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*By Brad Richardson*

### AN OPPORTUNITY FOR REGIONAL GROWTH

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# fort knox 2005 BRAC

By Brad Richardson

Kentucky's economic landscape began a significant and very positive transformation in 1986 when Toyota Motor Manufacturing announced that it would build an assembly plant in Georgetown, KY. The initial projections of 3,200 jobs, \$180 million in new payroll, and an \$800 million capital investment by Toyota were more than realized, much more. In fact, by the late 90's Toyota's expansion had resulted in nearly 8,000 jobs, \$470 million in new payroll, and a \$4.5 billion investment by Toyota, nearly tripling all original estimates.

The dramatic economic impact of this event was felt statewide with over 100 new automotive suppliers locating in the state and the eventual location of Toyota's North American Manufacturing Headquarters in Northern Kentucky. Clearly, Kentucky will continue to reap the benefits for years to come.

Fast-forward two decades to Fort Knox, Kentucky, 2005. Fort Knox's glory days, with over 20,000 soldiers and civilians working and living at Knox, were thought to be in the past. When the last combat unit left the Army post in 1994, the Army's Armor Center and School and tenant organizations like Army Recruiting Command were all that remained of a once thriving installation. Trainees, who seldom leave the installation, made up the bulk of the military presence. Many of the remaining civilians worked in blue-collar positions. This downward trend as the region's largest employer, obviously, had a negative economic effect on the immediate Fort Knox region – and Kentucky.



Gate to Fort Knox.

To add to the anxiety, another round of Base Realignment and Closure (BRAC) Commission recommendations loomed. BRAC is the military's way of making itself more efficient by downsizing or even closing some installations, while consolidating assets at others. In the spring of 2005, BRAC anxiety had local officials around Fort Knox actually "war gaming" for the worst-case scenario – further reduction or even total closure. And then, in May, came the announcement: 4000 plus new permanent positions, an estimated \$250 million in new payroll, an estimated 12,000 new residents (a large percentage of whom would live off post), and \$800 million+ in new construction on post.

The comparisons to Toyota's initial projections are almost eerie. And what's more these new jobs are dramatically different than those currently at Fort Knox, where the largely blue-collar employee base supports trainees who are here for short durations for their basic or initial entry training. The Armor Center, trainee population and the workforce that supports it will soon depart for Fort

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## AN OPPORTUNITY FOR REGIONAL GROWTH

*With the nine-county area surrounding Fort Knox, Kentucky, facing unprecedented expansion related to the 2005 Base Realignment and Closure (BRAC) action, the region's leaders seized the opportunity. They created a regional growth management agency, One Knox, to manage and prepare effectively for this growth, which includes more than 4000 new employees, plus an estimated 8000 family members. Today, preparations are well underway, and the effort is seeing great success. For instance, the Association of Defense Communities named the One Knox region the 2007 Active Base Community of the Year. This article describes how North Central Kentucky is making the most of this ongoing, monumental growth opportunity.*

Benning, Georgia. Fort Knox will welcome the Army's Human Resource Center of Excellence, numerous other smaller headquarters commands, and a deployable combat infantry brigade. Housed in a 900,000-square-foot complex, the Center of Excellence will feature a highly skilled, well-paid white collar workforce made up largely of human resource, information management, and information technology professionals.

This event has the potential to equal Toyota's initial economic impact – a truly fantastic opportunity for the Fort Knox region and the entire state. But with fantastic opportunity comes daunting challenge.



The "Ground Breaking" Ceremony for the main 900,000-square-foot Army Human Resource Center of Excellence Building. The group includes United States Senator Mitch McConnell and Lieutenant General Benjamin Freakly, Commanding General U.S. Army Accessions Command.

## THE CHALLENGE

Following the excitement after the BRAC 2005 announcement came many questions about how to manage this regional growth effort. And the key word is "regional." The challenges and benefits will not be confined to an individual community. Cities and counties surrounding the Fort Knox area, with a population of approximately 250,000, will provide a majority of the new workers for Fort Knox and provide the needed infrastructure to support transferring workers and their families.

Community leaders in the private and public sector soon realized that to properly manage and capitalize on this opportunity, it meant thinking and acting *regionally*. It became quickly apparent that a regional growth and new economic development structure was needed to properly manage this event. So with the hearty endorsement from military and community leadership, One Knox was born to serve as the central coordinating com-

munity agency to help the local nine-county region respond in the most positive ways to the growth opportunities associated with BRAC and Fort Knox.

