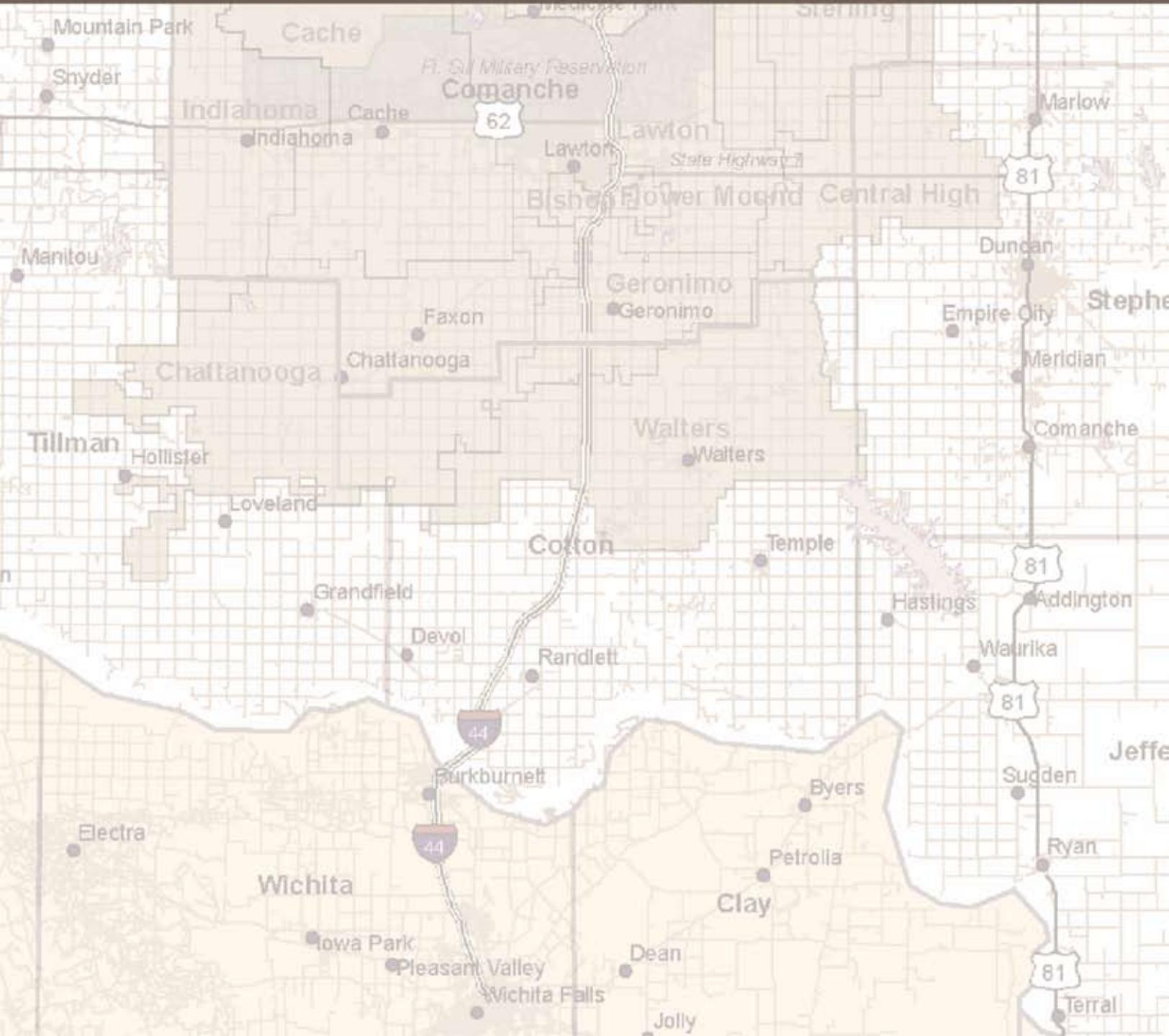


**CHAPTER 14**

**REGIONAL  
COORDINATION &  
IMPLEMENTATION**





## CHAPTER 14

### Introduction

*When multiple communities come together for a common goal, all will gain much more than if they went at it alone. This statement formed the basis for the entire planning effort associated with this Fort Sill Regional Growth Management Plan, and as outlined in this chapter of this Growth Management Plan report, it should also constitute the basic foundation for the implementation and action strategies recommended in this Plan. As detailed in this report, many of the issues and challenges associated with the Fort Sill BRAC deployment transcend the political and municipal boundaries that currently exist within the region. These overarching challenges will require a transformative approach for the region as it prepares for the BRAC changes and seeks to capitalize on this unique growth opportunity by enhancing the quality of life for its citizens.*

Previous chapters of this Plan have presented an assessment of key community items such as roads, utilities, schools, healthcare and other related physical and social infrastructure elements that are necessary to promote and accommodate the anticipated growth and development throughout the region. Numerous strategies and recommendations have been created to address the identified “gaps” in these services or infrastructure, and in many instances, the recommended strategies will require resources, commitments and efforts that are beyond the reach of any single governmental entity in the region regardless of their size, sophistication or financial capabilities. As the scope and nature of these issues were documented and debated throughout the planning process, the region’s leaders and communities began to understand the interrelated nature and complexity of these issues. They began to

search and investigate new decision making structures that could address the broad, intergovernmental nature of the problems. As the issues became more defined and the leaders began to understand them better, the reason for needing a more comprehensive approach to problem solving was formulated; including:

- The issues and potential solutions ignore jurisdictional boundaries and are so interrelated that actions by one government entity could potentially impact (positively or negatively) another adjacent community if a coordinated approach or strategy is not utilized.
- The issues and potential solutions are of such complexity and scope that, even if a single entity sought to lead the implementation effort on its own accord, the resources and efforts necessary to solve any single problem would be significant and likely overwhelming for most communities and even a burden for a community the size of Lawton. Furthermore, “going it alone,” as one leader remarked, would almost certainly lead that governmental entity to a single-minded, self-interest focus on the problem, thus undermining the coordinated and collaborative approach needed to comprehensively solve the problem.
- The issues and potential solutions will require significant financial resources and the region will need funding assistance to address the most critical concerns in a timely fashion. Regional leaders realized that the “whole” region is greater than sum of its individual municipal “parts,” especially in regard to soliciting and gaining support for funds and technical assistance at the state capital and in Washington, D.C.

As such, the planning team began to investigate a “regional” approach and organizational structure for the implementation of the Plan’s overall recommendations. This section includes a discussion and background research of existing regional collaborations in the Oklahoma area, as well as other communities across the United States, in order to determine if a comparative and compelling model exists for the Lawton/Fort Sill region to use in their implementation efforts. Additionally, an assessment of the current organizational structures existing within the region to adequately and comprehensively address issues and recommended strategies included in this Plan is presented. Finally, recommendations are provided as a basis for moving forward with the implementation of the Plan.

