

Base Redevelopment Planning for BRAC Sites



**Department of Defense
Office of Economic Adjustment**
helping communities help themselves

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The Office of Economic Adjustment (OEA) is pleased to present *Base Redevelopment Planning for BRAC Sites* to assist communities and states with planning the civilian use of former military property. Reflecting over 45 years of OEA experience with community planning and base redevelopment, this publication highlights the keys to a successful planning effort, including the necessary public- and private-sector leadership, vision, dedication, and partnership between the Military Departments and the affected communities.

A military base closure, while initially a source of significant local economic impacts, also represents the single most important opportunity for a community to make a dramatic, positive change in the local economy, especially in response to the loss of jobs. For some communities, former military property is ideally situated with strong prospects for redevelopment due to a location near, or in the midst of, rapidly growing, prosperous communities. For other communities, the presence of a less robust local economy, an isolated location, or limited redevelopment opportunities and resources makes the planning effort more challenging.

The redevelopment plan is the catalyst for a successful local response to base realignment or closure impacts. While no two communities are alike, and the redevelopment planning process is never routine, successful communities typically provide for a broad-based public planning effort to build consensus for redevelopment, and take actions to ensure the uses recommended in the redevelopment plan are formally incorporated into the local government's ongoing planning and economic development initiatives.

I invite you to visit our website at www.oea.gov to obtain more information about community economic adjustment and responding to BRAC.

Patrick J. O'Brien
Director
Office of Economic Adjustment

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Introduction

The Office of Economic Adjustment (OEA), through the Defense Economic Adjustment Program, helps alleviate the adverse effects of military base realignments and closures (BRAC) by providing planning assistance to communities. Regardless of whether a BRAC action results in the loss of local jobs, availability of property for civilian redevelopment, or an influx of military personnel and their dependents, community leaders will confront several challenges and opportunities.

OEA has been “helping communities help themselves” for more than 45 years. From this experience an orderly economic adjustment transition process has evolved, along with the realization that meeting this challenge requires energy, vision, and community leadership through an effective local organization. For communities experiencing the possible availability of property as a result of a base closure or realignment, the Local Redevelopment Authority (LRA) serves as the local organization focusing on all economic adjustment activities, including preparation of a base redevelopment plan. How well an affected community organizes itself to solicit broad-based, inclusive public participation in preparing the base redevelopment plan is a major factor in the success of the community’s economic transition.

Preparing and implementing a base redevelopment plan can be a challenge for many communities. Most military installations were designed to be self-sustaining, with separate utilities, fire, police, and health and human services, and with facilities that may not readily be used for other purposes. Upon closure, former installation properties must be woven into the fabric of the community amid an abundance of diverse interests. Yet the redevelopment of a former military installation gives the community a tremendous opportunity to create new jobs, diversify the local and regional economy, satisfy public facility and services needs, and add once-exempt Federal real property to the tax base.

Section 1

Overview of Base Redevelopment Planning

The Defense Base Closure and Realignment Act of 1990, as amended (BRAC law), prescribes the organization, procedures, and timing for local activities that deal with the public and private reuse of property that the Department of Defense (DoD) has determined surplus to the needs of the Federal Government. OEA is the DoD organization that is authorized [by Title 10 U.S.C. §2391, Executive order (E.O. 12788), and the BRAC law] to provide both technical and financial support to help communities plan and carry out their local economic adjustment activities. These activities may include preparation of an overall economic adjustment plan to assist impacted workers and businesses and a base redevelopment plan for surplus Federal property.

Redevelopment of a former military installation is often the single most important opportunity for a community to overcome the adverse impacts of a closure or realignment. Planning for base redevelopment is intended to bring about an orderly and lasting change in the local economy that is consistent with community interests and needs. The planning process should foster an awareness of the redevelopment options and highlight the cost of these options in comparison with the benefits. The process should be conducted with maximum public participation to help the participants see the tradeoffs necessary for the best long-term community interests. Competing interests among those participating in the planning process should be identified, discussed, and reconciled. The process should be conducted with broad public participation and support by key decision makers from both the public and private sectors to ensure successful redevelopment that is consistent with community interests and needs.

Keys to Effective Base Redevelopment Planning

Through experience from prior BRAC rounds, OEA has found that effective base redevelopment and overall economic adjustment initiatives follow three broad phases:

- Organization
- Planning
- Implementation

Organization

During the organization phase, the economically affected communities in the vicinity of a closing or realigning installation, and possibly the State, are expected to initiate the organizational process. Success in overcoming the impacts of the closure or realignment and

transitioning the former installation to civilian use is often determined by how well communities organize their response. The affected communities need to work together to designate an LRA to serve as the focal point of their interaction with all interests in the BRAC action, including the Military Department, Federal and State officials, affected workers and businesses, and other community interests. The OEA publication *Organizing for BRAC* provides specific guidance to communities seeking to establish an LRA in response to the planning and implementation demands of BRAC.

The LRA, which is an entity established by State or local government, is recognized by OEA, on behalf of the Secretary of Defense, as the entity responsible for preparation of a base redevelopment plan and the overall economic adjustment program. As part of this planning process, the LRA is required to conduct outreach and solicit Notices of Interest (NOIs) in surplus Federal property from State and local governments, representatives of the homeless, and other interested parties, and consider these NOIs in preparation of the base redevelopment plan. As the single point of contact to coordinate State and Federal assistance, the LRA is expected to provide leadership and build consensus for base redevelopment.

As installation property is transferred from military to civilian ownership and reuse, the original LRA established to oversee base redevelopment planning may evolve or yield to a new organization to implement all or a portion of the base redevelopment plan and foster long-term economic recovery.

Planning

During the planning phase, the LRA is responsible for preparing a base redevelopment plan focused on guiding long-term redevelopment. For BRAC-specific actions, the base redevelopment plan also serves the following purposes:

- Reflects community consensus for civilian reuse;
- Guides the Military Department's property redevelopment environmental analysis, required by the National Environmental Policy Act of 1969, as amended (NEPA); and
- Is used in considering property disposal conveyance options.

The base redevelopment plan is the means by which a community defines a comprehensive reuse strategy, and it serves as a guide to the Military Department for the disposal of surplus property, leading to the orderly transfer of Federal property from DoD to civilian reuse. The community's base redevelopment plan should identify the proposed land uses, supporting infrastructure, phasing schedule, and capital improvement program needed to implement the plan. While the community identifies specific land uses in the base redevelopment plan, the Military Department, as the property disposal agent, identifies the final property disposal mechanisms.

The base redevelopment planning process should be a public and deliberative process occurring within the framework of a local planning process that reflects requirements of BRAC and Federal real property laws and regulations. The process is designed to walk decision makers, planners, and affected interests through a series of steps to formulate the community's vision, goals, and objectives for base redevelopment and overall economic adjustment.

Preparation of a base redevelopment plan should involve all major stakeholders affected by the closure or realignment and include an assessment of both the financial and environmental feasibility of the various redevelopment alternatives. The base redevelopment plan should reflect a balance among identified homeless assistance needs and community and economic development needs. Community consensus on base redevelopment is essential for success.

Implementation

Once community consensus is reached, the LRA should approve the base redevelopment plan and forward it to the governing local jurisdiction for formal adoption and incorporation into the local comprehensive land use plan, followed by zoning, capital improvements programming, and long-term planning and implementation strategies in the context of comprehensive community development. The redevelopment plan is implemented with support from OEA, participating Federal agencies, the State, and the private sector.

The real property acquisition strategy included in the base redevelopment plan is important to implementation. The acquisition strategy identifies the property conveyance tool by which the interested parties will ask the Military Department to dispose of surplus Federal property in support of civilian reuse (see figure 1). Potential conflicts regarding surplus property disposal can be minimized through continuous coordination and partnership with the Military Department.

