



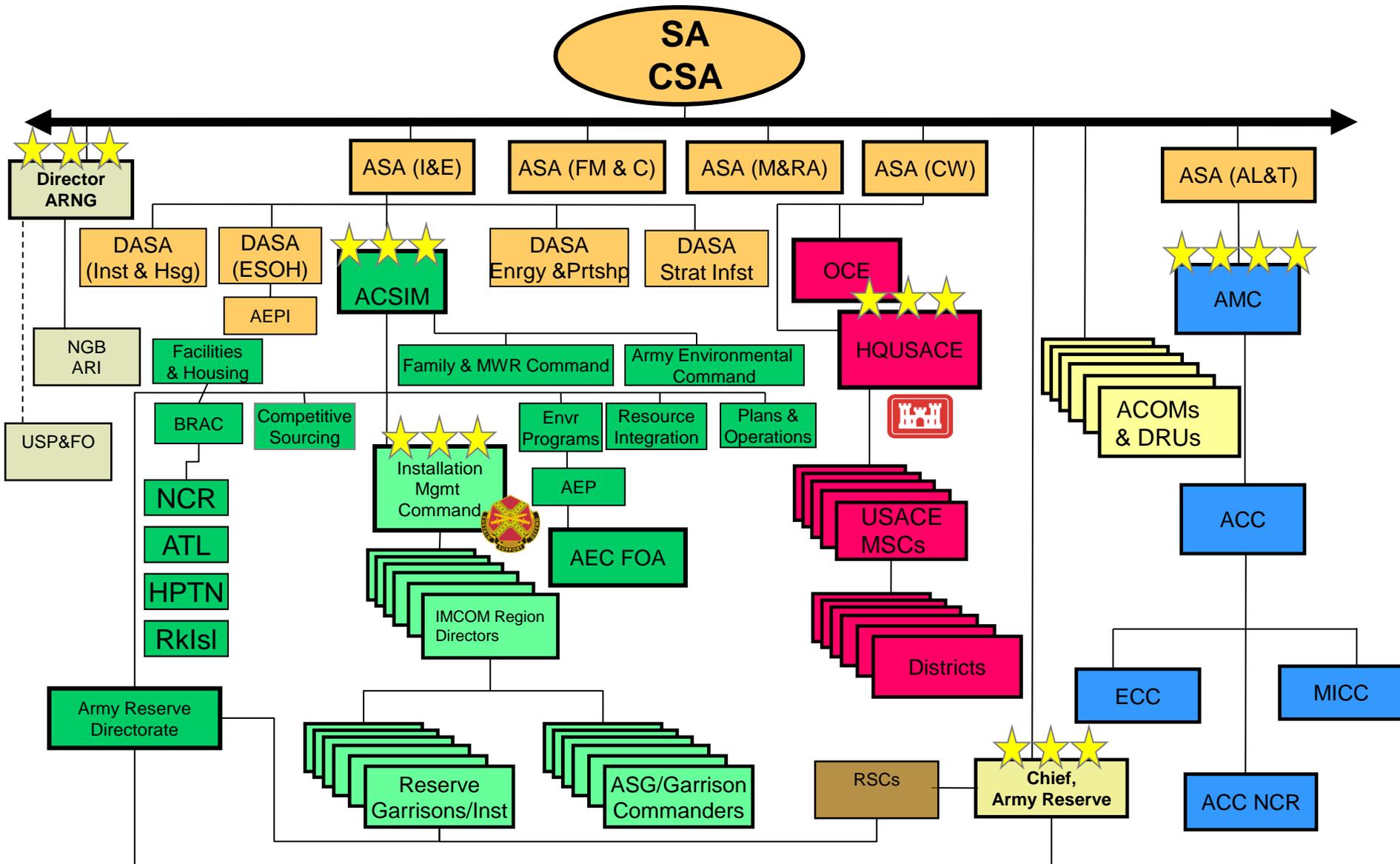
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# ***Real Property Workshop***

**Joe Calcara  
Aug 2010**



# ARMY INTERNAL ALIGNMENT





# ARMY EXTERNAL ALIGNMENT

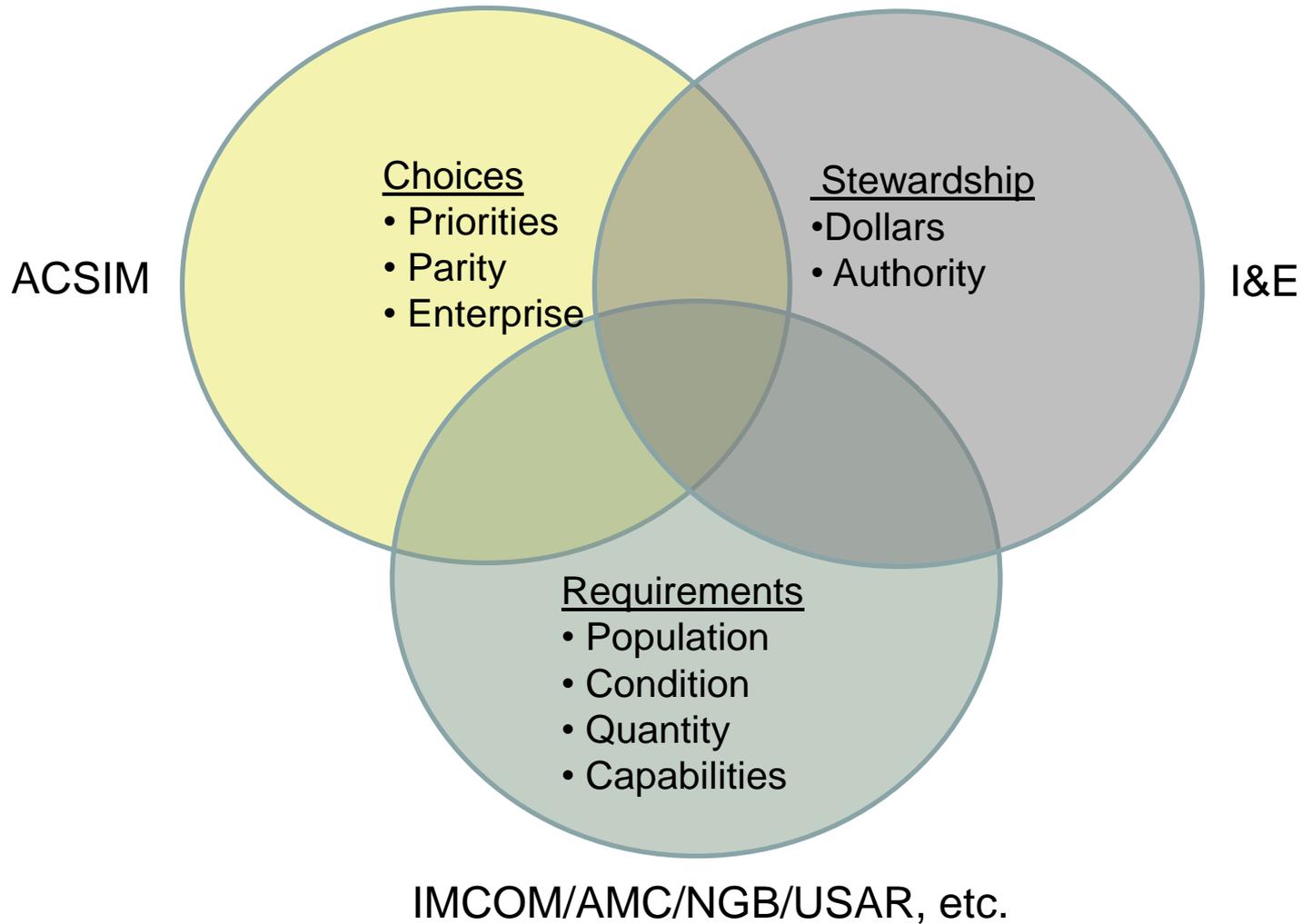
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- **Navy, Marine Corps, Air Force, & OSD**
- **Armed Services Committees (HASC / SASC)**
  - Subcommittee on Readiness
- **House Appropriations Committee (HAC)**
  - Subcommittee on Defense
  - Subcommittee MILCON/VA and Related Agencies
- **Senate Appropriations Committee (SAC)**
  - Subcommittee on Defense
  - Subcommittee MILCON/VA and Related Agencies
- **POTUS, HOGS, and PIGS**

