



REAL ESTATE CENTER



BEST DEFENSE

MAKING THE MOST OF MILITARY BASE CLOSURES

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TECHNICAL REPORT

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Best Defense: Making the Most of Military Base Closures

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Best Defense: Making the Most of Military Base Closures

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Introduction

The breakup of the Soviet Union signaled an end to the Cold War, prompting the federal government to reduce and realign U.S. military resources. Downsizing in facilities and personnel began with 1988 legislation and continued with the Defense Base Closure and Realignment Act of 1990 (BRAC), which mandated full or partial closure of selected military bases across the nation. A bipartisan committee

recommended which installations should be closed, subject to the approval of Congress and the President.

Before the first round of BRAC closures, Texas was home to 21 major military bases. After four rounds of closure and realignment, 15 installations remain open, including three that were realigned, meaning that the military presence remains, but parts of the bases were closed. Six bases were closed entirely. San Antonio, Texarkana, Lubbock, Austin,

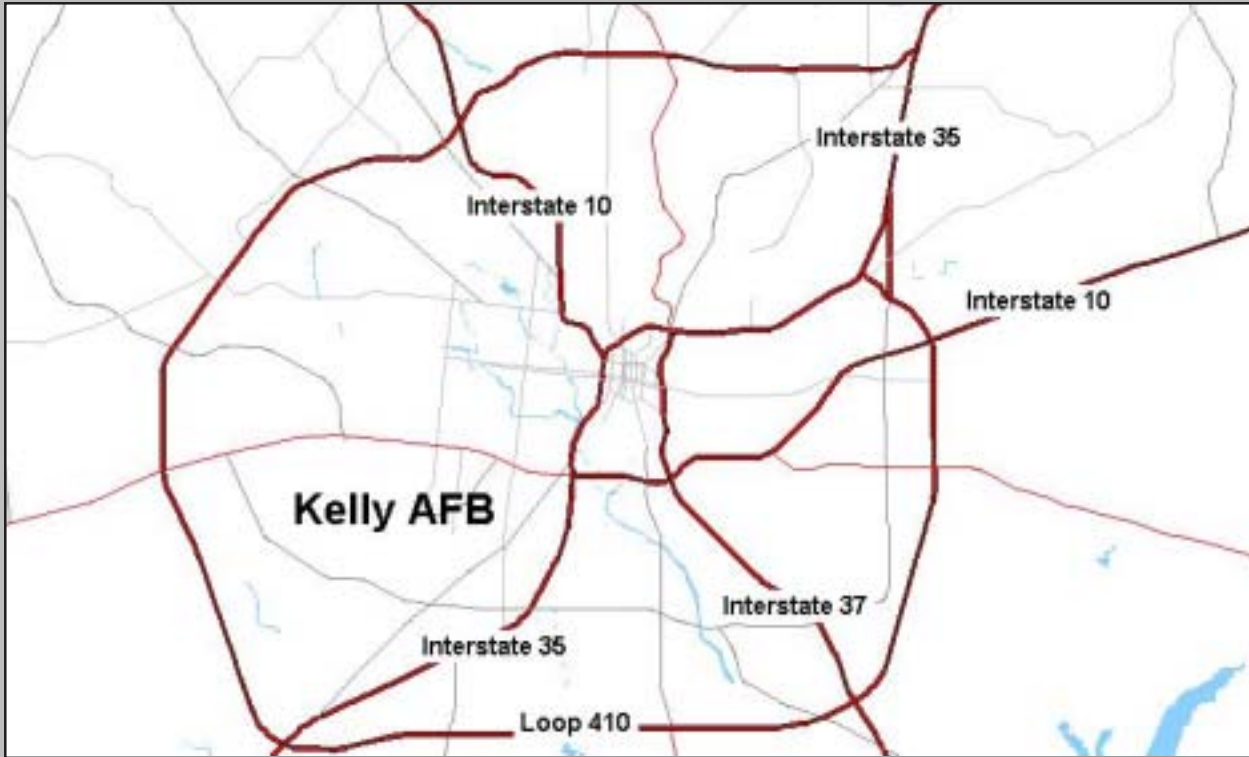
Beeville, Grand Prairie and Fort Worth all have experienced economic fallout from conversions.

While some of these communities have successfully converted military bases into public or private use developments, others are struggling with the intricacies of transferring property from the government to redevelopment authorities and the challenges of finding suitable tenants for specialized facilities.

Status of Texas Military Bases

Open	Closed	Realigned
Abilene: Dyess AFB Del Rio: Laughlin AFB El Paso: Fort Bliss Ingleside: Ingleside NS Killeen: Fort Hood Kingsville: Kingsville NAS San Angelo: Goodfellow AFB San Antonio: Brooks AFB San Antonio: Fort Sam Houston San Antonio: Lackland AFB San Antonio: Randolph AFB Wichita Falls: Sheppard AFB	Austin: Bergstrom AFB Beeville: Chase Field NAS Dallas: Dallas NAS Galveston: Galveston NAS Lubbock: Reese AFB San Antonio: Kelly AFB	Corpus Christi: Corpus Christi NAS Fort Worth: Carswell AFB Texarkana: Red River Army Depot

Kelly Air Force Base, San Antonio



Installation name	Kelly Air Force Base
Region	South central Texas
Locale	San Antonio
Redevelopment authority	Greater Kelly Development Authority
Base size	4,757 acres, 600 buildings totalling 16 million square feet
Redevelopment size	2,000 acres
Leaseable space	11 million square feet
Opened	1917
Closed or will close	April 2001
Current tenants, owners or occupants	Boeing, Pratt & Whitney, MQS Inspection, Inc., EG&G, General Electric, Lockheed Martin, AESYS, Chromalloy, Standard Aero, Ryder Integrated Logistics, Rail Car America

Available Facilities	
Aircraft industrial maintenance area	2.5 million+ square feet
Multimodal logistics and distribution center	4 million square feet warehouse 66 million cubic feet covered storage 75 acres of outdoor storage
Office complex	77,866 square feet
East Kelly light industrial area	350 acres

Transportation	On Base	Commercial Carriers	Distance from Base
Rail	Yes	Union Pacific	On site
Port	No	Corpus Christi	145 miles
Airfield	Yes	Joint airfield with Lackland AFB	On site
Nearest major highway	I-35, I-10		Less than 1 mile

Airfield Specifications	
Number of runways	1
Runway length	11,500 feet

Kelly Air Force Base

Kelly Air Force Base is a prime example of how military base conversions can benefit all parties involved. The Greater Kelly Development Authority (GKDA) has been able to successfully recruit businesses to occupy available space and create jobs. To date, the majority of the space the GKDA owns is leased. Ultimately, more than 20,000 jobs are expected to be created as a result of redevelopment.

