance to a redevelopment authority of land and buildings, initially for free, should spur redevelopment because the large desirable parcels can be used to provide an income stream to assist the long-term development of the rest of the base.

### **Profit Sharing**

When real property is conveyed as just described, DoD will generally share profits with the local redevelopment authority. If the property is subsequently sold or leased, the division of profits will be based on net profits. The share of profits will generally favor the local redevelopment authority (60 percent to the local redevelopment authority; 40 percent to the DoD). The government's ability to share in the profits will be limited to 15 years and its total profits will be capped at the estimated fair market value of the property at the time of conveyance to the local redevelopment authority. This cap ensures that DoD does not benefit from future increases in value as a result of community efforts.

### **Leasing of Real Property**

Leasing real property to businesses early in the reuse process is often an effective way to quickly attract new jobs to replace those that were lost when the base closed. In the past, DoD was required to lease at fair market value which discouraged interim leasing in weak markets. Appraisals to determine fair market value did not take into consideration the depressed real estate market. The new authority, which permits leasing at less than fair market value or for no cost at all when conditions merit, will provide new incentives for redevelopment authorities and businesses to spur job creation and speed economic redevelopment. Waiving the requirement to obtain fair market value will permit redevelopment authorities to structure leases based on realistic market conditions. Because the Department cannot convey contaminated property until clean-up measures are in place, leasing is often the only way to encourage economic reuse on substantial portions of closing bases.

### **Personal Property**

Personal property located on closing bases is often very useful to the redevelopment of the real property. The interim rule outlines procedures to allow the transfer of personal property with real property in many cases. DoD will complete an inventory soon after the base is approved for closure and share this inventory with local officials. DoD will consult with local officials on the disposition of the personal property and walk through the base with them. The community can then identify the personal property it wishes to get to enhance the future potential uses of the real property being considered in its redevelopment plan. DoD will keep a great deal of the personal property at the base while the redevelopment plan is being put together. Exemptions will be made for specific military requirements or property which the base does not own. Guidance on emissions trading procedures will be issued separately and is not covered by the interim rule.

### **Minimum Level of Maintenance and Repair to Support Non-Military Purposes.**

This section of the interim rule provides procedures to protect the condition of facilities and key pieces of equipment while the military mission is drawing down and the redevelopment plan is being assembled. During the base drawdown process, there will be instances when DoD will no longer need some facilities and some equipment. If the community cannot or is not yet capable of assuming responsibility for their care and maintenance, DoD will provide it based on future non-DoD use and determined in consultation with the local redevelopment authority.

The following is a summary of a section of Title XXIX of Public Law 103-160, The Base Closure Communities Assistance Procedures Act, that is being published as a proposed rule. Unlike the interim rules described previously, no actions can be taken on a proposed rule. Following the public comment period, DoD will issue a final rule later this year.

**PROPOSED RULE:** Transfer of real property or facilities to persons paying the cost of environmental restoration activities on the property.

In many cases the most difficult obstacle to getting property into productive reuse is environmental restoration, because DoD cannot convey title to property until this is accomplished. It is possible that people who are interested in developing the property could clean it more quickly and efficiently than the government. This section provides a proposed rule which in its final form would allow DoD to transfer a property in exchange for the cost of cleanup to people agreeing to perform the environmental restoration. If the estimated value of the base exceeds the cost of cleanup, the buyer will have to make up the difference. DoD and the Environmental Protection Agency (EPA) will continue to consult regarding the implementation of this new authority.

The interim rule and the proposed rule were published in the Federal Register on April 6, 1994. The public comment period will last 90 days; therefore interested individuals must ensure that comments are received by DoD no later than July 6, 1994. Persons interested in providing comments should forward them to:

Assistant Secretary of Defense (Economic Security)  
The Pentagon, Room 3D814  
Washington, DC 20301-3300

For further information, contact Mr. Steven Kleiman or Mr. Frank Savat at (703) 614-5356.

**DEPARTMENT OF DEFENSE**

Office of the Secretary

32 CFR Parts 90 and 91

(RINs 0790-AF61 and 0790-AF62)

**Revitalizing Base Closure Communities and Community Assistance**

AGENCY: Department of Defense.

ACTION: Interim final rule.

**SUMMARY:** The interim final rule promulgates guidance required by section 2903 of the National Defense Authorization Act for Fiscal Year 1994, and provides interpretive guidance concerning other changes to the base realignment and closure process generated by Title XXIX of the Act. This document also establishes policy and procedure, assigns responsibilities, and delegates authority under the President's Five-Part Plan, "A Program to Revitalize Base Closure Communities", July 2, 1993. Because such guidance must be issued and effective to enable the Department to perform various acts required by the law to be accomplished by May 30, 1994, such guidance is being issued as an interim final rule and is effective upon publication.

**EFFECTIVE DATE:** This document is effective April 6, 1994. Comments must be received by July 5, 1994.

**ADDRESSES:** Comments must be forwarded to the Office of the Assistant Secretary of Defense for Economic Security, Room 3D854, The Pentagon, Washington, DC 20301.

**FOR FURTHER INFORMATION CONTACT:** Steven Kleiman or Frank Savat, telephone (703) 614-5356.

**SUPPLEMENTARY INFORMATION:** The Department of Defense is engaged in a major downsizing, resulting in less land and buildings needed to support defense missions. Congressional legislation in 1988 (Pub. L. 100-526)

and 1990 (Pub. L. 101-510) provided for non-partisan Commissions to assess the closure recommendations of the Secretary of Defense, and make base

closure and realignment recommendations to the President and the Congress. The bases recommended for closure and realignment by the 1988, 1991, 1993 Commissions were all approved under this process. Another Commission will meet in 1995. As a result of the 1988, 1991 and 1993 actions, the Department of Defense is now in the process of closing 70 major installations throughout the United States.

Even in large cities a military base often represents a major employment center and a significant economic stimulus for the local economy. With its multimillion dollar payrolls a base closure can be a serious blow to the local community. The Department of Defense recognizes that the manner in which real and personal property at closing bases is disposed of can have a dramatic impact on the local community's prospects for economic recovery. In the past, the traditional property disposal methods focused on maximizing proceeds from the sale of real and personal property with little regard for enhancing the prospects for economic recovery in the community. Recognizing that the old way of doing business was not designed to dispose of major military installations in a way that would revitalize base closure communities, President Clinton announced, on July 2, 1993, a major new program to speed the economic recovery of communities where military bases are slated to close. In a sharp departure from the past, the Clinton Administration pledged to give top priority to early reuse of the base's valuable assets. Rapid redevelopment and the creation of new jobs in base closure communities are the goals of the new initiative.

In announcing the program, the President outlined the following five parts of his community reinvestment program:

- Jobs-centered property disposal that puts local economic redevelopment first.
- Fast-track environmental cleanup that removes needless delays while protecting human health and the environment.
- Transition coordinators at major bases slated for closure.
- Easy access to transition and redevelopment help for workers and communities.
- Larger economic development planning grants to base closure communities.

While the task of remaking the economic foundation of a community is never easy, a closed military base can be a community's single greatest asset in

charting a new future. An airfield, a port, or the land, buildings, furniture and equipment on a base can be a catalyst for new economic activity. The Administration's plan to make base property more affordable to communities for the purpose of job creation is a fundamental change. It allows communities that have viable plans for economic redevelopment to obtain property at prices within their means. The President's Five-Part Plan was an important step in steering the base closure and reuse process toward rapid job creation.

In announcing the community revitalization program, President Clinton recognized that existing Federal law required the Department of Defense to charge full price when closed bases will be used for job-creating economic development, yet it can transfer bases for free for a variety of "public" uses, including recreation, aviation, education and health. President Clinton stated that the Administration would seek to change the law, to enable the Department of Defense to transfer property for free or at a discount for economic development purposes, when community development plans meet a strict test for economic viability and job creation. Accordingly, the President asked the National Economic Council (NEC) an interagency coordinating arm of the White House and the Department of Defense to draft a proposal that puts economic development at the center of base closure asset disposition. The NEC convened an interagency working group that created the following framework for base disposal:

- Where a ready market exists, sell properties quickly for public or private development to speed up job creation.
- Where a ready market does not exist, make property available to the local redevelopment authority, without initial cost, for economic development.
- Share the net profits between the Department of Defense and the local redevelopment authority if a property conveyed without initial cost for economic development is subsequently sold.

The Congress, mindful of the need to reform this process, endorsed the President's plan by authorizing Title XXIX of Public Law 103-160, Base Closure Communities Assistance, the so-called "Pryor Amendment". Based largely on legislation sponsored by Senator Pryor, the provisions of Title XXIX provide the legal authority to carry out the President's plan by, among other things, authorizing conveyances of

real and personal property at or below fair market value to local redevelopment authorities, and sharing of profits on subsequent sales and leases.

Public Law 103-160 required the Secretary of Defense to prescribe regulations to implement the provisions of the law. This is being accomplished under the Administrative Procedures Act which allows for the public to comment on the regulations. Due to the need to begin acting on the proposed regulations, the Department of Defense has issued them as interim final rules which allow actions at closing bases to begin before the regulations are made final after the public comment period. The section related to the conveyance of property in consideration of environmental restoration costs, is issued as a proposed rule and cannot be exercised until a final rule is published following public comment.

The following is a summary of the major elements of the rules.

#### 1. Real Property Screening

When the Department of Defense no longer needs to retain real property at a closing base, the Department is required to dispose of the property in accordance with the prescribed screening process in the General Services Administration property disposal regulations and the new expedited process authorized in Title XXIX. This process permits DoD entities, other Federal Agencies and homeless providers to identify property they would like to acquire when the base closes.

The screening process for real property requires the Department of Defense to identify first what it needs to retain. Any property excess to the Department of Defense is then made available to other Federal Agencies. Property not needed by other Federal Agencies is then identified as surplus and reported to the Department of Housing and Urban Development (HUD) for a determination of suitability for homeless use and publication of such properties in the Federal Register. Property that has no homeless interest, as determined by the Department of Health and Human Services (HHS), will then be available for transfer by either direct sale to the public, negotiated conveyance to the local redevelopment authority, public benefit conveyances for airports, schools, ports, etc., or the new economic development conveyance discussed in paragraph 5. of this summary. The Military Departments will work with the other Department of Defense Components, Federal Agencies, homeless providers and reuse planners, early in the closure process, to sort out these requests. This new process will

provide for the early identification of property which will become available for reuse. This information is critical to the local redevelopment authority's ability to design a realistic redevelopment plan. Agreement with proposed uses, other than McKinney Act homeless use, is at the discretion of the Military Departments who have been delegated disposal authority.

#### 2. McKinney Act Screening

The Stewart B. McKinney Homeless Assistance Act is a statute designed to permit recognized providers of assistance to the homeless to receive a high priority in acquiring unneeded land and buildings on Federal properties. Buildings and land on closing bases provide excellent opportunities for homeless providers to acquire the infrastructure they need to establish their programs. This section of the interim final rule describes the new process, specifically tailored for base closure properties, that will expedite the screening process with homeless providers and will result in the early identification of their needs. The expedited screening process will be pursued in a proactive manner. The Military Departments will work with communities to identify eligible entities and conduct timely outreach seminars to educate homeless providers with respect to the land and buildings that will be made available and the process for making a formal application to HHS to acquire such land and buildings. The early identification of homeless assistance requirements will permit communities to develop reuse plans that fully accommodate homeless needs, while permitting early identification of the remaining property for quick sale to create jobs, a Federally-sponsored public benefit conveyance, or conveyance to a local redevelopment authority for economic development purposes.

#### 3. Local Redevelopment Plan

The early formation of a local redevelopment authority is critical to the successful reuse of the base. The primary focus of the local redevelopment authority should be developing a comprehensive local redevelopment plan. This plan should embrace the range of feasible reuse options that will result in rapid job creation. The local redevelopment plan will generally be used as the proposed action when the disposing Military Department conducts the environmental analyses required by the National Environmental Policy Act (NEPA).

#### 4. Jobs-Centered Property Disposal

The new property disposal process described in this section and in paragraphs 5. and 6. of this summary, is designed to rapidly create new jobs. In most cases, that will occur through conveyances for economic development, without initial cost, as described in paragraph 5. However, in a few cases, an entire base or a substantial portion of it will have a high value and hence a ready market for development. In such cases, market sale of the property may be the most effective way to rapidly create new jobs.

The Military Department will identify properties having a ready market and begin the appraisal process as soon as possible but not later than 6 months after completion of the new expedited McKinney Act screening process in paragraph 2. of this summary. The appraisals should take into consideration uncertainties and the associated risks in property development as well as the impact of the base closure on market conditions. Moreover, the appraisal will reflect the most likely range of uses consistent with local interests rather than highest and best use.

To assist in determining the estimated fair market value, the Military Departments will solicit for expressions of interest for the entire or a substantial portion of the base for a period no longer than 6 months. The results will be shared with the local redevelopment authority. Expressions of interest will be solicited simultaneously with other screening and disposal actions and will not cause a delay in the disposal process. The Military Departments will analyze each expression of interest and determine if it represents a reasonable proposal that is likely to lead to rapid development and job creation. If after consulting extensively with the local community, the Military Department makes a favorable determination, the Department may decide to offer the property for sale. The local redevelopment authority will be promptly notified of the decision and may challenge the decision. If the Military Department nevertheless decides to proceed with the sale, potential bidders will be strongly encouraged to work with the local redevelopment authority so that their proposals are compatible with the local redevelopment plan. Identifying a substantial portion of the base for sale, however, does not preclude the community's acquisition of the property through a negotiated sale with the Department of Defense.

In the event that a base or substantial portion thereof, is identified as potentially valuable but does not sell due to the absence of a ready market, the property will then be available for conveyance for public benefit or economic development purposes.

Throughout this process, the Military Departments will make maximum effort to give community considerations a high priority.

#### 5. Economic Development Conveyances

Closing military bases often have a great deal of land that may not be readily developable or marketable due to its location. Additionally, closing bases often have buildings that may need to be demolished in order to encourage redevelopment and economic revitalization. Historically, the process of selling bases, or parts thereof, for fair market value has been time consuming and the proceeds from the few sales of base closure properties have been less than originally anticipated. In the past, the law permitted the Department of Defense to convey property at a discount of up to 100 percent (free of charge) for specific public purposes such as health, aviation, recreation, and education—but not for economic development. The new authority permits the DoD to convey land and buildings to redevelopment authorities initially for free, after it is determined that the base, or significant portions thereof, cannot be sold in accordance with the rapid job creation concept. Such conveyances may help induce a market for the property, thereby, enhancing economic recovery. Redevelopment authorities requesting an economic development conveyance, shall submit a simple written request containing four basic elements as described in the interim rule. Generally, installations will be conveyed at no initial cost with a recoupment provision that will permit the Department of Defense to share in any future profits should the base be later leased or sold. Bases in rural areas shall be conveyed under this authority at no cost and with no recoupment if they meet the standards as detailed in the interim rule. The conveyance for economic development should be used by local redevelopment authorities to gain control of large areas of the base, not just individual buildings. The income received from some of the higher value property should help offset the maintenance and marketing costs of the less desirable parcels. In order for this conveyance to spur redevelopment, large parcels must be used to provide an income stream to assist the long term development of the property.

#### 6. Profit Sharing

When real property is conveyed as described in paragraph 5. of this summary, DoD shall generally share in the division of future profits should the property be subsequently sold or leased. The division of profits shall be based on net profits and the share shall generally favor the local redevelopment authority. There shall be a 15-year time limit on the share of the profits. The government's portion of the receipts from the profit shall not exceed the estimated fair market value of the property at the time of conveyance to the local redevelopment authority.

#### 7. Leasing of Real Property

Leasing of real property early in the reuse process is an effective way to quickly attract new jobs to replace those that have been lost by the base closing. In the past, the requirement to lease at fair market value discouraged the creation of new jobs. The new leasing process, at less than fair market value, will provide new incentives for redevelopment authorities and businesses alike to spur job creation and speed economic redevelopment. Inasmuch as the Department cannot convey contaminated property until clean-up measures are in place, leasing is often the only means to allow suitable economic reuse to occur on substantial portions of closing bases.

#### 8. Personal Property

Personal property located on closing bases is often very useful to the redevelopment of the real property. This section of the interim final rule outlines procedures to allow transfer of personal property with the real property in many cases. It provides for completing an inventory soon after the base is approved for closure and consultation with local officials. This consultation may include a walkthrough of the base to familiarize local officials with potentially available property. The community can then identify the personal property it wishes to retain in its redevelopment plan. The Department of Defense will keep a great deal of the personal property at the base while the redevelopment plan is being put together. Only valid exemptions will be made to this freeze, usually involving specific military requirements or property which the base does not own. Emissions trading procedures will be issued separately and are not covered by the interim final rule.

#### 9. Minimum Level of Maintenance and Repair To Support Non-Military Purposes

Facilities and equipment located on closing bases are often important to the eventual reuse. This section of the interim rule below provides procedures to protect their condition while the redevelopment plan is being put together. The level of maintenance will be determined in consultation with the redevelopment authority.

DoD Directive 4165.aa<sup>1</sup> (32 CFR Part 90) establishes basic policies to carry out the President's plan and the Base Closure Community Assistance Act. DoD Instruction 4165.bb<sup>2</sup> (32 CFR Part 91) provides procedural guidance for implementation. In addition to property disposal, the document addresses fast-track environmental cleanup and increased economic development planning support for communities. It provides for on-site transition coordinators, responsible directly to the Secretary of Defense, at major closing bases in order to minimize red tape and keep environmental cleanup and base disposal activities on a fast track.

The Department of Defense has determined that this interim rule is not a significant regulatory action, as defined by Executive Order 12866. The rule does not:

(1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. It provides for transfer of paid-for federal installations no longer needed for economic development purposes. This will benefit the economy and the communities in which the closing bases are located.

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof;

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in Executive Order 12866.

It has been certified that this interim final rule is not subject to the Regulatory Flexibility Act (5 U.S.C. 601) because the interim final rule will not have a significant economic impact on a

<sup>1</sup> Draft document. When signed, this document will be available from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

<sup>2</sup> See footnote 1.

substantial number of small entities. The primary effect of the interim final rule will be to reduce the burden on local communities of the Government's property disposal process at closing military installations and to accelerate the economic recovery of the relatively small number of communities that will be affected by the closure of nearby military installations.

The rule is not subject to the Paperwork Reduction Act because it imposes no obligatory information requirements beyond internal DoD use.

#### List of Subjects in 32 CFR Parts 90 and 91

Community development, Government employees, Military personnel, Surplus Government property.

Accordingly, Title 32, Chapter I, Subchapter C, is amended as follows:

1. Part 90 is added to read as follows:

#### PART 90—REVITALIZING BASE CLOSURE COMMUNITIES

Sec.

90.1 Purpose.

90.2 Applicability.

90.3 Definitions.

90.4 Policy.

90.5 Responsibilities.

Authority: 10 U.S.C. 2687 note.

##### § 90.1 Purpose.

This part:

(a) Establishes policy and assigns responsibilities under the President's Five-Part Plan, "A Program to Revitalize Base Closure Communities", July 2, 1993, to speed the economic recovery of communities where military bases are slated to close.

(b) Implements the National Defense Authorization Act for fiscal year 1994, Title XXIX, 107 Stat. 1909.

##### § 90.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components").

##### § 90.3 Definitions.

(a) *Closure*. All missions of the base have ceased or have been relocated. All personnel (military, civilian and contractor) have either been eliminated or relocated, except for personnel required for caretaking and disposal of

the base or personnel remaining in authorized enclaves.

(b) *Base realignment and closure cleanup plan*. A plan for the expeditious environmental cleanup necessary to facilitate conveyance of the property to communities for economic redevelopment.

(c) *Base realignment and closure cleanup team*. A team established for each DoD closing or realigning base where property is available for transfer to the community. The team has the authority, responsibility, and accountability for environmental cleanup programs at these installations, emphasizing those actions which are necessary to facilitate reuse and redevelopment.

(d) *Realignment*. Any action that both reduces and relocates functions and DoD civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar cause. A realignment may terminate the DoD requirement for the land and facilities on part of an installation. That part of the installation shall be treated as "closed" for purposes of this part.

(e) *Redevelopment authority*. Any entity, including an entity established by a State or local government, recognized by the Secretary of Defense as the entity responsible for developing the redevelopment plan with respect to the installation and for directing implementation of the plan.

##### § 90.4 Policy.

It is DoD policy to:

(a) Help communities impacted by base closures achieve rapid economic recovery through effective reuse of the assets of closing bases—more quickly, more effectively and in ways based on local market conditions and locally developed reuse plans—by implementing the President's Five-Part Plan that encourages:

(1) Transferring real and personal property expeditiously to local redevelopment authorities and in ways that enhance economic development and job creation or other public benefits. This can best be accomplished by:

(i) Making transfers of property to a redevelopment authority for economic development affordable, when necessary to foster community redevelopment plans. The use of existing public benefit conveyances should be considered, where appropriate, before the use of a public benefit conveyance for economic development.

(ii) Accelerating the property screening process early in the disposal

process to determine other potential Federal uses of the property, including the identification of the needs of homeless providers. This will determine how much of the property is available for early economic development and/or other community reuse.

(iii) Informing communities, as early as possible after the base closure decision is final, if an installation will be considered for "economic development" conveyances under Pub. L. No. 103-160, Title XXIX and will not be offered for sale, instead. Such decisions shall be based on a determination that the existence of a ready market for the property indicates that public or private developers can not be relied upon as the preferable mechanism to spur economic redevelopment and the creation of new jobs.

(iv) Encouraging interim leases at less than the estimated fair market value in order to facilitate State or local economic redevelopment efforts.

(v) Delegating authority to approve interim leases and simple land transfers.

(vi) Considering the personal property requirements of the community redevelopment plan when making decisions on the disposition of base equipment.

(2) Ensuring fast-track environmental cleanup of closing bases to permit earlier determination of property suitable for either conveyance or lease. The key elements of this initiative are to:

(i) Establish a base realignment and closure cleanup team composed of members from the Department of Defense, the Environmental Protection Agency and State regulatory agencies, at every base where property is available for transfer and reuse. The team shall prepare the base realignment and closure cleanup plan and make decisions to expedite the process.

(ii) Quickly identify and document uncontaminated real property parcels to permit timely reuse.

(iii) Identify opportunities to convey property quickly to those willing to pay the cost of cleaning up the contaminated property.

(iv) Ensure analyses required by the National Environmental Policy Act (Pub. L. 91-190; 10 U.S.C. 4332 et. seq.) process are produced in a timely manner.

(v) Establish procedures for identifying and documenting parcels of real property that are environmentally suitable for lease, even if needed mitigation precludes conveyance.

(vi) Improve public involvement in the environmental cleanup by establishing and seeking public

<sup>1</sup> Document available from the Office of the Assistant Secretary of Defense (Economic Security), Pentagon, Washington, DC 20301.

participation in Restoration Advisory Boards.

(3) Providing full time base transition coordinators at major installations slated for closure or substantial realignment. The principal functions of the coordinators shall be to:

(i) Assist in cutting through red tape on property disposal.

(ii) Assist in keeping the environmental cleanup on a fast track.

(iii) Assist the DoD Office of Economic Adjustment (OEA) in helping communities identify sources of Federal assistance for developing and implementing economic redevelopment plans.

(4) Providing easy access to transition and redevelopment help for workers and communities by targeting major sources of Federal funding assistance to base closure communities.

(5) Providing larger economic development planning grants to base closure communities. Planning grants should be approved quickly. The Department of Defense's Office of Economic Adjustment will move beyond the traditional role of providing grants for planning to helping communities transition from planning to implementation by funding a portion of the staff required for implementation of the local redevelopment plan.

(b) Follow the following framework in implementing Title XXIX of Pub. L. 103-160:

(1) Where a ready market exists, complete screening and then sell properties quickly for public or private development to speed up job creation.

(2) Where a ready market does not exist, make property available to the local redevelopment authority without initial consideration, for economic development.

(3) Share the net profits between the Department of Defense and the local redevelopment authority if a property conveyed without initial consideration for economic development is subsequently leased or sold.

(c) This regulation does not create any rights or remedies and may not be relied upon by any person, organization, or other entity to allege a denial of any rights or remedies other than those provided by Pub. L. 103-160, Title XXIX.

#### § 90.5 Responsibilities.

(a) The Under Secretary of Defense for Acquisition and Technology shall issue DoD Instructions as necessary, to further implement the President's Five-Part Plan and applicable public law, and shall monitor compliance with this part. All authorities of the Secretary of Defense in Pub. L. 103-160, Title XXIX,

in section 2905 of Pub. L. 100-526, Title II, and in section 204 of Pub. L. 101-510, Title XXIX are hereby delegated to the Under Secretary of Defense for Acquisition and Technology and may be redelegated.

(b) The Heads of the DoD Components shall advise personnel with responsibilities related to base closures of the policies set forth in this directive.

2. Part 91 is added to read as follows:

### PART 91—REVITALIZING BASE CLOSURE COMMUNITIES—BASE CLOSURE COMMUNITY ASSISTANCE

Sec.

91.1 Purpose.

91.2 Applicability.

91.3 Definitions.

91.4 Policy.

91.5 Responsibilities.

91.6 Delegations of authority.

91.7 Procedures.

#### Appendix A to Part 91—Flow Chart for Base Closure Community Assistance

#### Appendix B to Part 91—Closure and Transition Timeline for a Notional BRAC 1993 Base That Closes on September 30, 1997

Authority: 10 U.S.C. 2687 note.

#### § 91.1 Purpose.

This part prescribes procedures to implement "Revitalizing Base Closure Communities" (Part 90), the President's five-part community reinvestment program,<sup>1</sup> and real and personal property disposal to assist the economic recovery of communities impacted by base closures. The expeditious disposal of real and personal property will help communities get started with reuse early and is therefore critical to timely economic recovery.

#### § 91.2 Applicability.

This part applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components").

#### § 91.3 Definitions.

(a) *Base Closure Law.* The provisions of Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Pub. L. 100-526; 10 U.S.C. 2687 note), or The Defense Base Closure and Realignment Act of 1990 (Part A of Title XXIX of the Pub. L. 101-510; 10 U.S.C. 2687 note).

(b) *Closure.* All missions of the base have ceased or have been relocated. All

personnel (military, civilian, and contractor) have either been eliminated or relocated except for personnel required for caretaking and disposal of the base or personnel remaining in authorized enclaves.

(c) *Consultation.* Fully explaining and discussing an issue and carefully considering objections, modifications, and alternatives; but without a requirement to reach agreement.

(d) *Date of approval.* The date on which the authority of Congress to disapprove Defense Base Closure and Realignment Commission recommendations for closures or realignments of installations expires under Title XXIX of P.L. 101-510, as amended.

(e) *Excess property.* Any property under the control of a Military Department that the Secretary concerned determines is not required for the needs of the Department of Defense. Authority to make this determination rests with the Military Departments after screening the property with the other Military Departments.

(f) *Realignment.* Any action that both reduces and relocates functions and DoD civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar cause. A realignment may terminate the DoD requirement for the land and facilities on part of an installation. That part of the installation shall be treated as "closed" for this document.

(g) *Redevelopment authority.* Any entity, including an entity established by a State or local government, recognized by the Secretary of Defense as the entity responsible for developing the redevelopment plan with respect to the installation and for directing implementation of the plan.

(h) *Rural.* An area outside a Metropolitan Statistical Area.

(i) *Surplus property.* Any excess property not required for the needs and the discharge of the responsibilities of Federal Agencies. Authority to make this determination, after screening with all Federal Agencies, rests with the Military Departments.

(j) *Vicinity.* The county in which the installation is located and the adjacent counties. An incorporated municipality shall be deemed to be a county for this purpose, when, under State law, it is not part of a county.

#### § 91.4 Policy.

It is DoD policy to help communities affected by base closures achieve rapid economic recovery through effective

<sup>1</sup> Document available from the Office of the Assistant Secretary of Defense (Economic Security), Pentagon, Washington, DC 20301.

reuse of the assets of closing bases—more quickly, more effectively and in ways based on local market conditions and locally developed reuse plans. This will be accomplished by:

- (a) Selling properties quickly for public or private development to speed up job creation where a ready market exists.
- (b) Making property available without initial consideration for economic development where a ready market does not exist.
- (c) Sharing the net profits between the DoD and the local redevelopment authority if a property conveyed without initial consideration for economic development is subsequently sold or leased.

#### § 91.5 Responsibilities.

(a) The Assistant Secretary of Defense for Economic Security, after coordination with the General Counsel of the Department of Defense and other officials as appropriate, may issue such guidance and instructions as may be necessary to implement Laws, Directives and Instructions on the retention or disposal of real and personal property at closing or realigning bases.

(b) The Heads of the DoD Components shall ensure compliance with this part and guidance issued by the Assistant Secretary of Defense for Economic Security on revitalizing base closure communities.

#### § 91.6 Delegations of authority.

(a) The authority provided by sections 202 and 203 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 483 *et seq.*) for disposal of property at closing and realigning bases has been delegated by the Administrator, GSA, to the Secretary of Defense by delegations dated March 1, 1989; October 9, 1990; and, September 13, 1991.<sup>2</sup> Authority under these delegations has been previously redelegated to the Secretaries of the Military Departments, who may redelegate further.

(b) Authorities delegated to the Under Secretary of Defense for Acquisition and Technology by 32 CFR 90.5 are hereby redelegated to the Secretaries of the Military Departments, unless otherwise provided within this part. These authorities may be redelegated further.

#### § 91.7 Procedures.

(a) Real property screening.

(1) When the Department of Defense no longer needs to retain real property,

the Department is required to dispose of the property in accordance with the prescribed screening process in the General Services Administration property disposal regulations and the expedited process described in this part. This process permits DoD entities, other Federal Agencies and homeless providers to identify property they would like to acquire when the base closes. The Secretary concerned will work with the other DoD Components, Federal Agencies, homeless providers and reuse planners, early in the closure process, to sort out these requests. This process will provide for the early identification of property which will become available for reuse that is critical to the local redevelopment authority's ability to develop a realistic reuse plan.

(2) The Military Departments should complete the internal DoD real property screening of closing and realigning base property:

(i) By April 1, 1994, for 1988, 1991 and 1993 closures and realignments.

(ii) Within 4 months of the date of approval of the 1995 closures and realignments.

(3) Military Departments should seek local redevelopment authority input in making determinations on the retention of property and should consider their input, if provided. Transfer of real property at closing and realigning bases between any of the Military Departments, or retention of real property at a closing base by a Military Department, must be approved by the Assistant Secretary of Defense for Economic Security, unless such a transfer has already been approved by the Secretary of the Military Department concerned.

(4) Formal screening of real property excess to the DoD with other Federal Agencies must be completed:

(i) By June 1, 1994, for 1988, 1991, and 1993 closures and realignments unless the community requests a postponement of the surplus determination as provided in paragraph (a)(7) of this section.

(ii) Within 6 months of the date of approval of the 1995 closures and realignments unless the community requests a postponement as provided in paragraph (a)(7) of this section.

(5) These timeframes afford Federal Agencies sufficient time to assess their needs, submit initial expressions of interest to the Department of Defense, and apply for the property. During this period, Agencies sponsoring public benefit conveyances should also consider the suitability for such purposes. The Military Departments should provide other Federal Agencies

as full and complete information as practicable on the property in the Notice of Availability. Requests for transfers of property submitted by other Federal Agencies will normally be accommodated. Decisions on the transfer of property to other Federal Agencies shall be made by the Military Department concerned in consultation with the local redevelopment authority.

(6) Military Departments should make the notices of availability available to the local redevelopment authorities, State and local governments.

(7) Within the 6 month screening period in paragraph (a)(4) of this section, the Military Departments shall consult with the local redevelopment authority and make appropriate final determinations whether a Federal Agency has identified a use for, or shall accept transfer of, any portion of the property. If no Federal Agency requests the property, the property shall be declared surplus. However, the local redevelopment authority may request the Military Department concerned to delay this final surplus declaration. All requests for delay must be in writing and made before May 1, 1994 for 1988, 1991 and 1993 closures and realignments and within 5 months of the approval of the 1995 base closures and realignments. If there is a Federal Agency request for transfer, the Secretary concerned may postpone the determination to transfer and the Secretary may also postpone the determination of surplus for all or any part of the property at the installation for such period as the Secretary concerned determines is in the best interest of the communities affected by the closure of the installation.

(8) Screening of real property with State and local government agencies shall take place concurrently with McKinney Act screening. The screening notice should state:

Uses to assist the homeless shall take precedence unless the Secretary concerned or the Secretary of Health and Human Services (HHS) determines that a competing request under 40 U.S.C. 484(k) is so meritorious and compelling as to outweigh the needs of the homeless.

(9) Withdrawn public domain lands are those lands which have been transferred from the Department of Interior to a Military Department for its temporary use.

(i) These lands on closing or realigning bases are to be returned to the Secretary of Interior when the Secretary of the Military Department concerned no longer has need for these lands, if they are still suitable for the programs of the Secretary of Interior.

<sup>2</sup> These documents available from the Office of the Assistant Secretary of Defense (Economic Security), Pentagon, Washington, DC 20301.

(ii) The Military Department concerned will notify the Secretary of Interior, normally through the Bureau of Land Management (BLM), when withdrawn public domain lands are included within an installation to be closed.

(iii) The Bureau of Land Management will screen these lands within the Department of Interior to determine if these lands are suitable for return to the Department of Interior.

(iv) If the lands are not suitable for the programs of the Secretary of Interior, the Bureau of Land Management will so notify the Military Department and state that these lands should be processed as the other real property on the base.

(v) The Military Department will notify the Bureau of Land Management that it concurs with the determination and will proceed in accordance with the real property screening procedures described in this section.

(b) McKinney Act Screening.

(1) The Stewart B. McKinney Homeless Assistance Act, as amended (42 U.S.C. 11301), is a statute designed to permit HHS-approved providers of assistance to the homeless to receive a high priority in acquiring unneeded land and buildings on Federal properties. Buildings and land on closing bases provide excellent opportunities for homeless providers to acquire the land and buildings they need to establish their programs. This section describes the new process specifically tailored for base closure properties that will expedite the screening process with homeless providers and will result in the early identification of their needs. The Military Departments will work with communities to identify eligible entities and conduct timely outreach seminars to educate homeless providers with respect to the land and buildings that will be made available and the process for making a formal application to the Department of Health and Human Services (HHS). The early identification of homeless assistance requirements for land and buildings at closing bases will permit communities to develop reuse plans that fully accommodate homeless needs, while permitting early identification of the remaining property for either quick sale for job creation, a federally sponsored public benefit conveyance or conveyance to a local redevelopment authority for economic development purposes.

(2) The Department of Housing and Urban Development (HUD) is required to publish by February 15 of each year a list of all the properties which were published in accordance with the McKinney Act in the previous calendar

year. For the purpose of reporting properties to HUD pursuant to the new expedited McKinney screening process described in this section, the Military Departments should report only those properties which remain available as of the reporting date. For the purposes of the new expedited McKinney Act screening process:

(i) Properties listed by HUD in the annual report for which an expression of interest has been received by HHS from a homeless provider, but a final HHS determination has not yet been made, shall be reported for screening under the new procedures in paragraphs (b) (3) through (11) of this section.

(ii) Properties listed by HUD in the annual report for which no expression of interest has been received by HHS from a homeless provider and for which the Department of Defense has received no expression of interest or bona fide offer in accordance with the provisions of section 501(c)(4)(C) of the McKinney Act, shall be reported in accordance with the procedures in paragraphs (b) (3) through (11) of this section.

(iii) Properties listed by HUD in the annual report for which no expression of interest has been received by HHS from a homeless provider and for which the Department of Defense has received an expression of interest or bona fide offer in accordance with the provisions of section 501(c)(4)(C) of the McKinney Act, shall not be reported in accordance with the procedures in paragraphs (b) (3) through (11) of this section.

(iv) 1988 and 1991 base closure and realignment properties which remain available shall be reported to HUD in accordance with the new expedited procedures in paragraphs (b) (3) through (11) of this section.

(3) Under the new expedited McKinney Act screening process, the Military Departments shall sponsor a workshop or seminar in communities having closing or realigning bases before reporting to HUD. All available property at closing and realigning bases that will become surplus to Federal Agency needs will be reported to HUD:

(i) By June 1, 1994, for the 1988, 1991, and 1993 closures and realignments, unless the community requests a postponement of the declaration of surplus under paragraph (a)(7) of this section.

(ii) Within 6 months of the date of approval of the 1995 base closures and realignments unless the community requests a postponement of the declaration of surplus under paragraph (a)(7) of this section.

(4) HUD shall make a determination of the suitability of each property to assist the homeless in accordance with

the McKinney Act. Within 60 days from the date of receipt of the information from the Department of Defense, HUD shall publish a list of suitable properties that shall become available when the base closes.

(5) Providers of assistance to the homeless shall then have 60 days in which to submit to HHS expressions of interest in any of the listed properties. If a provider indicates an interest in a listed property, it shall have an additional 90 days after submission of its written notice of interest to submit a formal application to HHS, a period which HHS can extend. HHS shall then have 25 days after receipt of a completed application to review and complete all actions on such applications.

(6) During the new expedited McKinney Act property screening process (from 60 to 175 days following Federal Register publication, as appropriate), disposal agencies shall take no final disposal action or allow reuse of property that HUD has determined suitable and that may become available for homeless assistance, unless and until:

(i) No timely expressions of interest from providers are received by HHS.

(ii) No timely applications from providers expressing interest are received by HHS.

(iii) HHS rejects all applications received for a specific property.

(7) If no provider expresses an interest to HHS in a property within the allotted 60 days, the Military Department should promptly inform the affected local redevelopment authority, the Governor of the State, the local governments, and Federal Agencies that support authorized public benefit conveyances, of the date the surplus property will be available for community reuse. The local redevelopment authority shall then have 1 year to submit a written expression of interest to incorporate the remainder of the property into its redevelopment plan.

(8) If there are expressions of interest by homeless assistance providers, but no application is received by HHS from such a provider within the subsequent 90-day application period (or within the longer application period if HHS has granted an extension), the Military Department should promptly inform the local redevelopment authority, the Governor of the State, and Federal Agencies that support authorized public benefit conveyances, of the date the surplus property will be available for community reuse. The local redevelopment authority shall then have 1 year to submit a written expression of interest to incorporate the remainder of

the property into its redevelopment plan for the base.

(9) If at any time during the 25 day HHS review period HHS rejects all applications for a specific property, the Military Department should promptly inform the local redevelopment authority, the Governor of the State, and Federal Agencies that support authorized public benefit conveyances, of the date the surplus property will be available for community reuse. The local redevelopment authority shall then have 1 year to submit a written expression of interest to incorporate the remainder of the property into its redevelopment plan for the base.

(10) During the allotted 1-year period for the local redevelopment authority to submit a written expression of interest for the property, surplus properties not already approved for homeless reuse shall not be available for homeless assistance, unless such homeless assistance is included in the local redevelopment authority's plan. The surplus properties will also not be advertised by HUD as suitable during these 1-year periods. The surplus property may be available for interim leases to any entity, including local redevelopment authorities as deemed appropriate by the Secretary of the Military Department concerned.

(11) If the local redevelopment authority does not express in writing its interest in a specific property during the allotted 1-year period, the disposal agency shall again notify HUD of the date of availability of the property for homeless assistance. HUD may then list the property in the Federal Register as suitable and available after the base closes following the previous McKinney Act procedures.

(12) The listing of base closure property from the 1991 and subsequent rounds of base closures reported to HUD shall contain the following statement:

The properties contained in this listing are closing or realigning military installations. This report is being accomplished pursuant to Pub. L. 103-160, section 2905(b). In accordance with section 2905(b), this property is subject to a one-time publication under the McKinney Act, after which property not provided to homeless assistance providers will not be published again unless there is no expression of interest submitted by the local redevelopment authority in the one-year period following the end of the McKinney screening process pursuant to this publication.

(13) The list of 1988 base closure properties that will be reported to HUD shall contain the same statement as paragraph (b)(12) of this section, and

shall refer to section 2905(a) of the Act (107 Stat. 1916).

(c) *Local redevelopment plan.*

(1) The early formation of a redevelopment authority is critical to the successful reuse of the base. The primary focus of the redevelopment authority should be developing a comprehensive local redevelopment plan. This plan should embrace the range of feasible reuse options that will result in rapid job creation. The local redevelopment plan will generally be used as the proposed action in conducting environmental analyses required by the National Environmental Policy Act of 1969 (NEPA), (42 U.S.C. 4332 *et seq.*).

(2) Although the statute only requires the local redevelopment authority to submit a written expression of interest within 1 year after the date the property is released from McKinney Act screening, the local redevelopment plan should be prepared within that 1 year period. The plan should at a minimum identify:

(i) Parcels recommended to be transferred to other Federal Agencies (whether or not a specific request for such transfer was made by the Agency during the screening period) and their intended uses.

(ii) Parcels recommended to be transferred or conveyed for uses such as homeless assistance, public benefit purposes, or other qualifying public purpose conveyance programs and their intended uses.

(iii) Parcels, and their intended uses, recommended to be conveyed by:

(A) Negotiated sale at estimated fair market value.

(B) Conveyance without initial consideration to local redevelopment authorities, with or without recoupment, as provided in this part.

(iv) The plan should discuss how it will enhance the prospects for economic development and job creation, if the redevelopment authority intends to request an economic development conveyance.

(d) *Jobs-centered property disposal.*

(1) The new property disposal process described in this section and in paragraphs (e) and (f) of this section which follow, is designed to rapidly create new jobs, either by taking advantage of a ready market for development of valuable property or by inducing a market through conveyances for economic development, initially without consideration. The procedures described below generally apply to 1993 and 1995 base closures and may not apply to 1988 and 1991 closures which may be well along in the disposal process.

(2) The Military Departments should identify properties with potential for rapid job creation and begin, as soon as possible, but not later than completion of the new expedited McKinney Act screening (paragraph (b) of this section), an appraisal or other estimate of the property's fair market value. Such appraisals or estimates should address a range of likely market values taking into account: feasible uses for the property; the uncertainties in property market development; and, current market conditions (i.e., recognizing the state of the market after a closure announcement). The appraisals should not be based on the replacement cost of the properties, since they may not be readily adaptable for civilian use. Additionally, the appraisal should not be based on the highest and best use, but the most likely range of uses consistent with local interests. The above appraisal may be accomplished for 1988 and 1991 closures if it is determined that it would be beneficial to do so and will not delay the disposal process.

(3) To assist in the appraisal/estimation of fair market value of properties with a potential for rapid job creation, and to determine if interests exist in properties not originally identified for rapid job creation, the Military Departments shall, for 1993 and 1995 closures, advertise for expressions of interest in all or any substantial part of each closing installation. For the 1993 and 1995 closures, the Military Departments shall advertise at the completion of the new expedited McKinney Act screening process (see paragraph (b) of this section). The Military Departments may advertise for expressions of interest in all or any substantial part of each closing installation on the 1988 or 1991 closure lists if it is determined that it would be beneficial to do so and will not delay the disposal process.

(i) Advertisements for expressions of interest shall be open for 6 months. Expressions of interest received should detail the intended use, the site plan, the jobs estimated to be created, the schedule for development and hiring, and an evaluation of the worth of the land and buildings. Expressions of interest will be shared with the local redevelopment authority. Advertisements for expressions of interest will be conducted simultaneously with all other disposal actions and are not an additional step in the disposal process.

(ii) The Military Departments shall analyze each expression of interest and determine within 30 days of receipt if it is made in good faith and represents a

reasonable development proposal. If the Military Department decides that an expression of interest received demonstrates the existence of a ready market, the prospect of job creation, and offers proceeds consistent with the range of estimated fair market value, it may decide to offer the property for sale. The property proposed for sale shall promptly be publicly identified, and the redevelopment authority shall be notified. The redevelopment authority may request reconsideration of this decision under paragraph (d)(5) of this section. Potential offerors will be encouraged to work with the redevelopment authority so that their development goals will be compatible with the local redevelopment plan.

(iii) If a redevelopment plan has not been completed, the redevelopment authority will be encouraged to include the potential for sale of the property identified by the Military Department under paragraph (d)(3) of this section, in the plan. The DoD Component will evaluate whether the potential sale of the identified property is covered by any ongoing environmental analyses required by the National Environmental Policy Act (NEPA). Based on this evaluation, consideration can be given to integrating the potential sale into the existing analyses or preparing additional analyses required by law or otherwise deemed appropriate. The environmental impact statement shall, to the extent practicable, be completed within 12 months, or a Finding of No Significant Impact issued within 6 months, of the public announcement identifying the property proposed for sale.

(4) A few high value installations for which a ready market apparently exists may, nevertheless, not have generated any expressions of interest during the allotted 6 month period. Regardless, such installations provide an opportunity for private sector rapid job creation which should be pursued. In these cases, the Military Departments, based on completed appraisals or other estimates of the fair market value, shall inform redevelopment authorities that the property is expected to be offered for sale and an economic development conveyance should not be anticipated. Redevelopment authorities shall be so informed as soon as possible, but not later than 6 months after completion of the McKinney Act screening process. In making these determinations, airport, port, and school property may be excluded if it appears that they are likely to be converted to public airports, ports or schools under existing public benefit conveyance programs. The determination that an installation will

be sold under paragraph (d)(4) of this section has 2 components:

(i) The property must have a high value.

(ii) There must be a ready market. Ready market means that offers to purchase at or near the estimated range of fair market value from the private sector covering all or most of the installation could be expected within 6 months of advertising the base for public sale.

(5) Within 60 days of the announcement by the Secretary of the Military Department concerned of the intention to sell property in accordance with paragraph (d)(3) or (d)(4) of this section, the authorized local redevelopment authority may request, in writing, that this determination be reconsidered. The Secretary shall consider the request, provide a final determination in writing to the local redevelopment authority and announce this determination publicly.

(6) Identification of an installation or property for sale under this section does not preclude a community's acquisition of property for the estimated fair market value.

(7) The provisions of this section may not be appropriate for some of the 1988 and 1991 base closures and realignments because these bases are so far along in the property disposal process that certain actions have been taken or agreed to that are inconsistent with the new procedures. In cases of 1988 and 1991 closures where this new property disposal process is considered not appropriate, the Secretary concerned shall request a waiver from the ASD(ES) before proceeding with the disposition of the property.

(e) *Economic development conveyances.*

(1) Closing military bases often have a great deal of land that may not be readily developable or marketable due to its location. Additionally, closing bases often have buildings that may need to be demolished in order to encourage redevelopment and economic revitalization. Historically, the process of selling bases, or parts thereof, for fair market value has been time consuming and the proceeds from the sales of base closure properties have been less than originally anticipated. In the past, the law permitted the Department of Defense to convey property at a discount of up to 100% (free of charge) for specific public purposes such as health, aviation, recreation, and education—but not for economic development. The new process that follows permits the DoD to convey land and buildings to redevelopment authorities with no consideration,

subject to recoupment, after it is determined that the base, or significant portions thereof, cannot be sold in accordance with the rapid job creation concept. Such conveyances may help induce a market for the property, thereby, enhancing economic recovery. Redevelopment authorities shall submit a simple written request containing four basic elements as described in paragraphs (e)(5)(i) through (e)(5)(iv) of this section. Generally, installations will be conveyed at no initial cost with a recoupment provision that shall permit DoD to share in any future profits should the base be later leased or sold. Bases in rural areas shall be conveyed under this authority with no recoupment if they meet the standards in paragraph (e)(6) of this section. The conveyance for economic development should be used by local redevelopment authorities to gain control of large areas of the base, not just individual buildings. The income received from some of the higher value property should help offset the maintenance and marketing costs of the less desirable parcels. In order for this conveyance to spur redevelopment, large parcels must be used to provide an income stream to assist the long term development of the property.

(2) The Secretary of Defense is authorized by Pub. L. 103-160, Section 2903 to convey real property at an installation to be closed to the local redevelopment authority for economic development (an economic development conveyance). The conveyance of property may be for consideration at or below the estimated fair market value, or without consideration. The consideration, if any, can be paid in cash or in kind. Property to be transferred pursuant to Public Law 103-160, section 2903, will be conveyed with no consideration, subject to recoupment as described in paragraph (f) of this section.

(3) The economic development conveyance authority is an addition to existing public benefit authorities and, generally, should not be used when these public benefit authorities would apply. The Military Departments shall prepare a written explanation why a transfer was made using this economic development conveyance authority for what appears to be a purpose covered by an existing public benefit authority.

(4) Before making an economic development conveyance of real property, an appraisal or other estimate of the property's fair market value shall be made, based on the proposed reuse of the property. The Military Department shall consult with the local redevelopment authority on appraisal

assumptions, guidelines and on instructions given to the appraiser, but shall be fully responsible for completion of the appraisal. When a property is conveyed for economic development with no initial consideration, the Military Department shall prepare a written explanation why the estimated fair market value was not received and retain it in their real property files.

(5) Property may be conveyed under Pub. L. No. 103-160 to an authorized local redevelopment authority for economic development following submission of a written request to the Secretary of the Military Department concerned disposing of the property. The requests should contain the following elements:

(i) Description of the property to be conveyed.

(ii) Statement of the local redevelopment authority's legal authority to acquire and dispose of property under the laws of the governing State.

(iii) A redevelopment plan that includes economic development and job creation.

(iv) A statement explaining why existing public benefit conveyance authorities are not appropriate.

(6) Installations located in rural areas are of particular concern. An economic development conveyance may be made without consideration and without recoupment in a rural area when the base closure will have a substantial adverse impact on the economy of the local community and on the prospect of its economic recovery from the closure. To determine whether a rural community is eligible for transfer under this section, the Secretary concerned shall first determine whether the closure will have a substantial adverse impact on the prospect for economic recovery by determining whether there is a market for the property. The closure may be determined to have substantial adverse impact if after advertising for expressions of interest pursuant to paragraph (d) of this section, no expressions of interest are received. No expressions of interest to purchase the property signifies that public or private developers will not be able to provide jobs and economic growth sufficient to provide timely recovery from closure without assistance. The second step requires the Secretary concerned to make a determination that the base closure will have a substantial adverse impact on the economy of the communities in the vicinity of the installation. In these cases, the base shall be offered to the local redevelopment authority for conveyance without consideration and without

recoupment (subject to paragraph (f)(5) of this section).

(7) The provisions of this section may not be appropriate for some of the 1988 and 1991 base closures and realignments, because these bases are so far along in the property disposal process that certain actions have been taken or agreed to that are inconsistent with the new procedures. In cases where the new property disposal process is not appropriate, the Secretary concerned shall request a waiver from the ASD(ES) before proceeding with the disposition of the property.

(f) *Profit sharing.*

(1) When real property is conveyed as described in paragraph (e) of this section, the Department of Defense shall generally share in the division of future profits should the property be subsequently sold or leased. The division of profits shall be based on net profits and the share shall generally favor the local redevelopment authority. There shall be a 15-year time limit on the share of the profits. The government's portion of the receipts from the profit shall not exceed the fair market value of the property at the time it was conveyed to the local redevelopment authority.

(2) Properties conveyed under the authority of Pub. L. 103-160, section 2903, to local redevelopment authorities under an economic development conveyance that are subsequently sold or leased shall be subject to recoupment (profit sharing) by the Department of Defense, except as provided in paragraph (e)(6) of this section. In the absence of a determination by the Secretary of the Military Department concerned that a different division of the net profits is appropriate because of special circumstances, the net profits shall be shared on a basis of 60 percent to the local redevelopment authority and 40 percent to the Department of Defense. The purpose of this recoupment policy is to allow the local redevelopment authority to benefit from the success of its efforts and from value created from zoning. Eliminating the requirement for initial consideration also frees the local redevelopment authority's income stream for use in funding in infrastructure improvements needed to develop the property and increase its value. Sharing the profits, when they occur, will provide a return to the taxpayers for the property they originally paid for, without unduly burdening the community.

(3) The total recoupment by the Government shall not exceed the fair market value of the property (or the top end of the range of values) calculated at

the time of conveyance to the local redevelopment authority.

(4) The standard excess profits covenant promulgated by the General Services Administration (GSA) at 41 CFR 101-47.4908 shall be used as a model deed provision to implement this recoupment policy, recognizing that the GSA provision will require tailoring for each parcel. The following changes and additions are required:

(i) The deed provision will express the profit sharing established under paragraph (f)(2) of this section, unless explicitly modified by the Secretary of the Military Department concerned.

(ii) The term of this deed provision in economic development conveyances will be 15 years unless released earlier by the government upon satisfaction of the recoupment requirement. The disposing Military Department will provide a statement, for use at any settlement, on the local redevelopment authority's compliance with the deed provision. The Military Department will formally release the provision when the government has received its share of the sale proceeds.

(iii) The deed provision will forbid "straw" transactions (sales or leases to a cooperating party at a nominal price), transactions at other than arm's length, and other devices designed to circumvent the Government's recovery of its share of the net profits. The purpose of this clause of the deed provision is to provide a basis for the government to intervene if it appears that a transaction may adversely affect its interests.

(iv) In calculating the amount of any net profit from a sale or lease, the local redevelopment authority may include:

(A) Capital costs, as provided in 41 CFR 101-47.4908(b).

(B) Direct and indirect costs related to the particular property and transaction that are otherwise allowable under 48 CFR part 31 including the allocable costs of operation of the local redevelopment authority with regard to that property.

(v) The annual report required by the GSA provision will be deleted, and a clause requiring notification to the disposing Military Department of sales or leases will be substituted. The notice of sale or lease will be accompanied by an accounting or financial analysis indicating the net profit, if any, from a sale, or the estimated annual profit from a lease. The accounting or financial analysis, and any other aspect of a transaction by the local redevelopment authority with respect to property transferred under this part, is subject to Department of Defense audit.

(5) The Military Department concerned is authorized to negotiate an up-front settlement of projected recoupment revenues from a conveyance under this section when such settlement is requested by the redevelopment authority.

(6) The provisions of this section may not be appropriate for some of the 1988 and 1991 base closures and realignments, because these bases are so far along in the property disposal process that certain actions have been taken or agreed to that are inconsistent with the new procedures. In cases where the new property disposal process is not appropriate, the Secretary concerned shall request a waiver from the ASD(ES) before proceeding with the disposition of the property.

(g) *Leasing of real property.*

(1) Leasing of real property is an effective way to quickly attract new jobs to replace those that have been lost by the base closing. In the past, the requirement to lease at fair market value discouraged the creation of new jobs. The new process of leasing, at less than fair market value, where appropriate, will provide new incentives for redevelopment authorities and businesses alike to spur job creation and speed economic redevelopment.

(2) The Secretaries of the Military Departments are authorized by Pub. L. 103-160, section 2906 to lease real and personal property at closing or realigning bases for consideration of less than the estimated fair market value, if the Secretary concerned determines:

- (i) That a public interest will be served as a result of the lease.
- (ii) That securing the estimated fair market rental value from the lease is not compatible with such public interest.

(3) The Military Departments shall determine the environmental suitability of property to be leased using the procedures in the DoD policy entitled "Procedures for Finding of Suitability to Lease (FOSL)" contained in the Deputy Secretary of Defense Memorandum,<sup>2</sup> "Fast Track Cleanup at Closing Installations", September 9, 1993, and any amendments thereto. Regulatory consultation (Environmental Protection Agency (EPA) and State government) must be completed before entering into any leases, as specified in the FOSL guidance and when approved, the Memorandum of Understanding between DoD and EPA will confirm the FOSL process.

(4) The Military Departments are encouraged to redelegate leasing

authority to the level that can best respond to local redevelopment needs and still exercise prudent and consistent stewardship over these public assets.

(h) *Personal property.*

(1) Personal property located on closing bases is often very useful to the redevelopment of the real property. This section outlines procedures to allow transfer of personal property with the real property in many cases. It provides for completing an inventory soon after the base is approved for closure, consulting with local officials, and a walkthrough of the base. The community can then identify the personal property it wishes to retain in its redevelopment plan. The Department of Defense will keep a great deal of the personal property at the base while the redevelopment plan is being put together. Only valid exemptions will be made to this freeze, usually involving specific military requirements or property which the base does not own. Emissions trading procedures will be issued separately and are not covered by the part.

(2) Each Military Department and Defense Agency, as appropriate, shall take an inventory of the personal property, to include its condition, at closing or realigning bases as early in the closure process as possible. At realigning bases, the inventory shall be limited to the personal property located on the real property to be disposed of by the Military Department or Defense Agency. The purpose of the inventory is to identify personal property—any property except land, fixed-in-place buildings, ships, and Federal records—that could enhance the reuse potential of real property that may be conveyed to the local redevelopment authority for supporting the economic redevelopment of the base. The exempted categories of personal property listed in paragraph (h)(5) of this section shall not be subject to review by the community. The inventory must be completed by June 1, 1994, for 1988, 1991 and 1993 closures and realignments or within 6 months after the date of approval of 1995 closures.

(3) The inventory shall be taken in consultation with local redevelopment authority officials. If no local redevelopment authority exists, consultation shall be offered to the local government in whose jurisdiction the installation is wholly located, or a local government agency or State government agency designated for the purpose of such consultation by the chief executive officer of the State. Based on these consultations, the base commander is responsible for determining the items or category of items potentially enhancing

the reuse of the real property and needed to support the redevelopment plan. When the inventory is completed, base personnel shall offer a "walkthrough" with representatives of the local redevelopment authority so that they can see the type and condition of the property available for reuse. Disagreements should be resolved within the chain-of-command, with final authority on resolving personal property issues resting with the Secretary of the Military Department or Defense Agency Director responsible for the real property. This authority may be further delegated.

(4) The Military Departments should make every reasonable effort to assist affected communities in obtaining the personal property needed to convert the bases into economically-viable enterprises. Personal property not subject to the exemptions in paragraph (h)(5) of this section shall remain at a closing or realigning base until one of the following time periods expire (whichever comes first):

(i) One week after the date on which the redevelopment plan is submitted to the applicable Military Department.

(ii) The date on which the local redevelopment authority notifies the applicable Military Department that a plan will not be submitted.

(iii) Twenty-four months after the dates referred to in paragraph (b)(2) of this section which for 1988, 1991 and 1993 base closures and realignments is November 30, 1995, or 24 months after the date of approval of the 1995 closures and realignments.

(iv) Ninety days before the date of the closure or realignment of the installation.

(5) Personal property may be removed without regard to these time periods upon approval of the base commander, or higher authority within the Military Department, and after notice to the local redevelopment authority, if the property:

- (i) is required for the operation of a unit, function, component, weapon, or weapon system transferring to another installation. A transferring unit or function may take with it any property needed to function properly as soon as it arrives, provided that suitable replacement equipment will not be readily obtainable there and moving it is cost-effective. In addition to this authority for the transferring unit or function to remove personal property, the major command having jurisdiction over the installation (e.g., the Army's Forces Command or the Air Force's Air Combat Command), or the major claimant having jurisdiction over the installation (e.g., the Navy's U.S.

<sup>2</sup> Document available from the Office of the Deputy Secretary of Defense (Environmental Security), Pentagon, Washington, DC 20301.

Atlantic Fleet) also may remove property that is needed immediately and is indispensable to an organization under its jurisdiction at another installation for carrying out the organization's primary mission.

(ii) Is uniquely military in character, and is likely to have no civilian use (other than use for its material content or as a source of commonly used components). Classified items; nuclear, biological, chemical items; weapons and munitions; museum property or items of significant historic value that are maintained or displayed on loan; and similar military items fit this exception.

(iii) Is not required for the reutilization or redevelopment of the installation (as jointly determined by the Military Department concerned and the redevelopment authority).

(iv) Is stored at the installation for distribution (including spare parts or stock items). This exception includes materials or parts used in a manufacturing or repair function but does not include maintenance spares for equipment to be left in place.

(v) Meets known requirements of an authorized program of another Federal Department or Agency for which expenditures for similar property would be necessary, and is the subject of a written request received from the head of the Department or Agency. In this context, "expenditures" means the Federal Department or Agency intends to obligate funds in the current quarter or next six fiscal quarters. The Federal Department or Agency must pay packing, crating, handling, and transportation charges associated with such transfers of personal property.

(vi) Belongs to nonappropriated fund instrumentalities (NAFI). NAFI property may be removed at the Military Departments' discretion, because NAFI property belongs to the Service members collectively and is not government property. Therefore, it may not be transferred to the local redevelopment authority under this section. Separate arrangements for communities to purchase NAFI property are possible and may be negotiated with the Military Department concerned.

(vii) Is needed elsewhere in the national security interest of the United States, as determined by the Secretary of

the Military Department concerned.

This authority may not be redelegated.

(6) Personal property to be transferred to the local redevelopment authority in support of its redevelopment plan is not subject to sections 202 and 203 of Public Law 81-152, "Federal Property and Administrative Services Act of 1949, as amended" of June 30, 1949, 40 U.S.C. 483-484. If the real property is transferred without consideration, the personal property shall also be transferred without consideration. If the real property is transferred at or near estimated fair market value, the value of the personal property shall be included in the estimated fair market value of the real property. If the property is conveyed separately from the real property, the value of the personal property shall be that at which it is carried on the installation's property account or estimated fair market value as agreed to between the parties at the time of transfer.

(7) In addition to the exemptions in paragraph (h)(5) of this section, the Military Department or Defense Agency is authorized to substitute an item similar to one requested by the redevelopment authority. The substitute items may be drawn from another installation or from the Defense Reutilization and Marketing Service. It is the responsibility of the Military Department or Defense Agency that owns the property to find a similar item that may be suitable as a substitute. In this context, "similar" means the original and the proposed substitute item are designed and constructed for the same specific purpose. However, before substituting another item for the one being requested, the base commander shall consult with the redevelopment authority.

(8) Personal property that is not needed by a major command (or its subordinates), a Federal Agency, or a local redevelopment authority (or a State or local jurisdiction in lieu of a local redevelopment authority) shall be transferred to a Defense Reutilization and Marketing Office for processing in accordance with the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 483 *et seq.*

(i) Minimum level of maintenance and repair to support nonmilitary purposes.

(1) Facilities and equipment located on closing bases are often important to the eventual reuse. This section provides procedures to protect their condition while the redevelopment plan is being put together. The level of maintenance will be determined in consultation with the redevelopment authority.

(2) Public Law 103-160, section 2902 states that the Secretary may not reduce the level of maintenance and repair of facilities or equipment at the installation below the minimum levels required to support the use of such facilities or equipment for nonmilitary purposes, except when the Secretary of the Military Department concerned determines that such reduction is in the National Security interest of the United States. This requirement remains in effect until one of the time periods in paragraph (h)(4) of this section has expired.

(3) The initial minimum level of maintenance and repair to support nonmilitary purposes shall be determined during consultation between the Military Department and the redevelopment authority. This level and the property to which it applies shall be reviewed with the local redevelopment authority when it presents its final development plan. Where agreement cannot be reached, the Secretary of the Military Department concerned shall determine the level of maintenance required. In no case shall the level of maintenance and repair:

(i) Exceed the standard at the time of approval of the closure or realignment.

(ii) Require any improvements to the property to include construction, alteration, or demolition, except that required by environmental restoration.

(4) The negotiated minimum maintenance agreement must be tailored to the specific non-military uses, but shall include the following:

(i) Maintaining the facilities and equipment that are likely to be utilized in the near term at a level that shall prevent undue deterioration and allow transfer to the local redevelopment authority.

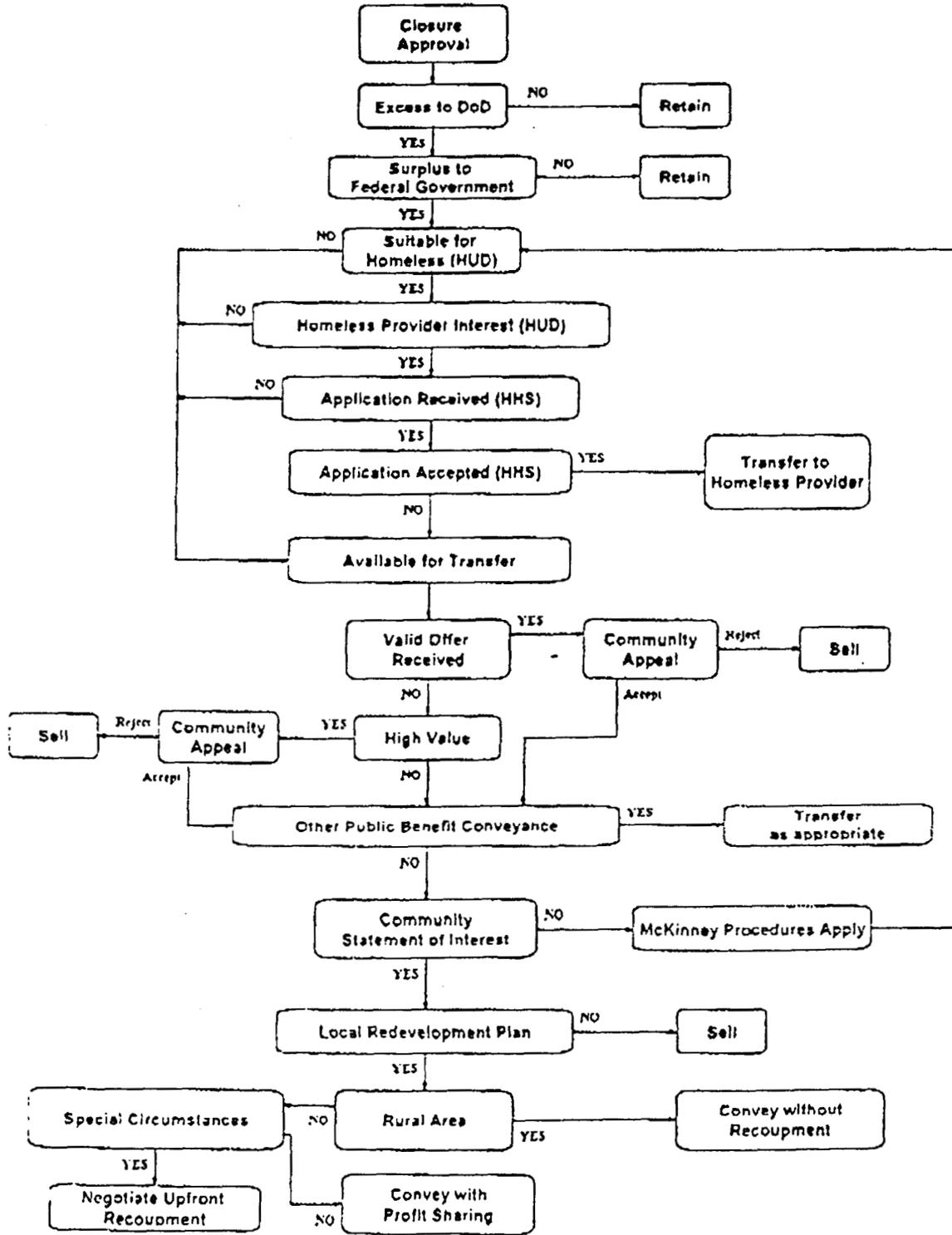
(ii) Not delaying the scheduled closure date of the installation.

Dated: March 31, 1994.

BILLING CODE 5000-04-M

Appendix A to Part 91

**Process Flowchart for Base Closure Community Assistance**



APPENDIX B TO PART 91.—CLOSURE AND TRANSITION TIMELINE FOR A NOTIONAL BRAC 1993 BASE THAT CLOSES ON SEPTEMBER 30, 1997

(Dates are completion dates—First of the month)

	1993	1994	1995	1996	1997	1998	1999
1. Closure approved .....	Dec.						
2. Real property screening:							
a. Within DoD .....		Apr.					
b. With other Federal Agencies .....		June.					
c. State and Local (public benefit conveyances) .....		June.					
3. McKinney Act screening:							
a. MilDepts report surplus to HUD .....		June.					
b. HUD publishes list of suitable prop .....		Aug.					
c. Providers express interest .....		Oct.					
d. Applications submitted to HHS .....			Jan.				
e. HHS approves/disapproves application .....			Feb.				
f. RDA expresses interest in unclaimed property (re- remaining surplus property relisted by HUD).				Feb.			
4. Jobs-centered property disposal:							
a. Begin appraisals of properties with job potential ..		June.					
b. Advertise for expressions of interest .....		Oct.					
c. MilDepts notify RDA of bases to be sold .....			Apr.				
d. RDA ask MilDep to reconsider .....			June.				
5. Local redevelopment plan completed .....				Feb.			
6. Conveyance of real property:							
a. Leases (FOSL), as available .....		June.					
b. Clean parcel (CERFA) identification .....			Dec.				
c. EIS Completed (ROD) .....					Feb.		
d. Transfer/Sale (FOST)—parcels or whole, as available.						Mar. ....	(and be- yond).
7. Personal property:							
a. Inventory complete .....		June.					
b. Longest personal property can be frozen .....				June.			
8. Base Closes (missions leave) .....						Sept.	

developing the property could clean it more quickly and efficiently than the government. This section provides a proposed rule which in its final form would allow the Department to transfer a property for the cost of cleanup to persons who agree to perform the environmental restoration. If the estimated value of the base exceeds the cost of cleanup, the buyer shall make up the difference. The Department of Defense and the Environmental Protection Agency will continue to consult regarding the implementation of Public Law 103-160, section 2908.

**List of Subjects in 32 CFR Part 91**

Community development, Environmental protection, Government employees, Homeless Military personnel, Surplus Government property.

Accordingly, 32 CFR part 91 is proposed to be amended to read as follows:

**PART 91—[AMENDED]**

1. The authority citation for part 91 continues to read as follows:

Authority: 10 U.S.C. 2687 note.

2. Section 91.7 is proposed to be amended by adding a new paragraph (j) to read as follows:

**§ 91.7 Procedures.**

(j) Transfer of real property or facilities to persons paying the cost of environmental restoration activities on the property.

(1) In many cases the most difficult obstacle to getting property into productive reuse is environmental restoration, because the Department of Defense cannot convey title to property until this is accomplished. The potential exists that persons who are interested in developing the property could clean it more quickly and efficiently than the government. This section proposes instructions to implement a new authority which allows the Department of Defense to transfer a property for the cost of cleanup to persons who agree to perform the environmental restoration. If the estimated value of the base exceeds the cost of cleanup, the buyer shall make up the difference.

(2) Section 2908 of Title XXIX of Public Law 103-160 authorizes the Secretary of Defense, at any time before December 1, 1998, to enter into agreements to transfer by deed, real property or facilities at closing installations to a person who agrees to perform all required environmental cleanup, waste management, and environmental compliance activities.

(3) The authority may be exercised in the following manner:

(i) An agreement to transfer may be executed with any person, provided that person can demonstrate to the satisfaction of the Secretary concerned the ability to adequately perform all required environmental clean-up, waste management and environmental compliance activities.

(ii) The property and facilities subject to the agreement must be located in an installation closed or to be closed under a base closure law, as defined in paragraph (c)(1) of this section and at the time the agreement is executed must be available exclusively for the use, or expression of an interest in use, of a local redevelopment authority under Public Law 103-160, section 2905. The reuse contemplated in the agreement must be consistent with the applicable local redevelopment plan.

(iii) The Agreement may be in any form and transfer any interest allowable under the law of the State in which the property or facility is located provided, however:

(A) The Agreement may not serve to transfer title by deed in violation of Section 120(h) of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) (42 U.S.C. 9620(h)).

(B) The Agreement must contain a stipulation that all environmental restoration, waste management and environmental compliance activities required under Federal and State laws, administrative decisions, agreements (including schedules and milestones), and regulatory agency concurrences, including those that become effective at any time during the existence of the Agreement, shall be met by the person with whom the Agreement is to be executed. The environmental restoration for the Agreement must include activities associated with cleanup of petroleum and its derivatives.

