

ECONOMIC ADJUSTMENT TECHNICAL BULLETIN 2

CHANGES AT MILITARY BASES Community Organization Challenge

Office of Economic Adjustment
Department of Defense

Between 1988 and 1995, the military base structure shrank by 21 percent, while personnel levels shrank by 36 percent, leaving net excess capacity. To effect DoD transformation, efficiency, and modernization goals, more base closures and realignments will be announced in May 2005. With a goal of joint-Service basing for common activities, some installations will be closure, while others may expand to accommodate new missions, causing an influx of new residents (primarily military personnel and their families) in other communities.

These changes create both challenges and new opportunities. For Federal Agencies, unneeded military base land and facilities can be used to fulfill program objectives. For communities affected, they provide a means to meet public facilities, services and economic development objectives. Where there is an influx of population, new economic opportunities may be stimulated, but communities will also need to provide services for these new residents.

The process for achieving successful adjustment is adaptable. It can be used in many similar circumstances where disruption is caused by actions at any level of government. Communities all over the United States that have faced up to economic change, immersed themselves into an adjustment process, and emerged stronger, healthier and better off than when they started. The job is not an easy one. It takes the concerted effort of the community leadership (public and private), volunteer time, imagination, dedication and support from all levels of government.

Fortunately, there is a support mechanism at the Federal level, the President's Economic Adjustment Committee (EAC). The Committee is comprised of 23 major Departments and Agencies that have technical and financial resources to apply. Historically, these resources have given a considerable boost to local efforts. The Secretary of Defense is the chairman of the EAC, and

the Defense Office of Economic Adjustment (OEA) serves as the staff. The OEA also operates the Defense Economic Adjustment Program. In its role as a catalyst, the OEA "Helps Communities Help Themselves" by providing overall guidance, expertise, coordination of Federal support, and base reuse planning assistance and organization support.

Executive Branch and Congressional commitments to help affected communities has resulted several legislative provisions that help empower community organizations. These initiatives also prescribed a process for satisfying homeless interests while recognizing the need for local economic development activities to offset job losses. Community-level advocates (Base Transition Coordinators) were required to assist the OEA and facilitate interim use, cleanup, and disposal of former base property.

With the decline of Federal categorical program resources, and greater control of Federal block grant funds by states, the states play a bigger role in the development and implementation of local economic adjustment programs. Greater involvement and reliance on private sector resources is also vitally important to success.

To most communities, base closure or major realignment means crisis. The reaction is that the population will decline, jobs and income will be lost, and tax revenues will dwindle. Aside from the feared economic impact on affected communities, the closure and realignment of missions, personnel and equipment deployment pose planning problems for these communities. In most cases, a large parcel of land, often with facilities, like airfields that were previously unavailable in the community, must be integrated with existing comprehensive plans and zoning ordinances. In some locations there will be additional missions and new populations to be accommodated. Public facilities and services need to be provided at a rapid pace. In short, either situation requires a fundamental, introspective reexamination of community goals and objectives.

