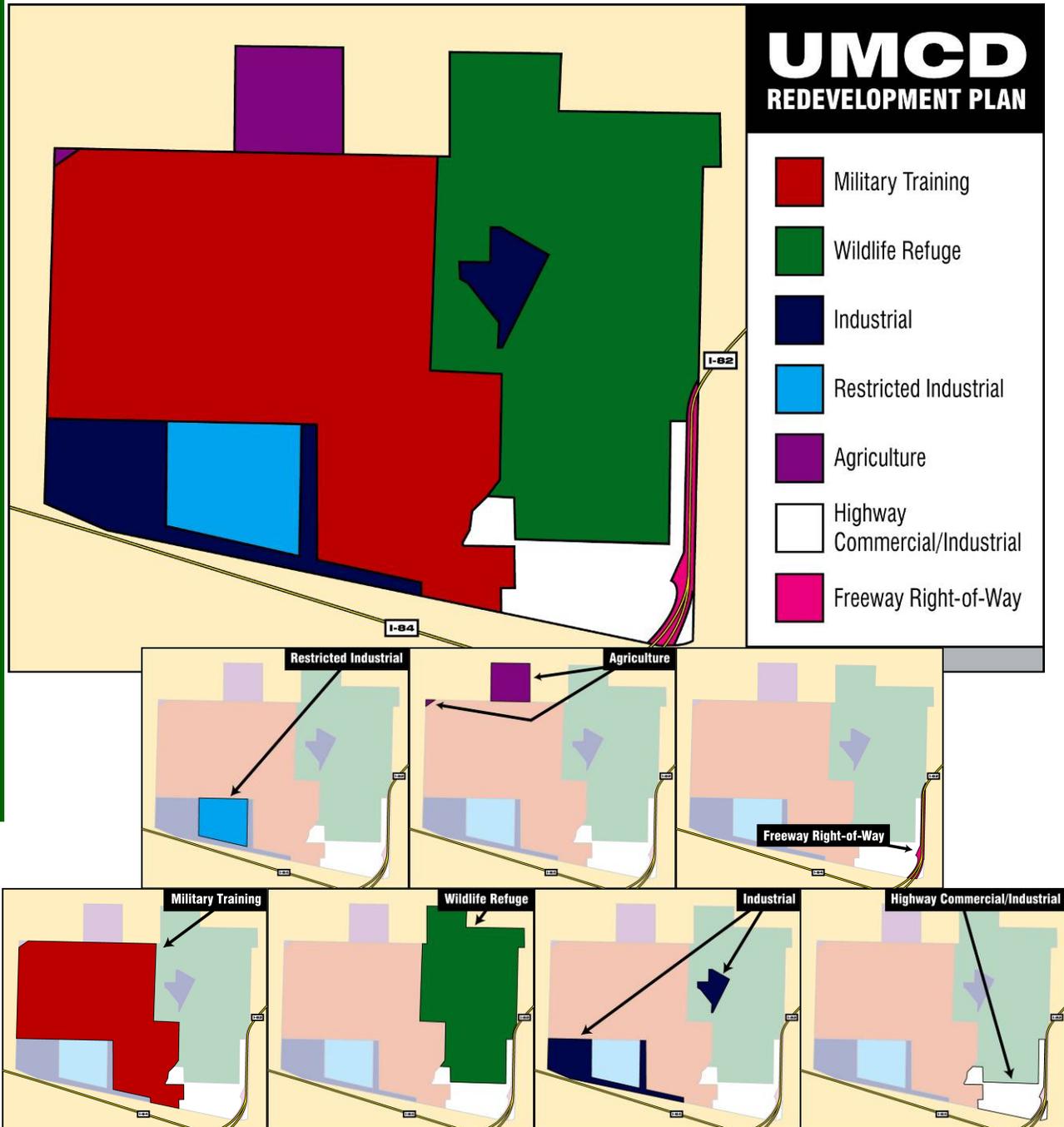


SECTION A: REDEVELOPMENT PLAN

PART I: REDEVELOPMENT AND IMPLEMENTATION STRATEGY



Umatilla Army Depot Reuse Authority

July 29, 2010

Supported by the Dana Mission Support Team

"Solutions Planning for the Changing Environment of the Umatilla Chemical Depot"

"This study was prepared under contract with the Confederated Tribes of the Umatilla Indian Reservation, Oregon, on behalf of the Umatilla Army Depot Reuse Authority with financial support from the Office of Economic Adjustment, Department of Defense. The content reflects the views of the UMADRA and does not necessarily reflect the views of the Office of Economic Adjustment."

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EXECUTIVE SUMMARY

The Umatilla Army Depot Reuse Authority (LRA) has developed this Redevelopment Plan and Implementation Strategy (RPIS or Redevelopment Plan or Plan) for the Umatilla Chemical Depot (UMCD or Depot). The Depot, which is approximately 17,000 acres in size exclusive of restrictive easements, is located in Northern Morrow and Umatilla counties in northeastern Oregon. Originally listed in the 1988 Base Realignment and Closure (BRAC) process, the Department of Defense ultimately recommended closure of UMCD during the 2005 BRAC round of announcements. The chemical demilitarization operation at UMCD is anticipated to culminate in 2012 (or later).

The LRA was established in order to address the economic impacts associated with the closure of UMCD, and to facilitate environmental goals as well as reuse opportunities by the Oregon National Guard. Leaders of the region as well as representatives supporting the State of Oregon's interests have served on the LRA for over two decades.

This Redevelopment Plan and Homeless Assistance submission to HUD and the Military Department is in conformance with Public Law 101-510, Section 2905(b)(7)(K)(iii)—“the Secretary of Defense shall dispose of buildings and property under clause (i) in accordance with the Record of Decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). In preparing the Record of Decision or other decision document, the Secretary shall give substantial deference to the Redevelopment Plan.

This Redevelopment Plan is important because the Military Department will use it to conduct the property disposal environmental analysis required by NEPA. The Military Department treats the Plan as a part of the proposed federal action for the installation. The Plan also serves as the basis for consideration of land transfers and property conveyance mechanisms.

This RPIS is divided into three sections:

1.0: Planning Process. The LRA utilized an extensive planning process with guidance from the Department of Defense Office of Economic Adjustment (OEA). The process employed a series of methods to collect information about the status and condition of UMCD as well as the thoughts and desires of the general public about reuse options. A total of ten tasks were completed by the LRA contractor, the Dana Mission Support Team (DMST), between the period of July 2009 and August 2010.

2.0: Redevelopment Plan. The Redevelopment Plan recommends specific redevelopment land use zones to accommodate the three overarching goals of economic development, environmental preservation, and military reuse.

3.0: Implementation Strategy. The Implementation Strategy makes specific recommendations regarding conveyance mechanisms for the land, a follow-on analysis specific to infrastructure recommendations, a ten-year business plan, and the establishment of an Implementing LRA to manage the economic development conveyances being recommended.

A Plan for the Future

This Redevelopment Plan and Implementation Strategy makes a series of recommendations to the US Department of the Army for the reuse of the Umatilla Chemical Depot in order to create jobs, preserve the environment, and foster the development of a training facility for the Oregon National Guard.

REDEVELOPMENT PLAN—OVERVIEW

There are six overarching factors that govern the opportunities and limitations with respect to reuse at UMCD:

- The state and national economy is recovering from a deep recession, and 1,170 individuals will lose their jobs or be relocated due to the pending UMCD closure. A significant portion of those positions are unique in character in that they were created as temporary project based jobs with special skill sets affiliated with the demilitarization of chemical weapons.
- UMCD offers significant locational and access-infrastructure advantages associated with transportation facilities, but is isolated from any larger metropolitan population base.
- The existing condition of the buildings and infrastructure at UMCD, with the exception of the UMCDF structures, are generally substandard. Many of the UMCD structures have unique military applications and are not easily converted to alternative uses.
- UMCD's physical expanse and existing site conditions offers large-scale reuse opportunities generally in short supply elsewhere including military training, habitat preservation, and certain types of large scale industrial and institutional applications.
- Preservation of shrub-steppe is a major environmental priority for the LRA.
- The Oregon National Guard has a specific, immediate opportunity to develop a training facility.

All of the factors listed immediately above have impacted both the Redevelopment Plan and the Implementation Strategy.

Set against the backdrop of these factors are three overarching goals established by the LRA:

- Economic Development (job creation)
- Environmental Preservation (with a special emphasis on the shrub-steppe habitat)
- Military Reuse (accommodating the needs and plans of the Oregon National Guard)

During a Values Mapping discussion held by the LRA in the summer of 2009, the above three overarching goals were weighted. The economic development and environmental preservation goals each hold a 40% weight while the military reuse goal holds a 20% weight. The weighting scheme developed by the LRA relates to the relative priority of the three objectives, not to a direct allocation of acreage.

Weighted Overarching Goals

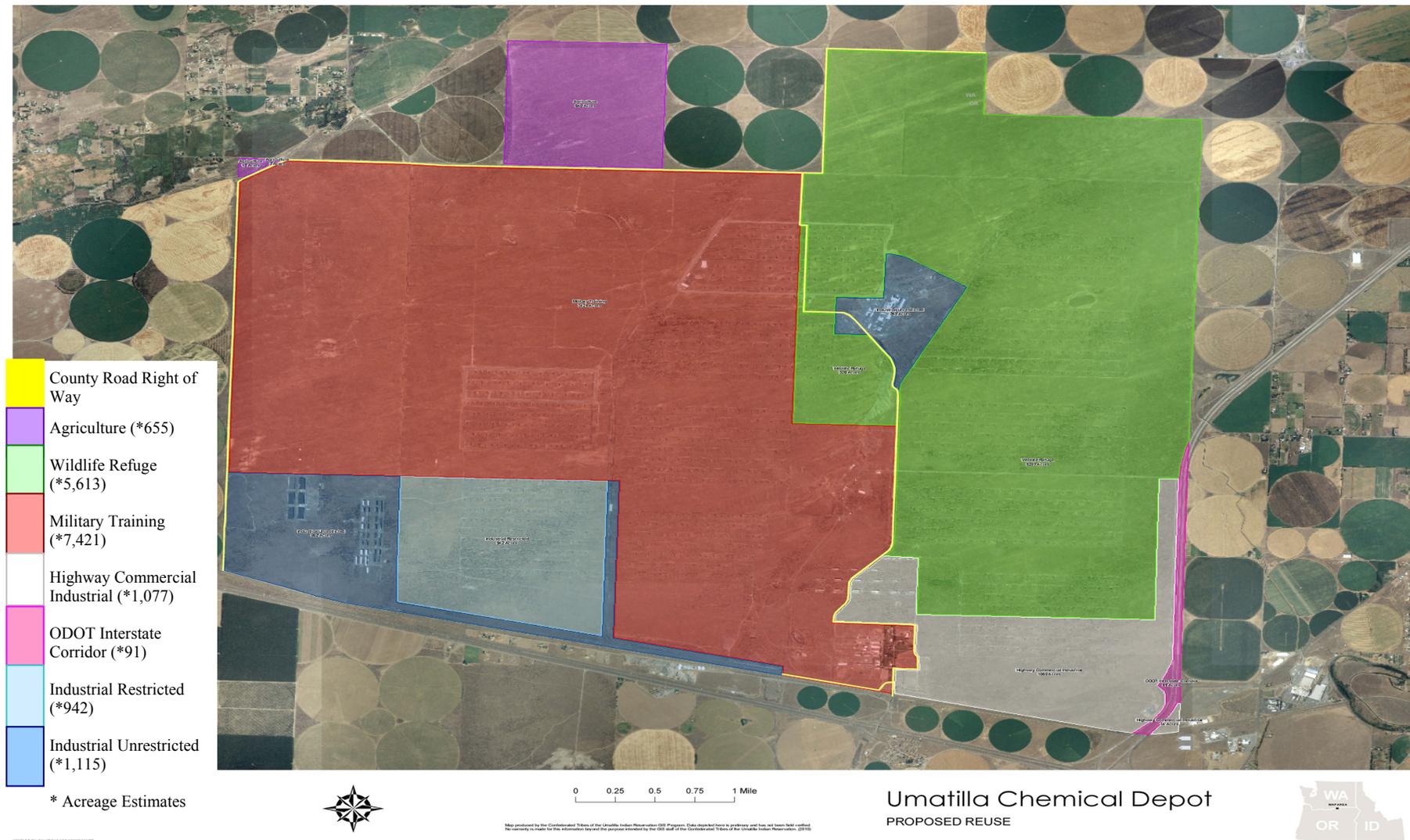
40% - Economic Development
40% - Environmental Preservation
20% - Military Reuse

The LRA believes this Redevelopment Plan and Implementation Strategy not only addresses all of the factors identified above, but also accommodates these three overarching goals.

