



2009 DEFENSE COMMUNITY CONFERENCE

Mastering Property Disposal I

Mr. Tom Lederle
Chief, Industrial Branch
Base Realignment and Closure Division,
Assistant Chief of Staff for Installation Management

November 4, 2009



Agenda

- Property Conveyance Methods “The Toolbox”
- Army Past Use of Conveyance Authorities
- Closure and Conveyance Timelines
- BRAC 2005 Conveyance Plans
- Fair Market Value (FMV) Approaches
- Conveying Army Property
- Caretaking Responsibilities & Impact
- Environmental Restoration, Funding & Responsibilities
- Working with Communities



Property Conveyance Methods “The Toolbox”

Negotiated Sales

Public Sales

**Public Benefit Conveyance
(PBC)**

**Economic Development Conveyances
(EDC)**

**Exchanges for
Military Construction**



**Disposal to
Depository Institutions**

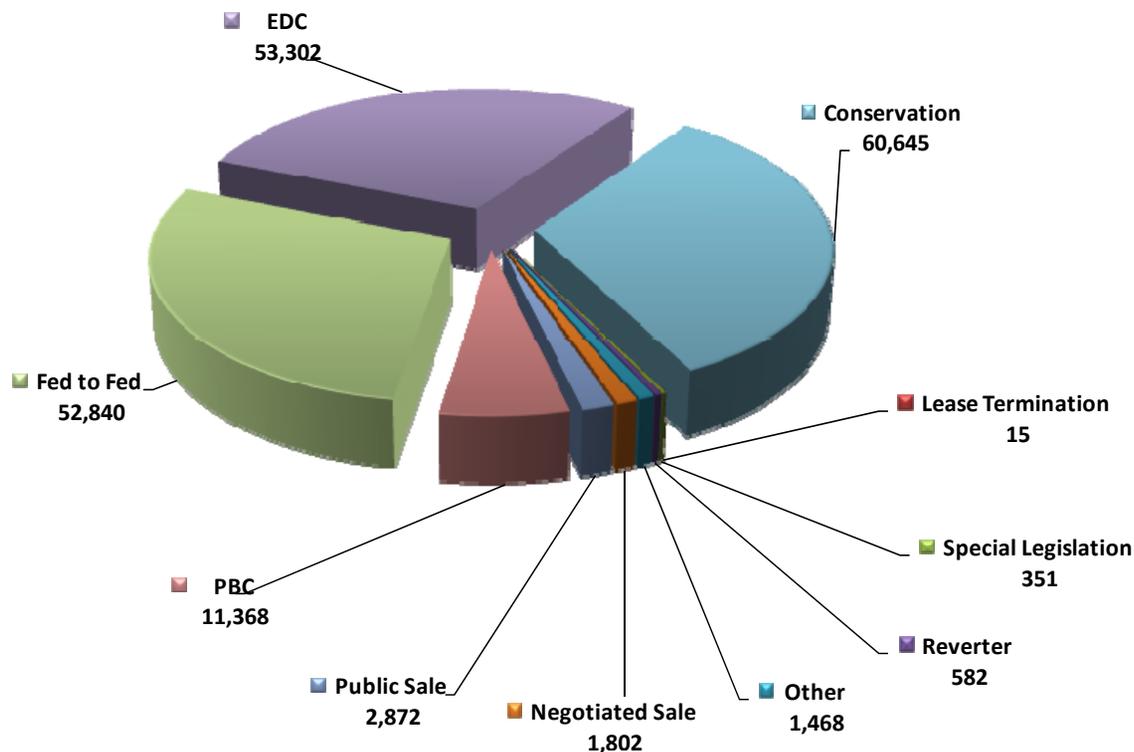
Disposal of Property for Use by Homeless