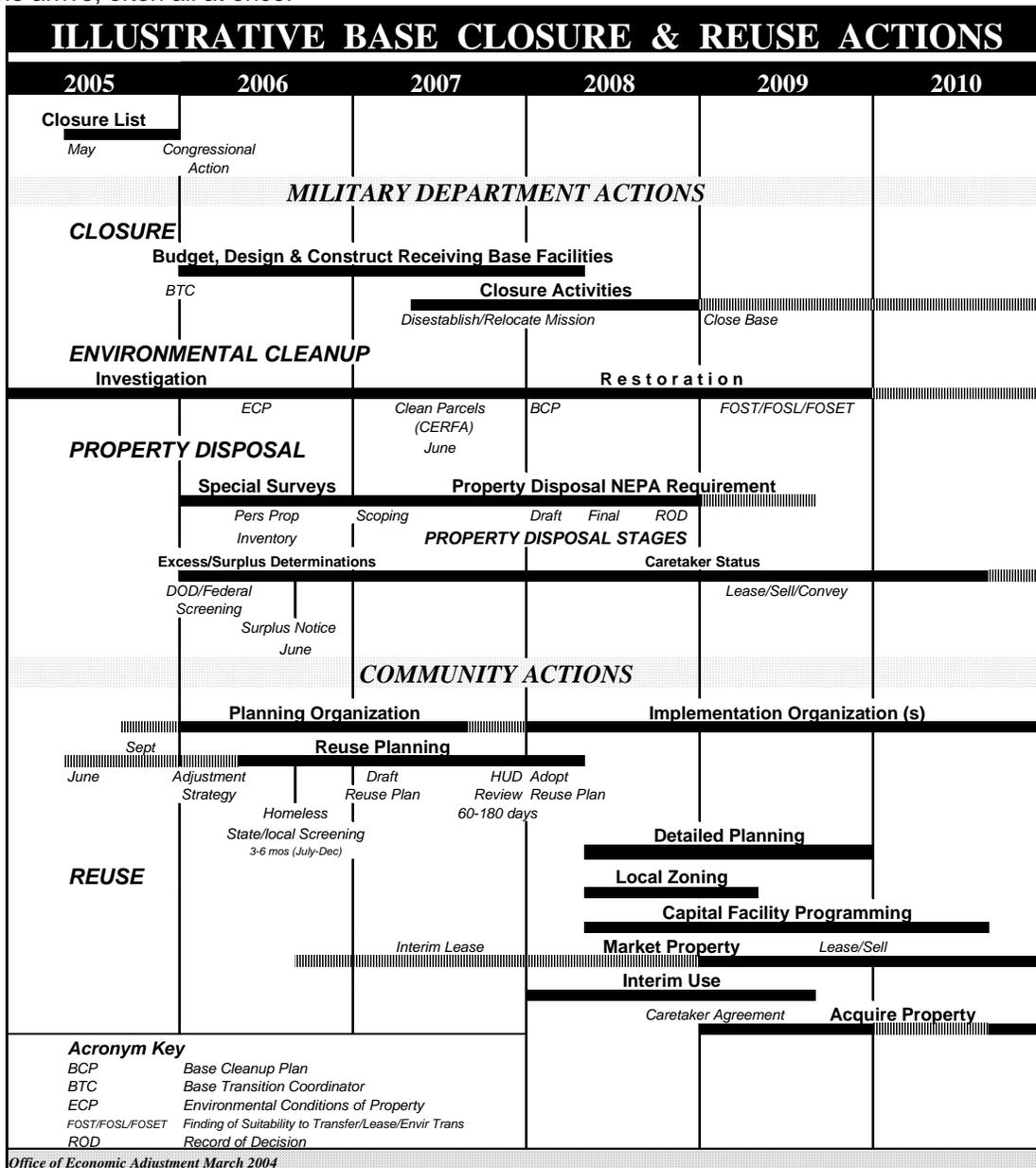
***Catharsis Is
Likely***

An orderly adjustment process is required to avoid chaos. This process, recommended by

the Defense Economic Adjustment Program, has three simple steps--**Organize, Plan, Implement**. It has worked successfully in nearly 400 communities since 1961 when the program was launched. The principal objective where there is a closure is community economic stability. This can be realized by using the military base property and facilities to create replacement job opportunities. When there is a buildup of military and support personnel, the main objective is to have the necessary community facilities and services in place when the people arrive, often all at once.

BASE CLOSURE

Following is an illustrative, generic timeline showing the major actions that need to be accomplished by Defense and the community to close and reutilize a military base and how they relate to each other.



Each base closure or realignment scenario will be different, depending on the relative magnitude of the action with respect to local economic conditions, the date of closure or realignment (and thus the amount of lead time available), and the degree of contamination present that may limit reasonable reuse options and need to be remedied so the property can be converted to civilian use.

***The Critical Key to Success
is Proper Organization***

The critical key to success is proper organization for overall coordination, planning and economic adjustment implementation. Furthermore, a single local organization is required for interaction with the DoD and other Federal Agencies. This requirement is not only Economic Adjustment Program policy, but is mandated by legislation (a single Local Redevelopment Authority or LRA). OEA must formally recognize the LRA and publish LRA information in the Federal Register and a local newspaper. The organization model described next is adaptable to all Defense impact situations, with minor modifications in structure and focus.

ORGANIZATION

Urban communities usually have organizational mechanisms to deal with economic development. Sometimes the responsibility for adjustment coordination, planning and implementation can readily be assigned to an existing agency or authority. However, most communities need to establish a task force or council of stakeholders to coordinate activities and address the specialized issues a base closure or expansion creates. Often these organizations have to be multi-jurisdictional in nature, as a military base can lie in several jurisdictions.

WHO SHOULD BE INVOLVED?

