

# **The Impact of Military Base Adjustments on the Peninsula Economy**

**By**

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# Peninsula BRAC Impact Study



**Four  
Bases**



**Seven  
Community  
Study Area**

# Changes on Military Bases will Impact the Peninsula Economy

- Ft. Monroe will close
- Ft. Eustis will be realigned
- Langley Air Force Base and the Yorktown Naval Weapons Station will undergo adjustments in activity levels.



# Traditional Military Impact Study

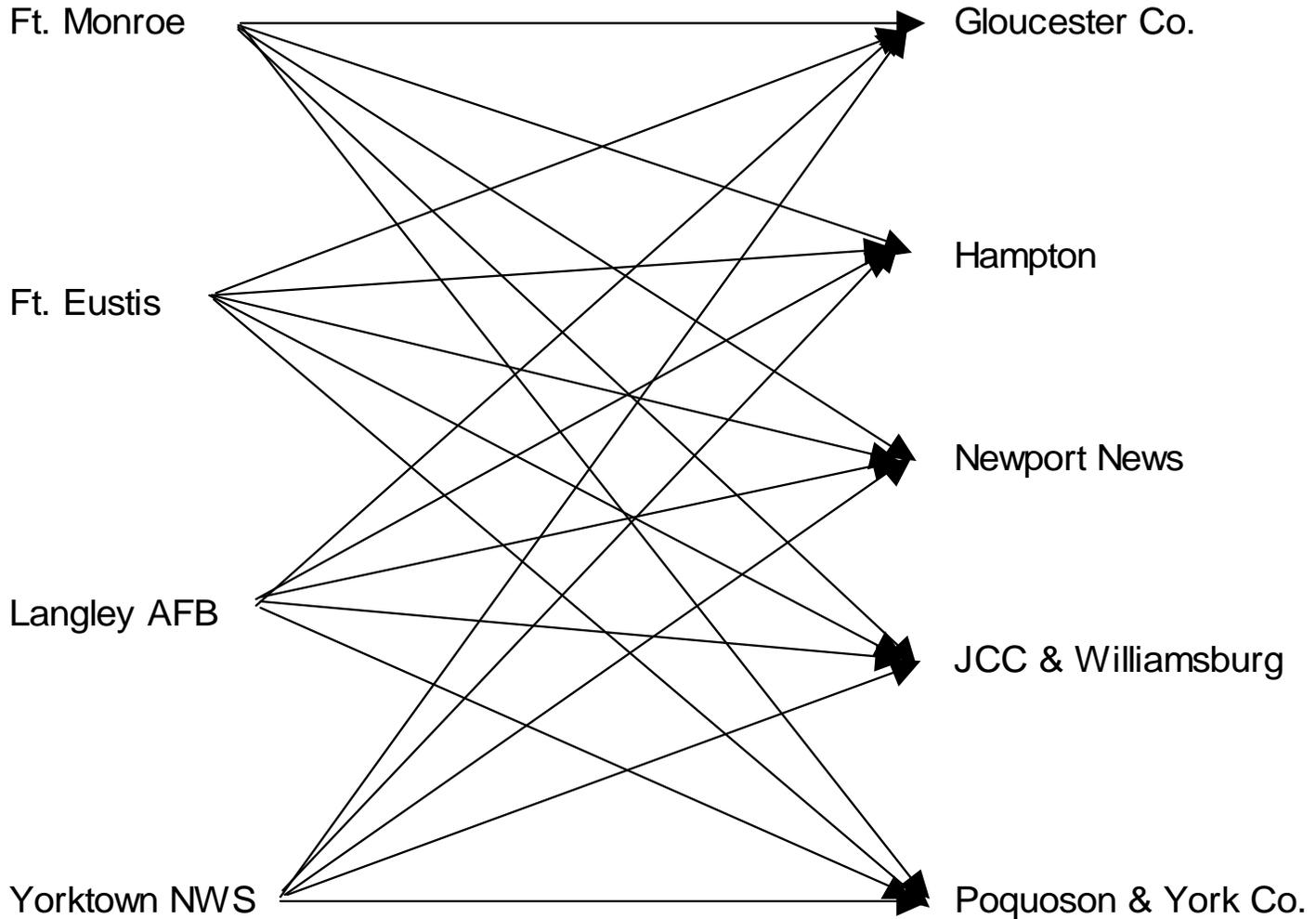


**Base  
Closure/Realignment**



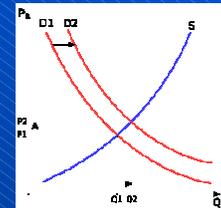
**Study Area  
Impacts**

# Peninsula BRAC Impact Study



# Methodology

- Survey bases for data on anticipated changes
- Use REMI model
- Performed five simulations to estimate impacts
  - Ft. Monroe
  - Ft. Eustis
  - Langley Air Force Base
  - Yorktown Naval Weapons Station
  - All bases together for combined effect



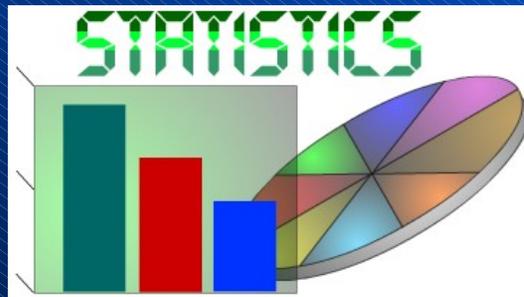
# Measuring Impacts

- Impact Estimates are the Difference Between the Future Economy with No On-Base Change and the Future Economy with an On-Base Change
- Advantage of this Method
  - Gives Impacts
  - Gives Forecast of Future
- Example:
  - Economy in 2015 with No Changes in Military Activity = **\$100 Million**
  - Economy in 2015 with a Change in Military Activity = **\$90 Million**
  - Impact = **\$10 Million** in 2015

