



**infobrief**  
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# Making It Happen: Implementing the Installation Reuse Plan

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## ABOUT THE AUTHOR

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The Association of Defense Communities (ADC) is the nation's premier membership organization serving America's defense communities. With 1,200 members nationwide, ADC is the voice for communities and states with a significant military presence. ADC unites the diverse interests of communities, state governments, the private sector and the military on issues of base closure and realignment, community-military partnerships, defense real estate, mission growth, mission sustainment, military privatization, and base redevelopment.

### Support

For 30 years, ADC has been the voice of communities dealing with the challenges and opportunities of active and closed military installations. It's an organization built on support found through one-on-one interaction at conferences, timely updates in our weekly newsletter, and unique online resources.

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For defense communities, understanding the complex and important issues they must face is not an easy task. ADC recognizes the importance of learning and the opportunity that creates. Our comprehensive approach to increasing the knowledge of our members includes two major conferences — both full of timely and informative sessions — a highly regarded library of original publications, and a just-a-call away clearinghouse of information ready for your access.

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## Cover Images

(LEFT) New class A office buildings have been constructed along the former "grinders" at Liberty Station, formerly Naval Training Center San Diego. Built to resemble the historic barracks buildings on site, these new office buildings are home to law firms, accountants, doctors, real estate companies and more.  
(Photo courtesy of Redevelopment Agency of the City of San Diego)

(RIGHT) The Memphis General Depot was officially activated by the U.S. Army Corps of Engineers in January 1942.  
(Photo courtesy of Memphis Depot Business Park)

## I. Introduction

As in prior years, the 2005 BRAC round yielded major base closure decisions that are causing communities formerly dependent on defense installations to consider new land uses and new industries to counteract the impact of closures. In all, 21 major bases must be closed, and realignments and closures of 161 smaller installations must be completed, by September 2011. At bases where surplus land will be available, local redevelopment authorities (LRAs) have been established in order to plan a new future for the property by reinvigorating former defense installations with effective, innovative, and sustainable redevelopment strategies. As the 2005 BRAC planning LRAs begin to turn their attention toward implementation, it is appropriate to look at how LRAs actually embark on a journey that could last a decade or longer.

This Infobrief reviews the transition from planning to implementation, some of the key issues faced by Implementation LRAs and different organizational structures that have been adopted for these agencies. Several organizational structures are described in this report in order to illustrate the options.

## II. Implementation: Where Are We Now?

The milestone event that signifies an end of the planning phase and start of implementation is federal approval of the base reuse plan. The U.S. Department of Housing and Urban Development has up to 60 days to review the LRA's reuse plan for the installation. After the document is approved, the reuse plan becomes binding.

The Defense Department's Office of Economic Adjustment (OEA) will recognize an Implementation LRA if there is a need for an economic development conveyance (EDC) of some or all of the real property, or if other compelling reasons exist. The Implementation LRA also must show OEA that:<sup>1</sup>

- It is accountable to its respective governmental jurisdictions, as well as the public, over the long term;
- It has authority to enter into legal commitments, hold title, incur debt, and manage real property;
- It is responsible for implementing all or part of the redevelopment plan; and
- A city, county, or some other local public entity will be able to assume the obligations of the LRA if it is dissolved.

From an organizational standpoint, the Implementation LRA can be the same as the Planning LRA. In other cases, though, staff and board members with development experience are brought on

board during the transition between the two stages. A Planning LRA may exist for two to three years, while an Implementation LRA will carry the property through development for 10 years or more, in many cases.

From an operational standpoint, the Implementation LRA should have certain authorities to help it make the planning vision a reality. While not legally required, an Implementation LRA should be able to acquire, buy and lease property, as well as to sell, exchange, give or transfer property. Similarly, the Implementation LRA should always be able to enter into contracts, borrow and lend money, and grant mortgages for debt obligation.<sup>2</sup> The authority to issue bonds and collect tax revenue, all of which can be used to enhance and develop the site, also are critical in the implementation phase. However, these roles and responsibilities vary depending on the nature of the Implementation LRA.

