



# Rebuilding the Base

*Lessons from Four California Communities' Efforts to Reuse Closed Military Installations*

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### **About The Partnership for Working Families**

The Partnership for Working Families develops and promotes innovative strategies to build community power and reshape regional economies to transform the lives of workers and communities. We work to ensure that low and middle income workers and communities share in the benefits of economic growth and development in our new economy, emphasizing the creation of high quality jobs, affordable housing, environmental health, and career pipelines for shared prosperity.

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## Rebuilding the Base

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### *Lessons from Four California Communities' Efforts to Reuse Closed Military Installations*

Military base closures present challenges and profound opportunities to the communities in which they are situated. On the one hand, base closures result in the loss of thousands of civilian and military jobs and vacate hundreds of acres of land, eliminating substantial economic resources and often diminishing the vitality of the local economy. On the other hand, base reuse presents a once in a lifetime opportunity to revitalize communities and improve economic welfare in the surrounding areas. Closed military bases free hundreds and sometimes thousands of acres of land that can be redeveloped to provide good-paying jobs that lift families out of poverty. Bases can provide a focal point for growing particular industries and revitalizing underutilized neighborhoods. To result in these benefits, however, base reuse processes must include meaningful community participation, must explicitly set out to create community benefits — including good paying jobs, job training, local hire and affordable housing — and must utilize community benefits tools that result in enforceable benefits.

This report reviews the base reuse processes and anticipated outcomes for four California bases that were closed during the first four Base Realignment and Closure Commission (BRAC) rounds: Norton Air Force Base, seated in San Bernardino County (1988); Fort Ord, located in Monterey County (1991); Oakland Army Base, located in Alameda County (1993); and McClellan Air Force Base, located in Sacramento County (1995). The research evaluates existing and projected reuse outcomes in terms of job creation, the quality of new jobs, and the broader impact on low-wage workers, their families, and communities. These case studies illuminate the great potential of base redevelopment and the need for communities to be attentive and organized to ensure redevelopment meets their needs.

## Findings

- Reuse planning and implementation has tended to underemphasize creation of high quality jobs.

At three of the four base reuse sites, much progress has yet to be made to replace the numbers of jobs that were lost when the bases closed. While many of the redevelopment plans currently in place appear to meet the job creation imperative, only Norton AFB has achieved full replacement. In most cases, anticipated job creation substantially exceeds job loss and thus, time will tell if these plans achieve full job replacement.

Replacing lost jobs with positions of equal or higher quality continues to challenge local reuse authorities. Civilian jobs on military bases tend to offer family-supporting wages with benefits, but new job creation fails to meet this standard. As shown in Table 1, at Fort Ord, none of the industries targeted in the reuse plan pay a basic family wage. At Norton, where the greatest job creation has occurred, the average wages of targeted industries fall just short of the basic family wage. Only McClellan's reuse plans include jobs that exceed the basic family wage, but only for a portion of the jobs. In Oakland, where final decisions are yet to be made, reuse officials must choose between lower-paying retail jobs, or warehouse and logistics jobs that would pay higher wages and offer a more accessible career ladder.

**Table 1 | Reuse Plans Summary and Job Creation**

Base	Reuse Plan Elements	Jobs Lost	Jobs Gained	Projected Job Creation	Job Quality	Basic Family Wage
Fort Ord — Monterey County	<ul style="list-style-type: none"> <li>• Residential</li> <li>• Retail</li> <li>• Education</li> <li>• Mixed-Use</li> <li>• Public Facilities</li> </ul>	16,454	4,551	18,172	Industrial	\$15.18
					Office/R&D	\$14.91
					Retail	\$7.24
					Lodging	\$8.05
					Recreation	\$7.24
					Institutional	\$10.98
Oakland Army Base — Alameda County	<ul style="list-style-type: none"> <li>• Logistics —or—</li> <li>• Retail</li> </ul>	1,863	487	800-3,500	Logistics	\$19.85
					Retail	\$14.89
McClellan Air Force Base — Sacramento County	<ul style="list-style-type: none"> <li>• Industrial Airfield</li> <li>• Office Park</li> </ul>	11,585	2,688	35,000	Manufacturing	\$18.76
					Retail	\$10.45
					Office	\$15.21
Norton Air Force Base — San Bernardino County	<ul style="list-style-type: none"> <li>• Airfield</li> <li>• Logistics</li> <li>• Industrial Park</li> </ul>	6,653	13,000	8,000	Trade, Transportation, Utilities	\$16.27
						\$17.48

- Though some reuse authorities incorporated policies to safeguard job quality and access, none of the entities reviewed maximized use of policy mechanisms that would ensure the creation of high quality jobs that would be made available to low-income local residents.

Minimal community benefits policies were included in the reuse plans for Norton, McClellan and Fort Ord. Norton and McClellan authorities did not extend job quality measures beyond state requirements. While Fort Ord authorities did expand prevailing wage and labor peace policies there appears to be little momentum toward monitoring implementation to ensure maximum outcomes. However in the case of the Oakland Army Base, community benefits principles were included in the request for qualification and coalition members are working to incorporate concrete policies in the final development plan.

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**Table 2 | Reuse Plans: Affordable Housing, Job Quality and Access Policies**

Base	Affordable Housing	Job Quality	Job Access
<b>Fort Ord — Monterey County</b>	<ul style="list-style-type: none"> <li>Flexible targets currently 18% of units are priced below market value</li> </ul>	<ul style="list-style-type: none"> <li>Extended prevailing wage agreement</li> <li>Labor peace agreement for hospitality industry</li> </ul>	None
<b>Oakland Army Base — Alameda County</b>	N/A	Coalition Seeking: <ul style="list-style-type: none"> <li>Direct hire requirements</li> <li>Labor peace agreement</li> </ul>	Coalition Seeking: <ul style="list-style-type: none"> <li>Local hire requirements</li> <li>Job training</li> </ul>
<b>Norton Air Force Base — San Bernardino County</b>	N/A	<ul style="list-style-type: none"> <li>State prevailing wage requirements</li> <li>Some high wage industry sites</li> </ul>	None
<b>McClellan Air Force Base — Sacramento County</b>	N/A	<ul style="list-style-type: none"> <li>State prevailing wage requirements</li> <li>Some high wage industry sites</li> </ul>	None

The story is not yet over, in particular for communities in Oakland, and in other communities across the country coping with the base reuse process. It is critical that stakeholders in those communities, including labor organizations, faith-based organizations, community-based groups, environmentalists and housing advocates, develop better strategies for pursuing community benefits.

- **Reuse planning processes often do not maximize opportunities for public participation, and in some cases actively repel the community coalitions' efforts to have a voice.**

The length and complexity of the reuse process has tended to diffuse efforts to sustain community interest. Protracted base reuse processes outlast the career life spans of many of the elected officials and economic development professionals designated to oversee them, and they also make it extremely difficult for organized community residents to sustain efforts to have a voice when the process finally moves forward. It also appears that where community residents did organize to try to influence the redevelopment agenda, their concerns were deflected or largely ignored. In Oakland, community residents responded overwhelmingly to the formation of the West Oakland Community Advisory Group. Their recommendations included creating high-quality entry-level jobs, prioritizing new job creation over shifting jobs from elsewhere in the region, and developing training programs and local hire mechanisms. But when the City of Oakland assumed responsibility for finalizing the reuse plan, the WOCAG recommendations were essentially set aside in the name of adopting a flexible plan. This community now has the opportunity to revisit these recommendations as the city identifies a developer.

## Conclusion

Closed military installations present profound challenges and equally profound opportunities. Particularly in many urban areas, closed bases offer the greatest concentration of land available for redevelopment. Local reuse and planning authorities have the opportunity to use this land to transform the local economy from poverty and inequality, towards equity and shared prosperity. Over the course of five rounds of BRAC closures, communities have struggled with lengthy land conveyance and planning processes. While land has languished, local leaders have come and gone, federal regulations have shifted, and regional economies have changed. Hundreds of bases were closed in the most recent round, and still more communities where bases were closed in previous rounds have yet to see the fruits of reuse. This research suggests communities can get more out of this process, by incorporating community benefits principles into reuse planning and by maximizing the utilization of concrete policy mechanisms that will ensure those principles are honored over the long-term. Table 3 shows a range of policies and approaches that can help ensure higher quality



jobs, better job access and access to affordable housing. Community benefits coalitions around the country have demonstrated that these tools can help shape redevelopment to ensure that it serves the entire community. It is time to make sure base reuse is held to that standard.

**Table 3 | Policy Options for Establishing Community Benefits**

Goal	Policy Options	
	<i>Construction Jobs</i>	<i>Permanent Jobs</i>
<b><i>Fight for better quality jobs</i></b>	<ul style="list-style-type: none"> <li>• require all contractors engaged in site preparation and redevelopment to pay prevailing wages</li> <li>• require contractors to meet responsible contracting criteria that include evidence of a strong safety record and commitment to training</li> </ul>	<ul style="list-style-type: none"> <li>• require permanent jobs created by reuse to pay living wages</li> <li>• require contractors who provide services at redevelopment sites to meet responsible contractor criteria</li> <li>• establish labor peace mechanisms that ensure workers' rights to organize</li> </ul>
<b><i>Ensure local workers get access to new job creation</i></b>	<ul style="list-style-type: none"> <li>• require all contractors engaged in site preparation and redevelopment to use apprentices</li> <li>• require some percentage of those apprentices to be low-income workers or residents of low-income neighborhoods</li> <li>• establish a local hire requirement that applies to all construction workers at the site, and ensures low-income local residents have access to newly-created jobs</li> </ul>	<ul style="list-style-type: none"> <li>• require all tenant businesses who use space in the redevelopment area to fill some proportion of their jobs with low-income workers or residents of low-income neighborhoods</li> </ul>
<b><i>Ensure creation of affordable housing</i></b>	<ul style="list-style-type: none"> <li>• require that a percentage of all units created be affordable</li> <li>• specify affordability levels to ensure that some of the housing will serve lower-income families</li> <li>• require the developer to pay into a fund to support development of affordable housing elsewhere in the region</li> </ul>	



## Introduction

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Military base closures present substantial challenges to the communities in which they are situated. Base closures result in the loss of thousands of civilian and military jobs and vacate hundreds of acres of land, eliminating substantial economic resources and often diminishing the vitality of the local economy. Land vacated by military base closures typically requires significant investment prior to development, due to the need for environmental remediation, demolition of existing buildings, or both. Communities that endeavor to organize around the redevelopment of closed bases are faced with a complicated and cumbersome process, often characterized by multiple overlapping and competing authorities.

Despite these challenges, base reuse presents a once in a lifetime opportunity to improve economic welfare in the surrounding communities. Closed military bases free hundreds if not thousands of acres of land that can be rebuilt to provide good-paying jobs that lift families out of poverty. Bases can provide a focal point for growing particular industries and revitalizing underutilized neighborhoods. In order to achieve these affects, base reuse processes must include meaningful community participation, and must utilize community benefits tools to implement enforceable policies.

Through the 1988, 1991, 1993 and 1995 rounds of base closures authorized by the Base Realignment and Closure Commission (BRAC), the federal government allocated \$1.9 billion for economic recovery and reuse.<sup>1</sup> State and local reuse entities spent millions more, and applied for additional federal grants for environmental remediation, site preparation and development. Because base reuse represents such a staggering investment of public funds, it should be subject to even higher standards than those that govern typical redevelopment efforts. Furthermore, such standards should produce direct and tangible benefits for the surrounding communities.

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<sup>1</sup> The Defense Economic Adjustment Program. *A Coordinated Approach for Addressing the Economic Challenges Resulting from Base Realignment and Closures*. U.S. Department of Commerce, Economic Development.

Base redevelopment involves the distribution of large amounts of public funds and land, which present an opportunity for the substantial creation of quality jobs, housing and other community assets. Unfortunately, stakeholders face many challenges in organizing to effectively maximize the gains of base reuse for the affected community. Further, base closure has the potential to increase the ranks of the working poor by laying-off civilian workers who may have few opportunities to transfer their skills. Base reuse can further intensify this trend if redevelopment projects fail to create sufficient jobs, or produces low-wage jobs without benefits.

On the other hand, base reuse can provide strong antidotes to economic undertows by creating high quality jobs that buttress the local economy. This can

***Base reuse can provide strong antidotes to economic undertows by creating high quality jobs that buttress that local economy.***

be accomplished by establishing training programs that help low-wage workers move into more profitable career tracks, incorporating local hiring provisions, and implementing living wage standards. Also, when residential developments are included in base reuse plans, priority should be placed on meeting local demand for truly affordable housing. These are only a few of the development tools that deliver direct benefits to communities.

## Overview of Research

The first four rounds of BRAC had a significant impact on the state of California. Of the 98 bases closed across the country, 24 installations were in California.<sup>2</sup> By the 1995 round of base closures, California had lost 93,546 military and civilian jobs, which was a staggering 53.8% of the national total of 173,919 jobs lost through base closures.<sup>3</sup> This report reviews the base reuse process and anticipated outcomes for four California bases that were closed during the first four BRAC rounds: Norton Air Force Base, located in San Bernardino County (1988); Fort Ord, located in Monterey County (1991); Oakland Army Base, located in Alameda County (1993); and McClellan Air Force Base, located in Sacramento County (1995).<sup>4</sup> As demonstrated by Table 1, the four installations in this study account for the loss of 36,555 or 21% of the total military and civilian jobs lost in the state of California through base closures.