History

Kelly AFB in San Antonio has been in operation for more than 70 years, making it the oldest continuously used U.S. Air Force base. The base is named after Lieutenant George E.M. Kelly, the first military pilot to die flying a military aircraft. After learning to fly at North Island in San Diego, California, Kelly was stationed at Fort Sam Houston, Texas, working under the command of First Lieutenant Benjamin Foulois, who, at the time, was flying the Army's only airplane. On May 10, 1911, Kelly died while trying to land his aircraft. To commemorate the tragedy, the Army named a new airfield after Kelly on June 11, 1917.

Kelly AFB has played a significant role in every major war, beginning with World War I, when the majority of American pilots were trained there. During World War II, Kelly's mission changed to maintenance and supply. Kelly personnel overhauled, repaired and modified aircraft engines and related equipment. Kelly workers played vital roles in the Korean and Vietnam Wars as well as the Panama conflict and Operation Desert Storm.

Kelly AFB and Kelly Air Logistics Center appeared on the 1995 round of BRAC closures. The 4,757-acre base is slated to be the 162nd major base to be either closed or realigned, with final closure scheduled for July 2001. Forty-seven percent of the base will be transferred to the City of San Antonio, while the remaining portion will be realigned with Lackland Air Force Base.

Kelly AFB is currently home to the San Antonio Air Logistics Center, the Air Force News Agency, Air Intelligence Agency, Defense Commissary Agency—Midwest Region, the 433rd Airlift Wing of the U.S. Air Force Reserve and the 149th Fighter Wing of the Texas Air National Guard.

The Greater Kelly Development Authority

In nearly all cases in which bases close and land is transferred to a public entity, a redevelopment authority is created to manage the transfer and marketing of the property. The Greater Kelly Development Authority (GKDA) was created on January 18, 1996, by the San Antonio City Council and consists of an 11-member board of directors elected by the Council. GKDA has employed two outside firms to facilitate conversion, marketing and leasing operations. EG&G Management Services of San Antonio focuses on converting existing facilities to include the amenities necessary to draw tenants to the development, and Trammell Crow Company serves as marketing and leasing agent.

From the beginning, GKDA's overarching goal has been to create 21,000 jobs by the year 2006. To achieve this goal, the authority is transforming the portion of Kelly AFB it controls into a world-class industrial and commercial park. One element of GKDA's "new identity" campaign for the base is a new name, KellyUSA, intended to emphasize the

non-military focus of the converted base.

Because former base employees possess skill sets related to aircraft maintenance and repair, logistics and distribution, office and back office services, communications, electronics and advanced manufacturing industry sectors, the redevelopment authority has been seeking appropriate industrial, manufacturing and management service companies to occupy converted space at Kelly.

The GKDA is marketing Kelly as an international distribution center strategically located at the intersection of air, rail and highway routes. The base is close to Union Pacific's South San Antonio Inter-modal railyard, which has three mainlines, 30 yard tracks and cross-docking facilities. These rail lines travel from Mexico to San Antonio and on to various nodes across the country.

North-south highway transportation is facilitated by Interstate Highways 35 and 37, while east-west traffic uses

Interstate 10 and U.S. Highway 90. Air transportation is enhanced by the 11,500-foot runway able to accommodate the largest of airfreight planes. Kelly's location also is ideal for taking advantage of Corpus Christi and Houston seaports.

The GKDA is establishing Kelly as a gateway from Mexico to the United States. The authority anticipates goods flowing from Mexico City, Guadalajara and Monterrey through San Antonio and on to the rest of North America.

KellyUSA Tenants

To date, the GKDA has acquired about 50 percent of the 11 million square feet that eventually will be transferred to the authority. Of this 50 percent, 97 percent is currently leased. Boeing Aerospace Support signed a 20-year lease in 1998 and occupies 1.4 million square feet of space.

Boeing has contracts from the Air Force to maintain and modify the C-17 aircraft as well as retrofitting Federal

Express MD-10s to function as cargo aircraft. Shortly after the company located at Kelly, it received Air Force contracts for the KC-135 and the KC-10.

Lockheed Martin has taken advantage of Kelly's skilled workforce and advanced facilities. The company has Air Force contracts to maintain and modify TF-39 engines used in C-5A Galaxy cargo planes, T-56 prop-jet propulsion systems used in C-130 cargo transports, P-3 Navy patrol bombers and E-2C Hawkeyes, which are carrier-based surveillance aircraft.

Economic Incentives

Incentive programs at the local, state and federal levels were established to promote business relocation to Kelly. Specific incentive programs offered at Kelly follow. More information can be found at www.kellybusiness.com.

Defense Economic Readjustment Zone (DERZ). KellyUSA has been designated as a Defense Economic Readjustment Zone. Any company relocating in such a zone as an enterprise

Current Tenants	Operations	Leased	Employment
Boeing	Airframe maintenance and modification	1.4 million square feet	1,000; 2,000 projected
Lockheed Martin	Aircraft engine maintenance	1.5 million square feet	1,400 projected
EG&G Mgt. Svcs. of San Antonio	Logistics provider and base operations	3.2 million square feet	300
Pratt & Whitney	Jet engine maintenance	180,000 square feet	300
MOS Inspection	Scientific and engineering laboratory	53,000 square feet	40
Safety Equipment Company	Uniform and safety equipment distributor	50,000 square feet	5+
Ryder Integrated Logistics	Logistics provider	40,000 square feet	25+
General Electric	Electronic equipment calibration and repair	27,000 square feet	45
Clark Freight Lines	Transportation services	1,648 square feet+ 1-acre storage yard	10+
AAR Aircraft Component Services	Gas turbine engine service and repair	9,214 square feet	15+
Rail Car America	Rail car repair	32 acres	135
Frost Bank	Financial services	1.5 acres	15+
San Antonio Credit Union	Financial services	1.5 acres	15+

Source: The Greater Kelly Development Authority

project receives up to and including a ten-year tax phase-in period as well as sales tax refunds based on the number of permanent jobs created.

Foreign Trade Zone. Companies locating in a Foreign Trade Zone are subject to reduced tariffs and taxes on import and export goods. In addition, fewer restrictions are placed on the movement and use of respective products.

Defense Economic Adjustment Grants. Defense Economic Adjustment Grants offset the adverse effects of base closure on communities. The grants may be used for purchase of base property, new construction, rehabilitation of facilities and infrastructure, purchase of capital equipment or insurance. The City of San Antonio has submitted several applications for this type of funding.

GKDA Lease Incentives. The GKDA has received exemption from both personal and real ad valorem taxes on property it owns. However, tenants who locate at Kelly are required to pay an Essential Services Charge to GKDA for services provided, including infrastructure maintenance, fire, police and EMS. The GKDA offers an incentive in the form of partial rebates on rent if tenants achieve stated goals for employment, wages and contracts for products and services with small, minority and women-owned businesses.

Community Incentives. The City of San Antonio and Bexar County provide numerous initiatives and incentive programs for companies relocating or expanding at Kelly, including the Real Property Tax Phase-In Program, which provides phase-in or abatement of property taxes on new construction. Industrial revenue bonds allow for tax-exempt financing at or below market rates for firms promoting employment and public welfare. Another local incentive, the Freeport Exemption, offers a personal property tax exemption to businesses revolving around goods in-transit or in-progress.