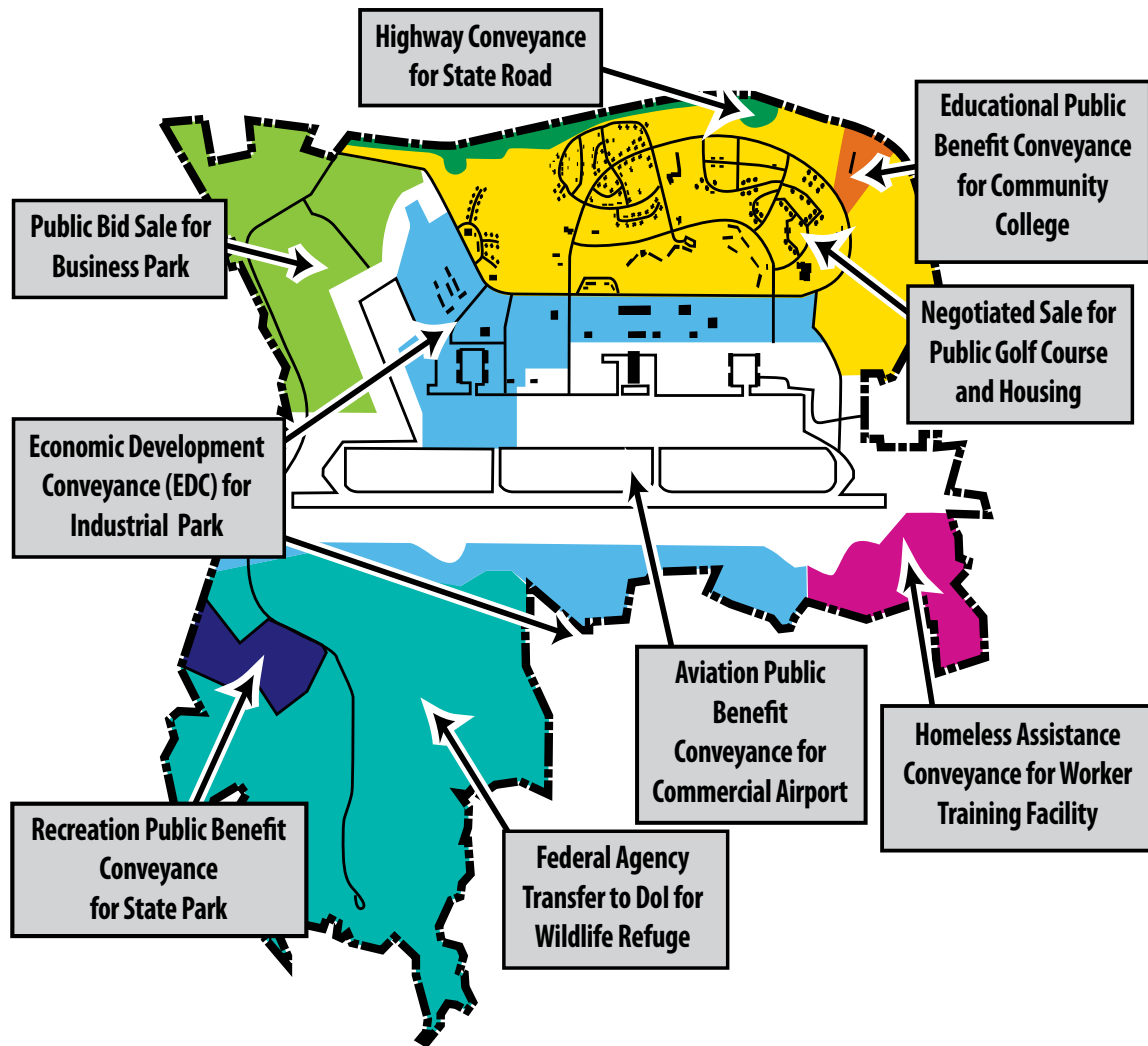


Figure 1
Illustrative Example
Proposed Disposal of Surplus Federal Property

Section 2

Base Redevelopment Planning Process

The closure or realignment of a base is affected by many Federal real property and environmental laws and regulations, along with detailed BRAC implementation guidance for both the Military Department and the affected community. A partial list of the laws and regulations, which affect base redevelopment planning, environmental remediation, and the screening and disposal of real and personal property, is provided in the appendix. A comprehensive list is provided in the *Base Redevelopment and Realignment Manual*, March 1, 2006, DoD 4165.66-M.

The general sequence of events associated with base redevelopment planning and implementation is shown in figure 2, which illustrates a series of community and Military Department requirements under BRAC law. Preparation of the redevelopment plan is identified under Community Actions and represents a continuum of LRA actions in juxtaposition with required Military Department actions. Note that there is interdependency between the community and Military Department actions throughout the base redevelopment planning process, illustrating the need for the two parties to work as a team.

Roles and Responsibilities

Local Redevelopment Authority

The LRA is tasked with executing a fair and balanced redevelopment planning process that represents all major community interests. The LRA works on behalf of its member jurisdictions to prepare the base redevelopment plan, determines homeless provider, State, and local interests in surplus property, and serves as the single point of contact for all parties involved in the overall economic adjustment program.

Prompt community response to a BRAC action is needed to support the responsibilities and requirements of the Military Department to close and dispose of surplus Federal property. This response includes creation of a LRA, assembly of the reuse planning team, and timely completion of the base redevelopment plan.

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The Military Department, specifically the installation commander or a designated representative, may participate as an ex-officio member of the LRA or be a regularly invited attendee to LRA meetings, to promote a cooperative relationship in furtherance of its objective to expeditiously close or realign, clean up and dispose of surplus federal property. Both the Military Department and the LRA have a shared objective - the timely transfer of surplus property for community redevelopment. The installation commander, or designated representative, can serve as the single point of contact for coordinating the LRA's access to the base, existing conditions installation data and schedules for mission drawdown and closure. The Military Department will also have staff specifically tasked with the responsibility of environmental clean up and property disposal as the mission drawdown and base closure or realignment is completed.

State representation on the LRA can be important as the state may play a significant role in support of the LRA and local government efforts. The state may provide both technical and financial assistance to facilitate the redevelopment effort. Considerable expertise and assistance is also available at the federal level through the President's Economic Adjustment Committee (EAC). The EAC is comprised of 22 federal agencies and departments, including those with specific programs for technical and financial assistance to assist communities, businesses, and workers adversely impacted by BRAC. As Executive Director of EAC, OEA coordinates this assistance, as required, to help communities respond to the economic impacts caused by BRAC actions and redevelop the property.

The private sector and public interest groups can also provide valuable specialized knowledge and resources to support redevelopment planning. This specific expertise may relate to real estate market trends, financial feasibility analysis, infrastructure and facilities assessment, environmental issues, feasibility of building renovation, historic and cultural resources, small business development, workforce transition and training, private financing, and environmental and property insurance. Partnerships among the LRA, public interest groups and private sector entities can provide substantial resources to supplement the base redevelopment and economic adjustment planning process.

The LRA should utilize existing public agency staff, hire new staff, as required, and engage professional consulting firms to supplement staff expertise and to advise and support the technical aspects of base redevelopment planning. Donated technical services from state or local government, or the private sector, also may supplement core staff responsibilities. Professional consultants may provide legal, planning, real estate, engineering and environmental expertise. The American Planning Association provides useful guidance in the preparation of a Request for Proposal (RFP) for planning services, and the selection and management of a planning consultant (www.planning.org/consultant/overview.htm).

An OEA Project Manager is assigned to work directly with the recognized LRA and its staff. The Project Manager helps the LRA work in consultation with the Military Depart-

ment and related federal, state and local agencies to prepare a financially feasible and sustainable base redevelopment plan consistent with the community interests and needs.

Initial Military Department and LRA Actions

Military base closures and realignments do not happen overnight. Military drawdown, eventual base closure or realignment, and subsequent base redevelopment are planned and coordinated events phased over time. During the military drawdown the installation commander is tasked with identifying unneeded personal property that will be available to support base redevelopment, terminating military functions, and preparing the base for closure. The Military Department's BRAC staff is tasked with conveyance of property once the military mission drawdown is complete. The Military Department must initiate closure or realignment actions no later than two years after the date of approval by Congress, November 9, 2005, and complete these actions by September 15, 2011.

An important feature of the BRAC process is compliance with the National Environmental Policy Act of 1969 (NEPA). Under NEPA, the Military Department must identify and consider the proposed action and reasonable alternatives and their respective environmental impacts. Actions to be analyzed include operational activities transferring to a receiving installation, proposed disposal actions at closure and realignment sites, and planned community redevelopment.

The Military Department also is tasked with preparation of the Environmental Condition of Property (ECP) report which documents the environmental condition of all property. The ECP report, and any ECP update report, shall be made publicly available to assist the LRA with base redevelopment planning.

