



# **2009 DEFENSE COMMUNITY CONFERENCE**

---

## **BRAC Property Disposal**

**Mr. Jerry Hansen**

**Senior Official Acting as Assistant Secretary of the Army  
(Installations and Environment)**

**3 November 2009**



# What is New that Affects BRAC

---

- Political leadership at the top (SA and USA) are in place
- New Assistant Chief for Installation Management
- The Army's dedicated disposal team is facilitating the transfer of property at the time of closure
- Army moving forward to finalize negotiations on property transfers.



# What Has Not Changed

---

- Army commitment to expedite property transfers
- BRAC properties present opportunities for immediate capital investments
- Army belief that the market place will generate faster redevelopment opportunities.
  - The market place will bring private capital.
  - The market place will create jobs and provide tax revenue
- Army will continue to partner with local communities
- Army will use all available “toolbox” authorities



# What Has Changed

---

- The economic downturn has created financing challenges
- Need for investment capital at closing installations
- Creative solutions may be necessary for near term economic recovery
- FY10 NDAA Economic Development Conveyance language



# Property Conveyance

---

## Legacy, Excess, BRAC 2005 Program Status

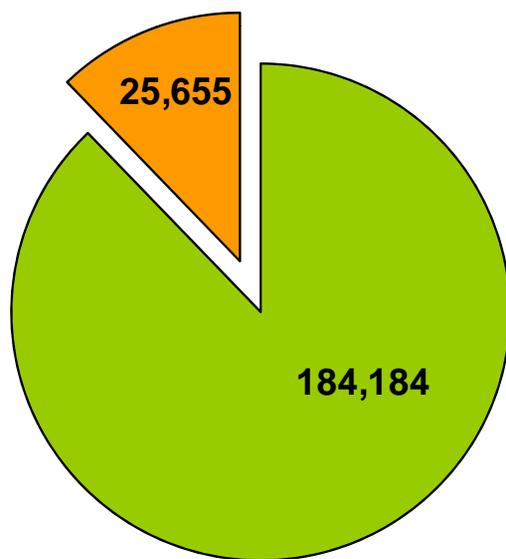
- Legacy BRAC Properties
  - Environmental cleanup and caretaking continue as Army bills
  - Legacy property disposal requires innovative solutions, such as public auction of Stratford Army Engine Plant
    - Property received 3 bids
    - Sold for \$9.6M and the buyer pays environmental costs
- BRAC 2005 Installations
  - Priority properties identified for conveyance
  - Environmental cleanup tied to reuse and disposal strategy
  - Reduce carrying costs (caretaker and property management) by transferring at time of closure



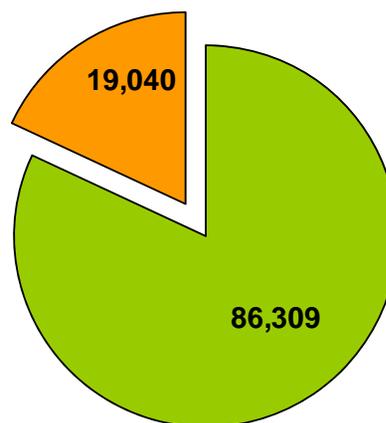
# Property Conveyance

BRAC Disposal Overview as of November 2009

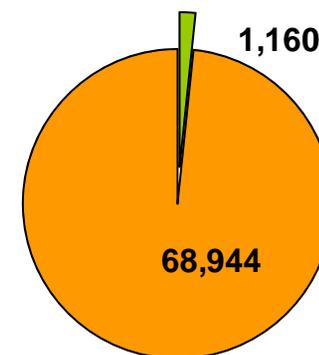
Legacy BRAC



Non BRAC Installations



BRAC 2005



 Acres Disposed  Acres Remaining



# Conveyance Considerations

---

- Army's goal is a win-win scenario for the Army and the community
- Rapid job creation is key
- Private investment in the redevelopment brings timely results since developers must service debt and recoup investments
- Environmental cleanup complicates redevelopment but combining cleanup with development is the fastest most efficient approach
- The Army's goal is to minimize caretaking responsibilities by conveying property at time of closure
- Getting this done so timely job creation occurs requires partnership, willingness to compromise and acceptance of some risk



