

The State Role in Military Base Closure and Reuse

by

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B.A. English, University of Idaho, 1984

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in Partial Fulfillment of the Requirements for
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Submitted to the Department of Architecture on July 30, 1993
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ABSTRACT

The United States military is downsizing for various political and economic reasons. As a result, military bases are closing. A typical military base encompasses thousands of acres with existing facilities and infrastructure. Many bases are communities within themselves, often with a major airfield or port facility. Because most active military bases provide substantial local economic benefit, closure can be a disruptive transition to the area's economy. Controversy usually ensues once closure is announced.

Base reuse remains a complex, time-consuming, and changing process involving numerous players. The reuse process is challenged by financial requirements, environmental factors, and jurisdictional claims. Even for a single base closure, the stakes are enormous. Delayed reuse translates to missed opportunities. Poor planning may leave the community/state with undesirable conditions for generations. As a result, some states have taken a proactive role in this process. Others have largely left the reuse planning and implementation to the local governmental entities.

This thesis examines the state role in the base closure and reuse process in the states of Massachusetts, New Hampshire, and California. Particular emphasis is given to the role of the state relative to other important players in the closure/reuse process, notably the federal government, municipalities and private industry. This thesis compares and evaluates different state strategies.

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SECTION 1 - INTRODUCTION

1.0 INTRODUCTION

An emerging global economy and a thawing cold war have helped lead to a downsizing of the U.S. military. This downsizing has in turn led to U.S. military bases closing. A typical military base encompasses thousands of acres, and is like a self-contained town: most bases have an extensive infrastructure, existing housing, numerous training and support structures, and may include large airports or naval facilities. While the federal mandate to phase out these facilities is clear, their future use is often highly uncertain.

The closing of a single military base and planning for reuse is a time-consuming, complex procedure which dramatically impacts the region economically, environmentally, and politically. Each base closure and reuse process involves numerous players at the federal, state and local level. Base closures precipitate questions of reuse in terms of planning, use, and implementation.

Without a reuse plan that is clear, feasible, and acceptable, a variety of ill effects may transpire. Costly delays can occur and beneficial opportunities may be missed. Political stalemate can sometimes lead to non-reuse of the base. This occurred at Hamilton Army Airfield in Marin County which effectively closed in 1976. Likewise, the future of George Air Force Base in Southern California is currently tied-up in a legal battle between a small town and a regional redevelopment authority.

An economically viable reuse plan for a single military closure requires an understanding of the federal disposal process, cooperation with the federal players, consideration of the environmental factors, regional consensus, orchestrating redevelopment plans for the short-term and long-term, and securing the considerable and critical financing for redevelopment. Given the vast size and impact of a typical military base, this is only the beginning of the list of requirements. When a state must endure not one but many base closings, the stakes are correspondingly higher and the planning issues all the more complex.

States have responded to this challenge in strikingly different ways. New Hampshire established a state agency to plan the reuse of the state's single base closure and then created another agency to implement that plan. By contrast, Massachusetts took less of a preemptive role, choosing instead to create an agency to assist community reuse efforts during the 1970's base closures. Most recently, however, this agency, the Massachusetts Government Land Bank, appears poised to supersede local authority. California, in turn, faces the most challenging base closure task (there are seventeen base closures from the 1988 and 1990 closure lists, and the 1993 closure list is expected to include five Bay Area facilities). Yet, paradoxically the State of California's role in the process has been far more limited. Base reuse in California thus far has been a local process.

This thesis focuses on the state role in the base closure and reuse process. Specifically, it will determine what roles are available to a state, and their respective advantages and disadvantages. It will be seen that two fundamental elements influence the state role: the state's reaction to greater-

than-local events (regional governance issues); and, the federal base disposal process. This thesis then compares the state roles in Massachusetts, New Hampshire, and California. These three states provide a range of roles from limited to preemptive. Given the sheer magnitude of their social and economic impacts, base closings may seem in some respects like unique events that may call for entirely new strategies. States, however, have sometimes played active roles in other land use planning cases, particularly where environmental and economic development impacts are felt regionally. This thesis thus considers the potential state role in base closings in the broader context of state, regional, and local land use authority.

1.1 BASE CLOSURES: AN UNPRECEDENTED EVENT

Base closures pose an unprecedented dilemma and offer a once-in-a-lifetime opportunity for states and communities. Closures typically represent the departure of what was assumed to be a stable economic contributor. Closures may supply thousands of acres without clear land use controls. Not surprisingly, there is much debate about how this vacuum should be filled. Should the "invisible hand" of the private market be trusted to generate new activity, or is public investment and regulation needed to stimulate and coordinate this activity? And to the extent that some government intervention is warranted, what level of government and what agencies should be involved? These fundamental political questions can spark heated debate even before people begin to lobby for one particular plan or another. Much rides on what is decided. The reuse of these bases will determine the destiny of the local communities and region for decades, if not centuries.

While much of the public debate on base closings has focused either on the federal deficit or which particular facilities will be spared, the real issue may be how conversion can be most equably and efficiently achieved. A base that is preserved this year may be eliminated in the next round.

The successive rounds of closings collectively present the United States with a land use planning problem (or opportunity?) with little if any precedent. Perhaps the urban renewal effort of the 1950's and 60's is comparable¹, though base closings undoubtedly affect more acreage and perhaps as many people. The focus of urban renewal, however, was on revitalization. Whereas in base closings, the principle mission is to reduce the military budget; there is no clear vision of how these abandoned facilities should be reused. The federal highway program of the same period also had sweeping impact, good and bad, though here again the focus was on constructing something new, not terminating obsolete facilities.

Even if urban renewal and the highway program are of comparable scale, it is questionable whether they provide useful models for base closures. Unlike the revitalization of downtowns, the federal programs involved in base closures are principally designed towards closing military bases, not creating economic growth. The mayors and downtown businesses focused on rebuilding downtown facilities to draw the consumer and keep the job opportunities and culture.² Base closures signal the departure of the military without a defined new tenant. Further, bases often encompass several jurisdictions and establishing the land use controls may be controversial.

¹Frieden, Bernard J., and Sagalyn, Lynne B., Downtown, Inc. How America Rebuilds Cities. (Cambridge: The MIT Press, 1991), pp. 20-32.

²Ibid.

The consequences of the base reuse, or non-reuse, are enormous. A base reused as an international airport and industrial center as opposed to a base reused as a park and recreation facility or sitting fallow demonstrates the larger implications. The transfer of ownership and the reuse of a military base is likely the largest and most complicated land use issue faced by states in modern history.

1.2 BASE CLOSURES: LOCAL OR LARGER-THAN-LOCAL CONCERN?

Both the states of Massachusetts and New Hampshire will be seen to have viewed base closures as economic threats requiring state assistance.³ Both states created agencies to specifically address base reuse. These two states have embraced proactive roles and are essentially acting as the planner/owner for their respective singular base reuses. California, on the other hand, views the reuse of the multiple base closures as primarily a local concern. Paradoxically, the economic threat from base closures appears much greater in California than in Massachusetts or New Hampshire. This vastly different state approach to base closures requires further examination.

A state's role in base reuse is firmly entrenched in its behavior toward other greater-than-local issues which have required state/regional involvement. This paper, after a brief historical perspective of state land-use controls, identifies the key components required for implementing regional governance as they directly relate to base reuse. Next, from a basic overview of these components, several models of the possible state roles are presented. Much has been written on regional governance/greater-than-local issues, and readers that

³The legislation creating both state's agencies incorporates language that the economic peril from the closures requires state involvement for the good of the entire state.

demand a deeper understanding of this topic are referred to Frank J. Popper's, The Politics of Land-Use Reform and John M. DeGrove's Planning & Growth Management in the States.

1.3 STATE/REGIONAL/LOCAL RELATIONSHIPS

Traditionally, land use control in the U.S. has been a local issue. There are numerous reasons to support home-rule land use controls.

"In judging the merits of most land use changes, local authorities are not only better informed about the facts of the situation, but are also (at least ideally) more responsive to the interests affected. When higher levels of government deal with such problems, they typically must create layers of bureaucracy simply to channel the appropriate information to decision makers. The decision makers, moreover, are responsible to a constituency which is probably far larger than the group of citizens affected by most land use decisions. Thus, by virtue not only of tradition, but of efficiency and political responsiveness, there is a strong case for local control of land use."⁴

These local land use controls have been historically built upon site-specific conditions, as witnessed by most municipalities' zoning and planning laws. Changes to these zoning and planning laws, typically, has occurred incrementally. For example, the growth in a town might initiate a minimal lot size for a residence. These incremental land use controls largely represent reactive measures to specific events.

While it is accepted that most planning and zoning has occurred at the local level, often planning and zoning affects much more than the community. For example:

⁴R. Healy , and J. Rosenber, Land Use and the States,(Resources for the Future, 1979) pp.6-7.

"Almost everywhere, individual communities were dealing with land-use questions of more than local impact and making their decisions without consideration for and often to the detriment of surrounding communities. Without consulting its neighbors, a city or suburb would agree to a proposal for a big new shopping center or power plant. It would get all the tax revenues, but its neighbors would get much of the pollution and traffic."⁵

This is one example which sparks state/regional/local land-use control disputes. Given that the local government's largest local revenue source is a tax on real estate assets and property,⁶ these issues are both politically and financially volatile.

These regional governance issues manifested from environmental concerns. New regulatory legislation passed which covered "large development projects, particular kinds of large projects (such as power plants or strip mines), or projects in environmentally sensitive locations."⁷ This state legislation was a reaction to specific environmental concerns and was induced by the federal government's funding for the state's regulation of the 1972 Coastal Zone Management Act, and the amendments to the Air Quality Act and the Water Pollution Control Act.⁸ Over the years, the greater-than-local concerns causing regional governance has matured into meaning more than environmentally sensitive or "no growth," rather:

"...a commitment to plan carefully for the growth that comes to an area so as to achieve a responsible balance between the protection of natural systems-land, air, and water-and the development required to support growth in the residential, commercial, and retail areas. It is deeply committed to a responsible 'fit' between development and the infrastructure needed to support the impacts

⁵Popper, Frank J., The Politics of Land-Use Reform (Madison: The University of Wisconsin Press, 1981) p. 49.

⁶Wheaton, William C., lecture, "Real Estate Economics," Center for Real Estate, Massachusetts Institute of Technology, 4 May 1993.

⁷Popper, Frank J., The Politics of Land-Use Reform (Madison: The University of Wisconsin Press, 1981) p.16.

⁸Ibid., p. 17.

of development, including such things as roads, schools, water, sewer, drainage, solid waste, and parks and recreation."⁹

Additionally, these "growth management systems" have evolved to include economic development. Indeed, the State of Maine implemented a "growth management system" that featured:

"...major roles for the state, regional , and local levels, with substantial initial funding. (It features) an integrated policy framework with a governance system to support it; a major focus on economic development; the elevation of affordable housing to a high level in planning and plan implementation; major mandated policies to better protect farm, forest, and natural resource lands; ...compact urban development/anti-urban-sprawl policies; and finally, a strong set of policies to encourage the provision of infrastructure concurrent with the impacts of development."¹⁰

A similar focus on economic and environmental concerns has initiated Massachusetts' and New Hampshire's roles toward base reuse, and both states' respective sections will reflect many qualities of Maine's growth management system. However, California, despite the magnitude of base closures and obvious economic dislevel, remains supportive of home rule in base reuse.

"Despite the state's tremendous growth in the last twenty years,...no statewide or regional systems have emerged that have the capacity to deal with regional issues in a comprehensive way. The state has numerous single-purpose regional agencies with mandates to deal with specific issues, such as water quality, air quality, and transportation. Some of these agencies, such as the air quality control boards, are quite powerful and have binding regional decision-making authority. However, as in most states, California's general- or multi-purpose regional agencies, which might coordinate regional planning activities on a variety of issues, have no binding authority."¹¹

⁹DeGrove, John M., Planning & Growth Management in the States (Cambridge: Lincoln Institute of Land Policy, 1992)

¹⁰Ibid., p. 60.

¹¹Ibid., pp.156-7.

In 1980, the Director of the State Office of Planning & Research, Deni Greene, stated that she did not believe that California was likely to see strong centralized planning for three reasons:

"California has a long history of home rule going back at least as far as the 1879 Constitution. Our legislators respect this tradition. County and city officials have effective organizations dedicated to preserving their home rule prerogatives.

The second reason we are not going to see strong centralized planning is the diversity of the state....

Third, our local governments have had a long history of planning. State planning has often emerged where there was a planning vacuum and there is no vacuum in California."¹²

Yet, Greene expected the state to improve the integration of the "many single purpose, functional plans such as those for water, air, conservation and energy, all of which clearly affect land use." Further, Greene observed that region-wide and state involvement were required to address greater-than-local concerns, such as the responses and protection of Lake Tahoe, the San Francisco Bay, and the California Coast.¹³

Applying Greene's observations to base closures and reuse, the state does not perceive a "planning vacuum" in the local reuse efforts or recognize any greater-than-local issues in the base closures that require state involvement. Yet, the California section will illustrate that jurisdictional questions are prevalent in the state's base closures, and these questions are not necessarily addressed at the local level.

¹²Deni Greene, "State-Level Planning in California," in A Conference on the Respective Roles of State and Local Governments in Land Policy and Taxation, (Cambridge: The Lincoln Institute of Land Policy, 1980), pp. 74-75.

¹³Ibid., p. 75. Each of these greater-than-local jurisdictional entities are environmental responses that limit growth.

Before presenting the possible state roles for base reuse, identifying the key components necessary to create a growth management system will help explain the strong state involvement of some states, and the limited role of others.

1.4 CREATING A "GROWTH MANAGEMENT SYSTEM"

As Popper's title suggests, politics are ubiquitous in this implementation process. Legislation is required to change land-use controls over to a regional or state agency. The legislation creating growth management measures is likely to encounter many barriers, including local political opposition, jurisdictional disputes, and questions of enforcement, budget and staffing to name a few.¹⁴ DeGrove's research on Growth Management Systems identified three key factors required to successfully impose a statewide or regional system¹⁵:

1. Gubernatorial support
2. Legislative leadership
3. Coalition of support among environmental, business, development and local government interests.

DeGrove further states that successful implementation of growth management systems are:

"broadly representative of the stakeholders in the public policy field of growth management, typically developers, environmentalists, elected and appointed representatives of state and local governments, the agricultural community, and the legal and corporate fields. Furthermore, these groups at their best

¹⁴Popper, Frank J., The Politics of Land-Use Reform (Madison: The University of Wisconsin Press, 1981) pp.93-115.

¹⁵DeGrove, John M., Planning & Growth Management in the States (Cambridge: Lincoln Institute of Land Policy, 1992) p. 157.

reached out to sub-committees of special advisory groups to create a broad-based and open process."¹⁶

The Massachusetts and New Hampshire cases will be seen to support Popper and Degrove's observation that strong political leadership is critical to start and sustain a growth management system, and both cases are broadly representative of the stakeholders. If a state takes an proactive role in base reuse including land use controls, growth management issues should be considered.

Further, the state's role in the reuse process may reflect the local competence and state ability. Assuming that economic development is targeted as a state priority, and local reuse planning efforts attract substantial investment and jobs, the state is unlikely to interfere, particularly if the state is bankrupt and caught in internal political battles.

1.5 POSSIBLE STATE ROLES

Both the federal disposal process and the greater-than-local (growth management) issues will be seen to influence the state's role. All three states in this study illustrate that their role is not always clear and may develop over time. Regardless of what a state's role was or could be, it is somewhere between "no involvement" to "full involvement, including land use controls." Because state environmental agencies invariably play some part in the base closure and reuse process, the spectrum of state roles actually begins at "minimal involvement." As the cases will illustrate, a state may play one or more of the following seven roles.

¹⁶Ibid., p. 168.

1. Minimal Involvement

The state's role is limited to state agencies (i.e. the state environmental agency or the state housing authority) independently interacting with the local agency and/or the federal players. There is no coordination among state agencies towards reuse efforts.

2. Technical and Informative Support

The state provides information and technical support to the local agency. For example, the Trade and Commerce Office might offer a listing of federal and state assistance programs, the Office of Planning might independently provide planning and assistance, and the Attorney General's Office provides legal aid.

3. Coordinated State Involvement

A single agency is typically appointed or created to coordinate all the state offices and agencies to assist the base reuse effort. This role may also be as limited as two state agencies working together, such as the state EPA and state water resource board jointly agreeing upon a remediation for a contaminated water table on a base.