The organization should reflect a cross section of public and private sector leadership. It is not a "blue ribbon" committee created to give visibility to certain persons, or narrow objectives, with no commitment to action. It must be a core of dedicated, strong, knowledgeable, capable indi-

viduals that know how to get a job done quickly, that have the community's future uppermost in their minds, and that have a track record of accomplishment. Clearly it must be structured to suit the magnitude and time frame of the problem and include the major stakeholders (both those affected by the DoD action and having an interest in base property reuse where a base closes). Ideally about seven to nine members should be sufficient. The organization should have membership that is multi-jurisdictional to represent the affected area and be non-partisan in nature. If a larger number of people need to be involved, a small executive committee should be established of key members that are empowered to make policy decisions.

Sometimes a temporary or transitional, LRA is created for base closures. This could also be a special purpose authority or commission, like the Pease Air Force Base Redevelopment Commission that was created by the State of New Hampshire to plan for the reuse of Pease AFB, or the joint powers authorities created in California to address the numerous base closures in that state.

Where suitable, existing organizations can take the lead role. A chamber of commerce, area-wide planning/development council, local economic development organization, or special authority (airport, port, etc.) are examples.

ORGANIZATION PURPOSE

The major function of the organization is to be the focal point for community adjustment activities and for Federal Government interaction with the community (Office of Economic Adjustment, Base Transition Coordinators, Military Department and other Federal Agencies of the EAC). It also serves as a forum for community issues and concerns, provides policy guidance on local economic adjustment efforts, and coordinates state and local adjustment activities. It usually develops the economic recovery strategy and base reuse plan. The provisions of the Base Closure Community Redevelopment and Homeless Assistance Act (P.L.103-421), which became law in October 1994, empowered the planning LRA with the critical responsibility for integration of homeless needs with base reuse planning, and to make recommendations on what state and local (including non-profit eligible) interests will be accommodated in the

plan. This needs to be accomplished within nine months after the closure is final (approximately fall 2006). A final reuse plan must be completed by fall 2007 so it may be used in the property disposal environmental assessment prepared by a Military Department.

GOALS & OBJECTIVES

The organization must provide leadership and build consensus within the community to coalesce diverse interests and address stakeholder claims to property where there is a base closure. As a forum, it is a place to express all ideas. The organization needs to develop a strategy that sets the future development direction and provides vision. This adjustment strategy needs to focus on new job creation, economic diversification, and where a base closes, through a balanced base redevelopment plan that provides a reasonable mix of complementary public and private uses. In such cases, a property acquisition plan and scheme for operation of the base must also be prepared. Vitally important is keeping up momentum and interest by ensuring public awareness about recovery efforts. This can be done through relations with the media, and perhaps with a newsletter that describes activities of the organization.

LEGAL AUTHORITY

Typically authority is advisory only. However, it could have specific purposes, prescribed by local, ordinance or state law. These might be economic expansion and diversification, base reuse planning, base redevelopment, and/or base management and operations. If the recovery responsibilities have been vested in legally established entities, like an airport, port or economic development authority, and agencies of local or state government, the mandates and authorities are already established. These might need augmentation to undertake economic adjustment.

Sometimes a private sector entity, like a chamber of commerce or industrial/economic development foundation is responsible. Then the limits afforded under state incorporation laws determine the extent of its authority.

OPERATION

To maximize stakeholder participation, a structure of subcommittees in functional areas should be formed. Likely areas of concern would be:

- Transportation
- Base Reuse Planning
- Human Resources (Placement/Training)
- Finance
- Health
- Tourism
- Recreation
- Environmental Quality
- Economic/Business Development
- Housing
- Public Works (Utilities)

The number and titles of the subcommittees should be determined according to the magnitude of the job losses, base closure impact and extent of need. Their purpose is to expand the scope and capabilities of the organization, broaden community participation and stakeholders in the economic adjustment process, explore, deliberate, and make recommendations on strategies and base reuse options. Subcommittees can focus energies and resources on specific issues.

STAFF

To function efficiently and be effective, the economic adjustment organization needs a small staff. A director or coordinator with one or two supporting staff should be sufficient to do the job. However, its capabilities can be expanded by using or allying with existing organizations that have special skills, like planning commissions, economic development agencies, airport and port authorities, or other local, county or state agencies. Professional help may also be sought for studies, economic adjustment strategies and base reuse plans.

Funding for the operation of the organization can come from many sources. These include appropriations at state and local levels of government, private sector contributions (organizations or individuals), Federal or state grants, or a combination of some or all sources.

Once the organization is in place, the planning phase begins. Decisions must be made to determine what is to be done and by which individuals and organizations.

ORGANIZATIONAL RELATIONSHIPS

Base Closures/Realignments

