

**ARIZONA
MILITARY AFFAIRS
COMMISSION**



Lisa A. Atkins, Co-Chair
Arizona State Land Commissioner

COL Thomas M. Finnegan, Co-Chair
USA, Ret., Cochise County

Brig Gen R. Thomas Browning,
USAF, Ret., Member-at-Large

Richard Coffman
Cochise County

Hon. Gregory S. Ferguson
Supervisor, Yuma County

Michael C. Francis
Maricopa County

Hon. Clint Hickman
Supervisor, Maricopa County

LtGen Robert Johnston,
USMC, Ret., Pima County

CPT Matthew J. Kenney
USA, Ret., Maricopa County

Hon. Rick Mueller
Mayor, City of Sierra Vista

Monsignor Richard W. O'Keeffe
Yuma County

Hon. Matt G. Ryan
Supervisor, Coconino County

Col Rebecca N. Seeger
Coconino County

Hon. Anthony Smith
Supervisor, Pinal County

Priscilla Storm
Pima County

Hon. Ramon O. Valadez
Supervisor, Pima County

James Wymer
Yuma County

Staff:

Dr. Joseph Cuffari
Governor's Policy Advisor on
Public Safety

Travis Schulte
Arizona Department of Emergency
& Military Affairs

MILITARY AFFAIRS COMMISSION

MEETING MINUTES

Monday, April 4, 2016

Executive Tower, 2nd Floor Governor's Conference Room
1700 W. Washington St., Phoenix, Arizona 85007

www.azgovernor.gov/MAC/

I. Call to Order

Co-Chair Finnegan called the meeting of the Military Affairs Commission (MAC) to order at 1:00 p.m.

II. Roll Call

The following Commissioners were present to create a quorum:

Lisa Atkins, Co-Chair, Arizona State Land Commissioner
COL Thomas Finnegan, USA Ret., Co-Chair, Member with military affairs expertise
Brig Gen R. Thomas Browning, USAF Ret., Member with military affairs expertise
CPT Matthew Kenney, USA Ret., Member with military affairs expertise
Monsignor Richard O'Keeffe, Member with military affairs expertise
Col Rebecca Seeger, USAF Ret., Member with military affairs expertise
Supervisor Gregory Ferguson, Local elected official
Mayor Rick Mueller, Local elected official
Supervisor Matt Ryan, Local elected official
Supervisor Anthony Smith, Local elected official
Supervisor Ramon O. Valadez, Local elected official
Michael Francis, Private property interests member
Priscilla Storm, Private property interests member
James Wymer, Private property interests member
Richard Coffman, Private property interests member

The following Advisory Members were present:

The Adjutant General, Maj Gen Michael T. McGuire
Military Installation Commander, Col Ricardo Martinez, MCAS-Yuma, Arizona
Commanders Summit Co-Chair
Federal Land Use Agency, Michael Werner, BLM

Governor's Liaison and Staff Present:

Dr. Joseph Cuffari, Military Policy Advisor to Governor Douglas A. Ducey
Travis Schulte, MAC Coordinator, Department of Emergency & Military Affairs
Benjamin Norris, Arizona Attorney General's Office

Absent members: LtGen Robert Johnston, USMC Ret., Supervisor Clint Hickman

Co-Chair Finnegan welcomed everyone and thanked them for their attendance. Due to the amount of new members to the Commission, Co-Chair Finnegan asked each member introduced themselves.

Dr. Cuffari expressed the Governor's regret for not being able to attend as he is traveling out of state, but expressed his thanks for everyone's service on the Commission. Dr. Cuffari expressed the Governor's commitment to the military in Arizona, and recapped the Governor's activities over the past year which included a personal meeting with 12th Air Force at Davis-Monthan AFB, a personal meeting

with Secretary of the Air Force Deborah Lee James at Luke AFB, as part of the Council of Governors met with members of the Senate and House Armed Services Committees, advocated for Arizona's military installations in D.C., represented Arizona at the Pearl Harbor Memorial Ceremony at Pearl Harbor, Hawaii, and has written letters of support on behalf of Fort Huachuca and Sierra Vista for the association of Defense Communities. The Governor has invited Army Chief of Staff GEN Milley to visit Arizona, and met with Air Force Chief of Staff Gen Welsh during his visit to Arizona last year. The Governor is highly interested in the Economic Impact Study being updated by Alan Maguire, which was funded through the Governor's Office and Arizona Commerce Authority, as is the Chairman of the Senate Armed Services Committee. Dr. Cuffari expressed the Governor's appreciation to the military installations for the support they have provided to Alan Maguire to perform this update.

III. Approval of Minutes from 14 Jan 2015 MAC Meeting

Co-Chair Atkins requested a motion to approve the minutes of the 14 January 2015 Military Affairs Commission meeting.

MOTION: Supervisor Valadez

SECOND: Mayor Mueller

DISCUSSION: No discussion.

MOTION CARRIED WITHOUT OBJECTION

IV. Military Economic Impact Study Update – Mr. Alan Maguire

Mr. Maguire introduced himself and provided a short background on the Economic Impact of Arizona's Principal Military Operations study completed by The Maguire Company that looked at the military installations' economic impact locally and on a state-wide basis. The first iteration of this study was done in 2002 and was the first of its kind in the country, and provided a powerful tool for the installations and the State of Arizona. This study provided momentum in the state to preserve and protect the military installations and their powerful economic and fiscal impact, and was a supporting piece of information that led to many of the pieces of legislation passed by the state to lead the nation in protecting military installations from encroachment. The study also led to a series of Defense Department funded Joint Land Use Studies (JLUS) to help communities protect and preserve the military installations around the state.

This update will be the third iteration of that effort. Mr. Maguire has reached out to all installations and expressed appreciation to each installation for the amount of work that it takes to compile the data required. Davis-Monthan AFB, Yuma Proving Ground, Luke AFB, and Fort Huachuca have provided the information. Mr. Maguire highlighted Fort Huachuca for their quick turn-around because they have a complicated mission with many private contractors. Mr. Maguire is waiting for the remaining installations to complete their data compilation, and will be able to produce the report shortly thereafter. Mr. Maguire conveyed to the new Commission members that this is a very labor intensive exercise that depends on the goodwill of staff-level employees at these installations that have to spend hours collecting the data from past accounting records. Mr. Maguire also suggested that if the Commission planned to perform another update in the future they do so a year in advance and notify the installations to allow them to collect the needed information over the course of the fiscal year as the year progresses.

Co-Chair Finnegan asked Mr. Maguire if he was including the U.S. Naval Observatory as there has been a tendency to overlook them in the past, and Mr. Maguire confirmed the U.S. Naval Observatory will be included.

Co-Chair Atkins expressed appreciation to Brig Gen Thomas Browning (R) for starting the economic impact conversation by framing Luke AFB in the perspective of “Luke, Inc.” and as an important business operation in the state. This was a catalyst for recognizing how important our military installations are to the state economy, not only in terms of employment and financial impact, but also in terms of the assets we have in the state that enable the Department of Defense to access installations and ranges that support joint operations and national security. Co-Chair Atkins also expressed appreciation to Mr. Maguire for the time and effort he has put in over the years in completing these studies.

