



Economic Impact of the Future Space Force Headquarters

Peter Suciu / Jul 13, 2020



While locations in Florida still top the shortlist to host the U.S. Space Command's future headquarters, other cities have pulled out all stops to attract the Department of the Air Force to take a closer look at what they have to offer.

Texas and Ohio Push to be Selected for Headquarters

Last month, U.S. Representatives Pete Olson, from the Texas 22nd congressional district, and Brian Babin, from the Lone Star State's 36th district, drafted a bipartisan letter to Air Force

Secretary Barbara Barrett recommending Houston to be considered for the U.S. Space Command's future home. At the same time, the entire Ohio congressional delegation also urged Secretary Barrett to consider locating the headquarters at Wright-Patterson Air Force Base outside of Dayton.

This week, the Department of the Air Force began the process of evaluating the 26 states that are currently competing to host the Space Command HQ.

"We were pleased with the strong response the Air Force received from across the country," said Air Force spokeswoman Ann Stefanek. It was only in May that the Department of the Air Force released its criteria for the permanent SPACECOM HQ, and that required that it have a large military installation to accommodate the command's personnel. As such, any state with a large military base that met the other criteria was eligible to compete. Responses were due June 30.

Headquarters is a Catalyst for New Corporate Investment

While the future HQ will be on a far smaller scale than other current U.S. military commands, it is the economic impact that comes from corporate investment that is driving communities across the country to compete.

Economic Impact is the Draw

"The economic impact of the new Space Command headquarters will be huge, and it will be a driver for new private sector corporate investment," explained John Boyd, principal of The Boyd Company and site selection expert.

"It is estimated that the HQ will employ 1,500 highly paid workers and is estimated to approach \$1 billion in construction costs," Boyd told ClearanceJobs. "On top the salaries for the 1,500 workers, the economic benefit to the selected region will be enormous when factoring in new tax revenue and the bump it will give the housing and retail markets. There will also be a stimulus related to increased corporate travel and tourism revenue and opportunities for philanthropic, advertising and sponsorship opportunities for regional programs."

Supplier and STEM Magnet

The Space Command HQ could have other impacts as well. It will likely be a magnet for suppliers in aerospace, avionics, IT, and even the telecommunications industry. There will also be the "prestige" of housing the headquarters. That in itself could attract STEM related industries to the region.

"Space equals innovation and star power," added Boyd. "Think about the world's most high profile celebrity CEO's – Elon Musk, Jeff Bezos, and Richard Branson, along with director James Cameron and Google's Larry Page's asteroid mining project – they all are in the space business. This 'star power' brings a lot of extra 'sizzle' to this dynamic industry."

Does the Sunshine State Have An Edge?

The criteria for the headquarters states that the location must be within one of the 150 largest metropolitan statistical areas in the U.S., based on 2019 population estimates from the Census Bureau. It must also be within 25 miles or less of a military base, and must have livability index score of at least 50 points out of 100, based on statistics kept by AARP's Public Policy Institute.

Given those factors, Florida could have a lead. Just last week, Governor Ron DeSantis formally endorsed nine locations in Florida for the Space Command HQ. Those locations included Jacksonville, Pensacola, Brevard County, Miami-Dade County, Orange County, Pinellas County, Seminole County and even a joint proposal from Tampa and Hillsborough County.

"We view Florida as a frontrunner for this 'holy grail' of economic development projects given the presence of world-class aerospace institutes of higher learning, aerospace skill sets, the precedent group of vital military bases, the world-renown Space Coast, its positive business climate – remember the HQ will be a catalyst for private sector industry, so traditional business climate factors will matter and will likely give Florida an edge," added Boyd.

"Florida has no personal income tax – always a key variable when it comes to head office site selection projects," Boyd told ClearanceJobs. "Here is an important point to remember about Florida: If any of the nine locations win this project – the entire state of Florida benefits. The newest face of the nation's military industrial complex coming to Florida will fast forward the diversification of the state's economy and create new demands for regional sales offices, branch manufacturing plants, second homes, and even enhanced airline services."

History could also repeat itself. In the 1960s, President Lyndon Johnson did steer NASA to his home state of Texas through NASA administrator James Webb. Given that this is an election year, politicians could advocate for Florida in order to gain support.