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**Table 1 | Military and Civilian Job Loss**

City/County	Military Base	Civilian Jobs Lost	Military Jobs Lost	Total Jobs Lost
Salinas/Monterey County	Fort Ord	2,835	13,619	16,454
Oakland/Alameda County	Oakland Army Base	1,811	52	1,863
San Bernardino	Norton Air Force Base	2,133	4,520	6,653
Sacramento	McClellan Air Force Base	8,828	2,757	11,585
<b>Total Jobs Lost</b>		<b>15,607</b>	<b>20,948</b>	<b>36,555</b>

Source: CRS Report for Congress, 1996

Focusing the reuse process solely on job replacement, however, yields insufficient results. When military bases close, communities experience a substantial loss of high-quality jobs along with the loss of the economic activity generated by those employed at the base. Analysts have estimated the economic loss for California throughout the BRAC process to be as high as \$9.6 billion annually.<sup>5</sup> Communities must not only endeavor to replace the number of jobs lost, but also work to attract new jobs of equal or better quality than the lost military and civilian jobs on the installation. Community stakeholders should take up the challenge of mapping and tracking the reuse process, developing and implementing policy agendas that prioritize the needs of low-wage working communities.

<sup>2</sup> Freedman, Michael and Tim Ransdell. California Institute Special Report: California's Past Base Closure Experiences and the 2005 BRAC Round. April 2005. California Institute for Federal Policy Research, page 3.

<sup>3</sup> Ibid.

<sup>4</sup> Knight, Edward and George H. Siehl. CRS Report for Congress: Military Base Closures since 1988: Status and Employment Changes at the Community and State Level. Congressional Research Service, Library of Congress: 17 June 1996, pages CRS 38-CRS 40.

<sup>5</sup> Freedman and Ransdell, page 4.

The research evaluates existing and projected reuse outcomes in terms of job creation, the quality of new jobs, and the broader impact on low-wage workers, their families, and communities. Because the redevelopment and reuse process is ongoing, we cannot yet fully evaluate the results. These case studies do, however, illuminate the great potential of base redevelopment and the need for communities to be attentive and organized to ensure redevelopment meets their needs.

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## Tools of Analysis

No precedent exists for evaluating reuse plans in terms of return on investment to the community, creation of affordable housing, or their impact on working families. The sole measure of success that has been used to date is job replacement: that is, whether the number of jobs created is sufficient to replace the jobs lost. This report will evaluate reuse plans to determine the effects of base reuse on the persistence of working poverty in each of the four communities. The analysis establishes the extent to which newly-created jobs are expected to pay wages that allow workers to support their families. For those bases that have chosen to construct new housing, this report will also evaluate whether the housing that is built will be affordable to workers at the site.

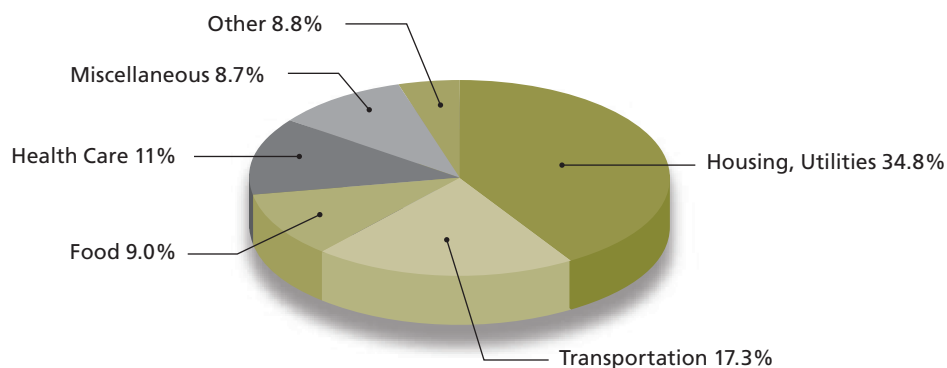
Each case study utilizes several analytical tools, starting with an economic profile of the county that establishes the stresses and strengths of the region and provides a set of indicators for understanding the economic opportunities available to low-wage workers and low-income communities. Additionally, the report outlines the main components of each base reuse plan, paying special attention to the numbers and types of jobs anticipated and assessing job quality based on broad industry characteristics. Where housing development is planned, the case studies assess the need for affordable housing and determine whether the planned development adequately addresses that need. Finally, each case study provides insights into the reuse process, highlighting instances in which community coalitions and stakeholders endeavored to influence the reuse planning and implementation. The process analysis is particularly helpful in illuminating the challenges to real community participation and hinting at the best strategies community stakeholders can employ to have meaningful impact on the reuse process.

For the purpose of this report, quality jobs are those that pay wages that enable workers to provide for their families. Such wages — basic family wages — were determined by the California Budget Project. A county's basic family wage is the income needed to support a family in that county. The basic budget assumes that families rent rather than own their homes, use home-based child care, and that health care is purchased privately with no assistance from an employer. The budget also leaves little room for savings. It is assumed that individuals work 40 hours a week, 52 weeks per year. Figure 1 provides the allocation of the monthly budget for a single adult and for a family of four with two working parents.

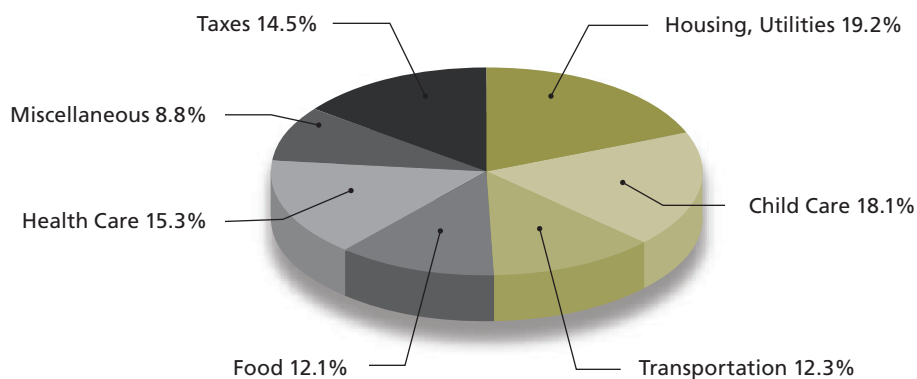
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**Figure 1 | Basic Family Budgets**

**Monthly budget for a single adult**



**Monthly budget for a two working parent family**



The report compares median wages in targeted employment categories with the basic family wage needed to sustain a two-parent, two-child family, where both parents work full time. Data on current and projected median wages in targeted sectors allows us to assess the broader impact on low-wage worker communities of particular reuse plans and strategies. In addition to analyzing anticipated job quality based on industry data, the report also identifies any policies incorporated into the reuse plan that might result in higher job quality, including requirements to pay prevailing wages on construction or living wages on permanent jobs, and labor peace language or other mechanisms for ensuring workers' rights to organize.

This report concludes by evaluating each case study by three criteria. First, how well did each reuse process invite and respond to community residents' participation? Second, how well did each reuse authority design reuse plans that met the needs of the whole community? Finally, did the reuse authorities establish concrete policies that would safeguard job quality and job access?



## Case Study 1 | Monterey County: Fort Ord

### Monterey County — 2006 Population = 425,960

Hispanic or Latino	51.5%
White	36.3%
Black	3.7%
Asian	6.6%
American Indian	1.3%
Native Hawaiian	0.5%

### Housing Statistics

Median home selling price — 2007	\$515,000
% of population that can afford the median home price — 2005	9%
% housing units rented — 2006	41.7%

### Top Private Industries by Employment — 2007

Industry	% of Workforce
Agriculture	19%
Accommodation & Food Service	15.4%
Retail	14.4%
Health Care & Social Assistance	9%
Construction	6%

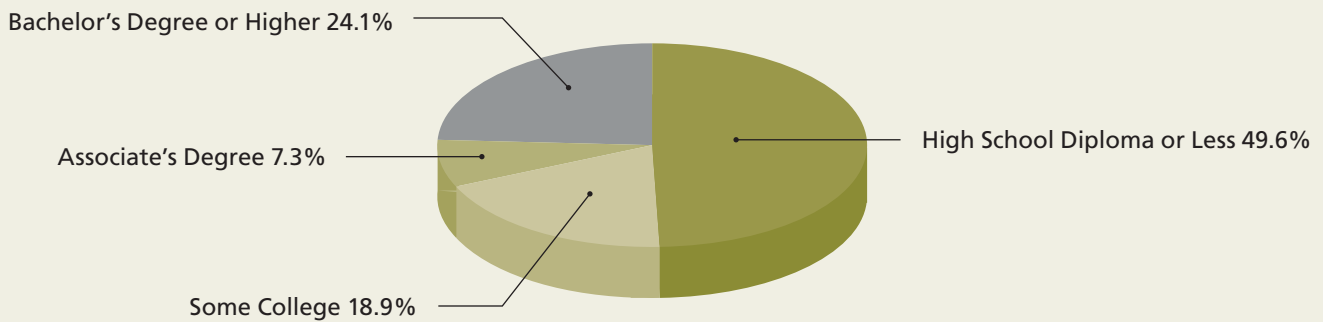
### Employment by Industry Type

Industry	% of Workforce
Government	21.4%
Private Industry	78.6%

	Monterey County	California	US
Unemployment Rate	11.3%	5.2%	4.7%
Population living in poverty	14.4%	14.2%	12.7%

Source: Employment Development Department; U.S. Census Bureau 2004, Monterey County.

### 2005 Education Attainment of Population Over 25



Monterey County is well known for its spectacular coastline and affluent beachside communities. In great contrast, Monterey County also has one of the highest unemployment rates in California and 14% of the population lives in poverty. As the county began planning the reuse of Fort Ord, community concerns about job quality and housing affordability were ultimately eclipsed by other priorities. While the reuse plan is likely to produce a substantial number of jobs, the overall average anticipated wage is below the county median. Moreover, despite considerable effort on the part of community stakeholders and elected leaders, the creation of affordable housing units will fall far below regional needs. Even though community residents mobilized in favor of a reuse plan that would directly address the need for higher quality jobs and more affordable housing, the reuse authority released a plan that includes no policy provisions to ensure these community benefits.

## Monterey County Overview

Monterey County is located on California's coast north of Los Angeles and south of San Francisco. Monterey County has long functioned as a source of affordable housing for nearby Silicon Valley's workers who cannot afford the median house sale price of \$740,000.<sup>6</sup> Prior to the closure of Fort Ord, this fast growing community already faced a number of dilemmas associated with regional economic patterns, including traffic and pollution resulting from commuting patterns, and whether the supply of housing and water could keep pace with population growth.<sup>7</sup>

Despite a relatively lower cost of living than Silicon Valley, Monterey County families struggle to make ends meet. Monterey County has one of the highest unemployment rates in California and due to a lack of quality employment and affordable housing, 14.4% of the county population lives below the poverty line. The median family income in Monterey County is \$61,463.<sup>8</sup> This is only 83% of the basic family wage, which is \$74,269.<sup>9</sup> Putting further pressure on working families, the median house selling price is \$515,000.<sup>10</sup> Due to the high housing costs in Monterey County, 58.3% of the housing units are renter-occupied. The median renter family income is only \$45,933 and rental rates are not affordable.<sup>11</sup> The 2007 California fair market rent in Monterey County for a one-bedroom apartment was \$963 and \$1,106 for a two-bedroom apartment.

<sup>6</sup> Perkins, Broderick. "Silicon Valley Home Prices Due for Decline." *Realty Times*. 31 January 2008.

<sup>7</sup> Ritter, John. "Housing Debates Hold up the Fort." *USA Today*. 3 June 2002.

<sup>8</sup> U.S. Census Bureau. American Community Survey-Monterey County, California, 2006. 10 March 2008. <<http://factfinder.census.gov>>.

<sup>9</sup> Basic Family Wage is calculated for families with two working parents and two children. Estimated hourly wage standard assumes full-time employment for 40 hours per week, 52 weeks per year and does not allow for any unpaid days off during a year for a family with two working parents.

<sup>10</sup> California Association of Realtors. November 2007 Median Home Prices. February 2008. <<http://www.car.org/index.php?id=MzgwNzQ=>>>.

<sup>11</sup> National Low Income Housing Coalition. Out of Reach 2007-2008. <<http://www.nlihc.org/or/or2008/area.cfm?state=CA>>

**Table 2 | Monterey County Median Wage of Top Industries**

Industry	Occupation	Median Hourly Wage
Agriculture	Farm workers & Laborers	\$8.32
Retail & Sales	Cashiers	\$8.95
	Retail Sales	\$10.15
Leisure & Hospitality	Food Preparation & Serving	
	Maids & Housekeeping	\$8.78
Healthcare & Social Assistance	Healthcare Support Occupation	\$14.07
Construction	Construction Laborers	\$15.74

Source: Employment Development Department 2007.