SUMMARY OF PLAN COMPONENTS

The Redevelopment Plan and Implementation Strategy is the culmination of the work completed in eight separate assessments of regional needs and capabilities. A brief summary of each assessment is provided below. Complete renditions of the respective assessments are presented in **Section A_Part II**.

Figure 1: Proposed Land-Use Map



Morrow and Umatilla County Social and Economic Assessment

(See also: Section A_PII: 1.0)

The LRA has an opportunity unique to all of Oregon—planning for the development and preservation of 20,000 “new” acres. Never before in Oregon has this amount of land become instantly available for planning and reuse.

The DMST assisted the LRA by utilizing a proprietary methodology to assess the development assets at UMCD, and to prioritize redevelopment strategies based upon their greatest likelihood of success.

Economic Assessment
 The LRA used an objective approach to identify reuse opportunities that have the greatest likelihood for success.

This approach, referred to as *Building Communities*, analyzes 85 key success factors essential for advancing one or more of 25 alternate land reuse strategies. Both social and economic factors are considered in this analysis.

This Social and Economic Assessment begins by summarizing the relative comparative advantage of UMCD with respect to the 85 key success factors. These factors include social factors such as health care and quality neighborhoods as well as economic factors such as infrastructure and a quality labor force. For each of the factors, a score of between ‘0’ and ‘4’ is identified, and a brief synopsis explaining the key success factor score is presented.

The Social and Economic Assessment also presents regional economic trends, real estate trends, short-term reuse opportunities, and an analysis of maintenance costs associated with the preservation of the UMCD resources.

Finally, the Social and Economic Assessment provides an analysis of the potential impacts of job losses due to the closure of UMCD.

An analysis completed by WorkSource Oregon (also known as the Oregon Employment Department) identified the economic reliance and impact of UMCD on adjacent communities and counties.

In total, approximately 1,170 employees work at UMCD, with 635 residing in Morrow and Umatilla Counties. The total annual estimated payroll of the depot workers for the two counties is \$44,654,000. In addition to the direct employment, an additional 252 induced jobs are supported in the region. In total, therefore, an estimated 907 jobs representing total labor income of \$52 million annually will be lost at UMCD upon closure if mitigating actions are not taken.

Industries that will be most impacted by the decline in household spending resulting from the closure of UMCD include food and drinking places, offices of physicians/dentists/health practitioners, real estate establishments, private hospitals, retail, and wholesale trade.

Table 1: Prioritized Key Strategies

TOP STRATEGIES PRIORITIZED BY KEY SUCCESS FACTOR RESULTS INCLUDE (SCORED ON A SCALE OF 0-100):	
STRATEGY	POINTS
Energy Development	91.3
Telecommunications Businesses	83.8
Transportation Distribution Center	77.5
Attracting Government Funding	75.0
Environmental Restoration	73.8
Business Recruitment	73.0

UMCD Land and Facilities Assessment

(See also Section A_PII: 2.1 and 2.2)

The DMST completed two separate land/facilities reports, one summarizing the characteristics of the land and the other report summarizing the conditions of the facilities at UMCD.

Land - In total, the UMCD currently occupies 17,054 acres acquired either through purchase or Federal land transfer. In addition to fee simple land acquisition and transfers from the Public Domain, the Army also acquired by direct purchase and condemnation a number of restrictive easements for an additional 2,674 acres for a total of 19,728 acres. There are 1,411 Army owned structures encompassing approximately 3.6 million square feet.

Land and Buildings

The UMCD offers a large expanse of land as well as a large number of buildings (in various shapes and conditions) unique to the region.

The Depot can be divided into 15 specific land use sub-areas. The storage and demolition of ordnance and buffer zone land uses account for more than three-quarters of the Depot's acres of ownership and restrictive easements.

The land area is a semi-arid desert. The land cover outside of the administrative area is largely a drought-adapted steppe with a native shrub-steppe vegetation type. Elevations on the Depot range from 400 to 677 feet above sea level. The topography, with the exception of Coyote Coulee that cuts across the facility along a north 30-degree east axis, is largely flat to gently rolling terrain with slopes ranging from 0% to 7%. In general, topography does not represent a land use constraint on the Depot for any major land use with the exception of Coyote Coulee. The slopes in Coyote Coulee range from 5% to 10% along the western edge to 30% to 45% along the eastern edge of the escarpment.

The UMCD has excellent access to road, rail, and river transport. The Base contains approximately 196 miles of internal roadway, of which 160 miles are paved. The southeastern corner of the UMCD is adjacent to the intersection of Interstate 84 and Interstate 82. Immediately adjacent to the Depot, the Union Pacific Railroad operates one of the principle east-west rail line networks - a major factor in base location in 1941. The Depot, itself, has an internal rail network of approximately 50 miles of railroad track. Rail car loading facilities are available to and from Columbia River barges.

The landmass occupied by the Depot is part of a far larger region that constituted the historic homeland of the Cayuse, Umatilla, and Walla Walla Tribes. The Umatilla people occupied villages from Umatilla Rapids to Roosevelt Washington along the Columbia River taking advantage of abundant Salmon resources as a primary food source.

The existing water rights on the Depot represent a potential "limiting factor" in terms of reuse for intensive agriculture or industrial land uses. If all the current water rights on the Depot were applied exclusively for irrigated agriculture it is estimated that only 450 to 700 acres of the Depot's 17,054 acres could be brought into production depending upon the crop type. It should be anticipated that no further groundwater water rights of any significance could be issued under the "critical ground water areas" designation currently imposed by the State of Oregon.

The Port of Umatilla currently holds a water right to draw water from the Columbia River and retains substantial water rights equal to 80,000 gallons per minute of which less than 25% is currently allocated. The Port had an appraisal on the value of the water right conducted in 2000, where the value of water right was estimated at between \$39 million - \$51 million. Providing water to the site could be utilized as "matching funds" for development projects. Water capacity may also be available from the City of Irrigon's municipal system for industrial, institutional, or commercial land uses.

A review of BLM records has affirmed that formerly withdrawn lands from the public domain that includes 18 of 20 separate parcels have mineral rights retained by the BLM. Generally, the owner of the surface (fee less minerals) can use aggregate for his or her own purpose on site, but cannot commercially sell aggregate for off-site use without acquiring those rights from the BLM. There are two sections of land from the formerly withdrawn lands where mineral rights were not retained.

The other “non-withdrawn” tracts acquired by the Army when the Depot was first established were primarily sections of land that were initially railroad grants in 1896 and 1906. These grants were for the fee estate including minerals and would have included mineral rights at the time of acquisition. Later tracts acquired through condemnation would have also included mineral rights.

Facilities: This report also assesses the major facilities across UMCD. The assessment looks at the following general areas: Administrative areas, 100, 200 and 400 warehouse areas, K Block facilities, igloos, and the currently operating Umatilla Chemical Disposal Facility (UMCDF) where the remainder of the UMCD chemical weapons is being destroyed. The older UMCD facilities span across the entire Army Depot. Depot structures, with the exception of the UMCDF, were constructed to military base standard structures of the 1940’s era. Only a small number of structures have been occupied or used for the entire Depot life. Many were or still remain, un-used, un-occupied, or have been neglected for several years.

Conditions of the older major buildings and facilities at the Depot were evaluated by performing technical walkdown surveys, reviews of existing documentation, and interviews of Depot personnel for various architectural and engineering aspects. Overview inspections were conducted for the headquarters and administration buildings, warehouses and warehouses converted to offices, shop facilities, the fire and emergency response facility, on-base housing, military billets, recreational facilities including the gym, swimming pool, and the hall, and the dining hall and other older or deteriorating structures.

The facilities report is primarily a qualitative assessment of structures deemed for possible re-use. Detailed in-depth quantitative analyses of structures are necessary to establish valid re-use alternatives and the levels of required refurbishment and associated costs. For example, specific quantitative data including structural conditions, earthquake resistance, major dimensions/sizes, strengths of structural members, conditions and code compliance of wiring inside walls, and other data was not gathered for the purposes of this report. Some building and facility engineering drawings for some facilities were available; however specifications for the facilities were not found nor provided. Military standard design criteria and loads, material specifications, standard details, etc. from the 1940’s and 1950’s era could not be obtained to support preliminary conclusions.

Costs of surviving re-uses will depend upon the type of re-use selected, the decisions on the level of code compliance, and will require detailed quantitative building assessments for the intended reuse.

Summary: While UMCD has excellent transportation access, it harbors a number of significant limitations restricting certain realignment options in the short-term. Those limitations include:

- Isolation from a larger metropolitan population. The estimated Morrow County population in 2009 was 11,533 individuals with only 5.4 persons per square mile. Umatilla County’s estimated population in 2009 was 73,347 with its primary population centers of Hermiston (population 13,000) and Pendleton (population 17,000) 12 and 35 miles from the UMCD. The nearest population concentration is the small community of Irrigon with a population of 1,702;
- A facilities and infrastructure base that was largely created 70 years ago with limited capacity and generally in poor repair;
- Facility and land use configurations that are unique in their military application, restricting easy application to civilian uses; and

- Environmental limitations that will require remediation before reuse.

The above limitations impact the ability to replace job losses associated with Base closure with alternative high wage positions in a quick enough fashion to be effective if the plan strategy restricts itself to the only a narrow UMCD focus without considering more comprehensive alternatives. If both short-term and long-term optimization of potential benefits is to be achieved for local, regional, and national interests, the final Redevelopment Plan must creatively integrate the Depot’s strategic limitations and potential opportunities.

Infrastructure Assessment

(See also Section A_Part II: 2.3)

Conclusions reached in the Infrastructure Assessment report are preliminary and require more in depth physical examination and inspections as this process moves into the Implementation phase. The information collected to date, however, is sufficient for this RPIS.

The evaluation team encountered certain limitations during the building and infrastructure inspection. Internal building utilities were mostly covered by walls and the team did not remove or demolish any barriers (e.g. walls) to make observations. The team additionally did not perform any tests for asbestos, lead-based paint, potential contaminates or condition of existing materials (e.g. pavement, structural integrity, wire insulation). The team consists of professionals with many years of design and construction experience that are able to identify potential discrepancies from current acceptable standards for safety and occupancy.

Infrastructure
 Much of the infrastructure at UMCD will require significant improvement in order that many of the reuse alternatives become feasible.

The team did make infrastructure observations beyond the original scope of work in an attempt to identify possible resources that may have value for future reuse, specifically, the electrical ground circuit, the airport runway and the gravel resources. While these may or may not have value for future use, the resources should be documented and considered.

If additional resources are available to the LRA, it is recommended by the DMST that additional infrastructure analysis be completed in order to develop a specific Infrastructure Redevelopment Plan consistent with the reuses and implementation strategy identified in this Plan.

- THIS REPORT CONTAINS THE FOLLOWING INFRASTRUCTURE ELEMENTS:**
- Airport Runway
 - Electrical Ground Connectivity
 - Electrical Power Distribution
 - Gravel Resources
 - Potable Water
 - Roadways
 - Railroad
 - Storm Drainage
 - Sanitary Sewer
 - Umatilla Chemical Demilitarization Facility Infrastructure

Environmental Assessment

(See also Section A_PII: 2.4)

The environmental assessment did not identify any environmental constraints that will preclude the presently envisioned redevelopment of UMCD. Mutually agreeable demarcation of economic and environmental-related reuse zones, and careful planning of future activities within each of those zones, will clearly support acceptance and subsequent implementation of the Redevelopment Plan.

Environmental Condition

The LRA has identified the remaining “environmental clean-up” requirements that must be addressed in order to redevelop UMCD.

