

Naval Information Warfare Systems Command

Economic Impact Study

Completed Fourth Quarter 2023

NAVWAR





ABOUT OUR REPORT

Naval Information Systems Warfare Systems Command, commonly known as NAVWAR, is located on 70 acres near the intersection of Interstate 5 and Interstate 8 in San Diego's Old Town District.

Behind the fence lines and within the humble five-story World War II era aircraft factory buildings, the Navy operates its only acquisition headquarters command on the West Coast, where it focuses on the development, delivery, and maintenance of vital communications systems and networks that ensure connectivity across military platforms and facilities under any condition. **Beyond NAVWAR's importance to the Navy, this headquarters enormously impacts our region's economy by bringing well paying jobs, awarding contracts to numerous large and small businesses, and generating innovative efforts that impact our businesses and universities.**

In order to evaluate the economic impact, this report has used IMPLAN, a widely employed and accepted regional economic analysis software used in estimating economic impacts. IMPLAN was used to determine the regional economic impact of the contracts awarded within San Diego County by NAVWAR, as well as analyze the impacts of the military and civilian personnel employed by NAVWAR within San Diego County. A key concept to understanding the economic impact analysis is that one form of economic activity almost always stimulates other economic activities. The total economic impact of an entity (or a specific project or event) on a study area is the sum of the direct, indirect, and induced impacts. The direct economic activity stemming from the entity stimulates subsequent indirect and induced impacts on the local economy, along with several indirect impacts like tourism, discussed later.

THE THREE COMPONENTS OF ECONOMIC IMPACT ARE FURTHER DESCRIBED BELOW:



- 1. Direct Impact:** Represents the initial economic change attributable to NAVWAR's activity in the region including direct employment and contracts awarded by NAVWAR.
- 2. Indirect Impact:** Represents the impact on local industries due to inter-industry purchases as the economy responds to the new demands of NAVWAR's business-to-business activity. This impact represents the additional rounds of economic activity that occur because of NAVWAR, specifically through producing goods and services required to support NAVWAR. For example a direct impact of NAVWAR is the creation of consulting jobs because of direct contracts (with a company like Booz Allen Hamilton), then an indirect impact would be the creation of jobs in the office supply retail sector because the contractor purchases office supplies and equipment from regional retailers.
- 3. Induced Impact:** Represents the impact on the local economy because of the increased household spending due to additional labor income generated by NAVWAR's and its contractors' employees, specifically through purchasing goods and/or services required to meet consumer demand generated by those employees.

THE SPECIFIC ECONOMIC IMPACTS EVALUATED IN THIS ANALYSIS ARE BELOW:

Employment: Represents the number of jobs produced in the economy. This definition of employment includes “all jobs” (i.e., full-time, part-time, and seasonal.)

Labor Income: Represents the total value of all forms of employment income paid throughout the local economy.

Value Added: Value Added is the total market value of all final goods and services produced within the area being analyzed. In other words, it is the wealth created by industry activity in the area. Value Added in a Social Accounting Matrix (SAM) model such as IMPLAN, is akin to Gross Domestic Product (GDP) calculations. These economic impacts are driven by the economic activity generated directly at the entity and the related flow of economic activity in the specified region. In this case, the defined geographic region is the County of San Diego. The data set used for this analysis is in 2022 dollars.

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THE REPORT TEAM

MARK BALMERT - SDMAC

JARED RODIO - DPGF

PROFESSOR
NORMAN MILLER - USD

PROFESSOR
JEREMY GABE - USD

STATH KARRAS - USD

BOBBY MORALES - USD

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EXECUTIVE SUMMARY

The U.S. Navy's Naval Information Warfare Systems Command, commonly known as NAVWAR, provides the critical networks, sensors, and systems to connect air, surface, subsurface, space, and cyberspace military assets critical to the Navy's cyber security and information warfare mission.

Beyond NAVWAR's importance to our military, this headquarters enormously impacts San Diego's regional economy. It brings well-paying jobs, awards contracts to numerous large and small businesses, and generates innovative efforts that impact businesses and universities.

The San Diego Military Advisory Council (SDMAC) and the University of San Diego's Knauss School of Business proudly partnered to quantify and explain the significant economic impact NAVWAR has upon our region. In doing this, the hope is that our community and others will better understand the importance of NAVWAR to our region and our nation and why San Diego is the perfect location for this vital organization.

In Fiscal Year 2022 NAVWAR was responsible for between \$3.14 billion and \$3.38 billion in Gross Regional Product (GRP) for the San Diego Regional economy.

The most PROBABLE outcome contribution consisted of \$2.25B in direct spending, \$.29B in indirect spending, and another \$.76B in induced spending for a total GRP impact of \$3.30B. This impact includes local jobs created, supply chain effects, and personal consumption.

NAVWAR STATISTICS

**Total GRP Economic Impact
(direct, indirect, and induced)
between \$3.14B and \$3.38B**

\$1.74 BILLION

Total NAVWAR
Contract Spending

83%

of the NAVWAR
employees have a
bachelor's degree
or higher with 37%
holding a Master's or
Doctorate degree

\$910 MILLION

Total NAVWAR
Payroll

5300+

Number of
professionals directly
employed in San
Diego (46.8% of global
employees)