V. Joint Land Use Study applications for Coconino County and Pinal County – Mr. David Hulse, U.S. Naval Observatory; Maj Gen Michael T. McGuire, Arizona National Guard

Mr. David Hulse, Community Plans and Liaison Officer for the U.S. Naval Observatory, stated that Joint Land Use Study (JLUS) is a program from the Department of Defense’s Office of Economic Adjustment (OEA) that looks at local jurisdictions with military installations to determine how land use programs, planning, and zoning can be developed in a way that ensures new development is compatible with the existing military mission of the installation. The case of the Naval Observatory is unique in the country. The mission there is to observe distant objects in space which is needed to support various activities of our nation’s military, but to do that mission it is critical that the dark sky around the Observatory be protected.

The OEA has met with Coconino County to discuss the JLUS, and a local stakeholder group has been formed to begin the preparation for the JLUS application. JLUS will also incorporate a lighting study that is currently underway with a separate group of stakeholders, which is preparing an analysis of how development is impacting the dark sky. The U.S. Navy is a member of this lighting study group. The lighting study has looked at baseline information measuring the dark sky, how existing land use has impacted the dark sky, and projects how future development around the Observatory and Flagstaff could impact the dark sky. The JLUS will make recommendations on protecting the dark sky, and work with the city and county to implement and adopt these recommendations. The City of Flagstaff has completed a comprehensive Regional Development Plan. Coconino County has updated their comprehensive plan, and other stakeholders around the Observatory are being included, including State Trust Land and the Arizona Army National Guard’s Camp Navajo, which will be participating as partner with the U.S. Navy in the JLUS. Coconino County should be completing a scope of work and submitting the application over the next couple months.

Commissioner Michael Francis stated that approximately 20 years ago there was a study complete – possible under the auspices of Northern Arizona University – that sought to address the nature of the astronomy industry in the Arizona, and asked if that study was still available and current. Mr. Hulse stated that he is not familiar with that study, but NAU has been a critical partner working with the lighting study group and other astronomers. Mr. Hulse stated that there have been efforts in Flagstaff to protect the dark sky since the 1950’s. Commissioner Francis suggested contacting Bob Millis, former Director of Lowell Observatory about the study, and stated that the reason he brings it up is that the study provides a broader context to deal with dark skies and other issues that affect the observatories around the state that may not be captured in a localized JLUS.

Commissioner Priscilla Storm asked if there was an expectation that the JLUS findings will be different than what was done by the City and County in their general and comprehensive land use plan, and if there is a sense on what the JLUS will do to augment the ordinances that are already present to protect dark skies around Arizona’s observatories. Mr. Hulse stated that many of the existing dark sky ordinances throughout the state are modeled after Flagstaff, and the difference is that new, science-based information will be available for the JLUS partners to incorporate based on the study produced over the past year by the lighting group that projects how future development could affect the dark sky and makes recommendations to minimize the impact of new development on the mission of the Observatory.

Commissioner Storm asked if private property owners will be included in the JLUS stakeholder group. Mr. Hulse stated that the group is being formed now, but they will be included. Private property interests were included in the lighting study stakeholder group.

Co-Chair Atkins asked for clarification that the lighting study stakeholder group was separate from the JLUS stakeholder group, and Mr. Hulse confirmed they are separate groups. Co-Chair Atkins asked if the U.S. Navy was participating in that group and who was chairing the current lighting study group. Mr. Hulse confirmed that the U.S. Navy has been participating and that the ad-hoc chair is Dr. Jeff Hall from Lowell Observatory. Co-Chair Atkins stated the Arizona State Land Department has a number of acres in the area and wants to ensure they are participating. Mr. Hulse confirmed that the State Land Department is a vital partner in the effort as they own lands around the Observatory and between the Observatory and Camp Navajo, which wants future development to be compatible to their mission.

Supervisor Ryan stated that Coconino County is forming the group and looking at models from previous JLUS efforts to ensure membership is comprehensive with all stakeholders, including State Land Department and private property owners. Mr. Hulse emphasized that Coconino County will be the sponsor and administrative agency for the JLUS, not the U.S. Navy.

Commissioner Storm recommended, having participated in the Davis-Monthan AFB and Fort Huachuca JLUS projects, that a private property owner representative be included on the technical sub-committee to ensure communication with local property owners as it worked well for Fort Huachuca.

Maj Gen McGuire confirmed that the JLUS will be generated from Coconino County as the elected local jurisdiction and that the grant request to DoD will be a joint request between the U.S. Navy and Camp Navajo, which is operated and maintained by the Arizona Army National Guard. The Arizona National Guard has formed a group to work with Coconino County and the U.S. Navy, and the Arizona National Guard plans to get up to Coconino County in the near future to provide an aerial tour of the impacted areas to key stakeholders as was done in the previous week in Pinal County.

Maj Gen McGuire informed the commission that the state, from the National Guard perspective, will be putting in two JLUS grant requests this year to develop compatible growth and use of the lands adjacent to the installations: one for the Naval Observatory and Camp Navajo in Coconino County, and the other for five Arizona National Guard installations in Pinal County – Silverbell Army Heliport and Pinal Airpark, Florence Military Reservation, Rittenhouse Aviation Training Site, Picacho Peak Stage Field, and Casa Grande Small Arms Training Site. During the previous week, the Arizona National Guard gave a tour of these installations to four of the five Pinal County Supervisors and private land developers who participate in the Pinal County Partnership. The Arizona National Guard believes Pinal County is in good shape to receive JLUS grant funding this fiscal year.

As an aside since Maj Gen McGuire was discussing the joint Arizona National Guard and U.S. Navy project, he informed the Commission that both Florence Military Reservation and Camp Navajo are under consideration by the DoD Joint Staff for qualification as a Joint Training Area. If authorized, these two installations will join the likes of Barry M. Goldwater Range and Nellis AFB to conduct reoccurring joint training exercises, which will encourage other branches of the Armed Forces to advocate for the protection of these land equities.

Commissioner Storm asked if a JLUS has been completed in the state before that focused on helicopter operations and flights, which is a predominant mission in Pinal County. Maj Gen McGuire confirmed that most of the facilities in Pinal County deal with Arizona National Guard rotary wing aviation assets, but was not aware of a rotary wing specific JLUS in Arizona. Co-Chairs Atkins and Finnegan confirmed that this will be a first for rotary wing missions in Arizona. Those missions were identified previously but proved to be a stumbling block in statutory compatibility standards for development. Brig Gen Browning

(R) stated that he was aware of some preliminary work years ago around Silverbell Army Heliport, but there was no comprehensive study done.

VI. National Commission on the Future of the Army Report – Maj Gen Michael T. McGuire, Arizona National Guard

Maj Gen McGuire reminded the Commission that there were some precipitant issues that led Congress to create the National Commission on the Future of the Army (NCFA) in the FY15 National Defense Authorization Act. The major mission set affected by those issues here in Arizona was the proposed divestiture of the AH-64 Apache helicopter, which is operated by the 1-285th ARB at Silverbell Army Heliport. The NCFA issued their final report on January 26, 2016 with 63 recommendations. Recommendation #57 specifically stated that the Army National Guard should retain four of their current eight AH-64 ARBs. Governor Ducey and Maj Gen McGuire both provided testimony to the NCFA.