The Military Department must also ensure that appropriate response or corrective actions related to petroleum products or their constituents and hazardous substances have been taken, or will be taken to protect human health and the environment on property that is to be transferred. The Military Department will make decisions as early as possible on which contaminated sites on BRAC property will have environmental response actions completed by the Department, or by the new owner in coordination with environmental regulatory agencies and the local government.

Concurrent with the mission drawdown, and prior to base closure, the LRA is responsible for undertaking the preparation and adoption of a single base redevelopment plan for the surplus property. The base redevelopment plan will set the tone, direction, timing, and theme for redevelopment. As the planning process unfolds, there may be a need for the LRA to complete more detailed planning studies and refine the plan to support final base redevelopment.

The data presented in the ECP report, together with the proposed environmental response actions must be intertwined with the LRA's base redevelopment planning process. These

environmental factors will likely have an impact upon the location, type and timing of base redevelopment and must be given serious consideration when preparing the base redevelopment plan. The Military Department will give the LRA's redevelopment plan substantial deference in preparation of NEPA documentation for property disposal and community redevelopment.

(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary of Defense shall treat the redevelopment plan for the installation (including aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

(iii) The Secretary of Defense shall dispose of buildings and property under sub clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned. P.L. 101-510, § 2905(b)(7)(K)(ii)(iii).

The LRA's base redevelopment plan, together with the Military Department's NEPA analysis, ECP report, and environmental remediation, establish the framework for successful property remediation, disposal, and redevelopment in accordance with the community's goals and objectives for base redevelopment and overall economic adjustment.

Section 3

Surplus Property Determination

During the first 6 months after the date of approval, and concurrent with the formation of the LRA, the Military Department conducts Federal agency screening of excess DoD property. Federal agencies and departments have the first choice for use of said property.

To initiate this screening, the Military Department issues a Notice of Availability (NOA) that is formally provided to all Federal agencies. Federal agencies that have an interest in acquiring the property must apply to the Military Department within 60 days of the Military Department's release of the NOA, and are encouraged to discuss their interests, plans, or needs with the LRA. If an LRA does not exist, interested agencies should consult with the Governor or the heads of the local government in whose jurisdiction the property is located. If competing Federal agencies are interested in the property, the Military Department must determine the best Federal use of the property. Property not needed by other Federal agencies is determined to be surplus.

The screening process is officially complete once the Military Department publishes its list of surplus buildings and properties in the Federal Register and a local newspaper. This surplus notice formally advises the LRA of the availability of surplus property to support community redevelopment. The Military Department will also send a copy of the surplus notice to the Federal agencies that sponsor or approve public benefit conveyances to State and local governments and other eligible entities for public benefit purposes. Examples of such purposes include education, health, parks and recreation, historic monuments, public airports, highways, correctional facilities, ports, self-help housing, and wildlife conservation (see figure 3).

Based on this knowledge of available surplus property, the LRA moves forward with preparation of a base redevelopment plan, reflecting Federal agency interest in properties identified during the Federal screening process, and initiates outreach to solicit interest in surplus Federal property from homeless providers, State and local governments, and other nonprofit organizations eligible for public benefit conveyance programs. When preparing the redevelopment plan, the LRA shall consider these interests.

Throughout the redevelopment planning process, the LRA should conduct extensive public outreach and keep the community informed through newsletters, legal advertisements, public notices, press releases, and a Web site. The objective is to inform and educate the public on the progress and direction of the redevelopment planning effort and maintain a transparent process.

PUBLIC BENEFIT PROGRAM	AUTHORITY	ELIGIBLE PUBLIC AGENCY	SPONSORING AGENT	DISCOUNT	USE RESTRICTION	TIME RESTRICTION	PROCEDURE OUTLINE	COMPLIANCE
NEGOTIATED SALE	40 USC 545(b)(8) 40 USC 484(e)(3)(H)	PUBLIC BODY OR TAX SUPPORTED INSTITUTIONS	MILITARY SERVICE FACILITATES NEGOTIATION	0%	NO EXCESS PROFITS ALLOWED	NONE	MILITARY SERVICE NEGOTIATES FMV: MILITARY SERVICE SUPPLIES DEED	MILITARY SERVICE
EDUCATION	40 USC 550(c) 40 USC 484(k)(1)(A)	PUBLIC BODY OR TAX SUPPORTED EDUCATIONAL INSTITUTIONS	DEPARTMENT OF EDUCATION	UP TO 100%	BASED UPON APPROVED PLAN FOR EDUCATIONAL USE	30 YEARS	APPLICATION & DEED: MILITARY SERVICE SUPPLIES ASSIGNMENT LETTER TO ED	SECRETARY OF THE DEPARTMENT OF EDUCATION
PUBLIC HEALTH	40 USC 550(d) 40 USC 484(k)(1)(B)	PUBLIC BODY OR TAX SUPPORTED MEDICAL INSTITUTIONS	DEPARTMENT OF HEALTH AND HUMAN SERVICES	UP TO 100%	BASED UPON APPROVED PLAN FOR PUBLIC HEALTH USE	30 YEARS	HHS SUPPLIES APPLICATION & DEED: MILITARY SERVICE SUPPLIES ASSIGNMENT LETTER TO HHS	SECRETARY OF HEALTH AND HUMAN SERVICES
PARK AND RECREATION	40 USC 550(e) 40 USC 484(k)(2)	PUBLIC BODY	DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE	UP TO 100%	PARK OR RECREATION AREA USE	PERPETUITY	DOI/NPS SUPPLIES APPLICATION & DEED: MILITARY SERVICE SUPPLIES ASSIGNMENT LETTER TO DOI/NPS	SECRETARY OF THE INTERIOR (NATIONAL PARK SERVICE)
SELF-HELP HOUSING	40 USC 550(f)(3) 40 USC 484(k)(6)	STATE AND LOCAL AGENCIES AND NON-PROFIT ORGANIZATIONS	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	UP TO 75%	SELF-HELP HOUSING ONLY	30 YEARS	HUD SUPPLIES APPLICATION & DEED: MILITARY SERVICE SUPPLIES ASSIGNMENT LETTER TO HUD	SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HISTORIC MONUMENT	40 USC 550(h) 40 USC 484(k)(3)	PUBLIC BODY	DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE	100%	HHISTORIC MONUMENT; ANY PROFITS FROM USE ARE TO BE USED FOR PRESERVATION	PERPETUITY	MILITARY SERVICE SUPPLIES APPLICATION & DEED NPS REVIEWS APPLICATION	DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE
CORRECTIONAL	40 USC 553 40 USC 484(p)	PUBLIC BODY	DEPARTMENT OF JUSTICE, ATTORNEY GENERAL	100%	CORRECTIONAL USE	PERPETUITY	DOJ SUPPLIES APPLICATION: MILITARY SERVICE SUPPLIES DEED	MILITARY SERVICE
LAW ENFORCEMENT	40 USC 553 40 USC 484(p)	PUBLIC BODY	DEPARTMENT OF JUSTICE, ATTORNEY GENERAL	100%	LAW ENFORCEMENT USE	PERPETUITY	DOJ SUPPLIES APPLICATION: MILITARY SERVICE SUPPLIES DEED	MILITARY SERVICE
EMERGENCY MANAGEMENT RESPONSE, INCLUDING FIRE	40 USC 553 40 USC 484(p)	PUBLIC BODY	FEDERAL EMERGENCY MANAGEMENT AGENCY	100%	EMERGENCY MANAGEMENT RESPONSE, INCLUDING FIRE USE	PERPETUITY	FEMA SUPPLIES APPLICATION: MILITARY SERVICE SUPPLIES DEED	MILITARY SERVICE
PORT FACILITY	40 USC 554 40 USC 484(q)	PUBLIC BODY	DEPARTMENT OF TRANSPORTATION, MARITIME ADMINISTRATION	100%	DEVELOPMENT AND OPERATION OF A PORT	PERPETUITY	MARAD SUPPLIES APPLICATION & DEED: MILITARY SERVICE SUPPLIES ASSIGNMENT LETTER TO MARAD	SECRETARY OF THE DEPARTMENT OF TRANSPORTATION
WILDLIFE CONSERVATION	16 U.S.C. 667b-d	STATE AGENCY ADMINISTERING WILDLIFE RESOURCES	DEPARTMENT OF THE INTERIOR, FISH AND WILDLIFE SERVICE	100%	WILDLIFE CONSERVATION USE	PERPETUITY	MILITARY SERVICE SUPPLIES APPLICATION & DEED	MILITARY SERVICE
PUBLIC AIRPORT	49 U.S.C. 47151	PUBLIC BODY	DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION	100%	DEVELOPMENT, IMPROVEMENT, OPERATION, OR MAINTENANCE OF A PUBLIC AIRPORT	PERPETUITY	MILITARY SERVICE SUPPLIES APPLICATION & DEED	ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION
HIGHWAY	23 U.S.C. 107 & 317	STATE WHEREIN THE PROPERTY IS SITUATED	DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION	100%	HIGHWAY USE RELATED TO INTERSTATE HIGHWAY NETWORK	PERPETUITY	FHWA SUPPLIES APPLICATION & DEED: DISPOSAL AGENCY SUPPLIES ASSIGNMENT LETTER TO FHWA	ADMINISTRATOR OF THE FEDERAL HIGHWAY ADMINISTRATION
WIDENING OF PUBLIC ROADS	40 USC 1304(b) 40 U.S.C. 345c	PUBLIC BODY	MILITARY SERVICE FACILITATES NEGOTIATION	UP TO 100%	HIGHWAY USE RELATED TO INTERSTATE HIGHWAY NETWORK	PERPETUITY	MILITARY SERVICE SUPPLIES APPLICATION & DEED	MILITARY SERVICE
POWER TRANSMISSION LINES	50 U.S.C. App.1622(d)	PUBLIC BODY	MILITARY SERVICE FACILITATES NEGOTIATION	0%	PUBLIC OR COOPERATIVE POWER PROJECT USE	NONE	MILITARY SERVICE SUPPLIES APPLICATION & DEED	MILITARY SERVICE
Source: General Services Administration April 6, 2006		Current Authority Previous Authority						