518

Active Patents with
33 issued in 2022

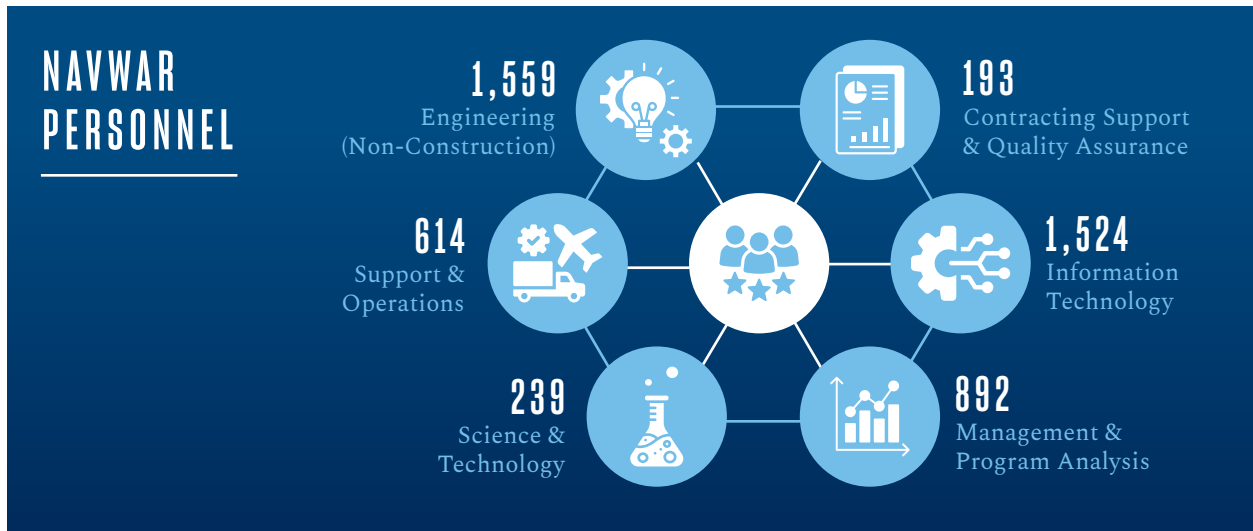
OVER 18,800

jobs created

In the San Diego Region, NAVWAR directly employs more than 5,300 people. More than 80% of these workers have bachelor's or post-graduate degrees and focus on six major disciplines. When wages and benefits are considered, the NAVWAR workforce brings \$910M in direct benefit to our local economy. The NAVWAR workforce resides across the region, helping to distribute the positive economic impact

of these well-paying jobs throughout San Diego County.

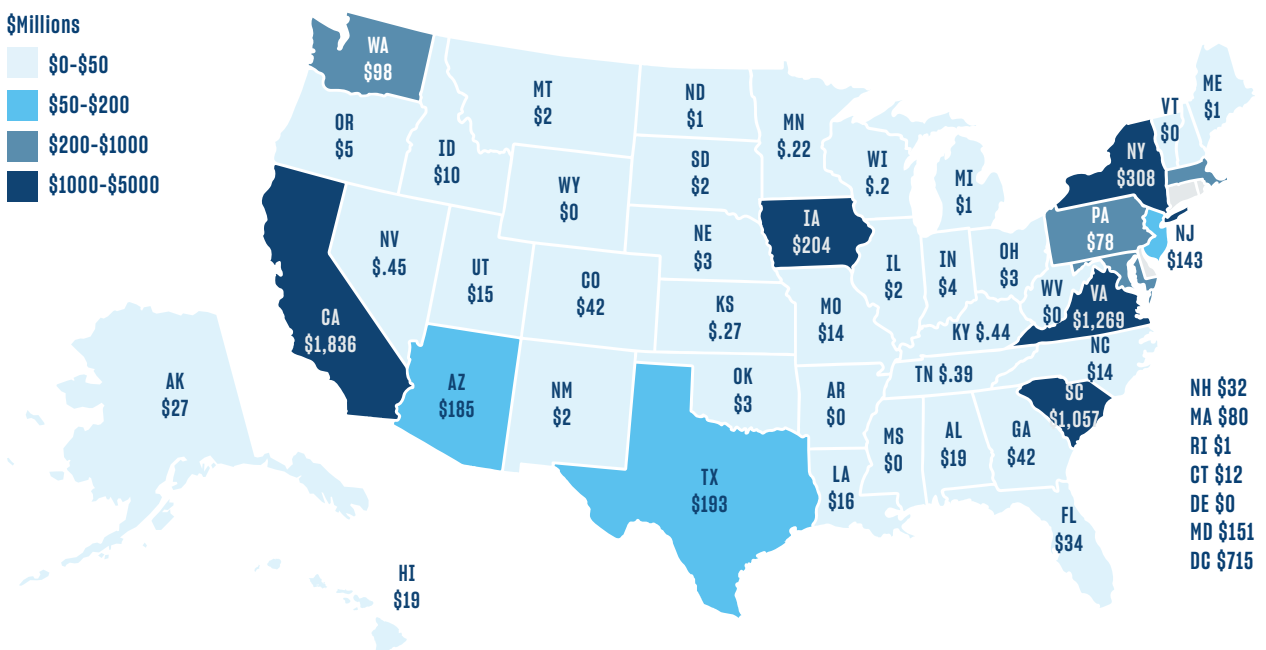
Across the region, NAVWAR business is responsible for over 18,800 jobs. Contracts awarded by NAVWAR reach businesses across the country. Still, more importantly, many of these contracts are awarded to large and small local businesses and disproportionately benefit the San Diego Region.



Since the NAVWAR headquarters is in San Diego, California is the top state in receipt of contract dollars from NAVWAR, and approximately two-thirds of the California contracts are worked in San Diego County.