4. Legislative/Political

To assist base reuse the state may lobby or introduce legislature at the federal or state level. Examples of this include efforts to change the federal disposal process, and creating redevelopment authorities or redevelopment areas. Also, the state may politick for proposed uses, such as a federal prison or state park, to help the reuse effort.

5. Financial Mechanism

The state provides financial assistance to the reuse efforts. These contributions can come from various state agencies (Trade and Commerce, Housing, Transportation, ect.), or from special legislature (directly by financial appropriation, or indirectly by creation of an Enterprise Zone or Tax Increment Financing).

6. Regional Coordination

Legislation is usually required with this role which creates a regional authority to oversee the base reuse, or imposes land use controls in a region. The former might be an agreement between jurisdictions such as a Joint Powers Authority, while the latter might occur in a region with multiple closures (i.e. limits the number of airports).

7. Proactive / Preemptive (State as Developer)

The state, likely through an appointed agency, plans and implements the base reuse. The difference being a proactive role considers the local concerns, whereas the preemptive role is more inclined to intervene regardless of the local position.

A state will likely play some combination -to some extent and degree-of the above roles in a reuse process. Accordingly, as a state's interest in the reuse increases, each of the above functions becomes more evident in the state's role.

1.6 AVAILABLE DATA

Although approximately 100 bases closed between 1960 and 1990, marginal research has been documented about the state's role. The Department of

Defense's (DoD) Office of Economic Adjustment (OEA) provides vignettes on many successful community reuse efforts, and the federal government supplies several handbooks on transforming a military base to civilian reuse.¹⁷ All of these publications, however, emphasize base reuse as a "community" process.

State and local information on the state role in base reuse also remains elusive. Much of the information on base closures has emphasized the tremendous economic consequences, presumably as an effort to either prevent their closure or solicit federal aid. Most of the information about the state's role presented here was gathered from interviews. However, the federal base disposal process and the related environmental issues are well-documented by both the federal and state governments, and the previously mentioned Popper and DeGrove books provided the basis for regional governance issues. Massachusetts' and New Hampshire's single base closures with active state agencies allowed a straightforward approach to understand the state role, whereas California's role in the reuse process was gleaned primarily through a community by community investigation. This lack of study is complicated by California still attempting to articulate an approach to base closure and reuse. As will be seen in the California section, 1993 has brought several efforts to understand and determine the state's role in the reuse process.

¹⁷U.S Department of Defense. Office of Economic Adjustment. Civilian Reuse of Former Military Bases, 1961-1990. The Pentagon. Washington, D.C.: April-June 1990. ; U.S. Department of Defense. The Presidents Economic Adjustment Committee. Planning Civilian Reuse of Former Military Bases. Washington, D.C.: November 1991; and, U.S Department of Defense. The Presidents Economic Adjustment Committee. Communities in Transition. Washington, D.C.: 1977.

1.7 SCOPE OF STUDY

Base closures offer opportunities to reshape the economic development and environment of entire regions, if not states. The federal government, states, and most communities actively seek -some demand- an economic replacement for the military's departure. As new uses for these large tracts of land are sought, each of the public players are asked to look in their pockets and invest in the creation some economic engine to replace the void left by military's departure. Some plan, not for economic replacement, but for larger endeavors. Only faint whispers are heard to ask: is public investment or economic replacement really required; are thousands acres of land with existing structures coming into the market adversely affecting adjacent real estate owners and businesses; and, if there is not a clear use for these vast tracts of land now, why not land bank this property for some future need. These important questions will be left to others. This thesis assumes economic development is desired and focuses on the state role in the base closure and reuse process.

Whether the state's role is minimal, preemptive, or somewhere in between, base closures offer a once-in-a-lifetime opportunity in large-scale planning. Implicit in this opportunity is the horrendous downside: poor planning and development of these bases can leave the state with problems that last decades, if not centuries. The state's role in this process may facilitate, even determine, the reuse of the base. And the implications of this reuse will affect whole regions, if not the entire state.

Only a handful of military bases from the 1988 and 1990 lists have officially closed. Pease Air Force Base in New Hampshire was one of the first major bases from these closure lists to see partial reuse. Most bases on these lists remain in the planning phases and will officially close over the next four years. It is still early in the reuse process, and many states (i.e. California) are still trying to determine their role. Given the enormous responsibility of base reuse, and given that more bases are closing, determining some basic advantages and disadvantages to various state roles is required. Before examining the roles of Massachusetts, New Hampshire and California, the federal players and base disposal process will be described as this process is fundamental to each reuse effort, therefore, the state role.

SECTION 2 --THE PLAYERS AND THE FEDERAL BASE DISPOSAL PROCESS

2.0 INTRODUCTION

The planning involved in the conversion of a military base to civilian use is among the most complex issues currently faced by U.S. politicians, planners, and public and private developers. This endeavor, known officially as the "base disposal process," involves all levels of government. Moreover, because these land parcels are so large, reuse planning requires the marshaling of a wide variety of experts, including planners, architects, civil engineers, market researchers, economists, lawyers, environmental specialists, and financial analysts. This federal base disposal process affects any reuse effort, and effectively, the state role. Thus, this process is a critical component of understanding base reuse and the opportunities for a state to assist the reuse efforts.

Several significant changes in this process which affect reuse efforts are discussed below. This is followed by a description of the federal players and the base disposal process. Then, a brief description of the environmental process is presented.

2.1 SIGNIFICANT CHANGES IN BASE CLOSURE PROCESS

Base closures are not a new phenomenon. Several federal booklets accentuate the importance of formulating a base reuse plan and provide examples of successful conversions. However, the assumption that previous successful

conversions can be replicated by following in their footsteps requires a large leap of faith. As the result of several changes, today's base reuse is a more difficult task.

Although the selection procedure for base closures has become less political, this does not lessen the impact to communities and states. Indeed, current reuse efforts are additionally challenged by more rigid environmental regulations and several changes in the federal disposal process. Unlike previous closures when the base was readily transferred to the community for bargain terms, the recent DoD position actively seeks "fair market" compensation for the land and facilities. Whereas previous sale proceeds went to General Accounting, current sales proceeds do not leave the military coffers. This effort to generate funds through the sale of the property has resulted in a much larger financial burden to the reuse efforts. Moreover, base reuse in the 1960's and 70's procured substantial financial assistance from the Department of Commerce's Economic Development Administration (EDA). Federal budget cuts have left the EDA with comparatively small amounts of funding for today's base reuse.

Unlike the earlier base closures which were handled by the General Services Administration (GSA), the respective military branch is handling the transfer. While the GSA employed people specialized in real estate disposal, the military branch overseeing the base closure and transfer has limited, if any, expertise in real estate. Further, the sheer number of base closures stretch their resources. Redevelopment agencies complain that the military lacks the skills to handle base disposals. Jeffrey Simon of the Massachusetts Government Land Bank, and a former private developer, expressed his frustration while

negotiating an Interim Lease with the Army: "It was like I was in a Kafka novel. Simple things, agreed upon things are complicated and changed the next day."¹⁸ Another problem has been some ranking military officers approaching retirement assigning themselves to the position of environmental officer for the base closure. Presumably, the keen eyes of a few good men recognize a growth industry.

2.2 DESIGNATION FOR CLOSURE

Prior to 1988, the process of closing military bases was mired in political red tape as Congressional representatives fought to save their home districts and the Executive and Legislative branches of the federal government vied for control. In 1988 Congress passed the first of a series of Base Closure Acts to expedite the closure process. The legislation differed from earlier approaches in that it required the Executive and Legislative branches to accept or reject the closure package in its entirety. Congress could not add or delete bases from the list. This "all or nothing" approach has proved very efficient. Presently, the 1993 base closure recommendations have been accepted by the President. If Congress does not reject the list within the 45 day period, the DoD begins the closure process.

2.3 THE FEDERAL PLAYERS

Most of the policies affecting base closure and disposal were enacted by Congress. The specific laws affecting military base disposal include the Federal Property and Administration Services Act of 1949 (as amended), the

¹⁸Interview Jeffrey Simon, Massachusetts Government Land Bank, 29 July 1993.

Base Closure and Realignment Act of 1988, and the Stewart B. McKinney Homeless Assistance Act. These regulations are administered by the General Services Administration (GSA), the federal agency responsible for the acquisition, management, and disposition of federal property. For the disposal of the military bases, the GSA has delegated its authority to the Secretary of Defense, who in turn has re-delegated this authority to the individual military services.

The Military Branch

Each of these branches effectively acts as the "seller" in the process and oversees the closure, clean-up, and disposal of the base. The Air Force is the only branch which has created an separate agency, the Air Force Base Disposal Agency, to specifically handle the base closure and transfer process.

The Office of Economic Adjustment (OEA)

The OEA was established within the Department of Defense in 1961 to assist communities impacted by DoD actions. The OEA provides direct technical assistance and grants to develop adjustment strategies and base reuse plans. Since 1970 assistance is coordinated through the President's Economic Adjustment Committee, and the OEA serves as the permanent staff for this interagency committee.

Because of the technical assistance and the planning grants, the OEA is an instrumental player in the initial closure process. Grants from the OEA appear to average \$100,000. Typically, these planning grants require a percentage of matching funds, and it is not uncommon to see the "match" come from the local community development block grants, which are federally

funded. Considering that planning the reuse of thousands of acres of a military base offers a one-time shot for the communities, \$100,000 grants seem insufficient for the task. The OEA prefers to work with a single entity representing all the interests and jurisdictions involved in the base closure.

The OEA and EAC have prepared several reports to help communities formulate a base reuse plan. These reports outline development strategies, creating policy groups, design hints, marketing tactics and other base reuse concerns.

The community leadership has the *ultimate responsibility to guide the planning of the new base reuses*. The community itself must determine the appropriate zoning and land uses; provide the public services...In addition, the member agencies in the Economic Adjustment Committee (EAC) will be willing to advise the community of the federal disposal procedures which can aid the community's ultimate land use and development objectives. *...Nevertheless, the ultimate responsibility for determining the final base reuses rests clearly with the community leadership alone.*¹⁹

The reports emphasizes the community planning effort and disregard Massachusetts' and New Hampshire's reuse efforts. Moreover, it is doubtful that the magnitude of closures in California was considered when these reports went to press. Anthony Gallegos of the OEA, in fact, recommends a stronger state role in California: "It is frustrating that the state is not stepping up to the plate. The state is not leveraging their resources in planning or as a clearinghouse for information."²⁰

¹⁹U.S. Department of Defense. Office of Economic Adjustment. Civilian Reuse of Former Military Bases, 1961-1990. The Pentagon. Washington, D. C.: April-June 1990.

²⁰Interview Anthony Gallegos, Office of Economic Adjustment, Sacramento, 23 June 1993.

U.S. Department of Commerce's Economic Development Administration (EDA)

Since the Department of Commerce is one of the agencies on the President's Economic Adjustment Committee, it follows that the EDA is closely aligned with the OEA. The two agencies have a Memorandum of Understanding (MOU). While the EDA can provide planning funds for base conversion, this is uncommon and more likely to come from the OEA. Most of the EDA's funds are allocated towards infrastructure. The EDA finances technical assistance, public works projects, and revolving business loans.

The President's Economic Adjustment Committee (EAC)

The EAC was created to coordinate federal economic adjustment assistance necessitated by changes in DoD activities. The EAC is comprised of the following members: Secretary of Agriculture, Attorney General, Secretary of Commerce, Secretary of Defense, Secretary of Education, Secretary of Energy, Secretary of Health and Human Services, Secretary of Housing and Urban Development, Secretary of the Interior, Secretary of Labor, Secretary of State, Secretary of Transportation, Secretary of the Treasury, Secretary of Veterans Affairs, Chairman-Council of Economic Advisers, Director of the Office of Personnel Management, Director of the United States Arms Control and Disarmament Agency, Administrator of the Environmental Protection Agency, Director of the Federal Emergency Management Agency, Administrator of General Services, Administrator of the Small Business Administration, and Postmaster General.

A base conversion will likely involve several of the above players. For example, HUD is usually involved because most bases have substantial existing housing (and because of the McKinney Act which will be discussed later). The FAA

becomes a critical player for bases with reuse plans incorporating an airport. Reuse plans involving parks or fish and wildlife refuges might involve the Department of the Interior. The Environmental Protection Agency (EPA) is critical in any base closure and will be discussed later in this section. The departments and agencies with available financial assistance programs, which include community development block grants (CDBG), job training funds, and business development assistance, have been instrumental in most base reuses.

2.4 THE FEDERAL BASE DISPOSAL PROCESS

Federal Actions

The base disposal process is based on GSA federal land disposal procedures and managed largely by the individual armed services. The DoD's primary mission is to effectively close the base and to dispose of the property to meet the "best interests of the federal government." The following steps briefly outline the mechanics of the base disposal process.

- 1) Once the base has been selected and approved for closure, the disposal agency begins the process by notifying the other military departments, Department of Defense agencies, the U.S. Coast Guard, and Non-Appropriated Fund Instrumentalities (NAFIs) of the availability of the property. This appears to be somewhat of a formality as the Secretary of Defense would not likely recommend the base for disposal if he felt that it could be re-utilized within the DoD. If no other DoD organization requests use of the property, the base is determined to be "excess to defense needs."

2) Before the base is offered to state and local governments, the land must be screened for use by other federal agencies. Simultaneously, the base is screened for reuse under the guidelines of the McKinney Act. Each of the screening processes is presented separately as follows:

The federal agency screening requires a 30-60 day clearance process. During this time, any federal agency is permitted to request the land. In so doing, the agency must pay a "fair market value" for the property, as determined by the Office of Management and Budget. However, the fair market value requirement can be waived under a variety of circumstances. For instance, if an agency such as the National Park Service requests the land for public use, it is unlikely that they will be required to pay fair market value for the parcel. Moreover, as a practical matter, almost any federal agency can request the land at any time during the disposal process. Finally, many federal agencies act as agents for local communities, requesting the land for such uses as affordable housing, education, and prisons.

The second component of the federal clearance process is review of the property for use under the Stewart B. McKinney Homeless Assistance Act. Two federal agencies are involved in this process, the Department of Housing and Urban Development (HUD), and the Department of Health and Human Services (HHS). This process involves advertising the availability of the base to various homeless provider agencies via the federal register and direct mail (to the larger homeless providers). Prior to notification, HUD will look at the base in terms of its suitability in accordance with the Act. If the base is not feasible in this regard, HUD will likely suggest that it not be considered for use by homeless providers. However, if it is determined suitable for use under the McKinney Act, as noted above, it will be advertised; according to the act, interested groups have 90 days to respond to the request; HHS will review all proposals to determine the capabilities. In this analysis, HHS is looking primarily at the financial and service capabilities of the groups. If approved by HHS, the proposal will be forwarded to the disposal agency for issuance of a lease.

This exposes a vulnerable part of the community (or state) reuse planning. This process, in theory, allows a federal prison to be allocated a portion of the land which does not "fit" the redevelopment authority's plan. Any reuse plan must anticipate, or control, how or where these federal or McKinney Act participants "fit" into their plan.

3) Once the federal agency and McKinney Act clearances are complete, and, if none of these departments are interested in the base property (or is approved

for receipt of property claims), the land, or remaining portion thereof, is determined to be surplus to the federal government.

4) At this stage, the land is offered to the state and local governments via either public benefit conveyances (PBCs) or negotiated sales. A public benefit conveyance is a transfer of property from the federal government to the state or local government (or their representatives) based on the "best interests of the federal government," at some discount to fair market value (up to one hundred percent discount). Negotiated negotiations between the federal government and the state or local communities. However, prior to any transfer of property, the disposal agency must complete an Environmental Impact Statement (EIS), and, depending on the outcome of the EIS and coordination with the local agencies, a Property Disposal Plan (PDP). The EIS and the PDP process are presented briefly below.

The EIS is designed to be a decision guidance document for the federal disposal agency to use in their Property Disposal Plan. It should address issues regarding the quality and potential reuses of the existing land and what factors are impediments to the effective disposal. Much of the document deals with the environmental aspects of the reuse. However, this product provides much more than just environmental guidance. The EIS process is managed by the base disposal agency and is monitored by the EPA. The EIS is completed by a private contractor and is typically very time consuming. Once the Draft EIS is complete, the disposal agency must organize a public hearing and present the EIS findings. This hearing will typically be held at a meeting facility in one of the affected communities-not on the base. The disposal agency is responsible to ensure that all affected parties are invited. Once the draft hearing is complete, then any concerned party has 45 days to provide comments to the disposal agency. The agency must "address" these comments-regardless of whether or not they agree-and they must respond to any issues of concern. Once all comments have been addressed, the disposal agency has 30 days to publish the final report. This final EIS is then registered as a Record of Decision (ROD). A ROD has important legal implications as it represents documented findings regarding environmental compliance on the site.

