

# **FORT STEWART / HAAF**

## **REGIONAL GROWTH PLAN**



### **Economic Impact Analysis of the 2009 Brigade Combat Team Cancellation at Fort Stewart, Georgia**

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for the  
Fort Stewart Growth Management Partnership  
December 4, 2009



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# 1.0 Introduction



## Introduction

In December of 2007, the Department of Defense announced that a new Brigade Combat Team (BCT) would form at Fort Stewart. A BCT would add approximately 3,500 soldiers to the installation and surrounding communities along with dependent family members and related military support. In June of 2009, the Department of Defense cancelled the addition of the 5th BCT at Fort Stewart. The purpose of this analysis is to identify those expenditures in the four-county region of Bryan, Long, Liberty and Tattnall, Georgia related to the anticipated arrival of the 5th BCT. The direct economic impact of this decision on the region consists of public and private sector investments made to prepare for the absorption of significant military and secondary population growth on the installation and in the community within a highly compressed timeframe.

As described in the analysis below, other factors and trends, including the recent market downturn and underlying community growth unrelated to the military also influenced the decision-making of regional stakeholders and affected the overall economic performance of local jurisdictions and individual investors. The following analysis seeks, therefore, to isolate those expenditures and negative economic impacts directly and specifically related to the cancellation of the 5th BCT. This report also concludes with an estimate of the indirect economic output lost to the four-county region as a result of future jobs and earnings not realized.



# 2.0 Private Sector Impacts



# Private Sector Impacts

## Introduction

In December of 2007, the Department of Defense announced that a new Brigade Combat Team (BCT) would form at Fort Stewart. A BCT would add approximately 3,500 soldiers to the installation and surrounding communities along with dependent family members and related military support. In June of 2009, the Department of Defense cancelled the addition of the 5th BCT at Fort Stewart. The purpose of this analysis is to identify those expenditures in the four-county region of Bryan, Long, Liberty and Tattnall, Georgia related to the anticipated arrival of the 5th BCT. The direct economic impact of this decision on the region consists of public and private sector investments made to prepare for the absorption of significant military and secondary population growth on the installation and in the community within a highly compressed timeframe.

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## Private Sector Expenditures

The following sections presents RKG Associates' research findings relative to our analysis of the financial losses occurring as a result of the June 2009 Department of Defense (DoD) announcement cancelling the 5th BCT to Fort Stewart. The original December 2007 announcement of the 5th BCT came at a time when the housing market and economy were beginning to slow on the national and regional level. According to the developers interviewed for this analysis, the expansion announcement was viewed as a welcomed boost that would propel the region through an economic downturn and drive the demand for new housing and commercial development for several years.

RKG has attempted to isolate the development losses caused specifically by the DoD cancellation decision and has provided the Fort Stewart Growth Management Partnership with its best estimate based on developer interviews, building permit and market trends, and the consultant's professional judgments. However, it should be noted that many of the current financial problems facing the region's developers are being exacerbated by the current lending environment, which is constraining access to development financing. These lending constraints are making it impossible for some developers to extricate themselves from the project setbacks created by the Brigade decision made in June of 2009. In addition, the Fort Stewart decision has had a chilling effect on regional and national lenders, who are now over-exposed in the region with tens of millions of dollars in real estate loans at a time when banks nationwide are in a severe financial crisis.

While it is very difficult to tease out the effects to developers and builders resulting from the Brigade decision versus negative outcomes created by the current financial crisis, RKG has developed a methodology to separate these impacts to residential developers and builders, as well as proposed commercial developments. In addition, the final estimate of direct impacts includes public sector investments in new facilities and infrastructure resulting from the expansion of Fort Stewart/Hunter AAF. Along with these direct and measurable impacts, RKG has estimated the indirect regional economic impacts associated with the DoD decision, including the loss of earnings to households, employment and economic output to the region. These impacts were derived with the use of RIMS II multipliers for the Fort Stewart region and reflect the unrealized economic impacts to the region due to the DoD decision; in other words, the economic growth the region would have realized had the BCT stood up at Fort Stewart in 2011.