One Knox, headquartered in Radcliff, KY, was established in January 2006, and its membership is comprised of elected leaders from the Ft. Knox region and members from the Fort Knox Garrison Commander's office. Initial funding was provided by the municipali-

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ties, with additional support from the North Hardin Economic Development Authority.

Simply stated, One Knox's goal is to make this the most successful BRAC move ever. That means setting and managing the conditions for the smoothest possible transition for the new workforce and their families, while helping the displaced workers from the out-going Armor school find their way. From training a new workforce, to identifying and funding necessary improvements to local road networks, or building new schools to meet the expected demand, it is in the communities' and Army's best interests to manage this growth in the most constructive way. Change is going to happen, whether the region prepares for it or not. Better, it decided, to be prepared.

## DETERMINING GAPS

After forming One Knox, the initial task was to evaluate current assets against future needs, and identify critical gaps that needed to be addressed. To properly analyze the situation, it required funding. Clearly, the good news from the 2005 BRAC decisions was that Fort Knox and the surrounding area would be "gainers". But the bad news was that local governments had been handed this challenge without funds to support it.

Fortunately, the federal Office of Economic Adjustment's (OEA) mission is to support such efforts, by funding Growth Management Plans. As a Department of Defense agency, one of OEA's primary responsibilities is to assist communities that are significantly impacted by Defense program changes, including base closures or realignments, base expansions, and con-





*Artist's rendering of what the Center will look like when completed.*

tract or program cancellations. But to get this funding, you need to have the authority to write grant applications, which One Knox did not.

So, One Knox became an operating unit of the Lincoln Trail Area Development District (LTADD). Organizationally, Kentucky's Area Development Districts are a federal/state/local partnership, a council of governments, a sub-state planning district, a regional clearing house for public/private investments, a regional technical assistance center for the public/private sectors, and a local/regional/state program and services organizer and implementer. In essence, by aligning the two organizations' (One Knox's and the LTADD's) efforts, it would provide One Knox with the necessary oversight, staffing and fiscal agent support it needed to be most effective. Almost immediately this alignment paid dividends, when more than half a million dollars in OEA funds were appropriated for the development of a Growth Management Plan. This money would be used to do the necessary gap analysis that includes an economic impact analysis, a housing market analysis, and a transportation study.

Additionally, the LTADD Workforce Investment Board's partners at the state had the foresight to appropriate \$155,000 of their U.S. Department of Labor (DOL) funds to conduct a much-needed regional workforce study.

In all of these studies, experts are capturing current data with help from the local communities. To determine future needs requires close coordination and extensive outreach to Army representatives both at Fort Knox and at the locations from which people will be moving to Kentucky. The collaboration with One Knox's military partners has been nothing short of exceptional.



*The Army Human Resource Center of Excellence dining facility under construction.*

After identifying the gaps and solutions to fill those gaps, One Knox needed to seek the resources to make positive change possible. Whether it's building new schools, expanding road networks or implementing workforce-training programs, the cost of these improvements cannot solely fall on the shoulders of the local communities.

From Fort Knox to Alexandria, Virginia, One Knox has been included in planning efforts, BRAC meetings, and outreach to the workforce. And when data and input are needed for the studies, the Army has provided it.

While much of the study and analysis is still ongoing, the regional workforce study has shown that upwards of 1,400 job openings will need to be filled. Making sure the local labor force is trained and ready, and supporting the local businesses that may lose personnel to Ft. Knox, rank high among the most important challenges.

## RESOURCES FOR FILLING THE GAPS

After identifying the gaps and solutions to fill those gaps, One Knox needed to seek the resources to make positive change possible. Whether it's building new schools, expanding road networks or implementing workforce-training programs, the cost of these improvements cannot solely fall on the shoulders of the local communities. The local tax base that will be generated *after* a significant population increase will not support the cost of these significant infrastructure requirements. The region is fortunate to have forward thinking leaders at the state and federal level who recognize this challenge as well. In 2006, Kentucky Governor Ernie Fletcher established a Governor's BRAC Task Force (GBTF) made up of local, state and federal officials to

address these very same issues. Through collaboration between One Knox and the GBTF, the region will seek funding for approximately \$294 million from the Kentucky 2008 General Assembly.

