



# THE BASE OF THE FUTURE:

**A Call for Action by States  
and Communities**

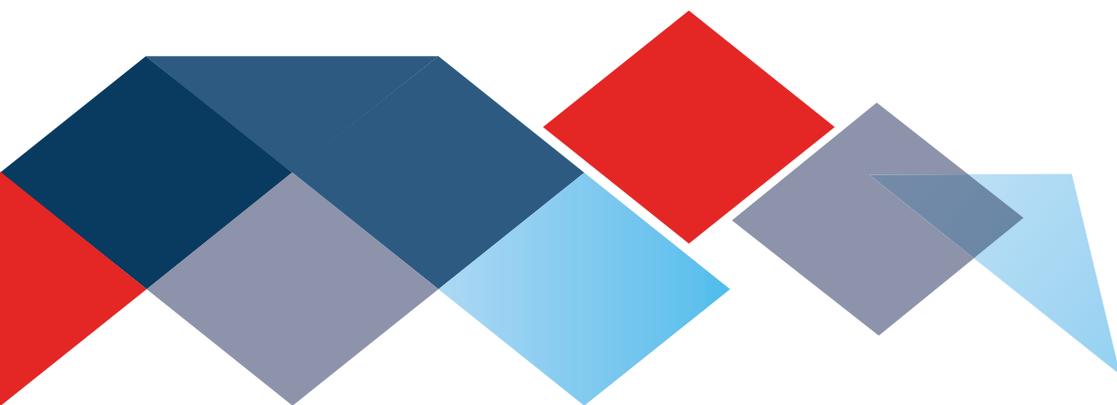
APRIL 2016



ASSOCIATION OF  
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# TABLE OF CONTENTS

|   |   |
|---|---|
| 1 | <b>Introduction</b>   |
| 1 | <b>The Situation</b>  |
| 2 | <b>Common Threads</b>   |
| 3 | <b>The Base of the Future:</b><br>Five Key Components and What to Do About Them |



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# The Base of the Future:

## *A Call for Action by States and Communities*

BY THE ASSOCIATION OF DEFENSE COMMUNITIES

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### Introduction

“The Base of the Future” is a highly debated and varied concept within the Department of Defense (DOD) as it tries to streamline the management and support of military installations, particularly in the continental United States, Alaska and Hawaii. Changing missions, evolving weapons systems and capabilities, budgetary challenges, expanding availability and improving quality of the goods and services provided by local economies, aging infrastructure, and generational changes in culture and social attitudes all bring into question the current support structure of a military base that developed during the Cold War. In determining what services and support the Base of the Future should provide, DOD is also concerned with how these services can be provided and the impact these services — or their absence — have on the resilience of warfighters and their families. DOD can do better at planning for the future and integrating the total capability of the Army, Navy, Air Force and Marines into more effective joint operations and bases.

While the military services, DOD and Congress are the leading players in shaping how the infrastructure and services available on military bases in the future will change, states and communities that host installations and develop the infrastructure and economies that support them have an important stake in those changes. States and communities are struggling with the same societal and infrastructure resilience challenges that affect the military, and have authorities and resources to address those

challenges unavailable to DOD. This paper examines the common threads that all bases share with their local hosts, and proposes an overarching approach to advise defense communities and states in the development of their own policies regarding the Base of the Future.

### The Situation

Military bases and their host communities are inextricably linked geographically, economically, socially and historically. In many cases, towns grew up around military outposts. Military bases are often the largest employer in a community and always play a significant economic role due to the relatively high pay and stability of their workforces. Support for current military members, their dependents and veterans is a prominent thread in the social fabric of host communities.

Bases and communities share common challenges such as aging infrastructure, changing demands for services driven by demographic evolution and budgetary limitations. Transportation infrastructure is a particular challenge for most communities. Generational, ethnic and technological changes drive both the demand for and the delivery method for goods and services. And governments at all levels struggle to meet societal needs and demands under tight fiscal constraints.

