



Federal Economic Stimulus Proposals for the Incoming Administration

The Association of Defense Communities (ADC) is the nation's premier membership organization supporting communities and states with active, closed and closing defense installations. Today, defense communities are addressing the challenges associated with base closure and redevelopment and mission growth. While the issues that defense communities face are not unique to them, they are highlighted and enhanced by the short time period and unique circumstances associated with military actions. There are two main groups of defense communities that will benefit from funding through the federal economic stimulus:

Base Closure Communities – Base closure communities are faced with the largest and most daunting economic development project that they have ever encountered coupled with the goal of replacing thousands of lost jobs. Communities impacted by previous rounds of base closure are continuing to face the challenges of base redevelopment. These communities are still dealing with a complex base redevelopment process that is hindered by several factors, most notably a lack of necessary infrastructure and severe environmental contamination. Financial assistance to communities for infrastructure projects, and to the military services so that they can complete environmental remediation, will create immediate jobs and additional jobs in the long term as the overall redevelopment of the military base is finally able to proceed.

Base closure communities also face another hurdle – transfer of property from the military to the community. In 1999, Congress enacted language permitting base closure property to be transferred to communities for economic development purposes at no-cost to the communities. These “no-cost” economic development conveyances, or EDCs, were intended to generate jobs and spur economic redevelopment activities at, or related to, the closed installation. In 2002, Congress eliminated no-cost EDCs. ADC is concerned that the absence of no-cost EDCs will have drastic and negative impacts on the communities' successful reuse of the former base. This will likely result in property transfer delays, that will extend the timing for implementing the communities' base reuse plan, job creation and overall economic recovery. ADC proposes that no-cost EDCs be reinstated in the federal economic stimulus and be made available for base closure communities that intend to use the property for job creation. No-cost EDCs are a way to speed economic recovery and job creation while the federal government does not have to expend any money. This will greatly assist base closure communities in their redevelopment efforts.

Growth Communities – Defense communities with growing installations face a series of unique challenges rarely encountered by the Defense Department. Growth communities are both eager to support their local installation and anxious to welcome the arriving missions. However, many communities face overwhelming financial challenges in their efforts to fully support large influxes due to occur between now and 2011. For growth communities the arrival of thousands of new residents in only a few years will place a considerable strain on local infrastructure. Direct assistance — in the form of assurances, loans, grants, or a combination thereof — from the federal government is essential if growth communities are to meet infrastructure requirements associated with military growth. Federal funding for infrastructure projects in growth communities — such as housing, schools, healthcare, roads, police, fire, child care, sewer and other municipal services — will not only result in the immediate benefit of construction jobs, but will also facilitate additional long-term economic development in growth communities so that they can meet the needs of our nation's troops, sailors and airmen.