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PROPERTY

Alan Nevin

## Navy To The Rescue

*Defense construction spending boost disproportionately benefits San Diego*

Navy Seals have shown themselves to be remarkable rescuers at high sea. But this branch of our nation's military is just as adept at rescuing on land, and in other ways that may surprise you. As you read this, the U.S. Navy is in the process of rescuing the San Diego economy.

The old canard of "San Diego is a navy town" is back in vogue, given the enormous expenditures that are underway in the Navy Region Southwest, and, that includes the Marines, too.

Combined, the Navy and Marines have more than 100,000 uniformed personnel in San Diego County and more than 30,000 federal civilian employees. In addition, they employ a myriad of subcontractors in all phases of military activities. Typically, the Navy accounts for two-thirds of local military-related expenditure and the Marines the rest.

Studies show as much as 20 percent of the region's economy is tied to defense spending. The bulk of the military funds are generally segmented into four categories: salaries for uniformed and civilian personnel; retirement and disability payments; procurement (work that is contracted out), and construction. Most often, San Diego County ranks No. 1 in the U.S. in defense salaries and procurement. We also have about 150,000 persons receiving military retirement and disability payments.

Procurement, a bureaucratic term for what is purchased and contracted for locally, is a meaningful category, packing a \$7-plus billion wallop. The big four recipients are NASSCO, SAIC, Northrop Grumman and General Atomic. In all, more than 1,500 businesses in the region tap procurement funds. And we must not forget brainy SPAWAR with

its 3,000-plus employees.

Calculating how much the military is really going to spend in this county in a given year is fairly difficult because the money flows unevenly from so many sources. In addition to the normal construction spending programs — enormous by themselves — the newest addition comes courtesy of the American Recovery and Reinvestment Act. It is a military component of the federal economic stimulus package.

The new projects it brings are generally aimed at improving the quality of life for those in uniform and their families, improving medical care and treatment; improvement and expanding environmental programs and modernizing the infrastructure.

A good place to look for examples is Camp Pendleton. The Marines number about 180,000 nationwide. That total is about to increase by about 30,000, with half of those new troops landing in San Diego. To accommodate the growth and improve the lives of the current uniformed personnel, Camp Pendleton is undergoing a massive expansion. The largest single expenditure is for a new \$563 million hospital (replacing a 35-year old 72-bed facility).

Within Camp Pendleton, another \$5 billion or so will be expended in the next few years, with almost \$2 billion already under construction. Other than the hospital, most of that money will result in far better housing for the troops. Included is a 100-room bachelor enlisted quarters for the wounded warriors in the Wounded Warrior Battalion-West. Another 750,000 square feet of bachelor enlisted quarters are in the budget as well as housing for 2,000 families and a \$64 million exchange.

Not to be ignored is the Navy. The most

notable addition will be the arrival next spring of a third nuclear carrier, the USS Vinson and its 3,200 sailors with their steady paychecks. The Pentagon is spending more than a quarter billion dollars getting ready for the move, not counting construction.

Other Navy projects include a \$12 million child care facility at Naval Base Point Loma, a \$110 million renovation of bachelor housing at Coronado and a major training facility for littoral combat ship programs headquarters at Naval Base San Diego. And just in case you missed seeing them (tough to miss), there are three new luxury high-rise bachelor quarters at the 32nd Street Naval Base.

Thumbing through the ARRA military program budget quickly reveals 16 new major construction projects for San Diego and more than 30 for facilities sustainment, restoration and modernization. It is difficult to estimate the number of jobs that will be created or the expenditures for military components that will be dropped into our laps over the next few years, but let me estimate that it is certainly equivalent to the labor and materials budget of General Motors, Ford or Chrysler.

It looks to me like more than 10 percent of the nation's entire military stimulus budget will be spent in San Diego County. Considering these are funds being expended in all 50 states, I would say that the locals have pulled off a major coup.

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