Military missions are not just evolving, they are being revolutionized by new threats, such as cyber security and extremist groups with global reach, and new weapons such as drones and information technology capabilities. The revolution in missions is causing DOD to completely rethink force structure

and mission basing models, and to come up with innovative ways to project power. All of this is occurring at a time when Congress is struggling to control spending growth in an environment of political change and global security challenges.

Military bases, though, have changed very little since the Cold War. The infrastructure is outdated, and instead of supporting force projection it frequently hinders an installation's primary missions. Similarly, the services that support military members and their dependents are largely unchanged, despite changes in demand for those services and the development of more efficient public and private service providers outside the fence line. Base operations and maintenance policy and investment are mired in the past, ignoring the development of more cost-effective and efficient infrastructure and services in the communities that host them.

Communities have generally fared better than installations in maintaining and modernizing infrastructure and services. This is largely due to greater flexibility in raising public investment, and a greater role for the private and nonprofit sectors in delivering services. Because communities provide infrastructure and services more effectively, about 70 to 80 percent of military members and dependents opt to live outside the base. As a result, social, entertainment and recreational services and facilities are significantly underutilized on most installations in the continental United States, Alaska and Hawaii.

### Common Threads

Bases and communities share common needs and challenges, but they seldom collaborate to meet those demands. Physical security, pertaining to both criminal activity and terrorist threats, is a major concern for state and local governments as well as base commanders. Public health issues from obesity to mental health present policymakers and health care professionals with tough choices for resource allocation. Aging transportation and utility infrastructure limit the economic

potential of communities and the potential for bases to support new and changing missions. Other common challenges include the need to address environmental impacts and adapting to changes in demographics, a challenge exacerbated by technological changes in the delivery of communications, information and services.

The built and natural environments outside the fence line also are powerful links between military bases and their host communities. The transportation, utility and communications infrastructure that connect a base to the outside world are the same assets that serve communities. Unquestionably, natural resources, particularly air and water, are a shared resource across any geographical area. And impacts on those resources — through use or contamination — also are common issues. The natural infrastructure of a region — including flora and fauna, open space and parks — provide services and affect the quality of life for residents on both sides of the fence.

With all these commonalities, why don't bases and communities collaborate more? The primary factors are rooted in common practice and culture. The bureaucracy within DOD has no clear guidance or established mechanisms to share resources with outside agencies, or to seek their help. Acquiring goods and services is the responsibility of contracting officers who seldom, if ever, interact with their counterparts in local or state government. Similarly, DOD officials in charge of facility operations and maintenance or acquiring services have little professional interaction with municipal agencies outside the fence line.

Federal law and policy also inhibit cooperation. "Scoring" rules for federal funding used by the Office of Management and Budget, limitations on the ability to accept gifts, outdated federal personnel policies such as the A-76 Moratorium, and arcane approaches to encouraging the development of small businesses hinder the potential for military officials to partner with local governments. The

conservative nature of bureaucracies at all levels of government resist change and decision-making. In addition, most installations do not have an accurate picture of the true costs of operating facilities and infrastructure, nor do they fully understand the baseline condition of those facilities.

In the end, the most important common threads between bases and neighboring communities tend to bind them closely together — patriotism and a desire to support national defense; respect for those who serve, their families and veterans; and a desire to enhance the quality of life and strength of a local installation and its host community. All of these shared values serve as critical foundations upon which to build toward the Base of the Future.

## The Base of the Future: Five Key Components and What to Do About Them

What should the Base of the Future look like? What is the role of the host community or state in defining that vision, and helping to achieve it? Due to the unique circumstances of each community installation relationship, it is not possible to develop a single, unified vision for the Base of the Future. Nonetheless, some common activities and components hold true for any situation. And ultimately, the challenge is to engage all stakeholders in an installation to take concrete actions to make the Base of the Future reality.