The Property Disposal Plan (PDP) is based on the outcome of the EIS and should also consider the reuse plans of the redevelopment agencies. This document is designed to be a disposition plan and should answer questions relating to whom land should be transferred, how much land should be involved in each transaction, when land should change hands, and in what

forms (e.g. sold, leased, conveyed, ect.). The disposal agency may have difficulty in developing the PDP as much of the PDP work is occurring simultaneously with the EIS research and work being performed by the local redevelopment agency and other interested parties. As such, the importance of the disposal agency must work with the redevelopment agency to develop a coordinated plan.

Both the EIS and the PDP require cooperation between the federal players and the reuse efforts. Once the EIS and PDP are complete (at least in some preliminary form) the federal government "officially" begins to work on the property transfer actions through negotiated sales, leases, and/or public benefit conveyances (PBCs). The communities and state identify desired properties, and the federal government begins negotiating with them.

Any reuse plan must consider the environmental factors and restraints. For example, despite the redevelopment agency's best intentions to develop a low-income housing project on a part of the base which is contaminated with PCBs, the environmental concerns may deny or delay the proposed reuse.

5) Any land remaining from the process outlined above is then offered for sale via a public bidding process.

2.5 ENVIRONMENTAL ASPECTS OF THE BASE CLOSURE AND REUSE

The environmental process affects the base closure and reuse process. The contamination on a base will determine the outcome of the Environmental Impact Analysis Process, and subsequently, this will largely determine the base cleanup and remediation process. The procedures for the Environmental Impact Analysis and base cleanup and remediation follow statutory guidelines.

Typical Contamination Found on Military Bases

The majority of these hazards exist on military bases because of historical operations on the installations. The most common hazards include petroleum, cleaning solvents, heavy metals and PCBs. The petroleum contamination has resulted from problems such as leaking underground tanks that have not been maintained, fuel and oil spills, as well as improperly dumped motor oil. Some of the worst petroleum contamination is found at the base locations where fire training drills have been repeatedly conducted.

Most bases also have hazardous sites caused by ordnance storage and disposal areas. Plus, the self-contained base infrastructure includes additional environmental hazards such as landfills that were created as base garbage dumps, as well as base waste treatment, discharge and disposal systems.

The Environmental Process

The environmental component of the base disposal process follows two distinct paths. One path involves the formal, procedural component dictated by federal environmental statutes that have been triggered because of proposed uses.

This first path can be referred to as the environmental impact analysis procedure (EIA). The second component, which also involves compliance with federal environmental statutes, deals specifically with any existing hazardous waste located on the base, as well as any pollution still being generated on the base. This second path can be referred to as the cleanup and remediation procedure. Technically, the cleanup and disposal of any hazardous waste and or remedial action of any continued pollution is not formally part of the base realignment and disposal process, but it must be considered and addressed since compliance, cleanup and remedial actions are all issues which have a

substantial logistical impact on the process. Additionally, these actions have great cost, time, legal and political implications.

This section briefly describes both environmental processes. The following paragraphs describe how the processes interact, the major environmental statutes influencing these processes, and the participants involved in the process.

Base Disposal Under National Environmental Statutes

The first step in the base disposal process, as it applies to environmental issues, begins once the Notice of Intent (NOI) to close a specific base is formally placed on the Federal Register. Once this occurs, the disposal agency must initiate the process of obtaining an Environmental Impact Statement (EIS) before they can proceed any further with base closure and disposal.

Environmental Impact Analysis Process

A comprehensive EIS includes seven different stages as outlined below.

- 1) Stage one of obtaining an EIS involves soil sampling and data collection. This entails reviewing historical records, as well as physical inspection of the property, both visually and through soil samples.
- 2) A description of the proposed action and potential alternative uses planned for the site is then drafted. This section discusses the impacts likely to result from the proposed action and alternatives, complete with methods for mitigating such impacts.
- 3) The proposed action and potential planned uses are then matched to the environmental analysis, with the resulting data then compared to the local community's reuse plan.
- 4) All of the data, proposals and mitigation methods are then combined to form the Draft Environmental Impact Statement (DEIS). Often this is

completed in two stages with a preliminary DEIS first being circulated before the final DEIS is written.

- 5) A local public hearing is then held to address the DEIS. This public hearing also begins a 45 day statutory period for public comments on the DEIS.
- 6) The public comments are then comprehensively addressed, culminating into a Final EIS. Often a preliminary FEIS will be completed and reviewed to insure that all public concerns, comments, and mitigation measures were effectively addressed.
- 7) Finally, the EIS is recorded to become a permanent Record of Decision (ROD). This has lasting and binding implications, since it creates a public, legal record of contamination levels, remedial action, future uses, mitigation measures and a review of the public comments and concerns.

The EIS is required under the National Environmental Policy Act of 1969 (NEPA)²¹ and made applicable to federal facilities under Executive Order #12088. NEPA was designed to provide an "impact statement" approach to regulating the activities of federal agencies, which, for base closures, essentially requires a detailed study and statement of the effect of the closure and reuse. A typical base disposal case will involve a minimum of two comprehensive EISs. The first EIS will be for the effect of closure (CEIS), and the second EIS will evaluate the various reuse scenarios for the base . This second EIS is often time consuming and costly.

Executive Order #12088 mandates that the DoD and the various branches of the military comply with federal, state and local environmental regulations in the same manner and degree as non-federal entities. The Executive Order additionally requires the Environmental Protection Agency (EPA) to assist federal agencies in achieving compliance at their facilities. As a result, the

²¹National Environmental Policy Act (NEPA) [Pub. L. No. 91-190, 83 Stat.852 (1970)]

EPA has begun working with the DoD in an advisory capacity, in addition to their traditional role in which they monitor and enforce compliance of environmental regulations.

Additional statutes which affect base reuse include the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act (SARA) of 1986, and the Community Environmental Response Facilitation Act (SERFA) of 1992.

SERFA directs federal agencies to identify uncontaminated parcels early in the disposal process to facilitate reuse efforts. CERCLA and SARA create the Superfund laws that regulate the cleanup and disposal of hazardous waste sites. As a result, these laws influence the disposal process in a profound way. This is particularly true when a base is placed on the National Priority Lists (NPL) due to the severity and type (or lack of available site information) of environmental contamination. The consequence of being placed on the NPL lists includes the added requirement of the negotiation of an Interagency Agreement (IAG) between the DoD, EPA, and sometimes the state environmental agency. The IAG is, in essence, a contractual agreement between the agencies that addresses site evaluation and the treatment and remediation of hazardous waste.

The Indemnification Issue

The transfer of a military facility is clouded by current DoD policy: 1) The Deputy Secretary of Defense must approve of each piece of DoD property, and, 2) "any lease or transfer of property currently in the possession of DoD will

require the lessee or transferee to sign a waiver of all indemnification rights."²² The legal aspects of the second part of this policy appears to contradict CERCLA, and as a result caused additional confusion and concern. The waiver of indemnification rights increases the perceived risks to any prospective investor, thus is counterproductive to reuse efforts.

The Base Cleanup Process

The second distinct path of the environmental component of the base disposal process involves the base cleanup and remediation procedures. The base cleanup process involves four primary stages, as follows.

- 1) The first stage involves the preliminary assessment and physical inspection of the site. This stage is identical to the first step of the EIS process, which entails reviewing historical records, as well as physical inspection of the property.
- 2) The second stage involves conducting remedial investigations and feasibility studies on these potential remedial actions.
- 3) The third stage involves beginning the implementation of, as well as finalizing plans for, all interim and final remediation strategies.
- 4) The fourth stage involves full site characterization of contamination levels, so as to classify the contaminated site according to cost-to-correct and clean-up priority.

The benefits of being identified as a NPL site include priority funding under the Defense Environmental Restoration Account, as well as an increased level of expertise and involvement by the EPA in the cleanup process. Conversely, the negative aspects include more bureaucracy due to additional agency and

²²"Meeting Summary for February 3, 1993," California Environmental Protection Agency Base Closure Environmental Advisory Group. p. 9.

regulatory involvement, and the stigma of being identified as a Superfund location.

2.6 PROPOSED CHANGES IN THE BASE CLOSURE AND REUSE PROCESS

On July 2, 1993 President Clinton held a press conference which stated the following: presidential approval of the Defense Base Closure and Realignment Commission's (BRAC) 1993 base closure list; and significant changes in the federal base closing and reuse process. From the President's approval of the BRAC list, Congress has 45 days in which to reject the entire list through a joint resolution; however, there is no reason to believe that the list will be rejected. The President's proposed changes in the federal process include:

1. *Jobs-Center Property Disposal*: DoD to transfer property for free or at discount for economic development.
2. *Easy Access to Transition and Redevelopment Help*: New emphasis on the Departments of Trade and Labor role in economic development and worker retraining.
3. *Fast-Track Clean-up*: Station a professional cleanup team at each site, and work closely with the community with environmental experts from the DoD, EPA, and the state. Emphasis on speeding up the cleanup efforts. Working towards clearing the indemnification language in the property transfers.
4. *Transition Coordinators at major bases slated for closure*: Assigns a senior military or government official who has been trained in the closure process to each major closure
5. *Larger Economic Development Planning Grants*: Average grant size to be \$300,000 in FY93, up from \$200,000 in FY92 and \$100,000 in FY91. OEA now to also support the staffing of the organization responsible for implementing the reuse plan.²³

²³"Revitalizing Base Closure Communities, July 2, 1993," White House Press Release.

As of August 1, 1993 many of the Transition Coordinators had been appointed. The President's program requests over five years \$2.8 billion in economic development and transition assistance for base closures, and \$2.2 billion for environmental cleanup. These proposed changes could dramatically influence base reuse efforts. The financial appropriations have yet to pass legislation.

2.7 CONCLUSION

Clearly, the environmental factors can severely affect the reuse of a base. For example, the presence of unexploded ordinance will restrict the reuse plans. The federal government might be picking up the bill for the base cleanup, but the duration of the cleanup process depends on the cleanup efforts and the extent of the contamination. The federal base disposal process also affects reuse. This is apparent from the screening process for other federal agencies and for the McKinney Act. If portions of the base are transferred to the federal prison system, the Department of the Interior, or to various homeless advocates, the reuse plan must account for these other uses.

The disposal of "excess" property directly affects base reuse. Any reuse effort benefits from a Public Benefit Conveyance or a reduced sale price. Even if the redevelopment entity has the financial capability, the savings from a PBC or reduced sale price may be used towards other redevelopment efforts. On the other hand, if a redevelopment entity is unable to purchase the property or provide the necessary services to the property, the reuse plans are likely to be compromised. Furthermore, how quickly and cooperatively the federal players interact with the redevelopment entity may also affect the reuse plan. Costly delays and missed opportunities may require the reuse plan to change.

Conversely, the reuse efforts may delay or alter the federal disposal. This complex disposal process requires the reuse plans and may help determine the

type of property transfer. Thus, the reuse effort must coordinate the reuse plans with the federal players to ensure timely federal disposal.

The availability of federal aid will likely influence the reuse plans. Planning and implementing reuse of a military base requires substantial capital. The complicated planning effort alone may cost hundreds of thousands dollars. Many communities do not have the funds for this, let alone the millions of dollars typically required for the infrastructure. The financial element is a major determinant for base reuse.

A pecking order of reuse is established within the federal disposal process. After the federal and homeless players stake their claim, the state is next in this hierarchy. The state's prerogative to influence the reuse efforts is substantial. The next three sections will focus on Massachusetts, New Hampshire and California to reveal each state's role in this federal base disposal process and their reuse effort.

SECTION 3 -- MASSACHUSETTS

3.0 INTRODUCTION

When Fort Devens, Massachusetts was designated for closure and realignment in 1991, the state role in the base reuse process began its final critical test: Fort Devens is the last major military base operating in Massachusetts. The state had seen numerous base closures in the 1970's and had taken an active role to assist the reuse process by creating a state agency, the Massachusetts Government Land Bank. This agency remained a viable entity throughout the years and reacted quickly when Republican Governor William Weld issued an Executive Order in 1991 appointing the Massachusetts Government Land Bank the lead agency to manage the redevelopment of Fort Devens. The state's role for this military base will not likely resemble previous closures: the state agency is poised to play a much larger role.

Following a sketch of the State of Massachusetts' role in the 1973 base closures, its role for the current closure, Fort Devens, will be reviewed. Massachusetts' role, old and new, will be shown to reflect and consider the communities' needs, and will illustrate some of the means in which a state can facilitate reuse. It is also worth noting that in the Charlestown Navy Yard base closure (a case not covered) the state agency basically played a behind-the-scenes advisory role, stepping aside for the well-financed and well-staffed Boston Redevelopment Authority (BRA) to act as the primary planner and developer. With an active and capable entity in the reuse process, the Land Bank's role has been limited. Further, the Massachusetts base closure history will reveal that the full costs associated with rehabilitation, restoration and

development are usually not recognized until the reuse planning has been substantially completed.

3.1 MASSACHUSETTS GOVERNMENT LAND BANK

In April of 1973, the Department of Defense announced the closure of three military installations in the Commonwealth: Boston Naval Shipyard; South Boston Naval Annex; and, Chelsea Naval Hospital. Two Air Force bases, Otis and Westover, were also to be significantly reduced. These closures came at the beginning of an economic recession and at a time when Massachusetts was suffering from an unemployment rate considerably higher than the national average.²⁴

Through the efforts of Democratic legislative leadership and Republican Governor Frank Sargent, State legislature created the Joint Commission on Federal Base Conversion in May of 1973 to recommend plans for reuse of former military properties. The Commission consisted of representatives of the legislature, the state administration, and the affected communities. This Commission was to work with citizen task forces established at each of the bases to find and stimulate new economic uses for the bases. The OEA assisted their efforts technically and with the procurement of federal funding.

The Commission determined that the acquisition and redevelopment of the base was beyond the financial ability of most communities, and that "desirable private development could not be attracted to these sites without public actions to mitigate the massive scale, initial investment, and lengthy time period of the projects." As a result of these findings, and with the active support of the

²⁴Annual Report 1978. Massachusetts Government Land Bank. Commonwealth of Massachusetts.

Governor and the Commission's legislative leaders in the General Court, legislation created an independent state agency, the Massachusetts Government Land Bank (the Land Bank), in May 1975.²⁵ Also at the time of this legislation, the Governor along with the mayor or selectmen at each of the affected communities appointed a local Advisory Board which served as a source of community opinion.

The purpose of enabling statute, Chapter 212 of the Acts of 1975, is stated as: "to aid private enterprise or public enterprise or public agencies in the speedy and orderly conversion and redevelopment of certain lands formerly used for military activities to non-military uses...in order to prevent blight, economic dislocation, and additional unemployment."

The law empowered the Land Bank to: 1) acquire land and improvements from the Federal government at each of the former bases; 2) hold, protect, maintain, use or demolish property that the bank acquires, and; 3) dispose of the Bank's property through the sale or lease to public agencies or private enterprise at prices and terms set by the bank. The Land Bank was created to serve as a lender, consultant, and, where appropriate, as public developer. In addition, the Land Bank could provide professional planning work and intergovernmental coordination. The disposition of the Land Bank's property must be in accordance with a redevelopment plan which prescribes the property's use (industrial, commercial and/or residential). Moreover, the plan must be approved by both the Land Bank and the local municipality.²⁶

²⁵Ibid.

²⁶Ibid.

A ten member Board of Directors oversees the Bank's activities and are appointed by the Governor to staggered three year terms . These activities are financed through the sale of general obligation bonds. Initially, \$40 million was made available to the Land Bank. And, as the cases below illustrate, money is a determinant of the power allocation. According to the Land Bank's Executive Director, Jeffrey Simon,

"much of the success here can be attributed to the basic belief that you can go a long way on cooperation and understanding, but you have to be persistent too. Base reuse is a long-term commitment...It is hard dealing with a twenty year plan with a two year mayor. Eventually, the financial responsibility is realized, and then a cooperative spirit evolves."²⁷

3.1.0 SOUTH BOSTON NAVAL ANNEX (part of Boston Naval Shipyard)

Now known as the Boston Marine Industrial Park, this 167 acre parcel stretches out into the Boston Harbor. A month after the April 1973 closure announcement, the City Boston requested (and later received) a \$420,000 planning grant from the EDA for the Charlestown and South Boston sites. By August of 1974, the shipyard officially closed, a complete land use and transportation study analyzing the development and reuse alternatives was completed, and the Boston Economic Development and Industrial Corporation (EDIC) was negotiating with possible major tenants. These negotiations fell apart over financing, and the proposal dropped.