Figure 3
Public Benefit Conveyances

Section 4

Preparation of Base Redevelopment Plan

To prepare a base redevelopment plan, the LRA must examine all available resources, identify the best courses of action, and develop an implementation plan to integrate the former military installation into the fabric of the community. The LRA's base redevelopment planning activities, together with the Military Department's preparation for property transfer, will generally occur over an 18- to 21-month period after the date of approval. These activities represent a series of sequential steps in preparation of the base redevelopment plan, combined with unique planning requirements specified in BRAC law.

Preparation of a base redevelopment plan represents the LRA's effort to identify financially feasible and environmentally viable redevelopment alternatives for surplus properties. Redevelopment activities at 73 locations adversely impacted by major BRAC actions from 1988 through 1995 are discussed in OEA's publication *Economic Transition of BRAC Sites*. The following common redevelopment themes emerged at these BRAC sites:

- Civilian airports and related ancillary uses
- Shipyard, container port, and surface transportation
- Educational institutions
- Business and industrial parks
- Prisons
- Public safety
- Parks and recreation
- Master planned residential community
- Medical and biotechnical research center
- Warehousing, light and heavy manufacturing
- Natural and wildlife sanctuaries

The conversion of a former military airfield to a civilian or joint use airport will require additional planning studies to supplement the base redevelopment plan. Proponents of an airfield conversion should begin working with the LRA, regional Federal Aviation Administration (FAA) officials, and State aviation agencies as soon as the military airfield is designated for closure or realignment.

Early airport planning, coordinated and integrated with preparation of the overall base redevelopment plan, is essential. The base redevelopment plan should be prepared concurrent with completion of an Airport Master Plan (AMP), which includes an Airport Layout Plan (ALP), to determine the feasibility and viability of operating the airport and the amount of land needed to ensure financial sustainability. It is incumbent upon the LRA to coordinate with the proposed airport sponsor to ensure that airport planning is fully considered and integrated into the base redevelopment planning process. Specific airport planning guidance is provided in the OEA publication *Converting Military Airfields to Civil Airports*.

The following activities support preparation of a base redevelopment plan:

- Collect and analyze data.
- Formulate goals.
- Formulate objectives or performance targets.
- Identify alternative conceptual development plans.
- Assess alternative conceptual development plans.
- Select the preferred financially feasible and environmentally viable conceptual development strategy.
- Prepare detailed planning studies to refine the conceptual plan.
- Adopt a final base redevelopment plan.

Typically, conceptual development plans are first prepared and presented as a series of alternatives to allow analysis and discussion among the stakeholders. As these alternative plans are analyzed and discussed, a single plan will emerge that incorporates the most desired components from the alternatives (see figure 4). This conceptual plan is further refined with greater detail and specificity as to parcel size, land use type, densities, building square footage, and required infrastructure and support facilities (i.e., master water, sewer, drainage, and transportation plans), designation of park and school sites, etc. Major road rights-of-way and project-wide landscaping elevations, together with general architectural renderings to illustrate a master design theme, also may be incorporated.

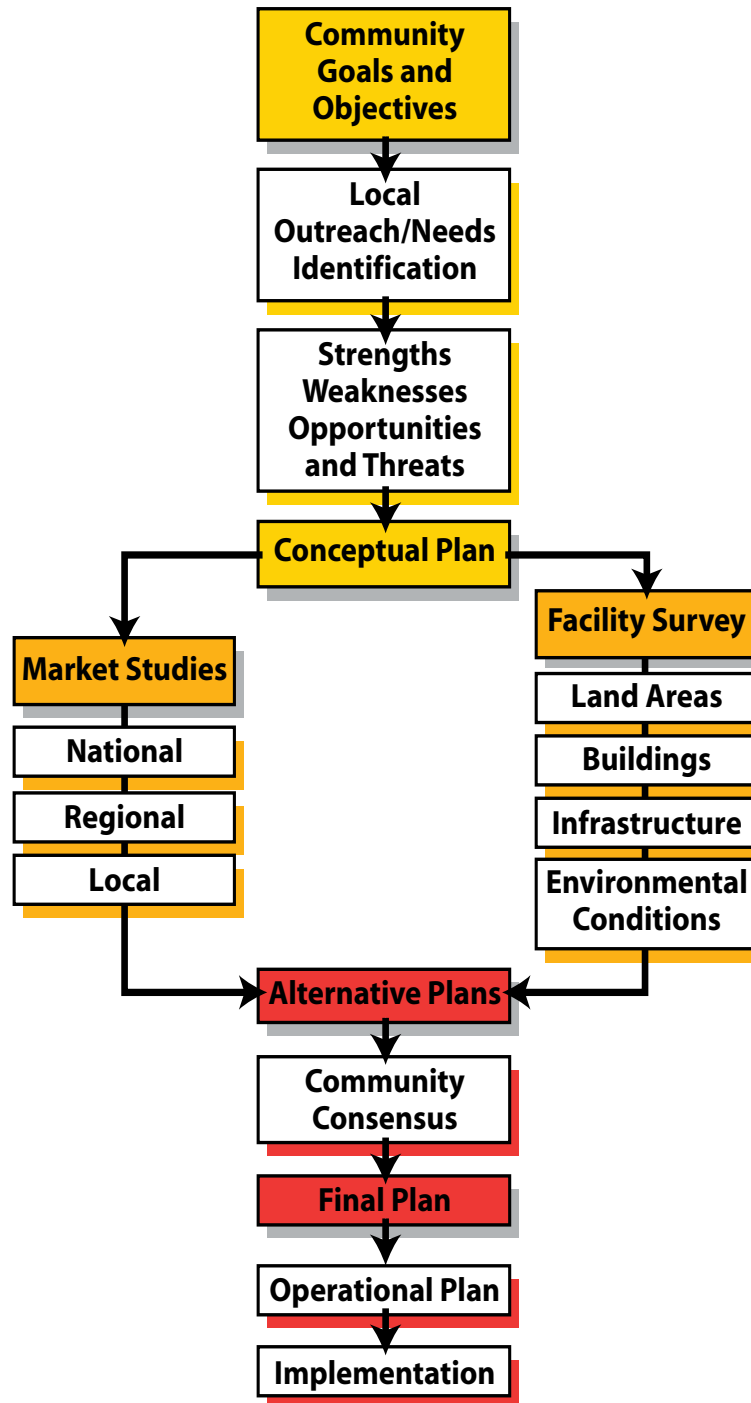


Figure 4
Typical Redevelopment Planning Process

Upon public review and comment, the conceptual plan is finalized to represent the community's long-term vision for base redevelopment (see figure 5). This final base redevelopment plan is incorporated into the jurisdictional comprehensive land use plan, serving as the basis for zoning and other regulatory tools to guide the physical redevelopment. Regulatory tools may include development agreements, subdivision and site plan approvals, and capital improvement programming.