(C) The Agreement shall contain any item or condition that the Secretary of the Military Department concerned considers appropriate to protect the interests of the United States. Such terms or conditions may include, but are not limited to, providing continued access to the property and facilities by the U.S. and State and local regulatory agencies; limitations upon the use to which the property may be put; and, provisions requiring a bond or other form of financial assurance.

(D) The Agreement must contain a description of the information disclosed to the person to whom the property or facilities will be transferred on the environmental restoration, waste management and environmental

**DEPARTMENT OF DEFENSE**

Office of the Secretary

32 CFR Part 91

RIN 0790-AF64

Revitalizing Base Closure Communities—Base Closure Community Assistance

AGENCY: Department of Defense, DoD.

ACTION: Proposed rule.

**SUMMARY:** The proposed rule publishes for comment the guidance required by section 2908 of the National Defense Authorization Act for Fiscal Year 1994. Section 2908 of the Act provides authority for the Secretary of Defense to transfer real property or facilities available as a result of a base closure, to persons paying the cost of environmental restoration activities on the property.

**DATES:** Comments must be received by July 5, 1994.

**ADDRESSES:** Comments must be forwarded to the Office of the Assistant Secretary of Defense for Economic Security, room 3D854, The Pentagon, Washington, DC 20301.

**FOR FURTHER INFORMATION CONTACT:** Steven Kleiman or Frank Savat, telephone (703) 614-5356.

**SUPPLEMENTARY INFORMATION:** In many cases the most difficult obstacle to getting property into productive reuse after a base closes is environmental restoration, because the Department of Defense cannot convey title to property until this is accomplished. The potential exists that persons who are interested in

compliance requirements and activities relevant to the property or facilities.

This description shall include any specific information required by the notice requirements of Section 120(h)(1) of CERCLA (42 U.S.C. 9620(h)).

(E) The Agreement should disclose to the person to whom the property or facilities will be transferred that the U.S. will not indemnify, hold harmless or defend that person pursuant to Public Law 102-484, section 330, as amended by Public Law 103-160, section 1002.

(F) The Agreement may provide for a transfer to occur at any point after all remedial action necessary to protect human health and the environment has been constructed and installed by the person and the remedy has been demonstrated to the Military Department concerned and EPA to be operating properly and successfully.

(iv) The consideration for the Agreement must equal the estimated fair market value of the property or facilities to be transferred, as determined by the Secretary of the Military Department concerned. The consideration may be in the form of the expected costs of all environmental restoration, waste management, and environmental compliance activities to be paid by the recipient of the property or facilities. If such expected costs are lower than the estimated fair market value of the property or facilities, the Secretary concerned shall obtain the difference in other consideration satisfactory to the Secretary concerned.

(v) Before executing any Agreement authorized by Public Law 103-160, section 2908 the Secretary concerned must:

(A) Disclose to the person to whom the property or facilities shall be transferred any information under the control of the Secretary regarding the environmental restoration, waste management and environmental compliance activities that relate to the property.

(B) Conduct an Environmental Baseline Survey to determine whether there are impediments to the ultimate transfer of the property.

(C) Make the certification to Congress required by Public Law 103-60, section 2908.

(D) Ensure the consultation with the affected governor and local communities required by a base closure law, as defined in paragraph (e)(1) of this section, has been conducted.

Dated: March 31, 1994.

P.H. Means.

*OSD Federal Register Liaison Officer,  
Department of Defense.*

[FR Doc. 94-8115 Filed 4-5-94; 8:45 am]

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OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

**REVITALIZING BASE CLOSURE COMMUNITIES**

On July 2, 1993, President Clinton announced a major new program to speed the economic recovery of communities where military bases are slated to close. In a sharp departure from the past, the Clinton Administration pledged to give top priority to early reuse of the bases' valuable assets by host communities. Rapid redevelopment and creation of new jobs in base closure communities are the goals of the new initiative. Over five years, program resources will total about \$5.0 billion, including \$2.8 billion in economic development and transition assistance for base closure communities and civilian employees at the bases, plus \$2.2 billion for environmental cleanup.

In the announcement, the President outlined the following five parts of his community reinvestment program:

- A. **JOBS-CENTERED PROPERTY DISPOSAL** that puts local economic redevelopment first.

Present law allows the department to turn over property at a discount or for free for purposes such as recreation--but not for job creation. The Clinton Administration will seek a change in federal law to allow the department to turn over property for economic development when community development plans meet a strict test for economic viability and job creation. The Defense Department will also get rid of other roadblocks to rapid reuse of base property.

- B. **FAST-TRACK CLEANUP** that removes needless delays while protecting human health and the environment.

The Administration's plan will tackle one of the main roadblocks to rapid base reuse by sending professional teams into action at each site, quickly identifying clean parcels for early reuse, selecting appropriate parcels for leasing where cleanup is underway, and hastening the entire cleanup.

- C. **TRANSITION COORDINATORS** at major bases slated for closure.

On July 9, the Department of Defense named transition coordinators for major bases scheduled for closure or substantial realignment to work with communities on cutting federal red tape and freeing the base for rapid, productive reuse. Past base closures were hindered for lack of a single, well-informed point of contact and community champion on the base.

**D. EASY ACCESS TO TRANSITION AND REDEVELOPMENT HELP** for workers and communities.

The Clinton Administration will revitalize transition and redevelopment assistance programs with adequate funding, vigorous administration, and streamlined access. It will reverse the neglect, underfunding, excessive paperwork and delays that have hampered government development and retraining programs.

**E. LARGER ECONOMIC DEVELOPMENT PLANNING GRANTS** to base closure communities.

The Clinton Administration plan provides more funds and pledges faster action for the essential first step in base reuse and economic development.

By cutting red tape, the Administration expects to open the bases to economic reinvestment in little more than half the time taken in previous rounds of closures. Full time, onsite transition coordinators will help dismantle the two chief obstacles to base reuse: unnecessary delay in tackling environmental problems on the base, and slow, bureaucratic, penny-pinching disposal of the base property.

While the task of remaking the economic foundation of a community is never easy, a closed military base can be a community's single greatest asset in charting a different future. An airfield, a port, or the land, buildings, furniture and equipment on a base can be the catalyst for local economic development. The Clinton Administration program will give communities the funds and technical assistance they need to make good use of these assets and plan for the future.

The Administration's plan to make base property more affordable to communities for the purpose of job creation is a fundamental change. It will allow communities that have viable plans for economic redevelopment to buy the property at prices within their means or, in appropriate cases, to receive it free of charge. This flexibility is now allowed only when the property is to be used for recreation, aviation, education, or public health. The President directed DoD and the National Economic Council (NEC) to report within 90 days with legislative recommendations allowing the disposal of military property at reduced prices to meet the goal of community economic development and job creation.

## A. JOBS-CENTERED PROPERTY DISPOSAL

Disposal of the land, buildings, and movable property on military bases has been slow, bureaucratic and penny-pinching. Many businesses wanting to locate on newly-closed bases have been unable to get an interim lease because of red tape. Disputes over "fair market value" of military property have resulted in the worst of both worlds: land and buildings that could support commercial activity and create jobs sit idle, while DoD continues to pay to maintain property it doesn't need.

### 1. *Lower Cost and No-Cost Transfers for Economic Development*

--Current federal law requires DoD to charge full price when closed bases will be used for job-creating economic development. Yet it can transfer bases for free for a variety of "public" uses, including recreation, aviation, education and health.

--We will seek to change the law, if necessary, to enable DoD to transfer property for free or at a discount for economic development purposes, when community development plans meet a strict test for economic viability and job creation.

--The President has asked the NEC and DoD to draft a legislative and regulatory proposal that puts economic development at the center of asset disposition. They are to work with appropriate congressional committees and report back with preliminary recommendations in 90 days.

### 2. *Encourage Interim Leases*

--Interim leases, with temporary tenants, can be the key to rapid economic redevelopment. DoD will encourage interim leases in a variety of ways, including arrangements that allow tenants to lease rent-free in exchange for maintaining the property.

### 3. *Delegation of Authority*

--DoD will delegate the authority to approve interim leases and simple land transfers, and will encourage major commands and/or base commanders to make such decisions.

### 4. *Pre-Screening Conference and Property Screening*

--Federal law requires DoD to first offer base property to other federal agencies and have it screened for possible use by the homeless -- a process that has taken too long in the past. Base officials will meet with community leaders and local planners to explain the screening process and discuss community interest in specific parcels of land.

--DoD will limit the screening period during which federal agencies can express interest in base property by performing screening with other DoD entities, federal agencies, and State and local governments concurrently, rather than sequentially, as is the current practice.

--Base officials will reach out to advocates for the homeless, to identify their needs early in the process and to integrate them with community plans.

#### ***5. Related Personal Property***

--DoD will no longer automatically move personal property out of a closing base. The new policy will strongly emphasize the needs of the community.

## B. FAST-TRACK CLEANUP

When the military departs a closed base, it often leaves behind polluted property. This can both threaten the health and safety of the community -- and act as a roadblock to economic revitalization.

Environmental contamination on military bases can be extensive, requiring massive cleanup efforts. Under current schedules, environmental reviews frequently take more than three years to complete before cleanup even begins. Community groups are rarely given early access to important information about the nature and extent of contamination, slowing the economic redevelopment planning process even further. Without effective public involvement in the cleanup process, skepticism grows about the government's effort and the future of the site.

The Clinton Administration is committed to fundamental redesign of the way the government cleans up closing military bases. This will replace the current slow, uncoordinated, Washington-driven approach with a common sense approach to protecting public health and environment that emphasizes speedy assessment, government teamwork and responsiveness to community needs. The key elements are:

### *1. Establish a Cleanup Team at Every Base*

--Environmental experts from EPA, DoD and the state will work together and a professional cleanup team will be established for every site.

--They will conduct a "bottom-up" review of all cleanup plans.

--They will be empowered to make decisions to expedite the process.

### *2. Make Clean Parcels Available*

--We will identify and make available for reuse all clean parcels of property within 18 months.

--For parcels with an identified user, the assessment will be done within nine months.

--The community will be able to lease contaminated property that is on the way to full cleanup (DoD and EPA are developing model lease language).

--Interim remedial actions will get rid of "hot spots" and give priority to parcels with potential for quick reuse.

### ***3. Speed the National Environmental Policy Act Process***

--We will complete the documents required by NEPA within 12 months from the date a community submits its final reuse plan.

--The community's reuse plan will be the basis for the NEPA analysis, and a single NEPA document will be used for both closure and reuse.

### ***4. Indemnification***

--On July 2, 1993, the President signed the 1993 Supplemental Appropriations Act rescinding the overly restrictive Appropriations indemnification language. Similar language in the 1993 Defense Authorization Act ensures that DoD is responsible for the contamination it causes and allows DoD to grant leases and still protect communities. DoD is taking immediate steps to streamline its procedures for processing leases under current law.

## C. TRANSITION COORDINATORS

In the past, communities affected by base closing faced a tangle of government agencies and overlapping programs. Too often, Federal agencies were unresponsive on issues relating to environmental cleanup and property disposition.

Unfortunately, the Department of Defense's representative on the scene was often of little help. Base commanders lacked training or experience in closing bases, and the Services did not encourage commanders to take community needs into account.

To bring the transition to the community level, the Clinton Administration has named a corps of onsite advocates to cut red tape and slash through bureaucratic thicketers.

### *1. Full Time Onsite Advocates*

--At major bases slated for closure or substantial realignment (including Round I and II bases), a senior military or government official -- with close ties to the community in many cases -- will be designated to serve as an onsite advocate.

--These individuals were announced on July 9, and will remain in the community for at least 18 months.

-- They will be trained during the week of Aug 23, 1993, in Washington, DC, in all aspects of the closure process, especially environmental cleanup and property disposal.

--They report to John Shannon, Acting Secretary of the Army and Special Assistant to the Secretary of Defense for Base Closure Transition.

### *2. Cut Through Red Tape on Property Disposal*

--Transition Coordinators will work with the community to identify its reuse needs and to see that those needs are accommodated, wherever possible, in DoD's closure plans.

--They will cut through federal red tape to get interim leases issued quickly and to speed the screening and disposal of base property.

### *3. Keep Environmental Cleanup on a Fast Track*

--Transition Coordinators will work with federal and state agencies to keep environmental cleanup on a fast track, and to push for the priority treatment of parcels of land with the potential for rapid redevelopment.

### *4. Support the Office of Economic Adjustment*

--Transition Coordinators will also work with OEA to help communities identify sources of federal assistance.

## D. TRANSITION ASSISTANCE FOR COMMUNITIES AND WORKERS

Communities that suddenly lose their economic lifeline need help to adjust and recover. Even with the very valuable asset of a military base, the job of nurturing and growing new businesses is a tough one for communities to undertake. The Federal government has a responsibility to ease workers and cushion communities through this wrenching period.

Too often in the recent past, the federal government has only grudgingly played this role. The Clinton Administration's program will enable the Departments of Commerce and Labor to play an active role in economic development and worker retraining.

### 1. *Major Sources of Assistance are Targeted to Base Closure Communities*

--Economic Development Administration has \$98 million for the period FY94 through FY98 for base redevelopment activities, including business development.

--Federal Aviation Administration will spend \$250 million over five years in a program to fund conversion of military airports to civilian use.

### 2. *Other Community Assistance Programs*

--Technology Extension and Regional Technology Alliances programs in the Technology Reinvestment Project are funded at \$325 million for FY93 and FY94.

--Small Business Administration guaranteed loans and the "Section 504" debt financing program.

### 3. *Transition and Retraining Assistance for Workers*

--DoD benefits for civilian employees, including incentives for voluntary separation; severance pay for laid-off workers; counseling, job search and relocation assistance; and homeowners assistance, to compensate for losses in home values due to base closures, total \$1.7 billion over five years.

--Worker retraining and reemployment programs in the Department of Labor have five-year funding of \$672 million. Within 60 days of a closure announcement, a team of specialists will visit each base with information on what kind of job-search help is available and where to go for it.

--As early as two years before closure, DOL will offer a full range of reemployment services, including counseling and skills assessment; help in resume writing and job search strategies; training to upgrade or renew skills.

--Training may include upgrading of basic skills, occupational skills retraining, and enterprise training for people wanting to start their own business, as well as, income support if necessary to complete training.

## E. LARGER ECONOMIC ADJUSTMENT PLANNING GRANTS

When a base shuts down, communities are often faced with a new and unfathomable task -- turning a local mainstay into an engine of economic development.

DoD's Office of Economic Adjustment has over 20 years of experience and a good record in helping communities develop a base reuse plan and an economic adjustment strategy. OEA planning grants are used to evaluate alternative proposals for base reuse (e.g., Is a commercial airport viable?), develop a marketing strategy, prepare management plans and site layouts, and other tasks.

In the past, this well-regarded program has suffered from inadequate resources. The Clinton Administration's program gives OEA the resources and support to do its job even better -- to begin helping communities sooner; to provide larger grants; and to go beyond its traditional focus on planning and help communities get started on their redevelopment activities.

### 1. *Jump-Start the Process*

--OEA will approve planning grants within 7 days, as soon as a community creates a single, local, representative organization.

--DoD will conduct outreach: August briefings for Members of Congress, Governors and community representatives in Washington, plus semiannual regional seminars.

### 2. *Larger Planning Grants*

--Grants will average \$1 million per community over 5 years; \$3.5 million for the hardest hit communities over 5 years.

--Average (one-year) grant size has gone up as part of the Clinton defense conversion initiative: \$300,00 in FY93, up from \$200,000 in FY92 and \$100,000 in FY91.

### 3. *Beyond Planning*

--OEA was traditionally limited to supporting only planning activities. But it has been granted new authority to move beyond planning and help communities start up their redevelopment activities. Among other things, OEA can support the staffing-up of the organization responsible for implementing the reuse plan and adjustment strategy.

# Economic Transition and Base Closure

02 - Jul - 93

Agency/Program	Description
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## Generic Programs 1/

### Community Assistance/Redevelopment Programs

**DOD** Regional Technology Alliances  
 Programs in the Technology Reinvestment Project to strengthen regional manufacturing and industry.

**SBA** Section 7(a) Guaranty Program  
 Loan guarantees for small firms unable to obtain alternate financing.

**Section 504 Certified Development Company Program**  
 Debt financing to private investors for small business fixed asset acquisition.

**DOC** Econ Development Administration  
 Economic development grants.

**FAA** Airport Improvement Program  
 Grants for airport planning and development.

**USDA** Rural Development Administration  
 Economic development loans and grants.

**DOT** Federal Highway Administration  
 Funds for highway and related surface infrastructure. Allocated to states by formula.

**Federal Transit Administration**  
 Funds for public transit. Allocated to states by formula.

**HUD** Opportunities for Youth: Youthbuild

Grants to employ economically disadvantaged youth to rehabilitate public/low income housing. Funds awarded by competitive applications.

**HOME Investment Partnership**  
 FY94 program would set aside funds for comprehensive housing development organizations, including funds for state and local technical assistance.

**Workier Assistance Programs**

**DOT** JTPA Title III Economic Dislocation and Worker Adjustment Assistance (EDWAA)  
 Funds allocated to states by formula to aid dislocated workers.

1/ These are programs in which a portion of the funds potentially could provide assistance to base closure communities.

# Economic Transition and Base Closure

(BA \$ million)

02-Jul-93

Agency/Program	Description	FY 94 - FY98
<b>Targeted Programs</b>		
<u>Community Assistance/Redevelopment Programs</u>		
DoD Office of Economic Adjustment	Pre-development planning grants.	100 2/
DoC Economic Development Administration	Economic development grants for base closure impacted communities.	98 1/ 2/
FAA Military Airport Program	Grants to assist conversion of military airfields to commercial use.	250
<u>Worker Assistance Programs</u>		
DoD Separation Incentives	Cash payments and relocation costs including compensating personnel for housing losses incurred as result of base closure.	1,574
Transition Assistance	Civilian personnel transition programs including health benefits.	80
DoL Displaced Worker Training	Training grants and job assistance for workers impacted by base closures.	672 1/ 2/
<b>Environmental Clean-up</b>		
DoD BRAC I, II & III	Funding for environmental restoration and compliance.	2,210 1/ 3/
<b>Total Targeted and Environmental</b>		<b>4,994</b>

1/ Include prior year funds available for FY94 and beyond.

2/ Estimate of the amount of total funds available for defense impacted communities and displaced defense workers that will be available for base closure communities and workers.

3/ As the accelerated clean-up initiative is implemented, significant new funding requirements may arise. DoD will evaluate these requirements as part of the FY 93 budget process.

# Document Separator

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**PRESENTATION TO THE CALIFORNIA REDEVELOPMENT ASSOCIATION**

**REDEVELOPMENT & RE-USE OF DEACTIVATED MILITARY BASES  
IN CALIFORNIA**

**HISTORICAL BACKGROUND OF BASE CLOSURES AND REUSE**

**BY GEORGE R. SCHLOSSBERG**

**MAY 6, 1994**

**INTRODUCTION:**

This paper will analyze the historical background of base closures and Department of Defense procedures for closing or realigning military installations and the subsequent disposal and reuse of the underlying real property.

The diversity of closure and disposal procedures available to the Department of Defense guides the nature of any analysis; this paper will consist of three parts as follows:

- I. The Historical Context of Base Closures,
- II. The Creation and Role of Independent Commissions to Select Military Installations for Closure and Realignment, and
- III. The Procedures and Disposal Problems Associated With Installations Selected for Closure and Realignment.

There are now three distinct statutory procedures for selecting military installations to close or realign, one of which is no longer available for use by the Department of Defense:

- \* First, those conducted under the special one-time procedures of the Defense Authorization Amendments and Base Closure and Realignment Act, Pub. L. No. 100-526, "Base Closure Act I";

## HISTORICAL BACKGROUND OF BASE CLOSURES AND REUSE

### Page 2

- \* Second, those conducted during the three phases established by the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 101-510, "Base Closure Act II", and
- \* Third, those conducted under permanent law (10 U.S.C. §2687); including those attempted before Base Closure Act I, and those that can be accomplished after the expiration of Base Closure Act II.

It is important to note that both Base Closure Acts were justified on the basis of providing expedited closure procedures. While the selection process under the Base Closure Acts may be slower and more formal (both require independent Executive branch commissions), the implementation of closures not conducted pursuant to the base closure acts are considerably more complex and time consuming in that full compliance with the procedural requirements of environmental protection procedures, among other things, is required.

### I. THE HISTORICAL CONTEXT OF BASE CLOSURES.

During the last four decades, the base closure process has been beset by mistrust on the part of the Congress, and cries of interference on the part of the Executive Branch. Prior to the massive restructuring conducted during the McNamara era, the President, in his role as Commander in Chief, and acting through the Secretary of Defense, retained unlimited authority to relocate military forces. This was deemed to be a unique constitutional prerogative of the Commander in Chief; Congress's role was limited to providing the necessary resources.

The massive dislocations caused by the McNamara closures, and rising Congressional concerns that base closures were being used to reward friends and punish political enemies, especially during the Vietnam phase-down, led to increased Congressional interest and legislative activity.

Historically, the simplest and most effective way for the Congress to stop a closure has been an Appropriations Act restriction. Normally, these restrictions were site specific and, while limited to the life of the appropriation, were repeated annually. The Executive Branch has taken the view, traditionally, that while funding restrictions could prevent the expenditure of money for rent, facilities, or other improvements, no fund restriction language, no matter how broadly drawn, could prevent the Commander in Chief from relocating military forces (i.e. simply ordering the military units elsewhere). Nevertheless, the Department of Defense has not challenged the Congress in this regard; the risk of appropriations act restrictions on clearly permissible targets (e.g. weapon systems, personnel ceilings, etc.) has been too great.

**HISTORICAL BACKGROUND OF BASE CLOSURES AND REUSE**

**Page 3**

Because of this past timidity on the part of the Department of Defense, broadly drawn oversight measures also have been used to stop closures. While congressional attempts to enact permanent restrictions resulted in two Presidential vetoes (most recently, President Ford vetoed the Military Construction Authorization Act for fiscal year 1977 because it attempted to limit the President's power over military bases), an uneasy compromise was reached in 1977 when Congress enacted the predecessor of the current base closure statute (now 10 U.S.C. 2687). The compromise revolved around an acceptable report-and-wait process. Nevertheless, the extensive statutory reports required by section 2687 provide ample time and opportunity for court challenges on environmental grounds, or as to the sufficiency of particular studies. Moreover, long delays permit communities to rouse the Congress. In fact, the Department of Defense was unsuccessful in closing any major bases during the decade preceding the enactment of Base Closure Act I.

**II. THE CREATION AND ROLE OF INDEPENDENT COMMISSIONS TO SELECT MILITARY INSTALLATIONS FOR CLOSURE AND REALIGNMENT.**

In early 1987, Representative Dick Arney of Texas introduced a bill to facilitate military base closures by creating a commission to review the entire domestic base structure of the Department of Defense. The idea of a short-lived, non-partisan, independent commission gained support in the Congress. While originally reluctant to surrender certain constitutional powers of the President to an independent commission, then Secretary of Defense Frank Carlucci believed that he had an historic opportunity to effect base closures if action was taken before the end of the Reagan Presidency. He believed it was necessary for a commission to be established, commission recommendations finalized and delivered to the Secretary, commission recommendations reviewed and accepted by the Department, with implementation to commence--all within a narrow window of opportunity--subsequent to the November 1988 election and prior to the January 1989 inauguration.

In an effort to "jump-start" the process, Secretary Carlucci moved ahead of the Congress and established the Defense Secretary's Commission on Base Realignment and Closure (first Base Closure Commission) on May 3, 1988 pursuant to existing law, the Federal Advisory Committee Act (5 U.S.C. appendix 1). This action spurred the Congress to enact Base Closure Act I on the eve of the 1988 election, in time to meet the Secretary's timetable.

Base Closure Act I contained an important compromise to insulate the Base Closure Commission from political interference and favoritism that proved to be acceptable to both the Congress and the Executive Branch. Base Closure Act I adopted the so-called "all or nothing" language that required both the President and the Congress to adopt or reject the final recommendations of the Commission as a package; neither the President nor the Congress could add or subtract individual installations. The only alternative for either branch to closing or

## **HISTORICAL BACKGROUND OF BASE CLOSURES AND REUSE**

**Page 4**

realigning bases recommended for closure or realignment by the Commission was to reject the total package and suffer the political cost of scuttling what was perceived to be an historic opportunity to restructure the Defense establishment.

The first Base Closure Commission issued its final report at a press conference held at the Pentagon on December 29, 1988. The Report, among other more general things, recommended the closure or realignment of 145 military installations with 86 to be closed fully. The Report was distributed to the Secretaries of the military departments and the Chairman of the Joint Chiefs of Staff for their views and, within a week, all came back recommending that the Secretary adopt all of the recommendations of the Commission; on January 5, 1988, the Secretary, in conformance with Base Closure Act I, accepted the recommendations and so notified the Congress. As a matter of law, the Department of Defense is now obligated to carry out all of the recommendations of the first Base Closure Commission by September 30, 1995, the time period established by Base Closure Act I.

At the time the first Base Closure Commission was established, and even when Secretary Carlucci adopted the recommendations of that Commission, it was widely believed that the base closure problem had been put to bed for a generation. However, the confluence of a reduced Defense Budget and the outbreak of peace in Eastern Europe convinced the President and then Secretary of Defense Dick Cheney that another round of closures was necessary.

Nevertheless, rather than wait for new legislation to ease the closure bottleneck (as was accomplished on a one-time basis by Base Closure Act I), Secretary Cheney attempted to close installations pursuant to the cumbersome procedures then in place (i.e., 10 U.S.C. §2687, the National Environmental Policy Act of 1969, the Federal Property Act, etc.). The January 29, 1990 "Cheney List" was the result.

The first obstacle the Department faced in implementing the Cheney List, as with any major non-Base Closure Act closure or realignment, was the inability of the Department to make final decisions without complying fully with the procedural requirements of NEPA. The National Environmental Policy Act of 1969, as amended ("NEPA"), relates solely to the decision-making process; it requires all agencies to consider the environmental effects of their actions prior to making a decision. This lengthy decision making process, which must be conducted under the glare of full public scrutiny, is estimated to take between 10 to 18 months (without litigation).

Under NEPA, if the Department of Defense determines that the proposed action (closure or realignment) is a "...major Federal action(s) significantly affecting the quality of the human environment...", then the decision to proceed with the action may not be made until an Environmental Impact Statement ("EIS") has been prepared, a time consuming endeavor; on the

## **HISTORICAL BACKGROUND OF BASE CLOSURES AND REUSE**

### **Page 5**

other hand, if the threshold is not met, (no major federal action, etc.), then the Department can proceed with the action following an Environmental Assessment ("EA"), which documents the conclusion that there is no significant impact on the environment.

The process is subject to continual Congressional and judicial review; moreover, because of the enormous economic cost to communities, NEPA litigation almost always accompanies a base closure announcement. And, while NEPA suits may not forever prevent a closure or realignment, if properly couched, the suits can buy years by slowing down the already glacial pace of environmental studies.

The second obstacle to implementing the Cheney List was the required Congressional notifications under section 2687. For, while Secretary Cheney's public announcement, with its charts and handouts was impressive, as a matter of law it was a non-event. Section 2687 requires, prior to a closure or realignment announcement, that the Secretary of Defense submit a notice "...as part of an annual request for authorization of appropriations...." Since the authorization request is required by law to be submitted within ten days after the President submits the annual budget (10 U.S.C. §2859), section 2687 limits the Department of Defense to one round of closures a year during a very narrow ten day window.

Substantively, section 2687 requires "...an evaluation of the fiscal, local economic, budgetary, environmental, strategic, and operational consequences of such closure or realignment...." The required notice must address, as a separate and distinct item, each of the criterion required by the statute. And, while there is no statutory or court test by which to measure the adequacy of the individual evaluations, the Department of Defense must provide at least enough information to reasonably comply with the statute.

The draft Cheney List was received with Congressional charges of unfairness and hidden political motives. Press reports detailed that the majority of the closures would occur in Democratic Congressional districts. The Department of Defense replied accurately that most Defense installations were located in Democratic Congressional districts and that it is impossible to close bases where they are not located. At any event, the Congress determined not to permit the Secretary to proceed with the closures and realignments announced in January of 1990. Base Closure Act II specifically, and very directly, vitiated the Cheney List. Section 2909(a) of the Act states:

"...this part shall be the exclusive authority for selecting for closure or realignment, or for carrying out any closure or realignment of, a military installation inside the United States."

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Accordingly, the January 29, 1990 list announced by Secretary Cheney provided nothing more than a loose starting point for the Department of Defense staff as they proceeded with the Base Closure Act II process.

Concomitant with the unveiling of the January 29, 1990 list of candidates for closure, Secretary Cheney proposed additional legislation to simplify and speed up the closure process. The Secretary's proposal was identical to Base Closure Act I procedurally; however, it would have permitted closure decisions to be made by the Department of Defense without the "assistance" of an independent commission, totally outside of public scrutiny. In common with Base Closure Act I, it would have eliminated the sensitive, but restrictive, section 2687 reports to Congress, and would have provided increased incentives to Defense disposal agents to sell unneeded properties to the highest bidders by permitting the Department to retain the proceeds of the sales.

While the Secretary's proposal was passed by the Senate, it was soundly defeated in the House and ultimately was ignored by the Congressional conferees on the Defense Authorization Act. Nevertheless, as part of the 1991 Defense authorization process, Congress did pass base closure legislation (Base Closure Act II), although not in the form suggested originally by the Department of Defense. Base Closure Act II established three additional rounds of closures and realignments (1991, 1993, and 1995), created an independent Executive Branch "Defense Base Closure and Realignment Commission" (second Base Closure Commission) consisting of eight members (ultimately down to seven in the 1991 and 1993 rounds due to resignations), appointed by the President with the advice and consent of the Senate.

Base Closure Act II requires the Department of Defense to accomplish three things prior to the Commission commencing its deliberations. First, as part of the President's budget request, the Department of Defense is required to submit to the Congress

"... a force-structure plan for the Armed Forces based on an assessment by the Secretary of the probable threats to the national security." (Base Closure Act II, section 2903(a)).

Second, the Department of Defense is required to publish in the Federal Register and transmit to the Congress

"... the criteria proposed to be used by the Department of Defense in making recommendations for the closure or realignment of military installations inside the United States under this part." (Base Closure Act II, section 2903(b)).

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Most importantly, the Secretary of Defense is required to transmit to both the Congress and the second Base Closure Commission by a date certain:

"... a list of the military installations inside the United States that the Secretary recommends for closure or realignment on the basis of the force-structure plan and the final criteria..." (Base Closure Act II, section 2903(c)).

The date set forth in the original statute for the 1991 round was April 15th, 1991; subsequently, the date was changed to March 15, 1993 for the 1993 round and March 1, 1995 for the 1995 round to allow the Commission additional time to complete its deliberations.

In material part, the criteria used to determine which bases should be closed or realigned by the first Base Closure Commission under Base Closure Act I, and the final criteria used by both the Department of Defense and the second Base Closure Commission under Base Closure Act II (for the 1991 and 1993 rounds), were similar. The single most important decision element remained military value (mission requirements and the impact on operational readiness), although the yardstick was changed. The first Base Closure Commission was charged with reviewing the impact of a closure recommendation on "...the military departments concerned" (Revised Charter, #A.1., November 8, 1988), while the second Base Closure Commission in 1991 and 1993 reviewed the Department of Defense recommendations based upon their impact on "...the Department of Defense's total force." (Final Criteria, #1).

In some cases this standard ("military department" v. "total force") led to conflicting results. For example, Fort McClellan is the home of the Army Chemical School, and was on the list of potential closures submitted by the Department of Defense for consideration by the second Base Closure Commission in both 1991 and 1993. The Fort McClellan closure recommendation was formulated first by the Department of the Army. Unfortunately, the Army Chemical School includes the only indoor live chemical agent training facility in the world and is used to train military contingents from the Army, Marine Corps, the Navy, and representatives of 24 foreign allies. It is not clear that the Army consulted with the other branches of the Armed Forces, let alone our allies. After reviewing this requirement, among other things, the second Base Closure Commission reversed the Department of Defense both in the 1991 and 1993 rounds and recommended that Fort McClellan remain open.

For the 1991 and 1993 round of deliberations, the Department of Defense met all three of the statutory conditions to close or realign military installations. For the 1991 round, the Department transmitted its recommendations for realignment and closure to the Commission on April 12, 1991 and the Commission considered the Secretary's recommendations and reported to the President a final list of recommended closures on July 1, 1991, as required by section 2903(d) of Base Closure Act II; for the 1993 round, the Department transmitted its

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recommendations on March 12, 1993 and the Commission submitted its Final Report to the President on July 1, 1993.

As the Department of Defense and the Congress became familiar with Base Closure Act II's selection process, various legislative attempts were made to resolve lingering problems. For example, following the 1991 round of Commission deliberations, the Congress enacted comprehensive amendments to Base Closure Act II as part of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Pub. L. No. 102-190; "1992/1993 Amendments") to correct procedural defects in the process.

One of these changes addressed the Congressional concern that if the President did not nominate the Commissioners in a timely fashion, the Commissioners, when finally nominated and confirmed, would be unable to properly fulfill the duties of the Commission. Accordingly, section 2821(a) of the 1992/1993 Amendments established an additional condition precedent for the Base Closure Commission to undertake the 1993 and 1995 deliberations. Section 2821(a) stated that the process for selecting military installations for closure or realignment would be terminated unless the President transmitted to Congress the nominations for appointment to the Commission on or before the date specified in Base Closure Act II.

This section caused some trepidation among base closure proponents following the 1992 Presidential election in that it was not clear whether President Bush would send nominations for the 1993 Commission to the Congress in the waning days of his administration, or whether President Clinton would be able to submit the names of nominees in time to meet the statutory deadline. Ultimately, President Bush did transmit names to the Congress; these individuals were subsequently confirmed and presided over the deliberations that considered the closure recommendations submitted by President Clinton.

Section 2821(b) of the 1992/1993 Amendments addressed a Department of Defense concern that the Commission was building up a body of staff expertise on the Department of Defense base structure that rivaled that of the Military Departments. This was deemed to be inappropriate in that the Commission was created to be an appellate body, i.e., to review the recommendations of the Department of Defense and determine whether such recommendations comported properly with the Defense Department force structure report approved by the President and the Base Selection Criteria as published in the Federal Register, and not to substitute the judgement of the individual Commissioners for that of the Secretary of Defense.

Accordingly, section 2821(b) of the 1992/1993 amendments limited the number and composition of professional staff members and analysts that could be employed by the Commission. Among those restrictions were a limit on the number of staff to 15 at any one time during calendar years 1992 and 1994; presumably, this would prevent the training and

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retention of the analysts necessary to challenge the Departments views during the periods immediately preceding the Commission's deliberations in 1993 and 1995.

On the other hand, legislative efforts were made to free the Commission from any undue Department of Defense influence by limiting the number of Department of Defense personnel that could be detailed to the Commission, as well as limiting the number of Commission staff members who had worked previously for the Department of Defense.

Section 2821(f) of the 1992/1993 Amendments provided a key substantive change to the Commission selection process by clarifying the Commission's authority to radically alter the closure and realignment recommendations of the Department of Defense. During the 1991 round of deliberations, a serious debate arose among the Commissioners and Commission staff as to whether, as part of the Commission's deliberative process, the Commission could add military installations to the list of closures and realignments recommended previously by the Department of Defense. The majority of the 1991 Commissioners adopted the conservative view that while the Commission could remove an installation from the Department of Defense list of recommendations, the Commission did not have the authority to recommend the closure or realignment of installations not recommended by the Department.

In section 2821(f) the Congress came down squarely on the side of those who believed the Commission should be able to recommend the closure of installations not recommended by the Secretary of Defense thereby permitting the Commission to collectively substitute its judgement for that of the Secretary of Defense. Section 2821(f) codified procedural changes to Base Closure Act II to require that the Commission could make a change to the list of recommendations made by the Secretary of Defense only if the Commission

"...determines that the change is consistent with the force structure plan and final criteria referred to in subsection (c)(1);...publishes a notice of the proposed change in the Federal Register not less than 30 days before transmitting its recommendations to the President...and (iv) conducts public hearings on the proposed change."

This change had the affect of establishing a second set of Commission hearings within the 1993 round (those concerning the Secretary of Defense's recommendations and those concerning the Commission's recommendations) to insure that no community would be caught by surprise and suffer the loss of a military installation without the opportunity to address the Base Closure Commission. This made for a rather hectic and chaotic June 1993, the 30 day period set forth in the amendment.

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Among other things, the chaos caused by the Commission adding new candidates for closure during the last month of its 1991 deliberations led to further amendments to Base Closure Act II to lengthen the duration of the Commission's deliberations even further (discussed later as part of the 1994 Amendments).

The last change to Base Closure Act II enacted as part of the 1992/1993 authorization process concerns the submission of information and data to the Commission. During the 1991 round of deliberations, several Commissioners expressed serious concern as to the accuracy and timeliness of information submitted by the Department of Defense to the Commission in response to questions asked by the individual Commissioners and to questions raised by communities defending the military installations within their boundaries. Accordingly, the Congress amended Base Closure Act II to require that government personnel submitting information to the Commission certify that such information is accurate and complete to the best of that persons knowledge and belief.

Very few substantive amendments were made to Base Closure Act II concerning the Base Closure selection process as part of the National Defense Authorization Act for Fiscal Year 1993 (Pub. L. No. 102-484) or for Fiscal Year 1994 (Pub. L. No. 103-160). Those changes that were made concerned the reuse of the property rather than the base closure selection process.

Nevertheless, in section 2925 of the 1994 Authorization Act, Congress made its first attempt to statutorily influence the drafting of the selection criteria used by the Department of Defense and Base Closure Commission. The criterion used by the 1988, 1991 and 1993 Commissions were drafted solely by the Department of Defense. During the 1991 and 1993 rounds, the criteria were submitted to the Congress for congressional approval and in neither case did the Congress take any action to amend or disapprove the Department's criteria.

Section 2925 states "it is the sense of Congress that the Secretary of Defense consider, in developing . . . amended criteria, whether such criteria should include the direct cost of such closures and realignments to other federal departments and agencies." Should the Department of Defense accept this "suggestion" and add such a criteria to those used by the Department to select military installations for closure or realignment, this new criteria will require the Department to explore the workings and budgetary implications of other departments and agencies of the Federal government. Such investigation by the Department, and therefore by the Commission, may lead to results deemed to be unsatisfactory to the Department of Defense. Accordingly, it is my view that while the Department will adopt the suggested criteria, the new criteria will be at the end, or close to the end of the list of criteria used by the Department, and therefore will be given significantly less weight than the other criteria.

Leg:

NEPA = Nat'l Environmental Policy Act of  
1969, the Fed. Property Act, etc.,

10 U.S.C. § 2687, et seq.,

Requires all agencies to consider the  
environmental effects of their actions  
prior to making a decision.

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**III. THE PROCEDURES AND DISPOSAL PROBLEMS ASSOCIATED WITH INSTALLATIONS SELECTED FOR CLOSURE AND REALIGNMENT.**

Base Closure Act I and II both modify the process by which the Federal Government disposes of Federal property at the closed or realigned military installations.

**A) Property Disposal Procedures Under the Federal Property and Administrative Services Act of 1949, as amended:** Prior to the newly enacted disposal procedures set forth in title XXIX of the National Defense Authorization Act for Fiscal Year 1994 (P.L. No. 103-160; "title XXIX"), real property at bases closed or realigned under Base Closure Acts was disposed of under normal Federal procedures with a minor statutory change albeit with enormous practical ramifications. As with non-military property, unneeded property at installations closed or realigned pursuant to the Base Closure Acts is disposed of pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 *et seq.*, "Property Act") with the exception that the Secretary of Defense is the disposal agent, as opposed to the Administrator of General Services.

The Property Act is a comprehensive statutory scheme that, among other things, sets forth certain priorities for the disposal of both unneeded Federal real and personal property. With regard to real property, it establishes a hierarchy of possible recipients. First and foremost are other components in the same Federal agency; next are other Federal agencies for Federal purposes (i.e. Federal Prison, etc.). Only after the disposal agent "screens" the property with all Federal agencies, and no Federal use is identified, is the property declared surplus and made available for non-Federal use. Among non-Federal users, the "McKinney Act" (42 U.S.C. §11411) gives homeless advocates first priority. Next are state and local governments for certain governmental purposes or programs such as airports, schools, parks, etc. Last are "negotiated sale" to public bodies and then sale at fair market value to the public.

By designating the Secretary of Defense as disposal agent, a change urgently sought by the Department of Defense and reluctantly granted by the Congress, the Base Closure Acts allow the Department to engage in a "soup-to-nuts" disposal effort that includes economic adjustment assistance and coordination of property sales with military unit relocations. Unfortunately, from a community point of view, the Base Closure Acts provide incentives for the Department to demand and receive fair market value for the property.

For example, when GSA sells Federal property, it deposits the proceeds from the sale into the Land and Water Conservation Fund which ultimately returns the money to the Treasury. GSA, as an agency, receives no direct benefit from a fair market value sale. Accordingly, GSA succumbs often to the many pressures on a Federal disposal agent, i.e., transfer the land for no consideration to other Federal agencies (prisons, hospitals, etc.), lease the property to

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"homeless" advocates pursuant to the "McKinney Act", or donate the property to state and local governments for local governmental purposes (parks, etc.). While in the short term such public benefit conveyances may prove to be politically attractive to communities, in the long term such conveyances can result in large parcels of land being forever removed from the tax roles.

Under Base Closure Act procedures, the Department of Defense both disposes of the property and retains the sales proceeds (if any) to fund certain selected Defense programs, i.e. unit relocations, required military construction, etc. This simple incentive to maximize the return on the sale of Base Closure Commission property within the time windows permitted by Base Closure Act I and II is crucial to understanding Department of Defense property disposal procedures.

Given the pressures on the Defense budget, Defense officials have resisted releasing properties at less than their fair market value, even to other Federal agencies, absent a compelling reason to do so (e.g. Congressional or White House pressure). Accordingly, developers willing to purchase large tracts for cash may find opportunities previously denied to them in routine government property sales characterized by the ever-present "public benefit discount" conveyance. On the other hand, given the complexities of the disposal process and the high cost of maintaining unneeded military facilities, many senior members of the Department believe that the greatest benefit to the Department will result from quickly disposing of the property, thereby immediately reducing the carrying costs of the property.

### B) REAL PROPERTY DISPOSAL TO PROMOTE ECONOMIC DEVELOPMENT UNDER TITLE XXIX OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994.

With the enactment of title XXIX, Congress, for the first time, gave communities seriously impacted by a base closure or realignment the ability to obtain base closure property to promote Economic Development for:

"...consideration at or below the estimated fair market value of the property transferred or without consideration...." (section 2903).

Section 2903 of the 1994 Amendments implements a crucial portion of the five point program announced by President Clinton on July 2, 1994 entitled: "Revitalizing Base Closure Communities"; section 2903 implements the first part of the program entitled: "Jobs-Centered Property Disposal." As envisioned in the President's program, section 2903 was designed to allow the Department of Defense:

"...to transfer property for free or at a discount for economic development purposes, when community development plans meet a strict test for economic viability and job creation."

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Despite its breadth, section 2903 is not intended to supplant the disposal process set forth by the Property Act; rather, it is intended to place Economic Development purposes alongside other public purposes that qualify under the Federal Property Act for public benefit conveyances (i.e. airports, prisons, parks, etc.). Interestingly, section 2903 applies only to base closure related properties and is not available generally to communities.

The Department of Defense published Interim Final Rules entitled "Revitalizing Base Closure Communities and Community Assistance" in the Federal Register on April 6, 1994 to implement title XXIX of the National Defense Authorization Act for Fiscal Year 1994 generally and section 2903 specifically. Significantly, "Interim Final Rules" are effective from the date of publication and communities seeking to obtain the benefits of the new legislation, such as acquiring property, either through conveyance or lease, may apply for such property immediately (if the property is otherwise available for transfer).

The focus of the Interim Final Rules is creating jobs quickly through the rapid reuse of the property; while some emphasis is given to marketing high value properties to the private sector, the rules revolve around no cost Economic Development conveyances to local reuse authorities. To balance the taxpayer interest in the property, the Department of Defense has adopted a recoupment provision that generally requires the recipient of the no cost conveyance to give the Department 40% of the net profits of any transaction on the land within fifteen years of the original conveyance.

The Department of Defense is seeking public comment on the Interim Final Rules until July 6, 1994 and is holding four regional Outreach meetings in Washington (April 28-29), Chicago (May 5-6), Dallas (May 9-10), and San Francisco (May 12-13). Communities are urged to review the Interim Rules and provide their written comments to the Department of Defense at the Outreach meetings or by mail.

### CONCLUSION:

I trust this brief analysis has been informative. The dominant factor in base closures is the confusion caused by the diversity of the procedures, and the dynamic influences affecting the process. Since this is a fluid process, it is impossible to predict the outcome of the many open questions with any degree of certainty. If you have any specific questions that have not been addressed, please let me know; I would be happy to supplement this analysis as necessary.

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# **DEPARTMENT OF DEFENSE BASE CLOSURE**

## **AND**

# **FEDERAL PROPERTY DISPOSAL AUTHORITIES**

Compiled by George R. Schlossberg

Updated: April 7, 1994

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- ASSEMBLY TASK FORCE ON DEFENSE CONVERSION BULLETIN
- DEFENSE CONVERSION RESOURCE GUIDE
- IMPACT OF DEFENSE CUTS ON CALIFORNIA: AN UPDATE
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## Strategies for Revitalizing Communities after Base Closures

Summary of Remarks by  
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Closures of military bases are generally viewed by local communities as economic crises because of the resulting losses of local jobs directly dependent on the military base and the loss of income to individuals and companies that depend on the payroll generated by the military base. As a result, local communities actively resist base closure decisions.

However, in communities that have successfully responded to base closures, as soon as the closure was certain, the community's attitude shifted. Instead of a threat, the base closure became an opportunity. The closure was viewed as an opportunity to free physical assets—land, buildings, and other facilities—for economic uses that could be more directly woven into the community's economic structure and could be used more effectively to support long-term economic development.

This perspective takes economic impact analysis and makes it a basis for strategic planning rather than simply a method for determining how badly the community will be hurt by the closure. The economic impact approach asks three questions:

- How can this newly-available resource be best used to support the community and its economy? Drawing on a framework of regional economic dynamics, three types of future use are possible. The base site and its facilities can be re-used as:
  - A resource to support industrial development, creating new jobs in non-defense industries on the site to replace lost jobs and income.
  - A part of the community's economic infrastructure, allowing the establishment and expansion of resources to support and attract industry to the community.
  - A part of the community's social infrastructure, to make the community a more desirable place to live, work, and conduct business.
- From among these uses, what does the community—its businesses and its citizens—need most? Does the community most need new jobs, better infrastructure to support existing industries, or improvement in its quality of life?
- What strategies will be most effective in developing the base as a resource to meet the most pressing needs of the community? What organization and resources will be needed to implement these strategies?

The following paper is provided as background to help explain how industry development, economic infrastructure, and quality of life each play a role in a community's economic competitiveness, how a community's economic needs and opportunities can be inventoried, and how economic revitalization strategies can be designed and implemented. While the case examples are not drawn from base closure situations, the general framework can still be applied to revitalize a community after a base closure by treating the base as a potential asset that can be used to sustain and strengthen economic competitiveness.

April 1993

# **CREATING COMPETITIVE ECONOMIC REGIONS:**

## **The New Economics of Comparative Advantage**

Gary Anderson  
Principal Consultant  
Center for Economic Competitiveness

Published in *Industrial Policy for Agriculture in the Global Economy*  
Iowa State University Press, 1993

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# CREATING COMPETITIVE ECONOMIC REGIONS: THE NEW ECONOMICS OF COMPARATIVE ADVANTAGE

## Overview

Advances in technology, globalization of competition, and corporate restructuring have changed the global economy. Knowledge is now the dominant source of added value in products and services. Global competition challenges corporations to be world-class in the value of their products and services. To meet this challenge, corporations are restructuring to emphasize core specialties, establishing relationships and alliances with other corporations to produce world-class products and services. With these changes, the comparative advantages of economic regions are now determined by their ability to contribute to the competitiveness of corporations.

These new knowledge-based sources of comparative advantages come not only from the geographic attributes of the region, but also arise from the region's industry clusters within which enterprises cooperate for mutual competitiveness, and the economic foundations that provide knowledge-based resources including human capital, technology, venture and investment capital, advanced physical infrastructure, and an attractive quality of life. Finally relationships between government, industry, and other regional institutions provide a supportive environment for competitive business.

These new knowledge-based comparative advantages are not static but rather are dynamic; they can be molded with the leadership and collaboration of regional organizations and institutions. A region can enhance its comparative advantages in a three-step process that includes inventorying the present and potential comparative advantages of the region, defining strategies to sustain and develop these comparative advantages, then implementing these strategies through collaborative initiatives among businesses and between business and other regional institutions.

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**AUTHOR'S NOTE:** This paper was written by the author. However, the framework and perspective presented is based on ten years of work by the Center for Economic Competitiveness and represents the combined views and insights of all staff members. In particular, the contributions of the author's colleagues—Jim Gollub, Eric Hansen, Doug Henton, Ted Lyman, John Melville, Jennifer Riggers, Eric Rosenfeld, Steve Waldhorn, and Kim Walesh—are acknowledged and appreciated.

## Global Trends and The New Economics

All over the world, in regions as diverse as Arizona, Slovenia, and Hong Kong, a new phenomenon is emerging. Working together, private corporations, public sector institutions, and governments are creating coalitions and implementing initiatives with the express goal of improving the employment opportunities, economic welfare, and quality of life of their citizens. This approach is being used with success in a variety of economic regions in the United States (Kelley et al., 1992). The basic theme of these initiatives is that a region can offer the opportunities of a healthy economy to its citizens if it possesses comparative advantages that help private enterprises in the region to compete effectively in global markets. These regions have discovered that the types of comparative advantages that are important to corporate competitiveness are not static, but are rather dynamic and can be created and sustained through collaborative regional efforts.

In this paper we attempt to bring together the elements of these efforts, based on SRI's experience with many of them, into a framework that helps understand why these new comparative advantages are important and how regions can create and sustain them. Where possible, we have cited the observations of other authors who are interested in the same phenomenon. However, we must note that those looking for proof that the theories work will have to be patient; the efforts are in most cases too recent to have produced results that can be compared against other regions. Nevertheless, the efforts are widespread enough to be worth examining and understanding.

Over the past 25 years, the global economy has been fundamentally changed. New technologies, expanding competition, and restructuring corporations have altered the sources of comparative advantage.

- With new technologies, knowledge is now the primary source of added value in products and services rather than raw materials and labor hours.
- Business competition is now carried out on a global basis as corporations strive for success against competitors from all parts of the world.
- Corporations are restructuring themselves to emphasize core competencies, establishing alliances to link their competencies with those of other enterprises.

## **Knowledge is the Primary Source of Added Value**

With rapid advances in technology over the past forty years, the characteristics of products and services have changed. The introduction of microelectronics, information processing software, and advanced materials has altered every aspect of the chain of value-adding operations from the production of raw materials through the manufacturing of components to the assembly of the final product. The parallel chain of innovation, market identification, product development, distribution and marketing has been fundamentally altered by changes in the technology of collecting, transmitting, and analyzing information and has taken on greater importance in determining the success of the product. The result of these technology-driven changes is that raw materials and labor hours no longer are the sole, or even the primary, determinant of the ultimate value of a product. Knowledge is now the major value-adding ingredient and the major source of competitiveness in products and services.

As a result, the traditional resources that regions offered to industry, and that gave regions their comparative advantages as places for industry to locate and from which to do business, are no longer as important as they once were. The comparative advantages once offered by traditional factors of production, such as raw materials, land, labor, and capital, have given way to new sources of comparative advantage. Today, a region's comparative advantage is determined by knowledge-based factors of production, such as trained and adaptable human resources, access to advanced technology, and available risk and investment capital. The proof of this trend is found in the success of regions like Japan, Singapore, and Hong Kong, which have become economic successes with no raw materials or land to offer, but with the advantages of well-educated workers and access to global markets. By contrast, regions that were only able to offer raw materials and space have been less able to offer a competitive base for global corporations. (Reich, 1991a)

## **Global Competition is Fundamental to Corporate Operations**

The advent of new technologies of information management and of communication has also changed the geography of competition. Now global markets and global business competition are fundamental factors in corporate strategies and operations. Competitive product development and production is no longer the province only of traditional industrialized regions, but is being carried out successfully within newly developing economies as well. Likewise, information on market opportunities is available to corporations everywhere in the world. The result is that business competition is now carried out on a global basis (Ohmae, 1990).

Aggressive competition on a global scale means that producers throughout the world are alert to opportunities for new products and services in any regional market, and that products and services can find global markets. Likewise, companies in any part of the world can produce a specific product, or a variation that meets the same need as easily and as quickly as the company that developed the original innovation. Thus a company that has recognized a specific product opportunity will rapidly find itself facing competition for that opportunity from other companies and, in order to maximize the return from its innovation, must be prepared to compete in all markets that offer the same opportunity. For companies to succeed, and to continue to be successful, it is not enough that they be able to produce a product or provide a service better than other companies in their home region. Now, a company must be among the best in the world in order to maintain its place within its own region and in the global marketplace. (Drucker, 1989)

As a result, for a region to attract and retain globally-competitive industry, it must be prepared to offer the industrial operations within its region the ability to be competitive on a global scale. To attract world-class corporations, a region must itself be world-class in its ability to support its corporations. (Reich, 1991b)

### **Corporate Restructuring is Altering Economic Relationships**

As competition has become more challenging, and global markets shared by global competitors have become the primary factor in business competition, individual companies have found that traditional organizations and structures no longer provide the productivity and responsiveness required to maintain their competitive edge. Not only have they been downsizing by taking advantages of new technologies to provide increased productivity and reduce staffs, but corporations also have been shedding their traditional emphasis on self-sufficient operations and vertical integration as a source of efficiency. They have been adapting to global competition by specializing in the core competencies in which they can be world-class, and then out-sourcing other operations to companies that can supply particular inputs or provide particular services more efficiently than they can themselves.

This concept has been extended beyond traditional buyer-supplier relationships to partnering with other companies in corporate alliances. A company that is strong in, for example, product development will establish relationships with companies having complementary capabilities in manufacturing and marketing in order to produce and distribute the final product. It is now quite common for a company to identify a product opportunity, then contract with other companies to design particular components, share the manufacturing and assembly operations with still other

companies, and establish alliances with yet other companies to market the product. (Magnet, 1992)

The direct result of this trend is that the boundaries between corporations, and the traditional structures within corporations, have given way to fluid relationships within and among corporations. Regions are finding that these changes in corporate structure make it possible for companies to relocate operations or establish alliances with companies in other regions if that is necessary to sustain competitiveness. On the other hand, regions that offer a competitive base for a diversified range of industry operations related to some particular product or specialty are in a stronger position to attract and retain enterprises that focus on that particular product or specialty.

### **Economic Regions Are Taking On New Importance**

These changes in the source of added-value in products and services, in the competition and market opportunities faced by corporations, and in the structure of corporations and corporate relationships have created a new phenomenon, the *economic region*. Economic regions are defined by economic rather than political relationships. These economic relationships include both the buyer-supplier relationships among companies, and the relationships between the companies and the economic infrastructure—physical and intellectual—that supports them. This definition of a region in terms of economic relationships was first identified in the 1950s in a study of the economic structure of the New York metropolitan region. That study coined the term *economic agglomerations* to define the gathering of corporations and resources in a region (Hoover and Vernon, 1959).

Economic regions are significant in corporate competitiveness and thus in the understanding of new sources of competitive advantage, because within these regions companies maintain close geographic relationships with other companies and from within these regions companies draw the resources they need to remain competitive. It is for this reason that economic regions have become the fundamental unit of analysis of comparative advantage. Political boundaries do not do an effective job of describing economic regions. In some instances, several economic regions will exist within a political region, and in other instances, an economic region may cross political boundaries. (Ohmae, 1993)

The United States is an example of a political region that is composed of differing economic regions. An analysis of the economic regions of the United States shows that while for a period of sixty years since the beginning of the twentieth century the economic conditions of all regions

were tending to converge, in the past thirty years, the economic circumstances of individual regions have been moving independently of one another. This change has taken place because now individual regions offer differing sources of comparative advantage to the companies that are located in the region. Within these regions, governments and business are realizing that they can no longer rely on national business cycles and national economic policies to assure their economic vitality, but must establish policies specific to individual economic regions.

Examples of new economic regions that cross political borders within and among countries include the region of Hong Kong and the Pearl River delta of South China, the industrial regions that now extend across the U.S.-Mexican border, the region from Ann Arbor, Michigan through Detroit to Windsor, Ontario, the 30-county area that defines the tri-state New York metropolitan region, and the Silicon Valley/Bay Area region around San Francisco that encompasses three counties and over thirty municipalities. These economic regions are finding that they have to invent new approaches to governance that provide for collaboration and avoid competition among the political jurisdictions that share the economic region in order to assure that their individual political jurisdictions can thrive.

The dynamics of regional comparative advantage have also changed. Where once comparative advantage was rooted in the natural resources of a nation and was relatively unchanging, comparative advantage is now rooted in the resources of information, knowledge and experience, which can be changed (Marshall and Tucker, 1992). The characteristics of these new sources of comparative advantage mean that the ability of a region to offer a competitive base for corporate operations can be molded by regional action (World Development Report, 1991).

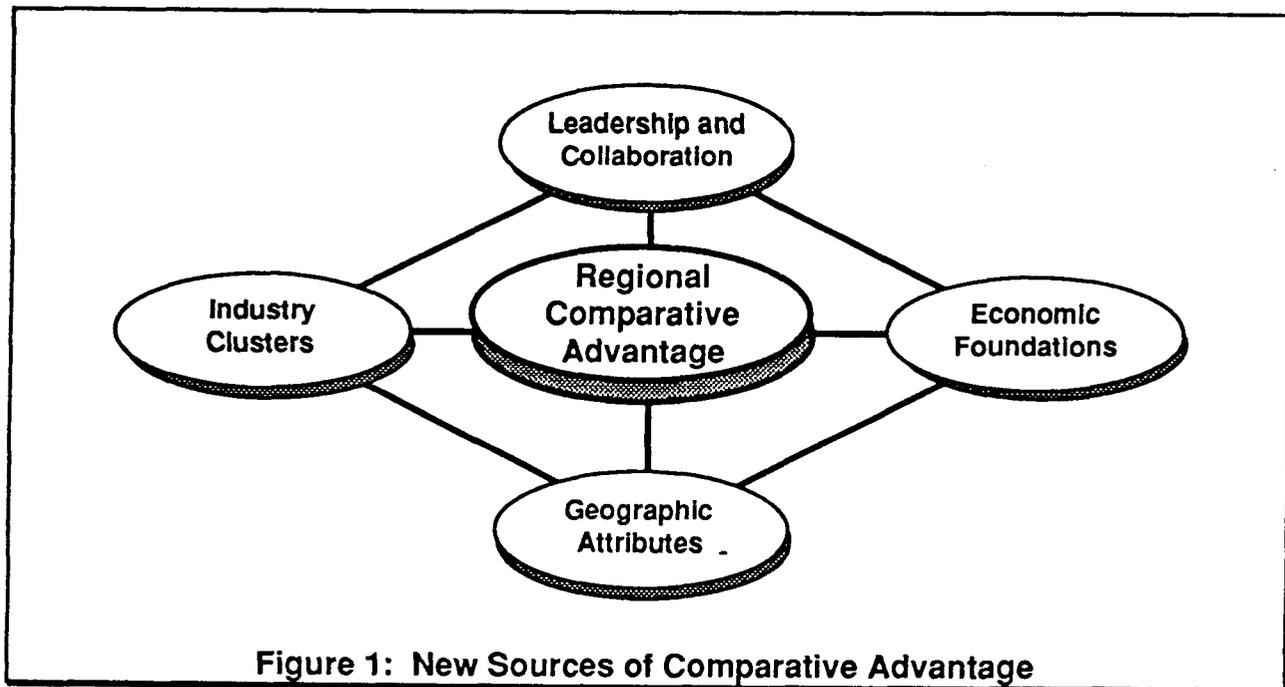
SRI has worked successfully with institutions in many regions to enhance the comparative advantage of their regions. These projects have been carried out because these regions have realized that they must be competitive in order to attract and sustain the corporations that provide high-value employment and thus economic advantages to their citizens. To understand how comparative advantage can be enhanced, it is first necessary to understand the new sources of comparative advantage that have resulted from global trends in technology, competition, and corporate structure.

### **New Sources of Comparative Advantage**

Comparative advantage in the new economics of technological advance, global competition, and corporate specialization arises from the ability of regions to provide companies with

resources that allow them to add value to their products through the application of knowledge. The sources of comparative advantage that provide knowledge inputs to companies can be divided into four categories, illustrated in Figure 1:

- Geographic attributes that create old and new comparative advantages
- Industry clusters that define the economy of the region
- Economic foundations that support those industry clusters
- Regional leadership and collaboration that influence clusters and foundations



Each of these four categories contributes in its own right to the competitiveness of industry in a region and thus influences the comparative economic advantage of the region. Defining the nature and relative quality of the components of each of these categories is a means for determining the relative comparative advantage of a region at a given point in time. But more important in understanding the new economics of comparative advantage is the fact that each of these four categories influences and is influenced by the others, so the comparative advantage of a region is, in fact, the result of a *dynamic and constantly changing* system of characteristics.

## Geographic Attributes

*Geographic attributes are important sources of comparative advantage, but they are no longer limited to physical attributes such as land, location, and raw materials; characteristics that determine a region's base of knowledge, experience, and perspective are equally important.*

In traditional economics, the physical, demographic, and cultural characteristics of a region—its geographic attributes—were dominant in determining its comparative advantages. The region's raw materials, climate, and location were critical in determining whether it had a comparative advantage in, for example, mining, or agriculture, or trade, and its demographics determined the size of its markets and the cost of its labor. Even with the new importance of global markets, rapid international exchange of information, and accelerating change in technology and business conditions, these characteristics of the region's geography still play an important part. However, their role is now different. Instead of inexorably determining the economics of a region, rather they define the region's comparative opportunities for developing global competitiveness.

In the new global economy, with its emphasis on the importance of knowledge in adding value to products and services and determining their competitiveness on global markets, new aspects of the region's basic endowments also contribute significantly to regional comparative advantage. Among these new aspects of geographic attributes are the region's location relative to potentially complementary regions (not just relative to potential markets and suppliers), its ethnic base and the implicit cultural relationships, and the market knowledge that has been built up through the region's history.

*Complementary Regional Relationships.* A new type of economic region is emerging in south China and Hong Kong, in U.S. states bordering on Mexico, and in Eastern Europe. Within this new type of economic region, the connections between complementary capabilities of two contiguous political regions offer opportunities to create new comparative advantages that the respective political regions could not offer. In each of these three examples, one region is characterized by a high level of business knowledge and access to global markets, but is constrained by the size of its labor market and/or its geographic limitations. The case of Hong Kong is well-documented by now, where its earlier rapid growth, rooted in easily available and inexpensive labor, had slowed, while the sophistication of its marketers, managers, and product designers had increased. This knowledge and skill could only reach its full potential when coupled with the large population in the Pearl River Delta of Guandong province. Likewise the opportunities for growth in that region of China could only be achieved with the knowledge offered in Hong Kong. (CEC, 1989a)

*Culture and Cultural Relationships.* The culture of a region, particularly its ethnic structure may also offer sources of knowledge-based comparative advantage. Where business success depends on establishing and maintaining credibility and confidence over long distances, such as is the case in corporate alliances and buyer-supplier relationships, a common cultural relationship may be important in competitive success.

Los Angeles offers a good example of how cultural diversity creates regional comparative advantage in the new global economy. Because of its location on the border with Mexico and on the rim of the Pacific Basin, Los Angeles has benefited from emigration from both Latin America and Asia. Now its large Hispanic- and Asian-American populations give it a source of comparative advantage in linking manufacturing development in northern Mexico with the growing markets of the Pacific.

*Market Knowledge.* Cultural and location advantages are working together to offer a new comparative advantage for economies that possess knowledge of other markets and sources of supply that will allow them to serve as knowledge-based entrepôts. A number of economic regions in Eastern Europe possess this attribute that now offers the potential to become an important new source of comparative advantage. For example, Maribor's location in Slovenia near the Austrian and Hungarian borders and on natural shipping routes between Western Europe and both Eastern Europe and the Middle East, and its cultural ties and experience in serving eastern markets that have developed over 500 years, give it the potential to become a trading center and entrepôt linking eastern suppliers with western markets.

Taken together, the physical characteristics of a region's geography have been so dominant in the past that many economists have defined comparative advantage strictly in their terms. These characteristics can not be ignored since they still play a role in defining or limiting a region's opportunities. However, other attributes that have a basis in knowledge of customers, suppliers, and regional markets are now offering new comparative advantages. Nevertheless, these attributes, even when redefined in knowledge-based terms are not the only or primary source of comparative advantage. Of growing importance are new sources of comparative advantage based on the industry structure, economic foundations, and governance of a region.

## **Industrial Clusters**

*Industrial clusters are an important source of dynamics within economic regions and, in themselves, are an important source of regional comparative advantage.* Industrial clusters are composed of concentrations of competing, complementary, and interdependent firms across

several industries. They include component suppliers, service providers, and final product manufacturers. Enterprises in these clusters benefit from and help generate specialized labor pools, readily available suppliers and support services, economies of scale, ease of communication, and efficiency of transportation. This structure, now given the term *industrial clusters*, was identified by SRI in a study of the economic structure of the southern California economy and has been elaborated in other studies (CEC, 1988b, Porter, 1990).

Traditional economic analysis does not provide accurate information on the characteristics and participants in clusters. By subdividing industries in terms of the type of good or service that each produces, as is done in the Standard Industrial Classification system, this analysis simply does not reveal enough about the complex dynamics of regional economic interaction to be useful (CEC, 1992a).

*Characteristics of Clusters.* Complexities of production, specialization in design and development, and the increasing numbers of skills required to produce a final product or service have led successful firms to depend on their ability to establish linkages with suppliers, customers, and alliance partners who together can perform the variety of specialized functions needed for competitiveness more effectively than can any individual firm. Because of the ability of these combinations to respond to change over time and even from product to product, clusters are better able to respond through "flexible specialization" to shifting technology and customer needs than could an individual firm (Piore and Sabel, 1984).

As important, though more difficult to observe, are the intangible relationships that are developed within clusters. Firms may compete with one another but, nevertheless, share information, skills, and experience through informal social networks as well as through inter-firm movement of employees. Firms that are concerned with the same technologies and markets, though they may not be direct competitors, also have the means to share information about developments in technology or changes in market preferences.

*Regions and Clusters.* Enterprises that compose clusters are generally located close to one another. Concentrations of enterprises within clusters, in a sense, define the boundaries of an economic region, because of relationships to each other. Ease of access to the other enterprises essential to a firm's success has become more critical. In economic terms, transaction prices increase as the distance between two related firms increase. As a result, the synergy necessary to develop and sustain comparative advantage requires close geographic relationships. Examples of this synergy include "just-in-time" inventory systems and buyer-supplier collaboration in product design and quality management. Firms and industries that are distant from their buyers, suppliers, and competitors seldom generate this synergy.

Some of the most highly publicized clusters are electronics and computer-related clusters found in Silicon Valley and along Route 128 in suburban Boston, Massachusetts. But examples of industrial clusters abound internationally, including:

- Los Angeles—Aerospace, entertainment, and apparel clusters
- Minneapolis—Large-scale computer cluster
- Rochester—Optics and optoelectronics cluster
- Tokyo/Osaka—Automobiles, microelectronics, camera, and robotics clusters
- Southern Denmark—Agricultural and health care products clusters
- Northern Italy—Machine tool, ceramic, and ski boot clusters

*Forms of Clusters.* Clusters take on a variety of different forms, depending on the good or service produced. Many are vertically integrated, with a high concentration of firms involved in raw materials, intermediate components, and final products. This kind of continuum from suppliers to final producers is exemplified by the automobile cluster in the Midwestern United States (e.g. iron ore, steel, machinery, chemicals, electronics, parts, automobile manufacturers).

Some clusters are more "horizontal" in nature, with a high concentration of similar economic activity. This kind of cluster may seem to have unrelated industry components (e.g. R&D operations in biotechnology and computer software in the San Francisco Bay Area) but actually benefits from sharing pools of resources, such as a specialized pool of technicians and administrators ideal for R&D operations. Similar horizontal clusters can form around other functional specialties, such as headquarters operations in New York and Tokyo, production operations in Seoul and Bangkok, or marketing operations in Hong Kong and Singapore.

Clusters sometimes may extend over long distances, including in their sphere of influence "satellite firms" that have succeeded in developing and maintaining close ties to the rest of the cluster. The extended cluster is extremely difficult to sustain unless telecommunications, frequent travel, or similar concerted efforts are made by satellite firms to tap into the synergy of the cluster. Examples of satellite clusters include computer hardware operations in Idaho and Utah linked to primary clusters in Silicon Valley, or software developers and telemarketers in rural Nebraska linked to the telecommunications-based financial services cluster in Omaha. Development of satellite clusters is often a major source of economic vitality in rural or small metropolitan areas (Rosenfeld, Shapira, and Williams, 1992).

*Cluster Life Cycles.* Clusters have a life cycle that generates regional economic growth from within the cluster. Clusters are composed of individual industrial sectors at various life-cycle states, which produce a composite life cycle for the cluster. Thus, some clusters have existed for some time and are transforming to meet new competitive challenges, such as the

computer/software cluster in Silicon Valley. Other clusters are expanding, attracting new firms from other areas as well as generating small firms of their own, such as the telecommunications cluster in Alberta. Clusters may be emerging, generated from the innovation of new technology and supported by the strengths of existing clusters. (CEC, 1990a) The biotechnology clusters in San Francisco and Boston are examples of recently emerging clusters, generated by scientific discovery within local universities and supported by skills in clean-room processes, micro-manufacturing, and equipment development in the existing microelectronics clusters in those regions.

Because of the characteristics of clusters and their dynamics, any strategy to enhance comparative advantage must take into account the existing industry clusters in a region if it is to succeed. The comparative advantages that arise out of the interchange among firms and the knowledge and experience shared among closely related firms, as well as the direct exchanges of goods and services necessary for effective business operations and the competitiveness of individual firms are critical to the competitiveness of a region.

## **Economic Foundations**

*In order to compete in global markets, regional enterprises require access to knowledge-based economic foundations that provide skilled labor, access to advanced technology, venture and investment capital, appropriate physical infrastructure and a desirable quality of life.* These economic foundations, sometimes referred to as economic infrastructure, are the third major source of comparative advantage. In order to compete, individual industry clusters require access to competitive factors of production. In a fast-moving environment of global competition based on the application of knowledge, a number of specific factors are needed for success. Included in these economic foundations are a skilled and adaptable workforce, access to technology, availability of risk and investment capital, advanced physical infrastructure, and an attractive quality of life. Each of these factors must be specifically adapted to meeting the needs of the industrial clusters they support.