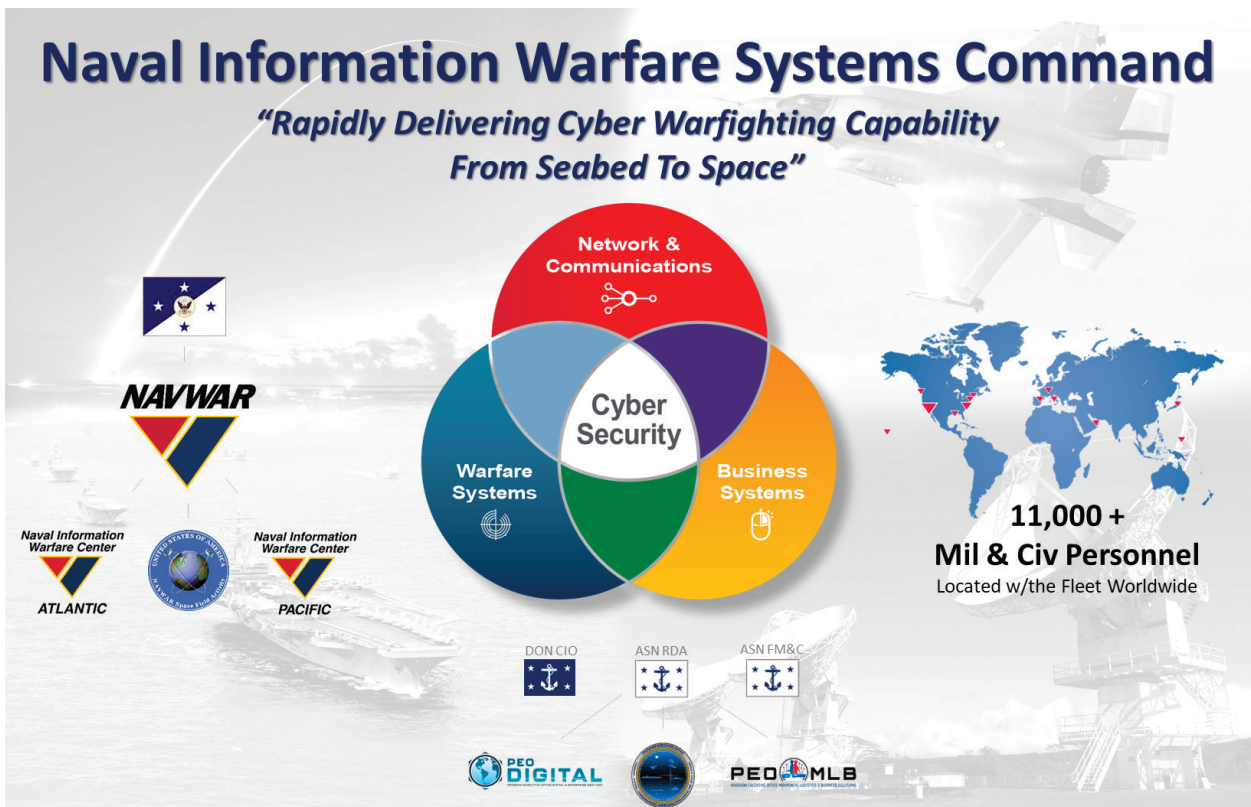
Throughout our report, you will see details of how NAVWAR's economic impact reaches many sectors of our local economy and how innovation and technology connect to our schools, universities, and local businesses.

NAVWAR CONTRACTS BY STATE \$7.3 Billion Contracted to Industry FY22



ABOUT NAVWAR

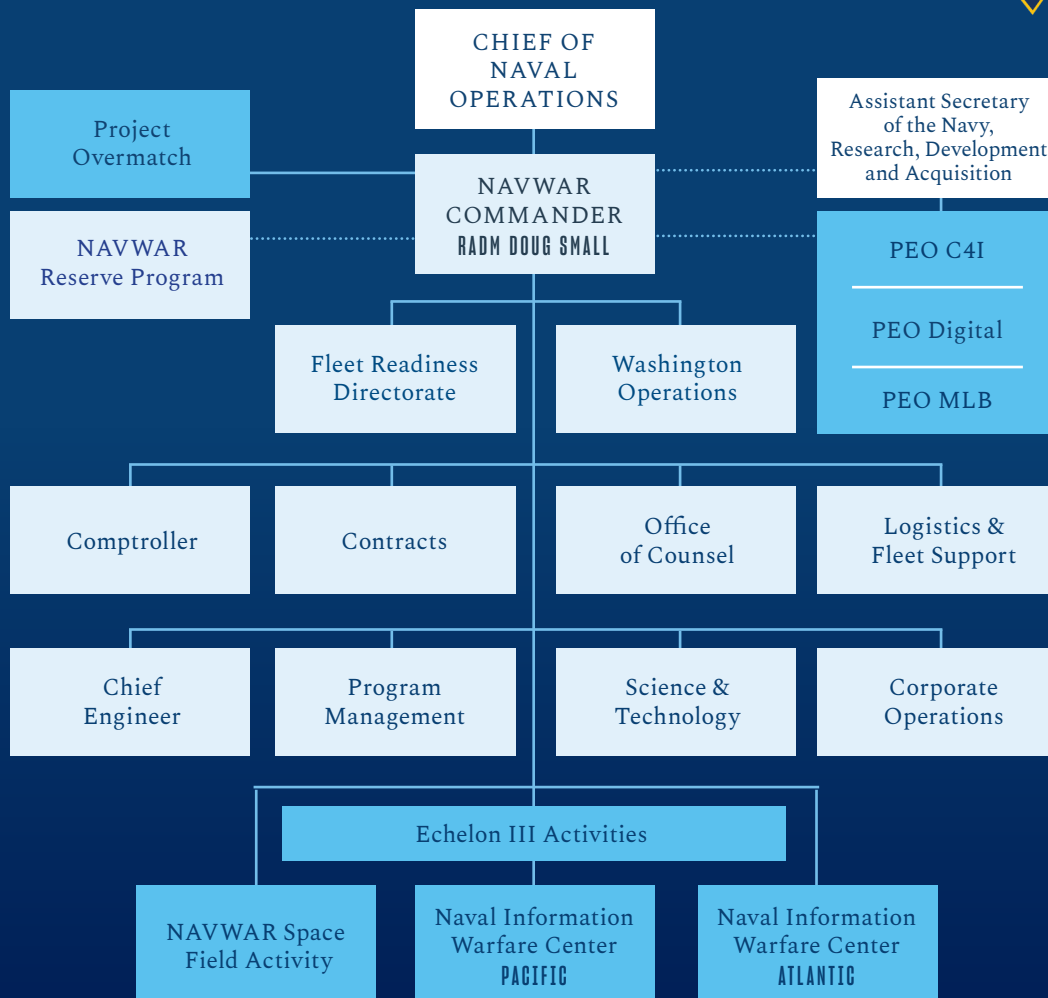
The U.S. Navy's Naval Information Warfare Systems Command (NAVWAR) provides the critical networks, sensors, and systems to connect air, surface, subsurface, space, and cyberspace military assets critical to the Navy's cybersecurity and information warfare mission.



NAVWAR is responsible for identifying, developing, delivering, and sustaining information warfighting capabilities to enable naval, joint, national, and coalition operations across all warfighting domains. Within the Department of the Navy, NAVWAR is classified as an Echelon II organization, meaning it reports directly to the Chief of Naval Operations.



