



**Interagency Military Base Support and Economic Development Committee
(IMBSEDC) Quarterly Meeting
Thursday, November 20, 2014, 10 a.m.**

Robert Oxtoby Board Room
Wm. G. Stratton Office Building, 3rd Floor
401 S. Spring St.
Springfield, Illinois

Lieutenant Governor's Chicago Office
James R. Thompson Center, Suite 15-200
100 W. Randolph St.
Chicago, Illinois

Phone Participation Option: 888-494-4032 Access Code: 4503932299

MINUTES

I. Call to Order and Roll Call (Quorum)

- Chair, Legislative, Ex Officio Members and Designees
 - Chair, Lieutenant Governor Sheila Simon, Springfield
 - Roy Dolgos, Illinois Department of Transportation, Springfield
 - Michael Mossman, Illinois Department of Transportation, (Alternate Designee), Springfield
 - Clarence Smith, Illinois Environmental Protection Agency, Springfield
 - Col. James Smith, Illinois Department of Military Affairs, Springfield

- Public Members
 - Col. (Ret.) Gene Blade, Springfield
 - Gary Gray, Phone
 - Frank Miles, Phone
 - BG (Ret.) Frank Rezac, Springfield
 - Paul Rumler, Phone
 - Jim Morgan, Phone

- Other Participants
 - Danice Kern, Office of the Lt. Governor, IMBSEDC Coordinator & Special Advisor, Springfield,
 - Kathryn Phillips, Office of the Lt. Governor, Chief of Staff, Springfield
 - Leslie Reis, Office of the Lt. Governor, General Counsel, Springfield
 - Marc Ayers, Office of the Lt. Governor, Policy Advisor, Springfield
 - Dr. Brian Richard, Northern Illinois University Center for Governmental Studies, Assistant Director, Springfield

- Benjamin Brockschmidt, Illinois Chamber of Commerce, Director of Federal Affairs, Springfield
- Col. (Ret.) John Moulton, U.S. Army Reserve Ambassador to Illinois, Springfield
- Christine Spargur, Public Affairs, Scott Air Force Base, Phone
- Jerry Hieb, Quality of Life Projects Director for Commander, Navy Installations Command, Naval Station Great Lakes, Phone
- Scott Lohman, Quad Cities Chamber of Commerce, Phone
- Dr. Michael Ayers, Civilian Aide to the Secretary of the Army, Springfield
- Delio Calzolari, Paul Simon Public Institute, Southern Illinois University, Phone

II. Approval of Minutes

- The minutes of the July 16, 2014 meeting were adopted.

III. Chair's Remarks: Release of the Illinois Military Base and Defense Industry Assets Economic Impact Study *(Please see the attached report).*

- Lt. Governor Simon announced the release of the state military economic impact report, "Illinois Military Base and Defense Industry Assets Economic Impact Study: State and Regional Analyses," calling it a "milestone." The 111-page report is believed to be the first, comprehensive, statewide study of its kind in Illinois. The study was commissioned by the Illinois Chamber of Commerce Foundation, in conjunction with the IMBSEDC, which Simon chairs. The impact study falls under the committee's statutory responsibilities regarding military base retention. The analysis was conducted by the Center for Government Studies (CGS) at Northern Illinois University (NIU), under the direction of Dr. Brian Richard. Researchers used a dynamic modeling tool to calculate the direct and indirect economic activity related to the military and defense industry and reported the figures by region, congressional district, and the state. Researchers also conducted a "strengths, weaknesses, opportunities and threats" (SWOT) analysis of the bases, that looked at quality of life factors, including a new law initiated by Simon that will ease military students' transitions into and out of Illinois' schools.
- Lt. Governor Simon thanked Danice Kern, who coordinates the IMBSEDC and oversaw the project for the office of the Lt. Governor; Benjamin Brockschmidt of the Illinois Chamber of Commerce; and NIU's Dr. Brian Richard, who directed the research and prepared the report under the guidance and assistance from the Lt. Governor Simon's office and the Illinois Chamber of Commerce Foundation.
- Lt. Governor Simon also thanked members of Illinois' three major military installations and members of the base communities for their support and input, particularly the team at Scott Air Force Base, Col. Kyle Kremer, and Christine Spargur; Ellen Krohne from Leadership Council Southwestern Illinois; the team at Naval Station Great Lakes, especially CAPT William Bulis; the team at Rock Island Arsenal, and Paul Rumler, Quad Cities Chamber of Commerce.
- Lt. Governor Simon expressed gratitude to the Department of Commerce and Economic Opportunity, and local chamber of commerce and economic development organizations around the state for their contributions.