The top employing industries in Monterey County tend to pay low wages and offer few benefits. Nearly half of the workforce is employed by retail, hospitality or agriculture businesses. Table 2 provides the median hourly wage for the top employing private industries in Monterey County. The median hourly wage in each of these industries is well below the county median wage. This high level of underemployment contributes to a circumstance in which only 9% of the population can afford the median home price.<sup>12</sup>

The redevelopment of Fort Ord was a unique opportunity to directly address employment and housing challenges in Monterey County. At full build-out, Fort Ord had the potential to improve the economic welfare of residents by creating thousands of higher-quality jobs and affordable housing units. Monterey County's economic indicators demonstrate clear need.

## Fort Ord Closure and Reuse Planning

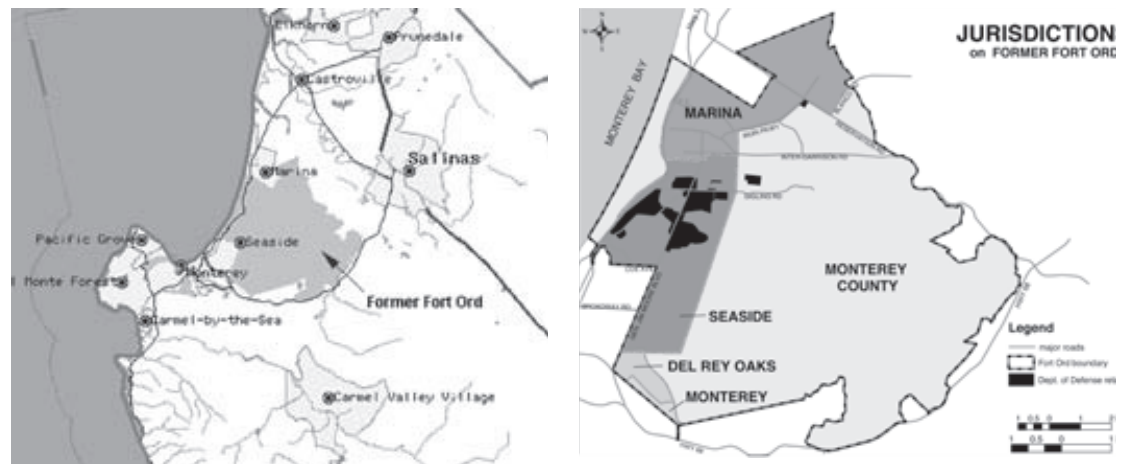
Despite the tremendous impact of base closure on the local economy, reuse planning and implementation at Fort Ord has proceeded slowly. Monterey County faced the loss of 16,454 military and civilian jobs when BRAC announced the closure of Fort Ord Army Base in 1991.<sup>13</sup> The Fort Ord Reuse Authority (FORA) was established in 1994 to oversee and complete the planning, financing and implementation of redevelopment plans for the former military base.<sup>14</sup> The 27,000 acres of land, which overlapped several municipalities, was divided among the cities of Marina and Seaside and an unincorporated section was transferred to Monterey County as depicted in Figure 2. Within these divisions the University of California (UC) and California State University also received land.<sup>15</sup>

<sup>12</sup> Monterey County, 2006.

<sup>13</sup> Knight, Edward and George H. Siehl. CRS Report for Congress: Military Base Closures since 1988: Status and Employment Changes at the Community and State Level. Congressional Research Service, Library of Congress: 17 June 1999

<sup>14</sup> Fort Ord Reuse Authority. FORA: About Us. 15 February 2008. <<http://www.fora.org>>.

<sup>15</sup> Fort Ord Reuse Authority. "Fort Ord Reuse Plan." 1997, page 213.

**Figure 2 | Fort Ord Maps**

Although the base officially closed in 1994, development has proven to be a complex and time-consuming process. As of December 2007, FORA was still in the process of transferring land from the federal government to FORA and from FORA to local authorities.<sup>16</sup> As detailed in Figure 3, much of land still has either not been transferred from the military to FORA or the transfer is in progress. This is largely a result of the extensive remediation process required of the military before the land can be transferred to FORA. The Prioritization Protocol unit of the Department of Defense is currently identifying sites that contain unexploded munitions and discarded munitions.<sup>17</sup> Further challenges with building demolition, identifying water sources and chemical cleanup have also delayed transfer and thus reconstruction.

<sup>16</sup> Fort Ord Reuse Authority, 2008.

<sup>17</sup> Fort Ord Environmental Cleanup Program. "Former Fort Ord Environmental Cleanup Homepage." 4 April 2008. <<http://www.fortordcleanup.com>>.

**Figure 3 | Fort Ord Transfer Progress: 2007**

Source: FORA 2006-2007 Annual Report

Despite a lengthy cleanup and transfer process, FORA estimates that the redevelopment process will be completed by 2015. The 1997 FORA Base Reuse Plan approximates that two-thirds of the land will be preserved as habitat for endangered species and recreational open space. As summarized by Table 3, the remaining land will be used for commercial economic development, housing, visitor serving facilities and institutional activities.<sup>18</sup>

**Table 3 | FORA Reuse Plans**

Planned Land Use		City/County Acres			Total
		Marina	Seaside	Monterey County	
Housing		678	1,146	1,016	2,840
Retail		76	104	13	193
Visitor Service	Hotel	25	25	205	
	Golf Course		350	238	
	<b>Total</b>	<b>25</b>	<b>375</b>	<b>533</b>	<b>933</b>
Public Facilities	Open Space/Recreation	97	139	1,956	
	Habitat Management	604		16,324	
	Schools/University	313	487	274	
	Other Public Facilities	438	116	314	
	<b>Total</b>	<b>1,452</b>	<b>742</b>	<b>18,868</b>	<b>21,062</b>
Mixed Use & Commercial	Office Park	234	0	527	
	Light Industrial	315	0	304	
	<b>Total</b>	<b>549</b>	<b>0</b>	<b>831</b>	<b>619</b>
<b>Total</b>		<b>2,780</b>	<b>2,367</b>	<b>21,261</b>	<b>26,408</b>

Source: Fort Ord Reuse Plan

<sup>18</sup> Ibid.

## Job Creation

Due to the organizing efforts of labor unions job quality measures were included in the Final Reuse Plans. Though these provisions were a significant victory, they were limited to construction jobs. The redevelopment of Fort Ord presented an opportunity to create a significant number of new employment opportunities. By 2007, approximately 2,688 new jobs had been created at Fort Ord sites.<sup>19</sup> The Reuse Plan estimates that more than 18,000 jobs will be created by 2015, but makes few claims about the quality of those jobs. Unfortunately, it is most likely that job creation in the reuse of Fort Ord will contribute to the ranks of the working poor in Monterey County, and will do little to provide high quality job opportunities for residents of the region. As indicated by Table 4, a large portion of the projected jobs on Fort Ord will pay below the median annual individual wage of \$28,954. The average wage for all jobs created in the redevelopment area is just below the county median. More than a third of these jobs, 34.5%, will be concentrated in lodging, recreation and institutional (University of California campus) settings and will pay significantly below the county median.

Not only did the reuse planning fail to prioritize higher-paying industries, it also failed to incorporate sufficient policy mechanisms that could raise job quality even in low-paying sectors. Because the cities of Seaside and Marina have labor peace ordinances for the hospitality industry, workers who get jobs on land that reverted to those municipalities and was developed into hotels or other hospitality outlets will be guaranteed the right to organize.<sup>20</sup> However, the reuse authority refrained from incorporating into the reuse plan living wage requirements that could have established minimum standards for job quality across the board.

<sup>19</sup> Association of Defense Communities. "ADC-State of Base Redevelopment Report." 2007, page 47.

<sup>20</sup> Seaside Municipal Code § 5.74 and Marina Municipal Code §13.18.

**Table 4 | Projected Average Wages by Land Use**

Land Use	Number of Employees	Average Wages
Light Industrial/ Business Park	2,370	\$31,576 <sup>1</sup>
Office/ Research & Development	9,517	\$31,018 <sup>2</sup>
Retail	1,787	\$15,053
Lodging	1,000	\$16,751
Recreation	153	\$15,053
Institutional	3,345	\$22,832
<b>Total/Weighted Average</b>	<b>18,172</b>	<b>\$27,094</b>

Source: Fort Ord Reuse Plan

<sup>1</sup>Average of construction, manufacturing, transportation, communication, utilities and wholesale trade.

<sup>2</sup>Average of finance, insurance and real estate, business, legal service, and engineering services.

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Although no job quality standards were attached to the permanent jobs created at Fort Ord, community stakeholders won an important victory in establishing job quality standards for the construction jobs at the site. Disagreements over whether prevailing wages would be required if the city or county sold property to a private developer resulted in the Monterey-Santa Cruz County Building and Construction Trades Council and the International Brotherhood of Electrical Workers Local 234 suing the Marina Community Partners, a Fort Ord developer.<sup>21</sup> FORA recently updated the language regarding prevailing wage provisions in their Master Resolution. These provisions ensure that prevailing wages will be paid on all “first generation construction.” This means that prevailing wages will be paid for the construction of a shopping mall for example, but not for the interior construction on the individual stores. The Resolution also states that all contracts will include language on prevailing wages and that FORA will monitor compliance.<sup>22</sup>

Despite this important victory, it appears that even FORA’s own projections of average wages suggest that redevelopment of Fort Ord fails to address the need for higher wage jobs in an economy with extremely high housing costs.

<sup>21</sup> Stahl, Zachary. “Wage War: Will All Construction Workers on New Fort Ord Development Be Paid Prevailing Wage?” *Monterey County Weekly*. 01 March 2007.

<sup>22</sup> Fort Ord Reuse Authority, 1997a, Section 3.03.090.

## Affordable Housing Debate

Aside from increasing access to higher-quality jobs, policymakers could have eased the strain on working families and communities by establishing more units of affordable housing at Fort Ord. Instead, plans for housing development on Fort Ord sites emphasized market-rate units and units that would prove too expensive for the workers employed in the newly created jobs. Although 47% of the anticipated new units were classified as affordable or workforce housing, this number obscures the reality of the situation. Forty-four percent of the affordable housing units created in the redevelopment process were concentrated in the areas reserved for the UC system. These housing units are likely to be made available to faculty and students, and will not provide affordable housing options for the general public, including the workers on these campuses who earn wages below the county median. Additionally, the affordability standards were skewed to the highest end of the spectrum. Thirty-eight percent of the new units were reserved for households with incomes up to 120% of county median, and an additional 9% of the new units were reserved for housing with incomes between 120% and 180% of the county median. With only 18% of the total number of housing units meeting regional affordability standards, housing outcomes fall short of the target of 20% set by FORA.

From April 2001 to April 2002 the median house price increased 26.1%.<sup>23</sup> While community leaders saw the redevelopment of Fort Ord as an opportunity to stem this trend, the mayors of Seaside and Marina saw an opportunity to increase their tax bases by building luxury housing that would allow them to compete for new residents with the neighboring cities of Monterey and Carmel. Seaside Mayor Jerry Smith said, “We need to stop putting the burden of supplying affordable housing on the backs of the two jurisdictions that are trying to recover from the closing of Fort Ord.”<sup>24</sup> Ultimately this was a debate over the objectives of redevelopment at Fort Ord. Should development improve the economic welfare of current residents or should it attract new, wealthier residents?

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<sup>23</sup> Ritter, 2002.

<sup>24</sup> Ibid.



In response to the agendas of elected officials, community groups began organizing to ensure that redevelopment addressed local housing and employment needs. The Coalition of Minority Organizations led the formation of a community coalition. The broad-based coalition included members of the Pacific Grove Teachers Association, the Buena Vista Land Company Tenants Association, the Monterey County Interfaith Council on Social and Economic Justice and the Fort Ord Environmental Justice Network. The main objective of this coalition was to protect the “essential workers” of Monterey County by raising wages, controlling housing costs and establishing permanent affordable housing.<sup>25</sup>

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In a parallel effort to address community needs, Congressman Sam Farr took a strong stance against the mayors’ position on affordable housing. Congressman Farr introduced legislation that would stop all Fort Ord land transfers until FORA developed a plan for building affordable housing.<sup>26</sup> Farr and local affordable housing advocates argued that the redevelopment of Fort Ord, a national asset, should address the most critical problems within the county. The state required that 15% of housing units in complexes containing more than 20 units must be affordable for a family of four with an income between \$30,000 and \$72,000 annually. Farr and advocates wanted to see 40% of the new housing be affordable, which would mean a selling price no higher than \$250,000.<sup>27</sup> The coalition also argued that by building affordable housing the city would have the opportunity to retain ownership of the land and lease it to developers, significantly increasing local revenue.<sup>28</sup> The results were disappointing. In 2004 FORA added a “flexible target” policy towards affordable housing to their Master Resolution, which reads as follows:

*Each land use agency shall include policies and programs in their general, area, and specific plans that will ensure compliance with the 1997 adopted FORA Reuse Plan jobs/housing balance provisions. The policies and programs for the provision of housing must include flexible targets that generally correspond with expected job creation on the former Fort Ord. It is recognized that, in addressing the Reuse Plan jobs/housing balance, such flexible targets will likely result in the availability of affordable housing in excess of the minimum 20% local jurisdictional inclusionary housing figure, which could result in a range of 21%-40% below-market housing.<sup>29</sup>*

<sup>25</sup> Hukill, Traci. “A New Housing Coalition Looks out for the Workers No Community Can Do Without.” *Monterey County Weekly*. 26 April 2001.