ORGANIZATION



NAVWAR consists of bicoastal reporting Naval Information Warfare Centers (NIWCs), which collectively account for more than 11,000 civilian, active duty, and reserve professionals worldwide. NIWC Pacific's location in San Diego provides additional synergies through their research, development, prototyping, engineering, test and evaluation, installation, and sustainment of integrated information warfare capabilities and services across all warfighting domains with emphasis on basic and applied research and tactical systems afloat and ashore to drive innovation and warfighter information advantage.

As the preeminent provider of information warfare capabilities driving operational dominance from the seabed to space,

NAVWAR focuses on three strategic objectives: foster a world class workforce, ensure information readiness, and lead naval digitalization. As the Navy's only acquisition headquarters command outside of Washington DC, NAVWAR is responsible for identifying, developing, delivering, and sustaining information warfighting capabilities to enable Naval, Joint, National, and Coalition Force operations across all warfighting domains. Previously known as Space and Naval Warfare Systems Command (SPAWAR), then Chief of Naval Operations, Admiral John Richardson, renamed this vital organization in 2019 to recognize the evolution of information as a fundamental element of warfare and an essential concept of the Department of the Navy's strategy.

NAVWAR OPERATIONS

At the headquarters, NAVWAR provides research and development, systems engineering, testing and evaluation, and technical support services through its respective acquisition Program Executive Offices (PEOs) during all phases of a program's lifecycle.

NAVWAR's San Diego headquarters' operations support over 150 separate Navy programs, managed by three Program Executive Offices (PEOs). PEO for Command, Control, Communications, Computers and Intelligence (PEO C4I) is in San Diego, while PEO Manpower, Logistics, and Business (PEO MLB) and PEO Digital are located in Washington, D.C. Also, NAVWAR oversees three subordinate commands: Naval Information Warfare Center (NIWC) Atlantic in Charleston, S.C.; NAVWAR Space Field Activity in Chantilly, Va.; and NIWC Pacific

in San Diego. *Nearly half of NAVWAR's global employees are based in San Diego, most of whom are assigned to NIWC Pacific.* With significant laboratory and support facilities, NIWC Pacific's focus is research, development, engineering, and support of integrated C4ISR, cyber, and space systems across all warfighting domains. It rapidly prototypes, conducts testing and evaluation, and provides acquisition, installation, and in-service engineering support for the Navy and other sponsors.



WHAT WE DO TO SUPPORT THE FLEET

Acquisition Support



C4ISR, Space, & Enterprise Info Systems RDT&E



Support PEOs

Fleet Readiness

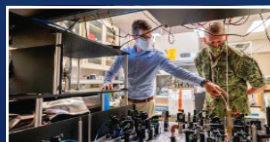


Maintenance & Modernization

Cyber



Cyber Security



Technical Authority



Contracting Authority



Readiness



PROGRAM EXECUTIVE OFFICE COMMAND, CONTROL, COMMUNICATIONS, COMPUTERS AND INTELLIGENCE (PEO C4I)

is the Navy's first line to acquire the right communication and technology tools to deliver affordable, integrated, and inter-operable information warfare capabilities to the fleet. PEO C4I is headquartered at NAVWAR's Old Town Campus in San Diego. It includes ten program offices responsible for acquiring, fielding, and supporting C4I systems extending across Navy, joint, and coalition platforms. This includes managing acquisition programs and projects covering all C4I disciplines.



PROGRAM EXECUTIVE OFFICE MANPOWER, LOGISTICS, AND BUSINESS (PEO MLB)

is the Department of the Navy's manpower, logistics, and business solutions information technology acquisition agent. The systems and solutions PEO MLB develops, acquires, and delivers, are the backbone enabling the Department of the Navy's (DON) day-to-day administrative, business, and financial operations. PEO MLB provides Sailors, Marines, DON civilians, and their support systems with the services needed to complete their missions and the tools to manage their careers.



PROGRAM EXECUTIVE OFFICE DIGITAL AND ENTERPRISE SERVICES (PEO DIGITAL)

is the DON's enterprise-wide information technology acquisition agent. PEO Digital is digitally transforming systems to evolve and deliver modern capabilities and technologies to maintain a competitive edge while meeting demand signals from user communities. The challenge is delivering the tools required by the DON with speed, agility, and affordability.

NAVWAR OPERATIONS *continued*

Project Overmatch is a Naval effort focused on establishing and sustaining sea control. Headquartered in NAVWAR facilities, and supported by the PEOs, Overmatch's importance is underscored by the participation of all Navy and Marine Corps System Commands.

Created in October 2020, Project Overmatch is the Navy's number two development priority and the Naval contribution to the Department of Defense's (DOD's) Combined Joint All Domain Command and Control (CJADC2). Overmatch is a multi-command effort to synchronize lethal and non-lethal effects and connect manned and unmanned systems in a robust naval operational architecture that integrates command and control across the joint force.

In October 2022, Deputy Defense Secretary Kathleen H. Hicks said, *"The Navy's Project Overmatch will play a key role in maintaining decision advantage over our adversaries, connecting platforms, weapons, and sensors across all warfighting domains for a more lethal joint force. That integration is the key to ensuring the Department of Defense remains the world leader in cutting-edge innovation."*

NAVWAR contributes to Project Overmatch in developing networks, infrastructure, data architecture, tools, and analytics in the operational and developmental environment that supports the Naval Operational Architecture. It is doing so by working across Navy and Marine Corps System Commands and leveraging the latest in digital technologies, artificial intelligence, machine learning, development/security/operations frameworks, and information and networking software technologies for improved fleet lethality. NAVWAR also leads the installation, sustainment, and training for Overmatch capabilities.



Former Chief of Naval Operations Admiral Mike Gilday created Project Overmatch and quickly established it as his number two priority, just behind the delivery of a new class of ballistic submarines. Importantly for San Diego, the work was assigned to NAVWAR headquarters, where the command's time and talent were focused on a project whose importance was disproportionate to its publicity. According to NAVWAR, the work began with a small group but has grown to more than 50 people inside the headquarters, with additional collaboration from other Navy commands and key industry partners. The work centers on analytics, networks, data, and infrastructure (including computing and platforms).

