



Improving Army Installation Facility and Land Use Deals and Partnerships

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Facility and land use deals and partnerships can provide Army installations with substantial benefits, such as saving costs, but the Army has taken limited advantage of these approaches. This report assesses Army installation real estate and facility sharing deals and partnership approaches, such as large-scale leases (sometimes called enhanced use leases) and provides recommendations to improve and increase installation use of these approaches.



RESEARCH QUESTIONS

- What are the most promising approaches and practices that can be used to develop and implement installation real estate and facility deals and partnerships?
- Outgrants are one of the most common land use and facility deals and partnership approaches that can and have yielded benefits. What are the benefits of outgrants, the challenges in using them, and ways to address those challenges?
- Facility and infrastructure sharing partnerships are the other most common approach that can and has yielded benefits. What are the benefits of these partnerships, challenges in using them, and ways to address those challenges?



KEY FINDINGS

- The research identified three main categories of approach: outgrants (mostly large-scale leases, such as enhanced use leases [EULs], and easements), facility and infrastructure sharing partnerships, and other facility and land use partnerships and deals.
- Outgrants and facility and infrastructure sharing partnerships are the most common land and facility deals and partnership approaches that can and have earned funds or saved money at military installations. They also have enhanced installation operations and readiness, improved support for military personnel and their families, and provided energy, environmental, and other benefits.
- Other installation and community benefits from outgrants include providing uses for underutilized installation property, improving public and community relations, and providing additional jobs and other economic benefits to the local community.

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- Besides saving construction, operations and maintenance (O&M) and other facility costs and improving military operations, facility and infrastructure sharing partnerships can save manpower hours and enable innovation in space design, such as amenities and aesthetics, future space flexibility, and workspaces to promote collaboration. Major facility investment decision points can provide opportunities to develop and implement such approaches.
- Main drivers for facility and infrastructure sharing partnerships are a desire to reduce costs, wanting to improve the military mission, and/or the need to decide about a major facility investment, such as the need to upgrade or construct a new building.
- State and local governments play important roles to facilitate, support, and participate in such installation partnerships and deals.
- Developing and implementing these outgrants and facility and infrastructure sharing partnerships can be challenging. Project complexity, legal requirements, and government policies limit and slow development of these deals. Other challenges include lack of staff experience with them, limited incentives for implementation, the time required for implementation, security and access concerns, and cultural differences between the military and the potential partners.



RECOMMENDATIONS

- The Army should provide strong leadership support and revise Army policies to develop and implement more large-scale outgrants and facility partnerships. The Army should create more incentives for installations to do outgrants by aligning and balancing incentives across different levels of the Army, including considering changing policy so installations receive more than 50 percent of the outgrant proceeds.
- For joint facility and infrastructure partnerships, the Army should change its master planning and real property policies to give greater weight to infrastructure and facility sharing partnerships in facility planning and decisionmaking, especially when facing a facility investment decision point.
- The Army should outreach more and work more closely with state and local governments and other community members to implement more facility sharing partnerships, large-scale outgrants (such as EULs), and other installation facility and land use deals.
- Because many installations' staff lack experience and knowledge about these approaches, the Army should provide written, in-depth case studies and lessons learned from Army and other federal installation facility sharing and land use partnership and outgrant experiences and develop templates and fact sheets for them. The Army should also provide enhanced centralized assistance for large-scale outgrants.
- At the installation level when developing a shared facility/infrastructure partnership, installation managers should cultivate support from key leaders, stakeholder organizations, and individuals, and develop champions; secure up-front resource investments for development and implementation; develop a communications strategy for the change that addresses partnership staff, leaders, and other stakeholders; and implement incentives and other methods in the process to minimize the impact of change on staff.
- Last, the leasing process for large-scale leases should be simplified. Legislative and Army policy changes are needed to allow installations to acquire the revenues and in-kind considerations more easily and more quickly. Changes are also needed in the fair market value land assessments and scoring processes.