Environmental Issues

Environmental issues such as ground contaminants and liability assumed with ownership are a major component of the base conversion process. The GKDA established an environmental risk management program to ensure that tenants have access to compliant facilities and services. The program requires that tenant operations comply with applicable environmental requirements. The Air Force is responsible for cleanup of contamination from past operations and any previously undetected contamination found at or emanating from Kelly.

The GKDA maintains an umbrella environmental insurance policy providing tenants with access to coverage

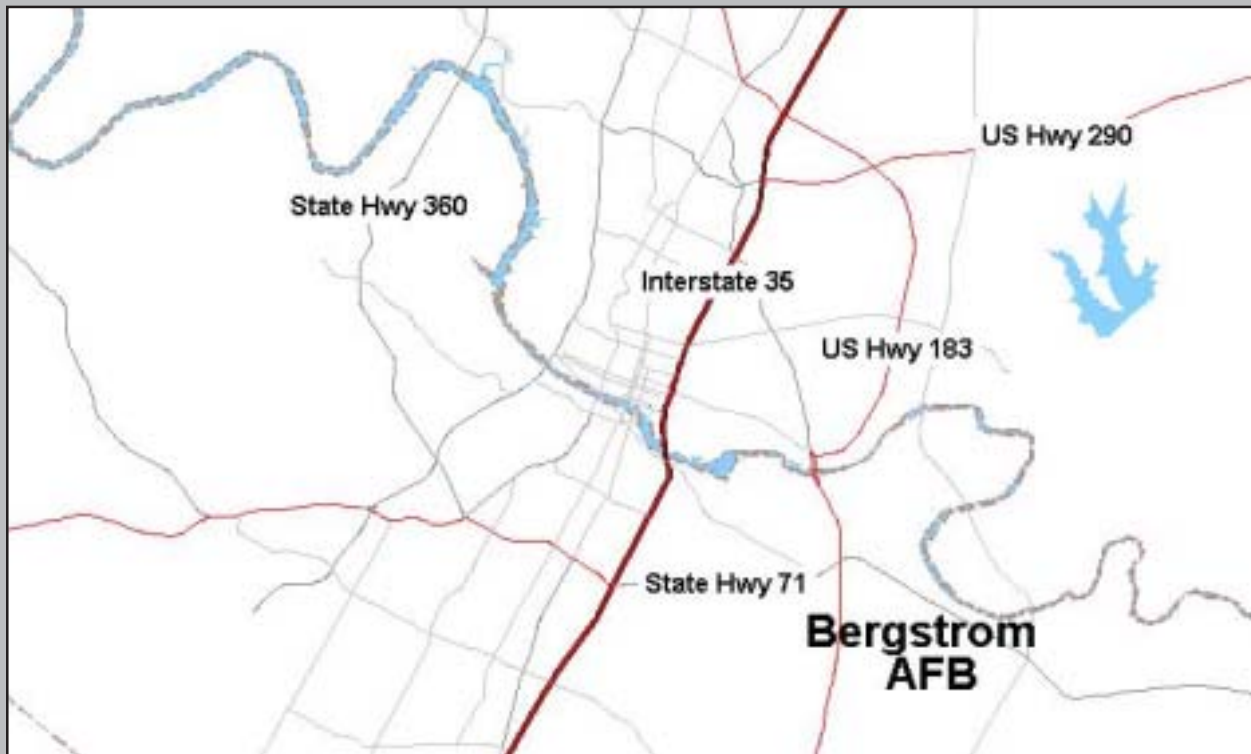
for any potentially serious contamination incident arising as the result of an accident, previously undiscovered contamination or actions of third parties.

The GKDA's environmental risk management program offers Kelly tenants a lower risk of operating than they might encounter at other sites because the Air Force or GKDA's insurance company shoulders the risk. In addition, environmental costs of operations are lower than at competing sites as a result of risk management, special legislative relief for closing bases, and through economies of scale achieved by spreading costs over the entire base.

The Bottom Line

The promotional strategies of the Greater Kelly Development Authority have paid off. As of February 2000, the authority is halfway to its job creation goal and is continuing to attract major companies like Boeing and Lockheed Martin to the site. Future plans are to transform the site into a multimodal distribution center to capitalize on NAFTA trade routes that go through the area.

Bergstrom Air Force Base, Austin



Installation name	Bergstrom Air Force Base
Region	South central Texas
Redevelopment authority	City of Austin
Base size	3,216 acres
Redevelopment size	4,200 acres (city acquired adjacent property)
Leasable facilities	400,000 square feet warehouse space 168,000 square feet cargoport development 600,000 square feet passenger terminal
Opened	1942
Closed	September 30, 1996
Current tenants, owners or occupants	Austin-Bergstrom International Airport, State Aircraft Pooling Board, Texas Army National Guard, Federal Express, UPS, Worldwide Express, Emery Worldwide, plus passenger airlines

Transportation	On Base	Distance from Base
Airfield	Yes	On site
Nearest major highway	US 183	0 miles

Airfield Specifications	
Number of runways	2
Runway length	12,250 feet; 9,000 feet

Contact Information	
Contact	Jamy Kazanoff Austin-Bergstrom International Airport 3600 Presidential Blvd., Suite 311 Austin, TX 78719
Phone	512-369-6681
Fax	512-369-6653
E-mail	Jamy.Kazanoff@ci.austin.tx.us
Website	www.abia.org

Bergstrom Air Force Base

The transformation of Bergstrom Air Force Base into the Austin-Bergstrom International Airport is another example of an exceptionally successful base conversion. Before Bergstrom was targeted for closure, Austin faced the 21st Century with an antiquated airport increasingly incapable of handling the area's burgeoning air transportation needs.

When Bergstrom AFB appeared on the list of base closures in 1990, the City of Austin conducted a feasibility study to explore the possibility of turning the base into a civilian airport. Ultimately, through innovative design, unique financing and use of many of the base's existing facilities, the city turned the base closure into a cost-effective solution to its airport problem.

History

Eight days before the attack on Pearl Harbor, U.S. Army officials made a trip to Austin and indicated that the Army was interested in opening an air base there. They eventually selected a

3,000-acre tract which the city of Del Valle purchased with city bonds and "loaned" to the U.S. government in 1942 with the agreement that the land would be returned to the city when it was no longer needed by the government. At this time the base was known as Del Valle Air Base.

Captain John August Earl Bergstrom, an administrative officer, was killed when Clark Field, a U.S. base in the Philippines, was attacked in conjunction with the Japanese attack on Pearl Harbor on December 7, 1941. This Texas A&M University graduate was the first Austinite to be killed in the war, and in his honor, Del Valle Air Base officially became Bergstrom Army Air Field on March 3, 1943.

Bergstrom has a long and storied history. During World War II, the base was the training site for pilots who flew missions in the D-Day invasion and later participated in the Berlin Airlift. Bergstrom was a key defense locale during the Korean War, the Cuban Missile Crisis and the Gulf War.