According to Defense News, NAVWAR's Commander Rear Adm. Douglas Small said the commercial industry can do what the Navy wants to do – *remotely send software updates to address security gaps or capability improvements without creating user risks*. Small told Defense News this high-priority effort remains on track for a planned deployment of the new capabilities to a carrier strike group in 2023 and in the coming years.

Increasing from \$73M in 2022 and \$195M in 2023, the Department of the Navy included almost \$200M for Project Overmatch in their Fiscal Year 2024 budget request to build upon the work already completed, including laboratory testing in San Diego and testing at sea. This work is also part of the Department of Defense's larger multi-billion-dollar effort on Joint All Domain Command and Control. As a top Navy priority, this work will improve unmanned and manned systems integration, particularly in intelligence surveillance and reconnaissance.

Managed in San Diego, Project Overmatch brings together the talent at NAVWAR, a large Navy and Marine Corps concentration area, unsurpassed military training and testing ranges, and a Pacific-facing location where emerging threats are a national priority.

NAVWAR'S ECONOMIC IMPACT

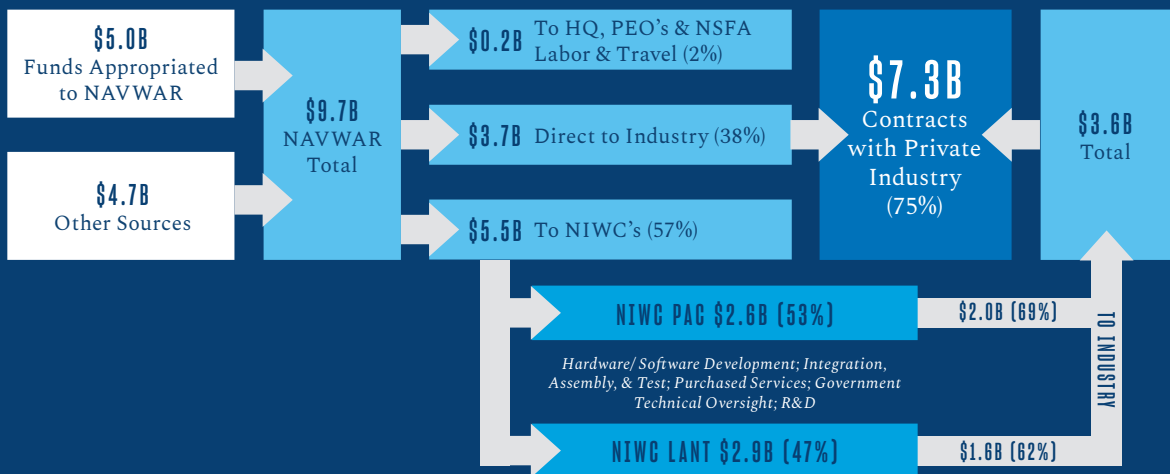
NAVWAR's total budget in Fiscal Year 2022 was more than \$9.7B, with about half provided by direct Congressional appropriations and half sourced by other U.S. Government agencies through their budgets.

NAVWAR can accept funding from other parts of the government for specific products and services for work executed through NIWC Pacific and Atlantic. These commands operate as Navy Working Capital Fund (NWC) organizations, a revolving fund operation that relies on revenue from NAVWAR and other agencies rather than direct Congressional appropriations. The level of NWC funding received is based on customer demand and NAVWAR's capacity. These other U.S. Government agencies include other parts of the Navy and Department of Defense (DOD), the Department of Energy, the Department of Transportation, and the Department of Homeland Security, as well as international

work funded through DOD's Foreign Military Sales program.

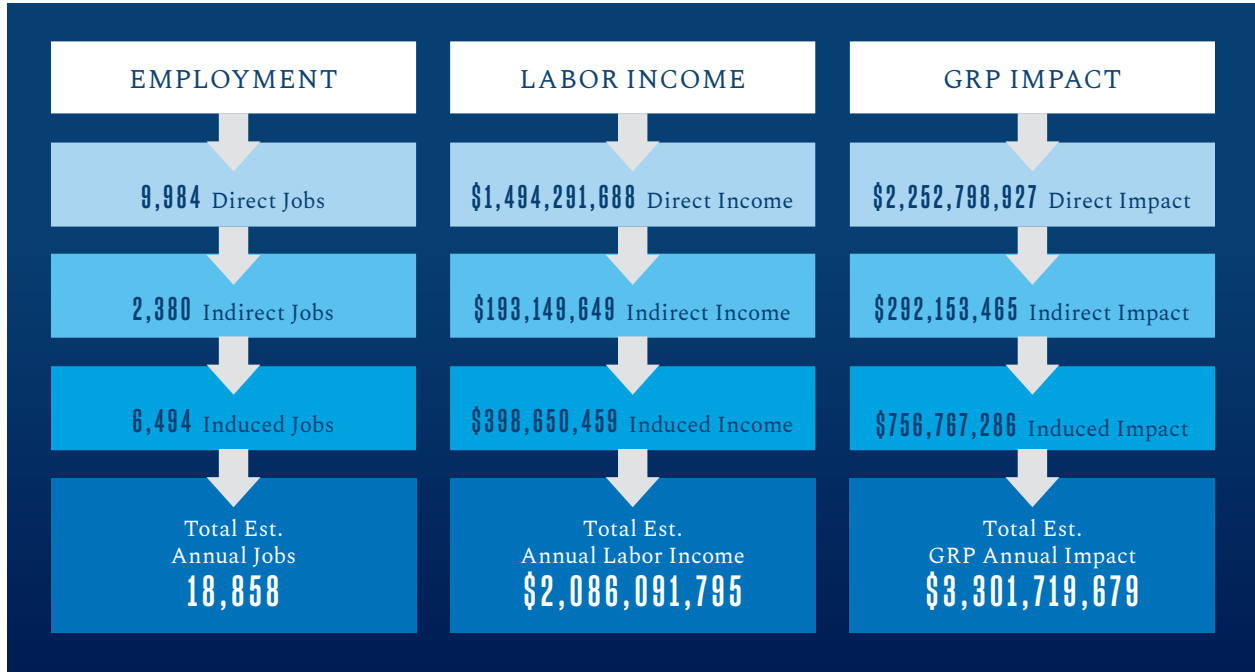
Although NAVWAR conducts research and other work internally, it also outsources a large amount to private industry. In FY 2022, \$3.7B of the total \$9.7B of new funding was immediately outsourced to commercial companies, and another \$5.5B was allocated to NIWC Atlantic and NIWC Pacific. These commands then contracted out \$3.6B to private companies. As a result, in FY 2022, the private sector received \$7.3B of contracts funded through NAVWAR. This amount was equivalent to about 75.3% of NAVWAR's funds available for the year.