## EXISTING CONDITIONS

Over the past several years, many Oklahoma communities have recognized the value of forming regional partnerships to address intergovernmental challenges. Across the state, and in southwest Oklahoma, the desire to attract jobs, investment and create a stronger quality of life within their communities have led many communities to cooperate with each other, the State of Oklahoma governmental agencies and local service providers in forming special purpose organizations to address regional issues.

### Existing Regional Partnerships

The Oklahoma Department of Commerce provides comprehensive assistance and guidance to several regional partnerships that have been formed across the state. Many of these partnerships were formed as outgrowths of state and regional economic development initiatives. The Department also provides primary funding and organizational support for the eleven (11) regional councils of governments across the state, and these councils serve as the primary actor in soliciting, developing and nurturing “regional” approaches and policy stances on issues that impact their constituencies. The Association of South Central Oklahoma Governments (ASCOG), based in Duncan, Oklahoma, provides technical assistance, regional development planning assistance,

sharing of governmental resources, advice on and review of applications for federal and state financial assistance, and planning and service delivery for economic and rural development, business loan programs and other job creation efforts for the Lawton/Fort Sill study area.

In addition to ASCOG, the Department has been actively assisting a number of regional partnerships in the area. Figure 14-1 (on the next page) provides a listing of the certified regional partnerships currently operating and assisting communities and counties across the southwest Oklahoma region.

### ODOC Partnerships Goals

The Oklahoma Department of Commerce provides goals and advice for regional partnerships and these concepts provide a strong foundation for any future efforts that may be made or recommended for the area, including:

- *Regional partnerships should be representative of the region as a whole.* Membership should include individuals in both the public and private sectors-- education, economic development entities, chambers of commerce, CareerTech sites, financial institutions, utilities, county and municipal government, area businesses, regional councils of government, workforce agencies, and civic organizations. Be sure to involve the young people in your communities. They are your future and one of your greatest assets.
- *Always invite local elected officials and legislators to attend partnership meetings.* Their support and understanding of the regional partnership’s goals are critical to success. Keep them in the loop about projects, successes, upcoming events, and obstacles.
- *Set realistic goals.* Start with a small manageable project, or issue of mutual concern. This approach creates interest in the partnership and enables collaboration. Select a project beneficial to all partners with a good chance of success. Build on that success for future endeavors. Remember that goals are SMART - specific, measurable, achievable, realistic, and timely.



Existing Regional Partnerships in Southwest Oklahoma		
Name	Service Area	Mission/Purpose
Association of South Central Oklahoma Governments (ASCOG)	Caddo, Grady, McClain, Comanche, Stephens, Jefferson, Cotton, and Tillman counties	Provides leadership to improve efficiency in local government by promoting sharing of government services, expressing common positions on public policy issues, and providing members with planning, development, management and research services.
Southwest Oklahoma Impact Coalition (SOIC)	Beckham, Blaine, Caddo, Canadian, Comanche, Cotton, Custer, Dewey, Grady, Greer, Harmon, Kingfisher, Kiowa, Jefferson, McClain, Roger Mills, Stephens, and Washita counties	Our mission is to reinforce and grow wealth in the Southwest Quadrant of Oklahoma by maximizing and coordinating workforce and economic development opportunities
Southwest Oklahoma Rural Development Corporation (SORDC)	Cotton, Tillman, and Comanche counties (excluding the Lawton MSA).	Provide assistance to the rural communities within the service area in their efforts to improve infrastructure, enhance rural quality of life, and encourage economic development and job creation.
Southwest Oklahoma Technology Alliance (SWOTA)	Comanche and Stephens counties	To bring together technology and non-technology companies to stimulate and facilitate the growth and creation of new technology businesses and new technology business opportunities in Southwest Oklahoma.
Southern Oklahoma Regional Coalition (SORC)	Carter and Jefferson counties	Economic development coalition serving the four communities of Healdton, Ringling, Tatum, and Wilson.
Southern Plains Agricultural Resources Coalition (SPARC)	Oklahoma counties west of I-35	To spark rural sustainability and profitability through greater use of no-till practices and conservation systems for producers, consumers, and communities by promotion of market based incentives, education, demonstration, participation and research.
South Central Workforce Investment Board (SCWIB)	Jefferson, Stephens, Grady, Caddo, McClain, Comanche, Cotton, and Tillman counties	Combine the efforts of workforce recruit and development with the needs of area businesses and economic development efforts.
South West Workforce Investment Board (SWWIB)	Beckman, Custer, Greer, Harmon, Jackson, Kiowa, Roger Mills, and Washita counties	Combine the efforts of workforce recruit and development with the needs of area businesses and economic development efforts.
Oklahoma Southwest Alliance (OSA)	Beckham, Caddo, Kiowa, Greer, Washita, Harmon, Jackson, Tillman, and rural Comanche counties	To promote and enhance the economic development climate of SW Oklahoma through focusing on business attraction, business retention and expansion, tourism and agritourism development, and issues of mutual concern for our member counties and municipalities

Sources: Oklahoma Department of Commerce

**Figure 14-1: Existing Regional Partnerships in Southwest Oklahoma**



- *Frequently evaluate the goals and purpose of the regional partnership.* Do your goals need to be more ambitious? Do you have the right mix of skills and experience? Are you meeting often enough to make significant progress? Who's missing at the table?
- *Communicate, Communicate, Communicate!* With partnership members, with your elected officials, with your partner organizations, with the residents in your community. Communicate often, and remember that communication is a two-way process. Charge members with taking information and issues back to their respective communities. Get feedback from ALL demographic sectors, including youth, seniors, and minorities.
- *Leverage ALL of your available resources.* There are a multitude of service providers available to assist communities that truly want to form a successful regional partnership. A handful of them are listed below. Keep in mind that you don't have to re-invent the wheel. There are several existing regional partnerships, like the ones featured here, which would be glad to share their experiences and insights. They can serve as models and mentors.
- *Find a grant writer.* Someone who has experience, or can be easily trained, in seeking state, federal, and foundation grants. Someone who knows how to look for appropriate grants and can secure funding. Someone who can be counted on and knows the goals, membership, assets, and resources of the partnership. You don't want to educate a different writer each time you go after funding.

## Past Regional Collaboration Efforts in the Lawton Area

Regional cooperation efforts, while not plentiful, are not new to the Lawton area. In late 1998, the City of Lawton initiated a regional dialogue and advocated for the development and implementation of an Economic Development Plan for the region. Representatives and leaders from the area's communities, including Cameron University as the primary author and facilitator of the study, developed a regional workforce study and recommendations on how the area could exploit

their advantages and create more jobs and wealth opportunities in the region.

Additionally, another primary impetus of past efforts have been proposed or potential changes to the Fort Sill operations, and this latest round of Base Realignment and Closure recommendations were the latest opportunity to advocate and form a regional response to these issues. In 2005, the City of Lawton, with technical assistance and advice provided by the Office of Economic Adjustment, advocated and solicited regional leaders and a regional response to the announced BRAC deployment and Army transformation changes proposed for Fort Sill. A BRAC Coordination Committee, composed of local leaders from across the region, was formed as a executive group of leaders that could frame the critical issues and provide leadership in the development of a coordinated plan. Thus, from the earliest indications of BRAC changes at Fort Sill, the Lawton area communities have been organized around the concept of a regional approach to the potential challenges of Fort Sill growth and its impact on southwest Oklahoma.