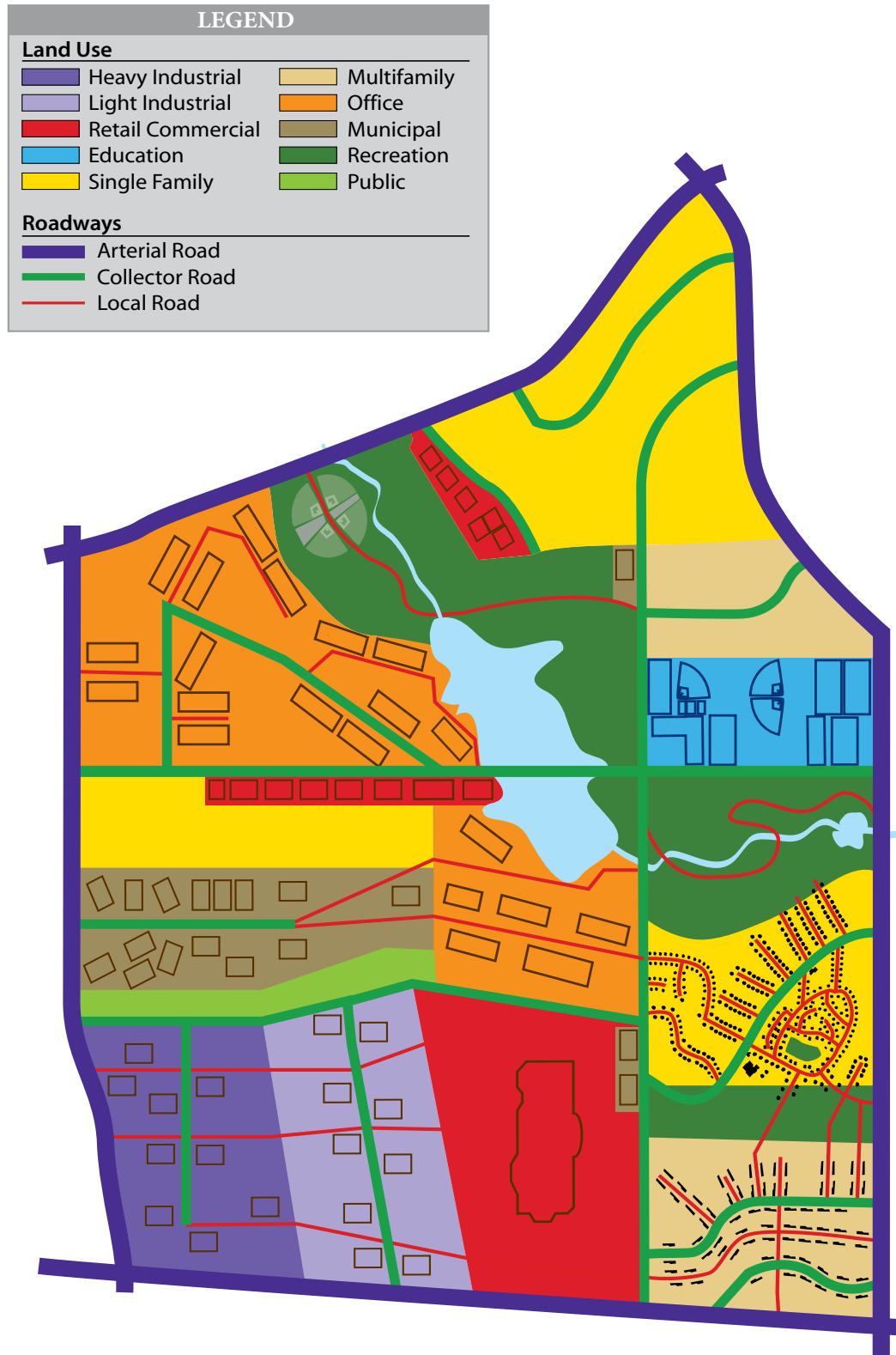


Figure 5
Notional Base Redevelopment Plan

Elements of a Base Redevelopment Plan

Initial Planning Studies

The following are examples of planning studies the LRA may undertake to initiate preparation of base redevelopment plan alternatives for public review and comment.

- **Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis:** An evaluation of a community's economic, social, and physical environmental strengths, weaknesses, opportunities, and threats as they relate to community economic development and base redevelopment.
- **Target Industry Analysis:** An assessment of the strengths and competitiveness of local industries to systematically target key industry sectors. The assessment may help identify highly localized or site-specific development opportunities and categorize local industries for strategic planning purposes. Local industry specializations signal local competitive advantages. Industry growth performance can indicate competitive advantages. Based on the concentration in the local economy and recent growth patterns, high-priority target industries can be identified to guide economic development initiatives.
- **Economic Base Analysis:** A community's economic base consists of employment activities providing the income on which the local economy depends. The primary focus of an economic base analysis is on employment and income-generating activities to measure the economic potential for future growth as related to past trends. The underlying structure of the local and/or regional economy, including goods produced and services provided, and the distinctive employment and income-generating patterns, are analyzed to gain insight into factors affecting the level and growth of economic activity within a local economy
 - Which sectors or industries are most important to the local economy in terms of employment and earnings.
 - Is the structure of the local economy changing? If so, in what ways?
 - How diversified is the local economy?
 - Which sectors or industries are growing and which are stagnating or declining? How do sectors and industries in this area compare to those elsewhere?

Forecasted changes in employment and population trends can be translated into projected demand for housing, office, retail, and industrial space.

- **Market Study:** An economic base analysis provides estimates of the rate of economic growth or decline for a community, but the market must also be stratified to identify zones in which a certain kind of real estate venture is likely to be successful. The objective of such an effort is to understand the nature of the local real estate market

and its inherent potential for supporting new business locations, business expansions, and the development of alternative uses for which there may be a market demand. This is a key element in supporting the formulation of a realistic and economically feasible redevelopment plan.

A real estate market study is a form of macro-market analysis involving the projection and analysis of supply and demand. The study results are used to help shape the redevelopment project by identifying a probable mix of land uses, projecting absorption rates, and pricing and defining the character of the project. The market study results can then be used to prepare revenue projections for the financial pro forma. To determine the economic feasibility of a project and estimate how much public financial assistance might be needed, it is important to identify what can be built, the absorption rate, and the pricing.

Population and employment trends can be converted into indicators of the overall demand for land use in the residential, office, retail, and industrial categories. Other physical, social, legal, and political elements that should be considered in a market study include the following:

- Existing land use patterns
- Population trends
- Employment statistics
- Economic trends
- Community facility analysis
- Tax base statistics and trends
- Politics and jurisdictional limits
- Degree of community organization and sentiments

Market demand may be derived from the immediate area or generated by the introduction of a new activity or availability of a unique building or facility on the installation. In either case, the installation should be assessed to determine what developer and investor interest might be attracted to support economic redevelopment. Projected absorption rates for the proposed land uses, based on current and projected market conditions, should also be identified.

If real estate market demand is strong, unsold inventory, rental vacancies, and mortgage defaults should be at a low level. If demand is weak, these indicators should be at a high level. Analysis of the nature of unsold inventory may prove helpful. The gap between supply and demand should be estimated and a forecast provided regarding

the rate at which the market is likely to absorb additional space or whether excessive vacancies exist in the market. A market study should also provide information on current financing practices, turnover rates for specific uses, neighborhood stability, and competitive real estate activity.

Appraisal firms and independent marketing research firms knowledgeable of real estate trends and demographics can prepare market studies

- **Marketability Analysis:** A market study is an analysis of current economic, social, political, and demographic trends in both a national and regional context. A marketability analysis is a micro-market study focused on a specific location or site that goes one step further by identifying the total nonresidential square footage or total number of dwelling units that can most probably be absorbed within a specific area and over a specific period. A marketability analysis, however, is not a project-specific financial feasibility analysis and does not take into account development costs or profitability. A marketability analysis will define the following:

- price or rent levels;
- absorption schedule; and
- specific conditions, sales techniques, and amenities that will enhance market acceptance.