The importance of these foundations to regional competitiveness was shown in a groundbreaking 1984 SRI study of the Midwest, then becoming known as the "Rust Belt." The conventional wisdom was that the midwestern states were losing industry to foreign countries that could offer cheap labor. Instead, SRI found that industry was migrating to other parts of the United States, not overseas. A detailed analysis of measures of the important economic foundations showed that, on nearly every measure, the Midwest was losing ground to other regions. Other states were benefiting from industry relocation and expansion industry because

they were more effective in their ability to provide up-to-date training for workers, access to technology through support for university-industry research, availability of capital to support emerging firms, infrastructure to link companies to outside markets through advanced information and transportation channels, and a quality of life that would attract and retain workers (CEC, 1984). In more recent projects, the importance of each of these foundations has been shown in more detail.

*Skilled and Adaptable Work Force.* In order for industry to develop, grow, and compete in changing markets, enterprises must have access to a workforce that has the necessary skills to perform new tasks and manage new processes. Organizations must provide the incentives and structures to encourage and enable workers to perform high-quality work. And regional institutions must help workers maintain the ability to continue developing skills as technologies and markets change.

As Hong Kong was faced with competition from lower-wage regions for low-skilled manufacturing jobs, its best opportunity was to develop a work force that could undertake higher value-added jobs in product design and manufacturing management. SRI found that the college and university system in Hong Kong was weak in its ability to train engineers, making it difficult to take advantage of this opportunity. As a result of project recommendations, Hong Kong has now established a new polytechnic university with the support of government and business, and this new institution is now starting to provide trained engineers to Hong Kong companies, allowing them to expand in their ability to manage workers producing high-technology goods in the Pearl River Delta area in China near Hong Kong. (CEC, 1989a).

In the United States, the role of infrastructure that can provide education in appropriate skills was identified in an SRI study done in Baltimore, Maryland. The Baltimore area had a bifurcated economy, with major federal R&D labs on the one hand and a traditional manufacturing sector on the other. Johns Hopkins University viewed itself as a world university, not connected to the local economy, and so in general there was very little connection between the world of research and that of business. The study showed that industry was not developing in the region because of this lack of access to appropriately educated workers. A working coalition of executives from both public and private institutions came to see this as a real issue for the future economic development of the region, and energized a group called the Greater Baltimore Committee. The committee laid out an agenda for a new business school in Baltimore, provided a design for new apprenticeship training programs for the community and encouraged Johns Hopkins to link its research and education more closely to the needs of Maryland (CEC, 1988a).

*Access to Technology.* In order for industry to compete in the technology-based markets of today and tomorrow, research competence, technology training, and diffusion of new product and process knowledge must be available within the region. A region that can provide this technology access has a comparative advantage in attracting, retaining, and supporting industry. A major trend in state economic development programs over the past ten years has been the establishment of university-industry research programs to provide technology access.

In New York State, SRI had the opportunity to study ten centers for advanced technology that had been founded eight years ago to stimulate exchange of technology information between universities and industry. SRI found that a number of these centers had been quite successful, not only in supporting industry-focused research in their regions, but also in transferring skills and knowledge to industry, and providing a base for establishment of new technology-based companies. These centers had been successful in supporting industry clusters in computer software, financial services, telecommunications, and advanced manufacturing, all significant to the economy of the state. A benefit-cost analysis of this program by SRI and Pennsylvania State University has shown that the direct and measurable economic benefits of these centers, in terms of improving productivity and creating new employment opportunities, were more than four times greater than the state's investment in the programs (CEC, 1992b).

A similar program in Alberta, Canada illustrates the impact that an effectively-structured and managed technology access program can have in helping an emerging industry cluster to become established. The Alberta Center for Telecommunications Research, with research support from the province's two leading universities, and funding and participation by industry, has been helped in the emergence of a telecommunications technology cluster in the province from the region's capabilities in telecommunications equipment manufacturing. Technology access by itself, however, is not sufficient to develop an industry cluster. The Alberta Microelectronics Research Center, though performing excellent research, has not been sufficient to foster growth of a semiconductor industry in the province, even with significant assistance from the provincial government, because it lacked industry partners in the province and thus had no cluster to which to transfer its knowledge and trained graduates (CEC, 1990b).

*Availability of Capital.* For industry to develop and maintain its competitiveness, sufficient capital must be available at an affordable price for all types of business. Necessary forms of available capital include venture capital to support establishment of new firms in emerging markets and technologies, and investment capital to support the modernization and transformation of mature industry clusters. Availability of such capital is an important comparative advantage for an economic region.

The importance of a available pool of venture capital and good connections between venture capital and start-up firms was illustrated in an SRI's study of why the Illinois economy is encountering difficulties relative to other regions. In Chicago, a sophisticated financial services industry has been quite successful in generating venture capital and establishing venture capital investment funds. Nevertheless, Illinois ranks quite low compared to other states in its generation of new enterprises. Availability of capital includes not only the generation of that capital, but also the ability to transfer it to local industry. Interviews with entrepreneurs and investors indicated that the venture capital community was unaware of local venture opportunities in technology-based start-up companies, and that a conservative banking system was not prepared to extend financing to small companies. Identifying these bottlenecks in availability of capital has led to definition of initiatives to increase awareness of local venture opportunities that may help to alleviate the problem and help Illinois start small businesses and retain the small businesses that its excellent university system is generating (CEC, 1992c).

In the new country of Slovenia, established in 1990 from the ex-Yugoslavian province, the economy is encountering difficulties similar to those being encountered throughout the transforming economies of eastern Europe in making the transition to a free-market based economy. One major difficulty is the ability to generate new investment capital that can support the establishment and transformation of enterprises in industry clusters that offer promise for the future. SRI identified two problems contributing to this difficulty. First, western investors have been reluctant to invest where potential was not already obvious. Second, social pressures to support the old socially-owned companies as a means for maintaining employment have prevented capital from flowing to the most promising new investment opportunities. In *Maribor Jutri* (Maribor Tomorrow) the community leadership of Maribor with the assistance of SRI has defined a set of initiatives to address these problems, among others. The Maribor community is developing a "strategic plan" with which to seek investment from western banks and international institutions to support development of new businesses, and is working with the national government to restructure and privatize industry so that businesses with the greatest promise will have access to investment support (CEC, 1992d).

*Advanced Physical Infrastructure.* Physical infrastructure is a base for industrial development and so has generally been included in lists of traditional sources of comparative advantage. However, in a global economy composed of technology-based companies, the old definitions have to be expanded. In addition to basic transportation, water, low-cost energy, and waste disposal, economic regions can develop comparative advantages through their ability to provide advanced infrastructure that supports specific industry needs, such as high-quality, uninterruptible sources of electricity, effective mass transit and high-speed personal and

industrial transportation systems, and waste disposal procedures that can handle toxic industrial wastes. Perhaps more important, advanced communications linkages, often called the "highways of tomorrow" must be available to link industry clusters to markets and sources of information within the region and around the world.

A recent SRI study for the state of Oregon is focusing on the telecommunications systems of the state. Two concerns primarily motivated this study. First, in order to provide economic opportunities to rural areas, the state needs an advanced instate telecommunications system that can link rural areas to urban sources of continuing education and link rural companies to established industry clusters on the western coast. Second, for industry in the state to compete in global markets, it must have access to the most advanced international telecommunications capabilities available. A set of public-private initiatives is being designed to provide this source of comparative advantage to industry and to rural regions within the state (CEC, 1992e).

Los Angeles is a complex economic region, defined by a variety of industry clusters from aerospace and entertainment to textiles. Developed on the basis of a broad system of modern freeways, the region was able to grow geographically to absorb a rapidly-growing population while sustaining industry growth. However, while this system was the most advanced in the country when built in the 1950s, it has now reached capacity, and its use is contributing to the pollution problems of the Los Angeles basin. A study of the region's present problems and future challenges conducted by SRI has illustrated how critically important an advanced transportation system is to maintaining the region's economy and environment (CEC, 1991a).

*Attractive Quality of Life.* For a region to remain competitive, it needs to sustain a high quality of life as reflected both in distinctive regional amenities that are attractive to residents and outside visitors and investors, and in strong basic community health, reflected in limited social problems, availability of housing, and other basic needs of life that make the region an effective place to live and work.

The value of this comparative advantage is illustrated in the history of development of Silicon Valley and in the emerging problems that are now slowing growth in the region. In the early 1980s SRI studied the development of the region to try to explain how this vibrant economy of advanced industry clusters had evolved. In addition to the other comparative advantages of a strong university system and easy access to venture capital, the climate, housing, and social stability of the region were identified as having been important in retaining the entrepreneurial and innovation talent and the technical labor force needed to support rapid technological growth (CEC, 1985). A current SRI study now indicates that the declining ability

of the region to maintain this quality of life is making it difficult for industry to continue to expand in the Valley. Increasing pollution, lack of affordable housing, and growing disparities between upper and lower income classes are now challenging the future of the Valley. The project arising out of this current study is seeking to establish public-private initiatives to identify and address the sources of these problems as a means to revitalize economic growth (CEC, 1992f).

## **Leadership and Collaboration**

*Comparative advantages in the new economics are not static; they can be positively influenced through strong public-private leadership and collaborative action.* The fourth category of new sources of comparative advantage deals with the environment for business created in an economic region, and the ability of the region to define and undertake specific initiatives to enhance comparative advantages in its industry clusters and economic foundations.

Leaders from government and industry in regions that are seeking to enhance knowledge-based comparative advantages are taking on new leadership roles and forming new institutions to achieve economic advantage. The emerging trend is one of government and industry working together in a variety of institutional structures and relationships to explicitly define and execute strategies to enhance the comparative advantages of a region.

A variety of temporary and permanent types of new relationships are emerging. Twenty-five years ago, responsibility for specific economic issues were strictly demarcated between those that were to be handled by government (such as education and regulation) and those that were to be handled by individual companies (such as research and capital formation). Today, those demarcations are becoming more fluid and roles are changing, in a "third wave" of governance (Ross and Friedman, 1990). Government is responsible not for "rowing the boat, but steering the boat." Public-private partnerships and coalitions of private companies—sometimes loosely coordinated and assisted by government—are as important in dealing with regional economic issues as were government agencies and individual companies acting separately within their own domains in the past. (Osborne and Gaebler, 1991)

While it rarely shows up in any typical ranking of regions by comparative advantage, such as those promoted for use in site location decisions, the environment for business in a region, reflected in its government leadership and its ability to foster collaboration between government and business, is frequently mentioned by business executives as an important comparative advantage. Executives choosing to locate in a region frequently mention as a positive factors a

supportive attitude toward business and close government-business collaboration. Executives explaining why they are relocating operations or not choosing to expand in a region equally often mention a negative attitude toward business and an adversarial relationship between government and business as contributing to their decision. The regional business environment is composed of both specific regulations that make it convenient or difficult to do business economically and efficiently in the region, and more intangible attitudes of cooperation between government and business.

Equally important, the ability of leadership—both public and private—to define a vision for the region and then work to achieve it, and the ability of the region to form collaborations between government and business and among business, will influence the region's ability to enhance its comparative advantages. T.J. Rogers, founder of Cypress Semiconductors, expressed this succinctly in a recent speech to the Joint Venture: Silicon Valley collaborative project.

"When I started in business, success was characterized by adversarial relationships; government was an adversary, suppliers and customers were adversaries, and our competitors were our adversaries in a highly competitive game. Now it is becoming clear that to succeed, we must all find ways to work together as allies."

These new comparative advantages of leadership and collaboration take two forms. First, a continuing dialogue of negotiation between government and business is necessary. Based on communication of shared and conflicting needs, this dialogue is necessary to establish regulations that will satisfy social needs for adequate regulation of business, and at the same time will satisfy the needs of individual businesses to operate within regulations that promote their individual ability to compete in global markets. Second, leadership and collaborative action is needed to develop common visions for a region, establish the structure that will allow the region collectively to adapt to change, and initiate actions that will improve the quality of economic foundations. Such leadership and collaborative action will come both through business and government working together on general regional problems, and through enterprises within industry clusters working together on problems specific to their clusters. Two recent SRI projects illustrate the power of leadership and collaboration as a regional comparative advantage.

"Enterprise Florida" illustrates how public-private coalitions can be more effective in accomplishing economic objectives than adversarial relationships among public institutions and private industry. Beginning under the leadership of the Florida State Chamber of Commerce, SRI undertook a study of the Florida economy to define the state's economic base and to project its future. This study indicated that while Florida had been successful in attracting some industry to the state through traditional advantages such as a good climate, low labor and land costs, and lack of an income tax, its economy was still strongly based on the wealth brought to the state by

tourists and wealthy retirees (CEC, 1989b). In the subsequent project, the state's industry and government came together in recognition of what must be done to put the state's economy on a viable basis. This project has led to the establishment of a new public-private organization called "Enterprise Florida," an organization which by legislation is now taking over many of the functions of the state Department of Commerce. This coalition is managed by a board of directors including industry and government leaders and has as its mission the promotion and support of industry in the state (CEC, 1989c).

Even before the recent formalization of Enterprise Florida, the coalition had already undertaken an analysis of the state's taxation system that identified problems of raising revenue without an income tax and has recommended a value-added tax that will provide needed revenue without constraining business development (CEC, 1990c). Projects are now being undertaken within individual regions such as Tampa, Palm Beach County, and Jacksonville under the umbrella of Enterprise Florida to undertake specific initiatives in education and training, technology development, local regulation, and telecommunications networking within and among industry clusters to support efficient exchange of information on product needs, employment opportunities, and industry capabilities (CEC, 1992g).

"Arizona Strategic Plan for Economic Development" illustrates how leadership and collaboration within industry clusters, with the support of government, can establish the basis for revitalizing the economy of a region. In the first study of this project, SRI identified nine industry clusters, ranging from agriculture and mining to aerospace and electronics, that encompassed the economy of the state and the relationships among its individual firms (CEC, 1991b). In the second phase of the project, each of these clusters was organized into a task force to focus on opportunities for development within the cluster and to define requirements for development of economic foundations that would help industry take advantage of these opportunities. The project has now been formalized into an ongoing structure of cluster working groups under the governor's recently announced Arizona Strategic Plan for Economic Development. Each of these cluster working groups is now defining and undertaking initiatives, some within the clusters and some with public participation, to create and improve the foundations needed to compete successfully (CEC, 1992h). The value of this collaborative public-private approach is already showing results as companies in the region are choosing to expand locally rather than relocate operations to other regions, citing the new attitude of cooperation within the state as the justification for their decision.

## Strategies for Comparative Advantage

*The key proposition of this paper is that comparative advantage is a dynamic phenomenon, not a static set of predetermined conditions.* Comparative advantage can be defined, developed, and maintained. This proposition has been proven in regions throughout the world, with the economic success of countries of East Asia, including Japan and the "Four Tigers" of Singapore, Hong Kong, Taiwan, and Korea. Closer to home, it has been proven in economic regions including Florida, Arizona, Kansas, Nebraska, and Oregon and is in the process of being validated in regions now undertaking new strategies to improve their comparative advantages. The process by which this can be done can be divided into three steps:

- Identifying actual and potential regional advantages
- Defining strategies to gain and maintain comparative advantage
- Implementing regional strategies for comparative advantage

This process can be illustrated through a case study of a project undertaken by SRI in Omaha, Nebraska for a committee of business executives organized through the Omaha Chamber of Commerce. While this particular project was not as complex or far-reaching as those mentioned earlier in Florida and Arizona, in its elements it offers examples of each of the stages in the process. (CEC, 1991c)

### Identifying Actual and Potential Regional Advantages

To translate comparative advantage from a static set of conditions to a dynamic system of continuous improvement, it is first necessary to accurately and honestly define the current comparative advantages of a region and then determine how current comparative advantages can be enhanced to address future opportunities available to the region. The process starts with a quantitative and qualitative inventory of the region, using the four categories of comparative advantage discussed above.

*Regional Attributes.* The region's geographic attributes, historical circumstances and cultural relationships must be reviewed to identify the current strengths of the region relative to other regions, and the potential—and limitations—of those attributes to define future opportunities. A region with easy access to other regions because of its location, and with a background in trade and marketing services, has the potential to become an international business services center. New York, Los Angeles, and Tokyo are developing in this direction. A region with a central location relative to growing markets has the potential to develop an advanced

goods-manufacturing base. Centers in the U.S. Midwest, and some of the regions of central Europe have this potential. By contrast, a region that is isolated by geographic barriers, or one that is located at a distance from major population centers, is not likely to be successful as a goods-manufacturing center, but may have opportunities in such areas as telecommunications-based, or research and development services.

Omaha is an example of a region that does not have traditional advantages of location. It is geographically distant from sources of raw materials and international suppliers, and from most potential markets, though centrally located in the United States. The distance to markets and suppliers indicated that a strategy to develop, for example, an advanced durable goods manufacturing center would be difficult. On the other hand, a strategy based on transportable services could benefit from the central location without being constrained by lack of access to raw materials suppliers and markets for manufactured goods.

*Industry Clusters.* Because most industry development arises from within the capabilities and experience of existing industry clusters, a profile or map of industry clusters is the second aspect of the inventory of current and potential comparative advantage. SIC-coded County Business Patterns data can be used to calculate industrial concentration quotients, comparing employment concentration in a region with the national percentage concentration of employment in that industry. These indexes identify where current final goods and services producing employment is concentrated. This data is then supplemented by interviews to determine the relationships among final goods and services producers, intermediate producers, and supporting services. The final result is the identification of one or more industry clusters that produce tradable products and services and thus form the core of the region's economy.

Comparison of the recent growth or decline of these clusters in the region, when compared with analysis and projections of trends in the industry on a global basis, will identify which clusters are growing or declining relative to international trends, and which have the opportunity to sustain or regain growth based on projected international trends. It can also surface symptoms of problems in the relationships among companies in the cluster (e.g. Is the cluster weak in a particular supplying good or service?) or relationships between clusters and economic foundations (e.g. Is a cluster declining because of insufficient supply of trained workers or technology?) that are indicated because the cluster is not growing as rapidly as its counterparts in other regions.

In-depth interviews of corporate managers within clusters is also a means to begin the step of building industry coalitions that will be essential at later stages in the process. The interviews

will identify individuals who understand and are concerned enough with the health of their industry and their region to take leadership roles in defining and implementing strategies.

In Omaha, a quantitative inventory of employment indicated that the region had a cluster of agriculturally-related enterprises in food production and processing, though this cluster had been essentially stagnant for a number of years. The region also had a large and growing concentration of employment in financial services, especially insurance, in financial data processing, and in telemarketing. Interviews with industry executives indicated that these enterprises were closely linked to one another in their shared need for information systems, especially large-scale, real-time data bases. In addition, there were a growing number of small businesses in specific niche markets, such as telephone billing, that drew on the same abilities to design and maintain computer-based data systems. Out of this analysis, supplemented by interviews, SRI identified the existence of a cluster of what were called "information-intensive businesses."

In these interviews, a number of leaders from both large insurance and financial data systems, as well as from small supplier companies and the local headquarters of the regional telephone company were identified as strongly interested and committed to the prosperity of the region and their own companies, and saw the two as intimately connected. These leaders were to become the nucleus of a core of leadership in further stages of the project.

*Economic Foundations.* Conducting an inventory-of economic foundations is the third phase of developing a profile of the region's comparative advantages and potential. Here a quantitative analysis of the strength of foundations is a basis for qualitative analysis. Review of indicator data will provide an indication of the region's general comparative strengths in its economic foundations relative to other regions. Such data might include, for example, numbers of graduates and individuals with advanced degrees, numbers of patents issued and grants received by research institutes, creation of venture capital and new business formations, miles of roads constructed and numbers of advanced telephone switches, and levels of income and unemployment.

As with data on employment by cluster, these data are only an indication of potential problems; the analysis must be supplemented by qualitative interviews with the leaders of the institutions that provide and support the economic foundations. In particular, the understanding and responsiveness of these institutions to the needs of the industry clusters in their region will provide an indication of the quality of the economic foundations relative to industry cluster needs. An important element of this inventory is the identification of potential leaders and

participants in the second stage in the process of regional development of comparative advantage.

In Omaha, foundations in advanced education were well-developed for a community of that size. Two universities, one private and one public, were located in Omaha, and the state's central university campus was only an hour's drive away. In addition, two local four-year colleges and two community colleges were generating graduates and providing opportunities for continuing education at general and technical levels. However, concerns were expressed in interviews that graduates of the universities in data processing were having some difficulty finding employment opportunities in the city. At the college level, the institutions were unable to supply all of the training opportunities in data processing that the business community needed. Corresponding interviews with personnel and development managers in local companies indicated that the training being provided was not meeting their needs for appropriately-training software engineers and technicians and that they were having to go outside the region to find the entry level engineers they needed and to find continuing education opportunities for their employees. The problem seemed to be a combination of lack of communication on curriculum needs, and lack of institutional resources to meet the level of needs of the business community. As a result, the inventory of comparative advantage in economic foundations indicated a strong institutional system—and a well-educated work force—but some specific weaknesses relative to the needs of the region's fastest growing cluster.

*Leadership and Coalitions.* The fourth area of comparative advantage must also be assessed. Within this area, the quality of the current economic environment, problems between potential coalition participants, and strength of current and potential leadership must be assessed. This process is highly qualitative, depending on interviews, discussion and focus groups, and community and town hall meetings, to identify both present problems and future capabilities. The assessments of regional attributes, industry cluster structure and potential opportunities, and strengths and weaknesses in economic foundations completed in the earlier inventories, are useful tools for structuring discussions and uncovering both differences of opinions and areas of consensus on which leadership and collaboration can be built.

In Omaha, SRI found a long-standing tradition of active involvement of the community's business leaders in the affairs of the community, and a positive attitude towards business on the part of government. This structure had made it easier at the beginning to structure and initiate the project, and offered the potential for formation of coalitions to plan and undertake specific programs once these were identified. In addition, the willingness of the business community to support initiatives and then seek the support of government helps assure that initiatives will

survive changes in government administrations at the city and state level. This existence of willing leadership and experience in forming coalitions was definitely a strong source of comparative advantage for the community.

### **Defining Strategies to Gain and Maintain Comparative Advantage**

The second phase in gaining and maintaining comparative advantage is the definition of strategies. This phase can be divided into three steps: development of an encompassing vision, identification of requirements to achieve that vision, and development of specific strategies to meet those requirements. In SRI's experience, these steps are most effectively carried out simultaneously at two levels, at the general regional level and at the level of the individual industry clusters and economic foundations.

*Development of Vision.* The principle of developing a compelling and specific vision that can be used to identify requirements for achieving the vision and defining strategies for its achievement is as new as corporate planning principles, and as old as the Old Testament, which notes "Where there is no vision, the people perish." A vision is both a pragmatic tool to reduce options and alternatives to a manageable and easily understood set of objectives, and a strong source of motivation to attract participants to the process of definition and implementation of strategies.

This vision should state what the region will seek to become, how those objectives will meet the values and goals of the communities in the region, and what the eventual benefits will be. In order to be effective, the vision should be shared by the stakeholders in the region—industry and government, the leaders of the institutions providing economic foundations, and the general community. The ability of the community to come together to form a vision for itself is a first measure of the probable success of any resulting initiatives. Initiatives that are undertaken without first forming a vision to provide context frequently fail or are superseded by other initiatives because of lack of overarching objectives. Nevertheless, in SRI's experience, formation of a vision is nearly always possible where a community is truly committed to revitalization.

To develop this vision in Omaha, several steps were taken. First the analyses of the current comparative advantages and limitations of the region were reviewed with a group of leaders from all segments of the community. Then, in individual interviews with these leaders, a concept of what the region wanted to achieve, what it valued, and how it interpreted the analyses in terms of potential opportunities gradually emerged. Finally, a draft statement of the vision was presented

to small focus groups, with each group including representatives from each of the stakeholder categories.

The resulting vision was that Omaha would seek to become a leader in the central United States in information-intensive industries, including insurance, financial data-processing services, and related enterprises, through technical development, training, and application of applied information management systems. In this vision, Omaha defined the industry cluster that it wished to develop, its objective in terms of geographic reach and leadership, and the means by which it would achieve the vision.

*Identification of Requirements.* Having come to a general agreement on the vision for its economic future, a region must then determine what requirements must be met to achieve the vision, in terms of cluster emphasis and development of economic foundations. Here the close relationship between clusters and foundations is a key factor. For some regions, the requirements may be very broad, addressing the needs of several clusters that offer opportunities for regional growth and encompassing all economic foundations. In other regions, the needs may be more narrow. In either case, the industry clusters need to work within their groups to identify needs. If several clusters are involved, as was the case in Arizona, then each cluster must identify the needs specific to its industry, and a collaborative effort is used to identify both common needs across clusters and specific needs within clusters.

In Omaha, the challenge was narrower. Having decided to focus on the information-intensive industry sector, it was possible to work with small groups and in individual interviews to define a fairly limited set of requirements. Curricula for entry level engineers needed to be focused more directly on regional needs, means had to be found to provide continuing education opportunities for current employees at both the professional and technical level, a larger stream of programmer/technicians was needed, and support had to be available for the formation of small companies in software services support as well new financial systems opportunities.

*Development of Strategies.* Having identified the specific needs that need to be addressed in order for the industry clusters with greatest opportunities for growth to thrive, strategies to address them must be developed. Two sources of ideas are available in this strategy development. First, there are the examples of other regions from which to draw. An extensive literature has emerged over the past ten years discussing regional economic initiatives. At SRI, there is also a significant amount of research and applications experience on which to draw to identify initiatives in other regions which might address the needs of the local industry clusters. Second, the community itself, and the various stakeholders who have been involved in the

process to this point, may also have identified specific ideas that have not been tried in other regions that can be added to the set. Here the consultant can work to define a set of alternatives and options for consideration by the community.

In Omaha, a number of locally-generated ideas and outside examples of best practices were drawn together and an outline plan was developed for an umbrella organization called an "applied information management institute." This organizational plan combined a number of different concepts. A joint committee of business managers and educators would identify education needs and define new curricula in information technology. A coordinating group among all the educational institutions would address problems of course coordination, transfer of credits, sharing of instructors, and so forth. A funding mechanism would be established to provide support from businesses for new courses that the universities and colleges could not afford to develop with existing funds. A continuing education program with a coordinator would locate courses and instructors and provide training opportunities ranging from short executive courses to longer courses in, for example, specific software packages. Finally, a research program would be designed to identify specific research needs of industry and fund professors in the universities to pursue the research, not so much as a means to develop major new technological breakthroughs, but more to provide means to attract professors and enhance the region's reputation as a place where leading-edge information technology was maintained. (Nebraska Applied Information Management Institute, 1992)

### **Implementing Regional Strategies**

The best regional strategies are those that are implemented through the collaborative efforts of all of the stakeholders in the community. With growing funding constraints on government, and pressures on business to improve the "bottom line," no individual institutional category can be expected to pull the combined weight of an effective set of initiatives. Some initiatives can be undertaken by umbrella collaborations, such as Enterprise Florida, to provide state-wide regulation change and foster a positive relationship between government and business; some initiatives can be undertaken by focused public-private initiatives, such as a industry-funded university research and education center or an apprenticeship program; and some initiatives can be developed by groups of companies working together, such as in a worker retraining program where companies in an industry cluster share the costs and benefits, rather than expecting one or two leading companies to undertake training that other companies will benefit from.

In Omaha, the Nebraska Applied Information Institute (the AIM Institute) was incorporated as a nonprofit organization, with a board of directors including government leaders, presidents of

the participating universities and colleges, and executives of the major beneficiary companies. Initial funding has been secured from a core of companies that will participate in the various programs of the institute, and ongoing funding will be secured from payment for services such as education and training programs. This funding will be supplemented by seeking grants from state and federal government education and technology programs, though the program is not dependent on securing those grants. In this sense, the AIM Institute broke some new ground, with government being asked to match the contributions from private industry, rather than the other way around as is usually done in government-sponsored industry programs.

The AIM Institute is now established and in its first year of operation. Already some benefits are being realized through a closer working relationship between industry and education in the community, and a working group of educators from the various institutions sharing ideas and resources in course development, both of which arose naturally out of the process that led to formation of the institute. Other programs are now being formulated in continuing education and in research that will be implemented over the next two years. The program is also working closely with the Chamber of Commerce to support both the Chamber's small business development center and the Omaha 2000 education program to improve elementary and secondary education.

Perhaps the greatest value that is arising out of this effort in one city in the Midwest is that the community came together to identify a major opportunity for its economic development, to organize and start working together in a collaborative manner, and to define and implement a long-range strategy with a specific organization composed of all community stakeholders to lead in the efforts. In this way, it was able to translate its static comparative advantages to a dynamic set of comparative advantages that support the competitiveness of local industry and should be able to respond effectively to current opportunities and new developments as they occur in the future.

### **Conclusions**

Over the past twenty years, the economic rules that governed the prosperity of nations have been turned upside down by the growing importance of knowledge in products, the opening up of markets to global competition, and the restructuring of corporations. Many economic regions, whether circumscribed by or transcending political boundaries, have been finding ways to take advantage of the new rules of global competition by creating new comparative advantages that increase the competitive abilities of the enterprises in their regions. What was once experimental is now being confirmed in more and more regions. Through new public-private efforts to

encourage development of industry clusters and develop economic foundations to support industry competitiveness, these regions are building a prosperity that, like the knowledge-based resources that underpin it, is not diminished by its application, but can be applied in a positive-sum process throughout the world.

A region can not count simply on its traditional advantages of location and endowments, or the serendipitous development of industry clusters and general improvements in economic foundations to gain and maintain comparative advantage. In a world where competition is carried out on a global scale, those regions that are able to create and sustain knowledge-based comparative advantages that support the competitiveness of their industry are most likely to win the fruits of continuing economic vitality.

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The purpose of this paper has been to place into a comprehensive framework the experience of SRI's Center for Economic Competitiveness in helping regions to identify and enhance their comparative advantages. Listed below are general references from economic development literature that validate the concepts presented in this paper, as well as SRI reports describing the examples used.

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# PROGRAMS

OF THE

# ECONOMIC DEVELOPMENT ADMINISTRATION

Under the Public Works and Economic Development Act of 1965  
(P.L. 89-136) as amended



- 
- 
- Planning
  - Technical Assistance
  - University Centers
  - Research & Evaluation
  - Public Works
  - Economic Adjustment
  - Revolving Loan Funds
  - ~~Business Loan Guarantees~~
  - Trade Adjustment Assistance
- 
-

## PLANNING PROGRAM FOR ECONOMIC DEVELOPMENT DISTRICTS, INDIAN TRIBES AND REDEVELOPMENT AREAS

### PROGRAM GOALS

Grants and cooperative agreements under this program support the formulation and implementation of economic development programs designed to create or retain full-time permanent jobs and income for the unemployed and underemployed in areas of economic distress.

### PROJECT TYPES/ELIGIBLE APPLICANTS

Planning grants for administrative expenses are awarded to establish and implement effective economic development programs at local and multi-jurisdictional levels. Eligible activities under this program include the preparation and continuation of an Overall Economic Development Program, and planning, implementation and technical assistance services to communities and local governments within the organization's jurisdiction. Assistance is normally provided for a period of 12 months, for up to 75 percent of the total project cost. Indian tribes may be provided assistance for 100 percent of the total project cost.

Eligible applicants are Economic Development Districts, Redevelopment Areas, Indian Tribes, organizations representing Redevelopment Areas or multiple Indian Tribes, and commonwealths and territories.

### SELECTION CRITERIA

Among the factors EDA considers in evaluating proposals are economic distress of the area, past performance of previously funded grantees, and involvement of the local leadership in economic development activities. Priority consideration goes to currently funded grantees.

### FUNDING LEVELS

#### **District Program**

FY 91: \$15,543,000

FY 92: \$17,707,000

Average FY 91 grant: \$58,000

Range of FY 91 grants: \$56,000 - \$113,000

#### **Indian Program**

FY 91: \$2,835,000

FY 92: \$2,960,000

Average FY 91 grant: \$43,000

Range of FY 91 grants: \$30,000 - \$174,000

### APPLICATION PROCESS

EDA regional offices contact currently funded grantees to inform them of procedures for submitting applications for continuation funding. All other potential applicants should submit a letter requesting funding and providing evidence of area economic distress to the appropriate EDA regional office with a copy to the area Economic Development Representative. Following review of the proposals submitted by current grantees as well as other entities, EDA will invite new applicants selected for funding consideration to submit formal applications. Average time from application submission to final decision is four months. Complete program information appears annually in the Federal Register.

## PLANNING PROGRAM FOR STATES AND URBAN AREAS

### PROGRAM GOALS

Grants under this program help economically distressed states, cities, and urban counties undertake significant new economic development planning, policy-making, and implementation efforts.

### PROJECT TYPES/ELIGIBLE APPLICANTS

Grants finance the administrative expenses to support significant economic development planning and implementation activities, such as economic analysis, definition of project goals, determination of project opportunities, and formulation and implementation of a development program. Assistance under this program enhances economic development planning capacities, continuous economic development planning processes and procedures, and helps build institutional capacity. A grant award under this program is generally for a period of 16 months. Two additional awards may be considered if funds are appropriated by Congress. The maximum Federal share is 75 percent of the total project cost. Eligible applicants are states, sub-state planning units, cities, urban counties within metropolitan statistical areas, and combinations of these entities.

### SELECTION CRITERIA

Among the factors EDA considers in evaluating proposals are area economic distress; appropriateness of the work program to area needs; relationship of the proposed activities to the problems of the area's unemployed and underemployed population; and commitment of the chief executive. In the case of states, consideration is given to the innovativeness of the proposed project and the replicability of the process and/or results.

### FUNDING LEVELS

#### State Program:

FY 91: \$1,890,000

Average FY 91 grant: \$131,000

FY 92: \$1,973,000

Range of FY 91 grants: \$50,000 - \$200,000

#### Urban Program:

FY 91: \$2,834,000

Average FY 91 grant: \$107,000

FY 92: \$2,636,000

Range of FY 91 grants: \$40,000 - \$200,000

### APPLICATION PROCESS

Potential applicants under the program should refer to the Federal Register notice announcing the program for information on submitting proposals. Proposals should include an indication of commitment from the chief executive, significant verifiable information on the level of economic distress (e.g., recent unemployment and income data), and a work program outlining specific activities to be accomplished under the grant. The original and a copy of the proposal will be submitted to the appropriate regional office with a copy to the area Economic Development Representative. Average processing time from submission of application to final decision is four months.

## LOCAL TECHNICAL ASSISTANCE PROGRAM

### PROGRAM GOALS

Grants awarded under the Local Technical Assistance program are designed to assist in solving specific economic development problems, respond to developmental opportunities, and build and expand local organizational capacity in distressed areas.

### PROJECT TYPES/ELIGIBLE APPLICANTS

In responding to specific problems and opportunities, a local economic development organization might focus on military base and industrial plant closings, on deteriorating commercial districts, and on technical or market feasibility studies. Other subject areas of current interest include export promotion, tourism development, technology transfer, skill training, minority enterprise, and economic development financing.

Eligible applicants include public or private nonprofit national, state, area, district, or local organizations; public and private colleges and universities; Indian tribes, local governments, and state agencies. Other eligible applicants are private individuals, partnerships, firms, and corporations.

### SELECTION CRITERIA

Priority consideration for funding is given to proposals that:

- o benefit areas of severe economic distress;
- o lead to near-term (one to five years) generation or retention of private sector jobs;
- o are consistent with EDA-approved Overall Economic Development Program;
- o document strong local support in terms of financial commitment, public and private leadership involvement (applicants must finance a minimum of 25 percent of the total project costs);
- o promote economic diversification; and
- o focus on distressed rural area and state and Federally designated enterprise zones.

### FUNDING LEVELS

FY 90: \$660,000	Average FY 91 grant:	\$21,000
FY 91: \$960,000	Range of FY 91 grants:	\$5,000 - \$35,000
FY 92: \$1,200,000		

### APPLICATION PROCESS

Potential applicants should contact the Economic Development Representative (EDR) for the area. The EDA regional office can provide information on contacting the EDR, who will explain the program and guide the applicant in submitting the proposal. The regional office screens all proposals before deciding whether to invite formal project applications. Time from receipt of a formal application to final decision averages between three and four months. Grants over \$25,000 are subject to a more comprehensive review and require more time to process. Complete program information appears annually in the Federal Register.

## NATIONAL TECHNICAL ASSISTANCE PROGRAM

### PROGRAM GOALS

Grants and cooperative agreements awarded under the National Technical Assistance program are intended to provide resources to intermediary organizations giving technical assistance to local, district, and state economic development organizations and for national demonstrations of innovative economic development techniques.

### PROJECT TYPES/ELIGIBLE APPLICANTS

Types of proposals funded include newsletters and reports on new developments and success stories in rural and urban economic development; demonstrations of national significance in such areas as improving competitiveness, better use of private capital, tourism development and others.

Eligible applicants include national nonprofit associations, research institutions, and others. Assistance will generally be for a period of 12 months and applicants must finance a minimum of 25 percent of the total project cost.

### SELECTION CRITERIA

Priority consideration for funding is given to proposals which show:

- o potential usefulness to local, regional and state development officials and the private sector;
- o soundness and completeness of demonstration methodology and means of dissemination; and
- o value of proposed project in relation to cost.

### FUNDING LEVELS

FY 90: \$1,229,000	Average FY 91 grant:	\$78,000
FY 91: \$929,000	Range of FY 91 grants:	\$27,000 - \$150,000
FY 92: \$976,000		

### APPLICATION PROCESS

Potential applicants should submit five copies of a concise proposal to EDA Headquarters. Proposals should include (1) the name and address of the applicant organization and the names, telephone and the fax numbers of executive and project directors as appropriate; (2) the amount of EDA funds sought and the applicant share; (3) a brief statement of purpose (that does not repeat the scope of work), a scope of work and work plan; (4) a detailed line item budget; and (5) an organizational capability statement. If a proposal is accepted, EDA will invite a formal application. Average processing time from receipt of a formal application to final decision is two months. Complete program information appears annually in the Federal Register.

## UNIVERSITY CENTER PROGRAM

### PROGRAM GOALS

Grants and cooperative agreements awarded under the University Center program help colleges and universities in using their own and other resources to address the economic development problems and opportunities of their service areas.

### PROJECT TYPES/ELIGIBLE APPLICANTS

Proposals funded under the basic University Center program must focus on providing technical assistance to clients outside the sponsoring institution. A limited amount of University Center initiated activity, such as applied research on general economic development issues, is permitted if approved as part of the work plan. Eligible applicants include public and private institutions of higher education.

### SELECTION CRITERIA

Priority consideration for funding is given to proposals which:

- o focus on service areas with significant economic distress (EDA prefers a statewide service area. However, EDA will consider a service area which covers a substantial portion of the state's population or its geographic area.);
- o address the economic development needs of the service area;
- o complement, rather than replicate, the efforts of other technical assistance providers such as Trade Adjustment Centers, and Small or Minority Business Development Centers;
- o furnish evidence that the sponsoring institution will provide significant financial and nonfinancial support for the activities of the proposed University Center.

### FUNDING LEVELS

FY 90: \$4,757,000

Average FY 92 grant: \$120,000

FY 91: \$4,757,000

Range of FY 92 grants: \$104,000 - \$124,000

FY 92: \$7,724,000

### APPLICATION PROCESS

Institutions seeking initial funding for a University Center should send a proposal to the appropriate EDA regional office and a copy to the Economic Development Representative for the area. The proposal should describe the economic distress of the service area, the activities that will be financed with the EDA funds, and the relationship of these activities to the economic development needs of the service area. The Assistant Secretary for Economic Development will decide which institutions will be invited to submit formal applications. Average time from application submission to a final decision for initial funding is four months. Institutions already participating in the University Center program will be notified by the appropriate EDA regional office of the application procedures for renewal funding.

## RESEARCH AND EVALUATION PROGRAM

### PROGRAM GOALS

Grants and cooperative agreements awarded under the Research and Evaluation program are used to support studies that will increase knowledge about the causes of economic distress and approaches to alleviating such problems.

### PROJECT TYPES/ELIGIBLE APPLICANTS

Studies funded examine issues related to (1) the causes of unemployment, underemployment, underdevelopment, and chronic depression in various areas and regions of the Nation; (2) the formulation and implementation of national, state, and local programs that will raise employment and income levels and otherwise produce solutions to problems resulting from the above conditions; and (3) evaluations of the effectiveness of programs, projects, and techniques used. Eligible applicants are private individuals, partnerships, corporations, associations, colleges and universities, and other suitable organizations.

### SELECTION CRITERIA

EDA uses the following criteria to evaluate research and evaluation proposals:

- o potential usefulness of the research to state and local economic development practitioners;
- o soundness and completeness of the research methodology;
- o total cost and value of product in relation to cost; and
- o ability to be completed in 12 to 15 months.

### FUNDING LEVELS

FY 90: \$1,209,000	Average FY 91 grant: _	\$99,000
FY 91: \$1,382,000	Range of FY 91 grants:	\$12,000 - \$350,000
FY 92: \$500,000		

### APPLICATION PROCESS

Potential applicants should submit five copies of a concise proposal to EDA Headquarters. Proposals should include (1) the name and address of the applicants and the names, telephone numbers, and resumes of the project director and principal investigators; (2) the amount of EDA funds sought; (3) a brief scope-and-objectives section; (4) a brief but thorough description of the research methodology and data; (5) a work plan showing different phases of the project; (6) a detailed budget showing cost breakdowns; and (7) a corporate or institutional capability statement, when appropriate. Average processing time from receipt of a formal application to final decision is two months. Complete program information appears annually in the Federal Register.

## PUBLIC WORKS AND DEVELOPMENT FACILITIES PROGRAM

### PROGRAM GOALS

Grants are provided to help distressed communities attract new industry, encourage business expansion, diversify their economies, and generate long-term, private sector jobs.

### PROJECT TYPES/ELIGIBLE APPLICANTS

Among the types of projects funded are water and sewer facilities primarily serving industry and commerce; access roads to industrial sites or parks; port improvements; and business incubator buildings. Proposed projects must be located within an EDA-designated Redevelopment Area (RA) or Economic Development Center. Projects in other areas of an EDA-designated Economic Development District are also eligible if they will directly benefit an RA within the District. Projects must be consistent with an approved Overall Economic Development Program. An applicant may be a state, political subdivision of a state, Indian tribe, special-purpose unit of government, or public or private nonprofit organization or association representing an RA or part thereof.

### SELECTION CRITERIA

Priority consideration shall be given to projects that:

- o improve opportunities for the successful establishment or expansion of industrial or commercial plants or facilities;
- o assist in creating or retaining private sector jobs in the near-term, as well as additional long-term employment, provided that the jobs are not transferred from other areas and will result in a low cost per job in relation to EDA cost;
- o benefit the long-term unemployed and members of low-income families residing in the area served by the project;
- o fulfill a pressing need of the area and can be started and completed in a timely manner; and
- o demonstrate adequate local funding support, with evidence that such support is firmly committed and available.

### FUNDING LEVELS

FY 90: \$109,830,000

FY 91: \$140,825,000

FY 92: \$154,160,000

Average FY 91 grant: \$742,832

Range of FY 91 grants: \$ 80,160 - \$2,316,572

### APPLICATION PROCESS

Eligible applicants should contact the Economic Development Representative (EDR) for the area. The EDA regional office can identify the EDR contact who will describe the program and provide guidance on preparing a preapplication. EDA screens proposals before deciding whether to invite formal applications. Average time from submission of an application to a final funding decision was five and one-half months in FY 91. Complete program information appears annually in the Federal Register.

**ECONOMIC ADJUSTMENT (TITLE IX) PROGRAM**  
**(Long-Term Economic Deterioration (LTED/RLF) Component)**

**PROGRAM GOALS**

Grants are provided to establish or expand revolving loan funds (RLF) in depressed areas. The program is designed to help areas overcome specific capital market gaps and to encourage greater private sector participation in economic development activities.

**PROJECT TYPES/ELIGIBLE APPLICANTS**

In concert with private lenders, RLF grantees make fixed asset and/or working capital loans to area businesses. RLF projects support such activities as small business development, including start-ups and expansions; business and job retention; redevelopment of blighted land and vacant facilities for productive use; and support for growth industries and high-tech firms.

Potential RLFs must be located in LTED eligible areas. To be eligible, an area must be experiencing at least one of three problems: very high unemployment, low per capita income, or chronic distress (i.e., failure to keep pace with national economic growth trends over the last five years). Eligibility status is available from EDA's regional offices. The applicant must be one of the following: a designated EDA Redevelopment Area (RA) or a nonprofit organization determined by EDA to be the representative of an RA; an Economic Development District; a state; a political subdivision of a state or a consortium of such units; or an Indian tribe.

**SELECTION CRITERIA**

Key selection factors include the economic and financial needs of the project area; the anticipated benefits (such as filling specific gaps in the local capital market); and the applicant's ability to manage an RLF effectively.

**FUNDING LEVELS**

FY 90: \$12,031,000	Average FY 91 grant:	\$415,000
FY 91: \$12,035,000	Range of FY 91 RLF grants:	\$150,000 - \$1,500,000
FY 92: \$11,500,000		

**APPLICATION PROCESS**

Eligible applicants should contact the Economic Development Representative for the area or the appropriate EDA regional office for an LTED proposal outline. EDA screens proposals before deciding whether to invite a formal application. After inviting an application, EDA conducts one or more preapplication conferences to assist with its preparation. Average time from application submission to a final funding decision is four to six months. Complete program information appears annually in the Federal Register.

**ECONOMIC ADJUSTMENT (TITLE IX) PROGRAM**  
(Sudden and Severe Economic Dislocation (SSED) Component)

**PROGRAM GOALS**

Grants are provided to help develop and implement local economic adjustment strategies designed to anticipate and prevent an economic dislocation or to reestablish employment opportunities and economic stability as soon as possible after a dislocation occurs.

**PROJECT TYPES/ELIGIBLE APPLICANTS**

Strategy grants support the immediate development of a comprehensive response to an actual or threatened dislocation. Strategies describe the actions the community proposes to take to avert the dislocation or to generate reemployment opportunities for the dislocated workers. Implementation grants finance the implementation of one or more activities in an approved strategy. The types of activities financed include the construction of public facilities, business loans, and technical or management assistance.

To be eligible, dislocations must have occurred within the preceding 12 months or be expected within two years and must meet certain job-loss thresholds. An applicant must be one of the following: a designated EDA Redevelopment Area (RA) or a nonprofit organization determined by EDA to be the representative of an RA; an Economic Development District; a state; political subdivision of a state or a consortium of such units; or an Indian tribe.

**SELECTION CRITERIA**

Key selection factors include the severity of the dislocation and the responsiveness of the proposed project to the needs of the dislocated workers.

**FUNDING LEVELS**

FY 90: \$12,326,000	Average FY 91 grant:	\$112,000
FY 91: \$12,282,000	Range of FY 91 grants:	\$22,000 - \$1,250,000
FY 92: \$11,500,000		

**APPLICATION PROCESS**

Eligible applicants should contact the Economic Development Representative for the area or the appropriate EDA regional office for an SSED proposal outline. EDA screens proposals before deciding whether to invite a formal application. After inviting an application, EDA conducts one or more preapplication conferences to assist with its preparation. Average time from application submission to a final funding decision is four to six months. Complete program information appears annually in the Federal Register.

## TRADE ADJUSTMENT ASSISTANCE PROGRAM

### PROGRAM GOALS

EDA funds a network of Trade Adjustment Assistance Centers (TAACs) through cooperative agreements. These TAACs aid firms and industries in applying for benefits under Chapter 3 of Title II of the Trade Act of 1974.

### PROJECT TYPES/ELIGIBLE APPLICANTS

A firm affected by import competition may petition for certification of impact. Firms that believe they meet this criteria may contact TAAD or one of the 12 TAACs. If the firm appears to meet Trade Act certification criteria, the appropriate TAAC will offer to help the firm in completing and submitting a petition to TAAD. If the firm is certified, it may apply for technical assistance in diagnosing its problems and assessing its opportunities. If the firm appears to have a reasonable chance of recovery, it develops an adjustment proposal which outlines the firm's recovery strategy and any need for implementation of technical assistance. If the adjustment proposal is accepted by TAAD, the firm is authorized to apply for technical assistance to implement the recovery strategy. Organizations representing trade-injured industries may apply to receive industry-wide assistance.

### SELECTION CRITERIA

To be certified eligible, a firm must demonstrate that threatened increased imports of articles directly competitive with its products contributed significantly to declines in sales or production and to significant actual or threatened job loss. For an industry association or other organization to be eligible for industry assistance, evidence must be submitted demonstrating that the industry faces import competition and includes a substantial number of Trade Act certified firms or worker groups.

### FUNDING LEVELS

FY 90: \$6,373,000	Average FY 91 grant: \$1,033,000
FY 91: \$12,935,000	Range of FY 91 grants: \$460,000 - \$1,485,000
FY 92: \$14,000,000	

### APPLICATION PROCESS

To apply, a firm must submit a petition for Certification of Eligibility (Form ED-840P). Within two years of certification, the firm may submit an acceptable adjustment proposal and an application for technical assistance. A letter requesting technical assistance may be submitted to the appropriate TAAC. Industry associations or other organization seeking industry assistance must submit an application identified as Standard Form 424, if encouraged to do so following the meeting with a TAAD representative.

To be approved, an adjustment proposal from a certified firm must demonstrate that the proposal (1) is reasonably calculated materially to contribute to the economic adjustment of the firm; (2) gives adequate consideration of the interests to the workers of the firm; and (3) demonstrates that the firm is using its resources for its economic adjustment.



The reuse of well-located military bases can be of immense benefit to cities, regions, and the nation. What is needed is a long-term perspective on base conversions. Here is what it will take.

# Seizing the Opportunity In Military Base Closures

BONNIE FISHER

One of multiple military bases proposed for closure in the San Francisco Bay Area, the Alameda Naval Shipyard and Supply Depot comprises approximately 1,800 acres of close-in waterfront land.

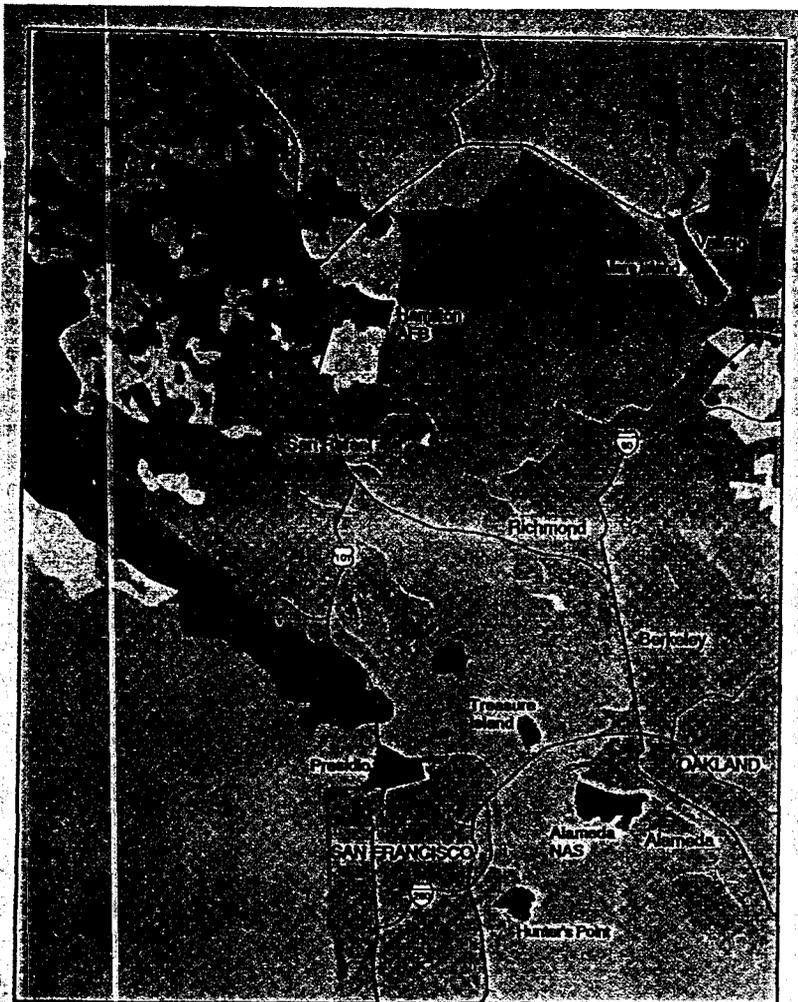


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**M**ore than 150 military bases in the United States are scheduled or recommended for closure, and others will doubtless be added to the list in coming years. The soon-to-be-closed bases total hundreds of thousands of acres. Many are on prime real estate in or near major metropolitan areas. For example, 8,000 acres of flat, developable, waterfront land—close to mass transit, rail, and highways and with infrastructure in place—sit in five bases proposed for closure adjacent to San Francisco and Oakland.

The current wave of base closures offers us an opportunity to reshape the development patterns of U.S. metropolitan areas and to achieve important economic development, housing, and quality-of-life objectives. We can transform bases into model communities of the 21st century. We can plan and develop these publicly owned lands to achieve broad-based public objectives that build value within regions over time.

However, we cannot meet these objectives simply by following existing policies and procedures for land disposition and development. In closing the bases, the federal government seems principally guided by its desire to reduce the defense budget and to maximize its short-term revenues. Federal agencies judge the success of base conversions more by their immediate contribution to job replacement goals than by their potential for strengthening the regional economy. If we continue to focus on such short-term, narrow objectives, we will squander the opportunities that widespread base closures open up.



Base Closures in the San Francisco Bay Area

**MILITARY BASES SLATED FOR CLOSURE**  
**GOLDEN GATE NATIONAL RECREATION AREA**  
 (Former military lands comprise 2,043 acres of GGNRA in Marin and San Francisco Counties)

NOTE: Conceptual diagram for purposes of discussion only. This map is generalized, and not necessarily accurate in scale.

Military bases slated for closure in the San Francisco Bay Area include thousands of acres of flat, developable land in prime locations close to mass transit, railroads, and highways and with infrastructure in place. Many U.S. metropolitan regions are faced with multiple base closings in the current round, which only intensifies the importance of good reuse planning strategies.

### New Challenges for Base Closure

Base closings are not a new phenomenon, and some successful conversions show how they may contribute to the distinction and livability of cities. The conversion of Boston's Charlestown Navy Yard (see cover), for example, which began in the early 1970s, opened up the waterfront to public access, created a 16-acre park, preserved historic ships and granite warehouse structures, and will have created 16,000 jobs over the next decade. The mixed-use project, carried out by the Boston Redevelopment Authority, includes 1,200 housing units, a hotel, more than 2 million square feet of commercial, office, research, and cultural uses, and a marina. Another 1970s conversion is the Golden Gate National Recreational Area, a 30,000-acre shoreline national park that was

originally created from the assembly of more than 2,000 acres of Army land. The popular park offers a wide range of recreational experiences, from an urban bayfront promenade in the heart of San Francisco to the wilds of the Marin Headlands overlooking the Pacific Ocean.

Since these conversion projects were undertaken in the 1970s, the context for base closure has changed considerably:

- *An increasing number of closures.* The number of bases scheduled for closure has increased dramatically. In the ten years between 1976 and 1986, only a handful of bases were scheduled for closure; in the five years through 1992, 150 bases. With more bases slated for closure than at any other time in American history, the impacts of these closures will be much greater and more far-reaching than ever before.
- *More multiple closures within single regions.* In 1993, two major installations were proposed for closure in Philadelphia (on top of two proposed in 1991), two in Charleston, South Carolina, and five in the San Francisco Bay Area (on top of three recently slated for closure).

In the Bay Area, for example, three of the soon-to-be-closed bases are located within Alameda County, an area where the recession has hit hard and where, as a result of these closures, the unemployment rate is expected to jump to 14 percent.

- *Greater environmental challenges.* The federal government's responsibility to restore contaminated sites to safe condition has become more difficult with higher standards for toxics cleanup and greater public awareness of the issue. The feasibility of reuse strategies at some bases may be called into question by the time and costs of cleanup.

- *Diminished value of large tracts of land.* In many regions, developers (or financial institutions hold large land tracts awaiting development. Adding former bases to this supply increases competition among potential development sites without helping to solve the problem of sprawling growth. A base, however, offers a clear advantage—public ownership—that also means that its reuse entails the responsibility to serve a larger public purpose.

- *Changed disposition goals.* In the 1970s, the U.S. General Services Administration (GSA) virtually gave decommissioned bases to other government agencies and municipalities. In recent base closings, the federal government sought to maximize profits from base closures, making for often protracted negotiations on the size, configuration, and purchase price of parcels. Today, the emphasis of the Department of Defense is on disposing of the property as quickly as possible, to minimize the cost of operation.

The recent wave of base closures dates from 1988, when the Defense Department established the Defense Base Closure and Realignment Commission. Controversy surrounding its closure recommendations led Congress to create a new Commis-

ROMA DESIGN GROUP

sion for Base Closure and Realignment and to call for three rounds of base closures, in 1991, 1993, and 1995.

Communities faced with base closures and reuse must take a longer view toward their urban landscape. Many military bases are relatively recent newcomers to their regions. Many were activated only a half century ago in anticipation of World War II. The sites of several bases now slated for closure in the San Francisco Bay Area were tidal marshes before World War II. In a half century, these bases have gone through full life cycles and must now begin all over again with plans for new uses and activities. Because of their size, strategic location, and historic importance to the economy and to the identity of individual communities and entire regions, these bases must be planned with the same degree of forethought, clarity of purpose, and sense of commitment that was devoted to their original creation as part of the war effort.

### **Nine Key Issues**

In facing an upcoming base closure, communities must remember that some reuse strategies have been proven to be quite successful. Government studies of post-1961 base closures have indicated favorable results for many affected communities. Of the 100 well-documented cases, 1.5 jobs were created for every job lost, amounting to an additional 150,000 civilian jobs since 1961. Besides jobs, base conversions can provide attractive and affordable housing, high-quality public schools, public parks and open spaces, and access to transportation. They also can build a sense of community and neighborhood identity.

The proposed FY1994 federal budget allocates considerable funds to defense transition activities. However, the programs proposed—retraining of defense workers, retooling of defense industries, and incentives for the transfer of military technologies to other uses—largely overlook the need to prepare and implement long-term conversion strategies for military bases.

Federal economic development programs to ease the transition to lower defense expenditures should be coordinated with base conversion planning and implementation. The federal government should leverage its military landholdings to attract uses that build value in the properties and contribute to broad-based economic development.

Planning for base reuse currently receives support from the Office of Economic Adjustment (OEA) in the Department of Defense. Its grants for reuse planning range from \$200,000 to \$500,000 annually per community (up from \$70,000 annually a few years ago) for one to three years. While planning grants are increasing, the granting program needs to be reconsidered in light of time needed to make a successful transition to new uses. OEA assistance is

needed for the critical implementation phase to help manage the site and construct the improvements that can attract new activities.

To realize the diverse opportunities of base closures, the federal government and local communities must work together closely over a span of many years. In this process, these parties must consider the following nine key issues to assure the long-term success of each base closure and reuse program.

**Establish Clear National Objectives and Priorities.** The federal government must set forth long-term objectives for conversions as guidance for states and cities that are planning the reuse of individual bases. Base conversion has the potential to achieve many other vital national objectives, like jobs creation, housing development, urban revitalization, and the creation of parks and open space. The federal government should encourage the participation of local elected officials, developers, and diverse community interests in the planning for individual bases.

**Reform the Base Disposition Process.** The federal government's archaic land disposition system works against comprehensive site planning and must be reformed, at least in the case of closed military bases. Following federal law, GSA examines surplus lands for possible use for any number of public purposes such as an airport, a park, or housing for the homeless. Public agencies can acquire property for a wide variety of other uses by negotiated sale without deed restriction, based on a Department of Defense determination of fair market value. Private parties may acquire surplus lands through competitive bid.

Whether it is a negotiated or competitive bid, value is determined by the underlying zoning on the property which, in turn, is controlled by local officials. Local jurisdictions are often reluctant to establish the zoning, especially for high-value uses, before the disposition process is ended and while they are still negotiating the terms for acquisition. As a result, the community and potential local developers get caught in a catch-22 situation, whereby lands are disposed of without any entitlements whatsoever.

The process fosters a land grab mentality, whereby each public agency vies for as much land as possible for its particular use, often ending up with a hodge-podge assembly of parcels with little relationship to one another. The outcome is the disassembly of lands into separate pieces and under separate jurisdictions with no guarantee that potential future uses can be realized.

The best disposition strategy would be for a single public entity to retain ownership of the lands, disposing of them through long-term leases to public and private leaseholders rather than through final transfers and sales. (Land sales may be necessary for private residential uses.) Leasing land has a number of advantages, including a stronger public ability

to replace nonperforming leaseholders. But it also imposes added liabilities on the public sector, and liability and indemnification problems must be resolved ahead of time so as not to impair private financing.

#### **Create an Appropriate Management Entity.**

Former military bases that remain in public ownership should not be managed by the Department of Defense. The management of these lands is best suited to an agency oriented to economic development and urban revitalization, one that can assist in financing reuse planning, site cleanup and preparation, and startup businesses on the converted site.

The public base reuse agency should hold former military installations in trust for public nonprofit corporations created solely for the purpose of accomplishing the conversion of each base. Backed by the federal government, such corporations will have the resources and long-term perspective necessary to guide the conversion of these sites for the greatest local and national good. A corporation of this type was successful in converting Westover Air Force Base in Springfield, Massachusetts, to a civilian airport serving the growing cargo market, and in New Hampshire, a public nonprofit corporation was authorized by the state to direct reuse of Pease Air Force Base, extending between two different jurisdictions.

The boards of conversion corporations should represent national and regional interests, and their staffs should be made up of professionals skilled in planning, marketing, and project implementation. A public nonprofit corporation can be an effective master developer, taking lead responsibility for planning, site preparation, parcelization, public approvals, and developer solicitation and negotiation.

**Streamline the Approvals Process.** Increasing environmental and other regulatory requirements have been added to the planning process, significantly affecting the cost, complexity, and time frame of base reuse. Preparation of a federally required environmental impact statement for closure of a major military installation can take two years and often a second similar document is required for reuse, in addition to local and state environmental documentation. Toxic cleanup can take four years or more. Local permitting for clean air and clean water can consume several months. When environmental review and site cleanup take a decade or more, community groups and leaders tend to lose interest, public resolve weakens, and the reuse plan begins to fall apart.

Major regulatory issues affecting the reuse of a base should be completed before closure occurs. The Defense Department should not close the base before the reuse plans and approvals are in hand, and the process should be quicker. Efforts now underway to coordinate, streamline, and consolidate governmental regulatory policies and practices need to be focused on the issue of timely base conversions. Priorities for these conversions need to be

clarified. Otherwise, more effort will have to be put into the process of preparing for reuse than into reuse itself.

#### **Establish a Job Corps for Toxic Cleanup.**

The presence of toxics—from leaky underground fuel tanks, degreasing operations, paint stripping, and buried ammunition—adds costs and time to base reuse programs. Toxic cleanup and environmental remediation skills are increasingly needed here as well as for many other industrial and urban applications. The federal government should create a jobs corps along the lines of the Work Projects Administration of the 1930s to provide training in these skills and employ individuals to clean up bases and other federal sites. Besides creating jobs, such an initiative would represent federal support for technology transfers from the military to civilian uses.

**Enhance Open-Space Values.** Environmental remediation at former military bases must go beyond toxic cleanup. Bases often contain large expanses of relatively untouched natural areas with habitat that sustains a wide range of wildlife and vegetation. And, on bases in which natural systems have been disturbed, opportunities for environmental restoration can be significant. Base reuse planning must look at the value of the land as open space. Open space can help communities in urbanized areas establish an identity by separating cities from one another and creating clear edges and urban boundaries. It can create visual and psychological relief from the urban surroundings. And it can help shape the form of the region. Reuse strategies must consider the use of existing open space, the restoration of degraded natural (and historic) environments, and the creation of links with regionwide open-space systems.

**Capitalize upon Transportation Opportunities.** By their nature, military bases are transportation hubs, generally located adjacent to highways, rail lines, or deep water ports. Many include airplane runways and hangars. The challenge for base reuse planning will be to take advantage of the full range of in-place transportation facilities—air, rail, ship, road—offered by most military bases and to integrate them creatively with a mix of residential and commercial land uses that can make efficient and economical use of such facilities.

**Implement Environmentally Sound Development Standards.** Federal planning standards for closed bases should take a broad, inclusive view of the impacts of growth and development, along the lines of ISTEA's (Intermodal Surface Transportation Efficiency Act of 1991), which focuses on the interdependency of different modes of transportation and air quality goals. Land use, transportation, and air quality are not isolated, independent phenomena and the opportunities to develop major new land uses at former bases in urban areas give

planners a chance to come up with working models of large-scale development that are attractive, marketable, and environmentally sound.

Planning guidelines for base conversions should include minimum densities (for residential development within metropolitan areas, a density of ten units per acre would be appropriate); an emphasis on locating employment and residential land uses near one another, and on including a balanced amount of each use; requirements for pedestrian-scale neighborhoods and communities, for locating schools and neighborhood retail within walking distance of residential neighborhoods, and for including bike-paths; and requirements for using rail or innovative transportation systems to link the property to surrounding areas.

By following such guidelines and instigating some transportation operational programs like ridesharing, transit, or traffic flow improvements, communities could achieve significant reductions in vehicle miles traveled and thus save energy and cut air pollution. They would reap other benefits as well, including lower infrastructure development costs, more affordable housing, less traffic congestion, and increased mobility for nondrivers (children, the disabled, and the elderly).

#### **Create Alternatives to Metropolitan Sprawl.**

Base reuse programs can become an important piece of the U.S. metropolitan agenda for the 1990s. Since early in the century when most military bases were established on the fringe of metropolitan areas, cities have grown up around them, and continue to do so. Many closed bases are potential urban infill sites, much like former railyards and obsolete industrial areas. As such and because of their size and transportation services, they represent a great opportunity to improve current development patterns, consisting of low-density sprawl punctuated by occasional edge cities. Their sensitive reuse can help restructure portions of many metropolitan areas into more prosperous and meaningful places.

The isolation of many bases is the first hurdle to overcome in such an effort. Many bases are small, self-contained, and low-density (single-story) cities functionally and physically isolated from their surroundings. A wall, guardhouses, gates, and often a broad no-man's land at their perimeters separate them from off-base activities. Having their own PX and other retail stores, they frequently generate little demand for nearby commercial uses, other than



GOLDEN GATE NATIONAL PARK ASSOCIATION

those more undesirable uses prohibited within the base itself.

Base reuse planning must be much more than a facility planning effort internal to the boundaries of the previous base. It must be approached as community planning in the sense that it considers the interactive relationships of land uses on the site with surrounding land and activities. The walls of the base need to be removed, literally and figuratively, and the property reclaimed as an integral part of the fabric of the urban region.

#### **A Farsighted Approach**

The preparation and implementation of comprehensive strategies for the conversion of military bases will encounter their share of controversy. Many communities will be tempted to settle for the short-term solution to base closures—the creation of replacement jobs. It is clear, however, that a more farsighted reuse strategy can have results that are well worth the time and trouble. Base closures offer the nation a once-in-a-lifetime opportunity to improve metropolitan areas and to take important steps forward in the areas of economic development, housing, and quality of life. ♦

Many bases are functionally and physically isolated from their surroundings—by walls, like the Presidio's in San Francisco shown here, fences, no-man's-lands, uncoordinated street systems, and the like. Integration of base properties with the community is one of the first tasks of base reuse planning.

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Bonnie Fisher is a principal at ROMA Design Group, architect and planners in San Francisco.



**MILITARY BASE CONVERSIONS:  
LOCAL AGENCY OPPORTUNITIES FOR  
MIXED-INCOME HOUSING**

By: Gene Slater and Chris Gouig  
CGMS Incorporated

Current and future rounds of military base closures provide significant opportunities for housing and neighborhood development. While the attention (and controversy) often focus on McKinney Act requests for free buildings for the homeless, the possibilities for affordable housing are often much larger. What role - and what problems - do local agencies have in taking advantage of these opportunities?

The Sacramento Housing and Redevelopment Agency has been defining this role and discovering and addressing these problems over the last year at Mather Air Force Base. Many of the lessons from this effort, which CGMS has been assisting as financial consultant, have national implications. The Air Force and GSA negotiators have, in fact, indicated that they see the Sacramento approach as a national prototype.

Mather Air Force Base is one of the first bases to close under the new Base Realignment and Closure Act of 1988. Sacramento County's overall re-use efforts quickly targeted the retention of the current runway as a catalyst for new commercial/industrial uses. The economic development approach, however, did not deal with an existing neighborhood on another part of the base.

This neighborhood contains 1,271 single-family and duplex units for Air Force personnel and their families built in the 1950's and 1960's (the same "Wherry" and "Capehart" houses from that era that are found on military bases through the United States). What should happen to those homes?

They were clearly not-suitable for the homeless (the Agency's McKinney Act request was for several dormitories and officer quarters on the opposite side of the landing field).

From the point of view of nearby, off-base neighborhood associations and real estate boards, these homes were a potential nightmare. In a relatively soft real estate market what was to prevent them from turning into an "instant slum", whether owned by a public agency or private investor-landlords? They suggested razing the homes.

Given these concerns and the nature of the development itself, the Agency realized that these units - built at a low density on curving streets with mature trees, tot lots, and two now empty public schools - provided an enormous opportunity for affordable, mixed income homeownership.

Even after rehabilitation, it was unlikely, according to local realtors and developers, that the units would sell much outside a range of \$50,000 for the small duplexes to \$90,000 for the largest single-family homes. This was substantially below the market prices for the least expensive new homes in the metropolitan area (say, \$125,000 to \$160,000). It also meant that, at those prices, most of the buyers would be between 60% and 80% of median income.

Could one create a stable homeownership community for first-time buyers who would use this home as the first step on the ladder? "Levittown for the 90's" may be the best description of this idea.

Turning this vision into reality has meant dealing with a variety of arcane federal rules and a host of environmental and other issues.

## ***The Public Role***

After reviewing federal regulations and past base dispositions it became clear that there are three ways for property to be disposed of:

1. **Public Benefit Conveyance:** transfer of property to a public agency at no cost, but only for a defined public use (an airport, park, school, McKinney Act). While this approach had occasionally been used to acquire traditional public housing, GSA regulations would not permit it for homes that would ultimately be owned by individual families.
2. **Negotiated Sale:** public agency purchase of property at GSA's "fair market value".
3. **Competitive Bidding:** sale to the highest bidder (with local government having adjoining authority for the property). In the case of Mather, the Air Force could sell the housing in any number of parcels: one, four, even 1,271 if they were willing to survey and create the parcels.

A negotiated sale would thus enable the Agency to obtain title to the property for the intended re-use.

What role should the Agency play in the re-use itself? Initially, the Agency considered acting as developer, purchasing small groups of units, rehabilitating them, and then selling them. It became clear, however, that the costs, risks, and needed investment of money and expertise would be better borne by a private developer. The Agency could then play its more traditional role: disposing of the property (immediately upon purchasing it from the Air Force), assuring long-term control, and providing Mortgage Credit Certificates and counseling for first-time homebuyers.

A key criterion in selecting the developer was sufficient cash equity given the difficulties today in obtaining construction financing. This general concept of Agency purchase and disposition to a private developer with long-term affordability controls made sense to the Agency and was acceptable to the Air Force.