Finally, at the onset of this planning effort, several of the BRAC Committee members offered a set of reasons or justifications for further development and investigation of the regional approach to the BRAC changes at Fort Sill. They understood that these changes would present a great growth opportunity for their communities, but they also feared that the Lawton area would receive the majority of the "benefits" of this growth, and the surrounding communities would only see the "impacts" of the growth. As they described in a BRAC Committee meeting, a regional organization should be the primary agent for implementing the Plan's recommendations in order that:

- The region's collective "voice" on key challenges and funding issues would be stronger and heard more clearly in Oklahoma City and Washington, D.C.;
- The region would have a "vision" for its future that includes all of the communities and not just those communities that stand to gain the most or grow the most from BRAC;



- The region’s smaller communities can receive assistance on planning/growth issues that would enable them to benefit from the potential growth in population and businesses that would result from BRAC;
- The region’s political “clout” would be increased over the individual political strength of any single government or community in the area;
- The region would have a comprehensive approach and strategy to overall economic development in the area so that the area could potentially capitalize on the new personnel and changes at Fort Sill and convert those changes into “spin-off jobs” opportunities.



## Potential Funding Sources for Regional Initiatives

One of the overriding issues related to regional partnerships for the area and its leaders was the ability of the proposed regional organization to attract or create start-up, annual operating and implementation funding for its activities and the recommended strategies and actions in the Plan. An investigation of the potential federal and state funding options and strategies was conducted to fully inform the overall implementation Plan and the regional organization that may be created to carry out the Plan.

Mission growth places economic pressure on a community by placing excessive demands on essential community services and facilities. To manage local growth successfully, states and affected communities need solid information on the size and timing of the direct military changes and adequate financing to address the need for roads, schools, and housing. Mission growth represents a new economic model, so there are relatively few governmental programs to guide military communities through the process.

States play an important role in managing growth projects at the local level. In some cases, states have served as an intermediary between federal agencies and the local redevelopment authorities (LRAs) to help secure the funding for projects and programs. Several governors have established state-level committees, groups, or offices to identify state financing and policy options.

Public financing strategies are segmented into the following four areas:

- **Planning:** Developing a comprehensive plan outlining strategies and financing mechanisms.
- **Infrastructure Development:** Building or enhancing public and private infrastructure to stimulate and support economic activity.
- **Business Development:** Fostering new and diverse business activity.
- **Workforce Development:** Assessing and meeting the needs of a military community’s workforce.



A diversified and balanced financing plan takes advantage of the strengths each level of government offers in stimulating economic activity. The state is often in a good position to facilitate local growth projects through state-level programs such as cash grants and debt financing through bonds. In addition, states can jump-start the process by passing legislation that increases state financial aid, creates tax incentive programs, and allows for the implementation of financing strategies at the local level.

Although mission growth significantly benefits the local economy, it also can be a real challenge to the community because it strains the locality's ability to accommodate the influx of new military and civilian personnel and their families. To prepare for this growth, communities should focus on strategies that enhance essential public services and infrastructure. Since many local governments lack the financial resources necessary to undertake projects, states can help with the cost of addressing redevelopment or growth through the utilization of financing mechanisms that can leverage support from the private sector.

For example, Maine Governor John Baldacci established, by executive order, the Office of Redevelopment, Reemployment, & Business Support, to address the closure of Brunswick Naval Air Station. This office was created to work in partnership with Brunswick and Topsham (the towns affected by the closure) to assess how the state can coordinate its resources to assist the communities in developing and implementing reuse and redevelopment plans efficiently and effectively.

Then-Virginia Governor Mark Warner established, by executive directive, four BRAC Regional Working Groups as a part of the State Commission on Military Bases. The Regional Working Groups, composed of state and local government officials as well as affected-area residents and businesses, are responsible for ensuring that state and localities effectively prepare for and respond to the implementation of the BRAC Commission recommendations.

## Planning

The U.S. Department of Defense's Office of Economic Adjustment (OEA) suggests communities undertake growth management in partnership with the affected military base. When necessary, local officials should organize to respond to the anticipated growth by establishing an ad hoc committee responsible for making initial assessments of important community issues.

### *Federal Planning Assistance*

To help communities plan and initiate community development activities, OEA makes Mission Growth Planning Assistance Grants available to eligible communities. These grants are used for a range of studies and activities to support community development plans and actions that address what states and communities may need to do in response to the growth of a military base community. Studies often address the expansion of public schools, housing construction, and new or widened roads. As with OEA grants for redevelopment, states or other non-federal government entities are required to provide matching funds.

### *State and Local Planning Assistance*

In many cases, the state is in a good position to undertake the role of an intermediary between federal agencies and localities by facilitating base redevelopment and local growth projects through state-level financing mechanisms. Direct state funding (often through grants) and debt financing (by means of bonds) are often the fastest and simplest financing strategies to spur private-sector investment in local growth. States also can advance the process by passing legislation that increases state financial aid, creates tax incentive

A successful growth management partnership includes all stakeholders. The Fort Leonard Wood Regional Commerce and Growth Association in Missouri was one of the first growth management organizations to plan successfully for BRAC-related community growth. Formed in response to the 1995 BRAC decision to relocate military operations to Fort Leonard Wood, the regional association is composed of numerous public and private stakeholders including representatives from the surrounding cities and counties, area businesses, local school boards, utility companies, Fort Leonard Wood, and



the state of Missouri. The state provided matching funds to OEA's planning assistance grant and administrative support for grant management.

To achieve success the LRA should take advantage of public financing mechanisms available at the federal, state, and local levels. A diversified and balanced financing plan increases the total amount of funding for redevelopment and growth projects and takes advantage of the strengths each level of government offers in stimulating economic activity.

## Infrastructure Development

### *Federal Infrastructure Development Assistance*

Modernizing or expanding infrastructure is a crucial investment which helps attract site developers, stimulate business growth and job creation, and generate tax revenues. A major concern for mission growth communities is the need for an infrastructure system capable of supporting an influx of people. Most communities will find they must build new or enhanced infrastructure but don't have the funds to make the enhancement without outside help. Often a combination of federal, state, and local financing is needed for infrastructure improvement projects. However, securing adequate financing for infrastructure investment is frequently a challenge for military communities because most projects are large in scale, and financing through current fiscal year revenues whether state, local, or LRA-generated revenue often will not cover the total cost of infrastructure projects.

Traditionally, the gap between funds available and funds needed is bridged through the issuance of municipal bonds, a form of debt financing that allows state, local, and municipal governments to borrow large amounts of capital immediately and repay the loan with general or specified revenues over an extended period of time, usually 15 to 30 years. Although there are several types of municipal bonds, state-issued general obligation bonds often are considered the most secure because state government pledges to use all of its revenue and taxing power with full faith and credit to repay bondholders in a timely manner.