- Lt. Governor Simon thanked all partners and contributors for their efforts, calling the initiative a great example of a productive, collaborative, public-private partnership.
- Among the report's key findings:
 - The military and defense industry supports 150,000 jobs and \$13.3 billion in economic activity in Illinois. The figures include employment and spending related to four categories: active military installations, Department of Defense contracts, National Guard facilities and payments to military-linked retirees and school districts.
- Lt. Governor Simon said the new figures should help Illinois fight to retain and enhance military bases if Congress proceeds with sequestration or Base Realignment and Closure (BRAC) in the next two years. "We know that military installations are huge economic engines in their respective communities, but this study shows us exactly how crucial they are to our state's economy as a whole," said Simon, who encouraged all stakeholders to use this data as a foundation for efforts to preserve, promote and enhance our military assets going forward. "This study is a first step toward educating Illinoisans about the importance of our military assets," Simon said. The report represents the final action that Simon takes as IMBSEDC chair.
- Lt. Governor Simon invited Illinois Chamber of Commerce representative, Ben Brockschmidt, Director of Federal Affairs, to present the report's key findings. (*Please see the attached PowerPoint presentation*).
 - The largest economic impact stems from the installations at Scott Air Force Base near Belleville, the Rock Island Arsenal in the Quad Cities, and the Naval Station Great Lakes. These bases alone support 85,000 jobs, and contribute a total of \$9.1 billion to the state's economy, the study shows. The study estimates the military and defense industry supports about 2 percent of the state's gross domestic product (GDP).
 - Brockschmidt emphasized the unique, public-private partnership that produced this first-ever economic impact study in Illinois and the strategic importance of Illinois' military and defense assets.
 - Brockschmidt detailed the diverse nature of the defense industry in Illinois and called attention to the impact of U.S. Department of Defense contract spending in the 10th Congressional District (Naval Station Great Lakes), the 12th Congressional District (Scott Air Force Base), and the 17th Congressional District (Rock Island Arsenal).
 - Brockschmidt further stressed the need for a comprehensive, statewide advocacy effort to unite federal, state, and local leaders in promoting and preserving Illinois' military and defense assets. Like Lt. Governor Simon, Brockschmidt stated the report represents only a first step. According to the report, next steps for the IMBSEDC and statewide advocacy efforts should include:
 - ◆ Closely monitoring military-related developments at the federal, regional, state and local levels for their potential economic impact to the state;

- ◆ Looking at strategic outreach, advocacy, and communications underway by other states that are promoting, preserving and enhancing their military and defense industry assets;
 - ◆ Encouraging military installations and communities to identify and implement shared service partnerships with the public and private sectors;
 - ◆ Stressing the importance of proactively engaging well in advance of another BRAC round.
- Brockschmidt stated that members of Illinois' congressional delegation, chiefly the military and appropriations advisors to Senators Dick Durbin and Mark Kirk, as well as local stakeholders from across the state, had all been briefed and had received copies of the report.
- Dr. Brian Richard, the study's author, specifically recognized teams at each of the military bases for their efforts to provide data, particularly Christine Spargur at Scott Air Force Base, and CAPT Bulis at Naval Station Great Lakes. Richard explained that, once preliminary data was received, it was shared with and reviewed by key stakeholders at each of the base communities. He further explained that this process of vetting made the study more accurate than if his team had simply taken the data (from all sources) without review. Richard said that the data contained in the report represent the same sort that will be used and analyzed by BRAC evaluators – in the event that another BRAC round is authorized in FY2017, as the Pentagon has recommended.
- Discussion about the report followed:
 - John Moulton stated that there are almost 26,000 reservists in Illinois. Dr. Richard explained the effects of their economic activity have been captured in the report, as well as the economic impacts of the Illinois National Guard.
 - Frank Rezac questioned why the Readiness Center in Peoria was chosen as the map location (on Page 2 of the report) for the Guard's presence there, saying that "no one knows where that is," and suggesting the Guard's presence in Illinois and its importance to the state had not be fully recognized. Dr. Richard stated that the Illinois National Guard cooperated with data for this report and that his team is preparing a separate, economic impact report of Guard activities in the state, commissioned by the Guard, to be released at a later date.
 - Brockschmidt stated that the report "is a work in process" – in that it is an ongoing effort to preserve, promote, and enhance the state's military and defense industry assets.
 - Brockschmidt said that next steps must include developing a comprehensive, coordinated strategy to be implemented at the state level. Gathering the data, however, had to come first. Brockschmidt said that he and the Illinois Chamber of Commerce's CEO will be traveling around the state and to Washington, DC in the coming months to discuss building a coalition to help develop that strategy.
 - Dr. Ayers commented that sequestration and BRAC are "events," but that "force reduction is a process that's going to go on, whether we get a BRAC or not or whether we have another sequestration." Ayers asked how Illinois can mitigate the effects of force reductions. Brockschmidt commented that's where monitoring developments at the federal level comes into play. The biggest strength of the report, he said, is that it connects the economic impact numbers across the entire state and breaks down the analysis by congressional districts – for use by leaders in Congress.

