

Arizona Military Airport Preservation Committee

2003 ANNUAL REPORT

Committee Members

Senator Robert Blendu, Cochair
Senator Harry Mitchell
The Honorable Casey Prochaska
The Honorable Max Wilson
Mr. John Ogden
Mr. Jim Mazzocco
Mr. Tom Manfredi
Mr. Mark Winkleman

Representative Phil Hanson, Cochair
Representative John Lored
The Honorable Elaine Scruggs
The Honorable Larry Nelson
Mr. Mark Spencer
Brig. General Thomas Browning
Mr. Bill Kelley
Mr. Bruce Wright

Arizona Military Airport Preservation Committee

PURPOSE

In conjunction with the State Land Department, the Arizona Military Airport Preservation Committee is required to make recommendations to the Legislature to preserve the long-term viability of military airports and the private property rights of property owners in the vicinity of military airports.

INTRODUCTION

Duties

Established by Laws 1995, Chapter 62, the Arizona Military Airport Preservation Committee, in conjunction with the State Land Department, is required to:

- work with political subdivisions and the Department of Commerce to encourage development that is compatible with military airports by recommending nonresidential uses and other economic strategies for high-decibel property;
- consider the purchase or exchange of land or development rights as a method of achieving the goals of preserving the long-term viability of military airports and private property rights;
- study and promote a constitutional mechanism to exchange State trust lands for private or public lands;
- create a data base of ownership and purchase information for properties located in the vicinity of military airports;
- consider the accuracy of existing noise contours as they are issued and facilitate the development and distribution of metes and bounds legal descriptions of noise contours to be utilized in the implementation of State law;
- conduct an engineering survey to assist in the development of legal descriptions for land within the noise contours of Luke Air Force Base and the Marine Air Corp Station- Yuma;
- conduct a baseline study to determine the condition, mission, growth capacity, potential long-term outlook and obstacles to future utility and

development of at least the following military airport bases: Davis-Monthan Air Force Base, Luke Air Force Base, Fort Huachuca, Marine Corps Air Station-Yuma, Barry Goldwater Gunnery Range and Yuma Proving Grounds and;

→ make recommendations to the Legislature.

Requirements: Report to the Legislature by December 15 annually.

Termination: July 1, 2005

Other: Political subdivisions are required to notify the Committee of an proposed residential development on properties in the vicinity of a military airport and experiencing a day-night average sound level of at least sixty-five decibels. The Arizona Attorney General is required to report to the Committee indicating those political subdivisions that are in compliance with the planning and zoning regulation requirements and sound attenuation standards for building codes for territory in the vicinity of a military airport and the action taken by the Attorney General to bring them into compliance.

PROCEEDINGS

The Committee held one public meeting as follows:

December 1, 2003 – Attachment A

Thomas Browning, Brigadier General, presented the Governor's Military Facilities Task Force recommendations to the Committee (Presentation – Attachment B). He emphasized that the mission is preservation of the facilities, not alternative uses. He detailed the location and mission of each of Arizona's military installations and associated airspace and the economic impact of the state's military operations.

ATTACHMENT A

ARIZONA STATE LEGISLATURE
Forty-sixth Legislature – First Regular Session

ARIZONA MILITARY AIRPORT PRESERVATION COMMITTEE

Minutes of Interim Meeting
Monday, December 1, 2003
House Hearing Room 1 -- 2:00 p.m.

Cochairman Blendu called the meeting to order at 2:10 p.m. and the secretary noted attendance.

Members Present

Senator Harry E. Mitchell	Mayor Larry Nelson
Brigadier General Thomas Browning	John Ogden
Bill Kelley	Mark Spencer
Jim Mazzocco	Supervisor Max Wilson
Sarah More	Representative Phil Hanson, Cochairman
Senator Robert Blendu, Cochairman	

Members Absent

Tom Manfredi	Representative John Loredó
Supervisor Casey Prochaska	Mark Winkleman
	Bruce Wright

Speakers Present

Rusty Mitchell, representing Luke Air Force Base

Opening Remarks

Cochairman Blendu welcomed Members and Brigadier General R. Thomas Browning, USAF (Retired) to report on recommendations of the Governor's Military Facilities Task Force.