Maj Gen McGuire stated there were no specific references to any installations, but the NCFA supported an increased investment in the Army cyber enterprise that should benefit Fort Huachuca going forward.

Arizona is waiting on word from National Guard Bureau on the distribution of assets and we understand that the Department of the Army and the National Guard Bureau will make initial recommendations to the Senate by May 1, 2016 on where they intend to station the AH-64 Apache.

The National Commission on the Future of the Army is available online at <http://www.ncfa.ncr.gov/>.

VII. Military Installation Fund (MIF) FY15 application review/recommendation

(Maj Gen McGuire recused himself from the remaining portion of the meeting and left the conference room at 1:38 p.m.)

Staff explained for the benefit of the new Commissioners that the Military Installation Fund (MIF) was appropriated \$2.5 million in Fiscal Year 2015, and that per statute 80% of that appropriation is awarded to Private Property Owners for property/easement acquisition (\$2 million) and 20% award to Cities, Towns, and Counties to fund military protection or enhancement projects (\$500,000). The recommendations developed for private property acquisition by an independent Scoring Committee is then used by the Commission and weighed against other factors that the Commissioners may take into consideration, such as perceived threats to a specific military installation, unique situations that the installation or property may be in, location of neighboring parcels previously acquired that could make a contiguous buffer, etc., to develop a list of recommendations and acquisition priorities that the Commission will then formally make to the Department.

Staff briefed the Commission on the MIF private property scoring recommendations, which were determined by an independent Scoring Committee made in accordance with the six scoring criteria detailed in [Arizona Administrative Code Title 8, Chapter 3, Article 1, Section R8-3-106](#). In anticipation of tie scores, the Scoring Committee determined two different tie-breakers: either the average score of an application that contained multiple parcels, or the year the property was acquired for single parcel applications. Applicants received the same copy of the [scoring information and recommendations](#) as the Commission members.

Per an inquiry from Supervisor Ferguson, staff explained that the Scoring Committee, following previous precedent, did not score the applications from Cities, Towns, and Counties because those scoring factors identified in Arizona Administrative Code Section R8-3-113 are more subjective rather than objective, and therefore require input from the Commission. Staff provided a brief description of the three applications received from Cities, Towns, and Counties for Military Installation Preservation and

Enhancement Projects: City of Flagstaff for a light mitigation project, City of Tucson for a noise attenuation study, and Pima County for private property acquisition within the Davis-Monthan AFB fence line.

Commissioner Francis inquired if the application from the City of Tucson was the same request for funding previously submitted, which staff confirmed.

Supervisor Ryan inquired about the contingency recommendations made by the Scoring Committee. Staff explained that an acquisition recommended by the Commission in the previous FY13 round was ultimately declined by the Department because the property had a number of legal encumbrances, and that the applicant has appealed that decision per their right in Arizona Administrative Code. Depending on the outcome of that appeal, the funding originally committed to that acquisition may become available, and in the event it did, the Scoring Committee made the two contingency recommendations in order to take into account all available funding.

Commissioner Storm asked if any of the applications recommended by the Scoring Committee were not previously considered by the Commission in 2013. Staff confirmed that Primiano 1 was considered and recommended in 2013, Kolb Road Development is a new application, Arizona Land & Water Trust (ALWT)-BBA Foresight was part of the application package submitted in 2013 but is a stand-alone application during this grant cycle, and the contingency Edward Stout applications 2 and 3 are new applications. Commissioner Storm stated that in 2013 the Commission used a standard price per acre of \$20,000 in determining the value and recommendation of each application, and asked if the Scoring Committee used a standard price per acre or the applicant asking price when recommending the applications to see how far the money could go. Staff stated that the Scoring Committee used the applicant asking price as is customary during state grant review, but sought to validate each asking price by comparing it to any available appraisals and information. The Primiano 1 request is based on the appraisal performed in 2015, the Kolb Road Development asking price averaged \$1 per square foot which seemed reasonable, the ALWT-BBA Foresight property was consistent with the conservation easement acquired in 2015, and the asking price for the Edward Stout properties were consistent with neighboring appraisals performed in 2015.

Commissioner Storm stated that some of the asking prices seemed high, specifically the Kolb Road Development application which is higher than past open space acquisitions in the area. Commissioner Storm suggested that, although everything is contingent upon an appraisal, using an average price per acre for undeveloped land could allow the Commission to get deeper into the applications. Co-Chair Atkins confirmed with Staff that the properties are listed in order of recommendation priority by the Scoring Committee.

Co-Chair Finnegan suggested that what has been done in the past, with the primary properties listed in yellow and two contingency properties listed in blue pending result of an appeal, the Commission could recommend the Department acquire those properties and add one more property to acquire if the money is available. This would prevent the need to reconvene the Commission to address any remaining funds that may or may not be available.

Commissioner Storm asked if there was any discussion with the higher scoring but higher priced Community Mosque or Galvez Et Al applicants if they would be willing to reduce the asking price, acreage, or settle for a conservation easement. Staff responded that the Department did not engage in those discussions as it would give those applicants an unfair advantage to revise their applications to be more successful that was not afforded to the remaining applicants. Commissioner Storm recalled in 2013 the Commission did provide that opportunity, but it may have been after the initial recommendations and be more appropriate later in the process. Co-Chair Finnegan stated that any unfunded application would be retained for future consideration, which provides those applicants an opportunity to update and revise their application to be more successful.

Co-Chair Atkins asked if there were any other questions or comments regarding the scoring or the recommendations. Commission Storm commended Staff on the cover pages and compilation of the applications for this round. The additional information included regarding infrastructure and existence/proximity of utilities is important when evaluating the threat of development near an installation.

Co-Chair Atkins requested a motion to proceed.

MOTION: Mayor Mueller made a motion to recommend to the Adjutant General the acquisition of the following private property applications based on available funding: primary acquisitions Primiano 1, Kolb Road Development, and ALWT-BBA Foresight; contingent applications Edward Stout 2 and Edward Stout 3, and acquisition of the next available highest scoring property based on available funding.

SECOND: Monsignor O'Keefe

DISCUSSION / PUBLIC COMMENT:

Denise Mikalson (written): I purchased my land near Luke AFB AUX 1 in 1988. At that time, real estate transactions did not require disclosure of Military Installations and the resulting noise levels (LDN lines) nor was any such disclosure made to me at the time of purchase.

Such disclosures became a requirement much later but were certainly in place by year 2000. Therefore, anyone purchasing land in the vicinity of a military installation does so with full knowledge of the potential for that installation to pose use restrictions on that land. For this reason MIF should not consider purchasing properties that have been acquired when the presence of a Military Installation and Noise Contours have been disclosed.

According to the spreadsheet provided by you, there are 12 properties that were purchased between 2006 and 2014 that score the same or higher than mine -180 points. I cannot understand why the MIF would consider purchasing these parcels as they were purchased with full knowledge of the presence and potential impact of a Military Installation near those parcels. At the very least the respective scores should be diminished substantially due to the fact they purchased their parcels in spite of the presence and effects of the Military Installation were made known to them.

