



FEDERAL CITY

At Naval Support Activity

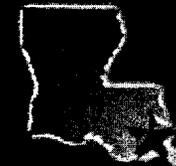
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THE CITY OF NEW ORLEANS
MAYOR RAY NAGIN



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FEDERAL CITY

At Naval Support Activity New Orleans, Louisiana

Innovative Model of Transformation

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New Orleans' Master Plan for Joint Readiness

In-state college tuition

★ Ongoing State subsidies and discounts for military

Automobile insurance rebates

Support on encroachment around bases

Military purchase discounts

Low cost housing bond (\$65 million
State guaranteed)

NSA tax incremental financing funding
at \$10 million

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New Orleans' Master Plan for Joint Readiness

<u>Start Date</u>	<u>Description</u>	<u>Status</u>
SPAWAR 1998	Congress designated Defense Reform Initiative (manpower, personnel, training, compensation) Investment: \$61 million (State)	Complete

★ Phase 1: Space and Naval Warfare Systems Command



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Belle Chasse 1999	Infrastructure construction (Housing, charter schools, recreation, runways/hangers, security, etc.) Investment: \$226 million	Ongoing

★ Phase 1: Space and Naval Warfare Systems Command

★ Phase 2: Belle Chasse Infrastructure Improvements



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New Orleans' Master Plan for Joint Readiness

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Federal City 1999	Joint National Security Facility Investment: \$750,000 (State/City) Proposed: \$200 million (State/City)	Ongoing

- ★ Phase 1: Space and Naval Warfare Systems Command
- ★ Phase 2: Belle Chasse Infrastructure Improvements
- ★ Phase 3: Federal City



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Federal City

Louisiana/New Orleans Military Support



- ★ Ongoing State subsidies and discounts for military
- ★ Phase 1: Space and Naval Warfare Systems Command
- ★ Phase 2: Belle Chasse Infrastructure Improvements
- ★ Phase 3: Federal City

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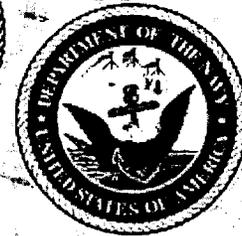
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Local Reuse

NSA



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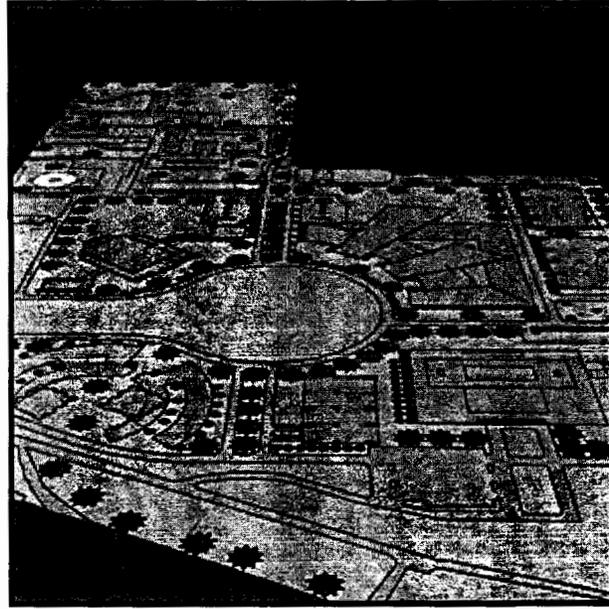
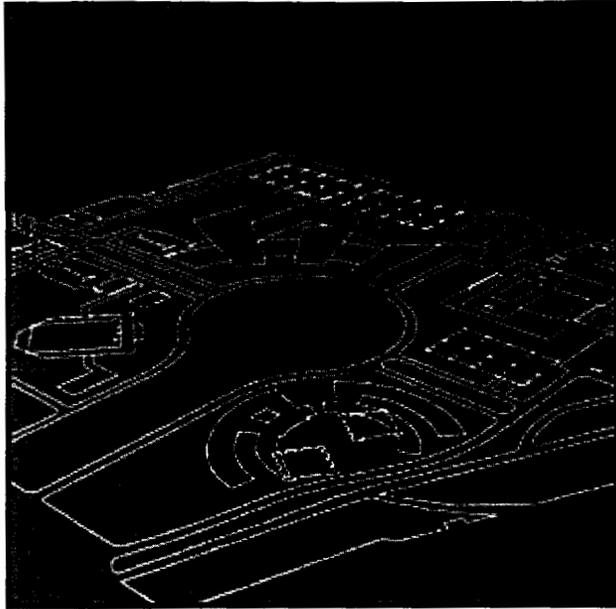
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Development Process