The U.S. Army has two major options regarding environmental cleanup of UMCD and property transfer under the Base Closure and Realignment Act of 1988 (BRAC; P.L. 100-526) and Defense Closure and Realignment Act of 1990 (P.L. 101-510). These options are:

1. Cleanup of all operable units under authority of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA; 42 U.S.C. 9601-9675, as amended) to those conditions set by the OU-specific Record of Decision (ROD). In such case, the site-specific covenant then documents that all known remedial actions were taken prior to property transfer from the Army to the Local Redevelopment Authority (LRA). The deed should specify that the Army will be responsible for remediating any contamination after date of transfer (start arising only from military service actions). This includes an access agreement with the LRA to perform such cleanup [CERCLA Section 120(h)(4)(D); or,
2. Early Transfer Authority: Property transfer occurs prior to completion of ROD requirements, but only after clear and mutually agreed upon stipulations exist as to the respective (Army vs. LRA) responsibilities regarding, “who, what, when, and where” for completing the necessary site-specific remedial actions. Such agreements will probably include engineering controls (eg. physical barriers) and/or institutional controls (eg. deed restrictions). The purpose of these land use controls is protection of human health and the environment before, during, and sometimes after site-specific cleanup.

Furthermore, the roles and responsibilities of the Army and property recipients regarding non-CERCLA cleanup actions must be clearly defined and agreed upon prior to transfer of a particular property. Such regulatory-based actions at UMCD include:

1. Decontamination and decommissioning (D&D) of the Umatilla Chemical Agent Disposal Facility (UMCDF) under authority of the Resource Conservation and Recovery Act (RCRA; 42 U.S.C. §6901 et seq., as amended).
2. Removal of lead-based paint, asbestos containing materials, polychlorinated biphenyls, and radon gas mitigation in structures, all under authority of the Toxic Substances Control Act (TSCA; 15 U.S.C. §2601 et. seq.).
3. Removal of other substances or materials that could pose serious hazard to onsite workers (eg. accumulated bio-hazardous wastes in presently unused buildings) under Section 5(a)1, General Duty Clause, of the Occupational Safety and Health Act (OSH; P.L. 91-596, as amended).

The LRA will work closely with the Army to ensure that property-specific cleanup is indeed appropriate to its future reuse, as defined to the extent possible by the UMCD Redevelopment Plan. This plan must accommodate the following Army-led remedial actions that will probably continue for the next 20 years:

1. Monitoring of selenium attenuation in alluvial groundwater at the Active Landfill site (OU 5);
2. Monitoring of RDX/TNT removal (via enhanced bio-physical treatment processes) in alluvial groundwater at the Explosives Washout Lagoon Site (OU 3);
3. Monitoring effectiveness of removing unexploded ordnance (UXO) at the Ammunition Disposal Area (ADA; OU 4).

The LRA will build upon the Army's significant cleanup programs made over the past 30 years if the following actions occur:

1. Ongoing and planned remediation of the industrial areas (eg. west warehouses and operations buildings) is protective of present and future worker health and safety;
2. Removal or retrofit of existing buildings and infrastructure (eg. utilities, roads) incorporates timely and appropriate environmental decontamination efforts (eg. removal of avian feces or other residual contamination) prior to initiating site-specific demolition or reconstruction activities;
3. Identification and mitigation of project-specific environmental impacts early in the planning process via performing site-specific biological and socio-cultural surveys and subsequent application of best management (environmental engineering) practices, respectively.

The creation and maintenance of an active partnership among the Army, the LRA and future property recipients will expedite the property transfer process, and promote the long-term economic and environmental goals for reuse of the UMCD. Such relationship should result in:

1. Achieving highest and best use of the Depot's industrial areas (including the UMCDF);
2. Enhancing military training activities by the Oregon National Guard;
3. Preserving (and possibly restoring) the Depot's extensive shrub-steppe plant and animal communities;
4. Protecting Native American sacred sites and significant historical sites present at the Depot.

Market Assessment

(See also Section A_PII: 3.0)

The Market Assessment forecasts market demand for short-term leasing and long-term potential for redevelopment based upon regional economic conditions, trends, and pressures affecting redevelopment. The scope of this study addresses land use types including agricultural, commercial, industrial, and recreational.

In an economic context the condition of the national, state, and regional economy is challenged. With the national unemployment rate recently near 10%, and a state and local unemployment rate even higher, communities and businesses across America are simply looking to “keep what they have”, rather than engage in significant job-creating investments. On the brighter side, the forecast for the national, state, and regional economy is improving.

This Market Assessment provides high-level economic statistics showing the trends and current conditions of the economy. The relevance of the economic statistics to the reuse decision-making by the LRA is emphasized in this analysis.

The report analyzes four types of land reuses: agriculture, commercial, industrial, and recreational. The following are the conclusions from this analysis:

- Industrial reuse opportunities clearly represent the greatest prospect for UMCD. Outstanding access and location, combined with the prospect for huge parcel sizes, affords numerous industrial reuse opportunities.
- Commercial and recreational uses are also possible, but are not likely to dominate the reuse of the UMCD. If specific alternatives for commercial and recreational reuse opportunities are considered desirable then the site selection is most likely to occur in the southeastern quadrant of UMCD, and capitalize on access to Interstate 84 and Interstate 82.
- Value-added agriculture opportunities may be possible, but the viability of this strategy is impacted by the availability of water and the existing capacity of the Port of Morrow and Port of Umatilla to accommodate such development.

Despite these opportunities, significant obstacles and challenges hamper many of the reuse possibilities that a typical community could advance. The key success factor methodology utilized by DMST concludes that 38 of 85 development factors rank substandard. This eliminates most economic development strategies from viable implementation. Focusing upon development strategies with greater success potential is recommended by DMST.

Despite the limited opportunities, the top strategies that remain stand a significant likelihood of success. The State of Oregon identifies three industrial development strategies as the top strategies for 2010 and 2011. Simultaneously, the key success factor analysis for UMCD pinpoints these three strategies as the approaches with the greatest likelihood for success:

- Energy Development
- Transportation Distribution Centers/Logistics
- Telecommunications Businesses

Finally, this market analysis forecasts that demand for reuse opportunities will increase as the state and national recession dissipates. In fact, the timing for the reuse of UMCD may coincide very well with a rebounding economy.

Market Assessment

Despite a challenging state and national economy, UMCD does afford reuse opportunities consistent with emerging market conditions.

Homeless Accommodation Assessment

(See also Section B in its entirety)

A Homeless Assistance Plan to the U.S. Department of Housing and Urban Development (HUD) was drafted in conformance with BRAC procedures and 24CFR 586.30. The report addresses:

- Information about homelessness in the communities in the vicinity of the installation
- Notices of Interest proposing assistance to homeless persons and/or families
- Legally binding agreements for buildings, property, funding, and/or services
- An assessment of the balance between economic and other development needs
- A description of outreach undertaken by the LRA

Homeless Accommodation

Two homeless service providers expressed interest in personal property in order to fulfill their respective missions.

Of the fifteen Notices of Interest received, only two were from homeless service providers although seven establishments had been invited to participate.

The two NOIs from homeless assistance providers requested personal property. The Agape House request for personal property includes office equipment, office furniture, a forklift, pallet jacks, mechanical tools, and woodworking tools to better serve their clients. CAPECO requested the use of two igloos and any and all household goods appropriate for independent living quarters.

After review of their NOIs, the LRA voted unanimously to recommend support to the service providers for their requests.

Redevelopment Alternatives Assessment

(See also Section A_PII: 5.0)

The LRA considered a series of alternatives before selecting a Final Redevelopment Plan and Implementation Strategy.

Five alternatives were prepared that considered alternate land use scenarios and alternative governance structures in recognition that the successful advancement of an implementation strategy required a broad consensus among the regional and state stakeholders.

Alternatives

Five prospective alternatives were presented and considered by the LRA before selecting the preferred alternative.

The table below provides a summary of the alternatives that were considered.

Table 2: At-a-Glance Alternatives

ALTERNATIVE	DESCRIPTION
#1—Preferred	A proactive approach by the LRA to designate specific land for industrial, commercial, military, and open spaces purposes
#2—Large-Scale	Development size standards (perhaps defined by an investment amount, jobs, or other parameters) that would be required in order for development activity to occur
#3—County Line	Each county would have total autonomy as to the identification of specific land uses
#4—Collaborative County Line	A Joint Powers Agreement would be developed that would recognize the individual desires of the counties but be incorporated in one overarching plan agreed by the entire LRA. Implementation activities would be governed by a local entity (probably the respective Port District)
#5—No Action	Concluding that there is not sufficient benefit to prescribe and implement specific land uses, the LRA would disband leaving total authority for land reuse to the US Department of the Army

In addition to the five Alternatives, three options for the management of the shrub-steppe habitat were evaluated. The first option would set aside land specific for the preservation of shrub-steppe. The second option would create a management overlay zone allowing shrub-steppe preservation in conjunction with additional objectives. The third option would provide for a combination of the first two options.

In addition to the description of the alternatives, three additional sections of this report are presented:

- An analysis of many of the suggested large-scale reuse opportunities analyzed in the context of the five alternatives
- An analysis of the 16 submitted Notices of Interest and their “fit” with the five alternatives
- Land use maps for each alternative

1.0: PLANNING PROCESS

The LRA conducted a competitive process during the Spring/Summer of 2009 and selected the Dana Mission Support Team (DMST), a joint effort by Dana Engineering, Inc. and MSE Technology Applications, Inc., to conduct the BRAC-defined planning process.

A task oriented process outlined by the LRA with guidance from OEA provided the guiding factors used by the DMST to meet the following objectives:

- Provision of a local office to provide line-of-site communications to LRA and Public; records keeping; website maintenance; and administrative functions.
- Development of a broad, current assessment of the land, buildings, and infrastructure
- Inventorying of economic development and reuse opportunities
- Assessment of the current environmental condition of UMCD
- Completion of a market analysis
- Identification of homeless service opportunities
- Consideration of viable alternatives for redevelopment
- Provision of widespread opportunities for public input
- Development of the Redevelopment Plan and Implementation Strategy (RPIS)

The DMST established an administrative office in Umatilla, Oregon to ensure responsive communications with the LRA and the general public.

Under the leadership of the LRA, the DMST helped to coordinate LRA meetings, public workshops, focus group sessions, and public hearings to produce the Redevelopment Plan and all coordinating documents. The table on page 14 briefly summarizes the inputs and outputs of the planning process.

Table 3: The Planning Process

THE PLANNING PROCESS					
Inputs			Outputs		
Procedure	Amount	Date *	Tasks/Reports	Date *	Purpose
LRA Meetings	12	Monthly	Early Community Outreach (four reports)	August October November	Public outreach: identification of community's future vision of UMCD; Values Mapping
Website Feedback	Ongoing	Entire Year	Land Analysis	October	Description of the characteristics of the land
Direct Feedback to LRA Members and DMST Staff	Ongoing	July June	Facilities	November	Summary of UMCDF, Administrative Area, warehouses, igloos, etc.
Public Workshops	2	August September	Environmental Assessment	November	General summary of the environmental condition of the land and buildings
Focus Group Sessions	3	October November	Infrastructure	December	Summary of airport runway, grounding network, electrical distribution, gravel resources, potable water supply, roads, railway, storm drains, sanitary wastewater, natural gas, and UMCDF facilities
Public Forums	2	April June	Social and Economic Assessment	December	Summary of the economic reuse opportunities at UMCD
<i>* The dates in this table refer to the range of dates from July 2009 – August 2010.</i>			Market Assessment	December	Determination of the market demand for short-term leasing and long-term potential at UMCD
			Alternatives Report	April	Presentation of five general alternatives for UMCD reuse.
			Redevelopment Plan and Implementation Study	August	Final recommendation by the LRA to the Department of the Army and HUD

INITIAL PLANNING AND PUBLIC OUTREACH

Due to the importance of Initial Planning and Public Outreach, DMST provided four separate reports related to communications and outreach to the LRA and posted them on the website for public review. These reports can be located under *Exhibits: Early Outreach Reports* or at http://www.missionumatilla.com/dmst_reports.html.

Deliverable Report Task 2.2 was the first report and summarizes the results of an LRA meeting that utilized a proprietary DMST approach, *Values Mapping®*, to envision the “characteristics of an outstanding LRA Board” and the “characteristics of outstanding land use for the UMCD”. The results of this meeting helped to build consensus related to the internal and external functions of the LRA.