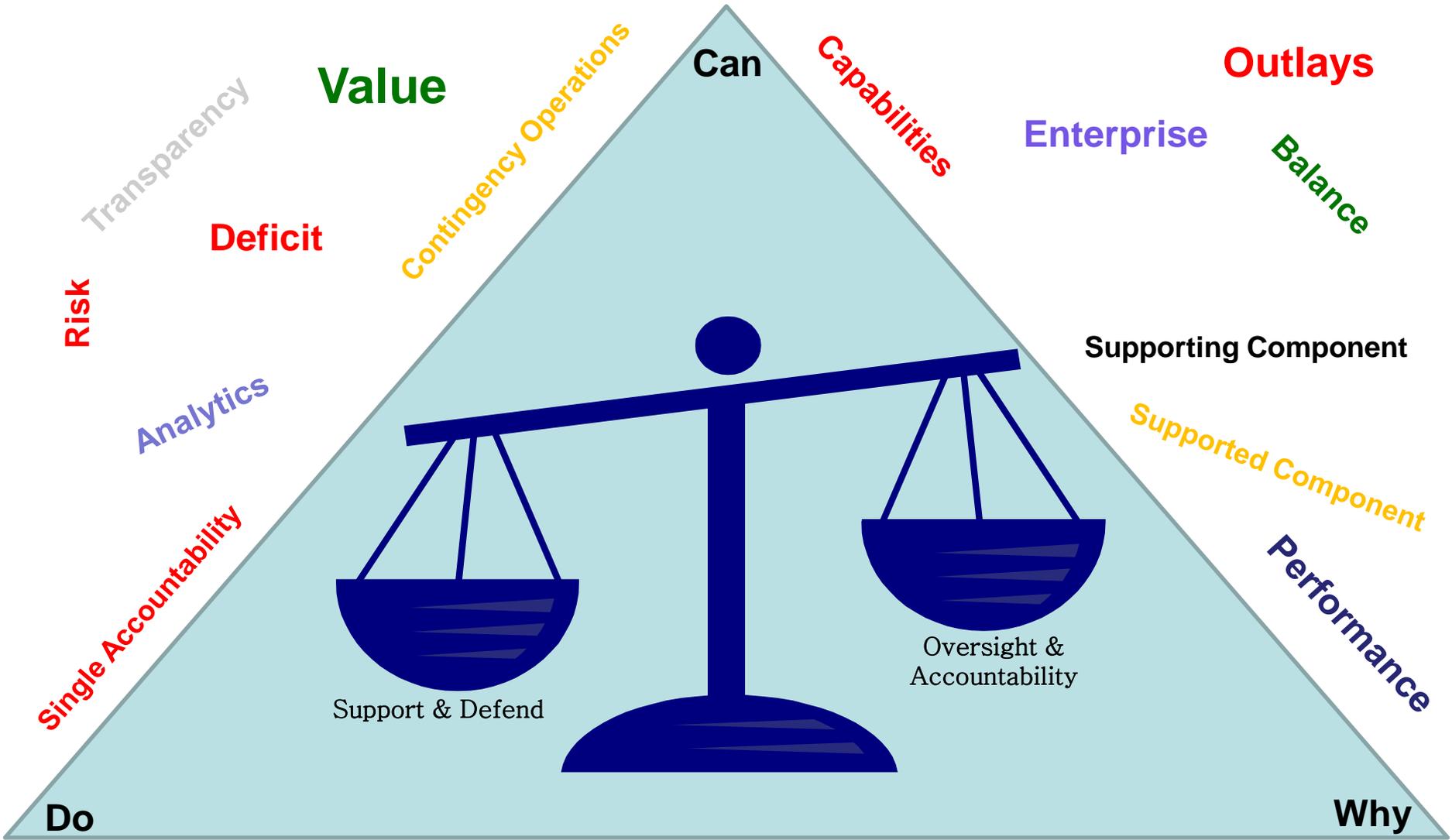


# Strategic Stewarding





# Art & Science





# DASA (I&H) FUNCTIONS



## Title 10 Responsibilities

- Military Construction
  - Congressional Notifications
  - Design Starts
  - Reprogramming Actions
  - Cost / Scope Variation
- Real Property & Real Estate
  - Acquisitions
  - Transfers and Disposals
  - Leases
  - Real Property Exchange
  - Enhanced Use Lease
- Operation and Maintenance
  - Base Operations Support
  - Public Works / Facilities Mgt
  - Sustainment, Repair & Modernization
- Housing / RCI / BPI / UPH /PAL

## Congressional Engagements

- President's Budget
- Hearings / Testimony / Briefs
- Business Clearances
- MCA, MCAR, MCANG, OCO, AFHC, AFHO, OMA, OPA, BRAC & RCI

## Intangibles

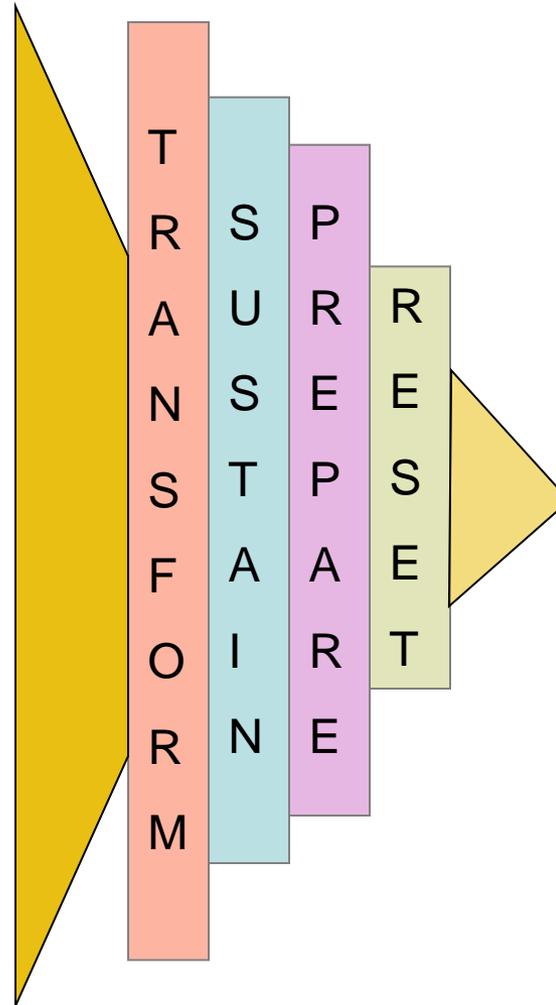
- Leadership
- Value-Added Oversight
- Relationships
- Communications
- Advocacy



# DASA (I&H) – Targeted Outcomes



- Defend the Dollars
  - POM
  - PB
  - CY Execution
- Take the Pain & Explain
  - Leadership
  - Relationships & Communications
  - Value-Added Oversight
- Make It So
  - Policy
  - Prerogative
  - Protocol