<sup>26</sup> KCRA. “Congressman Sam Farr’s Legislation at Center of Controversy.” 25 June 2002.

<sup>27</sup> “Affordable” was defined as a home that a household earning 120% of the region’s median income or below can qualify to buy. At the time of Congressman Farr’s efforts (2002) the median annual income for a family of four in Monterey County was \$53,800 (Duan, 2006).

<sup>28</sup> Duan, Mary. “Fort Ord Progress Comes with Some Regrets.” *Silicon Valley/ San Jose Business Journal*. 20 November 2006.

<sup>29</sup> Fort Ord Reuse Authority. Master Resolution. 14 March 1997a. Section 8.02.020

As noted above, the final agreement allowed for flexible targets regarding affordable housing. This resolution suggests that the number of affordable housing units will correspond with job creation, but no less than 20% of new units will meet affordable housing standards as required by the state. However, the reality of this situation is that the Fort Ord redevelopment will simultaneously create thousands of low wage jobs and thousands of high-income housing units. In the end, the redevelopment of Fort Ord will contribute to working poverty in Monterey County instead of alleviating the county's housing crisis and need for quality jobs.

**Table 5 | Fort Ord Housing Development Summary**

Jurisdiction	Market Rate Units <sup>2</sup>		Affordable Units <sup>3</sup>		Workforce Units <sup>4</sup>		Total Units
Marina	2,204	60%	1,108	30%	354	12%	2,999
Seaside	810	69%	129	11%	223	19%	1,162
Monterey County	980	70%	280	20%	140	10%	1,400
Del Rey Oaks <sup>1</sup>	483	70%	138	20%	70	10%	691
California State University	0	0	1,745	100%	0	0	1,745
University of California	371	70%	106	20%	53	10	530
<b>Total</b>	<b>4,848</b>	<b>53%</b>	<b>3,506</b>	<b>38%</b>	<b>840</b>	<b>9%</b>	<b>9,194</b>

Source: Fort Ord Reuse Authority Quarterly Report-July 1, 2007-September 30, 2007.

<sup>1</sup> Del Rey Oaks borders land under the jurisdiction of Monterey County. This small parcel will be developed as The Resort at Del Rey Oaks and will include a golf course, hotel and residential areas.

<sup>2</sup>"Market rate" — housing rented or purchase by persons who earn more than 180% of Monterey County median income.

<sup>3</sup>"Affordable housing" — housing rented or purchased by persons earning between 0% and 120% of the Monterey County median income, utilizing less than 30% of their total income for housing.

<sup>4</sup>"Workforce housing" — housing rented or purchased by persons who earn more than 120% and up to 180% of the Monterey County median income.

Table 5 presents data provided by FORA in a 2007 annual report detailing proposed or existing affordable housing on Fort Ord. The Reuse Plan estimates that 10,816 to 13,368 housing units will be made available by the end of construction. To date, concrete plans exist for 9,194 units. While the available data suggests that 38% of the housing will be priced below market value, it should be noted that of this housing, more than half will be university housing. Consequently, only 18% of the planned Fort Ord housing will meet regional affordability standards. It is also unlikely that the 48% of Monterey County's population employed in the agricultural and service industries will be able to buy a home under these affordability standards. The housing results can be characterized as a lost opportunity. With disappointment, Farr stated, "This was an opportunity to build the communities of the future. It was an opportunity to build housing for the workforce, more than anywhere in California, because it was given to local government without cost."<sup>30</sup>

<sup>30</sup> Duan, 2006.

Despite a range of organizing efforts, Fort Ord redevelopment appears to be a lost opportunity to address the need for higher paying jobs and more affordable housing. Table 6 further demonstrates this point. The shaded cells identify the range in which the median income and housing costs exist. The severe gap between median income and housing costs will only continue on Fort Ord. Of the job creation projected by FORA, no workers earning the average income will be able to afford the median housing costs.

**Table 6 | Income-Based Housing Demand**

Household Income Levels						
Low		\$20,000	\$40,000	\$60,000	\$80,000	\$100,000
High	\$19,999	\$39,999	\$59,999	\$79,999	\$99,999	
Corresponding Housing Affordability Levels Monthly Housing Payment (Rent/Mortgage)						
Low		\$500.00	\$1,000.00	\$1,500.00	\$2,000.00	\$2,500.00
High	\$499.98	\$999.98	\$1,499.98	\$1,999.98	\$2,499.98	
House Value						
Low		\$75,000	\$151,000	\$226,000	\$301,000	\$376,000
High	\$75,000	\$151,000	\$226,000	\$301,000	\$376,000	
Projected Housing Demand by Price Level						
Fort Ord	5.0%	18.0%	38.9%	12.9%	18.5%	6.6%

Source: Applied Development Economics

The shaded cells identify the range containing the median household income and housing cost for Monterey County.

## Case Study 2 | Sacramento County — McClellan Air Force Base

### Sacramento County Population = 1,374,724

White	52.8%
Hispanic or Latino	19.3%
Asian	13.5%
Black	10.5%
American Indian	1.2%
Native Hawaiian & Other Pacific Islander	0.8%

### Top Private Industries by Employment — 2007

Industry	% of Workforce
Retail Trade	15.1%
Health Care & Social Assistance	12.6%
Accommodation & Food Service	10.1%
Construction	9.3%
Administrative & Support	8.3%

### Housing Statistics

Median home selling price	\$389,200
% Owner-occupied housing units	61.2%

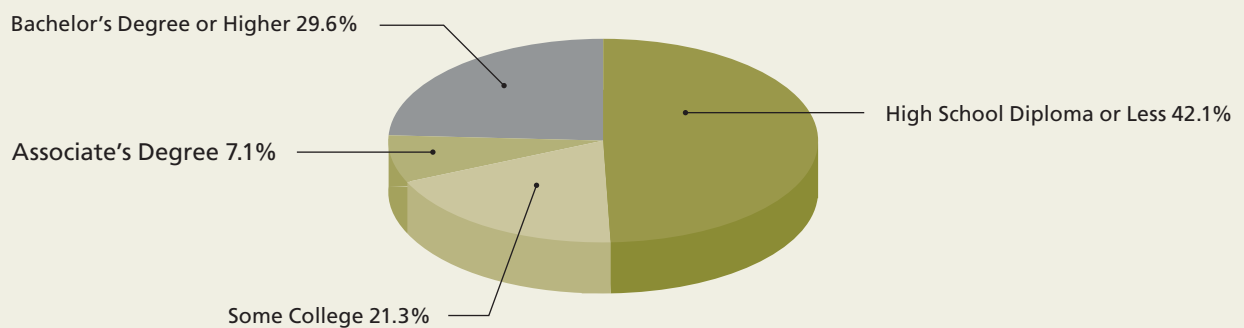
### Employment by Industry Type

Industry	% of Workforce
Government	26.5%
Private Industry	73.5%

	Sacramento County	California	US
Unemployment Rate	5.2%	5.2%	4.7%
Population living in poverty	13.6%	14.2%	12.7%

Sources: California Department of Social Services 2007; U.S. Census Bureau 2004; California Employment Development Department 2007.

### Education Attainment of Population Over 25



The announcement that McClellan Air Force Base would close came out of the fourth BRAC round in 1995. In 2001, when operations ceased and the base was vacated, Sacramento County faced the loss of 8,828 civilian jobs and 2,757 military personnel, a total of 11,585 jobs. The County acted quickly to design and approve a reuse plan to convert the 2,856 acres of land vacated at the base into the McClellan Business Park, which consists of mixed commercial use facilities and an airfield.

The reuse process and outcomes at McClellan AFB yielded two strong benefits to the community. By adding a substantial number of new jobs in higher-paying industries associated with the airfield, the reuse process diversified employment opportunities in the county. At the same time, base reuse officials made an astute decision to retain partial ownership of the land but ensure its redevelopment through a long-term lease agreement to the County. As a result, the appreciation of the land value that is likely to result from reuse remains in public ownership.

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## Sacramento County Overview

In the past decade, the Sacramento area has undergone substantial population growth as Bay Area workers have moved out of the San Francisco/Oakland metro area in search of affordable housing. The median home price is \$389,200, which is significantly lower than the California statewide median price of \$576,000.<sup>31</sup> Relatively low home prices have led to 61.2% of county homes being owner-occupied. The median wage in Sacramento County is \$17.71, exceeding the Basic Family Wage for a single adult of \$12.77 per hour.<sup>32</sup> Despite the seemingly high wages throughout the County, 13.6% of the population lives in poverty. The median family income is \$62,523, while an estimated \$69,306 is needed to raise a family of four in Sacramento County.<sup>33</sup> Both parents would need to earn an annual income of \$34,652 to reach the basic family wage.

While the median wage in Sacramento County is relatively high, a large portion of families struggle to make ends meet. This gap is best explained by the government being the largest employer in the County. Over a quarter of the workforce is employed by the government, which pays high wages and offers good benefits. However, the retail industry is the largest private employer and pays low wages and offers few benefits. Sacramento County's economy appears strong, with median wages that exceed the basic family wage.

<sup>31</sup> U.S. Census Bureau, 2006.

<sup>32</sup> California Employment Development Department, 2007 and California Budget Project, 2007.

<sup>33</sup> U.S. Census Bureau, 2006 and California Budget Project, 2007.

But this appearance masks a real divide. Workers employed in Sacramento County's largest industry — state and local government — have higher wages and better quality benefits than those who work in the largest private industry: retail. As a result, Sacramento County has a relatively high poverty rate and many workers still struggle to support their families.

## McClellan Air Force Base Closure

McClellan Air Force Base opened in 1936 and was a pivotal supply depot on the west coast during World War II. After the end of the war, McClellan AFB was used as a major depot providing training, repair and maintenance services for military aircrafts. It also supported non-aviation activities such as electronics manufacturing, software development, scientific research, and supply logistics.<sup>34</sup> In 1995, the federal government implemented the second round of the BRAC process and announced the closure of McClellan. Sacramento County was faced with the loss of 23,000 jobs throughout the region (11,600 direct jobs at McClellan) and economic losses of \$1.5 billion per year.<sup>35</sup>

The site of the former McClellan AFB is located in an unincorporated area of the county, bordering on the neighborhoods of North Highlands and Rio Linda. Because of its location on unincorporated county land, the county of Sacramento is the local authority over reuse planning and implementation. The final reuse plan, adopted in 2001, identified the following objectives of reuse:

- Securing jobs for the McClellan workforce;
- Maintaining and strengthening McClellan's contribution to the regional economy;
- Diversifying of the economic base and attracting sustainable economic development; and
- Ensuring a smooth and expedient transition to civilian reuse.<sup>36</sup>

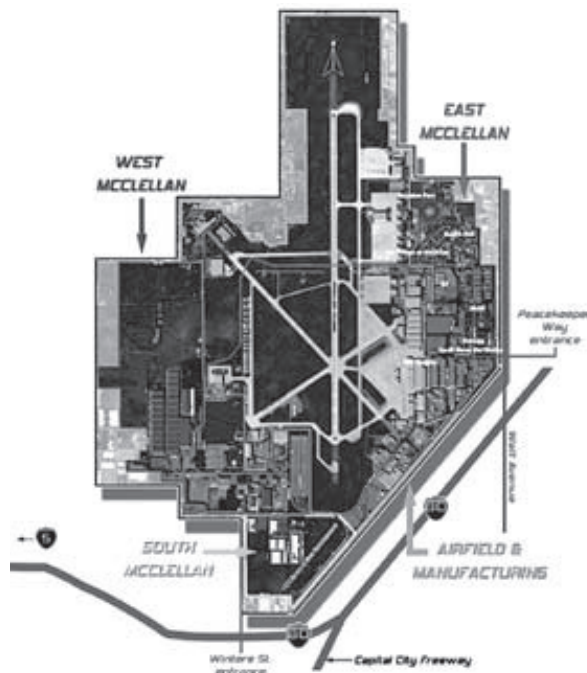
The final plan was written in collaboration with the master developer McClellan Park, LLC and specified plans for a 2,857 acre industrial airfield and office park.

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<sup>34</sup> EDAW, 2000.

<sup>35</sup> Association of Defense Communities, 2007.

<sup>36</sup> County of Sacramento, 2000, section 1.3.3.

**Figure 4 | McClellan Business Park Districts**

Source: McClellan Business Park Website

The McClellan Business Park is divided into four districts, Core Aviation/Industrial Area (or Airfield and Manufacturing), East, South and West McClellan (Figure 4). The Core Aviation District is the largest portion of the development and is currently a full-service public airfield. The remaining districts are intended for industrial, office, open space, warehouse, community use and retail as detailed in Table 7.