Presentation of the Governor's Military Facilities Task Force Recommendations

R. Thomas Browning, Brigadier General, USAF (Retired), a Committee Member, said he is Military Advisor to the Governor and Cochair of the Governor's Military Facilities Task Force. The recommendations of the Task Force will be presented to the Governor this week. He introduced Dion Roland Flynn, Policy Advisor on Military Affairs to the Governor.

He reviewed a PowerPoint presentation on the report and recommendations of the Task Force, whose mission is to develop strategies for ensuring the long-term retention of all military facilities in Arizona (see copy presentation, Attachment 1). He emphasized that the mission is *preservation* of the facilities, not alternative uses, and said the Task Force was charged with

understanding the mission of each military installation, the obstacles to carrying out that mission, and the tools available to deal with those obstacles.

He detailed the location and mission of each of Arizona's military installations and associated airspace, and the economic impact of the state's military operations. The following economic impact summary is based on 2000 figures:

	<u>Employment</u>	<u>Output (\$000s)</u>
Direct Impact	41,647	\$2,411,475
Indirect Impacts	18,191	\$1,326,190
Induced Impacts	23,668	\$1,926,193
Total	83,506	\$5,663,858

General Browning advised that state income taxes paid exceed \$70 million. Moreover, many specialties in the health care field are now contracted out in the local community. A comparison of Arizona's military facilities with major state employers makes it clear that the military facilities provide a substantial and stable economic base in the state.

He reviewed the revised recommendations as of November 18, 2003:

- Preserve and grow Arizona's network of military installations to satisfy long term needs of the Department of Defense (DoD) and maximize the benefit to Arizona's economy
- Maximize actions at the local level
- Establish and sustain solid state and federal support
- Recognize and leverage existing statutes, initiatives and effective efforts

General Browning examined revised recommendations for actions requiring Executive Direction (Attachment 1, pages 5 through 9), and discussed the following in detail:

1. Recognize that Arizona's military installations and activities form a separate economic cluster valued at \$6 billion
2. Develop a revenue source for a Military Installation Fund and raise a minimum of \$70 million over 20 years through a 5% military personnel tax diversion
3. Establish a Military Affairs Commission in Arizona
4. Establish a full-time presence in Washington D.C.
5. Authorize State Land exchanges
6. Recognize the current Attorney General's position on ARS 28-8481(k) and that no further action is needed at this time
7. Encourage innovative approaches to deal with land use issues
8. Update Department of Real Estate disclosures
9. Encourage local partnerships
10. Direct Arizona natural resource agencies to submit annual reports
11. Recommend reestablishment of the Governor's Advisory Council on Aviation

He reviewed revised recommendations for actions requiring Legislative Change (Attachment 1, pages 9 through 14), and two recommendations requiring Congressional Support (pages 14 and 15). Recommended strategies are described in greater detail in Attachment 2. An additional recommendation for consideration provides for legislation authorizing counties and/or cities the option to establish Military Facilities Districts.

The report summary makes the following statement:

- Arizona is uniquely positioned to satisfy most of the long-term needs of the DoD for many years to come
- Arizona's military installations provide substantial and stable contributions to the Arizona economy
- Definitive action during this legislative session is mandatory to sustain Arizona's bases for the long term.

Responding to questions of Mr. Ogden, General Browning confirmed that recommendations of the Arizona Military Regional Compatibility Study were considered, in particular those in regard to establishment of noise contours and definition of lands around the installations. Mr. Ogden called attention to a recommendation to encourage local jurisdictions to look at their zoning and planning in reference to the Air Installation Compatible Use Zone (AICUZ). General Browning said the Task Force considered the definition of the existing statute to be adequate, given the need for certainty in the process.

Mr. Ogden asked how much additional land might be impacted under the recommendation to revise the "military airport" definition to include auxiliaries. General Browning said this issue is currently being studied around Davis-Monthan Air Force Base (AFB), and must be a mutually agreed upon definition with the local community. He confirmed that it would bring additional land into the impacted areas.

Mr. Ogden asked if there are timelines to approve plans. General Browning said the recommendation is 30 days.