NAVWAR MACRO FUNDS FLOW - FY22



NAVWAR'S ECONOMIC IMPACT *continued*

The specific and probable economic impact on the San Diego Region of NAVWAR is shown below, with direct, indirect and induced effects on employment, labor income, and the Gross Regional Product (GRP).



NAVWAR impacts San Diego's economy and community through several different avenues. These channels include contracts awarded to San Diego businesses, NAVWAR's employees, spending for operations and maintenance, NAVWAR-related tourism, patents, Government Purchase Card payments, and NAVWAR's contribution to science, technology, engineering, and math (STEM) education. Contracts and compensation make up the vast majority of the economic benefit to the San Diego region, accounting for well over 90% of the economic benefit. However, the specific areas of tourism, STEM education and patent development make NAVWAR a valuable community partner.

NAVWAR AREAS OF IMPACT IN SAN DIEGO

- CONTRACTS
- COMPENSATION
- TOURISM
- OPERATIONS/MAINTENANCE
- PATENTS
- GOVERNMENT PURCHASE CARDS
- STEM EDUCATION

1. CONTRACTS

NAVWAR's contracts awarded to businesses in San Diego represent its largest direct contribution to our region's economy. The funding for many contracts may span several years as projects work their way to completion. The dollar value of work done on previous and current contracts in FY 2022 is estimated at \$1.74 billion. Both large and small businesses benefit from contracts awarded by NAVWAR. Viasat, Booz Allen Hamilton, SERCO, and Science Applications International Corporation (SAIC) each received total NAVWAR contract awards exceeding \$75M in FY 2022. Small businesses received more than \$644M, about one-third of NAVWAR contracts, in FY 2022. Some of these small firms included KOAM Engineering Systems, SENTEK Consulting, Systems Technology Forum, and Cameron Bell Corporation. Companies, both large and small, receiving NAVWAR contracts are dispersed throughout San Diego County. Some of the largest clusters, in terms of the value of contracts, are in Carlsbad, Serra Mesa, and in San Diego near NAVWAR's offices. Engineering, communications equipment, computer system design, specialized equipment manufacturing, and research and development represented the primary areas receiving NAVWAR contract awards in FY 2022. This reflects NAVWAR's mission to provide communications, network capabilities, and technology to support information warfare.



CONTRACTS WITH SMALLER SAN DIEGO COMPANIES

KOAM Engineering Systems, Inc.	\$37,765,855
SENTEK Consulting Inc.	\$32,141,551
Systems Technology Forum LTD	\$31,298,673
Cameron Bell Corporation	\$28,022,336
Tactical Engineering & Analysis, Inc.	\$24,197,535
Indus Technology Inc.	\$23,451,203
G2 Software Systems, Inc.	\$16,871,256
Cypher Analytics, Inc.	\$16,332,667
Lafayette Group, Inc.	\$16,315,018
Centurium Information Technology	\$16,142,486

CONTRACTS WITH MAJOR SAN DIEGO COMPANIES

Booz Allen Hamilton Inc	\$267,743,218
Viasat	\$233,786,855
SAIC	\$116,856,444
Serco Inc	\$88,467,295
Leidos	\$26,442,148
VT Milcom	\$25,777,164
Deloitte Consulting	\$23,587,327
Vectrus Systems Corp	\$21,076,677
Innovasystems International	\$20,517,936
General Dynamics Information Technology	\$17,487,177

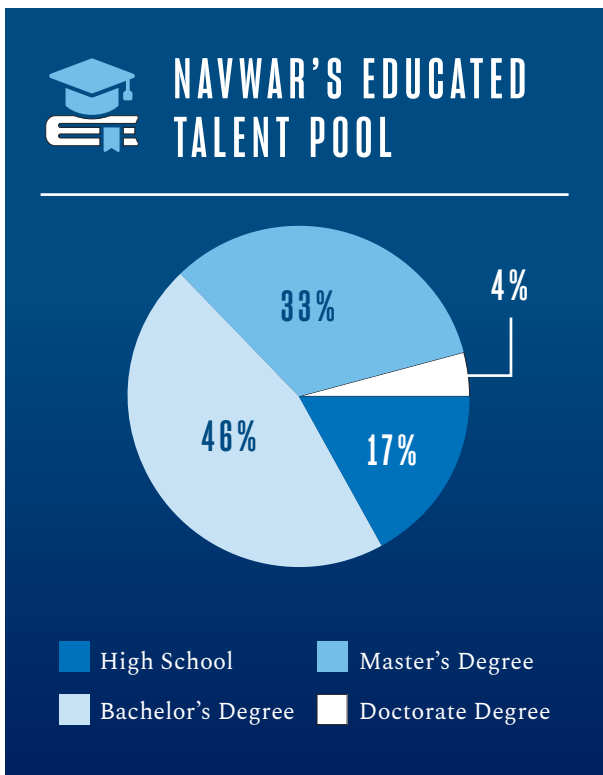
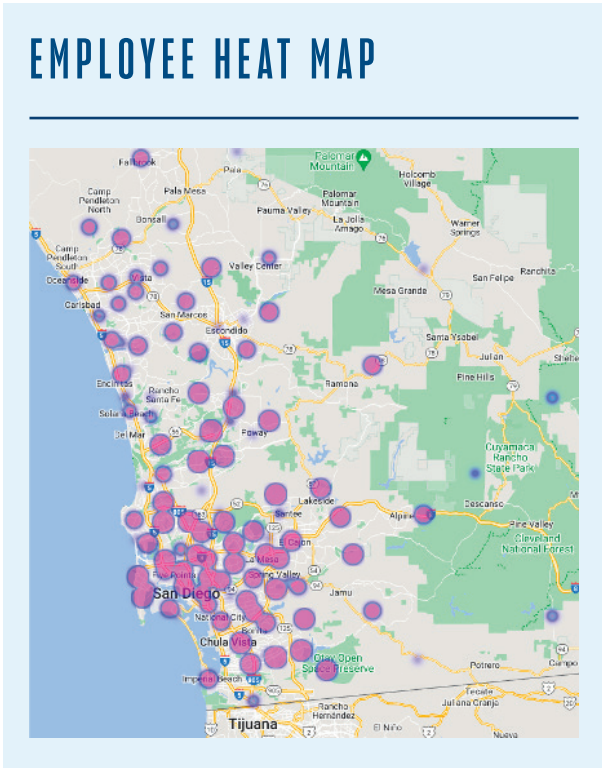
Project Overmatch, the Navy's number two development priority, has a budgeting trend that reflects its emerging importance. This project is the Navy's contribution to the Department of Defense's (DOD's) Combined Joint All Domain Command and Control (CJADC2) and has seen funding increase from \$73M in 2022 to \$195M in 2023. Overmatch is a multi-command effort to synchronize lethal and non-lethal effects and connect manned and unmanned systems in a robust naval operational architecture that integrates command and control across the joint force.