Public Outreach
 Extensive outreach to the general public has helped to ensure that the LRA is being responsive to community needs and expectations.

Deliverable Report Task 2.3 summarizes the results of the early public outreach workshop that was conducted on October 20, 2009. This report collected information from the general public on “outstanding land use for the UMCD”. The results show the general public supports economic development, natural resource management, environmental stewardship, contributions to livability, and thoughtful planning as the top priorities.

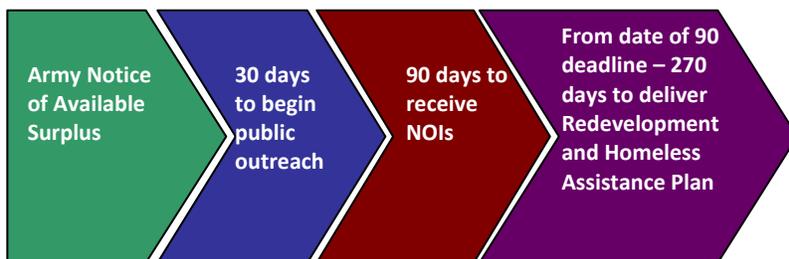
A third report (*Deliverable Report Task 2.6*) summarizes the findings from two focus group sessions conducted on October 27, 2009. The report provides a summary of what the general public *expects* to happen, what *concerns* they have, what *suggestions* they have, what *economic benefits* and *environmental protection objectives* they have, and offers insight on the proposed use by the Oregon National Guard. In general, the public expects the reuse of UMCD will generate both economic and environmental benefits.

Finally, *Deliverable Report Task 2.7* summarizes the results of 18 personal interviews that were conducted of LRA members and community opinion leaders in the fall of 2009. The report summarizes responses to seven specific questions: duration of involvement, personal vision, personal expectations, limitations for reuse, planning concerns, suggestions to LRA, and governance options. In general, the report underscores the continued commitment by LRA members to achieve the benefits of reuse of UMCD they have been seeking for nearly two decades.

The findings of all of the public outreach sessions have been incorporated by the LRA into the reports and this Redevelopment Plan and Implementation Strategy. The public input was fully considered by the LRA in arriving at its final Plan.

The Notice of Interest Process

Another key element of the public outreach effort relates to the process to call for and receive Notices of Interest (NOI) from the Homeless Service Providers (HSP) and Public Benefit



Conveyance (PBC) qualified agencies in the local region.

The NOI process sets the timeline for the delivery of the Redevelopment Plan to the DoD and HUD.

The LRA was allowed an extension by HUD and DoD when DMST began their support contract in August of 2009. This

allowed for more extensive outreach to be done ensuring all Homeless Service Providers in the area were allowed the opportunity to participate in the process. This extension moved the submittal deadline of the Redevelopment Plan from May 30, 2009 to August 20, 2010. (270 days from Nov. 23, 2009 – Deadline for receipt of NOIs)

DMST held two public workshops to encourage the local community to become active participants in the process. The workshops included bus tours of the Umatilla Chemical Depot, presentations explaining the process and the deadlines, and subject matter experts to field questions. The BRAC and HUD guidelines require the LRA to review the NOIs and make recommendations within their redevelopment plan for property transfers. It is up to the DoD to accept these recommendations and make the final decisions. There are three important and distinct aspects to the Public Benefit Conveyance (PBC) Process (The process used to guide the LRA in recommendations to the DoD/HUD for property transference after the Redevelopment Plan has been approved): Homeless Assistance, Public Benefit Conveyances, and Negotiated Sales.

Types of PBCs

Homeless Use
 Educational
 Public Health
 Correctional Facility
 Public Parks/Recreation
 Historic Monuments
 Port Facilities
 Highways
 Wildlife Conservation
 Law Enforcement
 Public Airports
 Self-Help Housing
 Emergency Management

As mentioned in the Homeless Assessment summary, the LRA received fifteen NOIs.

2 Homeless Service Providers
 12 Public Benefit Conveyance Requestors
 1 Private Interest
 0 for Negotiated Sales

The LRA assigned a subcommittee to review the NOIs. The NOI Review Team consisted of one member from each of the five political entities and one ex-officio member from the Oregon National Guard. The LRA consultant team acted as mediator, requirement's guide, and recorded the informational sessions and NOI review meetings.

Early discussions and meetings identified the need for a process in which the LRA could evaluate information needed to make decisions. A proposal decision tree was developed which provided key factors for consideration and gave determination to each criterion. Although originally developed to assist in determining reuse alternatives, the tool was modified to be applicable to most decision criteria throughout the planning process, including the evaluation of NOIs as they relate to the Redevelopment Plan.

Additionally, the subcommittee reviewed the documents against criteria mandated by the BRAC/HUD guidelines such as organizational profile capacity; previous experience; comprehensive plans; land use compatibility with the redevelopment plan; need for proposed use; community benefit; LRA values of environmental, economic, and military support; financial plan; and personal property. Other contributing factors included local and state zoning laws; land use laws; environmental remediation needs; and similar factors.

The NOI subcommittee brought their recommendations before the board in March of 2010. The LRA board voted on each of the recommendations after the presentation. The final determinations were:

- Two Homeless Service Providers approved without reservation.
- U.S. Fish and Wildlife approved and incorporated into land-use plan with modifications.
- Oregon National Guard approved and incorporated into land-use plan with modifications.

- Oregon Dept. of Transportation submitted 2 NOIs: 1 for transfer of an easement approved without reservation; 1 for a staging area that was approved with reservation to negotiate location.
- Morrow and Hermiston Schools: The LRA determined it was not in the best interest of the local children to have educational services near the proposed military training facility. Recent changes in Oregon land-use law would prohibit the establishment of schools beyond area Urban Growth Boundaries without special exception and circumstances.
- Hermiston Fire District: The LRA did not recommend approval based on current and future planned needs at the site. The approval of this PBC would remove the required capability to provide fire protection to depot property – a high fire danger environment with annual fire events.
- City of Irrigon: The LRA did not recommend approval based on current and future planned needs at the site. There were several concerns regarding the potential approval of this NOI: the requested properties were outside the Urban Growth Boundary and not easily annexed under Oregon land-use law; the NOI did not support the LRA environmental and military support goals; it was unclear who the sponsoring federal agency would be.
 - Although the NOI was not approved, the LRA has worked diligently with the City of Irrigon to support and accommodate their needs including a significant number of modifications to the land-use plan.
- Umatilla County retracted their NOI shortly after submittal.
- The Ports of Umatilla and Morrow were both approved as modified by full LRA discussions.
 - The LRA's eventual recommendation for no-cost economic development conveyance replaced the Ports original NOI's as the preferred alternative for these portions of the land-use plan.
- Two private interests were determined not to be eligible for a Public Benefit Conveyance but will be kept on file for potential economic development opportunities.

2.0: REDEVELOPMENT PLAN

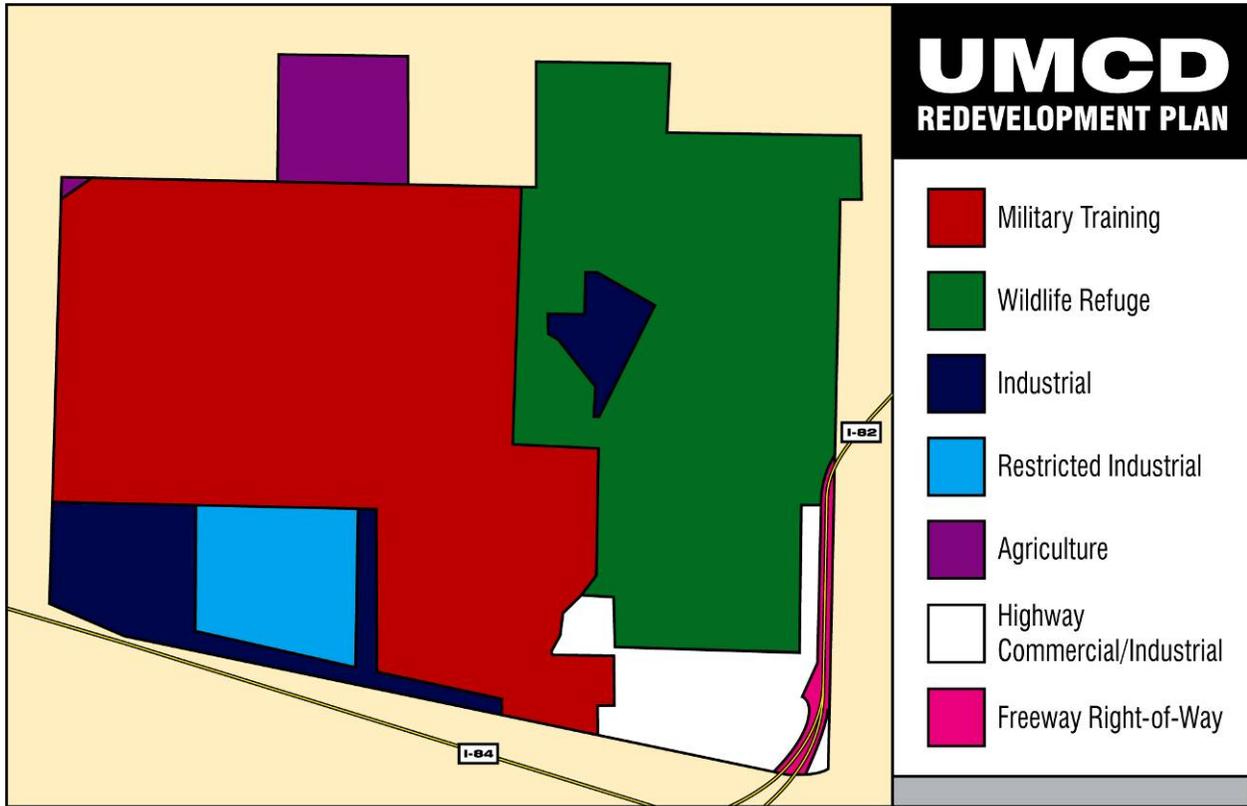
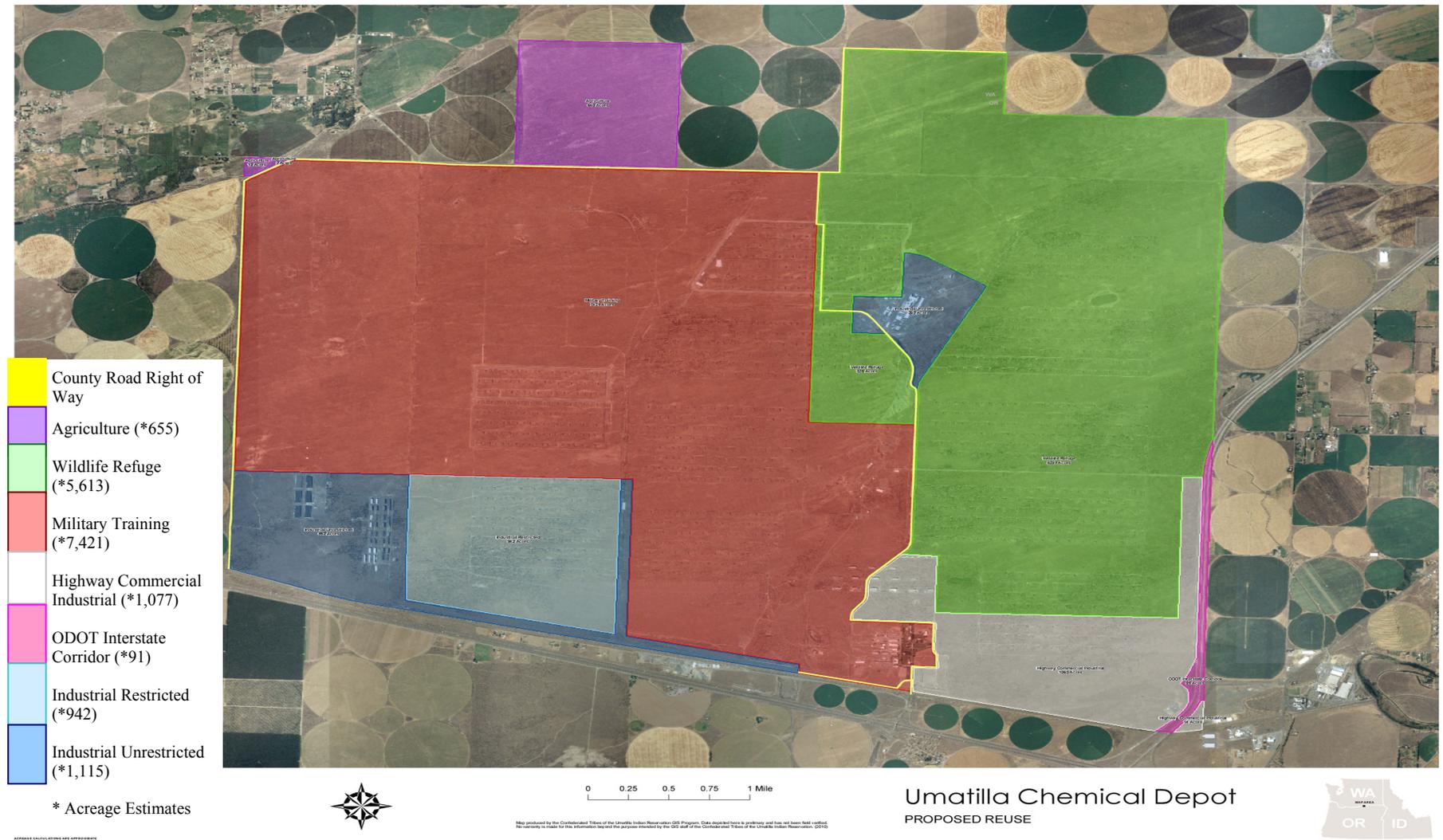


