

**ECONOMIC ADJUSTMENT
TECHNICAL BULLETIN 6**

**MARKETING STRATEGIES
FOR BASE REUSE**

Office of Economic Adjustment
Department of Defense

The purpose of this bulletin is to provide guidance to communities and redevelopment organizations responsible for marketing former military base properties. It is based upon the Office of Economic Adjustment's (OEA) observations and "lessons learned" from decades of experience working with hundreds of communities. Community leaders throughout the country have successfully found new life and productive uses for closed military bases. Hundreds of thousands of new jobs have resulted from this effort, which not only helps mitigate the impact of the base closure on the local level, but contributes to the overall growth, economy and prosperity of our entire nation. The results are apparent across the country, as former bases have been reabsorbed into the dynamic synergy of the local communities, forming livable neighborhoods and creating new opportunities for stronger, more diversified, and healthier communities. Communities can proudly boast of their successful transition to centers of commerce and industry, higher education, research and technology.

No matter what its geographical or economic features, a closed base can find new life and new productivity with the imagination and dedication of community leaders. Every base closure presents new opportunities for the affected community. The key is to use sound business analysis to find those that offer the most potential. Just as reuse planning is an integral component of base reuse, so is marketing. Communities must view closed military bases as real estate assets that will attract

new businesses, investors, developers and residents. The challenge in marketing former bases, is to re-define the image of the facility, and to create and capture the demand essential to implement that vision.

How does a community, with limited financial and staff resources, create a demand for facilities that will help them implement their reuse plan? Base reuse can take many paths, and there is no one "right way" that is applicable for all situations, or all communities. There are, however, components of effective marketing strategies that can be incorporated into most base reuse marketing efforts. Base reuse offers unique challenges and opportunities. So too does base reuse marketing. The introduction of over 500,000 acres of available buildings, infrastructure, and land into an already competitive market makes it clear it's going to take a lot more than touting "good quality of life" to successfully attract business ventures to former military bases. What are the concepts and strategies particularly applicable to base reuse marketing? And how do communities go beyond reactive responses to reuse inquiries and selling of available real estate, to proactive strategies of creating demand and new life for former military bases?

KEY CONCEPTS

- ❑ ***Marketing by the Community Versus other Options, such as a Federal Agency or Private Sector Entity - is there a Difference?***

The biggest difference is not so much in how the marketing is done, but in defining the end goal of the marketing effort. For a community affected by a base closure, the objective of acquiring and reutilizing properties is likely to be the productive reuse of the facilities as quickly as possible. The return on investment can be measured in new jobs created, new businesses and occupants, public benefits such as schools and recreation facilities, and increased tax

base. A private sector developer or entity other than the local governmental unit may define the end goal as maximizing revenues through the sale of the property.

Generating profit is likely to be more important than the intended reuse.

Recognizing the difference - and the desired outcome - is important in the development of the marketing strategy. Why? One of the first tasks facing a community is the decision of what role it will play. Should it take on the daunting task of acquiring the property and market and redevelop the former base? Should it select a private developer to redevelop the base or have the federal government market the property directly to a private sector developer? Is the role something in-between or a combination of all options? The role and objectives of the community are integral to the marketing strategy. Before the first brochure, ad, or prospect visit, the community must determine and understand its role and objectives. How to evaluate perspective tenants and partners, along with the understanding of how to measure ultimate success is the underlying foundation of the marketing strategy.

❑ **Marketing vs. Selling**

There is a big difference between sticking a price tag on a desired item and convincing someone they should want the item. Most people are familiar with the dynamics of supply and demand. Selling presumes there is a demand and basically matches the buyers needs with the desired product. Marketing, however, is much more difficult, in that the seller must create the demand for something – you must make someone want what you have. There are closed military bases in desirable geographic areas, or that have facilities for which there is a great demand, but in many cases, the bases are located in remote areas or have facilities that are not consistent with contemporary requirements.

Economic development marketing is extremely challenging, as communities and

regions compete for a finite number of business locations and expansions. The task is even more challenging for many base closure communities, as they must attempt to create a demand for something, which, for the most part, there is limited demand, but abundant supply.