- Grow the Army
- BRAC/GDPR
- Army Modular Force

- Family Housing
- Barracks
- Training Barracks
- Quality of Life

- Mission & Training

- Warrior in Transition
- Army Family Covenant



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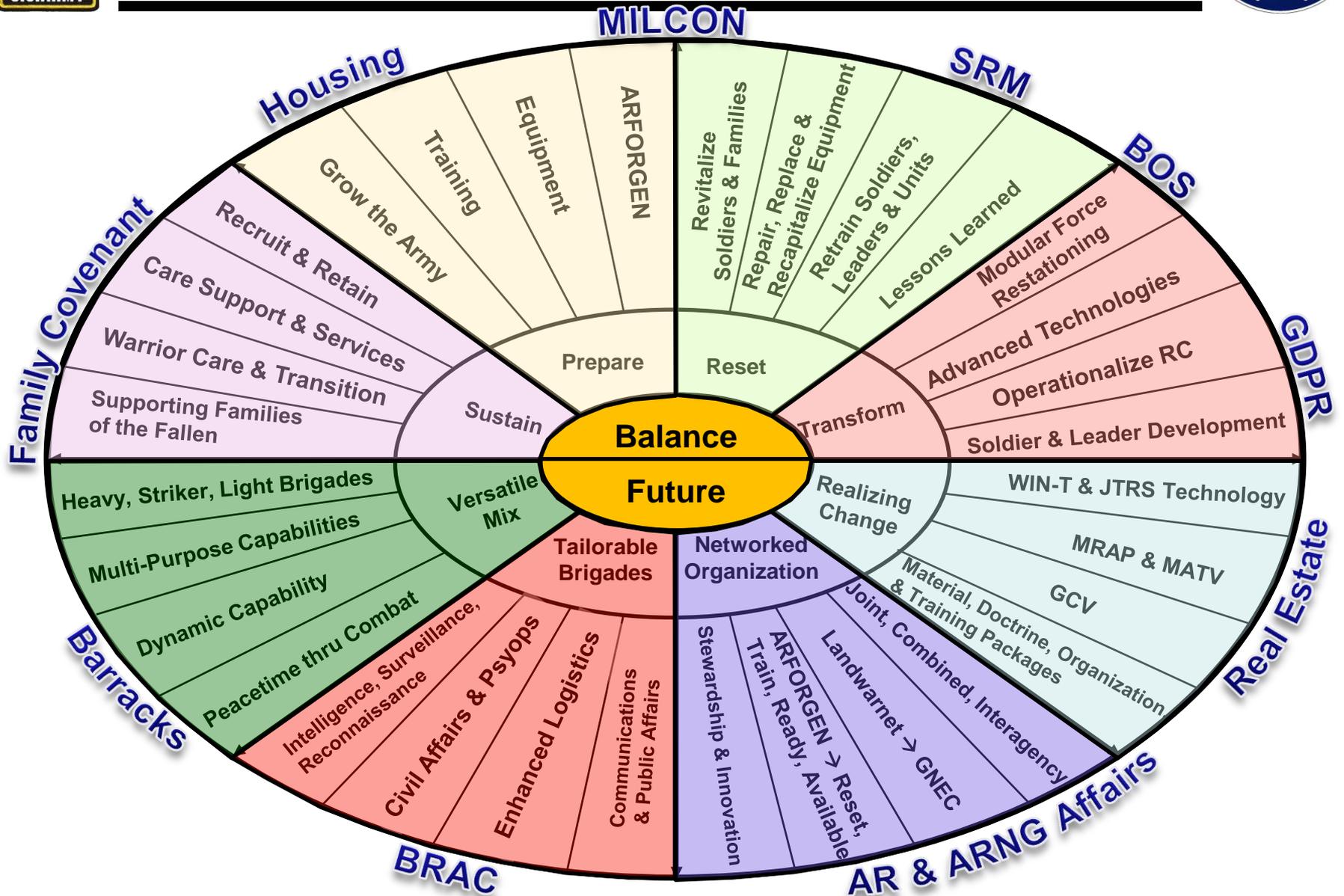
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# Corporate Posture





# Global Defense Posture Realignment

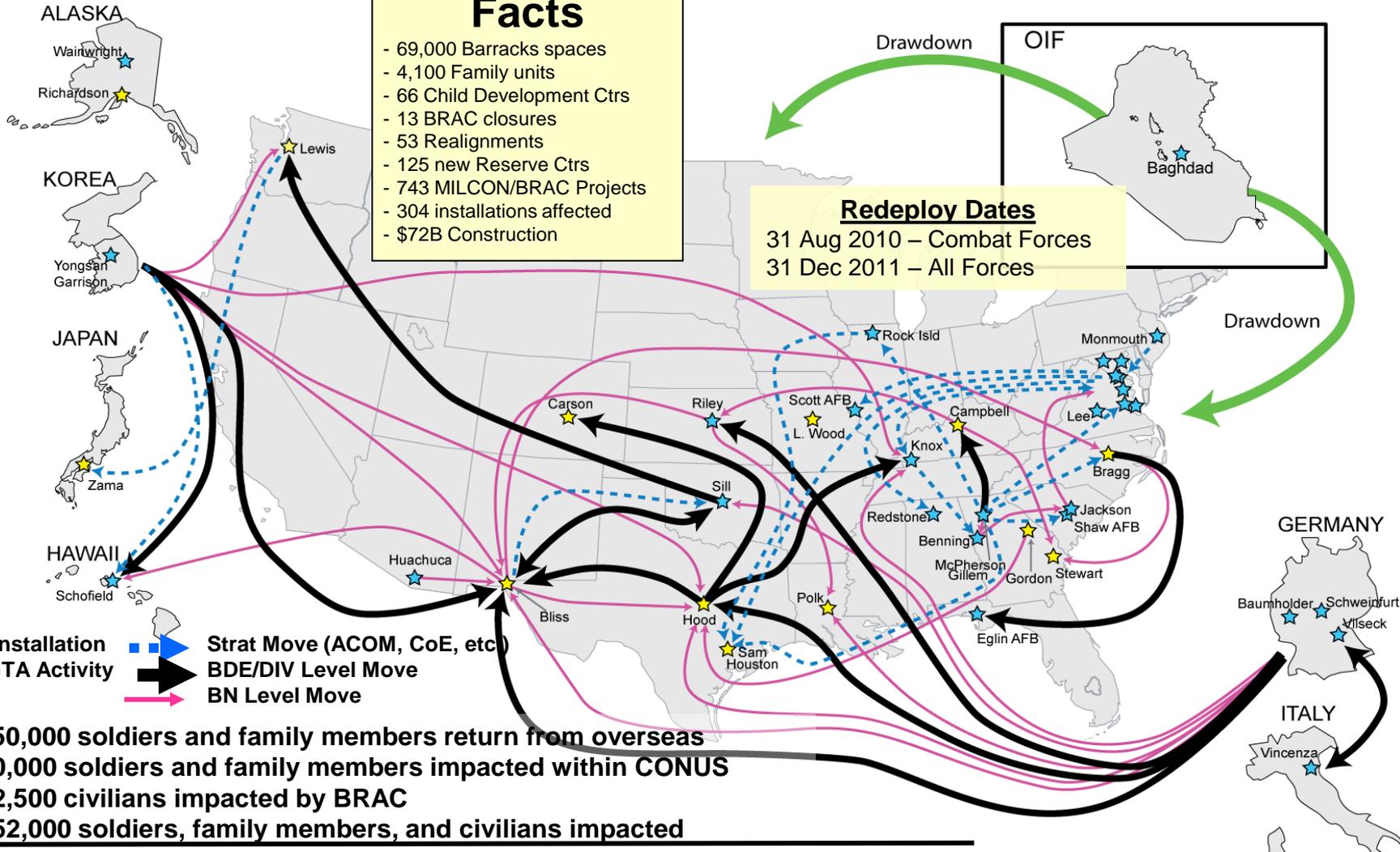


**Facts**

- 69,000 Barracks spaces
- 4,100 Family units
- 66 Child Development Ctrs
- 13 BRAC closures
- 53 Realignments
- 125 new Reserve Ctrs
- 743 MILCON/BRAC Projects
- 304 installations affected
- \$72B Construction

