

CITY OF SACRAMENTO -- COUNTY OF SACRAMENTO



January 22, 1991

APPROVED
BY THE CITY COUNCIL

JAN 22 1991

**OFFICE OF THE
CITY CLERK**

The Honorable Colin McMillan
Assistant Secretary of Defense (Production & Logistics)
Office of the Secretary
The Pentagon
Washington, D.C. 20301-1155

Dear Mr. McMillan,

**Re: DOD Base Closure Criteria as it Relates to the Sacramento
Army Depot and the Sacramento Air Logistics Center**

Attached for your review and consideration is a Discussion Paper entitled "Strategic, Economic, Social and Environmental Considerations Regarding Base Closures".

The paper has been prepared setting forth our community preference in your closure and realignment of military installations in accordance with Section 2924 "Community Preference Considerations in Closure and Realignment of Military Installations" of the DOD Authorization Act for fiscal year 1991. Resolutions of endorsement by appropriate government agencies are being transmitted as attachments to this document.

The document represents the viewpoints of the leadership of the entire community. This issue has an enormous impact on our region, and we request continuing input into the process as it leads to decisions regarding Sacramento Army Depot and the Sacramento Air Logistics Center.

We realize that resource cutbacks will and must occur within the Department of Defense. We believe that a business-like approach to ascertain true cost efficiencies should be taken to reach these decisions.

Representatives of our committee will be arranging meetings with appropriate elected and Pentagon officials within the next two weeks to initiate an ongoing dialogue.

Mr. McMillan
January 22, 1991
Page 2

If you have any questions, please contact R. Dee Reynolds, Assistant to the County Executive (telephone: (916) 440-5892).

Very truly yours,

GRANTLAND JOHNSON
Board of Supervisors
County of Sacramento

KIM MUELLER
City Council
City of Sacramento

SHARON MARGETTS
Sacramento Metropolitan
Chamber of Commerce

Attach.

(McAFB/24)

DISCUSSION PAPER

STRATEGIC, ECONOMIC, SOCIAL AND ENVIRONMENTAL
CONSIDERATIONS REGARDING
BASE CLOSURES

PROPOSED BY:

THE SACRAMENTO CITY AND COUNTY
BASE REALIGNMENT STUDY COMMITTEE

Sacramento City and County governments, the region's business community, and the general population of the greater Sacramento metropolitan area strenuously oppose the potential losses of the Sacramento Air Logistics Center at McClellan and the Sacramento Army Depot because they will produce no verifiable cost efficiencies. There is overwhelming community consensus that if these closures were to take place, the federal government would be generating adverse impacts with far-reaching economic, strategic, socioeconomic, and environmental consequences.

In this discussion, the Sacramento community suggests a business planning methodology which offers cost reductions, while retaining the military value and economic benefits that presently exist in these extremely productive, high technology depot maintenance centers. The community would also benefit since it would retain facilities which employ thousands and provide economic stability for a supportive business community. In short, this methodology makes GOOD BUSINESS SENSE for both the community and the federal government.

WHAT BENEFITS AND ECONOMIC INCENTIVES EXIST FOR RETAINING THE AIR LOGISTICS CENTER AT McCLELLAN AND THE SACRAMENTO ARMY DEPOT CAPABILITIES?

--The SM-ALC recently received the 1990 Federal Quality Institute's Quality Improvement Prototype Award.

--The SAAD's outstanding productivity and quality of work resulted in its receipt of the 1990 President's Council for Management Excellence Improvement Award, and in 1989 SAAD won the Army Chief of Staff's Community Excellence Award.

--The SM-ALC's airfield is protected from further encroachment by a legally recognized Comprehensive Land Use Plan (CLUP) which makes its aviation facilities marketable for "future use alternatives".

--The SAAD has improved its net operating result (NRO) each of the last three years, while reducing its unit cost in comparable years.

--Among the ALCs, McClellan ranks first in balancing its budget; has the newest facilities and the second largest capacity in terms of building square footage; and has the highest on-time project completion rate.

-In the last decade, major capital outlays (\$200 million at SM-ALC and \$40 million at SAAD) have positioned these two facilities to continue their maintenance leadership roles into the next century. Their advanced technologies include the Neutron Radiography and Cold Proof facilities at SM-ALC, and the Electro-Optics Night Vision Laser, Printed Circuit Board Repair, Near Field Probe, and Chemical Agent Resistant Coding facilities at the Army Depot.

-The highly educated, technically proficient work forces at SM-ALC and SAAD benefit from ongoing programs with California's excellent university systems, as well as proximity to advances in communications/electronics and associated disciplines which emanate from "Silicon Valley". These benefits cannot be transplanted, and the vast majority of technical workers also would be lost to the federal government under any closure scenario, requiring significant training costs for a replacement work force. This would be a high price to pay for dubious savings.