In light of this information, I am asking that you reconsider and re-evaluate my application.

Michael Farley, managing partner of Kolb Road Development, stated he had some updated information to share with the Commission. The application was originally submitted requesting \$1 per square foot for the 10 acres they own within the fence line of Davis-Monthan AFB. Kolb Road Development also owns 85 acres immediately adjacent to this property outside the fence line. Kolb Road Development has been working with the Regional Transportation Authority in Tucson and Pima County on the purchase of portions of this adjacent property for road construction. Two to three weeks ago Mr. Farley received a new appraisal from the Regional Transportation Authority on the 85 acres adjacent to the 10 acre parcel under consideration, which puts the price at \$100,000 per acre, compared to their asking price of \$43-44,000 (*Staff note: \$475,000/9 acres = \$53,778*) that was requested in their application.

Mr. Farley is not requesting a change in price. This property is receiving lease payments of \$35,000 per year. Lease payments have been as high as \$60,000 per year, as they are always based on an appraisal. Mr. Farley understands the lease appraisals are determined not based on the value of the property as it sits by itself but based on the value of other property in the area that could be commercially developed. Mr. Farley would like to sell the property in order to support Davis-Monthan and keep it operating in Tucson as its shutdown would damage the community for years to come. Mr. Farley offered to provide an electronic copy of the recent appraisal to staff.

Supervisor Valadez stated that, from his understanding, Pima County has paid \$30,000 an acre for similar properties and asked if Mr. Farley could explain the difference between that amount and his asking price. Mr. Farley stated he is not aware of Pima County acquiring any of the 99 acres of private property within the fence line at Davis-Monthan AFB, and he does not know what property Supervisor Valadez may be referring to so he cannot speak to that difference. Mr. Farley stated he simply wanted to inform the Commission that a public entity completed the appraisal independent of his company and that is the price that they have offered to Mr. Farley for the property neighboring the parcels under consideration.

Co-Chair Finnegan reminded Mr. Farley that the Department will have to perform another appraisal as required by state statute, and based upon that appraisal we will see if we still have a willing seller and a willing buyer. Mr. Farley said he has no problem with another appraisal.

Commissioner Coffman asked Mr. Farley if the remaining 90 acres that are privately owned are similarly leased by Davis-Monthan AFB, and Mr. Farley confirmed that to his knowledge they are and is a large cost to the Air Force that should be resolved.

For context, Staff informed Commissioner Coffman and the Commission that the remaining privately owned 90 acres will be targeted for acquisition by Pima County to reduce costs to the Air Force, and has submitted an application for consideration under the Cities, Towns and Counties category to support this acquisition project.

Supervisor Ferguson asked who performs the appraisal. Staff stated that the appraisal is performed by a third party under state contract. Supervisor Ferguson stated that Yuma County had a similar experience a few years ago with a property the County owned inside Marine Corps Air Station – Yuma, and that an issue arose in that the property may be worth an amount outside the fence, but that the problem is that the property inside the fence is not commercially developable. Commissioner Coffman asked if capitalizing the income stream from the property is also considered along with comparable sales. Staff confirmed that the previous appraisers have taken the economic value into account in past appraisals, specifically in the easements acquired last year.

Supervisor Valadez stated that it is appropriate to assess the economic value of the property in the appraisal, but reiterated Supervisor Ferguson's comment that commercial property inside the fence line is not the same as commercial property outside the fence line and therefore does not have the same value.

Wilfred Godinez purchased his property in Waddell in 2005 with a clear title with no restrictions. Homes were built on neighboring property after they purchased their property. They have continued to pay the property taxes and HOA fees on this property, but cannot build on the land despite zoning for a single family home. They would like to request that if the military (installation fund) cannot purchase the property, they are asking for the restrictions to be lifted on their property so that they can sell the property on their own.

Commissioner Francis wished to clarify for Mr. Godinez that the County has made the policy decision not to issue building permits; it is not the Military Affairs Commission or anything that the Commission can affect.

Commissioner Storm asked Staff to recap the highest scoring properties per military installation, which were: Luke Auxiliary Field #1 – Primiano 1 at 355 pts; Gila Bend Auxiliary Field – Community Mosque at 355 pts; Davis-Monthan AFB – Kolb Road Development at 296 pts; Fort Huachuca – ALWT BBA Foresight at 267 pts, and Luke AFB – Godinez and Sanchez tied at 155 pts. No applications were submitted near Marine Corps Air Station-Yuma or Yuma Proving Ground.

Muhammed Zubair represented the Community Mosque, a 501(c)3. Similar to Mr. Godinez's statement, no building restriction was listed on the property when it was purchased by the Community Mosque from Phoenix Children's Hospital, who had received this land as a donation from a benefactor and needed the money during construction of their hospital. The Community Mosque had a need for land to build a youth center, and purchased the land through fundraising efforts with that intent. Community Mosque was not aware there was a military facility near the property, which is approximately 1,600 feet away. The Community Mosque is willing to split the property and/or work with the Commission and Department to enable acquisition of the property to help them accomplish their goal of building their youth center.

Commissioner Storm had a procedural question on how the Commission can work with applicants who offer to find ways to bring their application within available funds. Co-Chair Finnegan stated his opinion that procedurally, sellers submit the application, the Commission reviews the application, and if an application does not make the funding cut the applicant can resubmit if they wish. This is not the appropriate venue to bargain over the price or acreage. If an applicant does not make the cut, they can consider changes to their application in the next round.

Mr. Zubair stated that in 2013 the organization attempted to communicate with the Commission and Department requesting assistance to find a solution, but nobody engaged back with them. Mr. Zubair asked that since the Commission has allowed applicants to split parcels in the past, it should be considered. Staff stated that in the previous round the Commission only recommended those parcels that straddled the crash and accident potential zones to be split and to acquire only the portions that were within those defined zone. The highest scoring Community Mosque property was the 80 acre parcel entirely within Accidental Potential Zone 1, the other two 2.5 acre parcels were outside those zones so the Scoring Committee didn't see an opportunity to split that larger parcel.

Supervisor Smith asked Staff if it was the amount the Community Mosque requested or if there were other considerations that prevented this high-scoring parcel from being included in the Scoring Committee's recommendation, stating based on his review it appeared to be the price. Staff confirmed that it was the amount requested that kept the property from being included in the recommendations as its acquisition would have exceeded available funding. Staff also apologized to Mr. Zubair that no one from the Department returned their inquiries regarding their application, but Department staff can only answer questions about the application and the process; staff cannot assist or advise in the completion of the application.

Supervisor Valadez suggested that if property splits were allowed in the past, then they should be codified in the rules as an option.

Commissioner Storm stated that the Commission has never previously reviewed applications and made recommendations on Military Installation Fund acquisitions in one meeting, and that maybe the Commission should consider revisiting the recommendations at the next meeting.