**Redeploy Dates**

31 Aug 2010 – Combat Forces  
31 Dec 2011 – All Forces



~150,000 soldiers and family members return from overseas  
 + ~80,000 soldiers and family members impacted within CONUS  
 + ~22,500 civilians impacted by BRAC  
 = ~252,000 soldiers, family members, and civilians impacted

**Annually, ~100,000 soldiers deploy to and redeploy from Iraq & Afghanistan in unit packages**



# Army Installations Strategic Context



Our Army is executing a tightly-woven, operationally-synchronized plan with a Military Construction Program supporting the transformed Army with limited resources

- **Our Army continues its largest organizational change since World War II**
  - Transformation to a Brigade centric, Modular force
  - Relocate ~ 1/3 of the force
  - Growing the force to 547,400 Active Component; 358,200 National Guard; 206,000 Army Reserve; with authority to temporarily increase to 562K in 2010, and 569K in 2012
  - Completing BRAC 2005
- **MILCON Strategy supporting these changes**
  - Completes facilities to implement BRAC law by 2011
  - Complete Global Defense Posture Realignment by FY13
  - Grow the Army (3 BCT's by FY11; CS/CSS units by FY13)
  - Synchronize QOL facilities investments with Army transformation
  - Buy out Permanent Party Barracks by FY13, available for occupancy by FY15
  - Buy out Training Barracks by FY15, available for occupancy by FY17
  - Improve and maintain existing Infrastructure and Family Housing



# BRAC 2005 Implementation



- Army is in the 5<sup>th</sup> Year of the 6-Year BRAC 2005 window
- On track to fully implement by 15 September 2011 deadline
- Major accomplishments
  - Obligated 86% of the \$16.4B received to date
  - Awarded 321 major military construction projects; 105 have been completed
  - Completed or initiated 54% (623 of 1,147) actions required to complete the Army BRAC recommendations
  - Closed 6 major Army installations (Kansas, Mississippi, Lone Star and Riverbank AAPs , Newport Chemical Depot, USAG Selfridge) and 1 minor (C.E. Kelly Support Ctr) and 25 US Army Reserve Centers
  - Disposed of 4,308 acres of excess property

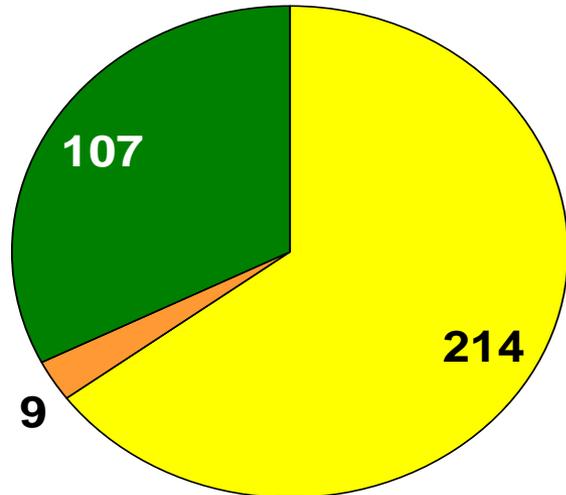


# Where Is The Army In BRAC Execution



## 330 BRAC Construction Projects (USACE & Army National Guard Executing)

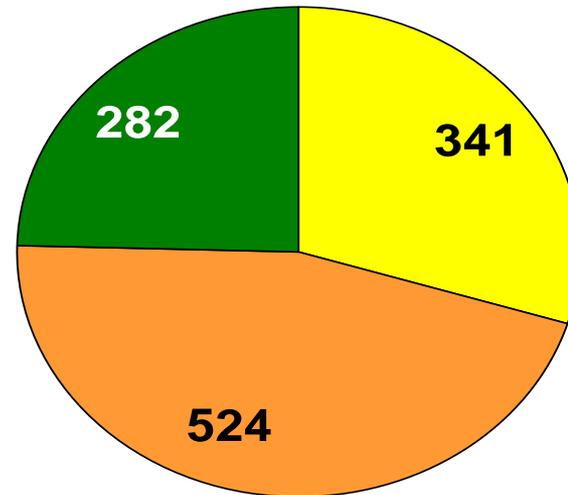
97% under construction or complete



- Remaining to be Awarded
- Under Construction
- Completed

## 1,147 Total Army Actions

54% initiated or complete



- Remaining
- Initiated
- Completed

**BRAC is on track to complete all mandatory actions by the mandated suspense of 15 Sep 11**

Note: Multiple MILCON projects may support a single action or a single project may support multiple actions.





# Major FY11 Property Conveyance Projections

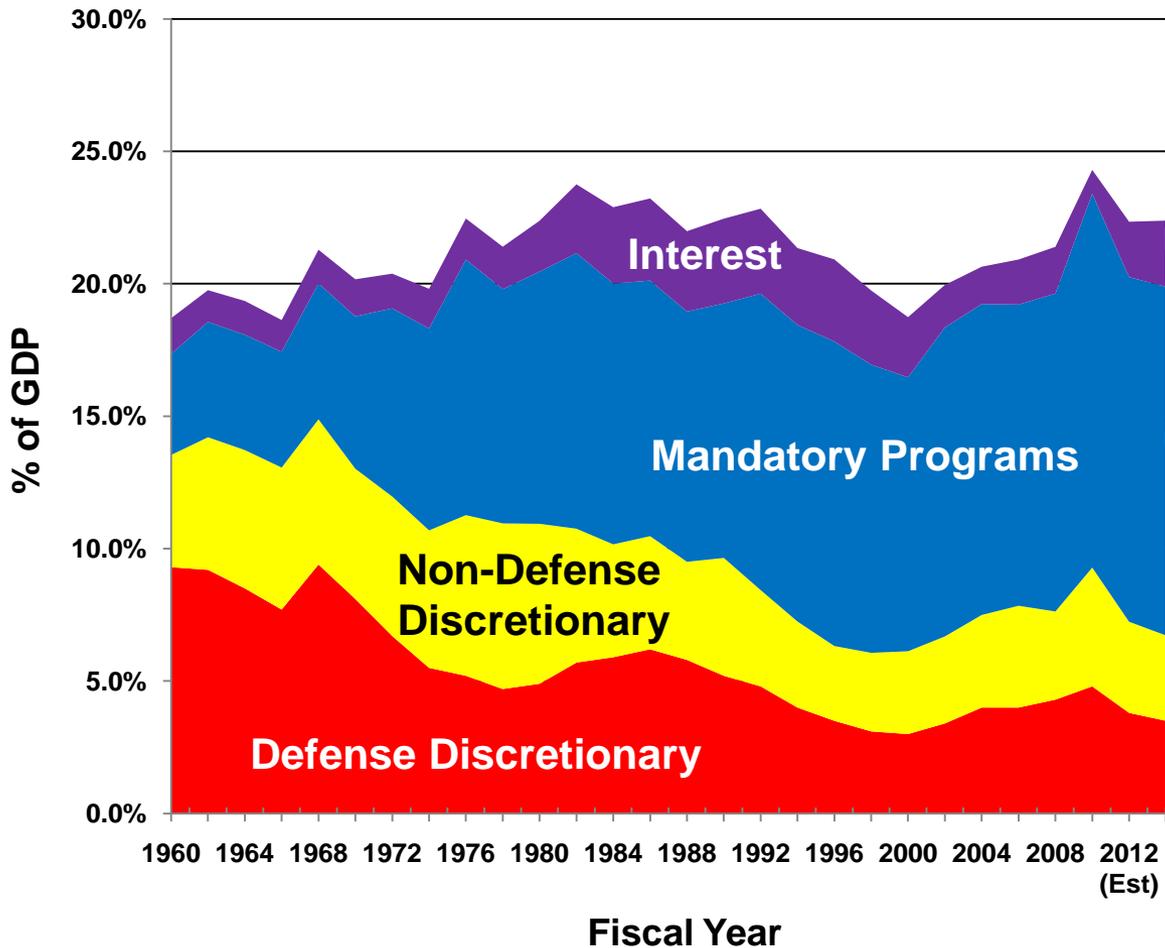


FY11 property conveyance projections are being developed and may include:

- **BRAC 2005 (~15,600 acres)**
    - Kansas AAP 4,000 acres
    - Newport CD 7,000 acres
    - Lone Star AAP (WEP) 3,800 acres
    - Riverbank AAP 170 acres
    - Reserve Component (up to 85 facilities) 600 acres
  
  - **Legacy BRAC (~1,400 acres)**
    - Savanna AD 750 acres
    - Seneca AD 270 acres
    - Letterkenny AD 265 acres
    - Ft Ord 130 acres
  
  - **Non-BRAC Excess (~1,400 acres)**
    - Rocky Mountain Arsenal 1,300 acres
    - Longhorn AAP 130 acres
    - Twin Cities AAP 20 acres
- Total ~ 18,400 acres**



# Federal Outlays



No option; Must pay

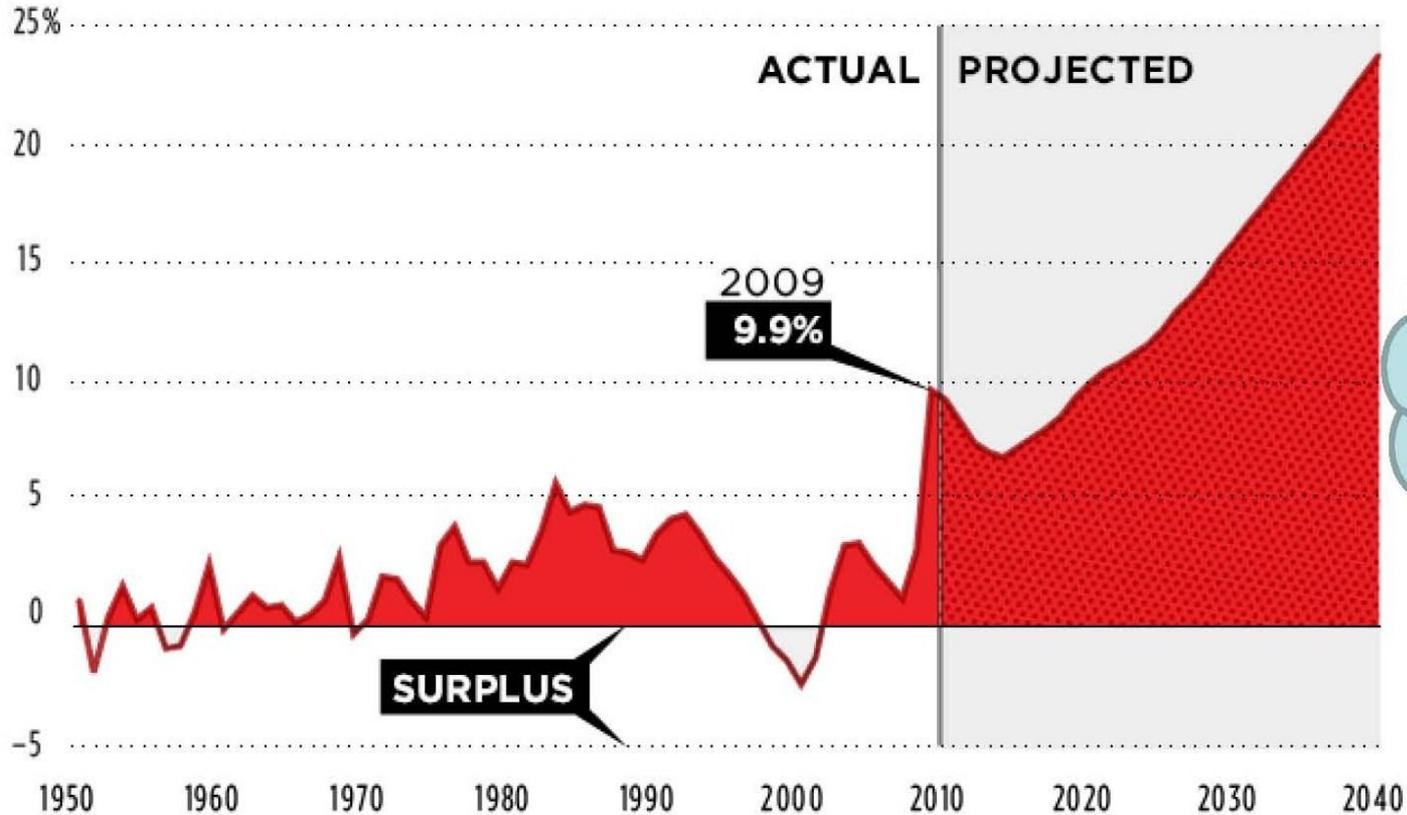
Mostly Social Security, Medicare, Medicaid, and farm subsidies; spending growth is rapid and politically very painful to slow down

Annual appropriations bills; easiest to squeeze and limit. Easy cuts made a long time ago.

If the low hanging fruit above is already picked, and there is no political will to touch mandatory spending, where else will Congress get the money?



# Federal Deficits as a Percent of GDP



**SOURCES:** Data the Office of Management and Budget, *A New Era of Responsibility: The 2011 Budget*, Historical Tables and the Government Accountability Office, *The Federal Government's Long-Term Fiscal Outlook: January 2010 Update*, alternative simulation using Congressional Budget Office assumptions. Compiled by PGPF.

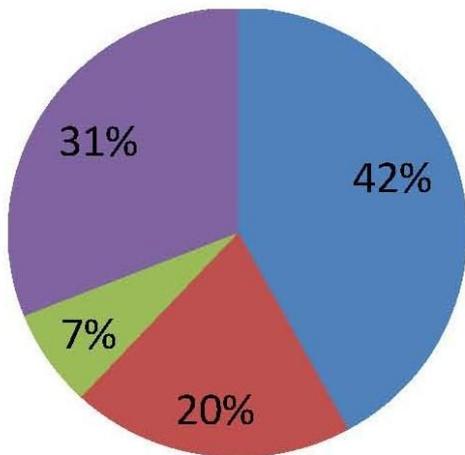


# Discretionary and Mandatory Trends

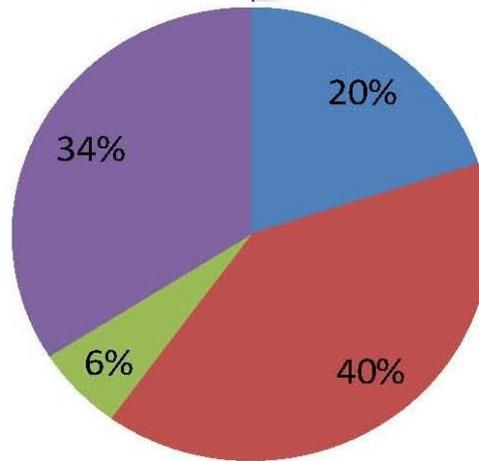
(Percent of Total in Constant 2009 Dollars)



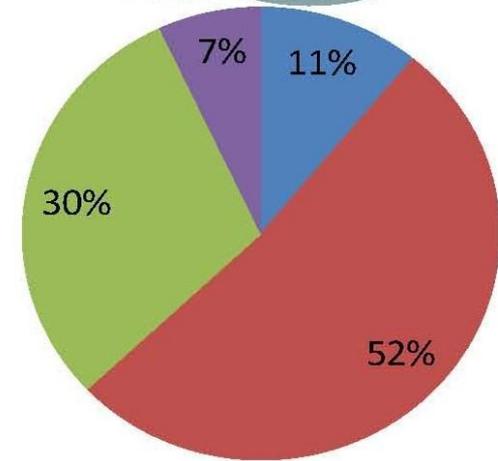
DoD's budget has an ever increased percentage of fixed obligations for personnel entitlements



1970 TOTAL SPENDING  
\$900 BILLION



2010 TOTAL SPENDING  
\$3.5 TRILLION



2040 TOTAL SPENDING  
\$12.3 TRILLION



**SOURCES:** Data derived from the Office of Management and Budget, *A New Era of Responsibility: The 2011 Budget*, Historical Tables and the Congressional Budget Office, *Preliminary Analysis of the President's Budget*: March 2010. Calculated by PGPF.