### Guardian vs. Developer

Many of the Implementation LRA's powers and activities are determined by its basic function, either as a monitoring body (or guardian) or as an active developer of the land.

If the LRA is designed as a monitoring body — that is to say it monitors the implementation of the plan by a master developer or multiple developers — it acts as guardian of the Planning LRA's reuse plan, with the statutory responsibilities to provide guidelines for property to be sold and, ideally, the authority to guarantee zoning and title for desired land uses.

If the LRA itself remains entitled to the property, however — meaning that the Implementation LRA functionally serves as the installation's developer — its responsibilities and authorities are necessarily broader. Not only does an entitled LRA require the same broad zoning and entitlement authority expected of a monitoring LRA, but it also should have broader financing capabilities, such as the power to issue bonds or otherwise incur public debt, through general obligation bonds (backed by the "full faith and credit" of the local or state government, where that is legally permissible) or other public financial implements such as tax-increment financing.

The Alameda Reuse and Redevelopment Authority (ARRA) is a good example of guardian-type of Implementation LRA. Faced with the closure of Naval Air Station Alameda, the city of Alameda created ARRA to develop a reuse plan that would integrate the former military property with the city. As the planning process was completed, ARRA became an Implementation LRA that would be a guardian of the site while a master developer followed the city's vision for the future of the property. In this capacity, ARRA en-

tures that the Navy follows through with its cleanup and property disposal obligations, conveys property from the Navy to the master developer and public land trusts, and facilitates entitlements for the property. Other monitoring agencies were established in, among other places, Orlando, Fla., and Athens, Ga.

Implementation LRAs that have served as master developers of military property were established in communities affected by the closures of: Lowry Air Force Base in Denver, Glenview (Ill.) Naval Air Station, Fort Benjamin Harrison in Indianapolis and Fort Devens, northwest of Boston.

### III. Governance: Assembling The Implementation Team

There have been many designs of LRAs over the past 20 years. Some have been created by local governments, others by state governments. Some have been folded into existing agencies, others have been brand new agencies. However the structure is created and wherever it is housed, an LRA should represent the entire affected area and all of its important demographic constituencies. That means residents, neighborhood organizations, business interests, installation staff, environmental and social interest groups, and so forth, from both private and public sectors.<sup>3</sup> Realizing that implementation is a long-term responsibility, the LRA should be designed with transparency in mind, with clearly defined responsibilities and capacities, a comprehensive committee structure and open public processes. Communities also need to have a firm idea of the authorities the LRA should have because once enabling legislation has been approved, it can be difficult to amend it.

Keeping in mind these common elements of good governance, there are many organizational forms which Implementation LRAs have taken that have demonstrated some success, falling into six generally recognized categories:

- The city, county, or township could create a new, **stand-alone LRA authorized by local government**, specifically charged with installation redevelopment and empowered to perform as the Implementation LRA on its behalf. This has been the case with bases in Denver and Alameda.

**Approach In Action:** *Lowry Redevelopment Authority, Denver, Colo.*

In November 1993, the Lowry Economic Recovery Project submitted its reuse plan for the former Lowry Air Force Base. This Planning LRA was established through an intergovernmental agreement between the cities of Denver and Aurora, in which the base was located. In order to implement the reuse plan, the cities entered into a new intergovernmental agreement to form

the Lowry Redevelopment Authority in 1994. The Implementation LRA was given authority to create contracts, provide infrastructure, plan, apply fees, and lease, hold, buy and sell land. The authority, though, did not have the authority to tax, condemn property, zone land, or enforce building, fire code, public health and safety regulations. In recognition of the fact that Lowry property was located in Denver and Aurora, both cities had members on the LRA Board of Directors.