❑ **Marketing – a Research and Management Process**

Say the term “marketing”, and, particularly, “economic development marketing”, and most people think of brochures, ads, websites, slogans, trade shows, enticing prospects, etc. These tools and practices may be essential parts of marketing, but to focus on them rather than the process, is shortsighted and, more often than not, puts the cart before the horse. Communities faced with redevelopment of former military bases should first approach marketing, as a research and management process, not the creation and distribution of glossy brochures and “come locate here” advertising campaigns.

Marketing must be viewed as much a part of the base reuse planning process, as obtaining community input, assessing building and infrastructure capabilities, and determining land use and zoning requirements. Marketing encompasses sound business analysis, to determine what the market can support based on development trends and requirements. This analysis, coupled with community objectives, helps target those businesses and industries best suited for the physical and locational characteristics of your installations.

As entrepreneurial entities, communities must know their product – the installation - inside and out; and they must know not only who their target customer is, but everything about that customer and the business. The first thing the community needs to think of when it undertakes marketing is **RESEARCH.**

As a managerial process, communities must be able to identify, anticipate, and supply customer requirements. Targeting industry sectors is just the beginning of this process, not the end product. Who are the players in this industry, who's expanding, and where? What are the trade associations and journals targeted to this industry? Who are the major suppliers to this industry and who uses their product or service? What are the building, utility, permit and labor requirements of the target industry customer? A community must market to and meet the needs of targeted customers, not to its own needs. Conducting the necessary research, as well as monitoring, and managing the information, are essential for successful marketing.

❑ ***The Whole is Greater than the Sum of Its Parts***

Businesses rarely make location decisions based solely on the characteristics of a building or facility. The building is part of the base, and the base is part of the larger community and region. Utilities, transportation, labor force, education, medical facilities, housing, and so on - every aspect that contributes to the dynamics of a community, contributes to the criteria upon which location decisions are made. Marketing base reuse cannot be done in a vacuum. It must be marketed within the context and environment in which the base is located.

RESULTS ORIENTED MARKETING

❑ ***Know Your Product***

Base reuse organizations must know the base and the community in which it is located, inside and out. Grant assistance from OEA to undertake studies and reuse plans enables redevelopment organizations to obtain as much information as possible on the condition of buildings and infrastructure, assess the demographic and economic trends of their community and the surrounding area, as well as assessing the

strengths and weaknesses in supporting the community's reuse objectives. Determine utility capacity and rates, prevailing rent and sales rates, labor force characteristics and wage rates. Anticipate questions that prospects will ask, and have responses ready. If necessary, have a resource team available of specialists that can respond to detailed or technical questions specific to the business requirements.

❑ ***Know Your Customer***

The planning process and market analysis helps development organizations target those businesses with the greatest potential to have an interest in your community and base facilities. Identifying those target industries is not the end goal however. It's just the start of your industry research. If, for example, the reuse efforts for a former air base target air cargo, as a likely development target, obtaining listings of air cargo industries and mailing them brochures on your base and community is not the next step. Time invested in undertaking research and doing your homework makes your marketing efforts more effective. Identify related trade associations and become a member, go to the association annual or regional conference to become familiar with the industry, its leaders, and its issues. Subscribe to trade publications and newsletters. Monitor and track which industries are expanding or consolidating operations, determine who are the key players and experts in this industry, and its location requirements? Although a base redevelopment organization and staff must be prepared to respond to all inquiries, you must become an expert in the field of your targeted industries.

❑ ***Be Prepared and Follow Up***

When opportunity knocks, be prepared. Be able to respond to calls, inquiries, and unexpected visits. Have back up resources, through staff or board/community members who can fill in when needed. Undertake

dress rehearsals by having community members, other economic developers, state development staff, or other reuse organizations do trial visits, as though they were prospects visiting your base. By finding out what types of questions are asked, compared to prepared answers, helps identify where efforts need to be improved, so that, when working with prospects, staff will be prepared.