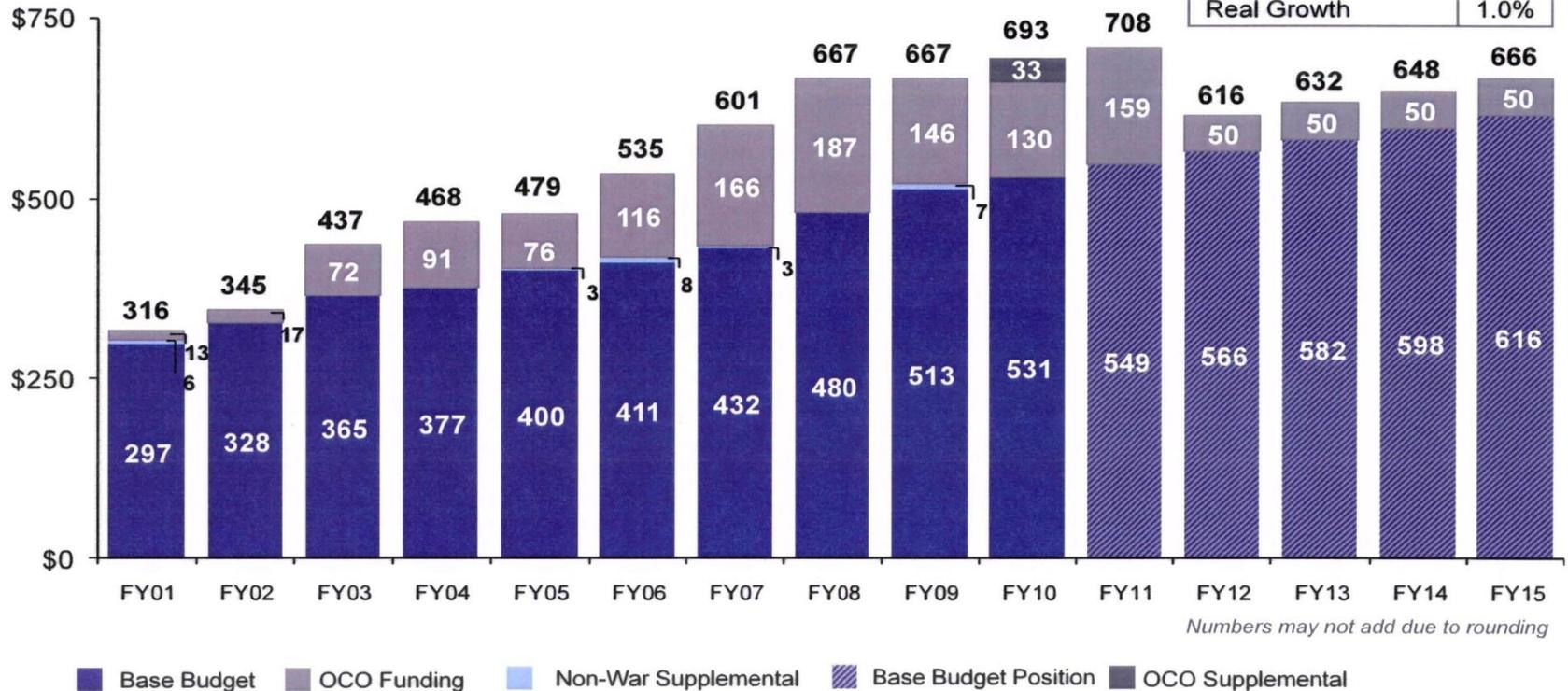
# DoD Outlays



## Department of Defense Topline

### FY 2001 – FY 2015

(Current Dollars in Billions)



FY 2010 – FY 2015 Base Growth	
Nominal Growth	3.0%
Real Growth	1.0%

Note: FY 2011 – FY 2015 reflects levels included in the President's FY 2011 Budget Request; FY 2009 Non-War Supplemental was appropriated through the American Recovery and Reinvestment Act of 2009

Source: Department of Defense Appropriation Acts FY 2001 – FY 2010, FY 2011 President's Budget documents



# History of DoD Characteristics by Administration



Category	End of Carter	End of Reagan	End of Bush	End of Clinton	End of GW Bush	Obama	Change 1980-2010	Change 1988-2010
	1980	1988	1992	2000	2008	2011		
Total Budget Authority (\$B - Constant \$)	\$383	\$518	\$451	\$381	\$694	\$553	44%	7%
Total Budget Authority (\$B - Current \$)	\$142	\$288	\$285	\$287	\$672	\$553	289%	92%
Supplementals (\$B)	\$0	\$0	\$4	\$0	\$190	\$159		
Active Duty Personnel (K)	2,101	2,209	1,886	1,449	1,406	1,484	-29%	-33%
Reserve and Guard Personnel (K)	851	1,158	1,135	865	843	845	-1%	-27%
DoD Civilian Personnel (K)	1,019	1,090	1,006	698	671	785	-23%	-28%
Active in Commission Ships	521	573	471	341	282	284	-45%	-50%
Army Divisions (active)	19	20	20	10	10	10	-47%	-50%
AF Fighter/Attack (Total Active Inventory)	2,789	3,027	2,000	1,666	1,460	1,280	-54%	-58%

