

BASE REALIGNMENT AND CLOSURE

Community Profile

November 2009

Newport Chemical Depot, Indiana

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Closure at a Glance

Local Redevelopment Authority (LRA):

Newport Chemical Depot Reuse Authority

Geographic area affected by closing:

West Central Indiana and Eastern Illinois

Population of affected area (before closure):

71,744 (2008); Vermillion County 16,960 (2008)

Total Acres to be Disposed: 7,000 Plus

Estimated Job Loss Impact:

Jobs Lost	
Military Personnel	1
Civilian Personnel	15
Contractors	660

Source: Reuse Plan

Economic Adjustment Challenges

- Newport Chemical Depot is located in a rural area with limited development capacity due to its rural location.
- The closure of the Depot is having a substantial and disproportionate impact on a small rural economy.
- There are limited business incentives at the local level.
- While Vermillion County does have a handful of incentives (Tax Increment Financing and 10-year property tax abatements), they are modest when it is considered that the site will be competing against others in Indianapolis and other areas with considerably greater capacity for financial incentives.
- The regional labor force is not growing. Retirees (65+) are a growing share of the population.

Key Reuse Planning & Property Disposal Milestones

11/17/08	Federal Surplus Determination
3/23/09	LRA Homeless Outreach Completed
12/09	Reuse Plan Received by Department of Housing and Urban Development (HUD)/Military Service
Pending	HUD Determination on Submission
Pending	National Environmental Protection Act (NEPA) Disposal Decision
Pending	Base Closure

Organization

The Newport Chemical Depot Reuse Authority (NeCDRA) was established pursuant to Indiana law to guide the County's efforts to respond to the announced closure of the Newport Chemical Depot (NECD or Depot) by the U.S. Department of Defense. The enabling legislation authorizes an LRA to plan and implement the reuse of closed military facilities. Thus, NeCDRA is both the planning and implementation authority. The legislation grants NeCDRA the authority to incur debt and to acquire, hold, sell, and develop the surplus military property. The Depot is located entirely within Vermillion County, Indiana, and NECDRA is composed of five county residents appointed by the Vermillion County Commissioners. NeCDRA enjoys support from the community and governmental units. The impacted area effects Indiana and Illinois.

Reuse Plan/Other Studies

The Army delayed declaring the property surplus until all stored chemical agents had been neutralized. Neutralization was completed in August 2008. Thus, NeCDRA did not begin the reuse planning process until late 2008.

Flexibility is a key component of the Reuse Master Plan. The Reuse Master Plan capitalizes on the Depot's large land mass and natural features, water resources, and proximity to highway and rail transportation networks to position the site as a premier location for large-scale business and technology development, while protecting thousands of acres of natural and agricultural areas. Changes in national energy usage and production, technology and industry, transportation and logistics, and a focus on sustainability of the natural and built environments will shape the Depot's redevelopment over the course of the next few decades. The Reuse Master Plan provides the flexibility to allow the Depot to respond to these changes and maintain its competitive advantage while remaining a good neighbor to the communities in the region.

During the public outreach period, NeCDRA received Notices of Interest from a variety of state and local entities seeking some portion of the property for park and recreational uses. NeCDRA intends to work with these providers and anticipates that it will be able to accommodate some measure of their interest. For the most part, the interests of the park and recreational users do not conflict with the redevelopment plan adopted by NeCDRA.