# Community Financial Considerations

---

- Redevelopment requires financing
- LRA's must have access to financing and the authority to incur debt and spend money or have identified mechanisms do so
- The private sector has the experience in the private capital markets, most LRA's do not
- Consider multiple options for redevelopment
- Pro forma must be market based and withstand scrutiny
- Look at lessons learned from successful redevelopments
- Consider these properties as Brownfield redevelopments



# Stratford Army Engine Plant Public Sale Property Transfer

Sale Type: **Online Auction**  
Closing Bid: **\$9,612,000.00**  
**THIS AUCTION HAS CLOSED**

Property Description  
**Stratford, Connecticut**  
**Former Stratford Army Engine Plant**  
**78 acre brownfields redevelopment**  
**Improved with 1.72 million sq ft**  
**3 main buildings**  
**50 out buildings**



**Two miles off I-95, adjacent to Sikorsky Memorial Airport.**  
**GSA offering the property for sale via on-line auction**  
**on an "as is" basis, transferring all environmental remediation**  
**obligations to the buyer**



# Fort McPherson Mixed Conveyance Approach



- Army and Local Reuse Authority (LRA) MOU signed Jan 2008
- LRA's Reuse Plan goals:
  - Guided by market realities, adaptable to changes
  - Target knowledge-based industries
  - Generate a variety of jobs
  - Include mixed-income neighborhoods
  - Economically uplift surrounding communities
  - Honor the history of the site
- Economic Development Conveyance (EDC), Public Benefit Conveyance and public sale to transfer 488 acres
- Arrangements for public sale are currently in the initial stages



# Lone Star Army Ammunition Plant Like Reuse Approach



- LRA submitted EDC Application March 2009
- LRA's Reuse Plan goals:
  - Creation of new employment opportunities
  - Retention of existing jobs at Lone Star
  - Utilization of public resources to leverage private sector investment
  - Initiation of early transfer to expedite environmental clean-up
  - Preservation and protection of important natural and manmade amenities (e.g., existing cemeteries, hunting areas, and natural habitats)
- EDC and negotiated sale to transfer 15,546 acres
- Arrangements for conveyance are currently in the mature stages, with conveyance projected for 2<sup>nd</sup> quarter FY10.



# Kansas Army Ammunition Plant Partnering for Progress Approach



- LRA submitted EDC Application May 2009
- LRA's Reuse Plan goals:
  - Stabilize the existing employment base
  - Grow area businesses
  - Position redevelopment as catalyst for long-term expansion
  - Retention of current private sector employment opportunities
  - Continuation of current agricultural uses
- Army Compatible Use Buffer exchange, EDC, and negotiated and public sales to transfer 13,747 acres
- Currently working through regulatory framework with conveyances projected to begin in 1st quarter FY10



# Riverbank Army Ammunition Plant “Green Friendly” Industrial Park Approach

- HUD approved LRA’s Reuse Plan March 2009
- Planned Closure 31 March 2010
- Reuse Plan poised to ride a wave of green renovation
- Reuse Plan developed to integrate:
  - incentive forms of green manufacturing, R & D support, innovative public-private partnership
  - portfolio of strategies meant to spur investment and achieve job creation
- Arrangements for public sale are being formalized with Industry Day / Bidder’s Conference projected to occur in late Fall 2009
- EDC for 140 acres and public sale for 32 acres