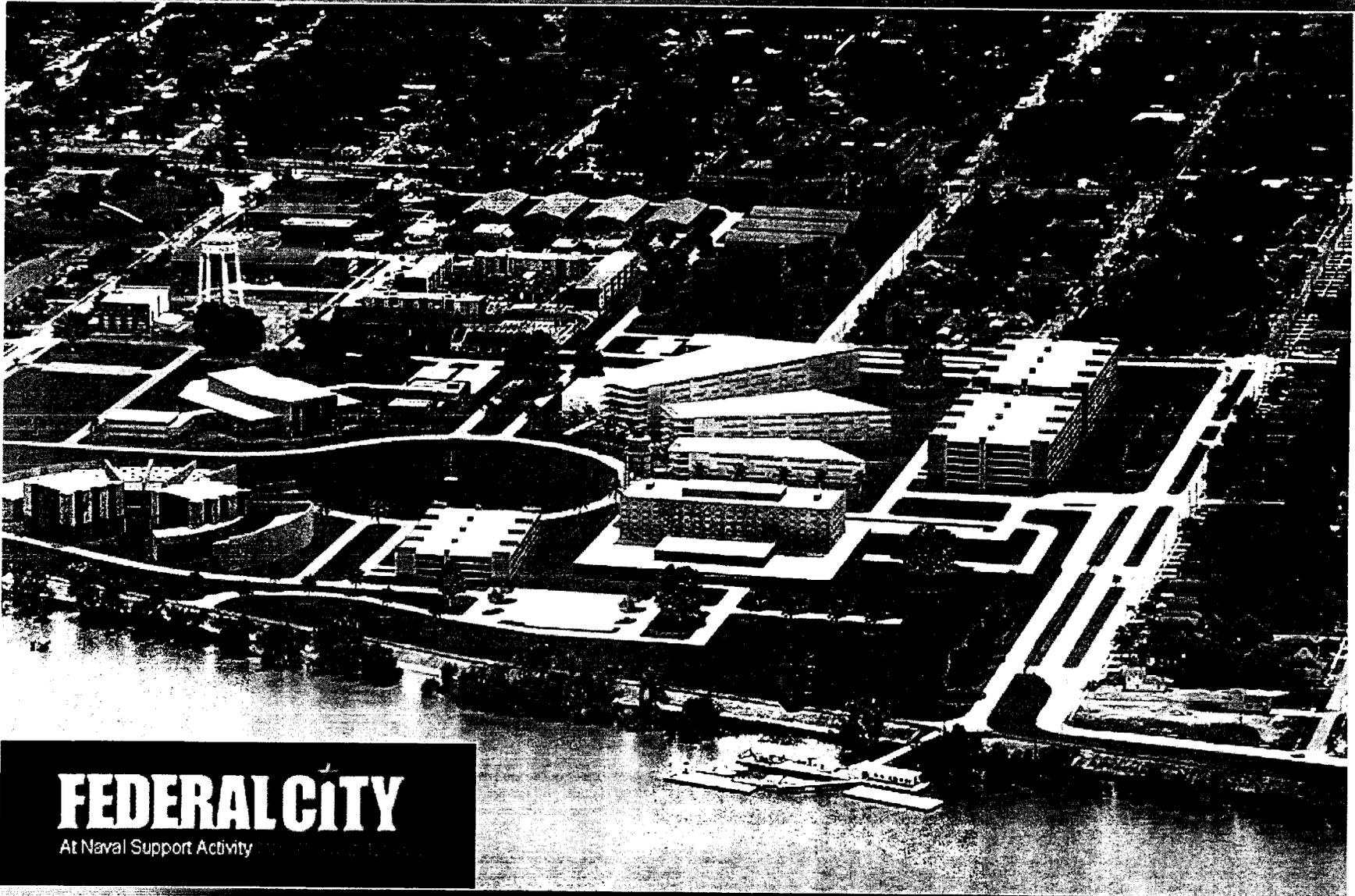


Prepared By
Mathes Brierre / **PEREZ**
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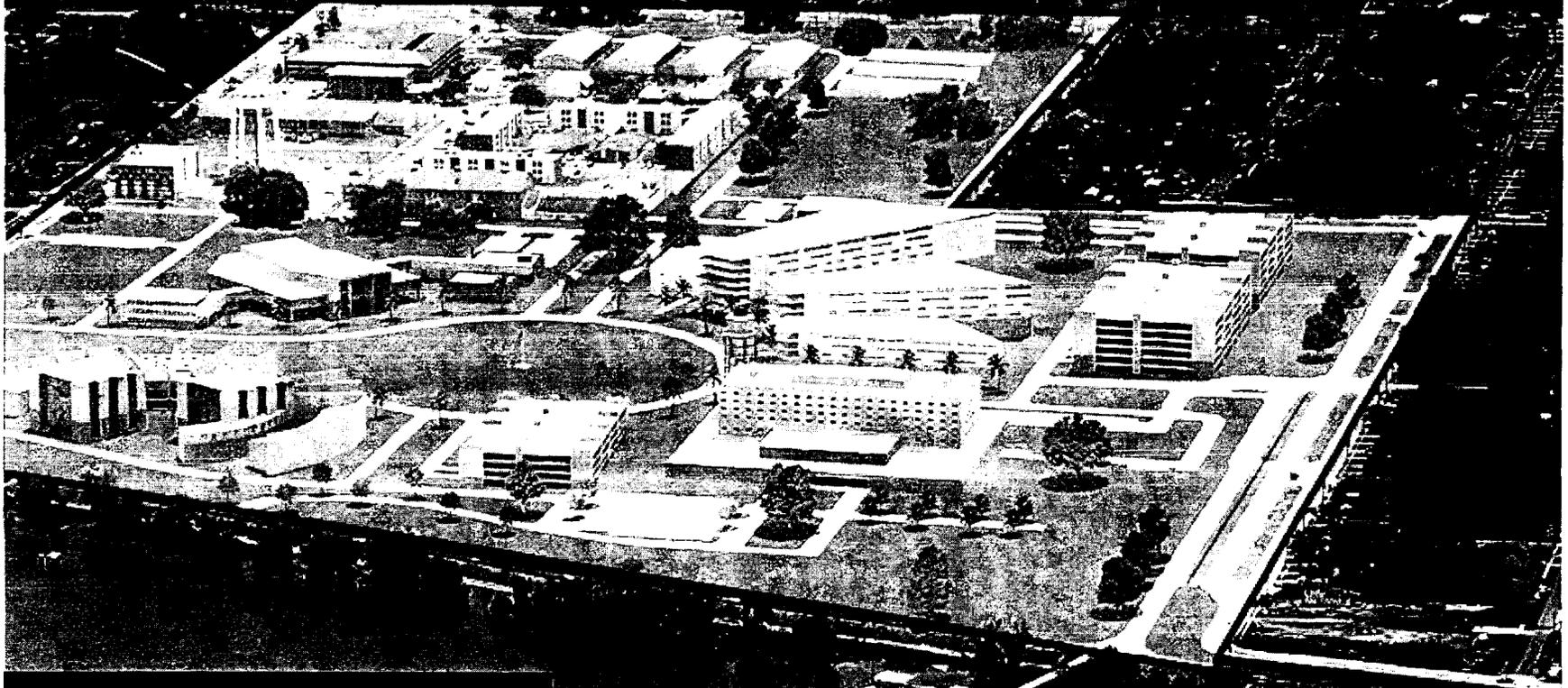


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FORCE PROTECTION



