

Depot's closing, reuse controlled by Authority

by Eric L. Jones

The closure and acquisition of the Newport Chemical Depot property by the local Reuse Authority is following a process laid out by federal and state laws, in the same manner as base closure processes anywhere in the United States, according to Reuse Authority Executive Director Bill Laubernds.

This reporter interviewed Laubernds about the base closure process and the role of the Reuse Authority in an effort to address a number of questions that have been raised by residents about a potentially complicated process with which Vermillion County has had no previous experience and with which most residents may have had little reason to have become familiar.

To begin at the beginning, the Reuse Authority board is made up of five members. The present members are Albert Clark and Arden Kilgore, both of Cayuga, Tom Milli-

gan of Dana and Jack Fenoglio and Bob Rendaci, both of Clinton. The members are all appointed by the county commissioners for 3-year terms, but are subject to the authority of the commissioners, in that the commissioners retain the right to replace members if they deem it necessary.

The Reuse Authority exists under an Indiana law designed to deal with the "severe and sudden impact" of the closure of a military base. Laubernds explained that the actual base closure procedure is governed by the federal Base Realignment and Closure Act, which outlines the procedures used for the closing of any military base in the United States.

One thing that does vary from state to state is the manner in which Reuse Authority members are selected. Laubernds said that, in some states, the members would be appointed by the governor, but Indiana law gives that authority to the county rather than the state.

Under federal law, disposal of the property may be handled in a number of ways under the authority of the Secretary of the Army. Methods of disposal range from sale for fair market value to a process called "public benefit conveyance" under which property may be acquired for purposes that are beneficial to the community.

The closure procedure requires a reuse plan to be prepared, which the Army uses as a blueprint for the disposal of the property. The plan lays out how the land will be used, and will be used by the Army in

determining how best to dispose of it. A preferred reuse plan was presented to the public by the Reuse Authority earlier this week, and once approved by the board, will be presented to the Army for its final approval.

The Reuse Authority, according to Laubernds, is hopeful of obtaining the Depot property under a public benefit conveyance for the purpose of economic development. This is possible in part due to the severe impact of the Depot's closure on the county, and due in part to the overall economically distressed state of the county. Under this proposed conveyance, the Reuse Authority will ask the Army to allow the property to be used to replace the jobs lost due to the closure, and also to create additional jobs in the county.

According to information received from the Vermillion County Economic Development Council, the closure of the depot is projected to result in a loss of 690 jobs, \$24 million in wages and \$40 million in annual purchasing.

Once the official transfer of the property is completed in 2010, the Reuse Authority will have control over the property, provided the government agrees to the public benefit conveyance.

All proceeds from the property — from rental, agricultural leases, development or sale of the land — will also be under the control of the Reuse Authority and must, according to federal law, be used for "the

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development, operation and maintenance of the facility" according to Laubernds. This means the money can not, by law, be used for any other purpose.

Laubernds compared those responsibilities of the Reuse Authority to a city using tax money to fulfill the same responsibilities.

Presently, farmers lease portions of the depot property for agricultural use, with the proceeds of those leases going to the Army. In the future, that money will go to the Reuse Authority in accordance with the federal laws.

By way of example, Laubernds said such money may be used for infrastructure, road development, "all kinds of things that will be done to improve and operate" the depot property.

For example, the preferred reuse plan calls for a roadway which crosses the property and connects State Road 63 and State Road 71. This money could be used to pay for that roadway, or to provide matching funds for grants that would help pay for its construction.

In addition, Laubernds said the utilities at the Depot are "not in very good shape" and there will be a definite need for utility improvements on the site.

Laubernds also explained that the Reuse Authority is not being funded with any county money, but is funded by the Department of Defense through the Office of Economic Adjustment. This department provides funding for planning and staffing during the process.

Laubernds added that the Reuse Authority is not intended to go on

forever. "In Indiana, it is not planned for it to be perpetual," he said. The intention, he explained, is to move the process forward so that property is transferred to others, who will pay taxes on the land.

"Eventually, I would expect that any roads built will be built according to specifications so that they will become county roads. There will be water and sewer districts, and it (the property) will all be integrated into the community." When this happens, there would no longer be a need for the Reuse Authority.

Laubernds added that the Army has been impressed with the work done by the Reuse Authority to this point and with the overall plan that is being put together.

"When I came here, the Army was saying they wanted to sell the property at fair market value," he said. "We've put together a program, which we've demonstrated to the Army, so that they are now open to a public benefit conveyance."

Under such a conveyance, it is possible that there will be some cost to the Reuse Authority to acquire the property, however, Laubernds said it is likely that they "will pay little or no money for the land."

"I am confident the Army will agree to the conveyance," Laubernds said, "because of the impact of the closure and because of the economically distressed state of the county. I feel our plan can change that."