Commission Francis asked if the Community Mosque's writing of a letter in 2013 stating they would sell less property would then become part of the application. Mr. Zubair stated he wrote a letter protesting the 2013 decision because they were informed their attendance at the Commission meeting was not required and would not impact the Commission's recommendation, but upon review of the Commission's minutes they read that in their absence the Commission engaged with and verbally negotiated the splitting of parcels with other applicants to reduce price to fund more applications; putting their application at a disadvantage.

Supervisor Ferguson stated that he agrees with Co-Chair Finnegan's statement, and that he views the process as similar to a Request for Proposal in that you don't start negotiating when everyone's application packages are on the table, and that he's comfortable moving forward with the recommendations of the Scoring Committee.

Commissioner Coffman stated that it appeared their application was kicked out because of the price, and asked Staff if there was any indication that the application would appraise for their asking amount. Staff stated that the Scoring Committee suspected the property would appraise much less than their asking price, but the Scoring Committee evaluates applications as they are submitted; not on what they suspect. Commissioner Coffman stated that he understands the Scoring Recommendation is made based on the applicant's requested price, which isn't really achievable, and kicks it out of the Scoring Committee's recommendation process but as a practical matter the application could potentially be included if the actual price is significant less than the asking process.

Commissioner Francis informed Mr. Zubair that he serves on the Commission as the Private Property advocate to be on his side, and recommended to Mr. Zubair that he resubmit his application with the changes that are necessary along with an appraisal. Commissioner Francis stated he cannot help Mr. Zubair update the application but would be happy to speak with him. Commissioner Francis noted that their application is ranked number 2, and he is afraid the Commission is missing the goal of preserving the neighboring military installation by not acquiring the property. Mr. Zubair appreciated the comments, asked the Commission to work with the Community Mosque to fund the application this round as was done with other properties previously and expressed willingness to work with the Commission this round and next round.

Supervisor Valadez suggested we look into getting a ballpark appraisal for applications in the future to avoid this type of situation. Co-Chair Atkins stated one of the challenges of taking on that responsibility is avoiding predetermining the decision on an application, and was one of the conversations that were had when the MIF was established on how far the state goes in reviewing the applications. Establishing property value is also a challenge to the property owner who has to decide to spend resources on an appraisal that could change relatively quickly with no guarantee of recouping that expense.

Commissioner Coffman suggested the Commission consider requesting an appraisal with an application, and if the property is recommended the amount of the appraisal be refunded to the applicant. Co-Chair Atkins stated this was considered but there are problems with pre-encumbering the fund and unresolved issues on how to address appraisal costs incurred by applicants who are ultimately not recommended. Co-Chair Atkins also recommended adding a line to future applications if a property owner would consider splitting their parcel(s).

Supervisor Ryan asked how often the Military Installation Fund receives an appropriation. Dr. Cuffari stated that the Military Installation Fund has a line item in the state budget. Historically, the fund received \$5 million per year. During the economic downturn, the reoccurring appropriation was terminated. In FY15, \$2.5 million was appropriated to the fund, but there was no appropriation in FY16.

Supervisor Smith suggested additional points could be awarded for evidence of a recent appraisal.

Commissioner Storm stated that the precedent was set in 2013 for reducing parcel acquisition in an application when the Commission discussed the application from Arizona Land and Water Trust, specifically asking them because of the conservation easement and matching fund program from Fort Huachuca if they would be willing to consider less land and AWLT accepted. Commissioner Storm also added that the scoring criteria are a blunt instrument, but the Commission's recommendations are both art and science. The Commissioners job is not to rubber stamp the recommendations established by the scores, but to analyze the scoring and preserve Arizona's military bases by using the limited amount of money available to the maximum extent possible. Commissioner Storm further expressed concern the Commission was not willing to give its full effort for expediency's sake in terms of the discussions going on at the meeting.

Dr. Cuffari wished to clarify and reiterate to the members of the public that none of the members of the Commission made any recommendations or suggestions to anyone who submitted an application for review, and asked anyone who has any questions to bring them up now.

Candee Stout stated that her application was previously recommended for purchase in the 2013 round but funding ran out before getting to her application, and asked why her application is not getting funding from the 2015 round since additional funds are now available. Staff informed Ms. Stout that each application round is a specific grant period that is tied to appropriated funding, and per grant requirements all applications must be reevaluated for each grant cycle. Future funding appropriations cannot simply be awarded to past grant cycle recommendations whose funding was exhausted.

Commissioner Storm stated she felt using the applicant's asking price instead of using a general price of \$20,000 per acre as was done last round is limiting the amount of properties that the Commission is considering, which in her opinion made the process simpler and allowed for qualitative adjusting to arrive at the final recommendations. Staff stated that the Scoring Committee used the asking price for each application to evaluate each application consistently, and had a high degree of confidence that the amounts requested by the applicants for the recommended properties are accurate as most of the requested amounts are validated based on the appraisals performed in the previous round, including Primiano 1 whose asking price is the appraised amount, and the ALWT-BBA Foresight and Edward Stout applications align very closely to appraisals on neighboring parcels performed last year, including the value appraised for Ms. Stout's parcel, which Ms. Stout used to increase her asking price in her 2015 application.

Ms. Stout also stated her property is impacted by the left-hand turnout of Gila Bend Auxiliary Field as aircraft don't stay within the lines defined in statute, so her property location didn't receive the appropriate amount of scoring. Ms Stout stated additional points should be awarded to applicants who live on the property, and that purchasing her property would include her home that the Commission could rent to a contractor or use it as an office. Additionally, she stated her score in the previous round was 78 points higher because years of ownership was formally included in the scoring criteria. Per inquiry from Commissioners, Staff confirmed that the year of purchase was previously included as a scoring criterion, but that criterion was removed in Arizona Administrative Code effective March 5, 2013 and replaced with a criterion of economic efficiency of the MIF acquiring the property. Commissioner Storm stated the year of ownership was removed from the criteria as it became problematic.

Mayor Mueller commented that he empathizes with property owners who are notified that their property is recommended for purchase but ultimately not able to be purchased due to the fund running out of money, and stated the Commission should look into finding a way to remediate that.

Supervisor Ferguson stated that it is his observation that the previous method used in 2013 to estimate property value by using a flat \$20,000 per acre didn't work, which is why the MIF ran out of money before funding all recommended applications. The current value recommendations may be high per acre, but they are realistic based on recent appraisals and there is less risk of this situation happening again using this method.

Commissioner Storm asked Staff for an explanation on the scoring of the AWLT-BBA Foresight application, which was given 175 pts for being vital outside the high noise zones but vital to the preservation of the installation and 50 pts for written input, compared to most applications which received 10 pts for written input. Staff stated the 175 pts was awarded by the Scoring Committee based on a review of the scoring for neighboring parcels from the 2013 round, which all received 175 pts, and the written input from Fort Huachuca. Consistent with prior years scoring methodology, 10 pts were awarded for each piece of written input included in the application. All

applicants were given 10 pts for their comments within the application, and ALWT-BBA Foresight received 40 additional points in that category by including letters of support from four additional organizations, including Fort Huachuca. Commissioner Storm expressed reservations about properties outside the high noise zones scoring higher than properties within those zones. Staff responded that the Scoring Committee made an effort maintain consistency with prior year scoring, and that scores within the high noise zones are derived from Arizona Administrative Code, which prescribe 140 points to Ms. Stout's property for the portions within the 70-74 decibel zone.