But it can't stop there. One Knox must continue looking for creative ways to help transform the region and prepare for future growth. That doesn't stop with the growth at Fort Knox. In fact, what became apparent during the assessment of current conditions against future needs was that the region was truly a part of a larger regional economy, one that encompasses Louisville and its surrounding counties. And all are facing similar workforce and economic development challenges. Leveraging the resources to everyone's benefit will be the key to future economic development and prosperity.

Consequently, One Knox and the LTADD became aware of a unique opportunity to enhance the transforma-

On June 14, 2007, the Department of Labor released the results, and the I-65 Corridor proposal was one of only 13 recipients receiving grants of \$5 million each.

These resources from OEA, DOL, and potentially the state are just the beginning of the creative and innovative ways that the region must utilize to pursue funding from both the private and public sectors. This will be a continuous effort.

## THE INFORMATION EXCHANGE

In addition to providing gap analysis and seeking funding support, as the central coordinating agency, One Knox also has a valuable public information role for numerous constituents. Whether it's providing community information to the relocating workforce and their families or keeping the local community apprised of Army unit arrivals and departures, One Knox sees its communications and outreach efforts as paramount. It

wants to have an engaged local citizenry committed to supporting the growth management efforts. It also wants to provide the relocating workforce and their families with valuable information about the region and overcome any misperceptions they may have about Kentucky's Heartland.

The first of many communication initiatives included the establishment of a user friendly, state-of-the-art website ([www.oneknox.com](http://www.oneknox.com)), with a comprehensive listing of local community resources, attractions, and amenities. It would be the first of many ways the region would roll out the welcome mat to those who would soon be making

the decision whether or not they wanted to relocate to Kentucky.

However, before the website was established, Fort Knox officials and the One Knox team realized there was no better way to make a great first impression than to take the welcome mat on the road. In March 2006, more than 50 representatives from the entire region, including elected leaders, school officials, chambers of commerce, and many more traveled at their own expense to Alexandria, VA; Fort Monroe, VA; Fort McCoy, WI; Indianapolis, IN; and St. Louis, MO, to meet with military and civilian employees who were slated to move to Fort Knox. Referred to as the "Road Show," this uniquely personal outreach initiative provided relocating workers the chance to engage community representatives in one-on-one dialogue, answer questions, learn about the One Knox region, and overcome any misconceptions people may have had.

The Road Show was managed by Fort Knox's Garrison Command, Public Affairs Office, and One Knox. The meeting format was identical at each location.

## Benchmarks

- |                  |   |
|------------------|---|
| • November 2005  | BRAC recommendations approved                               |
| • January 2006   | One Knox is formed  |
| • January 2007   | Labor Study begins (DOL funded)                             |
| • February 2007  | Office of Economic Adjustment grant received                |
| • March 2007     | Several Growth Management studies begin                     |
| • November 2007  | Groundbreaking for Army Human Resource Center of Excellence |
| • December 2007  | Army announces additional expansion at Fort Knox            |
| • September 2011 | BRAC actions complete                                       |

tion of the local workforce in order to foster further economic development. DOI's Employment and Training Administration's (ETA) WIRED (Workforce Innovation in Regional Economic Development) grant program seemed a perfect fit for the workforce transformation occurring throughout the region in and around the Interstate 65 corridor.

With One Knox, the GBTF and the LTADD leading the way, partnerships were formed with Kentuckiana Works and Greater Louisville Inc. (GLI) to mount a grant writing team effort with One Knox staff in support. The team had the basic parameters of the "I-65 Corridor" regional proposal identified. It focused on the region's strengths, while laying out a complex plan for achievable regional transformation. The region included eight counties in the LTADD, Louisville, and seven other Kentucky counties, all moving from a largely blue collar manufacturing workforce base to a more diverse, high-tech driven economy. Even if it didn't get the grant, the team still believed that it was doing some excellent thinking on how to move forward. Frankfort agreed, and Governor Fletcher chose the region's submission as one of Kentucky's two applications.

First, the Garrison Commander made an appeal to the civilian workforce in each location to relocate to the Fort Knox region when the Army presented them with their Transfer of Function notice – the notice that their job was being reassigned to a Fort Knox facility. The Commander's appeal was simple – the Army needs you to move with your job to help make the transition work best, and Kentucky is a great place to live and work.

Second, a video about Fort Knox and the One Knox region was shown and then various elected, education, and organization leaders introduced themselves and answered questions from the Army civilian audience. Upon adjournment of that meeting, the civilians were encouraged to visit booths at an "Information Fair." Booths were manned by the various regional leaders and Fort Knox personnel and featured information on secondary and post-secondary education, health care, housing, transportation, and entertainment.