In September of 1975 the General Services Administration (GSA) released the Notice of Surplus Determination (this is equivalent to the DoD's surplus notice) for the South Boston Naval Annex. At this time EDIC formally proposed that

²⁷Interview with Jeffrey Simon, Massachusetts Government Land Bank, 29 June 1993.

the Land Bank purchase the site on their behalf because of the prohibitive initial costs of redevelopment. The Land Bank continued to work closely with the EDIC and approved of the Boston Marine Industrial Park plan after securing the Boston City Council's and Mayor's approval of the plan, and the City's authorization of \$2.3 million to match a EDA \$4.9 million grant for site improvements. Acting jointly, the Land Bank and EDIC established a working relationship with the Executive Office of Environmental Affairs and received approvals for the Environmental Assessment and EIS.

In June of 1977, the Land Bank was awarded title to South Boston Naval Annex from the GSA for \$4.7 million with the stipulation that \$1.6 million of that amount be placed in escrow pending court determination of the title claim (dispute from 1941 act of the legislature which donated part of the Naval Annex site to the federal government conditional on the site reverting back to the Commonwealth when the military ceased operations). The Land Bank immediately reconveyed the property to EDIC, taking back a first mortgage note for 40 years and a floating interest rate initially set at 6% (equal to bank cost). To further ease the financial impact to the EDIC, a two year grace period was allowed on the repayment of the loan.²⁸

3.1.1 CHELSEA NAVAL HOSPITAL

Located across the Tobin Bridge from Boston, this 88 acre site represents about one-twelfth of the City of Chelsea's land area. The Chelsea Naval Hospital closure exacerbated the problems recent fires and a population decline had initiated in this blue collar city.

²⁸Annual Report 1980. Massachusetts Government Land Bank. Commonwealth of Massachusetts.

Shortly after closure announcement, the City of Chelsea applied, and later received, a \$62,000 EDA planning grant. In July 1974 the Chelsea Naval Hospital officially closed. By October 1974, a reuse plan recommending moderate and low-income housing and commercial facilities was completed. After several proposals from developers and the selection of one that provided 3000 units of unsubsidized housing, the GSA notified the City in August 1975 that the asking price for the entire parcel was \$4.0 million. By February 1976, the City, unable to finance the purchase, requested a time extension from GSA.

The Land Bank was asked by the Mayor and Board of Aldermen to help the city acquire the property. Additionally, the Mayor requested the Land Bank to work with the City government and the Chelsea Advisory Board to achieve local consensus on a feasible reuse plan. July 1976 the Land Bank informed the GSA that the asking price was too high. And in October, the Land Bank's Chelsea Advisory Board requested assistance from the OEA to develop a waterfront park.

During 1977 a revised redevelopment plan was undertaken with the partial Land Bank financing, and the GSA announced a new asking price of \$2.4 million. The revised plan called for 1200 rental units, light industry, a marina and waterfront park. Considerable economic persuasion from the Land Bank was required to achieve the local consensus. In 1979 the Land Bank finally purchased the Chelsea Naval Hospital from the GSA for \$1.8 million, contracted the demolition plan for \$900,000, and the property was re-sold to Chelsea with a long-term \$2.8 million mortgage. Further, the Land Bank succeeded in soliciting the Metropolitan District Commission (MDC) for a park (eventually the MDC received a 26 acre parcel through a Public Benefit

Conveyance) and successfully lobbied with the City of Chelsea and the Lieutenant Governor for funding from HUD and EDA.²⁹

3.1.2 WESTOVER AIR FORCE BASE

Located in the cities of Chicopee and Ludlow near the crossroads of the Massachusetts Turnpike and I-91, Westover was a substantial reduction in forces which required the reuse plan to incorporate an active military airfield. In 1974, scarcely a year after the creation of the Joint Commission of Federal Base Conversion and the Westover Task Force, the State Legislation (State charter) created the Westover Metropolitan Development Corporation (WMDC) as a public regional corporation to develop and market the property. The WMDC grew from the local officials and business leaders in the Westover Task Force.

Guided by initial planning studies supported by and carried out with the federal and state agencies and the cities of Chicopee and Ludlow, the WMDC's reuse planning benefited from an early consensus towards "industrial or job-producing development and the realization that Westover's future was important to the entire region and not just one municipality."³⁰ The WMDC acquired the 873 acre Ludlow industrial parcel for \$1.2 million with financing from a consortium of local banks, and acquired the 221 acre Chicopee industrial site through the Land Bank. The Land bank provided favorable long-term financing.

²⁹Annual Report 1979. Massachusetts Government Land Bank. Commonwealth of Massachusetts.

³⁰Annual Report 1980. Massachusetts Government Land Bank. Commonwealth of Massachusetts.

3.1.3 SUMMARY OF 1973 CLOSURES

The Land Bank was specifically created to facilitate base reuse. This was accomplished through the Land Bank's financial lending capabilities, technical assistance, community consensus building, and intergovernmental collaboration. During the 1973 base closures, the Land Bank did not invoke their developer powers.

In each of the 1973 closures, the Land Bank appeared content on the sidelines until crisis occurred with the local redevelopment authority. With the Chelsea Naval Hospital, the Land Bank's role was as a limited consultant until asked to help the community reach a consensus on the reuse plan and assist the cash-strapped city with the purchase of the property. With the South Boston Naval Annex, EDIC needed to be self-enlightened of the prohibitive redevelopment costs before requesting the Land Bank's assistance, or before the Land Bank appears to have taken a real interest. This can be seen as negligence on the part of the Land Bank, or it can be viewed as respecting the local efforts, and only helping upon request and demonstrated need. The latter appears to be the case as is supported by the Land Bank's respect for local planning efforts and their continuous efforts to reach community consensus and locate all other avenues of funding.

In the case of Westover, the Land Bank again acted as a partner, but this time to a state legislated entity. The WMDC grew from the local officials and business leaders in the Westover Task Force and points to the State's preference for local representation and development.

3.2 THE LAND BANK DURING THE 1980's

Attesting to the success of the Land Bank in base reuse, 1980 legislation further empowered this agency to take possession of, clear, improve and dispose of: 1) blighted open, decadent or substandard property; 2) surplus federal property in Massachusetts; and, 3) surplus state property.

While this thesis focuses on the state role in the base reuse process, it is important to recognize that this agency gathered additional powers and real estate experience during the 1980's with various industrial, commercial, residential and mixed-use developments. From these redevelopment efforts, the Land Bank remained a viable agency, gained additional experience in redevelopment efforts, and strengthened their relationships with other state agencies, particularly the Massachusetts Industrial Finance Agency and the Massachusetts Housing Finance Agency. The base closures of the 1970's and the real estate deals of the 1980's helped prepare the Land Bank's role for the reuse of Fort Devens.

The Land Bank's role in the military base closures did not end with the initial base reuse plans moving forward. The Land Bank still carries the mortgages from previous base reuse projects and provides technical assistance to the redevelopment entities.

3.3 MASSACHUSETTS GOVERNMENT LAND BANK AND FORT DEVENS

Since the gubernatorial Executive Order that designated the Land Bank as the lead agency to manage the redevelopment of Fort Devens, substantial progress towards reuse has occurred. The agency has secured federal and state grant

moneys for reuse planning, successfully negotiated with the Army for their withdrawal and the configuration of the reserve enclave (the Army still will hold a minor position at part of the base), and assisted in creating a Memorandum of Understanding (MOU) for a cooperative effort on the environmental clean-up with the Army, the Federal EPA and the Massachusetts Department of Environmental Protection. Other actions have included planning efforts (last year the Land Bank spent \$800,000 of state moneys on this endeavor)³¹, negotiations with the Army and the U.S Federal Bureau of prisons on the location of a planned prison and inmate medical facility, attempting to bring in a intermodal facility, and dealing with the McKinney Act participants. The state's vision for Devens will demand an unprecedented state commitment and involvement in the base reuse process.

The Land Bank's previous involvement in the base reuse process and their redevelopment efforts during the eighties precipitated several "guiding principles" to maximize the public benefits of redevelopment. These guiding principles being applied to Ft. Devens are:

First, inclusive planning process is established and "bottom-up" community outreach-employed, incorporating comments and ideas from as many individuals and groups in the community as possible. Input is solicited and all suggestions reviewed and studied for their feasibility. An inclusive process is a key foundation of the redevelopment program.

A second guiding principle is to take a long term view of redevelopment. In the case of Fort Devens we are confronted with a vast, complex property that will take more than twenty years to fully redevelop. We must work to balance the need for short-term economic activity with the importance of creating a master plan that will maximize the site's potential, in terms of quality of life and economic value.

³¹Interview Eric Knapp, Massachusetts Government Land Bank, 7 June 1993.

The third guiding principle is the need to take a regional view. Fort Devens is a huge facility and currently has an impact on the entire North Central Region of Massachusetts...The potential of the site to be a major contributor to the region's economy and job base will guide us throughout the redevelopment process.³²

To aid the first principle, Executive Order 312 established the Fort Devens Redevelopment Board to act as an advisory body to the Governor. The Board's mission includes to: " provide a public forum...serve as a review body between and among federal, state, local agencies and the public for redevelopment matters; and ensure a timely environmental clean up and jobs for the residents of the North Central region."³³ The Board consists of representatives from the four towns, a representative from the North Central region, and experts in the fields of housing, finance, transportation, environmental law and industrial development.

Despite this effort to gather consensus with the Board from the ground up, there has been local posturing for control. Shortly after 1991 closure announcement, the four abutting municipalities recognized the mutual impact from the closure and the benefits of collective behavior. A Joint Board of Selectmen with three people from each city was created. Besides fighting the "airport plan", the Joint Board of Selectmen tried to introduce legislation for complete redevelopment control. Without any Administrative support, and without any local leverage, the Bill was defeated.³⁴

Much of the initial local opposition against any state involvement revolved around the Massachusetts Aeronautical Commission's (MACs) feasibility study for a second major regional airport at Devens. This was seen a state

³²Langley Keyes, "An Open Letter From the Massachusetts Government Land Bank," Devens Digest, Fall 1992.

³³Richard K. Anderson, "Letter from the Redevelopment Board," Devens Digest, Fall 1992

³⁴Interview Jeffrey Simon, Massachusetts Government Land Bank, 29 June 1993.

"conspiracy" to force the airport down the local's throats and created local distrust for any state's involvement. Upon MAC's preliminary findings the Spring of 1993 that a second regional airport is not warranted at Devens, much of the turbulence disappeared and the Land Bank's reuse planning efforts (which did not include an airport) were recognized.³⁵

With the communities' assistance and approval, consultants were hired by the Land Bank to study the economic impacts to the communities under a variety of redevelopment plans with the existing town borders. The cash flows from the best case instance pointed to seven figure deficits to the towns for the first ten years, and profits not evident until the end of the second decade. Economic costs for redevelopment appear to have brought the four communities into accepting a primary state role in the redevelopment for Fort Devens.

After this financial disclosure was absorbed by the communities, the benefits of the state's proposed plan to each of the communities became evident.³⁶ Even if the local cities could receive the available federal funds for redevelopment, the maintenance costs were beyond their municipal budgets. State assistance was necessary. This "grab their wallets, and their hearts will follow approach," along with the political pressure from Beacon Hill, has delivered the state what appears to be local support for the legislation described below. This legislation has the Governor's support and will be presented this Fall.³⁷

³⁵Interview Eric Knapp, Massachusetts Government Land Bank, 7 June 1993.

³⁶Interview Jeffrey Simon, Massachusetts Government Land Bank, 29 June 1993.

³⁷Ibid.

3.4 DEVENS REGIONAL ENTERPRISE ZONE

The following is an brief outline of the draft for the proposed legislation.³⁸ The first section determines that without state assistance, the closure of Devens threatens to result in blight economic dislocation, additional unemployment and other various ills. Then, the proposed Act establishes Fort Devens as an Economic Target Area and Economic Opportunity Area. Further, the Act is an application as a federal enterprise and free trade zone.

This creation will be called The Devens Regional Enterprise Zone and will be governed by a corporate and political entity known as the "Devens Enterprise Commission" (Commission), consisting of nine appointed commissioners. The governor directly appoints five commissioners, and the each of the four towns nominate a candidate who the governor can appoint or reject. If the governor rejects the nominee, the town selects another candidate to be appointed (or rejected).

The Commission is empowered with many of the powers afforded to cities and towns in the Commonwealth. Some of the Commissions powers are: administering and enforcing the Reuse Plan and the Land-Use Regulations; issuing various licenses and permits; adopting rules, regulations and by-laws for the regulation of its affairs; adopting and collecting reasonable fees to defray its operating expenses; receiving moneys from any source for the purposes of this act; and, submitting a budget request from the State for anticipated shortfall between income generated from fees and its operating expenses. The proposed Act assigns the Commission and the Land Bank as

³⁸Draft of an Act to create the Devens Regional Enterprise Zone. Draft 6/7/93 as provided by Jeffrey Simon on 29 June 1993.

the sole municipality or unit of government responsible for the governance of Devens.

This proposed Act designates the Land Bank "as the public agency exclusively authorized and empowered to do all acts and things necessary or convenient to negotiate the acquisition of and acquire Fort Devens.(and) maintain, operate, administer, manage and oversee the redevelopment of Devens." The Act further empowers the Land Bank with powers to: develop and approve the Reuse Plans; exercise the rights provided to municipal governments; exercise the powers of eminent domain; establish taxes, rates, and fees for services, licenses or permits (subject to the Secretary's approval and pursuant to the established Commission's fees); establish departments of public works, police and fire; and contract or enter into agreements among other things.

Essentially, the Land Bank and the Commission become the governing agencies.

The Act requires that the Land Bank and representatives from the Board of Selectmen of each town jointly develop a detailed Reuse Plan. After two public hearings and approval from the Commission and the Land Bank, the Reuse plan is submitted to each town. Each town votes Approve or Disapprove (no amendments allowed). Approval by three of the four towns constitutes final approval.

The Act also requires that each Executive Office in the state cooperate with the Land Bank to establish a "one-stop" licensing for all businesses and developments to be located with Devens. All state agencies must acquire the Land Bank's approval before submitting any plans concerning Devens to any federal agency.

A crucial part of the proposed Act is the recognition of the General Court that the duties of the Land Bank and Commission cannot be undertaken without substantial support from the Commonwealth. Further, the Act authorizes the Land Bank to borrow money by the issuance of its debt obligations up to \$240 million.

Land Bank Executive Director, Jeffrey Simon, who played an instrumental role in the previous Land Bank base reuse projects, believes the state must play a strong role. His reasons for state involvement in the disposal and reuse process are: limited federal funds, financial inability of the local communities, likely multijurisdictional disputes, regional economic impact, financial capability of the State and professional expertise of the Land Bank.³⁹

And if (when) this legislation is enacted, Simon hints of a new form of municipal government, one that incorporates much of David Osborne's Reinventing Government. This includes the bidding for municipal services and the empowerment of the workers. The successes or failures of the Land Bank and The Deven Regional Enterprise Zone will not be known for a number of years, even if the legislation is enacted, as "this project's completion is decades away."⁴⁰

3.5 CONCLUSION

The perceived economic consequences of base non-reuse caused the state to create the Land Bank to assist the reuse of the 1970's base closures. The Land Bank's involvement with base closures illustrates tremendous respect for the

³⁹Interview Jeffrey Simon, Massachusetts Government Land Bank, 29 June 1993.

⁴⁰Ibid.

local planning effort. The Land Bank's assistance was in the form of technical and informative support, coordinated state involvement, and providing a financial mechanism. The cases illustrate more than a subtle utilization of political posturing to create base reuse, namely in intergovernmental coordination. In the Westover case, the state also legislated an entity for regional coordination, as seen in the creation of the WMDC. The present closure of Ft. Devens has shifted the state to a proactive role best described as the state as developer. This case illustrates a possible local positioning for control stymied by the state politically. The state gathered community support primarily through financial education and by the MAC study indicating that a regional airport was not warranted at the site.

SECTION 4 -- NEW HAMPSHIRE

4.0 INTRODUCTION

Like Massachusetts, New Hampshire provides an example of a state's active role in the base reuse process. Unlike Massachusetts, New Hampshire did not have an existing agency to facilitate base reuse when the 1988 list announced the Pease Air Force Base closure. The State of New Hampshire created an agency specifically for the planning the reuse of this singular base closure. This base is further along in the reuse process than most bases, thus, provides a current example of proactive state involvement.