A marketability analysis should include a site analysis, survey of the competition, development of a preliminary marketing strategy and management plan, estimate of the market absorption rates, and revenue and expense forecasts.

- **Highest and Best Use Studies:** A “highest and best use” study helps identify land uses that would maximize economic benefits from development of the property. The LRA can use the information gained from the study to evaluate alternative redevelopment scenarios. The General Services Administration has a clear and concise definition of highest and best use of real property.

Highest and Best Use means the most likely use to which a property can be put, which will produce the highest monetary return from the property, promote its maximum value, or serve a public or institutional purpose. The highest and best use determination must be based on the property's economic potential, qualitative values (social and environmental) inherent in the property itself, and other utilization factors controlling or directly affecting land use (e.g., zoning, physical characteristics, private and public uses in the vicinity, neighboring improvements, utility services, access, roads, location, and environmental and historical considerations). Projected highest and best use should not be remote, speculative or conjectural (Title 41 – Public Contracts and Property Management Chapter 102 – Federal Management Regulation, Part 102-71.20)

- **Base Map:** The base redevelopment planning process should begin with the preparation of a base map illustrating existing conditions both on the base and in the surrounding community. Redevelopment alternatives should be evaluated on the basis of these existing conditions, together with real estate market conditions and trends.
- **Adaptive Use Feasibility Analysis:** Reuse of existing buildings can provide an important economic adjustment opportunity and expedite the redevelopment process by enabling new economic activity in a significantly shorter time. However, each proposed adaptive reuse project has distinct structural, market, and financing requirements that will define whether the adaptive reuse offers advantages over new construction. Incentives may be needed to remove some of the risks and costs of renovating older buildings for new uses, including changes in zoning ordinances and building codes, zoning variances, flexible application of building code requirements, property tax abatements, financing assistance, and improvements to the supporting infrastructure.
- **Financial Feasibility Analysis:** Evaluation of redevelopment alternatives should include a financial feasibility analysis to determine whether the proposed redevelopment alternatives will meet their performance expectations. Initial financial feasibility analysis of alternatives can be simple, comparing total development and operating costs to expected revenues from leasing and sales activities to determine net profit. This effort represents the first cursory analysis of redevelopment alternatives based on simple pro forma income and cost estimates.
- **Fiscal Impact Analysis:** Fiscal impact analysis studies are primarily used to help public officials determine whether a particular project or scale of development in the community will generate enough revenue to defray the necessary public service costs. Fiscal impact analyses are also used to evaluate the overall financial implications for local government of alternative patterns and densities of redevelopment. Estimated revenues that may be received through property taxes or retail sales are compared with the costs associated with the delivery of various public services (e.g., police, fire, water, sewer, transportation, schools, and parks).

Data Collection and Analysis of Existing Conditions

Concurrent to planning studies undertaken to identify the community's economic character and real estate market trends, an assessment of existing conditions on base and within the impacted community should be completed. This assessment often consists of written and graphic information. Data may be available from a multitude of sources, including state and local government and the Military Department.

The Military Department has most of the technical data regarding the base. It may be digitized and available in Geographic Information Systems (GIS) or Computer Aided Drafting and Design (CADD) format. The base engineering, planning, and environmental offices can provide important data on existing land use, condition of infrastructure, wetlands, floodplains, historic and cultural resources, environmental hazards to human health, requirements for habitat protection as specified in the Endangered Species Act (ESA), etc.. The Military Department may develop an Installation Summary Report that considers all property assets, market conditions, potential disposal options, and many environmental restoration and compliance activities. This information may be supplemented with information maintained at local government offices, the state environmental and historic preservation offices, and local utility providers.

An initial land use assessment should document the types, location, and density of land use on the base and surrounding community, evaluate what future use can be made of the base, and identify where potential land use conflicts could occur. The potential for land use conflicts or incompatible uses must be carefully evaluated to successfully integrate the base redevelopment with the surrounding community.

Existing on-base facilities and land areas should be thoroughly inventoried and mapped. The conditions and quality of these facilities, and supporting infrastructure, should be assessed to determine their general suitability for civilian use without incurring major expenses for renovation or rehabilitation. In some cases, a decision may be made to demolish some existing facilities as they may have exceeded their life expectancy or building rehabilitation is not cost effective.

Many existing conditions are identified in the Military Department's comprehensive or master plan, including specific supporting resource documents, which are essential for planning and managing the base's physical assets in support of the military mission.

- Air Force Base Comprehensive Plan
- Army Real Property Master Plan
- Navy Regional Shore Infrastructure Plan
- Marine Corps Master Plan

These documents, comprised of graphics, technical data and narrative, provide an overview of the base's character, infrastructure and attributes for the purpose of guiding base development, can be obtained from the base planner and public works officer. The Environmental Condition of Property (ECP) report, which documents the environmental condition of all BRAC property, is also an important source of data to incorporate into the base redevelopment plan. This report provides information about

- completed remedial and corrective actions at the property;
- current property use;
- nature and extent of any known contamination, or thereof from hazardous substances, pollutants, contaminants, or petroleum and petroleum products;
- munitions and explosives of concern known or suspected to be present;
- current phase of any remedial or corrective action being taken on the property;
- existing information regarding the storage, release, or disposal on the property of hazardous substances, pollutants, contaminants, or petroleum and petroleum products;
- presence of protected species or cultural assets; and
- a summary of historical, cultural, and environmental conditions, with references to publicly available related reports, studies, and permits.

To establish and map existing baseline conditions the following data should be collected in support of the redevelopment planning process.

Developed and Undeveloped Land Areas

- Present land use characteristics
- Suitability for physical development
- Historic and archeological resources
- Wildlife habitats
- Environmental conditions, (e.g., floodplains, wetlands, topography, soils, environmental contamination, endangered species, airport noise zones)

Facilities Inventory

- Location
- Physical condition and age
- Assessment of building code compliance
- Structural design
- Electrical, telephone, and cable service
- Heating, ventilation, and air conditioning (HVAC) systems

- Architectural style
- Historic status
- Presence and condition of asbestos and lead-based paint
- Seismic inventory

Utilities – Water, Sewer, Gas, Electrical, Telephone, Cable

- Location
- Existing permits, easements, and rights-of-way
- Physical condition and age
- Capacity
- Needed and planned upgrades

Transportation – Vehicular, Public Transit, Rail, Bike, Pedestrian, Maritime

- Location
- Existing easements and rights-of-way
- Design standards
- Road classifications
- Existing access
- Planned upgrades and improvements
- Surface and structured parking lot capacities
- Pedestrian sidewalks and paths
- Bicycle paths
- Water shuttles/taxis
- Public transit service

Airfield

- Layout and dimensions
- Clear zones/safety restrictions/approach surfaces
- Navigational aids (NAVAIDS)
- Aircraft aprons and hangars
- Fuel storage and distribution systems
- Lighting
- Hangars and other specialized aviation support facilities

Environmental Contamination

- Unexploded ordnance (UXO)
- Chemical, biological, and radioactive storage and disposal
- Polychlorinated biphenyls (PCBs)
- Asbestos
- Soil contamination
- Aboveground and underground storage tanks (USTs)
- Fuel spills
- Lead-based paint
- Groundwater contamination (e.g., existing and projected plume)

Once data have been collected to document existing conditions on the base and in the surrounding community, the data should be organized and presented on base maps to identify existing constraints and opportunities for redevelopment. Using a GIS or CADD format, a series of map overlays can be prepared to identify areas for redevelopment, based on such factors as existing site and facility conditions, natural and cultural resources (wetlands, floodplains, historic and archeological sites), infrastructure location and capacity, transportation access, and land parcel size and location. Environmental remediation sites and proposed cleanup schedules should also be identified to ensure that the proposed redevelopment phasing plan and schedule can be accommodated and properly reflect the availability of property.

An evaluation of socioeconomic data (e.g., population demographics, employment, major industries, major employers, regional and national market share) and real estate market conditions should also be completed at this time to assess current and future market activity and identify economically viable conceptual base redevelopment plan alternatives.