LRAs can serve as temporary political subdivisions of a state or local government, but enabling legislation often limits the types of bonds LRAs may directly issue to tax-increment and real estate revenue bonds. These bonds rely on increases in property values to generate the revenue necessary to repay the bondholders. It is often difficult to anticipate revenues from real estate because land values can fluctuate depending on the real estate market. As a result, credit agencies generally consider these types of bonds to be high-risk. LRA-issued bonds often are rated below investment grade by credit agencies making them difficult to market to prospective bondholders.

These financial limitations often put LRAs in a situation where they are unable to finance infrastructure development projects alone. As a result, most defense adjustment infrastructure projects are financed through a combination of LRA bonds and federal, state, and local government financing mechanisms such as:

- Federal Infrastructure Construction Grants;
- State and local general obligation and revenue bonds;
- LRA-issued tax-increment bonds and real estate revenue; and
- Credit enhancements.



### *Federal Infrastructure Construction Grants*

Federal Infrastructure Construction Grants often provide the immediate funding needed to invest in military base redevelopment projects. These grants help lessen the upfront amount of debt incurred by LRAs and state and local governments because they do not need to be repaid.

The Department of Commerce's Economic Development Administration (EDA) has two programs that award competitive grants to help economically distressed communities plan and implement infrastructure improvement projects.

*The Public Works Program* awards grants to communities toward projects which revitalize, expand, and upgrade physical infrastructure in order to attract new industry, encourage business expansion, diversify local economies, and support the generation or retention of high-skill, high-wage jobs.

*Economic Adjustment Grants* may be used to finance the actual construction of public infrastructure such as streets, water and sewer facilities, and other public works, as well as fund infrastructure-related technical and planning assistance. The grants also can be used to cover revolving loans to small businesses wishing to expand their business activity through capital improvements.

The Department of Housing and Urban Development's Community Development Block Grant also provides infrastructure grants.

The Department of Transportation's Federal Highway Administration (FHWA) administers the *Defense Access Roads Program (DAR)*. The DAR program assists military bases in identifying, evaluating, and funding projects for highway improvements needed because of an increase in military installation activity. To initiate a DAR project, the local military base informs the Military Surface Deployment and Distribution Command (SDDC) of the community's access and mobility needs.

The Department of Education's Office of Elementary and Secondary Education manages the *Impact Aid Program*, which provides financial assistance to local school districts affected by federal activities. For example, local school districts surrounding Fort Benning in Georgia,

expecting to see a large increase in student enrollment formed the Chattahoochee Valley Schools Coalition and requested funding from the U.S. Department of Education through a single application.

*State and Local Infrastructure Development Assistance*  
Traditionally, many states have contributed state funds through general revenue and debt-financed grants to support various infrastructure development projects near growing military installations.

When nearly 7,000 people relocated to Fort Leonard Wood in Missouri as a result of the 1995 BRAC round, the state's department of transportation provided \$15 million in funding to expand the installation's main access gate, construct a secondary gate to improve traffic flow, help with airport improvement studies, and establish a regional airport authority.

As a result of the 2005 BRAC decisions, former New York Governor George Pataki released \$9 million to support the development of affordable housing around Fort Drum, which will experience an increase in mission activities. The funding will spur the development of 800-900 new single and multifamily affordable housing units in the region. Building on \$6.9 million in housing incentives that Governor Pataki announced in August 2005, the \$9 million in new funds are anticipated to generate a total of \$90 million in private-sector investment in the housing units.

El Paso, Texas, expects a large influx of people as a result of the growth of Fort Bliss. To accommodate the increase of automobile traffic, the Texas Transportation Commission approved a \$200 million road construction project. The state is considering using "pass-through financing" to fund the project. The plan is to have a construction company pay for the design and construction of the highway and the state would reimburse the company over a number of years based on the number of cars that travel the road. The plan would not involve tolls but would count the number of cars that use the highway.

Although federal aid will be needed to provide emergency funding to address the immediate infrastructure needs of schools, state and local government financing usually is necessary to address



long-term needs such as school facility expansion or new school construction. In anticipation of mission growth at Fort Riley, in Kansas, the state and counties surrounding the military base have implemented several strategies to meet the demand for school infrastructure expansion. Voters in Geary County passed a \$33 million school bond referendum and the school board authorized an additional \$4.5 million to expand Geary County school capacity.

Enrollment counts are a crucial determinant of the amount of state aid allocated to local school districts. As a result, the Kansas Legislature passed a bill that will increase state financial assistance to school districts experiencing an increase in enrollment due to BRAC actions. The School District Finance and Performance Act changes the Kansas school finance law by allowing school districts affected by mission growth to submit a second headcount on February 20 of each school year to reflect the increased enrollment of active duty military dependents.

#### *State and Local General Obligation Bonds*

State and local governments may issue general obligation (GO) bonds to finance military base redevelopment infrastructure projects directly. Since state and local governments tend to have stronger sources of revenue than LRAs, such as corporate income, personal property, and sales taxes, they are usually in a better position to distribute credit risk among a larger and more established tax base. Proceeds from the sale of state-issued GO bonds can be used in two ways.

- State Grants: Similar to Federal Infrastructure Construction Grants, state grants may be awarded to LRAs to finance the planning and implementation of infrastructure projects.
- State Loans: Proceeds from the sale of GO bonds also may be used to fund revolving loan funds, which are made available to local authorities or small businesses at low interest rates to finance infrastructure projects aimed at stimulating economic development.

The circumstances under which state and local governments may issue general obligation bonds for infrastructure projects vary based on state constitutions, statutes, and local government charters. Most state constitutions impose certain procedural requirements on the issuance of general obligation bonds and set limitations on the allowable use of bond proceeds. In addition, many states have limitations on the amount of debt the state and localities may incur.

A number of states and localities have issued GO bonds to help finance BRAC-related infrastructure projects. Massachusetts authorized the issuance of \$200 million in state GO bonds to support the redevelopment of Fort Devens, MA. The Village of Glenview, Illinois, issued \$34 million in local GO bonds to finance demolition and infrastructure improvements at the former Glenview Naval Air Station.

#### *Revolving Loan Funds*

Revolving loan funds (RLFs) may be funded by communities, states, and various federal agencies. Participation varies from state to state. For example, EDA's Revolving Loan Fund Program relies entirely on states and localities to administer the program. EDA provides RLF grants to eligible local partners, who contribute a minimum 50 percent match. The combined funds are used to issue capital loans to businesses or local development authorities unable to obtain conventional financing for infrastructure investments. The loans are considered "revolving" because the fund is replenished by principal repayments, interest, and fees, which in turn are used to issue more loans over time.

Some states may administer RLFs directly with a minimal financial contribution. Others provide substantial funding but permit localities to administer the RLF. Virginia's *Defense Conversion Revolving Loan Fund* assists small businesses adversely affected by defense downsizing. Administered by the Virginia Small Business Finance Authority (VSBFA), the RLF provides direct loans, funded primarily by EDA grants, to defense-dependent industries making the transition to commercial products or services. Local industrial development authorities also are eligible to receive financing to purchase fixed assets to be leased to qualified companies. Up to \$1 million in fixed-asset and working capital financing is available to

prime contractors and subcontractors with at least 15 percent of their operations in defense-related activities.