## ***Disposition Issues***

Implementing this general concept, however, requires resolving a large number of complex issues. Here are a few:

1. **"Excess Profits."** GSA regulations, it turns out, require that any profit earned by initial or subsequent buyers following a negotiated sale must go back to the Air Force. While the Agency wasn't making any profit itself, a private developer would, of course, need a return on its investment. Individual homebuyers could not be expected to pay back all the gain when they sold their house. A modified "excess profits" covenant therefore had to be obtained from Washington to deal with this.
2. **Subdivision Process.** When a part of a military base is offered for sale, there is typically no zoning, no subdivision map, no individual lot lines, no survey, not even a boundary description of the whole parcel. The entire subdivision process has therefore had to work backwards, starting with the reality of an in-place development.
3. **Infrastructure.** Current local requirements for new developments are often inappropriate for a development built 40 years ago. Street widths, for example, usually do not meet current standards. Each of these issues needed to be resolved. Just as important, there may be major disputes over the quality of the existing infrastructure (e.g., water lines, sewer lines, etc.).

From a negotiating point of view, it is essential that the price for the land reflect all the needed infrastructure improvements.

4. "Pass-Through." The Air Force, GSA, and ultimately the Congressional oversight subcommittee needs to be convinced that a negotiated sale transaction to a public agency is not merely a prohibited "pass-through" to a private owner. The Agency's disposition controls, imposed through a disposition and development agreement, helped assuage this concern. Recorded covenants will assure buyer income limits for a portion of the units and long-term owner occupancy controls on all the units.
5. Timing of Payment. Sale proceeds received by the Air Force before a specified date for each round of closures go into Pentagon accounts for environmental and other closure costs. If receipts come in after that date (1995 for Mather), the money simply goes to the U.S. Treasury. The resulting incentives conflict with the natural desire of a buyer to phase the payment of the purchase price over the five to eight years it may take to rehabilitate, market, and absorb all the units. The Air Force can legally accept a combination of cash and mortgage.
6. "As-Is, Where-Is." The principle involved in selling surplus federal property is "buyer beware." There are no representations or warranties, nor the disclosure responsibilities one might expect in a private transaction. Extremely careful due diligence is, therefore, essential. The interesting question is whether the buyer should invest the costs for such diligence before negotiating a price with the Air Force - since under GSA regulations there is no concept of due diligence after an offer is accepted, just 60 days to close. The Agency has proposed a modified purchase offer to cope with this problem.
7. Toxics. There is one exception to "as-is, where-is". The military does accept responsibility for toxic clean-up. What this means, however, is not always crystal clear, either legally or functionally. This is especially true when state environmental standards differ from federal ones. The buyer needs to raise every possible toxic concern early in the process. For example, an analysis of lead in the soil at Mather would not have occurred if the Agency had not insisted upon it. In some cases (as with a subsurface toxic plume), a portion of the site cannot be legally transferred until clean-up technology has been installed and deemed to be working satisfactorily. Disclosure of past toxic problems will, of course, have to be made to ultimate homebuyers.
8. "Fair Market Value." The Air Force must sell the property for "fair market value" as determined by its appraiser. This means that the public buyer should assure that the Air Force's appraiser fully takes into account the infrastructure, subdivision, environmental, absorption and other factors which may depress that value. We think, and the Air Force agrees, that the local agency's obtaining its own appraisal will actually help the negotiations by putting all the relevant concerns on the table.

### **Conclusions**

Local officials trying to cope with all the rules and issues involved in a base conversion may naturally assume that this is all well-versed for the military and GSA personnel. This is not true.

The prior set of base closures occurred a dozen years ago. New statutes give direct responsibility to the military, but following GSA rules (and with GSA advisors). It quickly becomes clear that the deal you are working on is more likely to become a national precedent than to follow one.

The final question is whether the outcome is worth the effort. While price negotiations are still underway in Sacramento, it appears that the potential benefits are great. How often does a housing agency have an opportunity to quickly create over 1,000 units of housing that will all be affordable to low and moderate income families - at virtually no local cost? The problems to be resolved are complex but our experience is that the military wants to demonstrate successful joint efforts with local governments.



# BUSINESSES OF HUNTERS POINT SHIPYARD

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It would be misleading to characterize San Francisco's Hunters Point Naval Shipyard (HPNSY), as a case study of successful re-use and redevelopment of a military base. As a base closure property HPNSY may be unique for several reasons, among them: 1.) the "economic shock" of base closure occurred twenty years ago; 2.) the property has yet to be officially closed; 3.) San Francisco is still in the midst of the planning process for reuse; 4.) the civilian "conversion" of some portions of the property was inadvertently begun 15 years before its listing as a BRAC site; and 5.) the period of "interim reuse," i.e., the reuse of existing facilities prior to wholesale redevelopment of the property, will extend years or decades into the future. Nevertheless the history of civilian tenancy at HPNSY may be instructive when considering the issues involved in determining future uses, particularly interim reuses, of that and other former military properties.

If the experience of civilian tenancy at Hunters Point has any relevance for other communities, it is as a case study of free market forces; specifically, the ability of below market rents to attract and sustain productive uses which might otherwise be untenable in a volatile urban real estate market.

The useful lessons of HPNSY may be most readily applicable where massive redevelopment of a large property is not immediately feasible (for environmental, financial or other reasons). For such communities, facing short term loss of jobs and long term delays in major redevelopment of BRAC properties, there is a need to quickly create new jobs and business opportunities. BRAC properties often offer a wide variety of serviceable structures and facilities which can be readily put to use by new and existing small businesses. Unconventional beneficial uses may also be accommodated, such as the nation's largest artist colony at HPNSY.

Because in many cases communities will be acquiring their BRAC properties at little or no cost, they should have the option to rent space at below market rates. At HPNSY between 1976-86, low rent alone was sufficient to attract a diverse and productive agglomeration of tenants. As part of an intentional strategy of staged reuse and redevelopment, a judicious mix of low rents on portions of a property and local government assistance and incentives might go far to reinvigorate employment and economic activity while major redevelopment proceeds. Successful implementation of such a program would also cultivate a nucleus of users for redeveloped property in the future.

That is, in fact, the strategy that San Francisco is adopting for HPNSY, though it arises as much from the necessity of waiting out a twenty year environmental clean up as from choice. However the previous experience of the civilian tenants, squatters on the Navy's shipyard, suggests that it is a cheap way to jump start the conversion process, and reap short term benefits from the property during the long period when it might otherwise yield little or nothing.

Given the unusual circumstances surrounding closure of HPNSY, the following brief history of civilian tenancy at HPNSY, with note taken of particular events important to preserving the civilian presence and the future transfer of the property from the Navy to the city, will be helpful background for the verbal presentation.

**BUSINESSES OF HUNTERS POINT SHIPYARD**

**1939-73:** The Navy acquired an existing shipyard from Bethlehem Steel Corp., consisting of two drydocks on 48 acres of land. USN expanded the property through annexation and massive land filling to its present extent of 522 acres, and continued to use the facility for the next 33 years.

**1974-76:** In 1974 HPNSY was "disestablished as an active naval yard" as part of the Shore Establishment Realignment Program. The action resulted in a loss of 5,600 direct civilian jobs and a payroll/operating budget of \$100 million. Closing the shipyard, the largest industrial employer and the largest employer of minority workers in the city, devastated the African-American neighborhood adjacent to the property, which had essentially been created by the shipyard. Though the Navy and city explored several options for disposal or reuse of all or portions of the property, the Navy determined to retain the shipyard as one parcel. Subsequently a ship repair company, Triple A Machine Shop, Inc. was designated caretaker master tenant, signing a lease for four five year terms in 1976.

**1977-87:** Triple A operated ship repair facilities and began leasing excess industrial buildings and yards to civilian tenants. Large buildings with low rents, surplus machinery and relative freedom from city codes found a ready market among entrepreneurs, businesses and artists fleeing skyrocketing rents in traditional industrial areas. The yard saw an explosion of small business activity, and the beginnings of the largest artist colony in the nation.

Meanwhile, discussions between the city and Navy lead to selection of HPNSY as homeport for the USS Missouri battlegroup in 1985. Triple A and civilian tenants were notified that the Missouri homeport would require clearing the yard of most or all tenants. Shipyard tenants responded by forming Businesses of Hunters Point Shipyard (BHPS) to protect their shops and studios, and proposed: shared use of the shipyard among the Navy, the Port and civilian tenants; affordable rents for light industrial and arts tenants; an emphasis on business incubation and employment development to serve the surrounding community; and management by a non-profit corporation with a board representing the existing tenants, the community, and city-wide interests (this program, minus the participation of the Navy, has essentially been adopted as the vehicle to manage interim use).

Civilian tenants asserted that small businesses and arts uses would provide more jobs and development than a new naval station. Indeed, a 1987 study by the Mayor's Office of Economic Development found 120 shipyard businesses (exclusive of Triple A), employed approximately 960 persons and generated \$29 million in annual payroll and receipts— three times the jobs and about one third of the most optimistic revenue projections for the homeporting project. This proved to be a powerful argument in favor of continuing the unplanned civilian conversion process, rather than implementing the homeporting project, and the debate in the city became heated.

Following breakdown of lease renewal negotiations with Triple A, leading to its eventual eviction in 1987, Mare Island Naval Shipyard assumed custody of HPNSY, and new commercial leasing and expansion of existing leaseholds was suspended. That policy, which has remained in effect, accompanied by severe restrictions on tenant business activity, ended and reversed the experiment of unsupervised private sector conversion of the property. Despite success in removing Triple A, Navy efforts to dislodge the remaining civilian tenants were repeatedly blocked by the intervention of Congresswoman Nancy

**BUSINESSES OF HUNTERS POINT SHIPYARD**

Pelosi. Pelosi argued that displacing the tenants in advance of final approval of the homeporting program by the Congress (which was uncertain), needlessly risked the loss of irreplaceable economic and cultural resources should the project flounder (as it eventually did).

**1988-90:** The controversy over the Missouri homeport became increasingly bitter and divisive throughout 1988, right up to its cancellation on December 29th. Between 1988-90, many civilian business tenants left the yard for various reasons, and tenancy eventually stabilized near the present level — about a third the numbers of 1986.

Following the cancellation of the homeporting project, the shipyard and tenants were in a state of limbo. Congresswoman Pelosi recognized that although funding for future expansion of any Navy activities at HPNSY was extremely unlikely, civilian tenants would remain at risk and the bulk of the property would lie fallow. Consequently in 1990 she amended the 1991 Defense Appropriations Bill to require lease of at least 260 acres of the yard to the city for 30 years or more. Her intent was to secure the tenants and open the yard to new development.

**1991-Present:** Before the Pelosi legislation could be implemented, the 1991 Base Realignment and Closure Commission recommended closure of HPNSY, and (in light of the previous legislation), advised leasing the entire facility to the city.

Fruitless city/Navy lease negotiations were subsequently overtaken by dramatic changes in federal policy with respect to the disposition of BRAC properties, leading to the present prospect of fee title transfer to the city at nominal cost. The difficult negotiations on the lease and transfer, and the lengthy struggle for control of HPNSY contributed to the reshaping of federal disposition policies, and also to the innovation of "parcelization" of BRAC properties with serious environmental contamination. As a result HPNSY, a National Priorities List site, was divided into five parcels for purposes of the environmental clean up, which allows the transfer of the individual parcels as they are remediated. This will result in expedited reuse of at least some portions of the property, as the previous necessity to clean the entire property prior to transfer has been removed.

In January of this year the city and Navy signed a memorandum of understanding outlining the transfer of the first and subsequent parcels for \$1 each, and assigning management of the remaining property and civilian tenants to the city. Transfer of the first parcel and the coincident assumption of shipyard management, expected by mid-year, will be delayed by the detection of previously unidentified contamination on the property. This, the first in what will undoubtedly be a lengthy series of similar delays on other parcels in the future, has not materially impacted the basic terms of the MOU. However postponement of city management will also delay opening the property to interim uses (a high priority for the city). Consequently the Navy is now reviewing its refusal of new commercial leases, a policy which seems inconsistent with the President's goals for speedy reuse of BRAC properties.

Legislation now moving through the Board of Supervisors and expected to be approved by the mayor will advise the Redevelopment Agency (the city's lead agency for the shipyard), to contract for interim property management with a nonprofit corporation being formed by the Mayor's Citizens Advisory Committee. When management is eventually handed over to the city, that corporation will then assume responsibility for developing and implementing a plan for interim uses of the property.

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# Document Separator



## National Association of Installation Developers

Jane English  
President

John R. Allen  
Executive Director

March 25, 1994

### NATIONAL ASSOCIATION OF INSTALLATION DEVELOPERS

## NAID'S Six Star Program: Making Civilian Reuse Work

Early in 1993, the National Association of Installation Developers issued a NAID Twelve-Point Program of legislative and policy changes needed to improve the DoD property disposal and reuse process in behalf of the communities impacted by base closures or major realignment actions.

As a result of the President's July 2nd initiative on "Revitalizing Base Closure Communities," the efforts by Senators Pryor, McCain, Nunn and others, and good communications within DoD itself, all but one of the 1993 NAID Twelve-Point Program has been realized over the past year in the form of new legislation or new DoD policies.

These legislative improvements in behalf of the communities include: (1) DoD property transfer authority at less than fair market value or "for consideration," (2) property leasing authority at less than fair market value, (3) one-time housing for the homeless act screening, (4) authority for DoD/EDA grant capital expenditures in advance of community acquisition of the base property, and (5) reaffirmation of the 1993 DoD Authorization Act environmental indemnification statute in behalf of communities, among others.

While the recent amendments have provided the legal tools necessary for economic recovery and reuse, the entire process is awaiting the DoD implementing regulations due to be issued for public comment by March 31, 1994.

Against this background, NAID wishes to encourage six legislative proposals and fourteen specific priority policy initiatives to make civilian reuse work at the local level.

### Legislative Proposals

1. NAID believes the Secretary of Defense should have the authority to balance the priority needs of the homeless with the community's needs for feasible redevelopment plans at former base facilities. Addressing the needs of the homeless should continue to be a federal property disposal priority in the reuse of former military bases. However, the Secretary of Defense should be able to take into account those cases where McKinney Act requests render community redevelopment plan

financially infeasible; where the request would destroy the integrity of the reuse for the balance of the property; or where the request would preclude the economic recovery of the impacted community.

2. NAID recommends three major legislative improvements to existing environmental laws that are critical to the effective reuse of surplus bases:

- Early site "characterization" by the Military Department for environmental conditions and cleanup levels required should be completed within the 12 months of the final base closure decision date (as identified in Section 2918 of the 1994 Defense Authorization Act) – so that the cleanup needs can be identified in the EIS and in the subsequent ROD.
- Clear authorization for "parcelization" or the release of clean properties for early reuse.
- Authority for DoD and the impacted community to negotiate the level of cleanup (with the approval of EPA and the State) in relation to the proposed civilian reuse identified in the community's approved base reuse plan.

NAID is particularly concerned that Congress retain clear Environmental Indemnification statutes which protect the local community's long-term ability to market closed base facilities to the private sector.

3. NAID supports a multi-year extension of the FAA Airports Improvement Program (AIP), and recommends restructuring the Military Airport Program (MAP) along the lines of the Administration's proposal to allow:

- Expansion from the currently designated 12 airports to encompass the airfields in the 1988, 1991, 1993 and 1995 closure rounds converting to civil airports within the National Plan of Integrated Airports Systems (NPIAS).
- Extension in MAP eligibility to include General Aviation (GA) airports in addition to Commercial Service and General Aviation Reliever airports, where there is an identified civil aviation reuse need, as identified by inclusion in the NPIAS.
- An increase in the MAP funding from 2.5 percent up to 5.0 percent of the AIP.
- New airport operating expenses to be financed for up to \$1 million per airport annually for five years. (The Administration proposal

apparently includes only \$250,000 per airport over five years.)

- Special funding set aside for NAVAIDS and other airport support equipment, and the granting of variances to FAA Planning Standard No. 1 to maintain military NAVAIDS for three years to accommodate civil use of the airport.
4. Section 2902 in the 1994 Defense Authorization should be amended to allow the removal of related personal property only for a relocating unit and military-unique equipment prior to the identification of the initial start-up equipment needed to support the community base reuse plan. Section 2902 should also be amended to preclude the transfer of air emission reduction credits from any military base in Clean Air Act "non-attainment areas" without the specific approval of the impacted community.
  5. NAID endorses the Administration's allocation of \$140 million in Defense conversion resources within the FY1995 Economic Development Administration Budget proposal. NAID also recommends that the EDA criteria for public works and economic adjustment grants should be broadened to consider the community's overall recovery needs and the implementation of the base reuse plan rather than just a "sudden and severe" impact criterion by itself. The HUD Community Development Block Grant program and other block grant program criteria should be expanded to include the recovery from major job losses prompted by the Federal Government such as base closures and realignments. The Administration's regulations for Entitlement/Empowerment zones should have sufficient flexibility to allow closed military base facilities to be eligible.
  6. DoD and the Military Departments should be allowed to reuse the sales proceeds from base disposal sales beyond the six-year period specified in both the 1988 and 1990 Base Closure Acts. The objective should be to encourage joint partnerships between DoD and the communities on potentially valuable property. The communities would provide land use zoning (creating value) and DoD would release major land buys as the market can absorb the property. DoD would receive long-term sales returns.

## Policy Recommendations

1. There should be consistent Office of the Secretary of Defense review of Military Department base closure implementation practices to ensure: (a) effective implementation of the President's July 2nd initiatives, and (b) follow-on OSD implementing policy guidance. DoD should encourage consistent Military Department base closure implementation approaches that follow the Department of the Navy streamlined cooperative approach in working with the impacted communities.
2. DoD should require interim use and long-term lease conditions which are responsive to the communities as well as their private sector clients:
  - Bureaucratic delays and impediments to leases must be eliminated so that leases are approved in the 60-day period required by law.
  - Lease terms should be consistent across the Military Departments (i.e., lease documents that are brief, logical, and are flexible in terms of attracting and retaining long-term private sector clients to the bases).
  - Interim use leases should be permitted by DoD on the basis of a "preliminary" community base reuse plan and a local commitment to include the specific lease area in the community's final base reuse plan.
3. The Air Force should expedite its final surplus property screening within six months of the final closure decision (OSD guidance of September 9, 1993) and well in advance of the Air Force Record of Decision. This early screening should follow Army and Navy practices and should permit all public benefit conveyances to be approved by the Federal agencies prior to the ROD -- thereby permitting early transfers of the property.
4. Consistent Military Department Environmental Impact Statement processes are needed. Special attention should be given to ensure that EIS analyses are coordinated with and do not conflict with the community's base reuse planning process.
5. For interim use leases, improved definitions are needed for allowable community costs for environmental analyses/assessments, broker fees, lease-hold appraisals, etc. which provide for community recovery of out-of-pocket interim leasing costs.

6. Improved definitions of allowable costs should be provided under the DoD Community Planning Assistance Program which should include start-up marketing costs (exclusive of ad costs themselves) so that communities can test-market while planning the reuse of the property.
7. New DoD, Reserve/National Guard and Federal agency property reuse requests should be eliminated once the final Military Department surplus property determination is made. (Thereafter, DoD/Federal agency requests should be handled only through the community base reuse planning process).
8. Special consideration or encouragement should be given to allowing DoD Dual-Use Technology or Technology Reinvestment programs to be accomplished or performed at closing or realigned DoD base facilities.
9. The Office of the Secretary of Defense should take an active role in identifying major land values across all Military Departments in the disposal sale of surplus base property:
  - General Counsel approval should be required for all Military Department legal rulings that are at variance with recommendations of the Base Closure and Realignment Commission.
  - OSD approval should be required for the rejection by the Military Departments of any community proposal valued at \$1 million or more.
  - DoD should continue to encourage joint venture partnerships with the communities for valuable base closure real estate.
10. The Military Departments should be required to budget for base environmental cleanup costs prior to and during (not after) the actual base closure. The delayed budget schedule of environmental cleanup at several bases (e.g. Mare Island Naval Shipyard) is inconsistent with the President's Five-Point Program -- specifically "Fast Track Cleanup."
11. NAID believes that installment sales of surplus base closure property are clearly authorized by Section 2903. NAID will be reviewing the proposed DoD implementing regulations to ensure maximum flexibility provided is communities in structuring property transfers for the mutual interest of DoD and the impacted communities.

12. The pending DoD implementing regulations should also reflect a sufficiently broad definition of "redevelopment authority" to include: airport authorities, joint powers authorities, housing and redevelopment authorities, port authorities, public non-profit Section 501(c)3 local economic development corporations, and other normal redevelopment entities recognized by State law or in the economic development profession. The "redevelopment authority" should be the base reuse implementation entity(ies) specified in the community's base reuse plan.
13. DoD should encourage allow communities to be "cooperating agencies" in the disposal EIS process -- thereby permitting direct local participation in the EIS process.
14. Deed restrictions by the Military Department transfer or sale of property must be negotiated to the mutual agreement of the impacted communities.

## **"Winning Solutions for Creating Economic Opportunities" 1994 NAID Annual Conference**

This year's conference will be held at the elegant Omni Hotel located in Charleston's picturesque historic district. The agenda for the conference is as follows:

### **Day 1: Sunday, August 14, 1994**

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**10:00 - 12:00**

Board of Directors Meeting

**10:00 - 6:00 p.m.**

Registration

**Tours (times to be arranged)**

- Tour of Charleston Naval Shipyard
- Tour of Myrtle Beach Air Force Base

**3:30 - 4:30**

Concurrent Regional Director/Committee Meetings

**5:00 - 7:00**

Opening Reception

**Day 2: Monday, August 15, 1994**

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**8:00 - 8:30 a.m.**

Registration

**8:30 - 8:45**

Opening Remarks

**8:45 - 9:30**

Keynote Address

**9:30 - 10:00**

Break

**10:00 - 11:30**

Legislative Update -- Pryor Amendment, McKinney Act, NAID 6 Star Program

**12:00 - 1:30**

Lunch -- Luncheon speaker

**1:45 - 3:15**

Report Card &amp; Panel Discussion

**3:15 - 3:30 Break****3:30 - 5:00**

Four Concurrent Roundtable Discussions

- |             |          |
|-------------|----------|
| ■ Navy      | ■ Army   |
| ■ Air Force | ■ Canada |

**5:00 - 5:30 Break****5:30 - 6:30 Reception****6:30 - 7:30 Banquet****7:30 - 7:45**

NAID Awards Presentation

**8:00 - 12:00**

Social time/dancing

**Day 3: Tuesday, August 16, 1994**

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**7:30**

Exhibits open

**8:00 - 9:30**

Membership Breakfast

**9:45 - 10:45**

Three Concurrent Sessions

- Economic Development: Join Venture Approach
- Base Closure Case Study
- Utility Infrastructure

**10:45 - 11:00 Break****11:00 - 12:00**

Three Concurrent Sessions

- Economic Development (continued): Financing
- Aviation Issues
- Environmental Issues

**12:00 - 1:30**

Lunch -- Luncheon Speaker

**1:30 - 2:30**

Three Concurrent Sessions

- Defense Conversion
- Shipyard Issues
- Housing Issues

**2:30 - 3:45**

Three Concurrent Sessions

- Real Estate Issues
- Base Closure Case Study
- Pre-1988 Base Closure Issue

**4:00 Wrap up**

## Registration Costs

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	Before July 15	After July 15
Member	\$400	\$450
Non-Member	450	500
Per Day	250	300
Spouse/Guest	150	175
Plantation Tour	46	55
Carriage Tour	15	17
Walking Tour	7	10
Omni Hotel Per Night	\$119	

### Information To Be Mailed

Detailed conference materials and details about tours will be mailed to all members and other interested parties at the end of May.

### **To Register:**

Contact NAID's Conference Coordinator Walter Galanty at (703) 549-9500 or NAID Headquarters at (703) 836-7973.

## National Association of Installation Developers Membership Application

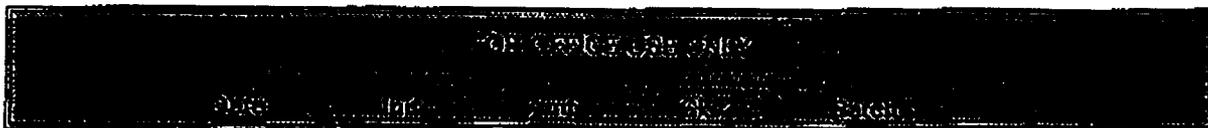
The following information will appear in the annual directory. If you have any changes during the year, please notify the NAID Executive Director in writing at the address below. Dues are as indicated in the table below in US dollars and are due each 12 months.

National Association of Installation Developers  
1725 Duke Street, Suite 630  
Alexandria, Virginia 22314  
Phone (703) 836-7973 FAX (703) 836-8273

Organization		
Full Name (last, first, MI)		
Title		
Mailing Address		
City	State	Zip Code
Telephone Number	Fax Number	
Signature		Date

Membership Categories (please check all that apply)			
	Number of Employees	First Membership	Each Additional
<input type="checkbox"/> Communities	NA	\$400.00	\$200.00
<input type="checkbox"/> Federal Government	NA	\$150.00	\$150.00
<input type="checkbox"/> Small Companies	<10	\$500.00	\$250.00
<input type="checkbox"/> Medium Companies	10-50	\$750.00	\$400.00
<input type="checkbox"/> Large Companies	Over 50	\$1,200.00	\$750.00

**IRS REQUIRED NOTICE:** Contributions or gifts to the National Association of Installation Developers are not deductible as charitable contributions for federal income tax purposes. However, dues payments may be deductible by members as an ordinary and necessary business expense.



# DRAFT

## The National Association of Installation Developers Annual Conference August 14-16 1994 \* The Omni Hotel \* Charleston, SC Meeting Registration Form

Please type or print clearly. For additional registrations, please copy this form.

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Name \_\_\_\_\_ Nickname (for badge) \_\_\_\_\_

Member;  Non-Member;  Spouse/Guest;  Monday Daily Fee;  Tuesday Daily Fee

Name \_\_\_\_\_ Nickname (for badge) \_\_\_\_\_

Member;  Non-Member;  Spouse/Guest;  Monday Daily Fee;  Tuesday Daily Fee

Registration Type	Early Registration		#	Total
	Before July 15	After 7/15		
<input type="checkbox"/> Member Registration	\$400.00	\$450.00	_____	_____
<input type="checkbox"/> Non-Member Registration	\$450.00	\$500.00	_____	_____
<input type="checkbox"/> Per-Day Registration	\$250.00	\$300.00	_____	_____
<input type="checkbox"/> Spouse/Guest Registration	\$150.00	\$175.00	_____	_____
<input type="checkbox"/> NAID/GW Seminar 8/18	\$275.00	\$275.00	_____	_____
<b>Tours</b>				
<input type="checkbox"/> Myrtle Beach (AF Base) 8/14	N/C	N/C	_____	N/C
<input type="checkbox"/> Charleston Shipyard 8/14	N/C	N/C	_____	N/C
<input type="checkbox"/> Carriage Tour 8/14	\$ 15.00	\$ 17.00	_____	_____
<input type="checkbox"/> Plantation Tour 8/15	\$ 46.00	\$ 55.00	_____	_____
<input type="checkbox"/> Walking Tour 8/16	\$ 7.00	\$ 10.00	_____	_____
<b>TOTAL</b>				_____

Hotel Reservations  
Omni Hotel Charleston  
\$ 119.00/night  
single or double  
For reservations call  
(803) 722-4900, request  
NAID Conference Rates

Overflow hotel  
Hawthorn Suites  
Govt. Rate - \$105  
(803) 577-2544, request  
NAID Conference Rates

For other Govt. rate  
hotels contact NAID.

Please make checks payable to NAID Annual Conference '94

Mail completed form and payment to  
NAID Annual Conference \* 1725 Duke St., Suite 620, Alexandria, VA 22314  
703/836-7973 Fax 703/836-8278

### Concurrent Breakout Sessions (Please circle the ones you will most likely attend)

#### Monday

3:30 p.m. - 5:00 p.m.

- A. Navy
- B. Army
- C. Air Force
- D. Canada

11:00 a.m. - 12:00 p.m.

- A. Economic Development Financing
- B. Aviation Issues
- C. Environmental Issues

2:45 p.m. - 3:45 p.m.

- A. Real Estate Issues
- B. Base Closure Case Study
- C. Pre-1988 Base Closure Issues

#### Tuesday

9:45 a.m. - 10:45 a.m.

- A. Econ. Devel. Joint Venture Approach
- B. Base Closure Case Study
- C. Infrastructure

1:30 p.m. - 2:30 p.m.

- A. Defense Conversion
- B. Shipyard Issues
- C. Environmental Issues



## National Association of Installation Developers

Jane English  
President

### NAID Committee Chairs

#### 1994 Conference Committee

Larry Barnett  
Laurinburg-Maxton Airport  
Com., Rt. 2, Box 69  
Maxton, NC 28364  
Office: (910) 844-5081  
Fax: (910) 844-9681

#### Legislative Committee

George Schlossberg  
KUTAK ROCK Attorneys  
1101 Connecticut Ave., NW  
Washington, DC 20036-4374  
Office: (202) 828-2400  
Fax: (202) 828-2488

#### By Laws Committee

Lynn Kusy  
Williams Redevelopment  
Partnership/IG  
Building 314, 6001 S. Power  
Road  
Mesa, AZ 85208-0900  
Office: (602) 988-1013  
Fax: (602) 988-2315

#### Economic Development Committee

David Slater  
Hammer, Siler, George  
1111 Bonifant Street  
Silver Spring, MD 20910  
Office: (301) 565-5200  
Fax: (301) 565-4184

#### Environmental Committee

Barry Steinberg  
1925 North Lynn Street  
Suite 400  
Rosslyn, VA 22209  
Office: (703) 516-6771  
Fax: (703) 516-2540

#### Defense Conversion Committee

David Berteau  
SAIC  
1710 Goodrich Drive  
MS 1-14-2  
McLean, VA 22102  
Office: (703) 821-4574  
Fax: (703) 821-2619

#### Shipyard Committee

Mal MacKinnon  
Mackinnon Scarle Consortium,  
LTD.  
P.O. Box 9910  
Alexandria, VA 22304  
Office: (703) 370-7333  
Fax: (703) 370-7363

#### Aviation Committee

Lief Erickson  
Erickson Associates, Inc.  
1930 Country Club Road  
Eustis, FL 32726  
Office: (904) 357-7712  
Fax: (904) 357-7712

#### Awards Committee

David Slater  
Hammer, Siler, George  
Associates  
1111 Bonifant Street  
Silver Spring, MD 20910  
Office: (301) 565-5200  
Fax: (301) 565-4184

#### Pre-1988 Closure Committee

Ann Summers  
University of Oklahoma  
1700 Lexington Drive  
Norman, OK 73069  
Phone: (405) 325-7233  
Fax: (405) 325-7339

#### Real Estate Committee

Jeffrey Simon  
Massachusetts Government  
Land Bank  
1 Court Street, Suite 100  
Boston, MA 02108  
Phone: (617) 727-8257  
Fax: (617) 727-6023



National Association of Installation Developers

## NAID Services

As a member of NAID, you are entitled to a variety of services, including:

- **Technical Assistance** – The NAID professional staff and member volunteers provide direct technical assistance to members on conversion issues and strategies.
- **Site Based Orientation Programs** – for communities facing base closure to acquaint community leaders with the resources that are available to them, and to familiarize them with the "pitfalls" to be avoided based on the real world experiences of other NAID members.
- **NAID's monthly newsletter and technical bulletins** – to collect and analyze information on community efforts and learn about methods and real world experiences in the conversion process.
- **Conferences and Meetings** – In addition to NAID's Annual conference, NAID sponsors periodic regional meetings which will target specific subjects or technical issues of current concern to the base reuse community.
- **NAID Membership Directory** – Can be used to locate other members, NAID Officers, NAID Regional Directors and NAID Committee Chairs.

Our staff is eager to assist you as you address the challenges of your base conversion/closure activities.



National Association of Installation Developers

Jane English  
President

## A Survival Guide for Base Closings

How to survive if your base makes the hit list:

1. Don't fight it. Get on with planning.
2. Create an effective local organization to set policy. But keep it small. "You don't want a huge committee involved in every small decision," says John Conti, one-time city council chairman of Bangor, Maine.
3. Take control of the planning. "I think if we had waited for a federal response, nothing would have happened," says former Bangor City Manager, Merle Goff.
4. Negotiate as much lead time as possible for the final date of closure.
5. Bargain as hard as you can with the federal government about what it will give you. Goff says that Bangor officials asked to keep everything from radar equipment (they didn't get it) to the leather sofa in the wing commander's office (they did).
6. Beware of environmental hazards. Old military bases are often sites of large underground fuel tank farms and asbestos-riddled buildings. Make sure the federal government cleans them up or assumes liability for them.
7. Watch out for hidden operating costs. "The government gave us an air base all wrapped up in a package for \$1," says Edward McKeon, Bangor's economic development director, "but inside the package were hundreds of thousands of dollars in operating costs."
8. If you don't have the expertise you need, hire it. But don't get involved in a long-term contract.
9. Find someone in Washington to act as liaison between your community and the various federal agencies you must deal with. In many cases, the best liaison has been the Pentagon's Office of Economic Adjustment.
10. Consider joining the National Association of Installation Developers.

# Document Separator



**CALIFORNIA REDEVELOPMENT ASSOCIATION  
MILITARY BASE REUSE CONFERENCE  
COSTA MESA, CALIFORNIA  
REDEVELOPMENT TOOLS APPLIED TO BASE REUSE  
May 5, 1994**

**BY  
DAVID A. WILCOX  
ECONOMICS RESEARCH ASSOCIATES**

**OVERVIEW**

- I. Highest Land and Structures Values — The "Now Glut" and the Future Values
- II. Infrastructure Financing Strategies — Giving Value to Property
- III. Flexible Reuse Strategies — Adapting to Market Changes

**EXPERIENCE FROM THREE BRAC ROUNDS, AND THE "COMMUNITIES AT RISK" (Next Round)**

- USAF has been the leader in closures.
- Only 14 bases actually closed so far — after 5+ years.
- Base closure and reuse planning during a deep U.S. national recession.
- Bases are actually obsolete to the military, and we are coming to see they may be obsolete as potential real estate reuse products in many cases.
- How to value the property for future uses:
  - When you accept buildings in an "as is" state, with all of the asbestos still there.
  - When you must retrofit the HVAC plant for each structure to remove it from the basewide steam plant.
  - When there are compliance orders covering the properties that must be met prior to reuse of the resources.

**WHAT REUSE PLANS DO AND DON'T DO**

- Do
  - Provides conceptual property allocations and use patterns, sufficient to give direction to the EIS and the Record of Decision.

B. Seven primary means:

<u>Techniques</u>	<u>Base Reuse Probability</u>
1. Redevelopment tax increment (TI)	High
2. Assessment districts (AD)	High
3. Development impact mitigation fees (DMF)	Medium
4. Partial capital cost recovery through service charges; e.g., utilities (CCR)	Low
5. External grants and appropriations sources: EDA, etc. (EG)	Medium
6. Local CIP/capital improvement program (CIP)	Low
7. Developer loan to be repaid, or credited to purchase price (DL)	Low

C. The Parts of the Infrastructure Financing Challenge:

<u>Techniques</u>	<u>Cost Proportion</u>	<u>Sources</u>
1. Design	7%±	TI,AD,EG
2. Acquisition ( <u>must</u> presume public benefit conveyance)	1%±	---
3. Construction	72%±	TI,AD,EG, DMF,CIP
4. Existing system retrofit/deferred maintenance catchup	20%±	EG,CIP, CCR, TI

D. Other potential funding options which are locally controlled:

- A. Reinvestment of utility user taxes raised from base reuse tenants.
- B. Contributions to infrastructure agreed to by the many public benefit conveyance users (school district, community college, park district, water utility, etc.)
- E. Employment inducements given to firms locating at the base should not limit community capacity to finance infrastructure. You can't give away the funding sources which are needed to make job locations possible.

III. Flexible Strategy — The 20-Year View/Adapting to Market Changes

- A. Because we must plan for an evolving California of changing workplaces, institutions, and residential communities.
- B. Because there is real likelihood of unanticipated change.



- C. "Evolving California"
  - Higher education campuses move toward "Modem Central."
  - The home office (office at home) supersedes the telecommuting center.
  - "The Great Retail Dilution" — emphasizing shop for value, catalog sales, and TV purchases.
  - Expanded housing types menus in smaller spaces.
  - The sociodemographics of tomorrow's electorate, elected officials, and citizen advisory committees.
  - Very smart workplaces of new literacies and simultaneous translations.
  - High value information, high value design, high value education, and high value decisions join high value product manufacturing as makers of property value.
- D. Unanticipated (?) Changes
  - Continuing withdrawal of Federal and State government funding resources from "hardware" economic development.
  - Restructuring of State and Local economic development financing as shifts of shares of local government revenue continue to be mandated for annual operation costs coverage.
  - The lengthening of the base closure process by the Clinton Administration.
- E. How would you accommodate the "Wild Ideas?"
  - The U.S. Software Design Post Graduate University.
  - 21st Century Building Materials Technologies Corporation.
  - Home Office Systems Services/Support Center (all Pacific Southwest States).
  - AYSO National Fields.
- F. How to "right size" debt financing based upon very foggy estimates of phased property releases for reuse that may be 10 years into the future, if the toxic/contaminants clean ups have been completed by the Military.
- G. We want conformance between
  - The General Plan
  - The Redevelopment Plan
  - The Specific Plan

Therefore, we want flexibility, as follows:

- Alternative land uses on large parcels
- Sequential Records-of-Decision or (ROD) amendment procedures which can reflect evolving circumstances as properties actually become available.
- The acceptance in principle by DOD that the "participation split" of 60% local/40% DOD property use revenues really means that we can write our 60% down to minimum value in realistic negotiations with tenants and developers. In other words, give us a "floor" of property use, negotiation potential at 40% or real residual value.

# Document Separator

**OUTLINE OF PRIMARY AREAS TO ENABLE  
LOCAL COMMUNITY TO ACHIEVE  
A SUCCESSFUL BASE REUSE**

**CHRONOLOGY OF EVENTS RELATED TO  
REDEVELOPMENT AND  
REUSE EFFORTS FOR NORTON AIR FORCE BASE  
(as of May 3, 1994)**

**FINANCINGS OF IVDA AND SAN BERNARDINO  
INTERNATIONAL AIRPORT AUTHORITY**

TIMOTHY J. SABO  
SABO & GREEN  
A Professional Corporation  
6320 Canoga Avenue  
Suite 400  
Woodland Hills, Ca. 91367  
(818) 704-0195

# OUTLINE OF PRIMARY AREAS TO ENABLE LOCAL COMMUNITY TO ACHIEVE A SUCCESSFUL BASE REUSE

## I. ORGANIZATIONAL/STRUCTURE

## II. FINANCE

## III. LAND USE AND PLANNING ISSUES

## IV. PROPERTY ACQUISITION/DISPOSITION

## V. IMPLEMENTATION

---

### I. ORGANIZATIONAL/STRUCTURE

#### A. Joint Powers Agreement

1. Determination of Membership
2. Voting Rights
3. Payment of Expenses
4. Scope of Powers - Exclusions

- B. Redevelopment Plan
  - 1. Tax Increment Financing
  - 2. Property Acquisition and Disposition
  - 3. Payment of Administrative Expenses
  - 4. Infrastructure Improvements
  - 5. Low- and Moderate-Income Housing
  
- C. Other Powers Common to the Individual JPA Members
  - 1. Utilities - Water, Sewer, Electrical
  - 2. Golf Course Operations
  - 3. Airport Operations
  - 4. Caretaker - Maintenance and Security
  - 5. Public Parks and Recreational Facilities

II. FINANCE

- A. Initial Contributions by Members (staffing, facilities, services)
- B. Loans From Members
- C. Tax Allocation Notes and Bonds
- D. Lease Purchase Financings - COP's
- E. Developer Infrastructure Fees
- F. Special Tax and Benefit Assessments

III. LAND USE AND PLANNING ISSUES

- A. Redevelopment Plan
- B. Base Reuse Plan
- C. Airport Business Plan
- D. General Plan Amendments
- E. Zoning and Specific Plan

- F. Condition of Existing Structures, Utilities and Other Infrastructure
- G. Airport Operations
- H. CEQA Considerations

IV. PROPERTY ACQUISITION/DISPOSITION

- A. Public Benefit Conveyances
  - 1. Airports
  - 2. Parks and Recreational Uses
  - 3. Medical and Educational Uses
- B. Federal Agencies/Homeless Providers
- C. Negotiated Sale to Public Agencies
  - 1. Determination of Fair Market Value
  - 2. Appraisal Process
  - 3. Negotiating Process
- D. Public Sale
- E. Environmental Issues
  - 1. IRP Sites - Time Frame and Inconveniences
  - 2. Remediation Completed or Action In Place
  - 3. Limitations on Construction Activity
  - 4. Delay of Transfer of Fee Title
- F. Subleasing to Tenants and Users
  - 1. Conventional Financing Concerns
  - 2. Review by Military under Lease Document

V. IMPLEMENTATION

A. Marketing

1. Local Users Seeking Expansion
2. Out-of-Area Relocations
3. Short Term/Long Term Marketing Strategies
4. Availability of Base Properties for Reuse

B. Land Use Entitlements

C. Utility and Infrastructure Availability and Adequacy

D. Disposition by Lease - Sale of Fee Ownership Interest

E. Financing of On- and Off-Site Infrastructure

F. Additional Development Incentives and Financial Assistance

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**CHRONOLOGY OF EVENTS RELATED TO  
REDEVELOPMENT AND  
REUSE EFFORTS FOR NORTON AIR FORCE BASE  
(as of May 3, 1994)**

December, 1988	Announced closure of Norton Air Force Base ("NAFB") for mid-year 1994
December, 1988	Formation of Norton Economic Expansion Committee ("NEEC") to address NAFB closure impacts; comprised of approximately 35 individuals
May, 1989	Base Reuse office established by County of San Bernardino to deal with closures of both NAFB and George Air Force Base ("GAFB"); County retains staff
June, 1989	Efforts commence to draft special legislation (AB 419) to authorize formation of a joint powers authority to redevelop NAFB and GAFB with expedited procedures; seeks to add Health and Safety Code Section 33320.5
July, 1989	Several NEEC representatives attend 5-Base tour of other closing or closed Air Force Bases
September, 1989	AB 419 adopted by State Legislature and signed by Governor (AB 419 became effective on 1/1/90 as Health and Safety Code Section 33320.5)
November, 1989	Lake Arrowhead workshop sponsored by County of San Bernardino with representatives of cities of Colton, Highland, Loma Linda, Redlands and San Bernardino to discuss AB 419, redevelopment efforts and formation of joint powers authority
November, 1989	County of San Bernardino retains consulting team to form the Inland Valley Development Agency ("IVDA") as a joint powers authority and to process redevelopment plan adoption and environmental documents
December, 1989	Discussions undertaken by County Staff and consultants with prospective City members of IVDA
January 24, 1990	IVDA is formed among Cities of Colton and Loma Linda and County of San Bernardino
January 24, 1990	First IVDA Board meeting at NAFB Officer's Club

February 12, 1990	IVDA JPA Agreement is amended to include City of San Bernardino as an IVDA member
February-July, 1990	IVDA commences redevelopment plan adoption process and circulates Draft EIR
February, 1990	City of San Bernardino finalizes land use alternatives of Base Reuse Plan; draft of aviation study is proposed by P&D Technologies as the Airport Master Plan
March, 1990	School Districts and City of Redlands file first series of lawsuits challenging formation of IVDA
June, 1990	Public hearings held by IVDA on EIR and Redevelopment Plan
July, 1990	Final EIR is certified by IVDA as part of Redevelopment Plan adoption process
July, 1990	IVDA approves 3-year Interim Lease Agreement between Air Force and IVDA and Sublease between IVDA and Lockheed
July, 1990	Second series of lawsuits filed by School Districts and City of Redlands to de-certify EIR and invalidate Redevelopment Plan adoption
July-December, 1990	IVDA embarks on obtaining a Master Developer through selection process, request for qualifications and interviews; IVDA appoints Developer Review Panel comprised of local business and community leaders, conducts interviews and makes recommendations to IVDA
December 19, 1990	IVDA and School Districts enter into Cooperation Agreements and lawsuits are dismissed by School Districts
December 19, 1990	IVDA selects Benzeevi/Watt Industries/Bechtel as Master Developer and authorizes negotiations of an Exclusive Right to Negotiate Agreement
January, 1991	Settlement discussions commence with City of Redlands and Court appointed Settlement Judge
January, 1991	Final P&D Technologies, Airport Master Plan presented to IVDA

January 23, 1991	IVDA approves an Exclusive Right to Negotiate Agreement with Benzeevi for 120 days, terminable at 60 days for non-performance
April-June, 1991	IVDA finalizes proposed Base Reuse Plan
June, 1991	IVDA terminates negotiations with Benzeevi; Exclusive Right to Negotiate expires
June, 1991	IVDA approves Base Reuse Plan and submits Base Reuse Plan to Air Force to be included within EIS analysis on disposal and reuse of NAFB
July, 1991	Discussions commence between IVDA and Air Force personnel and consultants on scope of EIS
November 14, 1991	IVDA participates in \$7,500,000 San Bernardino/Colton/Loma Linda Joint Powers Financing Authority, Tax Allocation Notes, Issue of 1991 (Inland Valley Development Project), for the purpose of funding the administrative expenses of the IVDA
November-December, 1991	Negotiation of Lockheed Air Terminal ("LAT") Agreement to provide pre-operational aviation consulting services to IVDA for NAFB
December 18, 1991	IVDA agreement with LAT is approved and executed
January, 1992	Draft EIS is circulated by Air Force to public agencies and available to general public
January-April, 1992	IVDA reinstates Master Developer selection process, issues a request for proposals and appoints a 21-member Citizens Advisory Committee to conduct interviews and make recommendations to IVDA
February 15, 1992	First IVDA proposal submitted to DFAS for 4,000 employee center on NAFB
March-April, 1992	Citizens Advisory Committee conducts interviews of Master Developers responding to request for proposals and recommends that IVDA abandon Master Developer concept until an IVDA funded Master Plan has been completed and that the IVDA thereafter act as the Master Developer

April, 1992	IVDA submits initial Public Benefit Transfer Application to Air Force for airport properties
May, 1992	Approval and execution of Settlement Agreements and dismissal of City of Redlands lawsuit
May, 1992	Airport Authority formed and first meeting held on May 20, 1992
May, 1992	IVDA formally abandons Master Developer concept and initiates process to issue request for qualifications and obtain Master Planner proposals and established interview and selection criteria
July, 1992	Draft of Base Operable Unit Soil and Ground Water Plan obtained from Air Force; Plan was subjected to Cal EPA dispute resolution and Plan was not available for public comment until March, 1993
July, 1992	Master Planner selected and contract executed
July, 1992	Airport Layout Plan approved by FAA
November, 1992	IVDA and Airport Authority informed by Air Force that as a result of indemnification language contained in 1992 Authorization Act and 1992 Appropriations Act that exposes the Defense Department to unacceptable financial liability, there will be no further interim leases or transfers of Air Force property until Congress resolves this issue
December, 1992	IVDA and Airport Authority informed that Air Force is unable to satisfy requirements under Federal Clean Air Act as to conformity determination, exclusion of NAFB from SCAQMD Management Plan and potential problem with loss of Emission Reduction Credits
December, 1992	IVDA proposal is selected as one of 20 finalist sites for Defense Accounting and Finance Services 4,000 employee facility
January, 1993	Airport Authority submits amended Public Benefit Transfer Application to Air Force for Airport properties
February 15, 1993	IVDA submits best and final offer to DFAS for 4,000 employee accounting center at NAFB

March, 1993	Business Plan for Airport properties approved by Airport Authority and submitted to Air Force
March, 1993	Final presentation of Master Plan design concepts made by consultants
April 13, 1993	Discussions commence in Washington, D.C., with Air Force officials as to Airport Layout Plan, Airport Business Plan and Base Disposal Planning
April 20, 1993	IVDA issues its tax allocation bonds designated as the \$15,000,000 Inland Valley Development Agency, School Districts Tax Allocation Notes, Issue of 1993, for the purpose of funding school district capital improvements
April-May, 1993	Airport Authority, East Valley Airport Land Use Commission and City of San Bernardino take action to approve airport operations and preparation for submittal of Application to Cal Trans for operating permit for civilian airport on NAFB
May, 1993	Airport Authority approves contract with consultant for passenger demand study at NAFB
June, 1993	Final EIS released by Air Force
June, 1993	IVDA and Airport Authority develop program to enable Air Force to make conformity determination under Federal Clean Air Act
July, 1993	IVDA approves 6-month extension to Lockheed 3-year Interim Lease between Air Force and IVDA and Sublease between IVDA and Lockheed
August 4, 1993	IVDA issues its tax allocation bonds designated as the \$25,000,000 Inland Valley Development Agency, Redevelopment Tax Allocation Notes, Issue of 1993, for the purposes of funding ongoing capital improvements for the reuse of NAFB
September 11, 1993	Interim Lease executed between Air Force and Airport Authority for operations of Airport
September 14, 1993	CalTrans issues temporary operating permit to Airport Authority for operations of a civilian airport on NAFB

September 20, 1993	Airport Authority is approved for \$20M in FAA Military Airport Program (MAP) funding over a 5-year period
November 22, 1993	Department of Health and Human Services awards 500,000 square feet of warehouse space to homeless provider
December 15, 1993	Air Force issues partial Record of Decision to dispose of Airport and Golf Course
January 3, 1994	IVDA and Airport Authority issue joint Request for Qualifications for consultants to undertake General Plan amendment and Specific Plan preparation on NAFB
January 18, 1994	Master Lease for Airport executed between Air Force and Airport Authority to supersede Interim Lease
February 2, 1994	IVDA is awarded \$6.8M federal EDA grant for reconstruction of portion of major on-Base streets and utilities
February 14, 1994	CalTrans issues permanent operating permit to Airport Authority for operations of a civilian airport on NAFB
February 16, 1994	IVDA executes Caretaker Contract for security, maintenance and repairs of non-aviation areas of Norton Air Force Base
February 17, 1994	Department of Health and Human Services rescinds award of warehouse space to previously approved homeless provider.
March, 1994	Retrocession of jurisdiction from federal to State and local
March 30, 1994	Final Record of Decision issued for entire Base disposal
March 31, 1994	Norton Air Force Base closes as a military base
May 3, 1994	Announcement that DFAS will locate a 750-employee accounting center on NAFB

**FINANCINGS OF IVDA AND SAN BERNARDINO  
INTERNATIONAL AIRPORT AUTHORITY**

January, 1990	\$2.0M	County of San Bernardino loan to IVDA for organizational costs, planning, redevelopment plan adoption and administrative expenses (commitment of County contained in JPA Agreement)
November, 1991	\$7.5M	Notes issued by the San Bernardino/Colton/Loma Linda Redevelopment Agency Joint Powers Financing Authority; Note proceeds loaned by Finance Authority to IVDA pursuant to a Loan Agreement; each redevelopment agency was financially responsible for a proportionate share of the total Note principal amount
June, 1992	\$52,500	Airport Authority members loan \$7,500 per seat on Airport Authority Board
July, 1992	\$1.89M	IVDA approves loan to Airport Authority of \$892,000 for FY 92-93 and \$550,000 (subsequently increased to \$1.0 M) for FY 93-94
April, 1993	\$15.0M	IVDA Tax Allocation Notes to fund various School District and Community College capital improvement projects
August, 1993	\$25.0M	IVDA Tax Allocation Notes to refund \$7.5M 1991 Notes and to provide additional project funding
Jan-March, 1994	\$30,000	Various equipment lease-purchase agreements executed by the Airport Authority
May, 1994	\$3.0M	IVDA approves \$3.0M loan to Airport Authority for FY 94-95 for administrative expenses, airport operations and matching funds for FAA airport capital improvement (MAP) grants

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# Document Separator

**The contents of this file are available in hard copy; it is too large to be scanned in for electronic view. The document is a map and related material to Mather Field, CA.**

# Document Separator

The Final Deliberation slides and scripts for Malmstrom AFB, MT, MacDill AFB, FL-as the Large Aircraft portion of the Missile/Large Aircraft category, as well as the Air Force Reserve C-130 portion of the Air Force Reserve category are incorporated in a separate book entitled, "Large Aircraft and AFRES C-130."

**DEFENSE BASE CLOSURE  
AND REALIGNMENT  
COMMISSION**



***ADDS DELIBERATIONS***

**MAY 10, 1995**

**SENATE HART BUILDING  
ROOM 216  
WASHINGTON, DC**



**FRANK CIRILLO  
AIR FORCE TEAM LEADER**



**THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION**  
1700 NORTH MOORE STREET SUITE 1425  
ARLINGTON, VA 22209  
703-696-0504

ALAN J. DIXON, CHAIRMAN

COMMISSIONERS:  
AL CORNELLA  
REBECCA COX  
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S. LEE KLING  
RADM BENJAMIN F. MONTOYA, USN (RET)  
MG JOSUE ROBLES, JR., USA (RET)  
WENDI LOUISE STEELE

**FOR IMMEDIATE RELEASE**

**CORRECTED VERSION AS OF 8:00 PM EST**

Contact: Wade Nelson  
Chuck Pizer  
John Earnhardt

**COMMISSION ADDS 31 NEW BASES TO CLOSURE AND REALIGNMENT LIST**

WASHINGTON, D.C., May 10, 1995 – The Defense Base Closure and Realignment Commission today voted to add 31 military installations to the list of bases it is reviewing for realignment or closure.

In a hearing in Washington, D.C., the eight-member commission also voted to evaluate for greater realignment or complete closure 4 bases that were recommended only for realignment by the Secretary of Defense when he submitted his list to the Commission February 28.

“Just because a base was added to the list today doesn’t mean it will close or be realigned,” said former U.S. Senator Alan J. Dixon, the commission chairman. “It means the commission believes a fuller evaluation of the base is a reasonable thing to undertake at this time.

“We do not make additions to the list lightly, but it is the responsibility of the commission to submit to the President by July 1 the best possible closure and realignment list,” Dixon said.

The commission’s actions today affected bases in two overall categories: those that were not on the Secretary’s February list and those that were.

Those that were not on the list were added today “for realignment or closure.” Those that were on the list were added “for further realignment or closure.” “Further realignment” means an action that will result in greater job loss at the installation than contemplated by the Secretary’s list.

Between now and June 11, the commissioners will visit bases added to the list today and conduct regional hearings at which the affected communities will be able to testify regarding the base. Members of Congress will testify before the commission June 12-13 in Washington, D.C. and a date will be set for Defense Department officials to testify regarding the added bases.

The commission will begin its final deliberations June 22 in Washington.

more

Page Two - Base Closure Commission adds

Here is the list of bases added to the list today:

**BASES NEWLY ADDED FOR REALIGNMENT OR CLOSURE - 31**

**AIR FORCE (13)**

Chicago O'Hare IAP Air Reserve Station	Chicago, ILLINOIS
Minneapolis-St. Paul IAP Air Reserve Station	Minneapolis, MINNESOTA
Columbus Air Force Base	Columbus, MISSISSIPPI
Niagara Falls IAP Air Reserve Station	Niagara Falls, NEW YORK
Youngstown-Warren MAP Air Reserve Station	Youngstown, OHIO
Vance Air Force Base	Enid, OKLAHOMA
Carswell Air Reserve Station	Fort Worth, TEXAS
Laughlin Air Force Base	Del Rio, TEXAS
General Mitchell Air Reserve Station	Milwaukee, WISCONSIN
McClellan Air Force Base	Sacramento, CALIFORNIA
Robins Air Force Base	Warner-Robins, GEORGIA
Tinker Air Force Base	Oklahoma City, OKLAHOMA
Kelly Air Force Base	San Antonio, TEXAS

**ARMY (4)**

Space and Strategic Defense Command (Leased Facilities)	Huntsville, ALABAMA
Oakland Army Base	Oakland, CALIFORNIA
Fort Holabird	Baltimore, MARYLAND
Tobyhanna Army Depot	Wilkes-Barre, PENNSYLVANIA

**NAVY (8)**

Engineering Field Activity, West	San Bruno, CALIFORNIA
Fleet and Industrial Supply Center	Oakland, CALIFORNIA
Naval Air Station Point Mugu	Oxnard, CALIFORNIA
Naval Warfare Assessment Division	Corona, CALIFORNIA
Supervisor of Shipbuilding, Conversion, and Repair	San Francisco, CALIFORNIA
Naval Air Station	Atlanta, GEORGIA
Public Works Center	GUAM
Portsmouth Naval Ship Yard	Kittery, MAINE

more

DEFENSE LOGISTICS AGENCY (6)

Defense Distribution Depot McClellan	Sacramento, CALIFORNIA
Defense Distribution Depot Warner-Robins	Warner-Robins, GEORGIA
Defense Distribution Depot Okla. City	Oklahoma City, OKLAHOMA
Defense Distribution Depot Tobyhanna	Wilkes-Barre, PENNSYLVANIA
Defense Distribution Depot San Antonio	San Antonio, TEXAS
Defense Distribution Depot Hill	Ogden, UTAH

**BASES ON THE SECRETARY OF DEFENSE'S CLOSURE AND REALIGNMENT LIST**

**ADDED TODAY BY THE COMMISSION FOR FURTHER REALIGNMENT OR CLOSURE - 4**

AIR FORCE (3)

Homestead Air Reserve Station	Florida City, FLORIDA
Grand Forks Air Force Base	Grand Forks, NORTH DAKOTA
Hill Air Force Base	Ogden, Utah

ARMY (1)

Letterkenny Army Depot	Letterkenny, PENNSYLVANIA
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**DEFENSE BASE CLOSURE AND REALIGNMENT  
COMMISSION**

**ADDS DELIBERATIONS**

**MAY 10, 1995  
HART SENATE OFFICE BUILDING, RM 216**

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4. AIR FORCE ISSUES.
5. NAVY ISSUES.
6. ARMY ISSUES.
7. DEFENSE LOGISTICS AGENCY ISSUES.
8. CLOSING REMARKS - CHAIRMAN DIXON.



**HEARING AGENDA**  
**WEDNESDAY, MAY 10, 1995, 9:30AM**  
**ROOM 216, HART SENATE OFFICE BUILDING**

**DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION WITNESSES:**

Mr. David S. Lyles, Staff Director  
Mr. Benton Borden, Director, Research and Analysis

**CROSS SERVICE ISSUES**

Mr. J. L. Owsley, Cross Service Team Leader  
Ms. Ann Reese, Cross Service Senior Analyst  
Mr. Glenn Knoepfle, Cross Service Senior Analyst  
Mr. Dick Helmer, Cross Service Senior Analyst  
Mr. Les Farrington, Cross Service Senior Analyst

**AIR FORCE ISSUES**

Mr. Frank Cirillo, Air Force Team Leader  
Mr. Frank Cantwell, Air Force Senior Analyst  
Mr. David Olson, Air Force Senior Analyst  
Mr. Rick DiCamillo, Air Force Senior Analyst  
LtCol Merrill Beyer, Air Force Senior Analyst

**NAVY ISSUES**

Mr. Alex Yellin, Navy Team Leader  
Mr. Larry Jackson, Navy Senior Analyst  
Mr. Jeff Mulliner, Navy Senior Analyst  
Mr. Doyle Reedy, Navy Senior Analyst  
LCDR Eric Lindenbaum, Navy Senior Analyst  
LtCol James Brubaker, Navy Senior Analyst  
Mr. David Epstein, Navy Senior Analyst

**ARMY ISSUES**

Mr. Ed Brown, Army Team Leader  
Mr. Rick Brown, Army Senior Analyst  
Mr. Mike Kennedy, Army Senior Analyst

**DEFENSE LOGISTICS AGENCY ISSUES**

Mr. Bob Cook, Interagency Issues Team Leader  
Ms. Marilyn Wasleski, Interagency Issues Senior Analyst





**THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION**  
**1700 NORTH MOORE STREET SUITE 1425**  
**ARLINGTON, VA 22209**  
**703-696-0504**

**ALAN J. DIXON, CHAIRMAN**

**COMMISSIONERS:**

**AL CORNELLA**  
**REBECCA COX**  
**GEN J. B. DAVIS, USAF (RET)**  
**S. LEE KLING**  
**RADM BENJAMIN F. MONTOYA, USN (RET)**  
**MG JOSUE ROBLES, JR., USA (RET)**  
**WENDI LOUISE STEELE**

**OPENING STATEMENT**

**CHAIRMAN ALAN J. DIXON**

**Hearing to Consider Bases  
for Addition  
to Closure and Realignment List**

**216 Hart Senate Office Building  
Washington, D.C.**

**May 10, 1995**

GOOD MORNING, LADIES AND GENTLEMEN, AND WELCOME TO TODAY'S HEARING OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION. I AM ALAN J. DIXON, CHAIRMAN OF THE COMMISSION CHARGED WITH THE RESPONSIBILITY OF REVIEWING THE RECOMMENDATIONS OF THE SECRETARY OF DEFENSE REGARDING THE CLOSURE AND REALIGNMENT OF DOMESTIC MILITARY INSTALLATIONS.

WITH ME TODAY ARE ALL MY COLLEAGUES ON THE COMMISSION: COMMISSIONERS AL CORNELLA, REBECCA COX, GENERAL J.B. DAVIS, S. LEE KLING, ADMIRAL BEN MONTOYA, GENERAL JOE ROBLES AND WENDI STEELE.

AT TODAY'S HEARING, WE WILL DISCUSS – AND VOTE ON – WHETHER TO ADD ANY OTHER BASES TO THE LIST OF INSTALLATIONS SUGGESTED FOR CLOSURE OR REALIGNMENT BY THE SECRETARY OF DEFENSE IN THE LIST HE GAVE THIS COMMISSION ON FEBRUARY 28.

TODAY'S HEARING IS THE CULMINATION OF A 10-WEEK PERIOD IN WHICH THIS COMMISSION AND ITS STAFF HAVE WORKED INTENSELY TO ANALYZE THE SECRETARY'S LIST TO SEE IF ADDITIONS SHOULD BE MADE.

IN THE 72 DAYS SINCE WE RECEIVED THE LIST WE HAVE CONDUCTED NINE INVESTIGATIVE HEARINGS IN WASHINGTON - 10 COUNTING TODAY.

WE HAVE TAKEN SOME 55 HOURS OF TESTIMONY AT 11 REGIONAL HEARINGS CONDUCTED ALL AROUND THE COUNTRY, INCLUDING ALASKA AND GUAM. AT THOSE HEARINGS, WE HEARD PRESENTATIONS FROM COMMUNITIES FROM 32 STATES PLUS GUAM AND PUERTO RICO.

AMONG THE EIGHT COMMISSIONERS, WE HAVE MADE 107 VISITS TO 55 BASES ON THE SECRETARY'S LIST, AND COMMISSION STAFF HAS MADE ANOTHER 68 BASE VISITS TO GATHER ADDITIONAL INFORMATION.

IT IS AN EXTREMELY LARGE AMOUNT OF WORK TO DO IN A SHORT PERIOD OF TIME, BUT THAT IS THE WAY THE STATUTE SET UP THIS PROCESS. AS ONE WHO PARTICIPATED IN WRITING THAT LAW, I BELIEVE IT HAS WORKED VERY WELL IN THE TWO PREVIOUS ROUNDS AND WILL WORK WELL THIS TIME.

INCIDENTALLY, LET ME SAY THAT ONE OF THE MOST IMPORTANT ASPECTS OF THE BASE CLOSURE LAW IS ITS REQUIREMENT THAT EVERYTHING THIS COMMISSION DOES BE DONE IN AN OPEN WAY.

AND SO I WILL REMIND YOU THAT ALL DOCUMENTATION WE RECEIVE IS AVAILABLE AT OUR LIBRARY FOR EXAMINATION BY ANYONE. THAT INCLUDES CORRESPONDENCE, ALL THE DATA FROM THE PENTAGON, TRANSCRIPTS OF ALL OUR HEARINGS, STAFF REPORTS ON ALL OUR BASE VISITS AND LOGS OF EVERY MEETING WE HAVE HAD IN OUR OFFICES WITH INTERESTED PARTIES SINCE THIS ROUND BEGAN ALMOST TWO YEARS AGO. WE ARE ABSOLUTELY COMMITTED TO OPENNESS AND FAIRNESS IN THIS DIFFICULT PROCESS AND WE URGE ALL COMMUNITIES ON THE LIST TO TAKE ADVANTAGE OF THE RESOURCES OUR LIBRARY PROVIDES.

AS MOST OF YOU MAY KNOW, THE BASE CLOSURE LAW GIVES THIS COMMISSION FAIRLY BROAD AUTHORITY TO CHANGE THE SECRETARY'S CLOSURE AND REALIGNMENT LIST. WE CAN REMOVE BASES FROM THE LIST -- AND I AM SURE SOME WILL BE REMOVED WHEN WE CONDUCT OUR FINAL DELIBERATIONS IN LATE JUNE.

WE CAN ALSO ADD BASES TO THE LIST FOR CONSIDERATION, AND THAT IS WHAT WE ARE HERE FOR TODAY.

LET ME STRESS THAT SIMPLY BECAUSE A BASE IS ADDED TO THE LIST TODAY DOES NOT MEAN IT WILL CLOSE OR BE REALIGNED. IT MEANS THAT THE COMMISSION BELIEVES THAT A FULLER EVALUATION OF THE MILITARY VALUE AND OTHER CHARACTERISTICS OF A PARTICULAR BASE IS A REASONABLE THING TO UNDERTAKE AT THIS TIME.

WE KNOW THE IMPACT OF OUR ACTIONS TODAY ON COMMUNITIES AND INDIVIDUALS AND BUSINESSES. WE DO NOT MAKE ADDITIONS TO THE LIST LIGHTLY. BUT IT IS THE RESPONSIBILITY OF THIS COMMISSION TO SUBMIT TO THE PRESIDENT BY JULY FIRST THE BEST POSSIBLE CLOSURE AND REALIGNMENT LIST.

IN OUR VIEW, THE BEST POSSIBLE LIST IS ONE WHICH REDUCES OUR DEFENSE INFRASTRUCTURE IN A DELIBERATE WAY THAT THAT WILL IMPROVE OUR LONG-TERM MILITARY READINESS AND INSURE THAT WE ARE SPENDING THE TAXPAYERS' MONEY IN THE MOST EFFICIENT WAY.

NOW LET ME EXPLAIN HOW WE WILL PROCEED TODAY.

OUR WITNESSES WILL BE THE MEMBERS OF THE COMMISSION STAFF WHO HAVE BEEN ANALYZING THE SECRETARY'S LIST SINCE MARCH 1. STARTING WITH A UNIVERSE THAT INCLUDED EVERY INSTALLATION NOT ON THAT LIST, THEY HAVE RECEIVED INPUT FROM NUMEROUS SOURCES, INCLUDING COMMISSIONERS, COMMUNITIES, THE DEFENSE DEPARTMENT AND MANY OTHERS.

AS A RESULT OF THEIR WORK, THEY WILL BRIEF US TODAY REGARDING A NUMBER OF INSTALLATIONS. IT WILL BE THE COMMISSIONERS' JOB TO LISTEN, TO ASK QUESTIONS AND DECIDE WHETHER TO ADD A BASE TO THE LIST.

AS IS THE CASE WITH ALL WITNESSES BEFORE THIS COMMISSION, OUR STAFF PEOPLE WILL BE UNDER OATH TODAY.

AFTER THE PRESENTATION ON EACH INSTALLATION, I WILL ASK IF ANY COMMISSIONER WISHES TO MAKE A MOTION TO ADD THAT BASE TO THE LIST. IF A COMMISSIONER DOES SO WISH, THERE NEEDS TO BE A SECOND TO THAT MOTION.

ANY MOTIONS YOU HEAR TODAY WILL BE STRAIGHTFORWARD. TO GIVE THE COMMISSION THE GREATEST POSSIBLE FLEXIBILITY IN EVALUATING BASES OVER THE NEXT SIX WEEKS, THERE WILL BE ONLY TWO TYPES OF MOTIONS TODAY.

THE FIRST TYPE ADDRESSES BASES ALREADY ON THE SECRETARY'S LIST FOR SOME KIND OF ACTION. THAT MOTION WILL BE "TO INCREASE THE EXTENT OF THE REALIGNMENT OR TO CLOSE."

THE SECOND TYPE ADDRESSES INSTALLATIONS NOT ON THE SECRETARY'S ORIGINAL LIST. THAT MOTION WILL BE "TO CLOSE OR REALIGN."

TO PASS A MOTION REQUIRES A MAJORITY OF THE COMMISSIONERS VOTING. FOR EXAMPLE, IF ALL EIGHT COMMISSIONERS VOTE, IT TAKES FIVE VOTES TO ADD A BASE TO THE LIST. IN THE EVENT OF A TIE VOTE, THE MOTION FAILS.

IF ONE OR MORE COMMISSIONERS SHOULD RECUSE HIM OR HERSELF FROM VOTING ON A PARTICULAR BASE, IT TAKES A MAJORITY OF THOSE VOTING TO ADD A BASE TO THE LIST.

TO GIVE OURSELVES MAXIMUM TIME, WE HAVE SCHEDULED NO LUNCH BREAK. COMMISSIONERS WILL BE AVAILABLE TO THE MEDIA WHEN THE HEARING IS OVER.

WHEN OUR WORK IS COMPLETED TODAY, THE COMMISSION STAFF WILL QUICKLY BEGIN TO DEVISE THE SCHEDULE OF BASE VISITS AND REGIONAL HEARINGS THAT FLOW FROM TODAY'S DECISIONS. AGAIN, WE PLEDGE THAT AT LEAST ONE COMMISSIONER WILL VISIT EVERY BASE ADDED TO THE LIST TODAY AND REGIONAL HEARINGS WILL BE HELD SO THAT CITIZENS FROM EVERY AFFECTED COMMUNITY MAY TESTIFY BEFORE THE COMMISSION.

ON JUNE 12 AND 13 HERE IN WASHINGTON, WE WILL CONDUCT TWO DAYS OF HEARINGS AT WHICH MEMBERS OF CONGRESS WILL TESTIFY REGARDING THE LIST. WE WILL ALSO GIVE THE DEPARTMENT OF DEFENSE AN OPPORTUNITY TO TESTIFY REGARDING OUR ADDITIONS, ON A DATE TO BE DETERMINED. WE WILL BEGIN OUR FINAL DELIBERATIONS ON JUNE 22.

