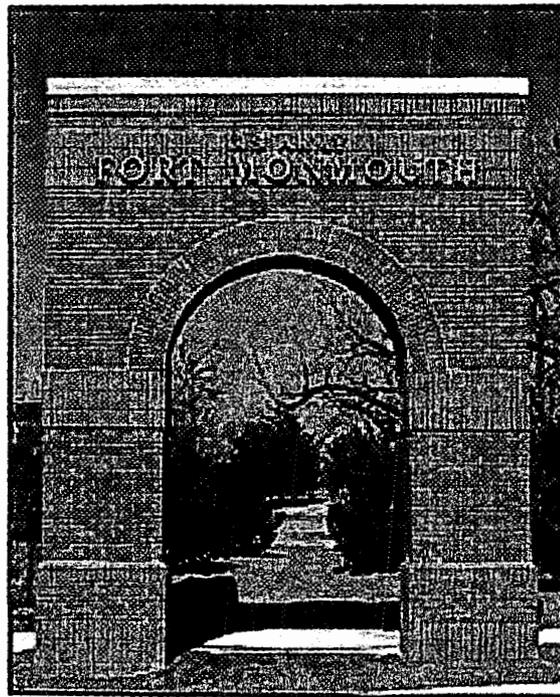


Smart Growth Study

**Evaluation of The Impact
of Fort Monmouth
On the Host Communities of
Eatontown, Little Silver, Oceanport,
Shrewsbury and Tinton Falls**

July 2005



Prepared for

**The Borough of Eatontown The Borough of Little Silver
The Borough of Oceanport The Borough of Shrewsbury
The Borough of Tinton Falls**

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Introduction and Overview

The Fort Monmouth Host Communities, which include Eatontown, Little Silver, Oceanport, Shrewsbury Borough and Tinton Falls, retained Jeffrey Donohoe Associates (JDA) to explore the issues associated with the Department of Defense's recommended closure of Fort Monmouth. The Fort is one of the largest landowners and employers in Monmouth County, and the proposed closure of the Fort is a significant concern for the Host Communities. According to the Department of Defense's 2004 Base Structure Report, Fort Monmouth includes more than 1,100 acres of land, improved with more than 400 buildings totaling more than 5 million square feet of floor space.

This analysis is intended to explore the issues associated with the potential affects on the host community if the Fort were to be closed as recommended by the Secretary of Defense. JDA was tasked to review several key issues as part of this analysis, including:

- ❑ Review existing studies and analysis regarding benefits of Fort Monmouth to the neighboring municipalities;
- ❑ Prepare a report outlining the benefits that accrue to the neighboring municipalities and region due to the current operational status of Fort Monmouth;
- ❑ Assess the potential for the provision of shared services at Fort Monmouth by the four participating municipalities; and
- ❑ Prepare a projected Fiscal Impact Assessment to determine shortfall in municipal budgets if Fort Monmouth has to close in 2005.

In the simplest terms, this report evaluates the critical role that Fort Monmouth plays in the Monmouth County region, particularly for the Host Communities, and evaluates what the effects of a closure of the Fort could be on the budgets of the Host Communities and the larger region. For purposes of this analysis, the Host Communities include the boroughs of Eatontown, Little Silver, Oceanport, Shrewsbury and Tinton Falls. The Impacted Communities include Fair Haven, Long Branch, Middletown, Monmouth Beach, Ocean Township, Red Bank, Rumson, Sea Bright and West Long Branch. Together, the five Host Communities and the Impacted Communities are representative of the Two Rivers Mayors Council.

It should be noted that Fort Monmouth provided significant data inputs for evaluation by the consultants. Specifically, the Fort provided locational information for employees, as well as significant data related to the dollar value of contracts awarded to companies located in the Host Communities, the rest of Monmouth County and the State of New Jersey. This data serves as the basis for many of the analyses completed within this report.

The remainder of this report includes several key sections. First, information is presented on the Base Closure process, to provide the reader with an overview of the specifics of the closure process, as well as key dates related to the closure process. Second, an overview of budget information for the Host Communities is presented, to provide a context for evaluating the importance of the Fort. Third, information is presented which identifies and evaluates the employment base of the Fort. Next, the amount of contracting done by the Fort within the Host Communities and the rest of Monmouth County is summarized, to help understand the "spin-off effect" of the Fort on the region. The Base Operations budget for the Fort is also summarized to

provide a context for reviewing potential opportunities for shared services with the Host Communities. Finally, some of the potential economic impacts of closure are discussed.

Summary of Significant Findings and Conclusions

This report provides a variety of key findings and conclusions regarding the impact of the potential closure of Fort Monmouth on the communities.

Base Closure Process

- Fort Monmouth was recommended to be closed by the Secretary of Defense, in order to combine research efforts at fewer sites to achieve efficiency and synergy at a lower cost than would be required at multiple sites.
- The Base Realignment and Closure Commission is required to evaluate the Secretary's recommended list of base closures, and to provide guidance to the President on the Secretary's recommendations not later than September 8th. At that time, the President will have to accept or reject the Commission's list in total.

Community Impacts

- Fort Monmouth and its employees are an integral part of the communities. The Fort directly employs more than 5,000 people, including 4,652 civilians and 620 military personnel. Of these, more than 1,300 reside in the Host Communities of Eatontown, Little Silver, Oceanport, Shrewsbury and Tinton Falls. An additional 787 employees reside in the Impacted Communities of Fair Haven, Long Branch, Middletown, Monmouth Beach, Ocean Township, Red Bank, Rumson, Sea Bright and West Long Branch.
- The Host Communities, in general, rely on taxation for the largest portion of their municipal revenues. In the event of a closure at Fort Monmouth, each of the Host Communities and the Impacted Communities would be at-risk in terms of reductions in tax revenue collections associated with employees and contractors at the Fort.
- Both residential and non-residential property tax collections would be at-risk. Given the predominance of residential properties in these communities, declines in non-residential tax collections would result in the shift of some additional tax burden to residential properties. Apartment properties would likely see an increase in vacancy, and thus lower tax revenues. Similarly, commercial and industrial properties which are leased to Defense contractors would also see increased vacancy, diminished values and lower tax revenues. These two factors would cause more of the tax burden to shift to homeowners.
- The five Host Communities have an equalized assessed valuation of approximately \$9 billion. Of this amount, almost 5%, or \$430 million, is considered to be at-risk if Fort Monmouth closes. Tinton Falls has the highest potential exposure, with \$160 million of tax base at-risk, followed by Eatontown, with \$107 million of tax base at-risk.

- In the seven Impacted Communities, the equalized assessed valuation is an additional \$27.3 billion, and tax base at-risk due to the closure of the Fort would be an additional \$259 million. Red Bank and Long Branch have the highest amount of tax base at-risk, with \$53.5 and \$38.2 million respectively.
- Delinquent taxes are likely to increase in the event that the Fort is closed. It is important to recognize that these tax revenues would not be lost, but a portion of these taxes would likely be lost either due to reductions in value, or default by taxpayers. It is also important to recognize that while these tax revenues would be considered at-risk, only a portion of the revenues would likely be delayed. While the taxes are likely to be collected in the long run, municipal budgets could suffer in the short term.

Employment and Unemployment

- The closure of Fort Monmouth could have a significant impact on the unemployment rate in the Host Communities and the larger region. Assuming that the existing employees at the Fort all became unemployed for some period of time, the unemployment rate in the Host Communities would more than double. Under this "worst case" scenario, almost 13% of Eatontown's labor force would be unemployed, and more than 10% of Tinton Falls' labor force would be unemployed. Overall, 9.5% of the Host Communities' labor force of 24,649 could be unemployed. In the Impacted Communities, the unemployment rate could jump to more than 9% in Red Bank, and 8.6% in Long Branch. Overall, unemployment in the Impacted Communities could increase to 5.4% from the current 4.6%.

Contracting

- The importance of defense contractors in the local and regional economy should not be overlooked. According to the Department of Defense (DoD), more than \$925 million in prime contracts were awarded to firms in Monmouth County in FY 03 by all DoD agencies. In fact, companies in Monmouth County received almost 25% of the \$3.7 billion in DoD contracts awarded in the State of New Jersey in FY 03.
- Companies in the Host Communities received the lion's share of contracts awarded to companies in Monmouth County by Fort Monmouth in FY 03. Data provided by Fort Monmouth indicates that the Host Communities received more than 95% of contracts awarded to Monmouth County companies, receiving \$321 million of the \$335 million that the Fort awarded.

Base Operations Budget

- The total Base Operations budget for 2004 was \$127.5 million, more than 22% higher than the 2002 budget of \$104.4 million. As a means of comparison, the Fort Monmouth Base Operations budget is more than double the budgets of the five Host Communities combined.
- The Fort employed 663 personnel to perform base operations functions in 2003. The total budget was \$127.5 million. Contracted services accounted for almost 32% of

expenditures, with the remaining 68% used for functions performed on an in-house basis. The total budget for in-house functions is \$87.2 million, which includes civilian labor costs of \$39.1 million. However, much of the remaining costs within these budget categories are related to contracted services.

- Buildings and Grounds Maintenance makes up the largest category of services which are performed strictly by contractors. The annual cost of \$18.9 million equates to an average of \$3.74 per square foot of building area for Fort Monmouth's 5.1 million square feet of space, and represents 47% of the contracted services budget. Utilities represents the next largest expenditure area, accounting for \$13.8 million in annual costs, or about \$2.74 for every square foot of building area at the Fort, while Facility Management and Minor Construction account for almost \$6 million in costs, or another \$1.17 per square foot of building area. Together, these three expense categories total more than \$38.7 million in costs, an average of \$7.65 per square foot of building area.

Potential for Shared Services

- While consideration was given to the possibility of the Fort sharing municipal services with one or more of the Host Communities, a variety of services are simply not conducive to being shared. These services and functions are generally considered to be "inherently Federal" in nature. For example, it is unlikely that the Army secure telecommunications could be shared with the communities. Similarly, the Army's accounting and contracting functions do not readily lend themselves to being shared with the communities.
- Some functions that the Army utilizes at Fort Monmouth are consistent with functions that the Host Communities presently provide for their residents and businesses. Specific consideration was given to three distinct areas: building and grounds maintenance; utilities; and fire protection services. However, this possibility was discounted because the size and scope of the Army's requirements is substantially above the level of service which the Host Communities presently provide. For example, the five Host Communities spent a total of just over \$700,000 for fire protection services in 2003, as compared to the Fort's budget of \$3.6 million.

Economic Impact

- The closure of Fort Monmouth will impact the regional economy, as employee wages are taken out of the economic picture, reducing overall retail trade in the region. According to Claritas, the average household in the Fort Monmouth region spends more than \$56,000 annually on retail goods and services. The loss of this spending will have an impact on the local economy. Claritas estimates the local retail trade potential in proximity to Fort Monmouth (10 mile radius) to be \$5.65 billion annually. Removing the Fort's 4,652 civilian employees from the regional economy would potentially take more than \$260 million from the economy, or about 4.6% of the local retail trade potential. This is considered to be the worst-case scenario.

- If the spending of 1,325 employees who reside in the Host Communities is removed from the economy, almost \$75 million in retail trade potential is eliminated. At an average of \$250 to \$500 in retail sales per square foot, this amount of retail trade would support between 150,000 and 300,000 square feet of retail space. The 787 employees who reside in the Impacted Communities account for another \$45 million in retail trade potential. At an average of \$250 to \$500 in retail sales per square foot, this amount of retail trade would support between 90,000 and 180,000 square feet of retail space.

Base Closure Process

The Base Realignment and Closure (BRAC) process is presently underway. The selection criteria were published in the Federal Register in early 2004, and were not disapproved by Congress.

In March of 2005, the President and other elected leaders identified nine members to serve on the BRAC Commission. A summary of the selection criteria, taken from the Secretary of Defense's website, appear in the graphic to the right.

As shown in the graphic, the primary consideration in evaluating potential closure and realignment candidates is the military value of the property. It should be noted that several of the criteria refer to "potential receiving locations", which indicates that the Department of Defense is giving significant consideration to the creation of larger bases, possibly with multiple branches of the military being co-located on a single base. This concept is referred to by the Secretary as "jointness", and is considered to be extremely important in evaluating bases under BRAC 2005.

Final Selection Criteria
Department of Defense Base Closure and Realignment

In selecting military installations for closure or realignment, the Department of Defense, giving priority consideration to military value (the first four criteria below), will consider:

Military Value

1. The current and future mission capabilities and the impact on operational readiness of the total force of the Department of Defense, including the impact on joint warfighting, training, and readiness.
2. The availability and condition of land, facilities, and associated airspace (including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions) at both existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential receiving locations to support operations and training.
4. The cost of operations and the manpower implications.

Other Considerations

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.
6. The economic impact on existing communities in the vicinity of military installations.
7. The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.
8. The environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

On May 13, 2005, the Secretary of Defense submitted his list of recommended closures and realignments to the BRAC Commission. Fort Monmouth was included on the Secretary's list, and is recommended for closure. The Secretary has recommended that the majority of the Fort's technical missions be transferred to Aberdeen Proving Ground in Maryland. In its recommendations, the Department of Defense indicates that the consolidation of research and development activities at fewer sites will achieve efficiency and synergy at a lower cost than

would be required at multiple sites. In addition, the Department of Defense (DoD) notes "Fort Monmouth is an acquisition and research installation with little capacity to be used for other purposes."¹ DoD indicates that the closure of Fort Monmouth will affect 620 military personnel, and 4,652 civilians.

DoD estimates a one-time cost of \$822.3 million to implement the closure recommendation, and estimates the net cost (after savings) during implementation to be \$395.6 million. Annual recurring savings are estimated to be \$143.7 million, and the net present value of the costs and savings over a 20-year period is estimated to be just over \$1 billion.

The BRAC Commission has until September 8th to evaluate the proposed closure and realignment bases, and to provide guidance to the President on the Secretary's recommendations. The President must approve or disapprove the Commission's recommendation in its entirety.

¹ Department of Defense Report to the Defense Base Closure and Realignment Commission, Department of the Army Analysis and Recommendations, BRAC 2005, Page 87.

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Municipal Budgets

In order to evaluate the potential impact of a closure at Fort Monmouth on the municipality, JDA reviewed the municipal budgets of the Host Communities. The purpose of this review was to gain an understanding of the tax base for the communities, and to determine the extent to which tax collections would be interrupted or delayed by a closure of Fort Monmouth.

Municipal revenue and expenditure information was provided by each community, based on the year-end audit for 2003. Table 1 below provides a summary of revenues and spending for each community. As shown in the Table, Eatontown and Tinton Falls have similar budgets, which are two to three times larger than the other three Host Communities. Total budgets for the five Host Communities exceed \$60 million annually. It should be noted that the budgets presented in Table 1 reflect the costs for municipal services, but do not include costs associated with education.

**Table 1
Summary of Municipal Revenues and Expenditures
For the Year 2003**

Revenues	EATONTOWN	LITTLE SILVER	OCEANPORT	SHREWSBURY	TINTON FALLS	TOTAL
Budget Surplus	3,650,000	1,830,000	452,081	800,000	3,311,000	10,043,081
Miscellaneous Revenues	3,823,435	1,168,678	1,605,300	1,060,973	6,648,757	14,307,144
Delinquent Tax Receipts	380,892	206,132	237,814	265,022	529,114	1,618,974
Funds Raised by Taxes	11,116,241	5,695,261	3,501,192	4,700,015	8,118,452	33,131,161
Additional Revenues Received	634,313	296,065	207,176	172,347	252,027	1,561,928
Total Revenues	19,604,881	9,196,136	6,003,563	6,998,357	18,859,351	60,662,288
% of Funds Raised by Taxes	56.7%	61.9%	58.3%	67.2%	43.0%	54.6%
Expenditures	EATONTOWN	LITTLE SILVER	OCEANPORT	SHREWSBURY	TINTON FALLS	TOTAL
General Government	3,825,809	1,450,134	1,078,091	1,519,477	4,095,994	11,969,506
Public Safety	4,071,644	1,537,949	1,732,770	1,634,975	3,558,497	12,535,835
Streets and Roads	988,087	360,610	297,037	589,112	528,990	2,763,835
Health and Welfare	2,181,322	1,143,353	595,069	780,915	2,387,230	7,087,890
Uniform Construction Code	259,005	99,905	82,239	34,982	252,522	728,653
Statutory Expenditures	323,732	131,931	81,964	141,464	526,066	1,205,157
Operations Excluded from CAPS	352,488	111,897	51,134	184,273	624,104	1,323,896
Public and Private Programs Offset by Revenues	256,022	15,937	417,240	89,224	103,057	881,480
Capital Improvements Excluded from CAPS	76,000	608,050	150,500	0	88,818	923,368
Municipal Debt Service - Excluded from CAPS	1,877,993	823,994	310,469	930,697	2,391,883	6,335,036
Deferred Charges	0	35,200	49,450	21,420	120,000	226,070
Budgeted Surplus	3,257,779	1,823,341	697,873	683,820	3,052,216	9,515,029
Reserve for Uncollected Taxes	2,135,000	1,053,833	459,728	387,997	1,129,975	5,166,533
Total Expenditures	19,604,881	9,196,136	6,003,563	6,998,357	18,859,351	60,662,288

Source: Municipal Audits for 2003 and Jeffrey Donohoe Associates

The five Host Communities rely upon taxation for the largest portion of their revenues. With the exception of Tinton Falls, all of the Host Communities generate between 57% and 67% of their revenues from taxation, while Tinton Falls raises 43% through taxation. This is significant, since property taxes are most likely to be affected in the event of a closure at Fort Monmouth. Apartment properties would likely see an increase in vacancy, and thus lower tax revenues.

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Similarly, commercial and industrial properties which are leased to Defense contractors would also see increased vacancy, diminished values and lower tax revenues. These two factors would cause more of the tax burden to shift to homeowners. In addition, delinquent taxes are also likely to increase in the event of a closure.

The taxable value of properties in the Host Communities totaled \$4.75 billion in 2004, as shown in Table 2 below. Interestingly, Little Silver had the largest tax base at \$1.22 billion, followed by Tinton Falls at \$1.19 billion. The combined assessed valuation of residential properties represented almost 70% of the total valuation.

Similar data was collected for the nine Impacted Communities of Fair Haven, Long Branch, Middletown, Monmouth Beach, Ocean Township, Red Bank, Rumson, Sea Bright and West Long Branch. The total combined assessed valuation was \$15.4 billion, of which more than 83%, or \$12.8 billion, was residential.

**Table 2
Assessed Valuation
Fort Monmouth Host Communities**

	Eatontown	Little Silver	Oceanport	Shrewsbury	Tinton Falls	Total
Vacant Land	\$ 32,556,000	\$ 9,825,800	\$ 8,920,900	\$ 8,317,600	\$ 34,382,304	\$ 94,002,604
Residential	\$ 400,939,000	\$ 1,125,391,300	\$ 415,371,700	\$ 485,228,700	\$ 853,176,443	\$ 3,280,107,143
Farm Properties	\$ 444,700	\$ 3,392,300	\$ 196,800	\$ 789,600	\$ 3,643,600	\$ 8,467,000
Commercial	\$ 425,224,900	\$ 81,976,200	\$ 69,699,600	\$ 295,480,800	\$ 191,618,300	\$ 1,063,999,800
Industrial	\$ 113,924,600	\$ -	\$ -	\$ -	\$ 16,401,300	\$ 130,325,900
Apartment	\$ 85,001,900	\$ -	\$ 256,500	\$ -	\$ 88,104,800	\$ 173,363,200
Total Non-Residential	\$ 624,151,400	\$ 81,976,200	\$ 69,956,100	\$ 295,480,800	\$ 296,124,400	\$ 1,367,688,900
Total Assessed Value	\$ 1,058,091,100	\$ 1,220,585,600	\$ 494,445,500	\$ 789,816,700	\$ 1,187,326,747	\$ 4,750,265,647

Source: Borough Assessors Offices

However, in order to reasonably evaluate and compare the taxable valuation of properties, it is necessary to equalize their values. Since some communities have not been reassessed in the past few years, their assessed values may be well below their market values. The Monmouth County Board of Taxation publishes equalization ratios for each community. Essentially, equalization ratios indicate what percentage of market value the community's assessment equates to. For example, an equalization ratio of 35% indicates that the assessed values for the community are, on average, 35% of market value. These ratios can be used to estimate current market values for properties in each community. Assessment ratios are different in each community for several reasons. First, properties appreciate at differing rates in each community. In addition, each community has a different mix of residential and non-residential uses. Finally, each community is reassessed on a different schedule to bring assessed values more in-line with market values. For example, Eatontown and Shrewsbury are both undergoing revaluation during 2005, while Oceanport is scheduled to be revalued in 2006 and Tinton Falls is scheduled for 2007.

Table 3 summarizes the equalized assessed value for each of the Host Communities. As shown in the Table, the total equalized combined value of properties in the Host Communities is in excess of \$9 billion. Because the equalization ratios for Shrewsbury and Little Silver are high,

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their equalized values are reasonably close to their assessed values, which are summarized in Table 2 above.

Table 3
Equalized Assessed Valuation
Fort Monmouth Host Communities

	Eatontown	Little Silver	Oceanport	Shrewsbury	Tinton Falls	Total
	0.6261	0.9403	0.5165	0.9234	0.5568	
Vacant Land	\$ 51,998,083	\$ 10,449,644	\$ 17,271,830	\$ 9,007,581	\$ 61,749,828	\$ 150,476,965
Residential	\$ 640,375,339	\$ 1,196,842,816	\$ 804,204,647	\$ 525,480,507	\$ 1,532,285,278	\$ 4,699,188,587
Farm House	\$ 686,312	\$ 3,590,875	\$ 364,763	\$ 843,297	\$ 6,049,030	\$ 11,534,277
Farm Qualified	\$ 23,958	\$ 16,803	\$ 16,263	\$ 11,804	\$ 494,792	\$ 563,620
Commercial	\$ 679,164,510	\$ 87,180,900	\$ 134,945,983	\$ 319,992,203	\$ 344,142,062	\$ 1,565,425,657
Industrial	\$ 181,959,112	\$ -	\$ -	\$ -	\$ 29,456,358	\$ 211,415,470
Apartment	\$ 135,764,095	\$ -	\$ 496,612	\$ -	\$ 158,234,195	\$ 294,494,902
Total Non-Residential	\$ 996,887,718	\$ 87,180,900	\$ 135,442,594	\$ 319,992,203	\$ 531,832,615	\$ 2,071,336,029
Total Assessed Value	\$ 1,689,971,410	\$ 1,298,081,038	\$ 957,300,097	\$ 855,335,391	\$ 2,132,411,543	\$ 9,004,435,508

Source: Monmouth County Board of Taxation, Borough Assessors and Jeffrey Donohoe Associates

In contrast, Eatontown, Shrewsbury and Oceanport all have lower equalization ratios, indicating that their assessed values are well below market value. In fact, while the assessed valuation for these three communities is \$2.74 billion, the equalized value (EQV) is \$4.78 billion, an increase of more than \$2 billion.

Similar data was gathered for the Impacted Communities. The total EQV was almost \$27.3 billion. Middletown and Ocean Township had the highest EQV, at \$9.2 and \$3.7 billion respectively. These were followed by Long Branch and Rumson with \$2.8 and \$2.7 billion respectively.

The primary issue for the Host Communities is whether tax revenues and/or tax collections will be affected by the closure of Fort Monmouth. In order to evaluate this issue, it is necessary to evaluate how much of the tax base could be "at-risk" in the event of a closure. To accomplish this, the consultants assumed that Fort Monmouth employees who live in the Host Communities live in single-family homes and apartments in the same proportional distribution as the community as a whole. For example, in Eatontown, the number of owner-occupied housing units and the number of renter-occupied housing units are almost identical, while in Little Silver, only 3.5% of units are renter-occupied, with the remainder of the units owner-occupied.

Estimating the non-residential tax base that would be "at-risk" is more difficult. Without specific data on the physical location of individual Defense contractors, it is necessary to use estimates of the potential values of non-residential uses. As estimated elsewhere in this report, the closure of Fort Monmouth could result in 428,000 square feet of space occupied by Defense contractors to become vacant. A review of facility pricing data from Marshall & Swift's Commercial Cost Estimator indicates a wide range of pricing for office, flex, light industrial and research and development (R&D) facilities. Pricing ranges from a low \$45 to \$50 per square foot for flex space to as much as \$90 to \$170 per square foot for office space. For purposes of this analysis, an average equalized assessed value of \$100 per square foot has been assumed, to reflect the mix of uses and building types that would be affected by a closure of the Fort.

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Assuming an average value of \$100 per square foot, this space would have a market value of \$42.8 million, which equates to 2.4% of the non-residential tax base in the Host Communities. This indicates that, on average, 2.4% of the non-residential tax base in each community could be at-risk. Table 4 below provides a summary of the tax base at-risk in each community.

	Eatontown	Little Silver	Oceanport	Shrewsbury	Tinton Falls	Total
Employees	653	35	87	35	515	1,325
% of Residential Tax Base	11.3%	1.6%	4.3%	2.9%	8.7%	7.7%
Tax Base at-Risk						
Residential	\$ 87,730,492	\$ 18,767,696	\$ 34,301,328	\$ 15,237,629	\$ 147,863,031	\$ 385,921,879
Commercial/Industrial	\$ 19,558,287	\$ 2,092,342	\$ 3,250,622	\$ 7,679,813	\$ 12,057,030	\$ 44,638,093
Total	\$ 107,288,778	\$ 20,860,038	\$ 37,551,950	\$ 22,917,441	\$ 159,920,062	\$ 430,559,973
% of Total EQV	6.3%	1.6%	3.9%	2.7%	7.5%	4.8%

Source: Jeffrey Donohoe Associates

As shown in the Table above, the closure of Fort Monmouth could put more than \$430 million of tax base in the Host Communities at-risk. Tinton Falls has the highest potential exposure at almost \$160 million, followed by Eatontown with more than \$107 million.

Comparing the potential tax base at-risk to the total equalized value of each community provides an estimate of the percentage of tax base that is at-risk. This percentage can be multiplied by the revenue from taxes to project the tax revenue which would be at-risk in the event of a closure.

It is important to recognize that all of these tax revenues would not be lost, but a portion of these taxes would likely be lost either due to reductions in value, or default by taxpayers. It is also important to recognize that while these tax revenues would be considered at-risk, only a portion of the revenues would likely be delayed. While the taxes are likely to be collected in the long run, municipal budgets could suffer in the short term.

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**Table 5
Projected Tax Revenues at-Risk
Fort Monmouth Host Communities**

	Eatontown	Little Silver	Oceanport	Shrewsbury	Tinton Falls	Total
Tax Base at-Risk	\$ 107,288,778	\$ 20,860,038	\$ 37,551,950	\$ 22,917,441	\$ 159,920,062	\$ 430,559,973
% of Total EQV	6.3%	1.6%	3.9%	2.7%	7.5%	4.8%
Tax Revenue at-Risk	\$ 705,721	\$ 91,522	\$ 137,341	\$ 125,930	\$ 608,843	\$ 1,669,357
FY 03 Reserve for Uncollected Taxes	2,135,000	1,053,833	459,728	387,997	1,129,975	5,166,533
Percentage Increase for Tax Revenue at-Risk	33.1%	8.7%	29.9%	32.5%	53.9%	32.3%

Source: Jeffrey Donohoe Associates

Table 5 above also shows how much each community reserved in FY 03 to cover uncollected taxes, and calculates how the percentage relationship between the FY 03 reserve and the at-risk tax revenue. As shown in Table 5, the amount of tax revenue that Tinton Falls would have at-risk is the highest in relationship to their FY 03 reserve for uncollected taxes at 53.9%, while Little Silver's is the lowest at just 8.7%.

It is important to recognize that these estimates consider only the direct employees at the Fort and the employees supported directly by government contracts. These estimates do not include spin-off effects, which would likely occur due to the reduction in disposable income of the Fort's employees. According to Fort Monmouth, the average civilian wage is \$93,000 annually. This indicates that the 1,325 Fort Monmouth employees who reside in the Host Communities have a combined income of more than \$120 million annually. This money not only supports tax payments, but shops, restaurants, grocery stores and gas stations in the Host Communities. A reduction in spending of such a significant amount would likely cause some marginal businesses to fail, resulting in additional lost tax revenues.

**Table 6
Projected Tax Revenues at-Risk
Fort Monmouth Impacted Communities**

	Tax Base at-Risk	% of Total EQV	Tax Revenue At-Risk
Fair Haven	\$ 10,151,921	0.9%	\$ 36,075
Long Branch	\$ 38,217,241	1.4%	\$ 301,901
Middletown	\$ 25,014,592	0.3%	\$ 86,805
Monmouth Beach	\$ 4,935,621	0.5%	\$ 15,805
Ocean Township	\$ 28,584,517	0.8%	\$ 100,661
Red Bank	\$ 53,547,456	3.4%	\$ 247,157
Rumson	\$ 25,045,472	0.9%	\$ 67,001
Sea Bright	\$ 2,388,118	0.5%	\$ 12,943
West Long Branch	\$ 33,162,806	3.1%	\$ 126,901
Total	\$ 221,047,744	0.8%	\$ 995,251

Source: NJ Division of Local Government Services and Jeffrey Donohoe Associates

Similar data was gathered for the Impacted Communities. As shown in Table 6, almost \$1 million in tax revenues would be at-risk in the event that Fort Monmouth is closed. Long Branch would have the highest exposure, with more than \$300,000 in tax revenues at-risk. Red Bank

would have almost \$250,000 at-risk, while West Long Branch would have more than \$125,000 at-risk.

Employment at Fort Monmouth

Fort Monmouth provided the consultants with a listing of civilian employees at the site. Due to privacy and security concerns, specific information was not provided for individual employees. Instead, summary information was provided for 5,125 of the Fort's employees which identifies the zip code that each employee uses as part of their mailing address.

The U.S. Postal Service's zip code locator was used to convert the zip codes provided by Fort Monmouth, in order to identify where employees live. It should be noted that portions of Tinton Falls appear to be a part of several zip code areas, which also include other communities. To determine the relative percentage of Tinton Falls residents as opposed to residents of Interlaken, Ocean, Wall Township or Neptune, the population was reviewed for the communities which make up the zip code area, and Tinton's Falls (25%) proportionate share was used. Similarly, Rumson and Sea Bright share a zip code, and their relative populations were used to estimate the number of employees in each of the two communities. While this system is not considered to be perfect, it does provide a reasonable method of evaluating where employees live, and therefore the potential impacts on the local community should the Fort be closed.