### Economic Development and Community Planning

There is no doubt that military bases are important components of local economies. Fully understanding how bases fit into local economies is less clear, however. Because they are exempt from state and local taxation, bases do not make the same proportional contributions to the local tax base as a private manufacturing facility would. While DOD has a stellar record of encouraging small business growth through aggressive contracting policies and goals, a contract for grounds maintenance or

waste management services may be awarded to a small business from thousands of miles away, limiting the benefit to the local economy. And unlike private interests, bases don't think of their underutilized facilities or other capabilities as assets to be exploited. As a result, local government and economic development entities do not always think of installations as an integral part of either their economic development strategy or larger community planning efforts.

Communities pursue detailed planning efforts to guide how they develop and grow. Community visioning and master planning efforts take into account an array of considerations, including transportation, services, natural resources, education, public health and safety, recreation and economic development. But military bases often show up in these plans as white space, as if there were no people, buildings, roads, utilities, schools, churches, stores or offices inside the fence.

All stakeholders would benefit if, instead, military bases were treated as assets and part of the overall public infrastructure of a community, and incorporated into planning and development efforts. Bases have underutilized office, service and educational facilities, industrial capacity, laboratories and land. An installation and its host community would be better off if these assets were recapitalized as part of the community planning process, consistent with the requirements of the military's mission. These assets can provide economic opportunity, quality of life, and social benefits for the broader community; recapitalization can reduce or eliminate the costs to the military to own them.

Community planning efforts also can help address the decline in the proportion of personnel choosing to live on-base, with younger service members demonstrating a strong preference to live in the greater community. As a result, long-standing institutions on bases such as clubs, libraries, chapels, retail and other services are experiencing a drop in usage. Military leaders are concerned about

the potential impact of this weakening on military culture and unit cohesion. Communities can support installations by addressing these concerns in their economic development and community planning efforts, treating the change in demand for those services with the same approaches they rely on to protect and enhance community institutions that support historically underserved populations.

But the planning should not end there. In the same way that communities are using long-term master planning efforts to transform themselves into highly efficient and livable places meeting the needs of their residents, so too should long-term master planning be a tool for transforming bases. Increased densities of land use, transit-oriented design and consolidation of mission assets to improve security should all be goals of this effort. The ultimate goal should be to fully incorporate installations into the fabric of their host communities.

### **Expanded Sharing of Services and Infrastructure**

The provision of services, whether in the form of building and facility maintenance, health and mental health services, family services such as daycare, or personal services and entertainment are all things that the private sector carries out more efficiently and cost effectively than the military services. Yet the military is still in the business of providing a wide range of services for their members and dependents. This approach is, for the most part, an anachronistic holdover from the time when military bases were located far from urban centers.

Similarly, state and local government are demonstrably more efficient and cost effective in the development and maintenance of infrastructure, utilities, and recreation and education facilities than DOD. State and local governments can take advantage of economies of scale, greater experience and a broader array of funding mechanisms — such as bonding and special tax districts — to plan, develop and pay for these projects.

It is time for DOD to acknowledge that it cannot be all things to all people, and make the difficult choices about where to spend limited budgets. Expanded use of public-public and public-private partnerships should replace many of the service and infrastructure delivery methods now common on installations. DOD should improve its capabilities through a performance-based approach to facility construction and management contracting, and expand the use of third-party financing mechanisms.

Appropriate safeguards should be used to ensure that the interests of the American taxpayer are properly protected. Similarly, mission and national security interests should take precedence.

But this shift in how facilities and services are provided to installations should be a two-way street. There are still some places in the continental United States, Alaska and Hawaii where the military base has better infrastructure and services than the host community. In these instances, the military should still expand the use of public-public and public-private partnerships, but with the goal of improving the quality of life, safety and security of host communities by relying on the base's assets.

### **Mission Compatibility and Natural Resource Conservation**

DOD made tremendous strides in addressing issues of incompatible land uses around bases and ranges early in the 21st Century with the creation of the Sustainable Ranges Initiative and related efforts such as the Readiness and Environmental Protection Integration (REPI) and the Joint Land Use Study (JLUS) programs. These efforts fostered strong partnerships with nonprofit conservation organizations and state and local government agencies, and helped prevent and reduce encroachment on military missions caused by urban sprawl or the need to protect threatened species.