Along with 75 other military installations, Bergstrom AFB was on the Base Realignment and Closure Committee's

(BRACC) list of base closures approved by President George Bush and Congress in 1990. In 1992, the U.S. Justice Department authorized the conveyance of Bergstrom to the City of Austin, which had incorporated the city of Del Valle in the years since the base was established. The base was officially closed on September 1, 1993, and in the fall of 1995 the final military presence, an Air Force Reserve fighter wing, left the site.

Bergstrom is located on 3,216 acres in southeast Austin on Texas Highway 71, near the intersection of U.S. Highway 183. The location is eight miles from downtown Austin and the State Capitol and just miles from I-35, the "NAFTA Highway."

Robert Mueller Municipal Airport, Austin's primary airport before the Bergstrom conversion, sits on a 711-acre tract, has 16 gates and handled more than six million passengers annually, according to Airports Council International. As Austin continued to grow, the facility was increasingly overburdened and unable to provide the travel services necessary for a burgeoning metropolitan area. In 1998, the airport ranked 50th nationally in passenger traffic and 133rd in the world according to Airports Council International.

Project Management

When BRACC announced the planned closure of Bergstrom AFB, the City of Austin immediately began investigating the feasibility of transforming the base into a civilian international airport. A study concluded that such a conversion would be possible. The City of Austin was deeded the Bergstrom property in 1999.

Because of the enormity of the task of overseeing the conversion, the City of Austin formed a public-private partnership with Parsons Brinckerhoff, an engineering, planning and construction management firm with an extensive background in airport design and construction management. Parsons Brinckerhoff managed construction, administered contracts and maintained comprehensive management information systems related to the project. The New Airport Project Team, which included Parsons Brinckerhoff engineers and select officials from the city and the department of aviation to oversee construction, was formed.

Funding

At the outset of the project, it was decided that no tax dollars would be used for funding. Instead, funding has and will come from the businesses and individuals using the airport. Until the year 2019, a passenger facility charge of \$3 per passenger will be assessed on all airline tickets. In addition, revenue bonds totaling \$400 million were sold in May 1993 to fund the project, which at that time was expected to cost \$642 million.

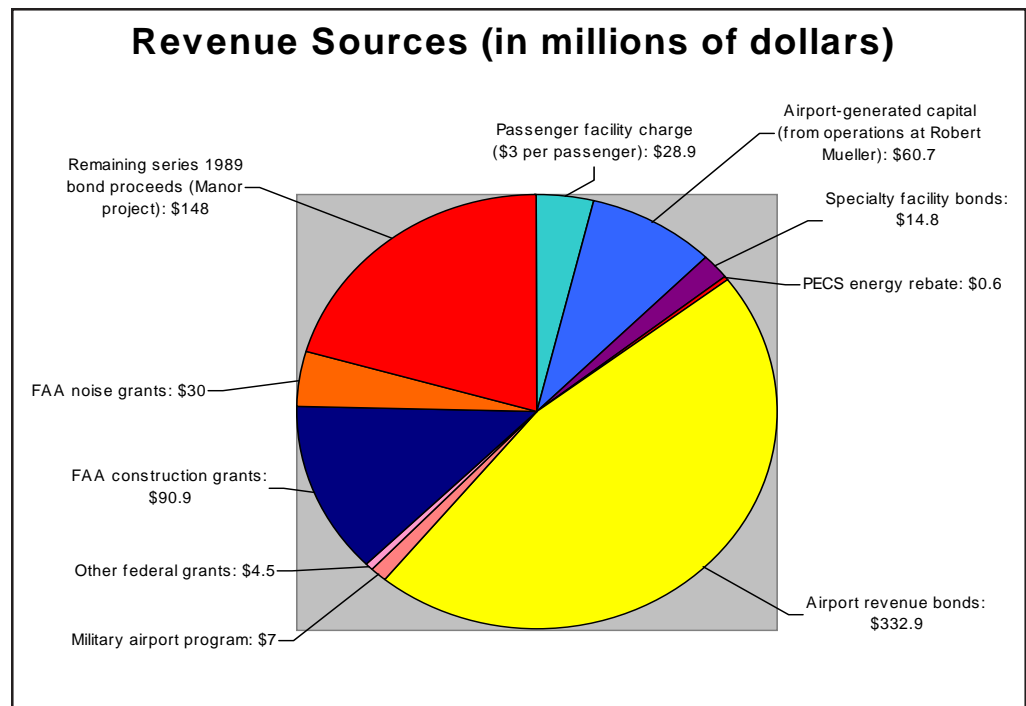
The project also was awarded federal grants. The Federal Aviation Administration provided construction grants totaling nearly \$100 million and noise reduction grants totaling \$30 million. Additional funding came from concession sales, federal grants and interest earnings from Robert Mueller Municipal Airport.

Austin-Bergstrom International Airport

The Barbara Jordan Passenger Terminal at the Austin-Bergstrom International Airport is a 600,000-square-foot building with 25 gates served by two runways. The first is an upgraded military runway that was outfitted to meet commercial demands; the second runway was newly constructed. Arrivals and departures are expedited because they can occur simultaneously. A cross-taxiway system was constructed to link the runways and terminals.

A total of nine airlines currently service Bergstrom International Airport. America West, American Airlines, Austin Express, Continental, Delta, Northwest, Southwest, TWA and United have non-stop service to 34 cities around the country including Chicago, New York-Newark, Washington, D.C., San Francisco and Atlanta.

A parking garage with a capacity of 3,300 cars was built in addition to several ground-level parking lots capable of holding 7,000 vehicles. Five miles of access highway was constructed, as were buildings to house fire and rescue, air cargo and general aviation



facilities, a fuel tank farm and a central heating and cooling plant.

Environmental Issues

Some construction in the Bergstrom conversion project focused on "green building," the practice of reusing salvaged construction materials. Energy efficiency was a high priority and site water was recycled.

The base had 276 single-family and duplex homes that were relocated to other sites. Of the 242 buildings left on the site, approximately 30 percent have been reused. Forty buildings were auctioned off.

In the majority of base closures, environmental concerns have created difficulties in transferring property from the U.S. government to the private entities receiving the titles, because federal law mandates that property cannot be conveyed until environmental concerns have been resolved. Bergstrom was no exception. Over the course of the Air Force's 50-year tenure at Bergstrom, 481 hazardous waste areas had been created to house photo processing chemicals, fire training pits and fuel spills. In addition, the sanitary system was in need of extensive repairs.