- Paul Rumler questioned what the outreach should be to state leaders, what the specific “ask” should be, and whether that should include a dedicated staff (at the state level) and funding for ongoing state advocacy, to “bring this from concept to reality in order to bring it to the next step.” Rumler said that “we have to be ready now” and “let’s move to the action items as quickly as possible.” Brockschmidt replied that “the outreach starts today,” including sitting down with state legislators and informing them of key findings. He posited that the formation of a state task force might be the next level of strategic engagement with public and private partners, in addition to engaging congressional leaders.
- Lt. Governor Simon commented that before the IMBSEDC meeting convened, she and Todd Maisch, CEO of the Illinois Chamber of Commerce, held a press conference to release the report and discuss its key findings. She said the press conference was well-attended by the media. Another press conference, she said, would be held later in the day in Metro East area to reach media outlets in Illinois and Missouri covering Scott Air Force Base.

IV. Discussion by Geography

- **Rock Island Arsenal & Community**
 - Jim Morgan informed the committee that JADA is in the process of finalizing details for its annual, small business symposium to be held in June, where the Army lays out its contracting opportunities for businesses.
 - Paul Rumler discussed the October 2014 visit by Secretary of the Army John McHugh to Rock Island Arsenal’s factory – the Joint Manufacturing and Technology Center (JMTC). McHugh told the delegation of federal, state, and local leaders that the “Army likes to be where it’s liked.” Senator Durbin, Lt. Governor Simon, and Rep. Bustos, among other local government and business leaders, attended the tour and community roundtable event with Secretary McHugh. Rumler said the key takeaways of the visit were: a sense of optimism for increased workloads at JMTC. During the tour, Secretary Mc Hugh announced the Army had identified \$70 million in potential workload for the JMTC over a two-year period, including work on a range of products such as new ambulances for the National Guard and vehicles for the Army and other services. Rumler also stated the regional conference of the Civilian Aides to the Army will take place in December at the Arsenal.
- **Naval Station Great Lakes and Community**
 - Jerry Hieb stated that it was a “dynamic” time at the installation – as thousands of sailors head home for the holidays.
- **Scott Air Force Base & Community**
 - Christine Spargur informed the committee that Scott Air Force Base is continuing to work with local municipalities, stakeholders, and Leadership Council Southwestern Illinois to identify opportunities for P4s – public-public, public-private partnerships – for shared services and resources. A first meeting, a brainstorming session, was held in October. A second meeting will take place in December. The process of identifying mutually beneficial, partnership opportunities is expected to be completed by late spring or early summer of 2015.