Be knowledgeable about the prospective company as well. Have forms developed before working with the first company on what information is needed about the particular requirements (size and type of facility, utility requirements, etc.) and the company (product, principles, history, etc.).

Once the attention of a potential prospect is gained, be sure to follow up. If additional information is needed, follow through. Even if the company does not require further information, follow through with a letter thanking the company for its interest, and inquiring if additional information can be provided.

Marketing Begins at Home

There is not much point in spending hundreds of thousands of dollars in marketing brochures and ads to recruit new businesses only to have a prospect stop in town, ask a few questions of local waitresses or hotel staff, and have a positive image undone in a single swoop. Keep local residents informed of development activities and reuse objectives. Run a weekly column in the newspaper, distribute newsletters, host open houses, participate or sponsor hospitality training for “first line” contacts with visitors, such as waitresses, car rental and airport staff,, hotel staff, etc. Request to speak at meetings of local civic and business organizations. Get community members engaged and knowledgeable in the process so they can help market the base and convey positive attitudes about the community and base conversion process.

In addition to the human side of marketing at home, don't forget the marketing opportunities in your own backyard. One reuse organization had obtained a substantial grant to undertake a comprehensive marketing program and to develop extensive marketing materials. It used these funds to promote the reuse effort and attract new businesses from outside the area to the base. The community had also relocated the existing airport to a brand new, showcase facility at the former air base, which was an excellent introduction for prospects seeing the base for the first time. At the new terminal, however, there were no information kiosks, photographs, or information at all about the redevelopment effort or reuse organization. In exiting the terminal, there was no map of the large installation or directional signage to the development office or businesses already located at the facility. The only signage was “Exit” signs providing directions to get out of the former base property!

When to Start?

Now! Marketing isn't something that is done after the planning process is completed, or once property is acquired. Since marketing entails research, business analysis, educating community members, and “trial runs” of working with prospects, the sooner the reuse organization starts the better. That doesn't mean start running ads, and mailing brochures before rent charges are set or the costs and provider of electricity are established. But communities that incorporate a marketing strategy into the planning process and develop a marketing program as a management process, are much further ahead when it comes time to develop the marketing materials and campaign to recruit businesses and developers to the base.

❑ **The “So What?” Factor**

Make a list of the key features and attributes that a prospective business or developer should know about the base property available for redevelopment and the community. Then read each one from the perspective of the potential customer and ask, “So what? Why is this feature important? What will it do for me?” Redo the list emphasizing how each benefits the potential business. If the base has industrial areas, housing, medical and dental facilities, recreation fields, and an elementary school, don’t just list or describe them. Promote how these assets could boost employee moral, minimize absenteeism, increase productivity, help retain employees, and increase profitability. Depict an image of a company owner and employees that can live five minutes from work, have a doctor’s appointment during lunch hour, observe or help at a child’s school during a break, and actually make it to a child’s after school soccer game. When “selling to the customer’s needs”, be sure to ask “So what?” with each promotional claim and statement that is made.

❑ **Depth vs. Breadth**

Whether it’s working with existing businesses in the community, or with new target industries, learn the economic dynamics and relations of the businesses. What materials are used? What companies are the suppliers? What components are used? Who are the customers? Where does the product fit into a larger commodity? How are products shipped, and by what companies? Understanding the answers to these types of questions helps identify second and third tier firms, which in turn, could become potential tenants. The linkages of existing and new businesses provide leverage, connectivity, and practicality in marketing to new tiers of potential prospects.

❑ **Create Your Image/Message**

When marketing for base reuse, communities often focus on reuse of individual buildings and lose sight of developing a long term, holistic vision or image of the redevelopment effort. Develop a theme or image around the targeted industry (or industries), and develop promotional materials around this theme. The organization logo, stationary, ads, etc. should be consistent and reflect this theme. An excellent example in the use of this concept is the image and marketing concept used in the redevelopment at Vint Hill Farms Station, in Northern Virginia. Its proximity to the growing high tech, dot com industry supported recruitment of this targeted industry. The logo and marketing materials reflect this image by words and connotation: “Vint.hill Tech Park: A Smart Location”, and this message is carried out in their designed entrance way and signage into the former base, as well as renamed streets, such as Macintosh Drive and Dell Court.