Table 7
Location of Fort Monmouth Employees

Region	Number of Employees	Percent of Sample
Host Communities	1,325	25.9%
Impacted Communities	787	15.4%
Rest of New Jersey	2,881	56.2%
New York State	56	1.1%
Pennsylvania	52	1.0%
Other States	24	0.5%
Total	5,125	100.0%

Source: U.S. Army and Jeffrey Donohoe Associates

As shown in Table 7, it is estimated that almost 26% of the civilian employees at Fort Monmouth reside in the Host Communities, and an additional 15% reside in the impact area communities. Within the Host Communities, Eatontown is estimated to have the highest number of residents, as well as the highest concentration of its population working at the Fort, as summarized in Table 8. The Table shows that 653 of Eatontown's 14,124 residents worked at the Fort.

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Table 8 Distribution of Civilian Employees			
Host Communities	Population Estimate 2003	Workers at Fort Monmouth	Percent of Population
OCEANPORT	5,952	87	1.5%
EATONTOWN	14,124	653	4.6%
SHREWSBURY	3,726	35	0.9%
TINTON FALLS	15,975	515	3.2%
LITTLE SILVER	6,123	35	0.6%
TOTAL	45,900	1,325	2.9%
Impacted Communities	Population Estimate 2003	Workers at Fort Monmouth	Percent of Population
FAIR HAVEN	5,949	18	0.30%
LONG BRANCH	31,523	202	0.64%
MIDDLETOWN	66,357	75	0.11%
MONMOUTH BEACH	3,619	9	0.25%
OCEAN TOWNSHIP	27,693	98	0.35%
RED BANK	11,792	256	2.17%
RUMSON	7,312	24	0.33%
SEA BRIGHT	1,792	6	0.33%
WEST LONG BRANCH	8,216	99	1.20%
TOTAL	164,253	787	0.48%

Source: U.S. Army, U.S. Postal Service and Jeffrey Donohoe Associates

Tinton Falls had 515 of its 15,975 residents employed at the Fort, which equates to 3.2% of the residents of the community. Overall, the 1,325 Fort Monmouth employees who live in the Host Communities account for 2.9% of the population of the five Host Communities, as summarized in Table 8. Within the Impacted Communities, Red Bank has the strongest representation among Fort workers. This could be related to the fact that Fort Monmouth and Red Bank share a zip code, which could have the effect of increasing the number of employees from Red Bank.

In order to estimate the impacts of the proposed closure on the Host Communities, it is first necessary to understand how many residents of these communities are in the labor force, and what the impact of a closure could be on the unemployment rate. According to the New Jersey Department of Labor, the Host Communities have a total labor force of 24,649, while the Impacted Communities have a total labor force of 37,632. This indicates that Fort Monmouth employees residing in the Host Communities account for 5.4% of the local labor force, and an additional 0.9% of the labor force in the Impacted Communities. Eatontown has the highest concentration of Fort Monmouth employees in its labor force, with more than 8% of the labor force employed at the Fort. Tinton Falls has 6.6% of its labor force employed at the Fort, while Oceanport has 2.4%. Shrewsbury and Little Silver have 1.9% and 1.1% of their labor force respectively employed at the Fort. Red Bank and West Long Branch had the highest concentrations of Fort employees among the Impacted Communities.

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Table 9
Fort Monmouth Workers
As a Percentage of the Labor Force

Host Communities	Labor Force	Workers at Fort Monmouth	Percent of Labor Force
OCEANPORT	3,582	87	2.4%
EATONTOWN	8,148	653	8.0%
SHREWSBURY	1,854	35	1.9%
TINTON FALLS	7,770	515	6.6%
LITTLE SILVER	3,295	35	1.1%
TOTAL	24,649	1,325	5.4%
Impacted Communities	Labor Force	Workers at Fort Monmouth	Percent of Labor Force
FAIR HAVEN	2,989	18	0.6%
LONG BRANCH	16,693	202	1.2%
MIDDLETOWN	39,244	75	0.2%
MONMOUTH BEACH	2,181	9	0.4%
OCEAN TOWNSHIP	15,659	98	0.6%
RED BANK	6,369	256	4.0%
RUMSON	3,687	24	0.7%
SEA BRIGHT	1,253	6	0.5%
WEST LONG BRANCH	4,460	99	2.2%
TOTAL	92,535	787	0.9%

Source: U.S. Army, New Jersey Department of Labor and Jeffrey Donohoe Associates

At the present time, unemployment in the area is low. As shown in Table 10 below, the State of New Jersey estimates that there are 1,014 unemployed persons in the Host Communities, and an additional 4,225 unemployed in the Impacted Communities. The unemployment rate was estimated to be 4.1% in the Host Communities and 4.6% in the Impacted Communities. Among the Host Communities, Shrewsbury's unemployment rate was the lowest at 2.4%, while Eatontown's was highest at 4.9%. Among the Impacted Communities, Long Branch had the highest unemployment rate, at 7.4%, followed by Red Bank and Fair Haven.

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**Table 10
Estimated Unemployment**

Host Communities	Labor Force	Unemployed	Percent of Labor Force
OCEANPORT	3,582	169	4.7%
EATONTOWN	8,148	398	4.9%
SHREWSBURY	1,854	44	2.4%
TINTON FALLS	7,770	296	3.8%
LITTLE SILVER	3,295	107	3.3%
TOTAL	24,649	1,014	4.1%

Impacted Communities	Labor Force	Unemployed	Percent of Labor Force
FAIR HAVEN	2,989	141	4.7%
LONG BRANCH	16,693	1,233	7.4%
MIDDLETOWN	39,244	1,608	4.1%
MONMOUTH BEACH	2,181	56	2.6%
OCEAN TOWNSHIP	15,659	616	3.9%
RED BANK	6,369	332	5.2%
RUMSON	3,687	75	2.0%
SEA BRIGHT	1,253	47	3.8%
WEST LONG BRANCH	4,460	117	2.6%
TOTAL	92,535	4,225	4.6%

Source: New Jersey Department of Labor and Jeffrey Donohoe Associates

A closure at Fort Monmouth could have a significant impact on the unemployment rate in the Host Communities and the larger region. Assuming that the existing employees at the Fort all became unemployed for some period of time, the unemployment rate in the Host Communities would more than double. Under this "worst case" scenario, almost 13% of Eatontown's labor force would be unemployed, and more than 10% of Tinton Falls' labor force would be unemployed. Overall, 9.5% of the Host Communities' labor force of 24,649 would be unemployed.

In the Impacted Communities, the unemployment rate would jump to more than 9% in Red Bank, and 8.6% in Long Branch. Overall, unemployment in the Impacted Communities would increase to 5.4%.

As discussed elsewhere in this analysis, significantly higher levels of unemployment are likely to lead to increased tax collection problems, and possibly defaults.

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Table 11 Potential Impact of Closure On Unemployment Rates			
Host Communities	Labor Force	Unemployed	Percent of Labor Force
OCEANPORT	3,582	256	7.1%
EATONTOWN	8,148	1,051	12.9%
SHREWSBURY	1,854	79	4.3%
TINTON FALLS	7,770	811	10.4%
LITTLE SILVER	3,295	142	4.3%
TOTAL	24,649	2,339	9.5%
Impacted Communities	Labor Force	Unemployed	Percent of Labor Force
FAIR HAVEN	2,989	159	5.3%
LONG BRANCH	16,693	1,435	8.6%
MIDDLETOWN	39,244	1,683	4.3%
MONMOUTH BEACH	2,181	65	3.0%
OCEAN TOWNSHIP	15,659	714	4.6%
RED BANK	6,369	588	9.2%
RUMSON	3,687	99	2.7%
SEA BRIGHT	1,253	53	4.2%
WEST LONG BRANCH	4,460	216	4.8%
TOTAL	92,535	5,012	5.4%

Source: New Jersey Department of Labor and Jeffrey Donohoe Associates

Contracting at Fort Monmouth

The issue of defense contractors who have facilities in the Host Communities could be as significant an issue as the on-site employees. As part of this analysis, Fort Monmouth provided a summary of the contracts which were issued to companies in the Host Communities, the rest of Monmouth County and the State of New Jersey.

According to Fort Monmouth staff, almost 1,500 individual contracts were issued from Fort Monmouth during FY 04. The total value of these contract actions was \$580 million, or an average of \$390,000 per contract. Companies located in the Host Communities received 521 of the 1,485 contracts, more than one-third of all contracts issued. More importantly, the value of the contracts received in the Host Communities represented more than 55% of the total contract volume. Companies located in the Host Communities received \$320 million of the total \$580 million awarded, with an average contract value of \$616,000, as compared to an average value of \$348,000 in the rest of the State.

It should also be noted that the Host Communities received the vast majority of contracts awarded in Monmouth County. The Host Communities received \$321 million of the total \$335 million in contracts awarded within Monmouth County. Specific locational data was not available for the \$13.9 million in contracts awarded to companies in Monmouth County other

than the Host Communities, so no allocation of these contracts has been made to the Impacted Communities.

Table 12
Summary of FY 04 Contracting Activity
Fort Monmouth

	Contracts	Total Value	Average Value
Total - Host Communities	521	\$ 320,969,543	\$ 616,064
Rest of Monmouth County	260	\$ 13,945,286	\$ 53,636
All of Monmouth County	781	\$ 334,914,829	\$ 428,828
Rest of New Jersey	704	\$ 245,459,502	\$ 348,664
All of New Jersey	1,485	\$ 580,374,331	\$ 390,824

Source: U.S. Army and Jeffrey Donohoe Associates

The largest portion of these contracts, more than \$270 million, relates to professional, administrative and management support services. The majority of these positions are likely office-related, such that the loss of these jobs would likely result in an increase in the amount of vacant office space.

The importance of defense contractors in the local and regional economy should not be overlooked. According to the Department of Defense (DoD), more than \$925 million in prime contracts were awarded to firms in Monmouth County in FY 03 by all DoD agencies. In fact, companies in Monmouth County received almost 25% of the \$3.7 billion in DoD contracts awarded in the State of New Jersey in FY 03.

While it is difficult to determine the exact number of employees who work for these Defense contractors, some rules-of-thumb provide a sense of what is at stake. Assuming an average of \$300,000 in contract value is necessary to support one employee, the \$320 million in contracts from Fort Monmouth to companies in the Host Communities would support 1,070 employees. At an average of 400 to 600 square feet per employee, these companies would occupy between 425,000 and 650,000 square feet of office, R&D and industrial space in the community. The tax base for these operations could be in the range of \$35 to \$70 million. As discussed elsewhere in this report, the danger to the Host Communities is not that these properties will disappear from the tax rolls, but rather that their value will be diminished as they sit vacant, and thus the tax revenues from these properties will be reduced for an extended period of time. The Borough of Tinton Falls experienced this problem first-hand, when CECOM was relocated from a large office building in the community back onto Fort Monmouth. The office building's assessed value reportedly fell from more than \$40 million to less than \$13 million, as it sat vacant for a number of years.

Base Operations Budget

The Fort Monmouth Base Operations Budget is substantial, exceeding \$100 million for the past several years. Information on the Base Operations budget is summarized in Table 13 below. As shown in the Table, the total budget for 2004 was \$127.5 million, more than 22% higher than the

2002 budget of \$104.4 million. As a means of comparison, the Fort Monmouth Base Operations budget is more than double the budgets of the five Host Communities combined.

Table 13
Fort Monmouth Base Operations Budget
2002 - 2004

Cost Center	2002	2003	2004	Change 02-04
Personnel Support and Community Services	\$11,634,134	\$11,597,386	\$10,379,479	-10.8%
Information Support	\$14,358,376	\$15,735,711	\$29,531,353	105.7%
Logistics and Transportation	\$6,886,404	\$9,687,445	\$9,873,082	43.4%
Buildings and Grounds Maintenance	\$22,416,743	\$19,402,122	\$18,864,671	-15.8%
Utilities	\$13,992,743	\$13,217,698	\$14,620,686	4.5%
Facility Management and Minor Construction	\$12,904,177	\$14,521,355	\$14,516,562	12.5%
Security and Environment	\$12,546,204	\$15,426,596	\$21,072,513	68.0%
Accounting and Special Programs	\$6,667,804	\$6,717,782	\$6,294,398	-5.6%
Installation Management	\$3,035,838	\$2,996,769	\$2,355,677	-22.4%
Total	\$104,442,423	\$109,302,864	\$127,508,421	22.1%

Source: U.S. Army and Jeffrey Donohoe Associates

Information support grew by the largest percentage over the period, and is the largest expenditure category. Approximately half of this increase is related to a new budget item for the Global War on Terror (GWOT), which totaled \$7.9 million for 2004. Another \$6 million of the increase is related to automation upgrades.

Security and environment also experienced a significant increase, gaining almost \$9 million, or 68%, from 2002 to 2004. Law enforcement services tripled during this period, representing the majority of the increase. In addition, fire/emergency response, compliance programs and physical security all saw significant increases between 2002 and 2004.

Contracted Services vs. In-house Staffing

To accomplish the Base Operations Functions, the Army uses both in-house staff and outside contractors for these functions. This section provides a summary of the services and functions included in the Base Operations budget. It should be noted that all information included in this section is based on the Fiscal Year 2004 budget for Fort Monmouth.

Table 14 below provides a summary of Fort Monmouth's Base Operations Expenditures. As shown in the Table, the Fort employed 663 personnel to perform base operations functions in 2003. The total budget was \$127.5 million. Contracted services accounted for almost 32% of expenditures, with the remaining 68% used for functions performed on an in-house basis.

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Table 14
Fort Monmouth Expenditures
Comparison of In-house Functions vs. Contracted Services

Service	Civilian FTEs	In-House Functions	Contracted Services	Total
Personnel Support and Community Services	134	\$ 10,379,479 \$	- \$	\$ 10,379,479
Information Support	142.5	\$ 29,305,432 \$	225,921 \$	\$ 29,531,353
Logistics and Transportation	32	\$ 8,501,794 \$	1,310,344 \$	\$ 9,812,138
Buildings and Grounds Maintenance	0	\$ - \$	18,925,615 \$	\$ 18,925,615
Utilities	1	\$ 780,464 \$	13,840,221 \$	\$ 14,620,686
Facility Management and Minor Construction	76	\$ 8,577,568 \$	5,938,994 \$	\$ 14,516,562
Security and Environment	138	\$ 21,032,546 \$	39,967 \$	\$ 21,072,513
Accounting and Special Programs	104.5	\$ 6,293,198 \$	1,200 \$	\$ 6,294,398
Installation Management	35	\$ 2,355,677 \$	- \$	\$ 2,355,677
Total	663	\$ 87,226,160 \$	40,282,262 \$	\$ 127,508,421

Source: U.S. Army and Jeffrey Donohoe Associates

Personnel and Community Support – This category includes expenditures for programs such as family services and recreational programs offered by the Army to residents of the site, including fitness, recreation, continuing education, and childcare. In addition, expenses for the civilian personnel center, as well as related personnel costs for military personnel and substance abuse counseling, are also included.

Information Support – This category includes costs associated with communications, information technology, automation, visual information and document management. Services provide support to the entire activity, including training for personnel.

Logistics and Transportation – This category includes the asset management, materiel support, food service and transportation functions.

Buildings and Grounds Maintenance – This category includes facilities and grounds maintenance for the entire site. In addition, personnel and costs associated with managing the housing are included, as well as overall property maintenance/management.

Utilities – The utilities cost information has been identified separately from Building Maintenance, since most of these services are regulated.

Facility Management and Minor Construction – This category includes expenditures for property administration, minor construction projects, pest control and managements of Army Family Housing and lodging programs, among others.

Security and Environment – This category includes the costs of fire protection, emergency response, law enforcement and physical security at Fort Monmouth. Also included are conservation, restorations and compliance programs.

Accounting and Special Programs – This category includes traditional accounting and reporting functions, as well as specialized programs such as religious support, community relations and media relations.

Installation Management – This category includes the Commander's staff, as well as equal employment opportunity (EEO), compliance programs, internal review and safety/occupational health programs.

Table 15 provides a summary of the functions that the Army performs principally with in-house staffing. As shown, the Base Operations Functions include 663 civilian employees (full-time equivalents). The total budget for in-house functions is \$87.2 million, which includes civilian labor costs of \$39.1 million. However, much of the remaining costs within these budget categories are related to contracted services.

As shown in Table 15, Information Support represents the largest department at Fort Monmouth, both in terms of total civilian employment and in total expenditures. In addition to the \$8 million in civilian labor costs, there are an additional \$20 million in contracted services. Interestingly, Security, which has four fewer staff members, has civilian payroll costs which are \$1.1 million more than Information Support. Security also contracts for more than \$11 million in services annually.

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Table 15
Summary of Functions and Budgets
For In-house Services

Service	Civilian FTEs	Civilian Labor	Total Costs
Personnel Support and Community Services	134	\$ 7,613,881	\$ 10,379,479
Information Support	142.5	\$ 8,019,574	\$ 29,305,432
Logistics and Transportation	32	\$ 1,807,558	\$ 8,501,794
Buildings and Grounds Maintenance	0	\$ -	\$ -
Utilities	1	\$ 78,576	\$ 780,464
Facility Management and Minor Construction	76	\$ 4,627,464	\$ 8,577,568
Security and Environment	138	\$ 9,117,254	\$ 21,032,546
Accounting and Special Programs	104.5	\$ 5,766,298	\$ 6,293,198
Installation Management	35	\$ 2,034,583	\$ 2,355,677
Total	663	\$ 39,065,188	\$ 87,226,160

Source: U.S. Army and Jeffrey Donohoe Associates

The Fort's other large budget categories are Personnel/Community Services and Accounting/Special Programs. These two budget categories, together with Information Support and Security/Environment, account for almost 520 of the 663 civilian employees associated with Base Operations. More detailed budget information for line items within specific budget categories is summarized below.

As shown in Table 15, the Fort contracts out all building maintenance functions, with no personnel or budget to perform these functions in-house. Similarly, the Fort has just one employee allocated to utility systems, as the majority of these activities are also contracted.

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**Table 16
Detailed Budget Information by Budget Group
Services Performed Primarily with In-House Staff**

Service	Civilian FTEs	Civilian Labor	Contract	Other	Total Costs
Personnel Support and Community Services					
01. Civilian Personnel Advisory Center	44	\$ 2,474,773	\$ 41,368	\$ -	\$ 2,516,141
07. (Military) Personnel Manning	14	\$ 882,125	\$ 600,000	\$ 51,600	\$ 1,533,725
08. (Military) Personnel Services	37	\$ 1,950,818	\$ 108,678	\$ 51,600	\$ 2,111,096
09. Substance Abuse	4	\$ 293,648	\$ -	\$ 5,267	\$ 298,916
10. Army Community Services	2	\$ 173,708	\$ 338,455	\$ 14,722	\$ 526,884
11. Child and Youth	25	\$ 1,433,678	\$ 843,050	\$ 88,409	\$ 2,365,136
12. Sports, Recreation, and Libraries	8	\$ 405,130	\$ 50,082	\$ 572,368	\$ 1,027,580
Subtotal	134	\$ 7,613,881	\$ 1,981,632	\$ 783,966	\$ 10,379,479
Information Support					
13. Business Operations	4	\$ 246,344	\$ 578,061	\$ 4,437	\$ 828,842
14. Continuing Education Services	3	\$ 230,517	\$ 308,432	\$ 12,869	\$ 551,817
15. Communication Systems and Support	15	\$ 838,224	\$ 6,275,277	\$ 96,262	\$ 7,209,763
16. Visual Information Processes	3	\$ 185,090	\$ 2,670,232	\$ 11,259	\$ 2,866,581
17. Document Management	3	\$ 132,287	\$ 1,236,005	\$ 259,744	\$ 1,628,035
19. Automation	96.5	\$ 5,304,993	\$ 1,574,400	\$ 7,752	\$ 6,887,144
204. Non-DFAS Finance and Accounting	4	\$ 234,800	\$ 305,713	\$ 86,103	\$ 626,616
21. Installation Security Program Management Support	10	\$ 707,940	\$ 17,330	\$ 99,792	\$ 825,062
223. Global War on Terrorism (GWOT)	4	\$ 139,380	\$ 7,699,073	\$ 43,120	\$ 7,881,573
Subtotal	142.5	\$ 8,019,574	\$ 20,664,522	\$ 621,337	\$ 29,305,432
Logistics and Transportation					
24. Retail Supply	12	\$ 646,659	\$ 1,202,670	\$ 88,603	\$ 1,937,932
26. Asset Management	8	\$ 435,026	\$ 1,221,034	\$ -	\$ 1,656,060
28. Transportation Services	11	\$ 636,891	\$ 3,346,389	\$ 116,999	\$ 4,100,279
29. Food Services	1	\$ 88,983	\$ 698,363	\$ 20,177	\$ 807,523
Subtotal	32	\$ 1,807,558	\$ 6,468,457	\$ 225,779	\$ 8,501,794
Utilities					
46. Waste Water Services	1	\$ 78,576	\$ 689,501	\$ 12,387	\$ 780,464
Subtotal	1	\$ 78,576	\$ 689,501	\$ 12,387	\$ 780,464

Source: U.S. Army and Jeffrey Donohoe Associates

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Table 16
Detailed Budget Information by Budget Group
Services Performed Primarily with In-House Staff (continued)

Service	Civilian FTEs	Civilian Labor	Contract	Other	Total Costs
Facility Management and Minor Construction					
50. Family Housing Management	8	\$ 407,789	\$ 2,472,778	\$ 47,688	\$ 2,928,256
52. UPH Management	1	\$ 51,496	\$ 65,556	\$ 45,500	\$ 162,552
53. Facilities Engineering Services Management	60	\$ 3,793,326	\$ 1,290,071	\$ 28,510	\$ 5,111,908
54. Master Planning	5	\$ 275,944	\$ -	\$ -	\$ 275,944
55. Real Estate/Real Property Admin.	2	\$ 98,909	\$ -	\$ -	\$ 98,909
Subtotal	76	\$ 4,627,464	\$ 3,828,406	\$ 121,699	\$ 8,577,568
Security and Environment					
65. Restoration Programs	1	\$ 33,000	\$ 758,100	\$ -	\$ 791,100
66. Compliance Programs	11	\$ 645,031	\$ 4,776,492	\$ 44,706	\$ 5,466,229
68. Fire and Emergency Response Svcs	49	\$ 3,436,188	\$ 116,990	\$ 23,959	\$ 3,577,137
69. Program/Budget	1	\$ 58,236	\$ 10,000	\$ 1,949	\$ 70,185
70. Support Agreement Management	1	\$ 77,474	\$ 62,098	\$ 6,551	\$ 146,123
77. Law Enforcement Services	64	\$ 4,192,247	\$ 5,991,826	\$ 119,939	\$ 10,304,012
78. Physical Security	7	\$ 513,298	\$ -	\$ -	\$ 513,298
79. Administrative & Civil Law	3	\$ 113,956	\$ -	\$ 1,081	\$ 115,037
80. Criminal Law & Discipline	1	\$ 47,825	\$ -	\$ 1,600	\$ 49,425
Subtotal	138	\$ 9,117,254	\$ 11,715,506	\$ 199,786	\$ 21,032,546
Accounting and Special Programs					
71. Management Accounting	61	\$ 3,374,979	\$ 15,000	\$ 64,304	\$ 3,454,283
72. Installation TDA Management	1	\$ 52,340	\$ 10,000	\$ 1,949	\$ 64,290
73. Management Analysis	5	\$ 229,458	\$ -	\$ 6,281	\$ 235,739
74. Contracting	24	\$ 1,321,249	\$ 61,200	\$ 27,461	\$ 1,409,910
75. Contracting Administration	4	\$ 221,017	\$ -	\$ 4,569	\$ 225,586
81. Client Services	2	\$ 84,567	\$ -	\$ 14,282	\$ 98,850
82. Religious Support	1	\$ 66,843	\$ 283,173	\$ 12,841	\$ 362,858
84. Community Relations	5	\$ 347,577	\$ 7,597	\$ 6,306	\$ 361,481
85. News Media Facilitation	0.5	\$ 22,756	\$ -	\$ -	\$ 22,756
86. Information Strategies	1	\$ 45,512	\$ 11,936	\$ -	\$ 57,447
Subtotal	104.5	\$ 5,766,298	\$ 388,906	\$ 137,994	\$ 6,293,198
Installation Management					
90. Protocol Services	1	\$ 66,875	\$ -	\$ 10,503	\$ 77,378
91. Installation Management	28	\$ 1,569,014	\$ 125,091	\$ 95,813	\$ 1,789,918
92. EEO (Equal Employment Opportunity)	1	\$ 66,846	\$ 6,475	\$ 6,514	\$ 79,836
94. Internal Review	1	\$ 38,654	\$ -	\$ 3,356	\$ 42,010
95. Installation Safety and Occupational Health	4	\$ 293,193	\$ 26,552	\$ 46,790	\$ 366,535
Subtotal	35	\$ 2,034,583	\$ 158,118	\$ 162,975	\$ 2,355,677

Source: U.S. Army and Jeffrey Donohoe Associates

Beyond the functions outlined above, there is a broad spectrum of services at Fort Monmouth which are provided exclusively by contractors. These services are summarized in Table 17 below.

Table 17
Summary of Services Performed by Contractors
Fort Monmouth

Service	Materials	Contracted Services	Other	Total Costs
Information Support	\$ 13,325	\$ 211,312	\$ 1,284	\$ 225,921
Logistics and Transportation	\$ 71,598	\$ 1,238,001	\$ 745	\$ 1,310,344
Buildings and Grounds Maintenance	\$ 88,168	\$ 18,828,299	\$ 9,149	\$ 18,925,615
Utilities	\$ 328,684	\$ 13,511,537	\$ -	\$ 13,840,221
Facility Mgmt and Minor Construction	\$ 16,616	\$ 5,922,378	\$ -	\$ 5,938,994
Security and Environment	\$ -	\$ 39,967	\$ -	\$ 39,967
Accounting and Special Programs	\$ 1,200	\$ -	\$ -	\$ 1,200
Total Contracted Services	\$ 519,591	\$ 39,751,493	\$ 11,178	\$ 40,282,262

Source: U.S. Army and Jeffrey Donohoe Associates

As shown in Table 17 above, Buildings and Grounds Maintenance makes up the largest category of services which are performed strictly by contractors. The annual cost of \$18.9 million equates to an average of \$3.74 per square foot of building area for Fort Monmouth's 5.1 million square feet of space, and represents 47% of the contracted services reviewed in this section. Utilities represents the next largest expenditure area, accounting for \$13.8 million in annual costs, or about \$2.74 for every square foot of building area at the Fort, while Facility Management and Minor Construction account for almost \$6 million in costs, or another \$1.17 per square foot of building area. Together, these three expense categories total more than \$38.7 million in costs, an average of \$7.65 per square foot of building area.

More detailed budget information for line items within specific budget groupings is summarized in Table 18, which appears on the following pages.

**SMART GROWTH STUDY
FORT MONMOUTH HOST COMMUNITIES**

**Table 18
Summary of Services Provided by Contractors
Fort Monmouth**

Service	Materials	Contracted Services	Other	Total Costs
Information Support				
18. Information Assurance	\$ -	\$ 160,000	\$ -	\$ 160,000
20. Information Technology (IT) Management	\$ -	\$ 13,188	\$ -	\$ 13,188
22. Anti-Terrorism Services	\$ 13,325	\$ 38,124	\$ 1,284	\$ 52,733
Subtotal	\$ 13,325	\$ 211,312	\$ 1,284	\$ 225,921
Logistics and Transportation				
27. Materiel Support Maintenance	\$ -	\$ -	\$ 1,310,344	\$ 1,310,344
Subtotal	\$ 71,598	\$ 1,238,001	\$ 745	\$ 1,310,344
Buildings and Grounds Maintenance				
30. Laundry & Dry Cleaning Services	\$ -	\$ 60,944	\$ -	\$ 60,944
31. Bldg. (Facilities) Maint. - Training & Ops	\$ -	\$ 115,674	\$ -	\$ 115,674
32. Bldg. (Facilities) Maint. - Maint. & Production	\$ -	\$ 242,680	\$ -	\$ 242,680
33. Bldg. (Facilities) Maint. - RDT&E	\$ -	\$ 1,792,260	\$ -	\$ 1,792,260
34. Bldg. (Facilities) Maint. - Supply	\$ -	\$ 536,000	\$ -	\$ 536,000
35. Bldg. (Facilities) Maint. - Administration	\$ 78,168	\$ 8,044,799	\$ 7,530	\$ 8,130,497
36. Bldg. (Facilities) Maint. - Housing	\$ 10,000	\$ 3,596,820	\$ -	\$ 3,606,820
37. Bldg. (Facilities) Maint. - UPH	\$ -	\$ 396,970	\$ -	\$ 396,970
38. Bldg. (Facilities) Maint. - Community	\$ -	\$ 799,410	\$ -	\$ 799,410
39. Bldg. (Facilities) Maint. - Medical/Hospital	\$ -	\$ 626,597	\$ 1,619	\$ 628,215
40. Maint. - Improved Grounds	\$ -	\$ 442,059	\$ -	\$ 442,059
41. Maint. - Unimproved Grounds	\$ -	\$ 55,000	\$ -	\$ 55,000
42. Bldg. (Facilities) Maint. - Other	\$ -	\$ 962,734	\$ -	\$ 962,734
43. Maint. - Surfaced Area	\$ -	\$ 1,155,352	\$ -	\$ 1,155,352
Subtotal	\$ 88,168	\$ 18,828,299	\$ 9,149	\$ 18,925,615
Utilities				
44. Heating/Cooling Services	\$ 328,684	\$ 2,149,454	\$ -	\$ 2,478,138
45. Water Services	\$ -	\$ 534,000	\$ -	\$ 534,000
47. Electrical Services	\$ -	\$ 6,832,321	\$ -	\$ 6,832,321
48. Other Utility Services	\$ -	\$ 3,995,762	\$ -	\$ 3,995,762
Subtotal	\$ 328,684	\$ 13,511,537	\$ -	\$ 13,840,221

Source: U.S. Army and Jeffrey Donohoe Associates

Table 18
Summary of Services Provided by Contractors
Fort Monmouth

Service	Contracted			Total Costs
	Materials	Services	Other	
Facility Management and Minor Construction				
51. Army Lodging Management	\$ 4,986	\$ -	\$ -	\$ 4,986
53. Facilities Engineering Services Management	\$ -	\$ 16,605	\$ -	\$ 16,605
57. Custodial Services	\$ -	\$ 2,539,781	\$ -	\$ 2,539,781
58. Indoor Pest Control	\$ -	\$ 34,448	\$ -	\$ 34,448
59. Outdoor Pest Control	\$ -	\$ 38,392	\$ -	\$ 38,392
60. Refuse Removal (Housing)	\$ -	\$ 549,803	\$ -	\$ 549,803
60. Refuse Removal	\$ -	\$ 741,446	\$ -	\$ 741,446
61. Snow and Sand Removal	\$ -	\$ 430,961	\$ -	\$ 430,961
62. Minor Construction	\$ -	\$ 110,000	\$ -	\$ 110,000
63. Real Property Demolition (Housing)	\$ -	\$ 95,050	\$ -	\$ 95,050
63. Real Property Demolition	\$ 11,631	\$ 1,365,893	\$ -	\$ 1,377,524
Subtotal	\$ 16,616	\$ 5,922,378	\$ -	\$ 5,938,994
Security and Environment				
64. Conservation Programs	\$ -	\$ 39,967	\$ -	\$ 39,967
Subtotal	\$ -	\$ 39,967	\$ -	\$ 39,967
Accounting and Special Programs				
83. (Chaplain) Special Staff Work	\$ 1,200	\$ -	\$ -	\$ 1,200
Subtotal	\$ 1,200	\$ -	\$ -	\$ 1,200
Total - Contracted Services		\$ -	\$ 40,282,262	\$ 40,282,262

Source: U.S. Army and Jeffrey Donohoe Associates

As shown in Table 18 above, facilities maintenance for Administrative Facilities is the largest single expenditure area, accounting for \$8.1 million in costs, approximately 20% of the budget for contracted services evaluated in this section. Maintenance of Army Family Housing Units accounts for more than \$3.5 million in annual costs. Electrical costs are the largest single utility cost category, with an annual budget of more than \$6.8 million, or more than 15% of the \$40.3 million in contracted service costs evaluated in this section.