- The local government could designate itself as the LRA and fold implementation functions into an **existing city department**, such as an economic development agency. This makes it relatively simple to use the city's pre-existing authority for zoning and other issues.

**Approach In Action:** *City of Tustin, Calif.*

When Marine Corps Air Station Tustin was closed during the 1991 BRAC round, the city of Tustin was declared the LRA. The city immediately went forward with planning the reuse of the base. The redevelopment area, now called Tustin Legacy, is managed directly by the Assistant City Manager according to the City Planning Department's Specific Plan/Reuse Plan. The document includes detailed policies, regulations (including zoning), and other implementation strategies and procedures for the long-term incremental development of the property.

**Approach In Action:** *City of Vallejo, Calif.*

The city of Vallejo Economic Development Division took the reins of planning for the reuse of this industrial property. The city agency continued as the Implementation LRA for the 1,400 acres of the former shipyard that are developable.

- A **state-authorized LRA** can be created by new legislation.

**Approach In Action:** *Fort Ord Reuse Authority, Monterey, Calif.*

Following some early difficulties with local government redevelopment goals after Fort Ord's 1991 closure, the California Legislature passed legislation to create the Fort Ord Reuse Authority, which has served as the Planning and Implementation LRA. With a 13-member board selected from Monterey County and each of the eight cities in the immediate region, FORA was charged with creating and then implementing a reuse plan for the former Fort Ord property, transferring real estate to private developers as needed, managing the environment, identifying revenue streams and creating public infrastructure to support the mission. FORA was given authority to issue bonds and receive tax revenue.

- The **state and local governments can cooperate** in creating an LRA, through enabling legislation, intergovernmental agreements, or a pre-existing agency.

**Approach in Action:** *Fort Harrison Reuse Authority, Indianapolis, Ind.* In reaction to the 1991 closure announcement of Fort Harrison, the cities of Lawrence and Indianapolis and the state of Indiana formed the joint Fort Harrison Transition Task Force to guide reuse planning at the Army base. Then in 1995, state legislation was enacted that allowed local governments to form their own “reuse authority” for the purposes of planning, taxation, bonding, acquisition, litigation and contracting for the redevelopment of any closing military installation in the state. The legislation allowed reuse authorities to organize five-member boards and granted them permission for relatively broad eminent domain powers, as well as allowing most tax revenue collected on the former base to be spent on the site.

**Approach in Action:** *Grissom Redevelopment Authority, Peru, Ind.* Similar to Fort Harrison, reuse at Grissom Air Force Base (a 1991 BRAC realignment) first was guided by a community planning body, the Grissom Community Redevelopment Authority. It was succeeded, according to state law, by the Grissom Redevelopment Authority, which was incorporated into the Miami County government. A seven-member board of directors oversaw creation and development of Grissom Aeroplex business, industrial and aviation park.

**Approach in Action:** *Pease Development Authority, Portsmouth, N.H.*

The highly successful development of the site, formerly Pease Air Force Base, has been guided by the Pease Development Authority. The agency was created in June 1990 by the state in conjunction with the towns of Portsmouth and Newington, which are adjacent to the facility. The agency was given the authority to accept title to land disposed of by the Air Force, market and develop property, and issue bonds (it had \$250 million in bonding capacity to issue \$50 million in obligation bonds and \$200 million in revenue bonds). Pease Development Authority succeeded the planning LRA, the Pease Redevelopment Commission, which also was established by state law.

- If the LRA intends to transform the base into a port facility or airport, state and/or local governments can **fold the LRA into a new or pre-existing port authority** by intergovernmental agreement.