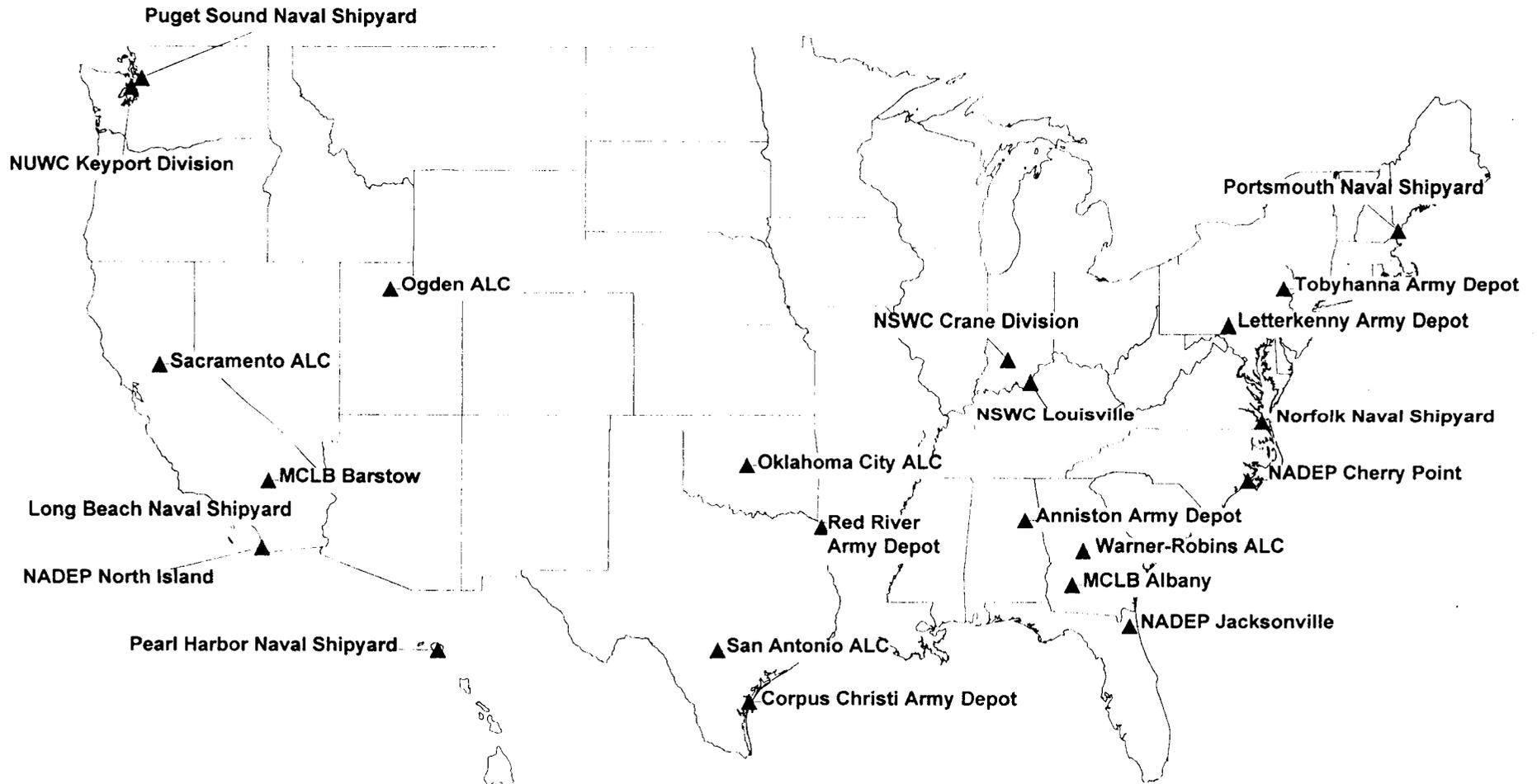
WITH THAT, I BELIEVE WE ARE READY TO BEGIN. I WOULD FIRST LIKE TO ASK ALL OF THE COMMISSION STAFF MEMBERS WHO MAY BE TESTIFYING TODAY TO STAND AND RAISE YOUR RIGHT HANDS SO THAT I CAN SWEAR YOU IN. THEN, I WILL RECOGNIZE THE COMMISSION'S STAFF DIRECTOR, DAVID S. LYLES, TO BEGIN THE STAFF PRESENTATIONS.

DO YOU SOLEMNLY SWEAR OR AFFIRM THAT THE TESTIMONY YOUR ARE ABOUT TO GIVE BEFORE THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION SHALL BE THE TRUTH, THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?

MR. LYLES, YOU MAY BEGIN.



# DoD Depot Maintenance Facilities Considered by the DoD Joint Cross Service Group



# FY 1999 DEPOT CAPACITY UTILIZATION - SINGLE SHIFT

Based on DOI Certified Data

<i>INSTALLATION:</i>	<i>Maximum potential capacity (000 hours)</i>	<i>Core (000 hours)</i>	<i>% capacity utilization</i>
<i>Ogden ALC</i>	<i>9,005</i>	<i>4,895</i>	<i>54</i>
<i>Oklahoma City ALC</i>	<i>12,863</i>	<i>6,658</i>	<i>52</i>
<i>Warner Robins ALC</i>	<i>9,913</i>	<i>6,763</i>	<i>68</i>
<i>San Antonio ALC</i>	<i>15,220</i>	<i>4,463</i>	<i>29</i>
<i>Sacramento ALC</i>	<i>10,291</i>	<i>4,231</i>	<i>41</i>
<i>Tobyhanna Army Depot</i>	<i>7,606</i>	<i>2,304</i>	<i>30</i>
<i>Red River Army Depot</i>	<i>4,684</i>	<i>1,323</i>	<i>28</i>
<i>Anniston Army Depot</i>	<i>4,512</i>	<i>1,497</i>	<i>33</i>
<i>Letterkenny Army Depot</i>	<i>3,707</i>	<i>981</i>	<i>26</i>
<i>Corpus Christi Army Depot</i>	<i>4,714</i>	<i>3,182</i>	<i>68</i>
<i>Cherry Point NADEP</i>	<i>5,735</i>	<i>2,211</i>	<i>39</i>
<i>Jacksonville NADEP</i>	<i>7,158</i>	<i>3,093</i>	<i>43</i>
<i>North Island NADEP</i>	<i>7,772</i>	<i>3,333</i>	<i>43</i>
<i>Norfolk NSY</i>	<i>15,851</i>	<i>9,016</i>	<i>57</i>
<i>Pearl Harbor NSY</i>	<i>8,032</i>	<i>3,212</i>	<i>40</i>
<i>Portsmouth NSY</i>	<i>7,996</i>	<i>3,196</i>	<i>40</i>
<i>Puget Sound NSY</i>	<i>14,919</i>	<i>10,699</i>	<i>72</i>
<i>Long Beach NSY</i>	<i>5,401</i>	<i>3,217</i>	<i>60</i>
<i>Crane NSWC</i>	<i>2,451</i>	<i>675</i>	<i>28</i>
<i>Louisville NSWC</i>	<i>2,480</i>	<i>1,228</i>	<i>50</i>
<i>Keyport NUWC</i>	<i>1,141</i>	<i>734</i>	<i>64</i>
<i>Albany Marine Corps Depot</i>	<i>1,883</i>	<i>1,061</i>	<i>56</i>
<i>Barstow Marine Corps Depot</i>	<i>1,563</i>	<i>836</i>	<i>53</i>
<b><i>Total DoD</i></b>	<b><i>164,897</i></b>	<b><i>78,808</i></b>	<b><i>48</i></b>

**1995 DEPOT/SHIPYARD CLOSURE  
AND REALIGNMENT ALTERNATIVES**

<b>Category</b>	<b>DoD</b>	<b>Cross-Service 1 Min Sites/Max Mil Value</b>	<b>Cross-Service 2 Min Excess Capacity</b>
Army Depots	(C) Red River (R) Letterkenny	(C) Red River (C) Letterkenny	(C) Red River (C) Letterkenny
Navy Shipyards	(C) Long Beach	(C) Portsmouth (C) Pearl Harbor	*(C) Long Beach *(C) Portsmouth *(C) Pearl Harbor
Navy Aviation Depots		(C) Jacksonville	(C) Jacksonville
Navy Weapon Center	(C) Crane-Louisville (R) Keyport	(C) Crane-Louisville (C) Keyport	** (C) Crane- Louisville ** (C) Keyport
Air Force Aviation	(D) San Antonio (D) Sacramento (D) Ogden (D) Warner Robins (D) Ok City	(C) San Antonio	(C) San Antonio (C) Sacramento

**C = CLOSURE    R = REALIGN    D = DOWNSIZE    \* = CLOSE any 2 of 3    \*\* = CLOSE any 1 of 2**

## DEPOT CAPACITY UTILIZATION - SINGLE SHIFT

**Remaining Depots**  
**% Capacity Utilization**

**Without BRAC 1995** 48

**DoD BRAC recommendation** 52

**Joint Cross Service Group option - 1** 69

**Joint Cross Service Group option - 2** 73

4

## AIR FORCE DEPOTS

<i>TIER</i>	<i>INSTALLATION</i>	
<i>I</i>	<i>Hill AFB / Ogden ALC</i>	<i>(D) (*)</i>
<i>I</i>	<i>Tinker AFB / Oklahoma City ALC</i>	<i>(D) (*)</i>
<i>II</i>	<i>Robins AFB / Warner Robins ALC</i>	<i>(D) (*)</i>
<i>III</i>	<i>Kelly AFB / San Antonio ALC</i>	<i>(X) (D) (*)</i>
<i>III</i>	<i>McClellan AFB / Sacramento ALC</i>	<i>(X) (D) (*)</i>

**(D)** = DoD recommendation for downsizing air logistics centers (ALCs)

**(X)** = Joint Cross Service Group alternative for closure (AFBs)

**(\*)** = Candidate for further consideration (AFBs)

# **AIR FORCE BRAC RECOMMENDATION DOWNSIZE-IN-PLACE ALL FIVE DEPOTS**

## **DOWNSIZING CONSISTS OF :**

- 1) MOTHBALL 2 MILLION SQUARE FEET OF DEPOT SPACE**
  - REDUCE AMOUNT OF DEPOT CAPACITY**
- 2) REDUCE 1,905 PERSONNEL**
  - EQUAL TO 2.5% REDUCTION IN INSTALLATION POPULATION  
OR 7.2 % IN DEPOT POPULATION**
  - REDUCTION TO BE ACHIEVED BY REENGINEERING DEPOT  
MAINTENANCE ACTIVITIES TO ACHIEVE A 15% SAVINGS**

## **DOWNSIZING HAS NEVER BEFORE BEEN PURSUED THROUGH BRAC**

- OVERHEAD COSTS TO RUN DEPOT STRUCTURE WILL BE  
VIRTUALLY UNCHANGED**
- MAINTENANCE COST PER HOUR INCREASES**

## **DOWNSIZING PLAN IS STILL BEING REVISED BY AIR FORCE**

- TWO REVISIONS SINCE 1 MARCH**

**RECURING SAVINGS - \$89 M, NET PRESENT VALUE - \$991 M, ONE TIME  
COST - \$183 M**

## Base Analysis

### Category: Maintenance Depot Installations

**DOD RECOMMENDATION:** Downsize all Air Force depots

**FOR CONSIDERATION:** Study all Air Force Bases with maintenance depots **FOR CLOSURE**.

CRITERIA	Hill (D) (*)	Tinker (D) (*)	Robins (D) (*)	Kelly (D) (*) (X)	McClellan (D) (*) (X)
BCEG vote maximum score 39	33	29	26	15	11
MILITARY VALUE	tier I	tier I	tier II	tier III	tier III
ONE-TIME COSTS (\$ M)	1,418	1,324	1,021	660	524
ANNUAL SAVINGS (\$ M)	72	69	76	74	95
RETURN ON INVESTMENT	29 years	28 years	17 years	10 years	5 years
BASE OPERATING COBRA (\$ M)	34	39	37	38	36
BASE OPERATING COSTS (\$ M)	130	130	138	142	117
PERSONNEL ELIMINATED (MIL/CIV)	643 / 807	512 / 881	501 / 1,243	346 / 1,146	649 / 1,107
PERSONNEL REALIGNED (MIL/CIV)	3,976 / 7,622	7,689 / 11,001	3,229 / 9,297	1,353 / 10,797	1,947 / 7,840
ECONOMIC IMPACT (BRAC 95/CUM)	5.0% / 5.4%	7.3% / 7.3%	17.9% / 17.9%	5.1% / 8.3%	3.8% / 3.8%
ENVIRONMENTAL	on National Priority List	on National Priority List	on National Priority List	Not on National Priority List	on National Priority List
Air Force score on ENVIRONMENTAL	yellow +	yellow +	yellow +	red +	yellow +

(D) = DoD recommendation for downsizing

(\*) = Candidate for further consideration

(X) = Joint Cross Service Group alternative for closure

# **AIR FORCE DEPOT COBRA CLOSURE ASSUMPTIONS**

**AIR FORCE ASSUMPTIONS RESULT IN HIGHER COSTS, SMALLER SAVINGS THAN OTHER SERVICES.**

**HIGH CLOSURE COSTS RESULT FROM:**

- **ALL EQUIPMENT IS MOVED OR REPURCHASED**
- **NO RECOGNITION OF MILITARY CONSTRUCTION COST AVOIDANCE**
- **BASE CONVERSION AGENCY COST \$30 M MORE THAN STANDARD**

**COBRA FACTOR**

**SMALL SAVINGS RESULT FROM:**

- **6 YEAR IMPLEMENTATION**
- **ALL POSITIONS TO BE ELIMINATIONS OCCUR IN LAST YEAR OF IMPLEMENTATION**
- **VERY SMALL PERCENTAGE OF PERSONNEL POSITIONS ELIMINATED COMPARED WITH OTHER SERVICES**

**Sensitivity Analysis on the  
Personnel Elimination and Phasing of the  
USAF Baseline for Depot Closure  
(\$ in millions)**

<b>Personnel Eliminated</b>	<b>Closure Phasing</b>	<b>One-Time Cost</b>	<b>Steady State Savings</b>	<b>Net Present Value</b>
<b>7%</b>	<b>6 yrs</b>	<b>582</b>	<b>76</b>	<b>283</b>
<b>15%</b>	<b>6 yrs</b>	<b>572</b>	<b>154</b>	<b>1,102</b>
<b>15%</b>	<b>4 yrs</b>	<b>571</b>	<b>154</b>	<b>1,523</b>
<b>25%</b>	<b>4 yrs</b>	<b>561</b>	<b>244</b>	<b>2,764</b>

# ARMY DEPOTS

<i>Military value</i>	<i>INSTALLATION</i>
<i>1 of 4</i>	<i>Tobyhanna Army Depot</i> (*)
<i>2 of 4</i>	<i>Anniston Army Depot</i>
<i>3 of 4</i>	<i>Red River Army Depot</i> (X) (C)
<i>4 of 4</i>	<i>Letterkenny Army Depot</i> (X) (R) (*)
	<i>Corpus Christi Army Depot</i>

**(C) = DoD recommendation for closure**

**(R) = DoD recommendation for realignment**

**(X) = Joint Cross Service Group alternative for closure**

**(\*) = Candidate for further consideration**

# ARMY DEPOT BASING STRATEGY

- MAINTAIN THREE DEPOTS:
  - COMBAT VEHICLES (Anniston)
  - ELECTRONICS (Tobyhanna)
  - AVIATION (Corpus Christi)
  
- ARMY RECOMMENDED TWO COMBAT VEHICLES DEPOTS FOR REALIGNMENT / CLOSURE:
  - RED RIVER
    - VEHICLES TO ANNISTON
  
  - LETTERKENNY
    - VEHICLES TO ANNISTON
    - MISSILE ELECTRONICS TO TOBYHANNA

# SUMMARY

## TACTICAL MISSILE DEPOTS

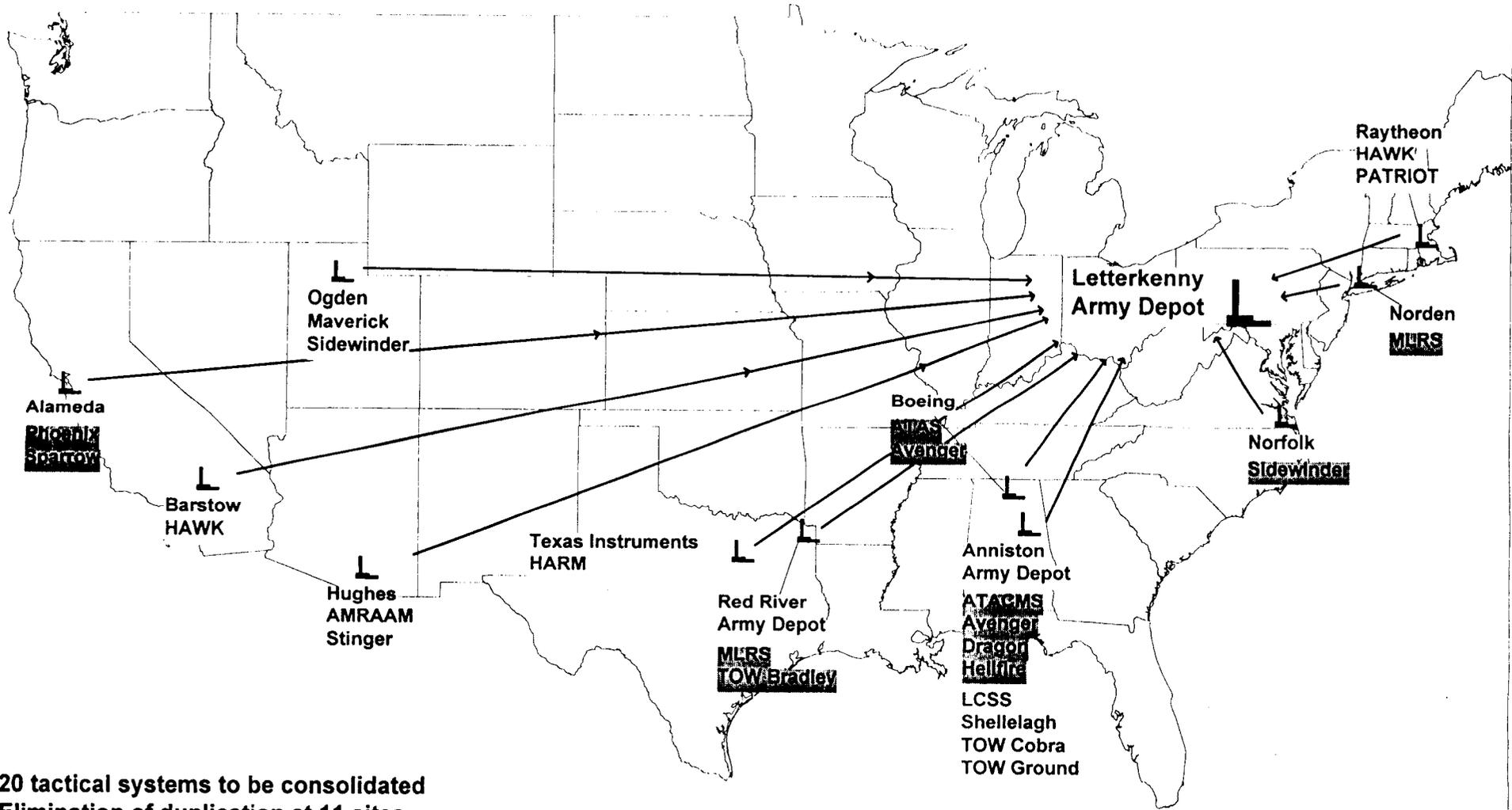
### 1993 COMMISSION

- CONSOLIDATE DOD TACTICAL MISSILE MAINTENANCE AT LETTERKENNY
- RETAIN ARTILLERY WORKLOAD AT LETTERKENNY

### 1995 DOD RECOMMENDATION

- CHANGE 1993 COMMISSION RECOMMENDATION BY TRANSFERRING MISSILE GUIDANCE SYSTEM WORKLOAD TO TOBYHANNA ARMY DEPOT.
- TRANSFER COMBAT VEHICLE WORKLOAD TO ANNISTON ARMY DEPOT.
- RETAIN ENCLAVE FOR CONVENTIONAL AMMUNITION AND TACTICAL MISSILE DISASSEMBLY AND STORAGE AT LETTERKENNY.

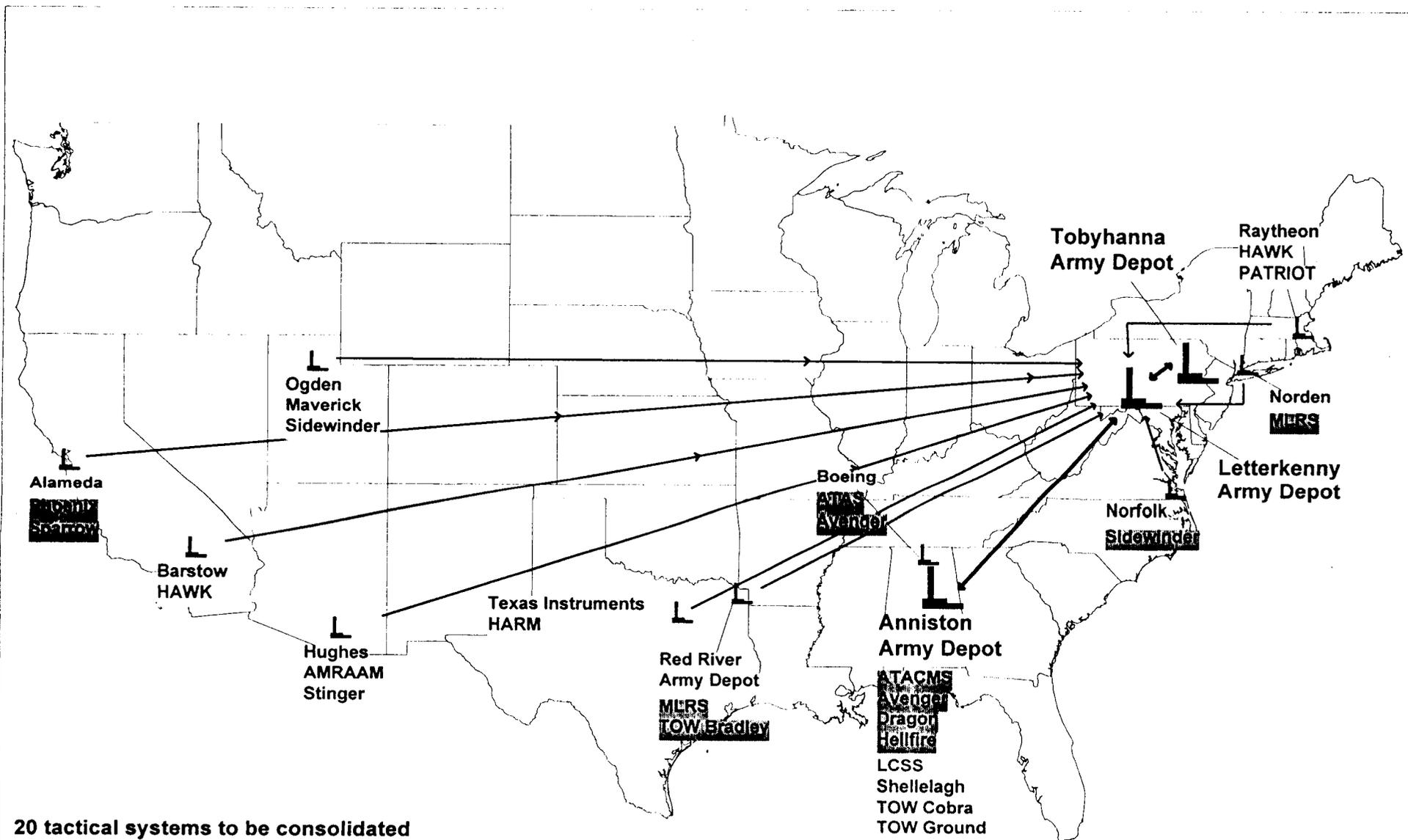
# BRAC '93 Commission Recommended A Single DoD Tactical Missile Facility



20 tactical systems to be consolidated  
Elimination of duplication at 11 sites  
(6 DoD, 5 Contractor)

Program Complete

# BRAC '95 DoD Recommended Tactical Missile Work Sites



20 tactical systems to be consolidated  
Elimination of duplication at 11 sites  
(6 DoD, 5 Contractor)

Transfer Complete

**BASE ANALYSIS**  
**CATEGORY: TACTICAL MISSILE MAINTENANCE DEPOTS**

**DOD Recommendation:** Realign Letterkenny, move guidance system maintenance workload to Tobyhanna and vehicle / support equipment maintenance workload to Anniston.

**For consideration:** Study Letterkenny and Tobyhanna for further realignment or closure.

<b>CRITERIA</b>	<b>Letterkenny Army Depot (X)(R)</b> (Disassemble/Storage remains at Letterkenny) (Electronics to Tobyhanna) (Mobile Vehicles to Anniston)	<b>Letterkenny Army Depot (*)</b> (Retain Conventional Ammo. Storage Only) (Missile Work to Hill AFB)	<b>Tobyhanna Army Depot (*)</b> (Closure) (Electronics to Letterkenny) (All current work at Letterkenny remains)
MILITARY VALUE	4 out of 4	4 out of 4	1 out of 4
ONE-TIME COSTS (\$ M)	50	220	154
ANNUAL SAVINGS (\$ M)	78	65	33
RETURN ON INVESTMENT	Immediate	2 years	4 years
BASE OPERATING BUDGET (\$ M)	56	56	33
PERSONNEL ELIMINATED (MIL/CIV)	20 / 1,267	13 / 1,018	34 / 535
PERSONNEL REALIGNED (MIL/CIV)	15 / 788	20 / 1,433	249 / 2691
ECONOMIC IMPACT (BRAC95/CUM)	7.8% / 9.0%	9.2% / 10.4%	2.6% / 2.6%
ENVIRONMENTAL	On National Priority List	On National Priority List	On National Priority List

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(X) = Joint Cross Service Group Alternative for closure

(\*) = Candidate for further consideration

# TECHNICAL CENTERS

## Naval Air Warfare Centers

MILITARY VALUE	INSTALLATION
59.61	NAWC China Lake, CA
54.62	NAWC Point Mugu, CA (X) (*)
51.17	NAWC Patuxent River, MD
36.66	NAWC Lakehurst, NJ (C)
34.95	NAWC Indianapolis, IN (C)
19.97	NAWC Warminster, PA (C)
9.73	NAWC HQ Washington, DC
7.54	NAWC Oreland, PA (C)

- (C) = DoD Recommendation for Closure
- (R) = DoD Recommendation for Realignment
- (X) = Joint Cross Service Group Alternative for Realignment
- (\*) = Candidate for further consideration

**CHINA LAKE / POINT MUGU  
NAVAL AIR WARFARE CENTER WEAPONS DIVISION**

- POINT MUGU IS AN OPERATING CENTER UNDER THE COMMAND OF CHINA LAKE
- CHINA LAKE DOES AIR/LAND TESTING AND TRAINING  
POINT MUGU DOES AIR/SEA TESTING AND TRAINING
- BOTH SITES PERFORM RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AND IN-SERVICE ENGINEERING.
- POINT MUGU IS 162 MILES FROM CHINA LAKE.

# NAVAL AIR WARFARE CENTER POINT MUGU, CALIFORNIA

- JOINT CROSS SERVICE GROUP IDENTIFIED 48% EXCESS CAPACITY IN TEST AND EVALUATION OPEN AIR RANGES.
- AFTER A ONE YEAR STUDY, THE TEST AND EVALUATION JOINT CROSS SERVICE GROUP PROPOSED A REALIGNMENT OF NAWC POINT MUGU'S TEST AND EVALUATION MISSIONS TO NAWC CHINA LAKE, CA, TO REDUCE EXCESS CAPACITY/INFRASTRUCTURE.
- IN JUNE 1994, DOD INSPECTOR GENERAL REPORTED NAVY COULD SAVE \$1.7 BILLION OVER 20 YEARS BY CONSOLIDATING FUNCTIONS FROM NAWC POINT MUGU, CA. TO NAWC CHINA LAKE, CA.

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**MAJOR POINTS OF THE  
JOINT CROSS SERVICE GROUP ALTERNATIVE FOR  
NAVAL AIR WARFARE CENTER POINT MUGU, CA.**

- **RETAIN SEA TEST RANGE**
- **RETAIN AIRSPACE AND ISLAND INSTRUMENTATION**
- **RELOCATE GROUND TEST FACILITIES**
- **CLOSE OR MOTHBALL REMAINING FACILITIES, RUNWAYS AND HANGARS.**
- **MANAGE ALL ACTIVITIES AT CHINA LAKE**
- **PROVIDE SUPPORT FOR REMAINING POINT MUGU ACTIVITIES FROM PORT HUENEME CONSTRUCTION BATTALION CENTER.**



## AIR FORCE CATEGORIES

CATEGORY	NUMBER
MISSILES	4
LARGE AIRCRAFT	22
SMALL AIRCRAFT	15
UNDERGRADUATE PILOT TRAINING	5
DEPOTS	5
LABS & PRODUCT CENTERS	6
TEST & EVALUATION	4
SPACE SUPPORT	3
SATELLITE CONTROL	2
AIR FORCE RESERVE	14
AIR NATIONAL GUARD	13
ADMINISTRATIVE	4
TECHNICAL TRAINING	4

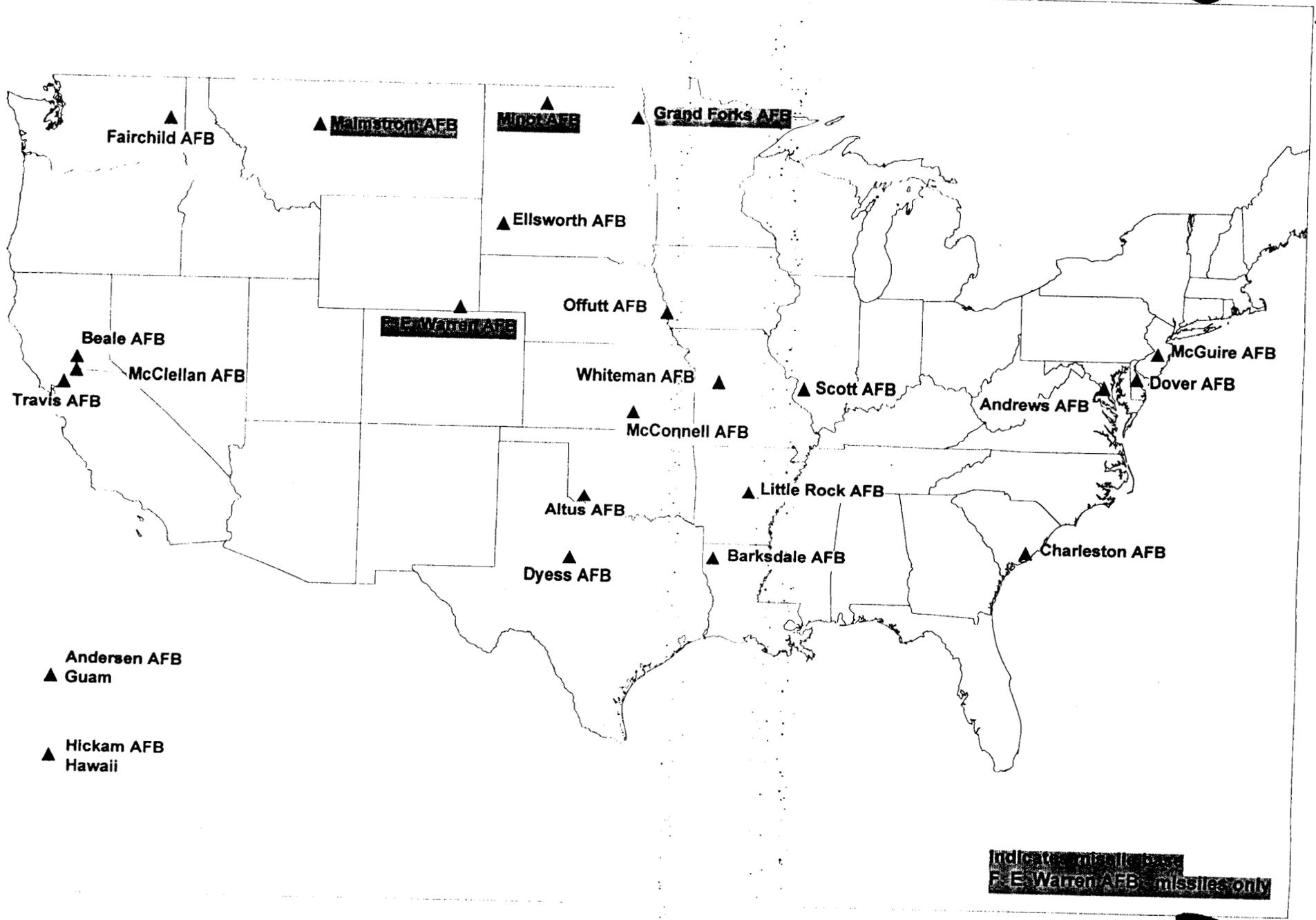
HIGHLIGHTED CATEGORIES HAVE CANDIDATES FOR FURTHER CONSIDERATION.

**AIR FORCE**  
**CATEGORY: MISSILE/LARGE AIRCRAFT**

TIER	INSTALLATION	TIER	INSTALLATION
I	Altus AFB, OK	Excl	Hickam AFB, HI
Excl	Andersen AFB, GU	I	Little Rock AFB, AR
Excl	Andrews AFB, MD	II	<i>Malmstrom AFB, MT</i> (M)(R) (*)
I	Barksdale AFB, LA	Excl	McChord AFB, WA
II	Beale AFB, CA	I	McConnell AFB, KS
I	Charleston AFB, SC	II	McGuire AFB, NJ
I	Dover AFB, DE	II	<i>Minot AFB, ND</i> (M) (*)
I	Dyess AFB, TX	II	Offutt AFB, NE
III	Ellsworth AFB, SD	III	Scott AFB, IL
Excl	<i>F.E. Warren AFB, WY</i> (M) (*)	I	Travis AFB, CA
I	Fairchild AFB, WA	I	Whiteman AFB, MO
III	<i>Grand Forks AFB, ND</i> (M) (R) (*)		

- (C) = DoD recommendation for closure  
 (R) = DoD recommendation for realignment  
 (\*) = Candidate for further consideration  
 (M) = Missile Base

# Missile/Lar Aircraft Bases



## **MISSILE/LARGE AIRCRAFT CAPACITY ANALYSIS**

### **AIR FORCE**

- **Determined an excess of 1 missile base**
- **Determined an excess of approximately 2-3 large aircraft bases**
  - **1-2 Bomber bases**
  - **1 Airlift base**
  - **Included Depot airfield capacity**
- **Recommended relocation of Malmstrom AFB KC-135 operations and closure of airfield except for helicopter support activity**

## AIR FORCE MISSILE BASES

TIER	INSTALLATION	
Excluded	<i>F.E. WARREN AFB, WY</i>	(*)
III	<i>GRAND FORKS AFB, ND</i>	(R)(*)
II	<i>MALMSTROM AFB, MT</i>	(R)(*)
II	<i>MINOT AFB, ND</i>	(**)(*)

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = *Candidate for further consideration*

(\*\*) = March 7, 1995 Commission Add for realignment (Missile Field)

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# NORTHERN TIER MISSILE BASES

## DOD RECOMMENDATIONS VERSUS COMPLETE CLOSURES

	GRAND FORKS, ND	MINOT, ND	MALMSTROM, MT	FE WARREN, WY
<b>MISSILES</b>				
MINUTEMAN III MISSILES	150 <b>DOD RECOMMENDED FOR REALIGNMENT</b>  • Low ranked mil effectiveness and maintenance	150 Not Recommended but added by Commission  • Middle ranked mil effectiveness and maintenance	200 Not Recommended  • High ranked mil effectiveness and maintenance	150 Excluded  • Peacekeeper drawdown and START
PEACEKEEPER MISSILES	0	0	0	50
<b>AIRCRAFT</b>				
KC-135 AIRCRAFT	48 Not Recommended  • Core Tanker Base	0	12 <b>DOD RECOMMENDED FOR REALIGNMENT</b>  • Operating limitations	0
B-52 AIRCRAFT	0	12 Not Recommended  • USAF not seeking to relocate bombers	0	0

**Note: 80 launchers at Malmstrom AFB currently have Minuteman III missiles in place; 120 are awaiting conversion to Minuteman III when missiles become available.**

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## BASE ANALYSIS

### CATEGORY: MISSILE/LARGE AIRCRAFT

**DOD RECOMMENDATION:** Realign Malmstrom AFB by relocating the 43rd Air Refueling Group to MacDill AFB.

CRITERIA	MALMSTROM, MT (R)(*) (Realign KC-135 Acft)
AIR FORCE TIERING	II
BCEG RANK	11/18
FORCE STRUCTURE	80 MINUTEMAN III 120 MINUTEMAN X 12 KC-135 Aircraft
ONE-TIME COSTS (\$ M)	17.4
ANNUAL SAVINGS (\$ M)	5.1
RETURN ON INVESTMENT	4 Years
BASE OPERATING BUDGET (\$ M)	21.8
PERSONNEL ELIMINATED (MIL/CIV)	0/0
PERSONNEL REALIGNED (MIL/CIV)	719/19
ECONOMIC IMPACT (BRAC95/CUM)	3.0%/3.0%
ENVIRONMENTAL	Asbestos/Siting

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = *Candidate for further consideration*

(\*\*) = March 7, 1995 Commission Add for realignment (Missile Field)

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## BASE ANALYSIS

### CATEGORY: MISSILE/LARGE AIRCRAFT

**DOD RECOMMENDATION:** Realign Grand Forks AFB by inactivating the 321st Missile Group.

CRITERIA	GRAND FORKS, ND (R)(*) (Realign MM III)	MINOT, ND (**)(*) (Realign MM III)
AIR FORCE TIERING	III	II
BCEG RANK	17/18	15/18
FORCE STRUCTURE	150 MINUTEMAN III 48 KC-135 Aircraft	150 MINUTEMAN III 12 B-52 Aircraft
ONE-TIME COSTS (\$ M)	11.9	12.0
ANNUAL SAVINGS (\$ M)	35.2	36.0
RETURN ON INVESTMENT	Immediate	Immediate
BASE OPERATING BUDGET (\$ M)	26.7	26.7
PERSONNEL ELIMINATED (MIL/CIV)	802/35	809/46
PERSONNEL REALIGNED (MIL/CIV)	0/0	0/0
ECONOMIC IMPACT (BRAC95/CUM)	2.4%/2.4%	3.1%/3.1%
ENVIRONMENTAL	Asbestos/Siting	Siting

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = *Candidate for further consideration*

(\*\*) = March 7, 1995 Commission Add for realignment (Missile Field)

**BASE ANALYSIS**  
**CATEGORY: MISSILE/LARGE AIRCRAFT**

CRITERIA	GRAND FORKS, ND (R)(*) (Realign MM III)	MINOT, ND (**)(*) (Realign MM III)	F.E. WARREN, WY (*) (Realign MM III)	MALMSTROM, MT (R)(*) (Closure)
AIR FORCE TIERING	III	II	Excluded	II
BCEG RANK	17/18	15/18	Excluded	11/18
FORCE STRUCTURE	150 MINUTEMAN III 48 KC-135 Aircraft	150 MINUTEMAN III 12 B-52 Aircraft	150 MINUTEMAN III 50 PEACEKEEPER	80 MINUTEMAN III 120 MINUTEMAN X 12 KC-135 Aircraft
ONE-TIME COSTS (\$ M)	11.9	12.0	84.3	96.4
ANNUAL SAVINGS (\$ M)	35.2	36.0	16.1	113.9
RETURN ON INVESTMENT	Immediate	Immediate	3 Years	1 Year
BASE OPERATING BUDGET (\$ M)	26.7	26.7	16.9	21.8
PERSONNEL ELIMINATED (MIL/CIV)	802/35	809/46	376/27	2,132/277
PERSONNEL REALIGNED (MIL/CIV)	0/0	0/0	103/5	1,135/182
ECONOMIC IMPACT (BRAC95/CUM)	2.4%/2.4%	3.1%/3.1%	1.4%/1.4%	9.3%/9.3%
ENVIRONMENTAL	Asbestos/Siting	Siting	Siting	Asbestos/Siting

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = Candidate for further consideration

(\*\*) = March 7, 1995 Commission Add for realignment (Missile Field)

**BASE ANALYSIS**  
**CATEGORY: MISSILE/LARGE AIRCRAFT**

CRITERIA	MALMSTROM, MT (R)(*) (Closure)	GRAND FORKS, ND (R)(*) (Closure)	MINOT, ND (**)(*) (Closure)
AIR FORCE TIERING	II	III	II
BCEG RANK	11/18	17/18	15/18
FORCE STRUCTURE	80 MINUTEMAN III 120 MINUTEMAN X 12 KC-135 Aircraft	150 MINUTEMAN III 48 KC-135 Aircraft	150 MINUTEMAN III 12 B-52 Aircraft
ONE-TIME COSTS (\$ M)	96.4	81.4	230.4
ANNUAL SAVINGS (\$ M)	113.9	87.6	98.2
RETURN ON INVESTMENT	1 Year	1 Year	2 Years
BASE OPERATING BUDGET (\$M)	21.8	26.7	26.7
PERSONNEL ELIMINATED (MIL/CIV)	2,132/277	1,597/116	1,846/230
PERSONNEL REALIGNED (MIL/CIV)	1,135/182	2,354/309	1,947/261
ECONOMIC IMPACT (BRAC95/CUM)	9.3%/9.3%	12.7%/12.7%	15.8%/15.8%
ENVIRONMENTAL	Asbestos/Siting	Asbestos/Siting	Siting

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = *Candidate for further consideration*

(\*\*) = March 7, 1995 Commission Add for realignment (Missile Field)

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## BASE ANALYSIS

### CATEGORY: MISSILE/LARGE AIRCRAFT

**FOR CONSIDERATION:** Study Grand Forks , Minot, and Malmstrom AFBs for **REALIGNMENT** or **CLOSURE** and F.E. Warren AFB for **REALIGNMENT**.

CRITERIA	GRAND FORKS, ND (R)(*) (Closure)	MINOT, ND (**)(*) (Closure)	MALMSTROM, MT (R)(*) (Closure)	F.E. WARREN, WY (*) (Realign MM III)
AIR FORCE TIERING	III	II	II	Excluded
BCEG RANK	17/18	15/18	11/18	Excluded
FORCE STRUCTURE	150 MINUTEMAN III 48 KC-135 Aircraft	150 MINUTEMAN III 12 B-52 Aircraft	80 MINUTEMAN III 120 MINUTEMAN X 12 KC-135 Aircraft	150 MINUTEMAN III 50 PEACEKEEPER
ONE-TIME COSTS (\$ M)	81.4	230.4	96.4	84.3
ANNUAL SAVINGS (\$ M)	87.6	98.2	113.9	16.1
RETURN ON INVESTMENT	1 Year	2 Years	1 Year	3 Years
BASE OPERATING BUDGET (\$M)	26.7	26.7	21.8	16.9
PERSONNEL ELIMINATED (MIL/CIV)	1,597/116	1,846/230	2,132/277	376/27
PERSONNEL REALIGNED (MIL/CIV)	2,354/309	1,947/261	1,135/182	103/5
ECONOMIC IMPACT (BRAC95/CUM)	12.7%/12.7%	15.8%/15.8%	9.3%/9.3%	1.4%/1.4%
ENVIRONMENTAL	Asbestos/Siting	Siting	Asbestos/Siting	Siting

- (C) = DoD recommendation for closure
- (R) = DoD recommendation for realignment
- (\*) = *Candidate for further consideration*
- (\*\*) = March 7, 1995 Commission Add for realignment (Missile Field)



## MISSILE/LARGE AIRCRAFT BASES MAJOR ISSUES

MAJOR ISSUES	GRAND FORKS, ND	MINOT, ND	MALMSTROM, MT	F.E. WARREN, WY
Anti Ballistic Missile Site	Yes	No	No	No
Force Structure	Consistent with Nuclear Posture Review 500 MM III 3,500 Total TRIAD	Consistent with Nuclear Posture Review 500 MM III 3,500 Total TRIAD	Consistent with Nuclear Posture Review 450 MM III 3,500 Total TRIAD	Consistent with Nuclear Posture Review 500 MM III 3,500 Total TRIAD
Survivability	Hardened Silos Compact Field	Hardened Silos Compact Field	Hardened Silos Expansive Field	Hardened Silos Compact Field
Maintainability	Single System Compact Field 99% Alert Rate	Single System Compact Field 99% Alert Rate	Two Systems Expansive Field 99% Alert Rate	Single System Compact Field 99% Alert Rate
Total on site depot support costs 1993-1995 (Water intrusion, wind anomalies, etc.) (\$ M)	8.1	7.0	11.4	10.4
Annual on site depot support costs per launch facility	\$18,101 per launch facility	\$15,670 per launch facility	\$19,162 per launch facility	\$23,028 per launch facility
Tanker saturation in Northwest	Yes	N/A	Yes	N/A
Airfield Elevation	911 Ft.	1,660 Ft.	3,526 Ft.	N/A

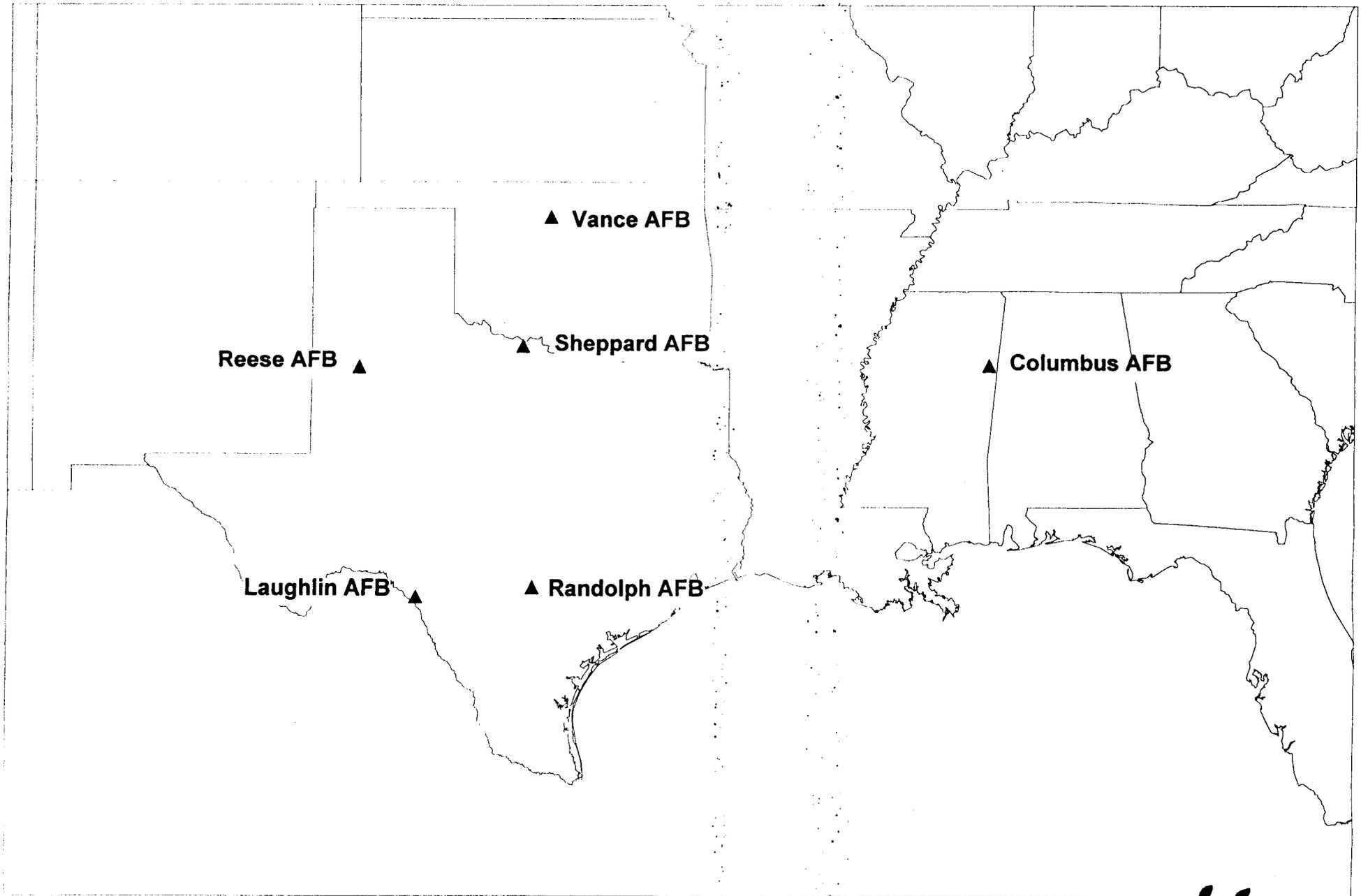
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**AIR FORCE**  
**CATEGORY: UNDERGRADUATE PILOT TRAINING (UPT) BASES**

TIER	INSTALLATION	
<i>I</i>	<i>Columbus AFB, MS</i>	<i>(*)</i>
<i>I</i>	<i>Laughlin AFB, TX</i>	<i>(*)</i>
I	Randolph AFB, TX	
III	Reese AFB, TX	(X) (C)
Excl	Sheppard AFB, TX	
<i>I</i>	<i>Vance AFB, OK</i>	<i>(X) (*)</i>

(C) = DoD recommendation for closure  
(X) = Joint Cross-Service Group option for closure  
(\*) = Candidate for further consideration

# Undergraduate Pilot Training Bases



## BASE ANALYSIS

### CATEGORY: UNDERGRADUATE PILOT TRAINING (UPT)

**DOD RECOMMENDATION:** Close Reese, Inactivate 64th Flying Training Wing, Relocate/Retire other assigned aircraft.

**FOR CONSIDERATION:** Study Columbus, Laughlin, and Vance AFBs **FOR CLOSURE**.

CRITERIA	REESE, TX (X) (C) Closure	COLUMBUS, MS (* ) Closure	LAUGHLIN, TX (* ) Closure	VANCE, OK (X) (* ) Closure
AIR FORCE TIERING	III	I	I	I
BCEG RANK	5/5	2/5	3/5	3/5
FUNC VALUE: Air Force/JCSG	6.22 (Red)	6.74 (Green)	6.50 (Yellow +)	6.67 (Green)
FUNC VALUE: Staff Analysis I	6.4	7.2	7.8	6.7
FUNC VALUE: Staff Analysis II	6.3	6.4	7.4	6.3
FORCE STRUCTURE	21 T-1A 48 T-37B 51 T-38	45 T-37B 57 T-38/21 AT-38	21 T-1A 48 T-37B 51 T-38	46 T-37B 69 T-38
ONE-TIME COSTS (\$ M)	15.8	18.2	25.9	14.7
ANNUAL SAVINGS (\$ M)	19.7	25.3	21.6	19.5
RETURN ON INVESTMENT	1 Year	1 Year	2 Years	1 Year
BASE OPERATING BUDGET (\$ M)	21.0	26.3	23.7	26.3
PERSONNEL ELIMINATED(MIL/CIV)	209/0	315/0	282/101	202/0
PERSONNEL REALIGNED(MIL/CIV)	691/245	750/252	749/644	645/208
ECONOMIC IMPACT (BRAC95/CUM)	1.2%/1.2%	6.3%/6.3%	18.8%/18.8%	11.0%/11.0%
ENVIRONMENTAL	Siting	Asbestos	Asbestos	Asbestos

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(X) = Joint Cross-Service Group option for closure

(\*) = Candidate for further consideration

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# STAFF METHODOLOGY

## CATEGORY: UNDERGRADUATE PILOT TRAINING (UPT)

### STAFF ANALYSIS - I

OBJECTIVE: Test the validity of Air Force Analysis

METHODOLOGY:

- Utilize UPT Joint Cross-Service Group computer model and corrected data
- Consider UPT Measures of Merit relevant to Air Force UPT
- Delete those Measures of Merit considered in CRITERIA II through VIII
- Modify Weighting Factors in accordance with Staff judgment of Air Force priorities
- Determine a Functional Value score for each Air Force UPT Base
  - Apply result to CRITERIA I, "MISSION REQUIREMENTS: FLYING TRAINING"

### STAFF ANALYSIS - II

OBJECTIVE: Assess impact of making data corrections

METHODOLOGY:

- Use Analysis I as starting point
- Change data to reflect corrections to UPT-JCSG and Air Force data calls

**AIR FORCE**  
**CATEGORY: AIR FORCE RESERVE BASES**

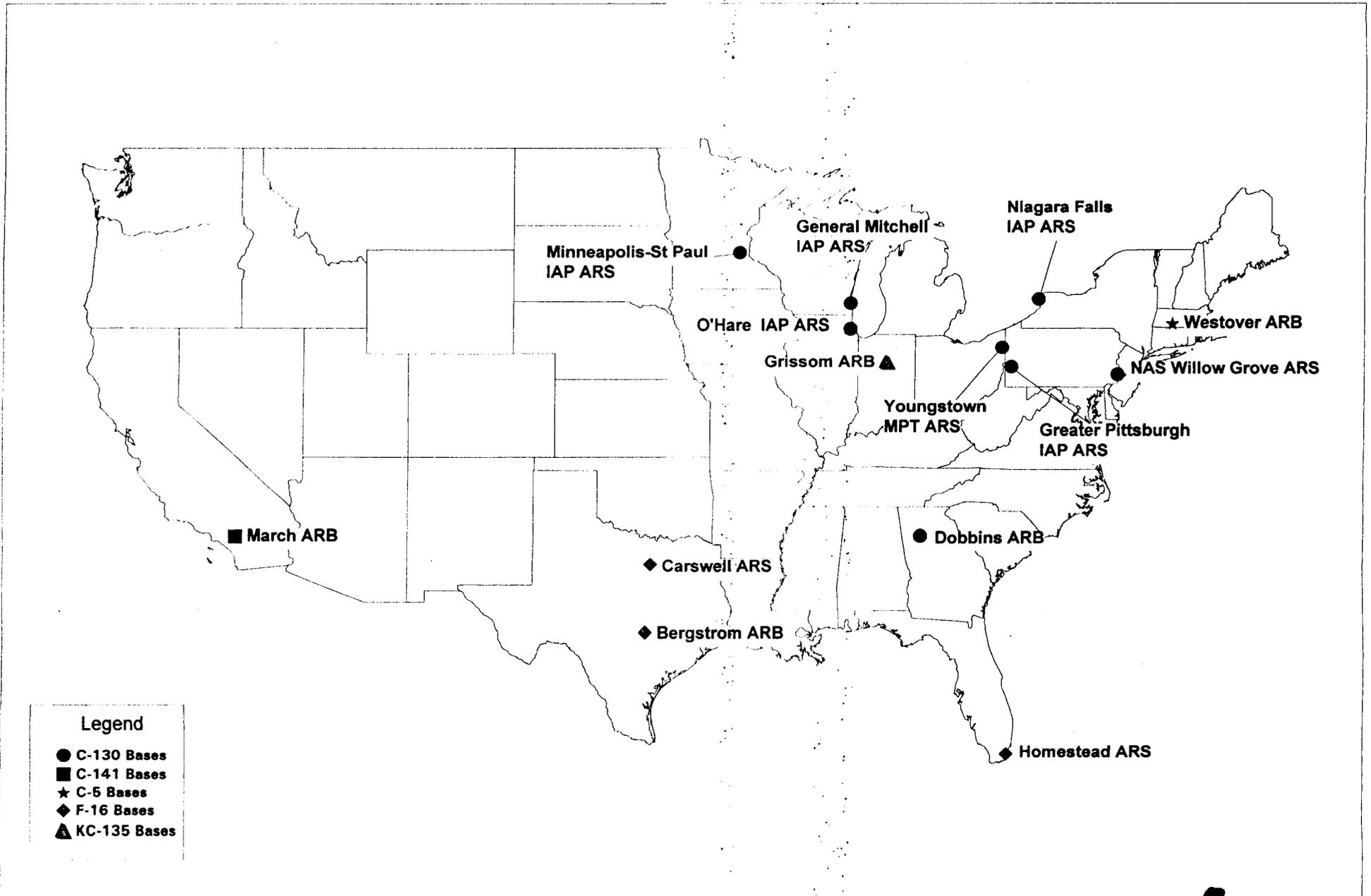
Bergstrom ARB, TX	(C)	March ARB, CA	
<i>Carswell ARB, TX</i>	<i>(*)</i>	<i>Minneapolis-St. Paul IAP ARS, MN</i>	<i>(*)</i>
Dobbins ARB, GA		NAS Willow Grove ARS, PA	
<i>Gen Mitchell IAP ARS, WI</i>	<i>(*)</i>	<i>Niagara Falls IAP ARS, NY</i>	<i>(*)</i>
Greater Pittsburgh IAP ARS, PA	(C)	<i>O'Hare IAP ARS, IL</i>	<i>(*)</i>
Grissom ARB, IN		Westover ARB, MA	
<i>Homestead ARS, FL</i>	<i>(R)(*)</i>	<i>Youngstown-Warren MPT ARS, OH</i>	<i>(*)</i>

(R) = DoD recommendation for realignment

(C) = DoD recommendation for closure

*(\*) = Candidate for further consideration*

# Air Force Reserve Bases



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## AIR FORCE RESERVE: F-16 BASES

TIER	INSTALLATION	
N/A	Bergstrom ARB, TX	(C)
N/A	<i>Carswell ARB, TX</i>	(*)
N/A	<i>Homestead ARB, FL</i>	(R)(*)

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = *Candidate for further consideration*

**BASE ANALYSIS**  
**CATEGORY: AIR FORCE RESERVE (F-16)**

**DOD RECOMMENDATION:** Close Bergstrom, relocate 10th Air Force to Carswell ARB (NAS Fort Worth)  
**FOR CONSIDERATION:** Study Homestead and Carswell ARBs **FOR CLOSURE.**

CRITERIA	BERGSTROM, TX (C)	HOMESTEAD, FL (R) (*)	CARSWELL, TX (*)
AIR FORCE TIERING	N/A	N/A	N/A
BCEG RANK	N/A	N/A	N/A
FORCE STRUCTURE	15 F-16C/D	15 F-16A/B	18 F-16C/D
ONE-TIME COSTS (\$ M)	13.0	12.6	7.9
ANNUAL SAVINGS (\$ M)	18.4	17.3	13.2
RETURN ON INVESTMENT	Immediate	1 Year	1 Year
BASE OPERATING BUDGET (\$ M)	9.2	9.1	5.4
PERSONNEL ELIMINATED (MIL/CIV)	0/263	0/247	0/219
PERSONNEL REALIGNED (MIL/CIV)	0/94	0/127	0/0
ECONOMIC IMPACT (BRAC95/CUM)	0.1%/0.3%	0.1%/0.1%	0.1%/0.1%
ENVIRONMENTAL	None	Asbestos/Flood Plain	None

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = Candidate for further consideration

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## AIR FORCE RESERVE: C-130 BASES

TIER	INSTALLATION
N/A	Dobbins ARB, GA
N/A	<i>Gen. Mitchell IAP ARS, WI</i> (*)
N/A	Greater Pittsburgh IAP ARS, PA (C)
N/A	<i>Minneapolis-St. Paul, MN</i> (*)
N/A	NAS Willow Grove ARS, PA
N/A	<i>Niagara Falls IAP ARS, NY</i> (*)
N/A	<i>O'Hare IAP ARS, IL</i> (*)
N/A	<i>Youngstown-Warren MPT, OH</i> (*)

- (C) = DoD recommendation for closure  
 (R) = DoD recommendation for realignment  
 (\*) = *Commissioner candidate for further consideration*

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**BASE ANALYSIS**  
**CATEGORY: AIR FORCE RESERVE (C-130)**

**DOD RECOMMENDATION:** Close Greater Pittsburgh Air Reserve Station.

**FOR CONSIDERATION:** Study Chicago O'Hare, Gen Mitchell, Minneapolis-St. Paul, Niagara Falls, and Youngstown-Warren **FOR CLOSURE.**

CRITERIA	PITTSBURGH, PA (C)	GEN MITCHELL, WI (*)	MINNEAPOLIS-ST. PAUL, MN (*)
AIR FORCE TIERING	N/A	N/A	N/A
BCEG RANK	N/A	N/A	N/A
FORCE STRUCTURE	8 C-130	8 C-130	8 C-130
ONE-TIME COSTS (\$ M)	12.7	13.0	13.9
ANNUAL SAVINGS (\$ M)	7.5	9.8	9.6
RETURN ON INVESTMENT	2 Years	1 Year	2 Years
BASE OPERATING BUDGET (\$ M)	2.4 (5.7)	3.2	5.7
NET PRESENT VALUE (\$M)	92.0 (138.0)	125.0	119.0
PERSONNEL ELIMINATED (MIL/CIV)	0/110	0/143	0/84
PERSONNEL REALIGNED (MIL/CIV)	0/237	0/237	0/237
ECONOMIC IMPACT (BRAC95/CUM)	0.0%/0.0%	0.1%/0.1%	0.0%/0.0%
ENVIRONMENTAL	Non-attainment - Ozone	Non-attainment - Ozone	Non-attainment - CO

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = Commissioner candidate for further consideration

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**BASE ANALYSIS**  
**CATEGORY: AIR FORCE RESERVE (C-130)**

**DOD RECOMMENDATION:** Close Greater Pittsburgh Air Reserve Station

**FOR CONSIDERATION:** Study Chicago O'Hare, Gen Mitchell, Minneapolis-St. Paul, Niagara Falls, and Youngstown-Warren **FOR CLOSURE.**

CRITERIA	NIAGARA FALLS, NY (*)	O'HARE, IL (*)	YOUNGSTOWN-WARREN, OH (*)
AIR FORCE TIERING	N/A	N/A	N/A
BCEG RANK	N/A	N/A	N/A
FORCE STRUCTURE	8 C-130	8 C-130	8 C-130
ONE-TIME COSTS (\$ M)	14.0	13.9	13.0
ANNUAL SAVINGS (\$ M)	10.4	10.2	8.6
RETURN ON INVESTMENT	1 Year	1 Year	2 Years
BASE OPERATING BUDGET (\$ M)	7.2 (5.7)	4.0 (5.7)	1.9
NET PRESENT VALUE (\$ M)	135.0 (115.0)	128.7(152.0)	107.0
PERSONNEL ELIMINATED (MIL/CIV)	0/81	0/142	0/143
PERSONNEL REALIGNED (MIL/CIV)	0/237	0/237	0/237
ECONOMIC IMPACT (BRAC95/CUM)	0.6%/0.6%	0.0%/0.0%	0.5%/0.5%
ENVIRONMENTAL	Non-attainment - Ozone	Non-attainment - Ozone	Non-attainment - Ozone

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = Candidate for further consideration

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## Navy Categories

CATEGORY	NUMBER
Naval Bases	15
Marine Corps Bases	3
Operational Air Bases	26
<b>Reserve Air Stations</b>	<b>6</b>
Reserve Activities	286
Training Air Stations	5
Training/Educational Centers	32
Naval Aviation Depots	3
<b>Naval Shipyards</b>	<b>6</b>
Ordnance Activities	11
Marine Corps Logistics Bases	2
Inventory Control Points	2
Shore Intermediate Maintenance Activities	14
Fleet and Industrial Supply Centers	9
Public Works Centers	8
Construction Battalion Centers	2
Naval Security Group Activities	4
Integrated Undersea Surveillance System Facilities	2
Naval Computer and Telecommunications Stations	17
Naval Meteorology and Oceanography Centers	6

Medical Activities	142
Dental Activities	104
Military Sealift Command Activities	2
<b>Technical Centers/Laboratories</b>	<b>65</b>
Administrative Activities	36
Engineering Field Divisions/Activities	9
Supervisors of Shipbuilding, Conversion and Repair	13

CATEGORY	NUMBER
<b>Cumulative Economic Impact Issues</b>	<b>5</b>

**HIGHLIGHTED CATEGORIES HAVE CANDIDATES FOR FURTHER CONSIDERATION.**

## Naval Reserve Air Stations

MILITARY VALUE	INSTALLATION
1 / 65.16	NAF Washington, DC
2 / 64.36	NAS Willow Grove, PA
3 / 63.99	NAS New Orleans, LA
4 / 61.37	NAS South Weymouth, MA (C)
5 / 60.94	NAS Fort Worth, TX
6 / 51.14	NAS Atlanta, GA (*)

- (C) = DoD recommendation for closure  
(R) = DoD recommendation for realignment  
(\*) = Candidate for further consideration

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**Base Analysis**  
**Category: NAVAL RESERVE AIR STATIONS**

**FOR CONSIDERATION: Study Naval Air Station Atlanta, GA FOR CLOSURE.**

CRITERIA	NAS Atlanta, GA (*)	NAS South Weymouth, MA (C)
MILITARY VALUE	50.14 / 6 of 6	61.37 / 4 of 6
FORCE STRUCTURE	Category has 20 % excess capacity	
ISSUES	<ul style="list-style-type: none"> <li>• Atlanta was ranked last in military value due principally to how it was rated for demographics and for flight training airspace value.</li> <li>• NAS Atlanta was removed for consideration after the BSEC noted the concerns of Naval Reserve Force regarding the loss of "demographically-rich" Atlanta that would result from a closure of NAS Atlanta.</li> <li>• NAS Atlanta operates on the Dobbins ARB. 496 positions would be eliminated and 445 would be realigned if NAS Atlanta was closed.</li> <li>• Two Reserve F-18 squadrons from NAS Cecil Field are scheduled to move to Atlanta as part of a 1995 Navy redirect recommendation. They were originally planned to move to MCAS Beaufort, S.C.</li> </ul>	
ONE-TIME COSTS (\$ M)	47.2	17.3
ANNUAL SAVINGS (\$ M)	21.5	27.4
RETURN ON INVESTMENT	1 year	1 year
BASE OPERATING BUDGET (\$ M)	8.9	12.7
PERSONNEL ELIMINATED (MIL / CIV)	343/153	380/189
PERSONNEL REALIGNED (MIL/CIV)	410/25	411/21
ECONOMIC IMPACT (BRAC95/CUM)	0.1 % / 0.1%	0.1% / 0.1%
ENVIRONMENTAL	No significant issues	

3

## Naval Shipyards and Ship Repair Facilities

MILITARY VALUE	INSTALLATION	
1 / 57.6	Puget Sound, WA	
2 / 54.1	Norfolk, VA	
3 / 44.7	Pearl Harbor, HI	(X)
4 / 38.0	Long Beach, CA	(X)(C)
5 / 37.8	Portsmouth, ME	(X)(*)
6 / 24.3	Guam SRF	(C)

- (C) = DoD recommendation for closure
- (R) = DoD recommendation for realignment
- (X) = Joint Cross Service Group alternative for closure
- (\*) = Candidate for further consideration

4

## Base Analysis

### Category: NAVAL SHIPYARDS AND SHIP REPAIR FACILITIES

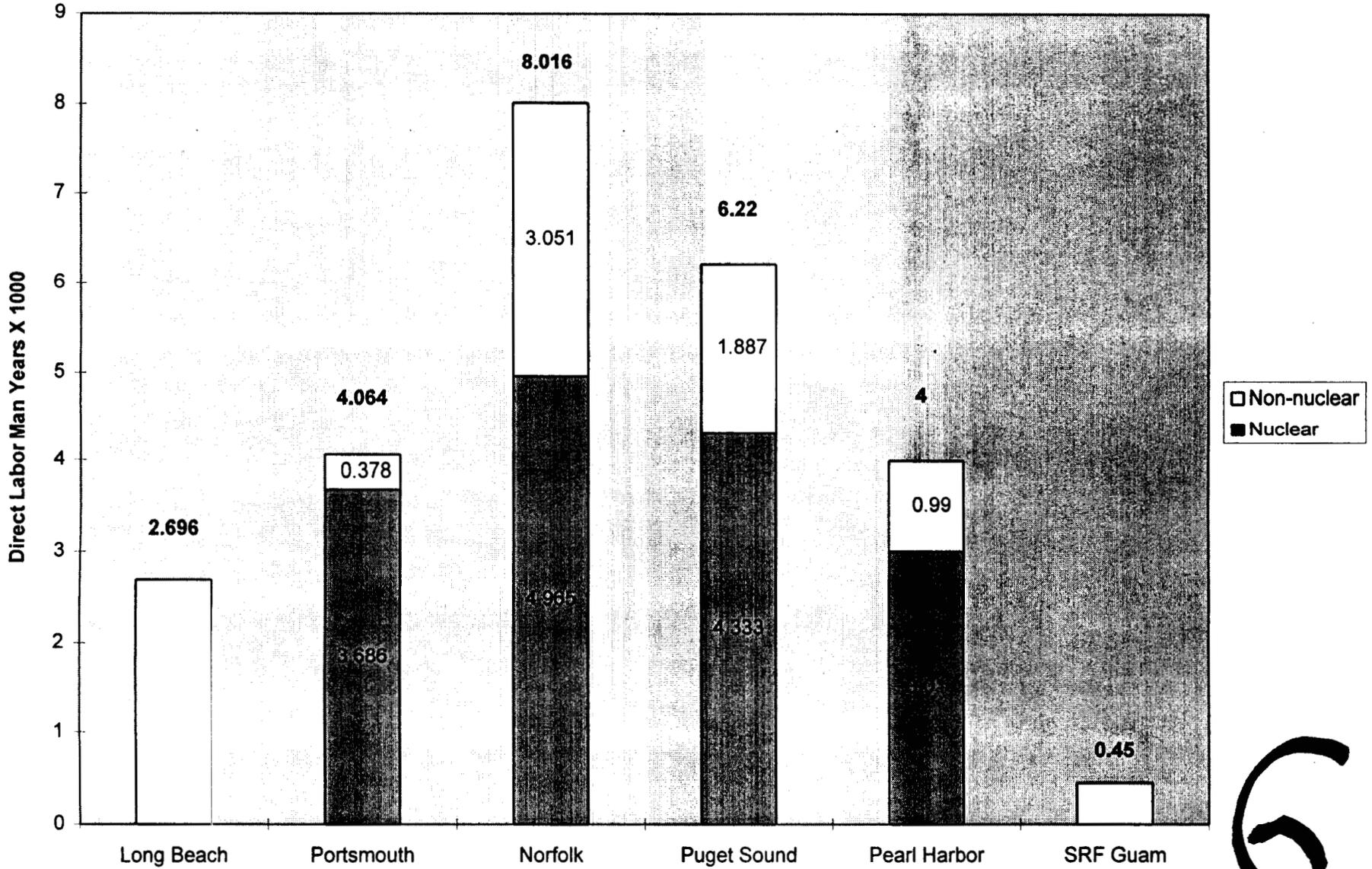
**DOD RECOMMENDATION:** Close Naval Shipyard Long Beach, CA, except retain sonar-dome GOCO and necessary housing. Workload transfers primarily to private sector. Close Ship Repair Facility, Guam, but retain waterfront assets to meet voyage repair and emergent requirements.