Potential for Shared Services

Consideration was given to the possibility of the Fort sharing municipal services with one or more of the Host Communities. However, there are a variety of services that are simply not conducive to being shared. These services and functions are generally considered to be "inherently Federal" in nature. For example, it is unlikely that the Army secure telecommunications could be shared with the communities. Similarly, the Army's accounting and contracting functions do not readily lend themselves to being shared with the communities.

Some functions that the Army utilizes at Fort Monmouth are consistent with functions that the Host Communities presently provide for their residents and businesses. Specific consideration was given to three distinct areas: building and grounds maintenance, utilities, and fire protection services. However, this possibility was discounted since the size and scope of the Army's requirements are substantially above the level of service which the Host Communities presently provide. For example, the Host Communities spent a total of just over \$700,000 for fire protection services in 2003, as compared to the Fort's budget of \$3.6 million. Provision of police services was not considered, due to jurisdictional issues associated with the exclusive Federal jurisdiction on the Fort property.

During the preparation of this report, Fort Monmouth issued a request for proposals for the privatization of the on-site utility systems, including water, wastewater, and electric. However, the requirements of the RFP to essentially rebuild the entire utility infrastructure were considered beyond the capability of local municipal utilities.

Finally, consideration was given to the creation of a municipal entity to provide buildings and grounds maintenance. This approach has been used successfully by the City of Monterey, California, to provide maintenance services to the Presidio of Monterey. Under the contract, the City provides all facilities and grounds maintenance services for the Presidio, from plumbing and heating issues in the family housing area to more complex repairs in non-residential areas of the site. According to Fred Muerer, Monterey City Manager, this program saved the Presidio more than 40% over the costs of having these services provided in-house. Given the Army's maintenance costs for its facilities at Fort Monmouth of \$18.9 million, a savings of 40% would equate to an annual savings of \$7.5 million. However, if the Army's costs were reduced by \$7.5 million, the costs for maintaining the facilities and grounds would be \$11.4 million. An annual budget of \$11.4 million would require the creation of an organization comparable in size to the general government functions in all five of the Host Communities combined. This is considered a significant risk for any of the individual Host Communities, as it would represent an increase in the budget for Eatontown or Tinton Falls of more than 60%, and would more than double the budget for the other Host Communities.

Perhaps more importantly, the Monterey program was implemented through special legislation. Although the Army is authorizing three additional demonstration sites, the program was considered to be too risky from a fiscal perspective for the Fort Monmouth Host Communities to pursue.

Potential Economic Impacts

In addition to the potential fiscal impacts on the Host Communities and the Impacted Communities, there will undoubtedly be some economic impacts on the communities in the Fort Monmouth area as a result of the closure of the Fort. In order to gain an understanding of these potential economic impacts, the consultants acquired data on consumer spending from Claritas, Inc., a private demographic research firm.

The Claritas Consumer Spending Patterns report summarizes household expenditures for households within a ten-mile radius of Fort Monmouth. For purposes of this analysis, this radius includes the Host Communities, as well as the majority of the Impacted Communities.

The Claritas data is summarized in Table 19 below. As shown in the Table, the average household in the region spends more than \$56,000 annually on goods and services. Transportation, food, entertainment and apparel are among the highest expenditure categories for the average household, accounting for more than 57% of total expenditures.

Table 19 Summary of 2004 Average Household Expenditures Fort Monmouth Area	
Annual Expenditures	Average Household 2004
Apparel	\$5,591
Entertainment	\$6,955
Food at Home	\$6,042
Health Care	\$3,918
Household Textiles	\$758
Furniture & Appliances	\$2,932
Miscellaneous Personal Items	\$3,854
Education	\$1,732
Miscellaneous Items	\$3,690
Food away from Home	\$5,952
Alcoholic Beverages	\$1,533
Shelter and Related Expenses	\$2,349
Housing Expenses	\$1,146
Transportation Expenses	\$7,824
Automotive Maintenance/Repair/Other	\$1,991
Total	\$56,267

Source: Claritas and Jeffrey Donohoe Associates

The loss of this spending will have an impact on the local economy. Claritas estimates the local retail trade potential in proximity to Fort Monmouth (10 mile radius) to be \$5.65 billion annually. Removing the Fort's 4,652 civilian employees from the regional economy would potentially take more than \$260 million from the economy, or about 4.6% of the local retail trade potential. This is considered to be the worst-case scenario.

If the 1,325 employees who reside in the Host Communities are removed from the economy, almost \$75 million in retail trade potential is eliminated. At an average of \$250 to \$500² in retail sales per square foot, this amount of retail trade would support between 150,000 and 300,000 square feet of retail space. The 787 employees who reside in the Impacted Communities account for another \$45 million in retail trade potential. At an average of \$250 to \$500 in retail sales per

² According to U.S. Business Reporter, the average sales per square foot for Walmart is \$422, while the average for Kmart is \$235.

square foot, this amount of retail trade would support between 90,000 and 180,000 square feet of retail space.

This analysis does not consider the retail impacts associated with the remaining Fort Monmouth employees, who spend a portion of their incomes in the local economy in proximity to Fort Monmouth. These employees spend at least some of their incomes buying lunch or dinner, purchasing fuel and other "convenience items" during their workday.

This analysis also does not consider the 620 military members associated with Fort Monmouth. Historically, military members spend proportionally less in the community than more traditional consumers. This is due to the availability of preferred pricing and propensity to shop at the on-site commissary and/or post exchange, as well as services such as barbers/beauty shops, tailors, officers clubs and restaurants.



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BRAC 2005

Base Realignment & Closures

Economic Impact of Proposed Closure of the Portsmouth Naval Shipyard at Kittery and DFAS Center at Loring and Realignment of the Naval Air Station at Brunswick

The following impact figures are approximate. They are created using currently available information at this time on the proposed closures and realignment of three major Department of Defense (DOD) facilities in Maine. This analysis was conducted using the U.S. Department of Commerce, Bureau of Economic Analysis RIMS II economic model.

Since there are a number of unknown factors at this time, such as the details of the proposed realignment at the Brunswick Naval Air Station, the portion of military payroll spent off base in the local economy, or operating expenses of the DFAS center, the figures presented are not precise and should be considered preliminary.

Of the 6900 civilian and military jobs proposed to be cut in Maine, 5600 are represented at the three locations examined. An additional 1800 jobs are held by New Hampshire residents working at the Kittery shipyard. The analysis is limited to Maine impacts and does not include the New Hampshire residents nor does it include expenditures made by the yard to firms outside of Maine. It should also be noted that total employment at the DFAS center in Limestone is higher than DOD reported. The higher figure is used here.

Overall, the closure of Kittery and Limestone facilities and proposed realignment at Brunswick are estimated to result in a loss of almost 12,000 Maine jobs. A total of 546 jobs are projected to be lost in the Limestone area and 6,788 (Maine portion only) at Kittery. Realignment of NASB is estimated to result in a job loss of 4,655, or about 45% of the total direct and indirect employment associated with the base today.

Summary of Total Estimated Impact

Earnings (in \$ millions)



		Direct	Indirect		Total
			From Payroll	From Spending	
DFAS		\$10.0	\$4.9	\$1.0	\$15.9
NSY		\$202.3	\$97.2	\$14.9	\$314.4
NAS		\$69.5	\$20.4	\$45.0	\$134.9
	Total	\$281.8	\$122.5	\$60.9	\$465.2

Employment (in number of jobs)

		Direct	Indirect		Total
DFAS		364	166	16	546
NSY		2,972	3,308	508	6,788
NAS		2,461	694	1,500	4,655
	Total	5,797	4,168	2,024	11,989

Portsmouth Naval Shipyard - Kittery

Baseline

		Payroll (\$m)	Employment
Civilian		\$186	2771
Military		\$17	201
	Total	\$202	2972
Spending (in \$m)		Maine	Total
Purchasing		\$2.3	\$46.4
Public Works		\$13.7	\$27.4
PW-Util		\$9.5	
	Total	\$25.5	\$73.8

Impact

Total Earnings (in \$ millions)					
Earnings		Direct	Indirect		Total
			(payroll)	(purchases)	
Civilian		\$185.5	\$90.4		
Military		\$16.8	\$6.8		
Procurement		\$0.0	\$0.0	\$14.9	
	Total	\$202.3	\$97.2	\$14.9	\$314.4
Total Employment (in number of jobs)					
Employment					
Civilian		2,771	3,078		
Military		201	230		
Procurement				508	
	Total	2,972	3,308	508	6,788

Note: Data represents portion in Maine only.

DFAS Center - Limestone

	Direct	Indirect	Total
Earnings (in \$m)	\$10.0	\$4.9	\$14.9
Employment (jobs)	364	166	530
Operations (per \$1 million in spending)			
Output (in \$m)	\$1.0	\$0.8	\$1.8
Earnings (in \$m)		\$0.05	\$0.05
Employment (jobs)		15.8	15.8
Total Earnings Impact: (in \$m)			\$5.9
Total Employment Impact (jobs)			546

Note: Operational Expenditures at the Center are unknown. Operations data show the effect of \$1 million in spending.

Naval Air Station - Brunswick

Baseline

		Payroll (\$m)	Employment
Civilian		\$22	817
Military		\$125	4410
	Total	\$147	5227
Procurement		Value (\$m)	
Services		\$20	
Construction		\$42	
Medical Services		\$34	
	Total	\$96	

Impact

Total Base Effect:				
Total Earnings (in \$ millions)				
		Direct	Indirect	Total
Payroll	Civilian	\$22.0	\$10.8	\$32.8
	Military	\$125.0	\$53.4	\$178.4
Procurement		\$0.0	\$84.5	\$84.5
Total Earnings		\$147.0	\$148.7	\$295.7
Total Employment (in number of jobs)				
Employment	Civilian	817	365	1,182
	Military	4,410	1,817	6,227
Procurement			2,736	2,736

Total Employment	5,227	4,918	10,145
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Note: Impact of complete shutdown.

Under Realignment:				
(assume loss of 2400 military and 61 civilian personnel)				
Earnings (in \$ millions)				
		Direct Loss	Indirect Loss	Total Loss
Payroll	Civilian	\$2.0	\$1.0	\$3.0
	Military	\$67.5	\$19.4	\$86.9
Procurement		\$0.0	\$46.3	\$46.3
Total Earnings		\$69.5	\$66.7	\$136.2
Total Employment (in number of jobs)				
Employment	Civilian	61	33	94
	Military	2,400	661	3,061
Procurement		0	1,500	1,500
Total Employment		2,461	2,194	4,655

Note: Effect on procurement and purchasing is unknown at this time. Estimate assumes there would be substantial reductions in construction and medical purchases.

EXECUTIVE SUMMARY
THE ECONOMIC IMPACT OF THE 183D FIGHTER WING CLOSURE ON
NINE COUNTIES IN THE CENTRAL ILLINOIS REGION

IMPLAN ECONOMIC IMPACT ANALYSIS

The Rural Economic Technical Assistance Center (RETAC) of Western Illinois University recently completed a study that projects the economic impact to a nine county region, if the 183d Fighter Wing is closed as a result of the 2005 scheduled federal Base Realignment and Closure decisions. The nine counties are: Sangamon, Logan, Macon, Christian, Montgomery, Macoupin, Morgan, Cass and Menard.

The IMPLAN (Impact Analysis and Planning) projection model is based on the understanding that when *new* money enters a community through investment, revenues, or income, some of it is *re-spent* one or more times in the local economy. The full impact then includes not only the initial *round* of spending (investment, revenue or income) across the many sectors in the local economy, e.g., hotels, food, supplies, services, and consumer and durable goods, but the spending resulting from area recipients of the first round of spending, in turn spending the money across those same sectors. The total economic effect on the region caused by the new spending is measured by the changes that result in the region's output, employment, personal income and demand generated by the *second* and *successive rounds* of spending. Also estimated are the tax impacts stemming from the changes in output, income and demand.

Just as an expansion of a local economy occurs with the infusion of new investment spending, income or revenue, a retraction occurs with the withdrawal of investment spending, income or revenue. The closure of the 183d Fighter Wing will take the following out of the region and the state:

The impact analysis is based on the following income/expenditure assumptions:

- Full-time employees spending in the nine county region is \$16,668,750 (\$22,225,000 payroll minus \$5,556,250 in taxes.)
- Part-time Air National Guard personnel spending is \$5,788,934 (\$7,718,579 payroll for 774 part-time guard personnel living within the nine county region minus \$2,162,329 in taxes.)
- 183d Fighter Wing local spending and education assistance aid provided to Air National Guard personnel.

Using the IMPLAN analysis model, the following impacts are estimated:

Lost Taxes = \$13,061,606
Lost Output = \$44,663,117
Lost Employment = 954 jobs
Lost Payroll = \$41,910,062
Lost Value-Added = \$20,493,990

Executive Summary Page 2

Tax Impact includes payroll taxes, property taxes, sales taxes, and other business taxes.

Output Impact represents the value of production output, which equals: total sales +/- inventory changes.

Employment Impact includes the full-time and part-time employment converted to full-time equivalents (FTE) based on federal Bureau of Labor Statistics data.

Employee Compensation/Payroll Impact includes total payroll costs including benefits and social security taxes.

Value-Added Impact includes employee compensation, proprietors' income, other property type income and indirect business taxes.

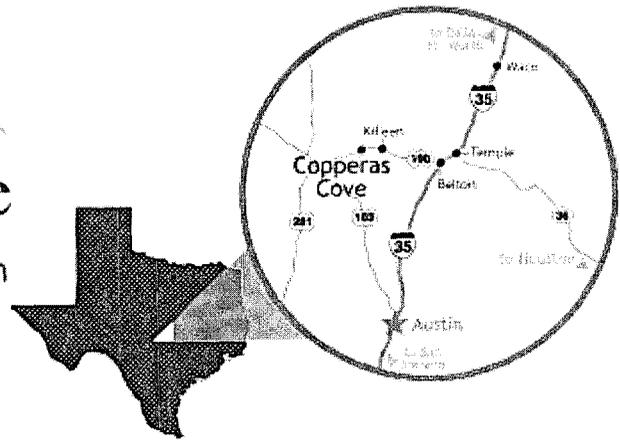
The top affected industry is higher education because of the Montgomery GI bills, Student Loan Repayment Program (SLRP) and tuition assistance provided by the base to its personnel. **Colleges-universities and community colleges** would lose an estimated **40 jobs and \$1,736,810 in tuition/output**. **Food service and drinking places** stand to lose **\$1.606 million in sales and 31 jobs** within the region. **Hospitals** stand to lose an estimated **\$1.893,427 in revenues**. **Wholesale trade** losses will equal **\$1,361,006**. **Office physicians, dentists and other health care services** will lose an estimated **\$1.573 million**.

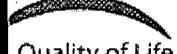
Other sectors that will see declines include: **motor vehicle and parts dealers** in amounts estimated to be **\$731,205**. **Food and beverage stores** stand to lose **\$587,634**. **Hotels and motels** are projected to lose **\$671,761**.



Copperas Cove

Economic Development Corporation



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-  Small Business Development Center
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www.centraltexas.org

Fort Hood, the "Great Place"

Fort Hood, the largest training post in the world, sprawls over 217,337 acres (339 square miles) of Central Texas. There are more than 220 square miles of training area, making it the only post in the United States capable of supporting two full armored divisions, the First Cavalry Division and the 4th Infantry Division.

Fort Hood borders Copperas Cove to the north and east. Fort Hood was named after Confederate General John Bell Hood, who gained recognition during the Civil War as the commander of the Texas Brigade.

Fort Hood is the state's largest employer. Approximately 45,000 soldiers are assigned to Fort Hood. The large concentration of military dependents strongly influences the area's business climate as well as the approximately 1,000 soldiers who separate from the service each month. With advanced high-tech training, these soldiers provide an experienced and well-disciplined labor pool.

5,000 New Troops Coming to Fort Hood in 2005 New Central Texas residents will bring millions to state

(This information is excerpted from an article written by the Texas State Comptroller's Office, "Fiscal Notes", January 2005. The changes indicated below are intended to either localize the information for Copperas Cove or address the entire Central Texas region, which is identified as the Killeen/Temple MSA. To access the original article, go to: <http://www.window.state.tx.us/comptrol/fnotes/fn0501/army.html>)

In 2005, 5,000 U.S. troops and their families will move to a Central Texas community that sports street names like Hell on Wheels Avenue and Tank Destroyer Boulevard.

The new soldiers and their families will call Fort Hood home, and they will bring an additional \$500 million to the... [Central Texas] area. The base already contributes \$3.9 billion to the Central Texas economy each year, said Eloise Lundgren, a Fort Hood spokeswoman.

The new troops will form a brigade that will be able to respond more quickly to world needs and can be added to other units based on those needs, said Cecil Green, a Fort Hood spokesman.

The U.S. Congress scheduled a new round of Base Realignments and Closures (BRAC) for 2005 and will determine if Fort Hood will be the permanent home for the new unit. Until then, Fort Hood and the... [Central Texas area] are preparing new roads, schools and homes.

Mobile muscle

Named for Confederate General John Bell Hood, the U.S. military first used the site as temporary Camp Hood in 1942 to mobilize and train troops during World War II.

The renamed Fort Hood became a permanent installation in 1951 and is the only two-division post in the nation, housing both the 1st Cavalry Division and the 4th Infantry Division, which captured former Iraqi leader Saddam Hussein in December 2003, Green said. The Army's 3rd Armored Corps is also housed at Fort Hood and is the nucleus of the leadership headquarters stationed in Iraq, said Patrick Connelly, a former Army captain who was stationed at Fort Hood and now works in the Texas Comptroller's Fund Accounting Division.

Fort Hood is home to 12 additional military units and nearly 45,000 soldiers. Its specialty is firepower.

"Fort Hood has more of the army's firepower than any other installation," Connelly said. "That is because Fort Hood is a mechanized and armored hub. Basically, if you want to go to a Mecca for tankers or be a mechanized infantry guy, you go to Fort Hood, Texas."

Central Texas advantage

Since 1942, the base and its personnel have been the backbone for the... [Central Texas] economy.

"Over 50 percent of [the area's] jobs are Fort Hood-related," said Fred Latham, a Killeen [Copperas Cove's neighbor to the east] city councilman. "They are the major engine that drives this economy. Fort Hood is our major industry."

...To prepare for the new troops, the base is quickly remodeling older houses to accommodate larger military families, said John Driver, quality manager with the Housing Office.

Military families are larger these days, Driver said. Nearly 75 percent of today's soldiers are married, said Steve Moore, a retired Army Sergeant and public information officer at Fort Hood.

The Housing Office concentrates on accommodating larger families in four- and five-bedroom houses on the post, while working with... [Central Texas communities] to provide one- and two-bedroom apartments in town for single soldiers and smaller families, Driver said.

Latham estimates that nearly 65 percent of the 5,000 new troops will settle in Killeen, providing a tremendous boost for rental apartments, houses and retail.

"Five thousand troops equates to about 12,500 family members," Latham said.

Using Latham's rule of 65 percent, that's about 8,000 new residents buying cars and clothes and eating in restaurants. They will also benefit from a September 2004 unemployment rate of 4.1 percent, well below the statewide unemployment rate of 5.4 percent, according to the Texas Workforce Commission.

Despite the deployment of both the 4th Infantry and the 1st Cavalry in Iraq in 2003 and 2004, the... [Central Texas] economy is booming. Residents remembered the economic recession brought on by the first Gulf War and were concerned when war broke out in Afghanistan in 2001 and in Iraq in 2002, said Maggie Brewster, the command information officer.

"But there's been no downturn in the... [Central Texas] economy," she said. "If you go away for a week, something new will be built."

A perfect fit

The base also keeps many Central Texas residents employed through various off-base jobs...

In July 2004, Texas lawmakers pledged \$20.5 million to Fort Hood infrastructure repairs if the 5,000 troops were guaranteed to move to the base. The money will be used to improve buildings on the base, as well as roads and bridges that connect Fort Hood and the surrounding communities.

The additional funding marks a proactive stance that Texas lawmakers are taking in anticipation of the 2005 BRAC.

The U.S. Secretary of Defense must submit a list of potential base closures to the BRAC committee by May 2005. Under the BRAC guidelines, some bases will be closed altogether, while others will take units from different bases. Of the 17 active-duty bases in Texas, Fort Hood is the largest and is one of the most significant army installations in the country, Connelly said.

"You could look at the BRAC criteria for where you want to put an installation and I would suspect you could check off every single one of those blocks [for Fort Hood]," Connelly said. "It's not next to any population center; the community around it supports non-encroachment on a military installation. It has a long history [and] it's got wide-open terrain."

Tanks for the memories

Since 1942, Killeen has grown from a small farming community to a bustling city, mirroring the rise of the Fort Hood population. The number of Fort Hood soldiers and their families making a home in ... Central Texas propelled a ... [20] percent increase in the... [Killeen/Temple MSA's] population from... [255,301] in 1990 to... [312,952] in 2000, according to the 2000 U.S. Census...

Connelly suspects much of... [Central Texas] population growth is due to former career soldiers staying in... [Central Texas] when their service is up.

"The military community is a different kind of world," Connelly said. "The military community and the military itself tends to kind of segregate itself from the rest of society. It is a very different way of life. When folks spend a lot of time in that kind of culture, they like to stay with what they know."

###

Local Notes:

Based on the historical location of military personnel and their families (see data below), Copperas Cove can expect nearly 20% of the 12,500 will live in Copperas Cove.

"An increase of 2,500 residents added to a community of 30,000 is significant," said Carol Mills, executive director of the Copperas Cove EDC. "Of course, the community is working to promote living in Copperas Cove to these relocating soldiers and their families and we're hopeful these efforts result in even more residents."

Fort Hood's Economic Impact

Spending Category	Actual Expenditures	Economic Impact
Payroll	\$2.1 billion	\$4.7 billion
Contracts & Construction	\$686.6 million	\$1 billion
Technical Support	\$92 million	\$125.3 million
Impact Aid to schools	\$50.2 million	\$138.5 million

Total 2004 Economic Impact

\$6.09 Billion

Source: Texas State Comptroller's Office, 3/05

Population Breakdown

City	Population	Military & Family Members
Killeen	96,858	48,310
Copperas Cove	29,976	12,670
Harker Heights	18,861	5,633
Belton	15,244	370
Kempner	1,093	421
Temple	55,784	762
Lampasas	7,579	115
Gatesville	15,883	115
Other		207

Sources: 2004 Estimated Population data from the Texas State Data Center
Military Population from Garrison Commander's Office, presentation 2/10/2005



[Business Relocation](#)

[Small Business Development Center](#)

[Fort Hood](#)

[Quality of Life](#)

[Demographics](#)

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[News](#)

[Site Map](#)

[Contacts](#)

Contact us! 254-547-7874 · carol.mills@copperascove-edc.com

Robert Fogel on Pessimistic Economists

Robert Fogel, the 1993 winner of the Nobel Prize in Economics, has an interesting observation about the long-term historical pessimism of economists. He writes:

Simon Kuznets...used to give a one-year course in growth economics at both Johns Hopkins and Harvard. One of the points he made was the if you wanted to find accurate forecasts of the past, don't look at what the economists said. The economists in 1850 wrote that the progress of the last decade had been so great that it could not possibly continue. And the economists at the end of the nineteenth century wrote that the progress of the last half century has been so great that it could not possibly continue during the twentieth century. Sounds familiar, no?

Comments

One thing I've noticed more and more lately is political and/or professional affiliation that appears to influence economists' views.

Case in point, there is a huge disparity in the consensus regarding the housing bubble. The home builders and realtors economists always support the theory that it can go on indefinitely and disregard the bubble notion, while many private economists state that housing is in a bubble. The news reports that so many people read always quote from one side and then another. The only views I really trust are from independent sources like Economy.com. Do you think it's possible that the employment category has an influence on outlook?

There are also wide views between big economists Ms. Tyson and Mr. Hubbard regarding the Bush policies on economic growth (I highly respect both of their viewpoints), but at times it seems their support borders along basic Democrat vs. Republican schools of thought.

I find that most Economists do not understand that all these trends are accelerating and exponential in nature. They falsely assume that everything is linear.

For example :

- 1) The technological innovation from 1580 to 1600 was less than from 1880 to 1900, which in turn was much less than from 1985 to 2005. All are 20-year intervals.
- 2) The world economy now grows around 4% per year. It certainly did not grow at 4% per year in the middle ages, the Roman Era, the Egyptian Era, etc..
- 3) Moore's Law means that there is an effective doubling of improvement per unit cost every 18 months. In the 1960s, this did not affect average people (zero home items), only a few corporations, universities, and governments that had large computers. In the 1980s, it affected the average family's home PC or video game system (1 or 2 home items). In the 1990s, it affected PCs, DVD players, games, internet speeds, etc (3-4 home items). Today, it additionally effects home networking equipment, cell phones, digital cameras, HDTVs, iPods, Roombas, etc. (6-10 home items). Look at how this number is increasing, and how a larger and larger number of household items are getting pegged to the improvement rate of Moore's Law. At this rate, by 2020 we might have 25-50 average household items that consists of rapidly improving and accelerating technology.

4) The stock market returns about 7% a year, and this is widely accepted. In the 19th century, what was the average return? It was much less than 7% a year, it was only 2-3% per year.

5) The world has much fewer wars between sovereign nations than it did even 20-30 years ago. In the 1970s and 1980s, there were at least 5-6 wars going on at a time between nations. Before that, an even greater percentage of the world's population was at war any given time.

Why has it dropped? Because after countries cross \$5000/year in per-capita GDP, they tend to have wars less often. There has hardly ever been a war between two countries that both have \$5000/yr or more in per capita GDP.

Before, few countries had crossed this milestone in prosperity. Now a large percentage have, and that number is growing. It appears that after crossing this barrier, the economy of a country by definition is interlinked with many others through trade, and a war would just disrupt all economies at once - a lose/lose. After \$5000/yr, people have more fun things to do than war, and have a bigger stake in the stability and vitality of the system, a system they share with other countries.

The last 20 years has seen a bigger change than all of the 19th century, which was in turn more than all of the first millenium, etc. More proof of accelerating, rather than linear trends.

I find that most Economists do not understand that all these trends are accelerating and exponential in nature. They falsely assume that everything is linear.

For example :

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Income Distribution

Comments

It took us tight labor markets and an investment bubble to boost labor's share in the 90's. You don't want or expect that to reoccur do you? Still labor may be slightly tighter and business does seem to be more willing to spend. They do seem very concerned to keep labor competitive with that abroad though, such as cutting pensions.

Companies must do something with their profits eventually. Will we get a merge and acquisition frenzy? Dividend boosts? Another bull market? Price cutting to compete has been suspiciously absent other than autos.

This is a misleading story.

Salaries in the US are rising dramatically (about 4% over the past year), and the hypothesis that globalization harms wages is belied by the fact that Japan, which is relatively untouched by Bangalore, has a lower percent of GDP to labor.

In fact, you would expect the opposite; because globalization increases productivity, we become richer (ie US workers move from factory jobs to nursing or carpentry). As we become richer, our salaries have been rising. As salaries rise, it makes sense to augment expensive labor with cheap capital (ie computers, ATM's, driverless trains). As a result, the % of income not going to labor falls, since it is going to machines which make that labor more productive. So a lower % of income going to labor is actually the very reason salaries are rising at all.

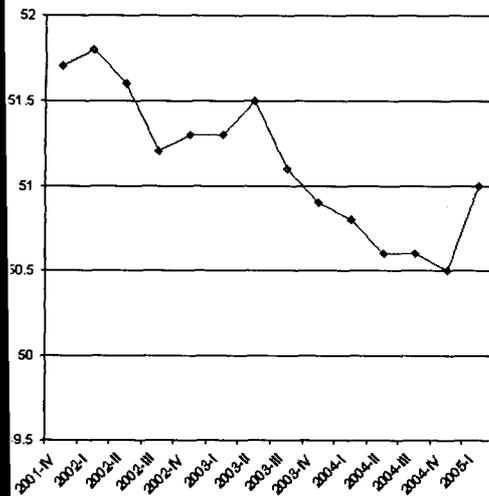
This is unmitigated good news, a continuation of the 200-year industrial revolution, and the author should be celebrating that phenomenon, not scratching his head over fundamental growth processes he may recall from Macro 101.

Whose Financial Crisis?

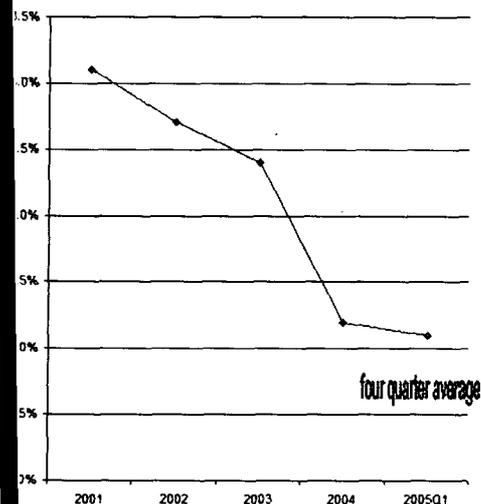
Brad DeLong steps into my debate with Brad Setser over the impact of the trade deficit. He's worried about the possibility of a financial crisis, writing:

By the end of 2003 I said that the chance of a major dollar-based financial crisis was one-in-a-hundred, and it was time for keeping that probability from growing any higher to become the highest economic policy priority.