WHAT CAN BE DONE BETTER

❑ **Create Demand through Networking and Building Coalitions**

One of the greatest challenges facing successful base conversion is to create non-military demand for buildings and land in areas, which, for the most part, have little to no pre-existing requirement or desirability. There are exceptions, where military installations are located in prime market areas or contain valuable properties, such as Cameron Station in Arlington, Virginia. But most communities affected by base closure, face the difficult challenge of not only determining how the property should be reused, but how to convince others that this property offers opportunities not available elsewhere. Compounding this problem is the sheer magnitude of the property that enters an already competitive market. The four rounds of base closure between 1988 and 1995 resulted in the

introduction of over 393,000 acres of property available for redevelopment. The scale of this real estate alone should demand the attention of site selection firms, developers, investors, and real estate departments of major companies. Yet the collective, national image of base closures to the real estate development community, and to the nation at large, does not conjure up ideas and optimism for new, unprecedented opportunities for the development industry, but rather, a connotation of job losses, huge fenced in reservations of institutional looking properties, and environmental contamination. This is an image base closure communities could collectively remedy.

Most marketing is done by each individual base closure community, attempting to attract new businesses and investments to the respective base. Each base closure community basically competes with each other and with the thousands of other communities across the country undertaking economic development marketing. An untapped potential for base closure communities is to collectively market the potential for development at former military bases. A major campaign by 100 communities promoting the message that former military bases offer unprecedented potential for investment and redevelopment is more likely to generate articles, inquiries and interest on the part of major site selection firms, than any one community attempting to promote a 1,200 acre site.

There have been some previous efforts for collective marketing, such as group advertising by an assortment of bases in publications such as *Site Selection* and by the State of California's effort to promote base closure communities in the "Great Land Grab" campaign. But this approach has not been fully optimized by the base closure communities. The first step in creating demand for the product, is getting the customer's attention. Collective efforts representing literally a hundred plus

communities and over a half million acres of developable property is much more likely to generate positive attention than each community attempting this on its own.

Additional opportunities for collective marketing exist in sub-clusters of base closure communities, by either geography (such as the California example) or by targeted industry. If, for example, twelve bases from geographically dispersed areas, target the retirement community industry as a major reuse potential for the bases, these twelve bases could collectively undertake research of that industry, develop materials and web site promoting the twelve bases, attend trade shows, speak at conferences, write and submit articles for journal publication, sponsor visits to the bases by leaders and writers in that industry, etc. Base closure communities could form marketing alliances with several target industry clusters which would maximize exposure and leverage individual marketing efforts while minimizing costs. This type of collective effort could be undertaken through the initiative of a base closure community or communities, or through the support of a central focal point.

Advantages of collective or cooperative marketing include:

- Increased ability to gain the attention of national media as well as site selection firms, developers and industries by getting the word out that former military bases offer great opportunities for business and industrial ventures
- Heightened opportunity to overcome negative perceptions of environmental and bureaucratic obstacles
- Cost effective
- Expanded exposure
- Leveraged individual marketing efforts
- Increased opportunity to learn from each other

❑ **Obtain Earlier Private Sector Involvement**

In previous rounds of base closures, communities would often complete the reuse planning process, and then seek private sector developers to partner with to implement the plan. For next generation base closure communities, bringing in developers earlier in the process might be beneficial. The communities and private sector both bring different perspectives, objectives, experience and resources to the table. In addition to the planning and development expertise, the private sector can bring with them, their experience, contacts, and resources to help market the property. For additional information, refer to the OEA publication “Use of Master Developers in Implementing Military Base Reuse Plans”.