Figure 2: UMCD Redevelopment Plan

The Redevelopment Plan section of this document presents the seven zones that have been selected by the LRA for reuse of UMCD. These zones are graphically depicted in the figure above. A GIS-based map also presents the reuse plan on the following page.

Figure 3: UMCD Proposed Land Reuse



REDEVELOPMENT ZONES

This Redevelopment Plan suggests six major redevelopment zones:

- Military Training
- Wildlife Refuge
- Industrial (and Restricted Industrial)
- Highway Commercial/Industrial
- Agriculture
- Freeway Right-of-Way

As shown on the map on the previous page, approximately 75% of the overall acreage is split between the Military Training and Wildlife Refuge uses. The table at right presents the total acreage for each of the respective Redevelopment Zones. (Note: The acreage estimates are based on a GIS analysis that will have some variance with more accurate field survey techniques. There is approximately a 100-acre discrepancy between the 17,054 acres of known ownership at UMCD at the GIS based redevelopment zone acreage analysis.)

Table 4: Redevelopment Zone Acreage

Redevelopment Zone Acreages	
Zone	Acres
Military Training	7,421
Wildlife Refuge	5,613
Industrial	1,794
Highway Commercial/Industrial	1,348
Agriculture	655
County Road ROW (estimated)	120
Freeway Right-of-Way	TBD
Total	16,951

The Industrial Zone is comprised of two sub-zoning designations:

- General Industrial
- Restricted Industrial

The table below provides a broad overview of the general redevelopment activity that will take place in each of the respective Redevelopment Zones and sub-zones.

Table 5: Description of Zones

Description of Redevelopment Zones		
Zone	Sub-Zone	General Description of Redevelopment Activity
Military Training		Land that is set-aside and secured for use by the Oregon National Guard for military training exercises
Wildlife Refuge		Land managed by the US Fish and Wildlife Service to preserve the shrub-steppe habitat for existing and potential wildlife species
Industrial	General	General industrial uses of the land
	Restricted	Industrial use that is limited to the utilization of igloos for storage
Highway Commercial/Industrial		Acreage that is set aside for Highway Commercial/Industrial Redevelopment opportunities
Agriculture		Exclusive Use Agriculture to be used in a land exchange for nearby Industrial Zoning
Freeway Right-of-Way		Simply a change in ownership to allow the Oregon Department of Transportation to own the land associated with I-82

Military Training Zone

Since the early 1980s, the Department of the Army, through the Corps of Engineers, has licensed the Oregon Army National Guard use of the UMCD. The license authorized construction projects and maintenance of UMCD facilities at ORNG expense. Historical facility uses include a 25M live-fire range, field maintenance shop and vehicle compound, tank crew proficiency course, billeting, dining facility, helipad, and simulations.

Previous LRA and ORNG negotiations included a recommended federal-to-federal transfer agreement dated March 21, 2000. The original proposed property transfer included the Ammunition Disposal Area (ADA) (1,760 acres), K-block (1,400-1,500 acres), area south of ADA (20 acres), three ammunition bunkers, buildings 36, 52, 53, and 54 until replaced in K-Block, and building 115 until new maintenance facility is available.

The current interest of the ORNG is summarized below:

- The Department of the Army has acknowledged that the ORNG has validated training requirements and a long history of use at the UMCD, and encourages the LRA to work with Major General Raymond F. Rees, Adjutant General, Oregon in development of a plan to maintain the training requirements of the ORNG.
- Maintain the ORNG's range and training activities and facilities while working in concert with area representatives to provide economic and resource management opportunities for the local communities. The proposal by ORNG has the endorsement of United States Army Vice Chief of Staff General Peter W. Chiarelli. Chiarelli has recommended that the proposal by ORNG be included in the redevelopment plan.
- Capitalize on the opportunity to use vacated demilitarization facilities, ranges, and field training areas to establish a formal Intermediate Training Complex (ITC).
- The ORNG presence on the UMCD is beneficial to the surrounding communities, the State of Oregon, and the nation in support of ongoing Overseas Contingency Operations.

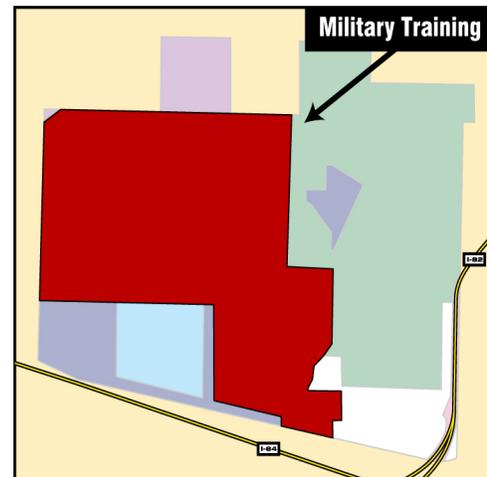


Figure 4: Military Training Zone

The current proposal by ORNG includes the development of an ITC with specifications as follows:

- Designed to support individual and collective training
- Training facilities are focused on individual through platoon weapons proficiency and company maneuvers
- Full-time manning support and cantonment facilities
- Small arms range and maneuver space
- Construction will generally be limited to the requirements necessary to support training of a company sized element (100-150 soldiers each)

The required facilities include:

- Company Supply and Administration (8,940 sq. ft)
- Open bay barracks (570 beds including classrooms and laundry)
- Dining facilities (200 people per company) (13,500 sq. ft Consolidated Dining Facility)
- ID Processing Center (1,044 sq. ft)
- Field Maintenance Shop (6,144 sq. ft. building plus vehicle parking area)
- M1 Abrams Tank Simulation Conduct of Fire Trainer (SIMCOFT) Facility
- Range Operations building (2,508 sq. ft.)

- Ammunition Holding Area
- Small Arms Live-Fire Range Complex
- Tank Crew Proficiency Course (TCPC) (two miles by 1 mile)
- Mobile Conduct of Fire Trainer Pad (M-COFT)
- Helipad
- Fuel Storage and issue point
- Supporting Infrastructure including Utilities and Roadways

One of the factors to overcome with the designation of land for use by the ORNG is the inability for the respective taxing authorities (Umatilla County, Morrow County, Port of Umatilla, Port of Morrow) to benefit from property taxes under the federal Payment in Lieu of Taxes (PILT) program. While land designated for use as a US Fish and Wildlife-managed refuge is eligible for federal PILT payments, the land owned and managed by the ORNG is not.

While federal PILT payments are not available, the ORNG offers other economic benefits including personnel and their associated payroll, expenditures in nearby communities, and the ability to design and construct the road network through portions UMCD.

The estimated support staff for the ITC would be 63 employees with an annual projected salary of \$3,258,430. The table below summarizes the facilities, soldiers trained, firing range requirements, and land use requirements of the ORNG at UMCD.

Table 6: ORNG Staffing, Facilities, and Land Requirements

Oregon National Guard Staffing, Facilities, and Land Requirements			
Facility	Annual Throughput Requirement	Firing Points/Lanes	Land Use Requirements
Intermediate Training Center	9,780 Soldiers	NA	100 acres
Ammunition Supply Point	NA	NA	35 acres
Field Maintenance Shop/Unit Training Equipment Site	NA	NA	10 acres
Range Operations and Maintenance Facilities	NA	NA	15 acres
Combat Pistol Qualification Course	196 Soldiers	15	553 acres
25m Zero Range	644 Soldiers	16	811 acres
Modified Record Fire Range	644 Soldiers	16	1,446 acres
Grenade Launcher Range	51 Soldiers	4	60 acres
Maneuver Training Area	3,685 Soldiers	NA	5,200 acres

*Annual throughput requirement is based on commanders seeking 100 percent qualification of all personnel on their assigned weapon

*Weapons surface danger zones overlap decreasing the total land use requirement

*All ranges are constructed to TC 25-8 standards

*Based on all units assigned to training for four three-day periods per year

*Based on four field training exercises per year

Administrative Area District

Despite the fact that the Administrative Area at UMCD has benefited from the greatest long-term commitment to use and maintenance of the buildings, the Administrative Area represents one of the least sought after portions of the 20,000 acre-facility.

While the administrative complex is comprised of structures that can be immediately occupied, the 1940s era construction is largely outdated, inefficient, and subject to higher maintenance costs than

new construction.

The most accessible and highly-visible portion of UMCD is the Administrative Area, a 191-acre campus with direct access to Interstate 84.

The Administrative Area is comprised of buildings that have formed the headquarters for the military operations since 1941. Most of the structures are World War II-era buildings that have been maintained sufficient for military standards, but would require significant improvements in order to meet building code requirements.

Throughout the public process to outline the future of UMCD, very little interest was expressed by either public or private entities for reuse of the complex. While on one hand the complex contained structures and settings that uniquely present the history of UMCD, the specific ownership and management of this area is somewhat uncertain.

Recognizing the need to have centralized management and maintenance of the Administrative Area, the Oregon National Guard has stepped forward to utilize the Administrative Area not only for their needs, but also to facilitate the use of the Administrative Area by other state agencies. Future reuse of the Administrative Area may also include other public and private uses. The ORNG has experience managing Memorandums of Understanding/Agreement with public and private interests to utilize land and facilities.

One of the specific reuses of the land generally recognized as the administrative area relates to the request by the Oregon Department of Transportation for approximately seven acres serving as a maintenance and materials storage area. It is recommended that a portion of the administrative area be utilized for this purpose.

The former depot Administrative Area is well suited for a variety of institutional and civic uses that may be developed on a shared facility basis. The area is intended as the cantonment area for the Oregon National Guard's training facility designated on 7,230 acres adjacent to the Administrative Area. Other institutional users may include the Oregon Department of Transportation, Oregon State Police, and Red Cross. The area is well suited for further development as a regional emergency services center serving the entire Pacific Northwest. It also has the potential to serve as a training facility for state and local law enforcement.

Other institutional and civic use applications may include a visitor center associated with the proposed U.S. Fish and Wildlife Service refuge adjacent to the designation. That facility or an adjacent building may also serve as a historic interpretative center for Interstate travelers regarding the role and former activities of the Depot. Commercial educational services and major event entertainment such as a site for an Eastern Oregon State Fair Grounds have also been suggested. Limited subsidiary commercial travel services may be offered, primarily food service, for visitors with an interest in the wildlife refuge and historic heritage of the former depot.

Wildlife Refuge Zone

Leadership at CTUIR has generated a response by the US Fish and Wildlife Service (USFWS) to establish a 5,613 acre wildlife refuge to preserve and support the shrub-steppe habitat as well as other plant and wildlife species at UMCD.