**Table 7 | Main Installation Land Use**

Land Use Category	Acres	Percent of Total
Aviation Industrial	1,403	49%
Light & Heavy Industrial	704	24%
Office	261	9%
Open Space Preserve	230	8%
Warehouse	132	5%
Community Support	76	3%
Retail	19	1%
Park/Open Space	32	1%
<b>Total</b>	<b>2,857</b>	<b>100%</b>

Source: McClellan Air Force Base Final Reuse Plan

McClellan Park will create an estimated 35,000 jobs and is expected to generate over \$6.6 million in local property tax revenue and \$1.1 million in local sales tax revenues. As of September 2007, the Park had over 200 tenants and approximately 13,000 jobs had been created.<sup>37</sup>

## Analysis of McClellan Redevelopment

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The ownership agreement between the military and the County of Sacramento will yield-long term benefits to the County. The Air Force has maintained ownership of the land, the County of Sacramento is the tenant and the McClellan Business Park, LLC, is the sublessor and serves as the leasing agent for businesses located at the Park.” The County of Sacramento is the tenant and the McClellan Business Park, LLC, is the sublessor and serves as the leasing agent for businesses located at the Park.<sup>38</sup> Sacramento County, unlike all other reuse entities named in these case studies, thus established a continuous means of revenue in the conveyance of the property. In the two other case studies, reuse entities decided to sell the land and take advantage of a onetime payment for it.

McClellan Park has introduced industries that have the potential to improve the employment opportunities of working families beyond the current main private employers — retail and accommodation services. Figure 5 provides the median wages of the occupations associated with the industries located at McClellan Park. With the median wage for aircraft mechanics being \$24.68 per hour, the aviation industry could produce employment opportunities that surpass the median wage and basic family wage for Sacramento County. This industry also complements the skills of civilians that may have been employed on the Air Force base prior to its closure. Light and heavy industries also have the potential to create quality jobs with tenants such as box producer Sacramento Container Corp., aircraft parts maker AAR Corp. and recycled landscape materials manufacturer Fiberwood LCC.<sup>39</sup> Not all of the jobs created in this industry will surpass the median wage; however, they are likely to exceed that of the retail industry which is one of the top employers in the county. The retail developments at McClellan Park were a missed opportunity to improve job quality by attaching living wage standards to the reuse agreement.

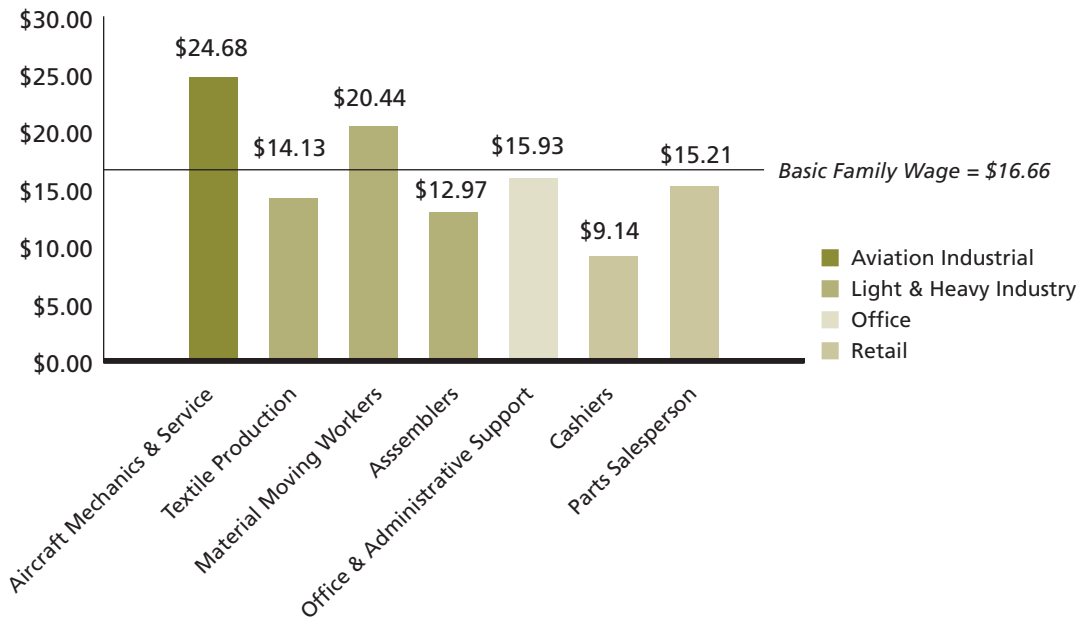
***McClellan Park has introduced industries that have the potential to improve the employment opportunities of working families beyond the current main private employers — retail and accommodation services***

<sup>37</sup> Association of Defense Communities, 2007, pages 39-40

<sup>38</sup> Ibid.

<sup>39</sup> “Aircraft Parts Maker Leases McClellan Space.” Sacramento Business Journal. 18 February 2008; Turner, M. “Box Manufacturer Expands at McClellan Park.” Sacramento Business Journal. 27 October 2006; Turner, M. “Hydroseed Company Plants Roots at McClellan Park.” Sacramento Business Journal. 30 March 2007.



**Figure 5 | Occupation Median Wage for McClellan Park Industries**

Source: California Employment Development Department, 2007

The lease arrangements at McClellan allowed the County to create a continuous source of revenue. In many base reuse cases, officials fail to capitalize on the earning potential of retaining partial ownership of land, especially since the value of land generally increases over time. Construction at McClellan Business Park honored the state prevailing wage requirements and added diversity to the job market in Sacramento County.

### Case Study 3 | Alameda County — Oakland Army Base

#### Alameda County — 2006 Population = 425,960

Hispanic or Latino	21.9%
White	31.3%
Black	35.7%
Asian	15.2%
Other	1.2%

Source: US Bureau of Census, Census 2000.

#### Housing Statistics

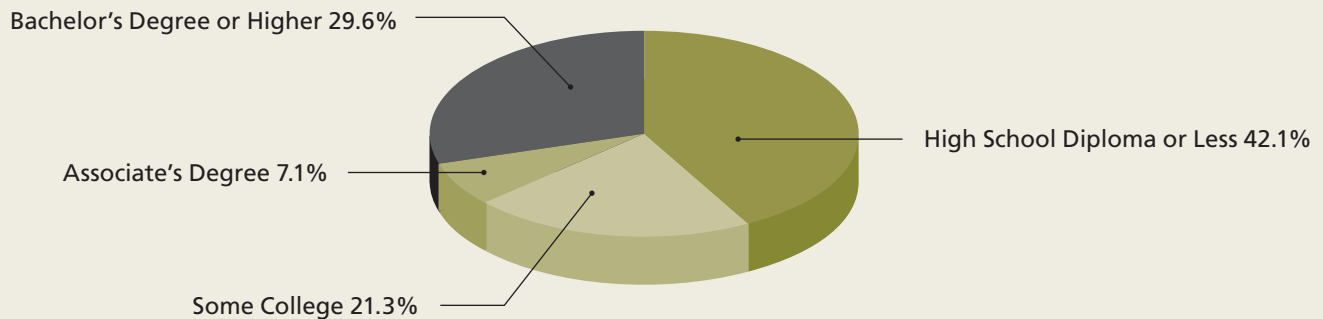
Median home selling price-2007	\$590,800
% Owner-occupied housing unit	41.7%

Source: US Bureau of Census, Census 2000.

	Monterey County	California	US
Unemployment Rate, 2007	7.7%	5.2%	4.7%
Population living in poverty	19.4%	14.2%	12.7%

Source: Employment Development Department; US Census 2004.

#### Education Attainment of Population 20 Years or Older



The Oakland Army Base (OAB) closed in 1999, but the reuse planning process is still ongoing. After nearly a decade of proposed plans and negotiations, the redevelopment plans for 165 acres (half) of the Oakland Army Base are still uncertain. The OAB is a rare opportunity for the City of Oakland, a place where quality jobs are scarce and land is expensive. While the politics of this case study are complex, the political will and involvement of Oakland residents and community groups also makes this reuse process the most participatory of the four case studies in this report.

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This case study reveals that cities can establish processes in which community members have a meaningful opportunity to shape the base reuse plan. However, this case study also depicts the challenge of sustaining community participation and organizing throughout the long process. This demonstrates the need for a long-standing community organization to fight for community benefits throughout all stages of the process. Because the final plans and development of the Oakland Army Base have yet to happen, this case study is incomplete. We will look at this case study in two parts: the original plan that was developed as part of the base closure and reuse process and the current efforts underway to secure a private developer to build out the City of Oakland's portion of the OAB.

## **Alameda County and Oakland profile**

The Oakland Army Base closed in 1999 against the backdrop of increasing inequality in Oakland and Alameda County. While the tech industry boomed and created tremendous wealth for a lucky few in the 1990s, working-class families saw wages stagnate. Oakland's high poverty rate is also concentrated within communities of color, with approximately 24.5% of African Americans living below the poverty line but a poverty rate of only 6.7% among the white population.

**Table 8 | Alameda County and Oakland Economic Indicators**

Indicator	Alameda County	Oakland
Median family income	\$78,494	\$51,727
Median individual income	\$41,388	\$32,312
% of population below poverty line	11.2%	18.8%
Unemployment rate	4.9%	7.7%
% of housing units renter occupied	42.6%	56.3%

Source: 2006 American Community Survey

The California Budget Project estimates that an annual income of \$77,069 is needed to raise a family in Alameda County, while an income of \$29,633 can meet the needs of a single adult.<sup>40</sup> The median family income in Oakland is only \$51,727, which indicates large quantities of working poverty (Table 8). While several of the other case studies present county economic data, in this case, the county statistics can be misleading. The median family income in Oakland is over \$20,000 less than that in Alameda County, reflecting the fact that Oakland has a significantly higher concentration of low-income residents than the county as a whole. Oakland residents are also more likely to live below the poverty line, be unemployed and are less likely to own their home. With 19.1% of Oakland's population living in poverty, there is an urgent need for jobs that meet or exceed the city's living wage, which is \$11.58 per hour. An hourly income of \$18.53 is needed to lift a family out of working poverty.<sup>41</sup> The redevelopment of Oakland Army Base is an opportunity to directly address this issue.

**Table 9 | Occupations of Population 16 Years Old and Over**

Occupation <sup>1</sup>	Percentage of workforce <sup>2</sup>	Median earnings
Management professional	40.5%	\$55,181
Service	19.1%	\$17,403
Sales & office	19.3%	\$28,148
Construction, extraction, maintenance, & repair	9.2%	\$28,295
Production, transportation & material moving	11.8%	\$22,739

Source: 2006 American Community Survey

<sup>1</sup>Farming, fishing and forestry occupation were excluded due to small portion of the total workforce (114) and the high margin of error in the calculation (+/-137).

<sup>2</sup>Percentages may not total 100% due to rounding.

<sup>40</sup> California Budget Project, 2007.

<sup>41</sup> \$18.53 per hour is the income needed per parent to lift a family out of poverty.

Persistent underemployment is a contributing factor to Oakland's high poverty rate. As demonstrated by Table 9, over half of the workforce is employed in the service, sales, construction and production sectors, all traditionally low-wage occupations, with limited benefits and career ladders. However, these are also occupations that generally require minimal education and skill sets for entry-level positions. Educational attainment contributes to the limited earning ability of the majority of the Oakland workforce, as 67.3% do not have a bachelor's degree and 44.1% have a high school diploma or less (See Table 10).

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**Table 10 | Education Attainment-Population 25 Year & Over**

Education Level	Percentage
High school diploma or less	44.1%
Some college no degree	16.2%
Associate's degree	7.0%
Bachelor's degree or higher	32.8%

Source: 2006 American Community Survey

As industrial neighbors, the West Oakland community has long borne the brunt of the Port of Oakland, without directly enjoying any economic benefits. In addition to high poverty rates, this neighborhood experiences the lowest life expectancy rates in Oakland and one in five children in West Oakland suffers from asthma.<sup>42</sup> Redevelopment of the army base provides an opportunity to accommodate the expansion of the Port, the fourth largest container port in the nation, in a way that delivers real jobs and healthy benefits to Oakland residents.

<sup>42</sup> Allday, Erin. "New Ideas Give Hope to Asthma Patients." San Francisco Chronicle. 17 February 2008; Alameda County Public Health Department. "West Oakland Community Information Book Update." October 2005.

## Reuse Planning Process — Phase One

The reuse process has proceeded in two distinct phases. The first phase was overseen by the Oakland Base Reuse Authority (OBRA), created in 1995 through a joint powers agreement between the City of Oakland and Alameda County to redevelop the former military base.<sup>43</sup> As the designated local reuse authority (LRA), OBRA was committed to creating a forum for the residents of West Oakland to participate in the reuse planning process. OBRA created the West Oakland Community Advisory Group (WOCAG) in 1996, with the goal of soliciting residents' input and engaging them in the creative dialogue and problem-solving needed to establish an effective reuse framework.<sup>44</sup> The advisory group consisted of more than one hundred residents and community organizations who established committees to work on specific issues, including environmental hazards, employment needs, land use, housing and the like.