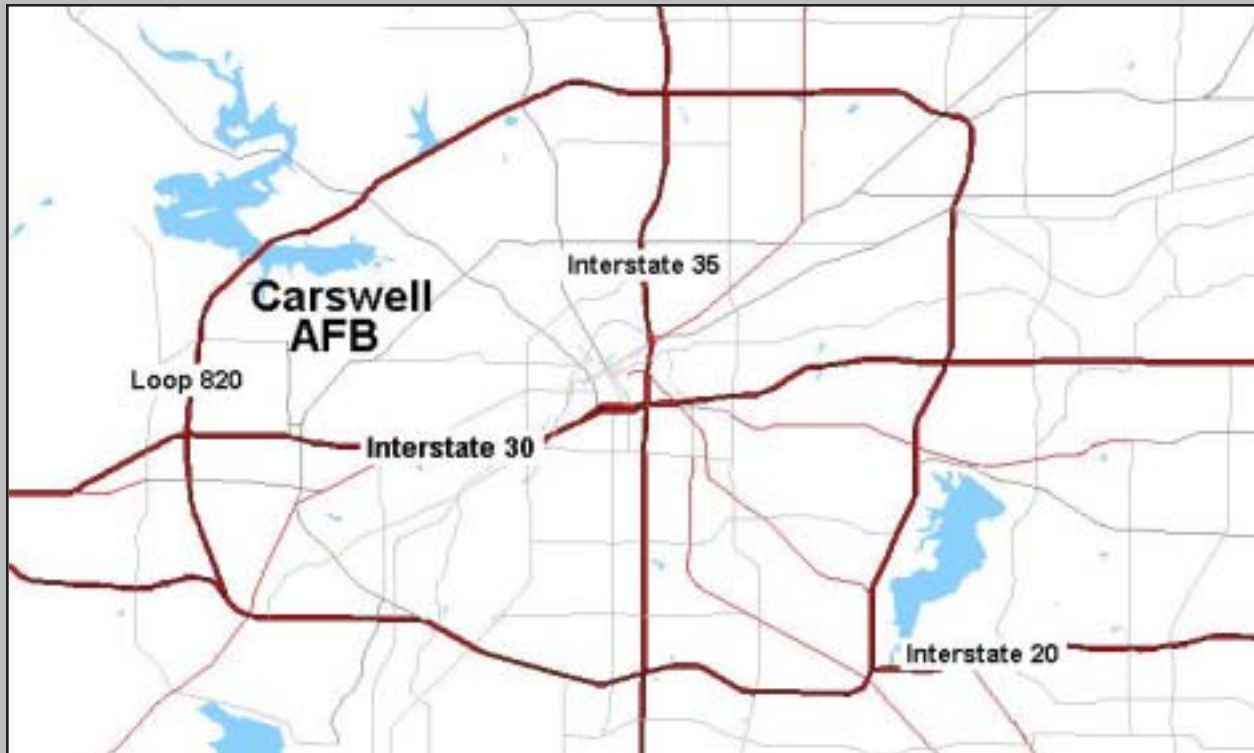
Cleanup costs totalled \$55 million according to the Air Force Base Conversion Agency, which was responsible

for the process. To expedite the cleanup process, local and federal government agencies formed a partnership that compiled all known information regarding the contaminants and their locations and established a centralized entity focusing exclusively on alleviating the environmental concerns. The partnership met regularly to discuss difficulties encountered in the process and find ways of avoiding further complications. This proved to be an effective means of addressing the environmental issues and, ultimately, reduced expenditures and helped keep the project on schedule.

The Bottom Line

Despite the enormity of the project, Austin-Bergstrom International Airport opened on May 23, 1999, within the established time frame and budget. The City of Austin had successfully transformed a former Air Force base into a modern airport capable of handling more than six million travelers per year. Innovative design, unique financing and use of many of the base's existing facilities turned the base closure into a cost-effective solution to Austin's airport problem.

Carswell Air Force Base, Fort Worth



Installation name	Carswell Air Force Base
Region	Northeast Texas
Locale	Fort Worth
Redevelopment authority	Wentworth Redevelopment Authority
Base size	3,198 acres
Redevelopment size	400 acres residential housing
Opened	1941
Closed/will close	Realigned
Current tenants, owners or occupants	Fort Worth Naval Air Station Joint Reserve Base, Federal Bureau of Prisons, Department of Housing and Human Services, Department of Education

Transportation	On Base	Distance from Base
Airfield	Yes	On site
Nearest major highway	I-30	Less than 5 miles

Airfield Specifications	
Number of runways	1
Runway length	12,000 feet

Contact Information	
Contact	LeLand Clemons Executive Director Wentworth Redevelopment Authority 250 Pumphrey Drive Wentworth Village, TX 76114
Phone	817-377-8061
Fax	817-377-8064

Carswell Air Force Base

When Carswell Air Force Base was targeted in the 1991 round of BRAC closures, the City of Wentworth, Texas, and the Wentworth Redevelopment Authority (WRA) were in a unique position. Along with the Fort Worth Naval Air Station Joint Reserve Base and the Federal Bureau of Prisons, the WRA occupied the former base and was in possession of 400 acres of land divided into five regions. The WRA has converted much of the property and has plans for further redevelopment of the site.

History

The Tarrant Field Airdrome opened in Fort Worth in 1941. The Airdrome was renamed the Fort Worth Army Air Field in 1942 and became Carswell AFB in 1962.

The base was home to an Air Force Reserve unit and the 7th Bomb Wing. In 1993, BRAC relocated the Naval Reserve Operation from Love Field to Carswell AFB and established the nation's first joint reserve, hosted by the Navy. As a result of the relocation,

the Air Force transferred the majority of the land to the Navy. The first divisions to inhabit Carswell were from the Naval Air Station in Dallas. The base is now called the Fort Worth Naval Air Station Joint Reserve Base and is a reserve base and training ground for the Navy, Air Force Reserves, Army Reserves and the Marines.

Redevelopment

The Fort Worth Naval Air Station Joint Reserve Base occupies only a small portion of the total acreage of the former Carswell AFB. Multiple tenants have moved in since the base closed in 1991 and reopened in 1993.

The Federal Bureau of Prisons occupies the buildings and other facilities on a 122-acre tract of the base. The Carswell base hospital was renovated to house medium to maximum security wards for female prisoners. The Department of Housing and Human Services has seven acres and 20 family housing units. The Department of Education also has a parcel of property on the base.

The remaining 400 acres have been transferred to the WRA, which the City

of Wentworth established to deal with the transfer of land and subsequent redevelopment. The acreage is divided into five regions.

Region one consists of housing being renovated. The plan is to lease these homes to individuals stationed on the base. Nearly all of the renovated homes are currently occupied. Eventually, the houses will be sold and moved, while the land will become available for commercial development.

Region two will be developed into a commercial area. Houses used for Carswell personnel will be sold and relocated. There currently are no tenants in this area.

Region three is a housing area. The WRA plans to use these houses as residences for individuals affiliated with the base. Individuals currently housed in region one will relocate to region three in time, if they desire.

Region four is the site of a public golf course owned by the WRA. When the redevelopment authority expires, in an estimated 15 years, ownership of the golf course will revert to the City of Wentworth.

Region five is commonly referred to as "horse pastures" because of its dilapidated horse stables and surrounding pastureland. The redevelopment authority has no immediate plans for the area other than to maintain it as green space.

Environmental Issues

The WRA has identified contamination at the first water table. The Air Force is cleaning the contaminated areas and will convey the land to the redevelopment authority once environmental standards are met.