A number of California LRAs and other defense adjustment organizations manage and administer revolving loan funds locally. For instance, Alameda County's East Bay Conversion and Reinvestment Commission (EBCRC) manages the Defense Conversion Revolving Loan Fund. The RLF is funded through a combination of EDA grants, state grants, and private funds but is operated exclusively by EBCRC, which makes loans to eligible businesses for infrastructure improvements in the East Bay area.

#### *LRA-Issued Real Estate Revenue Bonds and Tax-Increment Bonds*

Despite their high-risk status, real estate-based financing has the potential to generate sufficient revenue to repay LRA-issued bonds. Real estate revenue bonds and tax-increment bonds are used to finance general public infrastructure projects such as the construction of roads, water and sewer lines, and utility conduits.

Tax-increment financing (TIF) arrangements allow a locality to collect from businesses in a pre-designated tax district the incremental tax revenue associated with increasing property values. The revenue can then be used to repay tax-increment bonds. TIF is considered a high-risk form of debt financing because it hinges on the assumption that infrastructure development causes property values to increase over time. An LRA's ability to incorporate tax-increment financing into its infrastructure development plan is dependent on state-defined limitations, which vary from state to state. In some cases, state legislation may need to be amended to authorize the use of tax-increment financing for military base redevelopment.

In Illinois, the Economic Development Project Area Tax Increment Allocation Act was passed specifically to allow municipalities to implement TIF for base redevelopment projects. The Village of Glenview, Illinois, was one of the first localities to successfully implement TIF during the redevelopment of the Glenview Naval Air Station. Glenview secured \$34 million in funding through locally issued general revenue bonds for the early stages of infrastructure development. TIF was the primary

mechanism considered for financing the remaining infrastructure projects. In accordance with Illinois state law, Glenview held a public hearing to inform the community of the TIF proposal. Shortly after, it adopted a tax-increment financing ordinance. Glenview structured the TIF plan so certain local jurisdictions would not have any additional tax liability to acquire or make the public improvements for the property. This resulted in creating 5,600 jobs.

In South Carolina, the state authorized the City of Myrtle Beach, in full cooperation with and approval of the LRA, the use of TIF to fund a specific list of public infrastructure projects needed to expedite and make possible the development of a portion of the former Myrtle Beach Air Force Base into an urban village consisting of numerous commercial, retail, and residential properties. In order to make the redevelopment area easily accessible to pedestrian and motor traffic, the LRA funded more than \$20 million in road improvements and the City negotiated the TIF with a developer to issue \$35 million in tax-increment bonds to pay for additional roads, improved public parks, utilities, and parking garages. The bond indebtedness will be paid off by the incremental property taxes created by the developer's private investment of more than \$100 million. The redevelopment project area at full build-out in 2012 is projected to contain more than 1,600 residential units, create 1,500 jobs, and produce more than \$8 million per year in real property taxes.



### *Credit Enhancements*

Since LRA-issued bonds can be high-risk, many LRAs secure credit enhancements to make their bonds more marketable to prospective investors and provide bondholders with additional protection against delinquency and default. Credit enhancements are guarantees that LRA-issued bonds will be repaid through other sources in the event an LRA is unable to repay. Credit enhancements lower risk and often result in lower interest rates.

Both the public and private sector can supply credit enhancements to LRAs. Four strategies are used most commonly:

- Direct Federal and State Grants: Cash grants may be used to fund LRA debt reserve or supplemental funds to ensure there is money available to repay LRA-issued bonds.
- State and Local Full Faith and Credit Guarantees: A legally binding guarantee from a state or local government to use all of its revenues and taxing powers to make an LRA's debt service payments.
- State and Local Double-Barreled Revenue Pledges: A legally binding pledge from a state or local government to use specified state revenues to make an LRA's debt service payments.
- State and Local Moral Obligation Pledges: A pledge to request an appropriation from the state or locality to make debt service payments or replenish a debt service reserve fund. Although this type of pledge is not legally binding, many state and local governments have chosen to honor their moral obligation pledges.

Legally, the type of public credit enhancement selected is dependent upon provisions in state constitutions, enabling legislation, and local charters. County and municipal guarantees and pledges may be limited by the state constitution and often require state authorization.

The city and county of San Bernardino, California made a full faith and credit guarantee to credit-enhance tax-increment bonds issued by the Inland Valley Development Agency (IVDA). IVDA is an LRA comprising three cities and one county which is responsible for the redevelopment of the former Norton Air Force Base closed in the 1999 BRAC round. IVDA issued \$25 million in tax-increment bonds. These bonds are unique because they are twice credit enhanced. IVDA's first credit enhancement is from a private bank, which agreed to make regular bond payments on behalf of IVDA as long it reimbursed the private bank. The city and county of San Bernardino's full faith and credit guarantee covers IVDA's reimbursement payments to the private bank in the event IVDA's revenues are insufficient.

The city of Denver, Colorado provided a moral obligation pledge to credit-enhance \$14.5 million in tax-increment bonds issued by the Lowry Economic Redevelopment Authority (LERA) during the redevelopment of the former Lowry Air Force Base. The proceeds of the TIF bonds were used to finance demolition and infrastructure construction and to fund debt service reserves. In the event LERA's tax-increment revenues fell below 120 percent of debt service payments, the city of Denver pledged it would make up the shortfall with a general fund appropriation.

## Business Development

When a military base is closed or realigned, communities are eager to implement strategies that will generate new and diverse business activity. Although no formal government financing programs exist specifically for the purpose of promoting business development in mission growth communities, several state and local governments have taken steps to assess the potential for business development opportunities. A variety of programs at all levels of government offer business development tools to individuals, communities, and businesses in BRAC-affected areas. Most of the programs fall into three broad categories: tax incentives, grants, and loans. Many business development grant and loan programs also function as infrastructure development strategies (discussed in the previous section). Tax incentive-based business development programs can be implemented at the federal, state, and local level.

### *Federal Business Development Assistance*

The HUBZone (Historically Underutilized Business) Empowerment Contracting Program is another federal program geared toward encouraging business development. Administered by the U.S. Small Business Administration (SBA), the HUBZone program provides federal contracting opportunities for eligible small businesses.

A Small Business Administration (SBA) grant was given to El Paso, Texas, to fund a local seminar to help small businesses prepare for mission growth anticipated at Fort Bliss as a result of the 2005 BRAC round. The seminar informed small business executives of best practices for managing government contracts, acquiring growth capital, and handling legal affairs. The seminar also provided assistance on how to develop a strategic growth plan.