Conservation Conveyances

**Transfer Authority in Connection with
Payment of Environmental
Remediation Costs**



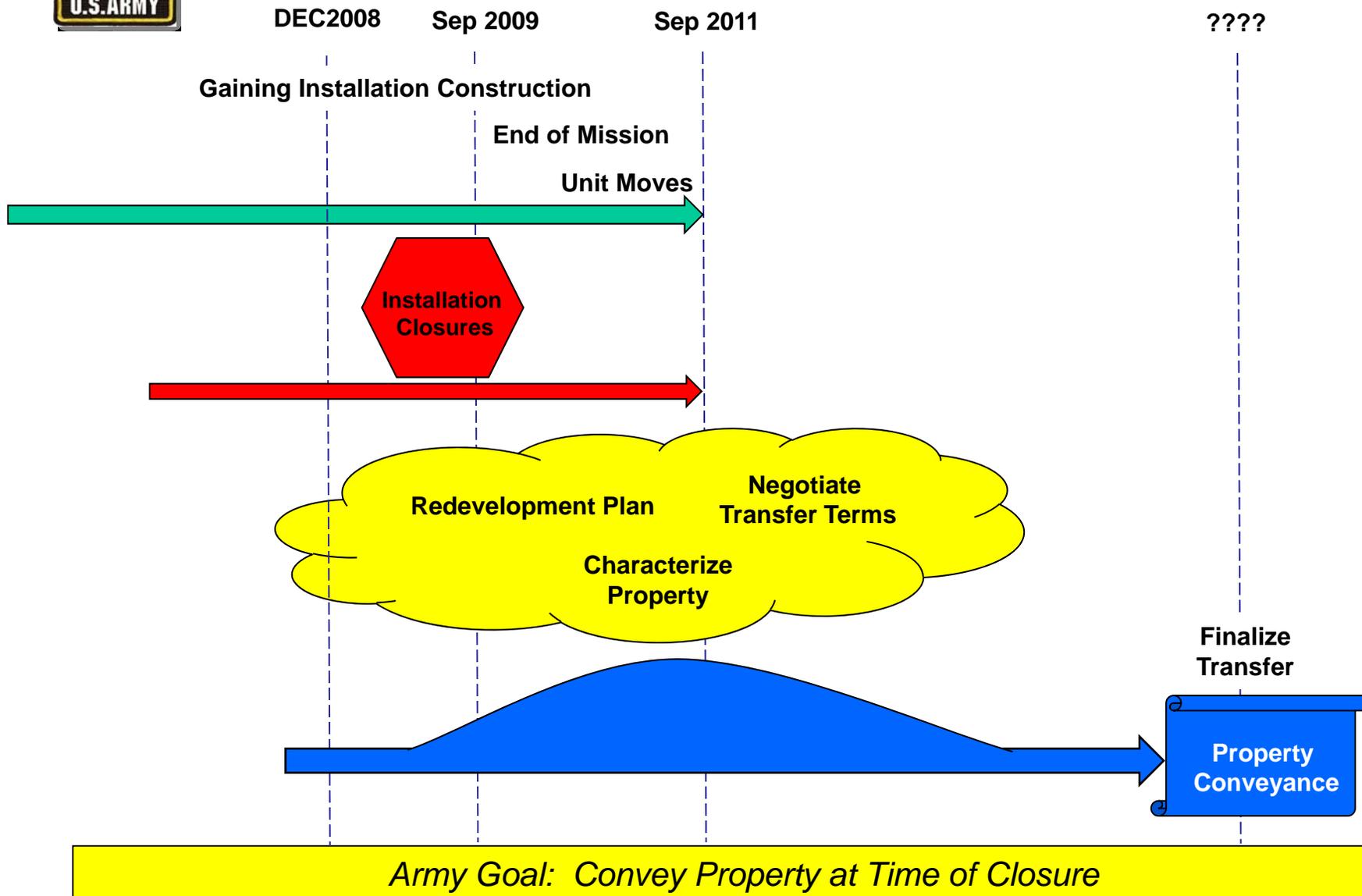
Army Past Use of Conveyance Authorities



	Excess Acres Available	Total Acres Conveyed	% Conveyed	Total Acres Remaining	% Remaining
Legacy	209,839	184,184	88%	25,655	12%
BRAC 2005	70,104	1,160	2%	68,944	98%
Active Army	68,860	1,116	2%	67,744	98%
Army Reserve	1,244	44	4%	1,200	96%
Total	279,943	185,344	66%	94,599	34%