Conceptual Base Redevelopment Plan Alternatives

The objective of a base redevelopment plan is to formulate community vision, goals, objectives, and standards to integrate the realigning or closing base into the community. A conceptual planning document focuses on how the base can fit into the community's fabric to sustain redevelopment and additional economic growth. The conceptual plan represents initial notions or ideas for a base redevelopment scheme and is the community's first consensus product.

Conceptual plans usually address natural and manmade constraints (i.e., topography, wetlands, major roadways, property boundaries) and may be presented as a series of specific alternatives showing the potential breadth of redevelopment options to facilitate analysis and discussion among the stakeholders. The stakeholder discussion will lead to a consensus plan that will likely represent incorporation of various components of the alternative plans presented. This consensus plan should represent a financially feasible and environmentally viable redevelopment strategy. It is important that a conceptual plan be completed in a timely manner to set the tone, direction, and ultimate community vision for redevelopment.

A conceptual plan can be presented as both text and graphics. The graphic detail can range from a bubble diagram of proposed land use themes to more detailed examples of building and development types. Detail can be provided with a series of vignettes or sketches that portray the ultimate look and feel of the property, buildings, and facilities. An overview of a proposed development program (e.g., parcel acreage by land use, total number of residential units, nonresidential building square footage, and parking and public facility requirements) also can be presented in outline format.

Evaluation of Conceptual Base Redevelopment Plan Alternatives

Existing site conditions, combined with an analysis of current and future real estate market activity, present both constraints and opportunities for redevelopment. Various conceptual redevelopment plan alternatives can be evaluated on the basis of site conditions, real estate trends, public needs, and required infrastructure. The evaluation should be guided by a set of review criteria that reflects redevelopment goals and objectives, public consensus, marketability, financial feasibility, and realistic development phasing and that recognizes the constraints posed by environmental conditions. The result of this evaluation is the selection of a base redevelopment plan that represents a vision for redevelopment that is financially feasible and environmentally viable.

Section 5

Outreach to State and Local Government, Non-profits, and Homeless Assistance Providers

As the LRA begins the base redevelopment planning process, identifying plan alternatives and focusing on the selection of a preliminary plan, the Military Department makes the surplus Federal property determination and publishes the list of surplus buildings and properties in the *Federal Register* and a local newspaper. Once the notice of surplus buildings and properties is published, the LRA is required to begin to identify State and local government, eligible nonprofit public benefit conveyance program (e.g., public education, health, recreation), and homeless assistance provider interests in the surplus Federal property. Within 30 days of the *Federal Register* notice, the LRA must advertise the availability of these surplus buildings and properties in a newspaper of general circulation within the vicinity of the installation. The advertisement must include the period during which the LRA will receive NOIs from homeless assistance providers, State and local governments, and nonprofit public benefit eligible transferees, and the submission criteria.

Interested State and local governments, and other eligible public benefit transferees, may submit NOIs for consideration. These NOIs represent public benefit conveyance requests for such public purposes as airports, education, health, churches, historic monuments, ports, parks and recreation, and wildlife conservation. The LRA then evaluates these NOIs in the context of the redevelopment planning process. The Federal agency with specific expertise in a conveyance category (e.g., the National Park Service for parkland and recreation conveyances or the FAA for civil aviation conveyances) is authorized to serve as a sponsoring or approving agency. Approved recipients may receive these public benefit conveyances at a substantial discount (up to 100 percent of fair market value) following consultation with the appropriate sponsoring Federal agency.

In accordance with BRAC law, the redevelopment planning process must balance community homeless needs with local community and economic development needs. Detailed guidance on the homeless screening process is provided in *Guidebook on Military Base Reuse and Homeless Assistance* (U.S. Department of Housing and Urban Development (HUD), Office of Community Planning and Development).

Base Redevelopment Plan Submission to HUD

Upon completion of the local outreach process, the LRA has up to 9 months to complete a base redevelopment plan and homeless assistance submission for HUD review. As part of the redevelopment planning process, the LRA must determine which homeless provider and public benefit conveyance NOIs to support and incorporate into the base redevelopment plan. The homeless provider NOIs may be supported through some combination of buildings, property, and/or funding. Negotiations between the LRA and homeless assistance providers submitting a NOI are brought to closure through the development of legally binding agreements that are included in the homeless assistance submission to HUD.

Once the LRA has identified the proposed base redevelopment plan, it should sponsor public meetings to present, explain, and receive public input on the proposed plan. After considering all input, the LRA forwards the base redevelopment plan and homeless assistance submission to HUD, including the legally binding agreement(s), to meet BRAC law requirements. This HUD submission should occur within 18 to 21 months following the BRAC date of approval. HUD's review of the redevelopment plan and the homeless assistance submission must be completed within 60 days of receipt. HUD may enter into negotiations and consultations if it determines that the redevelopment plan does not meet the statutory requirements, and the LRA may modify the plan after such consultations. The LRA has 90 days to submit a revised redevelopment plan and homeless assistance submission to HUD. Within 30 days of receipt of the LRA's resubmission, HUD makes a final determination.

Homeless assistance conveyances may be made, at no cost, directly to a homeless provider or to the LRA to meet local homeless needs, in accordance with HUD's acceptance of the LRA's homeless submission and the LRA's redevelopment plan.

Upon completion of HUD's review of the redevelopment plan, the LRA should formally approve the plan and submit it to the local government jurisdiction(s) with planning and zoning authority. The local jurisdiction(s) will proceed to formally adopt the redevelopment plan, including land use and zoning designations required for implementation. Thereafter, the redevelopment process proceeds in accordance with these adopted land use and zoning regulations. In some States, prior to the local government jurisdiction's approval of the redevelopment plan and subsequent land use and zoning designations, an environmental impact review must be completed.

Adoption of Base Redevelopment Plan

Fundamental to the redevelopment planning process are the government's police powers to legislate and regulate land use. These powers are primarily assigned to the State, which, in turn, delegates them to local government. Throughout the United States, virtually all local governments may use their police powers to conduct some form of community planning and zoning to regulate land use, building locations, and construction practices to protect the public health, safety, and welfare.

The U.S. Supreme Court has recognized local government's authority to engage in land use decision-making. This authority is based on the notion that a duly adopted and approved comprehensive or general plan (i.e., base redevelopment plan) has a long-range perspective and will guide incremental public land use decisions in the name of protecting the public health and safety and promoting the general welfare. Local governments carry out this responsibility by using tools such as community planning, zoning, subdivision, site plan, and building code regulations to regulate the use of property in a fair and reasonable manner

while ensuring property rights and promoting community economic development. Through these tools, local government can manage the location, timing, density, and intensity of community development in the public interest.

A base redevelopment plan should be viewed as the local government's policy statement on redevelopment goals, objectives, policies, and strategies for the future. The base redevelopment plan should be based on consensus among all participating interests and provide the framework and legal foundation for a host of public and private decisions affecting physical improvements and capital investments.

Preparation of the base redevelopment plan is the legal process and the means by which local government can project and anticipate the future land use of the former military installation. A plan approved and adopted by the governing jurisdiction, with goals, objectives, policies, and strategies, is the primary instrument to ensure land use compatibility between the surrounding community and the former installation property.

Once the LRA has approved the base redevelopment plan, the plan is submitted to the local planning commission for review. Following review, the local planning commission forwards the plan, with a recommendation of approval or denial, to the local legislative body with land use jurisdiction (i.e., city council or county commission). Upon approval by the local legislative body, the base redevelopment plan is incorporated into the existing community master land use plan. The local legislative body further controls base redevelopment by enacting zoning regulations, and other development controls as required, to specify in greater detail the permitted use, type, bulk, height, density, and location of buildings or structures. Design standards and amenities also can be adopted as prerequisites to obtaining site development and building permits.

Zoning is a legislative action, usually on the municipal level, which separates or divides municipalities into districts for the purpose of regulating, controlling, or in some way limiting the use of the property, the construction and the structural nature of buildings erected within the zones or districts established (*Law Dictionary*, Steven H. Gifis, Barron's Educational Series, Inc., 1975).

In many jurisdictions, land use and zoning regulations are not the only legal method by which local government can exercise land use stewardship. Other land use regulatory tools include special or overlay zoning districts, subdivision and site plan regulations, development agreements, building codes, traffic codes, minimum housing and sanitary codes, on- and off-street parking regulations, and public capital investment strategies. These tools, if properly applied, can greatly influence, guide, and regulate base redevelopment.