## Direct Private Impact Methodology

### Development Classification

RKG Associates obtained a list of affected real estate developers and homebuilders from the Fort Stewart Growth Management Partnership. The list was assembled with the help of the local development community. While the list did not include every developer and builder within the 4-county region of Liberty, Bryan, Tattnall and Long Counties, it is



thought to represent the vast majority of residential lots and homes impacted by the DoD cancellation decision. In addition to this list, RKG received company referrals from developers and members of the Fort Stewart Technical Task Force. RKG Associates contacted every developer/builder with suspected impacts and conducted interviews with 21 companies comprising 39 residential and commercial development projects within the region. Several developers indicated they did not believe that they were negatively impacted by the 5th Brigade and others requested not to be interviewed.

The developers provided the consultant with detailed financial information relative to the cost of raw land, infrastructure, profit margins, home prices, and other factors contributing to the cost of their projects. This data were then used to estimate the financial impacts associated with each development, and RKG suppressed proprietary data in order to protect owner confidentiality.

In order to conduct the impact analysis, RKG first separated land developers from homebuilders. Land developers include those companies that acquire land, seek subdivision approvals, install access roads and infrastructure, and then sell fully-serviced, buildable lots to homebuilders. Homebuilders include construction firms that typically purchase buildable lots from developers on which to construct new homes and apartments. Builders then sell or rent these units to homeowners and renters. In several cases, developers were also homebuilders and builders also developed.

In addition, RKG classified development projects as either “pre-announcement” or “post-announcement” based on their start date of construction relative to the 5th Brigade announcement in December 2007. Logically, developments that commenced before the 5th BCT announcement had different sales and absorption expectations than those that commenced after the DoD announcement. In fact, most developers and builders of “post-announcement” projects indicated they would not have undertaken these projects without the announcement of the 5th BCT’s growth.

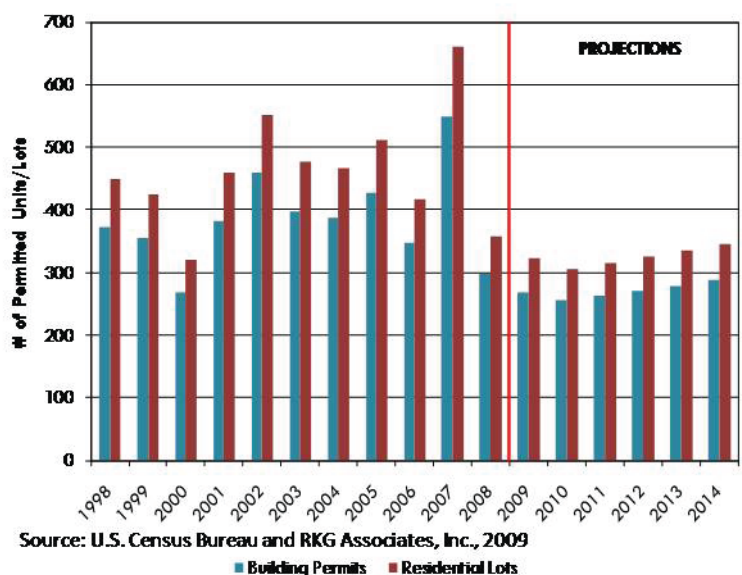
It should be noted that some developers interviewed by RKG indicated that they began to accelerate development of some projects in early 2007 based on rumors and activities at Fort

Stewart/Hunter AAF that they interpreted as evidence of impending growth. While growth and contraction rumors are common in military communities, RKG has assumed that builders and developers could not have known about the 5th BCT announcement until December 2007.

## Normal Growth Baseline

RKG Associates estimated the number of building lots and housing units that would likely be built in any given year based on the region’s normal growth rate. The normal growth level established a baseline of annual development activity occurring within the region excluding the accelerated growth related to the 5th Brigade. Estimating the growth baseline in each community was necessary to judge the “pre-announcement” developments that started construction prior to December 2007. This is because those projects were started without the expectation of the 5th Brigade, and as such, planned to build-out over a number of years based on the normal growth of the region. The 5th Brigade announcement only enhanced their chances of selling out their developments, but was not the impetus for undertaking them. As such, impacts to these developments must first account for the natural development that would have occurred annually, irrespective of the 5th Brigade demand.