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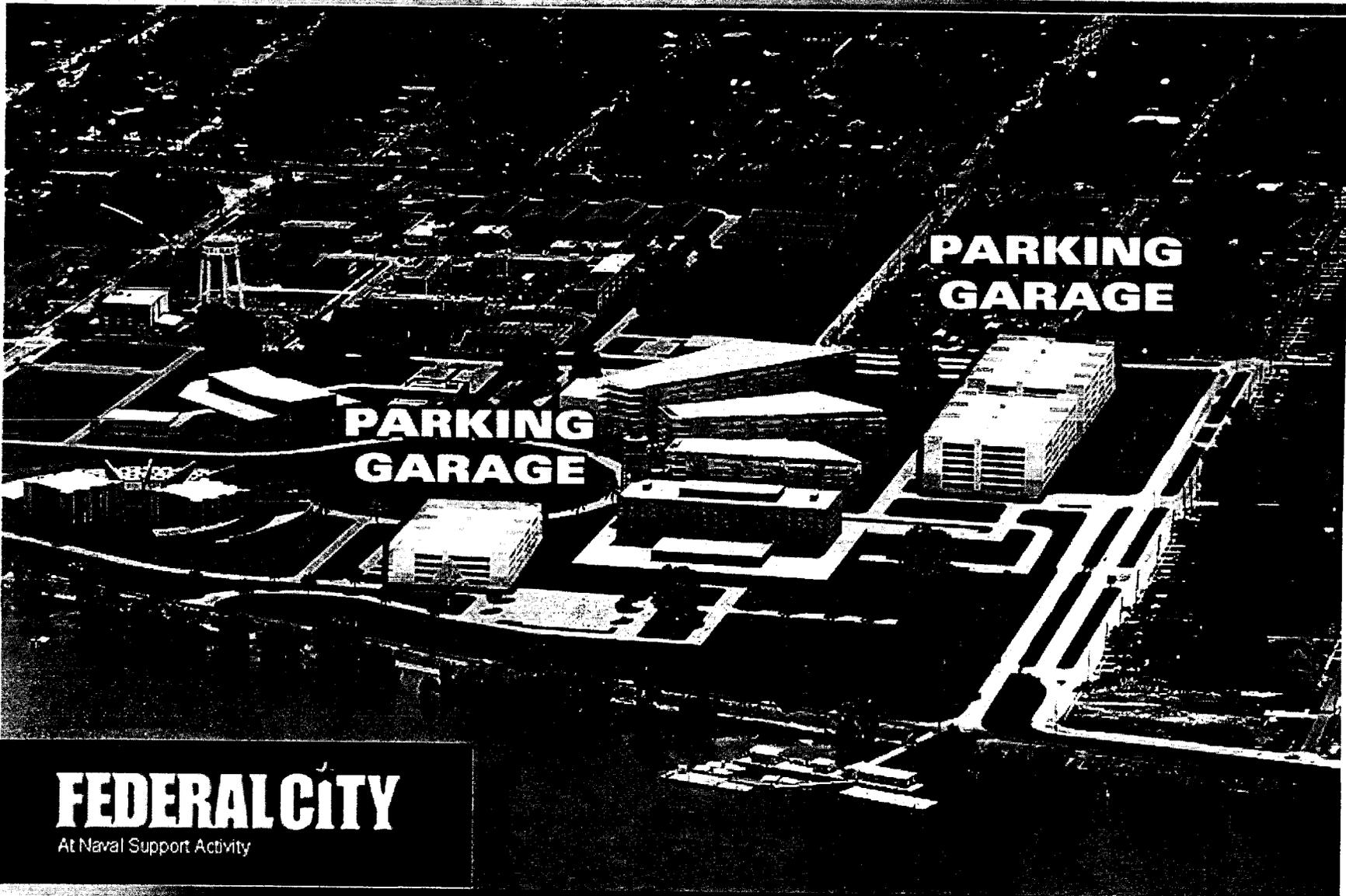
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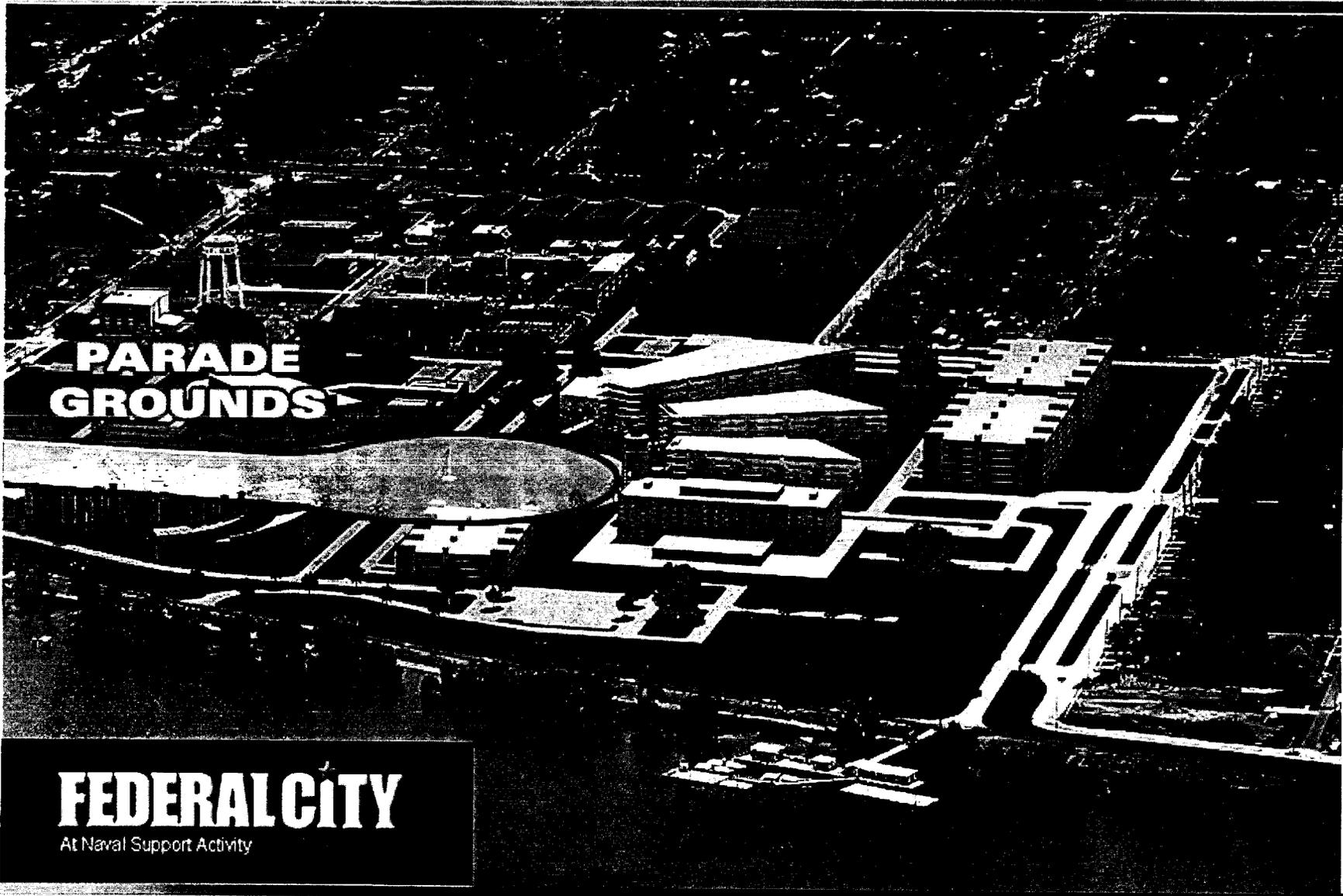
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**PARADE
GROUNDS**