Closure and Conveyance Timelines





BRAC 2005 Conveyance Plans

Installation	Conveyance Authority	Timeline
Seville Manor	Public Sale	4th Qtr FY10
Kansas AAP	Public Sale Negotiated Sale EDC Conservation	1st Qtr FY10
Lone Star	Negotiated Sale EDC	2nd Qtr FY10
Riverbank AAP	Public Sale EDC	2nd Qtr FY10
CE Kelly	PBCs Fed to Fed transfers Public Sales	Starting 2nd Qtr FY10
Mississippi AAP	Reverter	3rd Qtr FY10



Fair Market Value (FMV) Approaches

- The Army will seek FMV for property conveyed under select authorities to include PBC, EDC, public sale, negotiated sale and disposal of depository institutions.
- An appraisal will be conducted IAW Uniform Appraisal Standards for Federal Land Acquisitions, 2000 to determine FMV.
- The final sales price as determined by the Secretary will use a balance sheet approach examining each facility's unique assets and liabilities in conjunction with the appraised value.
- Not all properties have a positive FMV; Properties that have significant liabilities may be “upside-down” requiring innovative solutions to accomplish timely transfer and redevelopment .



Conveying Army Property

The Army's Approach to Developing Conveyance Plans:

- Work with Community Redevelopment Plan;
- Establish a working relationship Conducive to An Open Exchange of Ideas;
- Collaborate With the Community;
- Maintain Conveyance Plan as a “Living” Document;
- Establish open, honest, and frequent communication with Stakeholders; and
- Work multiple issues concurrently.



Caretaking Responsibilities & Impact

- The Army's Goal is to minimize caretaking responsibilities by conveying property at time of closure.
- The Army will seek to minimize caretaker costs while supporting redevelopment efforts IAW BRAC Law.
- Initial maintenance levels determined in consultation with the LRA on a facility-by-facility basis.
- Facilities degrade without active use and occupancy.
- Procedures and responsibilities for common services such as fire protection, security, utilities must be resolved in the earliest stages of the closure or realignment process.
- The new owner has maintenance responsibilities when Army conveys property.

Army's goal is to dispose of all surplus property at the time of closure to reduce caretaker costs and maximize redevelopment opportunities.



Environmental Restoration, Funding & Responsibilities

- CERCLA, RCRA and the appropriate State laws and regulations determine the Army's cleanup responsibilities.
- Cleanup requirements are negotiated with EPA and State regulators.
- The Army's policy is to meet its environmental responsibilities by remediating the buildings and property to like use.
- Environmental Services Cooperative Agreements may be beneficial for some installations.
- Environmental cleanup costs may be considered in fair market value negotiations.
- The Army can convey property in connection with payment of environmental remediation costs - Section 2905(e) of PL 101-510.
- Army can retain cleanup responsibility.
- The status of negotiated property transfer agreements is a consideration in determining funding priorities.



Working with Communities

- BRAC closure or realignment actions may have direct and significant adverse consequences for the community.
- The Army seeks rapid property conveyance to new owners so community redevelopment objectives can be realized: create jobs, provide housing, increase local tax base, and improve overall quality of life within the community.
- Each community is unique, there is no single approach or template that fits all aspects of every closure or realignment situation.
- The Army is prepared to use a variety of conveyance authorities to satisfy diverse redevelopment scenarios.
- Through close cooperation and coordination among the Army, OEA and the LRA, the best approach can be utilized to suit each unique situation.