**Study Measured the Impact of  
BRAC and Other Announced  
Base Changes**

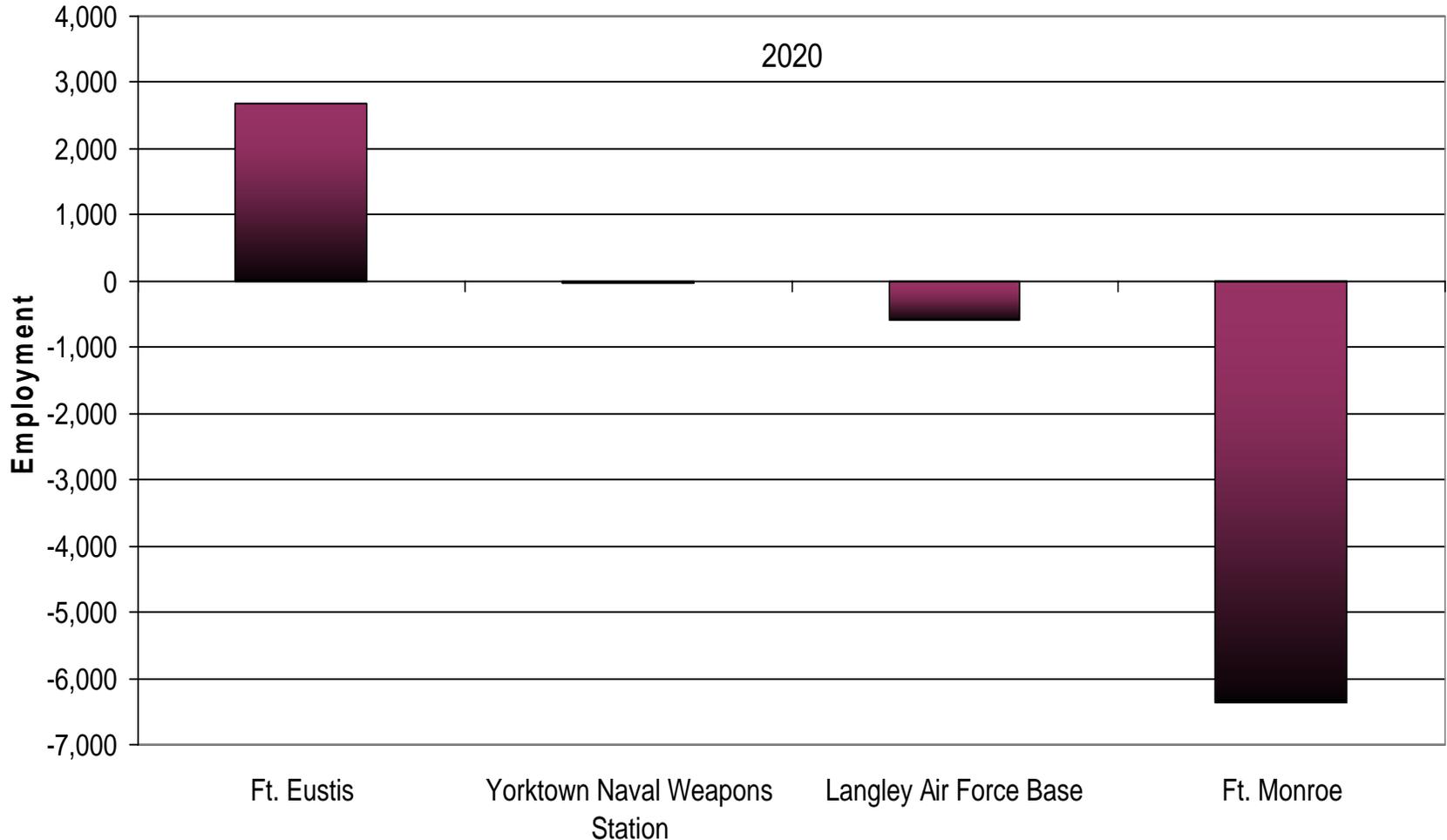
**No Other Impacts Were Estimated**