Edward Stout stated that he has 200 acres south of the Gila Bend city limits, which lay between two parcels of state trust land. Mr. Stout proposed that either the MIF or State Land Department buy his property, and then join the property with the existing state trust land parcels to create a large continuous strip. Co-Chair Atkins thanked Mr. Stout for his comments, but informed Mr. Stout that the State Land Department only sales or leases land; it cannot acquire land.

Carole Galvez stated that her application was also bypassed from the Scoring Recommendations because of the amount requested in her application, and that her application was recommended in the 2013 round for the splitting and acquisition of the portions of those parcels within the accident potential zones. Those split parcels were appraised, and total half of the amount that she requested in her application. Co-Chair Atkins asked if she redid her application this year. Ms. Galvez stated she left it as it was originally submitted because she was under the impression that she couldn't change what was submitted. Staff stated that each former applicant was provided a form listing the parcel numbers and funding requested, with a requirement to fill out and return the form to keep their application on file for consideration in 2015, and that the form asked the applicant to acknowledge that either the application as previously submitted was correct or that the applicant wished to amend the application. Staff stated that Ms. Galvez returned her form stating the application as previously submitted was correct and that she would like to have the complete parcels included in the 2015 consideration. Ms. Galvez stated she thought the appraisal value of the property would be used in the scoring consideration, and did not know she could amend her asking price on the application to the appraisal price.

Commissioner Storm asked about Ms. Galvez's four top-scoring parcels, one that scored 290 and three that scored 210. Staff explained that the scores are all driven by the scoring criterion in the rules based on the properties' location in relation to the accident potential zones and high noise zones, with the parcel scoring 290 within Accident potential Zone I and the other three properties within Accident Potential Zone II outside the 65 decibel noise contour. Ms. Galvez confirmed.

Maria Evans inquired why the grant application round was extended from April 2015 to August 2015. Staff responded that as the acquisition of FY13 recommendations were taking longer than anticipated and no additional state dollars were appropriated in the FY16 Budget, the FY15 application round was extended because the Department could not move forward until the FY13 round was closed and the extension provided additional time for other impacted property owners to submit an application since future funding availability was unknown. Ms. Evans inquired how many additional applications were received during this extension. Staff was unsure, but recalled very few if any applications were received after April.

Dr. Cuffari made a public statement to the Commission members that if there is a potential for any conflict of interest involving any of the members, applicants, or properties under consideration that they share that information to determine if there should be any recusal from their consideration of any application.

MOTION CARRIED 13-0-1, Commissioner Storm abstained.

Mr. Michael Farley, managing partner of Kolb Road Development, stated he believed Supervisor Valadez should have recused himself from the vote as he has a lawsuit against Pima County. Supervisor Valadez

responded that counsel has already addressed that particular issue, and that the record will indicate he voted in favor the Mr. Farley's application and is unsure where Mr. Farley is basing his concern.

(Commissioner Michael Francis excused himself from the remaining portion of the meeting at 3:25 p.m.)

The Commission moved on to consideration of applications from Cities, Towns, and County applications for Military Installation Preservation and Enhancement Projects. Staff recapped there is \$500,000 available for project funding and there were three applications received: City of Flagstaff requesting \$250,000 for a light encroachment mitigation project, City of Tucson requesting \$300,000 for a noise attenuation study, and Pima County requesting \$500,000 for private property acquisition within the Davis-Monthan AFB fence line.

Co-Chair Atkins asked for clarification on the Pima County application to ensure that she did not have a conflict of interest as Davis-Monthan AFB leases 133 acres of state trust land within the fence line. Representatives from Pima County confirmed that the state trust lands are not included in their application, only the privately owned parcels.

Dr. Cuffari asked that the record reflect that Commissioner Michael Francis has left the meeting, but that a quorum was still in place to perform business.

Co-Chair Finnegan asked Capt William Doster, Commanding Officer, US Naval Observatory, if the application from Flagstaff was for a study or an actual project. Capt Doster confirmed that the application is for an actual light mitigation project to reduce the light emitted from a Flagstaff equipment facility that is being constructed near the Observatory. Capt Doster reiterated the importance of the Observatory's dark skies mission as briefed early by Mr. David Hulse, and if this lighting mitigation does not occur it will impact that vital mission. The Navy's position is that they cannot accept any impacts to the Observatory, and this project has been a good intergovernmental partnership between the Navy and the City of Flagstaff that will reduce the light pollution of the facility by over 70%, bringing the project within the Observatory's pain threshold. The Navy has invested in the lighting study previously referenced by Mr. Hulse in discussion of the Coconino County JLUS, and this lighting study helped inform the development of this project request and Flagstaff's mitigation strategy. In light of future developments coming to the area, this project is part of the Observatory's long-term strategy to reduce light encroachment to the Observatory.

Commissioner Storm asked Capt Doster on the costs of the mitigation project. Capt Doster explained that Flagstaff has applied to incorporate computer controlled lighting, special lighting zones controlled with motion sensors to reduce light being emitted into the environment as opposed to simply hanging a powered light on the side of a building, and other tactics that incur additional costs. Commissioner Storm said that typically the property owner bears the cost of complying with Dark Sky ordinances. Capt Doster explained that under current Flagstaff code, this type of development is allowed and can put out as much as 600,000 lumens, which will be enough to impact the Observatory's mission. Therefore following Flagstaff's Dark Sky ordinance will still hurt the Observatory, which is the problem that the Observatory has been working to address recently. This development will happen in Flagstaff's Lighting Zone 1, which is in closest proximity to the Observatory and since 1955 has not experienced much development until recently as Flagstaff has grown. Commissioner Storm asked if this is an inadequacy of the ordinance. Capt Doster could not comment on that, but stated that part of the strategy of the dark skies study working group referenced earlier is to conclude if Flagstaff or Coconino County needs to revise their lighting ordinances. Capt Doster stated that Navy has invested in the collecting and analyzing of data as part of the lighting study to establish the current condition of light pollution around Flagstaff, with the plan to use that information to develop a predictive analyst program on how future development will impact lighting pollution.

Commissioner Storm inquired about the timeframe for construction of Flagstaff's equipment facility. No one from the City of Flagstaff was in attendance. To the knowledge of Mr. David Hulse, Flagstaff expects

to begin construction this year. Capt Doster stated he does not have the details of Flagstaff's equipment facility or its application; he came to speak on how the proposed project will support the Navy's mission at the Observatory. The Naval Observatory in Flagstaff is the only observatory within the Department of Defense and serves an important mission, and the City's proposed equipment yard without this light mitigation project will impact that mission.

Supervisor Ferguson stated that the total budget for the equipment facility construction was over \$28 million, and sought clarification if the light mitigation project was already included in that budget and Flagstaff was asking to be reimbursed. Staff reported that the mitigation project is not included in the facility construction budget, and that the impact to the Observatory was only identified after engineering and budget projection was finalized. Flagstaff worked with the Navy to develop the proposed mitigation strategy detailed in this project, but because the facility is funded through bond dollars Flagstaff has no financial ability to increase the budget or cover the mitigation project costs.