**RESIDENTIAL BUILDING PERMITS AND LOTS FOR PROJECTS LOCATED IN LIBERTY COUNTY 1998 to 2014**



**Figure 1.1: Residential Building Permits and Lots, Liberty County**



RKG Associates estimated the normal growth baseline by obtaining annual building permit data for the four subject counties as reported to the U.S. Census. RKG was not able to use current growth projections prepared in 2006 by the Coastal Georgia Commission. These estimates were prepared prior to the current recession and thus could not anticipate the severe impact to new housing starts caused by the current financial crisis. As such, RKG relied on regional building permit data.

While building permits issued do not always indicate the number of housing units built in a given year, they were the only consistent data source available to the consultants for this analysis. It is important to note that until recently Long County has not reported annual building permit activity to the U.S. Census. However, since 2007, the number of building permits has spiked due to Fort Stewart/Hunter AAF and Long County officials have begun tracking them.

Accordingly, RKG had to estimate the historic rate of residential development in Long County by examining the number of reported housing units in the last Census year (2000) versus the end year (2007), and then calculating an average number of units added per year. In 2000, the Census reported that 4,232 housing units were located in Long County and by 2007 this number had increased to 4,680 housing units. Based on an increase of 448 units in over 8 years, it is estimated that Long County has added an average of 56 housing units per year since 2000. However, in 2007 and 2008, the County reports that building permits spiked to 200 and 300 units respectively.

Separate normal growth projections out to the Year 2014 were calculated for each county, representing the period (2009 to 2014) in which the 5th Brigade and other associated personnel growth was scheduled to occur. The normal growth baseline for each county was calculated based on historic patterns of annual building permits since the year 2000 (adjusted downward for the next couple of years due to current economic conditions), plus a portion of the regional demand of non-BCT military growth. For example, Liberty County's baseline was calculated by taking 100% of Liberty's expected growth, and adding to that a percentage of permits in Bryan (11.3%), Long (15.0%), and Tattnall (5.0%) Counties to account for additional growth associated with the Army (but not the BCT). The percentage of building permit activity in adjacent counties is proportional to the percentage of Fort Stewart/Hunter AAF personnel that live in those counties. In other words, for new residential developments

located in Liberty County, the baseline or "natural growth" consists of a continuation of recent housing patterns, plus a percentage of new housing units demanded by Fort Stewart/Hunter AAF personnel (i.e., military, civilian government, and contractors) throughout the region. This recognizes that no single county will capture all of Fort Stewart/Hunter AAF's demand for new housing.

To further clarify, the share of building permits comprising Liberty County's normal growth baseline was determined by calculating the percentage of Fort Stewart/Hunter AAF personnel living in each of the nearby counties as a percentage of their total population. This percentage was then applied to the number of permits issued annually in each county and then added to the Liberty permit totals. For example, information from Fort Stewart indicates that there are 3,724 military and civilian personnel living in Bryan County. Current population estimates indicate that there are 32,955 people living in the county. Therefore, the Fort Stewart/Hunter AAF personnel account for 11.3% of the total population in Bryan County. RKG then added 11.3% of permits issued in Bryan County by year, to the Liberty County baseline and then judged new developments in Liberty County against this annual baseline. This approach recognizes the fact that not all building permit activity in adjacent communities is driven by Fort Stewart/Hunter AAF's growth.

The same approach was used to add portions of Long and Tattnall County building permits. More specifically, 15% of the Long County residents are civilian/military personnel and 5% of the Tattnall County residents are civilian/military personnel. Therefore, 15% and 5% of the building permits for these counties were added to the Liberty total, respectively. The result of this analysis is shown in Figure 1.

Projections of normal growth into the future were based, in part, on previous growth trends. RKG estimated that projected normal growth of building permits would continue to decline from 2008 levels by 10% in 2009 and another 5% in 2010. The region's building permit activity peaked in 2007 and has dropped significantly since. After 2010 the normal growth baseline is projected to grow by 3% annually as the recession abates and housing demand starts to return.