Similarly, some states and communities have created programs to promote natural, cultural and recreational conservation planning. Designation

of resources such as lottery proceeds to fund conservation, creation of special planning districts around military bases and ranges, and adoption of planning and zoning ordinances are examples from some of the most progressive governments. Unfortunately some of these programs suffered disproportionate cuts and changes as state and local governments struggled to respond to budget shortfalls during the recent recession, and have yet to be fully restored.

More can be done, by both bases and communities, to address natural, cultural and recreational resource issues and their impacts on military missions and community growth. Bases are ahead of most communities in this pursuit, as they are required to develop Integrated Natural Resource Master Plans (INRMPs) that are fully coordinated with other development plans, and include cultural resource and recreational components. While states and local governments also undertake natural and cultural resource and recreation conservation planning, the requirements for those plans are generally less rigorous than those faced by installations. The limitation of conservation planning is that natural resources do not recognize the demarcation of fence lines. As a result, bases have unintended impacts on their neighbors and vice versa.

As part of the move toward more integrated community planning, base natural and cultural resource managers can help their civilian counterparts develop more comprehensive planning approaches in conjunction with the “two-way street” planning approach. JLUS studies can be expanded and integrated into community visioning and comprehensive planning efforts. Greater collaboration could strengthen JLUS results by more closely tying them to community planning and zoning ordinances. For example, coordinating local “transfer of development rights” initiatives and local or state natural resource conservation investments with REPI and other partnerships would amplify the benefits of these conservation efforts for all parties.

### **Involving the Military**

The nature of military service makes for a transient population on bases. While this improves mission capability and effectiveness, it can hamper relationships between state and community stakeholders and military decision makers as a result of the churn in installation leadership. The recommendations already proposed in this paper should help overcome that disruption by encouraging the development of long-term relationships up and down the entire chain of command and across organizations, but more can be done.

The military services approach training for base leadership in many different ways. The Army is the only service that dedicates a session in its garrison commanders course to relationships and partnering between installations and host communities. The Association of Defense Communities (ADC) can supplement this training and meet the needs of the other services by producing an online course aimed at new base commanders to teach them how to engage with communities. This training could also leverage the series of primers developed by the office of the Secretary of Defense that provide how-to guidance on engagement from multiple viewpoints. One way the military is addressing the issue of leadership churn is through the development of its civilian workforce. Increasingly, the senior deputies to base commanders and key organizations such as civil engineering are civilians who generally remain in their jobs significantly longer than their uniformed commanders. Community and state leaders should focus greater effort on reaching out to these leaders, to develop long-term corporate memory and ongoing relationships, and to work with them to educate incoming military leaders about the issues and needs of the base and the community. ADC can support this effort by reaching out to senior civilian leaders to participate in training and education events, such as the annual Installation Innovation Forum.

The ultimate goal of these efforts should be to transform attitudes and thinking within the entire military structure, while opening the culture of the services to new approaches to managing bases through long-term education and outreach. This outreach needs to extend beyond installations into the halls of the Pentagon and Congress.

### Engagement for Policy and Legislation

Finally, communities and states must continue to enact policies that eliminate obstacles to closer collaboration with the military, and encourage Congress to do the same. Specific policy recommendations include:

