UNCLE SAM DOESN'T LIVE HERE ANYMORE

LOCAL ECONOMIC DEVELOPMENT PLANNING FOR MILITARY BASE REUSE

by
Beverly Byer Gallo

B.A./B.S., Architecture and Construction Management University of Massachusetts, Amherst 1987

Submitted to the Department of Urban Studies and Planning and the Center For Real Estate Development in Partial Fulfillment of the Requirements for the Degree of

MASTER IN CITY PLANNING
AND
MASTER OF SCIENCE IN REAL ESTATE DEVELOPMENT

at the
Massachusetts Institute of Technology
February 1995

© 1995 Beverly Byer Gallo All Rights Reserved.

The author hereby grants to MIT permission to reproduce and to distribute publicly paper and electronic copies of this thesis document in whole or in part.

Signature of Author....................................................... (February 13, 1995)

Certified by.................................................................
Bernard J. Frieden
Ford Professor of Urban Development -- Thesis Supervisor

Accepted by.................................................................
Langley Keyes
Chairman, Master in City Planning Committee
Department of Urban Studies and Planning

Accepted by.................................................................
William C. Wheaton
Chairman, Interdepartmental Degree Program in Real Estate Development
UNCLE SAM DOESN'T LIVE HERE ANYMORE

LOCAL ECONOMIC DEVELOPMENT PLANNING FOR MILITARY BASE REUSE

by
Beverly Byer Gallo

Submitted to the Department of Urban Studies and Planning and the Center For Real Estate Development on February 13, 1995 in partial fulfillment of the requirements for the degrees of Master in City Planning and Master of Science in Real Estate Development.

Abstract

Since 1988, more than 150 US military bases have been closed. As the federal, state and/or regional governments plan for the reuse of these installations, surrounding communities struggle to replace local jobs and revenues lost as a result of these closures.

In this thesis, I survey the closure processes of two US Army installations closed in 1991: Fort Ord, on the Central Coast of California; and Fort Devens, in North Central Massachusetts. Through detailed accounts of the on-going base redevelopment efforts, I explore the inter-governmental dynamics of the military base reuse process. The primary purpose of this study is to get a better understanding of how local, regional and state interests and objectives were balanced in the military base redevelopment process at Fort Ord and Fort Devens.

Specifically, I examine some of the issues that shaped the economic development planning process at each case study site. I find the ability to balance the needs and objectives of multi-jurisdictional government entities critical to the success of these processes. I also find that local inter-jurisdictional competition for limited planning and redevelopment resources, and the lack of coordination between local and federal closure procedures most negatively affected the economic planning efforts. Finally, one case suggests that the role of the state government may be most effective in the reuse planning process when it assumes financial and political responsibility for the base redevelopment on behalf of the economically impacted communities.
In a concluding section, I consider the prospects for economic development in low-income communities surrounding closing military bases. In one case, I find that the needs of the most economically impacted communities may not have been adequately addressed in the local economic planning and development processes exhibited. However, several context-specific factors exhibited in each case make it difficult to draw any conclusions regarding the prospects for low-income communities in future closure situations.

Thesis Supervisor: Bernard J. Frieden
Title: Ford Professor of Urban Development
Acknowledgments

This thesis would not have been possible without the support and cooperation of many people. First, I want to thank my advisor, Bernard Frieden for providing me with the opportunity to explore the military base reuse process first hand, and for helping me to shape the direction of this thesis; I greatly appreciated Professor Frieden’s time, patients and support throughout this process. Karl Seidman also deserves special mention for taking an interest in this project and providing useful data and meaningful feedback throughout.

I want to thank all of the people who shared their time and insights with me, and gave me a chance to explore the military base reuse processes ongoing at each base. Specifically, I would like to mention Paul and Kristie Reimer (Reimer Associates, Inc.) for their time and hospitality during my stay in the Monterey area. Josh Kirschenbaum (UC Berkeley) also deserves a special mention for sharing his expansive library of base closure related information with me. Finally, I want to extent a special thanks to Wendy Wissler (Land Bank) and the staff at the Fort Devens Reuse Center for providing me with information upon request and granting me access to the Land Bank’s files and records.

I am also grateful to my family and friends for putting up with me during this often isolating process; especially my grandfather whose encouragement and respect has been a source of motivation to me throughout my life.

Most importantly, I dedicate this thesis to my husband Michael, whose patients, kindness and positive outlook on life will always be an inspiration to me.
Table of Contents

Abstract

Acknowledgments

Chapter One: Introduction 1
Chapter Two: The Case of Fort Ord, Monterey County, California 7
Chapter Three: The Case of Fort Devens, North Central, Massachusetts 66
Chapter Four: Case Study Analysis 129
Chapter Five: Conclusion 170
Appendix A: The Federal Base Reuse and Disposal Process 174
Appendix B: Maps and Photographs 182
Chapter One:

Introduction

Economic Development in the Military Base Reuse Process

Since 1988, the Department of Defense has closed more than 150 domestic military installations in three separate closure rounds carried out in 1988, 1991 and 1993. This figure represents more than one quarter of the major bases that existed in the United States in the late 1980's (Hill and Raffel: 1993, pg. 1). The result of significant cuts in US defense spending, military base closures have economically impacted hundreds of defense dependent communities throughout the county.

At first glance, the closure and reuse of military installations appear to offer unique development opportunities for local communities as a means to stimulate localized economic growth. Presumably, when the military moves out, local -- or host -- communities are given access to large parcels of developable property (complete with infrastructure improvements, buildings and facilities), as well as access to federal planning funds with which the communities can begin to rebuild their economies. However, these opportunities are often overshadowed by an immediate loss of municipal revenues and jobs that were once supported by the military neighbor.

As a result of years of military's presence, many surrounding communities have grown to support the needs of the military and its personnel, providing access to goods and services not available on the base. Fast food restaurants, and liquor stores, are places of entertainment are often the drivers of these local economies. When the military base closes, the demand for local goods and services is reduced. Thus the loss to local businesses often leads to significant reductions in local tax revenues and lost jobs in the host communities. Other
economic impacts to host communities may include population loss, an increase in the number of vacant housing units, and the loss of federal subsidies provided to the host communities for the provision of municipal services. The inability for military dependent, or host communities to offset these losses with new sources of revenues and jobs in the short term can make the impacts of base closure even more distressing, and can make economic recovery more difficult.

However, the closure of a military base may also impact the economy of the greater region. Defining the boundaries in which economic impacts from a base closure are felt is often an arbitrary process (Kirschenbaum and Marsh: 1993, pg. 18). But these regions of impact are not always determined based solely on the economic impacts experienced in the surrounding communities. Sometimes these boundaries are defined geographically; and sometimes they are defined politically, reflecting a district of political constituents, for example. Thus, depending on the region of impact defined in each base closure situation, the opportunities for economic development at a closing base may be viewed as having regional or even state-wide importance. Not surprisingly, trouble arises in the redevelopment planning process when the needs of the host communities are different from the needs, interests or objectives of the greater region or the state.

In this thesis, I explore the relationships and interactions between government procedures in the military base reuse process. I provide an in-depth look at the cases of Fort Devens, located in North Central, Massachusetts, and Fort Ord, located in Monterey County, California. These case studies highlight the inter-governmental dynamics of the military base reuse process. The primary purpose of this study is to get a better understanding of the how local, regional and state interests and objectives were balanced in the military base redevelopment process. In order to do so, I will explore some of the specific issues and challenges that emerged in the multi-jurisdictional economic planning processes exhibited at each case study site. In a concluding section, I will also
consider the prospects for fiscal recovery in the low-income communities surrounding closing military bases.

**Methodology**

To get a sense of the issues that affected the redevelopment processes at each site, a chronological study of the on-going economic development planning processes was compiled. The primary research for this study was conducted through a series of interviews and a review of various documents including meeting minutes, memorandums, annual reports and news articles. The majority of the data was collected over a three month period from mid-June to mid-September of 1994. Key players in the reuse processes were interviewed including local, regional, and state government representatives, military personnel, local residents and various reuse consultants. The questions asked during the interview sessions depended upon the extent of the interviewees involvement in, and knowledge of the respective reuse planning processes.

A total of 36 interviews provided information to support the presentations of the two case studies in the context of the federal base reuse process. Eight additional interviews were conducted regarding the issues surrounding the federal base reuse process. The majority of the interviews were conducted in person; however, for logistical reasons several had to be conducted over the phone. Finally, information was collected at a conference on military base reuse in California and at a short-course at MIT entitled Military Base Redevelopment. Information from these sources was used to support both the case study documentation and the findings presented.

In addition to data gathering, the purpose of my visits to Fort Ord and Fort Devens was to get a sense of the overall planning environment. For instance, at Fort Devens, I attended a number of public hearings and planning workshops in which I experienced first hand the nature of the inter-jurisdictional relationships between members of the local communities, the representative state agency and the Army. At Fort Ord, I was able to get a better feel for the vastness and the
beauty of the 28,000 acre military property, as well as a behind the scenes look at the dynamics of the locally driven planning process.

The bases were selected for study on the basis that they met the following general criteria:

- Locational characteristics: *suburban, semi-rural settings relatively dependent on income derived from the military base*;

- Similar socio-economic dynamics: *surrounding region reflective of both the low-income and wealthy communities*;

- Project area size: *at both bases, the developable property available for local economic redevelopment is approximately 2,600 acres, plus additional areas for public and institutional users*;

- Multi-jurisdictional property rights and interests: *physical jurisdiction on the base is shared by more than one community*;

- Because different service branches follow different reuse processes, I chose two closure processes overseen by the Department of the Army;

- Significant completion of economic planning process, at the time of the study.

Additional characteristics of the two closure cases set the stage for the discussion to follow. First, each base has been designated as a Superfund site under federal environmental regulations. As such, I was able to observe the interaction of numerous federal, state and local cleanup processes required at each case study site. Second, both cases are located in "home rule" states, in which matters of local economic development practice and policy are traditionally handled locally. This gave me a political benchmark from which to compare the cases. And finally, because both cases were chosen as "model bases" by the Department of Defense, information regarding the closure and reuse processes was more readily available.
Document Presentation

In the following two chapters, I provide a detailed account of the base reuse processes at Fort Ord and Fort Devens. The case studies focus primarily on the illustration of the entities involved with the reuse process, and the events that led to the creation and implementation of an economic redevelopment strategy. The case studies are presented from the experiences of the primary economic planning efforts at each base: at Fort Devens, the planning process was a joint state and local government effort; while at Fort Ord, the planning effort involved primarily the local and regional governments.

In Chapter Five, I identify some of the prominent issues that affected the local reuse processes exhibited in the case studies. These issues are presented using experiences from each case. General inferences are drawn from these experiences to conclude each section, and a summary of the findings is provided at the end of the chapter. In the final chapter, I take a step back to consider the implications for local economic development in communities most negatively impacted by base closures.

Case Study Introduction

Fort Ord is one of 22 bases closed in California since the first round of modern base closures in 1988. The property, the size of the City and County of San Francisco, sits nestled between the Pacific Coast Mountains and the Pacific Ocean on California's central coast. The case of Fort Ord illustrates the interaction between local, regional and state interests and objectives, in which a dispersed state government supported an unfettered local planning process. As such, the state government was not directly involved with the reuse process at Fort Ord, but was represented by some of the players in the regional reuse effort. The case also illustrates how the state government was ultimately compelled to take a leadership role in the Fort Ord reuse process to mediate inter-jurisdictional conflicts between opposing local and regional interests. As a result, band-aid
state legislation was passed to restore order to the contentious local planning process.

In Massachusetts, the closure of Fort Devens was the state's first major closure since a wave of installation closures shut down five of the state's major military facilities in the 1970s. In contrast to the California case, state control over the closure process was deliberate and proactive in the redevelopment of Fort Devens. The Massachusetts Government Land Bank was empowered as the state agency in charge of overseeing the planning and redevelopment of the property at Fort Devens on behalf of the state, regional and local governments. Although Fort Ord and Fort Devens were both slated for closure in the 1991 BRAC round, the redevelopment of Fort Devens has seemingly progressed faster. At the time this study was conducted, a reuse plan and accompanying land use bylaws were completed and approved by the state and the local communities. Perhaps more importantly, carefully planned state legislation made possible the creation of a super regional planning and permitting entity to collectively represent the state and the surrounding communities with property jurisdiction on the base. The case suggests that the elements of the successful Devens reuse planning process were made possible through the execution of a collective effort in which state and local officials, and individual members of the local communities worked together to meet the interests and objectives of all parties involved.
Part I: Introduction

Located along California's central coast, Monterey County was best known as a collection of wealthy retirement and resort communities, adjacent to one of this country’s most profitable produce farming regions. With its miles of rocky coastline and mountainous landscape, the scenic beauty of the Monterey Peninsula region attracted thousands of tourists every year. Quaint historic shopping villages, guest houses and golf courses dot the landscape from Monterey to Carmel-by-the-sea, catering primarily to a wealthy vacationing clientele. This region is also home to a significant portion of the US military, who were stationed at the Navy's Presidio and Post Naval Graduate School, the DoD's Defense Language Institute and Ford Ord. Second only to the agriculture and tourism industries, the military is one of the region's primary economic generators. In fact, in 1991, Fort Ord was considered the County's largest single employer with over 17,000 military and civilian employees residing primary in Seaside and Marina (RKG Associates, *Economic Impact Analysis*: 1992, pp. iii).

Fort Ord was the largest Army training base in the US, home of the Army's 7th Infantry Light troop division. Located just 10 miles north of the Monterey Peninsula, the base encompassed 44 square miles (approximately 28,000 acres) of land in Monterey County. Fort Ord is flanked to the North by the City of Marina and to the South by the City of Seaside. These outlying communities, characterized by liquor and convenience stores, and automobile showrooms seem out of place on the Peninsula. These behind the scenes cities
grew to service the needs of the military and its personnel -- out of sight from the tourist villages of Monterey and Carmel.

Prior to the military occupation in 1917, the land at Fort Ord was primarily undeveloped, unincorporated County land and private ranges. In the 1960's and 1970's many years after the Army established the base, non-federal jurisdiction over the base property was divided among the County, the City of Marina and the City of Seaside: approximately 75% of the base was incorporated within the County’s jurisdiction, with the remaining land divided between Seaside and Marina (a total of approximately six square miles each).

These entities legally annexed portions of the base in order to receive state entitlement funding, called subventions. These entitlements were funds in lieu of property taxes used to support municipal services extended to the military, military personnel and their children. Although the local municipalities were not responsible for directly providing municipal services to the base itself, the local governments contended that they could not support the presence of their military neighbors without additional municipal assistance. Thus, subvention subsidies were awarded to Marina and Seaside by the state primarily to support the provision of public safety to military personnel and their families. (Subventions are discussed in greater detail in the section entitled Identifying Closure Impacts).

Physical Description

Fort Ord encompasses approximately 28,000 acres along California’s scenic coast line, with approximately four miles of beach lying within the California Coastal Zone. With its mountainous backdrop to the east, this watershed region is home to several habitats including beaches, bluffs and

1 The site was acquired by the Army in 1917 as a maneuvering and firing area. By 1940 the base was renamed Fort Ord and was expanded to house the 7th Infantry Division troops. After the attack on Pearl Harbor, Fort Ord became a staging area for battles in the Pacific and was used as an Advanced Training Facility during the Korean War (Kirschenbaum, 1992). The troops have not experienced combat since the Panama conflict in the 1980’s.
dunes, and coastal strand habitats covered with native and exotic plant species. Additionally, the Monterey Bay National Marine Sanctuary sits just off the shore of the Monterey Peninsula region. This, the nation's largest marine sanctuary, is a haven for sea otters, seals, shorebirds, squid, sardines and thousands of other species, including many that are threatened or endangered. Established as a National Marine Sanctuary, the Monterey Bay is a virtual undersea laboratory where lush kelp forests and North America's largest offshore canyon are studied by researchers from all over the world.

Many areas of the inland portion of the base were established as multi-species habitats by the US Fish and Wildlife Services after the base was announced for closure. More than 70% of the land at Fort Ord, including the coastal chaparral and dune areas, were identified as 'habitat reserve' during the federal property screening process. The western edge of the base was bisected by State Route 1, a north-south coastal highway running along the entire California Coast. Route 1 was the primary access route to the Monterey Bay Peninsula region, spanning two lanes in either direction. The majority of development planned for Fort Ord is east of Route 1 in the Cities of Seaside and Marina. (See Maps 1 & 2, Appendix B).

The existing physical infrastructure is similar to that of a large city, with roads, water and sewer service, utilities (gas, electric and phone), as well as schools, churches and other common municipal buildings. This infrastructure served an estimated base population of approximately 25,000 military residents in 1991. However, in many ways the existing infrastructure is not suited for civilian reuse because it is too old and/or does not meet the prevailing state and city safety codes. For instance, engineers have estimated that the existing water treatment facility will have to be upgraded to meet the local codes, as well as the additional capacity demanded by future users of the base property. In addition,

\footnote{See Appendix A for more information regarding the federal property screening process.
many of the utilities on base will need to be re-metered to accommodate a multitude of new users on the base.

**The City of Seaside**

Just to the south of Fort Ord is the City of Seaside. A densely developed community of approximately 40,000 residents, Seaside's urban environment stands in sharp contrast to the surrounding farm lands, and suburban resort communities of Monterey, Carmel, and Pacific Grove. The City was incorporated in 1954 to support the growing military presence in the region (Potter interview: August 3, 1994). In addition to providing affordable housing for the military personnel and their families, the City of Seaside catered to the military's demand for goods and services not available at the base; including liquor stores, fast food chains, bars, entertainment and convenience stores.

According to Seaside's Planning Service Manager, approximately 300-400 of the city's civilian resident population was employed at the base (Potter interview: February 7, 1995). Primary employment opportunities for the civilian residents of Seaside were found in the local hotels, restaurants and other retail and service industries that catered both to the military and the tourism industry in Monterey, Pacific Grove and Carmel.

Accordingly, Seaside's economic base was tied primarily to the retail industry and the military base. Sales tax revenues supported approximately 60% of the city’s municipal revenues before the closure (RKG & Associates, *Economic Impact Analysis: 1992*, pg. 68). However, Seaside does not have a traditional downtown. Instead the city’s retail sector is located along busy two lane boulevards anchored by strip malls and “mom and pop stores” (Potter interview: February 7, 1995). Additionally, the automobile industry sales represented approximately 50% of the cities sales tax revenue, prior to the closure (McClair Interview, August 3, 1994). On the other hand, property taxes in Seaside did not constitute as large a portion of the city’s revenues because California’s Proposition 13 limited the amount of property taxes that could be

The Economic Impact Analysis prepared by RKG Associates estimated that City of Seaside would experience significant reductions in local retail sales, property tax losses (due to raising commercial and residential vacancy rates) and the loss of its subvention subsidies, as a result of the base closure (RKG & Associates, *Economic Impact Analysis*: 1992, pp. i-v). Job loss was also expected to impact the Seaside’s resident, primarily those who worked in the service and retail sectors of the city, and were employed in civilian positions on the base (ibid., pg. iii).

According to RKG’s study, approximately 3,500 indirect, or service sector jobs, and 2,500 on-base civilian jobs would be lost as a result of the closure. However, the study also projected that job losses in the city of Seaside would be offset by the approximately 2,500 indirect and 1,500 direct jobs vacated by military spouses and family members (ibid., pg. 45). According to Seaside’s Planning Services Manger, Dennis Potter, there has been some undocumented evidence to indicate that this projection may be true. However, he contends that unemployment attributable to the closure is on the rise in Seaside; and as such, the city still considers the creation of new jobs to be one of the primary local economic goals in the redevelopment of Fort Ord (Potter interview: February 7, 1995). (*Economic Impacts are discussed in greater detail in the section entitled Identifying Closure Impacts*).

According to Seaside’s Mayor, the city’s primary local economic goals in the reuse of Fort Ord are: (1) to increase municipal revenues and maintain city services; and (2) to create a variety of new jobs and employment opportunities for its existing citizens. To meet these goals, the city envisioned the creation of new industries and businesses focused primarily on the region’s profitable tourist market. According to the Planning Service Manager, this strategy offered the greatest potential for short term economic recovery in the city of Seaside. After
all, the market already existed on the Peninsula -- all they had to do was tap into it (Potter Interview, August 3, 1994).

Seaside is a racially mixed, primarily low-income community. Before the closure announcement, the population of Seaside was approximately 50% white. The remaining population consisted primarily of black, Hispanic and Asian or Pacific Islanders (1990 Census).³ Thirty percent of the residents of Seaside were active or retired military personnel in 1990, the majority of which were Officer ranked (Williams-Kuebelbeck & Associates, Inc.). Seaside's population represented one of the lowest per capita incomes in the County at $10,409; this was approximately 50% less than the neighboring community of Del Ray Oaks (1990 Census). (See Chart 1).

Seaside is a city incorporated under the state's general law provisions.⁴ General law cities in California are typically responsible for public safety, streets, parks and recreation, utilities and transportation and land use and planning. Public safety (police and fire) is typically the largest item in a city's budget. The cities are not responsible for public education; however, the provision of public education falls under the jurisdiction of a geographically defined school district that receives state funding.⁵

³ However, it is expected that the racial mix will change significantly once the military has moved completely out. The shift is expected to favor an increase in the Latino population and a decrease in the black population (Denise Duffy & Associates: 1994, pp. v-3 through v-5).

⁴ As a general law city, Seaside has a City Council of five members, with one of its members elected as Mayor; the Mayor has no more formal power than any other member of the City Council. In addition, the City Council appoints a city manager to administer city policy and take charge of the day-to-day activities and services. The City Manager was supported by an appointed administrative structure, including City Service Departments such as planning, roads, parks, etc. ([Bell and Price: 1992, pp. 288-292]).

⁵ Public education in California was historically a local activity. Each public school district was governed by a nonpartisan regional school board, elected at large. In the 1980's, Proposition 13 would limit local tax revenues state-wide. When Proposition 13 went into effect, the amount of money used to fund public education was reduced significantly. To make up for lost local revenues, the state picked up the tab. By the 1990's, the state funded nearly 65% of all local public education, including the state and community colleges and universities ([Bell and Price: 1992, pp. 288-292]).
**Chart 1: Demographic Profile (1990)**

**Monterey Peninsula Region**

**Per Capita Income ($)**

![Chart showing per capita income for different regions in Monterey Peninsula]

Source: US Census, 1990

**The City of Marina**

Marina is located immediately to the north of Fort Ord, bordered to the west by miles of dune beaches and to the north and east by undeveloped, unincorporated County land. Like Seaside, Marina is home to many military personnel and their families. In fact, Marina, also a general law city, is primarily a residential community. Some retail and service related businesses exist in the city, but sales tax revenues do not constitute a large portion of the city's revenues. According to RKG's study, sales tax revenues constitute only 35% of the city's revenues (RKG & Associates, *Economic Impact Analysis*: 1992, pg. 68). Instead, Marina is dependent primarily on property tax revenues and the military subvention subsidies; property tax revenues and military subventions constitute 45% and 30% of Marina's city revenues (ibid.). *(Economic Impacts are discussed in greater detail in the section entitled Identifying Closure Impacts)*.

Like Seaside, Marina is also a low-income, culturally diverse city. With a population of only 26,000; 40% of the residents in 1990 were active or retired.
military personnel (ibid., pg. ii). According to RKG's economic impact study, it was estimated that the city of Marina would lose 4,500 of its off-base population due to the relocation of military personnel from Fort Ord. In addition, local Army officials noticed that many more former civilian employees were leaving the area to take advantage of opportunities through the Army's Priority Placement Program (Ellzey interview: August 4, 1994). Furthermore, Marina city officials fear that additional residents will leave the area if the local economic decline continues. As such, they are worried that these impacts will significantly reduce Marina's population, in turn reducing the city's population-related local revenues (Goblirsch interview: August 8, 1994).

According to RKG's study, Marina was determined to be the city most economically affected by the closure of Fort Ord (ibid., pp. i-v). Not only would Marina lose its subvention subsidies, but its property tax base and meager commercial sector were in danger of significant decline. Given this, the City of Marina immediately began to pursue its own approach to economic development. Marina's primary economic objective was to increase municipal tax revenues to support its municipal services. Like Seaside, Marina city officials also felt that some of the people left unemployed by the base would fill the positions left by military spouses. But according to Marina's Economic Development Director, the replacement of the jobs lost by the closure is still very much a concern (Goblirsch interview: February 7, 1994).

Thus, like Seaside, Marina also envisioned that its new economic base would be embedded primarily in the local tourism industry.

6 The DoD's Priority Placement Program was created in the 1960's and 70's to re-employ workers displaced by base closure. These personnel were placed at the top of the DoD's "list" for civilian job openings throughout the country. Employees placed on this list were given consideration before local residents could be hired at a base. Many civilian employees were career military personnel, who continually relocated to follow the military employment. Civilian Servant packages were also available to civilian personnel left unemployed by the military, including retirement and other benefits to personnel not placed elsewhere (Ellzey interview: August 4, 1994).
**Inter-jurisdictional Relationships**

The Cities of Seaside and Marina peacefully co-existed for many decades. Because of their similar socio-economic characteristics, Seaside and Marina shared common economic visions for the redevelopment of Fort Ord and their cities. Accordingly, these town became formidable partners in the fight to redevelop Fort Ord in support of their respective declining fiscal conditions.

In general, both cities pursued a development strategy that could reap the highest municipal returns through an increased tax base, higher property values, and more jobs for local residents. In general, they wanted to replicate the tourism industries of Monterey and Pacific Grove; they wanted to capitalize on what they felt was an untapped demand for additional tourist activities in the region. In fact, it appears as though Marina and Seaside envisioned a new Fort Ord region heavily dependent on the creation of entertainment attractions and resort hotels (See Maps 3 & 4, Appendix B).

**Other adjacent communities and the County of Monterey**

At the south-western border of Fort Ord lay three other Monterey County cities: Del Ray Oaks, Monterey and Sand City. Del Ray Oaks is a primarily high income residential community that supported itself through local residential taxes; Monterey, a moderate-to-high income community built its economy on a strong commercial base centered primarily on the tourism industry; and Sand City, with a population of less than 200 on less than one square mile. According to local government officials, Sand City was a city incorporated under the provision of California general law solely to support the development of a regional discount shopping center (Potter interview: August 3, 1994, McClair interview: August 3, 1994).\(^7\)

---

\(^7\) Under California Redevelopment Law, a designated redevelopment project area can be incorporated as a city. This option is typically exercised for the purpose of providing developer incentives through the restructuring of local taxing authority. According to local city officials, Sand City was established as a city for the purposes of a discount retail outlet mall (Potter interview: August 3, 1994).
Although these three communities shared a common border with Fort Ord, the closure was not expected to significantly impact the cities economies in terms of relative job and revenue loss. When it came to the redevelopment of Fort Ord, these communities were seemingly less concerned about the regional economic impacts of the closure and more concerned about how the base redevelopment would affect the overall quality of life in the Monterey Peninsula region. According to a local planning consultant, these communities, as well as other communities in the region, were concerned that a densely developed reuse scenario at Fort Ord would, for instance, limit ground water availability, increase traffic congestion, degrade the existing environmental and scenic quality, and reduce property values (Brown interview: August 1, 1994).

The Role of the County: The County of Monterey's primary role in the governance of the region was to administer state services such as the court system, jails, welfare, healthcare and other social services. Additional County functions are distinguished between those provided to all County residents, and those provided only to residents living in unincorporated areas (Bell and Price: 1992, pp. 288-292). The County handles court and welfare services for all County residents, for example, but provides law enforcement and roads for those living in unincorporated areas. The County also acts as the unit of local government for non-entitlement communities. As such federal or state funds from programs such as the Community Development Block Grant (CDBG) and grants from federal agencies such as the Economic Development Administration (EDA) are administered by the County.

In the redevelopment of Fort Ord, the County is accountable for the general welfare of all communities within its jurisdiction. According to the Director of Inter-governmental Affairs at the County, 'while Seaside and Marina only have to think about what was best for them, the County has to support a reuse strategy that promises economic benefits to the whole County -- not just
the host communities of Marina and Seaside' (Ferguson interview: August 9, 1994).

Part II: Getting Started

The Fort Ord Community Task Force

In early 1990, rumors that Fort Ord would be included on the 1991 Base Realignment and Closure (BRAC) list began to surface. Fort Ord was one of the first major rural bases to be closed in the modern closure history. On February 3, 1990, one year before the closure announcement, US Congressman Leon Panetta organized the Fort Ord Community Task Force in response to rumors of the closing. In addition to Congressman Panetta, members included nine of the twelve county mayors and a number of high ranking retired Army personnel (Kirschenbaum and Marsh: 1993, pg. 54).

During its first year, the Task Force focused all of its energies on saving the base. A 'block the closure' campaign was centered not so much around the economic and environmental clean-up impacts that would result from the closure, but on the military significance of the base as a premier Pacific defense site. The closure of Fort Ord, the Task Force contended, would risk national security by eliminating the US's largest troop training facilities (ibid.). Ultimately, the Task Force's extensive efforts to block the closure were unsuccessful. In April of 1991, Fort Ord was among the US military bases slated for closure on the 1991 BRAC list.8

According to the BRAC Commission report, the primary factors contributing to the closure included the high cost of living in Monterey County (requiring high wages to civilian labor as well as higher living allowances to military personnel), and the fact that environmental contamination, including

---

8 See Appendix A for more information regarding the federal base closure, or BRAC process.
unexploded ordinance and other hazardous waste, made it no longer safe for training (Kirschenbaum and Marsh, 1993, pg. 54).

Before the final closure announcement was made, the Task Force membership expanded to include four State Legislators and the remaining county mayors. Over the course of the following year, the Task Force membership grew to include US Congressman Sam Farr and State Senator Henry Mello. Local representation on the Task Force was limited to representatives from elected local city officials and membership on the Task Force’s seven Advisory Boards. Advisory Board members staffed seven Advisory Groups: Economic Development, Education, Housing, Health, Community and Public Services, Land Use, Environmental Pollution Clean-up and Utility/Infrastructure (ibid.). According to local city officials, membership on one of the Advisory Board’s was the only opportunity for the general public to be involved in the reuse planning process at Fort Ord (McClair interview: August 3, 1994). The members of the Advisory Groups were hand picked by Panetta and other founding members of the Task Force. Members were chosen to include representative private citizens, local business people, special interest groups, and local and state educational institutions (Task Force Report: 1992, pp. vii-xxii).

The Creation of a Regional Strategy

After the closure announcement, the Task Force began to explore ideas for a new economic focus for the Fort Ord region. According the Task Force Strategy Report released in June of 1992, the Task Force established its primary goals in the creation of a new economic development strategy to include: (1) the documentation of an economic redevelopment strategy representing the

---

9 Funding for the initial years of the Task Force was provided by the County and the cities as far away as Greenfield and Gonzales on the eastern most border of the County. A grant from the OEA granted to the County funded the operations after February of 1992 (Task Force: Strategy Report, 1992, pg. v). Subsequent OEA planning funds, it was envisioned, would be awarded to the official reuse planning created by the Task Force.
interests and objectives of the entire Monterey Peninsula region; and (2) the formation of a planning body to create the land use plan based on the economic strategy developed (Task Force Report: 1992, pp. vii-xxii).

According to the Task Force Strategy Report, Panetta believed that the closure would environmentally and economically impact all of the communities in the County. As such, he created the Task Force to support the interests and the needs of all residents in the County, including the hardest hit -- Marina and Seaside (Task Force Strategy Report, 1992, pp. 1-2). According to the report, Panetta saw the reuse of Fort Ord as the opportunity for the region to fulfill its desire for a new economic sector that was not dependent on the existing military, agriculture or tourism industries. The report infers that the intent of the university-based economic focus was to benefit all of the communities in the Monterey County region by creating higher skilled, higher paying jobs, and ultimately healthier municipal economies (Task Force Strategy Report: 1992, pp. xi-xxi). The reuse of Fort Ord was also envisioned as an opportunity to provide additional open spaces and environmental preserves in the region (ibid.).

**Identifying Closure Impacts**

The County of Monterey commissioned a study in late 1991 to determine the economic impacts anticipated in the region as a result of the Fort Ord closure. The report was used to support the County’s application for a federal reuse planning grant, and was also used in the development of the Task Force's economic development strategy. The study, prepared by RKG Associates of New Hampshire, concluded that the military played a major role in the County's economy for many years. Although Fort Ord represented only one of four major military installations in the County, the relative magnitude of the closure impacts were considered significant. According to the study, the loss of municipal revenues, declining demand for local businesses, and the loss of population and jobs were expected to affect the cities of Seaside and Marina the most (RKG
Associates, *Economic Impact Analysis: 1992*, pp. i-v). To a much lesser extent, it was expected that the cities of Sand City and Monterey would also feel an economic pinch from the closure. Due to the loss of the military population, impacts were estimated to be felt in Sand City from decreasing retail expenditures and in Monterey from higher housing vacancies.

**General Economic Impacts:** According to RKG’s Economic Impact Analysis, the loss of the 7th Infantry at Fort Ord was estimated to result in a loss of $189 million in personal incomes spent locally (from civilian and military employees and residents relocated by the closure) -- primarily in the cities of Seaside and Marina. In addition, local expenditures by the Army for goods and services were estimated at $56 million before the closure (40% of the Army’s total budget for goods and services at Fort Ord). Thus, the gross direct local economic impact resulting from the loss of these direct and indirect economic losses was estimated at $245 million in the local region (RKG Associates, *Economic Impact:* 1992, pp. 25).10

According to RKG, the closure was also expected to result in the loss of approximately 14,300 active duty military jobs and 6,000 direct and indirect civilian jobs (2,500 and 3,500, respectively). The majority of the lost civilian positions were predicted in the service sector, administrative support, and marketing and sales, in descending order of magnitude. However, RKG also estimated that the job losses would be off-set somewhat by the positions vacated by military spouses and family members who would leave the area as a result of the closure. This included an additional 1,500 on-base positions and 2,500 off-base positions that would be available for civilian placement (ibid., pg. 50). Therefore, according to the RKG study, short term job losses expected as a result of the closure were

---

10 The net loss of actual local expenditures were estimated to be only $120 million dollars. This figure was estimated using a multiplier that accounted only for the percentage of the economic base that stayed within the community -- the economic output (RKG, 1992).
result of the closure should be mitigated in the local communities. In addition, the RKG study projected that employment would be phased over a period of four years (from the beginning of the downsizing in 1993 to the scheduled for completion in 1997), when the last of the military personnel are relocated.


*Percent of County Workforce*

<table>
<thead>
<tr>
<th></th>
<th>25</th>
<th>20</th>
<th>15</th>
<th>10</th>
<th>5</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fed. Gov't (non-military service)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State/local govt's</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mfg. (dur. &amp; non-dur.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


In the early 1990's, the economy in the Monterey Peninsula region focused primarily on agriculture, and the retail and service industries; supported by both the local military installations and tourism. According to the Economic Development Corporation, employment in the Fort Ord region is primarily retail and service related, while the agriculture workforce resides in Salinas and other east County communities. The data supplied by the state employment office showed that agriculture represented almost one quarter of the County's employment, followed closely by the service and retail sectors. (See below.) However, the data does not indicate what percentage of the service and retail sectors were dependent on the tourism industry and what percentage was dependent on the federal government sector. But the RKG study suggest that

11 However, the study does not indicate what types of jobs will be vacated by military spouses and family members; thus, it is possible that many of these vacted jobs do not match the skill levels of those left unemployed by the closure.
Marina and Seaside's retail and service sector cater primarily to the military market; while the cities of Monterey, Pacific Grove and Carmel cater primarily to the tourism industry (ibid., pg. 52).

**Municipal Impacts:** The RKG study also estimated that the County would lose approximately 1% of its non-military population, and 56% of its military population as a result of the closure. The hardest hit, Seaside and Marina were expected to lose 27% and 55% of their residents (respectively) and 25,000 military personnel and their families who lived on the base. Consequently, approximately one third of Marina's housing units and one quarter of Monterey's housing units are expected to be vacated by military and civilian employees as a result of the closing. Furthermore, as a result of the McKinney Act screening -- a federal Act requiring that provisions for local homeless populations be included in the military base reuse process -- homeless service providers requested as many as 200 units of Marina housing.\(^\text{12}\) These non-tax generating units, it is feared, will further strain Marina's already declining fiscal situation.

Seaside was only expected to see an 8% increase in residential vacancies. However, the city would share with Marina the greatest decrease in general fund revenues -- including the loss of property taxes, sales taxes and subvention moneys -- resulting from the substantial population loss.

Marina was expected to suffer the largest projected impact with a loss of over 15% of its budget. Likewise, Seaside was estimated to lose over $1 million, or 11% of its budget. The impact to the municipal budgets of other cities on Monterey Peninsula was expected to range from 3% in Monterey, to 0% in Del Ray Oaks and in the South County city of Carmel-by-the-Sea (RKG Associates, *Economic Impact Analysis of the Downsizing of Fort Ord:* 1992, pg. 60).