- ◆ Lt. Governor Simon asked and Spargur agreed to be a contact for other bases interested in exploring partnership opportunities.
 - ◆ Frank Miles said a local task force is working with Scott to sponsor the next partnership meeting with stakeholders, December 8, 2014. He stated that there are “real possibilities for partnerships,” particularly with respect to utilities and in other not-so-obvious areas such as the base’s need for training in culinary skills; the local community college, SWIC, can assist with this, Miles said.
- Spargur also said Leadership Council Southwestern Illinois is continuing to work with the Family Readiness Center to provide re-employment training and resources to separating airmen and their families. The next job fair will be held on December 3, 2014. Spargur also informed the committee of developments related to Scott’s missions. Scott has been selected as a finalist for the relocation of the National Geospatial-Intelligence Agency facility; a public meeting in O’Fallon will take place December 10, 2014 from 4-6 p.m. Also, the Air Force announced Scott as a finalist for the Air Force’s Installation and Mission Support Center, which is touted by the Air Force as aligning service-wide installation support authorities, responsibilities, and resources under one commander.
- Peoria Community
 - BG (Ret). Frank Rezac reported Air Guard units have returned from deployment to Poland in connection with the Partnership for Peace rotation. Rezac also informed the committee that the Navy Reserve has a new commander of the Peoria Naval Operations Support Command (NOSC): Lt. Commander Rodney Magellan replaces outgoing commander, Lt. John Modeer.
- Springfield Community
 - Col. (Ret.) Gene Blade reported Col. John E. Patterson of Jacksonville, Illinois, assumed command of the 183rd Fighter Wing in Springfield in November. The outgoing commander, Col. Ronald E. Paul was promoted to brigadier general and selected for a new assignment. The 183rd flag was passed to Patterson by Daniel Krumrei, Adjutant General of the Illinois National Guard, during the ceremony, signifying the assumption of command. Blade also reported a seminar took place for the Army and Air National Guard by faculty at Illinois State University on social media communications to improve war-fighting, defense intelligence, and emergency response capabilities. This should help position the Guard to gain future missions, Blade said.
- Joliet Community
 - No representative was available.
- John Moulton, Ambassador to the Army, reported Operation United Assistance has members from Illinois going to West Africa to assist with the Ebola outbreak.

V. Agency Ex-Officio and Designee Updates

- **IL Environmental Protection Agency, Clarence Smith**
 - Smith informed the committee that the IEPA is progressing with remediation and clean-up efforts at all state military installations. Targets are: an 80 percent completion goal by FY2018; a 95 percent completion goal by FY2022. Within

six to eight years, Smith said the largest part of the active, environmental remediation process at military and Guard installations in Illinois will be winding down. Smith said it is important to make all stakeholders aware that environmental remediation is a part of the economic impact analysis in BRAC evaluations. There is a significant backlog in remediation/restoration of approximately 120 former defense sites in the state, ranging from old radar stations to munitions manufacturing facilities. These represent the biggest challenge and concern for the future. Smith further stated that demolition of the steam plant (vaults and tunnels) at the former Chanute Air Force Base has begun. Construction for the Illinois National Guard's Lincoln's Challenge facility there is also underway, but IEPA has voiced concerns to the Air Force about the proximity of a former base dry cleaning/laundry operation to the new facility. Smith also discussed property transfer issues at Chanute and a "hiccup" in the process of the grant of formal, U.S. EPA determinations to enable these transfers. The process may take another two years to complete, which constrains local communities adjoining Chanute from going forward with new redevelopment and re-use plans. Smith said IEPA issued a support letter, urging the federal, property transfer determinations be granted.

- **IL Department of Transportation, Roy Dolgos & Michael Mossman**
 - Dolgos informed the committee that work continues on a new access road from Interstate 64 to Scott Air Force Base with completion expected in November 2015.
 - Mossman reported a series of IDOT Multi-Year Program public outreach meetings took place earlier this fall.
- **IL Department of Military Affairs**
 - Col. Smith provided no update.
- **IL Department of Commerce and Economic Opportunity, Michael Blackshere**
 - No representative was available.

VI. New Business

- Lt. Governor Simon informed the committee that she and members of her staff have briefed the Lt. Governor-Elect and her transition team about the state military economic impact study and are cooperating with them about IMBSEDC matters and military-related policy issues. She advised committee members to assume they retain their positions until they are otherwise notified by the incoming administration.

VII. Public Comment

- There was no public comment.

VIII. Adjournment