**Approach in Action:** *San Bernardino International Airport Authority, San Bernardino, Calif.*

The San Bernardino International Airport Authority (SBIAA) is a joint powers authority comprising San Bernardino County and the cities of San Bernardino, Colton, Loma Linda and Highland. The agency was formed in 1992 as the San Bernardino Regional Airport Authority and later was renamed. The authority oversees the 1,300-acre aviation portion of the former Norton Air Force Base,

which closed in 1995. SBIAA has the authority to acquire, build, manage and operate buildings; incur long- and short-term debt; issue revenue bonds; and operate the one-time military base as a public airport. SBIAA’s work complemented that of the Inland Valley Development Agency (IVDA), another joint powers authority featuring the same government partners, that was formed in 1990 to oversee redevelopment of the 600-acre non-aviation portion of the base.

- If the local government designates itself as the LRA directly, it also can create a public-private advisory non-governmental organization that comprises public and private interests to advise staff members performing the functions of the LRA.

**Approach in Action:** *Cameron Station, Alexandria, Va.*

In 1989, one year after Cameron Station was recommended for closure, the city of Alexandria organized a task force of community and business representatives to monitor the closure of the base and create a reuse plan. Since then, reuse has been overseen by a neighborhood civic association and the Alexandria Economic Development Partnership, a public-private organization between the City of Alexandria and the business community.

## IV. Things for the Implementation LRA to Consider

Effective Planning LRAs considered the implementation side of the equation during their work. For instance, it is recommended that communities develop reuse plans that allow for a quick transfer of property from the federal government. In doing so, the Planning LRA should have considered implementation-related issues such as property disposal and environmental cleanup.<sup>4</sup> These are among the leading issues that Implementation LRAs must consider as they move forward.

**Property Transfer**— Disposal methods — whether through an economic development conveyance, public benefit conveyance, public sale or other method — will significantly affect redevelopment plans and the costs for which communities will be responsible.<sup>5</sup> While the public benefit conveyance (PBC) process has been set in motion by the time implementation has begun, the LRA must oversee the completion of these transfers. And until the LRA ceases to exist, the agency should monitor usage of the property that has been transferred via a PBC to ensure that it meets that requirements of the transfer agreement. The Implementation LRA also will complete negotiations for any economic development conveyances that may occur. In the case of a public sale of property by the military, the Implementation LRA will monitor this process as well as any future development by private interests. LRAs also are likely to negotiate developer agreements

with private interests that take over the base property.

**Cleanup and Environmental Engineering** — Environmental cleanup from generations of heavy industrial and military use can engender prohibitive costs, leading to sometimes protracted legal disputes and delays in reuse projects. Implementation LRAs should know their options related to cleanup, including environmental insurance, early transfer and privatization.

**Infrastructure Investment and Construction** — In the redevelopment process, an LRA's ability to provide infrastructure has significant potential to add value to former installation property. Improved roads, roads that link to the community's street grid, convenient transit and transportation facilities, ready-to-build utility hookups, and well-cultivated park space can sometimes do as much to make relocation attractive to potential buyers as direct incentives or tax abatements, as was the case with the successful Lowry Air Force Base redevelopment. For an Implementation LRA to do so, it needs financial tools such as authority to issue bonds or charge impact fees.

**Taking Ownership of Process** — Once the LRA's plan has been submitted to HUD and the applicable military service, the LRA (whether still in the planning mode or fully in the implementation mode) should take steps to move its plan forward so that it can stay in control of the process. While the service ultimately may make the decision as to disposition method, the LRA can be heard on that decision and negotiate the issue with the service. If the LRA goes into a passive mode after filing its plan, it may unintentionally surrender the leadership to the military services, which may prefer disposition methods not favored by the LRA. The activities of the LRA should not cease just because the plan is filed and it is not yet an implementation LRA.