---

\(^{12}\) See Appendix A for information regarding the McKinney Act screening process.
Finally, the RKG study estimated that the impact to the Monterey Peninsula Unified School District would be severe (ibid., iv-v). The District operated the schools on Fort Ord and in the surrounding cities. It is expected that approximately 600 teachers and support personnel would lose their jobs as a result of the loss of 5,000 military dependent children. It is also expected that the decline in student enrollment would decrease revenues by 33% of the total School District budget. These losses, however, were expected to be offset by interim state funding to be reimbursed by the School District when local revenues recover to pre-closure levels (Ferguson interview: August 9, 1994).

The RKG study concluded that although the region was economically dependent on the military installations in the area, the closure of Fort Ord would not be economically devastating to the overall region. It was expected that the subsequent loss of population, due to the closure, would indeed reduce local expenditures in the area surrounding the base; however, the effect of the decreasing population on aggregate employment levels in the region would not be as great as initially feared (RKG & Associates, Economic Impact Analysis: 1992, pg. i).
Nevertheless, the RKG study estimates that the economic impacts to the cities of Marina and Seaside will be significant. The study supports Seaside and Marina’s fears that the loss of population and local expenditures will negatively impact their municipal situations. In response to this situation, the state government agreed to continue to provide military subvention to the impacted communities until the year 2000. According to Seaside’s Planning Services Manager, this action was an attempt to bridge the short term municipal gaps until the redevelopment of the base could provide new sources of revenue (Potter interview: February 7, 1995).

The subventions were based on the population levels of the cities of Seaside and Marina. When the cities annexed property on the military base in the 1960’s, the State Department of Finance agreed to pay subventions to Seaside and Marina based on the population of military personnel and their families living on base property within the cities’ respective jurisdictions. The subventions were to be adjusted every 10 years to reflect the latest Census report figures (Potter interview: February 7, 1995).13

In Seaside, the on-base population was estimated at 14,200, and in Marina the on-base population was approximately 10,600 in 1990 (RKG Associates, Economic Impact Analysis of the Downsizing of Fort Ord: 1992, pg. 64). According to the RKG Fiscal Impact Study in 1990, the subventions to Seaside and Marina were approximately $55 per capita. Thus, the annual subvention subsidies to Marina and Seaside were approximately $780,000 and $580,000, respectively; (approximately 6.5% of each cities’ annual budget) (ibid., pg. 66).

After the closure, the State Department of Finance agreed to continue the subventions until the year 2000 (Potter interview: February 7, 1995). At that time, any remaining on-base population will be tabulated, and the subventions will be adjusted. By the year 1997, however, the Army estimates that all of its

13 The Army provided the US Census Bureau with an official count of the on-base population living with the respective city jurisdictions (Potter interview: February, 7, 1995)
military personnel will be vacated. Thus, the City of Marina is expected to lose all of its subvention revenues by the year 2000, when the new census is tabulated. On the other hand, the city of Seaside is expected to maintain some of its subvention revenues to reflect a new military population proposed to relocate to a portion of Fort Ord. Presently, the Presidio of Monterey intends to acquire approximately 1,300 acres of Fort Ord property within Seaside's jurisdiction to house its military personnel. However, because estimates of the number of military personnel expected to relocate to Fort Ord has not yet been established, Seaside's total future subvention revenues are unknown at this time. *(The Presidio relocation is discussed in greater detail in the section entitled The Federal Screening Process).*

However, according to Seaside Planning Services Manager, even with the subvention relief, significant strategic repositioning of the cities' existing economic bases will be required if the cities are to remain fiscally solvent. Although documentation of the actual fiscal impacts experienced by Seaside and Marina since the closure announcement were not available at the time of this study, both cities fear that the loss of municipal revenues and local jobs will threaten the fiscal viability of their cities (McClair interview: August 3, 1994; Goblirsch interview: August 8, 1994). City officials conveyed that the opportunity for revenue producing development within their jurisdictions will be critical to the cities' long term fiscal health (Goblirsch interview: August 8, 1994; Potter: August 3, 1994).

**Real Estate Impacts:** The RKG study also estimated that a total of 4,900 off-base housing units would be vacated throughout the County, as a result of the closure. An additional 4,800 units of on-base housing (both single family and multi-family) are also expected to be available for reuse. The total vacancy impacts are estimated at approximately 8% of the County's total housing stock and 17% of the County's rental market, the majority of which were expected to

According to a study prepared by Sedway and Associates for the Fort Ord Community Task Force, the greatest negative housing impact associated with the closure will occur in the city of Marina. The study estimated that approximately 32% of all off-base private housing occupied by the military prior to closure was located in Marina. As a result of the Fort Ord closure, the study projects that Marina’s rental vacancy rate will increase from 1.7% in 1990 to 36% in 1996 (Sedway and Associates: 1992, pp. 6-7). Thus, the City of Marina is expected to see as many as 2,100 new housing units added to their existing housing stock (including off-base and on-base units vacated by military personnel). According to Marina’s City Manager Sedway & Associates projected that only 1,700 new units would be needed to meet the projected demand over the first 5 year period. As such, the city is worried that the new supply of housing units will flood Marina’s residential market (Longley interview: August 8, 1994).

Although the City of Monterey has the second greatest number of military personnel living off-post, the impacts will be substantially softened as a result of the strong demand for housing in the City of Monterey, the severe lack of affordable housing options, and the potential demand for seasonal rentals (ibid., pg. 7). As such, the study also projects that the City of Seaside will experience the second greatest impacts due to the closure. The study projects that rental vacancy rates in Seaside will increase from 3.7% in 1990 to over 13 percent by 1996 (ibid.).

*Environmental Site Conditions*

A primary concern at Fort Ord is the level of environmental contamination of the base property. Fort Ord was designated on the National Priorities List as a Superfund site. As such, the base must be cleaned to a level accepted by this special federal environmental legislation before the property can be
According to Army officials predominant contamination on the base is unexploded ordnance found primarily in the old training and firing range regions of the base (Clack interview: August 4, 1994). The total area contaminated by unexploded ordnance is estimated at more than 50% of the 28,000 acre base. Additional contamination including motor oil and organic solvents was found in the soils near the motor pool and at various dumping sites. Lead paint and asbestos were also discovered in some of the older buildings.

Also of environmental concern is the shortage of potable ground water in the region. The natural ground water supply in the region has been taxed beyond its capacity for many years. As a result, sea water began to leach into the existing aquifer. The sea water contamination rendered many well locations in and around the base unusable for potable water purposes. The threats to human, animal and plant species are obvious; however, the consequence of sea water intrusion could also lead to subsidence of coastal land and acceleration of coastal erosion ("Water Supply May Limit Reuse Plans for Fort Ord", The Monterey County Herald, September 12, 1992).

Part III: Federal Processes

The Federal Screening Process

The Department of Defense’s primary mission is to effectively close the bases slated for decommission, and dispose of the base properties in accordance with an array of federal guidelines, regulations and procedures. The federal process is divided into four primary categories: (1) Closure: decommissioning of military activities and relocation of the troops and equipment; (2) Cleanup: investigation and cleanup of environmental contaminants left by the military user; (3) Property disposal: property

14 See Appendix A for information regarding the Environmental requirements pursuant to the federal base closure process.
conveyance, including sale, lease or federal agency transfer negotiations; and
(4) **Reuse**: including local reuse planning support.\(^\text{15}\)

The federal base screening process falls within the *property disposal* category. The federal disposal process is based primarily on the procedures established by the General Services Administration (GSA) for the purpose of regulating general federal property disposition and purchase. The primary objective of the screening process is to make sure that, before the property is transferred to a non-federal entity, demand for the property does not exist elsewhere in the Defense Department or the federal government at large.

Before a closing base is made available for transfer to local community redevelopment efforts, the property is screened for all other federal uses. In a two-tiered process, the property is first offered to other branches of the Department of Defense, and then offered to other federal agencies and departments. Once other federal uses are identified, the property is conveyed at no charge to the receiving party. Once received, however, the new federal user can not sell the property for immediate profit.

At Fort Ord, the Navy would be the first to take advantage of the opportunity to acquire additional land and housing units through the first phase of the DoD screening process. In need of space for training and housing, the Presidio of Monterey (10 miles south of Fort Ord) negotiated a transfer of approximately 1,300 acres, including 1,800 housing units, the base PX and goods exchange and two 18-hole championship golf courses (Black Horse and Bayonet). This area, referred to as the POM-Annex, was located primarily within the jurisdiction of the City of Seaside (See Map 5, Appendix B). In addition to the POM Annex, 12 acres of property under the County's jurisdiction were transferred to existing US Army Reserve units as a training center. A 91-acre motor pool site was also retained by the Army.

---

\(^{15}\) See Appendix A for a detailed description of the federal reuse process.
According to the local reuse plan, approximately 16,000 acres of land under Monterey County jurisdiction was transferred to the Bureau of Land Management (BLM) as a Natural Resource Management Area to remain in federal ownership, in the second phase of the federal screening process. In addition to this, the Federal Bureau of Investigation (FBI) claimed approximately 38 acres for a new Law Enforcement Training Center on land also under the jurisdiction of the County (Fort Ord Reuse Group, *Summary of Base Reuse Plan*; Preliminary Draft: 1994, pp. 7-18).

The federal screening process at Fort Ord spanned a period of approximately one year. By the summer of 1992, defense and other federal uses would no longer receive priority preference for military property transfer. Once the DoD's screening process was complete, the remaining property, approximately 6,200 acres, was declared excess for the purposes of the military.

*The McKinney Act*

Simultaneous to the federal screening process, the McKinney Act screening process was initiated. The Stewart B. McKinney Homeless Assistance Act of 1987 was legislated during the Reagan Administration to help meet the needs of the nation’s homeless. Under the McKinney Act’s Title V amendments, excess federal properties, including military installations, were made available to states, local governments and non-profit organizations for use to assist the homeless.

At Fort Ord, applications from a number of Monterey County homeless providers, including the County Housing Authority were approved by HHS. As such, a number of small parcels were awarded for use to house, feed and train the homeless in the region. Although the total property acres acquired under the McKinney Act was less than 10 acres, the sites were many and scattered throughout the developed regions of the base. Most of the sites consisted of housing or warehouse structures located in the City of Marina's jurisdiction.
The Environmental Process

Simultaneous to the real property disposal process, the environmental process was introduced. The environmental component of the federal base disposal process typically follows two distinct paths. The first path is the environmental impact analysis procedure dictated by federal environmental laws (primarily National Environmental Protection Act -- NEPA) concerning the contamination determination and suitability of transfer of base property. Under NEPA the Army is required to prepare an Environmental Impact Statement (EIS). The EIS is used to estimate the impacts associated with the closure and the anticipated reuse of the base properties. The EIS identifies issues regarding the quality and potential reuse of the existing land and what factors are impediments to effective disposal of the property (Cornelssen: 1993, pg. 34). The information provided in the EIS is also used to determine the level of environmental clean-up required by the disposal agency. At Fort Ord, the Army Corps of Engineers initiated the EIS process on February 14, 1992, with publication of ‘a notice of intent to prepare the EIS’ in the Federal Register (Letter US Army Corps of Engineers: March 8, 1993).

The second component relates to compliance with federal environmental statues including Superfund laws. Because Fort Ord was declared a Superfund site under federal environmental laws, the entire base could not be transferred until clean-up is complete, or a comprehensive remediation strategy is in place and accepted by all local, state and federal environmental agencies (Chestnut interview: February 28, 1994).

Simultaneous to the federal environmental processes, a number of state environmental processes were established at Fort Ord. Specifically, an Environmental Impact Review (EIR) was required pursuant to the California Environmental Quality Act (CEQA). Similar in scope to the EIS, the CEQA EIR was required by the state to determine the reuse impacts in accordance with prevailing state environmental laws. In addition, a Coastal Zone Consistency
Determination review process and hearing was also required by the California Coastal Commission. The Consistency Determination was required to assure that the proposed reuse would not endanger the environmental integrity of the state coast (California Coastal Commission: 1994, pp. 2-1 through 2-3).

**Initial Non-federal Property Transfers**

Upon completion of property screening for defense needs, other federal uses and assistance to the homeless, remaining property was declared surplus to the federal government. Provided the sites were cleared of environmental contamination restrictions, the property was then offered to state and local governments for public benefit conveyances.

The Public Benefit Conveyance (PBC) only occurs when the federal government agrees to transfer military property for local public uses such as parks, public housing, and the accommodation of local government institutions. Public entities receiving PBCs must prove need and satisfy strict federal guidelines. The property is typically conveyed by the DoD without compensation, or is heavily discounted, but can not be sold by the public entity for profit.

However, since the federal screening process to place at Fort Ord, a number of changes have occurred to the federal base closure and disposal process that will affect the future transfer of land to the local communities. In April of 1994, interim rules were written to Amend the Defense Authorization Act of 1994, passed earlier. Included in the rules is the provision for Economic Development Conveyances proposing that land may be transferred to local redevelopment authorities at no cost, provided the property will be used to develop the economy and create jobs. In this case, the land may be conveyed to the local reuse authority, initially for free. However, if the property is subsequently sold or leased, the division of profits will be based on net profits.
The share of profits will generally favor the local redevelopment authority (60 percent to the local redevelopment authority, and 40 percent to the DoD). 16

At Fort Ord, approximately 6,200 acres were proposed for state, local and private development purposes: habitat reserves (+/- 490 acres), parks and recreation (+/- 2,100), municipal maintenance and desalinization plant (+/- 70 acres), public schools and community colleges (+/- 240 acres) and a site for an Agricultural Center (+/- 730 acres). The remaining 2,500+ acres was conveyed for the purpose of building the new campus of California State University at Monterey Bay, the expansion of the University of Santa Cruz's marine and environmental research labs and related programs. Of the 6,200 acres of land surplused by the Army, approximately 2,650 acres are slated for private development in support of the regional economic strategy (United States General Accounting Office: November, 1994, pp. 22-23).

**University Property Transfer.** Property transfer to the universities was in itself a unique process which required the passing of state legislation and an allocation of $15 million in DoD funding. Typically, when a university acquires property from the federal government, the property is transfer through the Department of Education. However, at Fort Ord, both the California State University at Monterey Bay (CSUMB) and the University of California, Santa Cruz were able to work out a deal to accept the Fort Ord property directly from the DoD, without the involvement of the Department of Education. This was made possible through the creation of State Bill 900, state legislation which created the new university property as a redevelopment district for the purpose of accepting DoD property as a public benefit conveyance.

The state universities benefited from the direct DoD transfers in two primary ways: The ability to structure favorable mortgage terms (15 years as opposed to 30 required under the Department of Education), and the fact that

16 See Appendix A for more information regarding the Pyror Amendments.
the DoD would allow the university to sub-lease excess property for uses other than education17 -- a provision that would have been prohibited had the property been transferred through the Department of Education (Hendrickson interview: August 5, 1994).

CSUMB requested approximately 1,300 acres with an estimated value of $250,000.18 There were 85-90 buildings on the property that CSUMB intended to retrofit and used for university functions, such as housing and teaching facilities. The buildings, however, were in need of extensive upgrades in order to meet the prevailing seismic and accessibility codes. Additionally, the infrastructure on the property itself was in need of repair and upgrade. So the California State University system asked for a total $136 to $150 million from the federal government, over a 5 to 10 year period, to cover the cost of these items. In the first year, they requested $25 million but would only receive $15 million. The $15 million, part of the 1994 defense appropriations bill will be used to convert barracks into classrooms, offices and dormitories at the proposed campus ("Fort Ord Campus Funded", San Jose Mercury News: March 18, 1994). Although this was not the full amount intended, this was an unusual appropriation given the current trend to cut spending in Washington:

‘Fighting for the [federal funding] was the hardest thing we ever did -- getting the land was easy in comparison. I believe that the support for the funding was attributable to the new Defense Secretary's back ground in education and Panetta's pull in Washington. The fact that Ord is a model base closure also helped to move the funding process along.' -- Excerpt from interview with Hank Hendrickson, Executive Dean, California State University, Monterey Bay.

However, the funding received from the state and federal government, even given the favorable provisions of SB 900, would not be enough to make the

17 This required, however, that 40% of the profits be returned to the DoD for a period of 15 years.
18 Property value of $250,000 is discounted to include the cost of environmental cleanup and required infrastructure upgrades (Hendrickson interview: August 5, 1994).
university development feasible in the long run. According to the Executive Dean of CSUMB, the universities requested additional state and federal appropriations, primarily to support the operations of the campus (including staff and faculty salaries) and for the provision of infrastructure upgrades (Hendrickson interview: August 5, 1994).

At the time of this study, no additional funds were raised to meet CSU’s financial needs. Information regarding financial support for the UC Santa Cruz expansion was not available at the time of this study. However, an official from UCSC stated that the proposed expansion would be dependent primarily on additional funding received from the University of California Administration. Nevertheless, the property was officially transferred from the federal government to the universities in July of 1994. (The University property transfers are discussed further in the next section.)

Part IV: Generating Ideas and Alternatives

Introduction

The Task Force’s Strategy Report established a vision for the future of the Fort Ord region based on the creation of an education, science and technology research center, as well as the expansion of parks, recreation, open space and wildlife habitats. Seaside and Marina, however, did not share the Task Force’s vision for the redevelopment of Fort Ord. According to city officials in both Seaside and Marina, the Task Force’s plan did not give these cities enough control over the Fort Ord land within their jurisdiction to create the type of revenue producing development the cities felt they needed (McClair Interview: August 3, 1994; Longley interview: August 8, 1994; and Goblirsch interview: August 8, 1994). The city official's contended that the Task Force's institutionally-based strategy did not give Marina and Seaside an opportunity to
generate the new tax revenue sources that they needed to support their city budgets:

'The Task Force was a top-down approach loaded with an institutional agenda -- universities, recreational parks and the arts gobbled up the land at Fort Ord. Fort Ord was used to satisfy the regions pent up needs for institutional uses and environmental preservation. There was no sensitivity to economic recovery for the impacted cities. [The Task Force’s plan] is not consistent with the City's [long term objectives]' -- Excerpt from interview with John Longley, Marina City Manager

Marina and Seaside contended that the members of the regional Task Force were not apathetic to their needs for short term economic recovery; but instead wanted only to satisfy their interests and objectives through the creation of a university and additional environmental preservation lands (From Vision to Nightmare: 1994, pg. 1-3). Whether their speculations were substantiated or not, Marina and Seaside contended that their needs would be better met through the attraction of additional tourist dollars. According to the Mayor of Seaside, tourism would allow the cities to tap into the transient occupancy taxes currently enjoyed by the neighboring communities, such as Monterey, Pacific Grove and Carmel (McClair interview: August 3, 1994).19

The Task Force Planning Process

The Fort Ord Reuse Plan was the product of a series of planning processes that started with the Task Force and its seven Advisory Committees. Task Force members were not expected to prepare specific land use plans; these tasks were to be left to the city managers and elected officials. Instead, Task Force members tried simply to redefine economic infrastructure and quality of life for the regions residents; they created a collective vision plan called the Task Force Strategy Report.

19 According to the RKG study, transient occupancy taxes constituted approximately 47% of Monterey's city revenues and approximately 34% of Pacific Grove's revenues. Transient occupancy taxes in Seaside and Marina constituted only 8.5% and 19% of the cities revenues, respectively. (RKG Associates: 1992, pg. 68).
Beginning in the summer of 1991, ideas generated by the Seven Advisory Groups and subcommittees formed the basis for the regional economic development strategy. In all, about 135 detailed suggestions for reuse and redevelopment were received and thoroughly investigated by the Task Force. The initial suggestions were considered in the context of the regions unique attributes:

- Extraordinary natural beauty and resources;
- proximity to premier scientific research and military institutions such as the Monterey Bay Aquarium Research Institute, Stanford’s Hopkins Marine Station, Moss Landing Marine Labs and the DoD’s Defense Language Institute;
- leadership in the development of agriculture and food processing technologies;
- and a relatively stable population base (in-migration in the 1980’s represented only 8% of the regions growth as compared to the 44% state-side average)(Task Force Strategy Report: 1992, pp. 12-13).

From this process, the field of possibilities was narrowed down for further consideration. For instance, a memorandum from the Environmentally Compatible Industry Committee (a subcommittee of the Economic Development Advisory Group) reduced the field of possibilities to 10 industries to be seriously evaluated as potential reuse targets. Their evaluation considered factors such as growth trends, likelihood of success, and advantages and disadvantages to the community. Each concept was duly evaluated based on a balance between the number of jobs created, the short term availability of the jobs created, and the long term viability of the economic solutions given the prevailing state of the economy (Memorandum from the Fort Ord Task Force: March 11, 1992, pp. 1-2).
Once the concepts were further refined, the Task Forces Strategy Report was prepared. In the Report, six Strategic Themes were described in descending order of importance:

- Creation of an education, science and technology research center;
- continued support of the [remaining] local military missions;
- expansion the region’s parks, recreation and open space’
- development major support structure to implement the economic development strategy and land use plans;
- development supporting economic development and other opportunities such as an agricultural center, educational conference center, aquaculture and high tech manufacturing;
- development governmental structure to prepare the base reuse plan and execute the Strategy (Task Force Reuse Strategy Report; 1992, xi-xxi).

By June of 1992, approximately one year after the closure announcement, the Task Force completed a Strategy Report that would become the basis for the physical Reuse Plan. The Strategy Report was the product of the collective work, analysis and expertise of over 600 Task Force members and consultants (Task Force Strategy Report: 1992, pg. vii). The economic solutions reflected in the strategy were centered on an education, science and technology research center, including a new state university, a research extension of the University of California at Santa Cruz. Plenty of R&D space was envisioned to accommodate technology transfer from these new institutional research efforts, as well as from the existing marine related research institutions located in Monterey and Santa Cruz Counties. The strategy also stressed the expansion of its recreational amenities and protection of its environmental resources on the base. In general, the Task Force Strategy Report proposed to plant new economic seeds in a region dependent primarily on farming, tourism and the military, without
destroying the natural beauty of the undeveloped open space that exists on the base.

**California State University:** The new California State University was envisioned as the seed of the Task Forces economic development strategy. Within three days of the 1991 closure announcement, Leon Panetta contacted the President of San Jose State University to discuss the possibility of moving San Jose State’s satellite office to Fort Ord (“Gift of Fort Ord Has Cost to CSU”, *San Jose Mercury News*: July 7, 1994). These discussions led to the even bigger idea of opening an entire 25,000 student, 1,300 acre California State University Monterey Bay (CSUMB) campus at Fort Ord.

To pursue this idea further, the CSUMB offices opened in October of 1992, almost two years before the property was actually conveyed to the university. With a small administrative and development staff, a master plan and academic program were developed for the new university. The academic focus of CSUMB Monterey Bay, it is envisioned, will be marine science, marine biology, atmospheric studies, ecology and environmental studies. An on-going faculty search is intended to attract some of the best academic labs, researcher and research grants. CSUMB also envisions business, arts and humanities, social sciences and liberal arts programs to offer a more comprehensive curriculum, characteristic of most CSUMB campuses:

‘The university plans to work with the DoD’s Defense Language Institute to share programs, classes and facility. But more importantly we want to be an educational complex that includes the research and development aspects of science -- specifically marine and environmental sciences. There are already about 12 institutions from Santa Cruz to Big Sur that focus on Atmospheric and oceanographic studies. We hope to capture a synergy between all of these institutions that will be unmatched elsewhere in the world -- similar to Woods Hole.20 We need to be careful not

---

20 Wood Hole, a small town on Cape Cod Massachusetts, is home to the Woods Hole Oceanographic Institute (WHOI). WHOI is a collaboration between MIT, Boston University, the
to become as elitist as Woods Hole, Stanford and the UC's, however, because we are a state, public university and must remain accessible to the general public.' -- Excerpt from interview with Hank Hendrickson, Executive Dean, California State University, Monterey Bay.

From an operational standpoint, the university hopes to utilize the opportunities afforded to them at Fort Ord. According to Hank Hendrickson (the Executive Dean of CSUMB) opportunities such as access to housing and commercial/industrial space will give the university a chance to generate revenues, above and beyond any state and federal revenues received. It is envisioned that these revenues can be, in turn, sunk into tuition or boarding scholarships, or even to defray the short term costs of operation. Hendrickson envisioned that the rent for the 1,200 housing units would be tied to the market and rented to staff and faculty for a profit. This will give many students the opportunity to attend the university who may not have been able to do so for financial reasons (Hendrickson interview: August 5, 1994)

Accordingly, CSUMB began renting the campus housing in the summer of 1994. Early estimates show that, based on current market rents, the university could create up to $750,000 in revenues from the housing units in the first year alone (Goblirsch interview: August 8, 1994).

**The STEP Program:** The University of Santa Cruz (UCSC) prepared a proposal for the creation of the Multi-Institutional Center for Science, Technology, Education, and Policy (or STEP program) to be located at Fort Ord. Heralded as the "cornerstone of the Fort Ord Military Reservation economic conversion plan", this effort offered an opportunity for regional economic stimulus and environmental solutions for the world (A Multi-Institutional Center for Science, Technology, Education and Policy at Fort Ord -- Vision Statement; Santa Cruz: University of California, November, 1993). As participants of the original Fort National Oceanic and Atmospheric Administration and other institutions for the purpose of furthering the exploration of oceanic and marine related sciences (Kildow lecture: 1994).
Ord Reuse Task Force, UCSC staff has played an integral part in the conception and development of this regional partnership between the state university and the Task Force. Discussions between Panetta and the Director of Governmental Research Affairs and Regional Economic Development at UCSC began as early as the fall of 1991, months after the closure announcement (Martin interview: August 9, 1994). Accordingly, UCSC assembled project staff to oversee the redevelopment of Fort Ord and to implement the plans for the STEP Center.

In November of 1993, UCSC released its Vision Statement to support the university-based economic development concept proposed in the STEP program. The goal of this strategy is to create a synergistic relationship between all of the existing and proposed science and technology institutions and natural resources, from Monterey Bay to Santa Cruz, to become the one of the world's premiere marine and environmental science regions. Existing local institutions include UC Santa Cruz, California State University Monterey Bay (opening Sept. 1995), the Naval Postgraduate School, Oceanographic Center and Research Labs, the National Oceanographic and Atmospheric Administration (NOAA), the Monterey Bay Aquarium Research Institute (MBARI), CSU's Moss Landing Marine Labs, Stanford University's Hopkins Marine Station, and the US Geological Survey Branch of Pacific Marine Geology. Physical proximity to the Silicon Valley and San Francisco Bay Area are also cited as a catalyst. This network, it is hoped, will foster economic growth and prosperity throughout the region; the technologies, resources and ideas generated from the organizations will be the basis for new institutional and commercial partnerships (A Multi-Institutional Center for Science, Technology, Education and Policy at Fort Ord -- Vision Statement; Santa Cruz: University of California, November, 1993):

"[T]he area has the real estate and the talent necessary to make this region more dynamic than Woods Hole. Because we have access to a wider variety of institutions, it has the potential to be an international center for environmental and marine studies." -- Excerpt from interview with Lora Lee Martin, Director of
The “Visioning” processes at Fort Ord

Concurrent to the creation of the Task Force, the communities of Seaside and Marina began their own planning process from which they generated their ‘visions’ for the future of the Fort Ord region. As discussed in a earlier section, Seaside and Marina did not feel as though the university-based Task Force Strategy sufficiently addressed their needs for municipal revenues and jobs. The university components of the Task Force Strategy seemed to promise jobs and revenues to the local communities by replacing the military demand with university-based demand. In ten or more years, CSU anticipates a student population of 25,000, to replace the 25,000 soldiers that occupied Fort Ord before its closure (Hendrickson interview: August 5, 1994).

However, in a position paper entitled From Vision to Nightmare: CSU Monterey Bay, Marina’s Mayor expressed his city’s concerns regarding the development of the new CSU campus. According to the Mayor, the city of Marina was concerned primarily about the loss of potential property tax dollars on the 1,300 acres university campus, and the lack of short term local expenditures and jobs associated with the university population in the near term. According to CSU’s Executive Dean, only 1,000-2,000 students are expected to be enrolled in the first few years following the CSU’s anticipated opening in the fall of 1995 (ibid.). This small student population, the cities fear, will not offset the economic losses experienced from the closure of Fort Ord (From Vision to Nightmare: CSU Monterey Bay: 1994, pg. 1-2). Marina’s Mayor was also concerned that the high initial capital expenditures required to develop the university (an estimated $136 million) would absorb all of the potential state and federal financial assistance available for non-university related development (ibid.).
To Marina, it was obvious that their city would have to absorb more than their fair share of non-revenue generating regional users, primarily the universities -- certainly more that the rest of the Peninsula region, and even more than Seaside. This, they feared would leave them less land for revenue producing private development. However, it does not appear as thought the university siting was chosen to intentionally to harm Marina. According to CSU’s Executive Dean, the site was chosen primarily because of the buildings and facilities that were located on the 1,300 acre parcel, and because the property was considered relatively environmentally clean. That is, the presence of hazardous contaminants, such as unexploded ordnance were not found in this location (Hendrickson interview: August 5, 1994).

In addition, the City of Marina would have to absorb the majority of the new housing that would come on the market once the base was officially closed. This, it was feared, would not only reduce the cities’ property values and tax revenue potential, but would actually require additional public expenditures for schools and other services to support the new residents:

"Mr. Panetta's approach [to create a university-based economy] was effective because it reassured the Monterey Bay community that it was not drifting into economic oblivion because of the closure...While the proposed university may have helped with election year public relations for [Panetta], it created an expensive implementation problem.

The Task Force's desire for the University became so strong that it choked out or diminished other Fort Ord reuse visions. It became the big tree in the forest...[but the University will certainly cost the impacted Cities its potential for new property tax revenues]. Not only would [Marina and Seaside] be impacted by the most difficult features of the University, including traffic and potential crime, they would also be paying an unequitable share of the freight, with very little say [in its development]."  -- Excerpt from "From Vision to Nightmare: CSUMB Monterey Bay" by Tak Takali, Mayor of Marina.

Thus, reflecting the Mayor's protests, the cities of Seaside and Marina, continued to pursue their own economic planning process, based primarily on
tourism-related uses. Through planning processes that have come to be known as the “visioning processes”, Seaside and Marina created more intensely developed, municipally profitable reuse plans for their cities.

In the fall of 1991, Marina and Seaside each set out to develop their own individual reuse ‘visions’. The Vision Plan would be later incorporated into a single vision reflecting the needs and objectives of both cities.

**Seaside’s Visioning Process:** At a cost of approximately $10,000 of their own funds, the City of Seaside worked to create its own “vision” for the economic development at Fort Ord. In November of 1991, in-house staff members and City Officials were divided into groups and asked to describe “what they thought should happen at Fort Ord” (Potter interview: August 3, 1994). There were no restrictions or criteria placed on the planning effort in the beginning -- the primary objective was to flush out any and all ideas regardless of how crazy they seemed -- the details were to be worked out at a later date (ibid.). Seaside’s Planning Services Manager stated: “[T]his was not a reality test, this was the idea test.”

At the initial meeting, a map was placed on the wall, and city staff members were given yellow post-its to mark the location of various “ideas” as determined by the staff (ibid.). From this process the first version of Seaside’s Vision Plan was created. Then, a second workshop was held for the public and other local entities. The second workshop was conducted much like the first; resulting in the creation of a second version of the city’s Vision Plan. According to the Seaside Planning Manager, the two versions of the Vision Plan were very similar; thus, incorporation into a single reuse “vision” was easy (Potter interview, 1994). The resulting Vision Plan was then reviewed by key city officials, including the Mayor, to determine the economic feasibility of the ideas. After only a few small changes, the Seaside Vision Plan was adopted by the City Council in November of 1991 (ibid.).

In general, the city of Seaside targeted the hotel and tourism industry as the focus of its economic strategy, anchored by a “Disneyland-like” theme park,
film studio, golf course resort and vineyards. In addition, the plan incorporated some commercial uses (including office space and a central business district), R&D/industrial and new residential. Seaside demonstrated cautious acceptance of the university-based Task Force plan by also incorporating a small amount of university related uses such as a research and development park. (See Map 3, Appendix B).

**Marina's Visioning Process:** Also in the fall of 1991, the City of Marina held an economic development workshop facilitated by a member of the planning faculty at the University of California at Berkeley. Professor Ed Blakely, a researcher specializing in the areas of rural development, community development and local economic development, facilitated the process. The workshop was attended by community residents and city representatives (approximately 50 residents were in attendance). In a “town meeting fashion”, issues such as existing infrastructure, municipal and management capacity, existing labor force assessment, capital and natural resources were articulated and debated (Longley interview: August 8, 1994). Again, markers and a map were used to document ideas. From this process Marina’s “vision” strategy took shape.

The primary objective in the visioning process was “to fill the [base] land with new economic generators to provide a renewed economic livelihood in Marina -- but without the cost of significant job retraining” (ibid.). This objective was reflected in the City's initial reuse strategy that included uses such as a theme park, film complex, health spa, resort and campground, amphitheater, golf courses, general aviation airport and hotels, in addition to a central business district -- or ‘downtown’, medical center, a national weather station, new housing, commercial, R&D/light industrial facilities and open and recreational spaces. Like Seaside, Marina ultimately incorporated some university/research related uses. (See Map 4, Appendix B).


Striving for a Collective Reuse Strategy: Concerned for the future of their municipality, Marina and Seaside city officials appealed to the Task Force for greater consideration of their Vision Plan. But according to Monterey’s City Manager, and founding Task Force member, the Task Force questioned the fundamental economic viability of their Vision Plans. Specifically, the Task Force did not feel that given the waning local tourism industry, existing tourism demand could support the creation of more tourist attractions, hotels and restaurants -- at least not to the scale that Seaside and Marina had envisioned in the plans. (Meurer interview: August 9, 1994). Accordingly, the Task Force turned down the cities requests to incorporate the Vision Plans in the regional strategy. But Marina and Seaside did not give up the fight. They upheld their tourism-based approach to economic development until the fall of 1993 when the Army announced that the university land transfers had been approved.

But despite their unsuccessful attempts to incorporate their Vision Plans into the regional strategy, Marina and Seaside continued to be involved with the Task Force and its Advisory Groups. According to city officials, the cities did not want to lose their “foot-hold in the regional reuse efforts -- from our stand point, we saw it as a way to [maintain ties with] the Monterey County power structure” (Potter interview: August 3, 1994):

“[Marina and Seaside] went along with the university focus because so many in the region were behind it -- that’s where the power lies. But a university will significantly change this city. We are going to have to gear up for some dramatic social and economic changes.” - - Excerpt from interview with John Longley, Marina City Manager

Accordingly, Marina began to pursue a new approach to local economic development in their city. The city first addressed short term job creation by pursuing a campaign requiring the Army to commit more of its reuse-related contracts to local contractors and consultants. This would allow for additional
short term employment opportunities for local construction and maintenance contractors, as well as planning and technical consultants.

For instance, the City of Marina pursued federal CDBG (Community Development Block Grant) money for a study that looked at the development of a local incubator program designed to foster industries spun-off from local marine-based and environmental research (Goblirsch interview, 1994). After receiving the CDBG commitment, Marina began develop a program in conjunction with the University of Santa Cruz's STEP project. The STEP project, it was envisioned, promised to benefit Marina’s economy in the short term by focusing on the technology transfer of research efforts already underway at UC’s campus in Santa Cruz. Under the program, Marina hoped to benefit from the provision of commercial/industrial space and local labor to support these ventures. A feasibility study (authorship unknown) later commissioned by the City of Marina revealed, however, that because there was so much industrial space already on the local market, this project would not be prosperous, at least not until the university had a chance to grow (Goblirsch interview: August 8, 1994).

Nevertheless, the City of Marina applied for and received approximately $900,000 in federal grants from the Economic Development Administration (EDA), for the purpose of creating the STEP Center. According to Marina’s Economic Development Director, the EDA money was to be used to begin to build the facilities necessary to support the STEP Center (ibid.).

It was envisioned that the STEP center would be developed in joint partnership with private sector entities. Accordingly, Marina began immediately seeking private developers interests. But according to Marina’s city officials, their efforts to date have been hampered because the city does not have site control of the land at Fort Ord on which the STEP Center is envisioned. It is not surprising to imagine that private investors can not afford to wait for a long period of time before the federal property is sold or leased for development. Thus, until
Marina can gain site control of the property at Fort Ord within its jurisdiction, the attraction of private developer interests is not likely.

Seaside also continued to pursue their tourism-based development strategy. In fact, throughout my interview with Seaside’s Planning Services Manager was the constant sound of a pile driver securing the foundation of the new Embassy Suites hotel under construction just down the street from the city offices. The new 50+ room hotel had been in the works since before the closure announcement. However, to Seaside this structure was believed to be a symbol the their economic future (Potter interview: August 3, 1994).