Source: National Defense Budget Estimates for FY 2011, April 2010

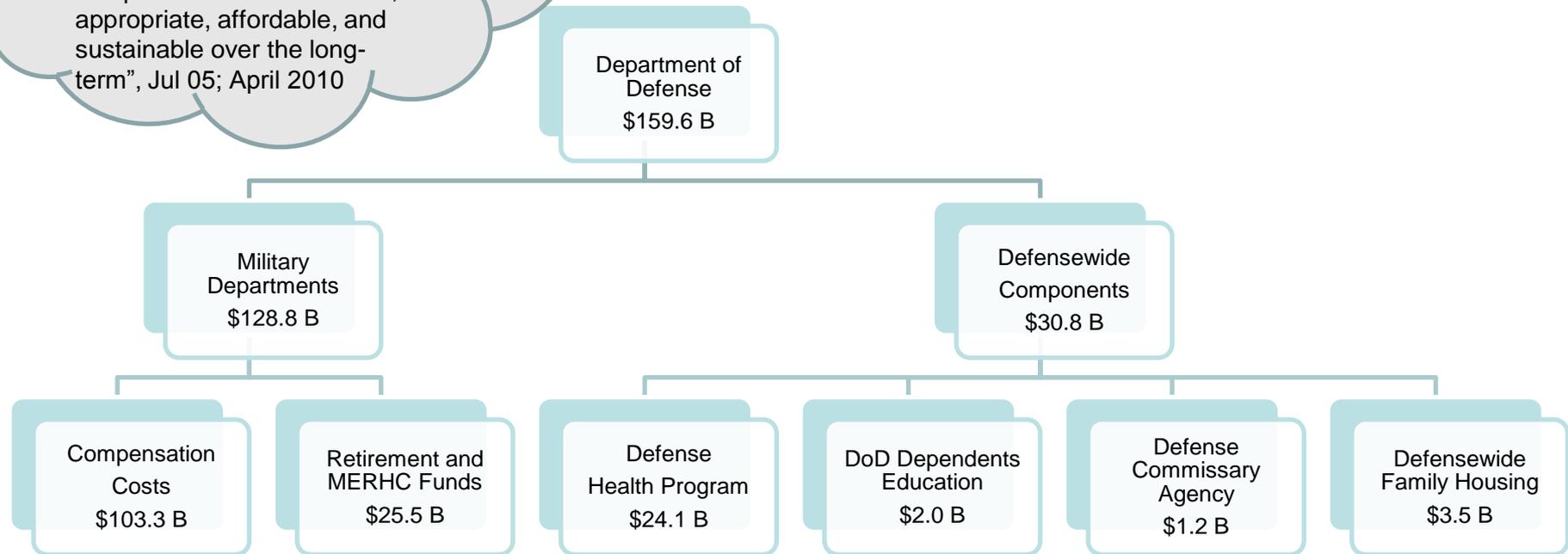


# Outlays for Military Personnel and Retirees (FY 07)



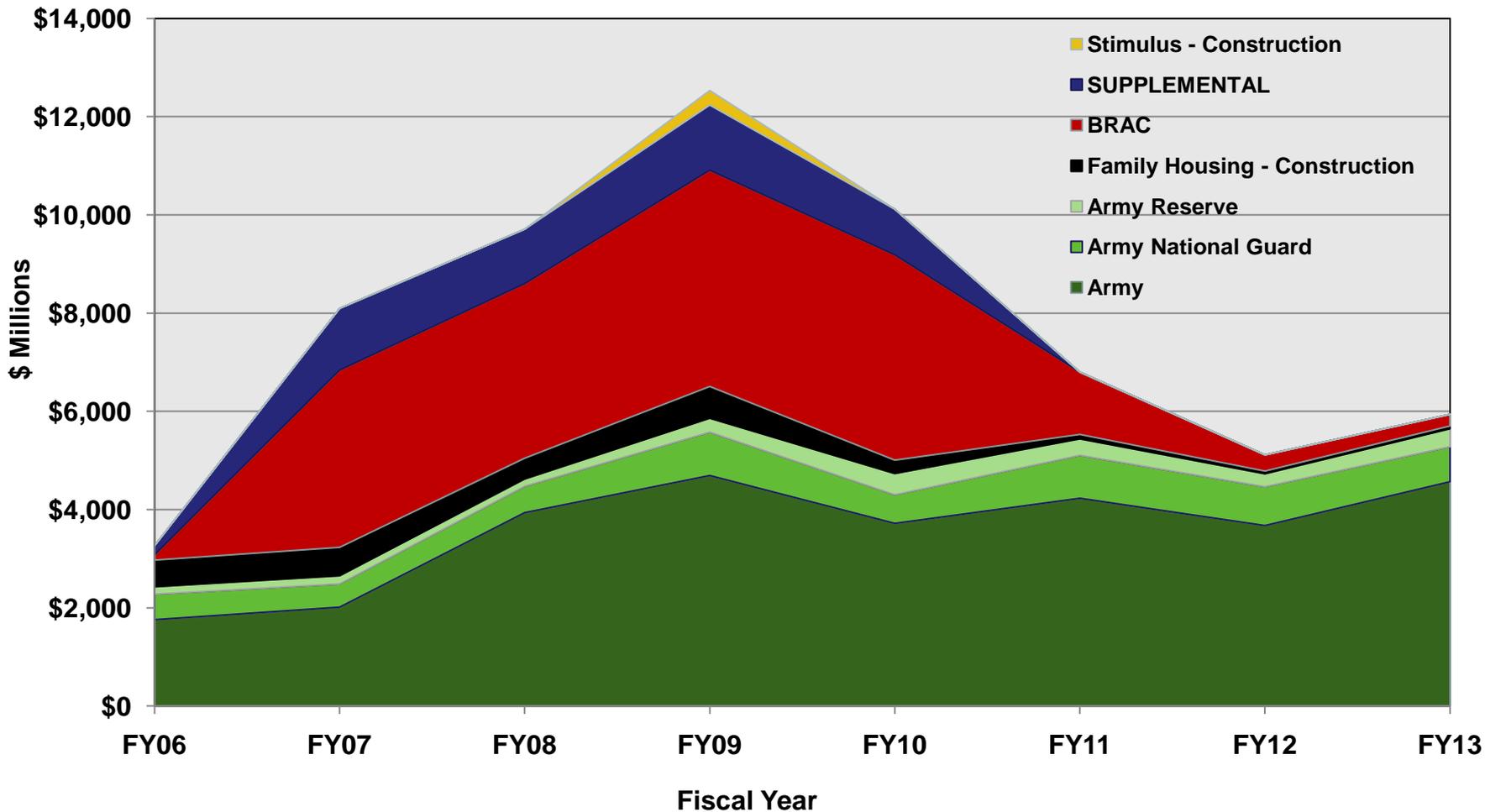
GAO:

“The military compensation system has had the same basic structure since the end of WWII. ... It is unlikely that DoD’s current approach to compensation is reasonable, appropriate, affordable, and sustainable over the long-term”, Jul 05; April 2010





# Military Construction Program Value





# BOS CHALLENGE

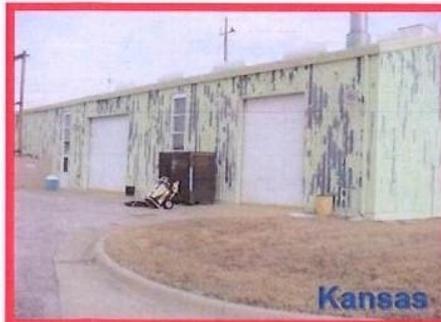
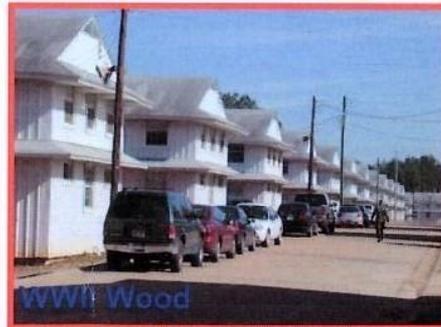




# Facility Planning Focus



- Active Army
  - BRAC and GDPR
  - Grow the Army
  - Army Modular Force
  - Permanent Party Barracks and Quality of Life Facilities
  - Army Family Housing
  - Training Ranges
- Army National Guard
  - BRAC
  - Grow the Army
  - AMF
  - Aviation Facilities
  - Readiness Centers
  - Maintenance Facilities
- Army Reserve
  - BRAC
  - Grow The Army
  - Reserve Centers
  - Maintenance Facilities
  - Training Ranges





# Energy & Sustainability



- Energy Policy Act of 2005 (EPAct05)
- Federal Leadership in High Performance and Sustainable Buildings (MOU 06)
- Energy Security and Independence Act of 2007 (EISA07)
- EO 13423 – Strengthening Federal Environmental, Energy, and Transportation Management (07)
- EO 13514 – Leadership in Environmental, Energy, and Economic Performance (09)
- Congress highly likely to keep issuing new & aggressive mandates on energy!
- Renewed leadership focus on sustainability, durability, conservation, and technology.
- Every construction project must be carefully examined for opportunities to reduce total life-cycle energy costs. In many cases, opportunities for major life-cycle energy cost savings are being lost because of relatively small upfront construction costs.