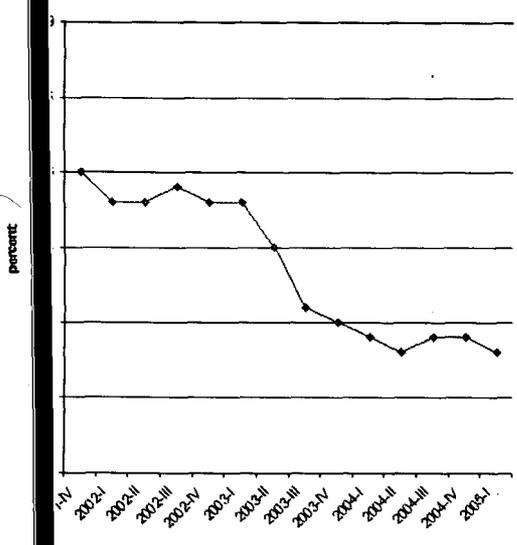
Europe: Labor's Share of the Pie
(15 countries)



Japan: Labor's Share of the Pie



U.S.: Labor's Share of the Pie



Comments

But that is just it, there is no competition for capital. Rather we are drowning in it without sufficient profitable investment opportunities, thus the low interest rates. Thank god for housing. Without it we wouldn't have an economy. The danger is that rates have little room to decline and the housing tap will eventually run dry. As we and the rest of the industrialized nations age and become no growth to negative growth economies, the future begins to look bleak.

It is plausible to think that capital intensive industries are moving out of the U.S.? The simplest case is moving manufacturing offshore, but maybe it's deeper than that?

Let's go back 200 years, what you say has always been true--but only if there are no new technologies. That's what creates the profitable new investment opportunities.

I don't share this anxiety over investment since I have a stronger and deeper commitment to a free and open market economy. On a (theoretically) risk adjusted basis, housing or the mortgage-backed securities that fund them may simply look significantly more attractive than other investments, including technology.

Venture capital investment in technology companies is currently poking along at a very modest pace, but that simply reflects current demand growth and is not a forecast of where technology investment will be in a few years.

I hope that we should give the markets more time to work their magic and within a year or two or three we will indeed start to see a decrease in investment in housing and an increase in technology investment.

The U.S. economy is a very big ship and simple needs an extended period of time to complete even minor maneuvers.

More on Housing

One of my regular readers, Jack Krupansky, takes issue with my previous item. In a comment, he says that

Sorry, but it's more than a little misleading for you or anybody to categorically state that "Every dollar going into housing is a dollar that is not going somewhere else, such as tech and telecom spending." Each of those dollars is not simply going into a hole in the ground, but is spread throughout the entire economy like fertilizer. Then he goes on to say

I would invite you to do some journalistic research to find out what fraction of each dollar spent on housing does in fact eventually end up as technology or telecom or other business investment, as opposed to each dollar spent at Starbucks, at a movie theater or DVD rental, an airline ticket, on a Slurpee, or placed in a bank savings account.

Okay, Jack, I'll take up that challenge. In fact, the numbers show that construction is very low-tech, in terms of the amount of tech stuff that it buys.

Fact #1: In 2003 the entire construction industry only invested \$2 billion in information-processing equipment, according to the Census Bureau. Total industry output: \$954 billion. That's microscopic.

Fact #2: In terms of inputs, construction mainly consumes materials such as wood, plasterboard, fabricated metal parts and the like. Tech inputs, such as telecommunications and computer services, make up only 3.4% of intermediate inputs. The comparable number for retailing is 5.9%, and for motion picture and sound recording industries is 6.1%.

Fact #3. Construction is a relatively labor-intensive industry, but the majority of its workforce are towards the lower-end of the wage scale. That means they are less likely to be big spenders on home computers and broadband.

I don't have a number summing up the whole thing, but there's little doubt that spending on construction is less stimulative for tech and telecom.

Comments

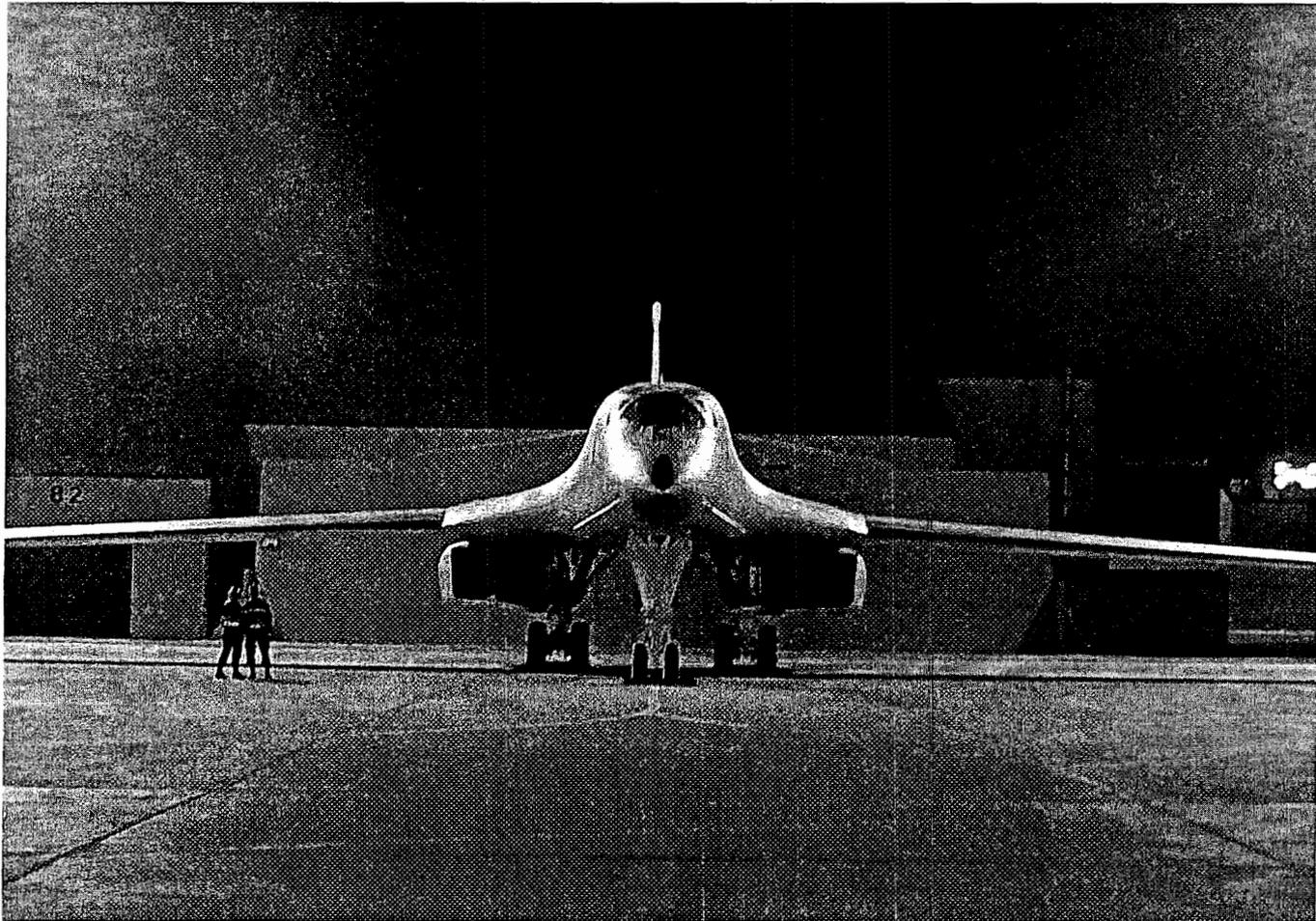
Thanks for the clarifying info. Now... so let's suppose that each of those housing dollars were to be spent differently, what would the result be in terms of net spending on tech and telecom? We have to ask where those dollars spent on housing come from. The consumer may or may not make a down payment, closing costs, purchase of appliances (possibly even a computer, big TV, or other consumer electronics) and other furnishings. The rest of the dollars come via the mortgage (and construction loans). Where in fact are all these other dollars coming from that are financing the housing boom? I'm confident that your economic and journalistic prowess could answer that question. The next question is what percentage of those dollars really would be spent on technology if the housing boom wasn't there to be financed. Some people in fact suggest that businesses have a glut of technology, are seeking to cut costs further and that the meager forecast of a 7.9% tech spending increase over the coming year is because businesses don't need or want to spend that much more, not because housing or the federal government are soaking up investment capital. My view (undocumented as it is) is that there is a business credit glut, and that's why capital is going off to finance other ventures such as housing. A lot of companies really are seeking to trim debt and could care less about getting all of those dollars that are chasing after mortgage financing. After all, why would all of that private capital be chasing after the relatively low returns of home mortgages if businesses were offering significantly better risk-adjusted returns? Whether the answer is lack of business demand or an excess of business risk, the result is still the same: financing the housing boom "looks" like a better deal.

I'll accept your revised thesis that "spending on construction is less stimulative for tech and telecom", but we need to identify what some of the alternative destinations for capital might in fact be were the so-called housing bubble to either burst or deflate or simply "revert to the mean".

Fundamental question: what is inherently better for the economy with Tech/Telecom than Residential Construction? Hasn't Tech/Telecom already found a real adrenaline partner in Security spending (federal debt)? Why should I buy yet another home computer over replacing my furnace with a more efficient one, or my house with a more efficient ("smart") house?



ELLSWORTH AIR FORCE BASE



Economic Impact Analysis Fiscal Year 2004

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FORWARD

ELLSWORTH AIR FORCE BASE ECONOMIC IMPACT ANALYSIS FISCAL YEAR 2004

The base is home to the 28th Bomb Wing, which is one of two primary B-1 Bomber bases in the Air Force. In addition, there are several tenant units, some directly supporting the base, and others carrying out their own missions using Ellsworth's facilities.

Approximately 5,769 individuals live in Ellsworth AFB's owned or leased military family housing units and dormitory rooms provided for members and their families.

Ellsworth's work force consists of 5,543 military members and civilian employees. Of these employees, 1,052 are civilian employees. The remainder is active duty military, Air Force Reserve, and Air National Guard. Civilian employees are divided into three major categories: Wage Grade employees, General Schedule Civil Service employees, and Non-Appropriated Fund employees (included in the non-appropriated numbers are Base exchange, Sentinel Federal Credit Union, and private contractors.)

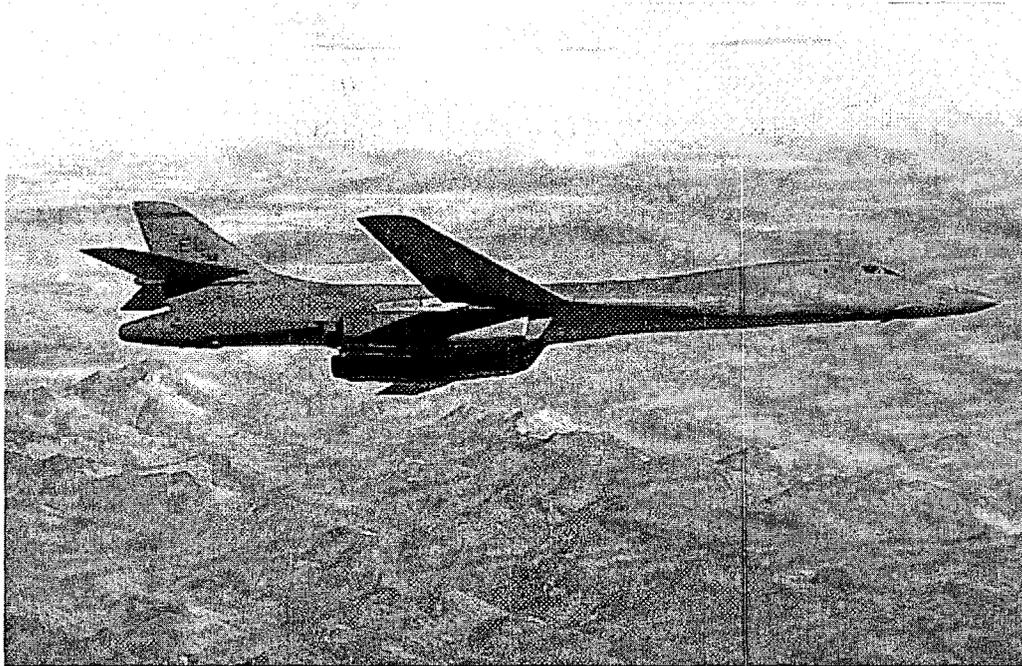
For fiscal year 2004, the economic impact of Ellsworth AFB on the local area was approximately 278 million dollars.

METHODOLOGY

The total economic impact of a base on its economic area is computed by summing annual base payroll, annual base expenditures, and the estimated dollar value of indirect jobs created. An economic area is generally defined as a Metropolitan Statistical Area (MSA). Each MSA has unique indirect job multipliers that are calculated by the Bureau of Labor Statistics (BLS) and are used to estimate the value of the indirect jobs created. The average annual pay for the local area was obtained from the Rapid City Chamber of Commerce, using South Dakota Employment Security Commission Labor Market Information Division data. This analysis was prepared using a Secretary of the Air Force/Directorate of Economic and Business Management (SAF/FMCE) program that was developed within the parameters of the Office of the Secretary of Defense's Economic Impact Analysis model. The economic impact takes into account both Appropriated Funds (APF) and Non-Appropriated Funds (NAF).

FACT SHEET

B-1 BOMBER



Mission

Carrying the largest payload of both guided and unguided weapons in the Air Force inventory, the multi-mission B-1 is the backbone of America's long-range bomber force. It can rapidly deliver massive quantities of precision and non-precision weapons against any adversary, anywhere in the world, at any time.

Features

The B-1's blended wing/body configuration, variable-geometry wings and turbofan afterburning engines, combine to provide long range, maneuverability and high speed while enhancing survivability. Forward wing settings are used for takeoff, landings, air refueling and in some high-altitude weapons employment scenarios. Aft wing sweep settings – the main combat configuration -- are typically used during high subsonic and supersonic flight, enhancing the B-1's maneuverability in the low- and high-altitude regimes. The B-1's speed and superior handling characteristics allow it to seamlessly integrate in mixed force packages. These capabilities, when combined with its substantial payload, excellent radar targeting system, long loiter time and survivability, make the B-1 a key element of any joint/composite strike force. The B-1 weapon system is capable of creating a multitude of far-reaching effects across the battlefield.

The B-1 is a highly versatile, multi-mission weapon system. The B-1's offensive avionics system includes high-resolution synthetic aperture radar, capable of tracking, targeting and engaging moving vehicles as well as self-targeting and terrain-following modes. In addition, an extremely accurate Global Positioning System-aided Inertial Navigation System enable aircrews to autonomously navigate globally, without the aid of ground-based navigation aids as well as engage targets with a high level of precision. The recent addition

Background

The B-1A was initially developed in the 1970s as a replacement for the B-52. Four prototypes of this long-range, high speed (Mach 2.2) strategic bomber were developed and tested in the 1970s, but the program was canceled in 1977 before going into production. Flight testing continued through 1981.

The current B-1 is an improved variant initiated by the Reagan administration in 1981. Major changes included the addition of additional structure to increase payload by 74,000 pounds, an improved radar and reduction of the radar cross section (RCS) by an order of magnitude. The inlet was extensively modified as part of this RCS reduction, necessitating a reduction in maximum speed to Mach 1.2.

The first production B-1 flew in October 1984, and the first B-1 was delivered to Dyess Air Force Base, Texas, in June 1985. Initial operational capability was achieved on Oct. 1, 1986. The final B-1 was delivered May 2, 1988.

The B-1 holds 43 world records for speed, payload, range, and time of climb. The National Aeronautic Association recognized the B-1 for completing one of the 10 most memorable record flights for 1994.

The B-1 was first used in combat in support of operations against Iraq during Operation Desert Fox in December 1998. In 1999, six B-1s were used in Operation Allied Force, delivering more than 20 percent of the total ordnance while flying less than 2 percent of the combat sorties. Eight B-1s were deployed in support of Operation Enduring Freedom. B-1s dropped nearly 40 percent of the total tonnage during the first six months of OEF. This included nearly 3,900 JDAMs, or 67 percent of the total. All of this was accomplished while maintaining an impressive 79 percent mission capable rate.

General Characteristics

Primary Function: Long-range, multi-role, heavy bomber

Builder: Boeing, North America (formerly Rockwell International, North American Aircraft)

Operations Air Frame and Integration: Offensive avionics, Boeing Military Airplane; defensive avionics, EDO Corporation

Power plant: Four General Electric F-101-GE-102 turbofan engine with afterburner

Thrust: 30,000-plus pounds with afterburner, per engine

Length: 146 feet (44.5 meters)

Wingspan: 137 feet (41.8 meters) extended forward, 79 feet (24.1 meters) swept aft

Height: 34 feet (10.4 meters)

Weight: Empty, approximately 190,000 pounds (86,183 kilograms)

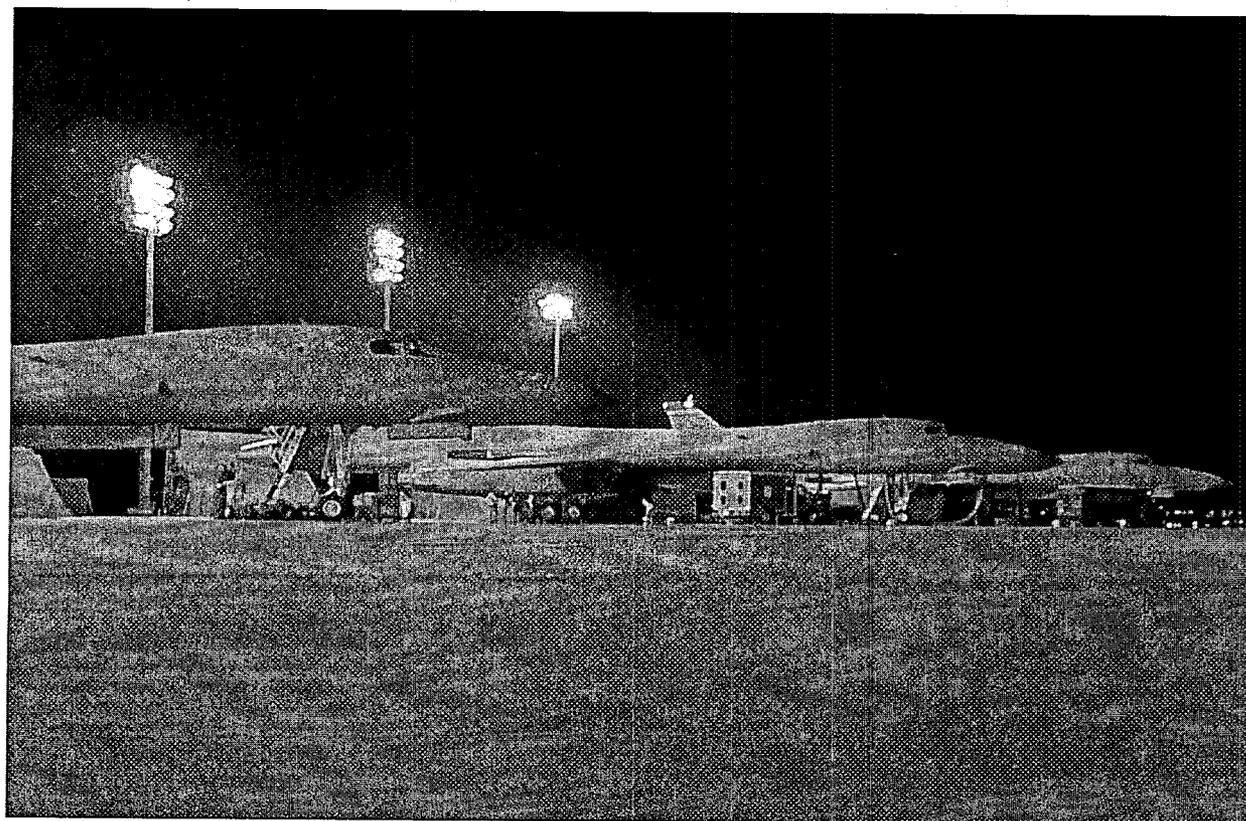
Maximum Takeoff Weight: 477,000 pounds (216,634 kilograms)

Speed: 900-plus mph (Mach 1.2 at sea level)

Range: Intercontinental, unrefueled



PART II
WING
ASSETS



CURRENT VALUE OF CAPITAL ASSETS/SALES

Ellsworth AFB SD FY04

As of 30 Sep 04

WEAPONS SYSTEMS

B-1 Bombers	\$8,209,900,000
-------------	-----------------

INVENTORIES (Sales Outlets)

Commissary	\$ 856,458
------------	------------

AAFES	\$ 3,199,714
-------	--------------

NAF	\$ <u>66,760</u>
-----	------------------

Total	\$ 4,122,932
-------	--------------

CAPITAL ASSETS

Runway	\$ 19,454,428
--------	---------------

Real Property	\$ 462,813,403
---------------	----------------

MF Housing	\$ 14,463,411
------------	---------------

Leased Housing	\$ 73,360,178
----------------	---------------

On/Off Base Land	\$ <u>946,876</u>
------------------	-------------------

Total	\$ 571,038,296
-------	----------------

TOTAL VALUE OF ASSETS	\$8,785,061,228
------------------------------	------------------------

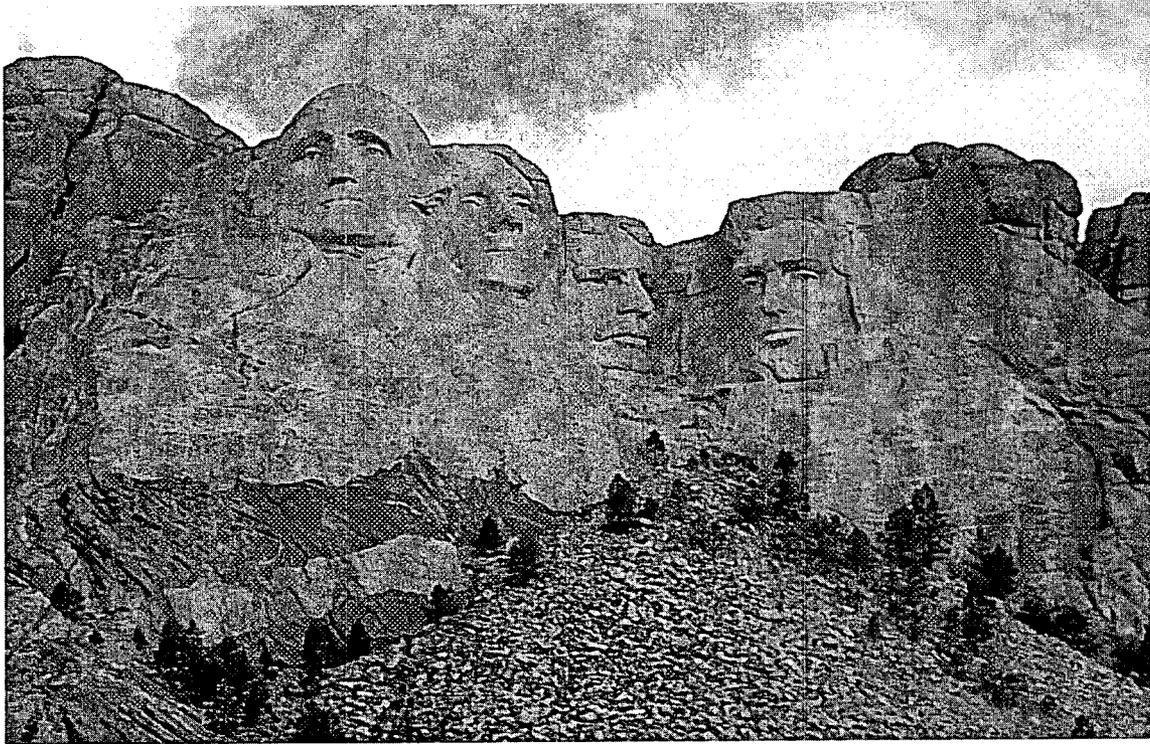
RETAIL SALES (Actual)

Commissary	\$ 12,389,221
------------	---------------

AAFES	\$ 12,787,731
-------	---------------

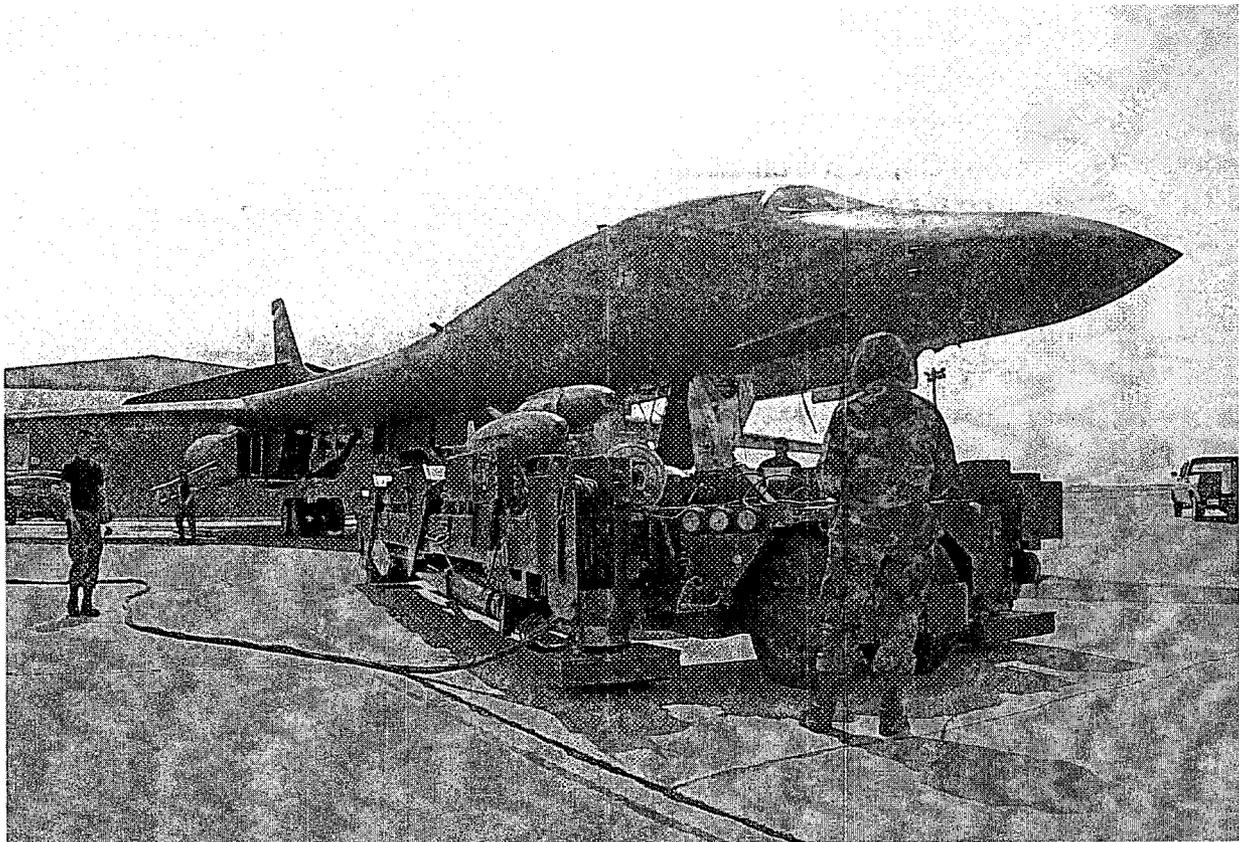
NAF	\$ <u>4,333,757</u>
-----	---------------------

Total	\$ 29,510,710
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PART IV

MISCELLANEOUS INFORMATION



28th Medical Group

28th Medical Support Squadron

28th Medical Operations Squadron

ASSOCIATE UNITS

Army-Air Force Exchange Service

Air Force Audit Agency

Air Force Junior ROTC

American Red Cross

Defense Commissary Agency

Defense Investigative Service

Defense Reutilization and Marketing Office

Detachment 3, Combat Command (AFIT)

Detachment 8, 372d Training Squadron

Detachment 226, AFOSI

Raytheon Support Services Company

USAF Judiciary 4th Circuit

Belle Fourche Electronic Scoring Site (Lockheed-Martin)

28 BW/JA	28 MSS/CC
28 BW/XP	28 CONS/CC
28 BW/HO	28 SVS/CC
28 BW/HC	28 CES/CC
28 BW/CCP	28 SFS/CC
28 BW/SE	28 CS/CC
28 BW/MEO	28 LRS/CC
28 BW/PA	
	28 MDG/CC
28 CPTS/CC	28 MDOS/CC
	28 MDSS/CC
28 OSS/CC	
34 BS/CC	
37 BS/CC	AUDIT AGENCY

ELLSWORTH AIR FORCE BASE'S IMPORTANCE TO THE SOUTH DAKOTA ECONOMY

- **Economic Impact: \$278 million annually (\$761,000 per day)**

- **Jobs:**

Active Duty & Reserve	4,491	5,543 Direct.
On-Base Civilian	1,052	
Off-Base (Indirect) Civilian	1,698	
Total	7,241	

- **Second largest employer in State of South Dakota. Largest employer in western 90% of state.**

- **Military, civilian employees, contractors and secondary job holders living off-base.** 5,033

- **Retired members living in the community:** ± 5,000

- **Douglas School District (primary base-support school) would lose 47% of its enrollment of 2,543 students.**

- **Ellsworth's military & dependents and direct/indirect employees & families equate to 18% of Rapid City's population.**

- **The conservative loss of 11,183 people constitutes almost 20% of the adjacent metropolitan center of Rapid City (pop. 60,000) and 10% of the Metropolitan Statistical Area (MSA).**

- **Because of the historically low growth of the upper Great Plains region, reducing the Rapid City area's population by this amount reverts the area population back to its 1988 level – a 17-year setback.**

- **DoD's analysis significantly underestimates the impact of Ellsworth's closure.**

ECONOMIC IMPACT ANALYSIS

(Version 1.4)

Ellsworth AFB FY04

As of 30 Sep 04

TABLE 1
PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION

CLASSIFICATION	LIVING ON BASE	LIVING OFF BASE	TOTAL
1. APPROPRIATED FUND MILITARY			
Active Duty	2,347	1,783	4,130
Air Force Reserve/Air National Guard	65	296	361
Non-Extended Active Duty Reserve/ANG	0	0	0
Trainees/Cadets	N/A	N/A	0

TOTAL:	2,412	2,079	4,491
2. ACTIVE DUTY MILITARY DEPENDENTS			
	3,357	2,283	5,640
3. APPROPRIATED FUND CIVILIANS			
General Schedule*			306
Federal Wage Board			112
Other			0

		TOTAL:	418
4. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			227
Civilian BX			106
Contract Civilians (not elsewhere included)			270
Private Businesses On Base, By Type:			
Branch Banks/Credit Union			31
Other Civilians (not elsewhere included)			0

		TOTAL:	634
	TOTAL PERSONNEL:		11,183

*Includes DECA GS positions

ECONOMIC IMPACT ANALYSIS
Ellsworth AFB FY04

TABLE 3
EXPENDITURES FOR CONSTRUCTION, SERVICES, AND PROCUREMENT OF
MATERIALS, EQUIPMENT, AND SUPPLIES

(Not including contracts for services supplied to other Air Force installations)

As of 30 Sep 04

	ACTUAL ANNUAL EXPENDITURES
1. CONSTRUCTION	
Military Construction Program	\$17,300,000
Non-Appropriated Fund	\$261,712
Military Family Housing	\$3,575,485
O&M	\$10,843,179
Hospital	\$233,000
Other (Hunt)	\$554,900

TOTAL:	\$32,768,276
 2. SERVICES	
Services Contracts *	\$4,696,586
Other Services (not elsewhere included)	\$585,959

TOTAL:	\$5,282,545
 3. MATERIALS, EQUIPMENT, AND SUPPLIES PROCUREMENT	
Commissary	\$19,746
Base Exchange (BX)	\$2,378,674
Health (TRICARE, Government cost only)	\$7,900,000
Education (Impact aid and tuition assistance)**	\$7,606,755
TDY	\$1,216,049
Other Materials, Equipment & Supplies (not elsewhere included)	\$10,544,741

TOTAL:	\$29,665,965
 TOTAL ANNUAL EXPENDITURES:	 \$67,716,786

* Includes only contracts in the local economic area or contracts requiring the use of locally supplied goods and services.

