



**Department of Commerce**  
Innovation is in our nature.



# **Military & Defense Sector**

Presentation to the  
South Sound Military and Community  
Partnership

August | 2015

# Our Mission

Support and inform statewide sector  
specific **economic development**  
efforts

by strengthening state and federal  
collaborations

that support

**military & defense infrastructure,**

**military & defense industry** and

**public, private and social sector**

**partnerships**

in all communities across the state.



# Top Four Issues for 2016-2017

1. Defense Industry Adjustment Progress & Modeling Tool
2. Statewide Land Use Report
3. Subcabinet on Military Downsizing Update
4. Future Efforts



# Defense Industry Adjustment Progress

*Assessment and Forecasting Modeling Tool*

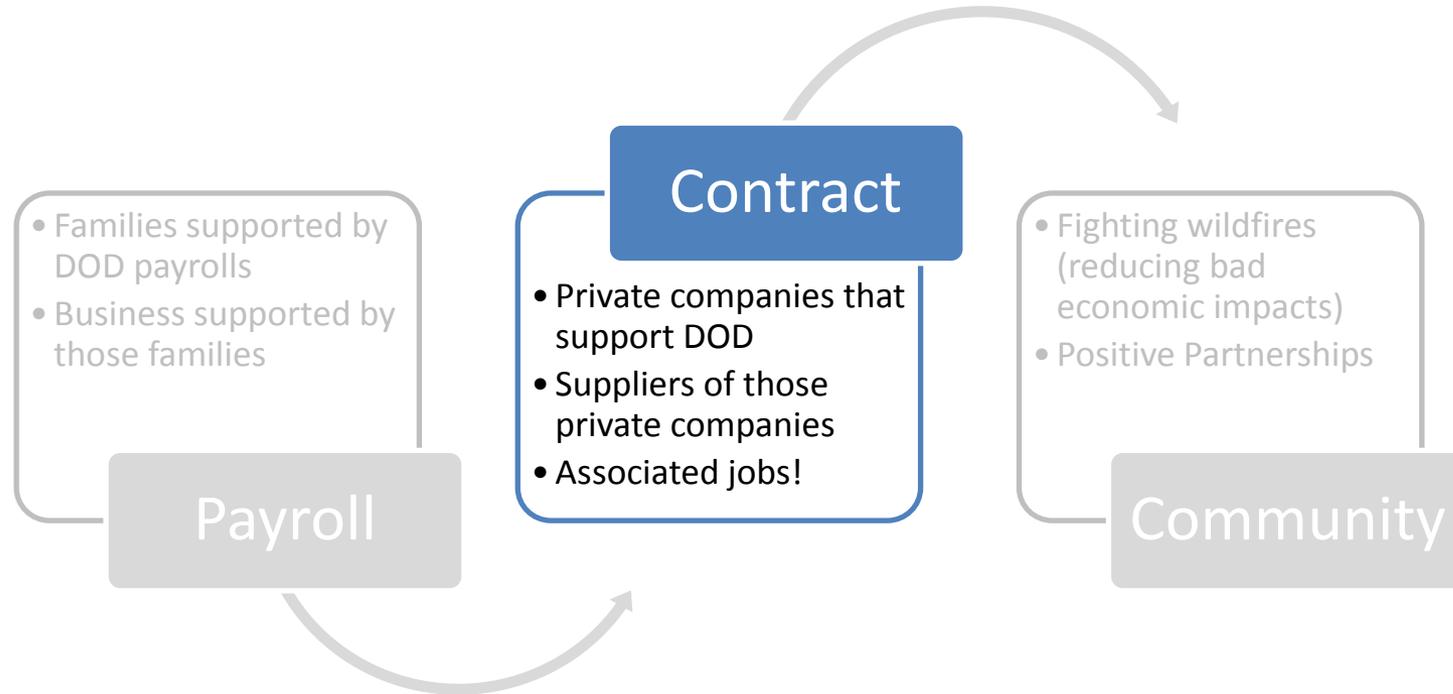
The Department of Defense Office of Economic Adjustment awarded Washington State **\$5.8 million** to create the Defense Industry Adjustment Program.

A major component of this work is mapping the defense industry supply chain in Washington and creating a **tool to model effects of changes in defense spending.**

We now have preliminary data from that work and will be entering into beta testing for the model shortly.