Co-Chair Atkins summed up the issue by stating that Flagstaff's equipment facility was within Flagstaff's lighting ordinance, but would still have an adverse affect on the Observatory. Capt Doster confirmed, stating that the ordinances are somewhat dated based on improvements to lighting technology and there hasn't been many efforts to develop land within Lighting Zone 1. In 2014 there was a proposed development that the Navy had to oppose because of its lighting impact to the mission, and for various reasons that development was cancelled. The Navy would prefer to work proactively with Flagstaff and Coconino County in partnership, and this lighting mitigation project reflects one of those attempts.

Supervisor Smith stated that he received an education during his tour of Arizona National Guard installations in Pinal County the previous week on the various types of encroachments that impact a mission, which is part of the work of this Commission. Encroachment is more than just the physical encroachment; it includes electronic encroachments such as cell towers or bill boards that are so bright they nullify night-vision training. Supervisor Smith stated he understands the proposed project is attempting to mitigate a situation that will have operational impact to the Observatory, which is the only one in the nation. This situation justifies pretty significant consideration by the Commission.

Co-Chair Finnegan stated there was precedent for lighting mitigation projects to protect the dark skies as the Commission approved a grant to Huachuca City for approximately \$450,000 to shield lighting to protect the C-130 night-vision training mission at Fort Huachuca. Dark skies can be important in a number of different ways.

Capt Doster stated that to the point raised earlier, this project will serve as a proof of concept/case study that can be applied to the astronomy industry throughout Arizona.

Commissioner Storm stated that she is struggling to understand how in a \$28 million facility in a city whose economy is dependent upon the success of the Observatory that the project cost cannot be incorporated into the building construction since Flagstaff and the Observatory have aligned interests. Commissioner Storm stated that there is no debate on whether or not the project is good, but asked if it is appropriate to use the MIF funds to accomplish the goal of the project when there could be opportunities when the construction process begins to issue change orders or through value engineering that could be done to accommodate the additional cost. Without hearing from the City of Flagstaff on why those options are not available, it is difficult to support the request.

Supervisor Valadez echoed Commissioner Storm's concerns. Based on his experience in Pima County, issues often arise during construction projects and local governments have to rectify it.

Supervisor Ryan expressed his attempt to remain unbiased in regards to the project. Based on his review of the application submitted by Flagstaff, the City did attempt to design the equipment facility to minimize impact to the mission of the Observatory but despite these efforts discovered a gap in their lighting ordinances that would impact the Observatory. Flagstaff and Coconino County have progressive

lighting ordinances, but this facility and the lighting study performed over the past year suggests there may be a need to update them. Specifically regarding the Observatory and this Commission, this discussion is about a strategic capability that is location specific and cannot simply be relocated elsewhere. Impacts to the Observatory's mission have national and international effects.

Supervisor Ferguson asked to hear about the remaining projects before getting into too many details.

Staff recapped the application from the City of Tucson for their proposed noise attenuation study. No one from the City of Tucson was present at the meeting.

Supervisor Ferguson asked Col. Martinez, Commanding Officer of MCAS-Yuma, if the Marine Corps covers the cost of the sound studies performed in Yuma. Col. Martinez confirmed that they do. Supervisor Ferguson asked why the Air Force does not pay for sound studies. Staff stated that the Air Force does perform and pay for sound studies in communities where they are located, and that Davis-Monthan AFB recently concluded a sound study for the Total Force Training mission. Supervisor Ferguson asked what the difference was between those studies and what Tucson is requesting.

Commissioner Storm stated she is familiar with the proposed application because it has been around for a number of years. The origination of the application derives from the JLUS performed by Davis-Monthan AFB in 2004. Commissioner Storm stated that Davis-Monthan AFB did not include private property owners in their JLUS process, and failed to take into account mid-town residents because they were focused on encroachment closer to the base and the southeastern flight approach "paddle" and not the existing urban environment in Tucson. Recognizing there would be a louder aircraft that would eventually replace the A-10, the JLUS used notional noise contours for the F-16 which resulted in a noise contour being placed over mid-town Tucson that the JLUS stated is not compatible for residential. There are a number of older, high-end homes around the university that are impacted by this noise contour and caused angst among those property owners. The City of Tucson set out to determine how to noise attenuate that area similarly to what the FAA had done around Tucson International Airport by analyzing the types of building materials in the affected area and estimating the cost to attenuate, including: burnt adobe with no insulation, cinder block, stick frame, stucco, etc. That is the difference between a traditional DoD sound study and the request from Tucson.

Staff recapped the application from Pima County for their proposed project to acquire the remaining 90 privately owned acres within the Davis-Monthan AFB fence line to reduce operating costs to the base. Nannette Slusser, Assistant Pima County Administrator, spoke on behalf of the county.

Ms. Slusser expressed appreciation to the Commission for the MIF grant received in FY13, which supported road improvements to connect with Davis-Monthan AFB's new south gate and acquiring a buffer area by the east gate near the base's shooting range. This application supports Pima County's continued efforts to protect Davis-Monthan as one of the region's largest employers. There are 99 privately owned acres and 133 state trust land acres within the Davis-Monthan AFB fence line that must be leased by the base. Pima County has consistently been able to go to the voters in past years to request funds to acquire buffer property within the "paddle." The bond package for this current project did not pass in November 2015, but will be included in a future bond package. The 99 private owned acres are distributed among 9 individual owners, who Davis-Monthan pays over \$300,000 per year to lease that property. Pima County is committed to helping Davis-Monthan reduce that annual expense by acquiring those parcels and/or move the fence line or the road.

Co-Chair Finnegan recognized that most installations are on withdrawn BLM lands, but there is a checkerboard of ownership across the state and that state trust land is within the fence line as well. Co-Chair Atkins, as State Land Commissioner, assured the County she is working to keep those lease payments from the Air Force as economic as possible.

Based on a question from various Commissioners, Ms. Slusser stated that Pima County's request of \$500,000 would not be enough to acquire all of the privately owned parcels but will acquire as much as they can and apply additional funding where available.

Dr. Cuffari asked Ms. Slusser if she is aware of the Air Force's position. Ms. Slusser stated that the Air Force has sent letters to each of the private property owners informing them that the Air Force will no longer be leasing from them, based on the knowledge that Pima County was looking to acquire those properties.

Co-Chair Atkins asked if any of those property owners have applied for MIF funding in the past. Staff confirmed that Mr. Farley on behalf of Kolb Road Development is the first of those property owners to apply. Co-Chair Atkins asked if there was an overlap of Pima County's application and Mr. Farley's. Ms. Slusser stated they do not expect to be purchasing Mr. Farley's property since his application was approved.