** Includes monies owed from previous year from Dept of Education

ECONOMIC IMPACT ANALYSIS
Ellsworth AFB FY04

TABLE 4
ESTIMATE OF NUMBER AND DOLLAR VALUE OF INDIRECT JOBS CREATED

As of 30 Sep 04

Type of Personnel	<i>DoD's</i>	# of Base Jobs	Multiplier	# of Indirect Jobs
Active Duty Military	<i>3308</i>	4,130	0.29	1,198
Reserve/ANG/Trainees	<i>7</i>	361	0.13	47
Appropriated Fund Civilians	<i>438</i>	418	0.43	180
Other Civilians	<i>99 Conk.</i>	634	0.43	273
TOTAL:		5,543		1,698
	<i>3852</i>			

ESTIMATED NUMBER OF INDIRECT JOBS CREATED: **1,698**

AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY: **\$28,943**

ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED: **\$49,145,689**

Data Sources:

Multipliers: Economic Impact Database, 1995 Base Realignment and Closure, Logistics Management Institute, Feb 95.

ECONOMIC IMPACT ANALYSIS
Ellsworth AFB FY04

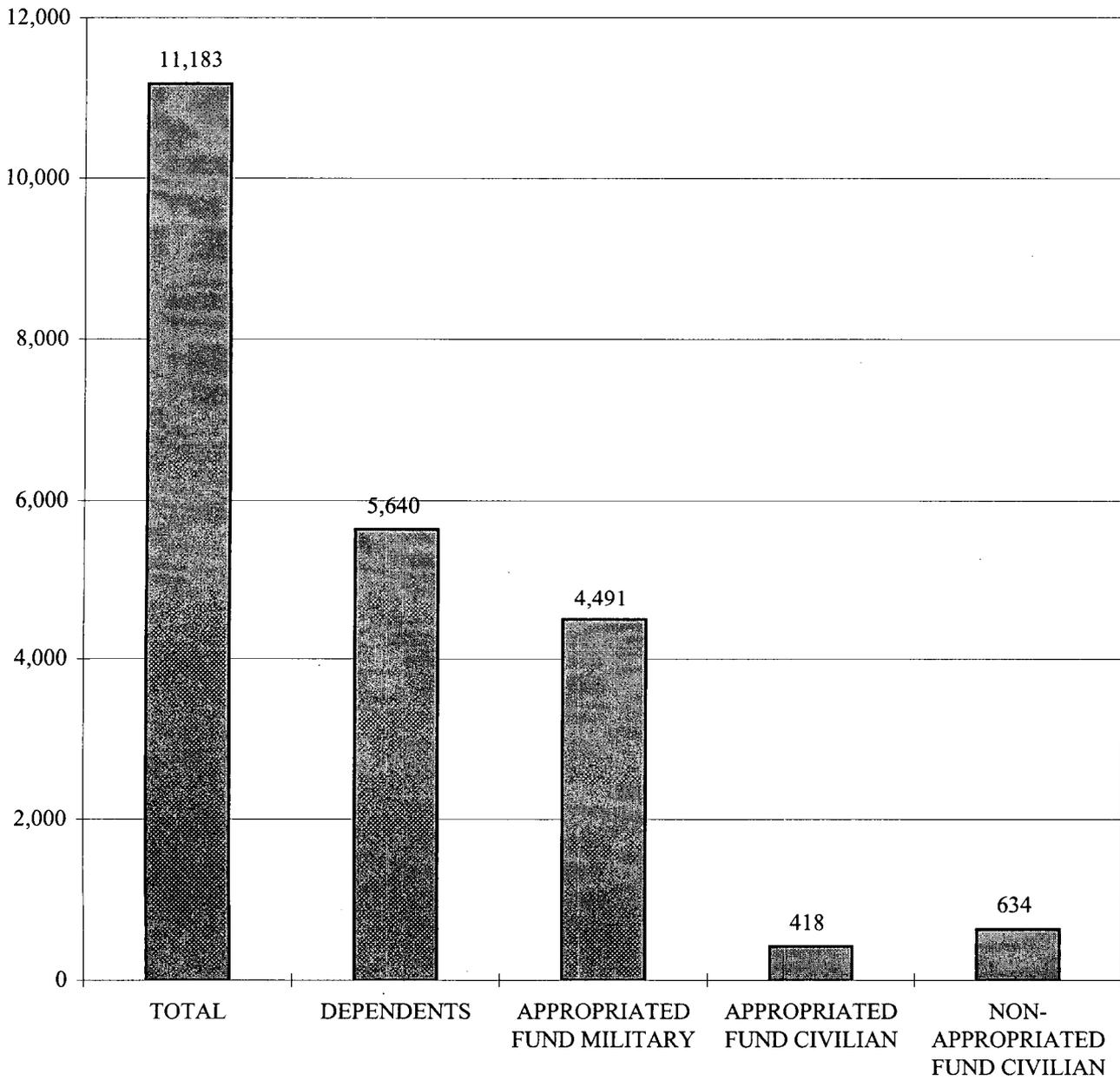
TABLE 5
TOTAL ANNUAL ECONOMIC IMPACT ESTIMATE

As of 30 Sep 04

ANNUAL PAYROLL:		\$161,533,963
Military	\$135,375,569	
Federal Civilian	\$21,158,641	
Other Civilian	\$4,999,753	
ANNUAL EXPENDITURES:		\$67,716,786
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:		\$49,145,689
Estimated Indirect Jobs Created	1,698	
Average Annual Pay	\$26,500	
GRAND TOTAL:		\$278,396,439

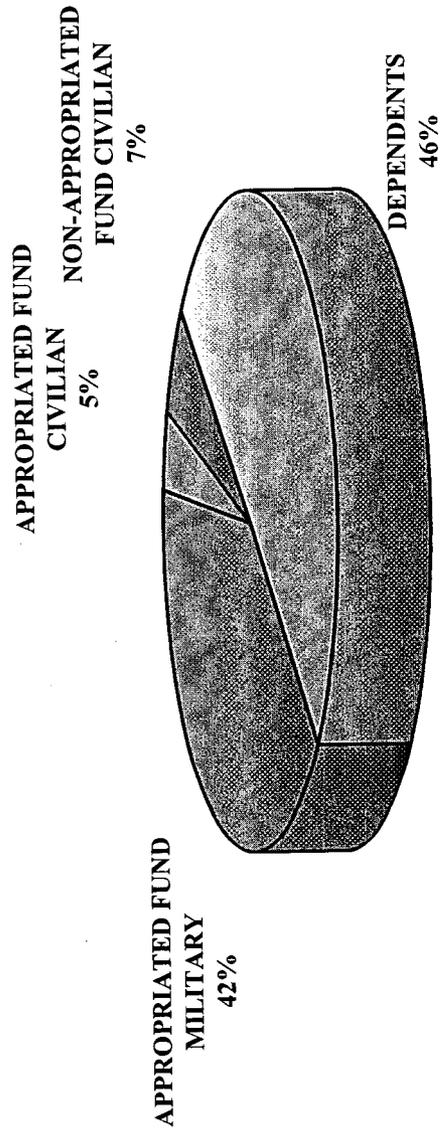
PERSONNEL SUMMARY

Ellsworth AFB FY04

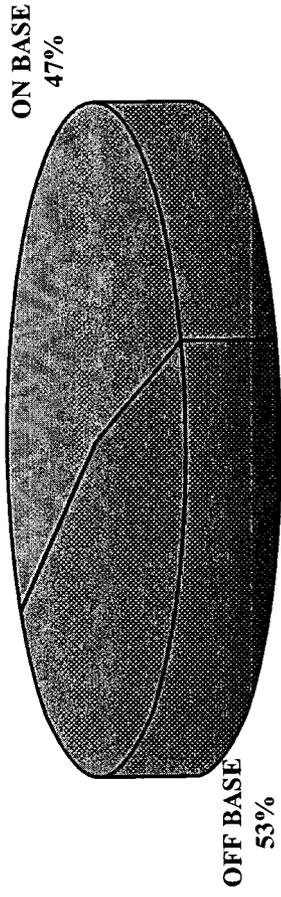


PERSONNEL SUMMARY BY PERCENT

Ellsworth AFB FY04

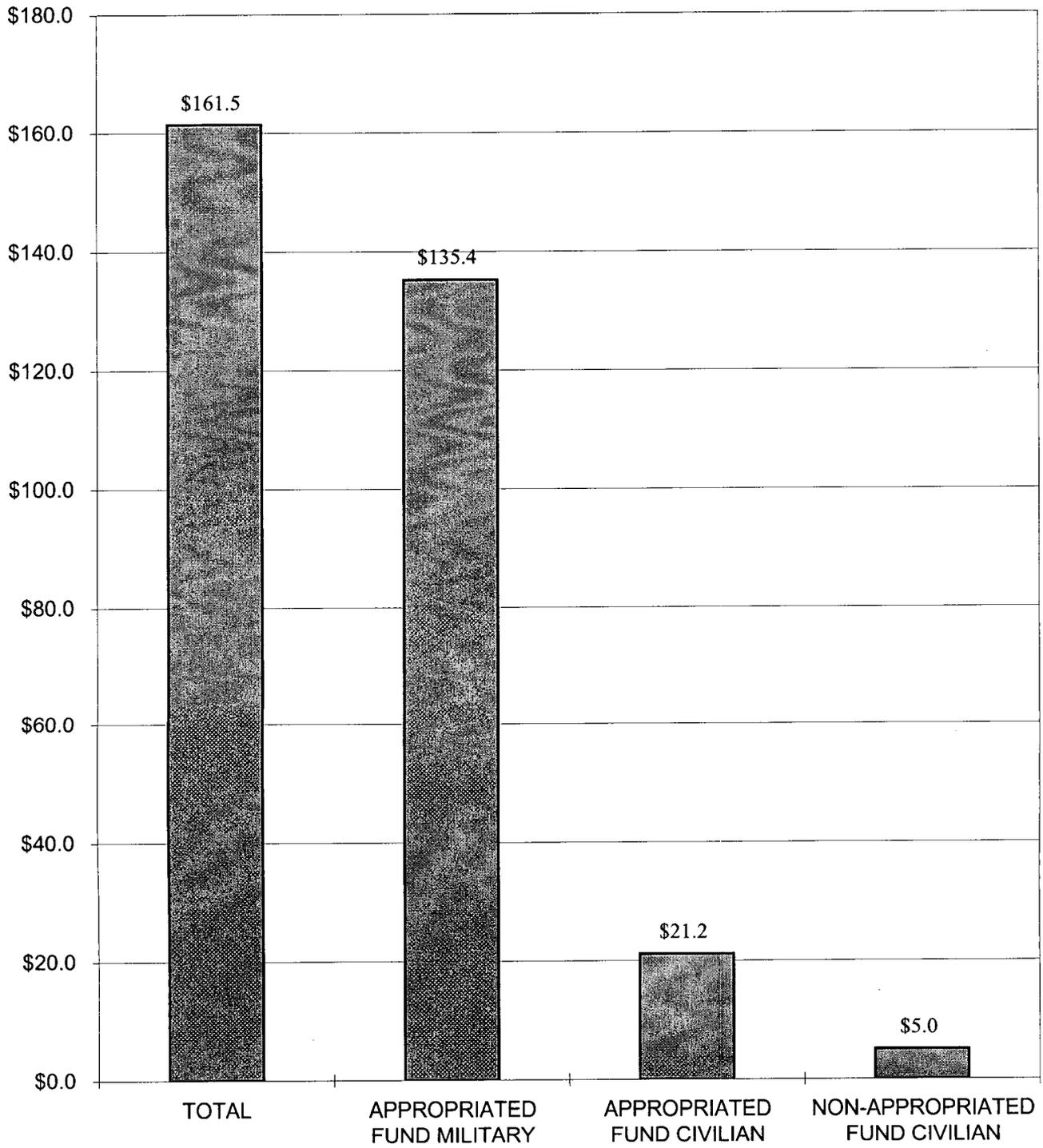


**PERCENT OF APPROPRIATED FUND MILITARY
PERSONNEL LIVING ON AND OFF BASE ELLSWORTH
AFB FY04**



ANNUAL PAYROLL SUMMARY (\$M)

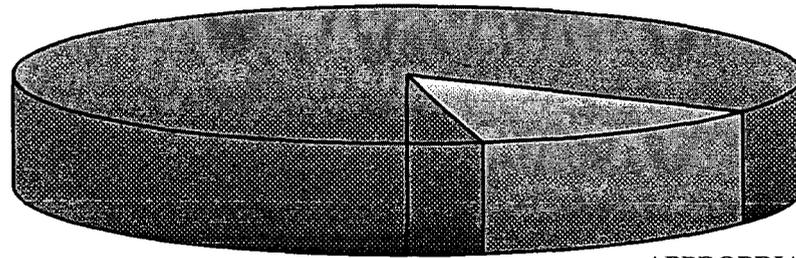
Ellsworth AFB FY04



ANNUAL PAYROLL SUMMARY BY PERCENT

Ellsworth AFB FY04

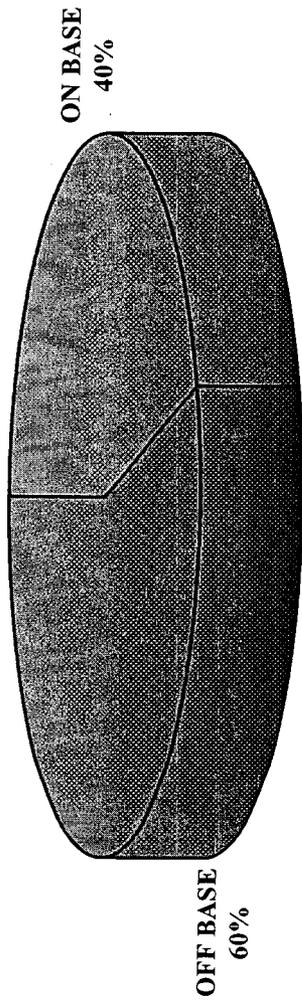
APPROPRIATED FUND
MILITARY
84%



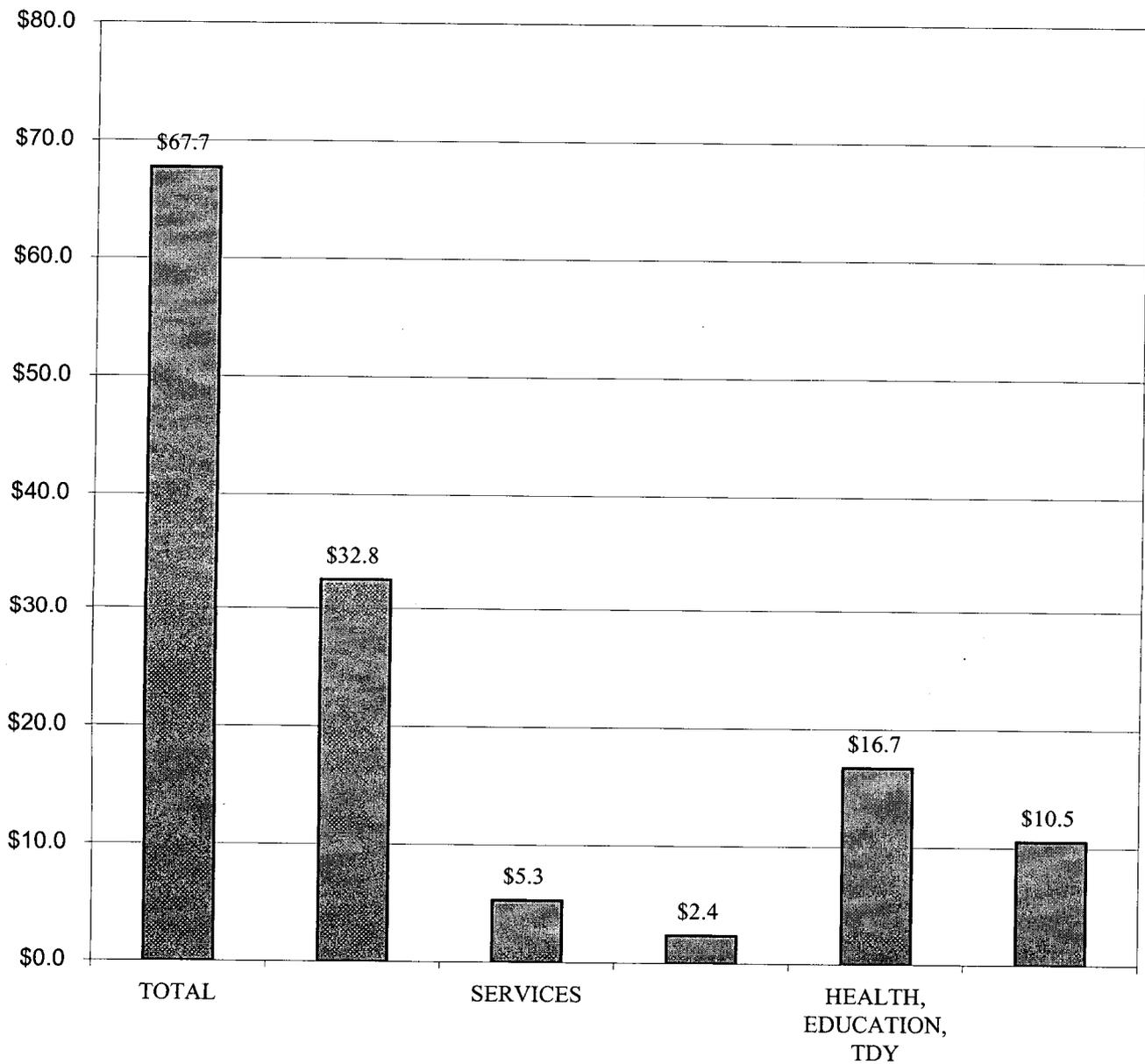
NON-APPROPRIATED
FUND CIVILIAN
3%

APPROPRIATED FUND
CIVILIAN
13%

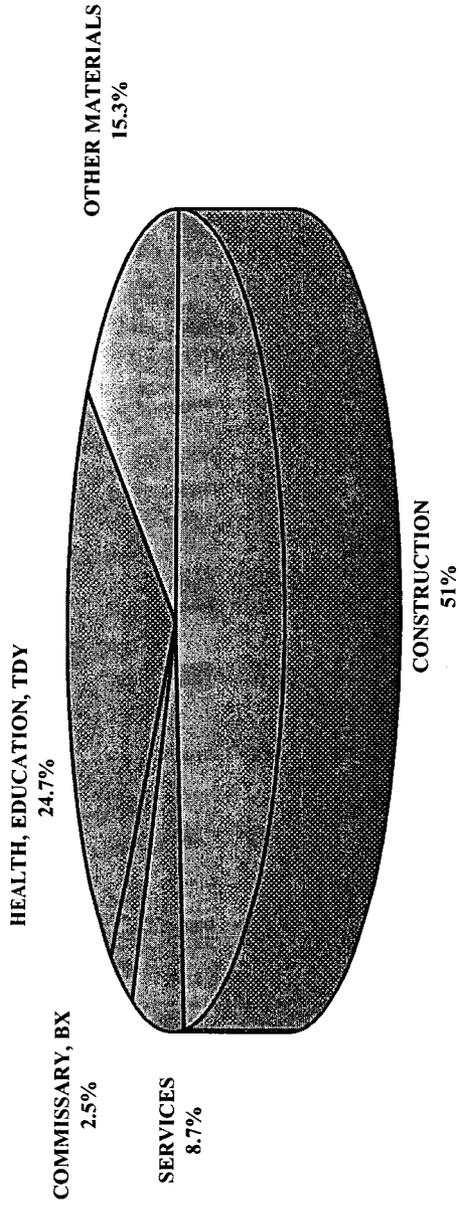
**PERCENT OF THE APPROPRIATED FUND MILITARY
PERSONNEL PAYROLL ATTRIBUTABLE TO
PERSONNEL LIVING ON AND OFF BASE
Ellsworth AFB FY04**



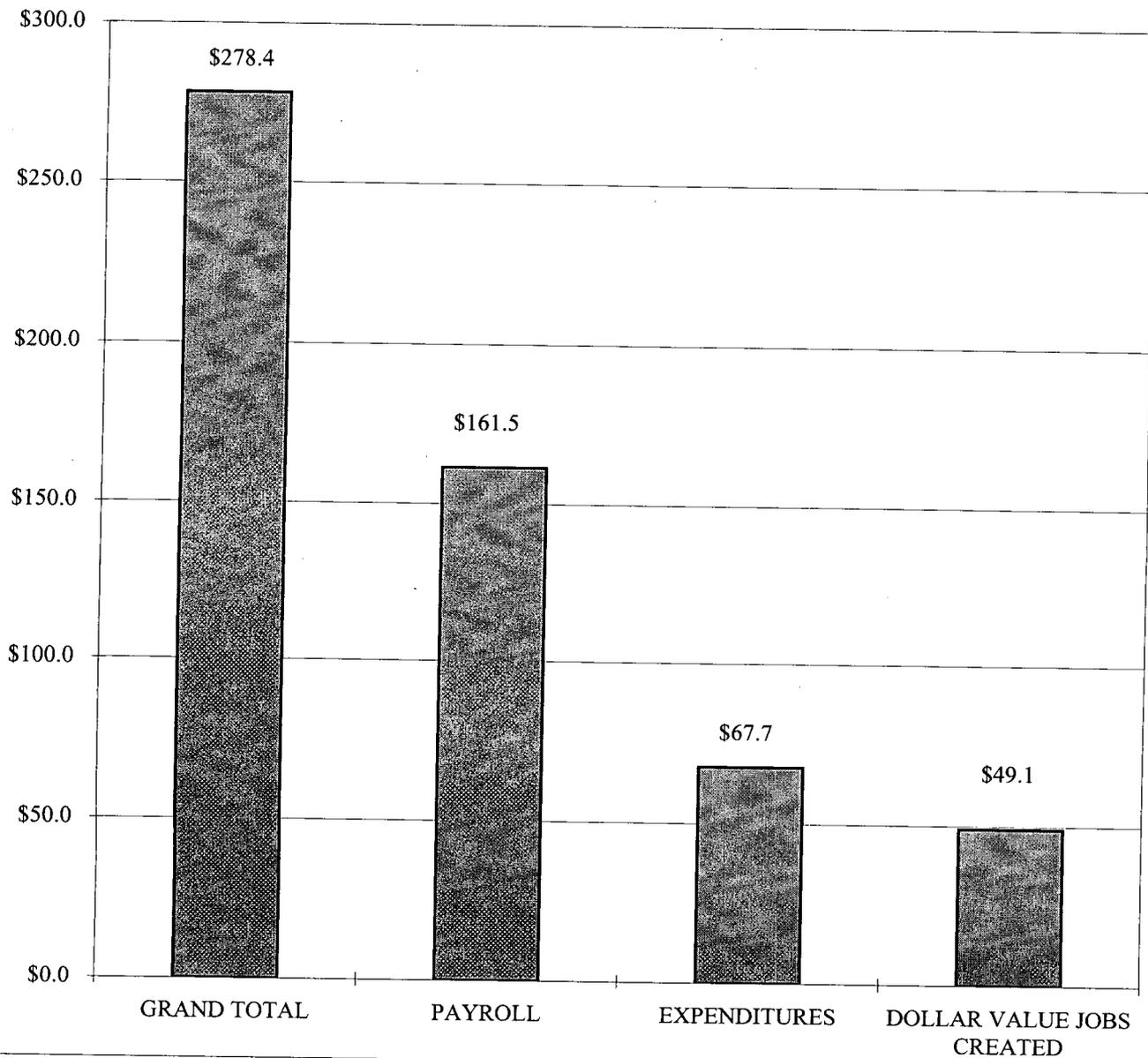
ANNUAL EXPENDITURE SUMMARY (\$M) Ellsworth AFB FY04



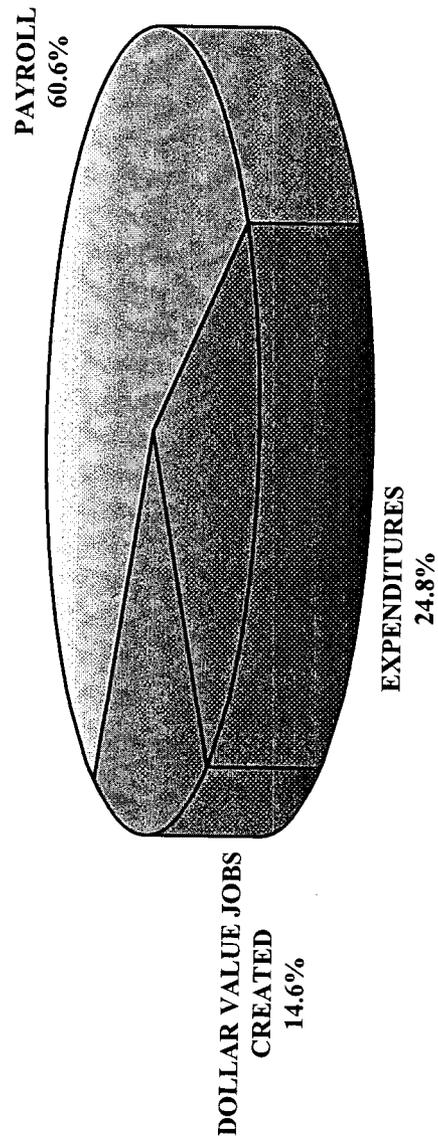
ANNUAL EXPENDITURE SUMMARY (\$M) Ellsworth AFB FY04



**TOTAL ANNUAL ECONOMIC IMPACT
(\$M) Ellsworth AFB FY04**



TOTAL ANNUAL ECONOMIC IMPACT BY PERCENT
Ellsworth AFB FY04



ECONOMIC IMPACT ANALYSIS
Ellsworth AFB FY04

TABLE 4
ESTIMATE OF NUMBER AND DOLLAR VALUE OF INDIRECT JOBS CREATED

As of 30 Sep 04

Type of Personnel	# of Base Jobs	Multiplier	# of Indirect Jobs
Active Duty Military	4,130	0.29	1,198
Reserve/ANG/Trainees	361	0.13	47
Appropriated Fund Civilians	418	0.43	180
Other Civilians	634	0.43	273
	5,543	<u>1.30</u>	1,698
TOTAL:	5,543	<u>1.30</u>	1,698

ESTIMATED NUMBER OF INDIRECT JOBS CREATED:

TOTAL AFFECTED JOBS →

1,698
 - 7,241

AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY:

\$28,943

ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:

ECONOMIC IMPACT →

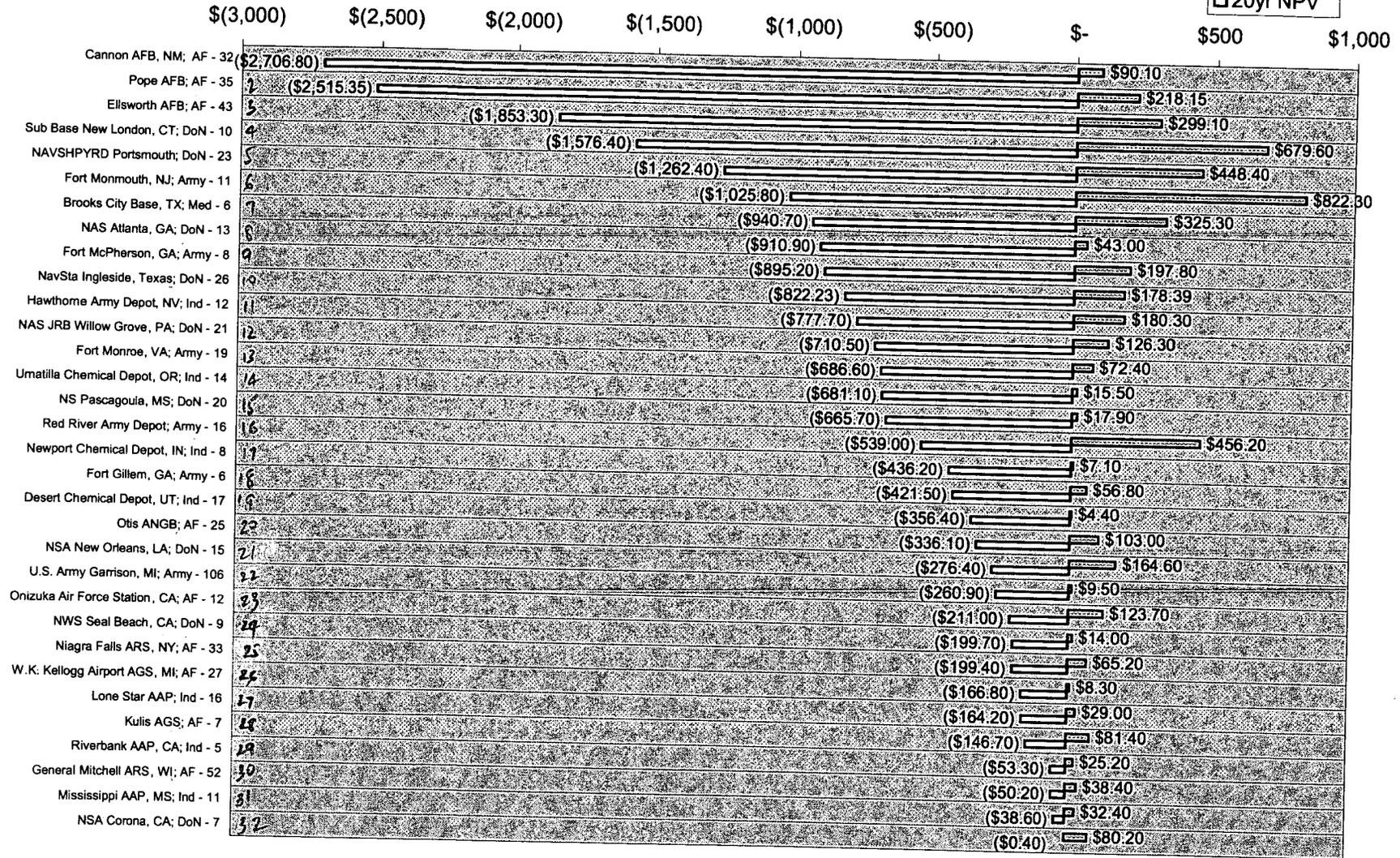
\$49,145,689
 - 9.05%

Data Sources:

Multipliers: Economic Impact Database, 1995 Base Realignment and Closure, Logistics Management Institute, Feb 95.