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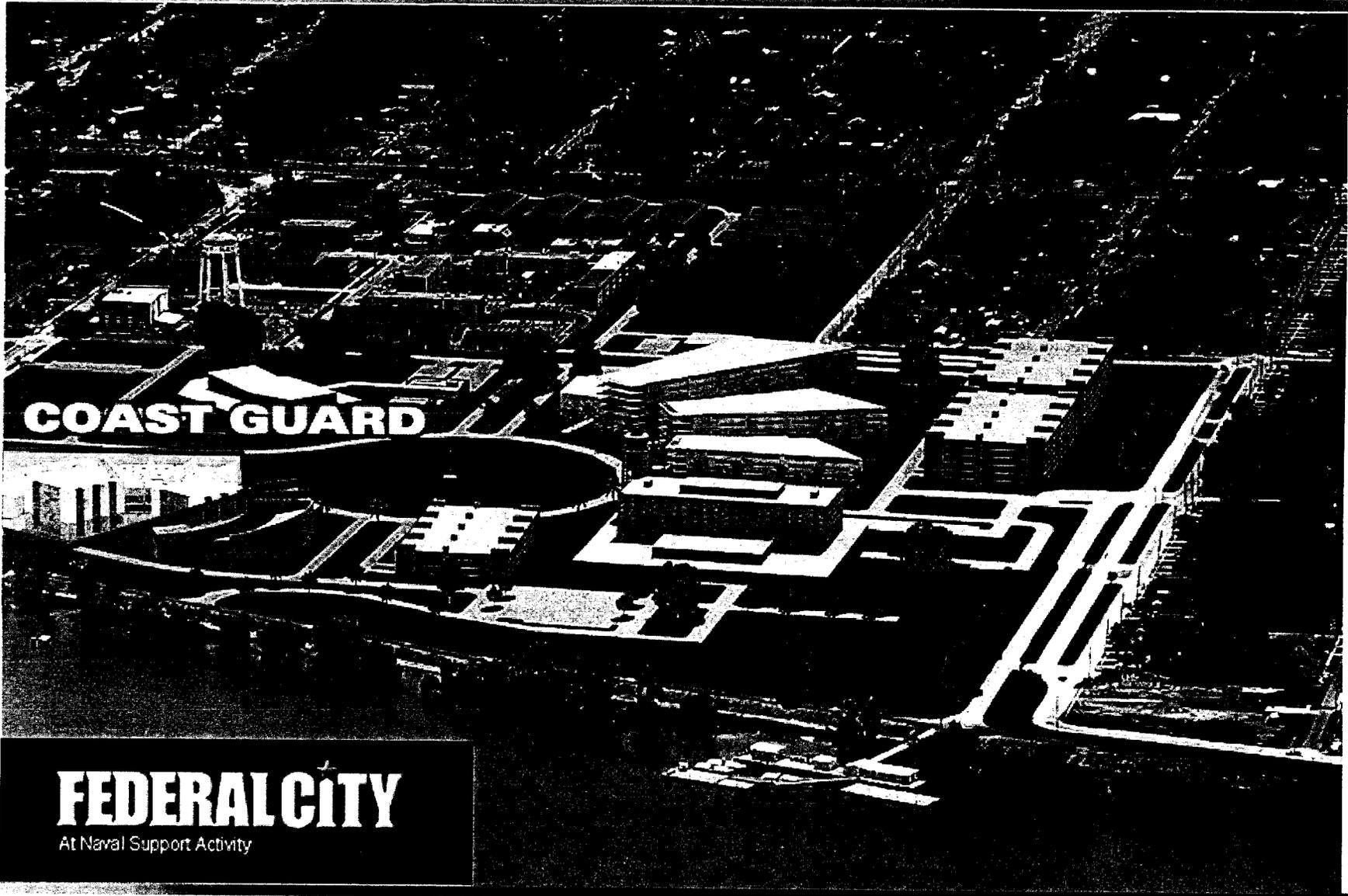
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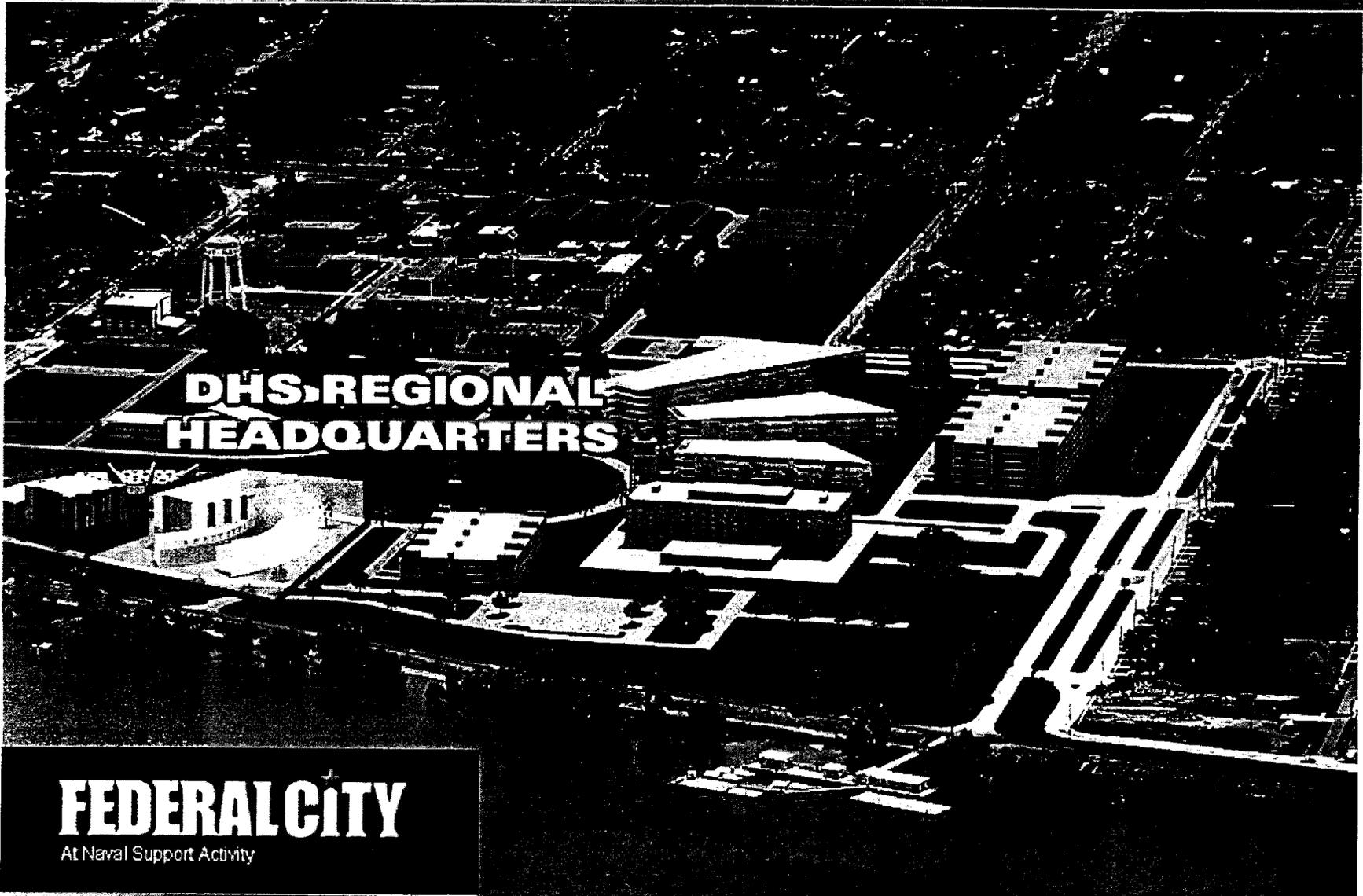
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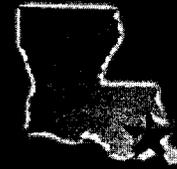
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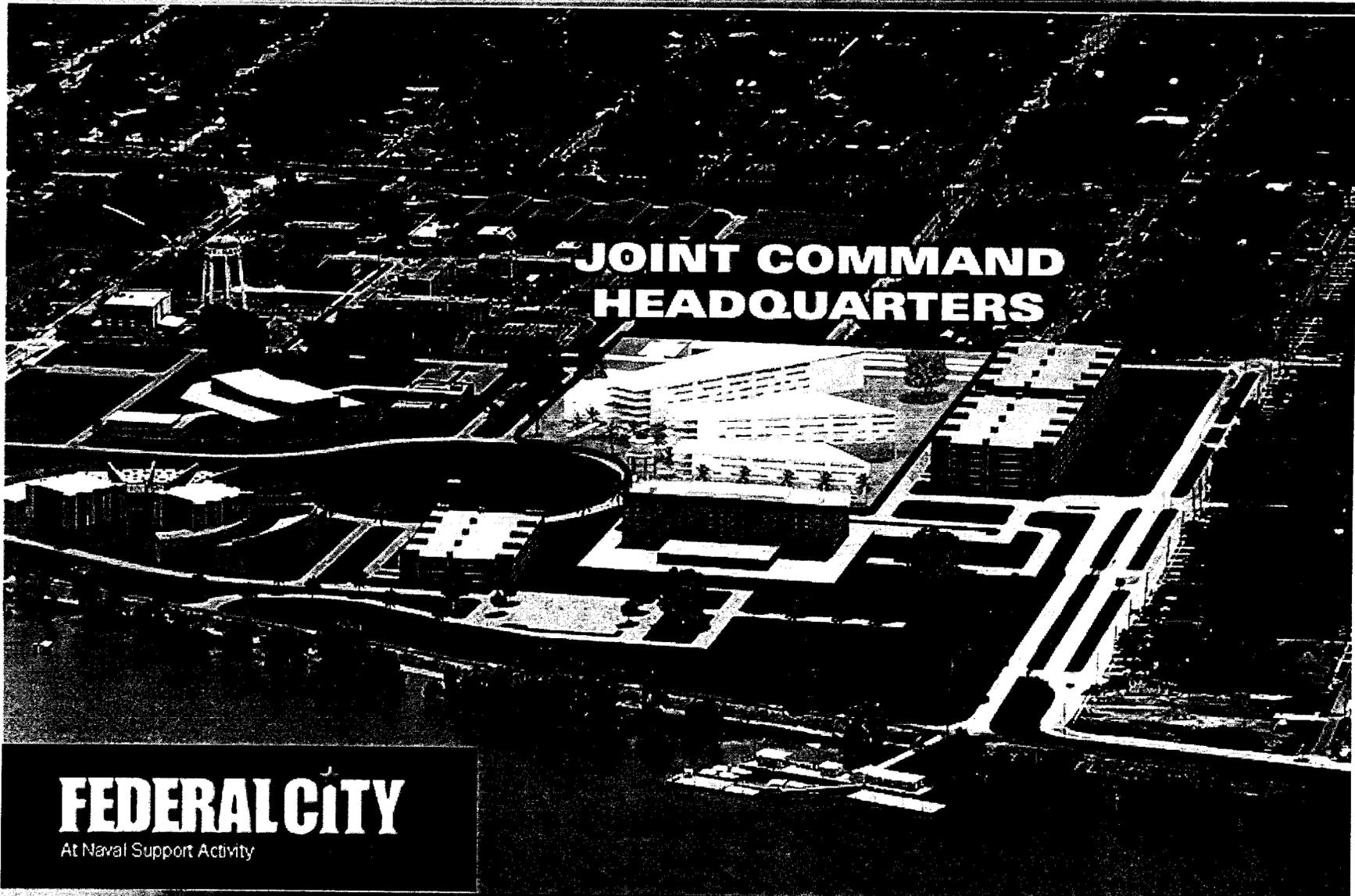
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JOINT COMMAND HEADQUARTERS