# Projected Impacts



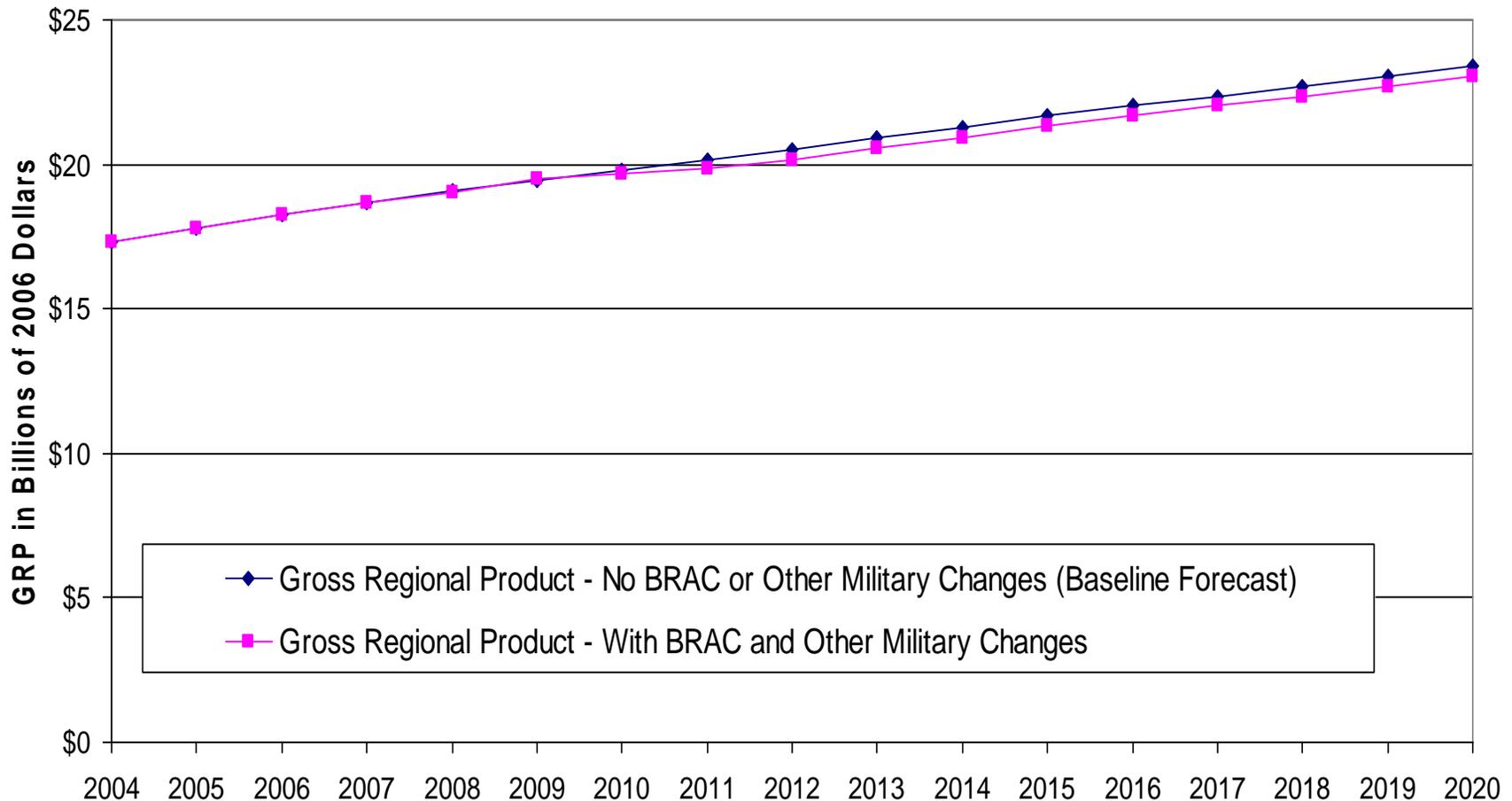
# The Largest “Shocks” to the Economy will Come from Ft. Monroe and Ft. Eustis