The USFWS proposes to manage the shrub-steppe and grassland habitats of the UMCD as a unit of the National Wildlife Refuge System for the benefit of the American people. This would include a jurisdictional transfer of the land from the Department of Defense to the Department of Interior/USFWS.

UMCD represents some of the last large contiguous tracts of shrub-steppe habitat on the Columbia Plateau. USFWS indicates that protection of these habitats is critical to assuring the long term viability of shrub-steppe species including burrowing owls and long billed curlews within the Columbia Plateau in Oregon. The current breeding population of owls on UMCD is a local, regional, and nationally significant population and may be the largest in the state.

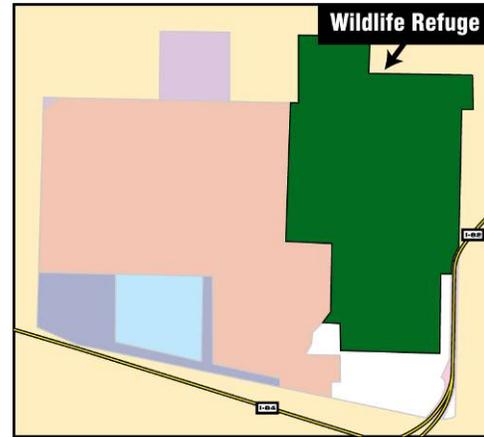


Figure 5: Wildlife Refuge Zone

The area has potential for providing opportunities for environmental education and public uses where appropriate and would provide economic stimulus for the surrounding towns. Transfer to the USFWS for management could occur as soon as the current mission is completed.

UMCD is located within the Pacific Flyway zone. Habitats within the area serve as resting, feeding, and nesting areas for migratory birds, wildlife, and invertebrates. Species current listing status was obtained from Oregon Department of Fish and Wildlife (2008) and USFWS (2008).

Burrowing Owls are declining in the northern half of their breeding range. The breeding range does include UMCD, and most of the western half of the United States as well as parts of Canada and Mexico.

The annual population decline is approximately 1.5%, with a cumulative decline of approximately 45% over the past 40 years. The overall breeding range for the Burrowing Owls has been reduced by 56% during this 40-year period.

The following migratory bird species have occurred on the area during at least portions of the year. Each species current (9/12/2009) listed status for this region is listed on the following page.

Table 7: Migratory Bird Species

Migratory Bird Species		
Species Name		Listing Status
Northern sagebrush lizard	<i>Sceloporus graciosus graciosus</i>	Federal Species of Concern/State Sensitive
Bald eagle	<i>Haliaeetus leucocephalus</i>	Federal Monitor/State Threatened
Burrowing owl	<i>Athene cunicularia</i>	Federal Species of Concern/State Sensitive
Loggerhead shrike	<i>Lanius ludovicianus</i>	Federal Species of Concern/State Sensitive
Sage sparrow	<i>Amphispiza belli</i>	Federal Species of Concern/State Sensitive
Ferruginous hawk	<i>Buteo regalis</i>	Federal Species of Concern/State Sensitive
Swainson's hawk	<i>Buteo swainsoni</i>	Federal Species of Concern/State Sensitive
Long-billed curlew	<i>Numenius americanus</i>	Federal Species of Concern/State Sensitive
Peregrine falcon	<i>Falco peregrinus</i>	State Sensitive
Lewis' woodpecker	<i>Melanerpes lewis</i>	Federal Species of Concern/State Sensitive
Grasshopper sparrow	<i>Ammodramus savannarum</i>	State Sensitive
Green-tailed towhee	<i>Pipilo chlorurus</i>	Federal Species of Concern
Brewer's sparrow	<i>Spizella breweri</i>	Federal Species of Concern

The USFWS does not anticipate any immediate facilities expansion. Visitor services programs which may include environmental education, interpretation, wildlife observation, and limited facilities could be incorporated into the management of the area. In the long run, new visitor facilities could be constructed for the wildlife area.

With respect to fire suppression, the USFWS has a program that addresses this significant concern. Opportunities for a multi-agency fire suppression plan governing the entire UMCD would ensure that the future property owners coordinate and collaborate fire suppression efforts.

It is in the interest of development authorities (most notably the Ports of Morrow and Umatilla) that the land designated at UMCD for National Wildlife Refuge status contributes toward the future capability of the port districts to advance their industrial development interests in other locations. (See: "Special Considerations" later in this chapter). That is, the establishment of this habitat conservation area along with other resource management conservation measures included in the Plan should serve to enable the respective port districts to advance their development projects in other areas of lesser habitat significance with the knowledge that one of the two largest and best preserved reserves in the Columbia Basin of shrub-steppe habitat has been protected.

Easily lost in the redevelopment of UMCD is the realization that much of the 17,000 acres of land that has been reserved for military and industrial purposes under the Redevelopment Plan is now being designated for habitat and wildlife preservation in some capacity. (See: Special Considerations section.)

It should be noted that this Plan advocates for the protection of shrub-steppe not only in the refuge area, but beyond this designated area. The shrub-steppe areas of UMCD would also be protected by a shrub-steppe overlay that may allow for the advancement of shrub-steppe preservation with economic goals simultaneously. The specific areas of UMCD outside of the refuge area to be protected by the shrub-steppe overlay would be determined during the plan implementation phase.

Industrial Zone

Two distinct areas for industrial zoning are included in this Redevelopment Plan. As shown in the map at right, there are two major areas for industrial reuse:

- Land in the southwestern corner
- The UMCDF area

The largest segment of Industrial-zoned land forms the entirety of the southern border of UMCD within Morrow County, and includes the industrial warehouses and some of the igloos south of the most southern boundary of the ADA area.

The industrial land use is intended to accommodate a broad range of both heavy and light industrial applications in areas that have largely been previously committed to associated activities. The land use designation in the plan is primarily associated with existing brownfield sites with developed transportation links, both rail and Interstate highway, well situated for future industrial development after infrastructure modernization and building remediation. The acreage associated with the previously committed developed areas is significant enough to accommodate larger scale industrial applications that are often difficult to locate. Moreover, the location of these areas is at some distance from urban concentrations reducing urban interface conflicts and transportation related impacts.

The designation is intended to accommodate a range of potential future industrial categories including industrial services: manufacturing and production; warehouse, freight movement and distribution; wholesale sales; and utility and energy related applications. Industrial services may include firms engaged in the repair or servicing of industrial, business or consumer machinery, equipment, products or by-products. Manufacturing and production firms, both light and heavy, may be involved in the manufacturing, processing, fabrication, packaging, or assembly of goods.

Warehouse, freight movement, and distribution activities may include but not be limited to major wholesale distribution centers; truck or rail terminals, warehouse complexes, emergency services stockpile and distribution facilities; and terminals for the storage and shipment of agriculture products.

Utility and energy related applications could include energy recovery plants, NEO-electric grid Hub, and alternative energy development.

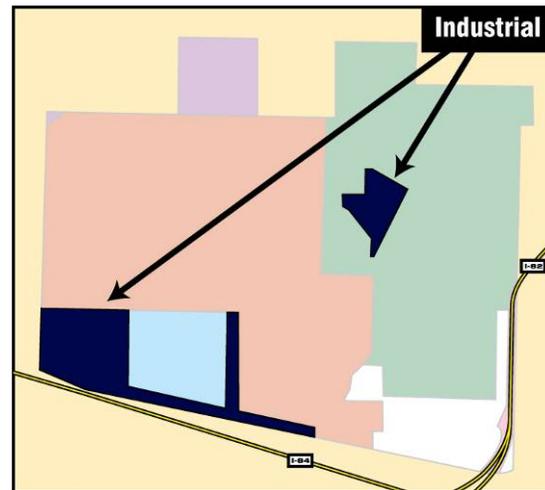


Figure 6: Industrial Zone

Industrial Reuse of UMCDF Area - By far the greatest economic value at UMCD is represented by the Umatilla Chemical Disposal Facility (UMCDF). The facility, which contains entirely modern structures, was constructed at an approximate cost of \$700 million. The facility became operational in 2004.

Two primary complications exist for reuse and salvage at UMCDF: 1) portions of the structures are contaminated by their chemical demilitarization mission, and 2) the existing permit with the Oregon Department of Environmental Quality would require modification in order to reuse many of the structures.

Despite these two challenges, the upside for reuse and salvage is significant. A broad engineering ballpark estimate of value at 2% - 5% of the original construction cost would yield between \$14 million and \$35 million for the LRA. It would be required that the LRA plan to reinvest any salvage earnings back into the job-creating mission.

The LRA has concluded that there is significant potential value in preserving and reusing equipment and structures at UMCDF. From a reuse perspective, the buildings with the greatest industrial redevelopment value at UMCD are virtually all located at UMCDF. Opportunities for industrial development benefiting from modern buildings, utilities, and other infrastructure can be significant.

A more in-depth analysis of the reuse of the UMCDF facility could be part of the follow-on infrastructure analysis and business plan overseen by an Implementing LRA.

The LRA would need to work with Oregon leaders and the Oregon Department of Environmental Quality to continue measures that have already been initiated by the LRA to modify the DEQ permit so that valuable assets are not otherwise destroyed. The demolition of certain contaminated facilities will still be a requirement of the RCRA permit.

Preliminary discussions have been held with the Port of Umatilla to be the lead agency to coordinate the UMCDF reuse and salvage strategy under the auspices of an Implementing LRA.

Restricted Industrial

This land, bordered by general industrial zoning to the west, south, and east will be limited to the utilization of the igloos for storage. Use of the roads for ingress and egress to the igloos will be allowed, but all traffic and industrial use must be sensitive to the objective of the preservation of the shrub-steppe habitat. As such, all traffic in the Restricted Industrial zone must remain on the roads. A total of 942 acres are designated as Restricted Industrial.

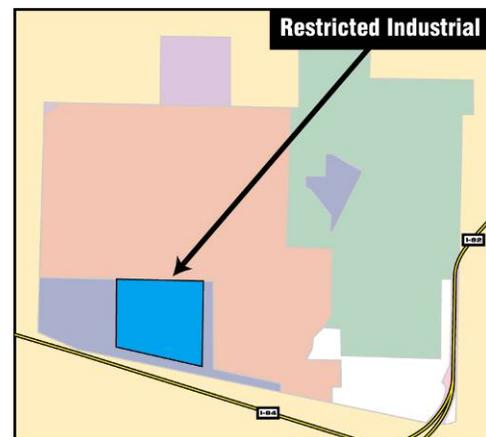


Figure 7: Restricted Industrial Zone

Highway Commercial and Industrial Zone

Only the far Southeastern corner of UMCD is suggested for potential future highway commercial development in combination with industrial development, hence the combined Commercial-Industrial designation. The area may be exclusively or primarily used for industrial applications with limited or no highway commercial development dependent upon market demand.

Various factors combine to limit the likelihood of retail commercial development at UMCD:

- Existing commercial land is already zoned and available within urban growth boundaries of neighboring Oregon communities
- Commercial development is generally more successful when it is in greater direct proximity to residential areas
- Oregon's land use system strives to minimize the distance between commercial and residential areas
- The existing infrastructure system is generally insufficient for large-scale commercial development

Offsetting these competing factors for commercial development is the significant access and visibility afforded by the southeast corner of UMCD to both Interstate 84 and Interstate 82.

One of the Notices of Interest received by the LRA relates to the fact that a portion of Interstate 82 was built on land through an easement to the Oregon Department of Transportation (ODOT). ODOT submitted an NOI requesting the land be conveyed to the State of Oregon for continued transportation purposes. The LRA supports this NOI, and recommends a Public Benefit Conveyance for this purpose.

The Highway Commercial/Industrial designation is designed to accommodate a range of industrial and commercial land uses. Located at the junction of two Interstates, portions of the designated area are well suited for highway related commercial applications that may include food and vehicle services, lodging, and large-scale truck stops classified as industrial services.

The designation is also intended to accommodate a range of potential future industrial categories including industrial services; manufacturing and production; warehouse, freight movement and distribution; wholesale sales; and utility and energy related applications.

