

2010 RESOLUTIONS OF THE LEAGUE OF ARIZONA CITIES AND TOWNS

**RESOLUTIONS FORMALLY ADOPTED FOR THE
LEAGUE OF ARIZONA CITIES AND TOWNS
2010 POLICY STATEMENT**

**on
September 3, 2009**

Resolution #27

To ask the Governor, Legislature and Federal government to continue their support of policies that strengthen the mission viability of Arizona’s military installations.

A. Purpose and Effect of Resolution

The purpose of this resolution is to continue activities at the state and federal levels that enhance the mission viability of Arizona’s military installations. The military industry in Arizona is a key component of our local, regional and state economy. There are five (5) major military installations across Arizona: Davis-Monthan Air Force Base, Army Intelligence Center & Fort Huachuca, Luke Air Force Base, Yuma Army Proving Grounds and Marine Corp Air Station.

Arizona has long been considered a model state for how it has passed laws to protect the missions of its military installations throughout the years. The Arizona Legislature has taken a variety of proactive steps in this regard, including (but not limited to) the creation of:

- enhanced notification requirements of proposed development in the vicinity of military airports;
- heightened disclosure on the sale of land within the vicinity of military airports;
- a chart of compatible land uses within high noise and accident potential zones;
- sound attenuation standards for development near military airports;
- statutes prohibiting natural gas storage facilities within nine miles of military airports;
- zoning protections around auxiliary fields to mirror those around primary military airports;
- a “Military Installation Fund” used to buy land near bases or finance infrastructure improvements;
- notification to potential homebuyers under military training routes of military activity overhead.

The effect of this resolution would be to encourage state lawmakers to stand behind these protections and improve upon them whenever possible, especially those that may arise from future mission requirements. It is especially important that state and local leaders not take steps that could weaken protections or programs already in place should these come under challenge due to alternative interpretation of State statutes or as a result of pressures from incompatible development.

This resolution would provide an opportunity to inform fellow legislators about the tremendous economic impact military bases have on our state’s economy. It is our fiduciary responsibility to continue to be leaders in protecting our military bases, not only for the economic interests of the state, but also for our nation’s defense.

B. Relevance to Municipal Policy

Military bases in Arizona exert a profoundly positive social and economic impact on local governments throughout the state. At Luke Air Force Base alone, Base personnel volunteered over 100,000 hours in the

community and entertained over 200,000 visitors for open house visits during 2007. Supporting the statutory protections and programs of Arizona's military also helps to strengthen the operations of our state's military bases. In this manner, we protect a constant and stable revenue source that stands impervious to fluctuations or downturns in the economy. Most cities throughout the State of Arizona are home to active duty, reservists or military retirees, thus making this resolution relevant to cities and towns statewide. Any disruptions to the missions of our military bases could significantly affect the local and state economies that benefit from their presence.

C. Fiscal Impact to Cities and Towns

On July 21, 2008 in Tucson, a state-funded study was released entitled Economic Impact of Arizona's Principal Military Operations – 2008. The report details the economic contributions of Arizona's major military installations. Arizona's military operations are increasingly important to the state's economy, creating and supporting tens of thousands of jobs and generating more than \$9 billion in revenue every year. The report examines the impact of the facilities themselves, as well as other economic activity that is generated by their presence.

The report found that the direct employment impact of the facilities is substantial. Nearly 46,000 employees (civilian included) are tied directly to the installations statewide -- as many jobs as created by Arizona's two largest private employers (Wal-Mart and Banner Health Systems). More than 96,000 employees were identified in direct, indirect and induced employment. This equals the number of workers at the state's top five employers.

The military, like other industry sectors in our economy, contracts for services and spends for operations, which is another key part of our State's economy. This generates private sector jobs while adding \$401 million in tax payments that keep our communities and state moving forward,

D. Fiscal Impact to the State

The State benefits from the military" industry," just as the cities and towns do as detailed in the economic impact report cited above. Unlike most other industries throughout Arizona, the funding of military operations, and the economic impact that results, is almost entirely independent of economic conditions. This makes the economic impact of the military in Arizona arguably one of the most important revenue generators the State relies on.

Arizona's commitment to funding military operations is relatively low. As part of the State's policies to maintain and enhance missions, the Governor and the Legislature created a Military Installation Fund (MIF). Beginning in fiscal year 2004-2005, \$4.825 million dollars began being appropriated from the State general fund to the MIF – a total of \$100 million over 20 years. Private property owners can apply for financial compensation associated with the impacts of land use restrictions for compatibility, high noise and accident potential zones near military installations. The MIF is a good faith effort to ensure that property owners are compensated for the impact of owning property within close proximity to military bases.

Unfortunately, the MIF has become targeted for cuts beginning with the FY 2009 state budget. As lawmakers struggle to close a historic budget deficit, it has been increasingly difficult to continue fully funding the MIF from the State's general fund. Nevertheless, the State's commitment to its military has remained strong.