The Impact on the Peninsula Economy of Changes at Area Bases: Employment



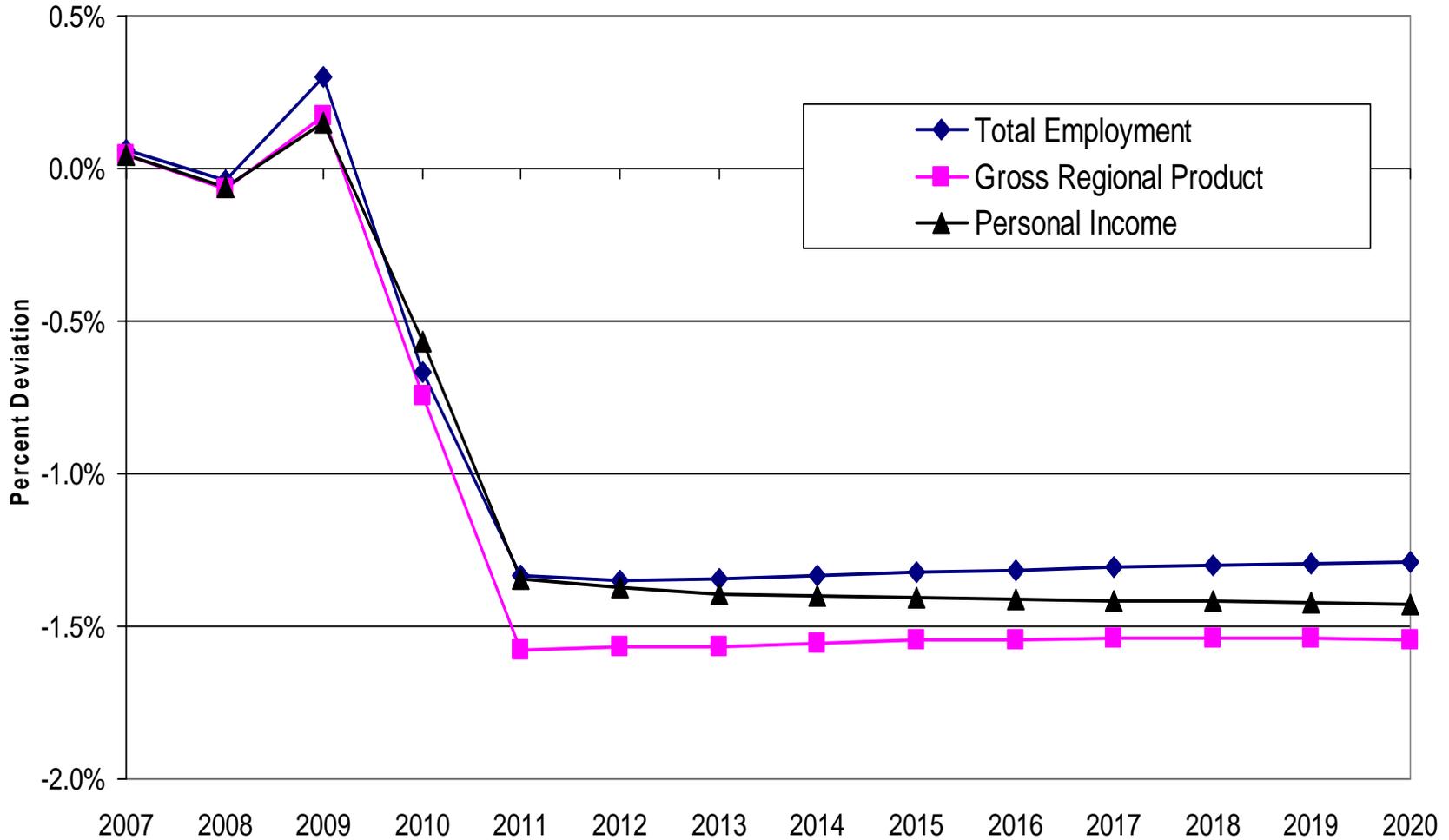
# Changes in Military Base Activity Levels will Reduce the Size of the Peninsula's Economy

A Comparison of Gross Regional Product on the Peninsula - With and Without BRAC and Other Base Adjustments