# Separating Effects

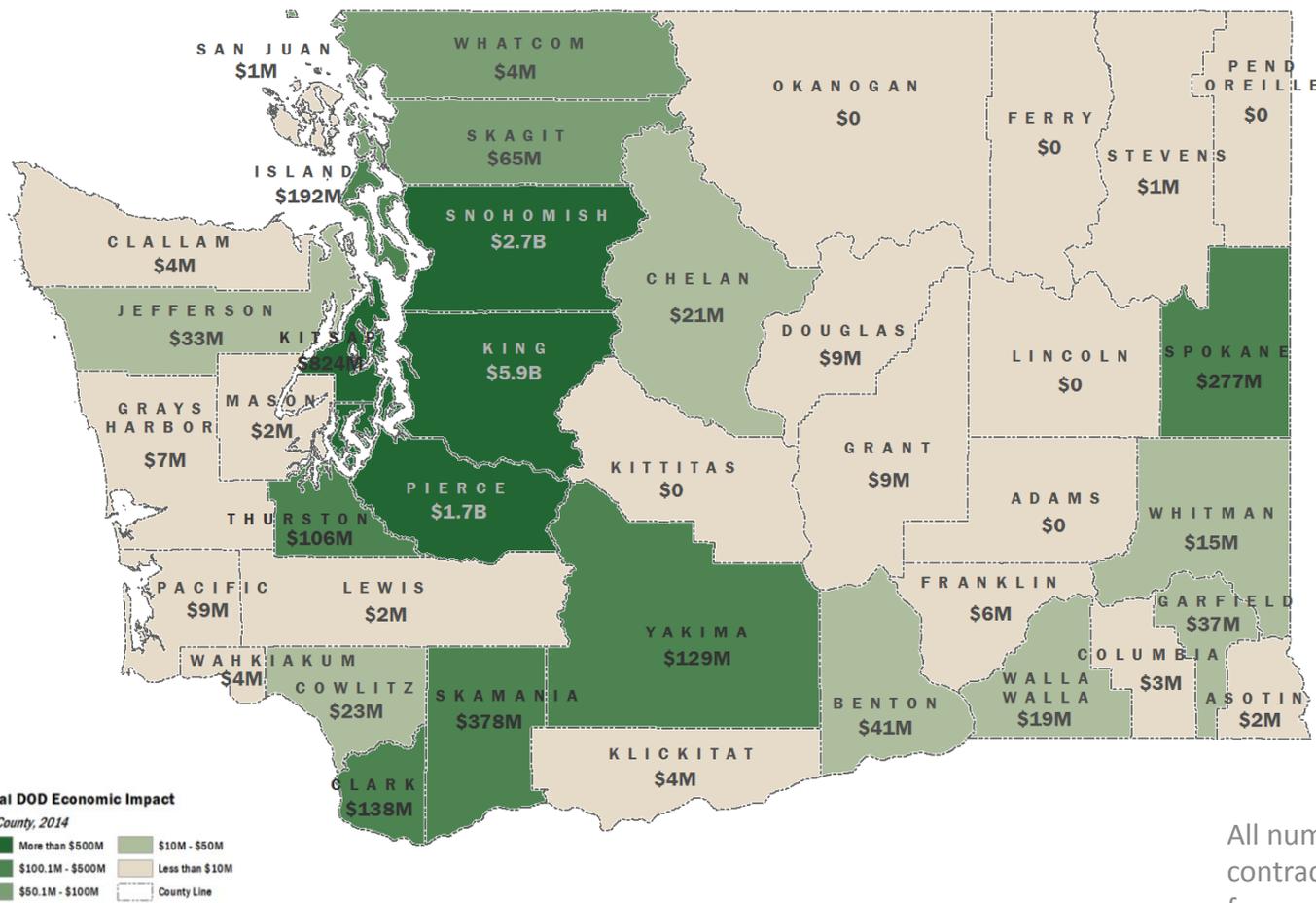


All numbers presented in the following slides represent contracts only. The scope of our OEA Defense Industry Adjustment (DIA) economic model is focused on supply chain activities alone.



# ECONOMIC MODELING

## TOTAL BUSINESS REVENUES SUPPORTED BY DEFENSE SPENDING (FY 2014)



- Direct Value of DOD Spending in WA (FY 2014):
  - **\$8.4 billion**
  - Boeing's share: \$4.8 billion (56%)
  - Construction's share: \$1.5 billion (18%)
- Total Economic Impact (FY 2014):
  - **\$13.7 billion**

All numbers presented here represent contracts only. The scope of this work is focused on supply chain activities alone.