Part V: Forming an Official Reuse Planning Entity

Despite opposition from the surrounding cities, the Task Force completed its economic development Strategy Report in June of 1992. By this time, Panetta had left his post as the Chairman of the Task Force to become the Director of Management and Budget, and later the Chief of Staff under the newly elected Clinton Administration. He was succeeded as both US Congressman and the Chairman of the Task Force by Sam Farr. Under Farr, the Task Force’s first order of business was to create a planning entity to develop the physical reuse plan and land use bylaws, in accordance with the provisions of the university-based reuse strategy. The challenge was in creating a reuse planning entity that could balance the economic development objectives of Seaside and Marina with those of the Task Force. Accordingly, a number of different organizational structures were proposed, each with a different mix of jurisdictional representation and authority.

Emerging Joint Powers Authorities

The cities of the Monterey Peninsula region first tried to create a Memorandum of Understanding in which the land use planning of Fort Ord would be undertaken by the communities with jurisdiction over the property on the
base. However, regionally defined and prescribed planning guidelines would be strictly followed to assure that the university-based strategy was supported in the Reuse Plan. Not surprisingly, this agreement did not receive support from all of the neighboring communities. Marina and Seaside charged that the agreement did nothing to address their needs and concerns regarding the negative impacts to their communities as a result of the university-based strategy. So, they created a counter proposal; a formal reuse planning entity to be controlled only by those with land use jurisdiction on the base -- Marina, Seaside and the County.

In November of 1991, Seaside and Marina created the Fort Ord Economic Development Authority (FOEDA). FOEDA was organized as a Joint Powers Authority (JPA) for the purpose of governing the implementation of the local Vision Plans. A JPA is a collective entity of governmental institutions recognized under state redevelopment law for the purpose of pursuing regional redevelopment projects. Each JPA is written as a separate piece of state legislation that allows for joint land use planning and political power. The JPA entity is empowered to designate redevelopment districts, and is vested with the power to create special taxing districts to finance redevelopment projects, such as tax increment and state bonding finance.21

The FOEDA JPA was created for the purpose of utilizing state bonding authority to help fund the redevelopment of Fort Ord on behalf of Marina, Seaside and the County. According to the Mayor of Seaside, Lance McClair, the

---
21 Tax Increment Financing, or TIF, is a taxing structure that allowed municipalities to use the increased taxes derived from successful redevelopment projects. By establishing a taxing base, that was tied to the value of the property prior to redevelopment, the municipality used the increase in taxing value to pay down the debts associated with the project. Similarly, California’s Mello-Roos bill was created in 1982 by Senator Henry Mello in response to the passing of Proposition 13. It was created to provide a practical way to finance infrastructure in redevelopment situations that exceed the Proposition 13 tax cap. It created a special taxing district over a certain geographic location, determined by the extent of those impacted by the infrastructure project. Proceeds from the tax were used to back the bonds that were floated to fund the project.
purpose of the FOEDA JPA was to give Marina and Seaside more direct influence over the control of the Fort Ord redevelopment.

In November of 1991, the state legislature recognized the FOEDA JPA as legal redevelopment authority pursuant to California redevelopment law (McClair interview: August 3, 1994). As such, FOEDA was empowered with the ability to issue state redevelopment bonds. However, under California redevelopment law, the state does not agree to guarantee the bond issues. Instead, the bonds must be backed solely by the revenues generated from the reuse project (Potter interview: February 7, 1995). But FOEDA did not have site control over the base property. Without the ability to designate a redevelopment project district, their powers as a redevelopment authority were ineffective.

The intent of the FOEDA JPA was to create an entity that could pursue redevelopment projects when, or if, the property is transferred to the local communities. According to Seaside’s Mayor, FOEDA’s primary goals included the pursuit of economic development opportunities that promised to return revenues and jobs to the communities most negatively affected by the closure. It was envisioned that these goals would be carried out through the pursuit of the primarily tourism-based Vision Plans created by both Seaside and Marina.

Marina and Seaside also asked the County to join them in their effort to take control of the reuse planning process. The County, however, was not willing to support the FOEDA JPA on the basis that FOEDA’s decision-making structure did not allow for input from other communities in the region to which they were also accountable:

“[FOEDA] met regularly for a couple of years, and actually got one federal grant from the FAA to develop the [Fort Ord] airfield in Marina. But without the County they were not able to say they represented all of Fort Ord. The voting structure was to be one vote for each Marina, Seaside and the County. The County rejected this proposal because it meant they would be out numbered by the Cities -- it has been a constant struggle for control.” -- Excerpt from interview with Joe Cavanaugh, FORG Project Coordinator.
FOEDA operated as a planning entity independent of the Task Force for one year from November 1991 until November 1992.

**The creation of the Fort Ord Reuse Group (FORG)**

The Fort Ord Reuse Group was created in October of 1992 by the Task Force. The primary purpose of the entity was to prepare a physical reuse master plan to be used as the basis for the Army's EIS. Timely completion of the EIS was critical at Fort Ord case, because without the EIS, the university properties could not be transferred. But in order to accomplish this, a cooperative working relationship would have to be established between the communities surrounding the base. Recognizing the potential for future inter-jurisdictional conflicts between Marina and Seaside's and the other communities in the Monterey Peninsula, the Task Force tried to create a cooperative planning forum in which the interests and objectives of all of the communities could be articulated and negotiated.

The Task Force first tried to create a formal reuse planning entity that gave more weight to the communities who physically abut the base property. Thus, in the spirit of compromise, a cooperative planning effort by five cities and the County was proposed through the creation of the Fort Ord Reuse Group (FORG).

According to a study conducted by Kirschenbaum and Marsh of the University of California at Berkeley, the organizational structure of FORG was based on a three tiered system. Planning and land use decisions were made in a forum of city majors and leaders from the County government. The decision-making structure reflected a majority vote system with one vote for each member city: Monterey, Del Ray Oaks, Sand City, Seaside, and Marina. The County was also given three votes. The actual physical planning was done by a Working Group comprised of city planning staff members from the five cities. A Managers Group, comprised of the member city managers, worked to coordinate between these two groups (Kirschenbaum and Marsh: 1993, pp. 61-63). Finally, a project
coordinator, Joe Cavanaugh, was hired to facilitate the three-tiered planning forum and to handle the day-to-day operations of FORG. Not surprisingly, Cavanaugh reportedly spent most of his time mediating conflicts between the member entities (Cavanaugh interview: August 3, 1994).

However, the FORG structure was still unacceptable to Marina and Seaside because it still placed them in a minority voting position -- outnumbered by three cities and the County. Marina and Seaside did not want the other cities in the regions telling them what to do with “their land”. They contended that it did not seem appropriate to give Sand City -- a city of less than 200 residents -- the same voting power as Seaside, a city of almost 40,000, in decisions that will most directly affect Marina and Seaside.

As a form of protest, Seaside and Marina tried to exercise land use rights over the land at Fort Ord falling within their respective jurisdictions. According to Seaside city officials, their rights included the ability to make decisions regarding the use of land within their jurisdiction, and the ability to generate revenues from the development of the land (Potter interview: February 7, 1995). This, they contended, gave them the additional power in the FORG decision making structure necessary to pursue their minority interests and objectives. However, it was feared that the potential for legal challenges by the cities would delay the development of the Reuse Plan. According to a representative of State Senator Henry Mello’s office, the cities did, in fact, pursue a number of legal actions against the Task Force; however, the details of the legal conflicts were not available at the time of the study (LaGraff interview: July 28, 1994).

Thus, in an effort to mitigate the reuse planning gridlock resulting from Marina and Seaside’s unwillingness to cooperate with the prevailing reuse organization, FORG tried to create an alternative decision-making structure. FORG crafted yet another JPA agreement, this time using a weighted voting system aimed at giving the cities more direct, but not complete influence in the decision-making process. Over a period of about 18 months, negotiations regarding the new FORG proposed JPA took place. Through countless meeting,
discussion regarding the new organization’s structure often resulted in heated inter-jurisdictional arguments between Seaside and Marina and the other members of FORG. Finally, fed up with FORG’s lack of progress in creating the reuse plan, State Senator Henry Mello stepped in to mediate the conflict. In February of 1994, he introduced Senate Bill 899.

State Intervention and the Introduction of SB 899

By the Spring of 1994, State Senator Henry Mello (D-Watsonville) had replaced US Congressman Sam Farr as the Chair of the Fort Ord Community Task Force. As his first order of business, Mello publicly rejected the proposed FORG JPA, on the grounds that it did not completely meet the interests and objectives of all of the communities in the region. Mello also condemned the effort to incorporate Marina and Seaside’s economic development strategies as unrealistic given the objectives of the Task Force Strategy (LaGraff interview: July 28, 1994).

As an alternative, Mello proposed Senate Bill 899 (SB 899) establishing new decision making authorities through the creation of a new reuse entity called the Fort Ord Redevelopment Authority (FORA). It was envisioned that FORA would carry out the future development and long term implementation of the Fort Ord Reuse Plan. Fearing that the delays in the creation of a viable Reuse Plan would interfere with the transfer of the university sites, scheduled for July of 1994, SB 899 was quickly passed by the Senate on May 9, 1994:

"Mello offered proposed bill (SB 899) that would create the reuse entity FORA to carry out the redevelopment of the base property. SB 899 passed, however, some key issues were pulled out of the bill for further debate -- these issues were to be incorporated in a subsequent bill. SB 899 is the governing authority without all of the whistles and bells to make it complete and useful in its entirety. But it served a purpose by breaking up the local planning gridlock at Fort Ord."
SB 899 opened the reuse process up to other surrounding communities to support the creation of a reuse entity that looked more like Panetta's original Task Force. -- Excerpt from interview with Kevin LaGraff, Legislative Consultant to Senator Mello.

The primary difference between SB 899 and the existing structure of FORG was that it re-introduced the membership of non-adjacent regional communities such as Carmel, Pacific Grove and Salinas. Under the legislation, the reuse authority would be governed by a board of 13 members: one member appointed by each of the cities of Marina, Seaside, Monterey, Sand City, Del Ray Oaks, Pacific Grove, Carmel-by-the-Sea and Salinas; and five members appointed by the County of Monterey. SB 899 also established FORA as the physical planning and zoning and permitting board for the base redevelopment:

'[FORA was] simply a new state organization -- caretaker of a city the size of San Francisco. [FORA was] tasked with figuring out how to use all of the state and federal laws available to assist them in the redevelopment, while also considering issues of infrastructure and private sector interests. They must set a course for redevelopment regardless of who the elected officials will be -- this is the key to reuse...FORA's [newly hired] staff will be critical here; we need to give the city managers a break so they can attend to issues other than the Reuse Plan.' -- Excerpt from interview with Jack Barlick, Chair of FORG and FORA, Mayor of Del Ray Oaks.

After Senator Mello introduced Senate Bill 899 in April of 1994, FORA was expected to adopted the original FORG Reuse Plan with only minimal changes. The Final Draft Reuse Plan to be adopted by FORA clearly reflected the Task Force's economic development strategy that had been create three years earlier. The final plan still reflected the Task Force's original university-based strategy including the attraction of emerging marine and environmental technologies, and research and education (through the California State University and University of California extension), an agricultural processing center, and recreation and environmental open space. (See Map 5, Appendix B.)
The Legislation also requires that Seaside and Marina amend their general city plans, including zoning and other implementing ordinances, to conform with the final FORA Reuse Plan. According to SB 899, Seaside and Marina's land use plans, bylaws, and other planning ordinances must be in conformity with the FORA plan for the properties that are located on former Fort Ord land. It is envisioned that the impacted cities would still hold planning and zoning authority regarding compliance to the Reuse Plan. However, a permit issued by Seaside, Marina or the County, for instance, will be appealable to the FORA Board by any citizen or organization in the region. In other words, any citizen or organization who disagree with Seaside or Marina's compliance decision, could request a subsequent review by the full FORA board. This, of course, was extremely troubling to Seaside and Marina, but the new state legislation left them without legal grounds on which to contest the new structure. This, it would appear as though the creation of FORA eliminated any hopes that the cities would ever fully realize their tourism-based economic development strategies:

"Essentially, FORA functions as a super-regional appeal board. We don't necessarily like this process because we still have to deal with the regional political overlays -- but we did not have the horses in Sacramento to derail [SB 899]. We wanted majority control on the FORA governing board but did not get it. [Instead, the entities with land use jurisdiction on the base] were given two members (or two votes) on the board, instead of one [as originally proposed] -- but we are still out numbered [in the decision-making process]." -- Excerpt from interview with Dennis Potter, Seaside Planning Service Manager.

Finally, FORA was also created as a forum to work out some key elements left out SB 899. SB 1600 was later created to define the Reuse Plan implementation and redevelopment operations. Items covered by SB 1600 include the formation of redevelopment project districts, or economic development zones; long term municipal financing systems; a short term
financial mechanism to cover the cost of much needed infrastructure upgrades; housing, and public school issues (Status Report, SB 1600 and Housing Issues: June 29, 1994, pp. 1-4). In essence, SB 1600 is Marina and Seaside’s last chance to retain any level of local control of the long term redevelopment process:

‘The cities and the County [were] trying to negotiate among themselves, a strategy for structuring the redevelopment authority created by SB 899 -- how many redevelopment areas will there be, and what will be the principal municipal finance structure. If they can not come to a consensus, it is likely that Mello will come in again and impose his own version of [SB 1600] that he feels best addresses the situation from the State’s perspective. Mello is, at this point, the primary state link in the process. He is not running for office again so he does not have to worry about re-election pressures and was able to cram 899, and if need be SB 1600 down everyone’s throats.’ -- Excerpt from interview with Judith Brown, The Judith Brown Company (local planning consultant to the Army Corps of Engineers -- See section entitled Testing the Plan).

Not surprisingly, the passage of SB 899 and the creation of FORA was met with little opposition outside of Marina and Seaside. The urgency to get on with the productive redevelopment of the base and the creation of new jobs and municipal revenues echoed throughout the region:

"899 was the culmination of a natural progression of a government strategy. Starting form a broad-based citizens groups, [Panetta's Task Force] considered regional issues and came up with a reuse strategy -- to FORG [the entity] that created a land use plan based on the strategy -- to FORA a reuse authority [that would] implement the plan and govern the operations of the development" -- Excerpt from interview with Joe Cavanaugh, Former Director of FORG.

Inevitably, the ideological conflicts between the cities of Seaside and Marina are still breeding disagreement between the local communities. It was not long before FORA became the next battle field in what was turning out to be
a war between the two cities who possessed annexed property at the base, and just about every one else involved with the reuse planning process. Immediately after FORA was endowed by SB 899, Seaside and Marina tried to ‘kill the bill’. They hired lobbyists in Sacramento and in Washington, challenging the constitutionality of the pre-emptive state legislation; the City of Seaside even began legal proceedings against the State’s actions. In response to these defensive actions, Mello threatened to introduce legislation that would de-annex Seaside and Marina from Fort Ord “so that the other communities could go on with the reuse planning effort” (“Disputes Won’t Halt Most Ord Land Deals”, Monterey County Herald, January 20, 1994).

In July of 1994, Marina and Seaside backed down and signed on with FORA in July of 1994. But resentment between the two cities and FORA still lingers on.

**An emerging State-wide role**

In January of 1994, a report was prepared for the Governor’s Office by the California Military Base Reuse Task Force. The State Task Force was a group of public administrators and corporate representatives created by California Executive Order W-50-93 to identify impacts, propose solutions and promote the speedy conversion of closing military bases in California. The report presented a consensus finding regarding the State’s role based on three principal conclusions: (1) clear responsibility must to be fixed for oversight of the reuse process at each base; (2) existing state regulatory barriers to growth and development must be revised to that they are less burdensome on the military base conversion efforts; and (3) toxic clean-up at all closing bases must remain a priority concern for the state (Report to Governor Wilson: 1994, vii-xxii).

In general the Governor’s Task Force considered military base closure to be of economic concern to the entire state, but that the reuse decisions should
be made at the local level. As such, the Report specifically recommended State involvement to be limited to the following: local dispute resolution, state environmental clean-up process and requirement reform, information collection and dissemination, financial support through additional state bond funding, and general regulatory streamlining to facilitate private sector development at closed bases.

The Report was primarily an investigative effort. At the time of this Report, the Governor had not taken steps to implement any of the ideas or provisions set forth in the Governor's Task Force report. Most of the recommendations made were merely conceptual and would require further debate, and possibly legislative action, before they could be carried out. As such, the effort did not enlighten or influence the reuse planning process at Fort Ord.

The Office of Economic Adjustment

The Office of Economic Adjustment was created by the Department of Defense in response to the closure rounds of the 1960's and 70's. OEA's primary purpose was to financially assist, educate and advise closure communities on how to prepare reuse plans and strategies. The OEA staff was located in Washington and at regional headquarters throughout the country. Although not continually involved with the local reuse processes, the staff was

---

22 The Report states specifically that “the State should intervene in those unusual cases where critical airport or seaport resources might not be preserved by the local planning entity (pg. x).
23 By the Spring of 1994, the terms of specific legislation in support of the new state role emerged. Proposed state legislation included: Weggeland/Presely (AB 3769), amending state redevelopment laws to help finance base infrastructure; Honeycutt (AB 3755), recognizing a single reuse authority to which all state agencies are directed to consult with prior to submitting any public benefit conveyance requests to the federal government (i.e., McKinney requests); and Bergson (SB 1971), amending CEQA base closure legislation so as to reduce the need for lengthy and duplicative NEPA/CEQA requirement for environmental reviews.
24 The OEA was incorporated into a broader federal economic assistance program in 1970. As a result, financial support for local economic reuse planning for military bases was diluted significantly. Deeper federal spending cuts and the closure of more bases was expected to reduce federal planning aid even more by the mid-1990's (Kirschenbaum and Marsh: 1993, pp. 6-7).
called on for assistance as requested by local reuse groups. In addition, OEA staff prepared general guidelines and how-to manuals that described the federal closure process and general planning guidelines to facilitate timely federal property transfer (Kirschenbaum and Marsh: 1993, pp. 6-7).

OEA's planning funds were administered to a single governing agent overseeing the reuse planning process. In total, $1.4 million in OEA grants were awarded to the Fort Ord redevelopment efforts. In the early days of the Task Force, the OEA recognized the County of Monterey as the receiving agency. Once FORA was created as the official reuse planning agency, funding recognition was transferred to FORA. But beyond providing the planning funds, the OEA remained a silent player in the reuse planning process. With the exception of the review of FORG's status reports and an occasional trip to the base, the regional OEA staff members remained silent partners throughout the planning process (Potter: August 3, 1994).

**Service Branch Involvement**

Pursuant to the 1988 and 1991 federal Base Realignment and Closure (BRAC) legislation, the Department of Defense was responsible for the closure and disposal of its military installations. In turn, the DoD delegated much of its responsibilities to the individual service branches who physically occupied the bases. At the installation level, the individual service branch was tasked both with decommissioning its troops (i.e., shutting down base operations and relocating or terminating individual soldiers tours of duty), and dealing with the day-to-day issues of the reuse and disposal process.

At Fort Ord, the first task was handled by Garrison Commander Colonel Tom Ellzey, who was responsible for packing up the "boys and the toys" and concluding the Army's mission at Fort Ord. His predecessor to the job, Colonel Fore had been at the base since WWII. In fact, Colonel Fore, who had literally built the base at Fort Ord, found it too difficult to tear it down. Thus, after four
years of service in the closure mission, he requested a transfer to an operating base.

Accordingly to Colonel Ellzey, it is the Army’s job, specifically the on-site BRAC office, to provide information to the communities regarding the federal base closure and disposal process. The Fort Ord BRAC office was responsible for working with the communities, the state and other federal users toward a smooth transition of the base property from federal to civilian use. According to Ellzey, the BRAC office coordinates all of the clean-up efforts and works with the communities to find out what their issues are; they give guidance where necessary and, of course, control the Army’s closure process.

Ellzey acknowledged that cooperation with the local reuse planning process is also very important, especially when it comes to issues of environmental clean-up, citing that the sooner the EIS and cleanup provisions are in place, the sooner the Army can begin transferring property back to the communities (Ellzey interview: August 4, 1994). The BRAC office will remain in operation until the last of the Army troops are completely moved out. This is anticipated to take place in 1997.

**The Army Corps of Engineers:** The Army Corps of Engineers (ACOE) is the entity tasked to oversee the environmental impact process, and the creation of the Property Disposal Plan (PDP). The PDP becomes the Army’s reuse plans from which future land transfer negotiations are based. Accordingly, ACOE is involved with land use negotiations to both federal and non-federal entities. ACOE also oversees the maintenance of property not yet transferred from the Army.

At the time of this study, ACOE was involved primarily with the creation of the Environmental Impact Study (EIS) required under federal environmental laws. Although participation in the local reuse process is typical under the

---

25 See Appendix A for more information regarding the federal base reuse process.
federal EIS process, ACOE’s involvement with the local reuse process at Fort Ord was minimal (Memorandum from Joe Cavanaugh to Leon Panetta’s office: 1994). It is unclear why the ACOE chose not to be involved with the local reuse planning process. However, the ACOE’s lack of cooperation with the local communities in the EIS process ultimately led to a conflict between the Army and the local entities.  
(This is discussed in greater detail in the next section)

**The Base Transition Coordinator:** Implemented by Presidents Clinton’s Five Point Plan for revising the federal base reuse process, the Base Transition Coordinator (BTC) position was created to cut through the red tape of the Army’s bureaucracy (Department of Defense, “Revitalizing Base Closure Communities and Community Assistance”: 1994). It was envisioned that the BTC’s would make the decisions necessary to expedite both the local and the federal reuse processes. The BTCs were typically senior military or government officials who were given the power to seek council directly from the Secretary of Defense’s office (Hasse interview: July 29, 1994).

In the summer of 1993, a group of Transition Coordinators were trained in Washington in all aspects of the federal closure process -- closure, cleanup, disposal and reuse -- and dispatched to bases throughout the country (ibid.). Fort Ord would receive its first Transition Coordinator by the fall of that same year. However, according to accounts by members of the Fort Ord Reuse Group, the Army has been primarily an invisible player. Specifically, the Base Transition Coordinator’s ability to “cut through the Army’s red tape” has not been effective in helping the local reuse efforts at Fort Ord (Potter interview: August 3, 1994).

**Part VI: Assembling the Collective Reuse Plan**

In October of 1992, FORG was created to develop the base Reuse Plan. With the Task Force’s Strategy as its template, FORG began to identify the
individual base parcels by specific land uses. The plan, however, was not created in a public process. As described earlier, the Task Force Strategy was created in a publicly represented forum, in which members from the local communities were appointed by the Task Force to participate in the creation of the Task Force Strategy. According to FORG’s Project Coordinator, the Task Force reasoned that an additional public process was unnecessary in the creation of the Reuse Plan itself (Cavanaugh interview: August 3, 1994).

FORG was created simply to prepare a land use plan based on the Task Force’s economic development strategy. Land use decisions, it was thought, were better left to the city officials. So, the reuse planning process was administered through a series of closed-door working sessions in which community representation was reflected only through its membership in FORG. But because of the contentious inter-jurisdictional relationships between the members of FORG, the land use decision-making process was continually mired in conflict.

By mid-October, FORG had assembled an initial "conflict" map that identified 70 areas in which collective agreement could not be reached between the parties involved. While these inter-jurisdictional conflicts were being worked out, the outline for the Preliminary Draft of the Initial Base Reuse Plan (Reuse Plan) was slowly assembled. The Initial Base Reuse Plan was approved by the FORG members for submittal to the Department of Defense in March of 1993 for consideration in the EIS process. But Because FORG’s Reuse Plan had not been completed in time for formal EIS consideration, the Army Corps of Engineers created its own local reuse plan based on its estimation of an environmental compatible reuse plan.

The Army’s plan contained the university transfers and all of the federal uses determined by the federal screening process, but did not calculate a build-out population that was as dense as FORG had initially envisioned. Specifically, the Army’s anticipated local reuse plan allowed for development to sustain the creation of approximately 60,000 new jobs. The FORG plan, on the other hand,
anticipated a build-out to accommodate 180,000 new jobs (Reimer, Paul interview: January 19, 1994). So FORG was forced to revise the scope of its Reuse Plan to better align with the Army’s plan in order to avoid future complications with the Army. Under the current federal base reuse process, any uses not accounted for in the EIS would not be incorporated in the Army’s Record of Decision (ROD). Any proposed land uses not designated in the Army’s ROD were subject to a new EIS process. This meant possible delays in future conveyances of up to 2 years (ibid.). (This issue is discussed further in Chapter Four in the section entitled The EIS Process).

The revised Reuse Plan reflected approximately 2,000 acres of base property transferred to the Presidio of Monterey Annex (POM Annex), 2,400 acres to the new California State University campus and UC Santa Cruz STEP Center (for primarily research related purposes), and more than 16,000 acres committed to nature preserves and habitat resource management (Fort Ord Reuse Group, Summary of Base Reuse Plan: 1994, pp. 7-15). In addition to land for schools and municipal facilities, approximately 2,650 acres remained for private development. (ibid.).

Secondary uses include a regional airport, commercial office space, retail, residential, conference space and tourism. In addition, the Army’s retention of the POM/ANNEX will continue to provide demand for local products and services. In general, the regional approach reads to be a more environmentally sensitive approach than the Marina and Seaside vision plans, with less intensive development, more concern for regional resources such as air quality, and water quality and availability. (Cavanaugh interview: August 3, 1994).

**Testing the Plan**

In the spring of 1994, the Army Corps of Engineer’s commissioned a study to determine the "marketability" of the Fort Ord Reuse Plan. The Duffy Report was prepared by Denise Duffy and Associates in collaboration with a number of independent planning and economic consultants. The impetus for this
study was the anticipation of the request by FORG to acquire the Army surplused property (Denise Duffy & Associates: 1994, pp. 1-5). Based on an economic analysis of market demand and development opportunities, the report evaluated the potential reuse of the base and made recommendations for the highest and best use of parcels not yet designated for use. Essentially, the Duffy Report provided the Army with the information it needed to set a fair price for the remaining surplused land.

Under the Economic Conveyance provisions of the Pryor Amendment to the National Defense Authorization Act, the Army is allowed to convey property to the local reuse authority at little, or no cost, provided the property is used for economic development purposes (i.e., to create jobs and local revenues). The Economic Conveyance provisions also give the Army the opportunity to share in future profits made on the property through sale or lease. Accordingly, the Duffy Report provided the Army with the information it needed to determine the profit sharing potential of the property as developed under FORG's Reuse Plan (Brown interview: August 1, 1994).

However, the report also addressed property disposition issues, timing and methods of land conveyance, and priorities and strategies for marketing specific parcels. According to one of the planning consultants involved with the creation of the Duffy Report, it was not the intention of the Army to use the Duffy Report as a way to undermine FORG's progress on the plan. Instead, it was the Army's intention to prepare a realistic projection of the market demand for the properties over the next twenty years in order to get a better idea of the disposition timing of the property (Denise Duffy & Associates: 1994, pp. 2-4).

Based on FORG's Preliminary Draft Initial Base Reuse Plan, the Duffy Report took a 20 year look at the general demographic and employment trends and projected demand for commercial, industry, retail, educational, and residential space. The economic trends and market absorption findings were

---

26 See Appendix A for more information regarding the Pryor Amendments and the Economic Conveyance provisions.
applied to the Reuse Plan, and recommendations regarding appropriate land uses for the market-driven parcels were made over three phases of plan implementation: the first five years, first ten years and first twenty years ("Highlights of the Report", *The Monterey County Herald*: July 21, 1994).

The study concluded that not all of the market-driven parcels incorporated in the Reuse Plan would be absorbed over the first 20 year period. In fact, the Duffy Report estimated that only one fourth of the office and light industrial development envisioned in the Reuse Plan can be absorbed given the prevailing market conditions ("Ord Plans Questioned", *Monterey County Herald*, July 25, 1994). Moreover, the study also projects that the Reuse Plan overestimates the demand for retail space over the next 50 years.

**Part VII: Conclusion**

*Looking to the Future*

It was expected that FORA would officially adopt the FORG Reuse Plan with only minor changes; many of which came about as a result of the findings of the Duffy Report. At the time this study was conducted, FORA was in the process of conducting a nation-wide search for its new Executive Officer, and would hire a, full-time planning and operations staff. The prevailing issues of the day concerned the details of SB 1600, which was expected to go before the State Assembly sometime in the Fall of 1994. As proposed, SB 1600 included directive for issues such as replacement housing, public school financing, and the details of the prevailing redevelopment laws.

An Operations Plan was conceived in the spring of 1994, by FORG, that focused on three elements: the preparation of a market feasibility study, an infrastructure operations plan and a public service plan. The Operations Plan represented the groundwork for long term development authority, municipal governance and financing (*Fort Ord Reuse Group, Operations Plan: Scope of*
Work: April, 1994). The details of the operation plan were also to be incorporated into SB 1600, however, were not available at the time of this study. Satisfaction of the first element was met through the creation of the Duffy Report, however, additional market feasibility analysis would be required to consider the creation of FORA's financial and marketing structures. The infrastructure financing and operations plan would be necessary to initiate the Operations Plan, including the administrative structure, conveyance procedures, financing alternatives and a physical upgrade schedule. The Public Service Plan would consider issues of staffing and operations, cost revenue analysis and financing, and efficient public service delivery (ibid.). These items are presently being considered.

**FORA’s First Meeting:** The first publicly attended meeting of the Fort Ord Reuse Authority (FORA) was called to order by Senator Henry Mello on May 20, 1994. Leon Panetta and his wife were the honored guests. Colonel Ron Perry, former head of the on-site BRAC Office returned to launch the commencement of the new entity. Representation from the State Planning and Research Office, as well as the state legislature were there to mark the occasion. Upon the election of the new Officers and assembly of new sub-committees, the meeting was underway. There was a call for public comment, at which time members of the Restoration Advisory Board and Citizens Advisory Group and others spoke of hopes for new directions for FORA that warranted more public participation and access to information. Finally, the new FORA By-laws detailing the structure and authority of the new entity were presented for debate.
Chapter Three:
The Case of Fort Devens, North Central, Massachusetts

Part I: Introduction

North Central Massachusetts is an outlying region of Boston and the Route 128 high-technology area. Dotted by turn-of-the-century industrial cities such as Lowell, Fitchburg and Leominster, this region has suffered the effects of a long term industrial decline. Aside from the pockets of industrialization, the North Central region is characterized by rolling hills, open green spaces and lush green forests. Fort Devens encompassed approximately 9,000 acres at the center of this region on land purchased by the military in 1917 from private land owners and local municipalities.

In 1917, Camp Devens was constructed to train military draftees from all over New England, many of whom were ultimately sent to Europe to fight in the first World War. By WWII, the post population grew to 65,000, most of whom were sent to Fort Devens to train for combat missions before being sent overseas. By the end of the war, over 350,000 WWII veterans were discharged through Fort Devens. The base was eventually reactivated for the purpose of training troops during the Korean Conflict, and would remain open until the closure announcement in 1991. At the time of the closure, Fort Devens was home to the Army Intelligence School, 36th Medical Battalion, 10th Special Forces Group (Airborne), the 187th Infantry Brigade and other training units.

Fort Devens was developed by the Department of Defense under the Acts and Resolves of the Commonwealth of Massachusetts, which required private land holders to surrender property upon request for the purpose of national defense (Terner: 1965, pp. 1-10). The Army designed Fort Devens such that its layout and public works facilities were operated in isolation, rather than
integrated with the surrounding communities. In essence, the land became an island unto itself with its own individual economic, physical and social infrastructures.

The property at Devens, although technically owned by the Department of Defense, remained within the jurisdictions of the four surrounding towns from which it was originally purchased. The towns of Ayer, Harvard, Shirley and Lancaster would continue to have an interest in the property at Devens. However, they were not responsible for the provision of municipal services to the base property or its residents, and did not collect property tax revenues from the large federal property owner. Land use jurisdiction was maintained in anticipation that someday the base would close and the land would revert back to the towns.

Each of the four surrounding towns developed unique physical and social characteristics that reflected the segregated settlement patterns of factory owners and workers. The working class towns of Ayer and Shirley grew primarily to support the needs of the military installation, as well as the manufacturing sector that emerged in the North Central region in the early and mid 1900's. The towns of Harvard and Lancaster, were primarily residential communities settled by the region's wealthier classes.

Physical Description

Fort Devens was located approximately 35 miles North West of Boston, near the intersection of Interstate 495 and State Route 2. It was approximately 25 miles northeast of the City of Worcester. The base consisted of 9,311 acres in the North, Main and South Posts. Separated from the South Post by State Route 2, the Main and North Posts were the primary subject of the Land Bank’s reuse planning process. Together these parcels accounted for approximately 4,400 acres of the base land, and over seven million square feet in over 1,000
buildings. The remaining 4,883 acres of the South Post consisted primarily of open space historically used by the military for training purposes. The South Post was also adjacent to the existing, federally maintained Oxbow National Wildlife Refuge.

At the time Fort Devens was announced for closure, the infrastructure and municipal services on the base included roads, utilities, water and sewer, life/public safety (military police, fire-fighting, etc.), educational institutions (elementary, secondary and post-secondary), and commercial and retail complexes (including a gym, a Burger King and a cinema). The base housed a permanent population of over 10,000 in over 1,700 housing units (exclusive of barracks and other dormitory style housing). At its peak during WWII, the Base employed over 15,000 people (5,000 of which were civilian), (ibid.).

The Town of Ayer

Much of Ayer's town history and character reflects the presence of the military base. Before the closure of Fort Devens, Ayer was a "blue collar, patriotic town" with a large constituency of military retirees, enlisted military personnel and active veterans organizations (Higgins interview: August 25, 1994). The town was very supportive of the troops at Devens, seeing them through many wars and homecomings.

Ayer's mainstreet reflected the presence of its military neighbors and the railway passing through it. The traditional New England industrial town center looked as if it had not changed since the WWII era -- the aged mainstreet was lined with red brick and wooden clapboard structures, weathered and in need of repair. At one time there were six rail lines passing through Ayer. With 43 tracks in use, Ayer was home to one of New England's largest rail junctions (Terner:

---

27 The Moore Army Airfield, Base wastewater treatment facility and open space is located in the North Post (900 acres). The Main Post (3,528 acres) consists of all base housing, community services, administrative functions, recreational areas, and operation, maintenance and support facilities (Earth Technology Corporation, BRAC Clean-up Plan (Version I); prepared for the US Army Environmental Center, April 7, 1994).
The town was established as a commercial center catering to businesses that were primarily rail related: storage, distribution and military supply. A tanning factory represented the second largest industry in Ayer, which in the 1950's and 60's employed a large portion of Ayer's residents.

A sizable portion of Ayer's residents were classified as racially mixed, working poor, many of which were struggling families of enlisted servicemen facing limited incomes and the high cost of living in Massachusetts ("Ayer Struggles Against the Burdens of History", Sentinel and Enterprise: 1992). Ayer had the highest poverty rate of all of the surrounding communities, even before the impacts of the closure were felt. This was due primarily to the regions declining manufacturing sector. But employment reliance on the base was becoming more and more evident as additional troops moved out. In the years following the Devens closure announcement in July of 1991, the unemployment rate in Ayer continued to increase. This was due in part to the persuasiveness of the New England recession but was certainly exacerbated by the closure of Devens.

A significant portion of the town's economic base was supported by the military at Fort Devens. The military created a natural market for the town. Many businesses and services emerged to meet the military's supply needs, as well as the soldier's demand for the products, services and entertainment that could not be met by the on-base facilities. Moreover, because Devens was so far removed from any large urban areas, the soldiers and their families spent a large portion of their incomes in the local economies. As such, the local retail sector grew substantially in the post WWII period with the proliferation of general merchandisers (including furniture, automobiles and clothing), restaurants, pizza parlors and taverns. There had also been a significant increase in the construction of multi-family rental housing, to meet the growing demand for off-base housing for military personnel and their families (ibid.).

Following the closure in 1991, the town began reporting significant losses in local sales revenues, employment and an escalation in housing vacancies.
Accordingly, the community's primary objective in the reuse of Fort Devens was the attraction of new industries into the region to create new markets for their businesses and housing units, as well as new employment opportunities for their residents.

Ayer's municipal government was conducted by town meeting, in which all registered voters were eligible to attend. Fifty-two non-partisan municipal officials were elected to town government, including the Board of Selectmen, the School Committee and the Board of Public Works. The Town Administrator was one of only a few full-time hired positions in the town governance.

Municipal services such as police, fire, the typical range of public works -- streets, sidewalks and sewers -- and schools were provided by the town. The cost of these services was covered primarily through the town’s general revenues, primarily property taxes and excise taxes. But a substantial proportion of Ayer's public education services were supported by federal subsidies paid by the military. The subsidies were paid on a per student tuition basis in return for the provision of public education for the students of the military personnel on the base. Because approximately seventy percent of Ayer's public school population, before the closure, consisted of military dependent children, Ayer's School Department was heavily dependent on the Army subsidies. Because Ayer's fiscal budget was so tight even before the closure, the town feared that the loss of the military subsidies would significantly reduce the quality of education that they could afford to provide its remaining residents.