**Timing of Implementation** — The timing issue can be important. OEA may continue to provide additional planning grants to a Planning LRA, for example, to further refine its plan, to perform additional traffic and environmental studies and the like. But OEA funding ends when the LRA is recognized as an Implementation LRA. There are many appropriate detailed planning steps that are needed even after most plans are submitted, and many LRAs will want to preserve the possibility of seeking these additional planning grants. An LRA can advance its plan toward implementation and secure implementation powers in advance of being recognized by the OEA as an Implementation LRA. In fact, recognition by OEA as an implementing LRA is needed only if the LRA is seeking an EDC. Even then, OEA only requires that the application for recognition as an Implementation LRA be filed when the EDC application is filed. In many cases a great deal of additional work and time is needed after the filing of the reuse plan before

an EDC application is ready. Thus an LRA should consider, in consultation with its OEA representative, to defer recognition as an Implementation LRA until the time it files its EDC application.

**Historic Preservation** — The National Historic Preservation Act established a comprehensive program to preserve landmarks. Section 106 of the act requires federal agencies to consider the effects of their actions — including those related to military base closures — on historic properties. Section 106 review encourages, but does not mandate, preservation. Section 106 review ensures that preservation values are factored into federal agency planning and decisions.<sup>6</sup> LRAs may get involved in the Section 106 process in their capacity of planning and implementing reuse. In order to be considered during Section 106 review, a property must either be already listed in the National Register of Historic Places or be eligible for listing. A property is considered eligible when it meets specific criteria established by the National Park Service.<sup>7</sup>

**Marketing** — Depending on location, cleanup issues, infrastructure and other factors, it may be difficult to attract tenants to a redeveloping base. This is especially true of rural areas, where the jurisdiction is small enough to make it impractical to create a marketing department or difficult to consult a private agency. To that end, OEA offers resources to help communities develop marketing plans.

## V. Conclusion

The implementation phase of base reuse is when vision is turned into reality. As defense communities prepare for this important step, it is critical that communities set up Implementation LRAs with a structure and authorities that will allow the agencies to carry out their charges. Whether an Implementation LRA is going to be an active developer of the military property or it will serve as a guardian of how other parties carry out the reuse plan, the LRA must have the ability to act on behalf of the affected community.

## Appendix — Resources

Examples of resolutions and other enabling legislation that created LRAs can be found in “Organizing for BRAC,” an OEA publication. For that and other information on the reuse process, please consult below the resources available through the Department of Defense, the Office of Economic Adjustment, the military services and ADC.

### Department of Defense BRAC Site

<http://www.defenselink.mil/brac/>

### DoD Base Redevelopment and Realignment Manual

<http://www.defenselink.mil/brac/pdf/4165-66-M-BRRM-508.pdf>

### DoD Community Guide to Base Reuse

[http://www.oea.gov/OEAWeb.nsf/EBF74E304EDC7FEC85256E8300447F5B/\\$File/CommunityGuide.pdf](http://www.oea.gov/OEAWeb.nsf/EBF74E304EDC7FEC85256E8300447F5B/$File/CommunityGuide.pdf)

### Office of Economic Adjustment BRAC Library

<http://www.oea.gov/oeaweb.nsf/BRAClib?OpenForm>

### Army Base Realignment & Closure Division

<http://www.hqda.army.mil/acsim/brac/braco.htm>

### Air Force Real Property Agency

<http://www.safie.hq.af.mil/afropa/index.asp>

### Navy BRAC Program Management Office

<http://www.bracpmo.navy.mil/>

### ADC Defense Community Resource Center

[http://www.defensecommunities.org/?p=Resource\\_Center\\_Overview](http://www.defensecommunities.org/?p=Resource_Center_Overview)

## Endnotes

<sup>1</sup> “Organizing for BRAC,” Office of Economic Adjustment, U.S. Department of Defense, December 2005.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> “Organizing Your Planning Effort: The First Steps in Installation Redevelopment,” by Yvonne Dawson, Association of Defense Communities, May 2005.

<sup>5</sup> Ibid.

<sup>6</sup> “Protecting Historic Properties: A Citizen’s Guide to Section 106 Review,” Advisory Council on Historic Preservation, 2002.

<sup>7</sup> Ibid.



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