

For Immediate Release



Website: <http://sustainable-economy-collaborative.com>

Study identifies the \$122 Million Cost of Naval Air Station-Whidbey Island

Contact: sustainableeconomycollaborative@yahoo.com

February 20, 2017, Whidbey Island, Washington: In June of 2016 the Sustainable Economy Collaborative (SEC), a citizen group concerned with assuring good jobs and a long term, resilient local economy for Island County, retained globally recognized expert on community economics, Michael H Shuman, to assess the impact of NASWI.

Island County's largest employer, NASWI, accounts for just under 20% of the employees, and generates about 37% of the economic activity for the county. Unbalanced economies that rely on a single large employer may look prosperous but are actually brittle. Communities lose control over major decisions that affect their prosperity. Businesses that capitalize on local economic assets – farmland, fisheries, tourism, parks and manufacturing – may fail.. To plan for an economically diverse and sustainable economy, the SEC charged Mr. Shuman to evaluate how Navy dollars flow through Island County's economy and identify what steps could lead to a more robust, sustainable economy.

Previous studies highlighted the benefit of Naval operations and neglected costs, while this study examines some of the myriad costs that previously have been invisible to public scrutiny:

1. An estimated \$5.7 million per year in sales and property taxes is lost from Island County's tax revenue because military installations pay no property taxes and on-base purchases are exempt from sales tax.
2. The Federal government compensates the county for only 20% of the cost of public education of dependants of federal employees.
3. Property values in areas affected by excessive jet noise have declined by nearly 10 million dollars.
4. Island County residents pay \$2.3 million per year for health costs due to the Navy's activities.

Among Shuman's recommendations are:

1. Secure annual PILOT (payment in lieu of taxes) payments from Navy to compensate for lost revenue.
2. Insist the Navy's level of local contracting be increased
3. Modify Growler program to significantly reduce its adverse impacts (perhaps by moving its tests to a less populated area)
4. Do a deeper analysis of uncompensated county services and infrastructure used by the Navy
5. Protect local businesses from unintended consequences from the Navy's impact of air, water and land.
6. Engage in a county economic planning process to work towards reducing dependency on a single employer and increasing local agriculture, manufacturing, tourism and services that provide family wage jobs for Island County taxpayers.

In March 2017 Mr. Shuman will visit Island County to present his findings to local elected officials and interested members of the public. His seminal work on the Navy's tangible and significant costs is available for review <http://sustainable-economy-collaborative.com>.

About Michael H. Shuman

Michael H. Shuman is an economist, attorney, author, and entrepreneur. He's director of Local Economy Programs for Telesis Corporation, a nonprofit affordable housing company, and currently an adjunct instructor at Bard Business School in New York City and at Simon Fraser University in Vancouver. He's also a Fellow at Cutting Edge Capital, and a founding board member of the Business Alliance for Local Living Economies (BALLE). He is credited with being one of the architects of the 2012 JOBS Act and dozens of state laws overhauling securities regulation of crowdfunding.

URL: <http://michaelhshuman.com/>

About the Sustainable Economy Collaborative

In 2016 a diverse group of residents of Island County, Washington, with both civilian and military backgrounds, came together to investigate the opportunities and obstacles to building a thriving, just, and sustainable local economy. They understood that economies like Island County's that depend on a single large employer—in their case, the US Navy—appear to be strong but actually are quite vulnerable to forces beyond their control.

The mission of SEC is to gain an understanding of the critical steps leading to a diverse, sustainable economy and through education, collaboration and cooperation to implement a plan to ensure a robust and stable economy independent of non-local decision makers.

URL: <http://sustainable-economy-collaborative.com>