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At Naval Support Activity

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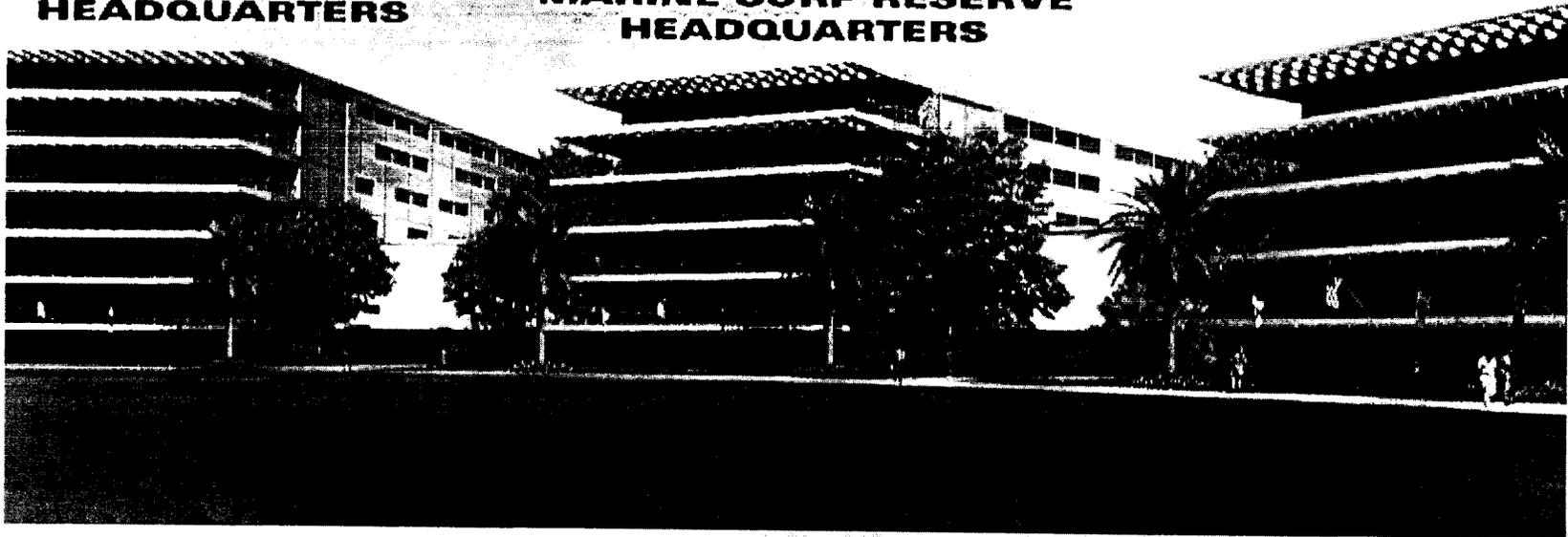


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**NAVY RESERVE
HEADQUARTERS**

**MARINE CORP RESERVE
HEADQUARTERS**

**ARMY THEATER
SUPPORT GROUP**



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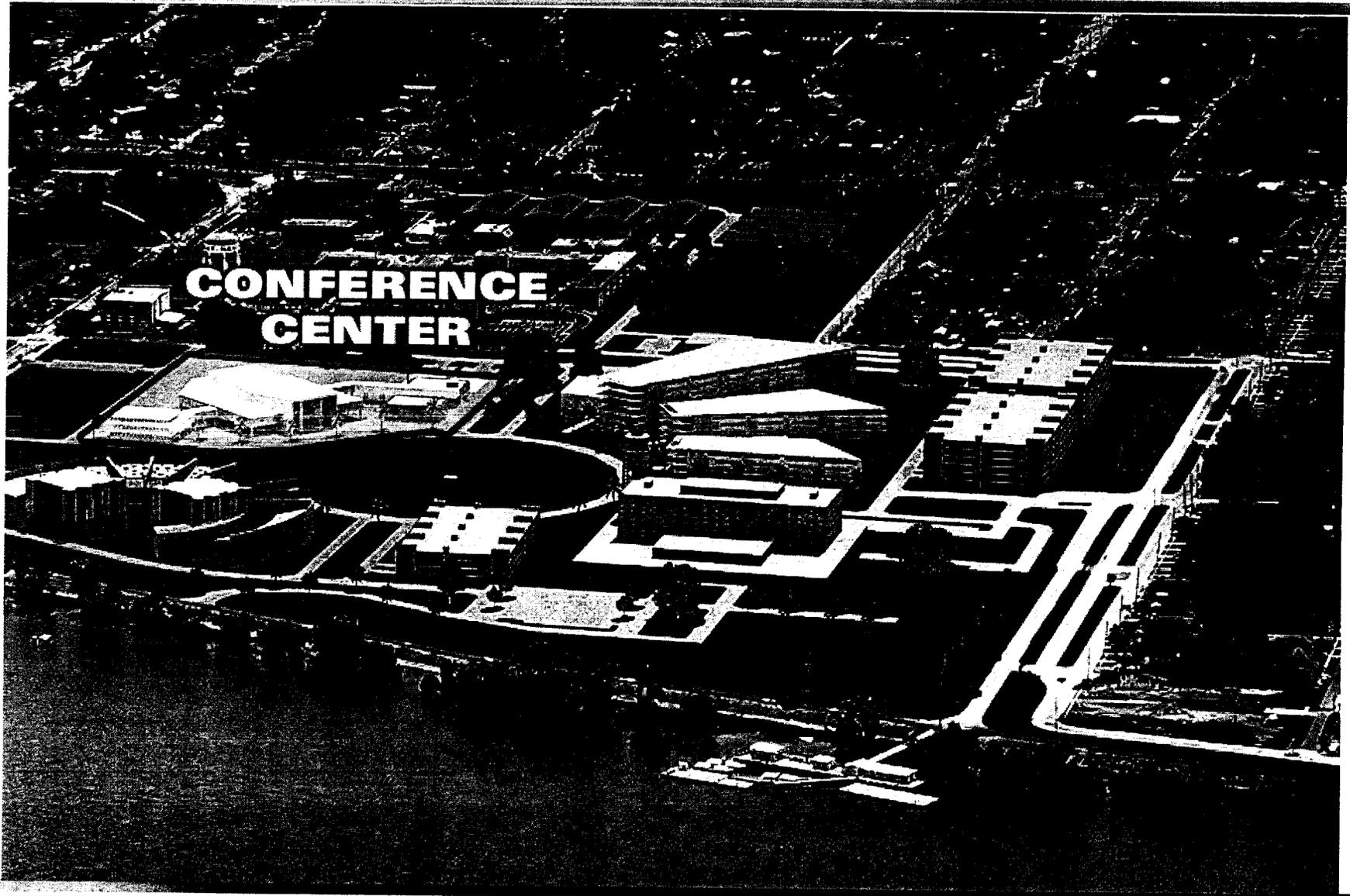
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**CONFERENCE
CENTER**

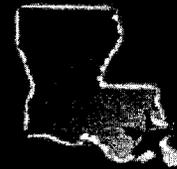
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Federal City

Federal City Will Be:

- ★ Innovative model for collaboration between Homeland Defense and Homeland Security operational headquarters
- ★ Integrated force at critical lynchpin in Nation's defense and economy
- ★ Secure location under federal force protection guidelines
- ★ State-of-the-Art headquarters buildings and command centers
- ★ An attractive vehicle for Enhanced Use Leasing
- ★ Dramatic cost savings for all participating agencies

FEDERAL CITY



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Federal City

Enhanced Use Leasing

FEDERAL CITY



- ★ Reuses existing government property through a lease with private sector
- ★ Builds projects faster and 30-40% cheaper than MILCON
- ★ Timeline for Federal City construction
 - Preparation: January - December 2006
 - Begin construction: January 2007
 - Begin initial occupancy: July 2008

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Federal City

State Government Guarantee

★ Unanimous State Legislative Resolution in support of funding Federal City

State of Louisiana
House of Representatives



Regular Session, 2005

HOUSE CONCURRENT RESOLUTION NO. 66

BY REPRESENTATIVES TUCKER AND ARNOLD AND SENATOR HEITMEIER

A CONCURRENT RESOLUTION

To recommend the Department of Defense to favorably consider the "federal city concept" for expanding the Naval Support Activity military installation on the west bank of the Mississippi River in New Orleans by consolidating the Navy, Marine, and Army flag/general commands in the New Orleans area, moving in the 6th Coast Guard District headquarters, and finally locating a new regional Homeland Security headquarters at the renovated military installation.

WHEREAS, the Naval Support Activity military installation in New Orleans has been an extremely valuable military installation since 1903 when Theodore Roosevelt personally selected the site and is still currently providing essential support to the Navy, Marine Corps, and Army units serving or who recently served in Afghanistan and Iraq; and

WHEREAS, the people of the city of New Orleans and the people of the state of Louisiana have warmly and strongly embraced the military personnel associated with this military installation as they have all of our men and women who serve in the military whether overseas or here at home; and

WHEREAS, the city of New Orleans and the state of Louisiana have for the past several years been working on a joint effort to help the Department of Defense greatly improve the effectiveness and efficiency of the New Orleans military installation while also attempting to create new economic development opportunities for the civilian community; and

WHEREAS, this joint effort has developed into a plan named the "federal city concept" whereby virtually all military units in the city of New Orleans including the Navy, Marine, and Army flag/general commands, would be consolidated along with the 6th Coast Guard District headquarters

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Federal City

State Government Guarantee



State of Louisiana
 Baton Rouge

November 12, 2004

Donald H. Rumsfeld
 Secretary of Defense
 1000 Defense Pentagon
 Washington, DC 20301-1000

Dear Secretary Rumsfeld:

Since Theodore Roosevelt personally selected the site in 1903, the Naval Support Activity - New Orleans (NSA) has been an extremely valuable military installation which has been warmly and strongly embraced by the community in New Orleans and by the State of Louisiana. NSA has supported all of our nation's conflicts since the early 1900's and it is today providing essential support to Navy, Marine Corps, and Army units who are currently serving or who have recently served in Afghanistan or Iraq.