Co-Chair Atkins asked if there were any other questions on the applications. Supervisor Ferguson commented that all applications are worthy but the concern that he has with the City of Flagstaff's application is that the encroacher to the Observatory causing the problem is the City of Flagstaff itself. He stated that the application that to him appeared to have the most value is the Pima County application. Mayor Mueller stated that he did not want to speak on behalf of the Mayor of Flagstaff, but as the only Mayor on the Commission he wanted to say that it is easy for a good engineering department in a small city to overlook something. In the current financial situation of our cities, even a well managed city would be hard pressed to come up with \$250,000 to address the discovery of a critical national defense issue without having to gut basic public obligations. Mayor Mueller stated that \$250,000 is a small amount to pay to ensure the success of the mission and support for our national security. Based on the criticality of Observatory's mission, Mayor Mueller suggested funding the City of Flagstaff's application and half of Pima County's application for this round.

Supervisor Ferguson stated Mayor Mueller's suggestion sounded like a motion, and Co-Chair Atkins asked Mayor Mueller if he would like to proceed.

MOTION: Mayor Mueller made a motion to recommend funding the City of Flagstaff's application for \$250,000 and half of the Pima County application for \$250,000.

SECOND: Supervisor Smith

DISCUSSION / PUBLIC COMMENT: Supervisor Ferguson asked if there were any City, Town, and County project funding left over from the previous round. Staff informed the Commission that the City of Yuma has executed a contract with all partners to begin the county fairground relocation study that received funding in the 2013 round. The Commission recommended up to \$200,000 to pay for half of the study. The City of Yuma has now encumbered those funds, and will begin to draw them down on a monthly basis. If there is any money remaining after completion of the study, it will be minimal.

Michael Racy, representing Pima County, addressed the Commission and reiterated the long history of Pima County's efforts to acquire land and execute projects using local resource to preserve and protect Davis-Monthan AFB. In speaking with the base leadership, no one seems to understand how the private land and state trust land ended up inside the fence but it costs the base \$300,000 a year. It is an issue that Pima County is committed to resolving as part of their much broader and much more expensive base preservation efforts. The County had hoped to acquire the lands and lease them back to the base for \$1 per year, but since the November 2015 bond was not passed the County has begun to explore other opportunities with the State Land Department, the private owners, relocating the fence and roadway, and just acquiring those parcels within the security arcs. The County is asking for \$500,000 for 90 acres. The Commission just approved almost as much for the purchase of 9 acres within this area. The County is providing enormous leverage to the project, and it is critically important to Davis-Monthan.

Commissioner Storm stated that in light of the absence of the City of Flagstaff and that given that a JLUS is going to be formed, couldn't Flagstaff's application be refined and resubmitted next year without any harm as construction hasn't started yet. Commissioner Storm said she wanted further clarification because funding the application now seemed premature if the equipment facility would not be operational until next year. Capt Doster stated that he understands Flagstaff is ready to start construction, but he does not know what will happen if they don't have the ability to cover the lighting mitigation. Commissioner Storm asked for clarification on starting construction, as to whether Flagstaff intends to begin site preparation which can take 18 months or has the slab poured and is ready to go vertical. Capt Doster was not aware as he was not there to speak for the City, only the Observatory.

Commissioner Coffman asked what would happen in Flagstaff if the Commission did not approve funding for their mitigation project. Capt. Doster said that is a hypothetical question that he could not answer, but it is the Navy's position not to accept any impact to the mission of the Observatory. The Navy does not want to be adversaries and wants to work with the community. Commissioner Coffman recalled that the Navy's position is that this is a critical encroachment upon the light quality that the Observatory needs to perform its mission. Capt Doster confirmed that assessment. Commissioner Coffman then suggested that if Flagstaff proceeded without the mitigation then the Navy would be able to stop construction. Mayor Mueller stated that what he believed Capt Doster was saying is that if Flagstaff has to proceed without the light mitigation, the Navy will look at other options.

Mayor Mueller asked to make the point that it is unknown if the MIF would have money next year, which various Commissioners confirmed is the problem. Co-Chair Finnegan confirmed that is his concern as well. Co-Chair Finnegan also stated one of the reasons the MIF was created was to send a strong message to the Department of Defense that Arizona is a military friendly state and values the installations and missions that are present here, and asked Commissioners to keep that in mind as they vote on the applications.

Dr. Cuffari commented that the state worked with the Department of the Navy to help address the development issue two years ago mentioned earlier by Capt Doster. Dr. Cuffari also clarified that Coconino County will make an application for the JLUS, which DEMA will support, but it will be up to the Department of Defense whether or not it is funded so we do not know for sure if there will in fact be a JLUS.

AMEND MOTION: Commissioner Storm asked if Mayor Mueller would consider amending his motion to award \$125,000 to the City of Flagstaff and \$375,000 to Pima County.

Mayor Mueller declined to amend his motion.

Commissioner Storm requested a substitute motion to award \$500,000 to Pima County, stating that buying land within the fence line is an immediate impact. The Commission wants to make a statement of support to the importance of the Observatory, but the Flagstaff project is not imminent. Pima County is one of the only communities that has actually bonded for the acquisition of open space to project Davis-Monahan, and that their efforts totaling \$10 million to date and at no cost to the state should be supported.

SUBSTITUTE MOTION: Commissioner Storm moved to substitute the original motion and award \$500,000 to Pima County, and ask the City of Flagstaff to resubmit next year.

SECOND: Supervisor Valadez

DISCUSSION: No discussion.

SUBSTITUTE MOTION FAILED 5 - 8

ORIGINAL MOTION CARRIED 13 – 0

VIII. MAC Business

Co-Chair Finnegan informed the commission that Senate Bill 1316 is being considered by the Legislature that would reauthorize a version of pay-day lending now being called flex loans with up to 200% interest. The Commission supported ending the authorization for pay-day lending six years ago due to its disproportion impacts on Service Members. Co-Chair Finnegan informed the Commission that the bill passed with support in the House of Representatives. Co-Chair Finnegan proposed the Commission send the Governor a letter stating this legislation is not military friendly.

MOTION: Co-Chair Finnegan moved that the Commission recommend to the Governor to veto SB 1316 if it is passed by the Legislature.

SECOND: Monsignor O'Keefe

DISCUSSION: Supervisor Smith reiterated that the letter should note the link to military affairs.

MOTION CARRIED 13-0

IX. Call to the Public

Supervisor Ferguson stated the Secretary of the Navy Ray Mabus visited Yuma since the last meeting to announce that the Navy is currently building the USNS Yuma, the eighth Spearhead-class expeditionary fast transport ship and the fourth ship to be named after Yuma. Supervisor Ferguson stated there was a debate if the ships are named after the City of Yuma or the Yuma tribe, but it is an honor nonetheless and Yuma Mayor Doug Nichols was at the shipyard in Mobile, Alabama the previous week to participate in the welding of the ship.

Commissioner Storm stated there will be a community-wide military ball in Tucson on Veterans Day, November 11, at the Tucson Convention Center and hosted by the YMCA to honor all five branches of the Armed Forces.

Commissioner Storm also requested that a letter provided to her by her legal counsel regarding determination of a conflict of interest between Commissioner Storm and an application from the 2013 round be included in the record of the November 5, 2013 meeting.

X. Adjournment

Co-Chair Atkins thanked the Commissioners and the public for attending and adjourned the meeting at 4:15 p.m.