A common approach for military communities interested in reusing installations as trade ports is to secure a Foreign Trade Zone (FTZ) designation from the Department of Commerce's Import Administration. FTZs are ports that allow nonprohibited foreign goods to enter the country duty-free. Merchandise may be stored, assembled, or packaged for manufacture within an FTZ

and exported without duties being levied. Since air force bases and naval air stations already have existing infrastructure to support foreign trade operations—such as storage hangars and airfields—many states have had these types of installations designated as Foreign Trade Zones.

The City of San Antonio, Texas, received a Foreign Trade Zone designation as part of a comprehensive plan to convert the former Kelly Air Force Base (realigned in the 1995 BRAC round) into an international business park to support inland port activities. More than 50 businesses currently are located on the former base, known today as Kelly USA, and they utilize several business development incentives such as the FTZ designation to conduct business operations.

### *State Business Development Assistance*

The most common state financing mechanism to address economic impacts on military communities is enterprise zone programs. Enterprise zones (EZs) are targeted development areas that offer certain tax incentives to businesses that locate to the zone, which allows private-sector market forces to regenerate local economic activity. State enabling legislation usually is required to create enterprise zones.

Tax incentives and eligibility requirements vary from state to state, but the most common tax incentives offered in enterprise zones are corporate and income tax credits for job creation and sales tax refunds on business equipment and building materials. A number of states have taken this approach a step further and established military-specific enterprise zone programs, which address the unique circumstances of base reuse and redevelopment.

Texas created the Defense Economic Readjustment Zone Program (DERZ) as a tool to generate business activity and job creation. For a business to receive DERZ benefits, it must be nominated by the affected local community, agree to special hiring requirements, and receive a designation by the state as a Defense Readjustment Project. Project designation makes businesses eligible for state sales and allows them to use tax refunds and franchise tax credits based on job creation and capital investment in the community.



In an effort to bolster the economy due to the closing of Brunswick Naval Air Station in Maine, the state enacted a tax incentives law that offers a 100 percent income tax credit to certain businesses that move to the Military Redevelopment Zones (MRZ). To accomplish these goals, 500 acres of property outside the base's fence line (home to much of the local labor market) now are eligible for MRZ designation and an additional 1,000 acres of base property will be eligible for designation following the closure of the installation in the summer of 2011.

#### *Local Business Development Assistance*

Property tax abatement is one of the most common strategies implemented by local governments to stimulate economic growth. Tax abatement is a temporary suspension or reduction of property tax payments, which local governments offer to businesses for a specified length of time. The extent to which a locality may utilize property tax abatement is dependent on state-defined parameters on local taxation.

The city of Kettering, Ohio, entered into a BRAC-initiated tax abatement agreement with GE Consumer Finance. Under the terms of the agreement, GE relocated 800 full-time jobs from a nearby township to its Kettering Business Park offices in November 2006. In exchange, the city provided a 12-year, 75 percent real property tax abatement and a \$500,000 forgivable loan to be used for improvements to GE-occupied buildings located in the business park.

## Workforce Development

Mission growth presents military communities with workforce benefits and challenges. An increase in military activities often results in an increase in jobs directly and indirectly related to the military base. However, it can be difficult to determine exactly what kinds of jobs will be available and if the existing workforce in the receiving community is of sufficient size and have the necessary skills and expertise for the incoming jobs.

Growing military communities should focus initially on conducting a comprehensive workforce assessment. Once communities have an understanding of their current and future workforce composition, they should implement strategies that encourage job training and

facilitate awareness of available opportunities. Workforce development efforts created in response to BRAC 2005 actions, however, may be slightly different than in previous BRAC rounds. The Workforce Investment Act of 1998 (WIA) includes a combination of mandatory and voluntary provisions that call for a common national framework for workforce development, while encouraging flexibility in service delivery at the local levels.

Under WIA, dislocated workers, including BRAC-affected workers, are among three targeted populations that state and local workforce investment boards must assist through the establishment of Local One-Stop Career Centers. The local centers provide single-point access to a wide variety of job training, education, and employment services. As a result, most public financing assistance for workforce development is likely to be used to enhance services at Local One-Stop Career Centers.

The following section briefly describes the types of financing assistance available at the federal, state, and local level.

#### *Federal Workforce Development Assistance*

Traditionally, the U.S. Department of Labor's Employment and Training Administration (ETA) has provided states and localities with general guidance and financial support in planning and developing worker adjustment strategies. The National Emergency Grant Program has provided crucial early funding to states to respond to the needs of dislocated base workers and localities affected by BRAC decisions. The first grants, totaling \$28 million, were awarded to states in 2005 to initiate early planning related to workforce and employment issues at the installation and community levels.

#### *State and Local Workforce Development Assistance*

The Department of Labor encourages states and local workforce investment boards to continue offering rapid response and other worker adjustment programs to BRAC communities. The local workforce development offices in Iowa and Illinois recently teamed with a nonprofit organization to open a worker adjustment office at the Rock Island Arsenal. The I-FORCES Center (Installation-Finding Opportunities, Resources, Careers and Employable Skills) is funded by DoL grants and provides

career, financial, and relocation-planning assistance to workers.

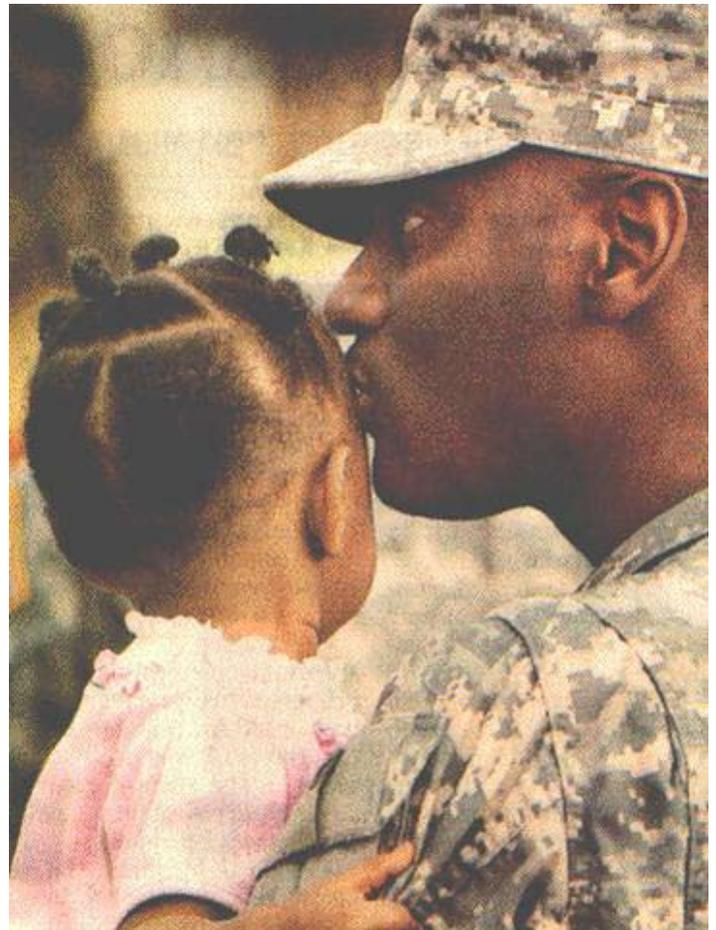
Some states have chosen to provide state-level administration of DoL grants for workforce development initiatives. Others have distributed their DoL funds to localities to conduct workforce development assessments at the local level. In Kansas, the state's department of commerce secured a DoL National Emergency Grant (NEG), targeted for the Fort Riley region, to address a multitude of workforce issues in cooperation with several localities, non-profit organizations, and the federal government. A major result of the Fort Riley area targeted funds has been the launching of the Fort Riley Connection Website. Maintained by the state to deal with workforce issues stemming from the 2005 BRAC decisions, the website is a one-stop shop for information on living and working in the communities surrounding Fort Riley, a region in North central Kansas expecting to see a population increase of approximately 30,000. Furthermore, the state allocated additional Dislocated Worker funds to provide increased work-related services for military spouses moving to the area.