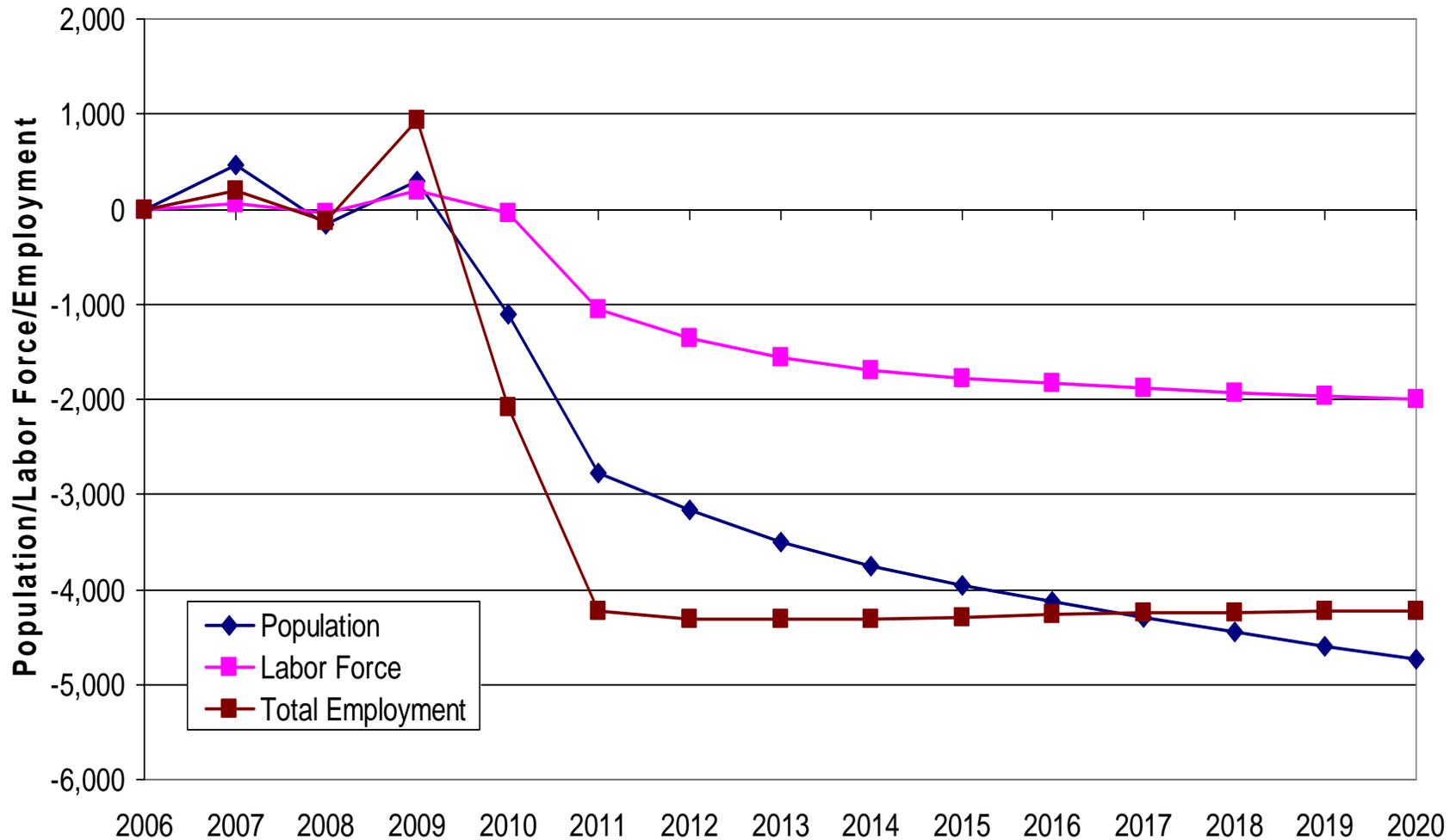
# Changes on Military Bases will Cause the Peninsula Economy to Shrink by 1.5 Percent