❑ **Promote What “Can Be” Versus What “Is”**

Buildings on military bases look like buildings on military bases. The buildings, road patterns, layout of the base, etc. were originally designed to meet mission objectives, not to attract private sector reinvestment. Photographs of these buildings help show businesses what the facility looks like today, but architectural drawings of what it could look like with façade improvements, landscaping, etc. may be more enticing for the business to envision their facility at your base. Likewise, architectural renderings of the planned development at build out, such as Section A as the “town center”, Section B as the residential area, Section C as the office park area, etc. provides a visual depiction of the community’s development objectives that doesn’t always translate well from a land use map. These depictions, as well as helping to educate community members, become an effective visual marketing aid.

CAD/CAM software is also beneficial in working with potential businesses to demonstrate how buildings can be changed

internally, such as eliminating existing walls, putting up new ones, etc. to meet specific business needs.

❑ **Become an Expert in Your Selected Target Industries**

There are national and regional organizations, associations, trade journals, conferences, and trade shows for almost every industry sector. Once specific industries are targeted as best suited for the area and types of facilities available, become an expert in that field. Which are the major companies? Which ones are expanding? What companies are major suppliers and customers? What are the location requirements? The more known about a target industrial sector, the more beneficial it will be in efforts to recruit and work with prospects. Retirement communities? Private schools? Warehousing and distribution centers? Plastics manufacturers? Aircraft maintenance? Know the customer and industry, and develop marketing materials to meet the customer’s needs based on what is known about them.

❑ **Market to other Federal Agencies**

The federal property disposal process requires that the property be screened first with other Defense agencies, and then with other federal departments before it is made available to the community. Since this happens early in the process, many communities are still involved in establishing a reuse organization or initiating the planning process, often in anticipation that no federal agency will request any property. Again, research and homework on federal programs and requirements could be beneficial by identifying potential new programs or federal offices, and actively seeking their development at your installation. The reuse organization for the former Fort McClellan in Alabama incorporated specific facilities and personnel expertise of the former Army chemical school at the base, and identified the

potential growing need for educational and training facilities for first responders in case there were ever chemical and biological terrorist attacks in the United States.

Community officials actively worked with their legislators and Department of Justice staff, and, consequently, were successful in establishing what is called, the National Center for Domestic Preparedness. The project was initiated in 1998, prior to the September 11 attack. This center now has approximately 200 employees, and trains over 20,000 persons per year. Cluster development within this industry, has also resulted in a companion project by the Department of Health and Human Services to train first responder medical personnel, and a local university established a center to train dogs for bomb sniffing and other criminal justice support functions.

❑ **Use Resources Effectively**

OEA provides grant funds to eligible communities for necessary studies and staffing to plan the reuse of base properties. Planning components may include an assessment of the community's strengths and weaknesses, as well as an assessment of the installation itself. Target industry studies, based on the results of this market analysis, as well as the development of a marketing strategy are all eligible components of planning activities which OEA may support. OEA does not provide grant funds to actually implement the marketing strategy (such as visits to or by perspective businesses, attendance at trade shows, advertising, etc.), but may assist in the development of materials which can be used for marketing, such as camera ready ads or brochures, videos, CD ROMs, and web page development. Some base closure communities secure additional grant funds from the Economic Development Administration (EDA), U.S. Department of Commerce, to help implement their marketing strategy, but since these funds are limited, many communities understandably prioritize construction, building renovation and infrastructure

improvements over requests to EDA for marketing assistance. For communities that do not have active economic development marketing programs underway or funding allocated for this purpose, seed money can be sought from local utility companies, banks, civic organizations and business organizations, etc. to undertake those activities that cannot be supported through federal or state programs.

❑ **Marketing Assistance Available through OEA:**

- SWOT analysis (evaluation of a community's strengths and weaknesses, opportunities and threats, as it relates to the economic development of the community and reuse of the base)
- Building and infrastructure assessment
- Target industry feasibility study
- Marketing strategy development
- Training and information cross-sharing
- Conferences, work shops, and resource materials
- Network facilitation
- Technical assistance
- Industry analysis and marketing research staff support
- Marketing materials development, such as:
 - Camera ready ads, brochures
 - DvD/Video
 - CD rom
 - Web page development