The Maryland Departments of Labor, Licensing, and Regulation (DLLR) and Business and Economic Development (DBED) are coordinating reviews in accordance with a \$1.27 million grant provided by the U.S. Department of Labor. DLLR is working with regional Workforce Investment Boards to study the impact associated with additions to the National Naval Medical Center at Bethesda, the Aberdeen Proving Ground, Andrews Air Force Base, and Fort Meade. DBED is reviewing the BRAC positions themselves as they relate to macro-level infrastructure, higher education, and security issue requirements.

Shortly after the 2005 BRAC Commission approved DoD's recommendation to relocate several military operations to Fort Belvoir in Northern Virginia, the Fairfax County Economic Development Authority (FCEDA) led a bus tour of the area surrounding the base. Public and private stakeholders interested in business development opportunities toured 13 office locations and development possibilities within six miles of Fort Belvoir.

As a result of the 2005 BRAC decisions, Harford, Baltimore, and Cecil Counties in Maryland have joined together to launch a regional initiative marketing the area surrounding Aberdeen Proving Ground as the "Chesapeake Science & Security Corridor" with the goal to maximize the region's economic growth potential by pooling the counties' resources.

Funded in 2004 by a grant from the North Carolina General Assembly, the North Carolina Military Business Center (NCMBC) is a collaborative effort between North Carolina business and industry and the North Carolina Community College System. The mission of NCMBC is to leverage the presence of the military in North Carolina to promote economic development by increasing military business for existing companies and supporting recruitment and development of defense-related businesses in North Carolina. NCMBC currently is helping local businesses prepare to take advantage of the state's mission growth opportunities.



## Needs Assessment and Gap Analysis

### Capacity of Existing Regional Organizations to Assist in Implementation

Figure 14-2 (on the next page) provides a summary review of an analysis completed by the planning team on the availability, capacity and mission-appropriateness of the several existing regional organizations to provide direct and substantial assistance in the implementation of the Plan. The planning team reviewed the core missions of the respective agencies, their funding capacity and technical capabilities to assist in key issue areas, and their geographic coverage and mandate that could possibly lead to a dilution of their efforts on behalf of the governments and communities contained within the Lawton/Fort Sill Regional Growth Management Plan study area.

It is important to note that the planning team did not seek formal approval or consent from each agency or organization as to their potential, planned or suggested role in the implementation effort. This analysis is based on the capabilities and stated objectives of each agency and it is not intended to indicate any explicit or implicit agreement on their part. Each agency listed possesses a core mission that must be met and their resources are limited in meeting that mission and its corresponding objectives and goals. The analysis does, however, suggest that the recommendations contained within this Plan regarding land use and planning issues, military relations, public utilities, etc. are consistent with many of the objectives of these agencies, and consequently, these agencies could play a role in the implementation of the Plan once they have determined their capacity and willingness to do so.

Figure 14-2 highlights five (5) organizations that could possibly provide a “high” level of assistance to the implementation efforts of this Plan when the factors of mission-appropriateness, technical capabilities and resources and geographic coverage are reviewed.

#### *Association of South Central Oklahoma Governments (ASCOG)*

ASCOG, the regional council of governments organization, is the most suited and capable organization to handle most, if not all, of the duties associated with this effort, but they are particularly capable of assisting in the economic and workforce development issue areas. ASCOG’s most recent work with the WIRED Initiative (Department of Labor workforce training and development grant) and their history of supporting other workforce and economic development measures within the region and related particularly to the BRAC transformation efforts at Fort Sill provides a strong foundation for their continued and future efforts in the workforce and economic development strategies associated with this Plan. Their staff is highly trained and capable of initiating, organizing and implementing the action items regarding the training, education and development of the local labor force to meet the needs of potential employers associated with BRAC and Fort Sill.

#### *Southwest Impact Coalition (SOIC) and South Central Workforce Investment Board (SCWIB)*

Similar to ASCOG, these two organizations focus on workforce development and education initiatives associated with the local labor force and their ability to meet the anticipated training and workforce needs of future employers in the area. Both of these organizations were also involved with previous labor force surveys of potential relocating Army personnel and defense contractors from the Fort Bliss area, as well as the current efforts with the WIRED Initiative. This background knowledge and understanding of the local labor market and its capabilities

Gap Analysis of Existing Regional Organizations											
Needs or Issue Category	Existing Regional Organizations										
	ASCOG	SOIC	SORDC	SWOTA	SORC	SPARC	SCWIB	SWWIB	OSA	Lawton MPO	
Military Relations	Medium	Low	Medium	Low	Low	Low	Medium	Low	Low	Medium	
Economic Development Issues	Medium	Medium	Medium	Medium	Low	Low	Medium	Low	Medium	Low	
Workforce and Labor Market Issues	<b>High</b>	<b>High</b>	Low	High	Low	Medium	<b>High</b>	Medium	Low	Low	
Land Use and Planning Issues	Low	Low	Low	Low	Low	Low	Low	Low	Low	Medium	
Housing Issues	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	
PUBLIC Utility & Infrastructure Issues	Medium	Low	Medium	Low	Low	Low	Low	Low	Low	Medium	
Transportation Issues	Medium	Low	Medium	Low	Low	Low	Low	Low	Low	<b>High</b>	
Public Safety/Emergency Services	Medium	Low	Medium	Low	Low	Low	Low	Low	Low	Low	
Education Issues	Low	Medium	Low	Medium	Low	Medium	Medium	Low	Low	Low	
Healthcare and Mental Health	Medium	Low	Low	Low	Low	Medium	Low	Low	Low	Low	
Social Services	Medium	Low	Low	Low	Low	Low	Low	Low	Low	Low	
Quality of Life (Parks, Culture, Arts)	Low	Low	Low	Low	Low	Medium	Low	Low	Low	Low	
Rural Development	<b>High</b>	Low	<b>High</b>	Low	Low	Low	Low	Low	Medium	Medium	

**Legend**  
**Low** - not within organization's primary mission or little support available. Low level of effectiveness anticipated.  
**Medium** - consistent with organization's mission, but only limited support available. Would assist in a support vs. primary role.  
**High** - consistent with organization's mission and high level of technical support available. Could serve as primary implementation agent or provide significant support and effectiveness.