There were two general sessions per day at each location. The Information Fair booths and regional representatives were available to answer questions and provide guidance throughout the entire day. The Road Show proved so successful that military officials saw a sharp increase in the number of civilian employees in favor of moving and asked the One Knox team to do it again in 2008, as the decision time draws closer for those facing the relocation decision.

One Knox made sure to capitalize on the positive results realized during the Road Show with a full-scale communications effort that built upon the established relationships. Among the many communications and outreach initiatives the One Knox team employed were continued dialogue with Army organizations and their relocating workforce as well as web site updates, electronic newsletters, newspaper columns, community speaking engagements, active participation in Fort Knox installation BRAC meetings, planned community tours for representatives of the relocating organizations, and a sundry of media engagement initiatives.

## LESSONS LEARNED

While this effort remains a work in progress, One Knox has already learned many lessons.

1) **Ongoing communication is key.** Every day, the One Knox team discovers new constituents – local realtors, the construction industry, the education community, the list is endless. And while they all seek similar information, their particular needs and concerns vary based on the service they provide.

While One Knox quickly established a web site to serve as the centerpiece of its communications efforts, it soon learned that flexibility and functionality of the site could always be improved. To that end, One Knox will soon award a new contract for web site support, upgrades, and general maintenance that it hopes will take the site to the next level. Further, a

web site alone does not make a communications effort. Ongoing grass roots face-to-face outreach to the local communities and the affected workforce is also critical.

2) **It will be here faster than you realize.** That old adage that time is of the essence couldn't be more true. The BRAC announcement was made in 2005 with all actions to be complete by 2011. Six years may seem like a long time but roads aren't improved overnight. School construction and renovation can take years. Workforce training programs take years to build an adequate labor pipeline from which to recruit and hire. And those are just a few of the many examples that could be named that will require every second of the six years to accomplish.

One Knox's advice? Act immediately. Procure the funds to do the analysis and seek the resources to make the necessary changes. In this case, waiting until the 2010 state legislative session to seek funding will be too late.

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3) **Having the right team.** This is an economic development opportunity, so regardless of who is in the job, economic development professionals must be a critical part of such an effort and ideally lead it. Economic development professionals will see this growth as an opportunity for additional development and increased economic prosperity for the region.

It is critical to have present and former military professionals be an integral part of the process. They can help economic development professionals who aren't military veterans, navigate the sometimes confusing Army bureaucracy, structure, language, and general protocol issues that will foster positive collaboration between both parties.

4) **Close coordination with the military has been invaluable.** It's to everyone's benefit to make this process work. The Army has jobs to fill, and the region has job seekers that need them. At the end of the day, the Army needs to complete its mission. It can't do it without a highly motivated, well-trained workforce. If they fail, the region fails.

Today, the One Knox region has Army personnel experts talking with the folks in Kentucky responsible



for building curriculum at Kentucky colleges and universities. They're going to make sure regional students have the opportunity to take the courses that can help them qualify for the new jobs. At the same time, the region will be building a local workforce that can positively respond to a changing job market, both at Fort Knox and throughout the region. One Knox talks to the Army on a daily basis, while forging and strengthening relationships that will last well beyond BRAC. And that's good for everyone.

### NURTURING THE OPPORTUNITY

There's a new wind blowing through Kentucky's Heartland, and the BRAC action is just the beginning. The region is poised to take advantage of a great location, a vibrant workforce, and the expanded opportunities of the new regional economy. Successful execution of the transformation at Fort Knox and the changes that come from the implementation of the WIRED program will set the stage for future success. And others are taking notice of the work that's being done. The Kentucky Association for Economic Development recognized One Knox with the 2006 Award for Community Innovation, and the Association of Defense Communities named the region the "Active Base Community of the Year" for 2007.

Recognition is nice, but One Knox realizes much work remains to be done. With the Army, it wants to position the region for future growth. If the Army ranks grow 30,000 or more soldiers as predicted, there is the chance to attract some of this additional growth to Fort Knox. But the region is in competition with a lot of other hard-working locations. The priority is for the region to continue doing the good things that it has already achieved and look for ways to improve the process. As all economic development professionals know, improving your regional presence and building infrastructure – with or without BRAC actions – will form a solid foundation for attracting new investment and encouraging regional business expansions. 🌐

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