

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: April 10, 2015

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations
Committee

FROM: Sharon M. Tsou 
Chief Legislative Analyst

Council File No: 15-0002-S11
Assignment No: 15-02-0120

SUBJECT: Resolution (Bonin – Buscaino - Price) relative to continued funding of the Los Angeles
Air Force Base and the Space and Missile Systems Center.

CLA RECOMMENDATION: Adopt Resolution (Bonin – Buscaino - Price) to include in the City's 2015-2016 Federal Legislative Program SUPPORT for any legislative or administrative action to continue funding of the Los Angeles Air Force Base (LAAFB) and SMC (Space and Missile Systems Center) and prevent the closure of the LAAFB as part of the Base Realignment and Closure (BRAC) process which relocates or closes military installations.

SUMMARY

On February 10, 2015, Resolution (Bonin – Buscaino - Price) was introduced to support any legislative or administrative action that would provide for continued funding of the Los Angeles Air Force Base (LAAFB) and Space and Missile Systems Center (SMC), and prevent the closure of LAAFB as part of the Base Realignment and Closure (BRAC) process. The Resolution states that on February 2, 2015, the Pentagon released their Fiscal Year 2016 budget, which included a call for another round of the BRAC process to produce savings as officials cite that at a minimum 20 percent of bases and facilities are underutilized.

The Resolution indicates that Los Angeles County is the premier region for the aerospace industry, providing innovative systems, products and solutions in aerospace, electronics and information systems to government and commercial customers world-wide. The Resolution adds that Los Angeles is the home of the LAAFB, which includes the SMC and directly employs nearly 6,000 military, contractor, and civilian workers. The Resolution further states that the SMC plays a critical role in current and future national security strategy and is responsible for comprehensive space systems including satellites, missiles, and sensors that provide capabilities like communications, navigation, spacelift, missile warning and defense, weather monitoring, satellite capabilities and nuclear deterrence. The Resolution notes that the SMC has an annual budget of approximately \$8 billion and an annual payroll of more than \$635 million, much of which is spent in the local economy with an estimated local economic impact of approximately \$1.8 billion annually.

The Resolution further states that Los Angeles' rich aerospace tradition, including engineering firms, supplier companies, and educational training programs has grown in the region, creating over 56,000 more jobs according to the Los Angeles Economic Development Corporation (LAEDC).

In conclusion, the Resolution notes that the closure of the base or relocation of this vital infrastructure and highly skilled workforce would be disastrous to the Los Angeles economy, and hugely detrimental to our nation's defense in the 21st century. The Resolution, therefore, recommends that the City support continued funding of the LAAFB and SMC.

BACKGROUND

Resolution (Bonin – Buscaino - Price) was introduced on February 10, 2015, to support any legislative or administrative action to prevent the closure of LAAFB. The Fiscal Year 2016 Federal budget proposes to reduce spending by relocating or closing down former military bases in 2017. During the Base Realignment and Closure (BRAC) process the Department of Defense (DOD) recommends realignments and closures of military bases to the independent BRAC commission.

Upon review of the DOD's recommendations and public comment, the BRAC commission will submit recommendations to the President for approval. The President reviews and makes recommendations to Congress. If Congress approves, the BRAC process is implemented. Congress has rejected prior BRAC requests proposed by the President in FY 2013 and 2014. The federal government has implemented BRAC processes in 1989, 1991, 1993, 1995, and 2005. In 1991 and 1995, the Los Angeles region was particularly impacted as the Long Beach Naval Station and the Long Beach Naval Shipyard were closed.

The LAAFB, located in El Segundo, CA, is an active facility and home to the SMC. The SMC is the center of technical advancement for developing, acquiring, and sustaining military space capabilities.

The LAEDC's Southern California Jobs Defense Council (SoCal Jobs Defense Council), a group comprised of government, business, aerospace, and educational representatives, reports that the SMC technology was used in U.S. military operations Operation Desert Storm and Operation Iraqi Freedom. The SoCal Jobs Defense Council which supports the continued operations of the LAAFB and SMC notes the following:

- Its location is of strategic geopolitical importance to national defense and is relied upon by other military commands throughout the nation.
- LA County remains the top aerospace and defense center in the nation.
- LA County graduates more engineers in the nation and has a higher education infrastructure that meet the needs of the aerospace and defense industry.
- Both the proximity to a large aerospace and defense ecosystem of companies and a skilled workforce give the LAAFB unparalleled built-in benefits.
- It employs a diverse workforce of military, civilian, and contractor personnel and any relocation attempt would prove disruptive and risky to national defense.