Figure 14-2: Analysis of Existing Regional Partnerships

*Southwest Oklahoma Rural Development Corporation (SORDC)*

Based on the interviews that the planning team conducted with several rural leaders, this organization could become a valuable agent in the implementation of the rural development and planning components of the Plan. While much of the BRAC growth and impacts will be centered on the urban areas of Comanche County, the growth that could occur in the outlying rural communities could impact their quality of life as dramatically as that which Lawton, Cache and Elgin encounter. This organization's understanding of the rural communities' mindset and goals could be crucial to the successful integration of the land use, planning and infrastructure issues and strategies that are contained in the Plan and needed in the region.

*Lawton Area Metropolitan Planning Organization (LMPO)*

Although this organization is not regional in nature or scope, their understanding of the broader transportation network within the region is unsurpassed and will be invaluable in the implementation of the critical transportation needs included in the Plan's recommendations. The LMPO's primary mission relates to their defined boundaries, but their understanding of the Lawton area transportation network and their connection to the Oklahoma Department of Transportation and the Federal Highway Administration could enable them to be a strong supporting agent/actor in the carrying out of the transportation recommendations.



## Summary Conclusions and Findings

While there are several existing regional partnerships and councils in the area that can assist in implementing the major recommendations of this Plan, there is no single agency or model that combines the integrated, comprehensive technical skills and capabilities with a mandated geographic focus for the Lawton/Fort Sill area to adequately provide continuing and effective leadership and structure to the implementation efforts. BRAC deployments at Fort Sill will create a unique set of issues in a unique geographic area, thus a unique organizational format and structure is needed to effectively address these challenges. To this end, the local governments participating in this Growth Management Plan clearly understand that their future participation in any newly created regional organization is purely voluntary, but if their participation is secured, the structure and function of the organization must be formal and mutually-agreed upon by all parties. The current collaboration efforts (i.e. BRAC Coordination Committee) form a foundation for future efforts, but now that the recommendations of the Plan are complete, the overall structure and format of a formal organization needs to be established so that effective and timely implementation actions can take place.

Furthermore, although there are several identified federal and state funding opportunities for the implementation efforts, the participating governments must recognize that the long term funding and success of any regional organization will depend on local funding. While there are potential funding sources for the start-up of the organization, the region must act in a coordinated manner to be successful in applying for and obtaining these funds. In the past, the Office of Economic Adjustment could allocate available funds to support the initial set-up of a regional organization as a follow-up to the development of this Plan. To compete for such funds, the participating communities must produce a well defined organizational mandate, including staff roles and responsibilities and governance structure, and a proposed approach to long term funding. A proposed initial budget and staffing plan would be an essential part of these organizational requirements.

## Recommendations

Based on the research completed during the planning process, this Fort Sill Regional Growth Management Plan proposes a set of coordinated and comprehensive action strategies for the region in order that the community can be prepared for and capitalize upon the anticipated growth and development that will occur as a result of BRAC deployments and Army transformation activities at Fort Sill Military Reservation. The implementation of these recommendations now must begin.

Based on the debates, discussions, interviews and documented responses to potential implementation scenarios that have occurred during the 12 month planning process, this Plan recommends that the participating governments in this study effort begin the process of defining, organizing, establishing and funding a Fort Sill Regional Coalition (“Coalition”) for the purposes of implementing the major strategies included in this Plan. The Coalition would be empowered by its participating local governments, and the following steps toward organizing and establishing this Coalition are as follows:

### Develop an Intergovernmental Agreement to Establish the Coalition

Membership and participation in the Coalition would be voluntary, but the intergovernmental agreement should formally establish the rules and founding principles of the organization in order that no member is unclear as to their role, responsibilities and accountability in the implementation efforts. To this end, the following precepts could serve as a starting point in forming the basis of the intergovernmental agreement:

- An explicit understanding and acknowledgement that all participating entities have come together out of a common purpose and mission to prepare the region to accommodate the growth resulting from BRAC in a manner and method that provides the greatest benefit for the entire region;
- The organization to be formed must be sustainable and long term in its focus, structure and funding;

- Membership is voluntary and flows from the consent of participating local governments;
- Membership should include all key entities in the region, including high level participation from Fort Sill;
- The actions of the group should not detract from or dilute local governmental authorities except when a broader, regional perspective and policy demands a regional approach that may be in conflict with local government desires;
- The organization must demonstrate their effectiveness and value in achieving the broader regional goals and this value should be expressed in measurable outcomes on an annual basis.

The intergovernmental agreement may be structured to be non-binding on the participating entities until such time that the formal organization and funding mechanisms for the Coalition are finalized.

### Develop an Organizational Structure for the Coalition

Because every organization is different and the development of this Coalition would represent a groundbreaking step in the region’s history of the governing, planning and developing a regional approach to key issues and challenges, the intergovernmental agreement should be used as the foundation for developing a detailed organizational structure for the Coalition. This organizational structure should clearly define the following aspects of the organization:

- The overall mission and scope of the Coalition’s efforts and services to its member organizations and affiliated groups (i.e. ASCOG, SOIC, and other regional and local partnerships);
- The nature and scope of representation on the Coalition, in terms of a member’s term limits, voting rights, funding levels, etc. should be established in the organizational makeup in order that all participants understand their role and impact on Coalition actions; and



- The anticipated short and long term staffing levels and strategies for the Coalition and if (or how) this staff might be shared with other agencies or local governments.

Based on our research, with this organizational structure firmly established and the participating governments and entities signed on to the Coalition, the initial scope of work for the group should revolve around the following implementation recommendations included in the Plan:

1. Provide leadership in the development of a “one stop” informational source and contact entity at the Coalition to foster and encourage the timely and effective exchange of data and information between Fort Sill (and other federal agencies) and all of the participating governments;
2. Provide leadership and support in pursuing state and federal monies to implement the strategies that address the growth related impacts according to the established priorities;
3. Provide leadership in the development of a Regional Master Land Use and Infrastructure Plan that identifies urban growth boundaries, extraterritorial planning jurisdictions and smart growth planning and design tools for the region;
4. Promote the sharing of information and service capabilities between Fort Sill and the local service providers through the development of regional working groups as outlined in the Plan’s recommendations and implementation strategies (i.e. Regional Healthcare Council, Education Consortium, etc.)

## Develop a Start-Up Funding and Operational Strategy

The research indicated that there are several funding sources and technical assistance providers that could help the Coalition “start up” their planning and organizational efforts. The Oklahoma Department of Commerce and the Department of Defense’s Office of Economic Adjustment represent the most viable funding and technical assistance options for the Coalition.

The Coalition, with the assistance of the planning team, should develop the narratives and information necessary to pursue start-up funding by these agencies, including staff roles and responsibilities, governing structures, proposed first and second year budgets, proposed first and second year work plans and documentation from participating governments supporting these requests and commitments to abide by the Coalition’s charter once established.