Asbestos was discovered in some of the homes being refurbished. While the Air Force is responsible for land contamination, the cost of removing asbestos falls to the WRA. This process has proven costly.

The Bottom Line

A solid redevelopment plan has enabled the WRA conversion of Carswell AFB to be among only 20 to 30 completed redevelopment projects out of 100-plus bases closed nationwide as a result of BRAC.

Naval Air Station, Dallas



Installation name	Naval Air Station, Dallas
Region	Northeast Texas
Locale	Dallas and Grand Prairie
Redevelopment authority	NAS Dallas Redevelopment Office
Base size	870 acres
Redevelopment size	870 acres
Leaseable buildings	1 million square feet of building space
Opened	January 1, 1942
Closed	December 1, 1997
Current tenants, owners or occupants	None to date

Transportation	On Base	Commercial Carriers	Distance from Base
Rail	Yes	Unknown	0
Port	No	Houston	250 miles
Airfield	Yes		
Nearest major highway	I-30		1

Airfield Specifications	
Number of runways	1
Runway length	8,000 feet

Contact Information	
Contact	Cynthia Alvarado NAS Dallas, Dallas City Hall 1500 Marilla, 5DN Dallas, TX 75204
Phone	972-264-8973
Fax	972-264-3293

Naval Air Station, Dallas

The Naval Air Station in Dallas appeared on the 1993 BRAC commission list for closure and closed on December 1, 1997. The 870-acre installation has been converted into an industrial aviation, industrial and commercial park with one million square feet of hangars, shops, offices, training spaces, recreational and other buildings, as well as an 8,000-foot runway. Athletic fields, gyms, a lake and dining halls also are located on the property.

History

The Naval Air Station was opened on January 1, 1942. When the military expressed interest in locating in Dallas and nearby Grand Prairie, a deal was struck allowing the Air Force to lease the land from the cities of Dallas and Grand Prairie for an indeterminate time. The agreement stipulated that once the military no longer needed the air station, the property would revert to the cities.

Redevelopment

The Navy initially leased the Naval Air Station property from Dallas. When the air station closed, the Navy transferred the land to the Army. The

Army then transferred the land to the Department of the Interior and, ultimately, the Department of the Interior plans to convey the land to the City of Grand Prairie. However, the transfer process has been stalled by a number of environmental issues described in the following section.

According to the manager of the Grand Prairie Redevelopment Authority, the authority has planned to lease the acreage to a private owner for use as an airport. No plans exist for making the land available for public lease.

Environmental Issues

Ground contaminants on site are complicating the Naval Air Station property redevelopment process. The Navy is responsible for cleaning up the site before the land is transferred to the City of Grand Prairie. Debate has arisen, however, over the degree of cleanup required. The Navy intends to clean the site to a level complying with "the risk reduction to industrial standards," which means the site will be clean enough to facilitate industrial use according to standards set by the Texas Natural Resource Commission. However, the city wants the site 100 percent clean to avoid future liability problems. The stalemate has impeded the conveyance of the land and

subsequent redevelopment by the city.

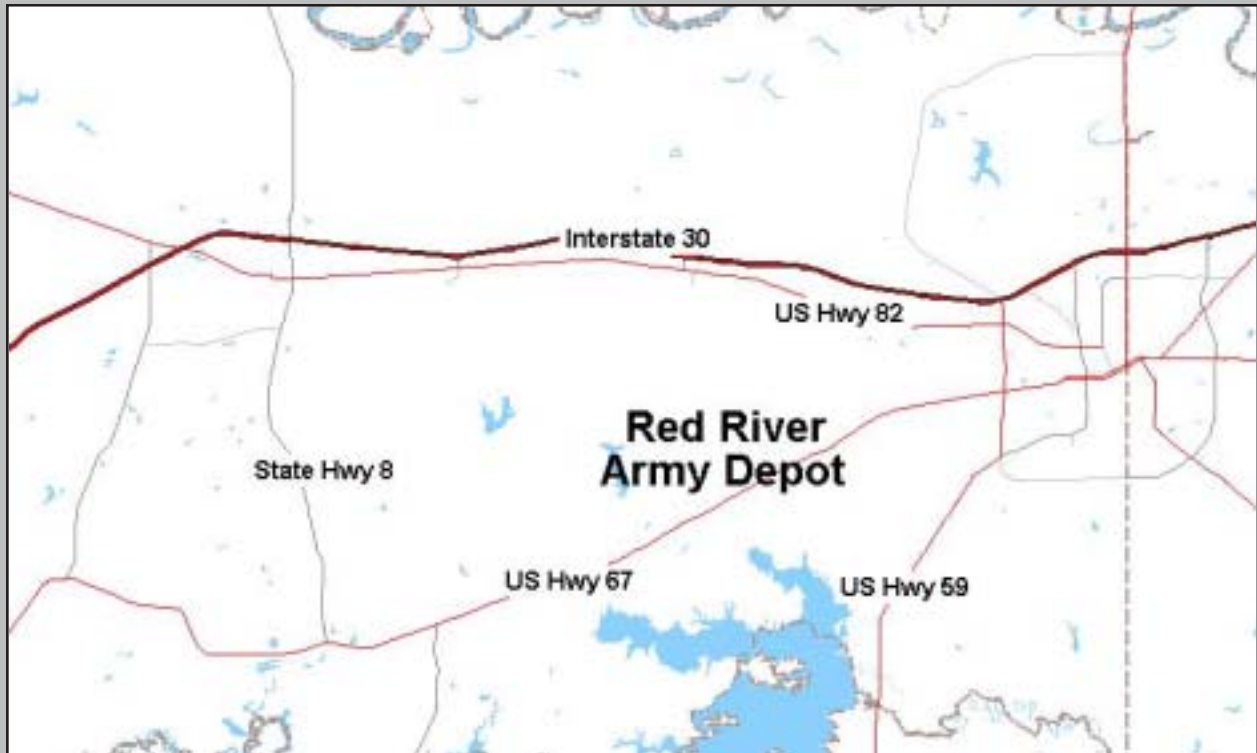
A decaying infrastructure has further blocked the progress of redevelopment plans. The water system does not meet city code because of lead contaminants in the pipes. The redevelopment authority would have to pay a significant amount to repair the water system. Various other antiquated systems are in need of replacement as well.

Compounding the problem is lack of information about the infrastructure system itself. The exact locations of all gas, water and electric lines are not known. City of Grand Prairie officials feel that the Navy is responsible for addressing this issue.

The poor condition of existing facilities on the base is yet another stumbling block to redevelopment. Once the closure of the base was announced, the federal government did not allocate funds for maintenance and repair of the installation.

These factors have created an exceptionally difficult redevelopment scenario. The goals of the Grand Prairie Redevelopment Authority cannot be accomplished until the environmental and infrastructure issues are resolved.