NAVWAR'S ECONOMIC IMPACT *continued*

2. NAVWAR PERSONNEL AND PAYROLLS

NAVWAR employed a total of over 5,300 people in San Diego in FY 2022, consisting of 292 military members and 5021 civilian employees. Their combined compensation, including wages and benefits, totals \$910M. NAVWAR's workforce is highly educated. More than four-fifths of its personnel hold at least a four-year college degree. About two-fifths hold a Master's or Doctorate degree. This education level is necessary for the types of jobs that NAVWAR supports, with nearly 36% of NAVWAR's employees working in engineering or science, while another 30% support information technology (ITO Project management, program analysis, contracting support, and quality control making up 22%.

NAVWAR's employees live throughout the San Diego region with the highest concentrations near its Old Town San Diego and Point Loma offices. The biggest clusters are in Chula Vista, Point Loma, and Ocean Beach, followed by Clairemont Mesa. Large numbers also live in North and East Counties, including Mira Mesa and Rancho Peñasquitos communities.



3. OPERATIONS AND MAINTENANCE

NAVWAR spends significant funds to operate and maintain its local facilities. Expenditures on repairs and renovations plus outlays for utilities (water, gas, and electricity) comprised the largest spending categories. Security and other building services, such as landscaping and janitorial, accounted for significant operations and maintenance budget shares. While relatively small compared to the total amount of NAVWAR dollars flowing into the region, operations and maintenance funds benefit a variety of San Diego enterprises.

4. TOURISM

NAVWAR's headquarters' presence and large employee base help San Diego's tourism industry. Dollars from outside the area come from several local conventions held in San Diego, attracted to NAVWAR's contracting importance, as well as government and business visitors to NAVWAR offices, and friends and family visiting NAVWAR employees in San Diego County. The annual "WEST Symposium"

is the largest maritime convention on the west coast, organized by the Naval Institute and Armed Forces Communications & Electronics Association (AFCEA), focusing on NAVWAR's vital role in leading C4ISR technology. Also, the annual "Gold Coast Symposium" is hosted by the National Defense Industrial Association (NDIA) in partnership with the Navy. This convention is aimed at small businesses interested in NAVWAR contracts as prime contractors or sub-contractors to the many large businesses holding NAVWAR contracts. Several other smaller industry conferences related to NAVWAR are held in hotels and other facilities throughout San Diego each year. Without NAVWAR, these meetings would likely be held somewhere other than San Diego.

NAVWAR receives many business and government partners doing business on various projects during the year. These face-to-face meetings are often essential for implementing and coordinating complex initiatives. In FY 2022, nearly 16,000 badges were issued for access to the controlled and restricted areas of NAVWAR at its different locations. Friends and family members of the approximately 5,300 NAVWAR employees in San Diego County also boost leisure travel to the region. Visits can be short or extended but can contribute to spending for lodging, restaurants, transportation, and various entertainment venues in the area. Between business visits and friends and family visits of NAVWAR's employees, NAVWAR is a major contributor to the tourism economy with money being spent on hotels, food, local transportation, and entertainment.

5. PATENTS

NIWC Pacific is a major source of innovation in San Diego, and its local employees are prolific producers of patents. In FY 2022, they were responsible for more than 140 new patent-related activities. A total of 33 new patents were issued, while 54 filings for new patents were made, and 59 documented concepts or disclosures were processed.

NIWC Pacific holds nearly over 500 active patents. These cover such areas as basic electric elements, computing and calculating, electrical communications, instrument

measuring and testing, and optics.

NAVWAR San Diego represents an important conduit for transferring technology from the government to the private sector. A Cooperative Research and Development Agreement (CRADA) allows NIWC Pacific and a non-federal government partner to collaborate in a technical area and share mutually beneficial results. In FY 2022, NIWC Pacific launched 50 new CRADAs as part of its technology transfer program.

6. GOVERNMENT PURCHASE CARDS

Department of Defense organizations often use Government Purchase Cards (GPCs) for "micro-purchases." GPC spending by NAVWAR in San Diego totaled an estimated \$25.8M in FY 2022. This spending benefited various businesses selling or producing electronics equipment and components, hardware and abrasives, instruments and laboratory equipment, and providers of various business services.

7. STEM OUTREACH

Keeping up with the demand for individuals educated and trained to work in high technology fields remains one of San Diego's major challenges. The region's schools are tasked with providing the most relevant STEM curricula and inspiring students to follow STEM careers. NAVWAR is actively involved in bridging any gaps within STEM through its involvement with local K-12 schools and universities. Through its diversity initiative, NAVWAR hosts numerous events and projects with young students to create interest in STEM. It provides internship opportunities for local high school and college students and is highly involved in providing mentoring partnerships. It also sponsors various events to foster interest in STEM among students, organizes classroom demonstrations, and participates in science fairs.