In 1998, OBRA released its Draft Reuse Plan, which included two land use concepts and reflected the explicit needs identified by WOCAG. The plan addressed the need for job training

and job access programs that would benefit the residents of nearby neighborhoods who had long been subject to the environmental degradation caused by the base. The west side of the base would expand the maritime activities of the Port of Oakland. The east side of the base would be developed as a business and technology park with a goal of attracting green industries and providing training opportunities for Oakland residents. Additionally, the plan incorporated key policy provisions, including local hiring and contracting requirements, training and apprenticeship programs, and a trust fund earmarked for revitalizing West Oakland.

OBRA estimated that at full build-out, new development associated with the Draft Reuse Plan would create 6,689 jobs. The plan was sensitive to the varying skills and training needs of West Oakland residents. Plans were drafted to create a workforce and business development campus that would provide job training and placement services for local residents, who would then be availed of high-quality employment opportunities, including jobs as mechanics, carpenters, machinists, assemblers, truck drivers, longshoremens, and freight movers/packers.

<sup>43</sup> Oakland City Council, 2003.

<sup>44</sup> West Oakland Community Advisory Group, City of Oakland, <http://www.oaklandnet.com/government/obra/wocag/html>, accessed February 27, 2007.

The inclusion of these provisions was a direct result of the WOCAG community process in which residents “stressed the need for future jobs created on the base to match the diverse range of skills of Oakland workers.”<sup>45</sup>

OBRA submitted the 1998 Draft Reuse Plan to the federal government for a mandatory environmental impact study, a step that was required by law before the Army could convey the base to the city. The federal government determined that the plans for the east side of the base violated previous land designations, which required that the entire base be developed to support port activities.<sup>46</sup> Negotiations over this issue lasted three years and in 2001 OBRA began revising their reuse plans. While some WOCAG members continued to work on the process, it was not easy for others to continue to participate in a process that had already consumed much of three years.

As OBRA tried to regroup and move forward, in 2003 the City of Oakland made the decision to terminate OBRA and transfer the reuse process to the city’s redevelopment agency, the Community and Economic Development Agency (CEDA).<sup>47</sup> When the reuse process was transferred to CEDA, WOCAG’s participatory role in the planning process was reduced to a forum for community discussions. The group’s priorities, now considered advisory rather than binding, were not reflected in the resulting 2002 Final Reuse Plan, which called for a “flexible alternative.” While the plan included broad goals for local hiring, job training and workforce development, it did not include the enforceable mechanisms needed to ensuring these goals became a reality.

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<sup>45</sup> Oakland Army Base Reuse Authority. Oakland Update: A Newsletter from the Oakland Army Base Reuse Authority. July 1998.

<sup>46</sup> Oakland Army Base Reuse Authority, Oakland Army Base Final Reuse Plan, July 31, 2002, p. 2.

<sup>47</sup> Oakland City Council, 2003.

## Reuse Planning Process — Phase Two

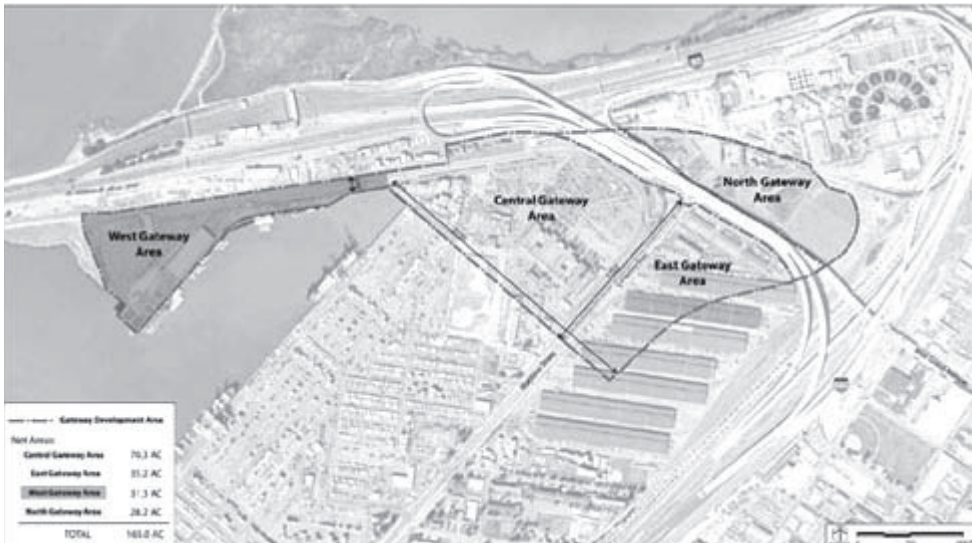
In 2006 — once the land had been conveyed to the City and the Port — the next phase of actually developing these areas began. The City divided their 165-acre Gateway Development Area into four subareas (Figure 6), for which the Redevelopment Agency is pursuing three reuse plans including a master developer opportunity, ancillary maritime services and a freeway auto mall.

- 15 acres of the East Gateway Area, approximately 15 acres of land, is reserved for ancillary maritime services that will support activities within the Port of Oakland. These acres were required, as a result of a previous lawsuit, to provide on-site parking for truckers coming in and out of the Port who are often forced to park within West Oakland neighborhoods between runs. In the fall of 2007, the City issued a Request for Proposals for these 15 acres. Oakland Maritime Support Services won the bid for the truck parking and will present a specific proposal in spring/summer 2008.
- Approximately 24 acres of the North Gateway Area will be the site of the freeway auto mall. In the winter of 2006, the Redevelopment Agency approved plans for three auto dealerships to the base. The City plans to move the auto dealerships to the to retain jobs and \$3.2 million in sales tax revenue.<sup>48</sup> To date, one agreement has been signed and two more are being negotiated.
- Finally, 108 acres within the East, Central and West Gateway Areas will be developed as a mixed-use site potentially including retail, industrial and logistics sites.<sup>49</sup> This is the real opportunity for significant job development and will be discussed in the following section.

<sup>48</sup> Burt, Cecily. "Freeway Auto Mall in Slow Lane." InsideBayArea.com. 8 October 2007b. [http://www.insidebayarea.com/oaklandtribune/localnews.ci\\_7117153](http://www.insidebayarea.com/oaklandtribune/localnews.ci_7117153)

<sup>49</sup> Community and Economic Development Agency of Oakland, California. Business Resources: Redevelopment-Oakland Army Base. 4 March 2008 <http://www.business2oakland.com/main/oaklandarmybase.htm>>



**Figure 6 | Gateway Development Area**

Source: CEDA

## Gateway Development Area

In the fall of 2007, the City released a land use plan for 108 acres in the East, Central and West Gateways, now referred to as the Gateway Development Area (see Figure 6). This plan follows a “flexible alternative” which allocated land for a wide range of uses (hotel, retail, office, logistics, research and design). Instead of adopting this plan, the City Council opted to release a request for qualifications (RFQ) with no land use plan attached, effectively inviting developers to come forward with their ideas for development. While the RFQ includes retail, film production, and green jobs it also states that trade and logistics developments have the potential to “generate high-quality jobs in a strategic employment sector.”<sup>50</sup> Thirteen development teams responded to the RFQ, submitting bids in March 2008. The City is expected to select three or four development teams to take the next step, by responding to a request for proposal, in June 2008.

<sup>50</sup> City of Oakland Community and Economic Development Agency Redevelopment Division. “Request for Qualification Gateway Development Area of the Former Oakland Army Base.” Request for Qualification. 2008.

## Winning Good Jobs

A growing community coalition has emerged around job creation and jobs access at the former base, led by East Bay Alliance for a Sustainable Economy (EBASE), the Central Labor Council and ACORN. The coalition sees the redevelopment of the former army base as an opportunity to address the persistence of working poverty in Oakland.<sup>51</sup> The Coalition's primary goals are to:

- **Encourage the City to use a significant portion of the army base for logistics and warehousing industries, which can provide good-paying accessible jobs with career ladders.** Unlike other industries, logistics provides accessible jobs with good pay. Compared to retail, logistics workers tend to make more: the median wage for retail workers is \$14.89, while the median wage for logistics workers is \$19.85.<sup>52</sup>
- **Require companies to hire employees directly, rather than temporary workers.** Temporary workers in the logistics industry drag down the quality of jobs. For example, workers at the Port hired by staffing agencies generally make \$7.50 to \$8.50 per hour. These wages are less than the city's living wage and much less than direct hire workers in the same industry.<sup>53</sup> In order for a logistics development to have poverty-reducing effects, the City of Oakland would need to attach direct hire standards to these jobs.
- **Establish local hire requirements, including youth and formerly incarcerated individuals. Oakland residents need entry-level positions that are accessible to individuals who lack a college degree.** These positions should also create opportunities for advancement. The logistics industry provides such jobs. However, to be sure these jobs are obtained by residents, the City should establish clear local hire requirements, and establish policies similar to the Port's Maritime and Aviation Project Labor Agreement (MAPLA)
- **Establish a labor peace agreement to ensure that workers are permitted to organize if they choose.** Generally speaking, organized workplaces provide higher wages, health benefits, retirement and respect on the job. Unions can create stability in industries such as logistics where work can fluctuate throughout the year. Also, as a project in which the city will likely have financial resources at stake and expect financial returns, labor peace can ensure any labor disruptions are dealt with in a timely and peaceful manner.

<sup>51</sup> U.S. Census Bureau, 2006a.

<sup>52</sup> For more details about logistics, please see EBASE's Putting Oakland to Work.

<sup>53</sup> Rosynsky, Paul T. "Teamster: Port Firms Breaking City's Wage Law." InsideBayArea.com. 23 June 2007. <[http://origin.insidebayarea.com/localnews/ci\\_6212638](http://origin.insidebayarea.com/localnews/ci_6212638)>.

- **Incorporate job training for workers and residents.** The City of Oakland can take advantage of a new collaborative training program in logistics, the Alameda Transportation and Logistics Academic Support Initiative.
- **Use the Community Trust Fund to meet the needs of West Oakland residents.** The Community Trust Fund is already required as part of the reuse plan. The City should work closely with community residents to identify and prioritize how it is spent.

Thus far, the City has acknowledged the need for community benefits by including local hire, quality jobs, labor peace and job training in the RFQ as goals. The RFQ also required developers to report on the number, type and wages of jobs that their development will likely create. While these requirements do not ensure community benefits, they are a step in the right direction. Looking forward, the coalition will seek enforceable commitments from the developer and the City to create good paying jobs for Oakland residents.

City leaders, reuse officials and community residents continue to seek the best possible development options for the former Oakland Army Base. Despite a process that has spanned almost a decade, community residents in Oakland have maintained a more sustained level of organization and participation in this process than was achieved in any of the other case studies in this report. The reuse plan itself does little to ensure job quality and job access for local workers, but the coalition has sought to go beyond the terms of the reuse plan by working directly with community leaders, elected officials and the Redevelopment Agency to help identify and implement a framework for redevelopment that can meet residents' prioritized needs.

## Case Study 4 | San Bernardino — Norton Air Force Base

### San Bernardino County 2006 Population

Hispanic	46.0%
White	37.2%
Black	9.4%
Asian	5.9%
American Indian	1.4%
Native Hawaiian & Other Pacific Islander	0.4%

Sources: California Department of Social Services 2007; US Census Bureau 2004; California Employment Development Department.

### Housing Statistics

Median home selling price	\$378,100
% Owner-occupied housing units	66.4%

### Top Private Industries by Employment

Industry	% of workforce
Retail Trade	16.3%
Manufacturing	12.2%
Health Care & Social Assistance	10.8%
Administrative Services	9.6%
Accommodation & Food Service	9.3%
Transportation, Warehousing & Utilities	8.6%

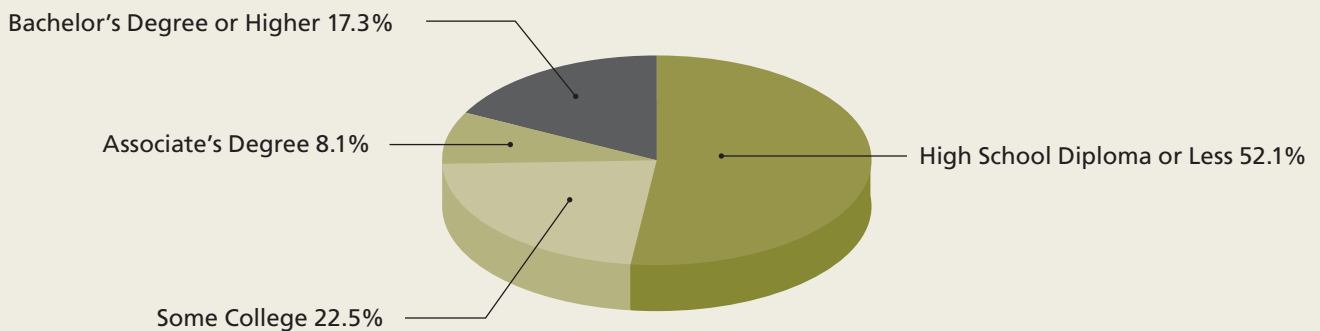
### Employment by Industry Type

Industry	% of workforce
Government	17.9%
Private Industry	82.1%

	San Bernadino County	California	US
Unemployment Rate, 2007	4.9%	5.2%	4.7%
Population living in poverty	10.8%	14.2%	12.7%

Source: Employment Development Department; US Census 2004.