According to Ayer’s former Town Administrator, no organized special interests groups emerged to represent the town's residents. However, individual residents emerged who had their own agenda's for the Fort Devens reuse. These residents remained involved the reuse planning process at Fort Devens throughout, however, did not significantly influence Ayer’s reuse decision-making process (Higgins interview: August 25, 1994).
The Town of Harvard

The Town of Harvard grew as a residential community for the region's wealthy land and industry owners. At the time of the closure, Harvard had become a prominent bedroom community for employees of Boston's high tech region and premier academic institutions. Large family farms and residential estates were common in this quaint New England community. Prior to the closure, Harvard's small commercial economic base was supported primarily by the orchards and small businesses including medical practices, real estate offices and home-based high technology consulting services. According to a Harvard town Selectman, the town relied heavily on its residential tax base, and volunteer help from local residents to support the provision of its municipal services. Changing economic and social conditions, however, made it no longer possible to rely solely on the resident tax base and volunteer staff:

"Even without the closure of Devens, it was becoming apparent that Harvard would need to attract non-residential revenue to support the [fiscal needs of] the town. The closure of Devens presented an opportunity for an increased non-residential tax base, but also put additional strain on the municipal budget with the promise of new residents." -- Excerpt from interview with Dana Owens, Harvard Selectman.

Like Ayer, Harvard's municipal government was conducted by town meeting, and was governed by elected town officials including the Board of Selectmen. The town did not have any full time town planning or management staff; many town functions were carried out by resident volunteers. The Board of Selectmen were the town's official decision-making entity when it came to matters of the Fort Devens reuse planning process. However, a number of individual residents, special interest groups, and community advocacy groups emerged in Harvard to help in the Devens redevelopment on behalf of the town's residents. These groups included the Housing Alliance, the Fort Devens Task
Force, and Coalition for Informed Voting by Impacted Citizens, formerly, the Citizens to Protect Residential Harvard (Owens interview: February 8, 1995).

According to Harvard town Selectman Dana Owens, the most prominent of these organizations were the Fort Devens Task Force and the Housing Alliance. The Fort Devens Task Force was formed as an advisory group to the Harvard’s Board of Selectmen. The Task Force researched the various issues regarding the reuse of Fort Devens and made recommendations to the Board of Selectmen. According to Owens, these recommendations were used to make decisions in the reuse planning process on behalf of the town’s residents. The Task Force also developed a municipal “wish list” to determine the future use of the land at Fort Devens. The Task Force collected requests for property from all of the town departments: the School Department, Parks and Recreation, etc. Based on the responses collected from each of the town departments, the wish list was compiled. Requests for property were made primarily by the Department of Parks and Recreation. According to Owens, the Parks Department requested property for public tennis courts and playing fields. In addition, the Harvard School Department requested approximately 100 acres for the expansion of their existing school system to handle to new residents of Devens (Owens interview: February 8, 1995).

According to Owens, the Task Force and the Board of Selectmen worked to balance the needs of the town with the opportunities for new development at Devens. Specifically, they worked to balance Harvard’s shrinking municipal revenue base with the communities desire to preserve its high socio-economic structure and quality of life (ibid.).

The Housing Alliance of the towns of Ayer, Harvard, Lancaster, and Shirley was a local special interest group whose objectives included the evaluation of the area’s housing needs, and an analysis of the opportunities for affordable housing at Devens (Housing Alliance Mission Statement: December 1992, pp. 1-3). According to the Housing Alliance’s Mission Statement, the group supported a concept of scattered site, economically diverse housing that
was sensitive to the regional needs for open space. They were also concerned that housing be compatible with the housing in the surrounding communities – they did not want the affordable housing to look like traditional public housing; they did not want Devens housing to become a “ghetto” area for the regions affordable housing needs (Housing Alliance Mission Statement: December 1992, pp. 1-3). According to Owens, the members of the Housing Alliance were very vocal in the Harvard reuse decision-making process; they attended every town meeting and lobbied hard for the creation of affordable housing at Devens.

The towns of Shirley and Lancaster

Shirley was a moderate income, blue-collar community whose economic base had historically been farming, rail-related activities, and light industry. The town's base reuse objectives were driven primarily by the need to create more jobs for the 113 Shirley residents left unemployed by the Devens closure. Like Ayer, some community businesses had become dependent, in part, on the income derived from the military and personnel expenditures from Fort Devens. The town's industrial base had also been waning over the years due to the declining regional manufacturing base and the general recessionary New England economy. However, Shirley was not as dependent on the military expenditures as Ayer was, and as such, was less concerned about the prospects for the reuse of Fort Devens.

Adjacent to the south side of Fort Devens was the residential town of Lancaster. Lancaster's socio-economic strata fell somewhere between that of Harvard and Shirley. It was a residential community of primarily middle-class professionals working in the high tech region and family farms and orchards. Lancaster officials did not pursue development opportunities at the site because the majority of the land within the town's jurisdiction had been retained by the Army Reserves who proposed to use most of the South Post as training grounds. Fish and Wildlife also proposed that a portion of the South Post be used as an extension of the existing Oxbow wildlife habitat. However, at the time of this
study, Fish and Wildlife's proposed acquisition had not been approved by the Army. As such, Lancaster remained a relatively silent player throughout the reuse process (Seidman interview: February 6, 1995).

**The Nature of the Inter-jurisdictional Relationships**

Although the town of Shirley was expected to be economically impacted by the closure of Fort Devens, the town chose a slightly lesser role in the community reuse effort. *(The estimated economic impacts on the surrounding towns are discussed in the section entitled Identifying the Closure Impacts).* Lack of staff and revenues were cited as the towns primary reason for not taking a lead role in the redevelopment effort. Likewise, because Lancaster was not directly impacted, nor stood to benefit from the Devens closure, the town chose to play the least role in the reuse planning effort at Fort Devens. But local residents, fearing that potential inter-jurisdictional conflicts between Ayer and Harvard might delay the redevelopment process, appealed to Shirley and Lancaster to remain involved with the reuse effort. As neutral parties, it was hoped that Shirley and Lancaster could balance the collective interest and objectives represented between the towns:

‘Traditionally, Harvard and Ayer never got along -- there was good reason to believe that conflicts over the redevelopment of Devens could be very counter productive to the regions chance for economic recovery. Lancaster and Shirley were in a position to bow-out of the [collective local reuse effort] -- neither had a real stake in the reuse efforts at Devens and did not want to get involved with the expensive redevelopment undertaking. But many local residents appealed to the town to stay involved and act as the mediators of conflicts that may arise between Ayer and Harvard. It was hoped that [the Shirley town representatives] could provide stability and balance in the decision-making processes and avoid counterproductive delays due to petty conflicts between Ayer and Harvard’ -- Excerpt from interview with Peter Fohlin, former Shirley Town Selectman
Ultimately, the town of Lancaster would remove itself entirely from the land use decision-making process, due to its lack of direct development interest in the land at Devens. Shirley on the other hand, would remain involved with the Reuse Planning effort; and as such was able to play the mediators role in the reuse planning process to come. According to a Shirley town Selectman, the fact that Shirley did not perceive the redevelopment of Devens to be as important to the future of the town as it appeared Ayer and Harvard did, Shirley was able to maintain a more objective position throughout the reuse planning process. This made it easier for them to mediate any inter-jurisdictional conflicts that may arise between Ayer and Harvard (McDonald interview: September 16, 1994).

Part II: Getting Started

The Land Bank

The Massachusetts Government Land Bank was formed in 1973 by the State for the purpose of handling five bases closed in Massachusetts during the Nixon Administration. In April of 1973, the Department of Defense announced the closure of three military installations the Commonwealth: South Boston Naval Shipyard, Charlestown Navy Yard and the Chelsea Naval Hospital. Two Air Force bases, Otis and Westover, were also significantly reduced (Sass: 1993, pg. 41) Pursuant to its enabling legislation, the Land Bank was granted the authority to hold title to (or "bank") surplused public property, negotiate property redevelopment and transfer and finance redevelopment projects. After successfully assisting the local communities in redeveloping three of the military installations in the 1970's (Westover, the Chelsea Naval Hospital and the South Boston Naval Shipyard), the Land Bank went on to pursue economic development and affordable housing development throughout the state during the Carter and Reagan Administrations. The Land Bank is a small agency,
supported by approximately 25 employees (including those involved with the Fort Devens project), and a $2.3 million operating budget. The agency was originally capitalized by $40 million raised through state general obligation bonds (ibid.).

**Executive Order 312:** In anticipation of the 1991 round of base closures, the Land Bank positioned itself as the lead state agency to handle the new rounds of military base closures in Massachusetts. In 1988, Fort Devens had first been named to the list of potential closure by the Pentagon. Although the base was ultimately removed from the 1988 closure list, it was a wake up call for the Land Bank that new closure projects may be on the horizon. So the Land Bank’s Executive Director, Tim Bassett, initiated early discussions with members of the Governor’s Administration to lay the ground work for the Land Bank’s involvement in the redevelopment(s). The Land Bank also prepared a briefing paper addressing the issues that the Governor’s office would need to be prepared for in the event that one of the state’s major military installations was listed for closure in future BRAC closure rounds. At risk were the South Weymouth Naval Station (approximately 15 miles south of Boston), the remaining portions of the Westover Air Force Base (near Springfield) and Fort Devens (Seidman interview: February 6, 1994; Knapp interview: June 13, 1994).

In 1991, when Congress announced that Fort Devens would close, the Land Bank sent a formal proposal to Governor William Weld requesting authority to oversee the redevelopment of the Fort Devens property. Following some minor negotiations with the Governor’s Administration and some minor revisions to the scope of the Land Bank’s proposed authority, Governor Weld issued Executive Order 312 establishing the Land Bank as the lead state agency at Devens (this is described in greater detail in Chapter Four, in the section entitled Inter-jurisdictional Conflicts). Executive Order 312 did not specifically name the Land Bank as the developer of the Devens property, but tasked the Land Bank to set up a joint state, regional and local reuse process, and to coordinated the state’s interaction with the federal process (ibid.).
The Executive Order did not mandate that a specific planning process be carried out by the surrounding towns, but emphasized and encouraged the creation of a cooperative planning process that addressed the needs and interests of all of the surrounding communities, as well as the region and the state. In order to assure that the local and regional interests would be met, the Executive Order also created The Fort Devens Redevelopment Board. The Redevelopment Board was a eleven member board, appointed by the Governor to oversee the Land Bank's progress and to facilitate public input from the immediate and surrounding communities in the reuse planning process. Assembled as required by Section 9 of Massachusetts Executive Order 312, the Redevelopment Board was appointed by the Governor to include membership from the local communities as well as various fields of expertise: one member from the North Central Region, one member from each of the fields of housing, finance, industrial development, transportation and environmental law, and one member from each of the four adjacent towns (Knapp interview: June 13, 1994).

Beginning in December of 1991, the Board began publishing periodic reports to the Governor for the purpose of documenting and evaluating the progress made by the Land Bank and the local communities. It was intended that the Redevelopment Board remain in existence only as long as it took to prepare the collective reuse plan. It was not envisioned that the Board would be involved with the implementation and operation phases of the Devens redevelopment project (Simon interview: March 24, 1994).

**The Creation of a Reuse Strategy**

By September of 1991, the Land Bank began by hiring a redevelopment staff. The Land Bank called back Jeffrey Simon, former Executive Director of the Land Bank during the earlier closures, to head up the new Fort Devens Division. Since his departure from the Land Bank in the early 1980's, Simon had been working as a successful private real estate developer. With his past experience in both private development and military base closure processes, the Land Bank
found Simon to be the ideal candidate for this position. In the months to follow, additional members of the project team were hired to begin preparing a reuse planning strategy and economic development plan.

As their first order of business, the new Devens redevelopment staff began to assess the economic and environmental impacts of the closure on the surrounding towns and regions. The team began to develop a reuse planning strategy that considered not only the economic and environmental opportunities and constraints, but also the needs interests and objectives of the local, regional and state entities. However, initial attempts to establish a cooperative working relationship with the four surrounding towns was a difficult task. Fearing loss of control over the base property within their jurisdiction and the potential siting of a major airport, the towns were initially unwilling to join forces with the Land Bank.

**Joint Board of Selectmen**

For many of the residents in the surrounding communities, Fort Devens had always been a part of their lives. The base was an important source of market demand for the local economies, especially in Ayer. Many businesses emerged to cater to the spending habits of the military personnel; pizza, fast food restaurants, bars, and retail clothing stores dotted Ayer's commercial districts. So when the region was first threatened by the closure in 1988, the towns had to decide whether to channel their energies into building a new economic base or maintaining the economic status quo.

According to Ayer's former Town Administrator, the towns initially chose to fight the closure and launched a campaign to attract the Department of Defense’s Information Systems Command facility to Devens. The DoD was looking to expand and relocate all of the functions of the Command facility to one location, and Devens was short listed as a potential site. If the Command facility had chosen Devens as the site of its new headquarters, it would have replaced the civilian jobs and local expenditures lost due to the Fort Devens closure. However, for reasons not disclosed, the DoD chose not to relocate the facility to
Devens; choosing instead to remain in their present facility in Arizona (Higgins interview: August 25, 1994).

Accordingly, the impacted communities surrounding Fort Devens began to focus their efforts on the inevitable closure and economic restructuring process that laid ahead. The communities formed a small committee of local officials and began to weigh their options for redevelopment. In 1990, the Joint Board of Selectmen (JBoS) was formed in response to the rumors that Fort Devens would be named to the 1991 BRAC closure list. The JBoS was formed as a collaborative effort between the towns of Ayer, Harvard, Shirley and Lancaster for the purpose of planning for the reuse of the base (ibid.).

After the loss of the Information Systems Command Center, The JBoS prepared a collective Mission Statement as the basis for their economic planning strategy. The Mission Statement reflected the common goals and objectives established between the four towns through the JBoS, and provided direction from which future collective decisions would be made (Owens, February 8, 1994). Specifically, the Mission Statement stressed the importance of local control in the reuse process by establishing local zoning and by-law regulations for the property within each towns jurisdiction. Cooperation between the four self-proclaimed “diverse” communities, the creation of a collective long term economic development solution were considered critical to the success of the Mission Statement. The specific goals included: the creation of new high paying, high skilled jobs; new municipal revenues; better public education; and the preservation of environmental and historic qualities in the region (The Joint Boards of Selectmen: Mission Statement: date not given).

The Airport Agenda: The creation of the JBoS was a surprise to many local residents because they had come to know the four towns as typically not seeing eye-to-eye on most social and economic issues. This level of uncharacteristic cooperation stemmed primarily from the fear that the State Administration had proposed the siting for a second major regional airport at Devens. At the time, it
had been rumored that, should the base close, the Governor would favor Devens as the site for an airport to handle the overflow from Boston's Logan International Airport.

The threat of a new major airport at Devens became an issue of mutual interest among the towns of Ayer, Harvard, Shirley and Lancaster, as well as may other towns in the region. Shortly after the closure of Fort Devens was made public, the Massachusetts Aeronautical Commission (MAC) announced that they would commission a study to evaluate potential sites in Massachusetts to locate the regions second international airport. One of the sites chosen was Fort Devens (Seidman interview: February 6, 1995).

The towns feared that the airport would bring to the region primarily low skilled jobs, noise and a substantial increase in local traffic (Higgins interview: August 25, 1994). Thus, fearing a diminished quality of life, the residents of many of the towns surrounding Devens vehemently protested the airport siting. However, because the airport had been proposed for the Main Post, the towns of Ayer, Shirley and Harvard stood to be most negatively impacted. According to Ayer's former Town Administrator, many local residents viewed the JBoS primarily as a vehicle to stop the airport, paying less attention to the declarations of the Mission Statement (Higgins interview: August 25, 1994).

**The Creation of a Local Economic Development Strategy:** The JBoS immediately began to consider options for a new economic-base for the immediate Fort Devens region. In order to do this, the JBoS had to better define how the closure would impact their communities; they also needed to define what types of new industries should be targeted to replace the jobs and municipal revenues lost due to the closure. But first, the towns had to decide how to pay for the planning and redevelopment of the base property.

The JBoS was reluctant to join forces with the Land Bank because the towns were unsure of the Land Bank's motivations for involvement in the Devens redevelopment. The communities speculated that the Land Bank had a hidden
agenda in the redevelopment of Devens -- to develop a new regional airport at Devens:

'The towns assumed that the Land Bank was the wolf in sheep's clothing. They were convinced that the Land Bank was in favor of the airport going in... The towns were [also] skeptical that any government agency could develop Devens as quickly as the private sector. They were skeptical that the appropriate level of local control would be included in the planning process; and they were concerned that the Land Bank would be too politically driven by conflicting State interests, such as the airport. They felt that if they went with a private sector developer that the decisions would be more economically driven.' -- Excerpt from interview with Peter Fohlin, former Shirley town Selectman.

The JBoS was also ill-at-ease that a public sector entity should be in charge of the base redevelopment. The physical redevelopment of the base, they reasoned, should be left to the private sector (Fohlin interview: September 16, 1994). Moreover, the towns thought that a private developer could provide for the financial resources and staff that the towns needed to successfully redevelop the base. So the JBoS solicited responses from interested private developers.

According to a former Shirley Selectman, the towns were willing to let the market guide their decision making process regarding the economic reuse of the base property. The JBoS envisioned that the land would be purchased from the federal government by a private developer, at a price dictated by the market. The property at Devens would revert back to the towns with jurisdictional boundaries on the base. The towns envisioned that the new development would just become a part of their existing towns, divided by the existing jurisdictional boundaries on the base. They assumed that redevelopment would be governed by the respective town's permit and zoning by-laws. However, they did not anticipate the high cost of infrastructure improvement necessary at Devens to bring the property up to a standard that would attract private developers (ibid.).
The communities soon realized that in order to make the base property attractive to private developers, base improvements such as housing, commercial space and infrastructure would have to be upgraded in order to meet market standards. Realizing that the cost of base improvements was too great for the four towns to absorb in the short term, the JBoS began to reconsider a joint partnership with the Land Bank:

'The JBoS recognized that they needed the resources -- the state funding and technical expertise -- that the [Land Bank] could offer, and ultimately did not resist the Land Bank's participation in the reuse planning effort. This attitude reflected the JBoS's primary objective to develop the base and return it to the economy as soon as possible, and as smoothly as possible -- people just wanted to see some ground breaking and some jobs opening.' -- Excerpt from interview with Tim Higgins, former Ayer Town Administrator.

Other Players in the Reuse Planning Process:

**The Army:** Upon official BRAC announcement of the closure, the Army immediately began to coordinate both the troop relocation and base decommissioning processes. Tending primarily to their own reuse efforts, the Army participated in the local reuse planning process only through their obligatory representation at the local planning meetings. Thus, with the exception of the interim lease negotiations (including the lease to Guilford Industries), and the location of the Army Reserve Enclave, the Army process was carried out completely independent from the local reuse process.

In 1994, however, the Army and the Land Bank began joint negotiations to support the creation of a Master Lease transfer in which the Land Bank and the Army would work collectively to clean, redevelop and transfer the federally surplused base property. At the time of this study, however, the details of the Master Lease agreement had not been considered.
**Federal Funding Agencies:** The Land Bank applied for and received a total of over $3.8 million in planning grants and assistance from a variety of federal agencies:

- September of 1993, the Land Bank received almost $1 million in OEA planning grants.
- In November of 1993, Labor Secretary Robert Reich announced that Fort Devens will receive a $2 million federal grant to retain civilian employees and help them to find new jobs. The Devens allocation is one of the largest to be awarded in the county from the joint DoD/Department of Labor $57 million program.
- In December of 1993, the Economic Development Administration approved $825,000 in grants to support a regional micro-loan fund to help regional businesses that were impact by the closure.

**County/Regional governance:** County or regional entities in Massachusetts typically did not play a significant role in the governance of the state and local communities, aside from the implementation of the state prisons and court system. Accordingly, the impacted communities and the state represented the primary land use powers in the redevelopment of Fort Devens. The Massachusetts Regional Planning Commission and the North Central Region Chamber of Commerce, however, were actively involved with the reuse process. The former participated heavily in the public planning process; members of the Planning Commission often served on various task forces, commissions and panels. According to testimony by one of the Commission’s members, the Planning Commission’s primary objectives in the reuse process reflected their desire to maintain the environmental and historic elements of the base.

The North Central Regional Chamber of Commerce also emerged as an organization that was very much involved with the redevelopment of Fort Devens. The personal interest of its Chairman, David McKeehan was considered the impetus behind the organization’s extensive involvement in the
reuse process (“Renewal Under Way in Region’s Business Sector”; Sunday Sentinel & Enterprise: June 14, 1992). McKeehan’s involvement included an appointment to the Fort Devens Redevelopment Board and a working relationship with the JBoS. Seemingly McKeehan became the voice of the regional interests in the redevelopment of Fort Devens. He believed, because the economic impacts were felt in communities throughout the region, the opportunities for new jobs and economic prosperity should benefit the entire region:

“The closing of Fort Devens was the equivalent of a plant closing in each of the towns of Fitchburg, Leominster, Ayer and Shirley. There [were] 230 civilian employees from Leominster and 175 in Fitchburg who lost their jobs to the closure. So we have to look at [the Devens closure] as a whole series of plant closings throughout the region. So the redevelopment of Fort Devens is important to the region because of the opportunity it presents. There are [thousands] of acres of land and buildings that will be available for reuse. And that provides an unusual opportunity to site a whole variety of job-producing uses for the region.” — David McKeehan, President of the North Central Massachusetts Chamber of Commerce. Excerpt from Renewal Under Way in Region’s Business Sector (Sunday Sentinel & Enterprise, June 14, 1992)

Identifying Closure Impacts

The Land Bank and the Army both commissioned impact studies to determine the economic and environmental consequences of the closure on the surrounding Devens region. The Army was required under federal environmental law to identify the impacts due to the closure and the reuse of the base, including how the reuse will affect natural and cultural resources, demographics, traffic and infrastructure, noise, water supply, land use patterns, and the site remediation process (United States Army Corps of Engineers, New England Division: materials not dated). Likewise, the Land Bank was concerned how the closure would impact the regional economy (jobs, income and market
demands), the local real estate markets and municipal fiscal conditions in the host communities. So the Land Bank commissioned RKG & Associates to prepare a Fiscal Impact Analysis to determine the cost of the Devens redevelopment to the surrounding towns. In August of 1992, the Land Bank also commissioned a study by Mount Auburn Associates to estimate the economic impacts of the Devens closure on the region surrounding Fort Devens.

According to the Mount Auburn report, the socio-economic structure in Harvard has always been very different from that of Ayer and Shirley, and even Lancaster. As such, it was expected that the impacts to each community would vary, depending on the community’s economic reliance on the former military neighbor. For instance, Harvard was a residential community of middle-to-upper class professionals who typically commuted to the metro-Boston or Worcester areas. Fifty five percent of the employed residents of Harvard were in executive, managerial or professional occupations. In contrast, Ayer and Shirley were represented by a more blue-collar work force, most of which worked in the local manufacturing plants or at the military base. In fact, only one quarter of Ayer and Shirley’s employed residents were in managerial, executive or professional fields (Mount Auburn Associates: 1993, Pg. 2-4). Instead, the primary employment industries for the residents of Ayer and Shirley were manufacturing, retail, and education and health services, in descending order of magnitude.

The median household incomes in Shirley, Lancaster and Harvard were all above the state median of $36,952 (1993 dollars). Ayer’s average income, on the other hand, was only approximately 80% of the states median household income. Moreover, 7% of Ayer families were living under the state’s poverty level, compared to less than 4% in the other three towns (ibid.).

**General Economic Impacts:** The results of the Mount Auburn study, released in March of 1993, were used by the Land Bank as the basis for their economic development strategy. The Land Bank wanted to know just how many jobs were lost, what the expenditure losses to businesses were, and the extent to which
the impacts would be felt in the greater Devens region. Accordingly, Mount Auburn's analysis considered: the reduction of employees on-base; the impact on local firms doing business with the base; spending by base employees in the local economy; the impact on the regional economic base; significant industry trends and regional institutional resources.

The report found that there would be substantial employment and earning losses experienced by local residents due to the closure: approximately 2,800 civilian jobs, both on-base and off-base positions, were dependent on the military's direct and indirect spending in the region. However, because many of the civilian and military personnel lived in towns outside of the primary four town region, the employment loss was not projected to be as great as the towns originally feared. The majority of the civilian employees at Devens resided primarily in the nearby cities of Fitchburg and Leominster. Only one quarter of the civilian jobs lost due to the closure were held by residents in the four towns immediately surrounding the base. (Mount Auburn: 1993, pp. 2-2 through 2-3).

The severity of the employment loss was mitigated further by the low level of military base dependency in the region. Fort Devens was located on the outer ring of Massachusetts' high-tech region, Route 128. Many residents of the base's neighboring towns were employees of the region's many high-tech firms such as Digital Equipment Corporation, Raytheon, Stratus and Wang, all located within a 15 mile radius of Fort Devens. The four town area surrounding the base itself was home to 26 small-to-medium size high-tech manufacturing businesses such as hardware and equipment manufacturing for the construction, computer and factory automation fields. As such, the report concluded that no overall "devastating" effect on the regional economy will result in the short term from the closure. This projection was later backed by a study prepared by RKG & Associates that estimated the adjacent manufacturing and high technology

28 In addition to the 2,800 civilian jobs, 5,120 military jobs will be lost due to the closure. By 1996, it was projected that only 209 military jobs and 366 civilian personnel jobs will remain to support the Army Reserve Enclave (Mount Auburn Associates, 1993, pp.(iii-v)).
industries would absorb some of the employment losses due to the closure of Devens, assuming that the regional high tech sector does not continue to decline in the 1990’s (RKG Associates, Non-Residential Market Research: 1993, pp. 46-48).

However, despite its less-than-devastating employment findings, the Mount Auburn Report advised that the most difficult task for the economic redevelopment of the base would be the provision of alternative markets for retail and service businesses dependent on the base population. The report suggested that the greatest impact on local spending power would result from the out-migration of military personnel. This loss of income generating military personnel meant the loss of $180 million in potential expenditures to the local communities. This loss would be difficult to replace in the short term without a new primary employment base. The Mount Auburn study concluded that the towns of Ayer and Shirley were projected to feel more of the negative economic impacts associated with the base because the military expenditures represented a greater relative percentage of their economic base.

**Municipal Impacts:** Finally, the Land Bank contracted a study to determine the municipal fiscal impacts to the four surrounding towns as a result of the closure. That is, just how much was it going to cost the four towns to upgrade the existing infrastructure and provide municipal services to the property at Fort Devens. The study, prepared by RKG Associates, Inc., examined the incremental municipal costs and revenues likely to be associated with the reuse of Fort Devens. The analysis identified the level of capital expenditures necessary for the redevelopment of Fort Devens, assessed the budgetary impacts on the surrounding communities, and estimated the time frame in which revenues and expenditure could be expected. The study concluded that given constrained local budgets, the redevelopment of Fort Devens would have to occur in phases over a period of 20 years or more. This would be necessary to obtain the local fiscal expenditures necessary to bring the base property up to current
development standards, and to provide services to the new residents and users (RKG & Associates, Municipal Fiscal Impact Analysis: 1993, pp. 1-1 through 1-2).

The estimated cost for primary improvements -- the replacement of a substandard sewage treatment facility and transportation and access improvements -- was $43 to $63 million. Of course, it was no surprise that the tax revenues generated in each community at the time of the study were insufficient to fund this level of expenditures. Initial municipal operating deficits were projected to exceed $20 million over the first ten year period. The most significantly impacted, Harvard's incremental increase in operating and capital expenditures alone would be $3.4 to $4.8 million per year for a 20 year period.

The study made three recommendations for funding future base related expenditures: (1) to seek additional non-municipal planning funds (OEA, and state funds) to reduce local planning costs; (2) to explore new opportunities for municipal cost sharing options such as the consolidation of school, police, sewer/water and other related services; and (3) to carefully phase the project to both coincide with the market realities and the municipal abilities in order to absorb the redevelopment costs (ibid.).

**Real Estate Impacts:** In contrast, the residential real estate markets were projected to more severely impact the greater Devens region. Specifically, the town of Harvard, relatively unaffected by the initial loss of base personnel, anticipated a residential market flood through the acquisition of an estimated 470 new units to be preserved in the Devens Reuse Plan (Massachusetts Government Land Bank, Housing Report: 1994, pg. 1). Because residential uses typically produce the least amount, if not negative amounts of municipal revenues -- primarily due to the marginal increase in the cost of educating

---

29 The study concluded that the provision of a new sewage treatment facility and the improvement of regional access to the redevelopment area would be the most essential elements of the base redevelopment (RKG & Associates, Municipal Fiscal Impact Analysis: 1993, pp. 1-1 through 1-2).
resident children -- the additional revenue drain may prove crippling to an already ailing fiscal budget in the town of Harvard. Likewise, high vacancy rates in the town of Ayer and Shirley, due to the out-migration of military families living off-base, were expected to negatively impact the value of the residential bases in those communities (Mount Auburn Associates, *Economic Impact of Fort Devens on the Regional Economy: 1993*).

In May of 1994, the Land Bank commissioned Byrne McKinney Associates to prepare a housing study to determine the future demand for housing in the four town region. From this information, the Land Bank got a better sense of how the closure would impact the residential markets in the region. The purpose of the study was to analyze housing needs and to assess the impacts of the Devens closure in the towns of Ayer, Harvard, Shirley and Lancaster. Accordingly, the report considered existing and projected housing supply and demand conditions in the towns. The report also considered how the new residential developments at Devens would fiscally affect each town (Byrne McKinney & Associates: 1994, pp. 1-2).

In the report, housing demand was projected to be modest, at best, even given aggressive projections for employment growth from the Devens redevelopment with a 10% capture rate of new housing demand created. The study predicted only 97 new households would result from new demand in the region (both background and reuse generated): 65 owner occupant units and 32 renter occupant units (ibid., pp. 4-26).

The Byrne McKinney report does not indicate which town will be most greatly impacted by the new housing supply. However, because so much of the Devens housing falls within Harvard's jurisdiction, it appears as though Harvard will suffer the greatest fiscal impacts as a result of the closure, if the property reverts back to the towns. Specifically, the recapture of Harvard's land at Devens would add hundreds of new housing units to the town's large residential market. Given the moderate-to-sluggish demand for housing in the region, Harvard residents feared that the increase in new housing stock would dilute the
value the town's residential base (Owens interview: February 8, 1995).

Moreover, the new units at Devens were also projected to result in a net loss of municipal tax revenues -- typically the cost of providing services for a single residential unit generally exceeds the tax revenues collected on that unit. The Byrne McKinney study estimates that it will cost Harvard an additional $6,500 in town revenues per unit;\(^{30}\) thus, the additional 479 units that have been established for reuse within Harvard's jurisdiction would cost the town an additional $3.11 million dollars per year in expenditures (Byrne McKinney & Associates: 1994, pp. 27-29).\(^{31}\)

The Byrne McKinney study also estimates the municipal impacts in the towns of Ayer and Shirley to be approximately $150,000 and $1.6 million, respectively (ibid.).

Fort Devens Area Housing:

![Diagram showing units of housing for Shirley, Lancaster, Harvard, and Ayer.]


---

\(^{30}\) The Byrne McKinney study estimates that it will cost the town approximately $9,692 education expenditure per unit. With a tax revenues estimated at $3,222 per units, the study projects a $6,470 per unit deficit in the town of Harvard. (Byrne McKinney & Associates: 1994, pp. 28-29)

\(^{31}\) According to Land Bank estimates, a total of 1,300 housing units presently exist within Harvard's jurisdiction of Fort Devens. However, the Land Bank estimations that only 479 are in marketable condition, suitable for reuse.
On the supply side, the study reflected the high vacancy rates experienced primarily in Ayer as a result of military out-migration. The high vacancy rates meant that an adequate number of units already existed to meet any short term demand for both owner occupant and rental housing arising from reuse or general employment growth in the region. Moreover, the on-base units slated for preservation in the Reuse Plan were estimated as sufficient to satisfy 10 years of total demand in the primary market area (ibid., pp. 1-2).

As a result, the prospects for new housing development were risky; contingent primarily on the ability to attract new residents from outside of the immediate area. The newly vacant units in the four town region were not projected to satisfy the niche demand segments for affordable and elderly/special needs markets; however, many on-base units were considered sufficient to meet up to 50 years of demand for affordable housing (both owner occupant and rental) (ibid.).

**Developable Acres per jurisdiction:**

<table>
<thead>
<tr>
<th>Town</th>
<th>Dev. Acres</th>
<th>%/base</th>
<th>Total s.f. Bldg. space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayer</td>
<td>152</td>
<td>11%</td>
<td>2.1 million s.f.</td>
</tr>
<tr>
<td>Harvard</td>
<td>933</td>
<td>69%</td>
<td>11.2 million s.f.</td>
</tr>
<tr>
<td>Shirley</td>
<td>271</td>
<td>20%</td>
<td>3 million s.f.</td>
</tr>
<tr>
<td>Lancaster</td>
<td>n/a</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>1356 acres</td>
<td>100%</td>
<td>16.3 million s.f.</td>
</tr>
</tbody>
</table>


Existing commercial properties at Devens consisted primarily of the PX and Commissary stores, a movie theater, gas station and some existing administration buildings. The existing commercial space on the base, however,
was not considered to be Devens’ most valuable asset. Instead, it is the potential for future commercial/industrial development that is the focus of the Devens redevelopment plan. Acres of green, flat easily accessible sites are expected to produce the greatest financial returns. However, with the regional recession and the decline of both the high tech and the traditional manufacturing sectors, the Land Bank tried to anticipate how much commercial and industrial space the greater region could absorb.

To do this, Jeff Simon, the Director of the Land Bank’s Fort Devens Division and a former real estate developer, began to conduct some research of his own. He worked with representatives from Leggett McCall (brokerage and investment), the North Central Chamber of Commerce, and Dick Reynolds a former partner to Gerald Hines and Spaulding and Slye developers (Simon interview: August, 22, 1994). Together they conducted regional surveys of all of the local real estate development opportunities. They listed all of the existing commercial and industrial uses along the Route 495 corridor in order to identify the competition. From the developers perspective, they considered issues of utilities, marketing and construction — items that would attract businesses and developers to the Devens site.

From this research, the Land Bank was able to get a better picture of the commercial/industrial reuse opportunities that were possible at Fort Devens. In general, they found that the existing market for both high tech and manufacturing space was over saturated. Vacancies in the Route 495 region were very high. Although the real estate market information was discouraging, it also gave the Land Bank a great sense of the market competition (ibid.). *(The non-residential market economy is discussed in greater detail in Chapter Four in the section entitled Achieving Market Competitiveness).*
Environmental Site Conditions

Although Fort Devens was named as a Superfund site, initial studies indicated that the extent of contamination on the base was not extraordinary.\textsuperscript{32} In all, the Army identified more than 50 sites requiring further investigation such as soil testing or well monitoring. In addition to the environmental damage that occurred due to normal operations of the base, a number of leaky underground fuel tanks, several landfills and buildings laden with lead paint and asbestos were found. No exotic or experimental toxic substances were uncovered on the North or Main posts at Devens.

The South Post, contained unexploded ordinance and hazardous waste sites. But despite this level of contamination, the South Post still prospers as a habitat for hundreds of species of plants and animals. Accordingly, one potential option for the reuse of the South Post, the US Department of Fish and Wildlife Services proposed to assume responsibility for the maintenance of this site. At the time of this study, the Department of Fish and Wildlife had not yet received approval for the land transfer from the Army. As such, the Army retained ownership of all of the land at the South Post; and because the land was not yet surplused, the land on the South Post had not been designated for clean-up (Seidman interview: February 6, 1995).

Part III: The Federal Screening Process

Army Reserve Enclave

Immediately following the closure announcement in 1991, the first phase of the federal screening process began.\textsuperscript{33} The formal DoD screening period lasted from June of 1992 until November of 1992. During this process, the Army

\textsuperscript{32} See Appendix A for more information regarding the environmental processes required for Superfund sites.

\textsuperscript{33} See Appendix A for more information regarding the federal screening processes.
requested retention of a significant portion of Fort Devens for their new Army Reserve Headquarters. Other DoD agencies also expressed interest in relocating to Devens to take advantage of the prospects for new housing, cheap land and access to on-base commercial properties such as the PX and Commissary facilities. Some of the agencies requesting property included the DoD’s Criminal Investigation (military police) and the Army/Air Force Exchange. With the exception of the Army Reserve Enclave, the Secretary of Defense denied the other initial requests for property. (Fort Devens Redevelopment Board, Report to the Governor: July, 1992, pp. 4-6).

In November of 1992, the DoD approved a subsequent request by the Air Force to utilize some of the residential units at Devens to house families of Air Force personnel stationed at Hanscom AFB in Lexington, approximately 25 miles east of Fort Devens. The request was approved as a cost saving measure that would reduce DoD expenditures to families paying high off-base rents in the affluent Lexington/Lincoln suburbs of Boston (Hunt interview: August 25, 1994).

