



DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY
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WASHINGTON, DC 20350-1000

28 Nov 04

MEMORANDUM FOR DEPARTMENT OF NAVY PRINCIPALS, HEADQUARTERS AND SUPPORT
ACTIVITIES JOINT CROSS SERVICE GROUP

Subj: PROVISION OF CERTIFIED DEPARTMENT OF THE NAVY DATA TO THE BRAC
2005 HEADQUARTERS AND SUPPORT ACTIVITIES JOINT CROSS SERVICE
GROUP

Ref: (a) SA to SECNAV for BRAC memo to Chair, HSA JCSG of 24 Nov 04

Encl: (1) Additional Information for Scenarios

Scenario data call responses for HSA-0002, HSA-0003, HSA-0005, and HSA-0007 were provided to your JCSG in the Excel template format via the portal on 24 Nov 04, along with information amplifying the responses (reference (a)). Additional certified information concerning these scenarios was included in the responses, but not provided to your JCSG because it was not part of the Excel template. This information identifies impacts at the losing or receiving activities not otherwise included in the data call responses that may warrant further consideration. You may find these responses helpful in your evaluation of their respective scenarios, so they are forwarded for your information.

A handwritten signature in cursive script that reads "Anne L. Davis".

Anne Rathmell Davis
Special Assistant to the Secretary of the Navy
for Base Realignment and Closure

Scenarios HSA -0002/5

DoD17343 Identify any infrastructure impact on the community at the losing or receiving activity that may result from this scenario that warrant further consideration or haven't been included in the costs associated with this response as it applies to your activity.

Answer:

Large impact of salaries on the City of Millington:

The Naval Support Activity Mid-South is 100% contained within the city limits of the city of Millington. Therefore, Millington captures the static population of the base, i.e. those who reside in housing in their census report.

The resulting population is the basis for calculating the percentage of sales tax rebate Millington receives each year from the state and is approximately \$800,000 per year.

Any fluctuation in the base population, such as the relocation, realignment or closure of a major tenant command on the base will have a directly proportional impact on City Government revenue.

Since the only locally generated revenue stream the city can control is property taxes, any significant shift in population onboard the Naval Support Activity would certainly impact the other 12,000 residents of the city through a proportional increase in property taxes.

Although the majority of base employees do not reside in Millington, the ripple effect of lost revenue would ultimately affect the budget of the county government and city government as well. It is a simple fact that any lost revenue must be made up from other sources. It would be impossible to identify where cuts would be made, but it is a reasonable assumption the community services such as fire, police, and public works would be likely targets. Historically, this has been the case.

Businesses

Millington is a community of small businesses. Noting four minor exceptions, Lowes, Wal-Mart, Ingram Micro and Sandusky, virtually every business in the city is supported by the sailors, civilian employees and dependants from the base.

Dry Cleaners, fast food restaurants, small markets, and even real estate companies are there to serve the military and related populations from the base. During the realignment dictated from BRAC '93 and '95, small business throughout the community suffered intense loss of revenue, many closing.

This changed the face of Millington forever. Business along Navy Road, jewelry stores, restaurants and even entertainment establishments were closed and demolished. Sales taxes, from each of these businesses were lost and the proportional return was lost as a revenue stream as well.

It was believed that the transfer of land adjacent to the airport as mandated by federal law, would attract light industry and create manufacturing jobs within the Millington Industrial Park. To date, that has not occurred on the scale projected and has in fact become a drain on critically short resources for a city of this size.

Tax base – Covered above

The base purchases:

The base purchases a plethora of consumables from the Millington Business Community. Everything from building supplies to the ink cartridges we put in our printers (not available at envision) are purchased locally. Supply-Logistics could more accurately provide narrative on this subject.

Schools

Schools within Shelby County are funded on an average daily attendance formula. Although it is an inefficient way to fund the education system, it is in use. Average daily attendance is funded using a formula that takes the number of students and multiplies it by approximately \$9,000 per year.

Virtually every student that lives onboard the Naval Support Activity Mid-South attends one of three public schools in Millington. The remainder attend private schools and pay tuition. Although it would be virtually impossible to establish an accurate dollar figure, there are currently 594 families residing onboard the station and each has at least one school age dependent.

Assuming that each family has only one child, that would equate to a loss of revenue of \$5,345,000 per year, for the three schools in Millington. This is an astronomical impact on the city and county that would require dramatic cuts in the existing system of education, in a county that already has over \$1,000,000,000 of debt.

Shelby County recently built a brand new elementary school adjacent to Wherry housing to serve the children that live onboard the north side of the base. This saves bus dollars, driver dollars and pension dollars. If the population of that housing area alone were to significantly fall, bus services, driver schedules and dollars invested would grow at an alarming rate.

The impact on schools would be incredible. The figures stated above would almost certainly prove to be conservative.

Community Support

The base currently supplies meeting spaces and maintenance on the buildings for the Boy Scouts, Girl Scouts, SeaCadets, Camp Navy, DEFY etc. These programs are supported primarily by base employees, both civilian and Military. A proportional shift in population would almost certainly mean a proportional drop in support. In the instance of

NPC, whose personnel exclusively provide adult leadership to a local Boy Scout troop, it would mean the unit would fold and local area youth would not have the opportunity to participate.