Red River Army Depot, Texarkana



Installation name	Red River Army Depot
Region	Northeast Texas
Locale	Texarkana
Redevelopment authority	Red River Local Redevelopment Authority
Base size	625 acres
Redevelopment size	85 buildings
Opened	1941
Will close	September 1, 2000
Current tenants, owners or occupants	Department of the Army, Defense Logistics Agency, Defense Finance and Accounting Services, Enva Products

Transportation	On Base	Commercial Carriers	Distance from Base
Rail	Yes	Union Pacific, Kansas City Southern, Cotton Belt	10 miles
Nearest major interstate	I-30		0 miles

Airfield Specifications	
Number of runways	2
Primary runway length	6,660 feet

Red River Army Depot

The Red River Army Depot in Texarkana represents a situation different from most of the other bases discussed in this report. The installation faced realignment rather than closure during the 1995 round of BRAC. Realignment will be complete in September 2000.

A majority of the depot's buildings and land were turned over to the Red River Local Redevelopment Authority. However, a small military presence remains. Currently, the installation repairs, rebuilds, overhauls and converts combat vehicles and stores nearly 174,000 tons of ammunition valued at \$5.3 million. The Army owns five acres and 22 buildings totaling 166,000 square feet.

A Defense Distribution Depot, which stores various military articles,

also is located at the base. The depot was initially scheduled for closure but was later removed from the 1995 BRAC list.

In the wake of realignment, the Red River Local Redevelopment Authority assumed ownership of 625 acres and 85 buildings ranging from single-family housing to large warehouses. An additional 140 acres are undergoing environmental treatment and will be conveyed to the Red River Local Redevelopment Authority on completion.

History

The Red River Army Depot was founded on August 9, 1941, as an ammunition supply depot. With the onset of World War II, however, the depot's mission was expanded to include storing and repairing munitions.

Redevelopment

The depot site includes nearly 150 acres that the redevelopment authority plans to convert. In an attempt to maximize flexibility and attract prospective tenants, the land has not yet been subdivided. Finding suitable tenants for the numerous specialty maintenance buildings on the base has nevertheless proven a daunting task. While many of the the buildings could be converted to warehouses, this would not be the best use of the property. A plastic piping firm, Enva Products of Michigan, has located at the depot, but the redevelopment authority is still in search of an anchor tenant.

Reese Air Force Base, Lubbock



Installation name	Reese Air Force Base
Region	North Texas
Locale	Lubbock
Redevelopment authority	Lubbock Reese Redevelopment Authority
Base size	3,500 acres
Redevelopment size	3,500 acres
Leasable space	1.3 million square feet
Opened	1941
Closed	September 30, 1997
Current tenants, owners or occupants	Texas Tech University, South Plains College, The Institute of Environmental and Human Health, TTU Wind Engineering, Texas T-Bone Express, TTU Advanced Vehicle Engineering, Lubbock Police Academy

Transportation	On Base	Distance from Base
Airfield	Yes	On site
Nearest major highway	Loop 289	5 miles

Airfield Specifications	
Number of runways	2
Runway length	10,500 feet; 6,500 feet

Contact Information	
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Reese Air Force Base

Reese Air Force Base occupied roughly 3,500 acres in Lubbock, Texas, five miles west of Loop 289. The base, which was an undergraduate pilot training facility, was on the 1995 BRAC closure list and closed in September 1997. The Air Force is conveying the property to the Lubbock Reese Redevelopment Authority over time as environmental concerns are addressed.

History

Reese AFB dates to the opening of the Air Corps Advanced Flying School on the site in 1941. The name of the installation was changed to the Lubbock Army Airfield in 1942. The airfield was closed in 1945 and reopened as Reese AFB in 1949, in honor of Army Air Corps First Lieutenant Augustus Reese, a pilot shot down over Sardinia, Italy, in 1943.

Throughout its history, the base served as a pilot training center. In 1993, the base began offering joint pilot training for the Army and Navy.

Redevelopment

Properties on the former base included hangars ranging in size from 25,000 to 55,000 square feet, office buildings ranging in size from 2,000 to 95,000 square feet and manufacturing facilities ranging from 15,000 to 40,000 square feet. Homes in Reese Village, which consisted of 232 single-family and duplex houses, were sold to municipalities in the area for \$6 per square foot. The homes will be moved. The Reese property also has two runways, each two miles long, and a nine-hole golf course.

The Lubbock Reese Redevelopment Authority plans to turn the base into a research and technology business park for firms specializing in environmental engineering, remediation, bio-tech, bio-med, energy, alternative fuels, software development and value-added agriculture and agriculture equipment.

The redevelopment authority is forming public and private partnerships with Texas Tech University, South Plains College and commercial

businesses. Commercial interests will benefit from the research conducted by the academic institutions and from the available skilled work force. Texas Tech University and South Plains College students and faculty will benefit from exposure to a commercial business environment.

Currently, 40 percent of available square footage is occupied, with Texas Tech and South Plains College being the major tenants. Texas Tech has occupied 15 buildings totaling more than 160,000 square feet on 20 acres and South Plains College has leased six buildings totaling more than 100,000 square feet.

Texas Tech has located a high performance computing center at Reese. The center will be available for all Reese tenants and will offer advanced computer technology, high-performance computing, three-dimensional imaging and supercomputer distributed interactive simulation.

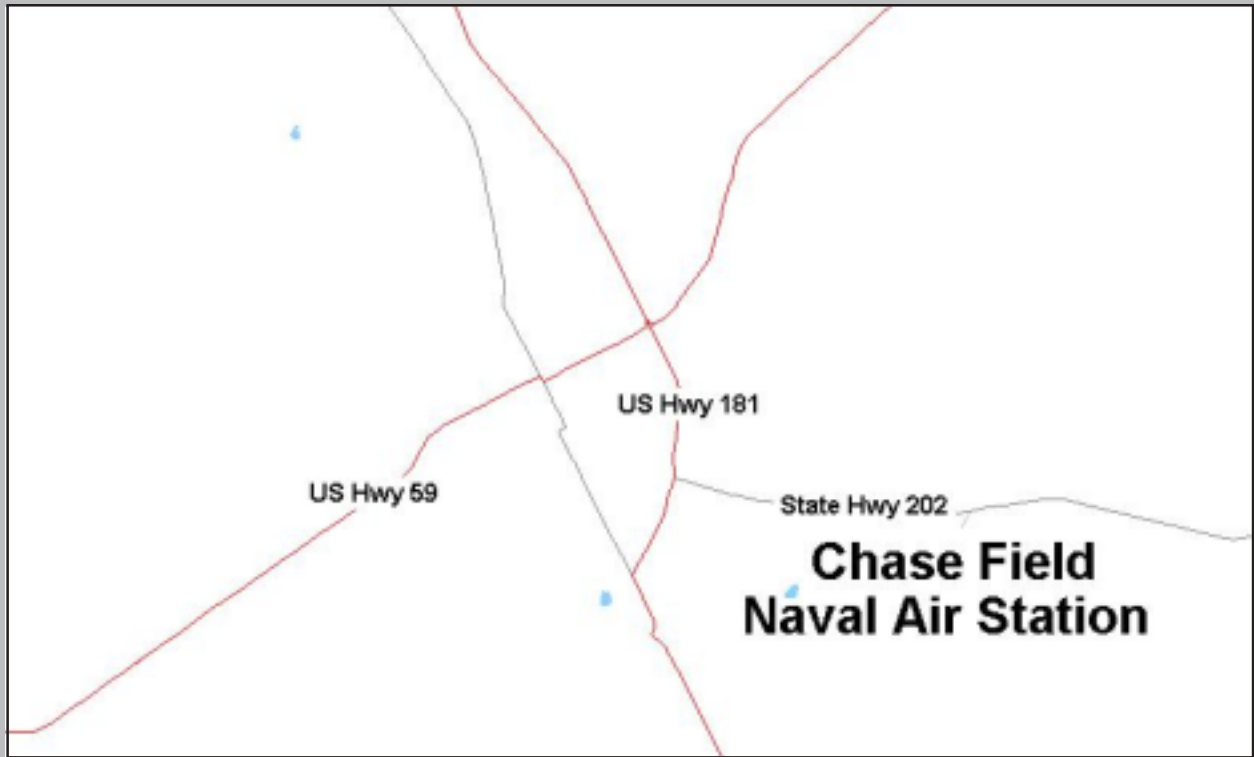
Texas Tech University and the Texas Tech Health Sciences Center have teamed up to create the Institute of Environmental and Human Health located at Reese. The focus of research conducted at the institute will be the effects of toxic chemical exposure on humans and the environment. A national countermeasures training center also is planned.