# Emerging Trends

## ASSET MANAGEMENT

### Real Property Accountability

- Inventory Reporting
- Utilization
- Space Management
- Financial Certification

### Real Estate Services

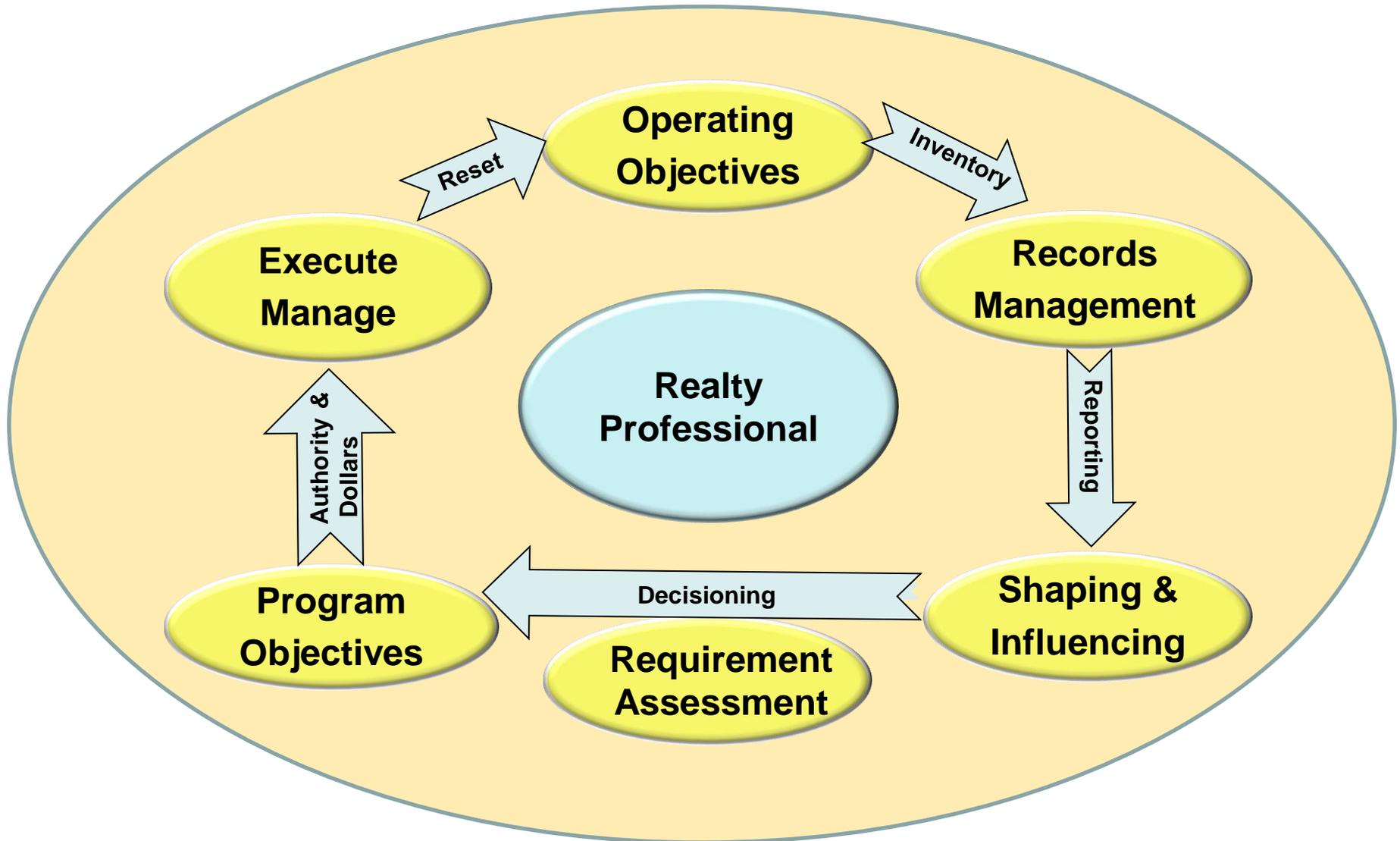
- Acquisition & Disposal
- Portfolio Management
- Leasing
- "Bundle of Rights" Contracting
- MILCON/SRM Investment
- Divestiture
- Outsourcing
- Functional Transfers

- Life-Cycle Facilities Management
- Performance-Based Budgeting
- Transformational Infrastructure Solutions
- Public/Private Partnerships

### Decisioning

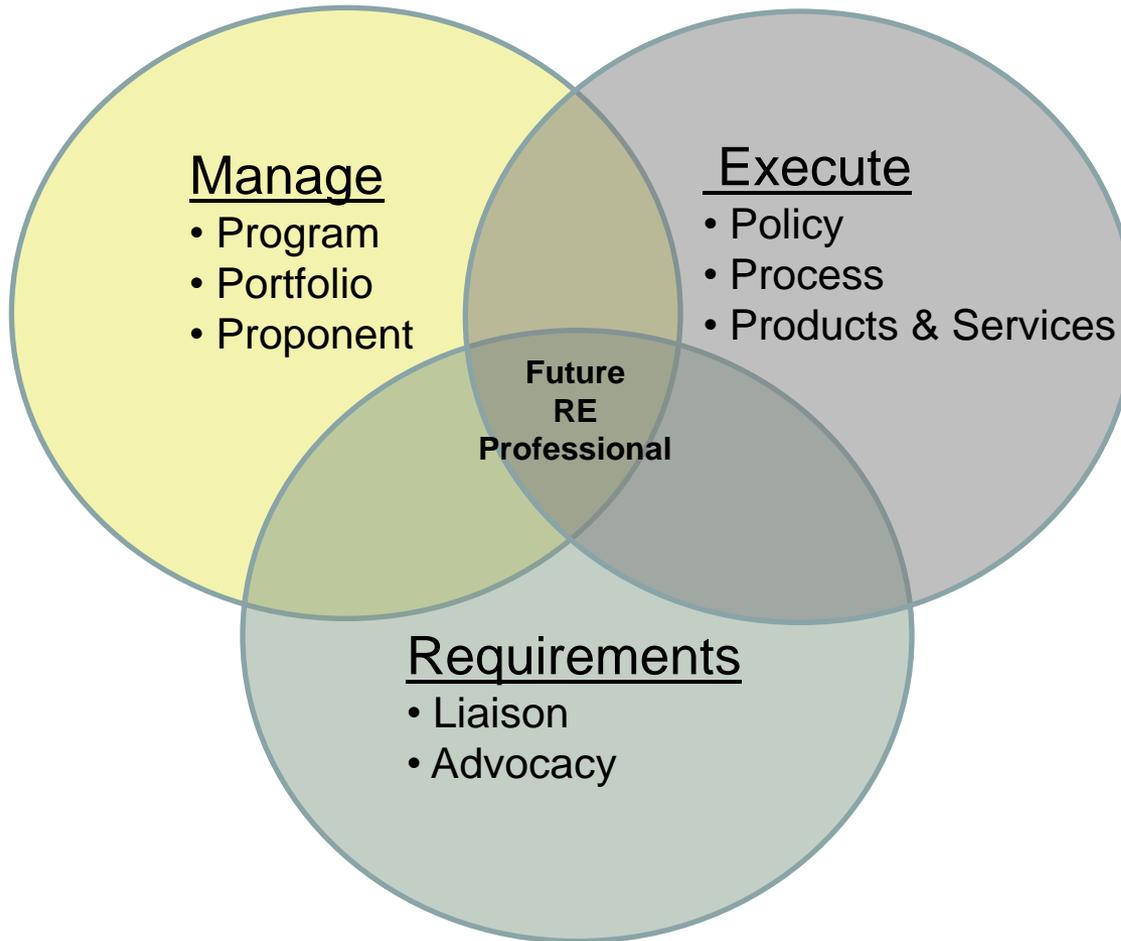


# Asset Management Cycle





# Evolution of a Breed





# Key to Success



- **Credible**
  - Credentialed
  - Consistent
  - Communications
- **Accountable**
  - Active
  - Agile
  - Action
- **Transparency**
  - Total Picture
  - Teamwork
  - “The Day of Reckoning”



# Questions?