Mr. Ogden observed that, under the recommendations, approximately \$100 million will be available for acquisitions. From past discussions, the amount required for Luke AFB is anticipated to be \$500 million to \$700 million. General Browning concurred that the amount needed is far in excess of \$100 million. He pointed out that, if the recommendations are accepted, there would be at least five different tools, including the fund, to deal with private property in the noise affected areas around the bases. He said he believes this issue should be revisited and refined in another year or two. With regard to federal funds, General Browning pointed out that more than 100 installations worldwide will be closed under the Base Realignment and Closing Commission (BRAC). It is his belief that, if Arizona is able to preserve its network of installations, there is a compelling case for the state's delegation to argue that it is in the best interests of the country to preserve what is now in Arizona. And if the state is successful in preserving the installations, it could make a compelling case to raise the money. However, at the present time it is necessary to be realistic and recognize the state's fiscal problems.

Cochairman Hanson commented that when he and General Browning met with the Speaker of the House the week prior, they were asked why more was not done twenty years ago. He observed that there have been numerous attempts to do so, but nothing seems to work out. Now, with BRAC coming up in 2005, if something is not done to relieve the pressure on the bases, particularly on Luke AFB, the question must be asked if the state is willing to lose Luke AFB to the economy and the security of the nation. At this time, nothing can be done until it is known what the Governor will accept. Because this Committee is required to submit a report by the end of the year, it will be necessary to meet again to decide if the recommendations as approved by the Governor can be accepted. Given the current deficit, there is no money available.

Ms. More requested further information on the Attorney General's opinion on zoning in Surprise. General Browning recalled that the mayor had requested an opinion, and the Attorney General stated that the city was able to zone compatible with appropriate land use, and that it is within its right to choose not to develop. He advised that a formal opinion will be sent to the Task Force.

Mr. Spencer asked what innovative approaches are being considered. General Browning said these are approaches that have been considered elsewhere, including allowing for growth, a graduated development concept (which has been adopted around many bases in the country), purchase of development rights, lease purchase agreements, partnerships with non-governmental organizations, etc. All proposals will be listed in the formal report recommendations to be made available within the next two weeks.

Supervisor Wilson said it should be kept in mind that Arizona needs the military bases to protect the people of Arizona. General Browning added that there are currently substantial operations on the southern border under the Department of Homeland Security.

Mr. Kelley requested more information on recommendation No. 5 in regard to directing the State Land Commissioner to consider land use compatibility with the military installations. General Browning said he understands they have very limited capability under existing rules. The Task Force is asking that the state trust land reform group that has been meeting for the last three years consider the application of the use of state trust lands around military installations. He said while he is not an expert on the issue, it is his understanding that there would be more flexibility in the use of state trust lands.

Mr. Kelley asked if this Committee can do more than make a recommendation. Cochairman Hanson responded that the Committee can only make recommendations to the Legislature. In order to make the recommended changes, the Committee's recommendations need to be finalized by the end of the year and legislation needs to be submitted early for the upcoming legislative session. However, it is necessary to await the Governor's position on the Task Force recommendations.

Mr. Mazzocco asked if the natural resource agencies referred to in recommendation No. 10 are state agencies. General Browning confirmed that they are. He added that, after looking at what other states are doing, the only level of success has been with direct reporting to the governor.

Cochairman Hanson thanked General Browning for his presentation and asked Members to report concerns or specific suggestions to him and to Senator Blendu.

Public Testimony

No one requested to speak.

Without objection, the meeting adjourned at 3:27 p.m.



Carole Price, Committee Secretary
December 3, 2003

(Original minutes, attachments and tape are on file in the Senate.)

