

RECOVERING *from* BASE CLOSINGS

*On the Road to Recovery:
Military Bases get a Facelift*

When Loring Air Force Base in Limestone, Maine, closed in 1994, the future looked bleak. More than 1,300 civilian jobs were lost, and 2,875 military positions were transferred. In all, more than 8,000 people—one-tenth of the population of Aroostook County—left. But today, despite Limestone's remote location near the Canadian border, Loring has been transformed into the largest business, industrial, and aviation park in the state of Maine. By 2005 more than 20 new businesses had relocated there, and nearly 1,500 new jobs had been created.

Fort Devens in Massachusetts and Pease Air Force Base in New Hampshire have similar stories of successful post-military redevelopment. Meanwhile, Stratford, Connecticut, is still recovering from the 1997 closure of the Stratford Army Engine Plant. Environmental cleanup of the heavily polluted site has stalled, hindering the successful transfer of property and the implementation of redevelopment plans. No new positions have been created to replace the 1,400 jobs lost. Some challenges facing communities affected by base closures are unique to each situation. Overall, however, successful redevelopment strategies share three critical features: partnerships; creativity and flexibility; and persistence.

Working Together

The redevelopment of a closed base often involves strong disagreements—especially if the base spans several communities. Thus, an important first step is for the communities to form a local redevelopment authority (LRA) with strong and determined leaders and representatives of all affected stakeholders—local residents and workers, gov-



ernment officials, civic leaders, and businesses leaders. Such an authority becomes the only body officially recognized to negotiate with the military and to receive property transfer and other federal assistance.

Partnering with Local Stakeholders

The ultimate success of redevelopment depends on partnerships with the communities—having a reuse plan that correctly identifies local needs and reflects local visions. The redevelopment authority should maintain a constant dialogue with the involved communities, local officials, and advocacy groups, and should include their input in transparent, realistic proposals. The redevelopment team at Loring, for example, kept stakeholders informed through multiple public hearings, a process that resulted in a solid redevelopment plan.

But consider the situation at

Stratford. There are still no clear and consistent plans to act upon once the military completes the property transfer. Recently, there have been some disagreements between the Town Council—the plant's official redevelopment authority—and the site developers on whether the site should be redeveloped for residential properties (which would require more extensive and costly cleanup) or for previously agreed-on industrial and commercial purposes.

Partnering with Government

Partnerships with state government also are important. When a base covers several jurisdictions with different land-use regulations and building permitting, communities can ease administrative difficulties by coordinating among themselves and working with states to streamline procedures.

For example, the redevelopment of Fort Devens, which spans four towns,



was aided by state legislation creating a single permitting and approval agency, the Devens Enterprise Commission. The approval process now guarantees answers to applications within 75 days and has already helped attract 78 new companies offering more than 4,000 new jobs.

A word of warning: The closing of a base often creates hostility in the community toward the military and the federal government, which may hurt the community's ability to get assistance. A strong alliance with the federal government, however, can ease recovery by securing technical and financial assistance. The Loring Development Authority, for example, received nearly \$9 million in grants from the Economic Development Administration and the Defense Department's Office of Economic Adjustment to repurpose the base's infrastructure, facilities, and functions.

The most significant blocks to base redevelopment are stalled environmental cleanup and delayed property transfer. In Connecticut, the cleanup process of the Stratford Army Engine Plant site is approaching 10 years. The plant's manufacture of commercial and military engines left the soil and buildings polluted with solvents and heavy metals. Without a comprehensive cleanup process, the site cannot even be used for industrial purposes. Progress has been hindered by a lack of coordination. The extent and cost of the cleanup are still unclear. This has delayed property

transfer to the town, as state and local authorities are not willing to accept liability for the cleanup in case the Army does not provide enough funding.

In contrast, Loring's development authority early on established a partnership with the U.S. Environmental Protection Agency, Maine's Department of Environmental Protection, and the Air Force. Although Loring was heavily contaminated like Stratford, the collaborative spirit there helped in determining cleanup priorities, duration, and the effect on redevelopment. The cleanup, which exceeded \$150 million, proceeded alongside base redevelopment and was never a major obstacle. Cooperation among all stakeholders avoided gridlock.

Creativity and Customization

No single formula for success fits every base-redevelopment project. Location, remoteness, climate conditions, available infrastructure, and the health and diversification of the local economy are bound to vary. A recovery's success depends on the ability of the redevelopers to customize strategies, taking into account the starting conditions, the needs of the local community, and the base's comparative advantages.