A large number of developers interviewed by RKG prepare raw land for development and then sell the prepared lots to homebuilders. It was therefore necessary to estimate the normal growth in lot creation, as well as building



development. The consultant pegged the estimated lot growth per year to annual building permit activity. Typically, undeveloped lots are marketed for sale to builders, but not all lots will be developed in a given year. Some “over hang” of lots occurs as building construction naturally lags behind lot sales. Builders also phase their developments so as not to build homes at a faster pace than they can sell them. As such, RKG assumed that annual lot production was typically 20% higher than building permit activity.

## Military Growth Projections

The announcement of the 5th Brigade, along with other military and civilian personnel growth was officially made on December 19, 2007. RKG obtained personnel projections for Fort Stewart/Hunter AAF from Grow the Army, a transformation and re-stationing initiative of the US Army. The website [www.army.mil/growthearmy](http://www.army.mil/growthearmy) published planned troop movement in Fort Stewart, as well as movement in other bases across the country.

Additional troops were later announced that added to the Grow the Army projections. To account for this change, the consultant added the additional troops, as announced December 15th, 2008 into the Grow the Army projections. The civilian population projections (605), as reported by the Garrison Commander on April 1st, 2009, were also added into the projections. The total number of reported military and civilian personnel that were to arrive at Fort Stewart/Hunter AAF between FY 2008 and FY 2014 was 5,669. The majority of personnel, 3,909 (69%), were due to arrive in fiscal year 2011.

Based on RKG’s interviews, it appears that developers were not uniformly aware of Fort Stewart/Hunter AAF’s incoming personnel projections despite repeated public

presentations by the commanding officer. Accounts in local newspapers indicate varying estimates and numbers changed over time. The result was that developers were acting with less than perfect information, which made it very difficult to estimate future housing demand. That being said, developer interviews also indicated that very few gave much consideration to what percentage of projected growth they could reasonably capture while many competing developments were vying for the same growth. Accordingly, RKG has concluded that some developers and builders were overly optimistic about how much demand they would capture at their developments. This resulted in some over speculation, which RKG has attempted to identify and eliminate from the impact analysis.

One challenge for developers and builders was estimating the demand for new housing (e.g., homes and apartments) that would result from the new incoming personnel. Not all incoming personnel were going to require off-base housing, and not all personnel living off-post would demand newly constructed housing. For example, E1 through E4 enlisted military are typically required to live on-base unless they are married. On the other hand, the majority of other military personnel will live off-base given the limited housing options available on post. Taking this into account, and based on RKG’s previous experience with military communities, it was estimated that approximately 2,055 out of the expected additional 5,569 military personnel would live on-base.

In addition to estimating how many are likely to live on and off base, RKG also estimated the number of those living off-base in mobile homes or in rental apartments. Mobile home living in the Fort Stewart region is quite prevalent in some counties, especially among military personnel.

<b>Incoming Military and Civilian Personnel (5/3 IBCT) Fort Stewart/Hunter AAF (2008/2014)</b>											
	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	TOTAL
Fort Stewart/Hunter AAF Personnel Increases	413	819	-278	3,521	168	211	210	0	0	0	5,064
Civilian/Contractor Increases	49	98	0	388	20	25	25	0	0	0	605
Estimated Number Living On-Base	168	332	-113	1,429	68	86	85	0	0	0	2,055
Estimated Number Living Off-Base	297	589	-165	2,499	121	152	151	0	0	0	3,644
(Deduct) Estimated Number in Mobile Homes	56	111	-31	472	23	29	29	0	0	0	688
(Deduct) Estimated Number Living Outside Region	13	26	-7	110	5	7	7	0	0	0	160
Estimated Number Owner-Occupied	130	257	-72	1,091	53	66	66	0	0	0	1,591
Estimated Number Renter-Occupied	98	195	-55	827	40	50	50	0	0	0	1,205
<b>Total Estimated Units Needed Per Year</b>	<b>228</b>	<b>452</b>	<b>-127</b>	<b>1,918</b>	<b>93</b>	<b>117</b>	<b>116</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,796</b>

Source: Fort Stewart Garrison Command and RKG Associates, Inc., 2009

**Table 2.1: Incoming Military and Civilian Personnel**



Personnel choosing to live in mobile homes will reduce the demand for new, more traditional residential development. RKG's estimates were based on the regional percentage of homeownership, mobile home occupancy, and renters from current Census estimates.