In the summer of 1992, the DoD’s General Offices Steering Committee held a press conference to brief the State and local communities on what properties the DoD would retain, and how the Army planned to carry out the remaining phases of the base closure and disposal process. In addition to the Air Force units, the Army proposed to retain a portion of the South Post and some housing and training sites on the Main Post as the site for the new regional headquarters for the Army Reserves (ibid.).

Although the Land Bank did not have any formal authority to oppose the proposed Army use, the Land Bank and the JBoS were concerned about the impacts associated with the Army’s retention of the some of the Devens parcels. Specifically, the Army proposed to maintain a portion of the Main Post known as the “600 block” as the Reserves Ammunition Supply Point. This was considered problematic to the potential reuse plan because it was located in the central portion of an area considered to be valuable for both commercial and residential reuse purposes. The Land Bank and the JBoS contended that the Army’s
retention of this site would not only significantly reduce the economic value of the Main Post but was also a potential public safety issue (Fort Devens Redevelopment Board, *Report to the Governor*: July, 1992, pp. 4-6).

A number of other issues were also raised concerning the Army Reserve Enclave proposal related primarily to the anticipated environmental consequences and the desire for the Army to operate the Enclave as a closed post. In response to these issues, the Land Bank the JBoS asked the Governor to send a letter to the Army outlining the local concerns. In May of 1992, the Army formally responded by agreeing to the majority of the requests including the relocation of the Ammunition Supply Point to a remote portion of the South Post (ibid.). *(The Army Reserve Enclave acquisition is discussed in greater detail in Chapter Four, in the section entitled the Federal Screening Process.)*

**The Federal Prison Complex**

It was the local communities who initially solicited the Federal Bureau of Prisons to develop a regional prison and medical facility at Fort Devens. The communities claimed that the prison was a compatible reuse option because it fulfilled their objectives for job creation, economic development and environmental sensitivity (Fort Devens Redevelopment Board, *Report to the Governor*: December 1992, pp. 12-14). But the JBoS had an underlying intention for the prison siting. The JBoS hoped that the siting of the federal prison on the Main Post would block the development of a regional airport there. If successful, the attempt to lure the federal prison complex to Devens would reduce the feasibility of siting the airport at this location.

During the fall of 1992, the Federal Bureau of Prisons (FBoP) informally committed to locating a low security federal correctional institution, a federal detention center and a medical facility on 250 acres of the Main Post. The proposed site encompassed the existing Cutler Army Hospital and the majority of the existing golf course. *(See Map, Appendix B.)* The medical center was proposed to house 350-500 inmates, the low security facility to house
approximately 1600 inmates and the detention center to accommodate approximately 500 federal detainees awaiting trial or sentencing (ibid.).

The prison was expected to bring many benefits to the regional economy. Once operational, the prison complex would employ 600-800 full time employees including health care workers, food service providers, correctional officer and maintenance positions, at an average salary of $26,000 annually. The prison’s annual operating budget was expected to be $30 million dollars (ibid.). Furthermore, development of the new $120 million facilities was also expected to create short term construction jobs.

**The McKinney Act**

In August of 1992, the Department of Health and Human Services approved the first application for Devens property conveyed under the McKinney Act. The application was approved for the Life for Little Ones, an established homeless provider from Boston's North Shore region (Fort Devens Redevelopment Board, *Report to the Governor*, December, 1992, pp. 18-19). The organization proposed to provide single sex transitional housing and supportive services for homeless and/or pregnant women, mothers with young children and female victims of abuse. It was envisioned that the property would be used to house functions such as the organization's administrative offices, classrooms for training, child care, medical clinic, multi-denomination religious services, shelter and emergency housing space, and housing for staff members. The programs proposed required that clients spend two years in residence free from drugs or alcohol (Life for Little Ones, program brochure, materials not dated).

The residents would be required to perform work functions in return for housing and services. Revenue to support the program were provided by charitable private corporate contributions, private foundations, church groups and personal contribution by the organization’s Executive Director. Rental
payments estimated to be $200-225/month were projected to be partially paid for by the residents welfare payment and other income (Fort Devens Redevelopment Board, Report to the Governor, December, 1992, pp. 18-19).

Although McKinney Act conveyances typically provoke opposition from the surrounding communities, the Life for Little Ones request was not challenged. However, a request by a Boston homeless assistance provider would become the center of much controversy. In April of 1993, the Greater Boston Adult Shelter Alliance (GBASA) proposed to take over all of the DoD surplused property pursuant to the McKinney Act statutes. According to Land Bank staff, the organization envisioned the utilization of the Devens property to create a comprehensive homeless center (Archer interview: March 23, 1993). The Center would include transitional housing, permanent housing, job training, alcohol recovery assistance, and general education for homeless people throughout the state. Many were concerned that GBASA's endeavor would just become a warehouse for the state's homeless problems. However, homeless advocates apparently saw this as one of the few opportunities afforded to the fight against homelessness, and as such wanted to take full advantage of this federal benefit (ibid.).

Under the provisions of the McKinney Act, qualified homeless providers could propose for any and all land deemed excess by the federal government. Moreover, the Act required local communities to provide services to the residents of the new homeless assistance programs. For the communities struggling to maintain their economies in the face of military disinvestment, this responsibility seemed unfair, if not infeasible -- the local communities would need to take advantage of revenue bearing property uses in order to pay for the municipal services extended to the new resident population brought to Devens under the provisions of the McKinney Act. Not surprisingly, this fueled a heated debate over the efficacy, or appropriateness of the federal laws established by the McKinney Act (ibid.).
Eventually, the GBASA backed down from their intent to acquire the entire base. Seemingly, the State Administration threatened to reduce state administered funding to the homeless advocacy group (ibid.). Thus fearing political and financial repercussions from the state, the GBASA retreated from their bold position to prepare a new proposal for the base property. At the time of this study, however, the organization had not made a formal request for any of the property at Devens. According to Land Bank staff, there was some speculation that perhaps the GBASA just used their advantageous position in the Devens situation to negotiate with the federal and local governments to meet their needs elsewhere (ibid.).

Ultimately, a number of other local organizations submitted requests for property acquisition under the McKinney Act. These organizations, however, requested only small portions of the base property for the provision of specific assistance functions such as medical aid to the homeless, job training and food storage. As such, the Somerville Homeless Coalition, the Worcester County Food Bank, the Massachusetts Department of Public Health Substance Abuse Program and the South Middlesex Opportunity Council, also requested base property at Devens. Although not all of the proposals had been approved by Department of Health and Human Services at the time of this study, the federal General Accounting Office reported that approximately 20 acres will be transferred for use to assist the homeless, including a total of 82 family housing units (General Accounting Office: 1994, pp. 26-27).

The Oxbow National Wildlife Refuge Expansion

The US Department of the Interior requested from the Army approximately 450 acres of property on the South Post as an expansion area for the existing Oxbow Wildlife Refuge. Before granting this sizable request for land, Congress requested that a report be commissioned in order to evaluate the significance of the site's wildlife resources. The report concluded that the entire South Post and some area north of Route 2 adjacent to the existing Oxbow Refuge, contained
wildlife habitat recognized as a priority for protection by both federal and state laws. However, the property has not yet been approved for conveyance to the Department of Fish and Wildlife.

**The Job Corps**

There was one federal use that did not emerge until after the federal screening process was complete, but would become an important federal tenant at Devens. In September of 1993, the Land Bank and the JBoS submitted a proposal to the federal government to make Devens a new site for the federal Job Corps program. The Job Corps was a major national training and employment program administered by the Department of Labor to address barriers to employment faced by disadvantaged youth in the US.

The program required that its participants remain in residence while attending the program. The length of the program varied depending on the field of interest the student pursues. AFDC and Medicaid recipients between the ages of 16 and 24 were eligible for enrollment in the Job Corps programs. The program provided outreach services to identify and encourage enrollment of under-privileged youth throughout the County. Enrollment criteria were defined as youth who were "economically disadvantaged". Once enrolled, the youth were pre-screened for identification of career training interests and sent to the Job Corps training center that best suited their interests. The federal program pays for tuition, room and board and the cost to relocate trained youth to meet placement opportunities (Job Corps Overview Statement: 1993 pp. 1-3).

The Land Bank proposal for the new Job Corps site considered the specific training programs to be offered at the Devens Job Corps site. These decisions were based on research of the local market labor demand (current and projected) and predominant youth career interests. The Land Bank ultimately wanted to maintain flexibility in the training programs offered in order to meet the needs of future industries who site at Devens. According to Land Bank staff, some of the initial programs identified were computer technical services,
environmental technologies (lab work and testing), plastics manufacturing and biotechnology (Archer interview: June 23, 1994).

The Land Bank envisioned future involvement with the Job Corps program to include the development of an industrial network to identify and accommodate the labor needs of the new commercial users at Devens. In fact, the Land Bank hoped to use the newly trained labor supply as an incentive to attract new businesses to Devens. In the short term, it was envisioned that some of the youth trained would be employed in the fields of construction, administrative and technical assistance in support of the Devens redevelopment efforts (ibid.).

The Land Bank's proposal was short listed in November of 1993. As such, they were required to submit an expanded proposal by February of 1994. In the final proposal, the Land Bank coordinated with the federal Department of Health and Human Services, the Department of Education and many other federal and non-federal services to incorporate other programs that might enhance the Job Corps center at Devens. This strategy was intended to efficiently utilize the benefits of other human service and education programs available, making the Job Corps siting at Fort Devens economically attractive to the Federal government (ibid.).

In March of 1994, Devens was chosen as one of nine sites to receive a federal Job Corps training facility. The program's proposed location was on 27 acres in the Verbeck housing area on the Main Post. The demolition of existing housing units was paid for by the Land Bank, but twenty million dollars in federal Job Corps funding would pay for the development and construction of the new residential and training facilities. It is envisioned that the Job Corps operation and management would be contracted to a private management company. The Job Corps is expected to employ 100-120 administrators, teachers and counselors (ibid.).

The program initially evoked a lot of knee-jerk reactions in the surrounding communities who were concerned that 300-350 inner-city youth would negatively impact local safety. However, the promise of new teaching jobs to offset those
lost by the contraction of the local public school system seemingly mitigated the extent of a public decry of the program. However, according to one observer: “The communities did not want inner city youth in their back yards -- even if they were training to be productive in society; but the criminals who will be detained at the federal prison -- well, they’re just about ready to invite them for dinner.”

**Environmental Process**

Fort Devens was declared a Superfund site under federal environmental laws. This status made the base-wide cleanup eligible for special funding from the DoD. However, in addition to NEPA, which requires agencies of the federal government to consider the environmental consequences of their actions, the Army is also subject to the requirements of the Superfund regulations. Under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and Superfund Amendments and Reauthorization Act of 1986 (SARA), the property at Devens was listed as a contaminated site of national priority and was subject to an inter-agency review process separate from the NEPA EIS process. The inter-agency process required a cooperative cleanup effort between federal, state and local environmental agencies. But according to Land Bank staff, the state environmental agency (Massachusetts Environmental Protection Agency -- MEPA) refused to sign the inter-agency agreement on the basis that it would relinquish the state's right to take legal action against the former federal property owners, should contamination be found after the property was transferred (Kohn interview: June 13, 1994).

So in an unprecedented decision by the Army, the federal and local interests continued to negotiate an interagency review process without cooperation from the state's environmental entities (Knapp interview: June 13, 1994). In the spring of 1993, Land Bank, JBoS and US Fish and Wildlife Services applied for, and received Cooperating Agency Status with the Department of the Army in the preparation of the federal EIS process. Cooperating Agency Status allowed the Land Bank and the JBoS early access to
information and the right to participate in all of the federal decisions made regarding the EIS. More importantly, it required that the EIS process consider the local Reuse Plan as the basis for the impact study (ibid.).

Fort Devens was the first Army base of the 1988 and 1991 BRAC closures to receive Cooperating Agency status with the Army:

"The Reuse Plan is being used in its entirety in the EIS -- the Army Corps of Engineers will not be allowed to create its own reuse plan in order to accommodate its finding from the environmental impact analysis. This agreement may have been made easier because the Land Bank, with the direct backing of the state, may have had all of the political support necessary to facilitate such an agreement" -- Excerpt from interview with Judy Kohn, Environmental Coordinator for the Massachusetts Government Land Bank/Fort Devens Reuse Center

Even without direct involvement in the Cooperating Agency Agreement, the Massachusetts Department of Environmental Protection continued to work closely with the federal environmental process. By August of 1992, the property was designated as a "Major and Complicated Project" under state law by the state Secretary of Environmental Affairs. This designation would allow for a joint EIR/EIS process required under NEPA, thus reducing the redundancy of similar state and federal processes (Kohn interview: June 13, 1994). Also as part of the designation, the Secretary of Environmental Affairs required the creation of a Citizen Advisory Committee (CAC) to oversee and advise the environmental clean up process. It was the CAC's mission to assure that local public interests were fairly represented in any decisions undertaken by the joint federal/state cooperating agency (The Commonwealth of Massachusetts, Executive Office of Environmental Affairs, Certificate of the Secretary of Environmental Affairs on the Environmental Notification Form; February 8, 1993).
Initial Non-Federal Property Transfers

In addition to the property acquired by other federal agencies during the federal screening process, a number of proposals were entertained for non-federal uses. Specifically, a proposal by the Boston & Maine/Canadian Pacific railroads required the negotiation of an interim lease with the Army, and requests for property by local Native American tribes were also considered before the Land Bank’s local reuse process began.

The Boston & Maine/Canadian Pacific Railways: Thirty-four acres of rail and freight handling facilities presently existed at Fort Devens. In the spring of 1992, the Boston & Maine Railroad and the Canadian Pacific Railroad expressed interest in the redevelopment of the railway and facilities. The railroad did not propose to undertake the redevelopment themselves, however, was willing to commit to expanding their operations to utilize Devens as a major intermodal center (Fort Devens Redevelopment Board, Report to the Governor: December 1992, pp. 15-16).

The intermodal center -- or Inland Port, as it would later be named -- would connect Devens to the Port of Boston and would serve as both a regional distribution and storage center for goods shipped into Boston. Devens’ proximity to a network of major state and interstate highways made the intermodal center attractive for regional truck distribution. Access to large on-site storage facilities allowed for interim and transfer container storage and the implementation of 'just in time' supply services (ibid.).

The new Inland Port promised the immediate creation of 80 to 100 new, primarily low skilled jobs for the region. Moreover, because Boston was presently serviced by only one railroad (Conrail), monopolistic pricing reduced

---

34 The practice of ‘just in time’ supply delivery has increased in recent years in response to rising storage costs. The practice is based upon the coordination of input purchases such that necessary supplies arrive ‘just in time’ to be utilized in production. This reduces a firms need to stockpile huge inventories on site and thus reduces warehouse and storage expenditures.
the shipping activity at the Port of Boston. Competitive pricing in New York, made it more attractive for shippers to unload in New York and truck their contents to the New England region. Thus, the competition introduced by the new Boston & Maine routes would lower the rail transport rates and attract more shipping business to Boston. This, in turn, would create jobs throughout the state (Bassett lecture: January 14, 1995).

In July of 1992, the Weld Administration announced that the Boston & Maine/Springfield Terminal Railway Company, as a wholly owned subsidiary of Guilford Industries would operate an intermodal freight center in partnership with the Canadian Pacific Rail System. The agreement enabled the two companies to provide domestic and international intermodal transportation and distribution services with direct rail access to the Port of Boston. The addition of Canadian Pacific's worldwide business would provide railroad access from the Pacific Rim to Europe (Fort Devens Redevelopment Board, Report to the Governor: December 1992, pp. 15-16).

Guilford Industries began its operations in 1993, under a 12 month interim lease agreement with the Army, secured by the Land Bank. According to the Deputy Commander on base, the first property lease on the base, was negotiated even before the troops had moved out (Hunt interview: August 25, 1994).

**The Native American Coalition:** The Abenaki Indians were a local tribe that possessed dual citizenship with both the US and Canada. Although their dual citizenship made them ineligible to claim ancestral lands under US law, the tribe was a vocal member of the regional Native American coalition who collectively proposed to utilize space at Devens for a Native American TV station, job training center, and housing for tribal and homeless veterans. At the time of this study, an interim lease was executed to provide office space for the coalition, however, no official property transfers were made (Knapp interview: June 13, 1994).
The Airport Revised: According to the Massachusetts Aeronautical Commission (MAC) study completed in November of 1992, the Main Post at Devens was determined to be one of the best location for the site of the new airport, partly because of its direct access to state Route 2. The other potential site considered was located in the town of Winchendon, approximately 30 miles northwest of Fort Devens. According to a report filed by the Fort Devens Redevelopment Board in November of 1992, the MAC hired Arthur D. Little to conduct a study to assess the demand for additional air transportation in the New England region.

According to the Redevelopment Board's report, the Arthur D. Little study focused on assessing the needs for a second regional airport and included issues such as: increased utilization of existing regional airports and transportation alternatives such as high speed rail (Fort Devens Redevelopment Board, Report to the Governor: December, 1992, pp. 20-21). Based on the results of the Arthur D. Little Study commissioned by the MAC, no real demand existed to support the need for a second regional airport. The report concluded that existing transportation options reduced the demand for air travel in New England. As such, the MAC concluded its feasibility study process (Seidman interview: February 6, 1995).

Part IV: Forming a Collective Reuse Strategy

The Fort Devens Reuse Center

By the summer of 1992, the official federal screening process was complete. Prior to that time, the Land Bank had spent most of its time preparing its reuse strategy for Fort Devens, and coordinating with the federal government's reuse process (refer to previous section). As such, the Land Bank had little time to negotiate a cooperative reuse planning process with the JBoS.
In August of 1992, however, the Land Bank and the JBoS created the Fort Devens Reuse Center.

The Reuse Center was located on the base, in close proximity to the Base Commander and the Army’s on-site BRAC staff. The Reuse Center was staffed by Land Bank personnel, and a full time project manager employed by the JBoS. According to Land Bank staff, the physical proximity of the two entities, it was thought, would serve to foster better lines of communications and facilitate a more cooperative reuse planning process (Knapp interview: June 13, 1994). There was a library, meeting space and office equipment from which the day-to-day operations of the reuse planning process were conducted. Although an official cooperating relationship had not yet been negotiated between the JBoS and the Land Bank, the creation of the Reuse Center was the first step toward a collective state and local reuse process.

The Reuse Center operated for a period of approximately six months without a formal cooperating agreement between the Land Bank and the JBoS. Activities at the Reuse Center during that time, included early discussions with potential future users for Devens, including the Boston & Maine and Canadian Pacific Railroads. Additionally, the State environmental impact review process also got underway (ibid.).

Throughout the fall of 1993, the JBoS continued to pursue their own agenda. In addition to their efforts to stop the airport development and to bring the federal prison to Devens, the JBoS worked to create an inter-municipal project review process to govern the redevelopment of Fort Devens. This process, which included the development of an expedited zoning and permitting process for interim projects, was created to insure timely approval of short term economic development projects on the base. The new Interim Planning Overlay District (IPOD) zoning classifications were drafted to cover the base property for a period of two years, after which time the land use jurisdiction would revert back to the towns (Fort Devens Redevelopment Board, *Report to the Governor*: December, 1993, pp. 4-22). The IPOD zoning would allow the approval of
interim projects by a collective special permitting process involving the three participating towns of Ayer, Harvard and Shirley. This process was intended to avoid lengthy zoning amendment negotiations required between individual land use authorities when a proposed site falls within more than one jurisdiction (Higgins interview: August 25, 1994).

In addition to the creation of the IPOD, the four towns continued to work together under the leadership of the JBoS. Task groups were established to monitor and accelerate the development of a new federal prison complex, to provide small business assistance to local residents, to monitor the airport feasibility study, to review federal and state environmental documents, and to propose the creation of a community development corporation to foster the development of affordable housing at Devens (ibid.).

Concurrently, the JBoS drafted their own legislation to create the Fort Devens Redevelopment Corporation and Redevelopment Authority. Seemingly, the local communities were not comfortable with the idea of letting the state control the future development of their region (Higgins interview: August 25, 1994). Through the new legislation, the four towns proposed that a new locally represented Redevelopment Authority be created to oversee the redevelopment of Fort Devens. The proposed Redevelopment Authority was envisioned as an eight member board (consisting of two members from each town), with funding provided by the state (ibid.). But despite numerous attempts by the communities to persuade the decision-makers on Beacon Hill, the bill was never seriously considered by State legislators. The bill ultimately died in the last session of the State Legislature in January of 1993 for reasons not identified. The JBoS’s proposed legislation was refilled for the following legislative session, but was never reconsidered.: 

"The JBoS tried to pass their own legislation for redevelopment because they felt more comfortable with local control. But this legislation did not include involvement by the Land Bank. The airport issue still left many local residents questioning the Land Bank’s true intentions in the redevelopment process. The local
communities are concerned that local involvement and control will fade away over time if they do not maintain a pro-active approach to the reuse process." -- Excerpt from interview with Tim Higgins, former Ayer Town Administrator.

Meanwhile, the Land Bank was busy hiring an architectural consultant to study the feasibility of the proposed prison complex and its impact on the Devens’ Reuse Plan. Also during the fall of 1992, the Land Bank authorized the creation of the MassResource Center -- a one stop office for information and technical assistance to local businesses affected by the closure (Fort Devens Redevelopment Board, Report to the Governor: December, 1993, pp. 4-22).

Of the major events taking shape outside of the Reuse Center, the Massachusetts Aeronautical Commission (MAC) continued to debate whether or not to pursue the siting of the regional airport at Devens; and in February of 1993, MAC reported that there was no real need for a second major airport in the Boston area.

The Creation of The Devens Enterprise Legislation

By the spring of 1993, the Land Bank began to draft new legislation to create a state recognized "enterprise zone" at Devens. The primary objective of the legislation was to "successfully redevelop Fort Devens through a consolidated regional approach, offsetting the adverse impacts of the base closure on the regional economy" (Devens Enterprise Commission Legislation - Executive Summary, January, 1994, pp. 1-2). The DEC legislation defined the roles and authorities of both the Land Bank and the JBoS throughout the planning, development and long term operations of the Devens reuse project. Essentially, the DEC Legislation created a new town, with its own zoning, by-laws and municipal services system, and the Land Bank acting as the local government for a period of 40 years.

In April of 1993, the Land Bank hired the planning firm of EDAW, Inc./Vanasse Hangen Brustlin, Inc.(EDAW/VHB) to begin to lay out the physical
reuse process. EDAW/VHB was tasked with the development of preliminary plans and drawings of what the future Devens site might look like. The initial plans incorporated the sites already acquired during the federal screening process, as well as the non-federal uses such as the railroad facilities. In June of 1993, the JBoS acknowledging defeat of their Fort Devens Redevelopment Corporation Legislation had formally agreed to support the Land Bank’s creation of the Devens Enterprise Commission (DEC) Legislation.

**The Legislation:** Provision for the new DEC Legislation stated that for the first 40 years, the political and administrative powers and authority at Devens would be apportioned between the Land Bank and the towns of Harvard, Ayer and Shirley (Devens Enterprise Commission Legislation: Executive Summary: January, 1994, pp. 1-2). Pursuant to the DEC Legislation, the Land Bank received authorization to issue $200 million in bonds and development responsibility for the Devens property with specific responsibility for the following:

- Acquisition of sites from the Army as they become available;
- All on-site infrastructure improvements (including the construction of a new regional sewer plant);
- Development of the site in accordance with the Reuse Plan (to be development jointly with the local communities);
- Development and implementation of a marketing plan;
- Negotiations with potential public and private development (including financing by the Land Bank);
- Staffing the day-to-day management and operations of the redevelopment project;

---

35 In addition to EDAW/VHB, a team of real estate, legal and technical consultants were subcontracted through EDAW/VHB including, RKG Associates, and John Lynch. Other consultants were employed by the Reuse Center to create alternatives for the waste water treatment facility, and to study the environmental planning issues.
• The provision of all public services on the property either directly or by contract. (Police protection to be carried out either through the military police, the state police, or by contract with the towns), (ibid.).

At the time of the study, it was unclear how the authorized DEC bond issue would be secured. According to the Land Bank’s Deputy Director Karl Seidman, the DEC Legislation only authorized the bond issue, it did not explicitly state how the bonds would be secured; that is, whether the bonds would be backed by the full faith and credit of the Commonwealth of Massachusetts or by the revenues and assets held by the Land Bank. According to Seidman, the Land Bank does not currently have enough capital assets to guarantee repayment of the $200 million bond issue. As such, the Land Bank intends to pursue additional legislation that will authorize a state guarantee on the bonds (Seidman interview: February 6, 1995).

In the short term, the primary responsibility of the three towns will be to approve the Final Reuse Plan and Bylaws as produced through a cooperative planning process facilitated by the Land Bank. The Devens Enterprise Commission will be responsible for regulating private land uses pursuant to the approved Bylaws. The Land Bank, on the other hand, will oversee the redevelopment of the base property in accordance with the Reuse Plans, once they are approved by the four surrounding towns. According to the Land Bank’s Executive Director, the Land Bank will govern the property at Devens as if it were a new municipality (Basset lecture: January 14, 1995). This includes the creation of a new municipal tax structure.

Although the details of the Devens tax system have not yet been worked out, the Land Bank anticipates that revenues generated from the future Devens development will be fee-based (Knapp interview: June 13,1994). According to the Land Bank’s Senior Development Coordinator, the benefit of a fee-based tax structure is that it allows the Land Bank to collect revenues from government or
non-profit users, such as the prison, the Job Corps and the homeless organizations (ibid.).

Under current Massachusetts law, there were only two primary tax sources from which to collect community revenues: property taxes and auto excise taxes. However, municipal tax revenues are limited by Proposition 2 1/2 which reduced municipal tax bases to 2 1/2% of underlying residential asset values. In most Massachusetts communities, these local revenues comprise up to 60% of the towns total revenues, with state and federal aid making up the difference. The DEC Legislation allowed the Land Bank to seek alternative methods for funding the general services to the new residents of the Devens community, including police, fire, water and sewer and public education.

Finally, the Enterprise Zone legislation created a full time staff at Devens to oversee the Reuse Plan implementation as well as the day-to-operations of the new Devens development. The full time staff would be available to accommodate all development inquiries and proposals in a timely and efficient manor. Given the part time nature of most of the planning and operational staff in the surrounding communities, it was not likely that these functions could be handled by the local municipalities.

Although many of the details of the long term operation and management of the Devens redevelopment had not been worked out at the time of this study, the DEC Legislation allowed the Land Bank to design a new tax structure, the revenues of which would be used to provide municipal services to the new businesses and residents at Devens. For the purpose of political and public school districting, the surrounding towns will continue to respect the on-base jurisdictional borders. The towns will not, however, collect tax revenues from the new residents and businesses of Devens.

---

36 Hotel and jet fuel taxes are also collected by the state and rebated to the communities based on a population formula, however, these revenues do not constitute a significant source of local revenues.

37 The Devens Enterprise Commission Legislation removed the towns' ability to tax residents who will live at Devens, but did not address the responsibility and expense for educating the children.
The DEC Legislation stated that by the year 2033 permanent governance of the property would be reconsidered by the Legislature. At that time, the property will revert back to the local towns, continue to be operated by the Land Bank, or be incorporated as a new autonomous municipal entity pursuant to the Acts and Resolved of the Commonwealth.

In general, the DEC Legislation created an opportunity to remove the impediments common in the local reuse and redevelopment of closed military installations, including municipal finance barriers, and a lack of professional planning expertise and political muscle. Through the DEC Legislation, the Land Bank assumed the financial and operational responsibilities that the communities could not undertake. In addition to the $200 million in project capitalization funds, the Land Bank also had access to the states Emerging Technology Fund, which the Land Bank was responsible for administering state-wide:

"[The creation of the Enterprise Legislation] was the best thing that could have been established for the redevelopment of Fort Devens. By making Devens an autonomous land entity, independent of local politics in the future development decision-making processes, gives the locals the greatest chance of fostering private sector development here. By allowing one cooperative entity to take control of the redevelopment early disbursement of OEA planning money was facilitated." -- Excerpt from interview with Carter Hunt, Deputy Commander, Fort Devens Headquarters.

The Devens Enterprise Commission: The towns' representation in the governance of the property at Devens was limited through membership in the Devens Enterprise Commission (DEC). All members of the DEC would be appointed by the Governor and limited to four year terms. Six of the members would represent the three towns (nominated by the Board of Selectmen of the residing at Devens. In December of 1994, the state legislature passed a bill regarding the funding of public education for the new residents at Devens. The new legislation gave the Land Bank the financial responsibility for the cost of educating students residing at Devens (Seidman interview: February 6, 1995).
respective towns), three other members would reside in the Fort Devens region and the other three would be chosen at the Governor's discretion.

According to the DEC Legislation, the three town's responsibility is to approve the Reuse plan and the Bylaws and to participate in the Devens Enterprise Commission. The process set forth in the DEC Legislation first required that a Reuse plan and land use Bylaws be prepared collectively by the towns and the Land Bank and submitted for a majority vote by special town meetings in the towns of Ayer, Harvard and Shirley. In order to get the necessary majority vote, the towns had to all agree on the provisions of the physical Reuse Plan and Bylaws in their entirety. However, a number of issues began to emerge regarding the provision of municipal services and the general operation of Devens that threatened a majority vote among the communities. Issues such as the provision of public services and funding for public education were at the center of the debate. Solutions discussed included state legislation for tuition funding that would cover the cost of the students of non-tax generating families and the provision of public safety contracts with the local towns:

"The JBoS's biggest concerns in negotiating the legislation were cops and kids. [The towns] wanted to make sure that the Land Bank could meet its security service provisions with [what the towns call] "incapable" private sector police. They wanted the security of their own publicly trained officers. They also wanted to make sure that some money would be available for education funding to their public schools. Had these provisions not been worked out to the satisfaction of the towns, the Enterprise Legislation would not have worked." -- Excerpt from interview with Jeff Simon, Director Fort Devens Division, for the Land Bank.
The primary function of the Devens Enterprise Commission will be to issue all local licenses and permits. According to the Legislation, the responsibilities of the DEC consist of:

- One-stop permitting of all local licenses and permits, with the powers of: planning board; zoning board of appeals; conservation commission; board of health and historic district commission;
- Development and adoption of a set of regulations relating to zoning, subdivision control and conservation commission regulatory powers;
- Administration and enforcement of the Reuse Plan and Bylaws;
- Review of all applications for local permits and licenses for all individual development proposals at Devens (Devens Enterprise Commission Legislation: Executive Summary: January, 1994, pp. 2-3).

Fundamentally, what was at stake for the local communities was the loss of control over the base land within their jurisdictions. According to Harvard town Selectman Dana Owens, the towns felt as though the DEC Legislation did not give the local towns enough control over future decisions regarding the Devens redevelopment. It was unclear in the DEC Legislation whether or not the Land Bank would be able to revise the approved Reuse Plan and Bylaws at some future date. The DEC Legislation, the towns feared, relinquished their control to the Land Bank (Owens interview: February 8, 1994). Given the 40 year duration of the DEC Legislation, many local residents were concerned that they might not ever regain control over their land within their jurisdiction.

However, most had acknowledged that without the financial incentives and expertise of the Land Bank, the property within their jurisdiction would be worth little to the local communities (Higgins interview: August 25, 1994). In fact, RKG's Municipal Fiscal Impact study revealed that it would cost the local communities as much as $20 million dollars collectively in additional expenditures over the first five to ten years of development, and would require new full time staff be employed in each town to handle the development process.
The Passage of the DEC Legislation: During the fall of 1993, before the bill went to Beacon Hill, the communities set up a committee consisting of one Selectman and one Planning Board member from each of the three towns to review and comment on the draft legislation created by the Land Bank. Proposed changes were negotiated with the Land Bank before the legislation was sent to Legislature for passage. The bill supporting the creation of the Devens Enterprise Commission (DEC), passed quickly in January of 1994.

Part V: Generating Ideas and Alternatives

The Public Planning Process

In the first step toward this new cooperative relationship, the Land Bank and JBoS team, instituted the provision of monthly workshops to give local residents a chance to influence the reuse planning and decision making process. In August of 1993, the first workshop was held. Although the DEC Legislation had not yet been passed, this process laid the ground work for a truly public participatory planning process.

According to the Report To the Governor prepared by the Fort Devens Redevelopment Board, the strategic reuse process at Devens was an effort in public participatory planning. Although the Land Bank had ultimate control over the process, public forums were conducted such that public ideas and concerns became central to most of the major decisions made in support of the Reuse Plan. From the communities’ perspective, the public workshops would be their first chance to see what had come of the joint Land Bank/JBoS efforts of the previous years. More importantly, the JBoS realized that the public input process was critical because it would be the communities only chance to influence the redevelopment of Fort Devens. Pursuant to the DEC Legislation,
future local community involvement in the planning process would be minimal (Higgins interview: August 25, 1994).

Beginning in the spring of 1993, even before the JBoS had agreed to take part in the DEC Legislation, the Land Bank's physical master planning process was underway. In the initial planning phase EDAV/VHB began by developing a statement of goals and objectives that would become the central focus of the reuse planning process; this statement would represent the consensus "vision" of Fort Devens. Generally, the Statement called for a "visionary planning effort grounded in environmental, social and economic reality". Specifically, the goals reflected a desire to develop an economically diverse project that balanced economic needs with the need to maintain and enhance existing environmental resources, reduce single industry dependence, coordinate local, state and federal interests, and create an economy that would be viable over the long run (Fort Devens Redevelopment Board, Report to the Governor: December, 1992, pp. 4-6).

Three categories of objectives accompanied the goals above: economic, cultural and social, and environmental. The economic objectives included the creation of at least as many jobs as were sustained by the military base in 1990, to utilize the skill base of the existing labor force, to foster a mix of viable industries, and to expand the regions economic base. The protection and enhancement of Devens historical resources, the quality of life of the local citizens and the provision of education and training were atop the cultural and social objectives. Finally, the environmental objectives reflected the need to ensure effective, expeditious and efficient clean-up efforts, to protect the local ecological and natural resources, to minimize off-base impacts from development (including traffic, viewsheds, noise, etc.) and to foster and attract businesses which enhance the environment through technology (ibid.).

In the public planning process, a series of five, day long community workshops were held over an eight month period to create a forum for public participation in the planning process. The workshops were facilitated by
EDAW/VHB and members of the Land Bank and JBoS. The earlier workshops were coordinated to discuss the physical constraints and attributes of the Devens property, and the marketing constraints and attributes of the economy in the surrounding region. The meetings were not conducted in a conference like fashion. Instead, individuals were asked to form small work groups to address issues of social, environmental and economic relevance and were later brought together to discuss and coordinate findings. Ideas were typically expressed using markers and maps. This information was later used by EDAW/VHB to further develop the physical development plans. Rarely were changes incorporated in the reuse plan that were not openly discussed in the public forum. Closed door planning sessions with the planning consultants took place only as necessary to coordinate with the ongoing federal reuse process (Simon interview: August 22, 1994).

By the third workshop, in October of 1993, EDAW/VHB had produced three alternative reuse plans based on the ideas and alternatives generated in the previous workshops. The plans were presented and debated in an open public forum in which specific questions were solicited and addressed. The final two meeting were similar in that revised reuse plans were presented based on the finding of the previous meetings. In December of 1993, the Final Reuse Plan was presented. This Plan would become the basis for the Reuse Bylaws and would ultimately be held up for vote at the Super Town meeting, then scheduled to be held in October of 1994 (Fort Devens Redevelopment Board, Report to the Governor: December, 1992, pp. 4-6.

In general, the meetings were well attended. The Land Bank and the JBoS were hopeful that level of participation accurately represented the general public sentiment toward the effort. By involving the residents in the planning process, the Land Bank and the JBoS hoped to avoid public opposition at the Super town meeting:

'All meetings are wide-open to public participation. Consultant reports are available at all local libraries; there is ample opportunity
for public debate at the town meetings and reuse planning workshops... So far, there has been high citizen involvement throughout the process -- especially by the residents of Harvard. However, general participation levels grow and subside depending on the issues at hand. We will have to wait until the Super Town meeting to find out what the real public consensus is' -- Excerpt from interview with Tim Higgins, former Ayer Town Administrator.

Assembling the Reuse Bylaws

By January of 1994, the collective goals and objectives of the state and adjacent communities were documented and the consultants were putting the final touches on Reuse Plan. The next step was the completion of the accompanying land use Bylaws. The Bylaws were assembled primarily by members of the Fort Devens Reuse Center. The provisions of the Bylaws were based on the Final Reuse Plan produced through the public workshop process.