### Education Attainment of Population Over 25



San Bernardino County is located 60 miles east of Los Angeles in the Inland Empire region. With a population of 1.7 million, San Bernardino County has the fifth largest population in California.<sup>55</sup> The former agricultural county is now one of the fastest growing metropolitan regions in the nation.<sup>56</sup> San Bernardino's population continues to increase as Los Angeles' workforce moves inland in search of more affordable housing. In 2007, the median home price in Los Angeles County was \$525,000, while the median home price in San Bernardino was \$370,000.<sup>57</sup> A relatively lower cost of living coincides with low poverty rates in San Bernardino.

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Norton Air Force Base was closed when BRAC released its first set of recommendations in 1988, and the story of its reuse process reflects complexities posed by federal policies that are no longer in place. As a result of these complexities, this case study is a prime example of the length of the reuse process and the complexity of the conveyance process. The nearly two-decade reuse process at Norton has spanned across entire political careers and changes in federal laws. In the end, over 4,000 jobs have been created in a growing industry that is likely to pay living wages. While the redevelopment of Norton Air Force Base appears to address some of the economic demands of the county, there is no indication that any community benefits or labor standards were attached to the plans, and some key local leaders continue to believe that the process squandered opportunities to expand San Bernardino's manufacturing base. Nonetheless, by expanding logistics employment opportunities reuse leaders helped job creation in an industry that tends to provide living wages and accessible career ladders. The community faces an ongoing challenge to ensure that those workers get hired into permanent positions, rather than being placed through temporary staffing agencies that offer lower wages and no benefits.

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<sup>55</sup> State of California, Department of Finance, Sacramento, CA

<sup>56</sup> California Employment Development Department, 2002.

<sup>57</sup> California Association of Realtors, January 2007. [www.car.org](http://www.car.org).

## San Bernardino County Overview

Economic indicators paint a rather sunny picture of San Bernardino County. The county is quite racially diverse, 66% of the homes are owner-occupied and the median family income is \$52,073, only slightly below the national median of \$58,526. However, while the median wage is comparable to the national median wage, it is much lower than the county's basic family wage of \$72,696.<sup>58</sup> This suggests that a significant amount of San Bernardino families have difficulty making ends meet. At the same time, over 52% of the population has a high school diploma or less. Limited educational attainment often leads to limited employment options. Too often these individuals are employed in industries that pay low wages and offer few benefits, such as retail, which is the largest employer in San Bernardino. The quantity of low-wage jobs has only increased as businesses from Los Angeles relocate to San Bernardino to cut costs and avoid unionized labor markets.

The redevelopment of the Norton Air Force Base was an opportunity to create quality employment opportunities for the current residents of San Bernardino County. When the base closed in 1994, many professional employees, like scientists and engineers, lost their jobs or were forced to move elsewhere to maintain employment associated with other military installations. By the time construction began in 2003 the employment needs of county residents had shifted toward quality entry-level positions accessible to workers without post-secondary education credentials.

## Reuse Planning Process

Norton Air Force Base was selected for closure during the first round of BRAC in 1988. The base lost a total of 6,653 jobs. All operations ceased and the federal government left the facility in March, 1994. The 2,002 acre base was divided into two parcels, which were conveyed by the military to two local reuse entities. The San Bernardino International Airport (SBIA) received 1,350 acres and the Inland Valley Development Authority (IVDA) received the remaining 652 acres. The IVDA is a joint powers authority consisting of officials from San Bernardino County and the cities of San Bernardino, Colton, and Loma Linda.<sup>59</sup>

For nearly a decade, both SBIA and IVDA struggled to develop the former Norton Air Force Base. Development projects slated for the IVDA portions of the base faced financial and

<sup>58</sup> California Budget Project, 2007..

<sup>59</sup> IVDA website.

environmental challenges. During the first rounds of BRAC, federal law required localities to purchase land from the military at fair market values. This policy posed a significant problem for the IVDA, and many other communities across the country. One real estate expert reported, “developable lots in that neighborhood of San Bernardino are worth \$1 to \$1.50 a square foot,” but the “fair market value” price was not adjusted to account for the substantial environmental, and infrastructure improvements needed to convert the installation into private commercial real estate.<sup>60</sup> As a result, the reuse authorities were unsuccessful in marketing the land on the competitive market at a rate that would enable them to repay the federal government.

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In 1994, IVDA and SBIA agreed to buy the base from the federal government for \$52 million. By August of 1999, IVDA had only paid \$1.7 million and IVDA officials, San Bernardino’s Congressional representatives and business leaders began lobbying the federal government to renegotiate the purchase price for the base. In 1999, the federal government agreed to a \$22 million discount for the base, thus lowering the purchase price to \$30 million.<sup>61</sup> Ultimately, the experiences at Norton and elsewhere across the country prompted federal changes in how local communities were expected to reimburse the federal government for the value of land at closed military installations. Norton Air Force Base was struggling alongside other base closure communities and confronting the harsh reality that former base land with crumbling infrastructure required substantial investment for this area to be redeveloped. At the same time that IVDA and SBIA were lobbying the Air Force to reduce the sale price for base properties, President Clinton announced his five-point plan for military base reuse, which included a provision that enabled communities to take possession of designated base reuse land for free if they used the property to create jobs.<sup>62</sup>

With the President’s policy for no-cost economic development conveyances in place to stimulate economic recovery, the Air Force agreed to convey the non-airport properties to IVDA. Ultimately, IVDA paid the outstanding balance that was owed under the previous deal in exchange for its non-airport parcels. In January 2006, IVDA and the San Bernardino City Council approved a plan that would build an industrial park and logistics/warehousing center that would complement the neighboring cargo facilities at the San Bernardino International Airport.<sup>63</sup>

<sup>60</sup> McCue, Andy. “Norton Reuse Officials Want to Play Let’s Make a Deal.” *The Press-Enterprise*. 26 August 1999, page E1.

<sup>61</sup> Ibid.

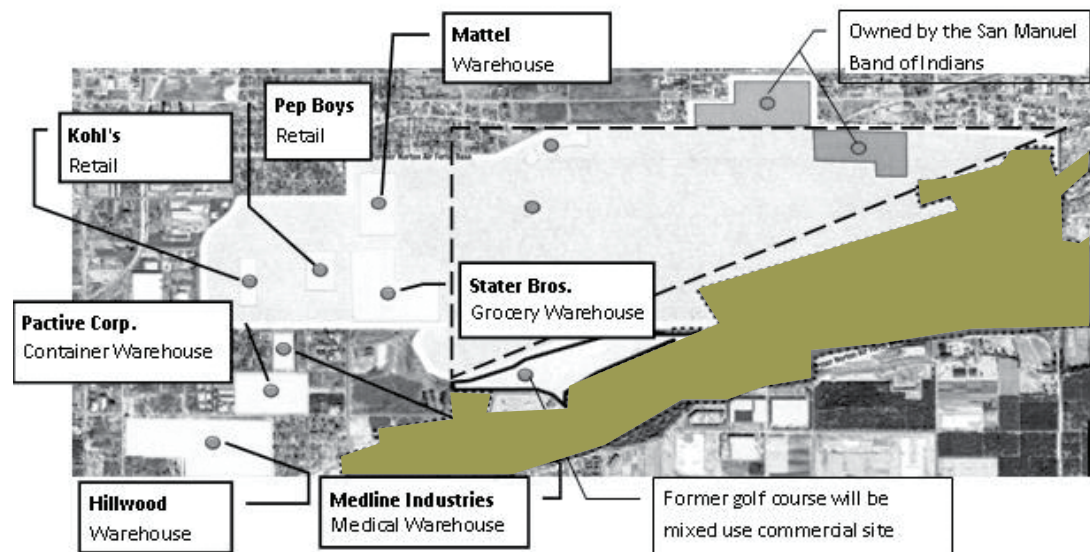
<sup>62</sup> Soto, Onell. “Administration Wants Cost-Free Closed Bases: Clinton to Propose Plan that Fosters Job Creation.” *The Press-Enterprise*. 21 April 1999, page D1.

<sup>63</sup> David Evans and Associates for Inland Valley Development Agency. *San Bernardino Alliance California Specific Plan*. SPA No. 06-03, Specific Plan Amendment No. 54, January 2006.

## Reuse Plans

Hillwood, the master developer for the former base, projected that 8,000 jobs would be created at the former Nortorn Air Force Base, renamed Alliance California.<sup>64</sup> The 2006 reuse plan for the Alliance California Industrial Park did not designate specific land uses. Instead, the plan grants the developer broad flexibility regarding development. The plan divides the 652 acres of non-contiguous parcels into areas referred to as Northgate, Westgate, Center Gate, Gateway North, Gateway South, and Southgate.<sup>65</sup> Within each of these designated areas, there is a mixture of allowable land uses including office buildings, warehouses, and aviation-related uses. Currently, tenants at the site include warehousing and distribution centers for Mattel, Pep Boys, Kohl's, the local grocery chain Stater Brothers, and others (Figure 7).<sup>66</sup>

**Figure 7 | Alliance California Tenants**



Source: The Press-Enterprise

<sup>64</sup> McGavin, Gregor. "March Latest Inland Base to Have Hopes Grounded." The Press-Enterprise. 27 April 2003, page A1.

<sup>65</sup> Evans and Associates for Inland Valley Development Agency, 2006, page I-5.

<sup>66</sup> Brown, 2007.



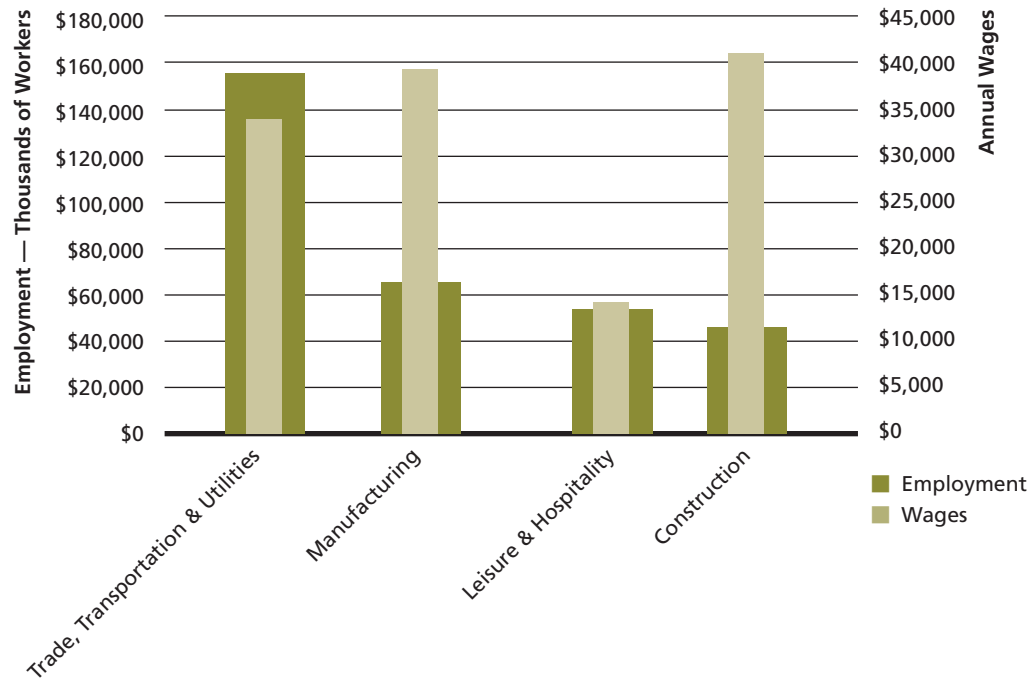
## Job Creation

When the base closed, 2,133 civilian jobs and 4,520 military personnel were eliminated from San Bernardino County's economy. The 2006 reuse plans transformed the former military base into acres of warehousing facilities that support the trade, transport and utilities industry (TTU). To date, the businesses at Alliance California have replaced nearly 70% of the total jobs lost. The new warehousing positions do not compare to the engineering positions they are replacing, but many of the former workers either transferred to other air force bases or have begun new careers. The reuse plans harnessed the skills of the current workforce in order to replace the economic activity once generated by the air force base.

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To date, attempts to turn the San Bernardino International Airport into a major cargo and aviation hub have been disappointing. Over the years, several companies have moved to the airport, but none were met with much success. The airport has the potential to create a substantial number of jobs, but without a major carrier this potential is limited. In 2007 the Inland News reported that 400 highly skilled aircraft maintenance jobs were added to the airport's hanger complex, with potential for more job creation.

Aside from the challenges with the airport, the redevelopment of Norton aligned with county economic objectives and employment needs. The trade, transportation and utilities industry is one of the largest growth industries in San Bernardino County. Due to San Bernardino's proximity to coastal regions, industries that focus on the movement of goods have the potential to stimulate substantial economic growth. Between 2002 and 2006 over 30,000 TTU jobs were created in San Bernardino County.