Finally, RKG accounted for the fact that a certain percentage of Fort Stewart/Hunter AFB personnel may choose to live outside the 4-county region. According to Fort Stewart residency data, approximately 39% of existing military and civilian personnel live outside the four county region, mostly in Chatham County. However, given the types of additional personnel arriving at Fort Stewart, RKG did not assume that the number living outside the region would be that high. In fact, it was estimated that only 10% of off-post personnel would live outside the region. Therefore, RKG estimates that the total off-post housing demand would include 1,591 ownership units and 1,205 rental units (2,796 total units) through 2014 (Table 1).

RKG did not attempt to estimate the number of incoming personnel that would share housing either as married couples or as unrelated roommates. Undoubtedly, these kinds of arrangements occur, but there was no way of estimating their impact on regional housing demand. Therefore, the assumptions used in this analysis should be viewed as the best case (i.e. most optimistic) scenario relative to future housing demand.

The normal growth baseline projections were then added to the military/civilian off-post projections to obtain the total number of housing units and lots that would have been absorbed or sold in the region between 2008 and 2014. As mentioned previously, many developers were not completely aware of what their competitors were building. In some cases, they overbuilt projects, even with the addition of the 5th BCT growth.

## Judging Residential Development Impacts

The list of private developers and homebuilders obtained from the Fort Stewart Growth Management Partnership accounted for 33 of the largest residential developments in the region (Table 2). Although the list of developers does not include every developer/builder within the 4-county region, RKG believes it represents a vast majority of development lots and homes impacted by 5th Brigade decision. The consultants interviewed each developer and obtained proprietary financial information as well as

information on how each project was affected by the DoD cancellation decision. In order to maintain confidentiality of proprietary data, cost and profit figures related to individual development projects have been suppressed in this report.

### Calculating Developer/Builder Market Share

In order to assess the financial impact on each project, RKG first calculated the developer/builder market share as a percentage of the total lots and homes being offered at all competing projects. The assumption was that a given developer or builder would only capture a percentage of the incoming growth, proportional to the number of lots and homes that they represented in the regional market. In the process, RKG eliminated a number of lots that may have been subdivided, but were not served by infrastructure, nor were developers preparing them for development. Only buildable lots were included in the market share calculation. For example, Independence, the largest residential subdivision in the region, will eventually have more than 10,000 residential lots at build-out. However, for this analysis, it was determined that only 3,500 lots were actually available for development. The remaining lots are essentially raw land that will be developed in subsequent phases over the next 10 to 20 years.

RKG then compared the total buildable lots or homes the developer planned to sell or build, and applied them against RKG's estimates of what could be reasonably captured by that project. The investment losses were then calculated only for those lots or homes that could reasonably be attributed to the arrival of the 5th Brigade.

To determine the normal growth demand for each development project, the consultant used a multi-step process. First, the consultant estimated each projects share of the total lots. For example, if a development project included only 100 lots out of the total 6,929 buildable lots, this development's market share was equal to 1.4% of the total buildable lots. This 1.4% was then applied to the total RKG estimate of lots that could reasonably be expected to be absorbed every year (normal growth baseline plus the incoming military and civilian personnel).

It was assumed that normal growth would account for some portion of annual absorption at these "pre-announcement" developments, irrespective of the new military growth. As such, the normal growth was subtracted from the military growth projections for developments that were started prior to the December 2007 announcement. For the



**Developments Inventoried: Long, Liberty, Bryan, and Tattal Counties**

Projects	County
Buckeye Plantation	Bryan
Richmond Reserve	Bryan
Richmond Plantation	Bryan
Harris Trails Townhomes	Bryan
Cherry Hill Townhomes	Bryan
Independence	Liberty
Burnt Pines	Liberty
Habersham Plantation	Liberty
Dunlevie Oaks	Liberty
Horse Creek Farms	Liberty
Oak Crest Phase I and II	Liberty
Barrington Ferry	Liberty
Governor's Quarters	Liberty
Enclave	Liberty
Hickory Hill	Liberty
Villages of Limerick	Liberty
Griffen Park	Liberty
White Oaks Village	Liberty
Brier Crest	Liberty
Independence Apartments	Liberty
Columns at Independence Apartments	Liberty
Parish Crossing	Liberty
Habersham Plantation	Liberty
Dorchester Townhomes	Liberty
Bradwell Project	Liberty
Eastwood Village	Liberty
Timberlands	Long
Irish Acres	Long
Crawford	Long
Simmons Place	Long
Mill Pond Estates	Long
Murray Crossing	Long
Vickers Hill	Long