Several years ago, the City of New Orleans and the State of Louisiana started an effort to help the Department of Defense greatly improve the effectiveness and efficiency of our New Orleans bases while also attempting to create new economic development opportunities for the civilian community. The goal of the plan, now called "Federal City," is to create some effective and efficient basing for military operations while reducing operating times for personnel and upgrading force protection to meet new, post-9/11 standards. A transformational partnership of City, State, community and national experts was assembled to create a "Federal City" plan which would be state-of-the-art in functionality, efficiency, and operational capability. The partnership has spent approximately \$750,000 plus thousands of uncompensated hours to bring this concept from an idea to an executable plan. We are very excited about the potential of this "Federal City" plan.

The plan calls for consolidating virtually all military units in the city of New Orleans onto the portion of the NSA located on the West Bank of the Mississippi River. This would include major Navy, Marine, and Army flag/general officer commands. In addition, the plan would move the 8th Coast Guard District HQ and, we hope, possibly house a new regional Homeland Security HQ as is being considered by the Department of Homeland Security (DHS). The State would condense the building of new, "state of the art" facilities for all these units on NSA's West Bank location. Modern command centers, a secure joint use conference center, upgraded perimeter security and force protection compliant buildings would all be part of the new facility.

★ Unanimous State Legislative Resolution in support of funding Federal City

★ Written guarantee of State funding by Governor

"Between \$166 million and \$200 million...will be funded by a combination of general obligation and revenue bonds issued by the State of Louisiana, the City of New Orleans, or other political subdivisions."

Sincerely,

Kathleen Babineaux Blanco
 Governor

Themes Military Value BRAC Report Review Federal City Summary



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 BRAC Commission Briefing

Federal City

State Government Guarantee



State of Louisiana
 OFFICE OF THE GOVERNOR
 Baton Rouge
 70804

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- ★ Unanimous State Legislative Resolution in support of funding Federal City
- ★ Written guarantee of State funding by Governor
- ★ \$750,000 has already been spent on project
- ★ Zero construction costs for the federal government
- ★ Proven track record of bringing military support projects to completion

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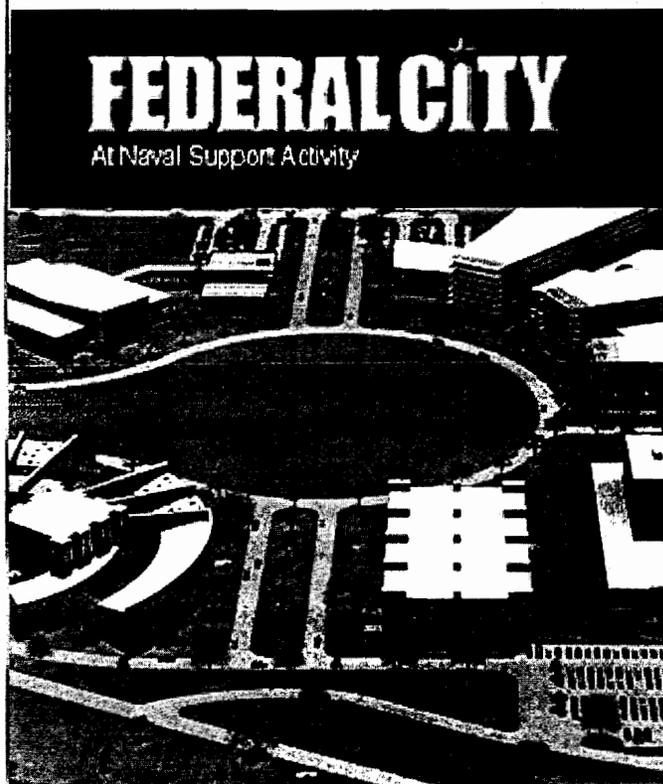


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Federal City Cost Savings



- ★ Saves \$112 million in MILCON costs
- ★ Elimination of expensive East Bank NSA costs
- ★ Shared common costs and private sector efficiencies reduce administrative, facility and force protection costs.
 - Similar partnership in Monterey, CA documented 41% savings (City of Monterey, Naval Post Graduate School and the Defense Language Institute)

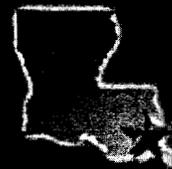
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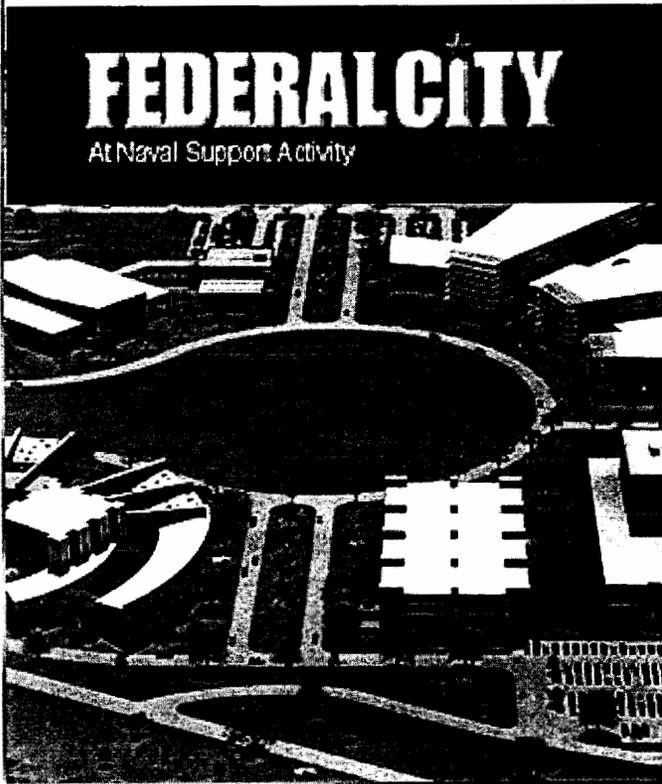


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Federal City Cost Savings



- ★ Includes incoming move from Kansas City and the retention of existing personnel, avoiding millions in moving costs
- ★ Takes full advantage of Enhanced Use Lease savings
- ★ Leased costs per square foot will save at least 25% or \$5 million over current annual O&M costs

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Federal City

Federal City Provides Greater Cost Savings

	DOD RECOMMENDATION	ADJUSTED DOD RECOMMENDATION	FEDERAL CITY RECOMMENDATION	FEDERAL CITY ADVANTAGE
ONE-TIME COST	\$164.6 MILLION	\$170.6 MILLION	\$33 MILLION (APPROXIMATELY)	\$136.4 MILLION
NET COST BY 2011	\$86.1 MILLION	\$143.3 MILLION	SAVINGS BY 2011 OF APPROXIMATELY \$32 MILLION	\$175.3 MILLION
ANNUAL RECURRING SAVINGS	\$36.5 MILLION	\$13.4 MILLION	\$21.4 MILLION	\$8 MILLION
PAYBACK	3 YEARS AFTER 2011	11 YEARS AFTER 2011	PAYS BACK IN FIRST YEAR OF IMPLEMENTATION IN 2009	13 YEARS
NET PRESENT VALUE THROUGH 2025	\$276.4 MILLION	\$10-\$20 MILLION	\$250 MILLION	\$230 MILLION