33 Major Base Closures (Plant Replacement Value > \$100M * as briefed by DoD)

■ 1-time cost
□ 20yr NPV



U.S. Census 1995 - 2000 Migration, Age for the State of New York

[Migration Definitions & Documentation](#)
[Age Definitions & Documentation](#)
[County List](#)
[Download as Excel Spreadsheet](#)

Data Source: [U.S. Census Bureau](#)

Click a button below to ompare the item across other states.

Please contact [SETA](#), 515-294-9903, if you have questions or comments regarding the data on this page.

	Line	Same residence in 1995 and 2000	Within county movers	Domestic Inmigrants	Movers from abroad	Total Inmigration	Outmigrants	Net Migration (Total In - Out)
<input type="button" value="C"/>	Total	10961493	3876450	2190419	720748	2911167	3064667	-153500
<input type="button" value="C"/>	5 to 9 years	761738	388114	160686	46653	207339	235147	-27808
<input type="button" value="C"/>	10 to 14 years	857264	307627	121681	49471	171152	184636	-13484
<input type="button" value="C"/>	15 to 19 years	788742	243231	163661	71705	235366	217403	17963
<input type="button" value="C"/>	20 to 24 years	539494	297381	302635	106491	409126	367712	41414
<input type="button" value="C"/>	25 to 29 years	423410	421861	326967	114950	441917	392062	49855
<input type="button" value="C"/>	30 to 34 years	579889	478531	288636	93248	381884	377628	4256
<input type="button" value="C"/>	35 to 39 years	838827	441451	238563	69349	307912	330522	-22610
<input type="button" value="C"/>	40 to 44 years	970326	351169	168690	50217	218907	242955	-24048
<input type="button" value="C"/>	45 to 49 years	954448	250585	111908	34702	146610	163290	-16680
	50 to	908137	187725	82527	25307	107834	127217	-19383

U.S. Census 1995 - 2000 Migration, Age for Herkimer County, New York

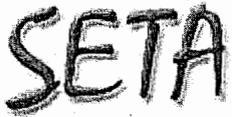
[Migration Definitions & Documentation](#)
[Age Definitions & Documentation](#)
[County List](#)
[Download as Excel Spreadsheet](#)

Data Source: U.S. Census Bureau

Click a button below to compare the item across all New York counties.

Please contact **SETA**, 515-294-9903, if you have questions or comments regarding the data on this page.

	Line	Same residence in 1995 and 2000	Within county movers	Domestic Inmigrants	Movers from abroad	Total Inmigration	Outmigrants	Net Migration (Total In - Out)
<input type="checkbox"/>	Total	40411	12473	7734	243	7977	10525	-2548
<input type="checkbox"/>	5 to 9 years	2508	1322	642	16	658	674	-16
<input type="checkbox"/>	10 to 14 years	3007	1095	517	17	534	741	-207
<input type="checkbox"/>	15 to 19 years	3051	967	613	11	624	921	-297
<input type="checkbox"/>	20 to 24 years	1350	1383	856	51	907	1860	-953
<input type="checkbox"/>	25 to 29 years	1063	1451	862	31	893	1399	-506
<input type="checkbox"/>	30 to 34 years	1861	1227	718	32	750	927	-177
<input type="checkbox"/>	35 to 39 years	2989	1211	752	5	757	894	-137
<input type="checkbox"/>	40 to 44 years	3376	997	549	22	571	692	-121
<input type="checkbox"/>	45 to 49 years	3389	782	460	35	495	583	-88
<input type="checkbox"/>	50 to	3499	527	300	6	306	396	-90



Office of Social and Economic Trend Analysis

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U.S. Census 1995 - 2000 Migration, Age for Oneida County, New York

Migration Definitions & Documentation Age Definitions & Documentation County List Download as Excel Spreadsheet

Data Source: U.S. Census Bureau

Click a button below to compare the item across all New York counties.

Please contact SETA, 515-294-9903, if you have questions or comments regarding the data on this page.

Table with 9 columns: Line, Same residence in 1995 and 2000, Within county movers, Domestic Immigrants, Movers from abroad, Total Immigration, Outmigrants, Net Migration (Total In - Out). Rows include Total and age groups from 5 to 9 years to 50 to years.



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U.S. Census 1995 - 2000 Migration, Age for the State of ME

Migration Definitions & Documentation Age Definitions & Documentation County List Download as Excel Spreadsheet

Data Source: U.S. Census Bureau

Click a button below to compare the item across other states.



Please contact SETA, 515-294-9903, if you have questions or comments regarding the data on this page.

Table with 9 columns: Line, Same residence in 1995 and 2000, Within county movers, Domestic Inmigrants, Movers from abroad, Total Inmigration, Outmigrants, Net Migration (Total In - Out). Rows include Total and age groups from 5 to 9 years to 50 to.

U.S. Census 1995 - 2000 Migration, Age for Aroostook County, ME

[Migration Definitions & Documentation](#)
[Age Definitions & Documentation](#)
[County List](#)
[Download as Excel Spreadsheet](#)

Data Source: [U.S. Census Bureau](#)

Click a button below to compare the item across all ME counties.

Please contact [SETA](#), 515-294-9903, if you have questions or comments regarding the data on this page.

	Line	Same residence in 1995 and 2000	Within county movers	Domestic Inmigrants	Movers from abroad	Total Inmigration	Outmigrants	Net Migration (Total In - Out)
<input type="checkbox"/>	Total	47579	15540	6319	745	7064	10449	-3385
<input type="checkbox"/>	5 to 9 years	2564	1398	493	61	554	749	-195
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<input type="checkbox"/>	15 to 19 years	3325	1208	801	74	875	1126	-251
<input type="checkbox"/>	20 to 24 years	1287	1533	819	143	962	2119	-1157
<input type="checkbox"/>	25 to 29 years	1098	1859	630	134	764	1239	-475
<input type="checkbox"/>	30 to 34 years	2116	1619	564	78	642	974	-332
<input type="checkbox"/>	35 to 39 years	3484	1409	618	64	682	891	-209
<input type="checkbox"/>	40 to 44 years	4173	1157	479	56	535	648	-113
<input type="checkbox"/>	45 to 49 years	4646	930	307	28	335	478	-143
<input type="checkbox"/>	50 to	4408	671	281	26	307	450	-143



Office of Social and Economic Trend Analysis

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U.S. Census 1995 - 2000 Migration, Age for the State of California

Migration Definitions & Documentation , Age Definitions & Documentation , County List , Download as Excel Spreadsheet

Data Source: U.S. Census Bureau

Click a button below to compare the item across other states.



Please contact SETA, 515-294-9903, if you have questions or comments regarding the data on this page.

Table with 9 columns: Line, Same residence in 1995 and 2000, Within county movers, Domestic Inmigrants, Movers from abroad, Total Inmigration, Outmigrants, Net Migration (Total In - Out). Rows include Total and age groups from 5 to 9 years to 50 to.



Office of Social and Economic Trend Analysis

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U.S. Census 1995 - 2000 Migration, Age for Monterey County, California

Migration Definitions & Documentation Age Definitions & Documentation County List Download as Excel Spreadsheet

Data Source: U.S. Census Bureau

Click a button below to compare the item across all California counties.



Please contact SETA, 515-294-9903, if you have questions or comments regarding the data on this page.

Table with 9 columns: Line, Same residence in 1995 and 2000, Within county movers, Domestic Inmigrants, Movers from abroad, Total Inmigration, Outmigrants, Net Migration (Total In - Out). Rows include Total and age groups from 5 to 9 years to 50 to.

electronic submissions of reports are permitted shortened notice-and-wait periods.

As part of this process, the committee believes that the Department should explore options that include an internet-based reporting system. Such a system would provide a useful tool for tracking submission of reports to Congress, receipt of these reports, and an archive of past reports. While implementation of such a system for all DOD reports may be too ambitious a goal in the short term, the committee believes that such a system should be quickly developed and deployed to support the reporting requirements associated with chapters 159, 169, and 1803 of title 10, United States Code.

Facility Projects During the Base Realignment and Closure Process

On March 25, 2005, the Deputy Civil Engineer of the Air Force issued a memorandum informing its installation engineers that all contract awards for Air Force military construction, family housing, sustainment, restoration, and modernization projects would be placed on hold through May 16, 2005. The memo described this action as "a pause to ensure wise spending and quality management practices govern our daily course of action."

The committee is concerned about the effects of this pause on efforts to recapitalize the service's infrastructure and its ability to address problems directly affecting the life, health, and safety of service members and their families. However, in this resource-constrained environment, the Air Force's decision to delay contract awards was the correct one, and the committee is disappointed that the Secretary of Defense did not issue similar guidance to all of the services and defense agencies.

Although the Department of Defense will release base realignment and closure (BRAC) recommendations by May 16, 2005, the binding recommendations of the BRAC commission will not become effective until the end of calendar year 2005. As a result, contract awards for the construction, sustainment, and improvement of military facilities prior to the conclusion of the BRAC 2005 process may improve or construct facilities that are never utilized by military personnel. As such, the committee urges the Secretary of Defense to issue risk-based direction to the services and defense agencies to guide decisions to award facility construction, sustainment, and improvement contracts during the remainder of calendar year 2005.

Inclusion of Analysis of Excess Capacity at Military Medical Facilities in GAO Report on DOD's Process and Recommendations for the 2005 BRAC Round

The committee is aware that the Comptroller General is required by section 2903(d)(5)(B) of the Base Realignment and Closure Act of 1990 to submit an analysis of the Department of Defense's 2005 process and recommendations for closure and realignment to the congressional defense committees by July 1, 2005. The committee directs the comptroller general to specifically address the following points in his analysis of the proposals:

- (1) The methodology for determining excess capacity at military medical facilities, and whether the methodology complies with the requirements of the Defense Base Closure and Realignment Act of 1990;

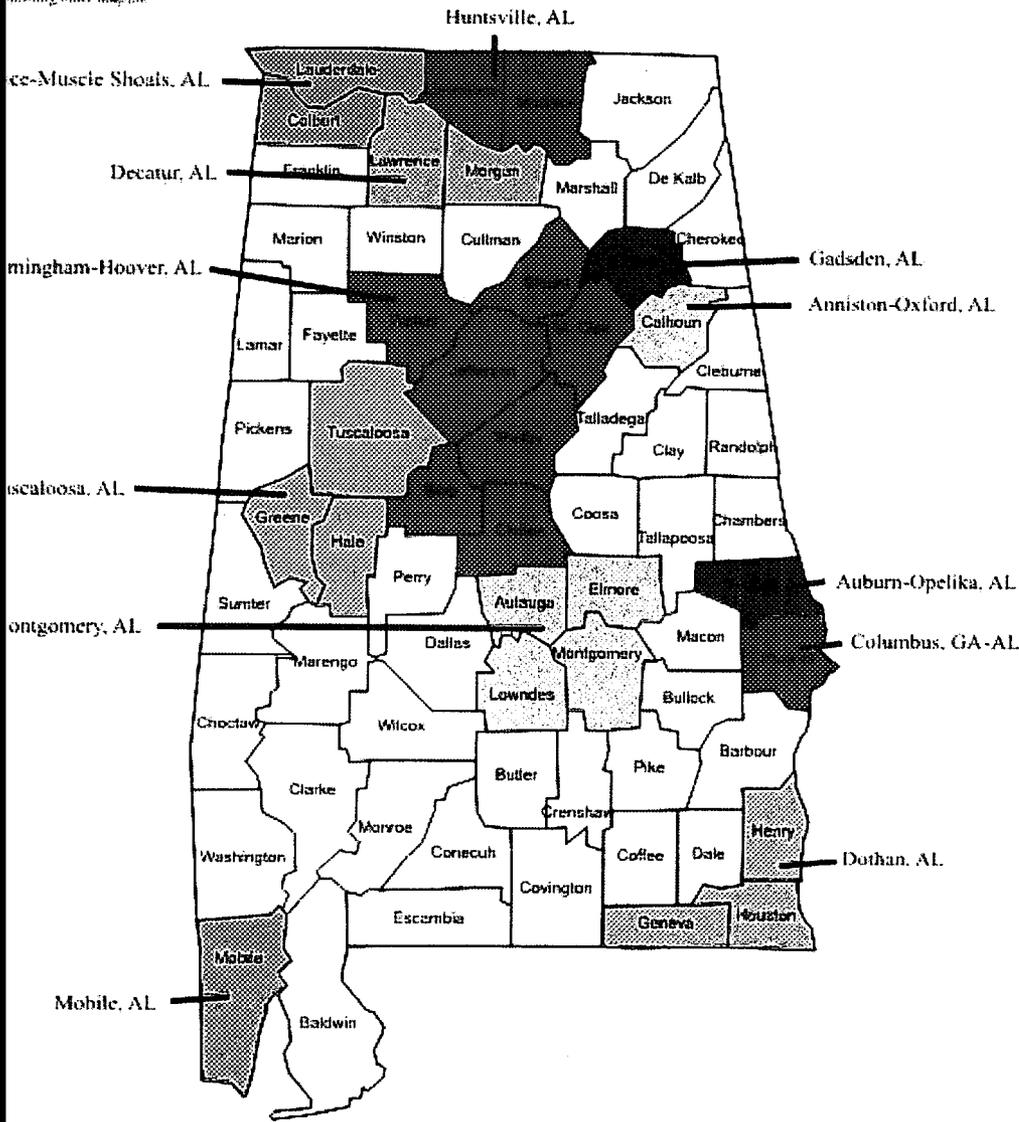
Alabama

Metropolitan Statistical Areas

Some areas will appear
in outline state maps

POLICOM Economic Analysis
Emergency Information

As defined by the
Office of Management and Budget
March, 2004.

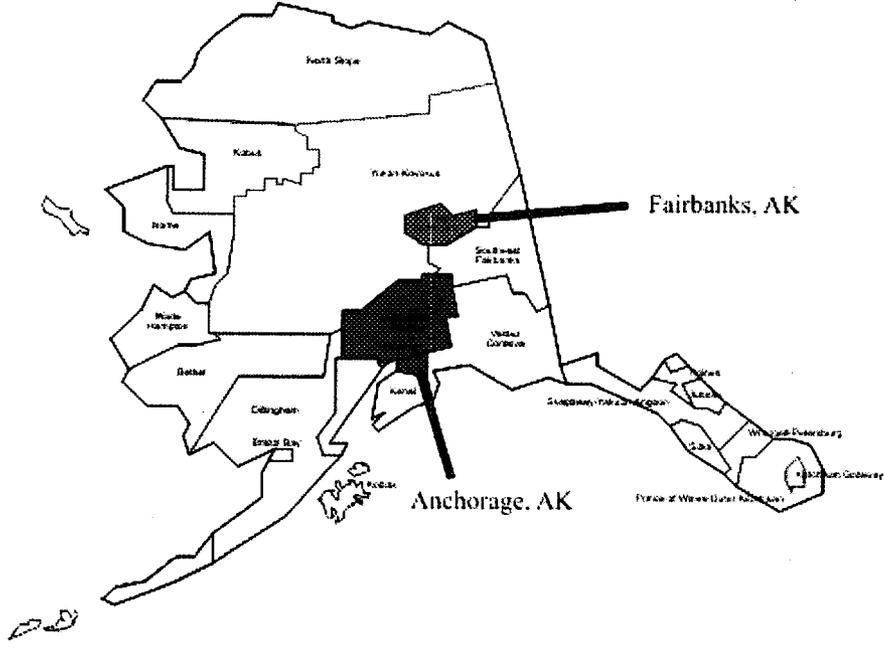


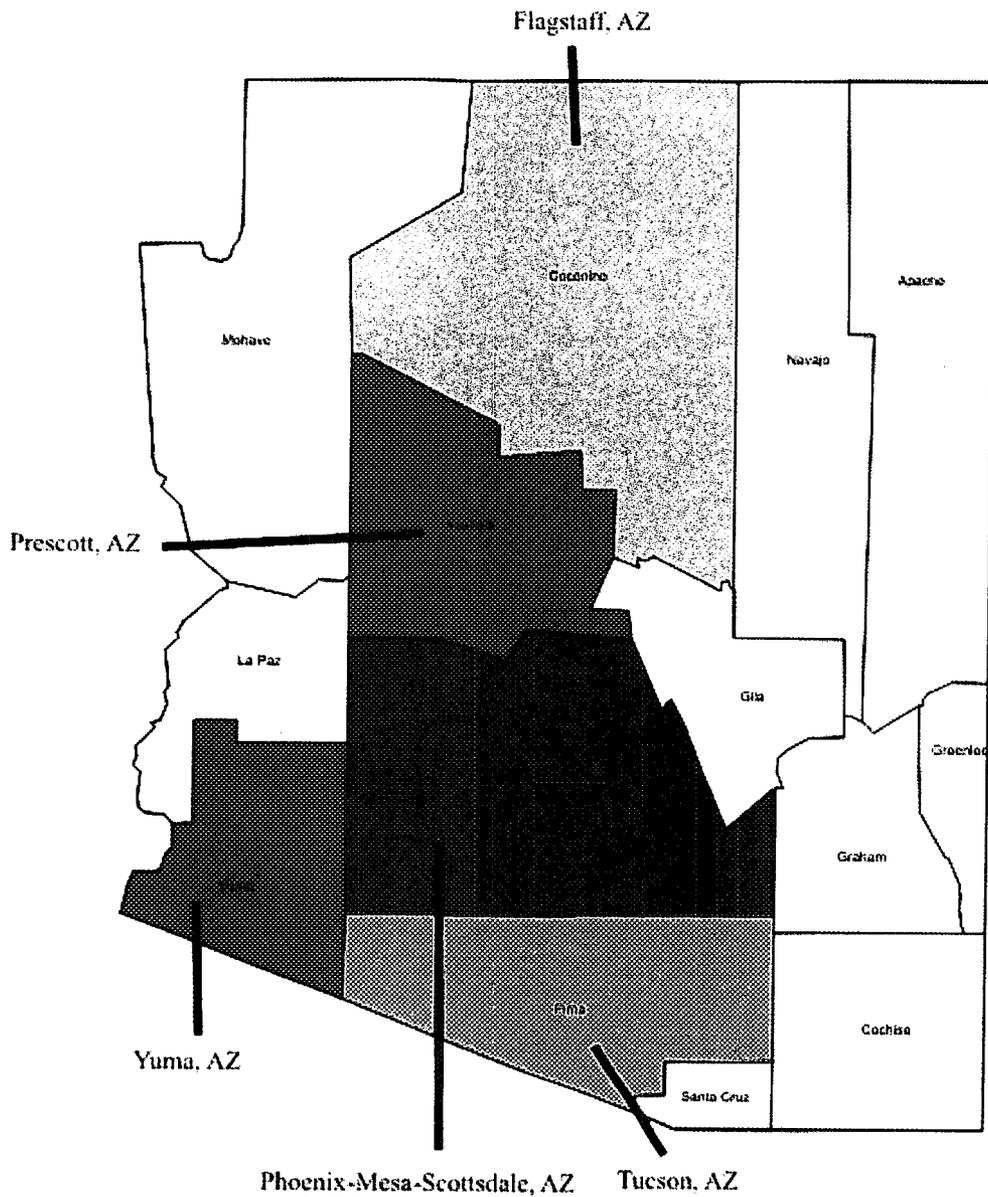
Alaska

Metropolitan Statistical Areas
Location of area will appear on following state map(s).



As defined by the
Office of Management and Budget
June 6, 2003.





Arkansas

Metropolitan Statistical Areas

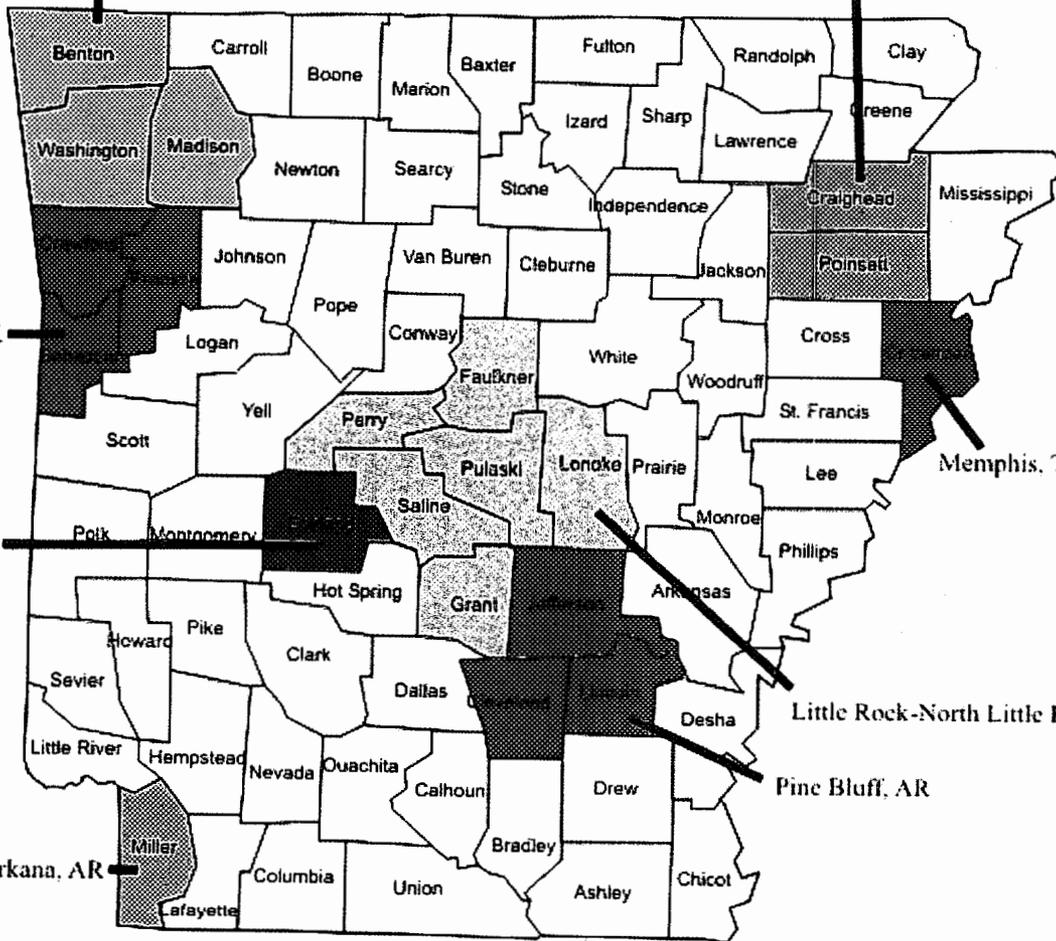
Balance of area will appear on adjoining state map(s).

POLICOM
POPULATION
*Economic Analysis
Everyone Understands*

As defined by the
Office of Management and Budget
June 6, 2003.

Fayetteville-Springdale-Rogers, AR -MO

Jonesboro, AR



For

Smith, AR-OK

Hot Springs, AR

Tex

arkana, TX -Texarkana, AR



OFFICE OF THE DIRECTOR OF
DEFENSE RESEARCH AND ENGINEERING
3040 DEFENSE PENTAGON
WASHINGTON, DC 20301-3040

JUL 12 2005

Mr. Justin Bernier
Office of Congressman Robert R. Simmons
U.S. House of Representatives
Washington, DC 20515-0001

Dear Mr. Justin Bernier:

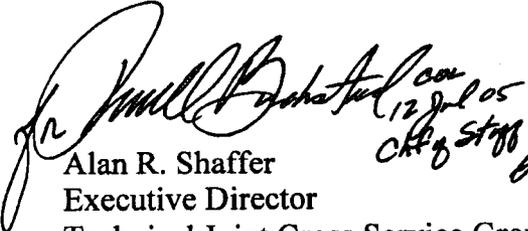
This letter responds to your request for information concerning the 2005 Base Realignment and Closure recommendations. The specific request follows.

Request a briefing on Consolidate Navy Strategic Test and Evaluation -TECH-0018E. In particular, we need to understand the difference between the 122 jobs transferred from Patrick Air Force Base (PAFB) to Kings Bay (KB)-is this influx at KB accounted for in Cost of Base Realignment and Closure Actions scoring, and what does it mean for new infrastructure-and the 571 direct jobs eliminated at PAFB. Also, there are 302 contractor jobs eliminated, apparently without replacement, to produce the requisite annual recurring savings. How does this happen?

The enclosure should provide the information you are seeking, but if needed, you may contact me at 703-695-0005.

Thank you for the opportunity to address your concerns.

Sincerely,


Alan R. Shaffer
Executive Director
Technical Joint Cross Service Group
12 Jul 05
Chg Staff
695-0552

Enclosure
As stated.



**Naval Ordnance Test Unit
(NOTU)**

**Patrick Air Force Base
Cape Canaveral, FL**

Submarine Base Kings Bay, GA

Background

- Since 1956, the Fleet Ballistic Missile (FBM) Program, in support of the TRIDENT (D-Series) Missile, has executed land-based (pad) as well as sea-based (SSBN) test launches supported by the Naval Ordnance Test Unit (NOTU) at Cape Canaveral, FL. This facility provided both the launch support infrastructure as well as docking for sea-based pre- and post-launch events.
- This recommendation realigns the stand-alone east coast facility working in full-scale Nuclear Test & Evaluation at Cape Canaveral into a fully supported Navy nuclear operational site at Kings Bay to gain synergy in:
 - Security (Anti-Terrorism Force Protection- ATFP)
 - Fleet operational support and mission support infrastructure.
- Recent changes in ATFP requirements, the recent establishment of the Western Test Range in the Pacific, and the programmatic decision to no longer require land based (pad) launches at Cape Canaveral all lead to the realignment/relocation of this function to Kings Bay.

Q: Is influx of personnel at Kings Bay accounted for in COBRA?

- Yes, COBRA accounts for not only the direct manning increase from NOTU personnel reassigned, but also includes updates to Base Operating Support (BOS) costs at Kings Bay (general security, police, fire, disbursing, etc).

Q: What is the infrastructure effect at Kings Bay?

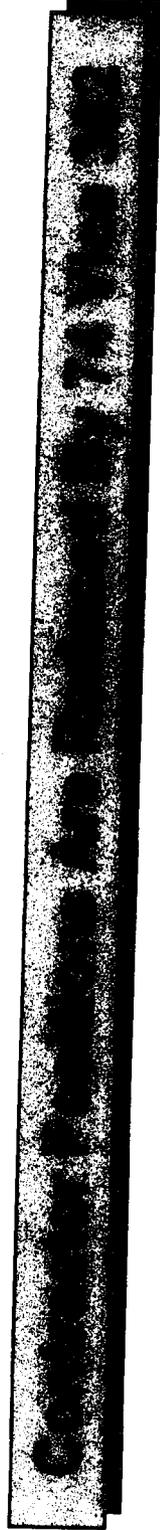
- The following Military Construction actions were included in the COBRA assessment for Kings Bay to fully accommodate the NOTU mission needs:
 - Flight Simulator Facility
 - Missile/Launcher Maintenance Support Facility
 - Intercontinental Ballistic Missile Processing Facility
 - Missile and Space RDT&E Facility
 - Miscellaneous Item and Equipment RDT&E Facility
 - Covered Storage Building
 - Hazardous Materials Storage
 - General Administration Building
 - Support infrastructure including (parking, lighting, roads (paved and unpaved), sewer & industrial waste water, potable water, electrical power distribution, electrical power substation)
- **Excess Pier Capacity at Kings Bay can accommodate NOTU mission requirements.**

Q: What does this action mean to 571 direct jobs eliminated at Patrick?

- Direct jobs lost at Patrick AFB (571) breaks out as follows:
 - 136 Military
 - 59 Civilian
 - 376 Contractor
- Direct jobs gained at Kings Bay (424) breaks out as follows:
 - 100 Military
 - 22 Civilian
 - 302 Contractor
- A significant portion of the military and technical civilian positions will be relocated to Kings Bay, GA.
- The Command structure for NOTU will be merged with the existing Command structure at Submarine Base, Kings Bay, GA.
- Some direct positions at NOTU are expected to be eliminated due to synergy with existing operational, technical and support organizations at the Submarine Base, Kings Bay, GA.

Q: What is the basis behind the elimination of 302 contractor jobs?

- **376 Direct Contractor positions are being lost at Patrick AFB.**
- **302 Direct Contractor positions are being GAINED at Submarine Base, Kings Bay.**
- **74 Direct Contractor positions are eliminated.**
- Many of the position eliminations are the result of the relocation action to a major strategic submarine base and the synergy with existing support structures already in place at Kings Bay such as:
 - Special Security (Marine Corps Security Force, nuclear weapons security)
 - Unit Operations (supply, disbursing, etc.)



Summary

- Recent changes in ATRP requirements, the recent establishment of the Western Test Range in the Pacific, and the programmatic decision to no longer require land based (pad) launches at Cape Canaveral all lead to the realignment/relocation of the Naval Ordnance Test Unit, Cape Canaveral to the Submarine Base, Kings Bay, GA.
- This action aligns well with the overall TJCSG Weapons and Armaments Subgroup strategy to move smaller activities at remote sites into larger facilities to realize a significant synergy in support functions and costs while maintaining mission capability.