ATTACHMENT B

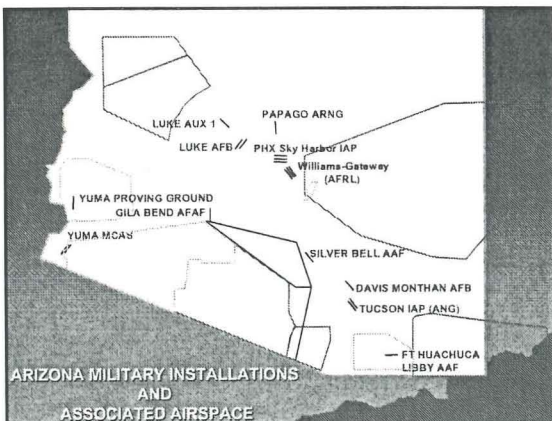
REPORT on
Governor's Military Facilities Task Force

R. Thomas Browning
Brigadier General, USAF (Retired)
*Military Advisor to the Governor, and
Co-Chair, Governor's Military Facilities Task Force*

December 1, 2003

MISSION

- ◆ Develop strategies for ensuring the long-term retention of all military facilities in Arizona, so that they may continue to perform their vital National Defense missions:
 - Understand mission
 - Understand obstacles
 - Understand tools available and required



**QUADRENNIAL DEFENSE REVIEW
REPORT - SEPT 2001**

- ◆ **Capabilities versus Threat-Based**
– (How enemy might fight vs. who we might fight)
- ◆ **Joint and Combined Operations - The Name of the Game**
– Joint National Training Center
– Joint Air Ground Center for Excellence
- ◆ **Exploit Intelligence**

**QUADRENNIAL DEFENSE REVIEW
REPORT - SEPT 2001 (CONT'D)**

- ◆ **Expand UAV Programs**
- ◆ **Research and Development**
– Test Centers and Ranges
- ◆ **Joint and Combined C4ISR Capabilities**

"FASTER, LIGHTER, SMARTER"

**ECONOMIC IMPACT OF ARIZONA'S
MILITARY OPERATIONS**

Payroll (\$ Millions)		
Active Duty	Reserves	Rotational
\$705.9	\$36.9	\$7.4
Students	Civilians	Retirees
\$146.2	\$449.8	\$193.0
Total		
\$1589.2		

(Income Subjected to Federal Tax, State Income Tax, Student Income at 14%)

ECONOMIC IMPACT OF ARIZONA'S MILITARY OPERATIONS (CONT'D)

Spending in Support of Military Operations (\$ Millions)

Contracts/O/M	Construction	Supplies	Utilities
\$538.9	\$100.9	\$517.1	\$35.0

Education	Health	Exchange/Commissary
\$13.4	\$100.3	\$281.2

Total
\$1586.8

ECONOMIC IMPACT OF ARIZONA'S MILITARY OPERATIONS (CONT'D)

Job Creation

Direct	Indirect	Induced	Total
41,647	+ 18,191	+ 23,668	= 83,506

= \$5.66 Billion

SUMMARY OF ECONOMIC IMPACT

	Employment	Output (\$000's)
Direct Impact	41,647	\$2,411,475
Indirect Impacts	18,191	\$1,326,190
Induced Impacts	23,668	\$1,926,193
Total	83,506	\$5,663,858

**AZ GOVERNMENT REVENUES
GENERATED (\$ MILLIONS)**

	<u>Local</u>	<u>State</u>	<u>Total</u>
Sales Tax	\$43.125	\$50.871	\$93.996
Property Tax	\$61.948	\$ 0.248	\$62.197
Income Tax	\$ 7.194	\$70.260	\$77.453
Total	\$112.267	\$121.379	\$233.646

**COMPARISON OF MAJOR ARIZONA
EMPLOYERS**

	<u>Employment</u>
Honeywell	15,000
Wal-Mart	12,600
Banner Health System	11,905
Motorola Inc	10,650
Raytheon	10,400
Intel Corp	10,000
Kroger Co. (Fry's)	9,580

**REVISED
RECOMMENDATIONS
as of
NOVEMBER 18, 2003**

COMMON THEMES

- Preserve and grow AZ's network of military installations to satisfy to long term needs of the DOD and maximize the benefit to AZ's economy.
- Maximize actions at the local level
- Establish and sustain solid state and federal support
- Recognize and leverage existing statutes, initiatives and effective efforts

ACTIONS REQUIRING EXECUTIVE DIRECTION

REVISED

Recommendations. . .

- 1) Through the Arizona Department of Commerce, recognize Arizona's military installations, training resources and research, development, test and evaluation activities as a separate economic cluster to recognize their value as a foundation of the Arizona economy and fully incorporate them into state, regional and local economic development planning and marketing.*

REVISED

Recommendations. . .