BRAC Impacts as a Percent of the No-BRAC Scenario



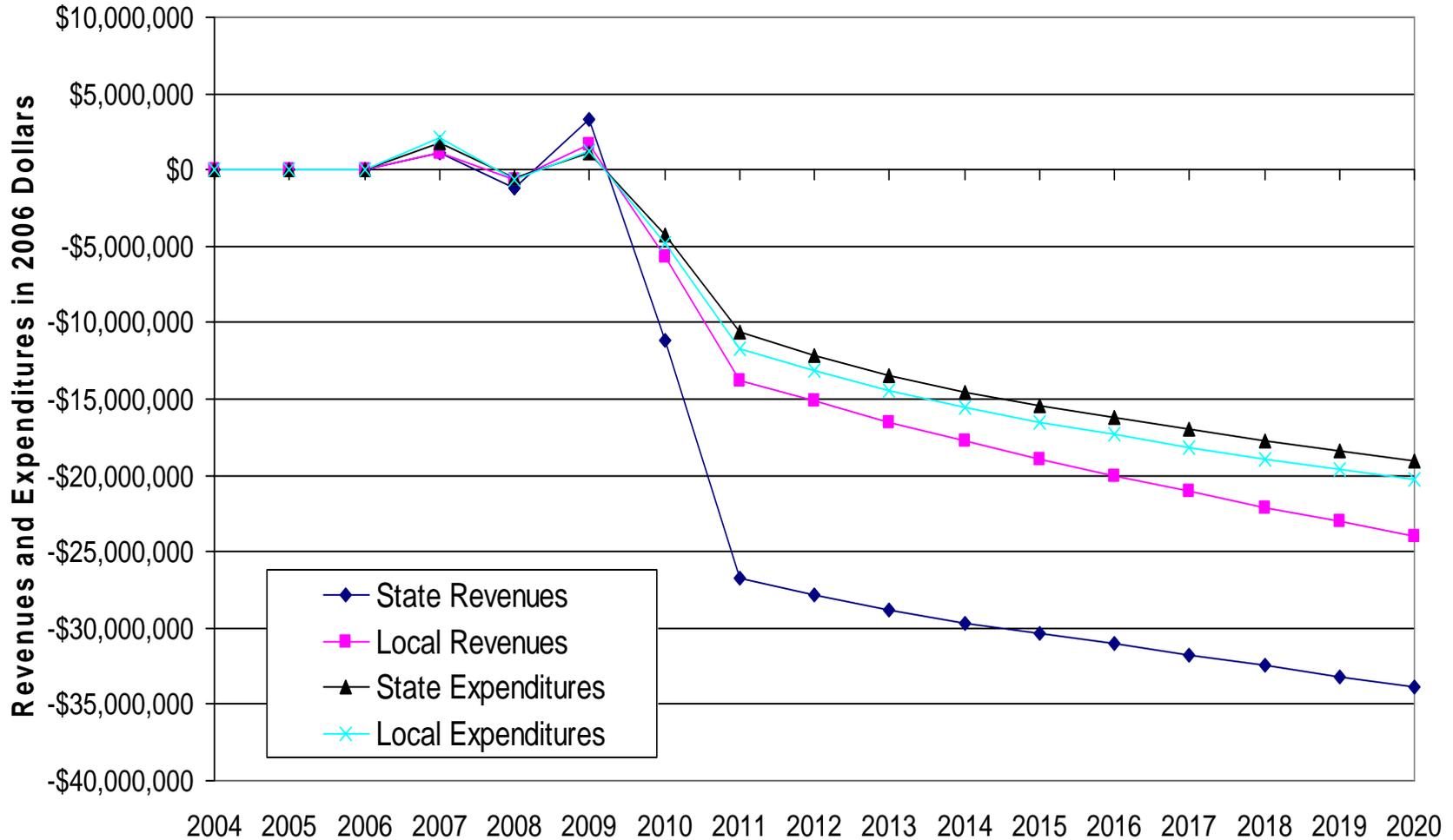
# The Peninsula Economy will Have Lost 4,200 Jobs and 4,700 Population by 2020