4.1 PEASE AIR FORCE BASE

Pease Air Force Base (PAFB) comprises of 4253 acres located 50 miles north of Boston on the New Hampshire Coast. PAFB is in Rockingham County with roughly 40% of the land within the City of Portsmouth (population 25,000) and approximately 60% of the base within the City of Newington (population 800) . The base was constructed between 1954-56 with the land taken by the Department of Defense through eminent domain. Construction of the base divided the residential areas of Newington from the town's industrial area and schools. However, in the early 1960's, the community leaders, along with state legislators, successfully negotiated with the Air Force for construction of a road through the base to resolve this issue.⁴¹

⁴¹Interview Dick Jones and Gary Kuwabara, Air Force Base Disposal Agency, Northeast Region, Pease Air Force Base, New Hampshire, 19 February 1993.

After the land for Pease Air Force Base was taken by the federal government by eminent domain, the State of New Hampshire enacted legislation with a provision that granted should the military ever abandon the base, the land be returned to the towns.

On December 29, 1988, Pease AFB was recommended for closure by the Commission. This recommendation was enacted into law on January 5, 1989 as the Base Closure and Realignment Act (Public Law 100-526), and Pease was scheduled to close as an active military base on March 31, 1991, thus the first base to close in modern closure history.

When the designation for base closure was announced, both the Town of Portsmouth and the Town of Newington initiated plans for reuse. Debate ensued at the state, regional and local levels over who should plan and what should be planned. Advocates for state control believed that the economic impact would affect the entire state and that the costs of redevelopment would require the support of the state.

4.2 THE PEASE REDEVELOPMENT COMMISSION

With the support of Governor Sununu and U.S. Senator Rudman, the Pease Redevelopment Commission (PRC) was created on March 21, 1989 by an Act of the General Court of the State of New Hampshire with the primary responsibility of planning for the closure and redevelopment of PAFB. The PRC was an eight-member Board made up of two Selectmen from Newington, two Portsmouth City Councilors, two members appointed by the Governor, one

appointed by the Speaker of the House, and one appointed by the Senate President.⁴²

Several aspects of the state role should be noted. The growth management decision of the state to create the PRC was politically supported by the Governor and had strong legislative leadership. Considering that there existed legislation that directed the base back to the communities, this was likely a requirement for its success.

Second, the PRC was created as simply a planning mechanism for the reuse of the base: the PRC's mission was to find the best use for the base. The agency could not legally act as an agent in the base transfer and did not have any land-use controls. It is not clear whether this was intentional or an oversight.

Further, the planning role of the PRC can be seen as the combination of several of the pre-established state roles. The "technical and informative support" and "coordinated state involvement" roles were limited; however, according to George C. "Skip" Jones, Pease Development Authority, "at this stage of the process there wasn't too much need for other state agencies. We were pretty close to the players at the Capitol, so when we did need some information or help, usually a telephone call accomplished that."⁴³ The "financial mechanism" role involved the state funding the operations of the PRC and co-sponsoring a planning grant from the OEA.

⁴²Interview Robert P. Cheney, Jr., Sheehan Phinney Bass + Green, Manchester, New Hampshire, 13 March 1993.

⁴³Interview George C. "Skip" Jones, Pease Development Authority, 19 February 1993.

The PRC attempted to bring the community and local interests in the planning process by establishing six volunteer citizen Advisory Committees with eight members each to study the closure of PAFB and planning for its conversion and redevelopment. The PRC appointed committee members from a pool of applicants. As the current Executive Director of the Pease Development Authority (PDA), George C. "Skip" Jones, observed:

"Complete consensus on any issue is impossible. Eventually we got Portsmouth and the state as more or less one voice. Newington was another matter. To be able to go forward, you need something that can take the majority's view and react. Lesson one at Pease was never have an even numbered board".⁴⁴

Portsmouth eventually worked closely with the state agency. When proponents of the McKinney Act voiced an interest in the base, Portsmouth utilized the city's excess housing to avert these interests from affecting the base reuse plans. Another example of the City of Portsmouth's acceptance of the PDA's reuse efforts was their cooperation to provide services to the base. Moreover, the PDA agreed to allow Portsmouth to directly negotiate with the Air Force Base Disposal Agency for a parcel of the base.

One of the tasks of the PRC was to select a planning consultant. After much debate the Bechtel Corporation was selected to first prepare a Scope of Work for a three-phase comprehensive plan, and then, selected for the preparation of the comprehensive plan. The PRC, nonetheless, approved the first of the three phase planning process which lasted 9 months and involved numerous public meetings with the advisory committees, local citizens, the planning consultant, and local, state and federal government officials.

⁴⁴Ibid.

Much of the debate in the PRC's planning process eventually centered on the town of Newington envisioning a different base reuse than what the PRC envisioned and that the town of Portsmouth accepted. Margaret Lansome, an initial member of the PRC Board and Newington resident, observed, "the state stepped in and took over the planning with no regard for our efforts to privatize the base."⁴⁵ Skip Jones believes that if the planning were left to Newington, the reuse of the base would be a park. Furthermore, Jones suspects that Newington opposed any plan that involved a major airport theme.⁴⁶

It is unclear what the reuse plan would have been without the state involvement. It is doubtful that affluent Newington's vision would match blue-collared Portsmouth's, given Portsmouth's support for a job creation plan and acceptance of an airport scheme.

4.3 The Pease Redevelopment Authority

The PRC was created without the authority to market, develop, acquire, or lease the base property from the Air Force. The state perceived a need for state involvement to restore the strength and sustain the economic viability of Pease. As such, on April 25, 1990 the Legislature of the State of New Hampshire passed Chapter 161, Laws of 1990, effective June 1, 1990 dissolving the PRC and establishing the Pease Development Authority (PDA) as its successor to implement the comprehensive plan prepared by the PRC. The PDA consists of a seven-member Board of Directors. The Governor of the State of New

⁴⁵Telephone Interview Margaret "Peggy" Lansome, 11 March 1993.

⁴⁶Interview George C. "Skip" Jones, Pease Development Authority, 19 February 1993.

Hampshire, the Senate President, and the Speaker of the House each appoint a member, and a fourth state representative is jointly appointed. The City of Portsmouth selects a member and the Town of Newington selects a member. The final member is jointly appointed by the respective municipalities. The creation of the PDA also enabled the agency with the exclusive jurisdiction in establishing land use controls to all property at PAFB.

With the creation of the PDA, the state's role increased to include the powers of the "regional coordination" and "preemptive" models. The PDA is a direct reaction to the state's perception that the reuse, or non-reuse, of Pease would affect the entire people of New Hampshire (regional impact), and that without state's financial and planning involvement, the economic interest of the state and its people would not be served. The growth management issues are clear. Perceived economic perils moved the state towards involvement. The state appointed members on the seven-member Board ensured a majority, thus, representation of the state's interests.

At the last meeting of the PRC on May 22, 1990, the PRC voted unanimously to approve the Pease Air Force Base Comprehensive Redevelopment Plan which called for an international hub based upon an international trade theme. The PDA followed the PRC's pursuit of grants and evaluating development alternatives, and efforts to include the local interest in the process.

Communities involvement in the process set forth by the PDA included: public hearings to solicit concerning the proposals for land acquisition, public benefit transfer, negotiated sale, and the airport layout plan; establishing a citizens Advisory Task Force for the Pease Surface Transportation Master Plan to provide a forum for concerned citizens and organizations, and; later

establishing a Technical Advisory Committee, whose members include the Advisory Task Force, to provide additional input into the Pease Surface Transportation Master Plan.

Despite the PDA's efforts to include the locals in the process and reach a community consensus, Robert Cheney, Jr., who worked in the state Attorney General's office before legally representing the PDA, believes that the PDA should have done more. Specifically, Cheney believes that if the PDA had provided more public information concerning the costs of any base reuse, the communities would have more readily accepted the state agencies (PRC and PDA).⁴⁷

"There are numerous difficulties regarding base reuse. It was just a matter of time at Pease before the state would have been required to become involved. Just the environmental concerns at Pease really need state level expertise ...winding your way through the NEPA's maze of ass-backwards alternative use requirements in the process, Federal Facilities Agreements, the parcelization issues and indemnification concerns...while the Federal disposal process is flawed, you can't ignore the politics or the costs of dealing with these issues. Inevitably, the state will have to step up to the plate."⁴⁸

The PDA's planning for the international hub theme has been financed by the state's funds, OEA, FAA and EDA grants, and by the PDA's ability to issue bonds (\$50 million of obligation bonds and \$200 million of revenue bonds).⁴⁹

The State of New Hampshire appropriated \$2.8 million for fiscal year 1992 and \$3.8 million for 1993 through the issuance of general obligation bonds, with most of this sum spent on hiring consultants, conducting studies and

⁴⁷Interview Robert P. Cheney, Jr., Sheehan Phinney Bass + Green, Manchester, New Hampshire, 13 March 1993.

⁴⁸Ibid.

⁴⁹"Narrative Statement Pamphlet, Planning for Closure and Redevelopment, provided by the Pease Development Authority.

marketing.⁵⁰ A \$3.2 million grant from the EDA was used for road and utility upgrades.⁵¹

The reuse process has required the PDA to plan and interact extensively with other federal and state agencies. A Memorandum of Understanding (MOU) between the EPA, the New Hampshire Department of Environmental Services (NHDES), and PDA addressed environmental concerns in the EIS. The PDA has facilitated the Public Benefit Conveyances that have involved the New Hampshire Air National Guard, the New Hampshire Department of Transportation and the Department of the Interior's Fish and Wildlife Department. The PDA has worked closely with the University of New Hampshire and the New Hampshire Technical College to include their presence in the reuse plan. The university and technical college received state financial assistance for planning.

While technically the PDA is not involved in the Public Benefit Conveyance to the federal Fish and Wildlife, and while it is a stretch for their involvement with the Air National Guard (recall from Section 2 that these transfers precede any state or local transfers), it was to the PDA's credit and benefit that they were part of the process. The PDA was able to negotiate, to some extent, how many acres were to be conveyed, and when these PBC's were to occur. This appeared to be possible from a combination of good relations with the disposal agency and some behind the scenes politicking. According to Dick Jones, the downside turned out to be that once the redevelopment plan was clear, the conveyance to the Air National Guard happened to lie in one of the most prime

⁵⁰Annual Report FY92, Pease Development Authority.

⁵¹Ibid.

locations. Furthermore, the PDA mistakenly approved of the Fish and Wildlife conveyance (1050 acres), believing that since this is something the Town of Newington was requesting, this conveyance would facilitate a more docile relationship. It did not. Jones, in hindsight, would have held off in the conveyance as a bargaining chip with the town.⁵²

One of the PDA's most critical interfacing with other agencies has been with the Air Force Base Disposal Agency (AFBDA). According to Dick Jones, site manager of Pease, AFBDA, state involvement, particularly the PRC and PDA, has been instrumental to successful conversion efforts. Jones believes base reuse would be compromised and complicated by the communities' separate efforts, the lack of financing required for a successful reuse would probably delay the reuse and the increase the economic impact of the Air Force's departure, and the expertise and political leveraging necessary for interpreting the laws and dealing with the other federal and state agencies would be diminished.⁵³ Presumably, an example of the political leveraging Jones refers to is the PDA's ability to execute a 120,000 square foot lease with the Department of State's Visa/Passport and Immigration Center which will create between 300 and 400 jobs⁵⁴.

In a presentation to some graduate students, Jones cited some of the 'Components of Success' for the reuse of Pease⁵⁵:

⁵²Interview George C. "Skip" Jones, Pease Development Authority, 19 February 1993.

⁵³Dick Jones and Gary Kuwabara, Air Force Base Disposal Agency, Northeast Region, Pease Air Force Base, New Hampshire, 19 February 1993.

⁵⁴Pease International Tradeport Times, "Passport Center Gears up for National Renewal Service", November/December 1992.

⁵⁵Dick Jones and Gary Kuwabara, Air Force Base Disposal Agency, Northeast Region, Pease Air Force Base, New Hampshire, 19 February 1993.

Strong State Leadership

- Proactive state legislature
- Single state entity
- Governor's and State commitment to redevelopment
- Commitment of State resources:
 - Attorney General Office
 - Department of Environmental Services
 - Department of Resources and Economic Development
 - Department of Transportation

Utilization of influential leaders:

- Congressional Delegation
- Governor
- Business Leaders

Capital

- New Hampshire funding of PRC and PDA
- DoD/OEA Planning Grants
- FAA Planning Grants
- New Hampshire Bonding for redevelopment
- EDA Grant

From above, it is clear that the "successful components" identified by the AFBDA share the attributes of the successful implementation of land reform/growth management seen in Section Three.

A "successful component" of base reuse for the PDA occurred when it established Land Use Controls for development. After two public hearings the Board voted to accept the Zoning Ordinance, Site Plan and Subdivision Regulation for Pease on December 20, 1990. Essentially, this document delegates to the PDA exclusive jurisdiction for the zoning regulations and other land use controls for the property at Pease, although the regulatory power over zoning and other land use controls are to revert to the applicable municipality no later than January 1, 2020.⁵⁶

⁵⁶New Hampshire Chapter 300, Statutory Authority:RSA 12-G:10, II, 1990.

Since its creation, the PDA has achieved a partial reuse of the base with the Public Benefit Conveyance (PBC) of approximately 1700 acres. The PBC is in the form of a 55-year lease where the Air Force will sign quit claim deeds upon environmental compliance. The PDA subsequently negotiated several leases to tenants, notably Business Express, a commuter airline.

Today, the PDA and the Air Force Base Disposal Agency continue working through the base disposal and reuse process. It appears that many of the redevelopment hurdles have been cleared. However, Newington continues to oppose the airport scheme, and has filed several lawsuits concerning the environmental factors of it. The PDA and its legal counsel believe these lawsuits are more a nuisance than a legitimate contention.⁵⁷

4.4 CONCLUSION

The larger-than-local economic concerns precipitated the state, with the strong support of Governor Sununu and legislature, to implement a state-led planning body. This planning board then attempted to bring in local consensus.

Portsmouth appeared to eventually cooperate with the state agency, while Newington opposed the PRC's efforts, particularly the airport aspects. After the initial planning phase, the state created the PDA, an entity with additional powers, namely the authority to transact property with the Air Force and a bonding capability. Eventually, the PDA gained the exclusive jurisdiction for the zoning regulations and other land use controls for the property at Pease.

⁵⁷Interview George C. "Skip" Jones, Pease Development Authority. 19 February 1993.

SECTION 5 -- CALIFORNIA

5.0 INTRODUCTION

Previous sections have focused on specific bases and agencies. This section will concentrate on the state's role in California. Currently seventeen military installations are being closed in California from the 1988 and 1990 closure rounds. No other state is confronted with this magnitude of closures.⁵⁸ Most other states, such as Massachusetts and New Hampshire, face military closure as a singular event. The 1993 list is expected to announce eight more closures with five occurring in the Bay Area.

Base reuse planning in California is a local process with only nominal state involvement. Recently, there have been some attempts to coordinate state policy. For example, Executive Order W-50-93 (April 12, 1993) created the State Task Force on California Military Base Redevelopment to develop a statewide base reuse strategy. Their first meeting was on July 30, 1993.⁵⁹

While this may be a late start to determine the state's role, it suggests a more active state role as the communities attempt to move beyond reuse planning.

Ben Williams of the Governor's Office of Planning and Research observed:

"The state's role is changing as the problems become more apparent and more

⁵⁸"California has 15 percent of the nation's Defense Department employee, but we are due to absorb 60 percent of the net DOD job losses from the 1988 and 1991 base closures. This year's list, if approved as currently constituted, would give us 50 percent of the next round of job losses. As Governor of California, I am deeply concerned about the impact your decisions will have on the economic well-being of this state." Testimony by Governor Pete Wilson prepared for the Defense Base Closure and Realignment Commission, Oakland, California. 25 April 1993.

⁵⁹Telephone Interview Ben Williams, Governor's Office of Planning and Research. 2 August 1993.

concern is voiced."⁶⁰ As more bases are added to the closure list, and as more bases officially close, whatever the state's role is, it will be severely tested.⁶¹ Some base closures will have a smooth transition to reuse. This certainly should be true for the conversion of the Presidio Army Base in San Francisco to a national park. Although final closure for Moffet Field Naval Air Station is September 1997, strong local efforts have assured continued federal use of the base.⁶² Other transitions to reuse appear less straightforward.