NAVWAR employees devote sizable amounts of their own time to supplementing STEM education and encouraging young people to pursue STEM careers.



NAVWAR AND SAN DIEGO

The Navy and NAVWAR, in particular, is one of the most important basic economic drivers in San Diego. Unlike the tourism industry, the military related activities are resilient and add significant economic stability to the region. Benefits from such a stable segment of the economic base cannot be overstated and help balance out the much more vulnerable sectors of our regional economy.

The synergies developed between NAVWAR and San Diego have proven beneficial for the Navy, San Diego, and our national security. With nearly half its workforce in San Diego, NAVWAR leverages many of the region's unique advantages. These include its proximity to operational naval forces, training ranges, high-tech industry, and world-class universities. Its co-location with many Navy and Marine Corps operational forces is a primary advantage and why NAVWAR relocated to San Diego from Washington D.C. in 1997. Interaction with fleet customers ensures NAVWAR designs, develops, installs, tests, and evaluates capabilities that match Navy and Marine Corps requirements. On a broader scope, the robust and unique local training areas and ranges serve operational force training and provide opportunities for NAVWAR to develop and test new capabilities.

The high-tech nature of NAVWAR's information warfare capabilities requires close partnership with industry. San Diego has a long tradition of leadership in the telecommunications and defense industries and a technology-rich workforce to support these endeavors. This has fostered the growth of a wide variety of small and large businesses with the structures in place that align with the technical and security requirements of defense acquisition. This hub of qualified vendors supports an effective and competitive acquisition process. Further, the density of cybersecurity industry expertise benefits the core function of NAVWAR's mission of national defense.

High-tech expertise in San Diego extends beyond industry and critically involves academia. NAVWAR is surrounded by exceptional universities and colleges that support its mission in key areas. There are opportunities for formal

cooperative research agreements that particularly benefit the fundamental technology development areas for new capabilities. NAVWAR promulgates Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STIR) program solicitations to conduct research and development that benefit various small firms and NAVWAR. SBIR is small business exclusive, while STIR requires the small business to have a research partner consisting of a university or other qualified non-profit research institution.

San Diego's world-class universities provide access to a vital talent pipeline as students assume internships or move into the workforce after graduation. The region's academic institutions provide convenient access for the continued professional development of NAVWAR's current employees. These university links are particularly important as NAVWAR must attract and retain future talent in the highly competitive technology-centric career fields.

NAVWAR benefits the San Diego region in a wide variety of ways. It is one of the region's top twenty employers, providing the high-paying jobs sought by communities worldwide. It offers positions to new graduates of the region's colleges and universities and helps build the technical expertise sorely needed by enterprises across the San Diego region. NAVWAR has helped to build some of the industry's primary clusters. For example, two-thirds of its employees work in cybersecurity, one of the region's rapidly growing areas. NAVWAR's role in technology transfer is an important driver of innovation and the incubation of new enterprises.

NAVWAR's large volume of contracts supports both large and small businesses and has helped San Diego firms to expand.

Fueled by collaborative innovation and entrepreneurial drive, many small businesses in the San Diego region were founded and have grown as a product of doing business with NAVWAR. Moreover, the operation and maintenance of its San Diego facilities and numerous small-scale purchases provide many local firms with a wide range of business growth opportunities. NAVWAR also contributes to the tourism industry through

its effects on both business and leisure travel. Finally, the desire of NAVWAR's employees to give back to San Diego, such as through the hours they dedicate to support STEM education, is particularly noteworthy. NAVWAR and the San Diego region partnership is the model for how military and civilian communities can work with a great synergy that is mutually beneficial to both.



NAVWAR's headquarters is located on over 70 acres near the intersection of Interstate 5 and Interstate 8 in San Diego's Midway-Pacific Highway community directly on the Amtrack and San Diego Trolley lines - approximately 1.5 miles from downtown and a half-mile from the San Diego International Airport.

Behind the fence lines and within the massive Five-story World War II era aircraft factories, NAVWAR designs, installs and maintains the world's largest intranet, with more than 700,000 military users in 2,500 locations around the world, blocking more than 230 million intrusion attempts per month, while providing and safeguarding the essential services the nation needs for strategic defense, communications, and deterrence.

To execute its high-tech operations and to meet emerging security requirements, NAVWAR must have facilities to support its mission — to identify, develop, deliver, and sustain information warfare capabilities and services that enable naval, joint, coalition, and other national missions. NAVWAR's current deteriorating facilities are not sustainable, or compatible with these growing mission requirements.

In 2019, NAVWAR, together with Navy Region Southwest, embarked upon an effort for the complete redevelopment of the headquarters site known as Naval Base Point Loma Old Town Campus.

On January 9, 2024, the Navy announced it selected Manchester

Financial Group/Edgemoor Infrastructure & Real Estate to enter a period of exclusive negotiations with the government. The Manchester/Edgemoor team also includes: Clark Construction Group as design-builder, HKS as the designer for the government facilities, HOK as master planner and designer for the private development, Dealy Development for entitlements and an impressive array of specialized companies. The Navy will work with Manchester/Edgemoor on multiple options for the private development of OTC, while continuing to evaluate the feasibility of a NAVWAR-only development funded by traditional military construction methods.

The redevelopment has tremendous potential to benefit the region by constructing new residential, commercial, and transportation facilities. Once the Navy and their selected Master Developer begin the detailed planning process for revitalizing the more than 70-acre OTC site, our community will see new benefits beyond the mission-related spending by NAVWAR. The redevelopment will result in construction jobs, the building of housing on most of the property, and improvements to the community's infrastructure and transportation.



SDMAC

The San Diego Military Advisory Council (SDMAC) is a not-for-profit 501(c)(6) organization established in 2004 to advocate on behalf of the military, veterans, and their families living in the San Diego region. SDMAC’s advocacy efforts include facilitating the partnership among our military, elected officials, civic leaders, and the business community to improve the understanding of the important contributions made by the military.

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