Impact of BRAC and Other Base Adjustments on the Peninsula Economy



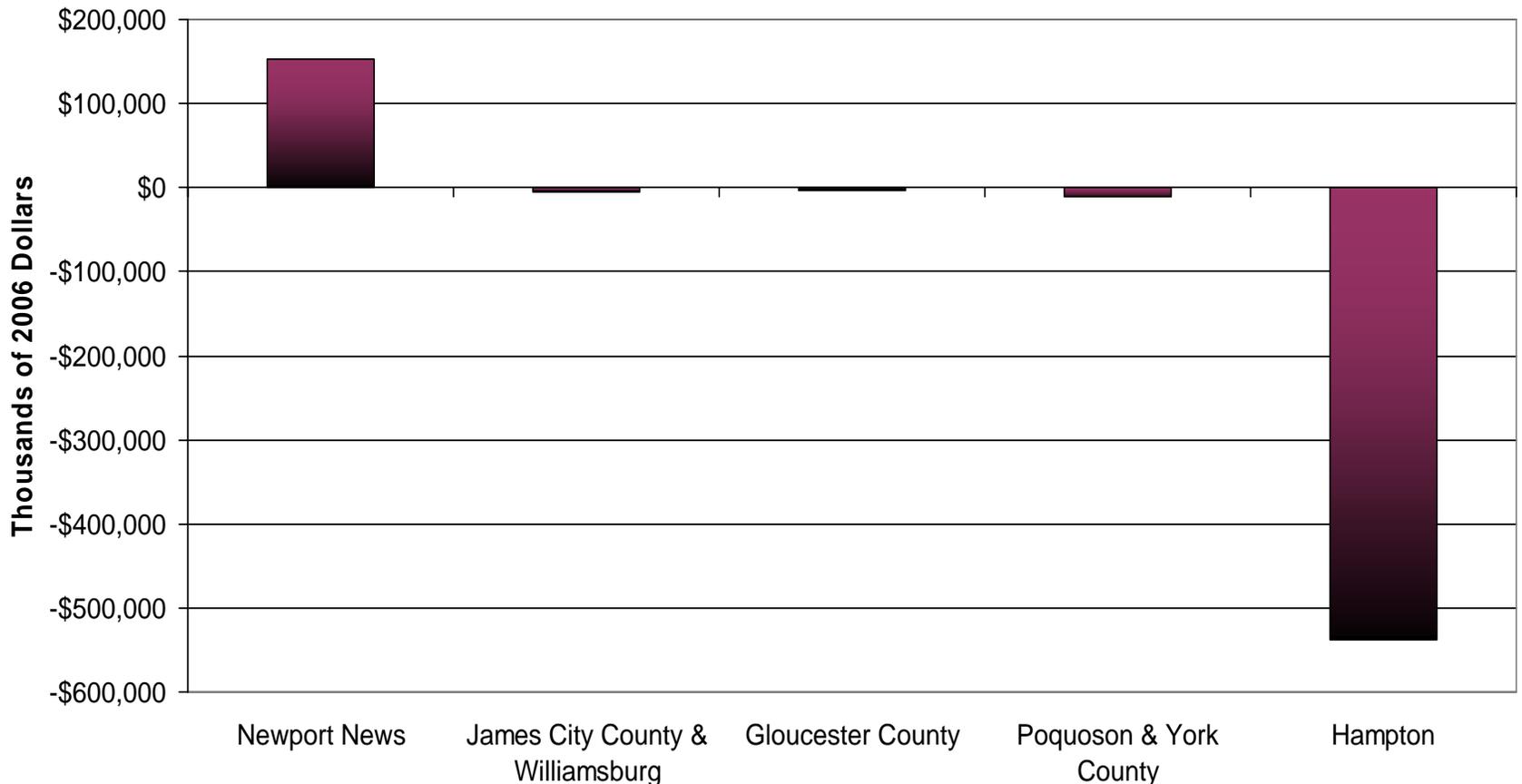
# The State is the Bigger Fiscal Loser as a Result of the Peninsula Base Adjustments

The Fiscal Impact of BRAC and Other Base Adjustments



# Hampton will Lose Over \$500 Million in Annual Gross City Product While Newport News will Gain Over \$150 Million in Gross Product by 2020

Change in Gross City/County Product Due to BRAC and Other Base Adjustments by 2020



# Summary

- **The Peninsula economy will experience the loss of thousands of jobs and hundreds of millions of dollars in gross regional product as a result of BRAC 2005**
- **However .....**
  - **The Peninsula economy will continue to grow in spite of BRAC 2005 impacts**
  - **The Peninsula economy will become more diverse and more resilient to future economic shocks**
  - **The Peninsula will continue to enjoy a prosperous and successful economy**