BRAC COMMISSION LETTER RECEIPTS
EXECUTIVE SECRETARIAT ROUTING SLIP

FROM: DIANE CARNEVALE, DIRECTOR, ADMINISTRATION AND OPERATIONS

TO:

Bob Coel *[Signature]*

DATE: ~~6/16/05~~ 7/6/05

CC:

_____ ACTION ITEM _____ SUSPENSE DATE _____ FYI/REVIEW

LOG # _____

COMMENTS:

Correspondence for 27 Jun 2005 - Review

1. MARINE CORPS RECRUIT DEPOT SAN DIEGO, CA

ISSUE:

- Why was Marine Corps Recruit Depot (MCRD) San Diego, CA, not closed and consolidated with Marine Corps recruit training at MCRD Parris Island, SC?

ISSUE BACKGROUND:

- The Marine Corps operates two stand-alone recruit depots -- one on each coast. Consolidation of all recruit training to MCRD Parris Island generates training efficiencies, reduces excess capacity, and saves recurring costs due to fence-line closure of MCRD San Diego, and may generate offsetting revenues due to potential commercial development after a DoD property transfer. Consolidating recruit training at one location may theoretically increase operational risks; however, the Department of Navy and Air Force have successfully implemented similar transformational options experiencing little or no actual risk to recruit training while maintaining a surge capability. Military value of MCRD San Diego is lower than MCRD Parris Island partially due to encroachment and land constraints.

ASSOCIATED DOD RECOMMENDATIONS:

- None
-

2. NAVAL SHIPYARD PEARL HARBOR, HI

ISSUE:

- Why was the Naval Shipyard Pearl Harbor, HI, not closed and the ship depot repair function realigned to Naval Shipyard Norfolk, VA; Naval Shipyard Portsmouth, ME; and Naval Shipyard Puget Sound, WA?

ISSUE BACKGROUND:

- Four naval shipyards perform depot-level ship refueling, modernization, overhaul and repair work. There appears to be sufficient excess capacity in the aggregate across the four shipyards to close either Naval Shipyard Pearl Harbor or Naval Shipyard Portsmouth. Naval Shipyard Pearl Harbor is less efficient than Naval Shipyard Portsmouth, according to Department of Navy data and additional savings could be found from reduced unit costs at the receiving shipyards because of a higher volume of work. Naval Shipyard Pearl Harbor has low military value compared to other shipyards according to DoD analysis supporting the recommendation to close Naval Shipyard Portsmouth.

ASSOCIATED DOD RECOMMENDATIONS:

- DON-23: Close Naval Shipyard Portsmouth, ME

3. NAVAL AIR STATION BRUNSWICK, ME

ISSUE:

- What considerations were given to a complete closure of Naval Air Station Brunswick, ME, and what were the driving factors in deciding on realignment?

ISSUE BACKGROUND:

- Closure would appear to reduce excess capacity, may save approximately four times more than DoD's realignment recommendation and could open land to State or community development to offset economic impact.

ASSOCIATED DOD RECOMMENDATIONS:

- DON-18: Realign Naval Air Station Brunswick, ME
-

4. NAVY BROADWAY COMPLEX, SAN DIEGO, CA

ISSUE:

- Why was the Navy Broadway Complex, San Diego, CA, not considered for closure and realignment of existing functions to Naval Station San Diego, CA?

ISSUE BACKGROUND:

- Consolidating Navy activities in a more secure location at the Naval Station complex at 32nd Street could improve security and allow for future commercial development.

ASSOCIATED DOD RECOMMENDATION:

- None
-

5. REALIGNMENT OF NAVAL MASTER JET BASE

ISSUE:

- What consideration was given to the realignment of the Master Jet Base located at NAS Oceana, VA, to Moody AFB, GA? Was movement of the assets assigned to Moody AFB, GA to Cannon AFB, NM, considered and if so, what were the driving considerations not to do so?

ISSUE BACKGROUND:

- Realigning the Master Jet Base at NAS Oceana, VA, to Moody AFB, GA, would appear to alleviate the severe encroachment which affects NAS Oceana training and operations as well as operations at the outlying field, Fentress OLF. Moody AFB, GA, would appear to have the necessary room for expansion and suffers less encroachment. Cannon AFB, NM, would appear to have ample space and facilities to accommodate any aircraft currently operating or planned for movement to Moody AFB, GA.

ASSOCIATED DOD RECOMMENDATION:

- AF-6: Realign Eielson AFB
 - AF-32: Close Cannon AFB
 - AF-35: Maintenance realignment from Shaw AFB
 - E&T-14: Realignment of Undergraduate Pilot Training.
-

6. GALENA AIRPORT FORWARD OPERATING LOCATION (FOL), AK

ISSUE:

- Was any consideration given to merging the missions of Galena FOL, AK, and Eielson AFB, AK? Why does the United States need to maintain two FOLs in Alaska, given the current national security environment and 20-year threat assessment?

ISSUE BACKGROUND:

- Galena is one of two FOLs in Alaska that serve as alert bases for air intercept aircraft in support of North American Aerospace Defense Command (NORAD) missions. The requirement for maintaining two FOLs in Alaska may no longer be valid. The mission could be accomplished by maintaining one FOL and two Air Force bases in Alaska.

ASSOCIATED DOD RECOMMENDATIONS:

- AF-6: Eielson AFB, AK; Moody AFB, GA; and Shaw AFB, GA
 - AF-7: Kulis Air Guard Station, AK; and Elmendorf Air Force Base, AK
 - AF-18: Mountain Home Air Force Base, ID; Nellis Air Force Base, NV; and Elmendorf Air Force Base, AK
 - AF-43: Ellsworth Air Force Base, SD; and Dyess Air Force Base, TX
-

7. POPE AIR FORCE BASE, NC

ISSUE:

- What considerations drove the recommendation to realign, rather close Pope AFB NC, under Fort Bragg, NC? Are the joint operational synergies that exist between the XVIII Airborne Corps and the 43rd Airlift Wing/23rd Fighter Group able to be replicated from other locations?

ISSUE BACKGROUND:

- DoD appears to have determined that much of the benefits of the collocation of the joint forces that will operate together (CAS aircraft, operational planning staffs) are outweighed by the ability to schedule support as necessary through third parties.

ASSOCIATED DOD RECOMMENDATIONS:

- USA-8: Fort Gillem, GA
- USA-8: Fort McPherson, GA
- AF-35: Pope Air Force Base, NC, Pittsburgh International Airport Air Reserve Station, PA; and Yeager Air Guard Station, WV
- H&SA-35: Create Joint Mobilization Sites

8. GRAND FORKS AIR FORCE BASE, ND

ISSUE:

- What considerations drove the recommendation to realign rather than close Grand Forks AFB, ND? What is the number of UAVs planned for assignment to Grand Forks AFB, ND, and what is the timing of the potential deployment?

ISSUE BACKGROUND:

- While there is no “emerging mission” programmed within the BRAC timeline (2006-2011), there are indications that the Air Force is considering assigning UAVs to Grand Forks AFB, ND.

ASSOCIATED DOD RECOMMENDATIONS:

- AF-37: Grand Forks Air Force Base, ND
-

9. AIR NATIONAL GUARD

ISSUE:

- Were the Adjutants General and Governors of the States consulted in the re-allocation of aircraft, personnel, facilities and missions from their states? What impact does the realignment of the ANG have on the homeland defense and homeland security missions?

ISSUE BACKGROUND:

- Many of the Air Force’s recommendations address Air National Guard installations. While only four of these installations will completely close, many Guard installations will lose aircraft and personnel leaving only an “expeditionary combat support” unit remaining, with several states losing their entire flying missions. Many of these aircraft will relocate to other locations, which may negatively impact personnel recruiting and retention as well as State and Homeland Security missions.

ASSOCIATED DOD RECOMMENDATION:

- Various
-

10. DEFENSE FINANCE ACCOUNTING SERVICE

- DFAS Buckley Annex, CO
- DFAS Columbus, OH
- DFAS Indianapolis, IN

ISSUE:

- Why were keeping DFAS Buckley Annex, CO, DFAS Columbus, OH, and DFAS Indianapolis, IN, open and closing the remaining DFAS sites the only scenario

considered? Why did DoD not consider other options, which could have avoided military construction costs and possibly produced a more cost effective option?

ISSUE BACKGROUND:

- Closing or realigning these installations may reduce operating and sustainment costs, balance mission and strategic redundancy requirements, eliminate excess capacity and avoid closing other DFAS installations that provide a lower locality pay and have an existing infrastructure for expansion without military construction or additional leasing.

ASSOCIATED DOD RECOMMENDATION:

- HSA-37: Defense Finance & Accounting Service
-

11. PROFESSIONAL DEVELOPMENT EDUCATION

- Naval Postgraduate School Monterey, CA
- Defense Language Institute Monterey, CA
- Air Force Institute of Technology Wright Patterson AFB, OH

ISSUE:

- What consideration was given to the closure or realignment of the Air Force Institute of Technology at Wright Patterson AFB, OH, and the Defense Language Institute at Monterey, CA, with Naval Postgraduate School at Monterey, CA, to create a consolidated professional development education center?

ISSUE BACKGROUND:

- Consolidating the Professional Development Education currently provided by the Air Force Institute of Technology, the Naval Postgraduate School, and the Army's Defense Language Institute would provide significant savings and efficiencies to the Department of Defense by (1) eliminating redundant support structure for advanced education, (2) reducing infrastructure; and (3) consolidating command and instructional staff.

ASSOCIATED DOD RECOMMENDATIONS:

- None
-

12. JOINT MEDICAL COMMAND HEADQUARTERS

- Navy Bureau of Medicine, Potomac Annex, DC
- Air Force Medical Command, Bolling AFB, DC
- TRICARE Management Authority, Leased Space, VA
- Office of the Army Surgeon General, Leased Space, VA

ISSUE:

- What consideration was given to establishing a Joint Medical Command Headquarters, through collocation of disparate Department of Defense Surgeons General, at the National Naval Medical Center, Bethesda, MD?

ISSUE BACKGROUND:

- Such a consolidation could eliminate 166,000 square feet of leased space within the National Capitol Region and enable the closure of the Potomac Annex, DC. The National Naval Medical Center, MD, has a higher military value ranking than present locations. Establishing a Joint Medical Command Headquarters would take advantage of the transformation of legacy medical infrastructure proposed in recommendation MED-4, which establishes the Walter Reed National Military Medical Center, Bethesda, MD.

ASSOCIATED DOD RECOMMENDATIONS:

- MED-4: Walter Reed National Military Medical Center, Bethesda, MD
- TECH-5: Co-locate Extramural Research Program Managers

BRAC COMMISSION LETTER RECEIPTS
EXECUTIVE SECRETARIAT ROUTING SLIP

FROM: DIANE CARNEVALE, DIRECTOR, ADMINISTRATION AND OPERATIONS

TO:

DATE: 7/15/05

Ken Small

CC:

Rob Cook *UH 7/6*

Frank Ciullo

_____ ACTION ITEM

_____ SUSPENSE DATE

^ _____ FYI/REVIEW

LOG # 062710

COMMENTS:

DCN 5131

ESPAÑOLA VALLEY

CHAMBER OF COMMERCE

710 Paseo De Oñate • Post Office Box 190 • Española, New Mexico 87532 • (505) 753-2831
Fax: (505) 753-1252 • Web Site: www.espanolanmchamber.com • Email: info@espanolanmchamber.com

June 20, 2005

The Base Realignment and Closure Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

RECEIVED
06272005
#06270

Re: Removing Cannon AFB from BRAC list

Dear Commissioners,

As a Chamber of Commerce, we are very concerned about the Department of Defense's recommendation that Cannon Air Force Base should be closed.

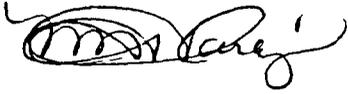
We want to help make the Commission fully aware of the unique attributes that Cannon offers to our national defense. These include year-round flying conditions, unencroached airspace that will soon be available for training at supersonic speeds, many new and existing facilities suitable for joint training exercises, and a low-cost environment that promotes cost-efficient training. Cannon is a real asset to the country's armed forces.

Whether or not Cannon's military value has been recognized yet in Washington, the citizens of Clovis, New Mexico really appreciate the base. The regional community has been uniquely supportive, making important concessions to the Air Force's needs. Specifically, New Mexico is in the process of enacting the Strategic Training Range Initiative, which will provide more supersonic training space and allow it at lower altitudes at Cannon. The City of Clovis welcomed the Air Force personnel. The many veterans in the area make it clear that they feel at home here. Clovis considers Cannon and its retiree a part of its family.

The closure of Cannon will also have a devastating impact by the City of Clovis economy. It has been estimated that the Clovis area will lose at least 20 percent of its workforce. Moreover, an economic impact like that will hurt the entire region, well beyond the immediate Cannon area. Cannon Air Force Base is critical for all of us.

We ask that you please reconsider Cannon's importance to the nation and to the Clovis community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maria Tarazon', with a stylized flourish at the end.

Maria Tarazon,
Secretary of the Española Valley Chamber of Commerce Board of Directors
PO Box 190
Española, NM 87532

**A RESOLUTION SUPPORTING THE
"KEEP CANNON" INITIATIVE**

WHEREAS, the Clovis Army Air Base was activated during World War II and closed at the end of the war; and,

WHEREAS, the base was reactivated during the Korean conflict and has been continuously serving the national defense since that time; and,

WHEREAS, Cannon Air Force Base has a long history of both combat and peace time service to the safety and security of the country; and,

WHEREAS, the Clovis/Curry County Chamber of Commerce and the Clovis community have strongly supported Cannon Air Force Base, its mission and the United States Air Force personnel and their families; and,

WHEREAS, the Department of Defense, on May 13, 2005 announced its recommendation to close Cannon Air Force Base as a part of the Base Realignment and Closure (BRAC) program; and,

WHEREAS, Cannon Air Force Base meets all announced criteria governing the base closure evaluations; and

WHEREAS, Cannon Air Force Base has favorable flying conditions, is in close proximity to the Melrose Bomb Range, has recently refurbished both runways and other infrastructure, and has infrastructure capable of accommodating an expanded mission; and,

WHEREAS, through foresight and planning by local and state officials, air right easements have been previously acquired to eliminate encroachment issues that have impacted other Air Force Bases; and,

WHEREAS, the New Mexico Training Range Initiative should be finalized before the end of 2005, allowing supersonic training at Melrose Bomb Range and associated military airspace; and,

WHEREAS, from the inception of the air expeditionary force (AEF) concept, Cannon Air Force Base has served as a lead wing; and,

WHEREAS, Cannon personnel and their families have contributed greatly to the local community, and the local community has provided a supportive home to those military families; and,

WHEREAS, the closure of Cannon Air Force Base would have a significant adverse impact on the community, both financially and culturally; and,

WHEREAS, the Clovis / Curry County Chamber of Commerce believes that the closure recommendation fails to follow the announced criteria; and,

WHEREAS, Governor Richardson has vowed to lead and support efforts to overcome the recommendation of the Defense Department; and,

WHEREAS, Congressional leaders have also pledged to lead efforts to overcome the recommendation; and,

WHEREAS, the citizens of Clovis, Portales, Curry County, Roosevelt County, eastern New Mexico and west Texas support Cannon Air Force Base and the efforts to resist closure; and,

WHEREAS, the Española Valley Chamber of Commerce seeks the involvement, support and assistance of all citizens to successfully persuade the BRAC Commission to remove Cannon Air Force Base for the closure list.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Española Valley Chamber of Commerce, to exert whatever means and energy is necessary to obtain the removal of Cannon Air Force Base from BRAC closure list.

DONE this 14th day of June 2005 at the Española Valley Chamber of Commerce Board of Directors Meeting.

By:



Maria Tarazon, Secretary of the
Española Valley Chamber of Commerce Board of Directors

BRAC COMMISSION LETTER RECEIPTS
EXECUTIVE SECRETARIAT ROUTING SLIP

FROM: DIANE CARNEVALE, DIRECTOR, ADMINISTRATION AND OPERATIONS

TO:

DATE: 7/15/05

Ken Small

CC:

Bob Cook

Frank Ciullo

_____ ACTION ITEM

_____ SUSPENSE DATE

FYI/REVIEW

LOG # 062711

COMMENTS:

RECEIVED

06272005

#062711

Resolution # 05-63

A RESOLUTION SUPPORTING THE "KEEP CANNON" INITIATIVE

WHEREAS, the Clovis Army Air Base was activated during World War II and closed at the end of the war; and

WHEREAS, the base was reactivated during the Korean conflict and has been continuously serving the national defense since that time; and

WHEREAS, Cannon Air Force Base has a long history of both combat and peace time service to the safety and security of the country; and

WHEREAS, the Clovis community has strongly supported Cannon Air Force Base, its mission and the United States Air Force personnel and their families; and

WHEREAS, the Department of Defense, on May 13, 2005, announced its recommendation to close Cannon Air Force Base as a part of the Base Realignment and Closure (BRAC) program; and

WHEREAS, Cannon Air Force Base meets all announced criteria governing the base closure evaluation; and

WHEREAS, Cannon Air Force Base has favorable flying conditions, is in close proximity to the Melrose Bomb Range, has recently refurbished both runways and other infrastructure, and has infrastructure capable of accommodating an expanded mission; and

WHEREAS, through foresight and planning by local and state officials, air right easements have been previously acquired to eliminate encroachment issues that have impacted other Air Force bases; and

WHEREAS, the New Mexico Training range Initiative should be finalized before the end of 2005, allowing supersonic training at Melrose Bomb Range and the associated military airspace; and

WHEREAS, from the inception of the Air Expeditionary Force (AEF) concept, Cannon Air Force Base has served as a lead wing; and

WHEREAS, Cannon personnel and their families have contributed greatly to the local community, and the local community has provided a supportive home to those military families; and

WHEREAS, the closure of Cannon Air Force Base would have a significant adverse impact on the community, both financially and culturally; and

WHEREAS, the City Commission believes that the closure recommendation fails to follow the announced criteria; and

WHEREAS, Governor Richardson has vowed to lead and support efforts to overcome the recommendation; and

WHEREAS, Congressional leaders have also pledged to lead efforts to overcome the recommendation; and

WHEREAS, the citizens of Clovis, Portales, Curry County, Roosevelt County, Eastern New Mexico and West Texas support Cannon Air Force Base support the efforts to resist closure; and

WHEREAS, City and Community leaders have developed a strategy and initiative to collect the present data that will demonstrate that Cannon air force Base is a necessary component for the military and security needs of the country far into the future; and

WHEREAS, the City Commission seeks the involvement, support and assistance of all citizens to successfully persuade the BRAC Commission to remove Cannon Air Force Base from the closure list.

NOW, THEREFORE BE IT RESOLVED by the governing body of the City of Deming, New Mexico, to exert whatever means and energy is necessary to obtain the removal of Cannon Air Force Base form the BRAC closure list, and encourages the citizens of Bayard and Eastern New Mexico to actively and aggressively support this effort by writing letters, emails and communications showing the support of the community for the continued existence of Cannon Air Force Base.

DONE this 13th day of June 2005.



Sam D. Baca
Mayor

ATTEST:


John Strand
Administrator

BRAC COMMISSION LETTER RECEIPTS
EXECUTIVE SECRETARIAT ROUTING SLIP

FROM: DIANE CARNEVALE, DIRECTOR, ADMINISTRATION AND OPERATIONS

TO:

DATE: 7/5/08

Dave Van Sam

Jim Harris

CC:

Frank Cirillo

Bob Cook *ld* 7/6

_____ ACTION ITEM _____ SUSPENSE DATE FYI/REVIEW

LOG # 062714

COMMENTS:

DCN: 3131

STATE OF INDIANA
HOUSE OF REPRESENTATIVES
THIRD FLOOR STATE HOUSE
INDIANAPOLIS, INDIANA 46204

PEGGY WELCH
2802 ST. REMY CIRCLE
BLOOMINGTON, IN 47401
812/323-7978

COMMITTEE
WAYS AND MEANS

June 23, 2005

RECEIVED

06272005

#062714

The Honorable James V. Hansen, Commissioner
Base Realignment and Closure Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

Dear General Hansen,

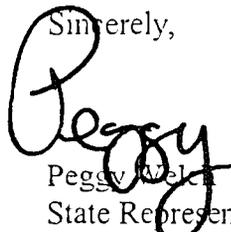
Thank you for allowing the delegation representing Indiana to tell our stories, especially regarding Naval Activity Support Crane and Crane Army. Of course, we debriefed after the presentation, and we felt that we had done the best we could to provide you with information and "the other side of the story"--as described by Admiral Gehman.

As a legislator, I have sat through some long hearings-though not as long as what you endured. Wanting to be respectful of witnesses, I have learned that art of looking attentive-even when tired. However, there is only so much that the backside can absorb! So, I sympathized with you, which made me even more appreciative of your attentiveness and courtesy.

Also, I would like to repeat what you heard many times Monday...thank you for your service to your country, both in the past and now. We are all appreciative.

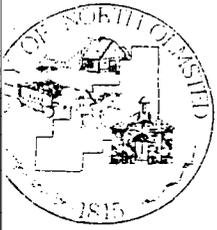
I am sure that the white papers prepared by Indiana's executive branch and retired Crane officials answer most of your technical questions. It will be our pleasure to provide to you and the BRAC staff whatever additional information you may need.

Again, thanks!

Sincerely,

Peggy Welch
State Representative
House District 60

P.S. I was serious about the invitation to come see Crane! You won't be disappointed.

PW/kp



CITY OF NORTH OLMSTED, OHIO
5200 DOVER CENTER RD. NORTH OLMSTED, OHIO 44070
OFFICE OF THE COUNCIL

Phone 440-777-8000
Fax 440-716-4213

June 24, 2005

RECEIVED

06272005

#062728

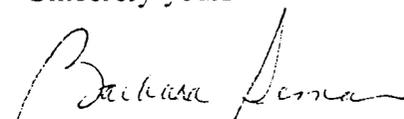
President George W. Bush
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. President

At its regular meeting of Tuesday, June 21, 2005, the City Council of North Olmsted, Ohio, unanimously passed Resolution No. 2005-97 which urges the United States Base Closure and Realignment Commission to retain 1,028 important federal defense jobs at the Defense Finance and Accounting Service in downtown Cleveland. The legislation further encourages the Cleveland Defense Industry Alliance and the Greater Cleveland Partnership in their advocacy efforts to protect the region's economic vitality by appealing the recommendation of the Defense Department to realign these jobs to other cities.

Pursuant to Section 3 of said Resolution, I am enclosing a certified copy.

Sincerely yours


Barbara L. Sentan
Clerk of Council

Enc.

cc: Senator Voinovich
Senator DeWine
Congressman Kucinich
Base Realignment and Closure Commission
Cleveland Defense Industry Alliance



WHEREAS, the Pentagon will spend approximately \$282 million dollars to close various DFAS sites and shuffle around thousands of DFAS jobs in order to save \$158 million in the next five years; and

WHEREAS, Cleveland is one of the nation's preeminent financial service centers, home to the headquarters of several large commercial banks and the regional Federal Reserve, and perfectly situated to continue its track record of excellence here well into the future; and

WHEREAS, the United States Department of Defense (DOD) has recommended to the Base Closure and Realignment Commission that 1,028 jobs currently performed by the Cleveland DFAS in the Anthony J. Celebreeze Federal Building be relocated to the other cities, and the recommendation is not a final one; and

WHEREAS, this Resolution constitutes an emergency measure for the immediate preservation of public peace, property, health or safety.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORTH OLMS TED, COUNTY OF CUYAHOGA, AND STATE OF OHIO:

SECTION 1: That this Council hereby urges the Base Realignment and Closure Commission to remove the Cleveland office of the Defense Finance and Accounting Service from the list of closures and realignments proposed on May 13, 2005, and retain the 1,028 important federal defense jobs here in Cleveland.

SECTION 2: That this Council encourages the Cleveland Defense Industry Alliance and the Greater Cleveland Partnership in their advocacy efforts to preserve the region's economic vitality by working to reverse the U.S. Department of Defense's recommendation to realign these professional jobs to other cities.

SECTION 3: That the Clerk is hereby directed to transmit copies of this Resolution to President George W. Bush, Congressional Representative Dennis Kucinich, and Senators Mike DeWine and George Voinovich; the appropriate representatives from the Base Realignment and Closure Commission, and the members of the Cleveland Defense Industry Alliance.

SECTION 4: That this Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public health, safety and welfare, and further for the reason that it is necessary that this Resolution go into effect immediately so that it may be transmitted before the Base Realignment and Closure Commission acts on the May 13, 2005 proposal of the Defense Department; and further provided it receives the affirmative vote of two-thirds of all members of Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor.

PASSED: June 21, 2005

First Reading: 6/21/05
Second Reading: Suspended
Third Reading: Suspended
Committee: Suspended

ATTEST:

Barbara L. Seman
BARBARA L. SEMAN
Clerk of Council

Kevin M. Kennedy
KEVIN M. KENNEDY
President of Council

APPROVED: 6/22/05

APPROVED AS TO LEGAL FORM:

Thomas E. O'Grady
MAYOR THOMAS E. O'GRADY

/s/ James M. Dubelko
JAMES M. DUBELKO
Director of Law

I hereby certify this to be a true and accurate copy of Ordinance or Resolution No. 2005-97 passed 6/21/05 by the Council of the City of North Olmsted, Ohio.

Barbara L. Seman
Barbara L. Seman, Clerk of Council

Texarkana, TX MSA

Scenario 1 RRAD closure w/ updated personnel

- 4 military
- 3375 civilians

Scenario 2 RRAD & Lone Star closures

- 6 military
- 3393 civilians
- 382 contractors

Scenario 3 Lone Star only closure

- 2 officers
- 18 civilians
- 382 contractors

Uu

Texarkana, TX MSA

Current staffing as of 30 June 05

- 4 military (3 officer, 1 enlisted)

~~- 4 military~~

- 3375 civilians

add into another run on top of this

- 2 officers

- 18 civilians

- 382 contractors

Mark Smith



BRAC 2005 - Query Response Manager



Response to E0513

Question:

Please verify and, if appropriate, categorize to FTE basis the personnel inputs by Col. Angela Manos (Ft McPherson/Ft Gillem Garrison Commander) of "760 permanent employees and about 200 continuous temporary employees" at the Army and Air Force Exchange Services' Atlanta Distribution Center.

Col. Manos provided these quoted input in the base briefing to BRAC Commissioner Bilbray on June 10, 2005. DoD's recommended closure for Ft Gillem, which results in job losses of 517 military and 570 civilian positions, but none for contractor positions.

Answer:

The 760 and 200 contractors may be what the Garrison Commander provided but without knowing the basis of their numbers, source documents used for authorizations; or categories included in their numbers we cannot verify them. In addition, all BRAC analysis was completed utilizing the FY03 ASIP as the baseline for military, civilian and contractor positions.