WHAT MILITARY VALUE IS REALIZED BY RETAINING THE SM-ALC AND THE SAAD'S CAPABILITIES?

-Sacramento area is strategically located on the central west coast of the U.S. in a location blessed by exceptional year-round weather, a world class transportation system of interstate highways, commercial and military airports, rail networks, and a deep water port with direct access to the Pacific.

-Sacramento's proximity to a large number of defense maintenance and logistics facilities, as well as the aerospace and high-tech industries of California, would facilitate consolidations and economies of scale.

-The concentration of 45% of the Department of Defense's ground communications equipment maintenance at Sacramento allows for efficiencies which could not be realized with more widely scattered operations.

WHAT ARE THE COMMUNITY/SOCIOECONOMIC IMPACTS ASSOCIATED WITH THE CLOSURES OF McCLELLAN AND THE ARMY DEPOT?

The costs of defense cutbacks must be equitably borne by communities such as Sacramento all across the country; however, a fundamental doctrine of fairness must be considered. Sacramento is already faced with the loss of Mather Air Force Base; to lose its two remaining major military installations presents the community with a socioeconomic dilemma of monumental proportions and potentially devastating cumulative effects.

WHAT ENVIRONMENTAL COSTS ARE ASSOCIATED WITH CLOSING EITHER OR BOTH OF THE TWO FACILITIES?

-Both the Army Depot and the Air Logistics Center are on the Environmental National Priority list and will require billions of dollars and many years for cleanup. The environmental problems at both installations have been identified and mitigation measures are being instituted with the strong support of the community.

-Maintaining these two facilities as active installations would allow safe and productive use of the bases concurrent with appropriate toxics remediation into the long term.

CONCLUSION

THE METHODOLOGY SET FORTH IS BASED UPON AN ASSESSMENT OF FACTS THAT ALLOW APPLICATION OF PRUDENT BUSINESS JUDGMENT. A SOUND BUSINESS PLAN WILL CONCLUDE:

The irreplaceable facilities and functions at McClellan Air Logistics Center and the Sacramento Army Depot, the extremely valuable resident work force, and the strategic advantages to be realized from retention of the respective functions in the community and on the west coast, create a synergy which is virtually impossible to replicate.

Both the community and the federal government can benefit while still realizing the savings associated with consolidation of functions, both inter- and intra-service related as the Department of Defense realizes equipment commonality goals and moves toward a leaner defense posture.

A consolidation alternative could save training, relocation, and associated costs for the Department of Defense, while avoiding the devastating impacts of closure on the community. Consolidation could dramatically increase efficiencies due to economy of scale, reduced overhead and base operations support.

The Sacramento City and County Base Realignment Study Committee is a high-level community-based committee that is prepared to continue to study the options pertaining to the status of SM-ALC and the Army Depot. This body represents a three-county region with a 1.5 million population that is vitally concerned with equitable resolution of these issues. We will remain in contact with you toward that end.

7.4

RESOLUTION NO. 91-069

APPROVED
BY THE CITY COUNCIL

ADOPTED BY THE SACRAMENTO CITY COUNCIL

JAN 22 1991

ON DATE OF _____

OFFICE OF THE
CITY CLERK

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS AND THE SACRAMENTO CITY COUNCIL ENDORSING THE WHITE PAPER PREPARED BY THE SACRAMENTO CITY AND COUNTY BASE REALIGNMENT STUDY COMMITTEE

Whereas, a Sacramento City and County Base Realignment Study Committee was formed to address the potential realignment of the Sacramento Army Depot and the Air Logistics Center at McClellan Air Force Base; and

Whereas, this group represents a broad cross-section of City and County elected officials, business, and community leaders; and

Whereas, this group has studied and discussed this issue in great detail on numerous occasions to arrive at a consensus position for the community; and

Whereas, this group believes that consolidating functions at these two facilities offers the potential of overall defense savings with no resulting loss of military efficiency; and

Whereas, based upon this consensus, the group has produced a "Discussion Paper" detailing the potential realignment of the two facilities based upon a "business approach" emphasizing costs and benefits; and

Whereas, this group has transmitted said "Discussion Paper" to the Department of Defense for review; and

Whereas, representatives of the group are scheduled to travel to Washington, D.C., and meet with Department of Defense representatives on January 30 and 31, 1991, to discuss this matter further;

Now, Therefore, Be it Resolved, that the City Council of the City of Sacramento does hereby endorse the realignment concepts detailed in the attached "Discussion Paper" and supports the objectives of the community-sanctioned delegation meeting with the Department of Defense officials on January 30 and 31, 1991.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____