



ARIZONA STATE SENATE
Forty-ninth Legislature, First Regular Session

PROGRAM PRESENTATION
Military Airport Planning

Background

Arizona's network of military facilities includes an integrated array of bases, testing and training facilities, ranges and airspace. The 2008 Maguire study on the "Economic Impact of Arizona's Principal Military Operations" states that total employment impact, total output and total annual tax revenues for Arizona's military industry equaled 96,328 jobs, \$9.120 billion and \$401.4 million respectively for 2005. The Defense Base Closure and Realignment Commission (BRAC) was created by Congress in 1990 to provide an objective, thorough, accurate and nonpartisan review and analysis of the list of bases and military installations recommended by the Department of Defense for closure or realignment. BRAC assesses each recommendation to ensure it meets eight selection criteria established by Congress. While the selection criteria give priority to military value, they also consider the economic impact on communities near military installations and the ability of those communities to support military forces, missions and personnel. BRAC evaluations were conducted in 1991, 1993, 1995 and 2005. Arizona was directly impacted by the 1991 BRAC evaluations that resulted in the closure of Williams Air Force Base in 1993. Recognizing that incompatible land use and encroachment in the vicinity of Arizona's military facilities constrains their ability to perform current and future missions, a primary focus of the state's efforts to assure a sustainable future for its military installations has been to address these compatibility issues.

Arizona's military installations include: Luke Air Force Base (including Auxiliary Field #1 and Gila Bend Auxiliary Field) in Maricopa County, Marine Corps Air Station (including Auxiliary Field #1) in Yuma County, Fort Huachuca in Cochise County, Davis-Monthan Air Force Base in Pima County and U.S. Army Yuma Proving Ground. Statute defines an area around each of these facilities, designated as "territory in the vicinity of a military airport or ancillary military facility," and requires affected political subdivisions to plan development that assures compatibility with the high noise and accident potential generated by military airport operations. Homebuyers must also be notified that the lot or parcel is located within territory in the vicinity of a military airport or ancillary military facility prior to purchase.

In 2004, legislation created the Military Installation Fund (Fund) for military installation preservation projects, including property in the high noise or accident potential zones and acquiring real estate, property rights and related infrastructure that are vital to preservation and enhancement of a military installation. The 15-member Military Affairs Commission develops criteria for awarding the monies, reviewing applications and recommending to the Arizona Department of Commerce how the monies from the Fund should be awarded. Eighty percent of the monies in the Fund are dedicated for acquisition of private property, and 20 percent of that amount is authorized to be used for political subdivisions to acquire land in the high noise or accident potential zone. The remaining 20 percent of the monies in the Fund are set aside for

PROGRAM PRESENTATION

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Page 2

cities, towns or counties to use for community enhancement projects. The Fund is nonappropriated and receives \$4,825,000 annually from the state General Fund.

Fiscal Information

In FY 2008-2009, the appropriation to the Arizona Department of Commerce for the Fund was reduced by \$4,800,000 and \$3,000,000 was transferred to the state General Fund.

The recent FY 2008-2009 budget action included a Fund reduction and transfer of \$286,000 and an excess balance transfer of \$1,780,000, leaving the Fund with a balance of \$591,000.

Committee Activity

- 1) Discussed the importance of military installations to Arizona's economy.
- 2) Discussed the need to maintain areas around military installations to avoid base closure.
- 3) Discussed current law suit regarding Maricopa County's encroachment on Luke Air Force Base.

FY 2008-2009 Budget Action

Fund Reductions and Transfers and Excess Balance Transfers

Department of Commerce

Military Installation Fund (FRAT)	\$286,100
Military Installation Fund (EBT)	\$1,780,100

Department of Veterans' Services

Military Installation Fund (FRAT)	\$1,729,100
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Attachments

- 1) Excerpt from JLBC FY 2010 Baseline Book
- 2) Slide Presentation

Prepared by Senate Research

February 9, 2009

BB/jas