**FOR SALE**  
**32 ± Acres, 4 Parcels**

[propertydisposal.gsa.gov](http://propertydisposal.gsa.gov)  
**1-888-GSA-LAND**

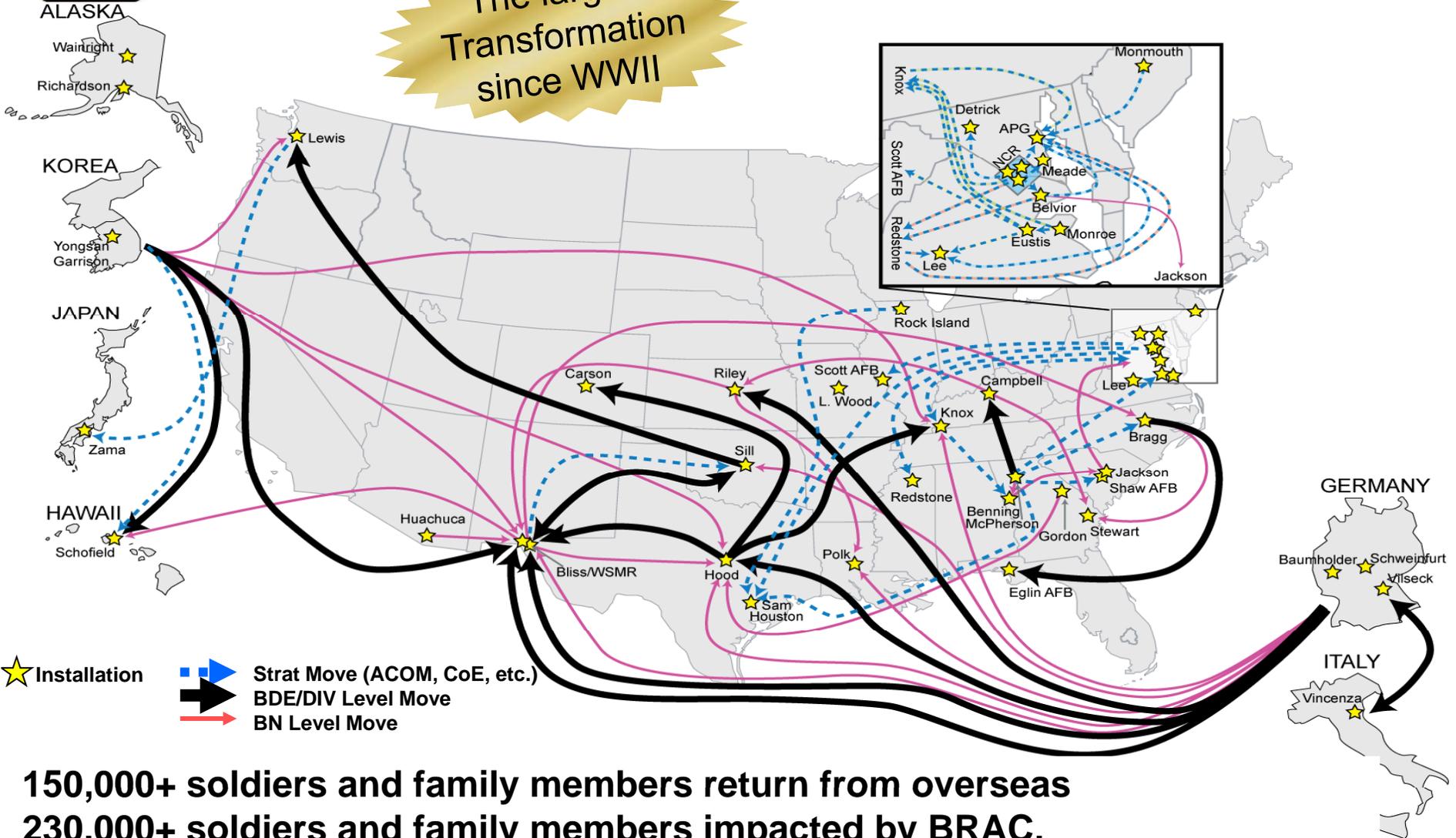
GSA ANGELA x 3430 or  
DAVID x 3426 U.S. ARMY



U.S. ARMY

# The Army in Motion: FY 04-13

The largest Transformation since WWII



- ★ Installation
- ➡ Strat Move (ACOM, CoE, etc.)
- ➡ BDE/DIV Level Move
- ➡ BN Level Move

**150,000+ soldiers and family members return from overseas**  
**230,000+ soldiers and family members impacted by BRAC,**  
**Global Defense Posture and Realignment, and Grow the Army**