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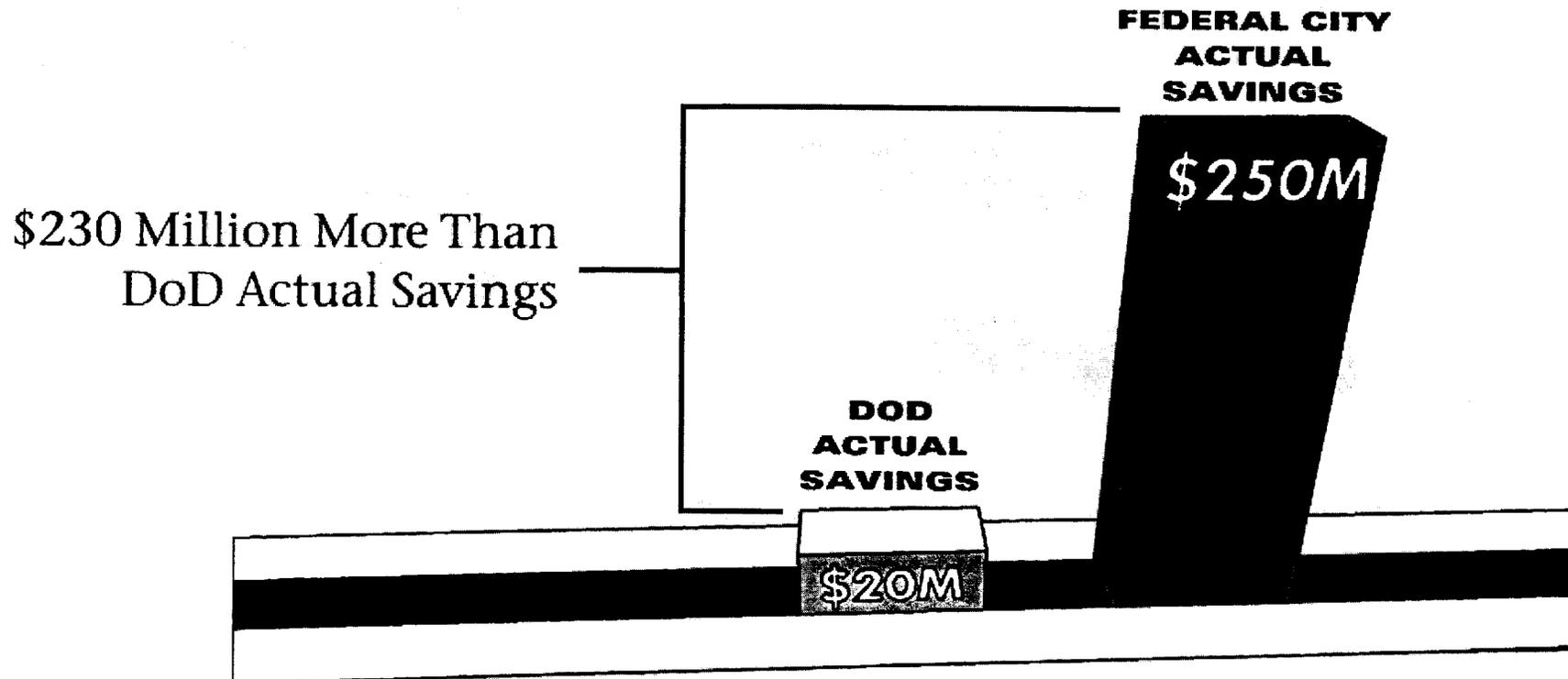


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Saves More Than \$230 Million Over DoD Recommendation's Actual Savings



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Summary

Evaluation of BRAC criteria

(1)Naval Support Activity New Orleans, LA	0.875943	41
(1)Naval Support Activity Millington	0.857427	68
(1)Naval Support Activity Norfolk	0.854401	77

★ Criteria 1-4: Military Value
- NSA ranked higher than receiving commands

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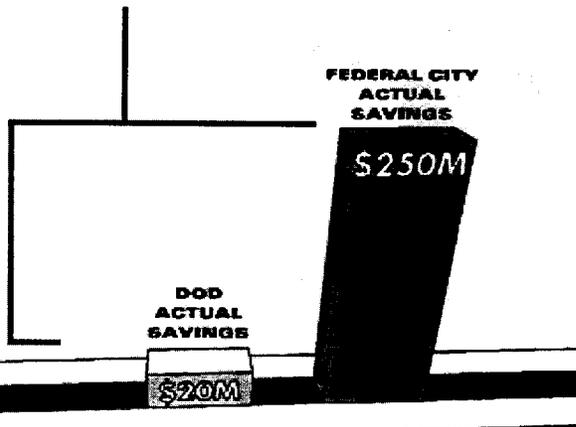


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Summary

Evaluation of BRAC criteria

\$230 Million More Than
DoD Actual Savings



★ Criterion 5: Cost Savings

- Federal City saves more than \$230 million over DoD recommendation's actual savings

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Summary

Evaluation of BRAC criteria

- ★ Criterion 6: Impact on Local Economy
 - DoD failed to consider entire economic impact

7,563 DIRECT JOBS
+ 940 PART-TIME

**8,503 TOTAL
JOBS
THREATENED**

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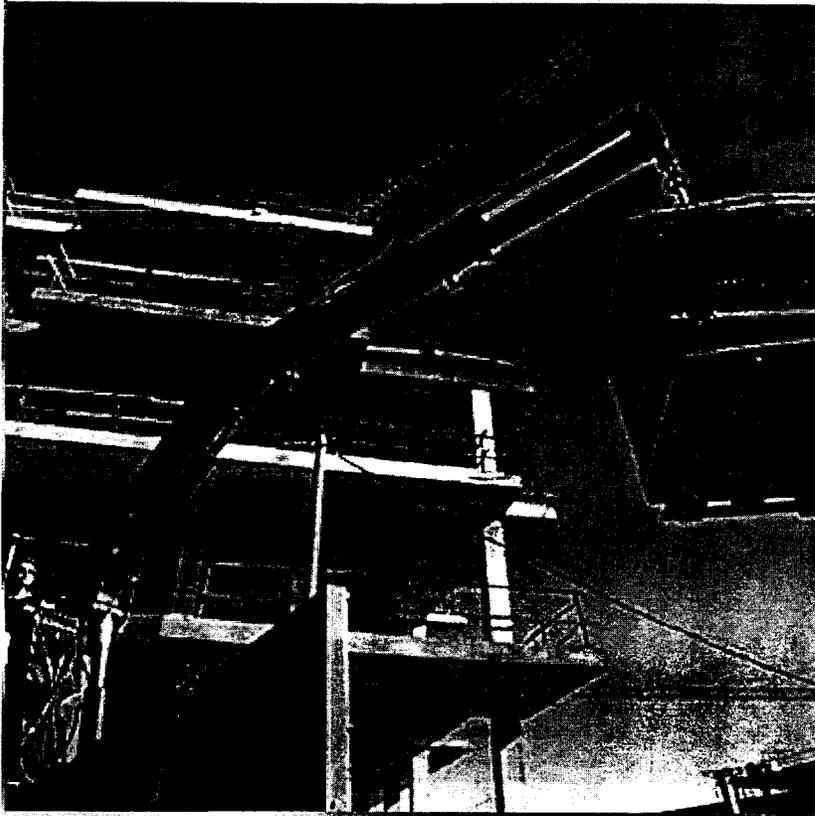
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Evaluation of BRAC criteria



- ★ Criterion 7: Infrastructure in Existing/
Potential Receiving Communities
 - High MILCON costs (\$112M) required at receiving bases

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Summary

Evaluation of BRAC criteria



- ★ Criterion 7: Infrastructure in Existing/
Potential Receiving Communities
 - High MILCON costs (\$112M) required at receiving bases
- ★ Criterion 8: Environmental Impact
 - None

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Evaluation of BRAC criteria

7 of 8 criteria strongly reinforce retention of NSA New Orleans

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Evaluation of BRAC criteria

DoD recommendation not
consistent with BRAC criteria

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Summary

Briefing Themes



DoD top 15%

- ★ NSA New Orleans ranked high on DoD list for military value
 - 41 out of 337

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Summary

Briefing Themes



- ★ NSA New Orleans ranked high on DoD list for military value
 - 41 out of 337
- ★ DOD 2005 BRAC Report significantly overstates net cost savings
 - Actual cost savings \$256 million less than expected