In June of 1994, the Bylaws were distributed for public review and comment. Throughout the summer, monthly planning workshops were sponsored by the JBoS and the Land Bank to refine the Reuse Plan and Bylaws before they were put to vote at the Super Town meeting. According to Land Bank staff, although most of the prevailing local issues were worked out at the public workshops, some opposition still emerged from a number of local special interest groups. During a series of public hearings regarding the draft Bylaws, residents representing groups such as the Montachusetts Regional Planning Commission, and the Citizens for Residential Harvard voiced their concerns. Of interest to these groups was the opportunity to incorporate more historical elements (including representation of the local Native American culture), disturbance of the view shed through the approval of the new commercial building heights and control over future changes made to the Devens site. Also represented were individual citizens concerned about issues such as traffic, the future role of the towns once the forty year legislation expires and the possibility that a new casino project would be sited at Devens.
Community skepticism would always be a reality. At the time this study was conducted, the local papers were filled with public comment and criticism regarding the Devens Reuse Plan, the Bylaws and even the Land Bank for their pre-emptive role in the Devens redevelopment. Most notably, the towns remained concerned about their lack of control over the redevelopment of the base for the next 40 years. Moreover, they were concerned about who was going to pay for the public education of the school aged children living at Devens (“Devens Grassroots Efforts Spring Up on all Sides”, Harvard Post, November 11, 1994). The DEC Legislation, in its current form, did not include a public education provision. The towns were concerned that they were going to be paying to educate the new Devens children (ibid.).

Although the DEC Legislation passed in January of 1994, the legislation would not go immediately into affect. Ultimate approval for the Fort Devens redevelopment was placed in the hands of a single yes/no vote put before the four adjacent towns. The Super Town Meeting, set to take place in December of 1994, represented the culmination of four years of economic and physical planning for the reuse of this 9,000+ acre former Army training base. Put to vote was a physical master plan designating future uses of the base property and accompanying land use by-laws painstakingly created through an extensive public planning process orchestrated by the Land Bank.

The Super Town Meeting

The primary field study research for this study was conducted between June and September of 1994. However, since that time, a new chapter has been added to the story of the Fort Devens reuse. According to Land Bank staff, community skepticism of the Devens Reuse Plan and Bylaws emerged in the months before the Super Town meeting. In fact, for a time it appeared as though the Devens Enterprise Legislation might not be passed at the Super Town Meeting, originally slated for October of 1994. In September the vote was postponed in order to further consider a number of key issues that the towns did
not feel comfortable with in the current legislation (Owens interview: February 8, 1995). But on December 7, 1994, the towns approved the plan; overwhelmingly in Ayer and Shirley, and by a 3-to-1 margin in Harvard (“Devens Grassroots Efforts Spring Up on All Sides”, *The Harvard Post*, November 11, 1994). Now, with the Super Town Meeting behind them, the Land Bank and towns can begin the economic healing process necessary to bring prosperity back to the region.

In the final months before the Super Town meeting several provisions of the DEC Legislation were revised to accommodate the local interests. One such revision allowed the towns to change the approved Reuse Plan and Bylaws as necessary to accommodate a land use in the future. Under the revised provisions, the towns’ right to appeal the plan was clarified with a revision to the legislation that requires a majority vote by town meetings in Ayer, Harvard and Shirley to approve amendments to the Reuse Plan and Bylaws (ibid.). In addition, the State Legislature passed legislation directing the Land Bank to enter into a contract with the local school districts for the education of the school age children residing at Devens; or. as a last resort, to establish its own schools on the base (Seidman interview: February 6, 1995). In either case the towns would be relieved of the responsibility of providing education for the children living at Devens (“Education Could Break Town if Reuse Plan Fails”; *The Harvard Post*, December 2, 1994).

Other factors such as the results of a community sponsored fiscal impact study may have also contributed to the success. In addition to the public planning process, the town of Harvard initiated its own municipal fiscal impact study, the results of which convinced many Harvard residents that they could not afford to vote the plan down.38 According to a Harvard town Selectman, this event may have won the votes needed to support the Reuse Plan in Harvard.

38 The study indicated that a 40% increase in local revenues would be necessary to support schools and services to residents of the former base property that lies within Harvard’s jurisdiction (“Devens Grassroots Efforts Spring Up on All Sides”, *The Harvard Post*, November 11, 1994).
Similar factors may have also contributed to the ultimate success of the Reuse Plan in Ayer and Shirley (Owens interview: February 8, 1994).

In summary, if the Reuse Plan had not been passed, the towns of Harvard, Ayer and Shirley would not only be responsible for providing education and other services to the residents living on the base property within their jurisdiction, but would also have to fund the infrastructure upgrades necessary to bring the property up to market standards. This would require a significant increase in individual tax rates.\(^{39}\) Thus it appears as though the towns realized that they simply could not afford to vote the Reuse Plan down.

**Testing the Strategy**

Testing the viability of proposed uses in the Reuse Plan was a practice implemented from day one of the Land Bank’s planning effort. Even before the conceptual plans were brought before the public planning process, the Land Bank had exercised reality testing methodologies that allowed them to make more informed decisions based on the general business and economic climate in the region.

First, the Land Bank worked closely with the state government on the creation of the state-wide economic development strategy, *Choosing to Compete*, published by the Commonwealth in May of 1993. Much of the research that was required to make recommendations for state economic development were useful to the Fort Devens planning process. Data such as labor pool characteristics, population trends, available technology and the existing state business infrastructure were useful input to the Land Banks initial planning process (Memorandum from Karl Seidman to Land Bank Board of Directors: May 13, 1993).

\(^{39}\) This would, of course, require a Proposition 2 1/2 override referendum. However, because state legislation limits the total override amount to 2 1/2% of a towns aggregate asset values, the override still may not have been enough to save the three towns from fiscal insolvency.
The Land Bank also employed Meredith and Grew, a large regional real estate brokerage and development firm, to provide guidance as to the types of industries who were looking for space in the region. Simon also spent time meeting with local industry leaders to get a better idea of the commercial viability of the Devens Reuse Plan. According to Jeff Simon, Director of the Land Bank’s Fort Devens Division, the purpose of this informal research was to get a sense of the industries that will emerge in the next century (Simon interview: August 22, 1994). For instance, Simon met with the Chairman of the Massachusetts Biotechnology Council and the CEO’s of some of the large local bio-tech companies in the area, and asked them what it would take to get them to locate biotech at Devens. According to Simon, one of the most notable responses he received was that the firms needed certainty of land use regulations, fairly applied. Many of the firms surveyed expressed frustration by the inconsistency of regulatory determinations applied in some communities; they contended that the creation of a more streamlined regulatory and permitting process would help to attract bio-tech firms to the Fort Devens development (Simon interview: August 22, 1994). (This is discussed in greater detail in Chapter Four in the section entitled Attaining Market Competitiveness.)

The culmination of all of this input would be the basis for the Reuse Plan, as well as the future operational and governance structure established in the DEC Legislation. Specifically, the Land Bank created the one-stop permitting process in response to the comments received through its market research:

"This process created a platform for economic development. Government can not create jobs; all they can do is steer the private development community to the sites that they want developed. They can create a fertile ground through tailoring regulatory processes to meet the needs of the private sector." -- Excerpt from interview with Jeff Simon, Director Fort Devens Division, for the Land Bank.
Finally, in the Fall of 1993, EDAW/VHB commissioned a series of four new studies to be conducted by RKG & Associates. According to Land Bank staff, the purpose of these studies was to provide additional information to support the public reuse planning effort that began in the Summer of 1993. These studies included:

- The Preliminary Financial Analysis of the Operations and Redevelopment of Fort Devens to Civilian Reuse: the purpose of this report was to present the results of RKG’s “initial financial analysis of the costs and revenues associated with the acquisition and redevelopment of Fort Devens into a mixed use facility which emphasizes innovation and technology” (RKG & Associates, *Preliminary Financial Analysis of the Operations and Redevelopment of Fort Devens to Civilian Reuse*: December 1993, pg. 1-1).

- The Non-Residential Market Research report: the purpose of the report was to evaluate the socioeconomic characteristics of the regional and local economies; analyze the near term and longer term prospects within several industries identified in the planning process; and evaluate the supply and demand in local and regional non-residential real estate markets (RKG & Associates, Non-Residential Market Research: December, 1993, pp. 3-2 through 3-3).

- The Real Estate Market Analysis: the purpose of this report was to analyze key supply and demand characteristics of the real estate market within a defined market area surrounding Fort Devens (RKG & Associates, Real Estate Market Analysis: January, 1994, pg. 4-1).

- The Implementation report: the purpose of this report was to address the issues of implementation of the Reuse Plan and Bylaws including: marketing, project finance and acquisition (RKG & Associates, Implementation report: January, 1994, pg. 5-1).
Part VII: An Overview of the Economic Strategy and the Final Reuse Plan

The Land Bank's approach to economic development was to create an environment that would attract and create innovative and technology businesses and additional rail-related activities. Ultimately, the underlying economic development strategy in the DEC legislation intended to blend the revival of traditional jobs that will reduce short term unemployment with the creation of new jobs that would protect the region from future single industry shocks, such as the closure of Fort Devens:

"We are not looking to steal businesses from local communities, but there may be some conflict in businesses moving from Fitchburg, Leominster, etc. This just adds to the competitiveness of local businesses. Devens' goal is to start new and attract jobs, not just shuffle the net jobs in the area around. [The Land Bank] acknowledges that this philosophy will be difficult to sustain in practice, but the reuse effort will bid for existing local companies only if there are threats that the business will go south because of the high cost of business in this region." -- Excerpt from interview with Ken Willette, Economic Development Coordinator for the Land Bank.

As the central economic theme, the attraction of businesses pursuing innovative technologies would be critical to the long term success of the Reuse Plan. Banking on the State's traditional strengths in the development of new technologies, they had hoped to find users who could capitalize on the unique attributes of both the large affordable development sites and access to academic research and a highly skilled labor force (Willette interview: June 13, 1994).

The Land Bank focused on one idea, in particular, that would attract firms from the emerging environmental technology industry. The Land Bank felt that environmental technologies was a growing field with a potential for high future demand through increasing global and national environmental requirements and
regulations. To attract these firms, the Land Bank is pursuing the idea of making available some of the 50+ Superfund sites existing on the base to environmental research firms for product testing and development. At the time of this study, the details of this idea — such as who will pay for the cleanup — had not yet been worked out. However, if successful, the Land Bank hopes to provide a model for future bases as a method for attracting economic development, remediating environmental contamination on the base property and promoting the development of cleanup technologies to be used at other federal and non-federal sites world-wide (Simon interview: March 24, 1994).

Finally, several mechanism were pursued by the Land Bank to provide support for the attraction and creation of new enterprises at Devens. The MassResource center was created to provide assistance to existing businesses impacted by the closure, while the new Innovation and Technology Center was created to incubate start up technology ventures. Finally, the DoD's Environmental Technology program gave the Land Bank an opportunity to foster environmental technology enterprises at Devens, as well as establish a link with some of the research institutions in the state.

The Reuse Plan assembled in the public process reflected the Land Bank's economic development strategy. In addition to the federal users — the prison complex and the Job Corps — the final plan focused primarily on the creation and attraction of innovative and technology business that had been a seemingly successful strategy for this region in the past (Vanasse Hangen Brustlin, Inc. Devens Reuse Plan: 1994, pg. 1). Most importantly the final Reuse Plan reflected the needs, interests and objectives of the state, regional and local communities by implementing an economic redevelopment strategy that focused on the realities of the prevailing economic and environmental conditions.

The final Devens Reuse Plan highlighted uses categorized by three major themes: (1) innovation and technology business; (2) rail and trade-related uses; and (3) open space and recreation, resource protection, and enhancement. The central economic theme of the Reuse Plan is based on the state’s “traditional
strengths in the development of new technologies through the academic and research base of greater Boston.” (ibid.). The goal is to attract new or growing technology businesses in the hopes of fostering a new technology region in Massachusetts, not dependent on the existing mini-computer and semiconductor technology sector presently waning in the Route 128 region.

The MassResource Center: In November of 1992, the Land Bank authorized the provision of the MassResource Center. The MassResource Center was created by the Land Bank to provide a single location in which the functions of several government agencies such as the Industrial Services Program, the Office of Business Development, the Small Business Center and the Department of Employment and Training would be consolidated. Local participants included the Ayer Chamber of Commerce, the Ayer Industrial Commission, the Bay State Skills Corp. (nonprofit worker training program), Service Corps of Retired Executives and the Montachusetts Economic Center. The purpose of the Center was to provide a variety of consulting services to individuals and businesses affected by the closing and to foster new ideas and uses at the Devens development (The Massachusetts Government Land Bank, MassResource Center, November, 1992, pp. 1-2).

The MassResource Center also took a proactive approach to soliciting interest in the Devens project through the creation of seminars on a wide range of topics geared toward both individuals and businesses interested in siting at Devens. In addition, skill building workshops were formed to address topics from resume writing and interviewing techniques, to small business tax issues and how to structure worker compensation packages (ibid.).

The Innovation and Technology Center: In support of this economic development and marketing strategy, the Reuse Plan incorporated an Innovation and Technology Center to be sited centrally in the Vicksburg Square area (the former central parade grounds). The Center would be staffed to identify and
foster emerging technologies at the state's universities and institutions, and bring them to Devens. It was envisioned that the Center would attract existing firms, as well as foster new firms to develop and market these technologies (Willette interview: June 13, 1994). In support of this, the Center intended to provide resources, such as low cost incubator lab and office space, and technical assistance to small business start-ups, focused on bringing new technologies from the research laboratories to the market-place (Vanasse Hangen Brustlin, Inc., Devens: Reuse Plan: 1994).

**The DoD's Environmental Technology Program:** Finally, in June of 1994, the DoD requested proposals for its new Environmental Technology program. The purpose of the program was to stimulate research and development of new technologies aimed at cleaning up the environment and provide training for individuals at both the scientific and clean-up levels. The program envisioned the partnership between the public, private and educational sectors toward the goal of cleaning up military installations and generally furthering environmental clean-up technology (Archer interview: June 23, 1994).

In response to this opportunity, the Land Bank put together a proposal entitled the Environmental Technology Program: Hazardous Waste Site Engineering Consortium at Fort Devens. The proposal envisioned a Consortium of local institutions, including the University of Massachusetts at Amherst and Lowell, Fitchburg State College, the North Central Chamber of Commerce and Employment Board, and Haley and Aldrich, Inc., a local environmental engineering firm. The Devens program proposed to provide funds for fellowships for 15 graduate students from UMass Amherst to conduct innovative hazardous waste clean-up research; 100 training slots for individuals with engineering backgrounds to receive classroom and hands-on training on hazardous waste site cleanup; and 100 slots for an OSHA certified training course on cleanup and remediation techniques (Memorandum to Governor Weld: June, 1994).
The program was considered to be the first step toward establishing environmental technologies R&D at Devens. The proposal had three components: (1) to provide on-site training for local students and trainees; (2) to bring people with ideas together -- to foster innovation; and (3) to create new research facilities in which to provide space for technology transfer and new commercial cleanup ventures at Devens (ibid.).

The DoD funding would be awarded on an annual basis, and the Land Bank would have to re-apply for additional funding each year. The total first year budget for the project was approximately $1 million, and was projected to cover only the cost of the fellowships and scholarships, and some site accommodations and supplies.
Chapter Four:

Case Study Analysis

Introduction

The study of the Fort Ord and Fort Devens experiences revealed a number of issues that warrant further discussion. Although there are many factors that contribute to the outcomes of the reuse development process, the purpose of this section is to isolate a few of the most prominent issues as exhibited by the reuse efforts ongoing at Fort Ord and Fort Devens. From this discussion, I hope to shed some light on the prospects for local economic development in the military base reuse process. The following section is illustrated using experiences from the case studies presented in Chapters II and III. The analysis is based on both my research of the military base closure process and my knowledge of local economic development practices.

In general, the cases of Fort Ord and Fort Devens represent two different approaches to state participation in the local economic planning processes. At Fort Devens, for instance, the case illustrates a process in which the leadership role is assumed by the state government. Despite the fact that Massachusetts traditionally supports locally driven economic development efforts, the communities surrounding Fort Devens did not have total control over the future development of the base property within their jurisdictions. Meanwhile, at Fort Ord, the reuse planning process was pursued as a more grass-roots, bottom-up planning effort in which the state did not directly participate. Here, state government involvement was not planned, but rather was used to mediate inter-jurisdictional conflicts at the local level.
The Fort Ord case suggests that the lack of state involvement was intentional; reasoning that the creation of a Reuse Plan driven by local community needs could be possible only through a process of local representation in which the state government -- with its additional layers of bureaucratic procedures and political agendas -- is not involved. But the case suggests that, in fact, the state was very much involved with the reuse planning process through its strong representation in the Fort Ord Community Task Force. The case clearly demonstrates that this politically powerful regional planning body shaped the reuse planning process, and was directly responsible for the creation of the local economic development strategy.

In the Fort Devens case, on the other hand, state involvement in the Devens reuse project was intentional, and implemented very early on in the planning process. Even before the announcement of the Devens closure, the Land Bank positioned itself to take the lead role in the Fort Devens reuse process. Because the Land Bank was originally created to redevelop the federal surplus properties on behalf of the State, the agency was already organizationally prepared to take on the Fort Devens reuse project. Accordingly, the Land Bank presented itself to the Governor for consideration as the state agency in charge of the project. After brief negotiations with the Governor’s Administration, Executive Order 312 was passed formally establishing the Land Bank as the lead state agency in charge of coordinating a joint local, regional, state and federal base reuse process. The Executive Order did not initially give the Land Bank development responsibilities, but instead tasked the agency with the facilitation of an inter-agency/inter-governmental planning processes, in which the interests and objectives of all levels of government were met through the creation of a single redevelopment strategy.

Ultimately, it was the creation of the DEC Legislation that put the Land Bank in the lead development position. The DEC Legislation gave the Land Bank legal land use rights over the Devens property. Specifically, the Legislation gave the Land Bank control over the implementation of the Devens
redevelopment. But perhaps more importantly, the DEC Legislation gave the Land Bank access to state financial resources to the tune of $200 million in bonding authority. Because no other public or private development entity could support an investment of this size, the DEC funding authorization gave the Land Bank the power they needed to negotiate with the surrounding towns; and to redevelop the base before long term economic impacts set in.

It is clear that different approaches to the use of state government authorities influenced the outcomes of each case. The Devens case suggests that the use of state government authority (both political and financial) was critical to the Land Bank’s success in developing a reuse strategy at Fort Devens. Alternatively, the Fort Ord case suggests the use of state government authority only as necessary to mediate local conflicts. But I cannot conclude from only these experiences that state government leadership in the reuse process is the key ingredient to a successful base reuse planning effort in which the needs, objectives and interests of all local and regional entities are met. For instance, the cases suggest that the divergent political and governmental contexts may have also influenced the outcome of the planning efforts at each case study site.

At Fort Ord, a strong regional government structure and seemingly powerful city governments provided a planning forum that was quite different from the Fort Devens case. This is evidenced by the fact that Seaside and Marina were able to influence, and even stall the public planning process until the state stepped in to mediate the inter-jurisdictional planning conflicts. Certainly, if Seaside and Marina were truly powerless in the reuse planning process, the regional government would have been able to move forward with their planning strategy, unfettered by inter-jurisdictional conflicts. Furthermore, because it appears as though the state was indirectly involved with the reuse efforts at Fort Ord all along, the effectiveness of a formal state leadership role is also unclear. Thus, the case suggests that even if the state had taken a leadership role in the early phases of the Fort Ord reuse, there is no guarantee
that inter-jurisdictional conflicts still would not have emerged between the local entities.

On the other hand, at Fort Devens, the case illustrates a local planning process that was focused around four small, rural towns, with no formal regional governance. In this case it is unclear whether or not the towns of Ayer, Harvard, Shirley and Lancaster had the political or economic influence necessary to take the leadership role in the redevelopment of Fort Devens. The case suggests that without the Land Bank's assistance, the four towns would not have access to the resources necessary to redevelop the surplused Devens property.

In addition to the issues presented above, the cases also demonstrate that there were other factors involved that may have also influenced the economic planning process. The following section explores some of the factors that contributed to the reuse planning processes exhibited at each case study site. Although these factors are not necessarily exclusive of the discussion to follow, I will hold the factor of state leadership and involvement constant. This will allow me to highlight the general findings of the primary issues at hand, independent of the different levels of state involvement exhibited in each case.

**Inter-jurisdictional Infighting**

The cases of Fort Ord and the Fort Devens demonstrate some of the difficulties inherent in establishing a single reuse planning and development authority in the face of divergent jurisdictional interests and objectives. Seemingly, the Fort Ord case best illustrates the problems associated with inter-jurisdictional conflict in the reuse planning process. In this case, two local reuse entities emerged to take control of the base redevelopment process; each representing the distinct community needs and objectives of its constituents.

**Fort Ord:** Inter-jurisdictional infighting between the regional Task Force and the cities of Seaside and Marina consequently delayed the reuse planning process. Seemingly, these delays jeopardized the prospects for speedy regional
economic recovery. In the eyes of the regional majority, Fort Ord was the opportunity the Monterey Peninsula region needed to bring its economy into the 21st Century. This objective was manifested through the membership of the Task Force, who were responsible for the creation of an economic development strategy that best met the needs of all of the region. These needs were identified as: new sustainable industries; higher paying, higher skilled jobs; and more educational institutions (Task Force Strategy Report, 1992). Ultimately, these objectives were reflected in an economic development strategy focused on the creation of new academic institutions and technology spin-off industries.

The Task Force was empowered by a strong regional political structure that included state and federal government representation. Support for the Task Force’s agenda was made possible through the political connections of certain members, such as Leon Panetta. Panetta’s connections in Washington, and in Sacramento gave the Task Force the political teeth it needed to push the redevelopment of the base forward. Even after Panetta’s departure -- to fulfill his appointments to the Clinton Administration -- this political dynamic continued through representation by powerful politicians including State Senator Henry Mello. The case illustrates that it was Mello who exercised the power of state legislation to control Fort Ord’s contentious local planning and redevelopment process.

According to Seaside’s Planning Service Manager, Seaside and Marina have always been among the poorest communities in the County, and were likely to become even poorer in the wake of the Fort Ord closure (Potter interview: August 3, 1994). RKG’s economic impact studies projected that Marina and Seaside were economically dependent on the military base, and as such would be most affected by the closure. The study suggested that because a high proportion of military and civilian personnel expenditures were spent on goods, services and housing in Marina and Seaside, the closure may result in local business failure, unemployment and increasing residential vacancy rates in those communities. The loss of sales tax revenues and military subvention
subsidies also threaten to reduce the cities’ ability to meet their respective municipal budgets. Without some way to make up for the loss of revenues, these communities feared significant fiscal losses (Goblirsch interview: February 8, 1994).

Nevertheless, Marina and Seaside were only two of many other communities represented in the Monterey Peninsula region, including some of the most affluent and politically powerful in the state. Apparently, Marina and Seaside were concerned that their economic needs were being overshadowed by the interests of the region’s “wealthy class”, who they thought were being represented by the politically powerful leaders of the Task Force:

‘Panetta should have used his Washington connections to support the needs of the most impacted local cities... Panetta’s democratic liberals are not supporting the minority and low-income populations in this region -- they will fight for human-rights all over the world but back-off on issues of minority liberation in their own back yards. [Essentially] the Task Force became the bully pulpit from which the needs of the regions wealthy could be fulfilled.’ -- Lance McClair, former Mayor of Seaside.

Seaside and Marina perceived the objectives of the Task Force Strategy to be an attack against the two poorest communities in the Peninsula region. They speculated that the Task Force just wanted to use the closure of Fort Ord as an opportunity to “push out their minority, low-income neighbors” (McClair interview: August 3, 1994). Whether substantiated or not, this belief fostered animosity and distrust between the cities of Seaside and Marina and the other communities in the region.

The Task Force contended that they were not out to hurt the two cities but that they had to think about how the Fort Ord redevelopment would impact the entire region in the long run. Their strategy for a university-based, high tech economy, it was envisioned, would eventually benefit the cities of Seaside and Marina through new jobs and municipal revenues (Meurer interview: August 9, 1994).
However, the reality was that these benefits could not be realized in the short term. Thus, Marina and Seaside’s immediate fiscal needs could not be met under this strategy. Certainly, it would be years before the university-based economy could generate new sources of local revenues for the impacted communities. In the meantime, the cities of Marina and Seaside, were left with no other choice but to fight for whatever share of the limited planning and redevelopment resources they could get in order to continue running their cities.  

**Fort Devens:** In the Devens case, it was the fear of the airport siting at Devens that bound the local community interests together. Initially, the local communities’ desire to block the airport overshadowed all other jurisdictional needs and interests. As such, serious inter-jurisdictional conflicts among the communities were not apparent in this case. However, the case illustrates a potential for ideological conflicts between the towns of Ayer and Harvard. Had the Land Bank not stepped in to facilitate a cooperative reuse effort early in the process, it is easy to imagine how these towns might have found themselves at odds over issues such as the density and economic focus of the new Devens development. In fact, the case suggests the Land Bank’s ability to control the reuse planning process was critical to the success of the reuse effort at Devens.

The Land Bank’s position as the lead redevelopment entity required significant political and financial planning and maneuvering. The Land Bank’s intentions to be involved with the Devens project surfaced even before the base was announced for closure in 1991. The case illustrates that preliminary discussions were held with members of the State’s Administration that paved the way for the Land Bank’s formal proposal to Governor Weld. Ultimately,

---

40 Moreover, although the new university-based economic promises to create “better” jobs, these jobs do not match the existing skill base of many of Seaside and Marina residents. According to the County of Monterey, there is not a lot money available in Monterey County for job training at this time. Therefore, many of these residents will be forced out of the region to find work more suitable to their skills (Ferguson interview: August 9, 1994).
Executive Order 312 reflected the Governor’s approval of the Land Bank’s proposal naming them as the lead coordinating agency in the redevelopment of Fort Devens.

However, Weld’s acceptance of the Land Bank’s proposal was not automatic. The Governor wanted to be careful not to exert too much authority over the local communities -- to make sure that the State’s position would be politically acceptable to delegates from throughout the state. After all, Massachusetts was a ‘home rule’ state in which the State government typically stayed out of matters concerning local development; the Governor wanted to make sure that state oversight for such a localized project would not be politically damaging. So the Governor used Executive Order 312 as a sort of ‘trial balloon’ to float the idea before the public (“Governance By Trial Balloon”; Worcester Business Journal, February 1, 1993).

As expected, press coverage, both negative and positive, gave the Weld Administration an opportunity to monitor the political waters before exerting additional State authority in the Devens reuse project. The first signs of political trouble came when critics proposed that the State’s commitment to the Devens project was just a way for the Governor to put another political feather in his cap:

“...They’re willing to spend whatever’s necessary through the Land Bank to keep the airport option viable [at Devens]..."[Weld] just wants this opportunity to produce economic results before the next election year...”

“You won’t see the real story [behind the State’s commitment to the Devens project] in the Boston media, but once things move ahead and [the Devens] plans begin to take shape, people are going to wonder how [Weld] got so far so fast. So, now’s the time to take a long hard look at what he’s saying and call him on the stuff that just doesn’t make any sense." -- excerpt from Governance by Trial Balloon, Worcester Business Journal: February 1, 1993.

The media and the public spent the next few years debating the Weld Administration’s intention for the redevelopment of Devens.
occurrences of media coverage, especially in the greater Devens region, allowed Weld to keep his finger on the pulse of the political issues surrounding the Devens project. Meanwhile, the towns of Ayer, Harvard, Shirley and Lancaster were also critical of the Land Bank’s involvement in the reuse process. An air of skepticism regarding the state’s motivation for pursuing the Devens project set the stage for the next round of political maneuvering initiated by the Land Bank. The case illustrates, that in order to get the votes they needed to pass the DEC Legislation, the Land Bank underwent extensive negotiations with members of the Governor’s Administration, the Legislative delegation and the Selectmen from the four towns themselves.

Approval from the towns would be the most difficult to obtain. The Land Bank anticipated that the Legislative Assembly would defer such a local matter to the Devens regional delegation. Certainly, the delegation would not approve anything without the consent of the Joint Board of Selectmen (JBoS). But the JBoS had clearly displayed their distrust for the state agency -- fearful that the surrounding towns would lose all of their land use authority on the base if the Land Bank were to get involved (“Devens Grassroots Efforts Spring Up on All Sides”, The Harvard Post, November 11, 1994). So the Land Bank pursued with the JBoS an open public planning process in which the interests and objectives of the local communities could be articulated and incorporated into the Devens redevelopment strategy (Seidman interview: February 1, 1994).

The Devens case suggests that because the towns could not afford to take the financial risks associated with the Devens redevelopment themselves, the Land Bank was able to rally cooperation among the local communities to support the DEC Legislation. Specifically, RKG’s Fiscal Impact study projected that the towns could not afford to bring the base property up to a level of marketability without incurring significant fiscal debt. Thus, it did not appear that the towns would have been able to profitably redevelop the base without the $200 million in bonding authority made available through the DEC Legislation, at least in the near term (RKG & Associates; Fiscal Impact Analysis: 1993, pp. I-3
through 1-8). This suggests that perhaps the potential for inter-jurisdictional conflicts were reduced because the DEC Legislation met at least some of the needs and interests of the local communities.

**General findings**

In both cases, it appeared as though a collective local reuse plan could not have been developed if state government entities had not stepped in. But the solutions applied by the state in each case were fundamentally different. Clearly, the role of the state government was critical to the success of each case -- regardless of whether it was top-down or bottom-up. At Fort Ord, state government authority was used to mediate inter-jurisdictional disputes. Because Marina and Seaside showed no signs of giving up the fight for their economic strategies, it appears as though a pre-emptive state role was necessary to negotiate the conflict. The Land Bank, on the other hand, was established in the initial phases of the reuse to control the local planning process. Here, the Land Bank intentionally rallied the power of the state government to support the needs for economic redevelopment in the state and in the North Central region. Through the DEC Legislation, the Land Bank was able to negotiate a long term planning agreement in which the interests and objectives of the state, the local communities and the Land Bank were met. By politically engaging the State Government Administration early in the process, it appeared as though the Land Bank was able to reconcile the various government interests. This maneuvering paved the way for the passage of the DEC Legislation and $200 million in bonding authority.

In the Ord case, the power of state authority was used only as a last resort, when local consensus regarding the reuse plan could not be reached. Here, the power of the state and federal government was inherent in the organization of the regional Task Force throughout the reuse planning process. Involvement by players such as Leon Panetta and Henry Mello reflected the intergovernmental composition of the Task Force. Thus, like the Land Bank, the
State’s interests and objectives in the redevelopment of Fort Ord influenced the creation of the reuse strategy. Unlike the Devens case, however, the Task Force was unable to create a collective regional reuse agreement that met both the local communities’ objectives as well as the need for long term economic stability. But the Task Force had to make some tough decisions regarding the future of the entire Monterey Peninsula region and the fate of the two small communities most impacted by the closure; they had to decide where to draw the line between the need to support minority interest, lower-income communities and the need to provide for long term economic stability in the region. Thus, the Fort Ord case suggests that, in the spirit of locally controlled reuse planning, the objectives of the most impacted communities were not met.

**Attaining Market Competitiveness**

The cases of Fort Devens and Fort Ord also exhibited difficulties in planning for economic development in the face of declining or depressed real estate markets. In both cases, the reuse entities were presented with the challenge of providing for economic growth in the presence of greater federal, state and regional economic decline. In the Monterey Peninsula region, for instance, economic dependence on the local military institutions was clear. Agriculture and tourism were the only other industries in the regional economy and were both showing signs of decline (Cooper interview: August 8, 1994). Accordingly, the regional Task Force sought to create a new economic base that was not completely dependent on existing economic sectors. On the other hand, the Mount Auburn study showed that the Fort Devens regional economy was not as dependent on military spending. Instead, the region was traditionally supported by high technologies and durable manufacturing. However, both of these sectors were in a state of decline at the time of the Devens closure. For instance, the regions of nearby Lowell and Fitchburg that once thrived on the durable goods manufacturing industries are now suffering decline as these industries continue to move to southern states. Likewise, the 128 high
technology region has been experiencing significant market reductions throughout the late 1980's and early 1990's. Clearly, these economic realties limited the potential for new high tech and manufacturing industries at Devens.

**Fort Devens:** The Land Bank found that the marketability of the Fort Devens property was limited significantly by the high vacancy rates in the surrounding region for commercial and industrial property, and by the lack of existing demand in the regions traditional industries: durable manufacturing in the defense and computers-related, and heavy equipment industries, as well as non-durable manufacturing such as plastics, paper products and printing (RKG & Associates, Non-Residential Market Research: January 1993, pg. 3-7 & pp. 3-18 through 3-19). Identification of such economic constraints was critical to the development of a viable Reuse Plan. The Devens case illustrates how the Land Bank used this information as the basis for an economic development strategy centered on the attraction of a variety of different uses focusing on: innovation and technology businesses; rail and trade-related uses; and open space, recreation and resource protection (Vanasse Hangen Brustlin, Inc., *Devens: Reuse Plan:* 1994).

The attraction of rail-related industries (such as distribution and just-in-time manufacturing operations) was not expected to be as competitive as the attraction of innovative technology businesses. Seemingly, the Devens railroad junction was unrivaled elsewhere in the North East; competition from similar railroad facilities was not apparent. On the other hand, regional competition to attract high-tech, or innovative technologies was expected to be strong. In order to be competitive in the prevailing economic conditions, the Land Bank focused on: (1) attractiveness of the spacious sites and campus-like environment; (2) the creation of a streamlined permitting process; (3) access to existing infrastructure; (4) the provision of the Innovation and Technology Center; (5) the availability of environmental research sites; and (6) access to a high skilled labor pool.
As a commercial/industrial development, the Devens project offers firms and their employees spacious, green sites with many amenities not found elsewhere in other regional industrial parks. Minimum density zoning and the retention of approximately one third of the base property for recreation and open space assures the maintenance of Devens’ campus-like setting.

Through the creation of the DEC Legislation, the Land Bank is also able to offer a streamlined zoning and permitting process designed to facilitate commercial/industrial development at Devens. As the case illustrates, the Land Bank surveyed decision-makers at several local technology firms to get an idea of the factors considered most important when choosing a location for their firms. They found that consistency in industrial use regulations and permitting was of considerable importance to some high tech firms, especially to those producing or working with hazardous or toxic factors. Typically, these firms are subject to approvals by various city agencies pursuant to codes and ordinances such as planning and zoning, permitting, and hazardous waste control. By creating the DEC’s One-Stop Permit Center, consistency is assured through a consolidated permit and approval process with the authority to regulate all issues on zoning, building and land use, and local licenses and permits. By combining the typical development requirements into a single authority the bureaucratic run-around between city agencies is avoided at Devens.

Although the case suggests that some of the existing infrastructure at Devens is below standard -- i.e. the existing waste water treatment facility is aged and over capacity, utilities are currently metered for a single tenant (the Army), and the roads are too narrow to accommodate safety vehicles in some locations -- there is value in the fact that entirely new infrastructure does not need to be created to support new tenants. Typically, this is one of the greatest costs associated with the development of new commercial/industrial facilities. But because the Land Bank plans to use part of the $200 million dollars from the bond authorization to upgrade most of the infrastructure itself, cost saving are passed onto the new users.
In addition to the physical infrastructure on the base, the Land Bank also plans to create the Innovation and Technology Center. The purpose of the Center is to foster small start-up companies through the provision of technical and financial assistance and incubator spaces. The Center will also be used as a resource for established firms to foster new ideas and launch new products.

The Land Bank also intends to market the environmentally contaminated parcels at Devens as research sites for environmental technology firms. As described in the case study, the Land Bank envisioned that environmental technology research and development firms would be attracted to the more than 50 remaining Superfund sites on the base as sites for product research and testing. At the time of this study, this idea was still in the conceptual stages. As such, the Land Bank had not yet created a marketing plan that would make this opportunity financially appealing to environmental research firms. But according to Jeff Simon, Director of the Devens Division of the Land Bank, the idea of encouraging on-site cleanup research may lead to future innovation in the field on environmental remediation (Simon interview: March 24, 1994).

In addition, federal grant programs such as the DoD’s Environmental Technology Program, which was awarded to the Land Bank to support environmental remediation research efforts, and access to ongoing university research in the greater Boston area, are also envisioned to attract environmental technology firms (ibid.).

According to RKG’s Non-Residential Market Study, the Fort Devens is located in a unique region that is accessible to multiple labor market areas in Eastern Massachusetts and New Hampshire; including manufacturing and high tech labor (RKG & Associates, Non-Residential Market Study: December, 1993, pp. 3-5 through 3-6). For instance, because the property is located relatively near the route 128 beltway, access to an existing high tech labor pool provides another incentive for firms to locate at Devens. During the 1970’s and 1980’s firms such as Digital Equipment Corporation, Stratus and Wang attracted a highly skilled professional work force to the greater Boston region, including the
suburbs in the Devens region (ibid.). According to RKG’s study, these so-called “knowledge creation industries” have attracted a highly educated labor force to eastern Massachusetts. In fact, the study reports that the Commonwealth is ranked second nationally in the number of residents with advanced degrees in science and engineering (ibid., pp. 3-46 through 3-47).