## SOURCES OF DIRECT REVENUE, FY 2014

CATEGORY	DIRECT REVENUE in Billions
Washington companies performing in Washington	\$6.95
Washington companies performing outside of Washington	\$1.05
Non-Washington companies performing in Washington	\$0.37
Research	\$0.08
<b>Total</b>	<b>\$8.44</b>

**These numbers represent the contract value retained in Washington.**

**Due to variability in DOD and DHS contracting over time, the online modeling tool will display a three-year average.**

All numbers presented here represent contracts only. The scope of this work is focused on supply chain activities alone.

# REGIONAL IMPACTS OVERVIEW

## Direct



## Indirect



## Induced



## Total Jobs Impact

All numbers presented here represent contracts only. The scope of this work is focused on supply chain activities alone.

# MODELING TOOL

## PRELIMINARY DESIGN

### CREATE YOUR OWN SCENARIO

   
+ -    \$ %   
+ -    \$ %   
+ -    \$ %   
+ -    \$ %

New Program

   
+ -    \$ %

Select Contracts

&  
or  
( )

Save & Run

Run

These images represent preliminary designs and examples only.

# MODELING TOOL

## PRELIMINARY DESIGN

Military & Defense  
Economic Modeling Tool

OVERVIEW IMPACT REPORTS **SCENARIOS** CONTRACTS

### SCENARIO MANAGER

#### MY SAVED SCENARIOS

NAME	DATE	FILTERS
Create and Save a Scenario to see it listed here		

#### SCENARIO EXPLORER

NAME	FILTERS
Sequester-level cuts of \$50 billion annually, set to resume in FY 2016	State Wide
"Opportunity, Growth, and Security" Initiative proposes an added \$26 B to the defense budget for FY 2015	State Wide
Look at all industries except Aerospace	Industry
Recommend a scenario for public access on the site	

EDIT → REMOVE → DELETE →

Alicia Dickson

These images represent preliminary designs and examples only.

# Statewide Land Use Report

## *Part of Washington's effort to support the State's Military Installations*

The governor has tasked Commerce with producing a report to the legislature on civilian land use compatibility and military base missions.

The WA Growth Management Act (GMA) disallows land use development that is incompatible with military installations (RCW 36.70A.0530).

### **Central question:**

- How can Washington State promote compatible civilian land use practices in support of its military bases?





# Base Compatibility Study - *Findings*



## *Core findings in the draft report*

### Military Installations and Civilian Land Use Compatibility

PRE-DECISIONAL  
Report on Practices and Approaches  
to Reduce Encroachment on  
Military Bases (RCW 36.70A.53D)



JULY 2015

- Incompatible land use (encroachment) is a critical factor in assessing long-term viability of a military installation.
- Washington's bases face encroachment-related concerns similar to bases in other states.
- Compatibility concerns often extend beyond the base, including airspace and waterways.
- In addition to Washington's GMA military provision, states have adopted legislation to promote land use compatibility in support of military base viability.





# Base Compatibility Study - *Concerns*

## *Examples of common compatibility issues*

1. Civilian pressures to develop land
2. Competing demands for infrastructure
3. Air/light pollution and airspace obstructions
4. Civilian/military noise conflicts and communications interference
5. Endangered species habitat management