The SoCal Jobs Defense Council concludes that preservation and continued funding for the operations of LAAFB and SMC are critical to the protection of the nation.

ECONOMIC IMPACT

The LAAFB and SMC provide jobs to the local economy. The LAEDC reports that Los Angeles County is the top location for the aerospace and defense industry in the country. Many top defense companies are located in the region. Some of these include Northrup Grumman Corporation, Lockheed Martin, and Boeing. The economic impact in jobs to the region is significant. The SoCal Jobs Defense Council estimates that the LAAFB employs approximately 18,000 in direct and indirect jobs. The retention of jobs is critical to the region and according to the SoCal Jobs Defense Council any relocation attempt would prove disruptive and risky to national defense. The SMC is estimated to provide an economic impact of approximately \$1.8 billion to the region.

OTHER JURISDICTIONS

On February 3, 2015, the County of Los Angeles Board of Supervisors (County) adopted a Motion to support the preservation of the LAAFB. The County also urged action by the eighty-eight cities in the County of Los Angeles to adopt similar resolutions. Additionally, the City of Palos Verdes Estates affirmed their support.

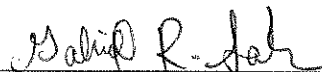
PRIOR CITY ACTION

Support for any legal or administrative action to continue operation of the LAAFB is consistent with previous Council action to support the retention of LAAFB and SMC in El Segundo, located in Los Angeles County. In response to the 2005 BRAC process implementation, the City on January 9, 2004 (C.F. 04-0002-S5), adopted a position to maintain the Los Angeles Air Force Base at its current location and opposed efforts to close the LAAFB.

The Economic and Workforce Development Department (EWDD) supports continued funding of the LAAFB and SMC and opposes any efforts to close down the LAAFB.

DEPARTMENTS NOTIFIED

EWDD



Gabriel R. Salazar
Analyst

SMT:IS:JW

Attachment: 1. Resolution (Bonin – Buscaino - Price)

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RESOLUTION RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, on February 2, 2015, the Pentagon released their fiscal year 2016 budget, which included a call for a new Base Realignment and Closure (BRAC) process -- Pentagon representatives stated that at least 20 percent of their bases and facilities are underutilized and closures could save funds; and

WHEREAS, Los Angeles County is the premier region for the aerospace industry, providing innovative systems, products and solutions in aerospace, electronics and information systems to government and commercial customers worldwide; and

WHEREAS, the tech industry is burgeoning in Los Angeles, creating new innovations everyday which could have untold aerospace and security applications for the future; and

WHEREAS, Los Angeles is proud to be the home of Los Angeles Air Force Base (LAAFB), which includes the Space and Missile Systems Center (SMC) and directly employs nearly 6,000 military, contractor and civilian workers; and

WHEREAS, SMC plays a critical role in current and future national security strategy and is responsible for comprehensive space systems including satellites, missiles, and sensors that provide capabilities like communications, navigation, spacelift, missile warning and defense, weather monitoring, satellite capabilities and nuclear deterrence; and


WHEREAS, SMC has an annual budget of approximately \$8 billion and an annual payroll of more than \$635 million - much of which is spent in the local economy, with the overall local economic impact of approximately \$1.8 billion annually; and


WHEREAS, with Los Angeles' rich aerospace tradition, an expansive ecosystem of engineering firms, supplier companies and educational training programs has grown in the region, creating over 56,000 more jobs according to the Los Angeles Economic Development Corporation; and

WHEREAS; the closure of the base or relocation of this vital infrastructure and highly skilled workforce would be disastrous to the Los Angeles economy, and hugely detrimental to our nation's defense in the 21st century;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this resolution, the City of Los Angeles hereby includes in its 2015-2016 Federal Legislative Program SUPPORT for any legislative or administrative action that would provide for the continued funding of the Los Angeles Air Force Base and Space and Missile Systems Center, and prevent the closure of LAAFB as part of the BRAC process.

PRESENTED BY:


MIKE BONIN
Councilmember, 11th District


JOE BUSCAINO
Councilmember, 15th District

FEB 10 2015

SECONDED BY:



ORIGINAL