CRITERIA	LONG BEACH (X)(C)	GUAM (R)
MILITARY VALUE	38.0	24.3
CAPACITY (DLMY X 1000)	2.696	0.45
ONE-TIME COSTS (\$ M)	74.5	8.4
ANNUAL SAVINGS (\$ M)	130.6	37.8
RETURN ON INVESTMENT	Immediate	Immediate
BASE OPERATING BUDGET (\$ M)	63.7	6.1
PERSONNEL ELIMINATED (MIL/CIV)	26 / 3,208	22 / 629
PERSONNEL REALIGNED (MIL/CIV)	237 / 235	4 / 31
ECONOMIC IMPACT (BRAC95/CUM)	0.3% / 0.4%	1.9% / 10.6%
ENVIRONMENTAL	No major issues	No major issues

- (C) = DoD recommendation for closure
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- (X) = Joint Cross Service Group alternative for closure
- (\*) = *Candidate for further consideration*

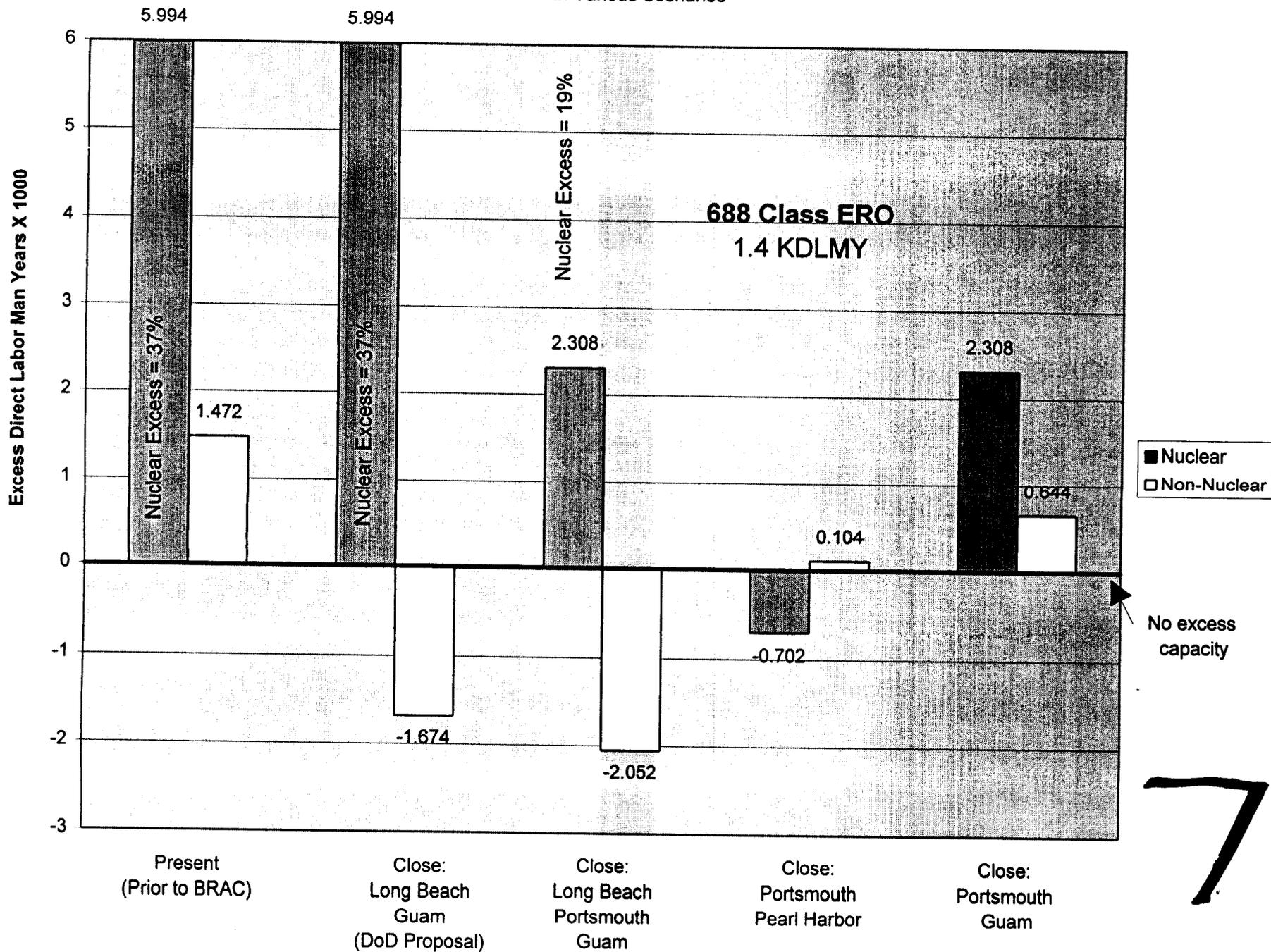
5

**Naval Shipyard Maximum Potential Capacity: Individual Shipyards  
FY 2001**



6

# Excess Naval Shipyard Capacity FY 2001 in Various Scenarios



**Base Analysis**  
**Category: NAVAL SHIPYARDS AND SHIP REPAIR FACILITIES**

**FOR CONSIDERATION:** Study Naval Shipyard Portsmouth, ME **FOR CLOSURE.**

CRITERIA	PORTSMOUTH (X)(*)
MILITARY VALUE	37.8
CAPACITY (DLMY X 1000)	4.064
ONE-TIME COSTS (\$ M)	100.8
ANNUAL SAVINGS (\$ M)	149.9
RETURN ON INVESTMENT	Immediate
BASE OPERATING BUDGET (\$ M)	76.0
PERSONNEL ELIMINATED (MIL/CIV)	77 / 3,613
PERSONNEL REALIGNED (MIL/CIV)	80 / 337
ECONOMIC IMPACT (BRAC95/CUM)	5.2% / 5.2%
ENVIRONMENTAL	TBD

- (C) = DoD recommendation for closure
- (R) = DoD recommendation for realignment
- (X) = Joint Cross Service Group alternative for closure
- (\*) = *Candidate for further consideration*

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# PORTSMOUTH NAVAL SHIPYARD

## ISSUES

### **1. 37% Excess Nuclear Capacity**

- Navy military judgment to retain

### **2. Private-sector capacity considered on West Coast but not on East Coast**

- Private-sector will perform majority of work planned for Long Beach
- Navy does not want to facilitate private shipyards to perform 688-refuelings
- Navy is refueling carriers and has refueled submarines at private shipyards as recently as 1985

### **3. 688-class submarine workload**

- Navy wants Portsmouth for anticipated refuelings 2000-2005
- Insufficient refueling-facilitized drydocks
  - without Portsmouth, refueling drydocks scheduled heel-toe
- Other public drydocks available for facilitating
- Potential for additional 688 refuelings

## Cumulative Economic Impact Issues

MILITARY VALUE	INSTALLATION
7 of 8	FISC Oakland, CA (*)
1 of 1	NWAD Corona, CA (*)
11 of 13	SUPSHIP San Francisco, CA (*)
7 of 8	EFA West, San Bruno, CA (*)
N/A	PWC Guam (*)

- (C) = DoD recommendation for closure  
(R) = DoD recommendation for realignment  
(\*) = Candidate for further consideration

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## Base Analysis

### Category: FLEET AND INDUSTRIAL SUPPLY CENTERS

**FOR CONSIDERATION:** Study Fleet and Industrial Supply Center, Oakland, CA FOR CLOSURE.

CRITERIA	Fleet and Industrial Supply Center, Oakland, CA (*)
MILITARY VALUE	7 of 8
FORCE STRUCTURE	No impact
ISSUES	<ul style="list-style-type: none"> <li>• Navy reported excess capacity in Supply Center category of 57%.</li> <li>• Most Navy customers in the San Francisco Bay area were moved or closed by prior BRAC actions.</li> <li>• Defense Distribution Depot, Oakland (collocated with FISC Oakland) was closed by BRAC 93, removing several major responsibilities of a normal FISC.</li> <li>• Supply responsibilities have begun migration to other FISCs.</li> <li>• One-third of remaining employees are dedicated to host-tenant support.</li> </ul>
ONE-TIME COSTS (\$ M)	25.3
ANNUAL SAVINGS (\$ M)	18.9
RETURN ON INVESTMENT	Immediate
BASE OPERATING BUDGET (\$ M)	30.7
PERSONNEL ELIMINATED (MIL/CIV)	24/157 (includes tenants)
PERSONNEL REALIGNED (MIL/CIV)	283/895 (includes tenants)
ECONOMIC IMPACT (BRAC95/CUM)	0.2% / 2.6%
ENVIRONMENTAL	Numerous buildings at both the Pt. Molate fuel farm and the FISC "Main Site" are on or are candidates to be on the National Register of Historic Places.

- (C) = DoD recommendation for closure  
 (R) = DoD recommendation for realignment  
 (\*) = Candidate for further consideration

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**Base Analysis**  
**Category: NAVAL TECHNICAL CENTERS**

**FOR CONSIDERATION:** Study Naval Warfare Assessment Division, Corona, CA **FOR CLOSURE.**

CRITERIA	Naval Warfare Assessment Division, Corona, CA (*)
MILITARY VALUE	1 of 1
FORCE STRUCTURE	No impact
ISSUES	<ul style="list-style-type: none"> <li>• Base recommended for closure in all Navy Technical Center scenario runs.</li> <li>• Closure scenario moves positions to Naval Postgraduate School, Monterey, CA (367 billets), Naval Air Warfare Center, China Lake, CA (84 positions), and Naval Surface Warfare Center, Crane, IN (188 positions).</li> </ul>
ONE-TIME COSTS (\$ M)	76.0
ANNUAL SAVINGS (\$ M)	21.2
RETURN ON INVESTMENT	3 years
BASE OPERATING BUDGET (\$ M)	23.4
PERSONNEL ELIMINATED (MIL/CIV)	1 / 165
PERSONNEL REALIGNED (MIL/CIV)	8 / 636
ECONOMIC IMPACT (BRAC95/CUM)	0.3% / 1.3 %
ENVIRONMENTAL	No significant limitations

- (C) = DoD recommendation for closure  
(R) = DoD recommendation for realignment  
(\*) = Candidate for further consideration

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## Base Analysis

### Category: SUPERVISOR OF SHIPBUILDING, CONVERSION & REPAIR

**DOD RECOMMENDATION:** Disestablish SUPSHIP Long Beach, CA. Relocate certain functions, personnel, and equipment to SUPSHIP San Diego, CA.

**FOR CONSIDERATION:** Study SUPSHIP San Francisco, CA FOR CLOSURE.

CRITERIA	LONG BEACH (C)	SAN FRANCISCO (*)
MILITARY VALUE	27.6	30.14
FORCE STRUCTURE	N/A	N/A
ONE-TIME COSTS (\$ M)	0.3	0.39
ANNUAL SAVINGS (\$ M)	0.3	0.55
RETURN ON INVESTMENT	Immediate	1 year
BASE OPERATING BUDGET (\$ M)	63.7 (Shipyard Budget)	0.79
PERSONNEL ELIMINATED (MIL/CIV)	6 / 0	7 / 30
PERSONNEL REALIGNED (MIL/CIV)	5 / 8	0 / 0
ECONOMIC IMPACT (BRAC95/CUM)	0.0% / 0.4%	0.0% / 0.6%
ENVIRONMENTAL	None	None

- (C) = DoD recommendation for closure
- (R) = DoD recommendation for realignment
- (\*) = Candidate for further consideration

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## Base Analysis

### Category: ENGINEERING FIELD DIVISIONS (EFD)

**FOR CONSIDERATION:** Study Engineering Field Activity West, Naval Facilities Engineering Command, San Bruno, CA **FOR CLOSURE.**

CRITERIA	ENGINEERING FIELD ACTIVITY WEST, NAVAL FACILITIES ENGINEERING COMMAND (*)
MILITARY VALUE	7 of 8
FORCE STRUCTURE	Category has 19% excess capacity
ISSUES	<ul style="list-style-type: none"> <li>• Goal for the EFD category is to provide support located in major fleet locations</li> <li>• Realigned in 1993 to reflect significant workload reduction with closure of San Francisco area bases; subordinate command to Southwest Division in San Diego</li> <li>• Primary workload will transfer to Southwest Division in San Diego after San Francisco area bases close.</li> <li>• 159 positions will realign to Southwest Division, San Diego; 20 positions will stay in San Francisco area.</li> <li>• Removed from Navy recommendation list by SECNAV because of California economic impact.</li> </ul>
ONE-TIME COSTS (\$ M)	5.5
ANNUAL SAVINGS (\$ M)	4.8
RETURN ON INVESTMENT	1 year
BASE OPERATING BUDGET (\$ M)	2.3
PERSONNEL ELIMINATED (MIL/CIV)	4/66
PERSONNEL REALIGNED (MIL/CIV)	26/171
ECONOMIC IMPACT (BRAC95/CUM)	0.0% / 0.6%
ENVIRONMENTAL	No significant issues

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(\*) = Candidate for further consideration

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**Base Analysis**  
**Category: PUBLIC WORKS CENTER, GUAM**

**FOR CONSIDERATION:** Study Public Works Center, Guam **FOR CLOSURE.**

CRITERIA	Public Works Center Guam (*)
MILITARY VALUE	Military Value Not Calculated for PWC Base Category
FORCE STRUCTURE	No Impact
ISSUES	<ul style="list-style-type: none"> <li>• Public works centers consolidate public works departments within multiple commands in the same geographical area. Most of the Navy missions remaining on Guam are consolidated into a single command eliminating the need for a public works center.</li> <li>• 558 billets are being eliminated under present recommendation. 676 billets would be transferred to Naval Activities, Guam if PWC closure were approved.</li> <li>• PWC Guam owns all naval housing on Guam</li> </ul>
ONE-TIME COSTS (\$ M)	Minimal (Staff estimate) because most personnel remain in place with closure
ANNUAL SAVINGS (\$ M)	TBD
RETURN ON INVESTMENT	TBD
BASE OPERATING BUDGET (\$ M)	TBD
PERSONNEL ELIMINATED (MIL/CIV)	11/665 positions remain at PWC after Guam realignments / minimal job loss if PWC closed
PERSONNEL REALIGNED (MIL/CIV)	
ECONOMIC IMPACT (BRAC95/CUM)	0.0% / 10.6%
ENVIRONMENTAL	No significant limitations

- (C) = DoD recommendation for closure  
(R) = DoD recommendation for realignment  
(\*) = Candidate for further consideration

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## ARMY CATEGORIES

CATEGORY	NUMBER
MANEUVER	11
MAJOR TRAINING AREAS	10
PROFESSIONAL EDUCATION	4
TRAINING SCHOOLS	14
COMMAND, CONTROL & ADMIN	15
COMMODITY	9
<b>DEPOTS</b>	<b>4</b>
PROVING GROUNDS	4
AMMUNITION STORAGE	8
AMMUNITION PRODUCTION	8
INDUSTRIAL FACILITIES	4
<b>PORTS</b>	<b>3</b>
MEDICAL CENTERS	3
<b>LEASES</b>	<b>15</b>

CATEGORY	NUMBER
<b>MISCELLANEOUS</b>	<b>1</b>

**HIGHLIGHTED CATEGORIES HAVE CANDIDATES FOR FURTHER CONSIDERATION.**

## PORTS

MILITARY VALUE	INSTALLATION
1	SUNNY POINT MILITARY OCEAN TERMINAL, NC
2	BAYONNE MILITARY OCEAN TERMINAL, NJ (C)
3	OAKLAND ARMY BASE, CA (*)

- (C) = DoD recommendation for closure  
(R) = DoD recommendation for realignment  
(X) = Joint Cross Service Group alternative for closure  
(\*) = *Candidate for further consideration*

# PORTS



DoD recommendation for closure

Candidate for further consideration

## **ARMY STATIONING STRATEGY HIGHLIGHTS**

### **PORTS**

- **Maintain the capability to support the Army's power projection strategy**
- **Maintain the capability to project forces from the Atlantic, Pacific, and Gulf coasts**
- **Maintain the capability to ship unique cargo not allowed in commercial ports**

## BASE ANALYSIS CATEGORY: PORTS

**DOD RECOMMENDATION:** Close Bayonne Military Ocean Terminal. Relocate the Military Transportation Management Command Eastern Area Command and the traffic management portion of the 1301st Major Port Command to Fort Monmouth, NJ. Retain an enclave for the Navy Military Sealift Command, Atlantic, and Navy Resale and Fashion Distribution Center.

**FOR CONSIDERATION:** Study Oakland Army Base, CA **FOR CLOSURE.**

CRITERIA	BAYONNE MOT, NJ (C)	OAKLAND ARMY BASE, CA (*)
MILITARY VALUE	2 of 3	3 of 3
FORCE STRUCTURE	No impact	No impact
ONE-TIME COSTS (\$ M)	44.1	36.2
ANNUAL SAVINGS (\$ M)	10.1	12.9
RETURN ON INVESTMENT	5 years	3 years
BASE OPERATING BUDGET (\$ M)	19.6	16.8
PERSONNEL ELIMINATED (MIL / CIV)	8 / 185	15 / 51
PERSONNEL REALIGNED (MIL / CIV)	92 / 761	37 / 622
ECONOMIC IMPACT (BRAC 95 / CUM)	- 0.8 % / - 0.8 %	- 0.3 % / - 2.6 %
ENVIRONMENTAL	No significant limitations	No significant limitations

(C) = DoD recommendation for closure

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(X) = Joint Cross Service Group alternative for closure

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## BASE ANALYSIS CATEGORY: PORTS

ISSUE	<i>OAKLAND ARMY BASE, CA</i> (*) (Army Testimony)	STAFF COMMENTS
Flexibility	<ul style="list-style-type: none"> <li>• No other Army owned port on West Coast</li> </ul>	<ul style="list-style-type: none"> <li>• Other ports available</li> <li>• Other than bulk ammunition, no item of Army equipment requires exclusive use of a military port</li> </ul>
Availability	<ul style="list-style-type: none"> <li>• Fewer commercial ports on West Coast</li> <li>• Commercial ports willingness to enter into Port Planning Order agreements somewhat questionable</li> </ul>	<ul style="list-style-type: none"> <li>• Alternatives will be an issue for study and analysis</li> <li>• Access to commercial ports during declared national emergencies is not contingent on Port Planning Orders</li> </ul>
Responsiveness	<ul style="list-style-type: none"> <li>• One analysis suggests a delay of 3 to 17 days in arrival time for Major Regional Contingency - West (MRC-West) scenario</li> </ul>	<ul style="list-style-type: none"> <li>• Same analysis states number of units missing required delivery dates is not significant</li> </ul>

(C) = DoD recommendation for closure

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## LEASES

INSTALLATION	INSTALLATION
ARMY MATERIEL COMMAND, VA	JUDGE ADVOCATE GENERAL SCHOOL, VA
ARMY RESEARCH OFFICE, NC	MILITARY TRAFFIC MANAGEMENT COMMAND, VA
ARMY PERSONNEL CENTER, MO	NATIONAL GROUND INTELLIGENCE CENTER, VA
ARMY SPACE COMMAND, CO	OPERATIONAL TEST & EVALUATION COMMAND, VA
AVIATION-TROOP COMMAND, MO (C)	PERSONNEL COMMAND, VA
CONCEPTS ANALYSIS AGENCY, MD (C)	HQ SPACE & STRATEGIC DEFENSE COMMAND, VA
INFORMATION SYSTEMS SOFTWARE COMMAND, VA (C)	<i>SPACE &amp; STRATEGIC DEFENSE COMMAND, AL (*)</i>
JUDGE ADVOCATE GENERAL AGENCIES, VA	

(C) = DoD recommendation for closure

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## BASE ANALYSIS

### CATEGORY: LEASES

**DOD RECOMMENDATION:** Disestablish Aviation-Troop Command (ATCOM), and close by relocating its missions/functions as follows: Relocate Aviation Research, Development & Engineering Center; Aviation Management; and Aviation Program Executive Offices to Redstone Arsenal, Huntsville, AL, to form the Aviation & Missile Command; Relocate functions related to soldier systems to Natick Research, Development, Engineering Center, MA, to align with the Soldier Systems Command; Relocate functions related to materiel management of communications-electronics to Fort Monmouth, NJ, to align with Communications-Electronics Command; Relocate automotive materiel management functions to Detroit Arsenal, MI, to align with Tank-Automotive and Armaments Command.

**FOR CONSIDERATION:** Study Space & Strategic Defense Command leased facilities in Huntsville, AL **FOR CLOSURE**. Vacate leases in Huntsville, AL and move into excess space on a government facility.

CRITERIA	AVIATION-TROOP COMMAND, MO (C)	SPACE & STRATEGIC DEFENSE COMMAND, AL (*)
MILITARY VALUE	Not ranked	Not ranked
FORCE STRUCTURE	No impact	No impact
ONE-TIME COSTS (\$ M)	145.8	21.5
ANNUAL SAVINGS (\$ M)	45.8	1.3
RETURN ON INVESTMENT	3 years	23 years
LEASE COST (\$ M)	7.6	3.8
PERSONNEL ELIMINATED (MIL / CIV)	44 / 1,022	0 / 0
PERSONNEL REALIGNED (MIL / CIV)	203 / 2,880	35 / 915
ECONOMIC IMPACT (BRAC 95 / CUM)	- 0.5 % / - 0.6 %	None - Same MSA
ENVIRONMENTAL	No significant impact	No significant impact

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(X) = Joint Cross Service Group alternative for closure

(\*) = Candidate for further consideration

**PERSONNEL AND COST COMPARISON  
TO  
REDSTONE ARSENAL, AL**

CRITERIA	AVIATION-TROOP COMMAND, MO (C)	<i>SPACE &amp; STRATEGIC DEFENSE COMMAND, AL (*)</i>
PERSONNEL REALIGNED (MIL / CIV)	201 / 2,368	35 / 915
ONE-TIME COSTS (\$ M)	126.6	21.5
CONSTRUCTION COSTS (\$M)	47.2	19.5

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(X) = Joint Cross Service Group alternative for closure

(\*) = *Candidate for further consideration*

## MISCELLANEOUS

MILITARY VALUE	INSTALLATION
Not ranked	<i>FORT HOLABIRD, MD</i> (*)

- (C) = DoD recommendation for closure  
(R) = DoD recommendation for realignment  
(X) = Joint Cross Service Group alternative for closure  
(\*) = *Candidate for further consideration*

## BASE ANALYSIS

### CATEGORY: MISCELLANEOUS

**FOR CONSIDERATION:** Study Fort Holabird, MD **FOR CLOSURE.**

CRITERIA	<i>FORT HOLABIRD, MD</i> (*)
MILITARY VALUE	Not ranked
FORCE STRUCTURE	No impact
ISSUES	<ul style="list-style-type: none"> <li>• Defense Investigative Service has recommended that the Investigation Control and Automation Directorate be relocated to Fort Meade, MD</li> <li>• If endorsed by Commission, no tenants remain on installation</li> <li>• In response to questions from 7 March hearing, Army recommends that disposal of Fort Holabird be executed through the Defense Base Closure and Realignment Act of 1990</li> </ul>
ONE-TIME COSTS (\$ M)	11.1
ANNUAL SAVINGS (\$ M)	0.5
RETURN ON INVESTMENT	5 years
BASE OPERATING BUDGET (\$ M)	0.4
PERSONNEL ELIMINATED (MIL / CIV)	0 / 11
PERSONNEL REALIGNED (MIL / CIV)	0 / 301
ECONOMIC IMPACT (BRAC 95 / CUM)	None – Same MSA
ENVIRONMENTAL	No significant limitations

(C) = DoD recommendation for closure

(R) = DoD recommendation for realignment

(X) = Joint Cross Service Group alternative for closure

(\*) = *Candidate for further consideration*



## DEFENSE LOGISTICS AGENCY CATEGORIES

CATEGORY	NUMBER
INVENTORY CONTROL POINTS	5
DISTRIBUTION DEPOSITS	23
COMMAND AND CONTROL	8
SERVICE/SUPPORT ACTIVITIES	3

HIGHLIGHTED CATEGORIES HAVE CANDIDATES FOR FURTHER CONSIDERATION.

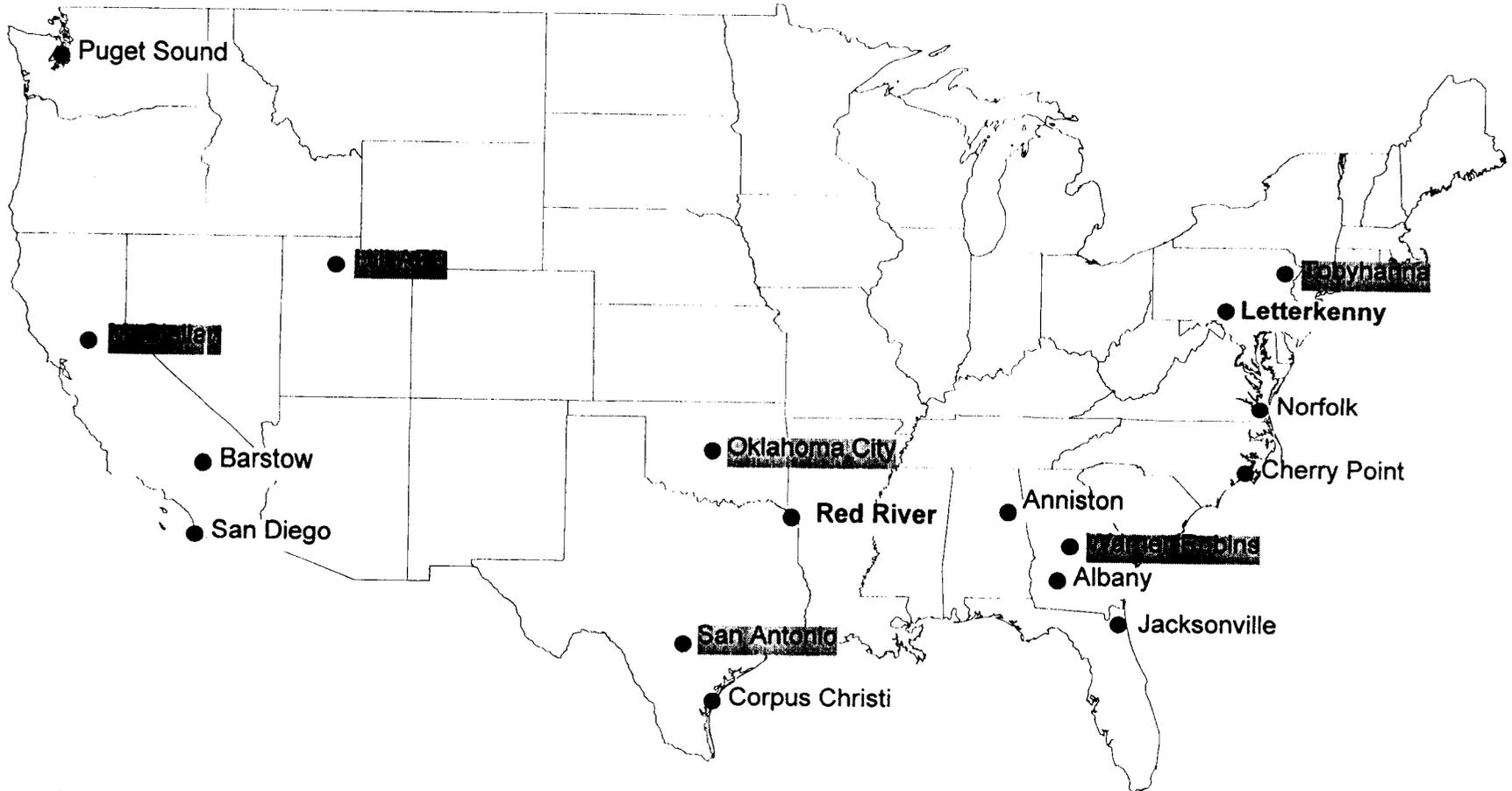
## DEFENSE DISTRIBUTION DEPOTS

### (COLLOCATED DEPOTS)

MILITARY VALUE	INSTALLATION
1	DEFENSE DEPOT NORFOLK, VA
2	DEFENSE DEPOT ANNISTON, AL
3	DEFENSE DEPOT LETTERKENNY, PA (D)
4	DEFENSE DEPOT ANTONIO, TX (C)
5	DEFENSE DEPOT RED RIVER, TX (D)
6	DEFENSE DEPOT WALTER ROBINSON, GA (C)
7	DEFENSE DEPOT SAN DIEGO, CA
8	DEFENSE DEPOT ALBANY, GA
9	DEFENSE DEPOT OF HOMER, AL (C)
10	DEFENSE DEPOT MCBELLAN, GA (C)
11	DEFENSE DEPOT OF HANNA, PA (C)
12	DEFENSE DEPOT BILLY, VT (C)
13	DEFENSE DEPOT BARSTOW, CA
14	DEFENSE DEPOT CORPUS CHRISTI, TX
15	DEFENSE DEPOT JACKSONVILLE, FL
16	DEFENSE DEPOT CHERRY POINT, NC
17	DEFENSE DEPOT PUGET SOUND, WA

- (C) = DoD recommendation for closure
- (D) = DoD recommendation for disestablishment
- (R) = DoD recommendation for realignment
- (\*) = Candidate for further consideration

# Defense Distribution Depots Collocated Depots



**Bold type indicates DoD recommendation  
for closure/realignment/disestablishment**

**[Redacted text]**

**DEFENSE LOGISTICS AGENCY**

**CONCEPT OF OPERATIONS**

**COLLOCATED DEFENSE DISTRIBUTION DEPOTS**

- **Support Maintenance Mission at Collocated Depot.**

**106**





**THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION**  
1700 NORTH MOORE STREET SUITE 1425  
ARLINGTON, VA 22209  
703-696-0504

**ALAN J. DIXON, CHAIRMAN**

**COMMISSIONERS:**

**AL CORNELLA**  
**REBECCA COX**  
**GEN J. B. DAVIS, USAF (RET)**  
**S. LEE KLING**  
**RADM BENJAMIN F. MONTOYA, USN (RET)**  
**MG JOSUE ROBLES, JR., USA (RET)**  
**WENDI LOUISE STEELE**

**CLOSING STATEMENT**

**CHAIRMAN ALAN J. DIXON**

**Hearing to Consider Bases  
for Addition  
to Closure and Realignment List**

**Washington, D.C.**

**May 10, 1995**

WE HAVE NOW COMPLETED THIS HEARING TO ADD BASES TO THE LIST FOR CONSIDERATION FOR CLOSURE AND REALIGNMENT. I WANT TO THANK THE COMMISSION STAFF FOR THEIR DILIGENT WORK IN PREPARING FOR THIS HEARING AND FOR THEIR FORTHRIGHT TESTIMONY.

WHEN WE BEGAN OUR ANALYSIS OF THE SECRETARY'S LIST IN MARCH, OUR UNIVERSE WAS THE ENTIRE DEFENSE DEPARTMENT BASE INFRASTRUCTURE -- EVERY BASE. OVER THE COURSE OF THE WEEKS, WE HAVE RECEIVED AN UNDERSTANDABLY LARGE NUMBER OF REQUESTS FROM COMMUNITIES AND MEMBERS OF CONGRESS TO LOOK AT THEIR INSTALLATIONS. LET ME ASSURE THEM THAT THIS HAS BEEN DONE.

WE ALSO RECEIVED REQUESTS FROM SOME COMMUNITIES TO REVIEW BASES ACTED UPON BY PREVIOUS BASE CLOSURE COMMISSIONS. WE HAVE DONE THAT. THE LIST OF INSTALLATIONS WE DISCUSSED TODAY REPRESENTED A VERY CAREFUL AND RESPONSIBLE WINNOWING DOWN OF THE UNIVERSE WITH WHICH WE STARTED.

LET ME REPEAT SOMETHING I SAID IN MY OPENING REMARKS THIS MORNING: SIMPLY BECAUSE THE COMMISSION HAS ADDED A BASE TO THE LIST TODAY DOES NOT MEAN THAT BASE WILL SURELY CLOSE OR BE REALIGNED.

OVER THE NEXT MONTH, WE WILL VISIT THESE BASES AND LISTEN TO THE AFFECTED COMMUNITIES. WE ARE -- AND WILL REMAIN -- MOST SENSITIVE TO THE SITUATION OUR ACTIONS TODAY HAVE CREATED IN COMMUNITIES NOW ADDED TO THE LIST. I WOULD POINT OUT IN THAT CONNECTION THAT ALTHOUGH THE STATUTORY DEADLINE FOR ADDING BASES TO THE LIST IS MAY 17, WE SCHEDULED AND COMPLETED THIS WORK TODAY TO GIVE AFFECTED COMMUNITIES AT LEAST A FEW MORE DAYS TO PREPARE THEIR ARGUMENTS.

WE WILL RELEASE THE NEW SCHEDULE OF BASE VISITS AND REGIONAL HEARINGS WITHIN THE NEXT FEW DAYS. IT IS OUR INTENTION TO COMPLETE ALL OF THEM BY JUNE 9.

ON JUNE 12 AND 13, MEMBERS OF CONGRESS WILL TESTIFY BEFORE US, AND WE WILL ALSO SCHEDULE A DATE FOR DEFENSE DEPARTMENT OFFICIALS TO GIVE US THEIR VIEWS REGARDING THE LIST OF ADDITIONS WE HAVE APPROVED TODAY.

AGAIN, LET ME ASSURE THE COMMUNITIES AFFECTED BY OUR ACTIONS TODAY THAT YOU WILL HAVE EVERY OPPORTUNITY TO BE HEARD BY THIS COMMISSION AND ITS STAFF. WE HAVE REACHED NO FINAL DECISIONS. THERE IS STILL MUCH INFORMATION TO BE GATHERED AND ANALYZED. WE ENTER THIS PHASE OF THE PROCESS WITH THE SAME COMPLETE COMMITMENT TO OPENNESS AND FAIRNESS THAT HAS MARKED THE PROCESS SO FAR.

THANK YOU, AGAIN, TO ALL WHO TESTIFIED BEFORE US TODAY.

THIS HEARING IS COMPLETED.

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# Document Separator

**MACDILL BASE VISIT**



**COMMISSION BASE VISIT**

**MARCH 24, 1995**

**FRANK CIRILLO  
AIR FORCE TEAM LEADER**

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## OFFICE OF TRAVEL AND ADVANCE

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**TO:** Frank Cirillo  
**FROM:** Paul Hegarty  
**RE:** Travel Itinerary for week of March 20  
**DATE:** March 21, 1995

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Enclosed are your plane tickets and travel orders. Please return a completed voucher along with all receipts from your trip except meal receipts (i.e. airfare ticket receipt stub, taxi receipts, rental car receipt, parking and hotel receipts) to the Office of Travel within 10 days.

The following is your travel itinerary. A complete schedule is in the base visit book.

March 23	8:50am 11:12am	Washington National Tampa, FL	USAir 2287	Airport check-in
March 24	1:55pm 3:59pm	Tampa, FL Washington National	USAir 2480	Airport check-in

**RON:** MacDill AFB Officer Quarters  
Phone: 813-828-4259

# MACDILL BASE VISIT MARCH 24, 1995

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1. ITINERARY
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3. SECRETARY OF DEFENSE RECOMMENDATION
4. INSTALLATION CATEGORIES
5. INSTALLATION REVIEW
  - STATE MAP - DOD INSTALLATIONS AND STATISTICAL DATA
  - STATE CLOSURE HISTORY
6. ADDITIONAL INFORMATION



**COMMISSION BASE VISIT  
MACDILL AFB, FL  
Friday, March 24, 1995**

**COMMISSIONERS ATTENDING:**

**Alan Dixon  
Rebecca Cox**

**STAFF ATTENDING:**

**Frank Cirillo  
Rick DiCamillo  
Charlie Smith**

**ITINERARY**

**Thursday, March 23**

8:50AM ET            Depart Washington National en route Tampa, FL:  
                                 USAir flight 2287.  
                                 Frank Cirillo  
                                 Rick DiCamillo  
                                 Charlie Smith

11:12AM ET            Commission staff arrives Tampa, FL from National.  
                                 \* Pick up car (Smith):            Hertz            Confirmation #: 4063629

11:12AM to  
5:00PM ET            Commission staff proceeds to and advances MacDill AFB.

5:08PM CT            Alan Dixon departs St. Louis, MO en route Tampa, FL:  
                                 TWA flight 204.

8:30PM ET            Alan Dixon arrives Tampa, FL from St. Louis, MO.  
                                 \* Picked up at airport by Charlie Smith and Col. Charlie Ohlinger.

**RON:**                    **All personnel RON:  
                                 MacDill AFB Officer Quarters  
                                 813-828-4259**

**Friday, March 24**

6:40AM ET Rebecca Cox departs Ft. Myers, FL en route Tampa, FL.  
Continental Express flight 2809.

7:20AM ET Rebecca Cox arrives Tampa, FL from Ft. Myers, FL.  
\* Picked up at airport by Commission staff.

**8:00AM to 12:00PM ET Working breakfast and MacDill AFB base visit.**

12:00PM ET Depart MacDill AFB, GA for Tampa Airport via Charlie's rental car.  
Rebecca Cox  
Frank Cirillo  
Rick DiCamillo

1:05PM ET Rebecca Cox departs Tampa, FL en route Ft. Myers, FL:  
USAir Express flight 5389.

1:45PM ET Rebecca Cox arrives Ft. Myers, FL from Tampa, FL.

1:55PM ET Depart Tampa, FL en route Washington National:  
USAir flight 2480.  
Frank Cirillo  
Rick DiCamillo

3:59PM ET Commission staff arrives Washington National from Tampa, FL.  
Frank Cirillo  
Rick DiCamillo

7:05PM ET Charlie Smith departs Tampa, FL en route Washington National:  
USAir flight 1986.

7:10PM ET Alan Dixon departs Tampa, FL en route West Palm Beach, FL.  
Continental flight 2242.

8:05PM ET Alan Dixon arrives West Palm Beach, FL from Tampa, FL.

9:18PM ET Charlie Smith arrives Baltimore/Washington Airport from Tampa, FL.



# DRAFT

## DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

### SUMMARY SHEET

#### MACDILL AIR FORCE BASE, TAMPA, FL

#### INSTALLATION MISSION

- Air Combat Command base. The 6th Air Base Wing operates the airfield to support two Unified Command headquarters, U.S. Central Command and U.S. Special Operations Command, and the National Oceanic Atmospheric Administration (NOAA) flying unit.

#### DOD RECOMMENDATION

- Redirect to retain the MacDill airfield as part of MacDill AFB
- The Air Force will continue to operate the runway and associated activities
- Realign 12 KC-135 aircraft and associated resources from Malmstrom AFB, MT to MacDill
- Department of Commerce's NOAA will remain a tenant

#### DOD JUSTIFICATION

- The Deputy Secretary of Defense and the Chairman of the Joint Chiefs of Staff validated airfield requirements for the two Unified Commands at MacDill
- Air Force is responsible for supporting the joint commands' requirements
- Studies indicate Tampa International Airport cannot support Unified Commands' airfield requirements
- DoD requirements constitute 95% of the airfield operations requirements
- Additional savings will be achieved when KC-135 aircraft and associated personnel are relocated from Malmstrom AFB, MT

#### COST CONSIDERATIONS DEVELOPED BY DOD

- MacDill AFB is a receiver site. See Malmstrom AFB realignment recommendation for cost implications

#### MANPOWER IMPLICATIONS OF THIS RECOMMENDATION (EXCLUDES CONTRACTORS)

	<u>Military</u>	<u>Civilian</u>	<u>Students</u>
Baseline	2427	841	0
Reductions	0	0	0
Realignments (From Malmstrom AFB)	+719	+19	0
Total	+719	+19	0

# DRAFT

## MANPOWER IMPLICATIONS OF ALL RECOMMENDATIONS AFFECTING THIS INSTALLATION (INCLUDES ON-BASE CONTRACTORS AND STUDENTS)

Out		In		Net Gain (Loss)	
<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
0	0	687	57	687	57

### ENVIRONMENTAL CONSIDERATIONS

- Nonattainment area FOR 02?
- County has applied to EPA to be recategorized as a "Maintenance area"

### REPRESENTATION

Senators: Bob Graham  
Connie Mack  
Representative: Sam Gibbons  
Governor: Lawton Chiles

### ECONOMIC IMPACT

- MacDill AFB is a receiver site which will have a positive economic impact on the area

### MILITARY ISSUES

- Air Force is responsible for supporting two Unified Command headquarters at MacDill
- Although the base was recently home to fighter aircraft previously it was a Strategic Air Command bomber base and consequently its facilities can accommodate large aircraft
- Shortage of tanker resources in the southeastern U.S.

### COMMUNITY CONCERNS/ISSUES

- Fully supports the redirect of the Air Force to retain airfield operations and the realignment of a KC-135 flying mission to MacDill

### ITEMS OF SPECIAL EMPHASIS

- Dept of Commerce not able to fund the cost of operating the airfield and would look to the Air Force for the majority of support costs
- DOC will provide fair share funding for airfield use based on negotiated interagency support agreement with DOD

Rick DiCamillo/Air Force Team/March 15, 1995/5:00PM



UNCLASSIFIED

DoD Base Closure and Realignment  
Report to the Commission

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DEPARTMENT OF THE AIR FORCE  
ANALYSES AND RECOMMENDATIONS  
(Volume V)

February 1995

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UNCLASSIFIED

**MACDILL AIR FORCE BASE, FLORIDA**

**Recommendation:** Change the recommendations of the 1991 and 1993 Commissions regarding the closure and transfer of the MacDill AFB airfield to the Department of Commerce (DoC) as follows: Redirect the retention of the MacDill airfield as part of MacDill AFB. The Air Force will continue to operate the runway and its associated activities. DoC will remain as a tenant.

**Justification:** Since the 1993 Commission, the Deputy Secretary of Defense and the Chairman of the Joint Chiefs of Staff have validated airfield requirements of the two Unified Commands at MacDill AFB and the Air Force has the responsibility to support those requirements. Studies indicate that Tampa International Airport cannot support the Unified Commands' airfield needs. These validated DoD requirements will constitute approximately 95 percent of the planned airfield operations and associated costs. Given the requirement to support the vast majority of airfield operations, it is more efficient for the Air Force to operate the airfield from the existing active duty support base. Additional cost savings will be achieved when the KC-135 aircraft and associated personnel are relocated from Malmstrom AFB in an associated action.

**Return on Investment:** The cost and savings data associated with this redirect are reflected in the Malmstrom AFB realignment recommendation. There will be no costs to implement this action, even if the Malmstrom AFB action does not occur, compared to Air Force support of a DoC-owned airfield.

**Impact:** There is no economic or environmental impact associated with this action.

Legal issue

JCSE should

SFNY even though

UNCLASSIFIED

NON DoD operated



## UNCLASSIFIED

**Other**

The primary purpose of installations in this category is to support administrative functions.

**Administrative**

Battle Creek Federal Center, Michigan  
DFAS/ARPC, Colorado

Bolling AFB, Washington DC  
MacDill AFB, Florida

**Air Reserve Component**

The primary purpose of installations in this category is to support Air National Guard and Air Force Reserve operations.

**Air National Guard**

Boise Air Terminal AGS, Idaho  
Ft Drum Support Airfield, Rome, New York  
Lambert Field IAP AGS, Missouri  
Otis AGB, Massachusetts  
Rickenbacker AGS, Ohio  
Selfridge AGB, Michigan \*\*  
Tucson IAP AGS, Arizona

Buckley AGB, Colorado  
Greater Pittsburgh IAP AGS, PA  
Martin State APT AGS, Maryland  
Portland IAP AGS, Oregon \*\*  
Salt Lake City IAP AGS, Utah  
Stewart IAP AGS, New York

**Air Force Reserve**

Bergstrom ARB, Texas  
Dobbins ARB, Georgia\*  
Greater Pittsburgh IAP, ARS, PA  
Homestead ARB, Florida  
Minn/St Paul IAP, ARS, Minnesota\*  
O'Hare IAP, ARS, Illinois\*  
NAS Willow Grove ARS, PA\*

Carswell ARS, NAS Ft Worth, Texas  
Gen Mitchell IAP ARS, Michigan \*  
Grissom ARB, Indiana  
March ARB, California\*  
Niagara Falls IAP, ARS, New York \*  
Westover ARB, Massachusetts  
Youngstown MPT, ARS, Ohio

\* Air Reserve host with ANG Tenant

\*\* ANG host with Air Reserve Tenant

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*USAF BASE FACT SHEET*  
*MACDILL AIR FORCE BASE, FLORIDA*

MAJCOM/LOCATION/SIZE: ACC base adjacent to Tampa with 5,767 acres

MAJOR UNITS/FORCE STRUCTURE:

- 6th Air Base Wing
- 290th Joint Communications Squadron (ANG)
- 610th Aeromedical Evacuation Squadron (AFR)
- Other organizations include:
  - Headquarters, U.S. Central Command
  - Headquarters, U.S. Special Operations Command
  - Joint Communications Support Element (JCSE)
  - A National Oceanic & Atmospheric Administration flying unit

USAF MANPOWER AUTHORIZATIONS: (As of FY 95/2)

MILITARY--ACTIVE	2,606
GUARD	237
RESERVE	422
CIVILIAN	<u>855</u>
TOTAL	4,120

ANNOUNCED ACTIONS:

- The 1991 Defense Base Closure and Realignment Commission (BRAC) recommendation directed a partial closure of MacDill AFB. As a result, the JCSE would move to Charleston AFB, SC, the airfield would close, the facilities supporting flying operations would be disposed of, and the remainder of MacDill AFB would become an administrative base. However, the 1993 Base Closure and Realignment Commission recommendation directed that the airfield be operated by the Department of Commerce or another Federal agency, and that JCSE would remain at MacDill AFB as long as the airfield was non-DoD operated.
- The Air Force will reduce approximately 11,700 civilian authorizations in fiscal year 1995. These reductions are a result of the Federal Workforce Restructuring Act of 1994, the National Performance Review, and depot workload reductions. This action helps bring Department of Defense civilian employment levels in line with overall force reductions and results in a decrease of 81 civilian manpower authorizations at MacDill AFB.

Basing Manager: Maj Ridley/XOOB/42123  
Editor: Ms Wright/XOOBD/46675/16 Feb 95

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MACDILL AIR FORCE BASE, FLORIDA (Cont'd)

MILITARY CONSTRUCTION PROGRAM (\$000):

**FISCAL YEAR 94:**

Aeromedical Evacuation Facility [AFR] 750

**FISCAL YEAR 95:**

Isolate Utilities (Base Closure)\* 400 -

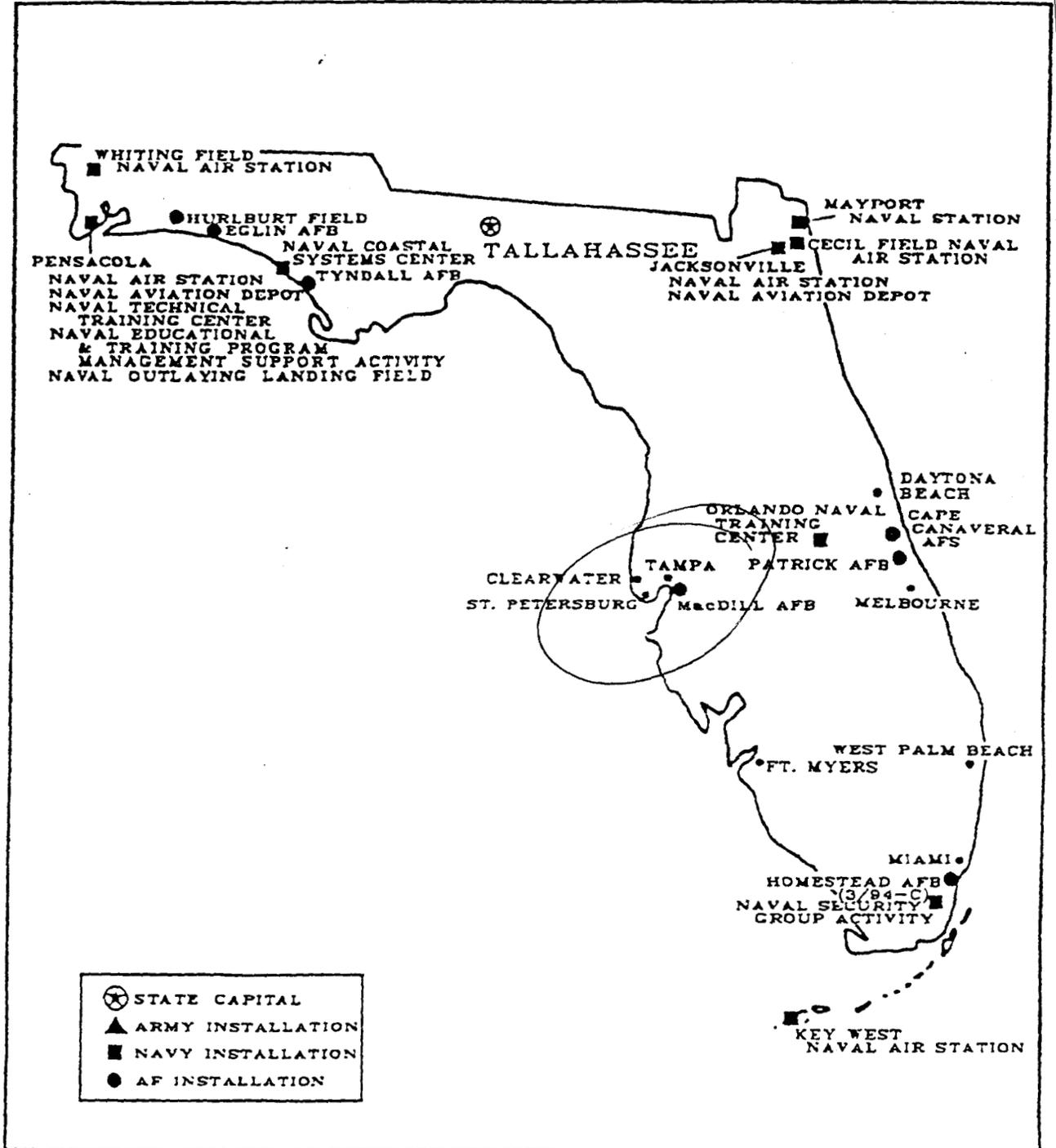
\* Project forecast for funding by the Base Closure Account. Associated with the 1991 Defense Base Closure and Realignment Commission recommendation to realign MacDill AFB.

SIGNIFICANT INSTALLATION ISSUES/PROBLEMS:

- In an 8 Jul 94 memorandum, DEPSECDEF acknowledged that the Unified Commands at MacDill AFB have valid airfield support requirements. CJCS completed a study to assess these administrative and operational needs. By direction of DEPSECDEF, the Air Force conducted an economic analysis of options to meet the needs; this economic analysis identified options for Department of Defense and Department of Commerce operation of the MacDill AFB airfield; and determined the use of Tampa International Airport infeasible. The Air Force is working with the Office of the Secretary of Defense to determine the best method to support the needs identified by the DEPSECDEF. The Air Force continues to fund MacDill AFB runway operations until 30 Sep 95, while awaiting a final solution.

# MAP NO. 10

## FLORIDA



Prepared By: Washington Headquarters Services  
Directorate for Information  
Operations and Reports

# FLORIDA

FISCAL YEAR 1994

(DOLLARS IN THOUSANDS)

Personnel/Expenditures	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities
<b>I. Personnel - Total</b>	163,465	42,841	69,425	47,794	3,405
Active Duty Military	60,801	2,296	31,603	26,902	0
Civilian	30,289	1,884	15,857	9,143	3,405
Reserve & National Guard	72,375	38,661	21,965	11,749	0
<b>II. Expenditures - Total</b>	\$12,074,556	\$2,112,645	\$4,263,437	\$5,411,905	\$286,569
<b>A. Payroll Outlays - Total</b>	6,164,058	918,951	3,023,490	2,104,226	117,391
Active Duty Military Pay	2,192,854	80,414	1,380,863	731,577	0
Civilian Pay	1,025,116	62,208	621,102	224,415	117,391
Reserve & National Guard Pay	156,585	93,256	31,019	32,310	0
Retired Military Pay	2,789,503	683,073	990,506	1,115,924	0
<b>B. Prime Contracts Over \$25,000 Total</b>	5,910,498	1,193,694	1,239,947	3,307,679	169,178
Supply and Equipment Contracts	2,508,889	556,372	353,212	1,487,761	111,544
RDT&E Contracts	1,581,102	227,611	171,617	1,171,140	10,734
Service Contracts	1,594,266	250,784	652,832	643,861	46,789
Construction Contracts	164,435	97,121	62,286	4,917	111
Civil Function Contracts	61,806	61,806	0	0	0

Major Locations of Expenditures	Expenditures			Major Locations of Personnel	Military and Civilian Personnel		
	Total	Payroll Outlays	Prime Contracts		Total	Active Duty Military	Civilian
Jacksonville	\$1,600,303	\$1,236,730	\$363,573	Eglin AFB	13,179	8,775	4,404
West Palm Beach	1,449,721	26,276	1,421,445	Jacksonville	12,771	5,246	6,525
Orlando	1,266,506	477,494	789,012	Pensacola	12,623	6,323	6,300
Melbourne	972,669	132,790	839,879	Orlando	12,045	9,560	2,485
Pensacola	814,891	621,720	193,171	Hurlburt Fld	7,300	6,731	569
Eglin AFB	568,383	405,210	163,173	Tyndall AFB	6,021	4,924	1,097
Saint Petersburg	354,333	45,857	308,466	MacDill AFB	4,874	3,754	1,120
Tampa	320,763	275,173	45,590	Patrick AFB	3,864	2,525	1,339
Daytona Beach	290,033	17,753	272,280	Mayport Nav Station	3,562	2,690	872
Cape Canaveral AFS	267,354	17,291	250,063	Cecil Field NAS	3,280	2,764	516

Prime Contracts Over \$25,000 (Prior Three Years)	Total	Army	Navy & Marine Corps	Air Force	Other Defense Activities
Fiscal Year 1993	\$6,485,989	\$1,870,113	\$1,399,187	\$3,110,959	\$115,730
Fiscal Year 1992	4,994,866	1,431,940	1,363,643	2,090,262	108,721
Fiscal Year 1991	\$1,166,419	1,491,392	1,201,643	2,385,053	86,031

Top Five Contractors Receiving the Largest Dollar Volume of Prime Contract Awards in this State	Total Amount	Major Area of Work	
		FSC or Service Code Description	Amount
1. UNITED TECHNOLOGIES CORP	\$1,407,015	Gas Turbines and Jet Engines, Acft & Comps	\$1,037,673
2. MARTIN MARLETTA CORPORATION	801,706	Msl Aircraft Accessories and Components	169,228
3. NORTHROP GRUMMAN CORPORATION	643,750	RDT&E/Electronics & Communication Eq-Engr D	637,566
4. OLIN CORPORATION	195,673	RDT&E/Ammunition-Explosive Development	92,107
5. HARRIS CORPORATION	193,279	RDT&E/Missile and Space Systems-Op Systems	56,563
Total of Above	\$3,241,423	( 54.8% of total awards over \$25,000)	

Prepared by: Washington Headquarters Services  
 Directorate for Information  
 Operations and Reports

# CLOSURE HISTORY - INSTALLATIONS IN FLORIDA

15-Mar-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
A	CAPE ST. GEORGE	88	DEFBRAC	COMPLETE	CLOSE	1988 DEFBRAC: Close; completed FY 93
AF	AVON PARK AFS					
	CAPE CANAVERAL AFS					
	EGLIN AAF 3 (DUKE FIELD)					
	EGLIN AAF 9 (HURLBURT FIELD)					
	EGLIN AFB	90/91	PRESS/DBCRC	ONGOING	REALGNUP	1990 Press Release indicated realignment. No specifics given.  1991 DBCRC: Directs the transfer of one squadron each of A/OA-10s from Closing England AFB, LA to McChord AFB, WA and Eglin AFB.
	HOMESTEAD AFB	93	DBCRC	COMPLETE	REALGNDWN	1993 DBCRC: Directed realignment to Reserve status (Completed March 31, 1994). The 31st Fighter Wing will inactivate. F-16s will remain temporarily assigned to Moody AFB, GA and Shaw AFB, SC. The Inter-American Air Forces Academy will move to Lackland AFB, TX. The AF Water Survival School will be temporarily located at Tyndall AFB, FL. The 301st Rescue Squadron, AFRES and the 482nd FW (AFRES) will remain at Homestead AFB in Reserve cantonment area(s). The NORAD alert activity will also remain. The 726th Air Control Squadron will relocate to Shaw AFB. The Naval Security Group will consolidate with other U.S. Navy units. NOTE: The DoD recommendation was to Close. The Commission voted to retain the reserve forces at Homestead. 3860 Military and 136 Civilian positions will move.
	JACKSONVILLE IAP AGS					

# CLOSURE HISTORY - INSTALLATIONS IN FLORIDA

15-Mar-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	MACDILL AFB	90/91/93	PR/DBCRC/DBCRC	ONGOING	REALIGN	<p>1990 Press Release indicated realignment. No specifics given.</p> <p>1991 DBCRC: Directed realignment and partial Closure. Close the airfield. Transfer the aircraft to Luke AFB AZ. Move the Joint Communications Support Element (JCSE) to Charleston AFB, SC. The remainder of MacDill becomes an administrative base.</p> <p>1993 DBCRC: Cancels move of JCSE from MacDill to Charleston AFB, SC and retain at MacDill as long as the airfield is non-DoD operated. Operation of the airfield will be taken over by the Department of Commerce or another Federal agency. NOTE: DoD recommended relocating the reserve units from Homestead AFB, FL to MacDill. This was not supported by DBCRC. 253 Military and 37 Civilians will be retained at MacDill rather than move.</p>
	PATRICK AFB					<p>1993 OSD Recommendation: The 301st Rescue Squadron, AFRES, will move from Homestead AFB, FL to Patrick.</p>
	TYNDALL AFB	93	DBCRC	ONGOING	REALIGNUP	<p>1993 DBCRC: The AF Water Survival School will be temporarily moved from Homestead AFB, FL to Tyndall.</p>
D	DEFENSE DISTRIBUTION DEPOT PENSACOLA	93	DBCRC	COMPLETE	CLOSE	<p>1993 DBCRC: Accept DoD recommendation. Close DDPF and relocate its mission to DD Jacksonville, FL.</p>
N	NAS CECIL FIELD	93	DBCRC	ONGOING	CLOSE	<p>1993 DBCRC: Directed the closure of NAS Cecil Field and relocation of its aircraft along with personnel, equipment, and support to MCAS Cherry Point, NC; NAS Oceana, VA; and MCAS Beaufort, SC.</p>
	NAS, JACKSONVILLE					
	NAS, KEY WEST					

# CLOSURE HISTORY - INSTALLATIONS IN FLORIDA

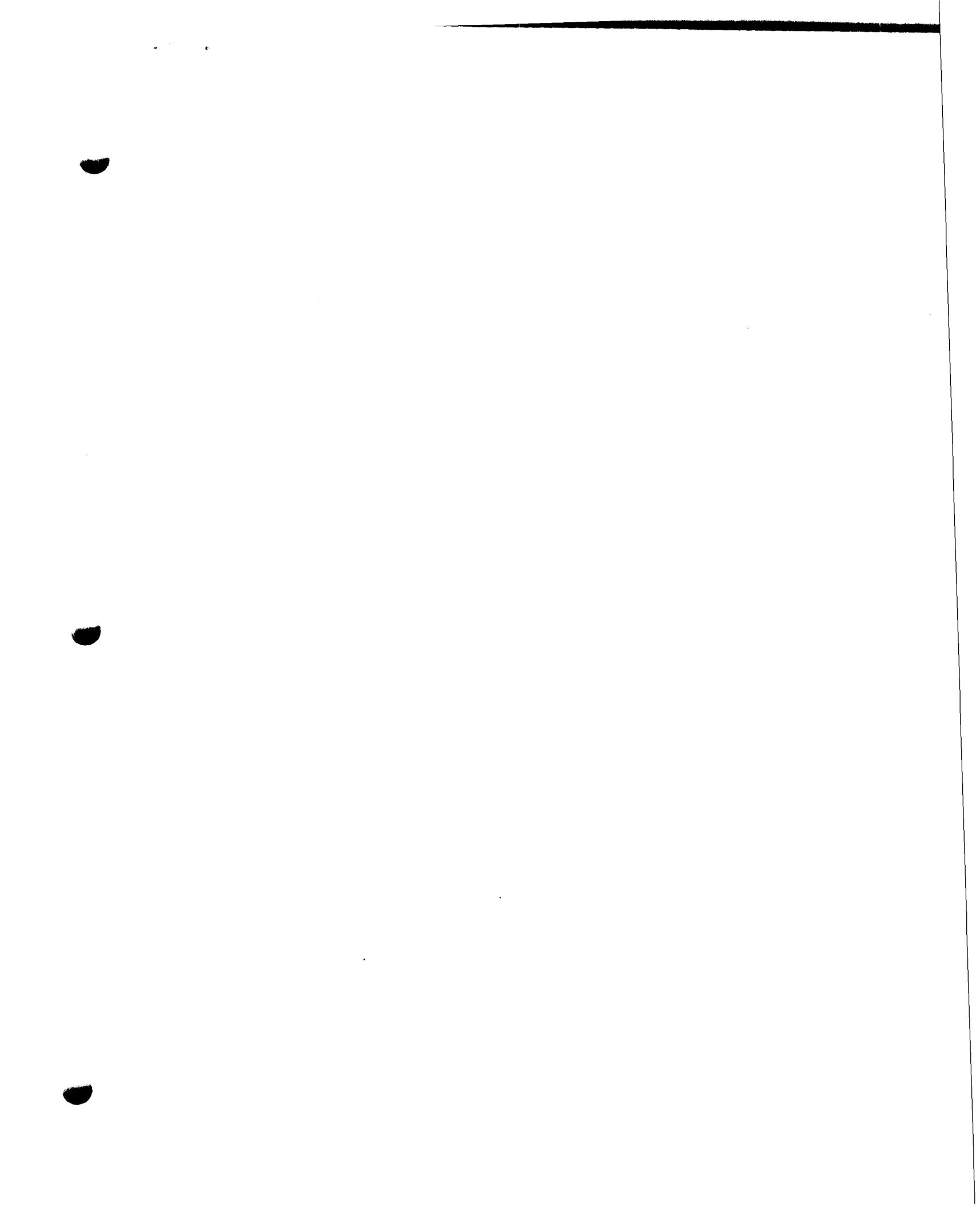
15-Mar-95

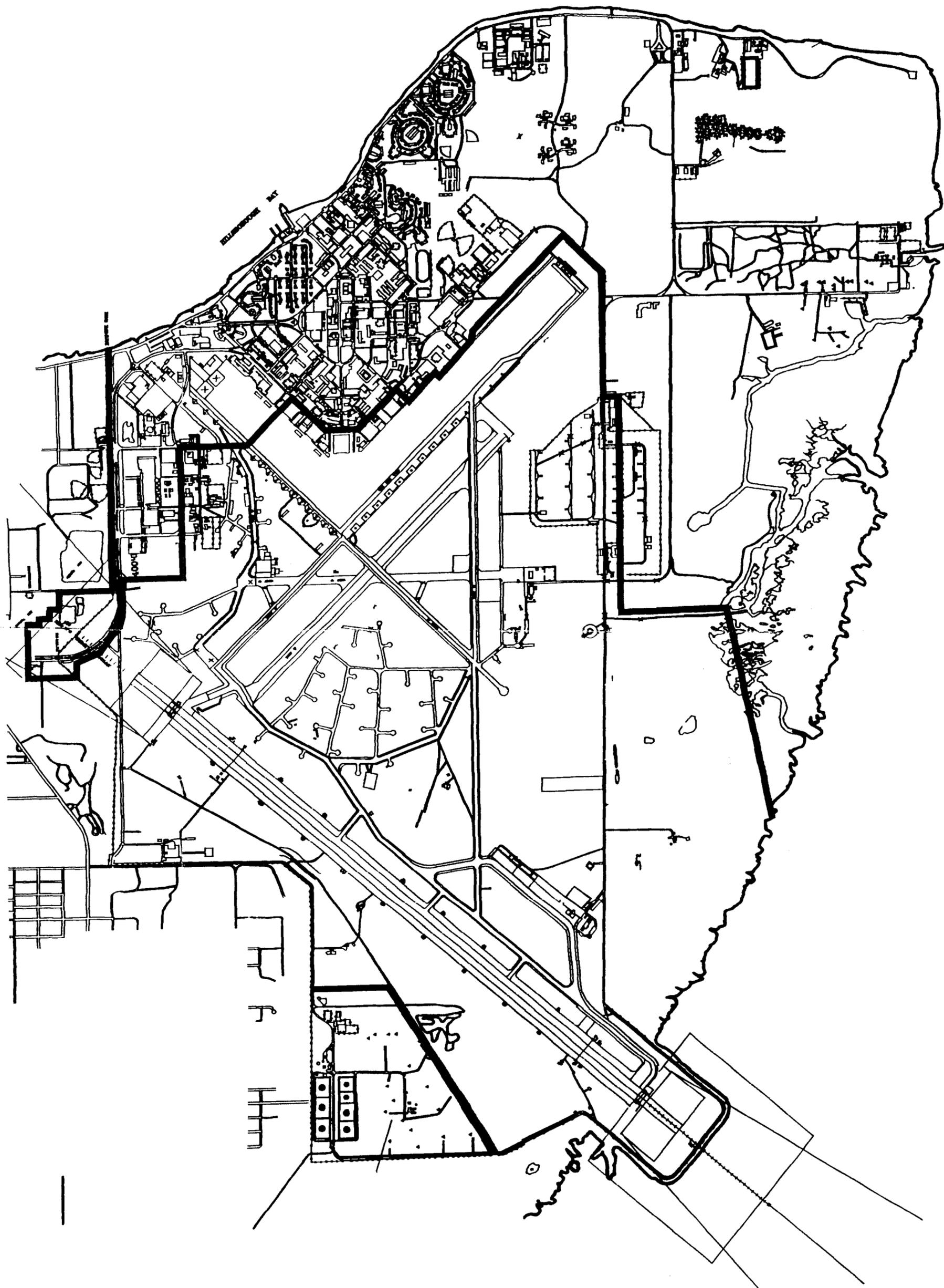
SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	NAS, PENSACOLA					
	NAS, WHITING FIELD					
	NAV COASTAL SYSTEMS CENTER	91	DBCRC	ONGOING	REALIGNDN	1991 DBCRC: Recommended realignment as part of the Naval Surface Warfare Center, Combat Weapons Systems R&D Directorate.
	NAV EDING PRO MGMT SUP ACT					
	NAV PUBLIC WKS CTR, PENSACOLA					
	NAVAL AVIATION DEPOT JAX					
	NAVAL AVIATION DEPOT PENSACOLA	93	DBCRC	ONGOING	CLOSE	1993 DBCRC: Directed the closure of NADEP Pensacola and relocation of repair and maintenance for H-1 and H-60 helicopters to Corpus Christi Army Depot, and the remaining repair/maintenance activities to Cherry Point. Whirl tower and dynamic facility to relocate to Corpus Christi, Cherry Point or private sector in lieu of the Navy's plan to retain these facilities at NADEP Pensacola.
	NAVAL HOSPITAL ORLANDO	91/93	DBCRC	ONGOING	CLOSE	1991 DBCRC: Rejected proposal to close.  1993 DBCRC: Directed the closure of Naval Hospital Orlando, FL and relocation of certain military and civilian personnel to other Naval Hospitals.
	NAVAL HOSPITAL, JACKSONVILLE					
	NAVAL HOSPITAL, PENSACOLA					
	NAVAL OLF SAUFLEY					
	NAVAL SECURITY GROUP ACTIVITY					
	NAVAL STATION, MAYPORT					
	NAVAL SUPPLY CENTER PENSACOLA	93	DBCRC	ONGOING	DISESTAB	1993 DBCRC: Directed the disestablishment of the NSC Pensacola.
	NAVAL TECH TNG CTR, CORRY STA					

# CLOSURE HISTORY - INSTALLATIONS IN FLORIDA

15-Mar-95

SVC	INSTALLATION NAME	ACTION YEAR	ACTION SOURCE	ACTION STATUS	ACTION SUMMARY	ACTION DETAIL
	NAVAL TRAINING CENTER ORLANDO	91/93	DBCRC	ONGOING	CLOSE	<p>1991 DBCRC: Cancelled the Navy's recommended closure of NTC Orlando.</p> <p>1993 DBCRC: Directed the closure of NTC Orlando and relocation of certain personnel, equipment, and support to NTC Great Lakes and other locations consistent with DOD training requirements. Nuclear Power School to be relocated to Naval Sub Base, New London, CT</p>





Commis Cox

No lead if appeared

More Significant

Capacity

County Commission

Noted EPA issue that

standards are met

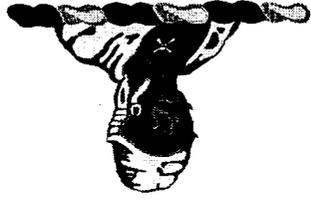
LD noise issues  
NO Safety net  
Flight paths  
Conduct

Specialty Base

6th AIR BASE WING



PARATI DEFENDERE



UNIT

PARATI no action Base  
DPM for R/W goes  
10/12/95

Senators Question  
on Budget - 11/11/95  
commence operations R/W

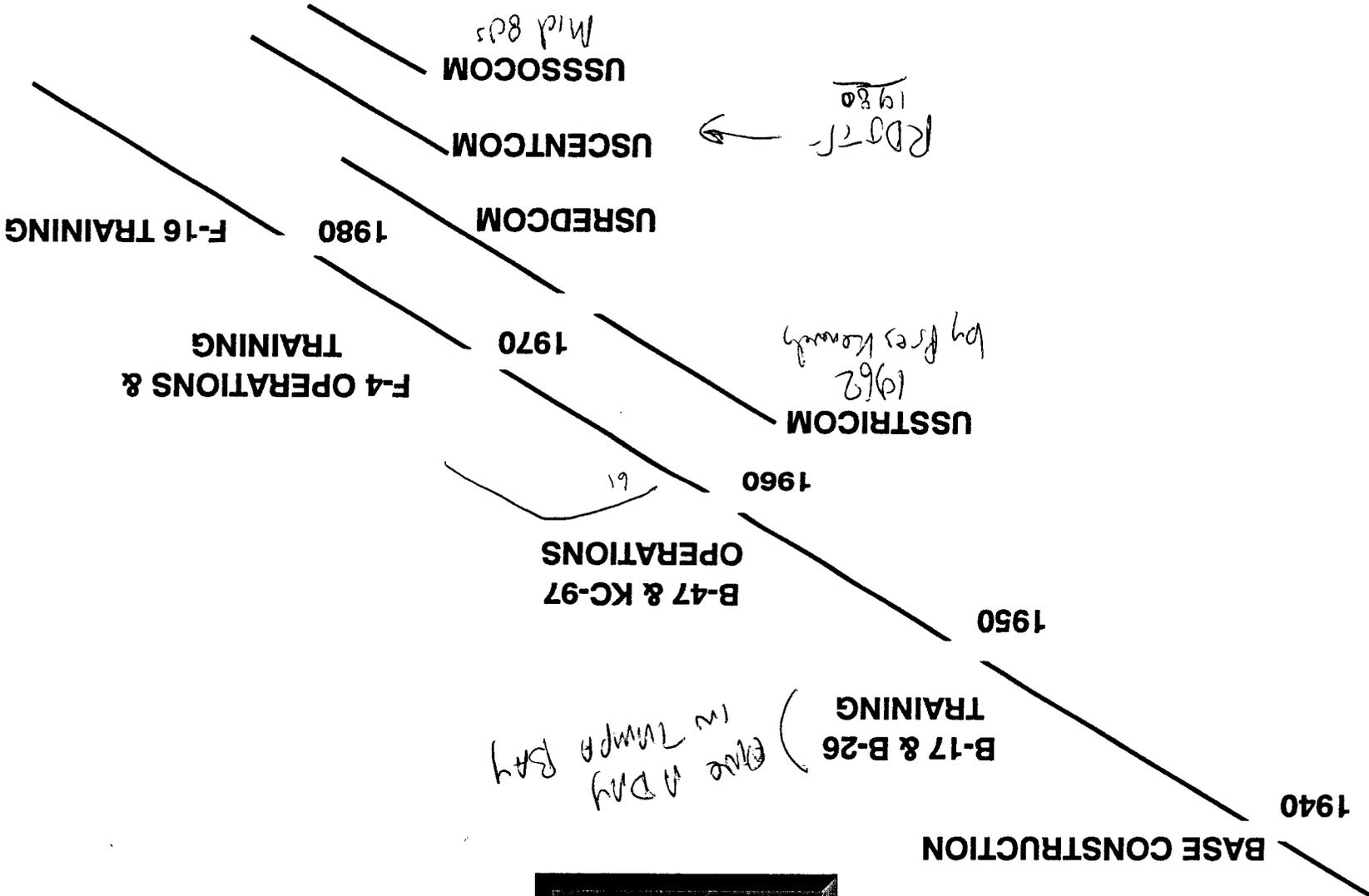
Handwritten signature or initials.



