

Revenue from shut bases lags

From staff and wire reports

WASHINGTON - Nearly 90 percent of the military installations scheduled to close from the first two rounds of base closings remain in the hands of the federal government or state or local governments, a new General Accounting Office report says.

As a result, the report says, the revenue from pending and completed property sales from these base closings has amounted to only \$92 million so far, well behind the pace needed to reach the \$1.2 billion in total sales the Defense Department had estimated it would eventually receive. The government plans to use the proceeds to reduce the federal deficit.

The report, which examined 37 of the 120 bases closed by independent commissions in 1988 and 1991, dispels any notion that closed military bases are being sold to private buyers for cash, one of the program's original goals. Under the base-closing law, properties can be put up for sale only after all governmental agencies and advocates for the homeless have been offered them first.

In Long Beach, where the

Long Beach Naval Station and hospital were ordered in 1991 to close, the federal government has not gained any revenue from the sale of the land. The hospital closed its doors in March and the naval station closed in September.

"Don't forget nearly all the land given to the Navy originally belonged to the city of Long Beach," said Jerry Miller, head of economic development for the city.

Of the roughly 100 acres at the hospital site where the city wants to build a retail center, 30 are owned by the city, another 30 was given back to the city, and city officials hope that the Navy will give them the remaining property.

Of the naval station's 263 acres, 125 are being considered for transfer to the Port of Long Beach and the remainder is under the command of the Long Beach Naval Shipyard.

About 135 acres of Navy housing in West Long Beach is going to be divided among new schools, a university research park, a job corps center and a homeless service center. Twenty-seven acres of Navy housing in San Pedro was slated to become housing for the homeless, but its fate is still undecided.

The accounting office, an investigative arm of Congress, found that 88 percent of the properties it reviewed will remain in the hands of the military or be transferred at no charge to other federal, state or local agencies. About 5 percent of the land will be sold. The status of the remainder has not yet been determined, the report said.

A senior Pentagon official acknowledged on Thursday night that the original estimates of

property sales revenue of \$4.1 billion were based on unrealistic estimates of the market value of land littered with unexploded bombs or poisoned with 40 years of military industrial waste.

The reuse of closed military bases has been a simmering political issue that may boil up now that Republicans will take control of both houses of Congress. The Republicans have been more willing to sell former military properties to private buyers than Democrats.

Rep. Alfred McCandless, a Palm Desert, Calif., Republican on the House Government Operations Committee who ordered the report, said that "the findings of the GAO suggest that, despite the rhetoric to the contrary," the Pentagon's actions show that "its primary concern is to unload unwanted properties with little regard to the effects on job creation and deficit reduction."

Administration officials insist that their approach puts a higher priority on job creation and speedy transfer of properties than the policies of previous Republican administrations. Moreover, a senior Defense Department official said much of the land transferred to other governmental agencies is contaminated and would not find a private buyer.

The accounting office said that 110,000 of the 192,000 acres at the 37 bases it reviewed remains in federal hands, mainly the U.S. Fish and Wildlife Service, an agency of the Interior Department. But nearly half of the 110,000 acres contain unexploded bombs, including 7,200 acres at Ford Ord, Calif.

Staff writer Neil Strassman contributed to this report.

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