Rural and remote bases are generally considered difficult to redevelop because they have less-diversified economies and less-developed infrastructure. A base closing affects their

economies more severely, and it is harder to attract new industries. The harsh winters at Loring certainly did not look like an asset.

According to Brian Hamel, former chair of the Loring Development Authority, initial prospects for redevelopment were uncertain, and a creative approach was needed. Using funding from the Office of Economic Adjustment, the LDA hired outside consultants to assist them with a Target Industry Market Study and an Aviation Task Force Study. The studies identified industries suitable to the region's conditions, infrastructure, and workforce. Industries deemed worth pursuing included light manufacturing, agriculture, food processing, and transportation distribution—all of which could benefit from the area's large open spaces, more than 300 buildings, and well-developed infrastructure.

The Loring Commerce Centre, which now encompasses the former military installation and is managed by the Loring Development Authority, leveraged the former airbase to create an aviation complex with runways, aviation operating systems, aircraft maintenance facilities, air cargo operations, and private aircraft operations.

In addition, because good telecommunications infrastructure and an abundant, educated, and relatively cheap labor force were available, the redevelopment authority decided to target information-based businesses. Sitel Corporation, which provides outsourced telephone-based customer service, expanded its call center in Loring to employ nearly 300 people and is considering increasing that number to 500.

Loring even managed to turn its harsh winters into an asset. The Maine Winter Sports Center, a newly formed nonprofit corporation, has established facilities and programs to stimulate the development of biathlons and cross-country and Alpine skiing. Its facilities in Presque Isle recently hosted the 2006 Biathlon Junior World Championships, attracting more than 250 young athletes from 29 countries and more than

20,000 spectators. Such events not only enhance the region's reputation, but also mean more business for local hotels, restaurants, and shops.

Be Proactive and Persistent

Attracting businesses to a new site is always difficult, but when the site is a former military base in a remote location, the task is truly daunting. In tar-

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getting potential employers, an aggressive and proactive approach in conjunction with a solid marketing strategy and a coherent, consistent message can make all the difference. "It's likely

that businesses won't readily come to you—you need to go to them," says Hamel. "Develop strategies for approaching them. Travel to them, engage them, have them come and visit your community. The results from such an approach can be very different from simply phoning or e-mailing them."

Developers in charge of attracting industry need to effectively advertise the region's advantages and incentive packages. Loring still aggressively advertises the strengths of its workforce, the available infrastructure, the low cost of doing business in Maine, and the fact that Loring is located in zones offering special tax advantages: the Maine Pine Tree Zone and the federally designated Rural Empowerment Zone. Similarly, in Massachusetts, Fort Devens promotes its wide array of state-sponsored economic incentives, including its simplified permitting process, low-cost financing options, competitive utility rates, competitive labor costs, and tax incentives.

Redeveloping a former military base into a vibrant community with a new face is a time-consuming, costly, bureaucratic, and arduous process. The transition can cost millions of dollars

and can take years, even decades, to complete. Nevertheless, most communities around former military bases have succeeded in revitalizing and diversifying their economies. According to the Government Accountability Office, almost 85 percent of civilian jobs lost as a result of base closure or realignment have been recovered through redevelopment.¹ The rates of unemployment and average annual real per capita income growth generally fare better at redeveloped bases compared with average U.S. rates. Many former bases are even doing better than they were during the military presence. That should send a powerful message of hope. The exit of the military doesn't need to be the end; sometimes it is only the beginning.

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¹*Military Base Closures: Observations on Prior and Current BRAC Rounds*, United States Government Accountability Office Statement before the Defense Base Closure and Realignment Commission, May 3, 2005.

How Former Military Bases in New England Are Recovering

(as of October 31, 2004)

	Base-closure round	Closure date	Lost civilian positions	Transferred military positions	New jobs	Proposed major land uses
Loring Air Force Base (Limestone, Maine)	1991	September 1994	1,311	2,875	1,161	agriculture, aviation, conservation, commercial, education, industrial, office, recreation, residential
Fort Devens (Ayer, Harvard, Shirley, and Lancaster, Mass.)	1991	March 1996	2,178	1,662	4,180	commercial, conservation, correctional, government, health care, industrial, museum, office, recreation, residential
Pease Air Force Base (Portsmouth and Newington, N.H.)	1988	March 1991	400	2,250	5,124	aviation, education, government, health care, industrial, office, recreation, retail commercial, transportation
Stratford Army Engine Plant (Stratford, Conn.)	1995	December 1997	1,400	5	0	industrial

Source: *Economic Transition of BRAC Sites: Major Base Closures and Realignments 1988-2004*, Department of Defense Office of Economic Adjustment.