Section 6

Refinement of Base Redevelopment Plan

The LRA may refine the base redevelopment plan based on additional technical planning reports, analyses, and findings. These refinements may represent additional adjustments to the plan in response to changing priorities for development timing and phasing, changing market conditions, more detailed planning and design criteria, etc. However, the vision, goals, and objectives generally remain unchanged.

The following are examples of plan refinements the LRA may wish to undertake in implementing all or a portion of the base redevelopment plan. This list is not exhaustive, but it should provide insight into the plan refinements considered essential to implementation:

- **Master Infrastructure Plan:** This is a more detailed survey and assessment of the existing at- or below-grade infrastructure on the base and in the surrounding community, e.g., water, sewer and storm water management systems, transportation access, traffic circulation and parking, gas, electric, and communication utilities, etc. The plan may include analysis of existing conditions and capacity, code compatibility and specific upgrade recommendations. In many cases, existing community or regional systems will provide the infrastructure support and services, so the base redevelopment strategy must be coordinated with local demand projections and capital improvements programming. In addition to coordination with public capital improvements programming, the master infrastructure plan must support the location, phasing and proposed sequencing of redevelopment.
- **Individual Utility Assessments:** Based on the recommendations of the master infrastructure plan, the LRA may wish to assess a specific utility system, examining its condition and operational requirements for possible conveyance to public and/or private utility providers.
- **Utility Privatization Feasibility Analysis:** This is an analysis of the feasibility of acquiring and privatizing on-base utility systems. Information from the analysis can help an LRA reach an informed decision regarding the ownership and operation of some or all on-site utility system infrastructure.
- **Code Compatibility Study:** This is a survey of buildings and property for compliance with local community zoning, building, life and safety codes, environmental compliance, and the American Disability Act (ADA) requirements. This study is intended to identify deficiencies and costs to bring facilities into compliance with state or local codes in accordance with adopted redevelopment plan.
- **Capital Improvements Program:** This is an on-going planning and finance program to identify needed capital investments to sustain the functioning capacity and marketability of buildings and property on the closing base. It results in a planning and financing strategy and program to reconfigure or replace infrastructure and to support planned redevelopment.

- **Operational Program:** This effort estimates the cost to manage the installation on a day to-day basis, including maintenance and protection, functioning utilities, marketing, and real estate management. The purpose is to help an LRA determine the relative costs to operate and maintain the value of a closed military base.
- **Financial Pro Forma:** Once a redevelopment alternative has been selected and the base redevelopment plan finalized, a more detailed financial pro forma may be prepared to assess the short-, intermediate-, and long-term financial dimensions of the redevelopment project.

A financial pro forma is a forward looking estimate of cashflow representing cost and revenue projections over a specified time period. For a preliminary pro forma real estate industry “rules of thumb” for specific land use categories can be referenced to estimate costs and initial market demand data to estimate revenue. When available more detailed design and construction cost estimates, including site development and vertical construction, can be used to reflect project development expenses.

- **Parcel Subdivision Study:** This planning study identifies proposed redevelopment areas and notes potential conveyance method(s) and redevelopment phasing. Redevelopment phasing should be based on the real estate market trends and absorption rates, availability of the property, access to site, infrastructure support services, and environmental remediation schedule. This study will assist the local jurisdiction in staging the orderly redevelopment of a former installation over time.

These analyses may show that the adopted base redevelopment plan will require additional refinement to respond to information developed under the foregoing studies.

Section 7

Beyond Base Redevelopment Planning

The implementation phase of the base closure and redevelopment process follows quickly on the heels of the adoption of the base redevelopment plan. Once the local governing jurisdiction has adopted the base redevelopment plan, the community, together with the LRA, should consider what permanent organization(s) should oversee the redevelopment of all or portions of the former military base.

After the planning phase, the LRA's role and responsibilities are likely to change, with emphasis now on plan implementation. The current LRA and supporting staff may continue, or the LRA may be reorganized if the local or State government assumes the role of project developer. To support the role of public sector project developer, new staff may be needed with expertise in real estate marketing, property management, site development, and vertical construction.

Should the former military installation property need major infrastructure improvements or other types of public actions before private sector interest and investment are feasible, a community may choose to take a more active role in managing base redevelopment and identify and evaluate specific public financing tools. The community may choose to operate as a public redevelopment authority to ensure that redevelopment is initiated, accelerated, and sustained. Public actions and investments may need to be leveraged to reduce private risk or costs to a level that makes redevelopment financially feasible to meet the full potential for redevelopment. In these circumstances, consideration may be given to the various redevelopment management scenarios noted below.

- City or county government acquires the property and manages redevelopment through existing local government structure.
- A public authority acquires the property and forms a public/private partnership with a master developer to manage and finance redevelopment.
- A new or existing public authority, with special financing powers (e.g., airport authority, port authority, industrial development authority, combined special-purpose State-local development authority, nonprofit economic development corporation) acquires the property and manages redevelopment.

Some popular public development financing tools that could be used to promote base redevelopment and community revitalization include the following:

- Tax increment financing
- Business development tax districts
- Special tax assessment districts

- Revolving loan funds
- Sales tax rebates (sales tax revenue returned to point of origin)
- HUD Community Development Block Grant funds
- U.S. Department of Commerce Economic Development Administration grant funds (e.g., roads, utilities, building demolition)
- FAA grants (Airport Improvement Program and Military Airport Program grant funds)

In communities with strong investor interest and competitive real estate markets, the local government jurisdiction may decide to simply establish appropriate development regulations and allow the Military Department to sell on the open market through public bid sale those properties not otherwise conveyed through public benefit conveyances.

Conclusion

The redevelopment of a former military base represents an unprecedented opportunity for a community to influence economic recovery from a base closure or realignment. Federal property once exempt from local property tax is added to the tax base and leveraged to support new job creation and economic diversification. Through strategic land use and economic diversification planning, most communities emerge in better economic health than before.

The key to a community's success is early planning and consensus on what type of development will be undertaken, supported by realistic assessments of the real estate market and available financial resources from both the public and private sectors. Reaching consensus on a base redevelopment plan results from broad-based community participation and a focus on the community's long-term needs.

In the end, it is forward-thinking and business-minded leadership that enables a community to see the opportunities that base redevelopment offers. Creating these opportunities requires a vision of where the community wants to go, a plan for achieving that vision, and a willingness to work together to make redevelopment a success.

Appendix 1

- Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Redevelopment Act), Pub. L. 103-421; 32 CFR Part 176
- Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. § 9601 et seq.; 40 CFR Parts 300-3111
- Defense Base Closure and Realignment Act of 1990 (DBCRA 90), Pub. L. 101-510, 10 U.S.C. § 2687 note
- National Defense Authorization Act for Fiscal Year 1994 (NDAA 94), Pub. L. 103-160, Title XXIX, §§ 2901-2930; 32 CFR Parts 174, 175
- National Environmental Policy Act (NEPA) 42 U.S.C. § 4321 et seq.; Regulations for Implementing the Procedural Provisions of NEPA at 40 CFR Parts 1500-1508; Executive Order 11514, as amended by Executive Order 11991
- National Historic Preservation Act (NHPA), 16 U.S.C. § 470; 36 CFR Parts 60, 63, 68, 800; Executive Order 11593 (Protection and Enhancement of the Cultural Environment)
- Resource Conservation and Recovery Act (RCRA), 42 U.S.C. §6901 et seq.; 40 CFR Parts 240-281
- 10 U.S.C. § 2391 (Military Base Reuse Studies and Community Planning Assistance)
- 10 U.S.C. § 2694a (Conveyance for Conservation)
- 32 CFR Parts 174, Revitalizing Base Closure Communities

The Office of Economic Adjustment (OEA), a Field Activity within the Department of Defense, assists communities, regions, and States adversely impacted by significant Defense program changes. OEA provides hands-on technical assistance as well as financial and other resources for development planning of closed or realigned military installations. Over the past four decades OEA has helped hundreds of U.S. communities develop economic strategies to adjust to defense industry cutbacks, base closures, and force structure realignments, and to develop compatible land use strategies to mitigate encroachment around the nation's military installations.



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