BRAC Analysis Flaws

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Briefing Themes

FEDERAL CITY

At Naval Support Activity

An Innovative Model
of Transformation

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- ★ Federal City is a pre-BRAC State-guaranteed alternative to closure
 - Federal City saves more than \$230 million over DoD recommendation's actual savings

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Summary

Briefing Themes

**ANALYSIS
DOES NOT
SUPPORT CLOSURE**

**FEDERAL CITY
IS A BETTER
ALTERNATIVE**

- ★ NSA New Orleans ranked high on DoD list for military value
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- ★ DOD 2005 BRAC Report significantly overstates net cost savings
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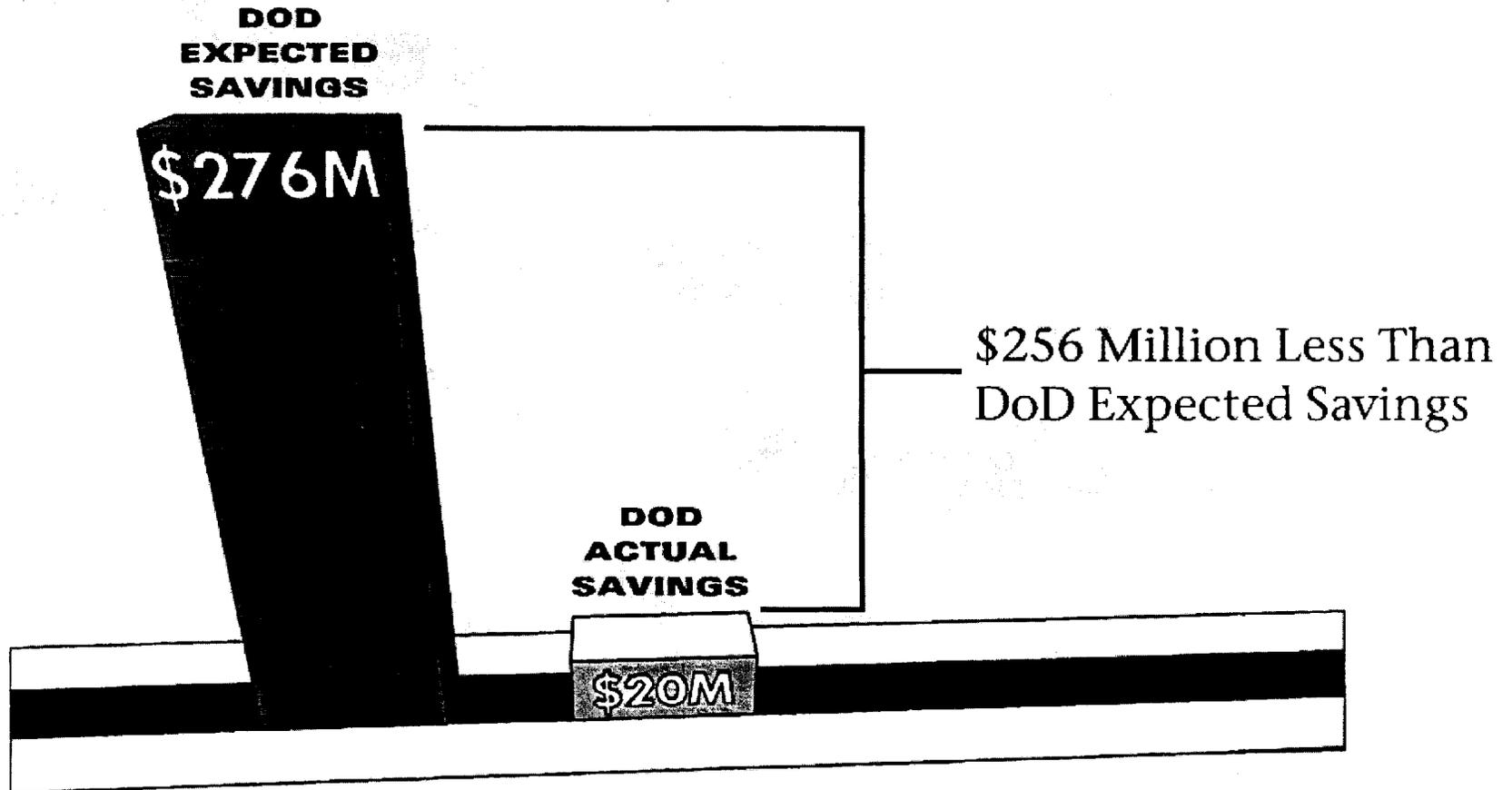


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Overall Savings Bottom Line



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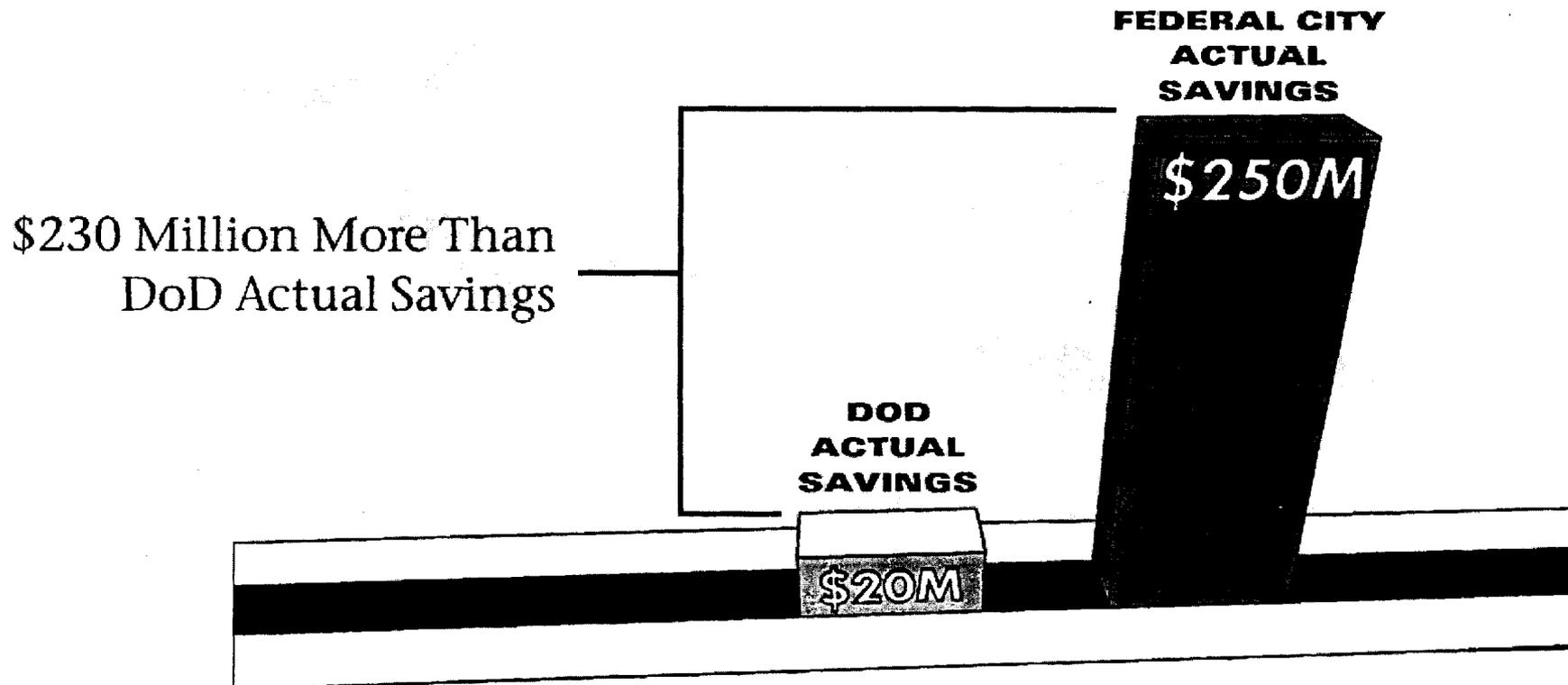


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Overall Savings Bottom Line



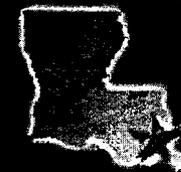
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