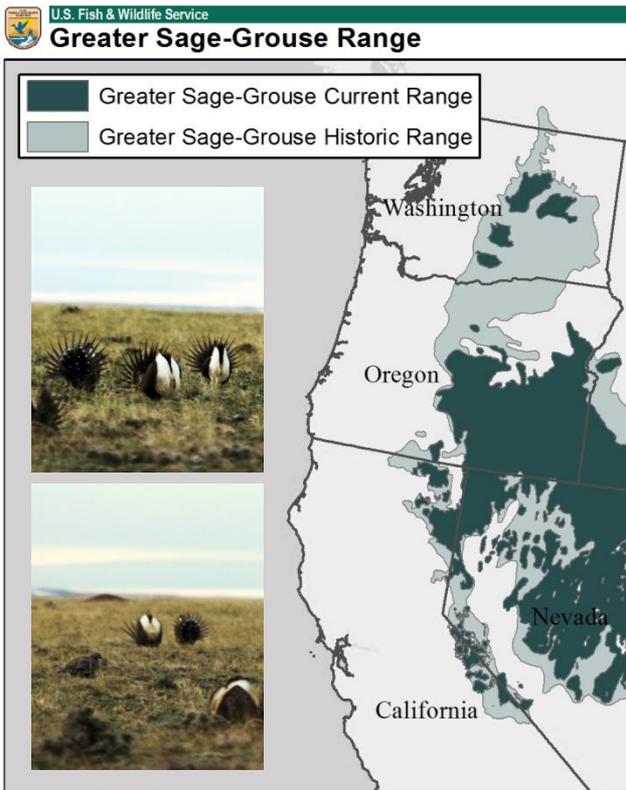
### **Note:**

***This list is not comprehensive as concerns are base-specific.***





# Base Compatibility Study - *Opportunities*



Created By: US FWS, Wyoming ES  
Map Date: 8/15/2014  
Source: FWS | COT (2013) | WAFWA | Schroeder et al. (2004) |  
Base Map: Canvas/World Light Gray Esri, HERE, DeLorme, MapmyIndia, ©  
OpenStreetMap contributors, and the GIS user community

## *Opportunities to promote compatible land use:*

1. Foster civilian-military coordination to identify base needs
2. Use technical assistance programs to enhance compatibility
3. Set and preserve military buffer areas in plans, codes, and permitting.
4. Acquire land or development rights near military bases
5. Enhance endangered species habitat management





# Base Compatibility Study - *Conclusions*



## Military Installations and Civilian Land Use Compatibility

PRE-DECISIONAL  
Report on Practices and Approaches  
to Reduce Encroachment on  
Military Bases (RCW 36.70A.530)



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### *Encroachment is avoidable:*

1. Civilian land use decisions impact base viability (BRAC).
2. Communities can promote compatibility through wise land use policies, plans, codes, and permitting activity.
3. Strong civilian-military collaboration is critical to promoting land use compatibility around installations.
4. **We need feedback to help enhance our response.**



# We Need Your Advice

*What can we do to promote compatibility?*



## Military Installations and Civilian Land Use Compatibility

PRE-DECISIONAL  
Report on Practices and Approaches  
to Reduce Encroachment on  
Military Bases (RCW 36.70A.530)



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*View the draft report:*

***Military Installations and Civilian Land Use Compatibility***

<http://www.commerce.wa.gov/Services/localgovernment/GrowthManagement/Pages/BaseStudy.aspx>

*Send feedback to:*

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Eastern Regional Manager, Growth Management Services

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## Subcabinet on Military Downsizing

The Subcabinet was created to establish a coordinated strategic plan to respond to and mitigate potential military reduction impacts on local communities.



# SUBCABINET ON MILITARY DOWNSIZING

## PARTICIPANTS

### SUBCABINET MEMBERS

- COMMERCE
- ESD
- DSHS
- OFM
- WDVA
- DOR
- DFI
- SBCTC
- WTECB
- L&I
- MIL

### KEY PARTNERS

- JBLM
- WSDOT
- OSPI
- WMA
- WSMTC
- CASA
- USAF
- US NAVY
- AFGE/IAFF



# SUBCABINET ON MILITARY DOWNSIZING

## STRUCTURE

AGENCIES

Advisory:  
Chaired by MIL  
US Army, Navy, AF  
CASA

Workforce/Ed:  
Chaired by ESD  
SBCTC, LNI  
WTECB

Community:  
Chaired by DSHS  
DFI, WDVA,  
COM (Housing)

Economic:  
Chaired by COM  
OFM, DOR



PARTNERS

Advisory:  
WMA

Workforce/Ed:  
WDCs, WSMTC

Community:  
WSDOT, OSPI  
AFGE, IAFF, SSMCP

Economic:  
EDCs



# Military and Defense Sector Future Efforts

## 2016-2017 Goals

- Address Defense Industry Adjustment
- Develop & Implement Statewide Military Compatible Land Use strategy
- Support Military Future Mission efforts
  - DHS Cyber COE
  - DOD DIUx
  - Arctic Security COE





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## QUESTIONS?

Additional Resources Available:

[www.commerce.wa.gov](http://www.commerce.wa.gov)

[www.governor.wa.gov/issues/issues/economy/military-defense](http://www.governor.wa.gov/issues/issues/economy/military-defense)

[www.WAMilitaryAlliance.org](http://www.WAMilitaryAlliance.org)

[www.commerce.wa.gov](http://www.commerce.wa.gov)

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