Although the economic conditions in New England are not as favorable as they were 10 years ago, the case suggests that the Devens economic development strategy capitalizes on the competitive advantages of the site. According to the RKG’s Real Estate Market Analysis, it appears as though the supply of large sites with full municipal service (including rail and highway access, and existing municipal utilities) is limited in the Fort Devens region. Specifically, the study concludes that although there are an estimated 5,000 acres of vacant land in the Devens region with the potential for industrial development, only three individual tracts contain more than 100 contiguous acres (RKG & Associates, *Real Estate Market Analysis*: January, 1994, pg. 4-5). According to the study, large sites are considered important to meet the demand of growing companies. In addition, the study also reveals that there is a very limited supply of vacant land with water, sewer and other infrastructure improvements available for industrial development in the Fort Devens region (RKG & Associates; *Real Estate Market Analysis*: January, 1994, pg. 4-3).

Finally, the case also suggests that the Land Bank’s economic strategy focuses heavily on the creation of new businesses, and not just the attraction of existing businesses from elsewhere in the Commonwealth. This not only reduces the need to compete with other parks in the region, but also helps to support the aggregate level of high technology in the entire region. Just as Digital and Wang paved the way for technologies in the greater Boston region, it is possible that the new technology businesses fostered at Devens may one day do the same.
**Fort Ord:** At Fort Ord, the existing economic base was concentrated in the military, agriculture and tourism industries; existing commercial and industrial businesses unrelated to these industries were scarce. As the case suggests, all three of these industries were showing signs of decline:

‘[The Monterey region] is dealing with a declining economy right now, especially in the agricultural sector. There are no real incentives here that keep the growers from moving to the southern states where labor and land is cheaper -- we have already lost some of our largest food processing plants to the south. [The Economic Development Corporation’s] primary economic concern in the region right now is to keep the economic base that we do have from leaving. To do so, we have to focus on providing new incentives to the major food processing plants in the region. I don’t think that the region can attract a larger tourism market -- as it is now, vacancies in the local hotels are very high. Not to mention the fact that the [inadequate] highway infrastructure limits additional traffic in and out of the region...Right now, I think the only real source of economic stability comes from the expenditures of the large wealthy retirement population in the Monterey Peninsula area.’ -- Virginia Cooper, Executive Director of the Economic Development Corporation of Monterey County, Inc.

In response to these economic conditions, the Fort Ord reuse strategy describes the creation of a new economic base centered primarily on marine and environmental technologies. The case illustrates the hope that the creation of a new California State University campus and the extension of UC Santa Cruz will be the seeds of this new economy. Ultimately, it is envisioned, that these academic institutions will become a magnet to attract research in the areas of marine sciences and environmental remediation technologies that will benefit from the unique attributes and resources of the Monterey Bay and surrounding region. Additionally, like Fort Devens, it is envisioned that the environmentally contaminated land at Fort Ord will be used to attract innovative environmental clean-up research to the area. In the long-term, it is hoped that this campus-based economy will foster new industrial growth by encouraging entrepreneurs
and venture capitalists to invest in technologies and innovations that emerge from research conducted at the universities. The case suggests that this strategy will foster the creation of niche markets through the attraction of an economic base that would be difficult to duplicate elsewhere in the world:

"The effort underway at Fort Ord is more about a 'rewrite' of the regional economy than about changing names on buildings. The education and research complex envisioned for Fort Ord will impact much more than the communities that were affected by the years of military presence. The new activities are expected to influence economic activities [from Big Sur to the Silicon Valley... [The closure which] began as a crisis in 1991 is now viewed in 1994 as an unprecedented opportunity for regional economic prosperity." -- Lora Lee Martin, Director of Governmental Research Affairs and Regional Economic Development at the University of California, Santa Cruz.

Based on the information provided in the case, it is difficult to tell whether or not the university-based strategy will be viable in the Monterey region. Given the number of marine related research institutions already in the region -- the Monterey Bay Aquarium and Research Institute, CSU's Moss Landing Marine Laboratory, Stanford's Hopkins Marine Station, NOAA's National Marine Sanctuary, and the USGS Pacific Marine Geology Lab -- the potential for commercializing marine related research is certainly there. The potential market for this, however, may be a few years down the road.

Moreover, although research has increased in the marine related sciences, the efforts are largely being done for the sake of science, not necessarily to meet specific market demands (Kildow, lecture notes: April, 1994). Woods Hole, for example, has not grown significantly as a result of the research institutions there. In fact, with the exception of a few marine related spin-off businesses in the Falmouth area, it appears as though Woods Hole is supported primarily by tourists who use the Wood Hole ferry service to Martha's Vineyard. Certainly, these education and research related uses will create some new jobs
and attract some local expenditures to Marina and Seaside in the short term, however, the long term success of this strategy may be 5, 10 or even 20 years down the road (ibid.).

**General findings**

The economic development strategies created at each base took into consideration greater economic and market realities. The Fort Devens strategy, for instance, builds on the tradition of Massachusetts high technology and industrial economy, and is supported by existing high technology firms and access to a extensive transportation network. The solution considers prevailing economic conditions and exploits the unique attributes of the base. The Fort Ord strategy, on the other hand, is more risky. This strategy will require a huge initial capital investment on the part of the federal, state and local governments to get the university components off the ground. Thus, given the underlying economic circumstances at Fort Ord, it appears as though the creation of 60,000 new jobs projected over the next 50 years, is not likely. This premise is supported by the Duffy Report prepared by the Army to determine the marketability of the FORG Reuse Plan. The Report suggests the reuse projections for the first 20 year period are too ambitious due primarily to the sluggish California economy and the long lead time necessary to allow for growth of the universities' research sector.

**Local Fiscal Realities**

At the heart of the inter-jurisdictional conflicts exhibited in both cases were the local communities’ needs to generate new sources of tax revenue from the base redevelopment. At Fort Ord, the potential for new tax revenue sources was significantly reduced by the siting of the tax exempt California State University and UC Santa Cruz extension campuses. Similarly, the new federal prison, Job Corps training facility and McKinney Act uses reduced the tax potential at Fort Devens.
As the cases illustrate, military base redevelopment is an extremely expensive undertaking. The value of the underlying property is often diminished by the costs of the infrastructure improvements necessary to bring the property up to market standards. Thus, depending on the extent of the non-revenue generating uses, the ability for the surrounding communities to redevelop former military base property itself may be severely limited, without significant capital investments from other non-municipal sources.

Certainly, the sooner the base property is improved, the sooner new industries will be attracted. With the creation of new industries, market demand for goods, services and real estate in the region will also improve, thus increasing marginal local revenues. But because a development project of this scale would probably be unattractive to a real estate developer, private investment capital is not likely in the short term. The lack of investment returns in the first 10-20 years of the project, as well as the risks associated with the federal transfer process and heavy environmental regulatory constraints, significantly reduce any private sector appeal (Picerno: 1990, pp. 1-3). Thus, the cases suggest that impacted communities have little choice but to pursue an agenda based on short term solutions to their current fiscal crisis's -- or to appeal to the state or federal government for fiscal subsidies.

Fort Ord: Municipal fiscal needs were central to the inter-jurisdictional problems exhibited in the Fort Ord case. According to Seaside’s Planning Manager, Seaside and Marina had already begun to lose local revenues as a result of the closure; and as such, were facing fiscal insolvency (Potter interview: February 7, 1995). Although the cities could not furnish documentation of the specific fiscal impacts experienced by the communities since the closure, Marina and Seaside city officials contended that the local municipal budgets had been reduced due a drop in property tax and sales tax revenues. In response to the fiscal downturn, city of Seaside reduced the city payroll by 10% in 1993 (Potter interview: February 7, 1995).
According to the cases, Marina and Seaside needed to generate new tax revenues, in the short term, to cover the cost of running their cities. But the cities did not feel as though the university-based Task Force strategy would address their fiscal needs. Specifically, the siting of the non-revenue producing institutional users, CSUMB and UC Santa Cruz, reduced Marina and Seaside’s chances for short term fiscal recovery. Moreover, the cities contended that although the university would create jobs and market demand for local goods and services, the university population was only expected to reach 1,000-2,000 over the first few years (Hendrickson interview: August 5, 1994). According to Marina’s Mayor, the cities were fearful that the fiscal benefits and jobs resulting from the university-based economic strategy would not be realized for at least ten, or even 20 years (From Vision to Nightmare: CSU, Monterey Bay: April 1994, pg. 1). Thus, even with the provision for extended military subvention subsidies until the year 2000, the cities contended that the subsidies would not be enough to bridge the anticipated fiscal needs.

The case illustrates how Marina and Seaside spent much of their time and energies disputing the Task Force’s economic development plans. The two cities even tried to create their own redevelopment authority, FOEDA, for the purpose of implementing their Vision Plans that were based primarily on the existing regional tourism industry. But without the money necessary to support such an entity, the cities were ineffective in their stance against the Task Force:

"At Fort Ord, every one is trying to protect themselves, especially those [entities] who were receiving subventions to pay for public services during the military occupation. Suddenly, Seaside and Marina have lost some of the population base on which they were receiving the subventions. They will now be required to provide [additional] public services [to the new residents of the Fort Ord property] that the Army had been providing for all of these years. In terms of the other cities [in the region]: they may be affected by changes in the regional economy, but in terms of loosing direct municipal revenues, they are not affected. This is why we see the intensity of conflict in the land use and control issues [at Fort Ord].
That is why Seaside is going for the hotels." -- Joe Cavanaugh, 
Director of FORG.

When Marina and Seaside’s attempts to control the planning process 
delayed the creation of the Reuse Plan, the Task Force tried to negotiate with 
the cities through the creation of the Fort Ord Reuse Group. It was intended that 
FORG be created as a cooperative forum in which the Marina and Seaside’s 
needs and objectives could be better addressed in the context of the regional 
Task Force Strategy. This would allow the Task Force to move forward with the 
reuse planning process. But Marina and Seaside rejected the FORG proposal 
based on the fact that the communities would ultimately lose their jurisdictional 
land use rights to a more regionally focused agenda.

Finally, after more than three years of unsuccessful attempts to build a 
cooperative relationship with Seaside and Marina, the Task Force exercised its 
powers of state affiliation. Senator Henry Mello, then Task Force Chairman, 
used the power of the state legislature to break the impasse in the reuse 
planning process. He introduced Senate Bill 899 to establish the governance 
and operational structure for the future redevelopment efforts at Fort Ord. SB 
899 not only re-defined decision-making authorities to include communities not 
directly impacted by the closure, such as Pacific Grove, Salinas and Carmel, but 
also laid the ground rules for future policy directives and administrative 
procedures in the redevelopment process. Ultimately, Mello’s solution put an 
end to the inter-jurisdictional infighting. But because the legislation essentially 
supported the university-based economic development strategy, Marina and 
Seaside contend that it still did nothing to address the root of the problem -- the 
need to bridge Marina and Seaside’s municipal fiscal gaps (Goblirsch interview: 
February 7, 1995).

Fort Devens: The Devens case illustrates how the surrounding local towns 
initially looked to the redevelopment of Fort Devens as the answer to their fiscal
problems. Harvard, for instance, envisioned the creation of the towns first commercial/industrial park as a mechanism for much needed tax revenues, and the JBoS thought that the development value of the base property would attract immediate private development opportunities to their towns. However, the towns quickly discovered that they could not afford to undertake the expensive and time consuming redevelopment effort.

According to the case, RKG’s Fiscal Impact study revealed that in order to cover the cost of infrastructure improvements and municipal service, it would collectively cost the towns an additional $20 million dollars in expenditures over the first five to ten years alone. This dose of fiscal reality gave the Land Bank an opportunity to approach the towns with a proposal for a joint development partnership. The case suggests that access to the Land Bank’s planning resources and capital investment funds attracted the towns into a joint-partnership agreement with the Land Bank. Thus, the towns had the land use rights but the Land Bank had the money and the expertise to develop the property.

Clearly, the Devens case suggests that it was the creation of the DEC Legislation that ultimately put the Land Bank in the drivers seat. After years of negotiating with the towns and the state, the Land Bank promised to meet the fiscal needs of all of the impacted communities through the provision of the DEC Legislation. The $200 million bond funding authorized through the Legislation provided the capital investment stream needed to bring the property up to a level of marketability. Ostensibly, access to the bond funds offers the Devens region the opportunity for short term economic recovery. Although the Land Bank’s proposal did not allow for the towns to directly benefit from the taxes generated from the new development -- at least for the first 40 years -- the towns could indirectly benefit from the new residents and businesses emerging at Devens. Increased local expenditures, new markets for their vacant housing units and, of course, new jobs for their existing residents would all be possible if the Land Bank’s plans for redevelopment are ultimately successful.
Thus, in exchange for relinquishing all of their land use development rights, the towns were given an opportunity to realize new economic prosperity without having to raise a significant amount of local municipal capital themselves. An almost unanimous vote of approval for the DEC Reuse Plan and By-laws indicated that this was a fair solution between all parties involved.

General Findings

The cases suggest that articulation and incorporation of the local fiscal needs in the reuse strategy are critical to the facilitation of a cooperative, productive local reuse planning process. The Fort Ord case best demonstrates a situation in which the opposing short term fiscal needs of the local communities fueled inter-jurisdictional infighting between Marina and Seaside and the regional Task Force. The case also illustrates how these conflicting municipal objectives threatened to impede the potential for short term economic recovery.

Alternatively, the case of Fort Devens illustrates how early financial negotiations between the Land Bank and the impacted communities greatly reduced the potential for inter-jurisdictional conflicts to emerge. Clearly, the results of RKG's Fiscal Impact study gave the towns surrounding Devens a dose of fiscal reality that overshadowed any petty ideological conflicts that may have emerged. By following on the heels of the Fiscal Impact Study results with a proposal for joint-partnership, the Land Bank was in the position to play the white knight by offering an opportunity to reduce the towns fiscal problems. Moreover, it appears as though early identification of the fiscal needs of the host communities may reduce the potential for inter-jurisdictional competition for limited redevelopment resources. Because the Land Bank was willing to assume the responsibility for financing the Devens redevelopment, the towns were not faced with the short term costs associated with the base redevelopment. Thus, the case suggests that the Land Bank’s strategy not only reduced the potential for breeding conflict between the communities, but also paved the way for the
DEC Legislation that further defined the partnership between the local communities and the state government.

However, relieving the towns of their fiscal redevelopment requirements is not an easy thing to do. As the case suggests, a lot of financial and political maneuvering was required on the part of the Land Bank to be able to reduce the projected fiscal burdens associated with the redevelopment of Fort Devens. It is uncertain whether or not the California state government would be willing, or able to assume similar responsibility for the redevelopment expenditures required at Fort Ord.

Moreover, as the Fort Ord case suggests, economic and political circumstances may be such that what is good for the majority of the residents in a region may not be good for the communities most impacted by the closure. In this case, there were many communities of interest, including some communities, such as Pacific Grove and Carmel, that were determined to be unaffected by the closure (RKG & Associates, Economic Impact Analysis of the Downsizing of Fort Ord: 1992, pp. i-v). As opposed to only the four towns immediately surrounding the base at Fort Devens. In this situation, it may have been impossible to meet the divergent fiscal needs and objectives of all of the communities involved. Certainly, in the spirit of democratic politics, the majority ruled and the minority was left to fend for themselves.

Creating a Development Financing Mechanism

As described above, local fiscal problems were further complicated by the high cost of infrastructure and property improvements. In addition to lost jobs and municipal revenues, the levels of public expenditures necessary to bring the base property up to market standards threatened local municipal budgets. The cases demonstrate the large investment requirements that are required during the initial phases of the base redevelopment. According to the operations study prepared by RKG & Associates, it will take more than 30 years to break even
with full repayment of the anticipated bond debt; and 20 years without complete repayment of the bond debt (RKG & Associates, *Preliminary Financial Analysis of the Operations and Redevelopment of Fort Devens: December, 1994*, pp. 1-1 through 1-2). Thus, in order to obtain the capital investment necessary, a long term development financing mechanism must be created. In both the Fort Ord and the Fort Devens case study, the mechanisms proposed were public bond issues in which future returns are based on the profitability of the base redevelopment.

**Fort Ord:** At Fort Ord, SB 899 established the Fort Ord Redevelopment Authority as an entity empowered by the state to establish special taxing districts. As such, FORA has the right to use any of the state’s special district financing laws to support the redevelopment of Fort Ord. In California, this is typically done through a mechanism known as Tax Increment Financing, or through the creation of a Mello-Roos district. In the first instance, Tax Increment Financing (TIF) allows communities to fund redevelopment projects by floating bonds guaranteed, not by the state, but by the value of tax appreciation on the underlying property as a result of the new development. Any tax income received from the higher property valuation as a result of the redevelopment project is used to pay back the bond notes. This mechanism was quite successful during the 1980’s when the value of California property was in a state of constant appreciation. Developers and municipalities alike benefited from the public-private development ventures. But, TIF has a limited bonding authority in a contractionary economy. The present declining economic conditions in California threaten the viability of the TIF mechanism.

Similarly, the Mello-Roos Bill provides an alternative financing mechanism to support the Fort Ord redevelopment project. Carried by Senator Henry Mello, Mello-Roos was enacted in 1982 in response to Proposition 13. It was created to provide a practical way to finance infrastructure in redevelopment situations where the Proposition 13 tax caps limited fiscal investments. Proceeds are
generated through a fee structure imposed on a geographically bound taxing district. Taxes are set up by formula and collected annually on the property tax bill. The fee is typically close to 1% of the assessed value of the project. Like TIF, this mechanism becomes more valuable as development occurs and the overall value of the developed property increases. Unlike TIF, Mello-Roos does not depend on annual property appreciation. But without appreciation, this mechanism alone is not expected to cover the cost of the initial infrastructure improvements necessary at Fort Ord.

The Fort Ord Infrastructure Study estimated that it will cost $48 million to pay for the initial infrastructure improvements on the 3,500 acres of developable property. Thus, the value of the developable property must be worth $4.8 billion dollars -- or $1.4 million per acre -- in order for the Mello-Roos funding to cover the costs (Paul Reimer interview: August 4, 1994). With the details of SB 1600 still on the table, a viable solution to this problem had not been proposed.

Fort Devens: At Devens, the case suggests that the Land Bank’s ability to get the state to back $200 million dollars in bonds, was the most important provision of the DEC Legislation. By securing this financial mechanism before the final reuse plan was ready for implementation, the Land Bank was able to hit the development ground running with the funds necessary to begin the infrastructure improvements. This situation, however, is unique. Typically, state governments are unwilling to put up so much money for such a localized project. Specifically, the state expenditures in the Devens case were estimated at approximately $10,000 per resident beneficiary. Through their political initiatives, the Land Bank was successful in convincing the state legislature that the appropriation was in the interest of the state, as well as the local communities. The Land Bank was able to convince the State Administration that new development at Devens would help create a new industrial sector in the Devens region that might provide future state-wide benefits. In addition to economic revitalization of the North Central region, the Devens development endeavors to revitalize the waning high
technology sector in Massachusetts by creating a competitive edge in the
development of emerging innovative and environmental technology industries.

General Findings

Both cases demonstrate the importance of securing a financial
mechanism that meets both the short term and long term capital needs of the
base redevelopment project. The public investment requirements for the initial
infrastructure improvements in both cases were substantial. Both cases suggest
that the public investment capital was necessary to carry the initial phases of the
project, because sufficient private sector investments are not attracted due to
uncertain economic times and the substantial costs associated with property
improvements, (including environmental restoration and infrastructure upgrades).

At Fort Ord, the reuse authority is under severe pressure to come up with
the money necessary to bring the university sites to operational condition by the
Fall of 1995, when the California State University is scheduled to open. To date,
the federal government has committed only $15 million of the estimated $150
million needed to develop the campus. Moreover, the State of California has yet
to commit short or long term funds, constrained by a state-wide economy
weakened by declining federal defense spending, increasing global competition
and the mounting cost of natural disaster relief throughout the state. However,
without access to investment funds that are not directly tied to short term
property value appreciation, it seems as though state or federal bail-out funding
is inevitable.

Alternatively, the Land Bank met its long term capital needs through the
authorization for issuance of bonds with state credit support. The State
Administration’s recognition of the potential economic benefits from the Devens
redevelopment, made the investment politically feasible. However, the success
of this mechanism also depends on the Land Bank’s ability to attract users to the
Devens development. Without revenue producing users at Devens, the Land
Bank will be unable to pay back the bond holders. Consequently, the bonds
could be called by the State Administration and re-appropriated elsewhere. Thus, like the redevelopment mechanisms available for use in the Fort Ord case, the ultimate viability of the Devens financing mechanism is uncertain.

**Environmental Process Coordination**

The transfer of federal military base property triggers numerous federal environmental clean-up requirements pursuant to statutes such as the National Environmental Protection Act (NEPA), Superfund laws (CERCLA), and the Resource Conservation and Recovery Act of 1976 (RCRA). In addition to clean-up regulations, there are a variety of other federal and state environmental laws that can potentially complicate the environmental process including the Federal Endangered Species Act, state Coastal Zone Management Acts, state Environmental Protection Agencies, and a variety of local resource protection laws. As the cases show, a lack of coordination between the myriad of federal, state and local reuse planning processes can lead to significant delays in the redevelopment prospects for the base property.

**Fort Ord:** At Fort Ord, for instance, in addition to the standard round of federal environmental regulations and requirements, the state of California also requires compliance with a number of state enacted environmental laws including the California Environmental Quality Act, California Coastal Act, and regionally administered water and air management regulations. Under the California Coastal Act, for instance, plans for the reuse of Fort Ord’s coastal region (spanning four miles of coastline, inland to state Route 1) were required to conform with the provisions of the California Coastal Act. Pursuant to the Act, the preservation of the coastal dunes, beaches and rocky cliffs had to be demonstrated and commercial development of any kind was restricted. In addition, because the Monterey Bay has been designated as a National Marine Sanctuary, the coastal region of the base is also protected under the Federal

---

41 See Appendix A for detailed description of these regulations.
Marine Protection, Research and Sanctuaries Act (Title III). As such, additional consideration had to be made, for instance, regarding impacts to the marine life resulting from the new base development and watershed contamination (California Coastal Commission; “Staff Report and Recommendation on Consistency Determination”: March, 1994).

The biggest problem exhibited at Fort Ord as a result of a non-cooperative environmental process stemmed from the Army’s refusal to work with the local communities to incorporate their Reuse Plan into the Army’s Environmental Impact Statement (EIS). Under the National Environmental Protection Act of 1969 (NEPA), the disposal agency (in this case, the Army) must prepare an EIS in order to establish the future impacts associated with the reuse of the base.\(^{42}\) For instance, based on the anticipation of the future land uses at the site, the EIS estimates how the new uses will impact the surrounding natural resources, traffic patterns, noise, water and air quality, and even socio-economic structure. The EIS is a decision guidance document used by the federal disposal agency as the basis for its Property Disposal Plan (PDP). The PDP identifies impeding factors - such as the presence of environmental contaminants -- and defines the process by which the federal lands will be cleaned and transferred to future private users or to the local communities.

The Army Corps of Engineers, however, did not consider local plans for the reuse of Fort Ord. Because of the inter-jurisdictional infighting, FORG could not negotiate its Reuse Plan in time to meet the Army’s deadline for EIS consideration in May of 1992. So the Army Corps took it upon themselves to create a reuse plan based on what they thought the local reuse plan might look like.

\(^{42}\) NEPA required two EIS fillings. The first EIS was required under the BRAC Legislation and was to be used as a baseline study of the environmental conditions of the base prior to reuse and disposal planning. The second EIS presented the projected impacts based on the implementation of the local reuse plan. The EIS also presented alternative reuse scenarios and recommended future actions to be taken by the DoD. This final EIS serves as the basis for the Record of Decision. The ROD was the document that specified future actions to be undertaken by the disposal agency, until such time as all of the federal property is disposed. This includes provision regarding how and for what purpose the federal land will be transferred in the future.
like. In general, the Army's EIS limited the maximum build-out population to approximately 60,000 jobs. This was a substantial reduction from FORG's initial draft Reuse Plan in which the development density was expected to accommodate 180,000 new jobs.

This situation posed a serious problem for FORG. Without the recognition of the local Reuse Plan in the Army's final EIS, the communities feared they would have to re-negotiate with the Army Corps for each use that did not conform with Army's Property Disposal Plan; this could also include the preparation of a new EIS for each use not anticipated in the original EIS. FORG pleaded with the Army to incorporate the local draft reuse plan, but the Army refused to delay the EIS proceedings in order to accommodate FORG (Letter from the US Army Corps of Engineers: March 8, 1993). According to the Army's project consultant, "the Army Corps had a deadline to meet, and they did not want to get involved with the local community infighting"; apparently, the ACOE was afraid that their process would be further delayed if they got involved with the inter-jurisdictional infighting between the communities (Demos interview: April 5, 1994).

After unsuccessful attempts to convince the Army Corps to revise the EIS to meet the provisions of the FORG plan, FORG decided to revise their own reuse plan to meet the provisions of the Army's anticipated reuse plan. This, FORG reasoned, was the only way to reduce the possibility for future delays in the federal transfer process (Cavanaugh interview: August 3, 1994). But the Army denied FORG's request for access to the data and information used by the Army to support its finding in the EIS:

"Without the baseline data from the Army's EIS, FORG will be making assumptions [in the revision of its Reuse Plan] which may be contrary to the Army's assumptions. This is dangerous, maybe suicidal; it is NOT the cooperative planning the Army promised us.

It is ridiculous to have a Fort Ord Army rep. sitting at the FORG table unable to articulate information that is readily available and
key to the process. At the Corps of Engineers' urging, [FORG] has included the Army in the local reuse planning process. Shouldn't they cooperate by working with us? Who benefits from withholding engineering information, biological studies and other baseline data from the groups empowered to use it to do a Base Reuse Plan? We need a cooperative approach to facilitate the planning process." -- Memorandum from Joe Cavanaugh (Director of FORG) to the staff of Leon Panetta's office.

Despite the setback, FORG continued to revise its own reuse plan to be more in line with the Army's alternative plan. In order to do so, FORG had to significantly scale down the density and scope of their projected redevelopment build-out. Ultimately, FORG was successful in reducing the scope of its reuse plan, only a few items regarding traffic circulation and habitat preservation remained to separate the two plans (ibid.). FORG tried again to appeal to the Army to incorporate FORG's new Reuse Plan. But the Army, for reasons not disclosed, refused to amend the existing EIS.

In the end, FORG is left with a reuse plan that is not officially recognized by the Army in their EIS or their property transfer and disposal plans. As a result, every proposed use for the property at Fort Ord will be subject to a new EIS review process that will determine its impact on the environment. This may severely restrict the reuse authorities' ability to negotiate timely deals with potential users.

Fort Devens: Alternatively, the Land Bank set out to find a way to reduce the potential for problems associated with the multi-governmental environmental processes. They negotiated an unprecedented agreement with the Department of Defense, granting both the Land Bank and the JBoS Cooperating Agency status. Cooperating Agency status allowed the reuse entity to be directly involved in the environmental decision-making processes at all levels of the environmental process. This assured the Land Bank the opportunity to
anticipate potential environmental process conflicts, and to negotiate potential solutions before the problems could affect the reuse planning process.

The Devens Cooperating Agreement is unique in that it is the only case in the nation in which the local entities cooperated in planning the federal clean-up process. The Land Bank made this process possible through a Memorandum of Agreement with the Army, stating that the newly formed Cooperating Agency would be directly involved with the documentation processes for the on-going federal EIS process. This assured representation of the Devens’ Reuse Plan in the federal and state environmental processes and avoided the problems such as those experienced by the Fort Ord Reuse Group.

**General findings**

The Fort Ord case clearly demonstrates the problems that can result from uncooperative environmental processes. In this case, the solutions proposed for this problem came too late. Ultimately, the inability to coordinate with the federal EIS process resulted in a significant delays in the reuse planning process at Fort Ord. Alternatively, the Devens case offers a unique solution to the issues regarding environmental process coordination, and also illustrates a more preventative approach to dealing with the potential problems that may be duplicated at future closure sites.

**Federal Screening Process**

Uses authorized pursuant to the federal screening process can negatively impact the value of the local reuse plan. Often federal entities choose locations in which the federal use is not the highest and best use for the site. Examples of how the federal screening process impacted the local reuse plans are illustrated in both the Fort Ord and Fort Devens cases.

*Fort Devens:* At Devens, there are two examples of how the proposals for property acquisition under the federal screening process affected the feasibility
of the local economic development strategy. The first involved the Army’s retention of land for its Army Reserve Enclave, and the second involved the proposed location for the federal prison. In both examples, the Land Bank undertook extensive actions to negotiate the proposed federal uses:

The Army Reserve Enclave: In the first instance, attempts by the Land Bank and Governor Weld to renegotiate the location of portions of the Army Reserve Enclave were successful. In this case, the Army proposed to retain part of the Main Post for use as the new headquarters for the New England Regions Army Reserve Enclave in an area known as the “600 block” of the Main Post. Seemingly, the Land Bank was concerned about environmental clean-up of the retained Army sites and that the land proposed for continued Army use would not be cleaned to meet federal requirements for environmental quality standards. Moreover, the Land Bank was concerned about the impact that the sites would have on future development at the base; apparently, the Army had requested property that the Land Bank considered to be some of the most commercially valuable property on the base.

In reaction to the Army’s request, the Land Bank began to look at the proposed reserve enclave and its impact on the future economic development of the base. They tried to rally support from the State Administration and local communities. The local communities, however, did not play a significant part in the Land Bank’s efforts to fight the Army’s request; perhaps they felt the Army’s continued presence on the Main Post would reduce the land available for the airport project. So the Land Bank turned to the State government for the necessary support in Washington. They commissioned land planners and real estate consultants to review the proposal and document the issues to be brought before the Department of the Army. Although the Land Bank did not have legal authority to accept or reject the Army’s site request, the Land Bank was able to put some political pressure on the Army (Fort Devens Redevelopment Board, Report to the Governor: December, 1992, pp. 12-14).
In late 1992, Governor Weld sent a letter to the Army accepting the majority of the Army's proposed Enclave but with several provisions, including the relocation of some uses, the development of a waste water treatment plant, voluntary compliance with state environmental statutes and the maintenance of an 'open' post environment. In 1992, the compromise proposal was submitted to the DoD. The final proposal reflected most of the revisions requested by the joint reuse group, including the open-post status and the compliance with prevailing state environmental laws. Although an amicable agreement was eventually reached, it did not come without a significant expenditure of time and resources on the part of the Land Bank and the JBoS (ibid.).

Even before the negotiations regarding the siting for the Reserve Enclave were complete, the remainder of the Devens property was declared surplus for military purposes and made available for general federal screening. During this next phase of the federal screening process, a number of potential users made their proposals to the DoD for consideration and approval. The largest federal user to come forward was the Federal Bureau of Prisons.

*The Federal Prison:* The siting of the federal prison greatly affected the value and marketability of the Devens development plans. According to the case, the prison siting was initially solicited by the local towns as a strategy to block the potential airport siting. Ostensibly, the surrounding towns reasoned that the best way to stop the airport development was to site an alternative use right in the middle of the proposed runway location. The federal screening process gave them the opportunity to find an alternative user for the site before the state, specifically MassPort, could gain control of the land. In February of 1993, however, the Massachusetts Aeronautical Commission announced that demand in the eastern New England region was not great enough to support the development of a second major airport. Thus, it appears that the JBoS's strategy had nothing to do with the state's decision not to pursue the airport at Devens -- but the towns felt better knowing that they had done something to
possibly prevent future speculation regarding the siting of the new airport at Devens. Moreover, the case illustrates that the JBoS continued to pursue the federal prison even after the threat of the airport project appeared to have passed. Seemingly, the prison was the communities assurance the airport would never be located at Devens.

However, the towns did not consider how the prison siting would reduce the viability of the Land Bank's economic development plans. The prison site was located on what was considered to be some of the most valuable real estate on the base. Not only was this location considered to be the most suitable for commercial and industrial uses -- with direct highway access to state Route 2 -- but the proposed prison site also encompassed the base's only 18 hole golf course. As a potential source of revenue, the Land Bank did not want to see it destroyed (Bassett lecture: January 14, 1995).

The Land Bank first responded to this turn of events by appealing to the Federal Bureau of Prison's (FBoP). They tried to negotiate a new site for the prison that would not impact the underlying economic value the Reuse Plan. But the FBoP did not respond favorably to this request, stating that the access to the Cutler Army hospital facility made the first site more attractive. So the state responded again. In November of 1992, Governor Weld sent a letter to the FBoP requesting that it consider the North Post portion of Fort Devens as an alternate site for the prison complex. The letter expressed the Land Bank's concerns that the siting of the prison on the Main Post would be detrimental to the future growth and redevelopment of the base. The Governor even proposed to construct a new medical facility on the North Post, to meet the needs of the FBoP with funding for the new facility provided through the issuance of bonds by the Health and Education Facilities (Fort Devens Redevelopment Board, *Report to the Governor*: December, 1992, pp. 12-14).

But the Land Bank and the Governors attempts were unsuccessful. The FBoP refused to consider the North Post site for reasons not disclosed. The attempt to divert the federal prison project provoked the JBoS into accusing the
In the Spring of 1994, the FBoP requested to expand the prison complex on the Main Post site to build a minimal security work camp. The FBoP envisioned that the new work camp would not be enclosed by security fences; reasoning that the camp would be used only by white collar detainees (ibid.). As such, the Land Bank feared that the expansion would not only further reduce the viability of the Devens Reuse Plan, but would also jeopardize public safety in the region. Accordingly, they tried to rally support from the local communities to fight the prison expansion (Seidman interview: February, 6, 1995).

In order to convince the towns that the prison expansion would be detrimental to the region, the Land Bank tried to appeal to the local communities sense of public safety. A public hearing was held to discuss the possible negative safety impacts resulting from the prison siting. To emphasize their position, the Land Bank depicted the minimum security prison as a “prison without walls”, and used testimony from concerned local citizens in an attempt to evoke fear in the residents of the neighboring towns (Bassett lecture: January 14, 1995). Ultimately, the strategy worked. The Land Bank and the towns created a unified front that was successful in stopping the FBoP’s proposed prison expansion (Seidman interview: February, 6, 1995).

**Fort Ord:** At Ord, the City of Seaside had counted on the acquisition of some of the most valuable pieces of property on the base: a large single family housing development and two championship golf courses, overlooking the Pacific Ocean. But during the federal screening process, the Presidio of Monterey (a neighboring DoD installation) requested the acquisition of these properties to house their military personnel. At Fort Ord, the Army had previously opened the golf courses to the public as a way to provide revenues for many of the soldiers social service programs such as day care, libraries and youth activities. According to Colonel Ellzey, the Garrison Commander in charge on closing Fort
Ord, the Presidio saw the screening process as a chance to also support their soldier service programs (Ellzey interview: August 4, 1994). But this situation raised questions about the military’s objectives in the installation closure process, both in the minds of the Task Force and the city of Seaside. It appears as though the federal government’s objectives in closing the bases was to reduce the federal military budget by selling commercially valuable land to the local communities for the purpose of private redevelopment. This, it was envisioned, would reap the highest return to the military and would give the local communities the greatest chance for economic recovery. But the retention of potentially high income producing properties for continued military use, such as those at Fort Ord, contradicted these objectives. By saving the most valuable properties, this reduced the potential return to the Army and to the communities.

Given the demand for course time in the Monterey County region, potential profits to the City of Seaside from the privatization of the courses were obvious. So, Seaside officials, along with their legal council, traveled to Washington to fight the federal acquisition (“Black Mayor Says Base Closing Will Ruin California City”, JET: 1993). As a compromise to Seaside’s request, the Army stated that it would divest itself from the golf courses provided the proceeds from the sale would go to a non-appropriated fund to support the soldier services. This compromise, the details of which were still being debated at the time of this study, would allow Seaside to generate revenues from the golf courses and would also receive some development rights for the property immediately surrounding the courses for the development of a residential or resort-type community (Potter interview: August 3, 1994).

General findings

The situations above demonstrate how anticipation of federal uses can give the reuse entity an opportunity to control the use of the most valuable base properties. This suggests that the ability to negotiate with potential federal users, before the property transfer is complete, is critical to the creation of a
viable economic development strategy. But the cases also illustrate the difficulty in coordinating with all of the federal agencies who may be interested in the property. Evidence from both cases suggest that involvement and cooperation from the on-site BRAC offices and Base Transition Coordinator were practically non-existent. Although the BRAC office and BTC's were tasked by the DoD to work with the communities to help them through the federal base reuse process, there is no evidence to suggest that these entities were effective in that role. But even with the cooperation of the on-site disposal agents, it would be difficult to anticipate the property needs of other branches of the federal government in an effort to negotiate land acquisitions that will not negatively impact the local economic development plan.