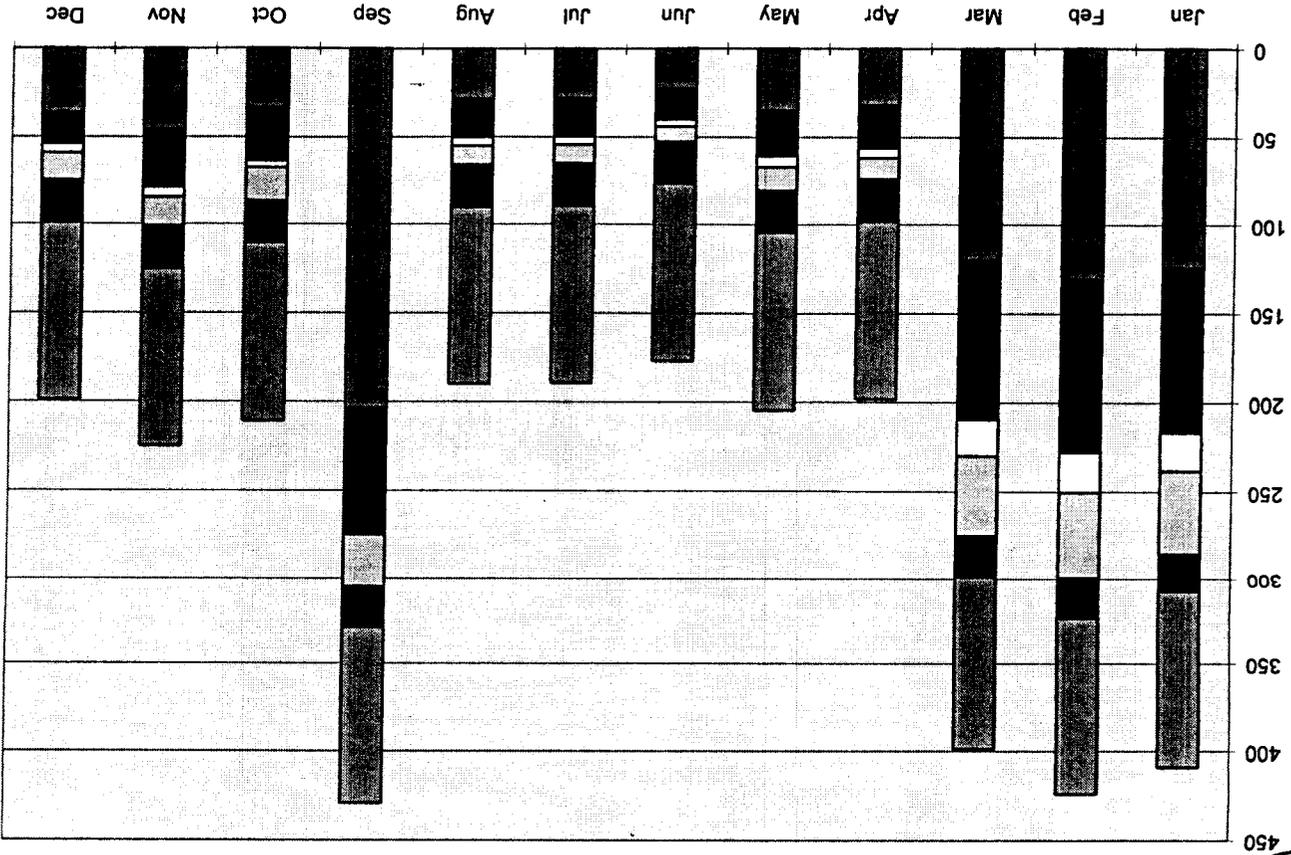
Shaw AFB, South Carolina



# HISTORY



# AIRCRAFT ACTIVITY



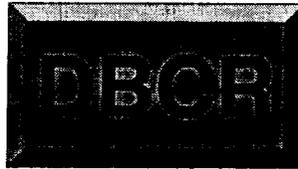
During Transition Support Level

- AASE
- NOAA
- ABW
- JCSE
- CENTCOM
- SOCOM

Since wing left

for month

Funding for  
 AIFold from  
 Base OIM to BRAC  
 HNTI  
 63 N/COW Ramp



- **DEFENSE BASE CLOSURE AND REALIGNMENT**
- **ESTABLISHED IN LAW**
- **FOUR CYCLES: 1988, 1991, 1993, 1995**
- **DBCR COMMISSION**
  - - **8 MEMBERS APPOINTED BY PRESIDENT**
  - - **DEVELOP PROPOSAL FOR PRESIDENT**
  - - **ALL OR NONE**

# THE DBCR PROCESS

**PRESIDENT  
APPOINTS DBCR  
COMMISSION**

**JAN**

**SECDEF MAKES  
RECOMMENDATIONS  
TO DBCR COMMISSION**

**28 FEB**

**DBCR COMM MAKES  
RECOMMENDATIONS  
TO THE PRESIDENT**

**1 JUL**

**PRESIDENT  
APPROVES/DISAPPROVES**

**15 JUL / 1 SEP**

**DEAD**

**CONGRESS  
APPROVES/DISAPPROVES**

**1 OCT / 15 NOV**

**PRESIDENT  
SIGNS INTO LAW**

**10 OCT / 25 NOV**

# BASE REDUCTIONS

1991	1992	1993	1994	1995	1996
Pease, NH	England, LA	Carswell, TX	MacDill, FL*	KI Sawyer Castle, CA	Newark, OH
	George, CA	Myrtle Beach, SC	Grissom, IN		
	Eaker, AR	Bergstrom, TX	R. Gebaur, MO		
		Wurtsmith, MI	Rickenbacker, OH		
		Williams, AZ	Homestead, FL		
		Chanute, IL			
		Mather, CA			

= BRAC I   
  = BRAC II   
  = BRAC III   
 \*PARTIAL CLOSURE (?)

## **DBCRC DIRECTION**

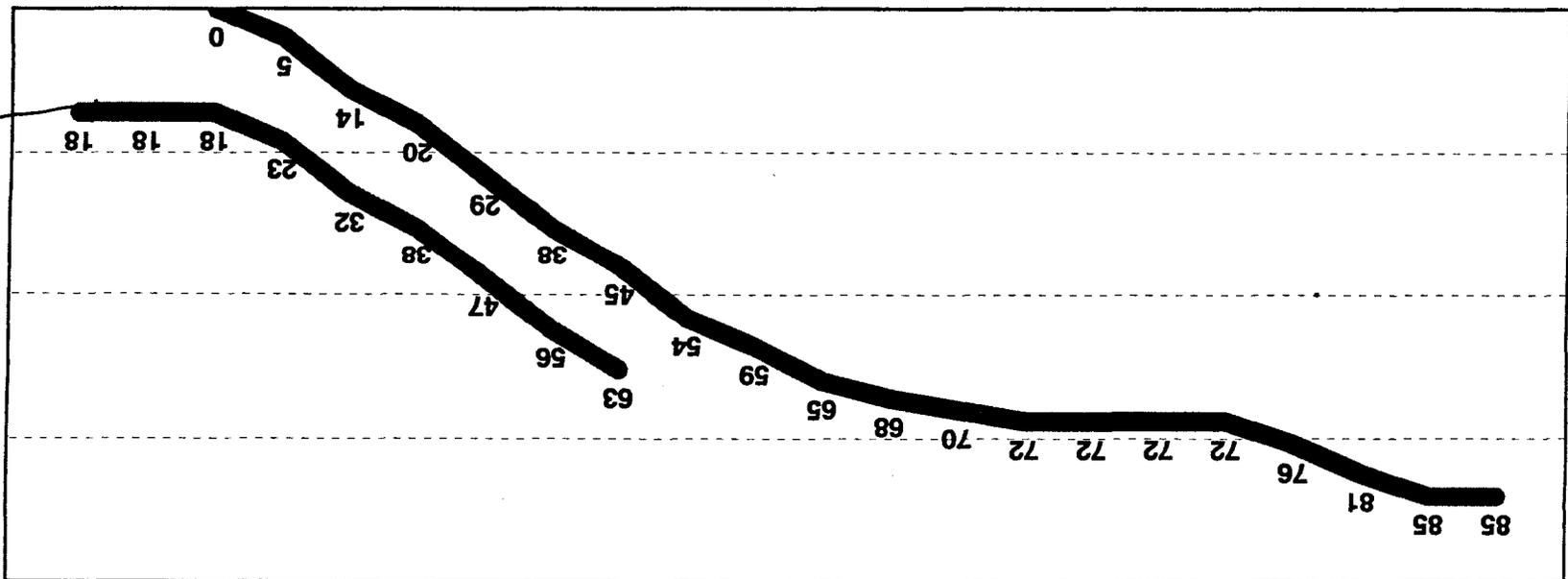
- TRANSFER ALL 108 F-16'S TO MODERNIZE OTHER UNITS**
- TERMINATE AIRFIELD OPERATIONS AND TRANSFER AIRFIELD TO DOC NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)**
- CONTINUE TO OPERATE MACDILL AS AN ADMINISTRATIVE SUPPORT BASE FOR USCENTCOM, USSOCOM, AND OTHER TENANT UNITS, AS DIRECTED**

1993

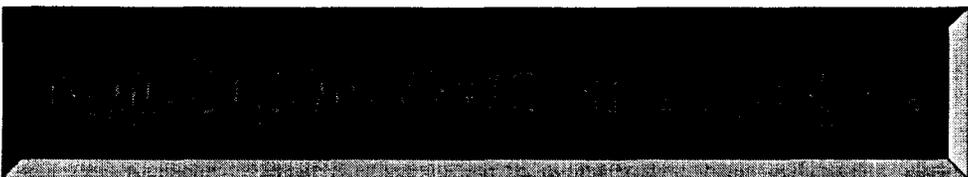
1992

ACTIVE DUTY F-16 AFRES F-16

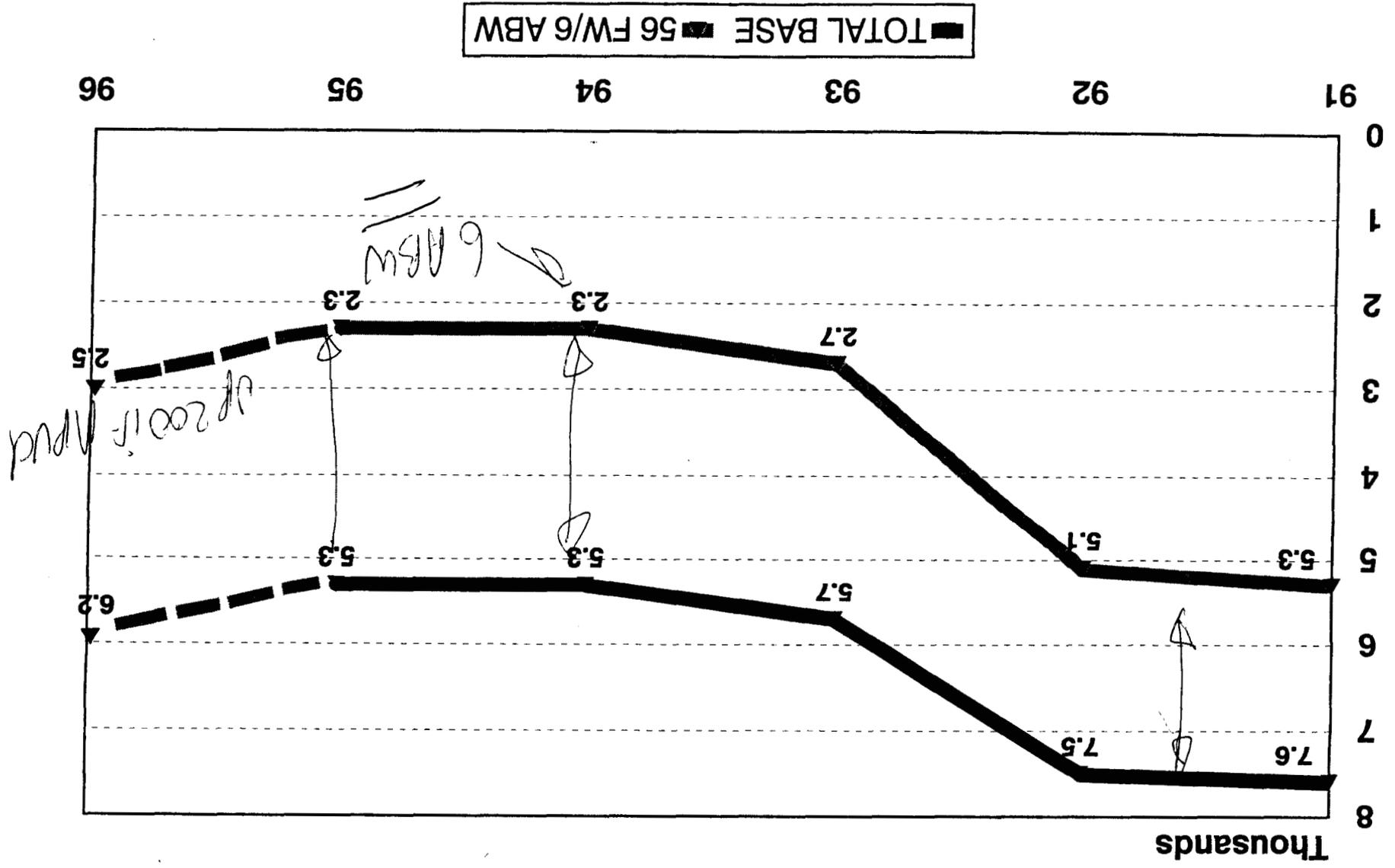
1 2 3 4 5 6 7 8 9 10 11 12



0  
25  
50  
75  
100



# PERSONNEL CHANGES

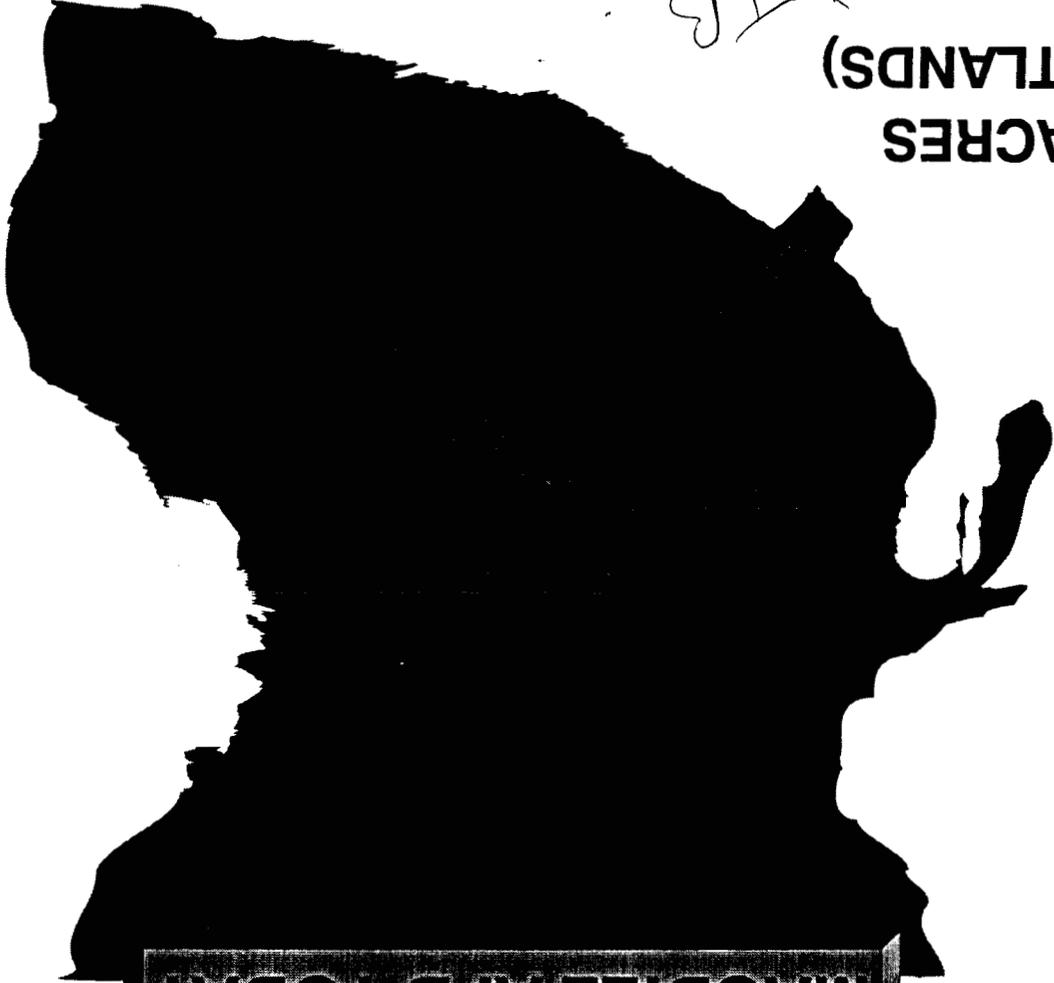


OLD TR

(902 WETLANDS)

5630 ACRES

WILLIS BARRON  
W019

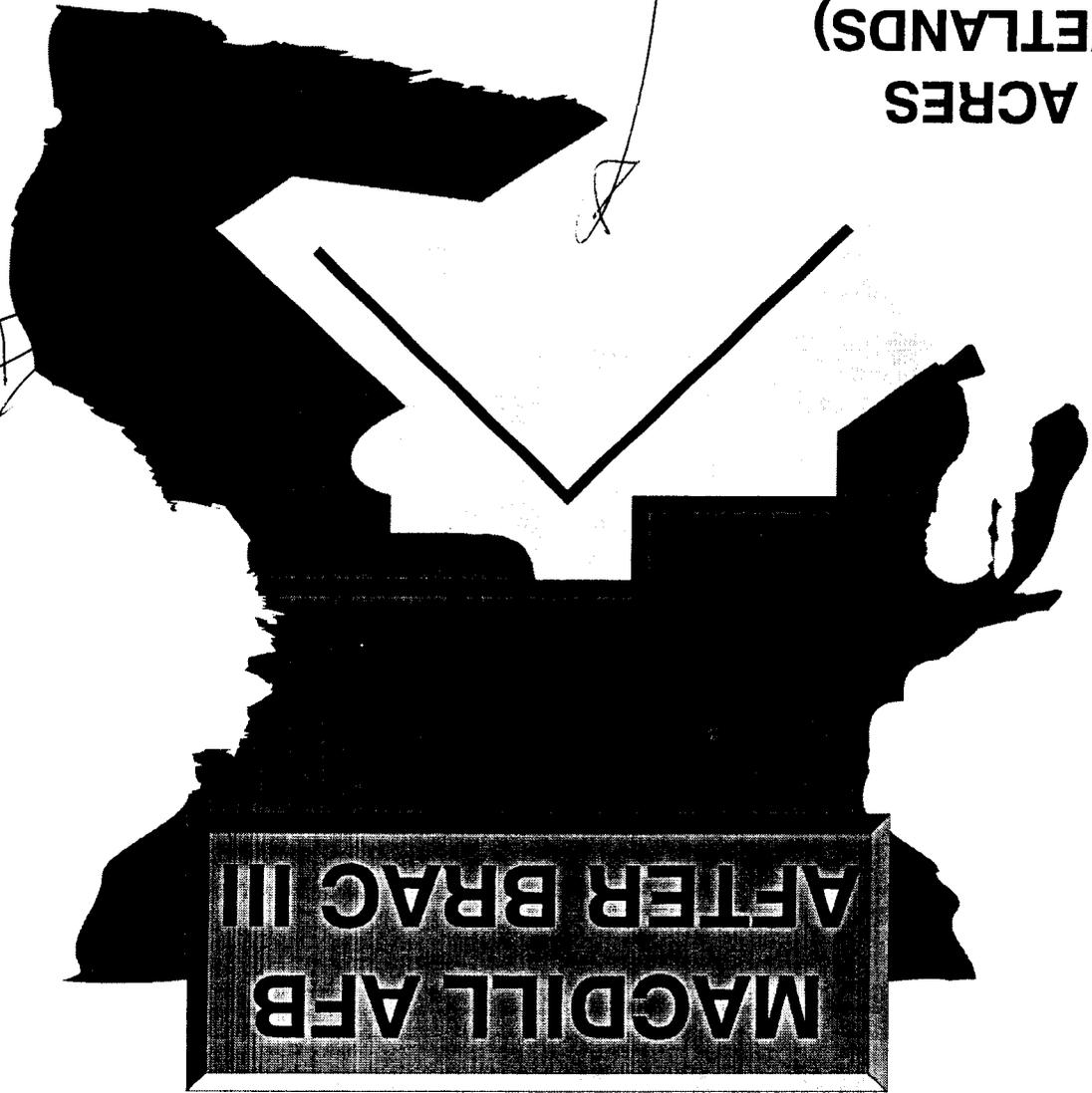


MACDILL AFB TODAY

2564 ACRES  
(584) WETLANDS

*(DRAFT)*

*SP*



**MACDILL AFB**  
**AFTER BRAC III**

# GENERAL INFORMATION

<b>HOUSING UNITS</b>	<b>804</b>
<b>MOBILE HOME SLOTS</b>	<b>100</b>
<b>DORMITORY ROOMS</b>	<b>678</b>
<b>LODGING ROOMS</b>	<b>259</b>
<b>GOVT VEHICLES</b>	<b>632</b>
<b>GOVT COMPUTERS</b>	<b>1,450</b>
<b>HOSPITAL BEDS</b>	<b>50</b>
<b>RV CAMP SLOTS</b>	<b>285</b>
<b>RESTAURANTS</b>	<b>8</b>
<b>PAVEMENTS (SQ YDS)</b>	<b>4,201,770</b>
<b>BUILDINGS (SQ FT)</b>	<b>4,730,413</b>
<b>GOLF HOLES</b>	<b>36</b>

7  
Same Size  
AS  
Andrews

**1994 STATISTICS**

<b>COMMISSARY SALES</b>	<b>\$66,000,000</b>
<b>BASE EXCHANGE SALES</b>	<b>\$54,000,000</b>
<b>HOSPITAL PATIENTS SEEN</b>	<b>256,242</b>
<b>PRESCRIPTIONS FILLED</b>	<b>913,610</b>
<b>BABIES DELIVERED</b>	<b>425</b>
<b>ROUNDS OF GOLF PLAYED</b>	<b>91,959</b>
<b>US FLAG OFFICER VISITS</b>	<b>700</b>

#2  
Excludes  
only by  
Pt Belvoir

Most in  
Command

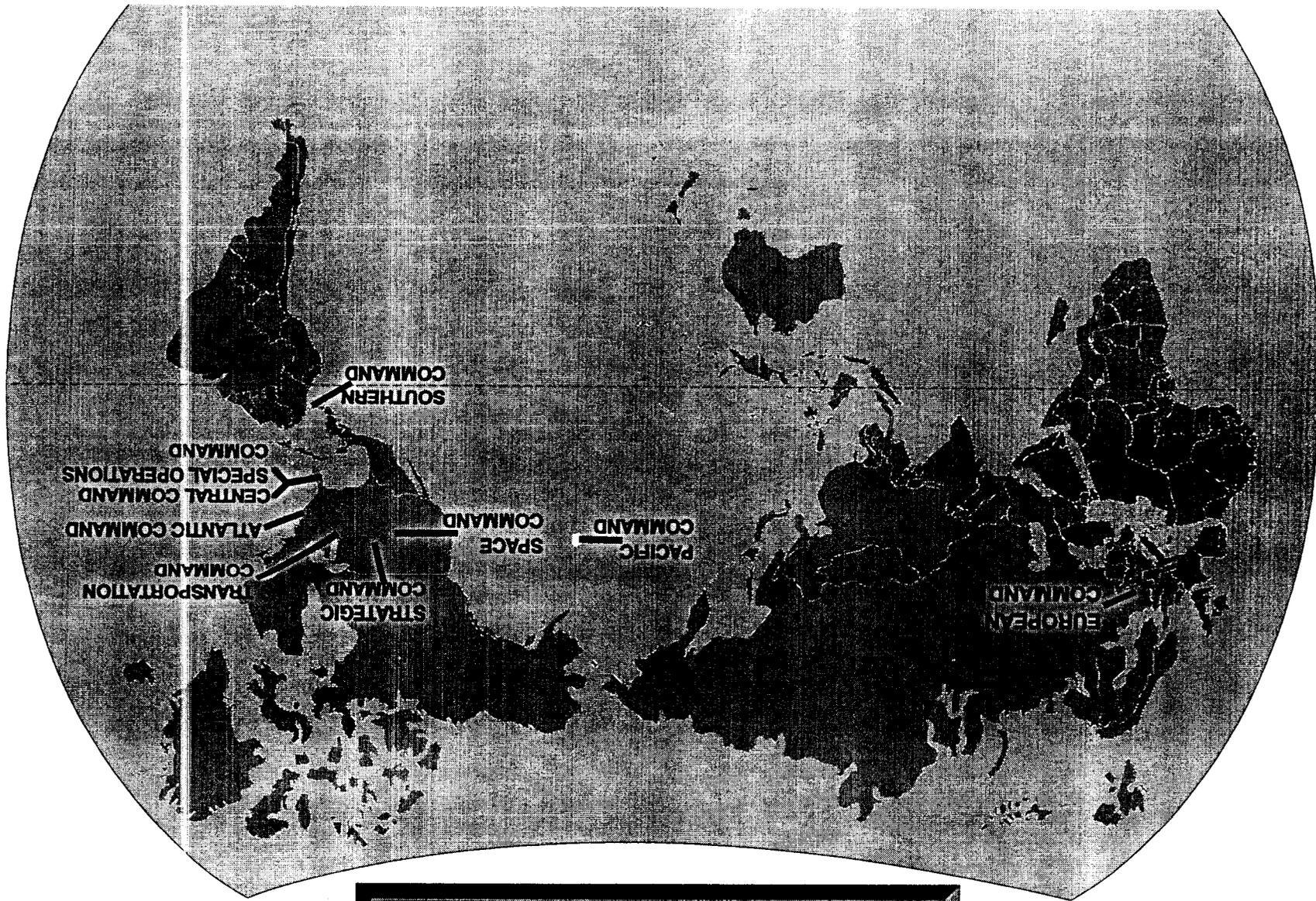
# ECONOMIC IMPACT

**TOTAL ECONOMIC IMPACT**  
**\$2,214,871,900**

**TOTLA JOBS SUPPORTED**  
**71,627**

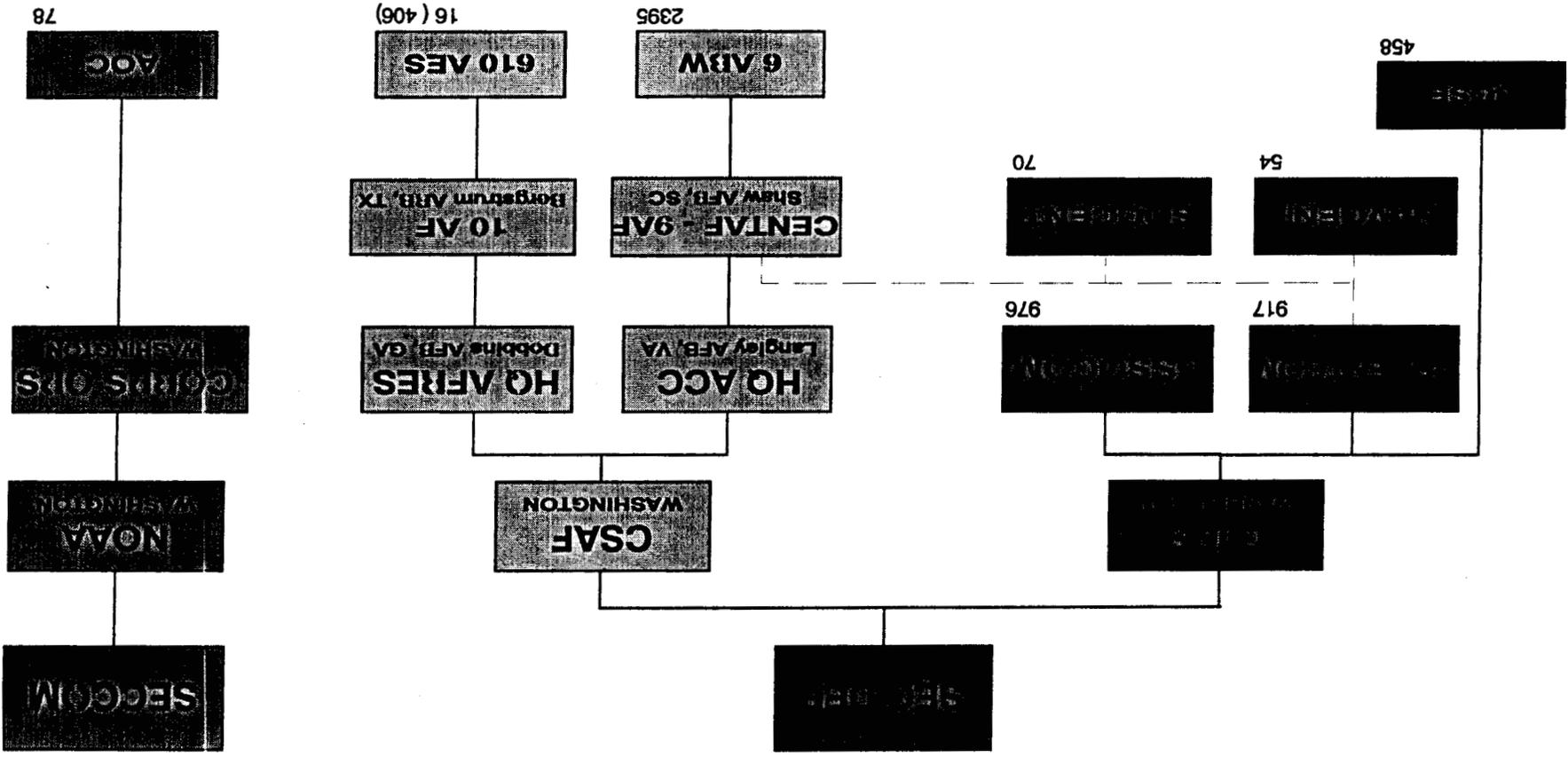
<b>DIRECT IMPACT OF OPERATIONS</b>	<b>\$220,061,000</b>
<b>DIRECT AND INDUCED IMPACTS OF OPERATIONS</b>	<b>\$499,864,800</b>
<b>TOTAL IMPACT OF OPERATIONS</b>	<b>\$719,925,800</b>
<b>JOBS SUPPORTED</b>	<b>24,085</b>
<b>DIRECT IMPACT OF RETIREE'S PAYROLL</b>	<b>\$0</b>
<b>INDIRECT AND INDUCED IMPACTS OF RETIREE'S PAY</b>	<b>\$1,494,946,100</b>
<b>TOTAL IMPACT OF RETIREE'S PAYROLL</b>	<b>\$1,494,946,100</b>
<b>JOBS SUPPORTED</b>	<b>47,542</b>

**SOURCE: USF CEMR FEB 95**



**UNIFIED COMMANDS**

# MAODILL RELATIONSHIPS

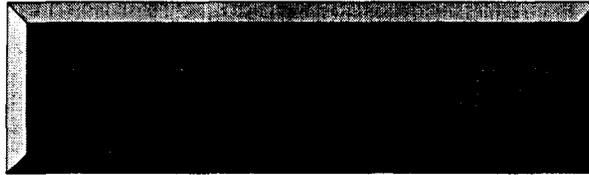




**DEDICATED AIR FORCE  
PROFESSIONALS**

**SUPPORTING COMBAT FORCES  
AND  
OPERATING A WORLD CLASS  
AIR BASE**

**FOR AMERICA'S PREMIER  
WARFIGHTING COMMANDS  
AND THE MACDILL COMMUNITY**



**INTEGRITY - WE ARE COMMITTED TO HONESTY AND TRUST. OUR COURAGE TO DO WHAT IS RIGHT HELPS ACHIEVE THE HIGHEST STANDARDS OF PROFESSIONAL, ETHICAL, AND MORAL CONDUCT.**

**COMPETENCE - WE IMPROVE OUR SKILLS AND KNOWLEDGE THROUGH TRAINING AND EDUCATION. DOING THE JOB RIGHT THE FIRST TIME, EVERY TIME, IS OUR GOAL.**

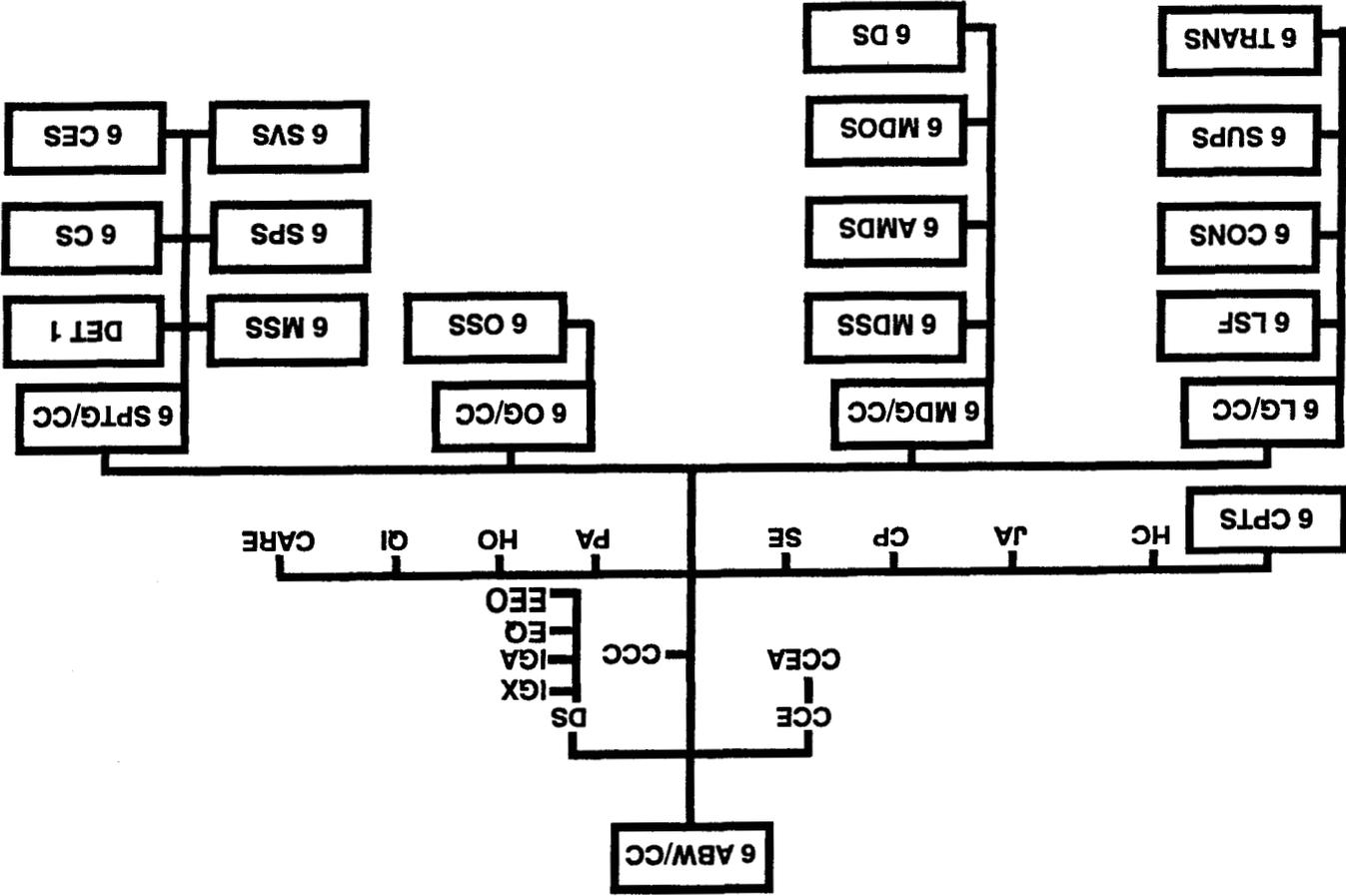
**PATRIOTISM - WE ARE PATRIOTIC - - WE DEDICATE OURSELVES TO OUR COUNTRY, AND EMBRACE IT'S VALUES, LEADERSHIP, AND HERITAGE.**

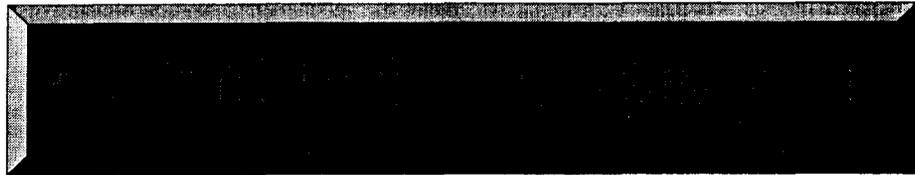
**SERVICE - WE PROVIDE A CARING AND CUSTOMER - FOCUSED ENVIRONMENT FOR ACTIVE AND RETIRED SERVICE MEMBERS AND THEIR FAMILIES.**

**TEAMWORK - WE ARE TEAM PLAYERS COMMITTED AND LOYAL TO THE CONCEPT THAT NO INDIVIDUAL IS MORE OR LESS IMPORTANT THAN ANY OTHER TEAM MEMBER.**

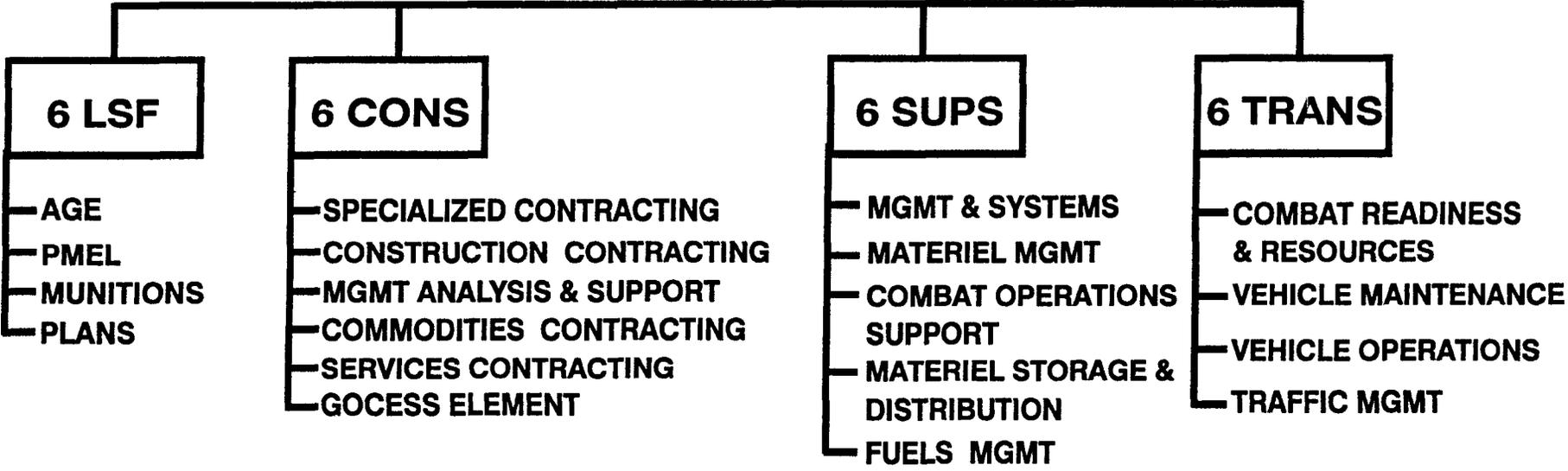
**DEDICATION - WE ARE DEDICATED TO EXCELLENCE IN EVERYTHING WE DO - - THIS DEDICATION NURTURES A SPIRIT OF TRUST, TEAMWORK, AND CONTINUOUS IMPROVEMENT.**

# 6 ABW ORGANIZATION

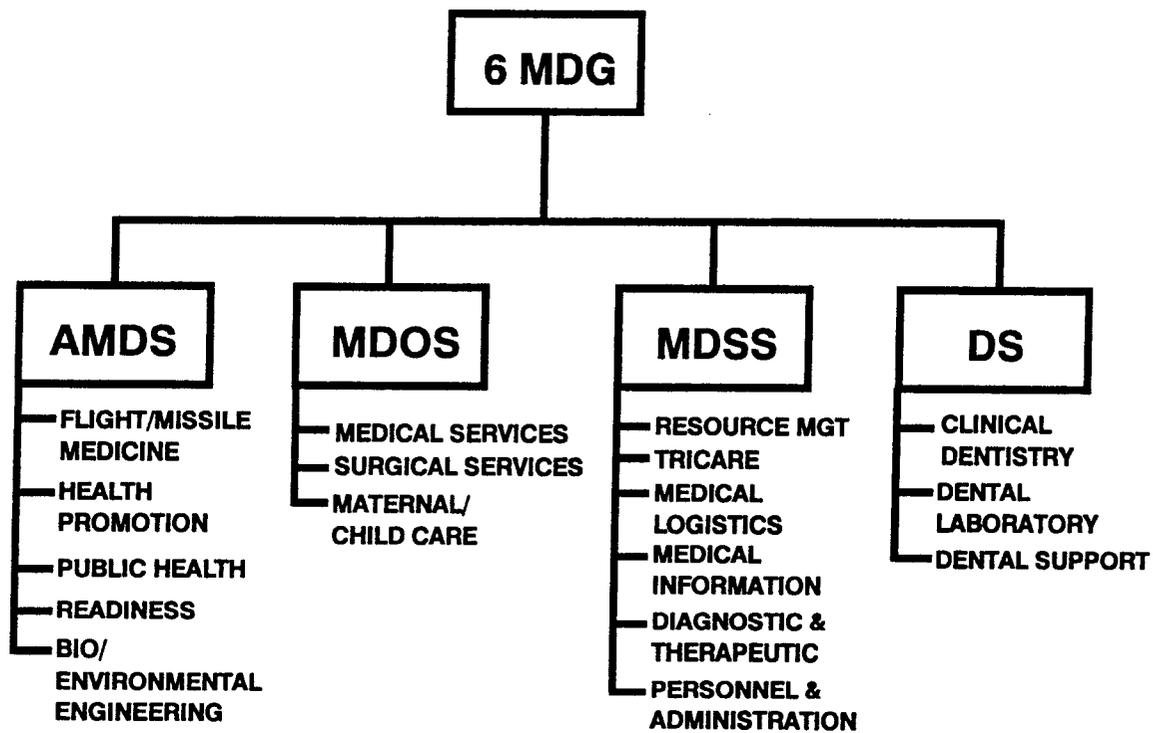


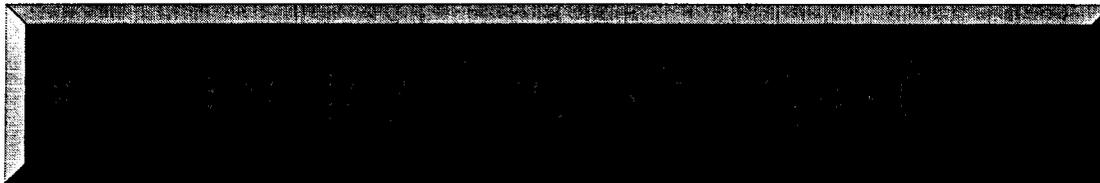


**6 LG**



# 6 MEDICAL GROUP





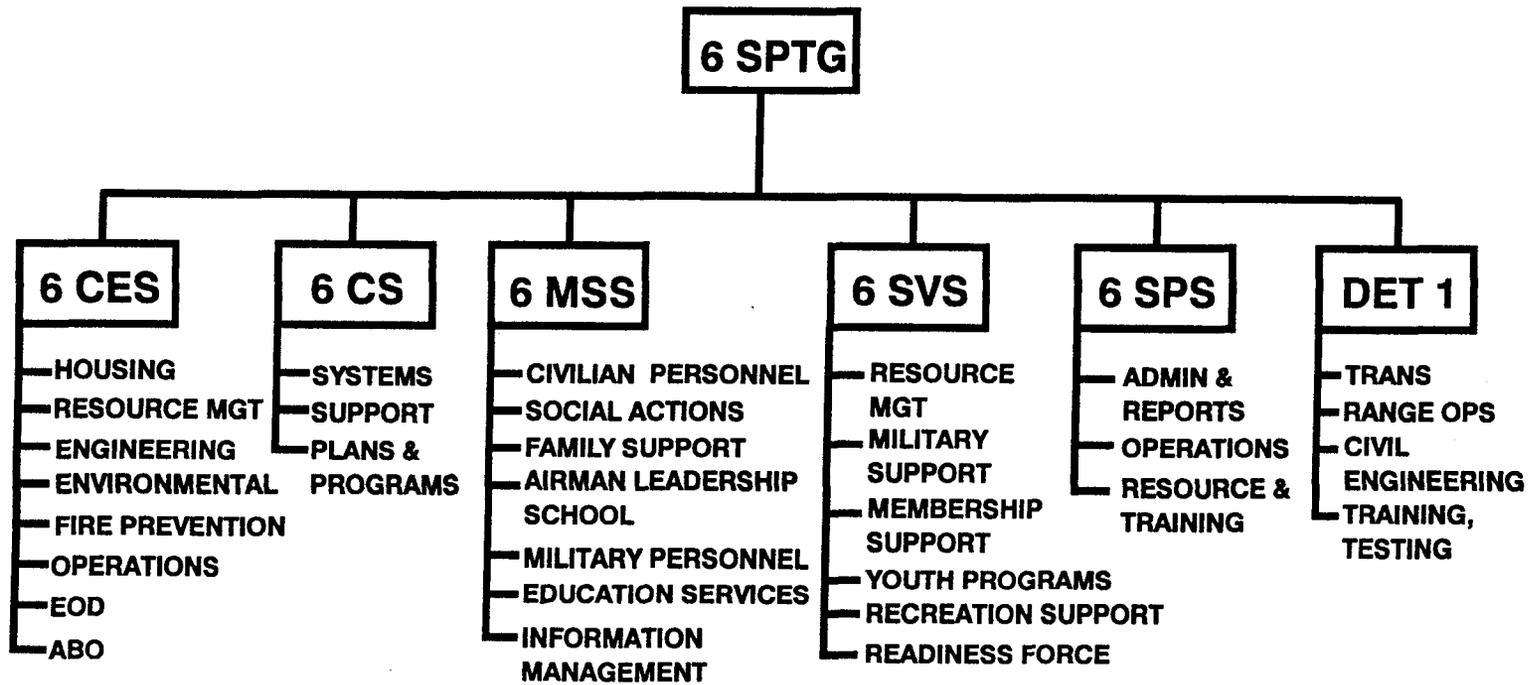
**6 OG**

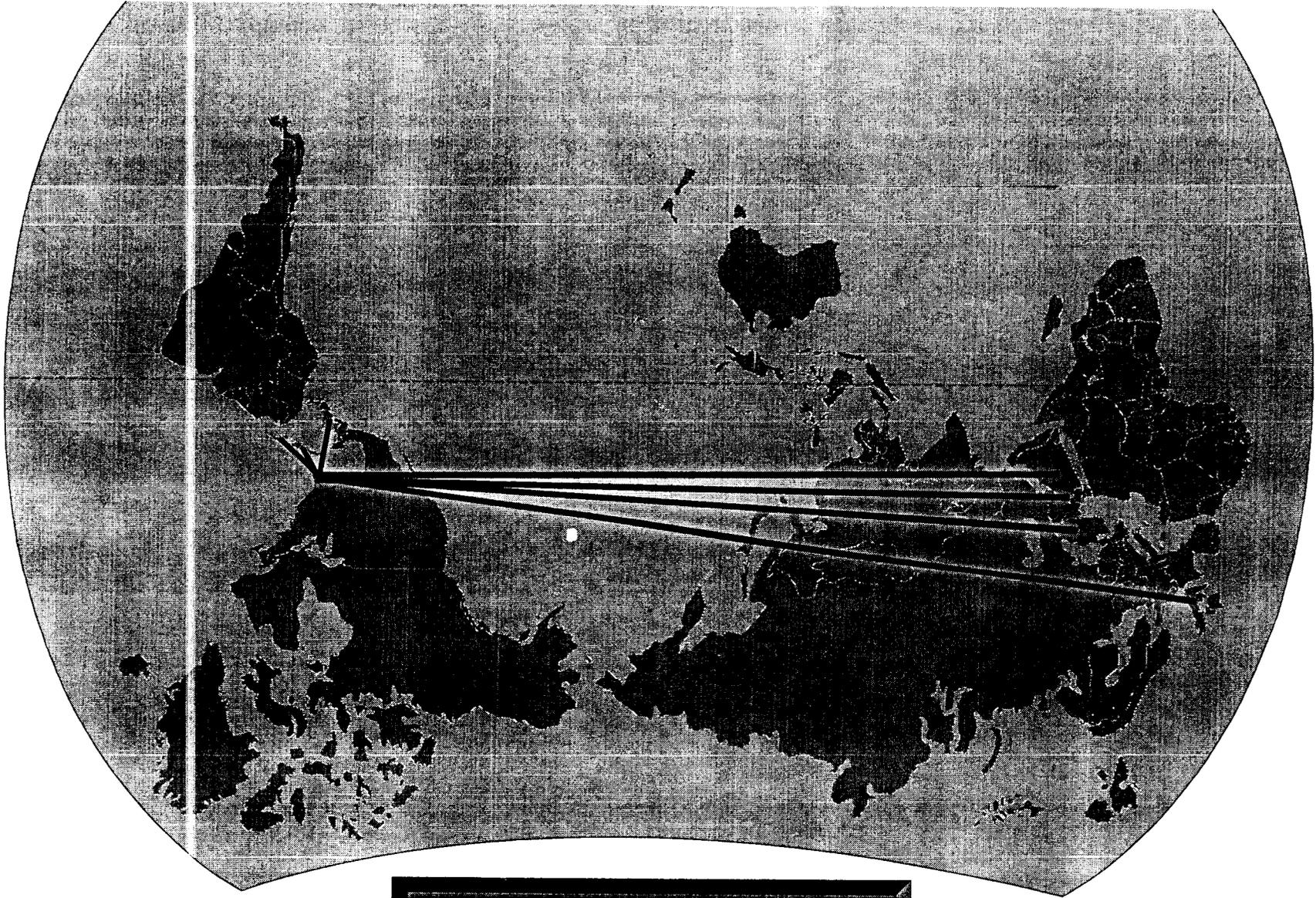


**6 OSS**

**AIRFIELD OPERATIONS  
WEATHER**

# 6 SUPPORT GROUP





WING READINESS



**STRATEGIC IMPORTANCE**

# MACDILL FACTOIDS

- ◆ **SECOND BUSIEST COMMISSARY IN DOD**
- ◆ **LARGEST OUTPATIENT PHARMACY VOLUME IN USAF**
- ◆ **LARGEST CHAMPUS COST IN USAF**
- ◆ **TOP VOLUNTEER PROGRAM IN USAF**
- ◆ **ONLY SCHOOL AND DEPLOYMENT CAPABILITY FOR MOBILE FUELS IN USAF IN CONUS**
- ◆ **BEST LODGING OPERATION IN USAF IN 1994**
- ◆ **MOST GENERAL/FLAG OFFICERS (16) ON ANY ACC BASE**
- ◆ **LARGEST MEDICAL BUDGET IN ACC**
- ◆ **BEST SUPPLY SQUADRON, EDUCATION OFFICE, GOLF COURSE, OFFICER'S CLUB  
IN ACC IN 1995**
- ◆ **LARGEST ID CARD ISSUE IN USAF**

# Document Separator



6th Air Base Wing  
MacDill Air Force Base, Florida 33621-5541

23 March 1995

Dear Mr Cirillo

Welcome to MacDill AFB and the sunny shores of the Greater Tampa Bay Area. The men and women of the 6th Air Base Wing are honored to have you here and will do everything possible to ensure your stay is pleasant.

Should you need anything to make your stay more comfortable, please contact me at 828-4444 or through the Command Post at 828-4361.

Enjoy your visit.

Sincerely

*Charlie*

CHARLES T. OHLINGER III, Colonel, USAF  
Commander



**ITINERARY FOR VISIT OF  
THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION  
SENATOR ALAN J. DIXON - CHAIRMAN  
REBECCA G. COX, COMMISSIONER**

**THURSDAY, 23 MARCH 1995**

TIME	ACTIVITY
2015	SECRETARY CHARLES DUSSEAU ARRIVES TAMPA INTERNATIONAL AIRPORT VIA USA FLIGHT 3041 MET BY: LT COLONEL TOM JOHNSON, TRANSITION COORDINATOR AND TRANSPORTED TO MACDILL DISTINGUISHED VISITOR'S QUARTERS (CLEARWATER SUITE)
2030	CHAIRMAN SENATOR DIXON ARRIVES TAMPA INTERNATIONAL AIRPORT VIA TWA FLIGHT 204 FROM ST LOUIS MET BY: COLONEL CHARLES T. OHLINGER III (CHARLIE), COMMANDER, 6TH AIR BASE WING AND CHARLIE SMITH NOTE: COL OHLINGER WILL TRANSPORT SENATOR DIXON TO MACDILL DISTINGUISHED VISITORS QUARTERS (ZEMKE SUITE)

**FRIDAY, 24 MARCH 1995**

0700	COMMISSIONER COX ARRIVES TAMPA INTERNATIONAL AIRPORT VIA CONTINENTAL FLIGHT 2809 FROM FT. MYERS FL MET BY: COLONEL OHLINGER AND CHARLIE SMITH, AND TRANSPORTED TO MEET WITH CHAIRMAN DIXON
0750	CHAIRMAN DIXON AND COMMISSIONER COX ESCORTED BY COL OHLINGER FROM DV QUARTERS TO OFFICER'S CLUB
0800-0845	WORKING BREAKFAST HOSTED BY COL OHLINGER IN THE DAEDALIAN ROOM OF THE MACDILL OFFICER'S CLUB NOTE: SEE ATTACHED LIST OF ATTENDEES MENU: FRUIT CUP, BISCUITS (W/BUTTER & JELLY) , SCRAMBLED EGGS, BREAKFAST STEAK, COFFEE & TEA, ORANGE JUICE

- 0845** DBCRC PRESS CONFERENCE - MACDILL OFFICER'S CLUB BALLROOM  
NOTE: THE PRESS CONFERENCE IS OPEN TO ALL EVENT ATTENDEES
- 0900** DEPART OFFICERS CLUB FOR THE MACDILL BRIEFING ROOM  
NOTE: WEATHER PERMITTING, ATTENDEES WILL WALK. A SURREY WILL BE PROVIDED IN THE EVENT OF INCLEMENT WEATHER
- 0910** 6TH AIR BASE WING MISSION BRIEF  
BRIEFER: COL OHLINGER  
NOTE: THE BRIEFING IS OPEN TO ALL EVENT ATTENDEES
- 1010** DEPART BRIEFING ROOM FOR BASE TOUR VIA SURREY  
NOTE: THE TOUR IS OPEN TO ALL EVENT ATTENDEES
- 1015-1200** BASE TOUR VIA SURREY  
GUIDE: COL OHLINGER  
NOTE: THE TOUR IS OPEN TO ALL EVENT ATTENDEES
- 1200** CONCLUSION OF TOUR  
COL OHLINGER WILL ESCORT CHAIRMAN DIXON TO DV QUARTERS VIA SEDAN AND COMMISSIONER COX WILL DEPART BASE WITH MR CIRILLO AND MR DICAMILLO

## **DBCRC BREAKFAST ATTENDEES**

### **THE COMMISSION**

CHAIRMAN DIXON  
COMMISSIONER COX  
CHARLIE SMITH, COMMISSION STAFF  
FRANK CIRILLO, COMMISSION STAFF  
RICH DICAMILLO, COMMISSION STAFF

### **THE COMMUNITY**

SECRETARY CHARLES DUSSEAU, SECRETARY, FLORIDA DEPARTMENT OF COMMERCE  
SANDRA FREEDMAN, MAYOR OF TAMPA  
DICK GRECO, MAYOR ELECT OF TAMPA  
AL AUSTIN, CO CHAIRMAN, MACDILL RESPONSE TEAM  
CHRIS HART, HILLSBOROUGH COUNTY COMMISSIONER  
JOE HOUSE, CHAIRMAN, TAMPA CHAMBER OF COMMERCE  
DON BARBER, PRESIDENT, TAMPA CHAMBER OF COMMERCE  
BILL LAX, TAMPA CHAMBER OF COMMERCE STAFF  
BILL MORAN, TAMPA CHAMBER OF COMMERCE  
BRUCE DRENNAN, TAMPA CHAMBER OF COMMERCE STAFF  
GRANT YOUNG, TAMPA INTERNATIONAL AIRPORT  
BOB BUCKHORN, GOVERNOR'S TRANSITION AND CONVERSION COMMISSION  
REPRESENTATIVE  
JACK BUTCHER, PUBLISHER, TAMPA TRIBUNE

### **THE BASE**

GENERAL WAYNE DOWNING, COMMANDER IN CHIEF, UNITED STATES SPECIAL  
OPERATIONS COMMAND  
LTG RICHARD I. NEAL, DEPUTY COMMANDER IN CHIEF, UNITED STATES CENTRAL  
COMMAND  
COLONEL CHARLES T. OHLINGER III, COMMANDER, 6TH AIR BASE WING  
CAPTAIN GEORGE PLAYER, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION  
COLONEL BILL LAKE, DEPUTY CHIEF OF STAFF, UNITED STATES CENTRAL COMMAND  
COLONEL DAVE STRINGER, J4/7 UNITED STATES CENTRAL COMMAND  
COLONEL JOHN HOLBEIN, DEPUTY CHIEF OF STAFF, UNITED STATES SPECIAL  
OPERATIONS COMMAND  
COLONEL BOB BAYLESS, J4, UNITED STATES SPECIAL OPERATIONS COMMAND  
COLONEL VINCE SANTILLO, 6TH OPERATIONS GROUP COMMANDER  
COLONEL CAL HITT, 6TH LOGISTICS GROUP COMMANDER  
COLONEL GENE HICKMAN, 6TH AIR BASE WING DIRECTOR OF STAFF  
COLONEL LOUETTA TAYLOR, 6TH MEDICAL GROUP  
CDR HOWARD GLASSMAN, J4 UNITED STATES CENTRAL COMMAND  
LIEUTENANT COLONEL MARILYN BARTON, STAFF JUDGE ADVOCATE  
LIEUTENANT COLONEL TOM JOHNSON, TRANSITION OFFICE  
MAJOR BRAD PURVIS, HEADQUARTERS AIR COMBAT COMMAND  
MR GARY ROBINSON, CIVIL ENGINEER, UNITED STATES SPECIAL OPERATIONS COMMAND  
MR DAVID POWERS, COMMAND ENGINEER, UNITED STATES SPECIAL OPERATIONS COMMAND  
CAPTAIN LISA RAPP, EXECUTIVE OFFICER, 6TH AIR BASE WING  
CHIEF MASTER SERGEANT J.B. WHITTEN, SENIOR ENLISTED ADVISOR, 6TH AIR BASE WING  
MS DIANE GREEN, PUBLIC AFFAIRS, 6TH AIR BASE WING  
TECHNICAL SERGEANT ANGEL HARWELL, EXECUTIVE SUPPORT, 6TH AIR BASE WING



# Our Mission



## Dedicated Air Force Professionals Supporting Combat Forces and Operating a World Class Air Base For America's Premier Warfighting Commands and the MacDill Community



### Improve our combat capability and readiness to deploy

- Attain C-1 or C-2 readiness levels for tasked UTCs and equivalent readiness standards for all other personnel
- Successfully exercise the wing deployment plan quarterly
- Successfully exercise the CSORE plan semi-annually
- Enhance our ability to host contingency operations

### Create an atmosphere of trust and cooperation by forming partnerships both on and off base to achieve common objectives

- Increase tenant involvement in base activities and forums
- Improve our relationships with business, education, medical, civic, and governmental agencies in the local community
- Form partnerships to improve our base and make "Team MacDill" a part of everything we do

### Our Strategic Goals

#### Foster a culture of outstanding service by anticipating and meeting customer needs

- Gain national, state, and DOD accreditation for all services possible
- Continue to evolve metrics to improve customer satisfaction
- Make use of benchmarks and best practices, and seek out leading edge technology to improve customer service
- Find new ways to recruit and utilize volunteers

#### Take care of our people and their families through quality of life improvements

- Enhance education and training opportunities
- Promote wellness and fitness through quality physical, mental, and spiritual programs
- Improve safety performance both on and off duty
- Foster a secure environment for the MacDill community
- Invest time, effort, and resources to improve our facilities and base appearance
- Recognize our superior military and civilian performers

#### Be a leader in environmental excellence through aggressive prevention, restoration, and compliance

- Develop a reputation as good environmental stewards
- Foster environmental awareness to protect our environment and avoid enforcement actions
- Establish a world class recycling program

#### Enhance MacDill's utility within DoD by encouraging units, world-wide to take advantage of our superb location, climate, training airspace, lodging, and recreational activities

- Invest in, improve, and market MacDill as a premier conference and recreation location
- Encourage use of MacDill and Avon Park Air Force Range for contingencies and training deployments
- Exploit Avon Park Air Force range for full DOD use
- Position ourselves for potential mission expansion



# ECONOMIC RESOURCE IMPACT STATEMENT

1 Oct 1993 - 30 Sep 1994

## MACDILL AIR FORCE BASE, FLORIDA



*"Partners in the Tampa Bay Region"*



15 February 1995

## FOREWORD

MacDill Air Force Base has been an energetic partner in the growth of the Greater Tampa Bay Area since establishment of the base in 1939. Over the years, aircrews trained here for follow-on combat duty in the European Theatre in World War II, The Cold War and Korea in the 1950's, Vietnam/Southeast Asia in the 1960's and 1970's, and Persian Gulf/Southwest Asia in the 1990's.

For the last few years, since the conclusion of the Cold War and the breakup of the Soviet Union, the United States has been reducing military forces at a pace not seen since the end of World War II. In the Air Force, this has meant a reduction of over 50% of our fighter and heavy bomber forces -- and that led to termination of MacDills F-16 training mission in 1993.

Our mission focus has thus shifted. In the host wing, we now devote our full attention to operating the base as a home for several key tenant units. These include the U.S. Central Command and the U.S. Special Operations Command, two key joint unified commands made up of members of all four services and commanded by four-star generals. This is not a new mission for the host wing, as we've had a unified command at MacDill since the early 1960's, when the U.S. Strike Command was established. Supporting joint commands is thus part of our culture and we're proud to be able to continue doing that as our primary mission in the 1990's.

We've put together this brochure to show MacDill's total economic impact on the Greater Tampa Bay Area in Fiscal Year 1994 (1 Oct 93 - 30 Sep 94). That was the first full year in which there were no U.S.A.F aircraft assigned to MacDill. As you'll see, even with no U.S.A.F. flying mission, the total impact of operations at MacDill in FY 1994 was \$719,925,800, with 24,085 jobs supported.

Many military retirees have made their home in the region, and many remain closely tied to the base. The indirect and induced impact of the military retirees pay is \$1,494,946,100 and 47,542 jobs supported. Combining the two figures gives us a total MacDill A.F.B. economic impact of \$2,214,871,900 with 71,627 jobs supported.

MacDill's officers and enlisted personnel, along with our civilian employees and retirees, enjoy being a part of the Greater Tampa Bay Region. The relationship between the base and the surrounding communities is excellent. We're proud of that relationship and look forward to being here for many years to come.



CHARLES T. OHLINGER III, Colonel, USAF  
Commander, 6th Air Base Wing

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## **ORGANIZATIONS**

### **HOST**

6th Air Base Wing

### **TENANTS**

United States Central Command  
United States Special Operations Command  
Joint Communications Support Element  
United States Army Aviation Support Element  
290th Joint Communications Support Squadron  
610th Aeromedical Evacuation Squadron  
Defense Fuels Supply Point  
Defense Reutilization and Marketing Office  
Det 21, Aerospace Fuels Laboratory  
Det 209, Office of Special Investigation  
Defense Commissary Agency  
American Red Cross  
United States Post Office  
United States Army Corps of Engineers  
USAF Judiciary Area Defense Council, Second Circuit  
United States Army Veterinary Service Branch  
Defense Communications Field Office  
National Oceanic & Atmospheric Administration  
Defense Finance & Accounting Service

## MISSION STATEMENTS

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### 6TH AIR BASE WING (6 ABW)

The 6th Air Base Wing operates MacDill AFB to provide operational, administrative, medical, and logistical support for United States Central Command (USCENTCOM), United States Special Operations Command (USSOCOM), additional tenant agencies, and the MacDill community, including 200,000 retirees and their families. The wing also maintains and operates Avon Park Air Force Range for fighter/bomber forces in the southeastern United States.



6 ABW HQ

### UNITED STATES CENTRAL COMMAND (USCENTCOM)

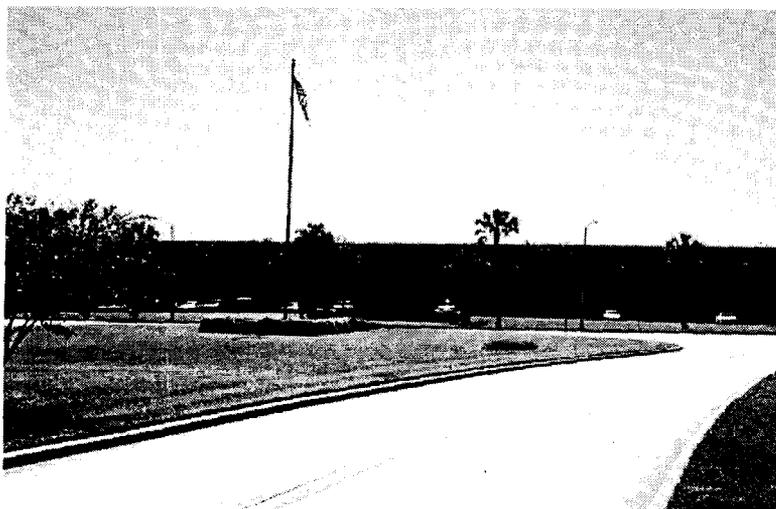
USCENTCOM supports U.S. and free-world interests by assuring access to Mideast oil resources, helping friendly regional states maintain their own security and collective defense, maintaining an effective and visible U.S. military presence in the region, deterring threats by hostile regional states and by projecting U.S. military forces into the region if necessary.



USCENTCOM HQ

## **UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)**

USSOCOM prepares Special Operations Forces to successfully conduct worldwide special operations, civil affairs, and psychological operations in peace and war in support of the regional combatant commanders, American ambassadors and their country teams, and other government agencies.



USSOCOM HQ

## **JOINT COMMUNICATIONS SUPPORT ELEMENT (JCSE)**

JCSE provides simultaneous communications support for two Joint Task Force (JTF) headquarters (HQ) and two Joint Special Operations Task Force (JSOTF) headquarters. The active JCSE is organized and equipped to provide support to two JTF HQ while the Air National Guard units are organized and equipped to support two JSOTF HQ. However, either element can perform the other mission. JCSE also provides Chairman of the Joint Chiefs of Staff (CJCS) - directed contingency and crisis communications to meet operational and support needs of the Joint Chiefs of Staff, services, unified commands, defense agencies, and non-defense agencies. JCSE augments or provides CJCS - directed contingency and crisis communications to meet operational and support needs of foreign governments.

## **NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)**

NOAA promotes global environmental stewardship and describes and predicts changes in the earth's environment. The mission is supported by the airplanes and helicopters of the Aircraft Operations Center (AOC). AOC was created to consolidate all aviation assets operated by NOAA. It is charged with managing NOAA aircraft, personnel, budget, facilities, and the charter of aircraft and other activities in support of NOAA aircraft programs. AOC airplanes and helicopters operate throughout the United States and around the world, over open ocean, mountains, coastal wetlands, and Arctic pack ice. Just as NOAA's oceanographic, hydrographic, and fisheries research ships help achieve the agency's objectives at sea, AOC's hardworking, versatile aircraft provide NOAA's scientists and cartographers with the airborne platforms necessary to collect the environmental and geographic data essential to their programs.

## MacDill Air Force Base History

Known as the Southeast Air Base when the Army took possession on May 24, 1939, the new base was renamed in November 1939 to honor Colonel Leslie MacDill, an aviation pioneer killed in a plane crash one year earlier. By April 15, 1949, three runways, 5,000 feet by 250 feet had been constructed. On that day, Brigadier General Clarence I. Tinker, MacDill's first commander, opened the official base dedication ceremony with the landing of the field's first aircraft, a B-18.

The 44th Bombardment Group, Heavy (activated at MacDill January 15, 1941) and 29th Bombardment Group, Heavy (moved to MacDill on January 17, 1941) carried out the base's primary mission of training aircrews on the B-17 Flying Fortress. With the conversion of training from the B-17 to B-26 Marauder on June 1, 1942, the 21st Bombardment Group, Medium assumed MacDill's Training mission. When the 21st Bomb Group inactivated in October 1943, the 488th Bombardment Group, Heavy resumed B-17 replacement crew training. The B-17 program continued until March 1945, when B-29 Super Fortresses replaced the Flying Fortresses.

As many as 15,000 troops were stationed at MacDill Field at one time. Additionally, in 1944 and 1945, 488 German POWs were interned here. Also, during the war, one of the runways was extended to 10,000 feet by 500 feet and the other two were closed.

In March 1946, MacDill Field became an operational base for the Strategic Air Command (SAC). On August 4, 1946, the 307th Bombardment Wing (BW) assumed MacDill's training mission with P-51 Mustangs and B-29s.

In September 1947, the Air Force became a separate military branch. MacDill reflected this independent status by changing its name from Army Air Base to Air Force Base on July 12, 1948. In August 1948, the 306th Bombardment Wing joined the 307th at MacDill. In August 1950, the 307th deployed to Okinawa, never to return to MacDill. In the fall of 1950, base facilities were enlarged to allow transition to B-50 training. The 305th Bombardment Wing joined the 306th at MacDill on January 2, 1951.

In October 1951, the Sixth Air Division (AD) assumed base management. The 6 AD included 305 BW, 306 BW and the Okinawa deployed 307 BW. Between October 1951, and early 1952, the Sixth AD oversaw the reequipping of the two MacDill wings with B-47s and RC-97 serial refuelers. By 1956, the runway had been extended to 11,400 feet and a new hospital constructed to replace the WWII facility located at the present-day marina.

The Department of Defense (DOD) announced on November 28, 1960, that there would be a reduction in activities at MacDill and a major portion of the base would close. However, events in Cuba changed the DOD's plans for MacDill. Instead of a diminished role for the base, its importance grew when the United States Strike Command was established in September 1961. This command joined personnel from the Army, Navy, Marine Corps, and Air Force into a fighting force capable of responding to crises anywhere in the world. (The Strike Command was redesignated the Readiness Command in 1972).

On April 12, 1962, MacDill became a Tactical Air Command (TAC) base and was assigned to Ninth Air Force. On that same day, the 12th Tactical Fighter Wing (TFW) arrived with its F-84 Thunderstreak jets. The 836th Air Division assumed the functions of the departed Sixth AD on July 1, 1962, the same day that the 15th TFW moved to MacDill with its own F-84s. By March 1965, MacDill was the first base in the Air Force to have two operationally prepared F-4C Phantom jet fighter wings assigned.