The most significant problem related to the Reese conversion has been the lengthy process associated with transferring government buildings to the redevelopment authority. The economic development conveyance the Lubbock Reese Redevelopment Authority signed in 1999 has improved the situation, however, and development of the Reese Center is now progressing at a faster pace. The partnership between Texas Tech University, South Plains College, the city and county of Lubbock and the Department of Defense also has contributed to the progress of redevelopment efforts.

Environmental Issues

The Air Force has taken complete responsibility for any past, present and future soil contaminants on Reese property and is in the process of fulfilling this contract. When environmental cleanup is complete, the Air Force will convey title of the land to the redevelopment authority.

Chase Field Naval Air Station, Beeville



Installation name	Chase Field Naval Air Station
Region	Southeast Texas
Locale	Beeville
Redevelopment authority	Beeville Redevelopment Authority
Base size	3,018 acres
Redevelopment size	1,400 acres
Leasable buildings	Hangar, two office buildings with 17,000 square feet of space Electronics Building
Opened	1942
Closed	September 1, 1993
Current tenants, owners or occupants	General Shelter, Traffic Control Systems, Department of Prisons

Transportation	On Base	Distance from Base
Airfield	Yes	On site
Nearest major highway	US 181	Less than 5 miles

Airfield Specifications	
Number of runways	3
Primary runway length	8,000 feet

Contact Information	
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Chase Field Naval Air Station

Chase Field Naval Air Station is located five miles from Beeville, Texas, and 65 miles from Corpus Christi, Texas. Situated on 3,018 acres in Bee County, Chase Field's mission was to provide facilities, services and material to support jet pilot training.

Chase Field was part of the 1991 round of base closures and was officially closed in February 1993. Although the base was smaller than some closed in Texas, its closure nonetheless had a large impact in the community. Seven hundred thirty-three military and 914 civilian jobs were lost in a city with a population of 13,500 and a county with a population of 25,000. Lost salaries totalling \$27 million reduced Beeville's local economy by \$25 million. Six percent unemployment rates before closure skyrocketed to 12.9 percent by the time the last military contingents left the base.

History

Chase Field NAS at Beeville was created in 1943 when a municipal airport was converted into a military airfield. The airfield was named after Lieutenant Commander Nathan Chase, who was killed in a training mission at Pearl Harbor in 1925.

In 1943, the field was commissioned as a naval auxiliary airfield. The Navy purchased the airfield from the City of Beeville in 1952, and the airfield was designated as a naval air station in 1968. The Training Air Wing Three trained there from 1971 until the 1990s. The base was decommissioned in 1993.

Redevelopment

The Beeville Development Authority received title to 1,400 acres of Chase Field property in February 1993. The balance of the base's total acreage was transferred to the federal prison system, which remains on the former base.

The redevelopment authority partnered with Coastal Bend College in an attempt to recruit tenants. Industries specializing in cargo, distribution, logistics and aircraft maintenance and overhaul are among those being recruited to take advantage of the property's three 8,000-foot runways.

The rural location of Chase Field makes it difficult to lease space. Most businesses prefer to locate closer to an urban locale. Some industries have been dissuaded from locating in Beeville because of the area's agricultural roots and lack of industrial development.

The Beeville Development Authority currently controls a hanger, two office buildings and an electronics building. Current tenants include General Shelter, a modular home constructor, and Traffic Control Systems.

Incentive Programs

To attract potential tenants to the former base, the Beeville Development Authority offers property tax abatements, infrastructure improvements and pays city permits and fees assessed on businesses relocating to Beeville. Other incentives include subsidies for new construction and help with relocation costs.

The Beeville Development Authority has taken steps to fund job training programs. The authority is working with Texas Smart Jobs, Texas Workforce Funds and Bee Community College to create programs.

Environmental Issues

The Navy accepted responsibility for and addressed all environmental concerns related to the conversion of Chase Field. Cleanup is complete. Any environmental problems arising following the conveyance of the property to the Beeville Development Authority will be resolved by the Navy.

Conclusion

Conversion success stories make redevelopment of military bases seem deceptively easy, but the process is in fact long and arduous. Transferring property from the federal government to local authorities is a time-consuming process and requires substantial effort from all entities involved.

Matching appropriate tenants with available space has proven difficult in most cases. Existing buildings often are highly specialized and require a specific type of tenant. When a perfect match cannot be made, the redevelopment authority may be forced to settle for a less profitable tenant.

The time and red tape required to complete the transfer of base property from the government to redevelopment

authorities poses a major challenge. Prospective tenants may be discouraged when they find out how long they have to wait to occupy converted property.

Environmental cleanup is yet another critical element in the redevelopment process. Soil contamination has been the most common environmental problem. Cleanup costs are high and questions regarding which entity is responsible for the cleanup often arise, along with debates about the level of cleanup required. Land and buildings cannot be conveyed to the private sector until environmental remediation is complete.

Successful base conversion efforts begin with a strong redevelopment authority and sometimes include partnerships with universities and

junior colleges to help draw tenants interested in research and high-tech resources. Partnering with cities has sometimes produced sources of revenue to encourage redevelopment.

While some redevelopment authorities handle the leasing of converted properties, others sell the property and buildings, resulting in opportunities for real estate agents to list and sell properties. In Texarkana, the Red River Redevelopment Authority listed 53 buildings and 765 acres from the converted Red River Army Depot with a local real estate agent.

With some military base closures and realignments in progress and others still to come, much can be learned from what worked — and what didn't — during earlier base conversions.