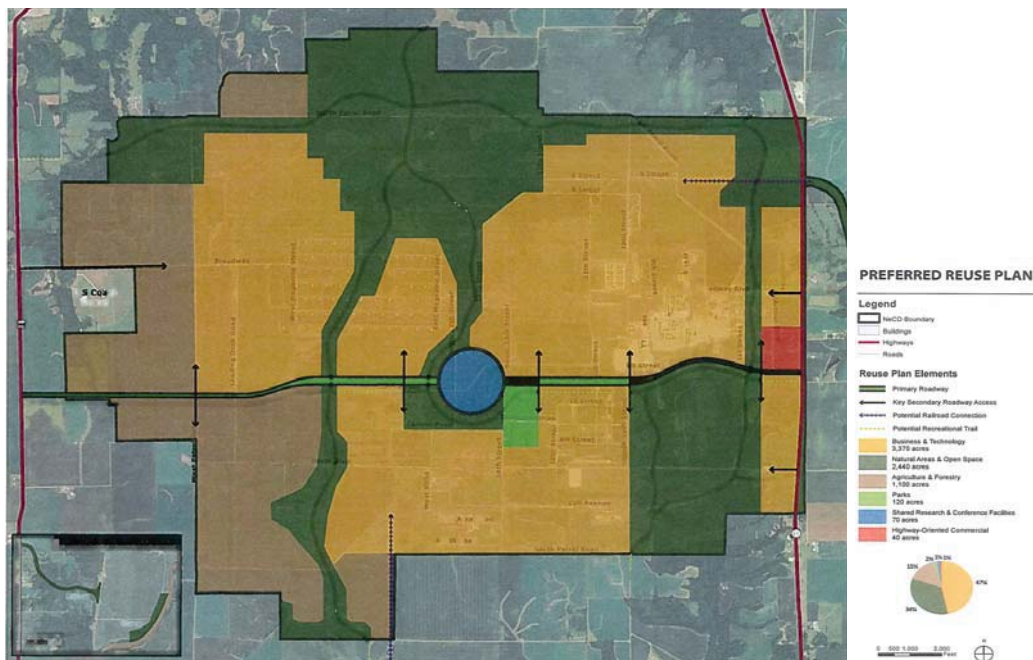


Figure 1: Newport Chemical Depot Reuse Master Plan.

Moving forward into 2010, the NeCDRA has four key goals:

- Transition of the reuse authority focus from planning to implementation of the redevelopment plan.
 - Human resources
 - Identification of staffing needs
 - Identification of needed consulting services (further planning, engineering, legal, etc.)
 - Financial resources
 - Federal, state, and local funds
 - Lease revenues
 - Tax increment financing preliminary steps
 - Other revenue generating development strategies
 - Physical/Technical Resources
 - Web site maintenance and expansion
 - Geographic Information System
 - Office space
- Property Transfer
 - Interim Leasing
 - Infrastructure Master Plan
 - Utility and transportation infrastructure
 - Water supply/sewage treatment feasibility studies
 - Rail feasibility study
 - Environmental impact strategy
 - Business plan
 - Cost modeling
 - Parcelization plan
 - Acquisition strategy
 - Economic development conveyance
 - Preparation and submission of application
 - Implementation and support documentation
- Further analysis and assessment
 - Natural area and recreation master plan
 - Planned unit development zoning code and map
 - Development standards and guidelines
 - Site development plan
 - Labor survey
- Strategic marketing plan
 - Site naming and branding
 - Publicity and public relations
 - Planning – Market integration and packaging
 - Interactive multi-media facility database
 - Other collateral marketing
 - Strategic partnering and collaboration

Homeless Submission

The Depot is comprised of approximately 7,000 acres of land located in Vermillion County, Indiana. Of this total acreage, 4,000 acres represent undeveloped land which is currently being used for agricultural purposes and 2,000 acres of wooded non-tillable land, all of which served as protection buffer for the chemical agent formerly stored on site. The remaining acreage was dedicated to facilities maintenance and storage of chemical weapons. There are no housing facilities located on the Depot, and no services or amenities to support anything other than maintenance and storage uses. The entire site was determined surplus by the Army and available for reuse pending environmental remediation and military realignment schedules.

The solicitation for interest from agencies providing services for the homeless targeted organizations providing assistance to the homeless in Vermillion County, but did not exclude organizations from the entire state of Indiana. In January 2009, a Public Outreach Workshop was conducted to provide information to state and local government entities, representatives of the homeless, and other eligible persons or entities that may have had an interest in buildings or property at the Depot. No providers of homeless assistance expressed an interest in any part of the facility. The NeCDRA did receive expressions of interest from a variety of state and local providers interested in acquiring some portion of the property for parks and recreational uses.

Implementation and Partnering Strategies

Economic Adjustment Challenges:

1. The Depot is located in a rural area with limited development capabilities. NeCDRA is improving the development capabilities by providing educational workshops to community leaders and partnering with key stakeholders including major utilities and the State of Indiana.
2. The closure of the Depot is having a severe and substantial economic impact on a small, rural economy.
3. Expansion of what are otherwise limited business incentives at the local level. NeCDRA has a goal of diversifying from the dominance of a single industry. While Vermillion County does have a handful of incentives (Tax Increment Financing and 10-year property tax abatements), they are modest when competition against sites in Indianapolis and other areas with considerably greater capability for financial incentives is considered. NeCDRA is seeking a no-cost economic development conveyance to enhance the basic incentives.
4. The regional labor force is not growing. Retirees age 65 and over are an increasing share of the population. NeCDRA is seeking to grow the economy with industrial development that will provide stable high-paying jobs.
5. Exploring partnering and collaboration opportunities with utilities, railroads, the state, colleges, and universities to bring their economic and business development assets to bear on the challenges NeCDRA faces.

Successes/Lessons Learned

The community followed a basic prescription

1. Organization (create well-functioning LRA)
2. Planning (create a solid achievable reuse plan)
3. Implementation (the personnel and financial resources to accomplish the plan)

If these three tasks are done well, NeCDRA feels it will gain the confidence of the decision makers and receive support for reuse efforts.

Experience that should be shared with other communities:

1. Keep it non-political.
2. Learn from the others' success and failures and act accordingly.
3. Team with qualified people and organizations.