In October 1965, the 12 TFW was reassigned to Vietnam leaving the 15 TFW to carry on MacDill's training mission. The 15 TFW inactivated and passed its F-4E and B-57 mission to the 1st Tactical Fighter Wing on October 1, 1970.

On July 1, 1975, the 56 TFW replaced the 1 TFW as the base host unit. On October 22, 1979, the wing began conversion from F-4 to F-16 Falcon aircraft, becoming the first training unit with the F-16.

On March 1, 1980, the Rapid Deployment Joint Task Force (RDJTF) was formed at MacDill in response to the Iranian revolution and its impact on Southwest Asia. The RDJTF was the forerunner to the United States Central Command (USCENTCOM), activated January 1, 1983, making the base unique in the DOD as the headquarters to two unified commands. When USREDCOM was disestablished in 1987, its building became home to the newly activated United States Special Operations Command (USSOCOM).

On July 1, 1992, Tactical Air Command inactivated and MacDill was reassigned to Air Combat Command, remaining in Ninth Air Force. The Congressional Base Realignment and Closure (BRAC) Commission in 1991 and 1993 took action to end MacDill's flying mission. All of MacDill's 108 new F-16s were transferred to other units, replacing older F-16s. On September 23, 1993, the 56th Fighter Wing's last F-16 departed MacDill, closing out over 52 years of Air Force flying operations.

On January 4, 1994, the 6th Air Base Wing replaced the 56th Fighter Wing as the host unit for MacDill Air Force Base. The 6 ABW will continue what has been the Air Force's other mission at MacDill for the last 30 years -- providing a home base of operations for unified commands.



MacDill Visitor Reception Facility

## 6th Air Base Wing History

The 6th began its long and illustrious history on September 30, 1919 as the 3rd Observation Group at France Field in the Panama Canal Zone. Its mission was to protect the Panama Canal; to include training, participating in maneuvers, flying patrol missions, photographing the canal area, staging aerial reviews, and making good-will flights to Central and South America. In 1921, the group was redesignated the 6th Group (Observation), and in 1922, the 6th Group (Composite). The 6th flew such aircraft as the Curtiss R-4, Dehavilland 4-B, SE-5A, MG-3A, P-12B, and Martin B-10.

In 1937, as the mission of the 6th moved toward bombing, the War Department renamed it the 6th Bombardment Group. They continued to operate in the Canal Zone under the VI Bomber Command of the Sixth Air Force until October 31, 1943, when it was inactivated.

Five months later, on April 19, 1944, the 6th reactivated at Dalhart Army Airfield, Texas, where its B-29 aircrews were trained for deployment to the Pacific Theater. By the 28th of December, the 6th itself had deployed to North Field, Tinian, under the Twentieth Air Force, from where it entered WWII by flying navigational escort for a major attack force bound for Iwo Jima. The 6th then struck Tokyo and other major Japanese cities and facilities. During daylight high-altitude missions through alerted enemy defenses, they dropped incendiary bombs on Tokyo and received their first Distinguished Unit Citation. In addition to incendiary raids, the group contributed to the blockade of the Japanese Empire, and earned their second Distinguished Unit Citation. The 6th's final WWII mission came on August 14, 1945. With the war over, the 6th dropped food and supplies to Allied prisoners and took part in show-of-force flights over Japan.

In January 1946, the 6th Bombardment Group relocated to Clark Field, Luzon, Philippines, and in June 1947, to Kadena, Okinawa, where it was inactivated on October 18, 1948.

Resulting from hostilities in Korea, the 6th was reborn on January 2, 1951, as the 6th Bombardment Wing (Heavy) and began flying the formidable B-36 at Walker AFB, New Mexico. The B-52 Stratofortress replaced the wing's B-36 in September 1957, and KC-135 Stratotankers were added in April 1958.

As the Soviet missile threat increased, so did the 6th's mission. On May 1, 1962, with the arrival of the wing's first Atlas-F SM65 intercontinental ballistic missile, came another name change -- the 6th Strategic Aerospace Wing. The missiles lasted until 1965, when Secretary of Defense Robert S. McNamara announced base closure of Walker AFB and wing inactivation of the 6th.

The inactivation never happened, as the 6th transferred to Eielson AFB, Alaska, without equipment and personnel, on March 25, 1967, to become the 6th Strategic Wing, replacing the 4157th Strategic Wing. The 6th had gone full circle and was back in reconnaissance as it had been in 1919, only with modern, state-of-the-art RC-135 jet aircraft. The 6th Strategic Wing maintained a detachment at Shemya AFB, Alaska, in addition to maintaining the Alaskan Tanker Task Force to support strategic

reconnaissance and NORAD intercept sorties. On April 1, 1988, SAC renamed the wing the 6th Strategic Reconnaissance Wing.

Announcement of the 6th's most recent inactivation came in December 1991, as the mission of the 6th transferred to the 55th Wing at Offutt AFB, Nebraska, and the mission of the Alaskan Tanker Task Force was terminated. The 6th inactivated on September 1, 1992 at Eielson and reactivated at MacDill AFB January 4, 1994 and reopened 75 years of proud heritage.

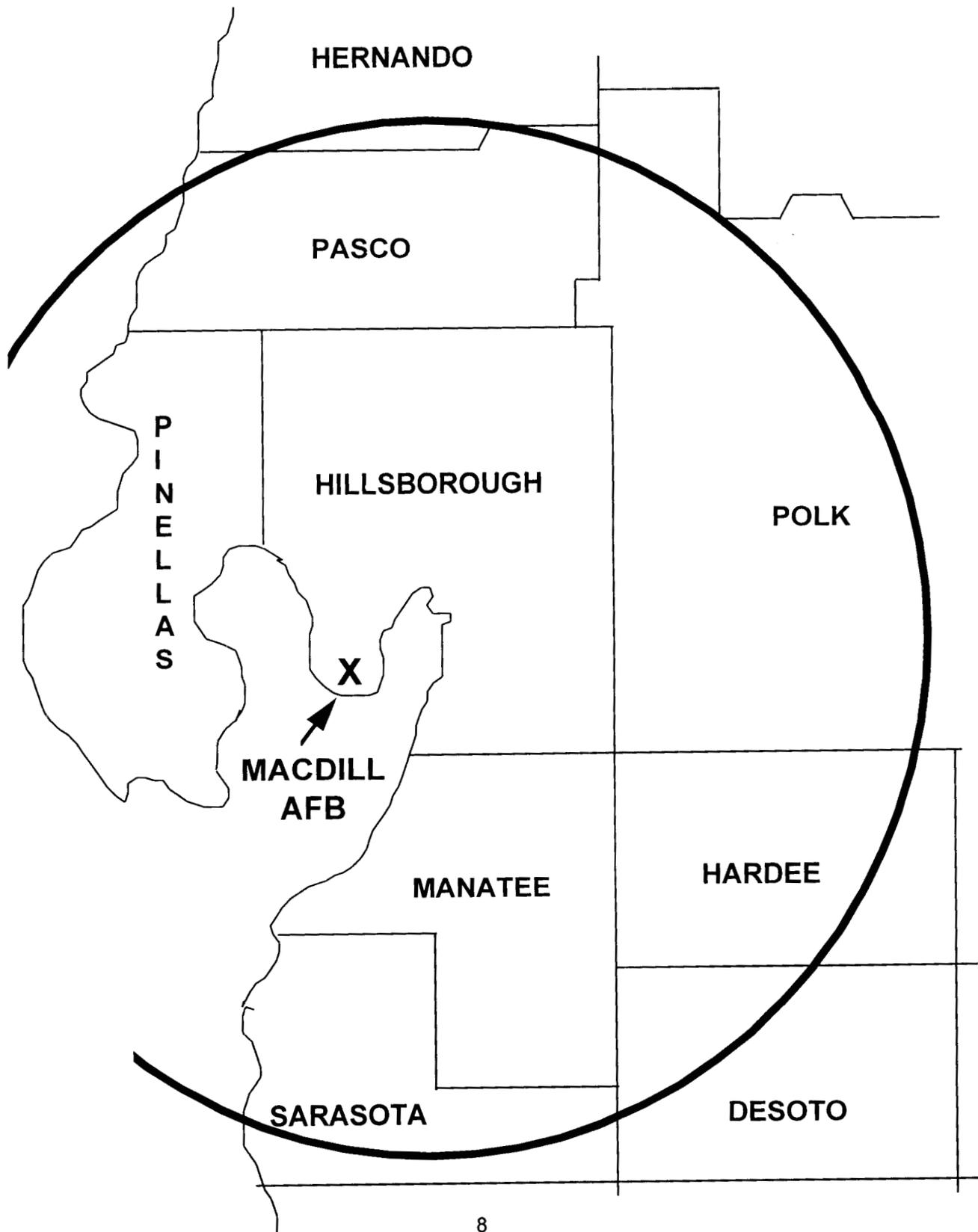


Enlisted Club



Officers Club

# ECONOMIC IMPACT REGION (EIR) (50 MILE RADIUS)





## MACDILL AIR FORCE BASE ECONOMIC IMPACT

The total economic impact of MacDill Air Force Base on the Tampa Bay Region is greater than \$2.2 billion dollars, as estimated by the Center for Economic and Management Research (CEMR), University of South Florida. The total impact is a combination of the effects of base operations and retiree payroll. To put this in perspective with two other studies done by CEMR, one for USF itself, and one for the 1991 Super Bowl, MacDill's impact is twice as great as USF and sixteen times greater than the Super Bowl.

An economic impact analysis estimates the effects of industries or events on an economy. It looks at expenditures of an industry or a person in a specified region and the effects of this initial demand on the rest of the economy that supplies goods, services, or labor. In the case of MacDill Air Force Base there are two types of impacts. The first type is the impact of base operations, which requires inputs of local labor, goods, and services for daily operations. The second is the impact of retiree income: military retirees, who have moved into the region because of base services, add additional demands on all facets of the region's economy. These two impacts combine to support a large number of jobs in the impacted region.

To estimate these effects, the Center for Economic and Management Research used an input-output model that produced a multiplier of 3.2715 for the operations impact and 2.7019 for the combined impacts, both operations and retiree pay.

MacDill Air Force Base, with its total economic impact of over \$2 billion, represents a major economic influence on the Tampa Bay region. Growth of the military retiree population, in addition to the ongoing operations of the base, will continue to produce similar results on a yearly basis.

# MACDILL AIR FORCE BASE ECONOMIC IMPACT

**TOTAL ECONOMIC IMPACT**  
**\$2,214,871,900**

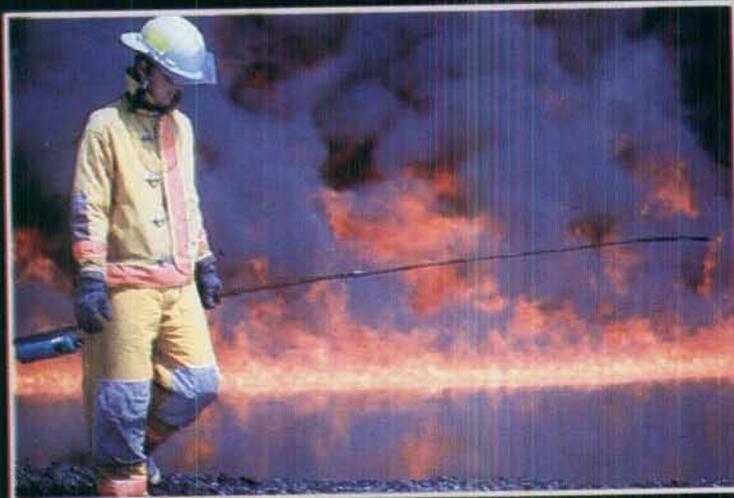
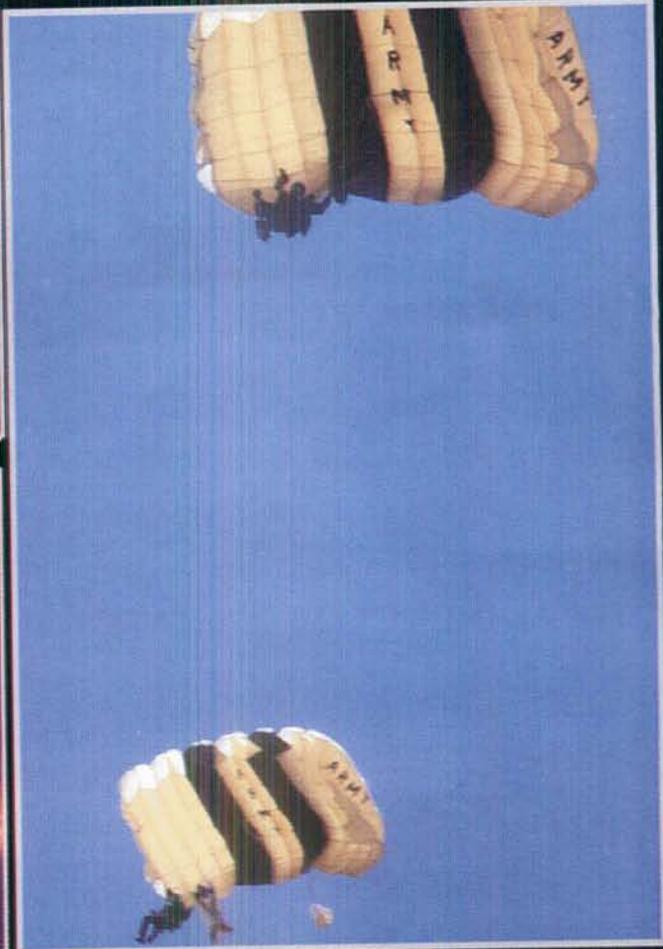
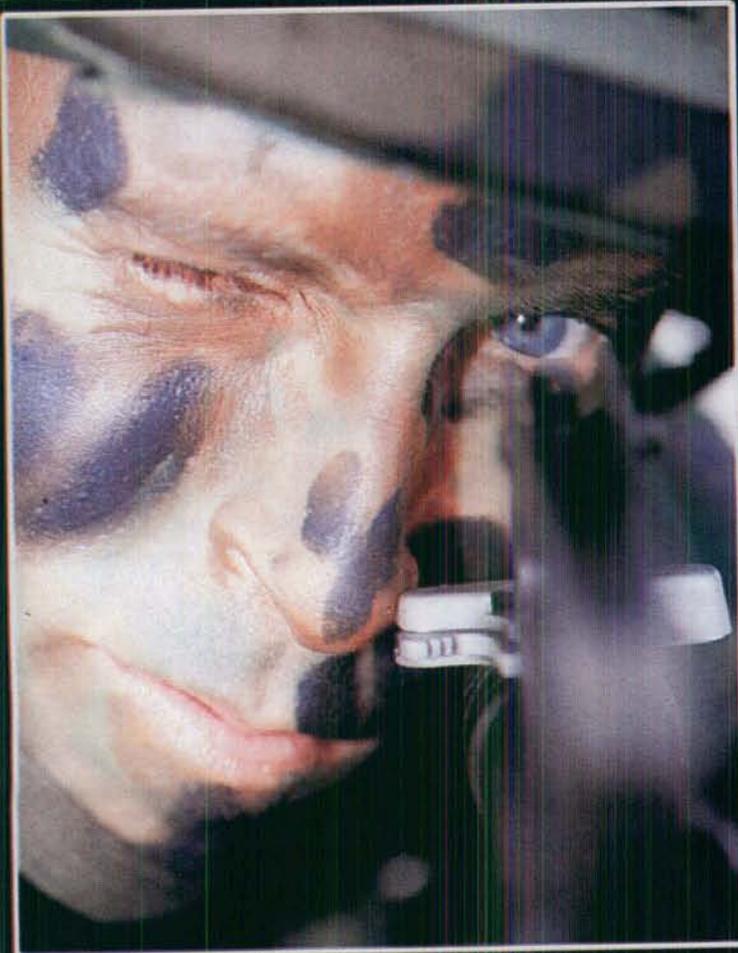
**TOTAL JOBS SUPPORTED**  
**71,627**

DIRECT IMPACT OF OPERATIONS	\$220,061,000
INDIRECT AND INDUCED IMPACTS OF OPERATIONS	\$499,864,800
<b>TOTAL IMPACT OF OPERATIONS</b>	<b>\$719,925,800</b>

JOBS SUPPORTED	24,085
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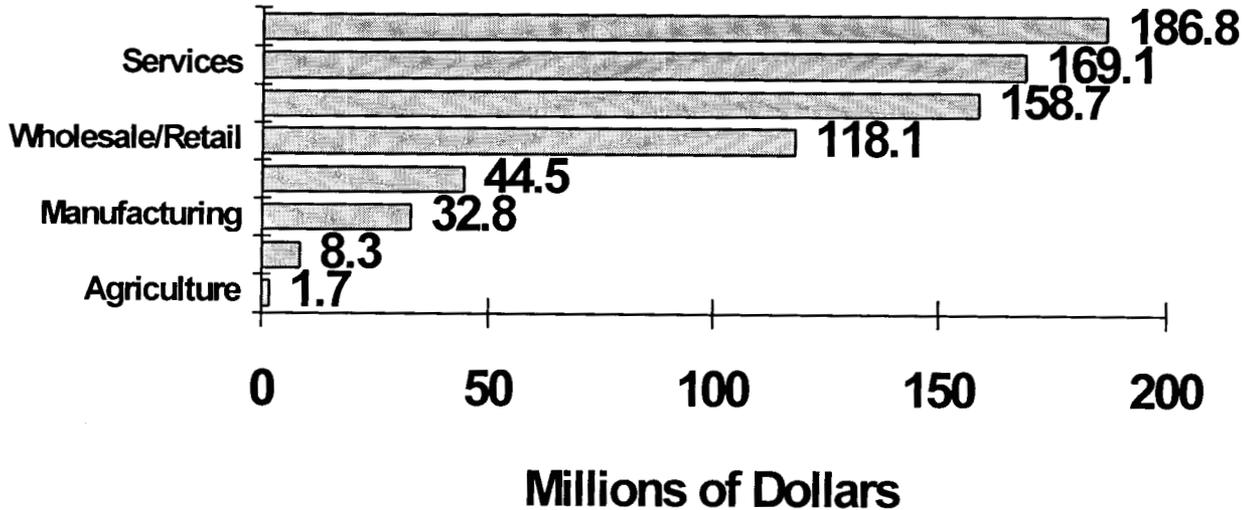
DIRECT IMPACT OF RETIREE'S PAYROLL	\$0
INDIRECT AND INDUCED IMPACTS OF RETIREE'S PAY	\$1,494,946,100
<b>TOTAL IMPACT OF RETIREE'S PAYROLL</b>	<b>\$1,494,946,100</b>

JOBS SUPPORTED	47,542
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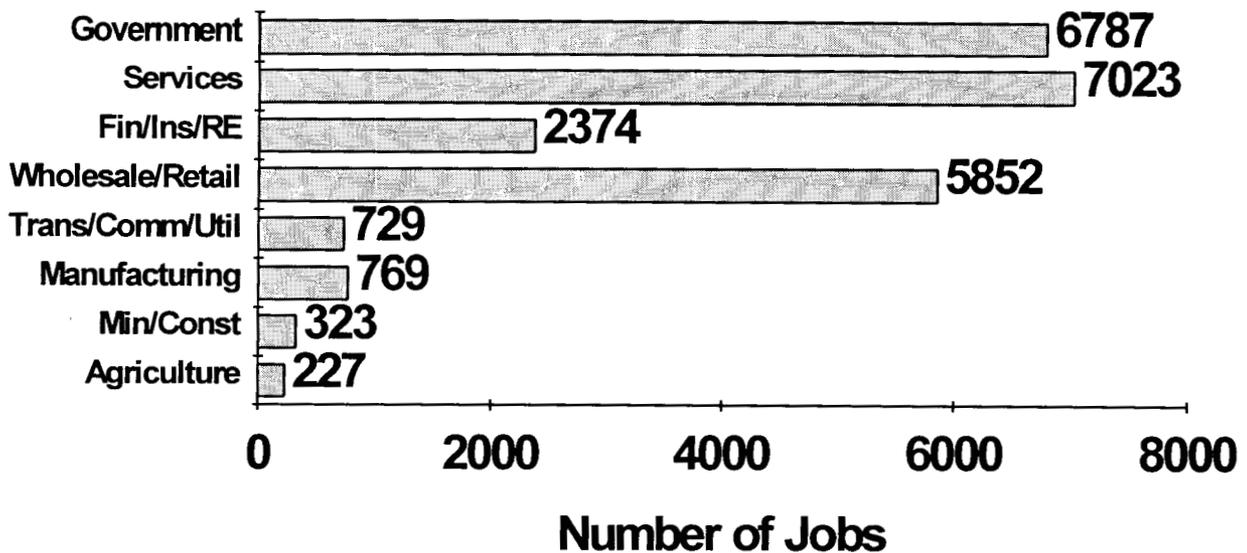


# MACDILL AIR FORCE BASE ECONOMIC IMPACT

## OPERATIONS IMPACT ON INCOME

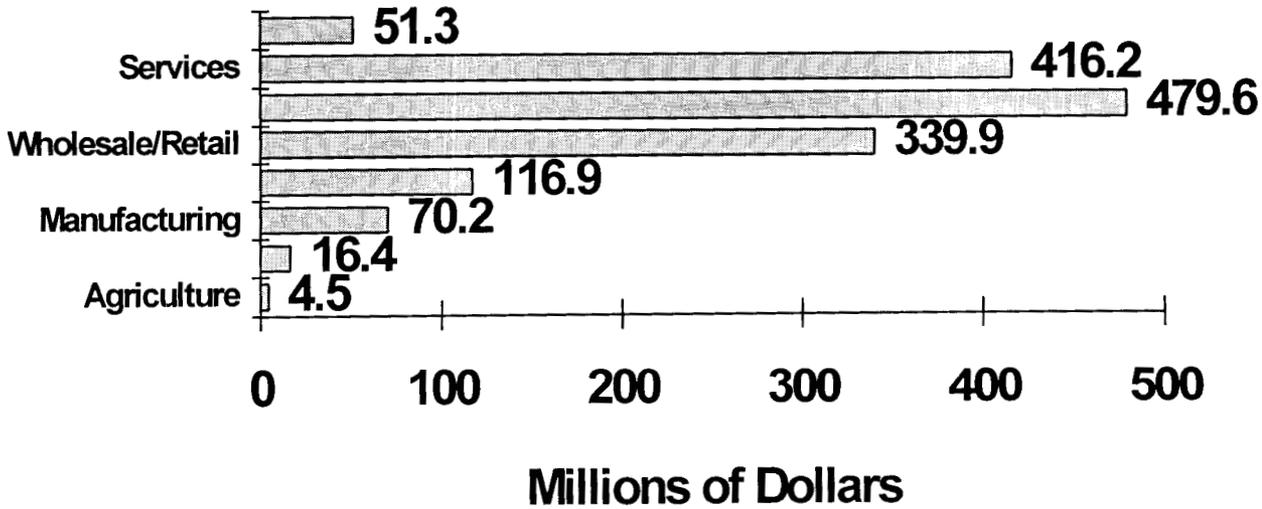


## OPERATIONS IMPACT ON EMPLOYMENT

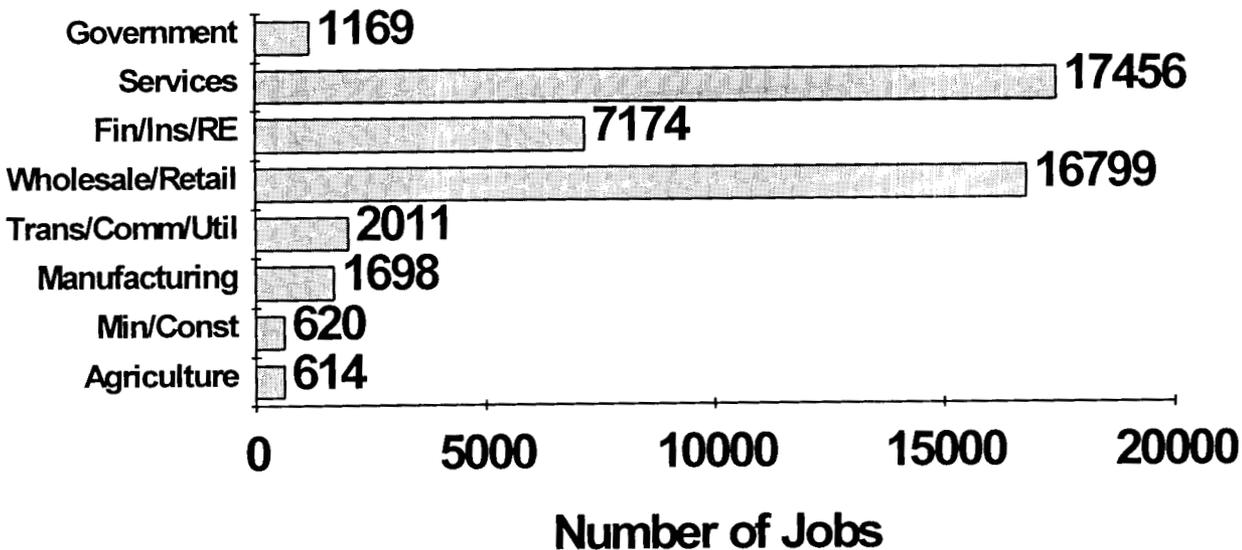


# MACDILL AIR FORCE BASE ECONOMIC IMPACT

## RETIREE PAYROLL IMPACT ON INCOME



## RETIREE PAYROLL IMPACT ON EMPLOYMENT



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## FORCE STRUCTURE/CAPITAL ASSETS

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ACTIVITY	AIRCRAFT TYPE	AUTHORIZATION
USSOCOM	C-12	5
NOAA	WP3D	2
	AC 500	2
	DHC-6	2
	LA-27	2
	CE 550	1
	AC 690	1
	UH-1N (HELO)	2
	MD 500 (HELO)	1
<b>TOTAL</b>		<b>18</b>

LAND	ACRES
FEE OWNED	5,630
EASEMENT	137
<b>TOTAL</b>	<b>5,767</b>

AIRFIELD	SQUARE FEET
ACTIVE RUNWAY (1)            WIDTH - 250 ft, LENGTH - 11,480 ft	2,870,000
INACTIVE RUNWAY (1)        WIDTH - 150 ft, LENGTH - 7,167 ft	1,075,050
TAXIWAYS	6,231,789
AIRCRAFT PARKING RAMP (APRON)	8,732,115
<b>TOTAL</b>	<b>18,908,954</b>

NOTE: MacDill Air Force Base's runway and parking ramps can accommodate any aircraft in service with the United States Government.

BUILDINGS	NUMBER	SQUARE FEET
MAINTENANCE AND OPERATIONS	51	561,114
CIVIL ENGINEERING	108	238,228
BASE SUPPLY	20	253,374
ADMINISTRATION	74	840,221
COMMISSARY	1	213,381
RECREATIONAL	57	248,593
BASE EXCHANGE	6	189,970
MEDICAL	22	283,876
HOUSING AND DORMITORIES	814	1,475,555
<b>TOTAL</b>	<b>1153</b>	<b>4,304,312</b>

**PERMANENT PARTY QUARTERS**

<b>FAMILY HOUSING</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>	<b>TOTAL</b>
OFFICERS	16	53	40	109
ENLISTED	166	433	96	695
<b>TOTAL</b>	<b>182</b>	<b>486</b>	<b>136</b>	<b>804</b>

<b>DORMITORIES</b>	<b>NUMBER</b>	<b>BED CAPACITY</b>
ENLISTED	10	1,356

<b>VISITOR LODGING</b>	<b>NUMBER</b>	<b>BED CAPACITY</b>
VISITING AIRMEN QUARTERS	2	136
VISITING OFFICERS QUARTERS	4	137
TEMPORARY LODGING FACILITY	2	24
DISTINGUISHED VISITORS QUARTERS	2	23
<b>TOTAL</b>	<b>10</b>	<b>320</b>

**BASE COMPUTERS OWNED** **5,280**

<b>VEHICLES</b>	<b>TOTAL</b>
GENERAL PURPOSE (SEDANS, TRUCKS, BUSES, etc.)	609
SPECIAL PURPOSE (FIRE TRUCKS, WRECKERS, WATER TRUCKS, etc.)	94
BASE MAINTENANCE (TRACTORS, SWEEPERS, CONSTRUCTION, etc.)	18
MATERIAL HANDLING (FORKLIFTS, WAREHOUSE TUGS, etc.)	40
<b>TOTAL</b>	<b>761</b>



Single Unit Housing

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## VALUE OF RESOURCES AND MATERIEL

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<b>WEAPON SYSTEMS</b>	<b>VALUE</b>
AIRCRAFT	31,223,101
SUPPORT EQUIPMENT	9,016,400
<b>TOTAL</b>	<b>\$40,239,501</b>

<b>CAPITAL ASSETS</b>	
LAND	66,138,000
RUNWAYS	310,243,000
REAL PROPERTY	738,161,000
<b>TOTAL</b>	<b>\$1,114,542,000</b>

<b>EQUIPMENT</b>	
6 ABW MISSION EQUIPMENT	27,852,000
NONAPPROPRIATED FUND (NAF) EQUIPMENT	7,203,524
USSOCOM DEPLOYABLE AND INDIVIDUAL EQUIPMENT	15,971,331
JCSE MISSION EQUIPMENT	60,580,578
USCENTCOM DEPLOYABLE AND INDIVIDUAL EQUIPMENT	4,900,000
<b>TOTAL</b>	<b>\$116,507,433</b>

<b>REVOLVING STOCK FUND INVENTORIES</b>	
MEDICAL/DENTAL	4,487,814
GENERAL SUPPORT	6,485,980
SYSTEM SUPPORT	2,789,456
REPARABLE SUPPORT DIVISION (RSD)	26,856,632
GROUND FUELS	61,109
<b>TOTAL</b>	<b>\$40,680,991</b>

NOTE: Revolving Stock Funds are accounts used for buying and selling inventory with a "no profit, no loss" cycle.

<b>RETAIL INVENTORIES</b>	
SALES OUTLETS - BASE EXCHANGE	9,600,000
COMMISSARY	1,057,521
NAF ACTIVITIES	324,459
<b>TOTAL</b>	<b>\$10,981,980</b>

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**SUMMARY OF PERSONNEL BY  
CLASSIFICATION AND HOUSING LOCATION**

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CLASSIFICATION	LIVING ON-BASE	LIVING OFF-BASE	TOTAL
<b>APPROPRIATED FUNDS MILITARY</b>			
ACTIVE DUTY PERMANENT PARTY	1,311	2,625	3,936
ANG/RESERVE PERMANENT PARTY	4	44	48
TRADITIONAL GUARD/RESERVE	0	609	609
<b>TOTAL</b>	<b>1,315</b>	<b>3,278</b>	<b>4,593</b>
<b>ACTIVE DUTY DEPENDENTS</b>	<b>1,767</b>	<b>6,379</b>	<b>8,146</b>
<b>APPROPRIATED FUNDS CIVILIAN</b>			
GENERAL SCHEDULE (positions classified as professional, managerial, technical, scientific, administrative, or clerical)			1150
FEDERAL WAGE GRADE (positions classified as trade, craft, or manual labor)			214
<b>TOTAL</b>			<b>1,364</b>
<b>NONAPPROPRIATED FUNDS, CONTRACT CIVILIAN, AND PRIVATE BUSINESS</b>			
BASE EXCHANGE EMPLOYEES			395
NONAPPROPRIATED FUNDS EMPLOYEES			411
MACDILL FEDERAL CREDIT UNION EMPLOYEES (on-base)			9
BARNETT BANK			6
<b>TOTAL</b>			<b>821</b>
<b>MILITARY RETIREES (Within 50 mile impact region)</b>			
AIR FORCE			17,699
ARMY			11,978
NAVY			7,413
MARINE			1,769
COAST GUARD			1,199
RETIREE DEPENDENTS			52,075
<b>TOTAL</b>			<b>92,133</b>
<b>MILITARY RETIREES LOCATED IN THE CENTRAL FLORIDA AREA (OCALA TO FORT MYERS; ST PETERSBURG TO ORLANDO)</b>			<b>196,784</b>

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**SUMMARY OF ANNUAL GROSS PAYROLL BY  
CLASSIFICATION**

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<b>CLASSIFICATION</b>	<b>TOTAL (\$)</b>
 <b>APPROPRIATED FUNDS MILITARY</b>	
ACTIVE DUTY PERMANENT PARTY	120,042,138
ANG/RESERVE PERMANENT PARTY	1,244,268
TRADITIONAL GUARD/RESERVE	2,042,952
<b>TOTAL</b>	<b>\$123,329,358</b>
 <b>APPROPRIATED FUNDS CIVILIAN</b>	
GENERAL SCHEDULE	41,771,277
FEDERAL WAGE GRADE	7,075,640
<b>TOTAL</b>	<b>\$48,846,917</b>
 <b>NONAPPROPRIATED FUNDS, CONTRACT CIVILIAN, AND PRIVATE BUSINESS</b>	
BASE EXCHANGE EMPLOYEES	6,000,000
NONAPPROPRIATED FUNDS EMPLOYEES	5,667,760
MACDILL FEDERAL CREDIT UNION EMPLOYEES (on-base)	126,338
BARNETT BANK	120,300
<b>TOTAL</b>	<b>\$11,914,398</b>
 <b>MILITARY RETIREES' PAYROLL (Within 50 mile impact region)</b>	
AIR FORCE	255,348,000
ARMY	190,560,000
NAVY	105,996,000
MARINE	26,952,000
COAST GUARD	20,831,904
<b>TOTAL</b>	<b>\$599,687,904</b>

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**SUMMARY OF CONSTRUCTION, CONTRACTS, AND EXPENDITURES  
FOR MATERIEL, EQUIPMENT, AND SUPPLIES**

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<b>CONSTRUCTION</b>	<b>ANNUAL EXPENDITURE</b>
MILITARY CONSTRUCTION PROGRAM (MCP)	999,642
MILITARY FAMILY HOUSING (MFH)	1,024,831
NONAPPROPRIATED FUNDS (NAF)	733,340
OPERATIONS AND MAINTENANCE	3,965,075
OTHER (HOSPITAL, SOCOM, CENTCOM)	1,734,533
SIMPLIFIED ACQUISITION BASE ENGINEERING REQUIREMENTS (SABER)	1,541,602
ARCHITECTURAL & ENGINEERING	308,433
<b>TOTAL</b>	<b>\$10,307,456</b>

<b>SERVICE CONTRACTS</b>	
GROUNDS	924,777
BUILDINGS	1,354,766
CUSTODIAL	1,441,249
REFUSE	1,064,320
COMPUTER MAINTENANCE	166,018
TELECOMMUNICATIONS	1,807,963
UTILITIES	6,861,058
BLANKET PURCHASE AGREEMENTS	732,836
PREVENTIVE MAINTENANCE AGREEMENTS	4,019,280
PURCHASE ORDERS	1,531,988
OTHER SERVICES (MEDICAL, ENVIRONMENTAL, REPAIR, ETC)	15,264,753
<b>TOTAL</b>	<b>\$35,169,008</b>

NOTE: Blanket Purchase Agreements are "charge accounts" for filling anticipated repetitive needs for supplies or services.

<b>PURCHASED COMMODITIES</b>	
COMMUNICATION EQUIPMENT	1,114,503
MEDICAL SUPPLIES AND EQUIPMENT	3,863,345
COMPUTER EQUIPMENT	9,246,100
FURNITURE	2,342,493
HOUSEHOLD FURNISHINGS	633,317
OFFICE SUPPLIES	520,474
MISCELLANEOUS ITEMS	7,445,987
<b>TOTAL</b>	<b>\$25,166,219</b>

**DEFENSE COMMISSARY AGENCY (DECA), BASE EXCHANGE,  
EDUCATION AND TDY EXPENDITURES**

BASE EXCHANGE	12,000,000
DECA	53,808,300
EDUCATION (TUITION ASSISTANCE & IMPACT AID)	1,561,400
TEMPORARY DUTY (TDY)	10,060,784
<b>TOTAL</b>	<b>\$77,430,484</b>

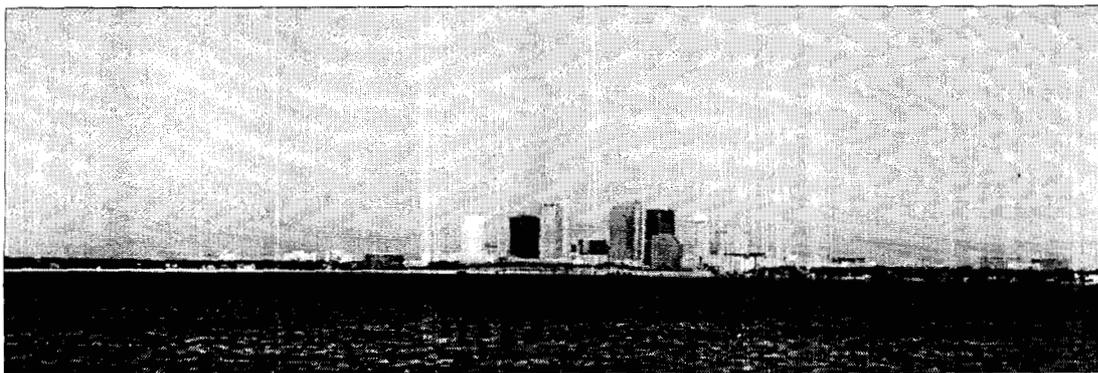
NOTE: Impact Aid is provided by the federal government to local schools when federal employees or their children attend those schools.

**RETAIL SALES**

BASE EXCHANGE	52,000,000
COMMISSARY	62,718,855
NAF ACTIVITIES	9,966,875
<b>TOTAL</b>	<b>\$124,685,730</b>

**BASE WIDE OPERATIONS AND MAINTENANCE  
EXPENDITURES (excludes civilian pay)**

**\$109,238,972**



City of Tampa

**DISTRIBUTION "C"**

**ALL 6th AIR BASE WING UNITS/AGENCIES, TENANT, & ATTACHED UNITS**

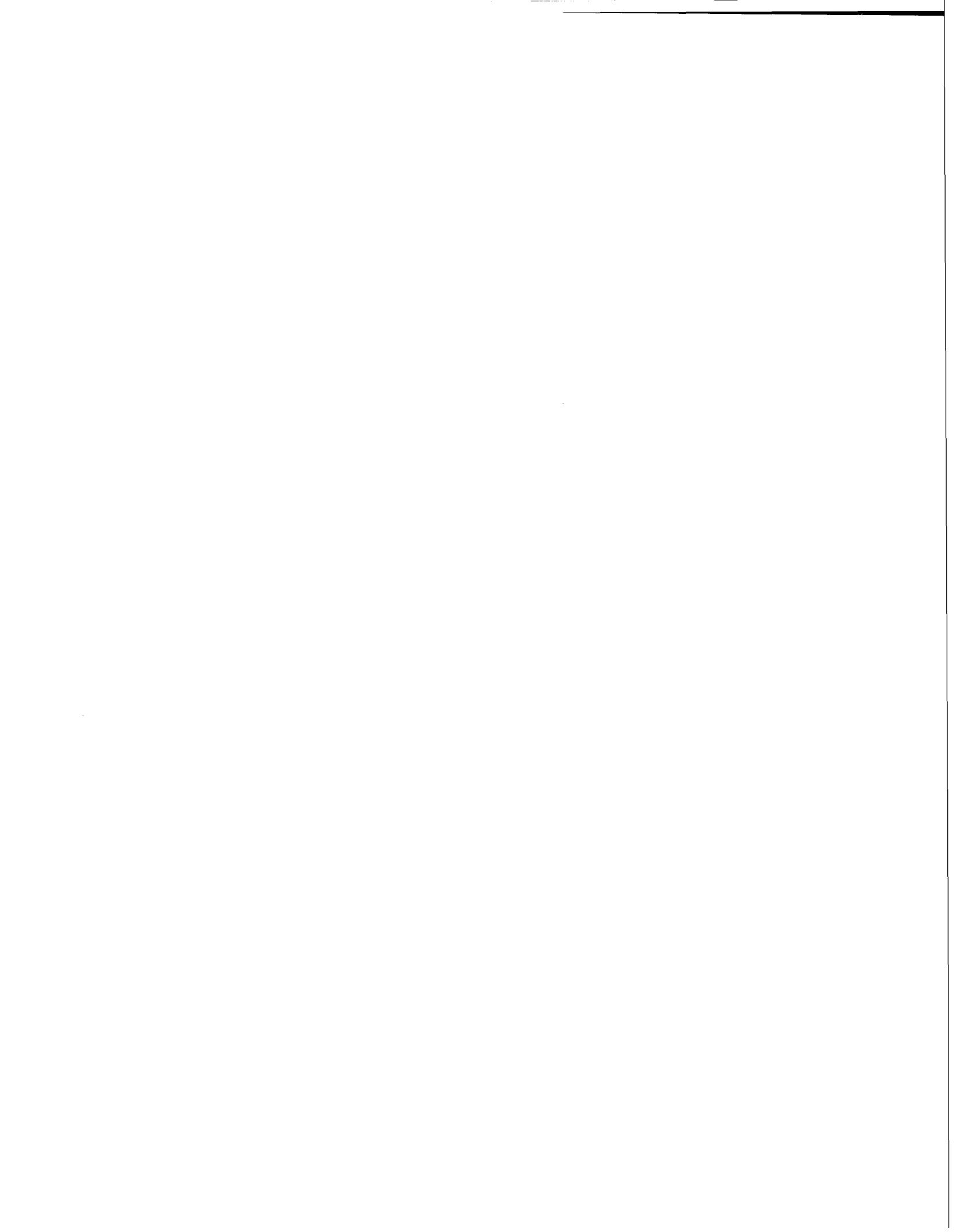
**6th AIR BASE WING UNITS/AGENCIES:**

6 ABW/CC	5
6 ABW/DS	1
6 ABW/CP	1
6 ABW/JA	1
6 ABW/QI	1
6 ABW/PA	400
6 ABW/SA	1
6 ABW/SE	1
6 ABW/HC	1
6 ABW/MO	1
6 CPTS/CC	25
6 OG/CC	1
6 OSS/CC	1
6 SG/CC	5
6 CS/CC	1
6 MSSQ/CC	1
6 MSSQ/MSI	1
6 SVS/CC	1
6 SPS/CC	1
6 CES/CC	1
6 LG/CC	5
6 LSF/CC	1
6 TRNS/CC	1
6 SUPS/CC	1
6 CONS/CC	1
6 MG/CC	5
DET 1, 6 SG/CC	1

**TENANT & ATTACHED UNITS:**

610 AEG/CC	1
DET 21, SA-ALC	1
DET 209, AFOSI	1
DET QD2S/ADC	1
AAFES	1
DECA	1
DRMO	1
JCSE	5
USCENTCOM	30
USSOCOM	30
290 JCSS	1
NOAA	1
DET 115 OLB AFOSI	1
RETIREE AFFAIRS OFFICE	30
DEPCOMUSNAVCENT	1
RESUPSHIP	1

**TOTAL COPIES REQUIRED: 573**





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## INSTALLATION RESTORATION PROGRAM UPDATE



JANUARY 1995  
FACT SHEET NO. 1

# MACDILL AIR FORCE BASE

Hillsborough County, Florida

RCRA Facility Investigation/  
Contamination Assessment

## INTRODUCTION

This fact sheet has been prepared to inform the local officials and citizens of the status and nature of the hazardous waste investigation and cleanup activities at MacDill Air Force Base (AFB) to date. Specifically, this Fact Sheet provides a brief history of environmental investigations, discusses the Installation Restoration Program (IRP) process, and identifies ways to obtain further information. To assist the reader with unfamiliar words and terms, a list of acronyms and abbreviations has been included on page 6.

This Fact Sheet is the first in a series of Fact Sheets that will be issued by MacDill AFB. Future Fact Sheets will be issued to coincide with milestones in the IRP process at MacDill AFB.

## INSTALLATION RESTORATION PROGRAM - BACKGROUND

In 1980 the Air Force initiated the IRP, which fulfills the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) for notification, investigation, and remediation of past U. S. Department of Defense (DoD) waste releases at all of its bases in the U. S. In 1981, MacDill AFB began a records search and preliminary assessment/site inspection activities at a number of areas of industrial activity. These efforts identified 24 potentially contaminated sites.

In January 1988, under the Resource Conservation and Recovery Act (RCRA), a RCRA facility assessment (RFA) was conducted at various base locations to assess the potential for the release of hazardous constituents to the environment. Based on the RFA findings, eighteen solid waste management units (SWMUs) and two areas of concern (AOCs) were evaluated as having a potential for release of hazardous constituents. In accordance with Section 3004 (u) of RCRA, as amended by the Hazardous and Solid Waste Amendments (HSWA) of 1984 (PL 98-616), the U. S. Environmental Protection Agency (EPA), in conjunction with the Florida Department of Environmental

Protection (FDEP), issued a RCRA HSWA permit to MacDill AFB on August 15, 1991. The permit requires the base to conduct a RCRA facility investigation (RFI) and, if necessary, a corrective measures study (CMS) of the twenty sites identified during the 1988 RFA. However, a letter from the EPA dated July 28, 1993, allows for the investigation and remediation of six of the SWMUs and the two AOCs under Chapter 62-770 (formerly Chapter 17-770) of the Florida Administrative Code (FAC), Petroleum Contamination Cleanup Criteria.

To date a total of 41 individual sites have been identified in the IRP. In summary, twelve sites are to be addressed under RCRA and nineteen sites under Chapter 62-770, FAC. Ten sites are under review for no further action. A list of the sites and a site location map are presented on pages 3 through 5.

MacDill AFB is not listed on the National Priorities List nor does it have an Interagency Agreement in place with either the FDEP or the EPA.

## CURRENT STATUS OF ENVIRONMENTAL INVESTIGATIONS

Investigation activities are currently being conducted at 27 sites at MacDill AFB. These sites are identified by numbers assigned during previous investigation activities. In addition, the areas being investigated under RCRA regulations are identified as "SWMUs;" areas investigated under Chapter 62-770, FAC, are identified as "Sites."

### RFI Sites

The RFI is being conducted to identify the nature and extent of contamination which may be present in the environment as the result of previous waste handling or disposal methods. If necessary, a CMS will be conducted to evaluate options to address contamination to protect human health and the environment. An RFI is being performed for the following twelve sites: SWMU 2, SWMUs 5 through 11, SWMU 17, SWMU 25, SWMU 28, and SWMU 29. RFI activities were initiated in June 1994.

### Petroleum Contamination Sites

Twelve additional sites are currently being investigated under Chapter 62-770, FAC. Contamination assessment reports (CARs) will be generated to document the findings of the site investigation activities. If necessary, remedial action plans (RAPs) will be generated for each site to evaluate technologies to address contamination. The twelve sites being investigated for petroleum contamination include: Site 16, Site 19, Site 21, Site 22, Site 26, Site 32, Site 39, Site 52, and Sites 54 through 57. CAR activities were initiated in September 1993.

In addition to the investigation of the above sites, groundwater treatment is underway at Sites 23 and 38. Sites 24 and 49 are under long-term monitoring.

An investigation has also been initiated for Site 48 to confirm the presence of elevated levels of arsenic in the groundwater. Although the scope of this investigation does not fall under the jurisdiction of RCRA or Chapter 62-770, FAC, the investigation is being conducted concurrently.

### **FEDERAL AND STATE COORDINATION**

The Air Force has entered into a partnering initiative with the EPA and FDEP. Under this initiative, the Remedial Project Managers (RPMs) from these agencies, with the Air Force as the lead agency, will oversee IRP activities at MacDill AFB.

### **COMMUNITY RELATIONS**

The Air Force, in consultation with the EPA and FDEP, has developed a Community Relations Plan (CRP). The CRP will facilitate ongoing communication between the base and the community about environmental restoration activities. It will serve as a mechanism for community participation in the IRP process. The MacDill CRP is based on discussions and interviews with base leaders and personnel and research into ongoing community concerns. The plan identifies techniques that the Air Force will use to communicate effectively with the community as the IRP proceeds. Typical communications efforts will include preparing fact sheets and project update letters, holding public meetings, issuing press releases, and maintaining dialogue with local residents and officials regarding site developments through the Restoration Advisory Board.

### **PARTIAL BASE CLOSURE AND REALIGNMENT**

As a result of the Base Closure and Realignment Act of 1988 and the Defense Base Closure and Realignment Act of 1990, MacDill AFB was selected for partial closure and

realignment. That decision initiated the disposal and reuse planning process, which included development and presentation to the public of an Environmental Impact Statement (EIS). Base areas slated for realignment or closure have priority in the restoration process because environmental problems must be addressed before the property can be transferred. Remaining contaminated or unevaluated areas are subject to ongoing response actions.

In 1991, a realignment and partial base closure was announced for MacDill AFB. The announcement specified that MacDill would become an "administrative base," supporting some tenant units and retaining Exchange services and the base hospital. F-16 training operations were moved to Luke AFB, Arizona; the last F-16 aircraft trainer departed MacDill in 1993. Also, Air Force Reserve F-16s, which had relocated to MacDill following Hurricane Andrew, returned to Homestead Air Force Base in March 1994. As a result of base realignment and closure (BRAC) legislation in 1993, MacDill is currently planning on transferring the airfield side of the base to the Department of Commerce. As a result, the entire base will remain federal property, shared by two Departments.

Specific concerns about the partial closing and realignment of MacDill AFB are addressed in the Environmental Impact Statement. Any questions about the status of the base realignment may be addressed to the base Public Affairs office:

Ms. Diane Green  
6 ABW/PA

8208 Hanger Loop Drive, Suite 5  
MacDill AFB, FL 33621-5502

### **INVESTIGATION PROCESS**

The Air Force will continue to conduct the additional studies necessary to complete the RFI/CMS (and CAR/RAP) for all sites. The RFI (CAR) portion confirms the location and quantity of potentially hazardous contaminants in the surface and subsurface soils and waters, and assesses the human and ecological risks associated with such contaminants. The CMS (RAP) portion uses the information collected and conclusions presented in the RFI (CAR) to evaluate cleanup alternatives that may be appropriate for the conditions at a particular site.

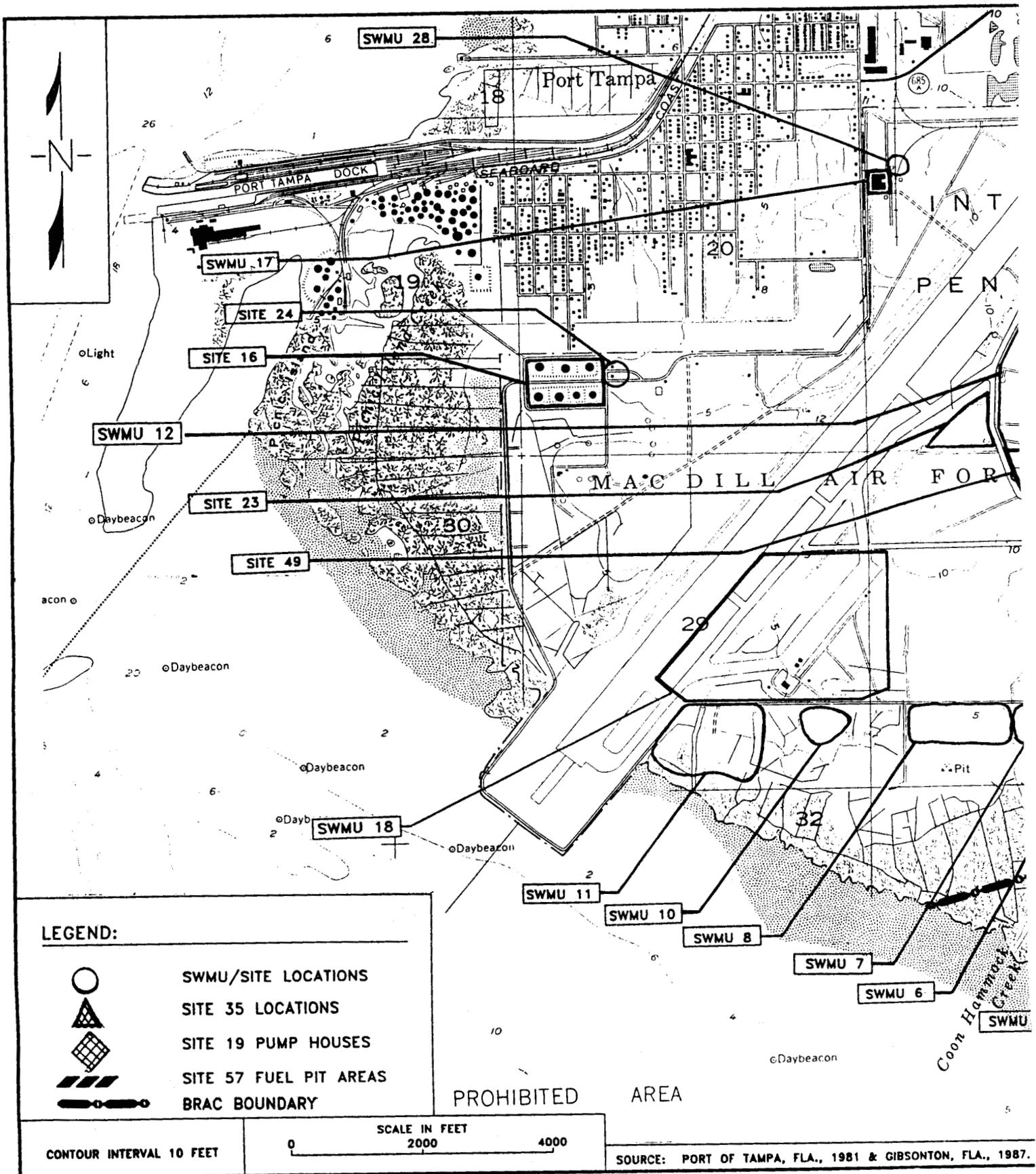
The continuing investigation efforts will lead to cleanup alternatives for each site. At the completion of CMS (RAP) activities, a fact sheet to announce the proposed remedy will be prepared. A public meeting will be conducted to address citizen questions or comments about the proposed plan. Following the public comment period, *(continued on page 7)*

**SUMMARY OF MACDILL AFB IRP SITES**

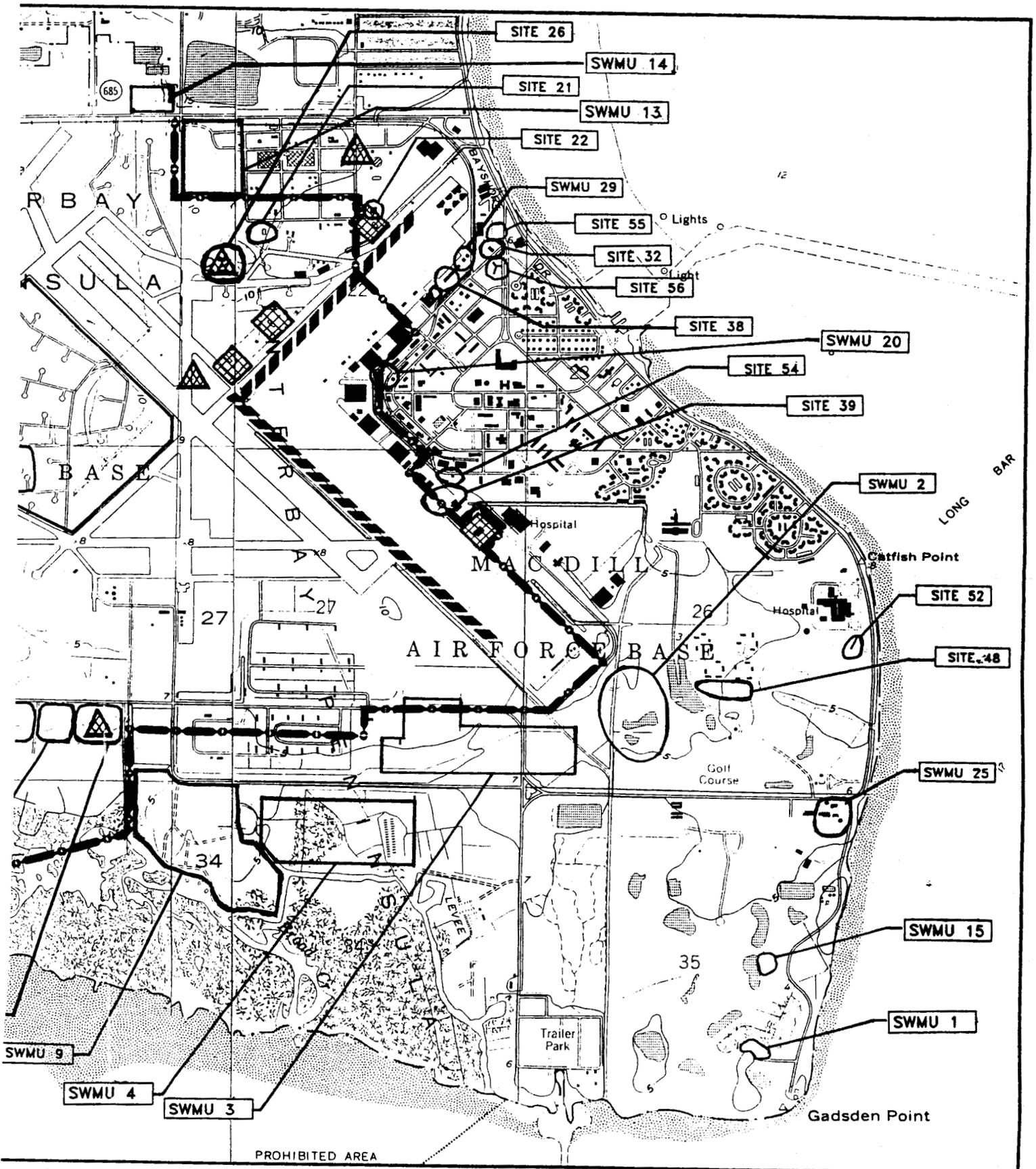
<u>SITE NO.</u>	<u>SITE ALIAS</u>	<u>SITE DESCRIPTION</u>	<u>MATERIALS DISPOSED</u>	<u>STATUS</u>
LF-01	SWMU 1	Landfill at Gadsden Point	Landfill	NFA*
LF-02	SWMU 2	Landfill at Golf Course	Landfill	RFI
LF-03	SWMU 3	Landfill at Dog Kennel	Landfill	NFA*
LF-04	SWMU 4	Rubble Landfill	Landfill	NFA*
LF-05	SWMU 5	Landfill at CE Washrack	Landfill	RFI
LF-06	SWMU 6	Landfill at EOD East	Landfill	RFI
LF-07	SWMU 7	Landfill at EOD West	Landfill	RFI
LF-08	SWMU 8	Landfill West	Landfill	RFI
LF-09	SWMU 9	Current Landfill	Landfill	RFI
LF-10	SWMU 10	Rubble Landfill	Landfill	RFI
LF-11	SWMU 11	Chemical Munitions Landfill	Landfill	RFI
LF-12	SWMU 12	Sludge Disposal Area	Sewage Treatment Sludge	NFA*
WP-13	SWMU 13	Creosote Pit	Creosote	NFA*
WP-14	SWMU 14	Clear Zone Pond	Pesticides	NFA*
WP-15	SWMU 15	Sludge Pit	Sewage Treatment Sludge	NFA*
ST-16	SWMU 16	Fuel Tank Farm	Fuel storage tanks	CAR
SS-17	SWMU 17	Drum Storage Area/Laundry	Drum storage	RFI
SS-18	---	Chemical Agent Storage	Munitions	NFA*
SS-20	SWMU 20	Former Paint Storage	Paint	NFA*
SS-21	Site 21	Old Refuel Area	Petroleum	CAR
ST-22	Site 22	Earth Berm	Aboveground fuel storage	CAR
FT-23/23NW	SWMU 23	Northwest Fire Training Area	Fire training	GW Treatment
OT-24	SWMU 24	Energy Management Laboratory	Petroleum	Monitoring
ST-25	SWMU 25	Former Aboveground Tanks	Fuel storage tanks	RFI
SD-26	Site 26/SWMU 35	Former Jet Engine Test Cell	Underground tank	CAR
OT-28	SWMU 28	Entomology Wash Shop Area	Pesticides	RFI
OT-29	SWMU 29	Vinyl Chloride Area	Vinyl Chloride	RFI
SS-32	Site 32	Former Gas Station	Underground fuel tanks	CAR
ST-38	SWMU 38	Former Fuel Storage Area 1	Underground fuel tanks	GW Treatment
ST-39	Site 39	Former Fuel Storage Area 2	Underground fuel tanks	CAR
OT-48	Site 48	Arsenic Contamination Area	Arsenic	Under invest.
FT-49/23SE	---	Southeast Fire Training Area	Fire training	Monitoring
ST-52	Site 52	Hospital Dorm UST Area	Underground fuel tank	CAR
ST-53	Site 53	Avionics UST Area	Underground fuel tank	CAR
ST-54	Site 54	Military Gas Station	Underground fuel tank	CAR
ST-55	Site 55	Fuels Storage Area	Underground fuel tanks	CAR
ST-56	Site 56	AAFES Service Station	Underground fuel tanks	CAR
ST-57	SWMU 19/27	Flightline Fuel System	Underground fuel tanks/pipes	CAR
ST-58	SWMU 35	Oil/Water Separator	Petroleum	CAR
ST-59	SWMU 35	Oil/Water Separator	Petroleum	CAR
ST-60	SWMU 35	Oil/Water Separator	Petroleum	CAR

\* No further action has been recommended for these sites pending regulatory approval.

# MACDILL AIR



# FORCE BASE



## ACRONYMS AND INITIALISMS

ACC	Air Combat Command
AFB	Air Force Base
AOC	Area of Concern
CAR	Contamination Assessment Report
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CES	Civil Engineering Squadron
CMS	Corrective Measures Study
CRP	Community Relations Plan
DoD	Department of Defense
DRMO	Defense Reutilization and Marketing Organization
EIS	Environmental Impact Statement
EPA	U. S. Environmental Protection Agency
FAC	Florida Administrative Code
FDEP	Florida Department of Environmental Protection
HSWA	Hazardous and Solid Waste Amendments
JCSE	Joint Communications Support Element
IRP	Installation Restoration Program
NOAA	National Oceanographic and Atmospheric Administration
PA/SI	Preliminary Assessment/Site Inspection
RA	Remedial Action
RAB	Restoration Advisory Board
RAP	Remedial Action Plan
RCRA	Resource Conservation and Recovery Act
RD	Remedial Design
RFA	RCRA Facility Assessment
RFI	RCRA Facility Investigation
RI/FS	Remedial Investigation/Feasibility Study
ROD	Record of Decision
RPM	Remedial Project Manager
SAC	Strategic Air Command
SWMU	Solid Waste Management Unit
TAC	Tactical Air Command
TSD	Treatment, Storage, or Disposal
TTW	Tactical Training Wing
USACE	U. S. Army Corps of Engineers

## GLOSSARY

The following definitions are not the formal regulatory definitions. They have been provided to give the public an understanding of the environmental investigation process.

**Cleanup:** Actions taken to deal with a release or threatened release of hazardous substances that could affect public health and/or the environment. The term "cleanup" is often used broadly to describe various response actions or phases or remedial responses such as the RCRA facility investigation/corrective measures study.

**Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA):** A federal law passed in 1980 and modified in 1986 by the Superfund Amendments and Reauthorization Act. The Acts created a special tax that goes into a trust fund, commonly known as Superfund, to investigate and clean up abandoned or uncontrolled hazardous waste sites. Under the program, EPA can either:

Pay for site cleanup when parties responsible for the contamination cannot be located or are unwilling or unable to perform the work.

Take legal action to force parties responsible for site contamination to clean up the site or pay back the Federal government for the cost of the cleanup.

**Contamination Assessment Report/Remedial Action Plan (CAR/RAP):** A contamination assessment report is generated to evaluate the nature and extent of contamination at a site following site investigation activities. A remedial action plan is an evaluation of cleanup alternatives to address site contamination that considers the effectiveness, protectiveness, implementability, and cost of each alternative.

**Hazardous Substance:** Any material that poses a threat to public health and/or the environment. Typical hazardous substances are materials that are toxic, corrosive, ignitable, explosive, or chemically reactive.

**Information Repository:** A file containing current information, technical reports, and reference documents, usually regarding a Superfund site. The information repository is usually located in a public building that is convenient for local residents, such as a library. As the remedial process continues at the site, the file at the information repository is updated.

**Installation Restoration Program:** A comprehensive Department of Defense program to identify, assess, and remediate hazardous waste sites at DoD facilities. The IRP is closely associated with the Superfund program conducted by the EPA. One major difference between the programs is that the IRP is funded and managed by the DoD which had delegated management and implementation of the program to the individual services.

**National Priorities List (NPL):** EPA's list of the most serious uncontrolled or abandoned hazardous waste sites identified for possible long-term remedial response using money from the trust fund. Sites on the NPL are eligible for the Superfund program. EPA is required to update the NPL at least once a year.

**Record of Decision (ROD):** A public document that explains which cleanup alternative(s) will be used at contaminated sites. The ROD is based on the information and technical analysis generated during the RFI/CMS and consideration of public comments and community concerns.

**RCRA Facility Investigation/Corrective Measures Study (RFI/CMS):** Investigative and analytical studies usually performed at the same time in an interactive process. These studies are intended to:

Gather the data necessary to determine the type and extent of contamination at a site.

Establish criteria for cleaning up the site.

Identify and screen cleanup alternatives for remedial action.

Analyze in detail the technology and costs of the alternatives.

**Resource Conservation and Recovery Act (RCRA):** A Federal law that established a regulatory system to track hazardous substances from the time of generation to disposal. The law requires safe and secure procedures to be used in treating, transporting, storing, and disposing of hazardous substances. RCRA is designed to prevent new, uncontrolled hazardous waste sites.

**Superfund:** The common name used for the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), also referred to as the trust fund.

the EPA and FDEP will approve a final cleanup plan. The EPA will issue a Class 3 Permit Modification for the approved cleanup action. If you are on the mailing list, you will receive a Fact Sheet announcing the proposed plan and opportunities for public comment. Public notices will also be published in local newspapers announcing the comment period.

## **IRP PROCESS DESCRIPTION**

**IRP** - The Installation Restoration Program is the DoD program for identifying the locations of and releases from past disposal sites and minimizing their associated hazards to the public health and the environment. By law, IRP is now the DoD equivalent of Superfund. The process is summarized below.

**PA/SI** - The IRP process begins with a Preliminary Assessment/Site Inspection (PA/SI). The PA/SI determines if the site poses enough potential risk to warrant further study and investigation. The RFA previously conducted at MacDill AFB is similar to a PA/SI.

**RI/FS** - A Remedial Investigation (RI) is conducted to assess the extent and nature of the contamination and the potential risks. In conjunction with the RI, a Feasibility Study (FS) report is prepared to examine and evaluate various remedial alternatives. The RFI/CMS is the RCRA equivalent of the RI/FS.

**PP** - The Proposed Plan summarizes the preferred cleanup strategy and reviews the other considered alternatives, and is presented to the public for review and comment. Comments can be made on all remedies considered by the Air Force during a formal 30-day comment period.

**ROD** - The Record of Decision is the document that formally explains the final cleanup alternatives that will be implemented for a particular site(s). It takes into consideration public comments on the statement of basis and community concerns.

**RD** - The Remedial Design (RD) includes the engineering plans and specifications for the remedial action.

**RA** - The Remedial Action (RA) is the control measure or combination of control measures that are implemented as a permanent remedy to prevent or mitigate chronic site contamination problems.

## **BACKGROUND AND HISTORY OF MACDILL AFB**

MacDill AFB is located on 5,621 acres in Hillsborough County, Florida. The base is approximately 8 miles south of downtown Tampa on the southern tip of the Interbay Peninsula. Hillsborough Bay borders the base on the east; Tampa Bay borders the base on the south and west. Current land use directly north of the base is primarily commercial and residential.

Construction of an Army Air Corps base began in December 1939. The base was officially activated in April 1941. Between activation and World War II, MacDill's mission was transitional training. During World War II, MacDill trained airmen from every operational theater in B-

17 and B-26 aircraft. In 1948, MacDill began training airmen on the B-29. After World War II, MacDill became an operational base of the Strategic Air Command (SAC). Between 1946 and 1960, SAC units stationed at MacDill included the 311th Reconnaissance Wing, the 307th Bombardment Wing, and the 6th Air Division. In 1951, base facilities were converted to accommodate B-47 and KC-97 operations. In September 1961, as a result of the Cuban Missile Crisis, the Headquarters of the U.S. Strike Command was activated at MacDill.

The base was transferred from SAC to Tactical Air Command (TAC) in July 1961. Between then and 1979, MacDill served as a training and/or operational base for the MacDonald-Douglas F-4C Phantom II jet fighter, the B-57 Canberra tactical bomber, and the F-4E (replacement for the F-4C). In October 1979, conversion from the F-4E to the F-16 Fighting Falcon began. From that time until November 1991, MacDill's primary mission was as a training base for fighter squadrons training airmen on the F-16. The host unit during that time was the 56th Tactical Training Wing (56 TTW). In 1992, the base was transferred from TAC to Air Combat Command (ACC).

In 1991, a realignment and partial base closure was announced for MacDill. The announcement, in part, stated that MacDill would become an "administrative base." Approval and implementation of MacDill's realignment and closure plan will affect restoration activities.

Over time, the operation and maintenance of aircraft at MacDill AFB have required the use of toxic and hazardous materials. These materials have included solvents such as trichloroethene, caustic cleaners, and volatile organic compounds from waste fuels such as benzene and toluene. During the course of their use and disposal, these materials were disposed and spilled onto the ground. The methods used to handle and dispose of these substances were the standard practice of the time, and it was not thought that they would generate a threat to the environment or public health.

Currently, a number of facilities and base industrial shops provide mission support activities. The Energy Management laboratory performs quality control checks on fuel; and the shops maintain, fabricate, and repair components of aircraft and ground equipment. Wastes generated by the laboratory include fuel samples and various testing chemicals. Wastes generated by the industrial shops include oils, fuels, hydraulic fluids, lubrications fluids, paints and thinners, paint strippers, and solvents. Currently, 38 facilities generate and accumulate hazardous wastes for disposal at offsite treatment, storage, or disposal (TSD) facilities.

## INFORMATION SOURCES

Numerous agencies and groups are involved in environmental restoration activities at MacDill AFB. The environmental affairs section of the 6th Civil Engineering Squadron (6 CES) handles restoration activities at the base level. Statements to the public about environmental actions are released through the 6th Air Base Wing Public Affairs Office. Base environmental issues are coordinated through the MacDill Environmental Leadership Council. This council, which is chaired by the Wing Commander, includes group commanders and the environmental flight of the CES. Restoration activities are reviewed and coordinated through the Restoration Advisory Board (RAB). The RAB includes base officials, U.S. Army Corps of Engineers (USACE) personnel, and EPA and FDEP RPMs. MacDill AFB environmental policies reflect the environmental guidance and the regulations of ACC, the Air Force, and the DoD. In addition, the Air Force Base Conversion Agency and the Air Force Center for Environmental Excellence play a role in planning and executing MacDill's environmental programs.

The Air Force is in the process of establishing an information repository where technical documents and communications about the IRP can be reviewed by the public. This allows the public access to the information that the Air Force, EPA, and FDEP use to assess health and environmental risks and to make decisions about cleanup of contamination at MacDill AFB. Further information regarding the location of this repository will be published soon.

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