2) Develop an on-going State revenue source to assist military installation preservation and expansion projects where appropriate at the local level and installation level

- In FY 05 divert \$1 million to establish Military Installation Fund (MIF)
- For tax year ending Dec 31, 2004 through tax year 2024, divert 5% of Arizona income tax attributable to military personnel

REVISED

Recommendations. . .

3) Establish a permanent body (i.e. a military affairs commission) to monitor and make recommendations on executive, legislative and federal actions necessary to sustain and grow Arizona's network of military installations, training ranges and airspace

REVISED

Recommendations. . .

4) Establish a fulltime presence in Washington D.C. to represent the importance/capabilities of each of Arizona's military installations as a unique network of multi-service bases and monitor and report back to the Governor and a state-level military affairs commission on issues impacting these installations.

REVISED

Recommendations. . .

5) Direct the Arizona State Land Commissioner to consider land use compatibility with Arizona's military installations in planning, management and disposition of State Trust lands through existing and future tools including exchange authority, if granted, and in the best interests of the trust beneficiaries.

REVISED

Recommendations. . .

6) Recognize the current Attorney General's position on ARS 28-8481(k) and that no further action is needed at this time.

REVISED

Recommendations. . .

7) Encourage local jurisdictions affected by military installations to consider innovative approaches used in other locations to deal with land use issues

REVISED

Recommendations. . .

8) Request the Arizona Department of Real Estate modify their public report application to include disclosures about "military facilities and operating areas" as defined in A.R.S. 28-8461 (See Recommendation #14) and update the disclosure statements on the public report to reflect this change.

REVISED

Recommendations. . .

9) Recommend State support and encourage the activities of local partnerships within local jurisdictions, impacted communities, state agencies, military installations and various other stakeholders to address military preservation issues at the local level

REVISED

Recommendations. . .

10) Direct Arizona natural resource agencies to monitor and manage issues of environmental concern as they relate to Arizona's military installations and submit written reports to the Governor's Military Affairs Commission on an annual basis...

REVISED

Recommendations. . .

11) Recommend that the Governor reestablish the Governor's Advisory Council on Aviation with the appropriate military representation and direct the Arizona Department of Transportation to secure federal funding to finance detailed analysis and planning for future needs and demands of both military and civil aviation in Arizona.

**ACTIONS REQUIRING
LEGISLATIVE
CHANGE**

REVISED

Recommendations. . .

12) Develop an on-going State revenue source to assist military installation preservation and expansion projects where appropriate at the local level and installation level

- In FY 05 divert \$1 million to establish Military Installation Fund (MIF)
- For tax year ending Dec 31, 2004 through tax year 2024, divert 5% of Arizona income tax attributable to military personnel

REVISED

Recommendations. . .

13) Revise the "military airport" definition listed in A.R.S. 28-8461 to recognize Gila Bend Air Force Auxiliary Airfield, Luke Air Force Base Aux-1 and the two helipads (Picacho Stage Field and Rittenhouse Stage Field) at Silverbell airfield as critical operating components of Arizona's the military airport operations and provide similar protections to these critical operating components, but exclude Yuma Aux-2.

REVISED

Recommendations. . .

14) Revise the definitions listed in A.R.S. 28-8461 to read as follows:

Proposed Addition: #21. "Military facilities and operating areas" means heliports, auxiliary fields, ranges, training and testing facilities and military training routes essential to the military mission in Arizona and used as critical operating components for military operations conducted by an armed force of the United States.

REVISED

Recommendations. . .

15) Revise A.R.S. 9-461.05C.1. (f), to read as follows:

Revision: " For cities and towns with territory in the vicinity of a military airport as defined in Section 28-8461, includes consideration of military airport operations, *military facilities and operating areas.*

REVISED

Recommendations. . .

16) Revise A.R.S. 11-806(b) to read as follows:

Revision: "...For counties with territory in the vicinity of a military airport as defined in section 28-8461, the commission shall also consider military airport operations, **military facilities and operating areas...**"

REVISED

Recommendations. . .

17) Revise A.R.S. 28-8461 (8)(b)&(c) to read as follows:

Revision: (b) & (c)"...within the noise contours established by the most recent air installation compatible use zone report **or the report of a cooperative land use planning effort among affected political subdivisions and the military airport** recognized by the military airport and political subdivisions in that county..."