A legal battle has delayed the reuse of the first official base closure in California, George AFB. At least one California developer interested in a reuse plan with a city learned that even with private financial resources and willingness to purchase the base, reuse can be allusive and litigation can be certain.⁶³ Hamilton Army Airfield in Marin County further illustrates that base reuse in California may be problematic. This base closed in 1976, and reuse remains questionable. Both these cases suggest that multijurisdictional disputes may jeopardize base reuse in California.

There are several factors which may prevent California from defining a role for itself. Its historical embrace of home rule and treatment of greater-than-local concerns will influence their role in any reuse process. As the George and Hamilton Air Force examples suggest, multijurisdictional issues are critical to base reuse and determining the state's role. Thus, local/regional/state relationships in California will be reviewed. California's size, diversity, and number of governmental entities will be seen as a formative context to the

⁶⁰Ibid.

⁶¹The second official base closure in the state, Mather Air Force Base, occurs in September 1993. All 17 California bases from the 1988 and 1990 lists will officially close by 1997.

⁶²Telephone Interview Glen Gentry, City Planner, Mountainview, California. 3 August 1993. Anticipating closure announcement, the local governments of Mountain View and Sunnyvale successfully solicited BRAC to recommend continued federal use (primarily NASA).

⁶³Telephone interview with a California developer (anonymous). 25 May 1993.

state's role in greater-than-local issues. This is followed by a description of the state players' current roles and functions. The reuse effort itself is then placed in the context of possible state roles.

5.1 CALIFORNIA'S DISTINCTIVE DILEMMA

In terms of the 1988 and 1990 closure lists, California will account for more than fifty percent of the civilian and military job losses arising from base closures.⁶⁴ The planning and implementation of base reuse in California is clearly exacerbated by unemployment approaching 10%, the state's economic dependency upon a rapidly shrinking defense industry⁶⁵, and the state's well-documented budget crisis that threatens additional cut-backs to state services.

California faces various unenviable situations which make base reuse a more difficult task and have obfuscated the state role:

- Magnitude of base closures-
17 bases are currently in various stages of closure or reuse, and with more announcements forthcoming, bases will find stiff competition attracting tenants. Procuring funding from the federal and state governments and allocating expertise in base reuse will also be more difficult. Much of the governmental action has been directed towards lobbying against any further closures, not towards establishing a state role in base reuse.⁶⁶

⁶⁴Sybert, Richard. "California Has Done Its Share." Los Angeles Times, 4 March 1993

⁶⁵In 1988, direct and indirect defense employment accounted for over 13% of the state's labor force. "Effects of Defense Department Base Closure and Realignment Recommendations on California's Economy." Governor's Office of Planning and Research. n.p.: n.p.: Revised 21 April 1993.

⁶⁶Governor Wilson has extensively lobbied against the additional proposed base closures in California. He has also pushed for changes in the federal disposal process (proponent of Clinton's proposal).

- Economic recession-
 The state faces high unemployment and has fewer resources for state funded programs. The construction industry is weak, construction loans are scrutinized, and the real estate market is timid at best. Finding the capital to invest in base reuse will require creativity. The state's role in fighting the recession and the efforts towards defense industry conversion detracts from the base reuse issue.
- Multi-agency state, complex government-
 A state as large and populous as California has many different agencies and jurisdictional interests. For example, issues such as water in a reuse effort may involve as many as eight agencies, such as the California Water Resources Control Board, the regional water agency, the California Coastal Commission, the California Environmental Protection Agency, the California Department of Toxics Management, county water resource committees and local facilities, and the local governmental entities among others. Also, as the local/regional/state section below will illustrate, base closures challenge California's delegation of land use controls. The vast size of most bases usually spreads into more than one jurisdiction.
- Environmentally sensitive-
 California is recognized by environmentalists as one of the most concerned states. However, from the reuse aspect, California is viewed by developers as restrictive and permit prohibitive. California must balance environmental concerns with developer incentives.
- Geographically/Demographically Diverse-
 Base closures include areas of high desert, prime coastal areas, inland valleys, areas sparsely populated and metropolitan areas. Regional

interests in Southern California are not necessarily reflected in Northern California. Establishing a state role is challenged by geographic and demographic diversity: The creation of a uniform state role is challenged by the different needs and circumstances of each base.

- Regional Planning Issues-

The state will likely be forced to confront additional regional planning issues by the multiple base closures in one area. This is occurring with the Bay Area closure designations, San Bernardino County, and Sacramento County.

Each state that has a base closure may face many of the above issues. However, the number of base closures in California creates an unparalleled situation. These factors illustrate some of the difficulties and confusion of establishing a state role. Because base reuse is a local effort in California, the state's role is further understood by examining the local/regional/state relationships and the local governmental entities.

5.2 LOCAL/REGIONAL/STATE RELATIONSHIPS

"It's important to remember, however, that governmental structures do not appear out of thin air. At some time, somebody decides whether a city should be governed by a manager or a mayor and how city council members should be elected. When those decision(s) *sic* are made, choices about power, access, and accountability also are made. Government structure is itself a *policy* that reflects power in a community."⁶⁷

Although this comment applied a community context, the same is true for regional and state governmental structures. Moreover, these choices about

⁶⁷Philip J. Trounstine and Terry Christensen, Movers and Shakers. The Study of Community Power, (New York: St. Martin's Press, 1982), p. 44.

power, access, and accountability reverberate throughout the decisions of base reuse. It is argued here, unlike Massachusetts and New Hampshire, California has delegated these choices to the local level. To evaluate the state's role in the base reuse process, the relationships of the local governmental entities must be recognized. Further, the multijurisdictional issues that "come with the territory" of base closures require an understanding of this local determination of land use controls.

5.3 LOCAL GOVERNMENTAL ENTITIES

Basically, there are three types of local governmental entities in California: 1) cities (unincorporated, incorporated), 2) counties (chartered, general law), and 3) special districts. Also, state and regional agencies do exist, such as the California Coastal Commission, the Regional Water Quality Control Boards, and the Bay Conservation and Development Commission. These regulatory agencies share two common traits: they are regionally limited, and are the state's response to growth. A local governmental entity may also be created by exercising the Joint Powers Act. This type of entity has been used in several base reuse processes in California where bases encompassed multijurisdictional areas. This Act requires legislation on a case by case basis.

California is divided into a series of counties. They have the power to make local, police, sanitary and other ordinances, provided that there is no conflicting state law. California counties administer elections, provide health and welfare services, perform many locally initiated services and lower court judicial administration. "The only distinction between the general law and the chartered county is that a chartered county has the constitutional authority to

determine its organizational structure, whereas a general law county would be controlled by the legislature even with respect to its organization."⁶⁸

Like a general law county, state legislature determines the organization and structure of a general law (unincorporated) city. Chartered (incorporated) cities are protected from state legislative interference with municipal affairs. In essence, they enjoy "home rule." This authority may be questioned and denied by the "externalities" of the city or county action. For example, "the Supreme Court has held that the determination of compensation of city employees is a municipal affair but structuring municipal labor-management relationship is a matter of statewide concern.⁶⁹ Correspondingly, base reuse likely involve externalities as well: most reuses will involve water, transportation, and environmental concerns which could be identified as spilling beyond the local sphere. A newly formed, incorporated city gains control over the tax resources in the area and determines the level of services, and regulates land use since county since "county regulatory measures do not reach incorporated areas."⁷⁰

The third type of local government is the special district. Since these special districts do not directly influence the initial reuse process, only a brief description follows. Defined by legislature, the powers of special districts cover a broad spectrum. Special districts may be organized for a single purpose, such as schools or fire protection. They may be organized for multiple purposes, such as a community service district which would provide waste disposal, fire and

⁶⁸Sho Sato, "Local Government in California: Structure, Power, Immunity and Financing," in A Conference on the Respective Roles of State and Local Governments in Land Policy and Taxation, (Cambridge: The Lincoln Institute of Land Policy, 1980), p. 3.

⁶⁹Ibid., p. 9.

⁷⁰Ibid., p. 15.

police protection, parks and recreation, or water service. Some districts exist to regulate environmental factors.⁷¹ Clearly, special districts will likely become part of a base reuse.

A military base in California may lie in the territorial jurisdiction of all three types of governmental entities. With the withdrawal of the military, different local governmental entities inevitably jockey for land use control:

"Rationalizing the formation of new governments and the expansion of service areas of existing local entities is a responsibility of the Local Agency Formation Commission (LAFCO) in each county."⁷²

"LAFCO bears the initial responsibility of determining whether a proposed governmental entity will be financially and politically viable."⁷³

The issues of services and annexation in California base reuse are instrumental to the reuse process. As reuse plans are finalized and bases actually close, the local level determines the land use controls in California.

Each of these local governmental units are creations of the state legislature. The state constitution assumes a pivotal role in allocating power between the state and local government. The state may take property of a local governmental unit without compensation and without violating the federal due process clause. This is evidenced by a state which says "a contract between a local entity and the state may be abrogated by the state at will without violating the federal constitutional provision against impairment of

⁷¹Ibid., p. 11.

⁷²Ibid., p. 15.

⁷³Patrick C. Coughlan, "Comments on Professor Sato's Paper," in A Conference on the Respective Roles of State and Local Governments in Land Policy and Taxation, (Cambridge: The Lincoln Institute of Land Policy, 1980), p. 54.

contracts."⁷⁴ While the state's powers are encompassing, California has yet to intervene in the local jurisdiction of base reuse.

5.4 MULTIJURISDICTIONAL ISSUES

Each of the nine base reuse efforts investigated revealed multijurisdictional considerations.⁷⁵ Many reuse efforts appear to have tentative planning agreements among the affected jurisdictions. As these plans become clearer and bases close, these agreements will be tested. Two examples of the jurisdictional challenges in California are presented below.

Ft. Ord

Ft. Ord encompasses the cities of Seaside and Marina and unincorporated sections of Monterey County. The base also abuts the cities of Monterey, Sand City, and Del Ray Oaks. After several years of extensive preliminary planning, the six jurisdictions agreed to work together towards a reuse plan for the site. If the six entities cannot reach consensus, the final designation is allocated to the jurisdiction that had the existing land use controls.⁷⁶

The reuse planning has witnessed numerous disagreements. Marina and Seaside have formed a Joints Powers Authority agreement. Most of the

⁷⁴Sho Sato, "Local Government in California: Structure, Power, Immunity and Financing," in A Conference on the Respective Roles of State and Local Governments in Land Policy and Taxation, (Cambridge: The Lincoln Institute of Land Policy, 1980), p.1.

⁷⁵Castle AFB, Fort Ord, George AFB, Hamilton Army Airfield, Mather AFB, Moffet Field naval Air Station, Norton AFB, Tustin Marine Corps Air Station. It should be noted that it can be expected that some closures will occur without jurisdictional disputes: some military closures are relatively small, and within the jurisdiction of a single, well-developed entity. For example, Long Beach Naval Station (approximately 900 'dry' acres, 500 submerged acres) is within the City of Long Beach, and the Sacramento Army Depot (485 acres) is within the city of Sacramento.

⁷⁶Interview Joseph Cavanaugh, Fort Ord Reuse Group, 4 June 1993.

affected communities have drawn up separate reuse plans. The cities of Monterey, Sand City, and Del Rey Oaks have applied to the Monterey County LAFCO to annex portions of the base.⁷⁷ Seaside also attempted to annex a majority of the county's unincorporated area. LAFCO narrowly rejected this proposal and is awaiting the outcome of the collected community planning efforts before reconsidering any annexation decisions.⁷⁸

George Air Force Base

Located in San Bernardino County, the reuse plans for this base began with communities of Victorville, Adelanto, Hesperia and Apple Valley and the county. Adelanto pulled out of this planning effort, believing that the other parties would not address the issues of noise, air pollution, traffic congestion, and, most importantly, water.⁷⁹ The other entities formed a Joint Powers Authority (JPA) known as VVEDA.

LAFCO has rendered decisions at George Air Force Base. The Town of Adelanto failed in its 1989 attempt to have George delegated within their Sphere of Influence. LAFCO awarded Victorville (as VVEDA's representative) the Sphere of Influence in 1992, but rescinded this decision several months later at the litigious environmental urgings of Adelanto. The Governor finally voiced that the state recognized VVEDA as the rightful authority for reuse planning⁸⁰(but not before the Air Force rendered a ROD⁸¹). LAFCO awarded

⁷⁷"Fort Ord Report lays out six 'Strategic Themes' for base reuse," California Report. Vol.3 No.22, 29 May 1992, p. 3.

⁷⁸Interview Rich Guillen, City of Seaside, California. 3 June 1993.

⁷⁹Interview Mary Scarpa, Mayor of Adelanto, 22 June 1993. The Mayor contends that Adelanto holds the water rights to the base. Further, since Adelanto is the most impacted by the base, she believes that having one vote out of five is unfair.

⁸⁰Interview Peter D'Errico and Richard T. Cole, VVEDA, George Air Force Base. 22 June 1993.

⁸¹This ROD did not recognize a clear authority for land transfers. Effectively, this placed the base up for bidding.

Victorville the Sphere of Influence in July 1993. Reuse efforts are tangled in numerous lawsuits.

5.5 STATE PLAYERS

Similar to the federal level, a myriad of state agencies or offices may become involved. As most base reuses remain in the initial planning phase, there has not been extensive state agency involvement. Due to severely limited state funding, one of California's offices and agencies more prevalent roles is administering the federal programs and funds. For example, the funds available through the federal Job Training Partnership Act is coordinated with California's Employment Development Department (EDD).

The Governor's Office of Planning and Research (OPR)-California

On December 5, 1991 OPR was designated as the point of contact for state coordination and liaison for base closure and reuse.⁸² Created by the 1970 state legislature, the OPR is responsible for developing state policies for land use. Historically, a primary concern has been on growth control. The state developed policy for population growth, urban expansion resource preservation and environmental goals, or in the preparation of functional plans of state agencies for transportation, water development or open space. Overall, the OPR promulgates guidelines for general plan elements, and develops urban policies, establishes regional planning districts and allocates federal planning funds.⁸³ For base closure and reuse, OPR's policy remains obscure.

⁸²Executive Order W-21-91 [5 December 1991], this EO also directs the Secretary of the California EPA to establish the California Base Closure Environmental Committee. Further, OPR and CEPA are to report base closure and cleanup problems.

⁸³The American Institute of Planners. Survey of State Land Use Planning Activity. Washington, D.C. 29 January 1976.

According to OPR's Ben Williams, who is overseeing the base closure and reuse process, "the reuse planning basically is a community process, as is recognized by the federal government. California is an incredibly large state with a history of local planning."⁸⁴

Favoring this local approach to base reuse, OPR has worked towards "attaining an awareness of the process to the appropriate state agencies and local redevelopment groups."⁸⁵ This "awareness" has primarily consisted of informal gatherings of the state agencies and many phone calls. There are no state databases on base reuse. OPR directed a statewide workshop for the communities confronted with base closure to share information. The workshop received lackluster reviews according to several local representatives that attended this workshop.

OPR has closely worked with Trade and Commerce to identify \$65.6 million in state funds for matching available federal funds in defense conversion programs.⁸⁶ It is unclear how successful communities will access these matching funds. Some of the state funds are in bills pending before the Legislature. Most funds carry constraints (i.e. \$3.5 million from Caltrans must be used for advanced transportation projects). Further, state funds may only fund twenty-five percent of a total project, while most federal grants require nonfederal dollar-for-dollar matching funds.⁸⁷ This matching fund is for defense conversion, which is not necessarily the base reuse effort.

⁸⁴Interview with Ben Williams, Governor's Office of Planning and Research. 20 May 1993.

⁸⁵Telephone Interview Ben Williams, Governor's Office of Planning and Research. 2 August 1993.

⁸⁶Interview Patricia A. Noyes, Director, California Trade and Commerce Agency. 10 June 1993.

⁸⁷Kenner, Laurel, "Wilson to lobby in defense conversion," The Sacramento Bee, Daily Breeze Business, 28 May 1993.

*The California Council on Defense Industry Conversion and Technology
Assessment*

On March 4, 1993 an Executive Order formalized this ad-hoc group that had been convening on defense conversion issues for approximately a year. The California Trade and Commerce Agency is the lead agency.

The Governor charged the Council to recommend a coordinated state strategy for defense industry conversion and reinvestment, to oversee and coordinate state defense conversion programs, to identify federal resources available for defense conversion activities, and to recommend a statewide strategy for defense industry conversion policies and programs.