Finally, the cases also demonstrated how the uncertainty of the McKinney Act users impacted the local economic development plans. Because, in both cases, McKinney Act proposals were considered after the initial federal screening process, it was feared that the reuse plans would be subject to future McKinney Act uses that may negatively impact the economic redevelopment strategy. However, recent Legislation was passed that provides a new approach to assisting the needs of the local homeless providers.

On October 25, 1994, the President signed the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103-421). The act exempts base closure property from the McKinney Act and creates a new community-based process wherein homeless assistance providers will work directly with local redevelopment authorities regarding property acquisitions (Department of Defense, A New Community-Based Approach to Assisting the Homelessness at Military Base Closure Sites: November, 1994, pg. 1). As such, those who wish to acquire federal property for use to assist the homeless must first coordinate potential site locations with the local reuse authority. It is

---

43 See Appendix A for more information regarding the McKinney Act provisions.
44 See Appendix A for more information regarding the new legislation to provide housing for the homeless.
envisioned that this new process will reduce the level of conflicts associated with the provisions of the former McKinney Act, because the new Legislation allows the local reuse authority to anticipate uses to assist the homeless.

Conclusion

Summary of Findings

In summary, a number of inferences can be made from the issues presented above:

- It is evident from the cases that state involvement helped to shape the outcome of the reuse planning process in both the cases of Fort Ord and Fort Devens. However, it is difficult to draw conclusions regarding the importance of state government involvement based on the information provided in these cases. The cases suggest that there were many context-specific factors involved that shaped the reuse planning and development processes at each case study site. However, the Fort Devens case does suggest that the needs and objectives of the lower-income communities may be best met through a process led by either a state, or even regional entity willing to assume financial and political responsibility for the redevelopment of a former military base.

- The cases of Fort Ord and Fort Devens demonstrate how conflicting interests and objectives between different governmental entities can delay the reuse planning process. In order to assure that valuable planning time is not lost to inter-jurisdictional infighting, the cases suggest that the establishment of a single governing or mediating entity is desirable. But the cases also suggest that in order to be effective in this role, the governing entity should have access to both financial and political capital. Without these ingredients, the
governing entity may not be effective in gaining the control necessary to successfully orchestrate the reuse planning process.

- The cases also demonstrate the difficulties in planning for economic development in the face of declining or depressed real estate markets. Although the respective reuse entities certainly cannot control conditions in the prevailing economies, the cases suggest that viability of the economic strategies may be dependent on the reuse entity’s ability to exploit unique site attributes given prevailing market opportunities.

- The cases clearly demonstrate the conflicts that can arise when the fiscal needs of the communities differ. Seemingly, the economic development strategy that best meets the fiscal needs of the majority resident population stands the best chance of gaining the political support necessary to access public funds and other regional or state resources. But if the fiscal needs of the communities most affected by the closure do not match the interests and objectives of the regional majority, does this mean that these communities should just be forced to face fiscal losses? The case of Fort Devens suggests that the needs of the minority communities were better addressed through the Land Bank’s willingness to assume responsibility for the initial capital expenditures required to redevelop the base.

- The need to provide significant long term investment capital through the creation of a public financing mechanism is also demonstrated in the cases. Traditional financing mechanisms, such as tax increment financing, are structured to capitalize on significant property value appreciation. However, stagnant local economies, coupled with the long term nature of the military base redevelopment process, render traditional methods ineffective. Thus, the cases suggest a need to institute additional vehicles for public-private investment to support military base redevelopment.
• The cases indicate that the lack of coordination between the inter-governmental planning procedures and clean-up regulations can delay the reuse planning process. The Fort Devens case suggests that local involvement with the federal and state environmental planning processes can reduce the potential for future conflicts between the environmental agencies and the local reuse group. Seemingly, by allowing the local reuse group an opportunity to anticipate and appeal problematic issues before they become a reality, inter-agency conflicts may be avoided.

• Finally, the cases suggest that legislative changes to the federal screening process requirements may already be helping to reduce the potential for conflicts with the local reuse plans. But perhaps additional amendments to the BRAC Legislation should be sought that further restrict the DoD from conveying certain valuable properties, such as golf courses, to other federal uses. This restriction would allow both the DoD and the local communities to financially benefit from the military base closure.
Chapter Five:

Conclusion

In the preceding chapters, I have illustrated the various problems exhibited in the multi-jurisdictional economic planning processes at Fort Ord and Fort Devens. The reason for this study was not only to explore the different aspects of the base closure process that affect the economic development planning process, but to also estimate the prospects for fiscal recovery in the lower income communities surrounding closing military bases. My findings suggest that, in the Fort Ord case, the perceived needs of the economically impacted host communities were not well served by the local economic planning and development processes. As a result, it appears as though these communities are potentially facing fiscal distress.

Specifically, I found that the minority interest communities surrounding the bases -- Marina and Seaside -- had grown to support the needs of their military neighbors. From housing, to entertainment, to durable defense related goods, these communities developed service-oriented economies that catered primarily to the needs of the military, the military personnel and their families. Not surprisingly, the skill base and incomes of the workforce in these communities were lower than the rest of the region. In both cases, these communities maintained rights to portions of military base property that fell within their jurisdictional borders. Seemingly, the communities saw their respective land use rights to the former base property as a form of restitution for their local economic losses in the face of the closure. But when the military moved out, the host communities are left with large parcels of developable property and no mean with which to redevelop it.

Moreover, the Fort Ord case suggests that the prospects for local economic development were defined mainly by a constituency of wealthy,
professionally oriented communities in the Monterey Peninsula region. According to city officials from Marina and Seaside, their communities were forced to relinquish their jurisdictional rights to those who had access to the political and financial capital necessary to mobilize redevelopment of the base property. For instance, the cases demonstrate how the host communities needed primarily to replace the revenues lost by the military. This meant replacing the military industry with new industries or users that could best utilize the local skill base and the service infrastructure that presently exist in these communities. In the Fort Ord case, the tourism-based strategy chosen by the minority interest communities seemingly provided the most jobs and local revenue with the least amount of job re-training and short term capital expenditures.

According to Seaside and Marina officials, the regional university-based strategy reflected the needs, interests and objectives of the regional majority, but did not promise to provide municipal revenues and jobs to their lower-income communities, at least in the near term. Specifically, the case illustrates that the university is expected to support a population of only 1,000-2,000 students in the first 3-5 years. This small student population will not replace the level of market demand for local goods and services, and housing in the surrounding communities that the military once supported. Moreover, the case suggests that it may take as long as 10-20 years for university-related research efforts to reach a level of marketability. Thus, it appears as though the spin-off potential, touted by the Task Force as the key long term economic generator in the university-based strategy, will not be realized in the near term. Given this, Marina and Seaside are concerned that they will not be able to meet their fiscal budgets in the near term, without the additional revenues afforded by the tourism industry.

The Fort Ord case suggests that inter-jurisdictional planning conflicts were attributable primarily to a mis-match of local versus regional economic interests and objectives. If the communities' needs can not be reconciled with the interests and objectives of the regional majority, the Fort Ord case demonstrates that minority interest communities were denied this critical access to regional,
state or federal resources. As such it appears as though the lower-income communities of Marina and Seaside will continue to face fiscal losses. Thus, in the spirit of democratic governance, it appears that the perceived needs of the low-income communities may not have been met in the regional reuse process.

However, it is difficult to infer from this case what would happen if a closing base was located in a region of entirely lower-income communities? It is uncertain how this situation would have affected the outcomes at either base -- would the jurisdictional interests and objectives between the lower-income communities still have been conflicting? Moreover, it is also unclear in the case of Fort Ord whether or not the same level of political representation, from Task Force members such as Leon Panetta and State Senator Henry Mello, would be evident if the entire Monterey Region was of a lower socioeconomic structure. It is easy to imagine how the constituents of lower-income communities may not attract the kind of political influence like that exhibited at Fort Ord. It is difficult to project what may have happened in the Fort Ord case, without the state and even federal representation on the Task Force.

In the Fort Devens case, on the other hand, it appears as though the needs of the only lower-income community, Ayer, were successfully balanced with the interests and objectives of the other, more affluent communities surrounding the base. The Devens case suggests that the Land Bank was able to balance the needs, interests and objectives of all of the surrounding communities primarily by assuming responsibility for the initial redevelopment costs. This significantly reduced the potential for conflict between the local communities over allocation of redevelopment resources. Thus it appears as though the Land Bank was able to use their political and financial influences to balance the needs and interests of all of the surrounding communities, regardless of their socioeconomic circumstances.

But again, there is no evidence in the Devens case to suggest that the relative socioeconomic structure of the immediate Devens region significantly
influenced the Land Bank’s decision to oversee the redevelopment of the base; there is no evidence to suggest that the Land Bank would not have played the same role if the surrounding communities were all of a lower socioeconomic structure. Moreover, although the case does suggest that Governor Weld may stand to bolster political support in the North Central region if the Devens redevelopment is successful, the case does not suggest that this was the primary motivation behind the state’s involvement.

In conclusion, from the cases presented in this study, it is difficult to draw conclusions about the prospects for economic development in low-income communities as a result of a base closure. Context-specific factors in each case, make it difficult to infer more general conclusions from the outcomes of each case.
Appendix A

The Federal Military Base Reuse and Disposal Process

Introduction
Since the early 1960’s hundreds of military bases have been closed or realigned in response to Congressional pressures to reduce US military spending. In 1988, more than a decade after the last closure round, the Pentagon announced the closure of 86 bases and the realignment of 59 others. In 1991, the Pentagon announced the closure of 36 and the realignment of 43 more bases. A third round in 1993 close and realign 35 and 27 bases, respectively (Wilcox: November, 1992). In 1995, the Pentagon is expected to announce the closure of over 300 additional military installation in the US.

The recent closures are a result of both the end of the Cold War and political pressures to reduce the federal deficit. Since 1987, national defense spending has fallen 20 percent. The Pentagon anticipated that the closures would not only reduce military maintenance and operations spending but also provide a return on the military's investment in real property and improvements. However, what the federal government did not anticipate was the high cost of base closure and transfer. Between the cost of environmental restoration, federal planning assistance to the local reuse entities, and the lower than expected market values of the properties, these potential cost savings were significantly reduced (Hill and Raffel, 1993).

The BRAC Process
Planning for the reuse of disposed military property is an extremely complex process that requires the coordination of a variety of federal government agencies, local institutions and the private sector. Prior to the 1988 closure round, over 100 military bases were closed or realigned in the United States under a disposal process that was deemed inefficient and mired with what many considered to be unnecessary bureaucracy and red tape. In response, Congress passed the Base Closure and Realignment Act (or BRAC). The BRAC Act was created to provide a systematic process by which the federal government, specifically the General Services Agency (GSA) and the Department of Defense (DoD), could transfer ownership of the existing military property in an equitable, and preferably profitable fashion to the private and local public sectors.

The reuse process essentially begins when a military base is placed on the list as prepared by an independent commission established under the Base Closure
and Realignment Act of 1988. The independent BRAC Commission was created as a non-partisan entity to set closure criteria and recommend bases for closure. Selection criteria is based on military property value, potential federal investment returns and economic and environmental impacts (Hertz, 1991). Once prepared, this BRAC list is reviewed by Congress and the President, and is accepted or rejected in its entirety.¹

**The Federal Process**

Once the BRAC list is made public, communities surrounding closing bases either begin to develop strategies for redevelopment or fight vehemently to remove bases from the list – the latter of the two alternatives is seldom ever successful. Those communities who choose not to challenge the closure recommendation typically begin the reuse process immediately. Generally, anywhere from 2-4 years may pass before on-site military units completely evacuate the bases; and it can take another 2-10 years before the community begins to benefit from the physical and economic redevelopment of the base. Thus, the federal government becomes a long term player in the local base redevelopment process. As such it is important that all local reuse entities become familiar with the federal processes and procedures.

The passage of the Defense Authorization Act of 1994 promulgated a number of amendments to the federal base disposal and reuse process. The purpose of these amendments, often referred to as the Pryor Amendments, were to help local communities achieve rapid economic recovery more quickly and more effectively by providing the Department of Defense new authority to give priority to early reuse of the base's property (Department of Defense, "Revitalizing Base Closure Communities and Community Assistance: 1994, pp. 1-6). The provisions of the Pryor Amendments apply for all bases closed after the 1994 Defense Authorization Act was passed, however, the provision may be applied retroactively to those bases closed in the 1988, 1991 and 1993 closure rounds (ibid.). Accordingly, it is important to describe the federal closure procedures before and after the Pryor Amendment changes to provide background to the federal base closure processes applicable in the case studies presented in this thesis.

¹ The criteria for selection of bases recommended for closure is the subject of much debate. For instance, although original BRAC legislation requires that the BRAC Commission consider the economic impacts resulting from an individual closure, it is not common practice (Courter, 1994). In fact, recent allegations suggest that the BRAC Commission has used its power for to exercise political favoritism. They are accused of selecting, or not selecting military installations in certain Congressional districts throughout the Country (60 Minutes, 1994). Accordingly, the federal government continues to fine-tune the BRAC legislation through a series of comprehensive, well-lobbied Congressional Amendments.
The following is a brief summary of the base closure and disposition process as stated in the Base Closure and Realignment Act (as amended). The relevant provisions of the Pryor Amendments are introduced as necessary to support the federal process pursued at both the Fort Ord and Fort Devens case study sites. Additional information regarding the Pryor Amendments to the 1994 Defense Authorization Act are provided below.

Federal base closure and disposal process and procedures are as follows:

- Once the base is announced for closure, other military agencies are given first chance to claim the base property. The requests are reviewed by Secretary of Defense for suitability and need determinations. Typically, only those requests that result in overall DoD cost savings are considered.

- The balance of the property is advertised in the Federal Register and is screened for use by other federal agencies. Typically, the property is conveyed from the DoD to the new federal user at fair market value, however, this provision may be waived. The initial screening period requires a 30-60 day clearance period, but typically many federal agencies can request DoD surplus land at any time during the disposal process.

- Prior to the passing of the Defense Authorization Act of 1994, the provisions of the Stewart B. McKinney Act required the DoD to consider requests for property by organizations assisting the homeless. This process occurred simultaneous to the federal processes above. Under this process, organizations assisting the homeless were given the opportunity to acquire former military property to provide housing and services to the homeless. Before the property was made available to the homeless providers, the Department of Housing and Urban Development (HUD) reviewed the base property to determine which sites were appropriate for use to assist the homeless and which were not. The suitable sites were then advertised in the Federal Register. The providers were then required to submit an application to the Department of Health and Human Services (HHS) for suitability determination. HHS would award property to those applicant that could prove need for the services, a plan for housing and service provision, and some form of program funding. Once approved, the property would be leased to the provider through a lease with HHS.

- Any land left unclaimed by federal or McKinney Act users is determined 'surplus federal property' and is available for conveyance to the state/local governments and/or the private sector for redevelopment. Property transfers are offered through either Public Benefit Conveyance, Economic Development Conveyance or Negotiated Sales. If a local public entity requested land for a truly public purpose, such as a park or a government building, the land would be transferred to that entity at no charge (provided
The entity did not sell the property later for profit). Negotiated sale transfers involved negotiations between the federal and local governments and were used for properties transferred for non-public purposes. Under the provisions of the Pryor Amendments land may also be conveyed for the purpose of stimulating local economic development. *(See description of the Pryor Amendments below for further description of the Economic Development Conveyance.)*

- The local and state governments are required to create an official reuse planning group to oversee the redevelopment of the base. Typically, this group is recognized by the Office of Economic Adjustment as the entity to receive federal planning grants. The Reuse Group is tasked with negotiating all local public interests and producing a base reuse planning document (the Reuse Plan). The Reuse Plan is the basis for the DoD’s environmental impact analysis procedures.

- The disposal agency (Army, Navy, etc.) is required to prepare an EIS pursuant to the National Environmental Policy Act of 1969 (NEPA). The EIS provides a description of the affected environment, as well as a brief assessments of the impacts of the military disposal actions and the anticipated reuse plans. It considers how the disposal and reuse will affect air quality, water quality, traffic, noise, demographics, the economy and the environment. It addresses issues regarding the quality and potential reuses of the existing land and the factors likely to impede DoD’s disposal process. Typically, the disposal agency prepares a series of ‘baseline’ studies prior to the preparation of the EIS. These studies provide detailed accounts of existing environmental condition in and around the base property prior to base closure. Typically baseline studies include land use, air quality, soils, flora and fauna and other physical attributes baseline studies.

- Once the Reuse plan and the EIS have been prepared, and disposal agency issues the Record of Decision (ROD). The ROD is significant because it allows the federal government to begin transferring land to the state, local and/or private sectors for redevelopment. It defines the federal governments plan for property disposition. This document has important legal implications for the DoD’s environmental restoration compliance. For instance, before the DoD can transfer any property, the environmental impact resulting from its proposed reuse must be determined -- this is done through the EIS. The property is restored to a level compatible with this anticipated reuse. If the local reuse authority requests property for a use not previously anticipated in the disposal agency’s EIS, a new EIS must be prepared before the property can be legally transferred. This is why it is so important that the EIS consider the local reuse plans.
Finally, the disposal agency then identifies the possible environmental contaminants of the site(s) and prepares a mitigation strategy; this process can be referred to as the cleanup and remediation procedure.

Superfund Site Requirements

In the case of military bases that have been designated as Superfund sites placed on the National Priority Lists (NPL sites), the disposal process is further complicated by laws created under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Superfund Amendments and Re-authorization Act (SARA) of 1986 that regulate the cleanup of hazardous waste. If the base was not declared a Superfund Site -- the level of contamination was not considered to be a national priority -- than the level of contamination and remediation necessary to reduce contamination levels to acceptable standards would determine the properties availability for transfer.

In accordance with these Acts, the federal and state agencies involved with the environmental process are required to negotiate and Interagency Agreement (IAG) that specifically addresses the evaluation and treatment or the hazardous waste sites. In addition, the EPA is required to continued monitoring sites that have been identified as containing hazardous waste in the EIS. The specified Hazardous waste sites are broken up into parcels referred to as "operable units" that will be handled individually by the EPA and cleaned up in phases. The 'phases' are determined by the nature of the cleanup and the value of the land; land with the highest value to the community or to the federal government will receive priority cleanup status. Transfer of ownership can take place once the actual mechanism for cleanup are in place (i.e., the ground water pumps are installed) and the EPA has issued it own Record of Decision (ROD/EPA). Parcels that have not been identified as "operable units" may be transferred from the federal government per the original ROD described above.²

The Players

The Federal Players: The federal base reuse process involves numerous agencies and organizations from the federal level to the state and local levels. At the federal level, the DoD (and the individual military service branches), Government Services Agency (GSA), Office of Economic Adjustment (OEA), the Department of Health and Human Services, the Federal Aviation Administration (FAA), and the Environmental Protection Agency (EPA) are considered the primary players. In addition, however, the Department of Housing and Urban Development (HUD), the Department of Transportation (DOT), the Department of Education, the Department of Energy, the Department of the Interior, and the

² Per the conversation with John Chestnut - Project Manager/Superfund site at Fort Ord, Region 9 EPA office; February 29, 1994.
Department of Justice also play significant roles in both the disposal and redevelopment of closed military property.

**Local Players:** The federal process uses the term local to define any non-federal agency involved in the reuse or property transfer actions. At the State and local levels, a variety of state and local government entities, as well as community organizations, special interest groups and the private sector are often involved in the process.

**President Clinton’s “five point plan”**
In an attempt to speed economic recovery in communities impacted by the closure of military facilities, the Clinton Administration announced its $5 billion, “five-point plan” for revising the federal base disposal and closure processes. “Rapid redevelopment and creation of new jobs in base closure communities are the goals of the new initiative” (Office of the Secretary of Defense, 1993). By cutting the red tape of the existing federal property transfer process and improving communications between the federal and local entities, the President’s Plan was aimed at facilitating community reinvestment. Generally, the Plan was outlined in five parts:

1. Jobs-centered property disposal
2. Fast-track cleanup processes
3. The provision of Base Transition Coordinators
4. Easy access to federal transition and redevelopment assistance
5. Larger economic development planning grants to closure communities.

**The Pryor Amendment**
Proposed by Senator David Pryor, the Pryor Amendments reflected many of the new policy directives outlined in President Clinton’s five-part program. In April of 1994, a set of interim rules were released for public review and comment. A summary of the major elements of the interim rule follow:

- **Real Property Screening:** Revises the federal screening process prescribed in the General Services Administration (GSA) regulations to allow for a faster screening process.

- **Local Redevelopment Plans:** Requires early formation of a local redevelopment authority and development of the local Reuse Plans.

- **Jobs-Centered Property Disposal:** Requires the DoD to identify properties believed to have a ready market and begin the appraisal process as soon as possible.
• Economic Development Conveyances and Profit Sharing: The proposed Pryor Amendments call for the provision of Economic Development Conveyance of market-driven parcels in an effort to accelerate job creation in closure regions. Under this provision, redevelopment authorities can apply for control of the market-driven parcels at no initial cost with a "recoupment" provision that will permit the DoD to share in any future net profits should the base be later leased or sold, for a period not to exceed 15 years.

• Leasing of Real Property: Permits leasing of base property as less than fair market value or for no cost at all to provide new incentives for redevelopment authorities and businesses to spur job creation and speed economic redevelopment.

• Personal Property: Allows for the transfer of personal property (equipment, furniture, etc.) with real property.

• Minimum Level of Maintenance and Repair to Support Non-military Purposes: Provides procedures to protect the condition of the base facilities while the military mission is drawing down and the redevelopment plan is being assembled.

The McKinney Act

Background: The Stewart B. McKinney Homeless Assistance Act of 1987 was legislated during the Reagan Administration to help meet the needs of the nation's homeless. A number of programs were authorized through the McKinney Act including the emergency shelter programs, HUD-owned property disposition programs, housing for persons with AIDS and the Title V amendments for Surplus Federal Property for Use to Assist the Homeless.

Under the Title V amendments, excess federal properties, including military installations, were made available to states, local governments and non-profit organizations for use to assist the homeless. The general process was as follows: Once the federal property was declared surplused by its governing agency, the Department of Housing and Urban Development determined suitability of the site for use to assist the homeless. Property determinations and availability were then listed in the federal register. Once listed, homeless providers were given the opportunity to submit a proposal for use to Department of Health and Human Services -- the federal agency given the authority to approve or disapprove the proposed McKinney Act uses. Once approved, the homeless providers were awarded use of the property, typically through a license, permit or lease agreement with HHS. HHS remained in control of the property until an alternative transfer agreement, such as a sale, could be made.
On October 25, 1994, the President signed the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103-421). The act exempts base closure property from the McKinney Act and creates a new community-based process wherein homeless assistance providers will work directly with local redevelopment authorities regarding property acquisitions (Department of Defense, A New Community-Based Approach to Assisting the Homeless at Military Base Closure Sites: November, 1994, pg. 1). The new law removes the priority status of the requests for property to assist the homeless. Instead, property acquisitions to assist the homeless are considered after the federal screening process is complete; unlike the provisions of the McKinney Act, providers now must wait until the federal base property is surplused by the DoD. Thus, homeless providers are now required to negotiate potential land use sitings with the local reuse authority.

Once this process is complete the local reuse authority must submit a plan to the Department of Housing and Urban Development (HUD) that may include a homeless use. HUD will evaluate the proposal based on the size and nature of the proposed use to assist the homeless, and its economic impact to the surrounding communities and the local reuse (ibid, pp. 5-6). Once the application is approved by HUD, the DoD may transfer property for use to assist homeless needs in accordance with HUD’s approved plan.

According to the Act, the new process shall apply to all base closure property approved for closure subsequent to the October, 1994 enactment date. For those installations already approved for closure, the local reuse authority may submit a request to the Department of Defense for consideration under the new process (ibid, pg. 2).
Appendix B

Maps and Photographs
# FORT ORD REUSE GROUP
## BASE REUSE PLAN LANDUSE DEFINITIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGRI</td>
<td>AGRICENTER</td>
</tr>
<tr>
<td>AIR</td>
<td>AIRPORT</td>
</tr>
<tr>
<td>AQ/MRE</td>
<td>AQUACULTURE/MARINE RESEARCH</td>
</tr>
<tr>
<td>ARMY</td>
<td>ARMY PROPOSED PRESIDIO OF MONTEREY ANNEX</td>
</tr>
<tr>
<td>ARMY/MP</td>
<td>ARMY/MOTOR POOL</td>
</tr>
<tr>
<td>BTC</td>
<td>BUS TRANSFER CENTER</td>
</tr>
<tr>
<td>CBUS</td>
<td>CENTRAL BUSINESS DISTRICT</td>
</tr>
<tr>
<td>CDZ</td>
<td>COASTAL DUNES ZONE</td>
</tr>
<tr>
<td>CORP</td>
<td>CORPORATION YARD</td>
</tr>
<tr>
<td>DHZ</td>
<td>DISTURBED HABITAT ZONE</td>
</tr>
<tr>
<td>DS</td>
<td>DESALINATION PLANT</td>
</tr>
<tr>
<td>GOLF</td>
<td>GOLF</td>
</tr>
<tr>
<td>HAB</td>
<td>HABITAT PRESERVE</td>
</tr>
<tr>
<td>HR</td>
<td>HIGH RESIDENTIAL</td>
</tr>
<tr>
<td>HR/CBUS</td>
<td>HIGH RESIDENTIAL/CENTRAL BUSINESS DISTRICT</td>
</tr>
<tr>
<td>INST/MIIS</td>
<td>INSTITUTIONAL/ MONTEREY INSTITUTE OF INTERNATIONAL STUDIES</td>
</tr>
<tr>
<td>LFRA</td>
<td>LANDFILL RESEARCH AREA</td>
</tr>
<tr>
<td>LI</td>
<td>LIGHT INDUSTRIAL</td>
</tr>
<tr>
<td>LR</td>
<td>LOW RESIDENTIAL</td>
</tr>
<tr>
<td>MR</td>
<td>MEDIUM RESIDENTIAL</td>
</tr>
<tr>
<td>MUA/ATF</td>
<td>MULTI USE AREA/ASILOMAR TYPE FACILITY</td>
</tr>
<tr>
<td>NAE</td>
<td>NATURAL AREA EXPANSION</td>
</tr>
<tr>
<td>NRMA</td>
<td>NATURAL RESOURCE MANAGEMENT AREA</td>
</tr>
<tr>
<td>OP</td>
<td>OFFICE PARK</td>
</tr>
<tr>
<td>POST</td>
<td>POST ACADEMY</td>
</tr>
<tr>
<td>RAE</td>
<td>RECREATIONAL AREA EXPANSION</td>
</tr>
<tr>
<td>RC</td>
<td>RESERVE CENTER</td>
</tr>
<tr>
<td>RET</td>
<td>RETAIL</td>
</tr>
<tr>
<td>RET/HR</td>
<td>RETAIL/HIGH RESIDENTIAL</td>
</tr>
<tr>
<td>RH</td>
<td>RESORT HOTEL</td>
</tr>
<tr>
<td>RV</td>
<td>RV PARK/CAMPGROUND</td>
</tr>
<tr>
<td>SA</td>
<td>SERVICE AREA</td>
</tr>
<tr>
<td>SCH</td>
<td>SCHOOL</td>
</tr>
<tr>
<td>SE</td>
<td>SCHOOL EXPANSION</td>
</tr>
<tr>
<td>TECH</td>
<td>HIGH TECH BUSINESS PARK</td>
</tr>
<tr>
<td>UNIV</td>
<td>UNIVERSITY</td>
</tr>
<tr>
<td>UNIV-CC</td>
<td>UNIVERSITY/COMMUNITY COLLEGE</td>
</tr>
<tr>
<td>URA</td>
<td>UNIVERSITY RESEARCH AREA</td>
</tr>
<tr>
<td>USO</td>
<td>UNIVERSITY/SCIENCE OFFICE</td>
</tr>
</tbody>
</table>
BIBLIOGRAPHY


California Senate Bill No. 899 [Ch. 64, an act to add and repeal Title 7.85 of Government Code, (May 9, 1994)].

California Senate Bill No. 900 [Ch. 87, an act to amend Section 67655 of Government Code, (May 20, 1994)].

California Senate Bill No. 1600 [An act to amend Sections 53317, 67678 and 67679 of, and to add Sections 67675.9, 67679.5 and 67686 to, the Government Code, (introduced February 22, 1994)]


The Commonwealth of Massachusetts, Executive Office of Environmental Affairs, *Certificate of the Secretary of Environmental Affairs on the Environmental Notification Form*; February 8, 1993.


Earth Technology Corporation, *BRAC Clean-up Plan* (Version I); prepared for the US Army Environmental Center, April 7, 1994.
EDAWVBH, Executive Summary: Fort Devens Reuse Plan; prepared for the Massachusetts Government Land Bank, April, 1994.


Fort Devens Disposal and Reuse Impact Analysis; Prepared for the Army Corps of Engineers, October, 1993.

Fort Devens Redevelopment Board, Report to the Governor; July, 1992; December, 1992; and December 1993.


Fort Ord Reuse Authority, Meeting Minutes: May 20, 1994; June 3, 1994; and July 8, 1994.


Fort Ord Reuse Group, Summary of Base Reuse Plan; Preliminary Draft, February 8, 1994.

From Vision to Nightmare: CSU, Monterey Bay, prepared by the Tak Takali, former Mayor of Marina, California for City Hearing on CSU Monterey Bay development, April, 1994.


*The Joint Boards of Selectmen: Mission Statement*, prepared by the Joint Board of Selectmen: Ayer, Harvard, Lancaster and Shirley, *Date not given*.


Letter from Lance McClair to Congressman Sam Farr regarding the resolution of Fort Ord Governance Issues, April 4, 1994.


Letter from US Army Corps of Engineers to Joseph Cavanaugh (FORG) regarding incorporation of FORG reuse plan into EIS document, March 8, 1993.

Life for Little Ones, program brochure, materials not dated.


The Massachusetts Government Land Bank, *Devens Housing Area Study*: 1994..


Memorandum from the Fort Ord Reuse Group to FORSCOM regarding merging of the Army Alternative and FORG base reuse plan, September, 1993.

Memorandum from the Fort Ord Reuse Group to Congressman Sam Farr regarding current FORG issues with the Army, June 18, 1993.

Memorandum from the Fort Ord Reuse Group to Leon Panetta’s office regarding the Army release of preliminary Fort Ord EIS, October, 16, 1992.


Memorandum from Karl Seidman to Land Bank Board of Directors, regarding the Land Bank’s role in the implementation of Choosing To Compete; May 13, 1993.
Memorandum from Jeffrey Simon to Governor William Weld, regarding the Environmental Technology Program at Fort Devens, June 22, 1994.


Picerno, James, “When the Military Leaves Town...Coping with the Economic Impacts”; *Business Facilities*, June, 1990.


RKG Associates, Inc. (under subcontract to Vanasse Hangen Brustlin, Inc.), *Fort Devens Reuse Planning Project: Preliminary Financial Analysis of the*
Operations and Redevelopment of Fort Devens To Civilian Reuse (Task 2); Prepared for the Land Bank, December 15, 1994.


RKG Associates, Inc. (under subcontract to Vanasse Hangen Brustlin, Inc.), Fort Devens Reuse Planning Project: Real Estate Market Analysis (Tasks 4); Prepared for the Land Bank, January 6, 1994.


Simmons, Charlene Wear, Base Reuse: California Issues and Current Experiences; Sacramento: California Research Bureau, June 1994.


United States Army Corps of Engineers, New England Division, Fort Devens Disposal and Reuse Impact Analysis Workshop, Date Summary Sheet 2; materials not dated.


Case Study Interviews/Conference and Lecture Notes:

Archer, Heather, Project Coordinator for the Massachusetts Government Land Bank; Personal Interview (s), March 23, 1993 (research for a previous study) and June 23, 1994.

Barlick, Jack, Mayor of Del Ray Oaks, California and Chairman of the Fort Ord Reuse Group and the Fort Ord Redevelopment Authority; Personal Interview, August 8, 1994.
Bassett, Timothy, Executive Director of the Massachusetts Government Land Bank; Lecture notes, January 14, 1994.

Blitzer, Donna, District Director, Office of Congressman Sam Farr; Personal Interview, August 8, 1994.

Bradshaw, Ted, Institute of Urban and Regional Development at the University of California at Berkeley; Personal Interview, August 1, 1994.

Brown, Judith, President of the Judith Brown Company; Personal Interview, August 1, 1994.


Cavanaugh, Joseph, Project Coordinator for the Fort Ord Reuse Group; Personal Interview, August 3, 1994.


Clack, Kathy, Fort Ord BRAC Office; Personal Interview, August 4, 1994.

Cooper, Virginia, Director, Economic Development Corporation of Monterey County; Personal Interview, August 8, 1994.

Courter, James, Chairman of the Defense Base Closure and Realignment Commission; Keynote Speaker: Redevelopment and Reuse of Deactivated Military Bases in California, Costa Mesa, California, May 5-6, 1994.

Demos, Francine, Project Manager, Jones & Stokes (EIS consultants to the Army Corps of Engineers -- Fort Ord); Telephone interview: August 5, 1994.

Ellzey, Col., Thomas, Fort Ord Garrison Commander; Personal Interview, August 4, 1994.

Ferguson, Veronica, Director, Office of Intergovernmental Affairs, County of Monterey; Personal Interview, August 9, 1994.

Florin, Lawrence, Manager, Office of Military Base Conversion, San Francisco Redevelopment Agency; Personal Interview, July 29, 1994.

Fohlin, Peter, former Shirley Town Selectman; Telephone Interview, September 16, 1994.
Freidman, Mark, Chief of Staff, Office of Don Perata (Co. Supervisor, Third District, Alameda County); Personal Interview, July 27, 1994.

Gandy, Kurt, Fort Ord Restoration Advisory Board; Telephone Interview, August 3, 1994.

Goblirsch, Dick, Marina Housing and Economic Development Coordinator; Personal Interview (s), August 8, 1994 and February 7, 1995.

Hasse, David, Base Transition Planner, Bay Area Transition Field Office; Personal Interview, July 29, 1994.

Hendrickson, Hank, Executive Dean, California State University at Monterey Bay; Personal Interview, August 5, 1994.

Higgins, Tim, former Ayer Town Administrator; Personal Interview, August 25, 1994.

Hunt, Carter, Deputy Commander, Fort Devens Headquarters; Personal Interview, August 25, 1994.

Kirschenbaum, Josh, Defense Conversion Coordinator at the University of California at Berkeley; Personal Interview; July 27, 1994.

Kildow, Judith, Professor, MIT’s Department of Ocean Engineering; Lecture notes from Course entitled Environmental Mangement of the Coast, Spring, 1994.

Knapp, Eric, Senior Development Coordinator for the Massachusetts Government Land Bank; Personal Interview, June 13, 1994.

Kohn, Judy, Environmental Coordinator for the Massachusetts Government Land Bank; Personal Interview, June 13, 1994.

LaGraff, Kevin, Legislative Consultant to Senator Henry Mello; Telephone Interview, July 28, 1994.

Lampe, David, former Assistant Director of MIT’s Industrial Liaison Program; Personal Interview, July 20, 1994.

Longley, John, Marina City Manager; Personal Interview, August 8, 1994.

Loving, Alan, Project Manager, Division of Base Reuse, San Francisco Redevelopment Agency; Personal Interview, July 29, 1994.
Martin, Lora Lee, Director of Government Research Affairs and Regional Economic Development; Personal Interview, August 9, 1994.

McClair, Lance, former Mayor of Seaside; Personal Interview, August 3, 1994.

McDonald, Bruce, Shirley Town Selectman; Telephone Interview, September 16, 1994.

Meurer, Fred, Monterey City Manager; Personal Interview, August 9, 1994.

Mickelson, Debra, Member of the Citizens Action Group (Fort Ord); Telephone Interview, August 3, 1994.


Owens, Dana, Harvard Town Selectman; Telephone Interview (s), September 18, 1994 and February 8, 1995.

Potter, Dennis, Seaside Planning Services Manager; Personal Interview (s), August 3, 1994 and February 7, 1995.


Seidman, Karl, Deputy Director of the Massachusetts Government Land Bank; Personal Interview(s), August 16, 1994, February 1, 1995, and February 6, 1995.

Siegel, Lenny, Director of the Pacific Studies Center; Personal Interview, August 2, 1994.

Simon, Jeffrey, Executive Director, Fort Devens Division of the Massachusetts Government Land Bank; Personal Interview(s), March 24, 1994 and August 22, 1994.

Strong, Susan, Senior Research Associate, Center for Economic Conversion; Personal Interview, August 2, 1994.

Weir, Laurel, National Law Center on Homelessness and Poverty; Telephone Interview, April 29, 1993.
Willette, Ken, Economic Development Coordinator for the Massachusetts Government Land Bank; Personal Interview, June 13, 1994.

Williams, Ben, Speaker; Redevelopment and Reuse of Deactivated Military Bases in California, Costa Mesa, California, May 5-6, 1994.