References:

Approved By:

Date: 03-Aug-05

Economic Impact Report

This report depicts the economic impact of the following Scenarios:

BRC AM0121: Adding Contractors to Job Losses at Ft Gillem (Garrison Commander's Input)

The data in this report is rolled up by Action

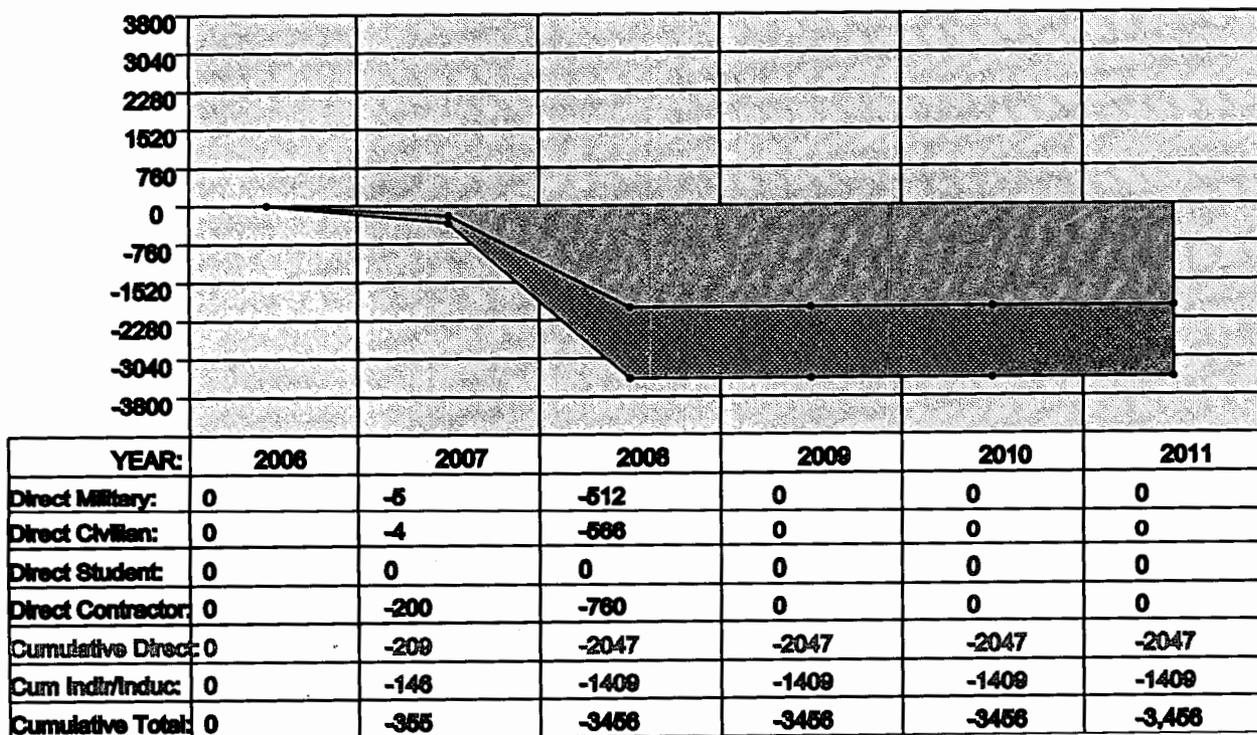
ECONOMIC IMPACT DATA

Scenario: Adding Contractors to Job Losses at Ft Gillem (Garrison Commander's Input)
Economic Region of Influence(ROI): Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Base: GILLEM
Action: Closing Ft Gillem, Incorporating Contractor Jobs Provided by Garrison Commander

Overall Economic Impact of Proposed BRAC-05 Action:

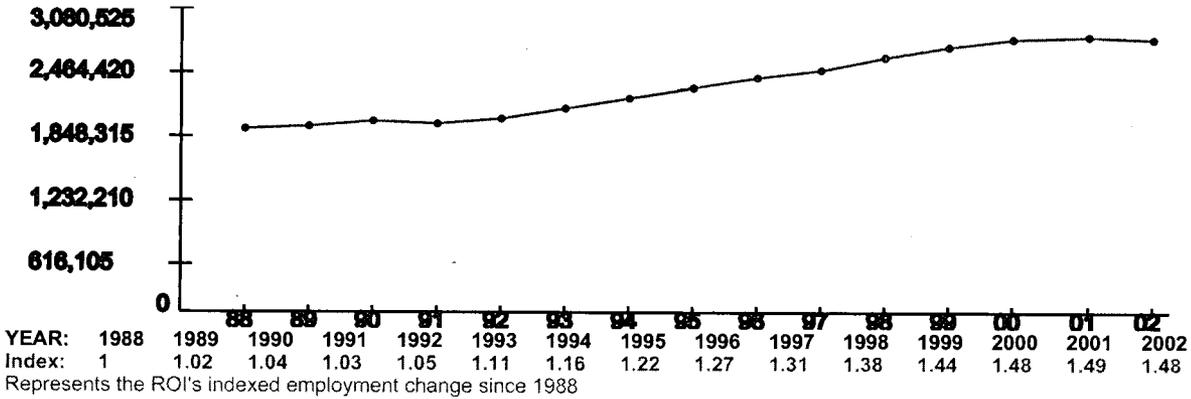
ROI Population (2002):	4,509,540
ROI Employment (2002):	2,777,548
Authorized Manpower (2005):	1,382
Authorized Manpower(2005) / ROI Employment(2002):	0.05%
Total Estimated Job Change:	-3,456
Total Estimated Job Change / ROI Employment(2002):	-0.12%

Cumulative Job Change (Gain/Loss) Over Time:

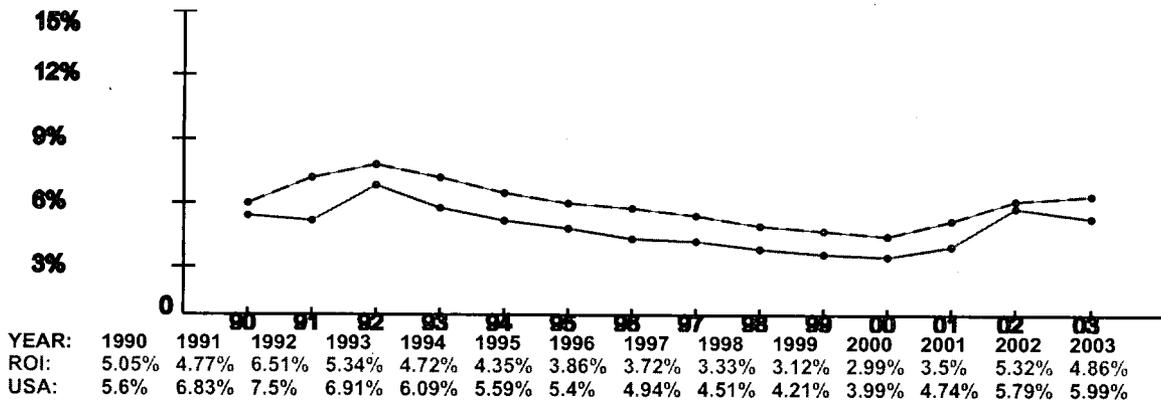


Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area Trend Data

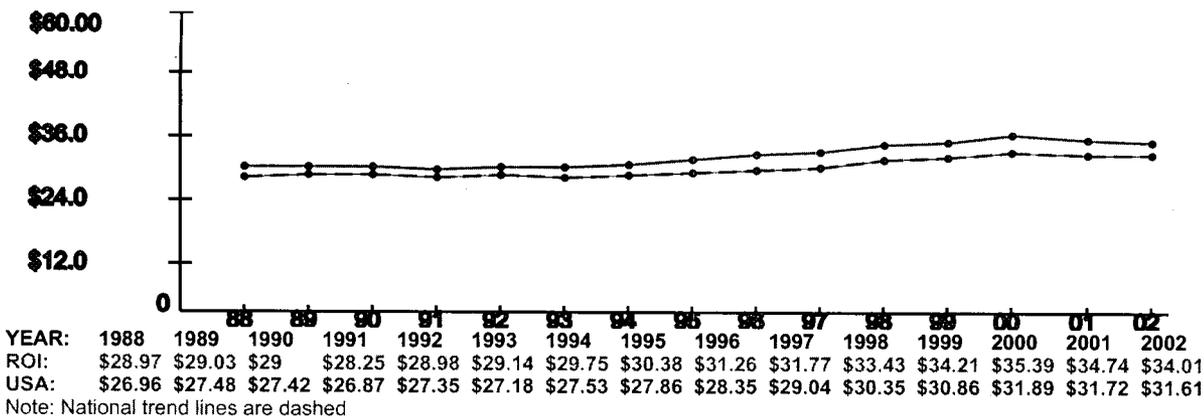
Employment Trend (1988-2002)



Unemployment Percentage Trend (1990-2003)



Per Capita Income x \$1,000 (1988-2002)



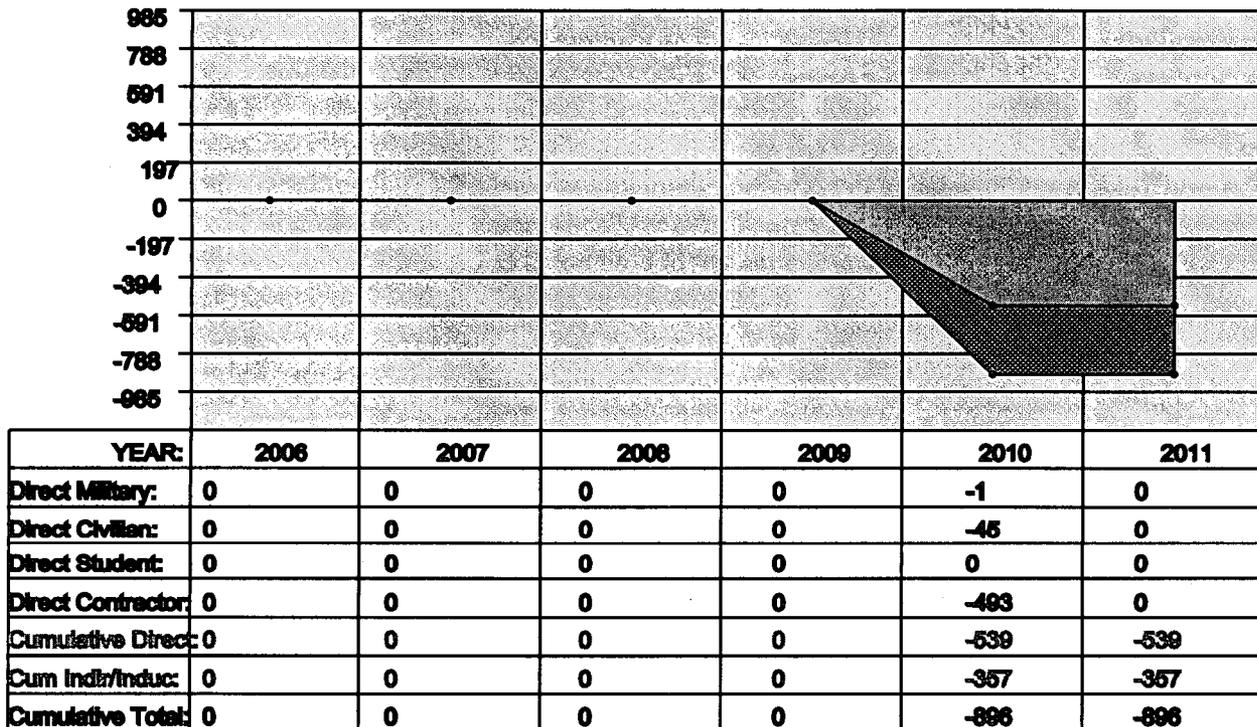
ECONOMIC IMPACT DATA

Scenario: Hawthorne Army Depot (data provided by Day and Zimmermann)
Economic Region of Influence(ROI): Mineral County, NV
Base: HAWTHORNE DEPOT
Action: BRAC's New Fact Metrix

Overall Economic Impact of Proposed BRAC-05 Action:

ROI Population (2002): 4,768
 ROI Employment (2002): 2,413
 Authorized Manpower (2005): 119
 Authorized Manpower(2005) / ROI Employment(2002): 4.93%
 Total Estimated Job Change: -896
 Total Estimated Job Change / ROI Employment(2002): -37.13%

Cumulative Job Change (Gain/Loss) Over Time:



DoD

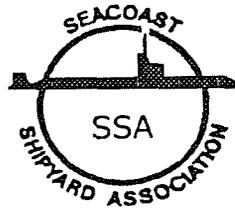
Storage *DeMil*

74
 4 41
 24 56

74
 45
 80

 119

NEIL ROLDE
Chairman



SEACOAST SHIPYARD ASSOCIATION

Post Office Box 1123
Portsmouth, NH 03802-1123
Tel. & Fax (603) 433-1157

JANUARY 2005

PORTSMOUTH NAVAL SHIPYARD - ECONOMIC IMPACT - CY 2004

CIVILIAN PAYROLL: \$318,329,729

<u>STATE</u>	<u>PAYROLL</u>	<u>*ACTUAL NUMBER OF EMPLOYEES</u>	<u>NUMBER OF EMPLOYEES PAID</u>
Maine	\$185,476,167	2,771	2,951
New Hampshire	122,635,908	1,878	2,008
Massachusetts	7,278,837	107	115
Other States	2,938,817	47	49
Totals	\$318,329,729	** 4,803	5,123

*The employment level for 2004 was 4,803. The number of employees paid (5,123) is greater since in some cases more than one person occupied the same job during 2004

** 4,803 includes: Shipyard - 4,513, SUBMEPP - 210, NMQAO - 27, and Naval Medical Clinic - 46.

MILITARY PAYROLL: \$29,349,581

Navy: \$16,835,997 Coast Guard: \$12,513,584

PURCHASED GOODS & SERVICES - (SUPPLY DEPARTMENT): \$49,469,785

Of this, \$30,773,431 went to New England States:

Massachusetts	\$ 6,206,822	Maine	\$ 2,264,930
New Hampshire	3,552,392	Rhode Island	383,954
Connecticut	18,203,736	Vermont	161,596

CONTRACTED FACILITY SERVICES - (PUBLIC WORKS DEPT): \$46,418,335

Includes:

Maintenance/Alterations/Support: \$32,261,052

Utilities (natural gas/fuel oil/water/sewer/electricity/communications): \$14,157,283

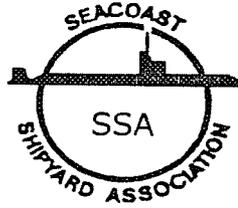
PAST YEARS' COMPARISON:

	<u>Employment Level</u>	<u>Civilian Payroll</u>	<u>Military Payroll</u>	<u>Purchases Supply</u>	<u>Contracts (Public Works)</u>
CY 2004	4,803	\$318,329,729	29,349,581	49,469,785	46,418,335
CY 2003	4,597	283,829,725	16,165,144	51,294,530	46,250,980
CY 1998	3,648	192,008,527	12,705,138	39,620,496	25,618,115
CY 1989	8,700	268,409,364	28,600,000	60,000,000	—



MAINE - 2,951 Civilian Employees were paid \$185,476,167

<u>CITY/TOWN</u>	<u>ANNUAL PAYROLL</u>	<u>EMPLOYEES</u>
Sanford/Springvale	\$22,318,665	392
Kittery/Kittery Point	21,462,177	346
South Berwick	19,115,437	277
Eliot	15,210,437	230
Berwick	14,877,984	239
Yorks/Cape Neddick	13,874,643	199
Biddeford	13,089,017	211
Wells	11,118,769	170
North Berwick	9,337,655	145
Lebanon	7,036,476	124
Saco	6,024,385	95
Kennebunk/West Kennebunk	4,090,791	63
Lyman	3,838,070	58
Alfred	2,645,888	43
Arundel	2,044,944	29
Old Orchard Beach	2,043,280	32
Shapleigh	1,362,501	25
South Portland/Portland	1,292,230	25
Acton	1,220,911	23
East Waterboro	1,195,117	19
Waterboro	1,186,872	19
North Waterboro	1,097,980	18
Buxton	1,063,587	17
Kennebunkport	887,707	14
Scarborough	752,881	11
Dayton	712,660	11
Limerick	593,578	10
Hollis/Hollis Center	476,048	8
West Newfield/Newfield	385,339	8
Westbrook	364,902	6
Brunswick	334,244	6
Cape Elizabeth	316,728	4
Gardiner	238,984	3
Limington	238,881	4
Lewiston	226,630	3
Ogunquit	198,562	3
Moody	197,493	4
Gorham	193,234	4
Falmouth	187,722	4
Parsonsfield	166,356	2
Cornish	156,971	2
Litchfield	142,965	2
Woolrich	137,001	2
Millinocket	122,919	2
Topsham	112,986	3
All Others	1,783,560	36



NEW HAMPSHIRE - 2,008 Civilian Employees were paid \$122,635,908

<u>CITY/TOWN</u>	<u>ANNUAL PAYROLL</u>	<u>EMPLOYEES</u>
Rochester	\$20,289,103	359
Dover	17,162,759	287
Portsmouth	14,096,379	226
Somersworth	9,839,582	172
Barrington	6,329,229	97
Farmington	5,008,498	84
Newmarket	4,047,165	64
Rollinsford	3,309,338	52
Hampton	2,935,159	44
Milton/Milton Mills	2,875,969	44
Greenland	2,831,009	39
Stratham	2,796,619	42
Strafford/Center Strafford	2,488,256	37
Exeter	1,970,513	31
North Hampton	1,678,894	22
New Durham	1,588,216	28
Rye/Rye Beach	1,625,758	27
Nottingham/West Nottingham	1,358,259	22
Northwood	1,179,295	21
Durham	1,058,932	13
Kingston/East Kingston	1,098,392	18
Sanbornville	996,040	16
Seabrook	991,361	16
Epping	952,097	14
Lee	922,685	14
Raymond	805,077	17
Newington	757,547	12
Manchester	757,727	13
Newfields	629,050	10
Derry	614,998	11
Wolfboro/Wolfboro Falls	599,885	8
Brentwood	574,214	8
Madbury	562,813	9
Ossipee/Center Ossipee	534,474	8
Middleton	482,832	9
Hampton Falls	477,322	8
Kensington	441,766	5
New Castle	362,417	5
Center Barnstead	325,203	4
Pittsfield	312,777	4
Union	305,177	8
Plaistow	305,146	5
Deerfield	302,000	8
Alton/Alton Bay	296,521	5
Hampstead/East Hampstead	289,286	4
Salem	257,136	4
Wakefield	244,571	4
Candia	197,159	3
Gilmanon, Gilmanon IW	193,297	3
All Others	2,578,006	44



MASSACHUSETTS - 115 Civilian Employees were paid \$7,278,837

<u>CITY/TOWN</u>	<u>ANNUAL PAYROLL</u>	<u>EMPLOYEES</u>
Amesbury	\$1,240,071	20
Newburyport	1,044,795	15
Methuen	736,767	9
Haverhill	734,038	11
Merrimac	503,390	8
Salisbury	417,577	7
Tewksbury	271,737	4
Andover	228,994	2
West Newbury	211,744	3
Rowley	175,627	2
Dracut	168,570	2
Wakefield	132,516	2
Chelmsford	115,500	2
Bradford	103,510	3
All Others	1,194,001	25

ALL OTHER STATES - 49 Civilian Employees were paid \$2,938,817

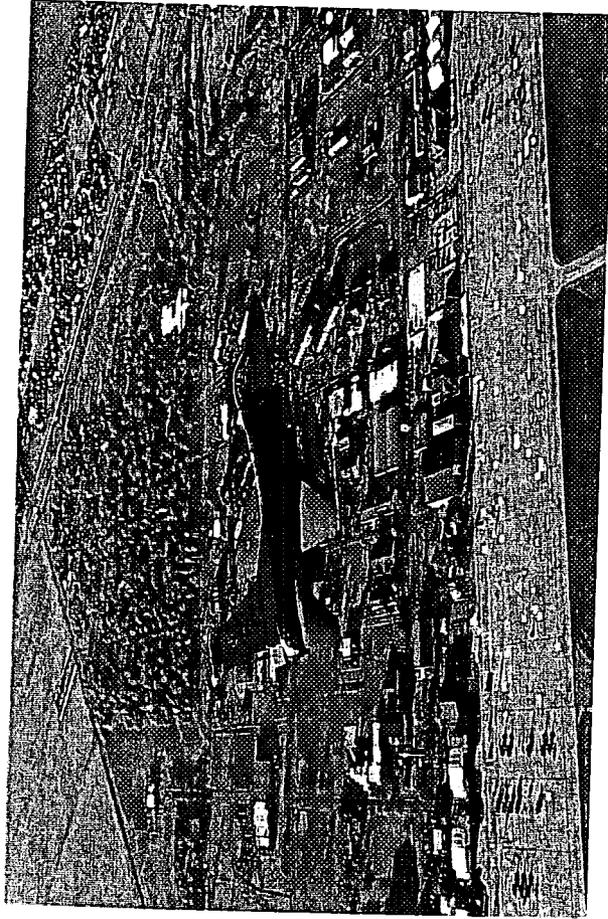


SEACOAST SHIPYARD ASSOCIATION

P.O. Box 1123
Portsmouth, NH 03802-1123



27th Fighter Wing



Property and Equipment

- Real Estate valued at \$373M
- 60 F-16s

27 FW Mission

- To maintain a mission-ready, fully-deployable F-16 fighter wing capable of day and night combat operations for warfighting commanders worldwide at any time.

People – Our Strength

<u>COBRA TIT</u>		304 Officer	3 443
3,515	2385 {	3,139 Enlisted	
404	384	<u>403 Civilian</u>	
(as of 6/1/05)		3,846 Total	

Data Collection

This analysis uses FY 2004 Cannon AFB employment and spending data, the most current 12-month data available. Employment and payroll inputs are shown in Table 4.

2385
-384

Type of Employment	Number of Jobs	Payroll ⁶ Dollars
Active Duty	3,515 mil 3,846	\$125,669,337
Appropriated	404 civ 400	25,503,071
Other Civilian	?	3,666,535
Private Sector	?	2,364,345
TOTAL	3919 4,885	\$147,203,288

Source: *Economic Impact Assessment* FY04, 27th Fighter Wing, Cannon AFB

Table 5 shows construction and procurement spending (inputs) at Cannon AFB for businesses with a presence in the local area or on contract awards requiring the use of locally supplied goods and services.

Total Sustainment \$ 15,353 m.
 Sustain Payroll \$ 4,655 m
 BOS Non-Payroll \$ 17,569 m.
 BOS Payroll \$ 15,892 m
 Family Housing \$ 9,256 m.

AF/DP

IR STAFF USED

for Cobras - Projected timeframe
 for byrs OUT

Future Manpower Projection

⁶ Excludes employment benefits

LACKAWANNA
Co.

WAYNE
Co.

Tobyhanna Army Depot



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Image © 2005 DigitalGlobe
© 2005 TeleAtlas

Google

Center 41° 11' 37.40" N 75° 25' 23.43" W elev 1964 ft

Streaming 100%

Eye alt 18.85 mi

MONROE
Co.



BRAC 2005 - Query Response Manager



Response to E0458

Question:

Please rederive economic impacts for the action on Tobyhanna Army Depot (TAD) using East-Stroudsburg PA Micropolitan Statistical Area as its economic area or region of influence (ROI) instead of Scranton-Wikes-Barre PA MSA.

COBRA database identifies the location for TAD: 75o25' in longitude and 41o11' in latitude. The correct location places TAD entirely in Monroe County, which is a part of the East-Stroudsburg PA Micropolitan Statistical Area.

Joint Process Action Team on Criterion 6 (JPAT 6) requires economic impact analysis on "existing communities in the vicinity or region of influence of military installations."

Answer:

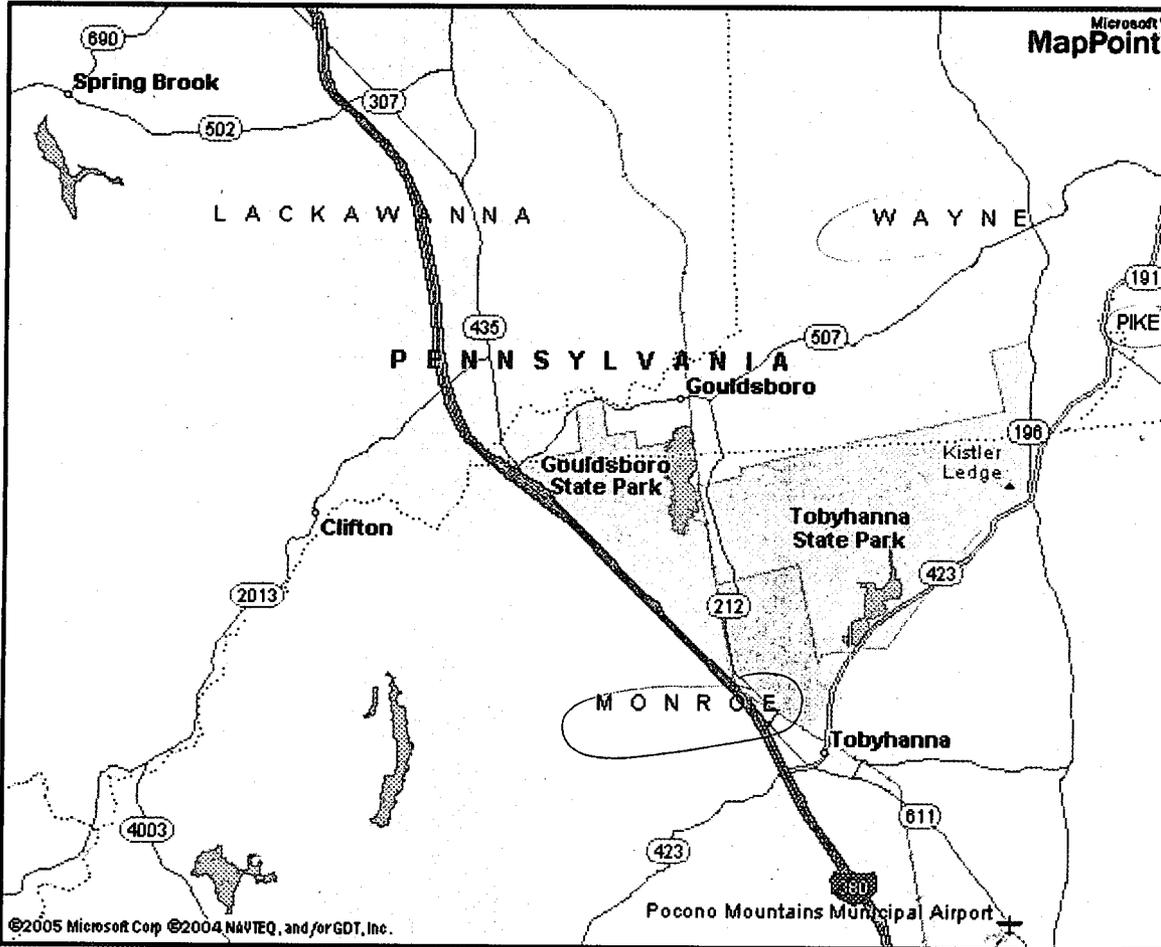
There is a Tobyhanna Township in Monroe County, but this is not the Tobyhanna Army Depot. The Army Depot is located in Lackawanna County. Also the majority of the employees at Tobyhanna live in Lackawanna County. The economic analysis was performed using Lackawanna County for Tobyhanna Army Depot.

References:

Approved By:

Date: 19-Jul-05

Tobyhanna, Monroe, Pennsylvania, United States



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TOBYHANNA DEPOT
General Info
570 895 7000

Public Affairs
570 895 7308

Tobyhanna Army Depot

380

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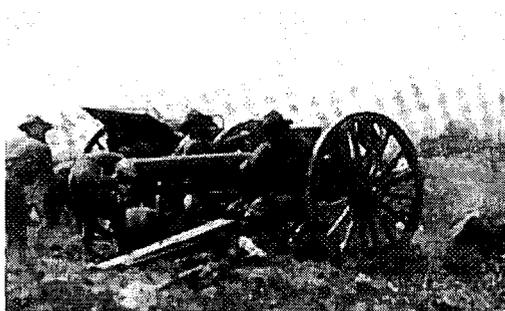
Facts, Figure, and Information

Tobyhanna Today

Tobyhanna Army Depot is the largest, full-service electronics maintenance facility in the Department of Defense (DoD). The depot's mission is total sustainment, including design, manufacture, repair and overhaul of hundreds of electronic systems. They include satellite terminals, radio and radar systems, telephones, electro-optics, night vision and anti-intrusion devices, airborne surveillance equipment, navigational instruments, electronic warfare, and guidance and control systems for tactical missiles. Tobyhanna is DoD's recognized leader in the areas of automated test equipment, systems integration and downsizing of electronics systems. The Army has designated Tobyhanna as its Center of Industrial and Technical Excellence for communications-electronics, radar, and missile guidance and control. The Air Force has designated Tobyhanna as its Technical Source of Repair for command, control, communications and intelligence systems.

History

The depot has served our nation for over 52 years, having opened on Feb. 1, 1953, following two years of construction. However, the Army has maintained a nearly continuous presence in Tobyhanna since 1912, when the site was first used as a field artillery training camp. Other uses include as a Civilian Conservation Corps (CCC) camp, artillery training of West Point cadets and as a World War II prisoner-of-war camp and storage point for gliders used in the D-Day landings at Normandy in 1944. [More detailed history of the Depot](#)



Largest Employer

Tobyhanna Army Depot, its tenant activities and contractors working on post make the installation the largest employer in the region. Total employment at the installation is approximately 4,300, drawing workers from the following

counties:

Lackawanna	1,636	Pike	47
Luzerne	1,307	Wyoming	45
Monroe	586	Northampton	16
Wayne	440	Schuylkill	27
Carbon	113	Susquehanna	44

Work Force

We require 130 job skills to perform our missions, including engineers, electronics-mechanics, computer specialists and industrial trade workers.

Men	86%	Average age	47.3
Women	14%	Average service years	16.6
Veterans	49%	Average salary	\$43,000

Annual Economic Impact

The Northeastern Pennsylvania Alliance's (NEPA) certified economic model reports that the depot's total regional annual economic impact is \$1.02 billion. The model shows that the depot's presence creates an estimated 7,327 regional jobs. NEPA is the region's economic development organization.

The depot's direct impacts for the fiscal year ending Sept. 30, 2004 were:

- \$201.9 million in Employee Salaries
 - \$24.1 million in Contractual Services (includes construction/renovation)
 - \$18.5 million in Supplies and Equipment
 - \$3.5 million in Commissary Goods
 - \$4.76 million in Utilities
 - \$1.7 million in Travel
 - \$1.2 million in Line Haul (trucking services)
-

Taxes

Tobyhanna personnel pay approximately \$5.2 million annually in state and local taxes. Property tax revenues are estimated at another \$2.77 million.

Real Estate

Total acreage: 1,296, including 398 acres in the industrial area. A large area of the depot is preserved as wetlands.

Buildings

153, with an estimated replacement value of \$731 million.

Labor Organizations

AFGE, Local 1647

For More Information

(570) 895-7308 or DISN 795-7308

01-Apr-2005

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Tobyhanna Army Depot, PA

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Official Installation Lin

Base Operator
570-895-7000

Major Units
High Tech Regional
Training Site

Billeting/Quarters
DSN 795-7647
570-895-7647

Mailing Address
not available

Driving Directions
not available

Overview

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Army Community Services ATTN: AMSEL-TY-CS-F 11 Hap Arnold Boulevard Tobyhanna, PA 18466-5044

Location: Tobyhanna Army Depot

Major Command: Army Materiel Command

Mission: Communications/Electronics

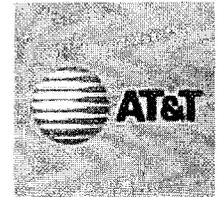
Population assigned-served: Active Duty Officer: 5 Active Duty Enlisted: 73 Family Members: 170 Retirees: 10,000 Civilian Employees: 3,100 Reserve Component Officers: 2,000 Reserve Component Enlisted: 8,000

Telephone Access: 570-895-7000

History: Tobyhanna Signal Depot was activated on 1 Feb 53, marking the start of 40 years of outstanding service to our Army and our country. Conceived during fighting in Korea, Tobyhanna and its personnel have consistently delivered vital communications and electronics systems to the men and women of our armed forces throughout the past five decades. In times of peace and war, Tobyhanna's talented, patriotic and hard-working personnel have been at the forefront of technological excellence in the United States and throughout the world. Defense electronics has seen rapid technological changes. The vacuum tubes of the 1950s have been replaced by the hightech integrated circuits and solid-state electronics of the 1990s. To ensure technological superiority is maintained on the battlefield, Tobyhanna has built state-of-the-market facilities and world-wide capability providing support anywhere at any time. Excellence in electronics has been demonstrated in Korea, Vietnam, Panama, the Persian Gulf, and during the Cold War struggle that paralleled much our history. As the largest communications-electronics facility in the Department of Defense, we're proud of our reputation for excellence. Tobyhanna will continue to meet the ever-changing needs of our nation's armed forces as we enter the 21st Century.

Tobyhanna Today: Tobyhanna Army Depot is the largest full-service communications-electronics maintenance facility in the Department of Defense. The depot's mission includes the design, manufacture, repair and overhaul of hundreds of communications and electronics systems. They include satellite terminals, radio and radar systems, telephones and switchboards, anti-intrusion

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devices, airborne surveillance equipment and navigational instruments, electronic warfare and many other types of unique and specialized systems. We are DOD's recognized leader in the areas of automatic test equipment, systems integration, and the downsizing of military communications-electronic systems.

Tobyhanna Army Depot: Installation Installation Overview

Name : Public Affairs Office		POC : Kevin Toolan
Address : ATTN: AMSEL-TY-PA, 11 Hap Arnold Boulevard		
City : Tobyhanna	State : PA	Zip : 18466-5076
Phone : 570-895-6552	Fax :	
DSN Phone : 795-6552	DSN Fax :	
Comment : The Public Affairs Office is located on the main floor, lobby area, of the Administration Building 11. The office has information on current depot functions.		

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cingu
Certain restrict
apply; 2 year ser
agreement requi