The Council has identified a need for the state to implement a short-term strategy that responds to immediate defense conversion opportunities. At the same time, the Council recognizes the urgency of developing a strategy that addresses the long-term defense conversion needs of California, a state which has suffered disproportionately from federal defense downsizing and base closures.⁸⁸

Two important issues precipitate from the Councils' June 1, 1993 report to the Governor. First, the state involvement remains in its infancy. Second, the Councils' priority lie in a) Training Assistance, b) Community Assistance, and c) Technology Assistance. The Council identified the primary objectives in providing Community Assistance as the creation and retention of jobs and providing communities appropriate information about federal funding opportunities. Defense conversion and base closures are interrelated activities. Therefore, notably lacking in the report is the integration of defense industry conversion efforts with base reuse planning. The importance of the base reuse planning effort, again, is not a major consideration.

⁸⁸California Council on Defense Conversion and Technology Assessment, Interim Report to Governor Pete Wilson, 1 June 1993.

The California Trade and Commerce Agency

This agency is heading the California Council on Defense Industry Conversion and Technological Assessment. The Trade and Commerce Agency plays a major part in the process because of their ties to other state and federal agencies and their diligent efforts to earmark available funds. However, the Trade and Commerce's efforts by-pass the base reuse planning phase.

Trade and Commerce is currently writing the state proposal for a \$200,000 OEA planning grant. This grant is to determine the state's role in defense conversion and base reuse. According to Glen Stober, who is writing the proposal, Trade and Commerce is better staffed than OPR, therefore the lead agency. Most of this grant will be directed towards defense conversion; and, "it's absolutely amazing how many people are making a big deal over such a small amount of money."⁸⁹ The Assembly Defense Conversion Task Force successfully lobbied to get their participation in the grant written into the proposal requirements.⁹⁰

Assembly Defense Conversion Task Force

On March 22, 1993, Assembly Speaker Willie L Brown, Jr. (Democrat) created the Assembly's twenty-one member bipartisan task force. According to Assemblyman and Assembly Office of Research member Clyde McDonald, the two main objectives of the Task Force are 1) to unite the state administration and legislature together to share information and agree on recommendations, and 2) present the recommendations to Congress for 1994 legislation.⁹¹

⁸⁹Telephone Interview Glen Stober, California Trade and Commerce Agency. 29 June 1993.

⁹⁰Telephone Interview Anthony Gallegos, Office of Economic Adjustment. 5 August 1993.

⁹¹Telephone Interview Clyde McDonald, California Assemblyman. 24 June 1993.

California Military Base Reuse Task Force

On July 12, 1993, Governor Pete Wilson appointed San Diego Mayor Susan Golding to run the Task Force, and Wilson's office announced the other members: a San Bernardino County Supervisor, a Carmel banker and winery owner, a San Francisco economist, a Los Angeles environmental lawyer, a Sacramento attorney, and two real estate developers. Wilson also announced that the Task Force will lobby Washington to return closed military bases to local governments to spur private economic development. Golding stated that the Task Force will conduct the first hearing July 30, 1993 to air problems being experienced by local communities in converting the bases to job-producing uses.⁹² Further, the Task Force will recommend state and federal legislation to streamline the regulatory process and expedite the reuse.⁹³

State Legislators / Governor

State legislation is required of a Joint Powers Authority, a redevelopment area, or an enterprise zone. These designations have been introduced on a site-by-site basis. Legislators also have the power to create task forces, councils and programs regarding base closures. Moreover, they approve or disapprove appropriations and funding for state agencies and programs. As with any state legislation, the Governor's support may be instrumental. While the elected state representatives are largely Democrats and the Governor is Republican, it is unclear how cooperatively they have worked together on base reuse issues. The similar goals of the Democratic led Assembly Defense Conversion Task Force and the Republican led California Military Base Reuse

⁹²Tony Perry, "Wilson Wants Local Use of Closed Bases," Los Angeles Times, 13 July 1993, Sec. A, pp. 3, 18.

⁹³Charlene Simmons, Roger Dunstan, and Kenneth Umbach, "California Military Base Closures," (California Research Bureau, CRB-IS-93-002, 14 April 1993) p.43.

Task Force suggests a power conflict. Nonetheless, the Governor has lobbied extensively to save California bases from closure and strongly supported many of Clinton's proposed changes to the federal disposal process.

Elected Assembly, U.S. Representatives and Senators from an area disrupted by base closure will theoretically voice the base reuse issues (i.e. write legislation to designate a redevelopment area). When multijurisdictional disputes arise, the affected area's legislative representatives are hesitant to take sides given the distasteful nature of offending a group of voters.

Other State Players

Many other state agencies and offices participate in the base reuse process. For example, the California EPA and Department of Toxic Substances Control are present in each closure and reuse. Their role will be discussed in the following environmental section; the Employment Development Department administers the federal Job Training Partnership Act (JPTA) system; the California State University System participates on the California Council on Defense Industry Conversion and Technology Assistance and has assisted with the Ft. Ord reuse planning (as a possible site for another State university); and, Caltrans (transportation) is required on any reuse effort that includes an airport.

California State Environmental Actions

The state is well-organized for the environmental issues involved in the base closure and reuse process. While the environmental process is cumbersome, and as California's environmental standards typically exceed federal standards, reaction and progress in this field has been notable.

California's EPA and the California's Environmental Quality Act (CEQA) are renowned for strict compliance. Cooperation between the federal and state environmental agencies has apparently allowed a coordinated contamination and clean-up effort.

"The only area where the state seems to be moving in the right direction is on environmental coordination. The Cal EPA and the environmental advisory people are in the process and addressing the problems. Any other direct support from the state in our reuse has been virtually nonexistent."⁹⁴

A Closure Environmental Advisor Group was established to increase public participation in the base closure, cleanup, and reuse process. The primary *modus operandi* for this endeavor is by increasing two-way communication through dialogue and information exchanges. Combined with the California Environmental Protection Agency's (CEPA) diligent efforts, the environmental process in California is exemplary in proactive measures.

The Advisory Group's members include environmental groups, business and redevelopment interests, State agencies, and elected officials from the Assembly, State Senate and U.S. Congress. The Advisory Group works closely with CEPA's California Base Closure Environmental Committee. From these efforts, this committee attributes "significantly enhanced cooperation among the State Water Resources Control Board (SWRCB), the U.S. Environmental Protection Agency (U.S. EPA), the Air Resources Board (ARB), and the Department of Health Services (DHS)."⁹⁵

⁹⁴Telephone interview with Dick Martin, Castle Joint Powers Authority. 29 July 1993.

⁹⁵Cal/EPA Base Closure Environmental Advisory Group. Meeting Summary. February 1993.

Yet, problems remain. For example, the local reuse efforts at Mather Air Force Base view the SWRCB and the ARB as hindering the transfer process:

"The military leaves this September 30th. The Air Force and the Federal agencies have been pretty cooperative...the state regulators are being unreasonable in the clean-up. Things have to be cleaner than mother nature...This airport is the economic engine and the possible delays are costing money and causing opportunities to be lost."⁹⁶

5.6 CALIFORNIA'S ROLE IN THE REUSE PROCESS

To further understand the state's role, the pre-established roles from Section Three are applied to the California state experience. The state role in the reuse process will be reviewed for each model, except the proactive/preemptive role.

Minimal State Involvement

Except for the environmental effort, each of the state agencies has independently interacted with the local redevelopment agencies. These efforts are not prevalent since most base reuse efforts remains focused on developing the reuse plan and land use controls.

Technical and Informative

In each of the reuse efforts in California that was investigated for this thesis, an unanimous agreement among the local players was voiced for the state to step forward with information and technical support. Specifically, the local redevelopment entities requested the state to create a database on all the reuse

⁹⁶Telephone Interview John Long, Mather Air Force Base, 3 August 1993.

efforts and available funding, provide legal assistance, and supply technical support for the disposal process.

The typical local reuse effort has relied on OEA's technical assistance and information. The typical response to the state's role in the process ranged from, " the state really has not brought anything to the table here,"⁹⁷ to "this has been a local effort. The state doesn't know what they are doing, even if they were in the position to help."⁹⁸

Dick Martin, Director of Castle Joint Powers Authority, states:

We basically followed OEA's cookbook for reuse. So far, we have been pretty fortunate, and our hard work to include everyone has this JPA functioning well...so far... We could have used some help from the state. It's hard to believe that it has been learn-as-you-go so far here in California. ..I told OPR over a year ago that the state should play a legal role in this federal disposal process. To expect that each community has a legal expert to weave their way through the process is nuts..and expensive.⁹⁹

A senior planner for the City of Tustin, Dana Ogden, reports answering several questionnaires and telephone calls from OPR and the Assembly Defense Conversion Task Force about what the state can do to help the reuse efforts at Tustin Marine Corps Air Station. Ogden's suggestions for the state to provide technical assistance and legislation (creating redevelopment areas/Enterprise Zone) have not received responses.¹⁰⁰

Coordinated

As seen above with the state players, state coordination has not been California's strong point. The California environmental response is an

⁹⁷Interview R. Dee Reynolds, Mather Air Force Base. 21 May 1993.

⁹⁸Telephone Interview "Anonymous". 19 May 1993. (Norton Air Force Base).

⁹⁹Telephone Interview Dick Martin, Castle Joint Powers Authority. 29 July 1993.

¹⁰⁰Telephone Interview Dana Ogden, Tustin Marine Corps Air Station. 3 August 1993.

exception. The environmental factors require attention once base closure is announced, and the environmental factors remain critical to the disposal and reuse process. While this may suggest a coordinated state effort from necessity, not design, it is also possible that the state places a high value on environmental concerns. The historical state/regional environmental responses support this.

Most local reuse efforts are still grappling with planning and land use control issues. Even if the state views the reuse planning as strictly a local concern and responsibility, common sense and economic feasibility call for coordinated state efforts when confronted with multiple closures. For example, Caltrans approval for airport use is required, but all the permitting and paperwork is written for new construction, not an existing military facility. This needlessly creates additional work and headaches. Also, "Caltrans myriad of paperwork and requirements are not coordinated with the FAA. They really should be more involved and that would really help."¹⁰¹ Further, this example illustrates a common problem in base reuse: the laws, regulations and permits are not written or designed for base closures.

Financial

The Trade and Commerce is handling the \$65.6 million "match" fund. One member of a local redevelopment agency declared this a "bogus package that is so restricted it is virtually impossible to receive the money" and that much of the money still required approval by legislature, while other parts of this fund never were allocated.¹⁰²

¹⁰¹Telephone Interview John Long, Mather Air Force Base. 2 August 1993.

¹⁰²Telephone Interview Dick Martin, Castle Joint Powers Authority.. 29 July 1993.

The state's budget problems have seriously limited the state's possible financial roles. The largest financial contribution that the state may provide appears in legislature. The creation of a redevelopment area or enterprise zone essentially denies the state a tax base. Rather, it allows the reuse effort to offer incentives to possible tenants, perhaps by reinvesting the collected taxes in additional development. These designations are determined on individual base redevelopment efforts.

Regional Coordination

Joint Power Authorities remain the state's primary method of regional coordination. This legislation is introduced from the local level, and it appears that most JPAs have been formed by the local jurisdictions for planning efforts. Indeed, most JPAs are not empowered impose land use controls.¹⁰³ It remains to be seen if planning consensus can be reached and an entity created to implement the land use controls. George AFB's jurisdictional problems led to Richard Syberg, Director of OPR, attempting to mediate the dispute in early 1993.¹⁰⁴ It remains unresolved.

Legislative

Several JPA's and redevelopment areas have been legislated. The legislation has been introduced by the affected areas elected representative. As the players section described, the Governor and elected officials have presented some legislation and lobbied hard to make the federal disposal process more conducive for redevelopment, and they have pressed for additional federal aid to assist the reuse efforts.

¹⁰³For example, the Eaves Bill (Assembly Bill No. 419) authorized the George JPA to "perform the functions of a legislative and planning commission, except with regard to land use, planning and development decisions".

¹⁰⁴Interview Peter D'Errico and Robert Cole, VVEDA. 22 June 1993.

5.7 CONCLUSION

Respect for home rule and the state's inability to identify clear ways to assist the local reuse process have effectively left the state on the sidelines.

Considerable efforts have been mounted towards preventing further closures and creating a more conducive federal disposal process. Little attention has been placed on the state's role. The magnitude of closures and the "state of the State" have likely exacerbated the formation of a definitive state role.

The roles and goals of many of the state agencies appears duplicitous. Ironically, it appears that another agency is required to coordinate all the various state agencies and task force coordinators (The Senate Select Committee on Base Closures, the Assembly Task Force, OPR, the California Military Base Reuse Task Force, etc.). Additionally, the recent efforts to determine problems in the reuse effort remain focused on job creation, not reuse planning. The state's role in the reuse process will be challenged as the local planning efforts become more clear, more bases close, and more bases are added to the closure list.

Review of the local governmental entities revealed a complex structure of land use delegation. The reuse process in California suggests that this local delegation will be challenged. Whether the local multijurisdictional interests can create an agreed upon reuse plan and create a vehicle for the land use controls remains to be seen.

SECTION 6-ANALYSIS

6.0 INTRODUCTION

Like any (re)development project, base reuse is influenced by existing conditions and external factors such as geographic location, socio-economic conditions, pre-existing infrastructure and facilities, and environmental constraints--factors which vary from base to base. Clearly, these factors can also influence a state's role in the reuse process. However, a more fundamental and useful understanding of the state role is provided if base reuse is placed in a larger context, as one of the largest and most complex transfers of land use in modern American history. This context challenges established state, regional, and local land use authority and is under a labyrinth known as "the federal base disposal process". Moreover, this context shapes what a state's role can and should be. Before comparing the three state's roles, the parameters of a state role must be established and should answer the questions: first, is a state role warranted in base reuse; and second, if this is so, then what factors influence the state role for any reuse. That is, what factors would lead New Hampshire to a preemptive role and California to a limited role?

6.1 FACTORS INFLUENCING THE STATE ROLE

The state's role in base reuse is shaped by both the federal disposal process and the governance issues. A review of the federal disposal process affirms that a state should be a part of the reuse effort and its role should be greater than the minimalist strategy. The question then becomes how active should the state

role be in the process. As the regional governance issues set forth, part of the answer falls within a state's perspective of greater-than-local events and another part falls within a state's limitations.

6.2 REVIEW OF THE FEDERAL BASE DISPOSAL PROCESS

This complicated process indicates that a state can assist the reuse efforts. First, the state is more capable than local entities at dealing with the federal disposal process. As this complex disposal process can be seen as an imperfect vehicle, the state is the most effective entity to lobby and present legislation to facilitate reuse. The state governors and elected representatives, particularly California's, appear to have achieved some level of success towards changing the process to facilitate reuse as reflected by Clinton's proposal: if the indemnification issue is removed, it will lessen the private developer's perceived risks of investment; and, if the federal government is inclined towards local redevelopment rather than receiving fair market value, the savings could be substantial. Further, the state has a louder, more effective voice than locals to politick for more federal aid. As expected of a state with numerous closures, California has focused considerable attention on changing this disposal process and approached the federal government for more financial aid,¹⁰⁵ and this may have been the state's most effective role in helping the reuse efforts.

¹⁰⁵As seen in the California case, Governor Wilson and the state representatives have primarily focused on the economic impact and changing the process. Both of these endeavors revolve around federal financial aid. Thus, in effect the local/regional/state relationship transcends to a local/state/federal relationship -the state's inability to handle the problems (at least financially) leads part of the state reuse efforts seeking a federal " financial role."

Also, a state is more capable than local entities of politically leveraging a federal reuse on the base. As the Pease case indicates, the federal placement of the Visa and Immigration services allowed an immediate creation of jobs, a long-term lease, and reinforced the international tradeport theme. Further, the state's familiarity with other state and federal programs and processes facilitates the procurement of funds and programs for reuse. The California Trade and Commerce Agency's compilation of available aid likely will benefit several reuse planning efforts and certainly help their implementation. A state-level point of coordination also has greater access than locals to the state and federal players and programs. The Land Bank's political clout and access to other state agencies clearly enabled them to press for Boston's City Council and Mayor's approval of the South Boston Naval Annex and facilitated a park for Chelsea's reuse plan.

Second, interpreting of the laws in federal base disposals, particularly the environmental aspects, are more adeptly handled at the state level. A state legal expert is appropriate as reuse efforts must comply with both state and federal environmental laws. The complex legalities in the federal interim leases and property transfers further point to state legal aid. Without this state response, the reuse efforts encounter delays. New Hampshire's number three person in the state Attorney General's Office transferred to work full-time on the Pease reuse effort,¹⁰⁶ and this legal assistance, and a close affiliation with a state agency, has been a critical component of the reuse efforts.¹⁰⁷ California's reuse efforts have relied primarily on OEA to provide the information and technical assistance. This, perhaps, strikes against the

¹⁰⁶Interview Robert P. Cheney, Jr., 13 March 1993.