Significant portions of the designation have been previously committed to industrial style land uses. Industrial services may include firms engaged in the repair or servicing of industrial, business or consumer machinery, equipment, products or by-products. Manufacturing and production firms, both light and heavy, may be involved in the manufacturing, processing, fabrication, packaging, or

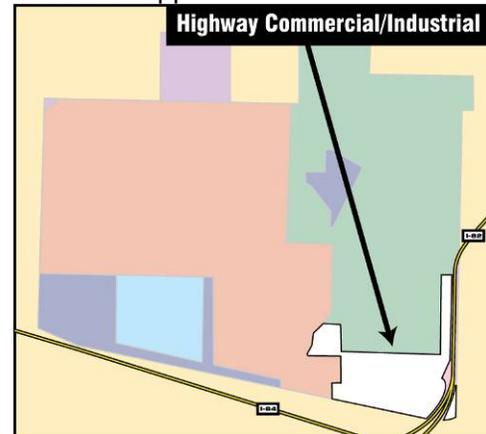


Figure 8: Highway Commercial/Industrial Zone

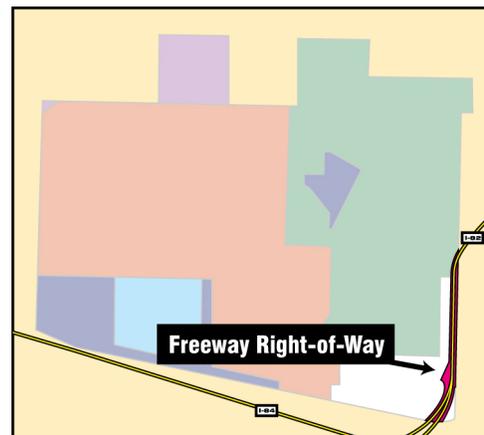


Figure 9: ODOT Freeway Right-of-Way

assembly of goods. Warehouse, freight movement, and distribution activities may include but not be limited to major wholesale distribution centers; truck or rail terminals, warehouse complexes, emergency services stockpile and distribution facilities; and terminals for the storage and shipment of agricultural products. Utility and energy related applications could include energy recovery plants, NEO electric grid Hub, and alternative energy development.

Agriculture

One of the small exceptions to the generally-rectangular overall shape of UMCD is a 655-acre portion of land near the west end of the northern boundary of UMCD.

The City of Irrigon has a strong interest to develop additional industrial land within its current (or possibly extended) urban growth boundary.

It is the intention of the LRA, consistent with the stated desire of the City of Irrigon, to exchange this section of land with another section of land located within the City of Irrigon urban growth boundary in order that such land can be utilized for industrial purposes.

Similar to adjacent lands, the land in the 655-acre parcel is capable of agricultural production.

The agriculture land use zone is intended for exclusive use agricultural applications as recognized under the Oregon Land Use System and as contained in the Morrow County Zoning Code. Such uses may include irrigated agriculture or grazing lands.

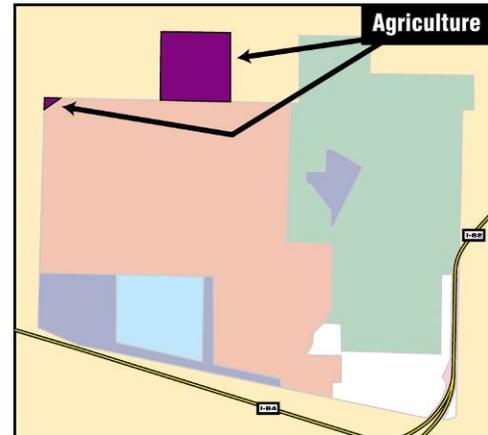


Figure 10: Agricultural

REDEVELOPMENT CONSIDERATIONS

The following considerations relate to specific requirements, opportunities, obligations, and policies desired by the LRA as the redevelopment effort moves into the implementation phase.

Shrub-Step Policy

The UMCD is situated within the Artemisia-Agropyron (A-A) steppe zone within the lower Umatilla Basin. The UMCD complex represents one of the two largest remaining bitterbrush shrub-steppe habitats in the Columbia Basin.

In the early stages of the planning process the LRA recognized and prioritized the accommodation of three principle objectives. One of those objectives was the retention and management of the shrub-steppe habitat values embodied on the UMCD. The other two critical objectives were the mitigation of economic impacts associated with the closure of the Base and accommodation of a vitally important training facility for the Oregon National Guard.

Habitat Land-Banking Intent - To maximize the accommodation of all three objectives, the RPIS represents a strategy that blends interrelated considerations both on and off the UMCD. In the case of shrub-steppe habitat conservation, the RPIS aggressively employs four land use designations and/or conservation techniques, as described below, to optimally conserve shrub-steppe values while simultaneously addressing the other principle objectives of the plan. In so doing, it was the specific intent of the LRA members to provide a large, managed reserve of some of the highest quality shrub-steppe habitat in the region as part of the RPIS so that potential commercial and industrial development elsewhere in the Umatilla and Morrow county region could potentially proceed in future years with the knowledge that important resource values had been adequately protected on the UMCD.

By intentionally restricting or eliminating the economic development options on significant portions of the UMCD for important habitat conservation objectives, community leaders as represented on the LRA have specifically developed a tradeoff strategy designed to retain and pursue economic development options judged to exist in more suitable locations elsewhere, both on the UMCD and the region.

U.S. Fish and Wildlife Service Habitat Refuge - The RPIS calls for the establishment of a US Fish and Wildlife Service Refuge on the UMCD for dedicated management of bitterbrush shrub-steppe resource values. The proposed Refuge would be 5,613 acres in size or approximately 33% of the UMCD.

Restricted Industrial District - Beyond the federal Refuge, three other mechanisms are recommended in the Plan to expand the footprint of the shrub-steppe habitat protection objective. As previously noted, the first of those mechanisms is the establishment of a "Restricted Industrial District" in the southwest quadrant of the Depot located in Morrow County. The District would be 942 acres in size.

Under the RPIS this District would receive special protections under the Morrow County Zoning Ordinance allowing for the industrial or commercial use of the existing igloos storage bunkers and road network located in the designation, but it would strictly prohibit any further development of industrial land uses on existing undisturbed land or any activities beyond the basic igloo footprint that could constitute a risk or disturbance to habitat values. It is also the intent that these same types of protections would be included as restrictive conservation covenants or lease restrictions by an Implementation LRA if so selected by the Department of Defense as the conveyance vehicle.

Resource Management Plan by the Oregon National Guard - The Oregon National Guard has a distinguished track record and established planning and natural resource management protocol for the protection of sensitive habitat values. The ORNG also has the financial resources for such activities. Under the RPIS, that area designated as the Oregon National Guard Training District has as its primary purpose the provision of a critical training facility. A secondary objective of the District, however, is to provide a habitat buffer and habitat expansion, where appropriate, to compliment the adjacent U.S. Fish and Wildlife Service Wildlife Refuge. The Oregon National Guard Training District is 7,421 acres in size, supplementing the resource values of the 5,613 acre Refuge District.

Many of the areas designated within the Oregon National Guard Training District and the Guard's training activities themselves, are conducive to the conservation of shrub-steppe habitat. The Oregon National Guard has committed to the development of a natural resources plan and management protocol that, to the extent possible, blends resource protection with the primary mission of the District (military training). These measures are likely to be similar or largely identical in nature to those that the Army has maintained over time that has resulted in the high quality shrub-steppe resource that is present today.

Conservation Covenants in Select Industrial Areas - The final of the four conservation measures undertaken in the RPIS to support shrub-steppe habitat values is the potential or actual establishment of conservation covenants or lease term restrictions in select areas of the UMCD designated for Industrial or Highway Commercial/Industrial zone designation.

The overriding land-use objective in these limited District designations under the RPIS is economic development to compensate for the impacts associated with base closure. Most of the areas in question have already been committed to some form of development and significant disturbance under previous Army activities. However, in select locations under certain redevelopment scenarios it may be possible to accommodate certain natural resource management objectives while simultaneously meeting the primary objective of industrial or commercial development.

Where appropriate, these measures would be implemented by the Implementation LRA through the use of conservation covenants or lease term restrictions. Precautions for fire management or the protection of highly sensitive resource values would likely be a primary consideration.

Environmental Clean-Up

One of the most significant concerns of the LRA is the poor environmental condition of portions of the land and buildings at UMCD.

Specifically, due to the nature of the original construction (World War II-era), many of the building have residual asbestos and lead-based paint.

In order that the industrial and warehousing structures be reused, the LRA strongly requests that the Army remediate all of the asbestos and lead-based paint on the existing structures as well as portions of existing structures that have deteriorated and separated from existing buildings (siding on the industrial warehouses in the southwest corner of UMCD, for example).

In addition to asbestos and lead-based paint, the LRA requests continued operations of the pump-and-treat system as well as remediation of solid waste landfills on the sight.

The Planning Process section of this RPIS summarizes the environmental condition of the property, and prescribes specific recommendations and activities that the LRA requests of the federal government. As such, these activities and recommendations are incorporated into this RPIS.

Water and Sewer Infrastructure

The Infrastructure Report in this Redevelopment Plan provides significant detail on the condition—and deficiencies—of the existing water and sewer systems. With the exception of the systems serving UMCDF, the sewer and water infrastructure is generally deficient to meet the general reuse opportunities and recommendations outlined in this Redevelopment Plan.

In general, the water and sewer systems have been maintained to the degree necessary in order to meet the evolving military/defense mission of UMCD. Given the period of time that has elapsed since the primary military function of UMCD, the water and sewer systems not only would fail to meet the military uses of the past, but also the Industrial and the Highway Commercial/Industrial uses of the future.

It is strongly recommended that a water and sewer master plan be developed for UMCD that fosters the projected uses at UMCD. In other words, future projected uses consistent with the land use plan outlined in this Redevelopment Plan should define the specific sewer and water infrastructure capacity and design of the improved system.

Without significant planning—and ultimately, construction—of an improved water and sewer system, the possibility of virtually all of the prospective reuse alternatives are negated at UMCD.

Notably, two significant variables affect the availability of water at UMCD—one negative and one positive.

The Oregon Department of Water Resources has designated the area as a *critical groundwater area*. This designation establishes significant restrictions on the area in terms accessing groundwater resources.

On the positive side, the Port of Umatilla has substantial water rights that could be applied to future reuses at UMCD if certain economic development goals and objectives are met. In addition, the City of Irrigon has expressed interest in extending their municipal sewer and water infrastructure to UMCD.

In general, the existing water rights on UMCD would be allocated on a prorated share basis within Morrow County and Umatilla County. A detailed utilities plan for both water and wastewater will need to be prepared in the future to ascertain the most cost effective and rational development approach associated the provision of basic utility services.

Road Policy

This Redevelopment Plan recommends the development of a road network that serves the following objectives:

- Allows access, restricted where appropriate, to the redevelopment zones (Military Training, Wildlife Refuge, Industrial, Highway Commercial/Industrial)
- Allows traffic to pass to and through UMCD for improved access associated with the City of Irrigon area
- Recognizes the security considerations of the Oregon National Guard
- Designates certain portions of the road system as County Right-of-Way (necessary, for example, through the wildlife refuge)
- Allows for the development and maintenance of the road system in a sustainable fashion, largely developed by the Oregon National Guard

Law Enforcement Policy

Historically, the Department of the Army has provided for the security and law enforcement requirements at UMCD. Because the reuse of UMCD will entail ownership and management by multiple agencies and organizations, an interagency agreement for the provision of law enforcement should be established. A collaboration of federal, state, and local authorities should be considered in order that the people and property throughout the complex be protected.

Security

Security is a consideration for all of the reuse zones within UMCD. Security is a paramount concern for the Oregon National Guard. As such, land owned and managed by the Oregon National Guard will have a secured perimeter fence. Security for other reuses will be established as reuse activities are defined.

Fire Protection Policy

The suppression of wildfire on the 17,000-acre complex has historically been a significant concern and responsibility of the Army. As recently as 2009, for example, a 3,000-acre fire consumed portions of UMCD at a fire suppression cost of approximately \$500,000.

As the Oregon National Guard and the US Fish and Wildlife Service will be responsible for approximately 75% of the overall land mass, an interagency agreement between the two agencies and other relevant organizations such as rural fire districts should be established in order to protect the people, natural environment, and built environment at UMCD.