REVISED

Recommendations. . .

18) Identify acreages affected by departure corridors, APZs and high noise areas as defined in A.R.S. 28-8461-8 in sufficient detail for land use determination; Formally incorporate these acreages into State statutes and local ordinances for planning and zoning purposes

REVISED
Recommendations. . .

19) Recommend the following revision to ARS 9-461.06(D) (new section D with subsequent sections being re-lettered)

If the general plan or portion, element or major amendment of the general plan is applicable to **properties within the high noise or accident potential zones of a military airport military facility and operating area** as defined in Section 28-8461, the Department of Commerce or any other state agency designated as the planning agency for the state must determine compliance with Section 28-8481 and Section 28-8482 before the general plan or a portion, element or major amendment may be adopted.

REVISED
Recommendations. . .

20) Recommend the following revision to ARS 11-806. (new section H):

If the comprehensive plan or portion, element or major amendment of the comprehensive plan is applicable to **properties within the high noise or accident potential zones of a military airport military facility and operating area** as defined in Section 28-8461, the Department of Commerce or any other state agency designated as the planning agency for the state must determine compliance with Section 28-8481 and Section 28-8482 before the comprehensive plan or a portion, element or major amendment may be adopted.

REVISED
Recommendations. . .

21) Revise ARS 28-8461 for a repeal of the post-action reporting requirement of local jurisdictions in the vicinity of a military airport to the Attorney General's Office.

REVISED

Recommendations. . .

22) Mandate that local jurisdiction(s) adopt via the public hearing process established in titles 9 and 11 for land use decisions, noise contours if appropriate for military facilities and operating areas and utilize the land use compatibility recommendations set forth in A.R.S. 28-8481.

REVISED

Recommendations. . .

23) Mandate that local jurisdictions adopt via the public hearing process established in titles 9 and 11, the appropriate "vicinity boxes" for notification of purchasers of property in areas affected by military facilities and operating areas. (Applies only to areas that do not already have a vicinity box defined)

REVISED

Recommendations. . .

24) Expand current county planning and zoning authority to enable them to better manage growth and development of those areas affected by military airports, military facilities and operating areas where land use restrictions are imposed through statute including the impact of lot splits and to allow the transfer of development rights

REVISED

Recommendations. . .

25) Add a disclosure statement on the title of the property and/or lease agreement to enhance the notification for all buyers, renters and leasers of property in the vicinity of a military airport.

(This will require a statutory change.)

ACTIONS REQUIRING CONGRESSIONAL SUPPORT

REVISED

Recommendations. . .

26) Recommend to the AZ Congressional Delegation that enabling and funding legislation be drafted and enacted within the 108th Congress that would direct the Bureau of Land Management (BLM) move forward in a timely and expeditious manner with the acquisition of nonfederal lands through an exchange process, on a willing seller basis, which may be identified as necessary to protect the long term mission viability at military installations in Arizona...

NEW

Recommendation...

27) Request that the AZ Congressional Delegation continue to seek federal appropriations for the purchase and/or lease of development rights or acquisition of property from willing landowners located within the existing 65 ldn noise contours and APZs as defined in A.R.S. 8461-8 of Arizona's military airports, military facilities and operating areas.

Other Recommendation for Consideration

- ◆ Provide authorizing legislation for Counties and/or Cities at their choosing to use all funding mechanisms for the purchase of lands. (i.e. taxes, development fees) and provide the option to establish a Military Facilities District, similar to the Maricopa County Hospital District.

COMMON THEMES

- Preserve and grow AZ's network of military installations to satisfy to long term needs of the DOD and maximize the benefit to AZ's economy.
- Maximize actions at the local level
- Establish and sustain solid state and federal support
- Recognize and leverage existing statutes, initiatives and effective efforts

SUMMARY

- ◆ AZ is uniquely positioned to satisfy most of the long-term needs of the DoD for many years to come.
- ◆ AZ's military installations provide substantial and stable contributions to the Arizona economy.
- ◆ Definitive action during this legislative session is mandatory to sustain AZ's bases for the long-term