¹⁰⁷As previously noted by Dick Jones of the AFBDA, and as reiterated by Skip Jones of the PDA.

best economic sense, as OEA is a part of the DoD, and therefore represents their interests first and foremost.

Third, the military disposal agencies prefer working with a single redevelopment entity.¹⁰⁸ The disposal process requires considering the local reuse plans, and the complications and delays from several submittals is evident. Further, the military disposal agencies have not displayed any intent of joining or settling the jurisdictional disputes by allocating a public benefit transfer to entities involved in these frays. In the George Air Force Base example, the property transfer has effectively become a bidding war.¹⁰⁹ The state may assist the reuse efforts by setting up local planning task forces such as Massachusetts did during the 1970's closures and for Fort Devens. This promotes a single voice from the community; however, recognizing that disputes, nonetheless, will ensue, a preventative measure is required and will be discussed later. The point here remains that the state can provide a vehicle to at least bring together the local concerns.

With each additional closure state involvement becomes increasingly important. A state with a single closure may arguably utilize local legal assistance as the competence and learning curve to get through the legalities of the federal process may be seen as close to par at both the state and local levels. However, if a state has multiple closures and each reuse is independently and locally addressed, the experience and lessons learned in the

¹⁰⁸Interview Pat Keeley, Army Corps of Engineers. Ft. Ord, California. 1 June 1993; Interview Dick Jones and Gary Kuwabara, Air Force Base Disposal Agency, Northeast Region, Pease Air Force Base, New Hampshire, 19 February 1993.

¹⁰⁹With no clear jurisdictional rights, the Air Force rendered a "no decision" in the ROD. The Air Force intends to provide a Public Benefit Conveyance of the airport to the highest bidder for an adjacent piece of land. Interview Peter D'Errico and Robert Cole, VVEDA. 22 June 1993.

first closure -and each additional closure- are lost, resulting in additional costs, possible delays, and missed opportunities. A state with multiple closures and independent reuse efforts loses this "economy of scale" in other respects, namely the experience of organizing a reuse effort and the lessons learned from dealing with the process. While it is possible that each reuse effort investigates each of the other communities experiencing closures to gather valuable lessons, clearly this is more efficiently achieved through a central clearinghouse. California has not capitalized on this economy of scales.

Planning the Reuse

The federal property disposal plan and the second EIS require the reuse plans. Upon closure announcement, the initial challenge is to plan this reuse. As previously mentioned, the state may facilitate reuse by setting up task forces to encourage a reuse plan that includes all of the affected parties. Given the complexities and scope of most base reuse plans, and given that a state likely has more experience with large-scale projects, a state may further aid the reuse effort by providing expertise in planning, finance, transportation, environmental law, and industrial development. New Hampshire's appointment of the PRC immediately embodied the responsibility of bringing in these experts, which it did through intergovernmental contacts and hiring outside consultants. When the Fort Devens Redevelopment Board was established to act as an advisory body to the Governor, it had this expertise present. This is not necessarily the panacea: as the Devens case illustrates, local posturing for control may still occur; however, this expertise and the Land Bank's efforts have helped the communities develop the fundamental elements of their reuse plan, provided a cooperative effort on the environmental clean-up, and played an instrumental role toward revealing the financial

implications of the redevelopment.¹¹⁰ Thus, this reuse support effectively gathered community consensus for an active state role.

Assisting the planning efforts with this expertise does not have to result in the state as developer -any planning effort clearly prospers from this expertise. And, again, the importance of this expertise provided from the state increases with additional closures within the state. California's reuse efforts have required each reuse to find the expertise from within the local communities, and/or hire outside consultants. Again, the economy of scales and the knowledge gained from each reuse effort are lost.

6.3 LOCAL/REGIONAL/STATE GOVERNANCE ISSUES

Base closures disrupt the local economy, sometimes even the state economy. Massachusetts and New Hampshire viewed their respective singular base closure as an economic crisis requiring state action. Both states enacted an agency specifically to address the reuse planning of the base, and both states will likely be the lead redevelopment entity for their base reuse.

Massachusetts' and New Hampshire's implementation of proactive/preemptive roles reflected Degrove's key factors for imposing a "Growth Management System". The two state agencies had strong gubernatorial and legislative support, and both agencies also demonstrated extensive efforts to gather the local governmental entities' support. Massachusetts appears to have successfully achieved local consensus through the financial implications of redevelopment. This implies that each of the four affected jurisdictions desired

¹¹⁰Outside consultants, nonetheless, will likely be hired for the economic studies. An "in-house" expert allows better management of these consultants and permits at least a general observations on the subject's feasibility.

redevelopment. The two primary jurisdictions at Pease Air Force Base do not appear to have this common desire, and the PDA remains without the Town of Newington's support. This town's apparent opposition to any airport-oriented reuse plan suggests that consensus may not have been reached, and a preemptive role may have had to been taken to fulfill the state's greater-than-local economic concern. Both New Hampshire's and Massachusetts' roles as "state as developer" has essentially eliminated the jurisdictional questions in the short run. How the land use controls finally emerge in the long run is another question. It does appear that this will not be fully addressed until there has been substantial economic development, which is, after all, the premise for their state involvement.

California, on the other hand, is experiencing multiple closures. While Governor Wilson has expressed his "deep" concern about the consequences of base closure on "the economic well-being of this state,"¹¹¹ the reuse planning remains a local process. Further, several factors suggest that California will not implement a proactive/preemptive role. One reason is economic. Multiple closures and California's limping state budget do not allow the state to replicate Massachusetts' and New Hampshire's financial assistance toward reuse. Second, the gubernatorial and legislative support have not surfaced for this type of role. Assuming that the Governor's Office of Planning and Research echoes the Governor's sentiment, base reuse is viewed as a local process. Perhaps reflecting the state's historical embrace of home rule, neither the governor nor the state representatives have stepped forward advocating state involvement in the planning effort. Third, the state's ability to gather

¹¹¹Testimony by Governor Pete Wilson prepared for the Defense Base Closure and Realignment Commission. Oakland, California. 25 April 1993.

local support is diminished by the apparent lack of consensus among the local governmental entities.

With this, the focus turns to California's local reuse process. Although most reuse efforts are in the planning phase, one problem that threatens reuse has already surfaced: land use control. Most bases encompass or abut several jurisdictions. As a result, local entities have struggled with reuse planning issues and the designation of land use controls. As the first and only base to close in California, George Air Force Base painfully exemplifies that the local process may be incapable of working out these jurisdictional problems. LAFCO certainly was not designed to handle the complex transfers of land use of military base closures: the multijurisdictional questions of bases like Ft. Ord hint that problems are on the horizon; and, bases like George Air Force Base demonstrate that LAFCO's determinations may be legally disputed and the reuse efforts delayed.

Consensus for a Reuse Plan

As discussed above, not reaching a consensus on the determination of land use controls can stall planning efforts and threaten non-reuse. For the 1973 closures, the Massachusetts cases illustrate the state working closely with the local planning entities to reach a consensus. The first step the state took from the closure announcements was to establish state and local task forces. The state task force's goal was to determine what the state could do to assist the local reuse efforts, while the local task forces were established to provide a unified local reuse plan. From these informative inquiries, the state created the Land Bank. While the Land Bank had developer abilities, its role primarily consisted of technical and informative assistance in the initial

planning phases of reuse, and financial support in the implementation phase. It is unclear what the state would have done had reuse planning not reached community consensus. As the Land Bank was created with developer abilities, presumably, the state would have stepped in had the reuse efforts hit an impasse. In the Chelsea Naval Hospital case, disagreement occurred during the initial reuse plans; however, it appears that the Land Bank was able to gather consensus by pressing the financial implications of the various plans and by bringing the Metropolitan District Commission and a park into the reuse plan.

The Land Bank's role in Fort Devens is essentially the role of a developer/owner. To achieve local consensus and implement this role the Land Bank apparently applied a lesson from the 1973 closures: communities do not recognize the economic realities of base reuse until after initial plans are drawn. The Joint Board of Selectmen's attempt to gain land use control met the political disapproval of the state. Basically, by allowing the community plans to be drawn, and then demonstrating the costs associated with the economic development, the state was able to gain the local's support. While the state could provide the proposed funding to a local reuse effort, the state has opted for a proactive role for all the reasons cited in the federal base disposal process, and the belief that a twenty year regional vision requires a larger-than-local entity.

Unlike Massachusetts' strategy to gather local consensus and then enact a more active state role, New Hampshire implemented a state planning agency and then attempted to gather local consensus. Initially, the PRC did not have land use control authority. It is unclear whether this was intentional, or

whether the state would have allowed a local redevelopment authority to have been established if local consensus had occurred with the economic development plan. The director of the PDA reflected that Portsmouth's full support may have been gained earlier, if the financial implications of base reuse were known. However, the Town of Newington's apparent opposition to any airport plan appears incompatible with the state's best economic development plan, and whether or not this could have been mediated will never be known. This town's displeasure with the airport plan and subsequent lawsuits may cause delays to the reuse. Both Massachusetts and New Hampshire viewed base closure as a greater-than-local impact (economic) and had the financial and political resources to implement a regional governance entity.

The reuse planning in California, on the other hand, does not have a state holding financial sticks over the heads of local reuse efforts, and the state appears to be politically incapable of thwarting local reuse efforts from splintering off into separate camps. The Fort Ord case illustrates the local entities positioning themselves to separately annex part of the base while consensus is attempting to be reached through FORGE. This collaborative planning effort is further weakened by unanimous approval of land use or the land use determination remains within the current jurisdiction. Moreover, as a voluntary planning effort, this planning entity has no authority. If implementing the planning efforts in California meet the same economic realization as in Massachusetts and New Hampshire, one may surmise that reaching consensus will be exacerbated as the reuse costs become known. Furthermore, even if the reuse planning becomes separate jurisdictional

events, LAFCO's determination of land use control may be litigated, resulting in further delays and costs to the reuse efforts.

Clearly, California's multijurisdictional problems threaten reuse. This problem may also affect attracting tenants. The private development initially attracted to George Air Force Base learned how critical land use control issues are--it is not enough to have the financial capability to invest in redevelopment. Future private investment in base reuse may have been tainted by this example and may remain hesitant to invest capital that may get tied-up in litigation for years.

California's numerous closures suggests that even if large-scale development needs can be established, competition will be fierce between the bases, particularly between bases close together with similar facilities (Bay Area naval facilities, San Bernardino Airports). As a result, regional consensus may be required.

6.4 CONCLUSION

Reconsidering the federal base disposal process, state involvement is seen to facilitate reuse, increasingly so for a state with multiple closures. This federal disposal process ascertains that the "minimal role" is an inadequate state response. The myriad of federal, state and local players suggests that confusion of roles is to be expected. The logical lead agent to provide some unified behavior and action is the state. It is not possible for a local power to gather the state players together in a coordinated fashion, and it is not likely that the federal players can gather the local and state players together. Given

that a state may preempt local authority, the state role then becomes a perspective of greater-than-local concerns along with the state's ability to implement a regional governance entity.

As the three state cases illustrated, the financial requirements for base reuse, like any development effort, are substantial. A state's role in the process may be severely curtailed by their lack of funds. Conversely, a state's role may be initiated by the local's lack of funds. Massachusetts and New Hampshire have allocated sizable financial resources toward base reuse, and this certainly appears beneficial to the reuse efforts, perhaps even by mitigating some of the multijurisdictional questions.

In several ways California's state role has greatly assisted the reuse efforts. The state environmental efforts have been well-coordinated and active at each base. The governor and state legislation have cried out 'cumulative economic impact' to thwart further closures and have hounded the federal players for changes to the base disposal process. The former efforts likely have been in vain, but the latter might prove to be the greatest assistance in the long term. The proposed changes to the federal disposal process will clearly facilitate reuse efforts. Moreover, the greatest financial assistance the state may be able to provide to the reuse efforts appears to be through politicking the federal government's "deep pockets." It may also be argued that California's regional concerns will be addressed by the state's strict environmental laws, the regional water authorities, and Caltrans, thus, a more definitive regional role is unnecessary. However, the multijurisdiction problems of base reuse require a state-level response.

Further, the lack of technical and informative support cannot be defended, neither can that it has taken four and a half years to form a task force to determine what the state's role should be. The economic costs of the delays and missed opportunities by the state's absence are likely to exceed the cost of technical and informative functions of the state role.

SECTION 7 -- CONCLUSION

Base reuse may be the largest land use transformations a state will see for the next century; thus, the decisions about the state role should reflect the consequences of that responsibility. The role of the state in base closure and reuse is reflected by the federal base disposal process and regional governance issues. Assuming that development is desired, the data and analysis support a state role in the base closure and reuse process. This state role in its simplest form should provide the functions of the generic model below.

A Generic State Model

- *Technical and informational support:*

First, as the state environmental agency will inevitably be brought into the process because of the interdependent relationship between the reuse plans and the remediation of the existing environmental conditions, this agency should consult the reuse planning entity. Without this information coordination, needless planning and delays may occur. Second, the state should assist the reuse efforts with legal assistance for the environmental concerns and the complicated interim leases and federal property transfers. Third, the state should provide a database of the state and federal assistance programs. Fourth, to further assist the planning efforts, a real estate financial analyst and construction estimator should be provided. Each of the Massachusetts cases illustrated that most planning efforts fail to recognize the financial implications their plans, and the Pease case supported this. Fifth, because the state likely has large-scale planning experience, supplying the appropriate expertise and experience may facilitate reuse.

- *Coordinated:*

The state's coordinated role for a single base closure directly depends on the reuse plan. For example, a reuse plan limited to moderate amounts of housing and offices may not require this state role. However, reuse plans involving airports and state parks or prisons require at least moderate coordination with the state environmental agency. Another example that warrants state agency coordination might be the presence of ground water contamination--this requires the federal and state EPA as well as the state and local water authorities. As more state agencies become involved in a plan, the need for state coordination increases.

- *Financial:*

This role should combine the state's ability with the local reuse effort. As the Massachusetts cases illustrated, local reuse efforts may lack the financial ability to redevelop the base to attract reuse. The available financial vehicles include: direct appropriations; "matching" federal funds; selling general obligation or revenue bonds; and, creating a redevelopment areas (tax benefits).

- *Regional Coordination*

For the reuse planning efforts the state should set up a task force consisting of at least one state representative and representatives from each of the affected entities. This task forces provides one voice for the reuse planning, creates a forum for all the local concerns, and facilitates communication with the state. In a smooth base reuse, the task force would dissolve with the creation of a clear development plan and undisputed redevelopment agency. The base reuse is likely a multijurisdictional issue, and while the state may attempt to

mediate any disputes that arise, the state should be prepared to designate a redevelopment authority if reuse efforts stall from impasse.

- *Legislative and Political:*

Besides the often required legislation to create a redevelopment authority and financial vehicles, a state may assist the base reuse efforts by lobbying and presenting legislation to change the federal disposal process. Further, the state may be able to politick for alternative federal uses for the base.

The State as Developer Model

- *Proactive / Preemptive:*

If a state views the reuse of a base as a state-wide concern, a proactive or preemptive role may be necessary. Local inability or multijurisdictional disputes may also require this role. As a preemptive role is prone to litigation, a proactive role is preferred. This state as the developer role can require substantial funds -perhaps hundreds of millions of dollars- and, often this money can buy local support. That is, the financial implications of reuse should be made apparent to the affected local governmental entities. To implement this role the strong support of the Governor and legislative leadership is required as well as large local support. This role should follow each of the functions for a "generic state role".

Recommended Role for California

California's "state of the state," multiple closures, and local/regional/state relationships make the state role an anomaly. Clearly, the state is presently incapable, financially and politically, of taking a proactive/ preemptive role,

but many of the functions and benefits of this role are rooted in the "generic role," which should be taken. Paradoxically, this state has the most to gain from implementing the functions of the "generic role," and while this role requires both human resources and capital, the investment more than compensates the lost opportunities and delays. If the state cannot adequately fund this role, the legislative and political efforts to receive federal aid should be aggressively pursued.

California's multijurisdictional problems in the reuse efforts threaten to de-rail economic development. It appears that as more bases close and reuse efforts move beyond the planning phase, this problem will only be exacerbated. The answer to this problem is not within the generic model, but one that the state must find within its own regional governance. Land use issues aside, the inevitable, and larger, problem of financing any reuse will likely rely upon substantial federal assistance. California should be utilizing its sizable political clout as a state to receive this help.

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