INTEGRATION WITH COUNTY ZONING CODES

Both Morrow and Umatilla Counties will need to draft zoning code language specific to the various reuse functions prescribed in this plan:

- Military Training Facility
- Wildlife Refuge
- Institutional/Public (for the Administrative Area)
- General Industrial
- Restricted Industrial
- Highway Commercial/Industrial

Both counties also have detailed, approved planning provisions in place for areas surrounding the Depot lands. The most appropriate and efficient approach to accommodate the transfer of the Depot site with respect to Oregon's land planning requirements is through the use of a "post acknowledgment plan and ordinance amendment".

The land use designations suggested in the LRA Master Plan can be incorporated into the respective Morrow and Umatilla county comprehensive plans, following the "post acknowledgement amendment process" and approved by LCDC. If the planned uses are similar to the surrounding uses or similar to the current uses at the site this process would likely be sufficient. If significant changes in zoning are required under the LRA's Master Plan then a "Goal 13 Exception Request" may be required in the amendment process.

The consensus of state and local planning officials is that there will be no requirement to consider potential off-sets from existing inventories of industrial or commercial lands already designated in the Morrow County, Umatilla County, Hermiston, Umatilla, or Irrigon urban growth boundaries.

3.0: IMPLEMENTATION STRATEGY

The LRA has indicated its intent to move into an implementation phase after the approval of this RPIS. As shown in the schematic below, the LRA is recommending three types of conveyance mechanisms:

- Federal legislation for land transfer to state ownership
- Federal agency-to-agency transfer
- Economic development conveyance

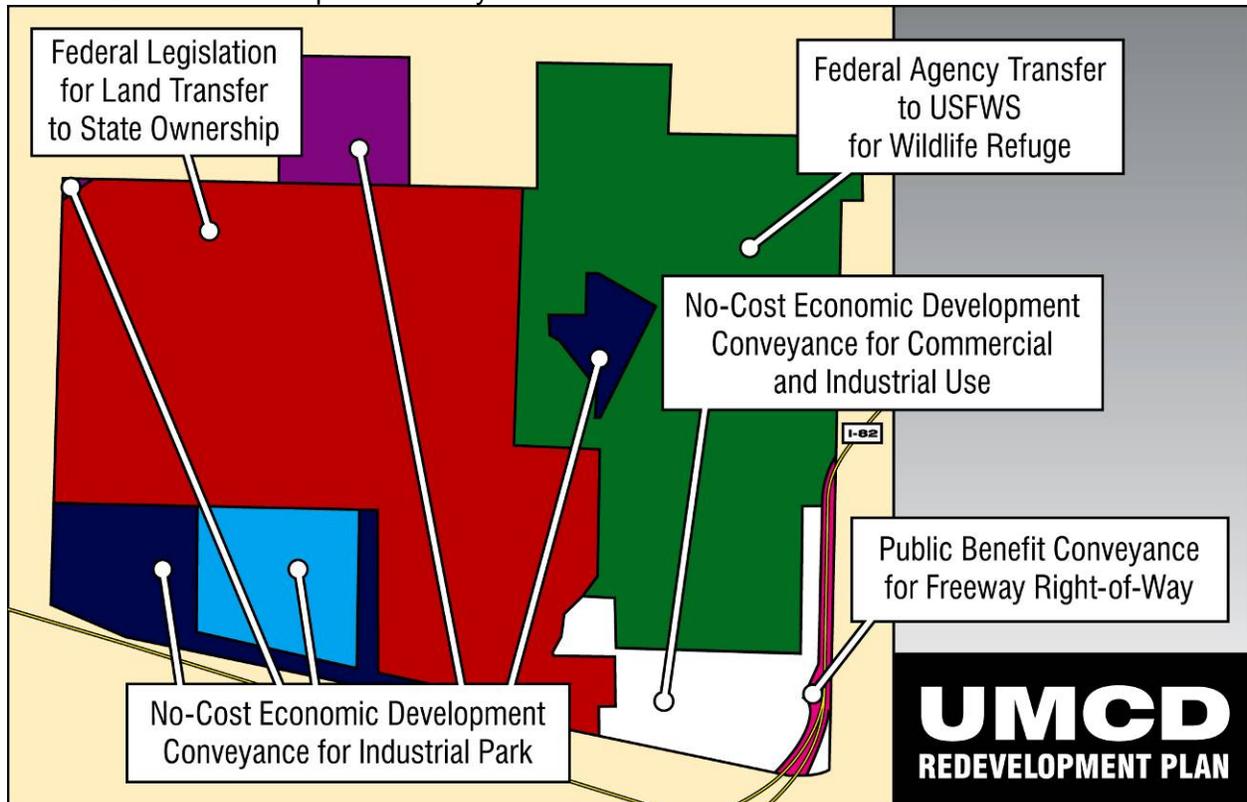


Figure 11: UMCD Implementation Strategy

Federal Legislation for Land Transfer to State Ownership - For the land that would be transferred to the ORNG, the LRA recommends federal legislation for land transfer to state ownership. In total, 7,421 acres would be transferred through this process. In the event that congressional legislation cannot be obtained, the back-up approach recommended by the LRA is for a Public Benefit Conveyance (PBC) through the Federal Emergency Management Agency.

Federal Agency-to-Agency Transfer - For the property to be owned and managed by the US Fish and Wildlife Service, the LRA recommends an agency-to-agency transfer from the Department of the Army to the US Fish and Wildlife Service.

Economic Development Conveyance - For the lands that would be zoned Industrial, Highway Commercial/Industrial, or Agricultural, the LRA recommends a no-cost economic development conveyance to an Implementation LRA.

Public Benefit Conveyance for Freeway Right-of-Way – For the land that would be transferred to the Oregon Department of Transportation, the LRA recommends a Public Benefit Conveyance

(PBC) in order that the State would own the Right-of-Way for Interstate 82.

CASE FOR A NO-COST ECONOMIC DEVELOPMENT CONVEYANCE

The LRA understands that a strong case must be made for a no-cost economic development conveyance. Toward this end, the LRA offers the reasons why a no-cost economic development conveyance should be warranted.

Reason #1: Immediate Job Loss - The curtailment of chemical demilitarization activities at UMCD will cause a short-term loss of over 1,170 jobs.

Reason #2: Residual Environmental Problems - Because most of the structures at UMCD are of World War II-era construction, the buildings are covered with lead-based paint and asbestos materials. Reuse of many of the structures will require a significant expense by the Implementing LRA in order to make future use of such structures.

Reason #3: Poor Physical Condition of Building and Infrastructure - The buildings and infrastructure systems throughout UMCD have been in a state of deterioration for decades. While the Army has maintained certain structures and portions of the infrastructure in a satisfactory condition for a small segment of the overall property, huge expenses will be faced by the Implementing LRA for any buildings that are deemed reusable. In addition, upgrades to the sewer and water systems will be significant in order to utilize the property for future industrial and commercial use.

Reason #4: Positive Solution on the ADA Area - Because the LRA and the Oregon National Guard have agreed that the ORNG should reuse the ADA area located in the Northwestern quadrant of UMCD, the Army will not be required to remediate the land to dispose of unexploded ordnance to a higher land-use classification such as residential.

Reason #5: Poor Market Conditions - Not only is the national economy only beginning to recover from a deep recession, but the status of the State of Oregon economy is significantly worse than the national average. Compounding this matter is the fact that the unemployment rates for Morrow and Umatilla County have been at or above the state average. This results in an economic climate whereby industrial reuse in the short term is highly unlikely. Projections of an improving state and national economy coinciding with the likely timing of the property transfer improves the likelihood of successful economic development efforts in 2012 and beyond.

Reason #6: Strained Local Budgets - Not only has the economy had a challenging effect on the capacity to utilize the land, but it has also drained the budgets of the entities the land would be transferred to. This, coupled with diminishing economic development resources at the state level, limits the ability for public investment for redevelopment. Prospects for an improved state and national economy will generate a likely rebound in the financial ability to successfully implement economic development activities in 2012 and beyond.

Reason #7: Competing Local Industrial Assets - While the LRA recognizes many redevelopment opportunities for UMCD, the region has other industrial development assets and industrial parks that must also be developed, serviced, and maintained. In certain respects, industrial land reuse opportunities at UMCD represent a phase of development beyond the immediate opportunities at existing industrial parks. Balancing this, however, are certain unique development opportunities only afforded by the expanse of land and available infrastructure at UMCD. In short, the redevelopment of industrial land through economic development conveyances is a part of a broader portfolio of economic development opportunities being managed by local development authorities.

Reason #8: Meeting the Army's Needs - The LRA has understood that it is a priority of the Army

to have the needs of the Oregon National Guard met. The LRA approved this Redevelopment Plan with the understanding that the needs of the ORNG are entirely met.

RECOMMENDING AN IMPLEMENTING LRA

During its May 20, 2010 regular meeting, the LRA voted unanimously to establish an Implementing LRA for the lands that are recommended to be transferred through an economic development conveyance. The LRA considered a variety of conveyance mechanisms, and opted for an Implementing LRA as the mechanism that provides the greatest flexibility for job creation. As noted in this RPIS, the LRA strongly recommends a no-cost economic development conveyance in order to maintain the greatest capacity and latitude for job creation.

Because of the significant task laid before the (future) Implementing LRA, it will be necessary for the ILRA to have a full understanding of the opportunities and risks associated with the lands conveyed by an economic development conveyance.

While the opportunity for industrial redevelopment and salvage is significant, the responsibilities to the ILRA to maintain facilities, address structural and environmental deficiencies, and upgrade utilities are enormous.

Specifically, some of the challenges to the ILRA are as follows:

- Specific needed improvements to infrastructure are unknown
- The total cost for infrastructure improvements is unknown
- The salvage market for rail needs to be investigated
- Specific opportunities for the reuse and salvage of equipment at UMCDF needs to be further investigated
- A plan for the administration—and administrative costs—of the LRA needs to be determined
- Policies with respect to development vis-à-vis development at competing industrial sites (both ports, local communities, CTUIR) need to be developed
- A marketing plan for industrial development needs to be defined
- A plan to transition from military to civilian use needs to be defined

A business plan including a ten-year cash flow pro forma would help to set the priorities for ILRA, and to address any financial risks that must be overcome. In addition, an infrastructure analysis must be completed that identifies the infrastructure improvements necessary consistent with the implementation of the Redevelopment Plan.

Implementing LRAs are charged with implementing the Redevelopment Plan. Only an Implementing LRA can acquire property under an economic development conveyance. An Implementing LRA must be designated locally and be recognized by the OEA and apply for and receive Department of Defense approval for an economic development conveyance.

Implementing LRAs must have the following capacity:

- Buy, lease, and sell land
- Borrow and lend money, and grant mortgages for debt obligations
- Enter into contracts
- Issue bonds backed by revenues of the community using the bond proceeds

Implementing LRAs must also demonstrate the authority to enter into legal commitments including holding title and incurring debt and managing real property. Additionally, Implementing LRAs must have accountability to the respective governmental jurisdictions that they represent. Finally, Implementing LRAs must establish that a public entity, such as a City or County, will assume the obligation if the LRA is dissolved.

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APPENDIX A: EXHIBITS: EARLY OUTREACH REPORTS

EXHIBIT A: DMST_DR2.2_Workshop #1

EXHIBIT B: DMST_DR2.3_Workshop #2

EXHIBIT C: DMST_DR2.6_Interviews

EXHIBIT D: DMST_DR2.7_Focus Groups

APPENDIX B: RECOMMENDED NOIs FOR PUBLIC BENEFIT CONVEYANCE

Homeless Service Provider: Agape House

Homeless Service Provider: CAPECO

Public Benefit Conveyance: ODOT - Easement

Public Benefit Conveyance: ODOT - Staging

Public Benefit Conveyance: Port of Morrow – Available on request

Public Benefit Conveyance: Port of Umatilla – Available on request

(Note: The Ports have chosen to reserve this option as a secondary recommendation for land conveyance should the recommendation for an Economic Development Conveyance not be accepted by the Department of Defense).

EXHIBIT E: NOI - Homeless Service Provider: Agape House

EXHIBIT F: NOI - Homeless Service Provider: CAPECO

EXHIBIT G: NOI – Public Benefit Conveyance: ODOT - Easement

EXHIBIT H: NOI – Public Benefit Conveyance: ODOT - Staging