**Figure 8 | 2005 Industry Wages & Employment**

Source: Employment Development Department

Educational attainment in San Bernardino reflects the need for entry-level employment opportunities that provide clear and accessible career leaders for people who have a high school education or less, as does over half of San Bernardino's population. The TTU industry in San Bernardino meets both of these imperatives. TTU wages are comparable to construction and manufacturing wages, both industries that have minimal education requirements, but the TTU industry is a much larger employer. The median annual wage for TTU workers is \$33,834, which exceeds the county median wage and basic family wage.

IVDA faced the same challenge that now confronts CEDA in Oakland: ensuring that the workers are employed in direct-hired positions rather than through the temporary agencies that typically offer much lower wages. A report issued by the Center on Policy Initiatives estimated that temporary workers in the Inland Empire make 5.5 less than their permanent counterparts.<sup>67</sup>

The Director of SBIA and IVDA felt that the redevelopment of Norton was a missed opportunity to create higher-wage manufacturing jobs. The manufacturing industry was estimated to create 18,000 new jobs throughout the county by 2007.<sup>68</sup> As depicted in

<sup>67</sup> Center on Policy Initiatives. Temporary Conditions: The Threat to Quality Jobs and Services in Riverside County. March 2008.

<sup>68</sup> California Employment Development Department 2002.

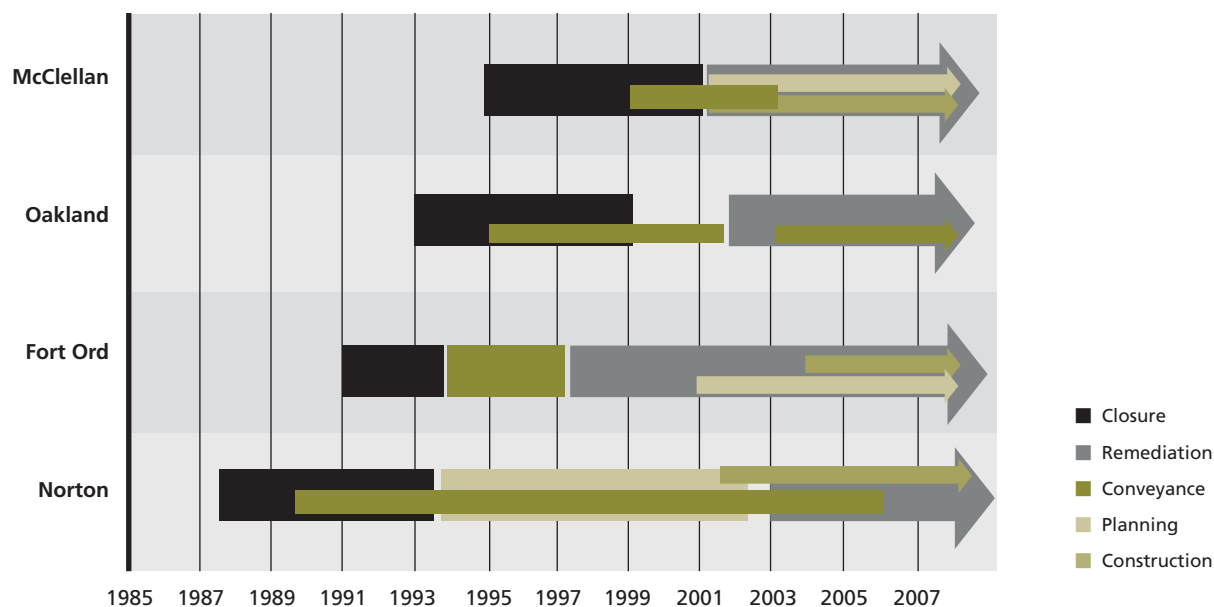
Figure 8, the earning potential within the manufacturing industry is higher than TTU. Yet at this point it is unlikely that the few remaining vacancies at the Alliance California site will be filled by manufacturing companies.

## Conclusion

Ideally, base reuse processes would proceed with a conscious and clearly articulated community benefits agenda, and would incorporate concrete mechanisms for availing low-income working people and low-income communities of access to better quality jobs — as well as the training and local hire programs that help them connect to those jobs — and affordable housing. Base closures eliminate thousands of high-quality civilian jobs from the local economy. Investment in base reuse in terms of land value alone represents millions of dollars per installation. Too often, as these case studies show, community participation is dampened by the length and complexity of the process and base reuse planning fails to live up to the community benefits vision.

Outcomes documented in this report should be evaluated on three levels. First, how well did these processes invite and respond to community residents' participation in the process? Clearly the length and complexity of the process has tended to diffuse efforts to sustain community interest (Figure 9). The McClellan Air Force Base reuse process ran its course most quickly. BRAC announced the base closure in 1995, the redevelopment plan was approved by 2001, and by 2007, over one-third of the projected 35,000 new jobs were already in place. In the other three cases, the reuse process was even more protracted:

- Norton Air Force Base closed in 1988, but its reuse plan was not approved until 2006, almost two decades later.
- Fort Ord closed in 1991, but its reuse plan was not approved until 1997 and much of the land has yet to be conveyed from the federal government back to local governments and institutions.
- Oakland Army Base closed in 1993, but its reuse plan was not finalized until nine years later in 2002, and the first RFP was only issued in 2007.

**Figure 9 | Base Reuse Timeline**

Protracted base reuse processes outlast the career life spans of many of the elected officials and economic development professionals designated to oversee them, and they also make it extremely difficult for organized community residents to sustain efforts to have a voice when the process finally moves forward. But delays alone did not prevent widespread public participation in these cases. It appears that where community residents did organize to try to influence the redevelopment agenda, their concerns were deflected or largely ignored. In Oakland, community residents responded overwhelmingly to the West Oakland Community Advisory Group, whose recommendations reflected concerns over the need for high-quality entry-level jobs, prioritizing new job creation over shifting jobs from elsewhere in the region, and developing training programs and local hire mechanisms that would help low-income people get hired. But when the City of Oakland assumed responsibility for finalizing the reuse plan, the WOCAG recommendations were essentially set aside. Similarly, though community residents took a strong interest in ensuring that the redevelopment of Fort Ord yielded a significant amount of new affordable housing, the final reuse plans emphasized high-end residential developments, and the production of affordable units to date is in lower proportion to the total than was required in the plan.

Second, how well did reuse authorities design reuse plans that met the needs of the whole community? Job creation and job quality outcomes have been mixed. As shown in Table 11, at three of the four base reuse sites, much progress has yet to be made to replace the numbers of jobs that were lost when the bases closed. Only Norton AFB has achieved full replacement. Redevelopment plans currently in place appear to meet the job creation imperative. In most cases, anticipated job creation substantially exceeds job loss.

Replacing lost jobs with positions of equal or higher quality continues to challenge local reuse authorities. At Fort Ord, none of the industries targeted in the reuse plan pay a basic family wage. At Norton, where the greatest job creation has occurred, the average wages of targeted industries fall just short of the basic family wage. Only McClellan's reuse plans include some job classifications that exceed the basic family wage, but only for a portion of the jobs. In Oakland, where final decisions are being made, reuse officials must choose between low-wage retail jobs, and a set of projects in the logistics industry that would pay more and offer a more accessible career ladder. Clearly, there is room for progress toward ensuring that base reuse maximizes the economic gains available to the whole community.

**Table 11 | Reuse Plans Summary and Job Creation**

Base	Reuse Plan Elements	Jobs Lost	Jobs Gained	Projected Job Creation	Job Quality		Basic Family Wage
Fort Ord — Monterey County	<ul style="list-style-type: none"><li>• Residential</li><li>• Retail</li><li>• Education</li><li>• Mixed-Use</li><li>• Public Facilities</li></ul>	16,454	4,551	18,172	Industrial	\$15.18	\$17.85
					Office/R&D	\$14.91	
					Retail	\$7.24	
					Lodging	\$8.05	
					Recreation	\$7.24	
					Institutional	\$10.98	
Oakland Army Base — Alameda County	<ul style="list-style-type: none"><li>• Logistics</li><li>-or-</li><li>• Retail</li></ul>	1,863	487	800 – 3,500	Logistics	\$19.85	\$18.53
					Retail	\$12.83	
McClellan Air Force Base — Sacramento County	<ul style="list-style-type: none"><li>• Industrial Airfield</li><li>• Office Park</li></ul>	11,585	2,688	35,000	Manufacturing	\$18.76	\$16.66
					Retail	\$10.45	
					Office	\$15.21	
Norton Air Force Base — San Bernardino County	<ul style="list-style-type: none"><li>• Airfield</li><li>• Logistics</li><li>• Industrial Park</li></ul>	6,653	13,000	8,000	Trade, Transportation, Utilities	\$16.27	\$17.48

Finally, did reuse authorities establish concrete policies that would safeguard job quality and job access, given the substantial public interest in these projects? Sadly, in most cases they did not, and even where policies were incorporated into reuse plans, there appears to be little momentum toward monitoring and implementation to ensure maximum outcomes. Fort Ord's reuse authority established prevailing wage requirements that exceeded the state requirements, and urged local municipalities to observe policies that required use of local resident apprentices on construction job sites. But no one has tracked whether local municipalities actually did so, nor has any data been collected to demonstrate the program's effectiveness. None of the reuse entities incorporated community benefits principles or policies — like living wage requirements, labor peace mechanisms or local hire programs — into their reuse plans (See Table 12).

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**Table 12 | Policy Provisions to Ensure Affordable Housing, Job Quality and Job Access**

Base	Affordable Housing	Job Quality	Job Access
<b>Fort Ord — Monterey County</b>	<ul style="list-style-type: none"> <li>Flexible targets currently 18% of units are priced below market value</li> </ul>	<ul style="list-style-type: none"> <li>Extended prevailing wage agreement</li> <li>Labor peace agreement for hospitality industry</li> </ul>	None
<b>Oakland Army Base — Alameda County</b>	N/A	Coalition Seeking: <ul style="list-style-type: none"> <li>Direct hire requirements</li> <li>High wage industry (logistics &amp; warehousing)</li> <li>Labor peace agreement</li> </ul>	Coalition Seeking: <ul style="list-style-type: none"> <li>Local hire requirements</li> <li>Job training</li> </ul>
<b>Norton Air Force Base — San Bernardino County</b>	N/A	<ul style="list-style-type: none"> <li>State prevailing wage requirements</li> </ul>	None
<b>McClellan Air Force Base— Sacramento County</b>	N/A	<ul style="list-style-type: none"> <li>State prevailing wage requirements</li> </ul>	None

The story is not yet over, in particular for communities in Oakland, and in other communities across the country coping with base reuse, and where the reuse process has yet to conclude. It is critical that stakeholders in those communities, including labor organizations, faith-based organizations, community-based groups, environmentalists and housing advocates, develop better strategies for pursuing community benefits. Table 13 shows a range of policies and approaches that can help ensure higher quality jobs, better job access and access to affordable housing. A full review of the range and variety of these approaches is beyond the scope of this report, but is available in Gross, et al., *Community Benefits Agreements: Making Development Projects Accountable* at [www.communitybenefits.org](http://www.communitybenefits.org).

**Table 13 | Policy Options for Establishing Community Benefits**

Goal	Policy Options	
	<i>Construction Jobs</i>	<i>Permanent Jobs</i>
<b><i>Fight for better quality jobs</i></b>	<ul style="list-style-type: none"> <li>• require all contractors engaged in site preparation and redevelopment to pay prevailing wages</li> <li>• require contractors to meet responsible contracting criteria that include evidence of a strong safety record and commitment to training</li> </ul>	<ul style="list-style-type: none"> <li>• require permanent jobs created by reuse to pay living wages</li> <li>• require contractors who provide services at redevelopment sites to meet responsible contractor criteria</li> <li>• establish labor peace mechanisms that ensure workers' rights to organize</li> </ul>
<b><i>Ensure local workers get access to new job creation</i></b>	<ul style="list-style-type: none"> <li>• require all contractors engaged in site preparation and redevelopment to use apprentices</li> <li>• require some percentage of those apprentices to be low-income workers or residents of low-income neighborhoods</li> <li>• establish a local hire requirement that applies to all construction workers at the site, and ensures low-income local residents have access to newly-created jobs</li> </ul>	<ul style="list-style-type: none"> <li>• require all tenant businesses who use space in the redevelopment area to fill some proportion of their jobs with low-income workers or residents of low-income neighborhoods</li> </ul>
<b><i>Ensure creation of affordable housing</i></b>	<ul style="list-style-type: none"> <li>• require that a percentage of all units created be affordable</li> <li>• specify affordability levels to ensure that some of the housing will serve lower-income families</li> <li>• require the developer to pay into a fund to support development of affordable housing elsewhere in the region</li> </ul>	



Community benefits coalitions around the country have demonstrated that these tools can help shape redevelopment to ensure that it serves the entire community. It is time to make sure base reuse is held to that standard.

*Because base reuse represents such a staggering investment of public funds, it should be subject to even higher standards than those that govern typical development efforts...such standards should produce direct and tangible benefits for the surrounding communities.*



THE  PARTNERSHIP  
for Working Families

<http://www.communitybenefits.org>