- Establishing federal directives to require shared and coordinated planning between installations and neighboring municipalities that includes economic development planning and enhanced use of asset management principles by bases.
- Expanding and deconflicting DOD's various real estate authorities to cover actions combining facilities leasing — through enhanced use leasing, for example — with other contracting vehicles such as power purchase agreements or other energy-related mechanisms; these changes would provide DOD with powerful new tools to maximize the use and management of its assets.
- Requiring management to be exercised by a centralized authority that sets objectives for executing agencies to follow. This authority should be guided by requirements definitions that flow from national security strategy regardless of the parochial interests of a particular military service or command. This change would enable DOD to make difficult decisions affecting infrastructure and capability, as well as for ancillary missions such as disaster relief.
- Encouraging training and education investment by all stakeholders to create an ethos of universal planning principles and improve planning capabilities for all partners.
- Encourage expanded sharing of services and

infrastructure to achieve goals such as shrinking mission security footprints to free up assets, using shared powers agencies to coordinate the acquisition of goods and services to take advantage of economies of scale, and rationalizing the federal government's small business, scoring and personnel policies to spur partnerships. Treating state and local governments with the same "trusted agent" status afforded federally funded research and development corporations (FFRDCs) is one practical step Congress could take to encourage these actions.

- Adopting natural resource conservation investment authorities by more states, accompanied by joint education and training to enhance coordination among federal, state and local programs.
- Opening a general policy discussion about how installations fit within the economies of states and communities. While bases are important job creators and economic engines, this activity does not necessarily translate into state and local government revenues that can be reinvested in supporting bases. Possible topics for discussion include school funding, use of local small business for base services, and expanding the programs of DOD's Office of Economic Adjustment to help communities pay for infrastructure and services.

### Conclusion

While the Base of the Future is more a concept than an end state, the construct allows us to visualize, contextualize and communicate about conditions we wish to achieve for military bases in the United States, and to some degree worldwide. It is a framework for debate about how the needs of the modern military can and should be met in the face of constrained fiscal resources and increasingly troublesome threats to national security. It is a way for us to discuss how to care for our soldiers, sailors, airmen, Marines, family members, veterans and the civilians who perform the critical operations, maintenance, administrative and logistical functions

that free our warriors to fight. At the same time, we must never lose sight of the imperative that training the way we go to war is the ultimate objective, not optimizing cost effectiveness through consolidation. Arranging our military assets to reflect what we do when we deploy will maximize our operational effectiveness and compatibility.

Achieving the Base of the Future may be impossible, but working cooperatively toward common goals that meet shared needs certainly is not. The baseline for this cooperation is common planning. All aspects of planning — including land use, energy, transportation, public health and safety, education, resource management and economic development — must be incorporated into comprehensive planning efforts. The underpinnings of that planning are clear communication based upon common language, assumptions and goals.

Education and training will set the stage for continuous improvement in open communication and cooperation, and underscore that national security is a function of the entire society, not just the military. This will allow for the incremental but steady evolution of our bases into more efficient places that support tomorrow's missions as well as our military members, civilians and dependents.

Congress should address policy flaws that prevent DOD from treating state and local government with the same trust as that accorded FFRDCs. States should enact policies that encourage government agencies to cooperate with and support military bases. DOD should seek to expand and deconflict critical acquisition authorities and develop a centralized approach to setting the objectives for infrastructure and services decision-making based upon national security strategy guidelines, not parochial interests. DOD should also refine small business acquisition to include "buy local first" requirements with small business set-asides, and recognize the efforts of state and local governments to encourage small businesses when partnering with those jurisdictions. And the private sector must do its part to sustain the installations that typically play an oversized role in local economies.

All the stakeholders in this evolution must answer a call to long-term action and commitment. The Base of the Future may not have an end state, but its first steps can start today. Only through communication, coordination and cooperation will all stakeholders in tomorrow's military base realize its benefits.

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## ABOUT THIS PAPER

*The Association of Defense Communities convened more than 120 thought leaders from DOD, state and local government, industry and the United Kingdom on Nov. 5, 2015, for a policy forum titled “Concepts, Strategies and Actions for Moving to the Base of the Future.” Through a series of panel discussions and group breakouts, these experts, most of whom have decades of experience in the management and support of military bases, shared their knowledge and insights about this complex topic. Their input forms the basis of this paper.*

*Following the forum, the planning team for the event worked with ADC staff and leadership, and the ADC National Advisory Board to compile and distill those ideas. In addition to the participants in the forum, contributors to this paper include:*

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