Source: FSGMP and RKG Associates, Inc., 2009

**Table 2.2: Developments Inventoried by County**

builders and developers who started their projects after the December 2007 announcement, no normal growth was subtracted from the estimates. It was assumed these projects were built solely contingent on the 5th BCT arrival.

**Accelerated Development Phasing**

Because each development is different, RKG applied a series of rules to judge residential development impacts. The first series of rules applied to the accelerated phasing of developments. This group consists of developers and homebuilders who purchased land and began planning or construction prior to the December 2007 announcement. Upon learning of the 5th Brigade growth, many of these projects were accelerated to capture anticipated increases in demand. However, this acceleration cannot be taken at face value, as some projects may not have been accelerated above the 7-year normal growth demand.

For lot developers who started development prior to the original announcement, no impact was given for the original land purchase. RKG determined that the land was purchased prior to the 5th BCT announcement and would have been regardless of the incoming troops. However, investment losses were calculated on lot and site development work if the analysis showed that the developer increased phasing above normal growth demands due to the anticipated military growth.

RKG did not consider infrastructure costs to prepare lots to meet normal growth needs. The basic assumption was that lot developers that commenced development prior to the Brigade announcement were required to make infrastructure investments in order to sell lots, notwithstanding the military growth. Accordingly, this normal growth must first be accounted for before any impact can occur.

To remain consistent with incoming military troop projections, RKG assumed a build-out period of 7-years (2008-2014). If RKG's normal growth projections showed that the project would likely be built-out within those seven years without the 5th BCT, no investment losses were calculated. Investment impacts were only assessed for those projects that started developing lots and homes beyond the normal growth projections.

RKG placed absorption parameters on each development to account for those that may have "over-specified" on the market. If a builder had more buildable lots for sale than could be absorbed based on their projected market capture (including the 5th Brigade projections), only those that could reasonably be absorbed during the 7-year period were considered impacted lots. In other words, investment losses associated with "over-specified" lots were eliminated from the impact calculations. Impacts were



assessed on any buildable lot for sale that fell within the military growth (including normal growth) projections.

It is worth mentioning that developers could not know if they were over speculating unless they had complete information about their competitors' projects and reliable numbers about incoming military and civilian personnel and the level of housing demand that would result. Only upon analysis of these numbers can it be determined that some developers put more lots on the market than could be reasonably absorbed.

The impacts for pre-announcement homebuilders were assessed in a similar fashion, as no investment losses were calculated for homes built or unsold that were greater than the Brigade growth projections. However, home construction and development costs were included as investment losses if homes were built consistent with the housing demand projections. Construction costs for any unsold homes that fell within the normal growth and military growth demand were included as part of the investment losses.

### **Post-Announcement Development**

Those developers who purchased land after the 2007 announcement were analyzed in a slightly different way. It was assumed that if the developer bought land after the Brigade announcement, the developer did so contingent on the Brigade's arrival. As such, both land and infrastructure costs were counted in the investment losses if lot development was within the normal growth and 5th Brigade estimates of the region.

Similar to lot developers, it was assumed that any post-announcement homes that were built did so contingent on the 5th Brigade arrival. Any homes built after the announcement that were unable to be sold were calculated as investment losses. It should be noted that some homes that were intended as for-sale are now being rented in order to generate cash flow. Construction costs in these cases were calculated only for those homes that were vacant, or unable to be rented at the time of this analysis.

## **Estimated Residential Development Impacts**

### **Pre-Announcement Developments**

The approximate location of all the developments identified by RKG as impacted by the 5th BCT is located in the following map. To protect the confidentiality of the

developers, the consultant identified each project with a number. The map identification number and corresponding impact data for the accelerated phasing group is included in Table 3.

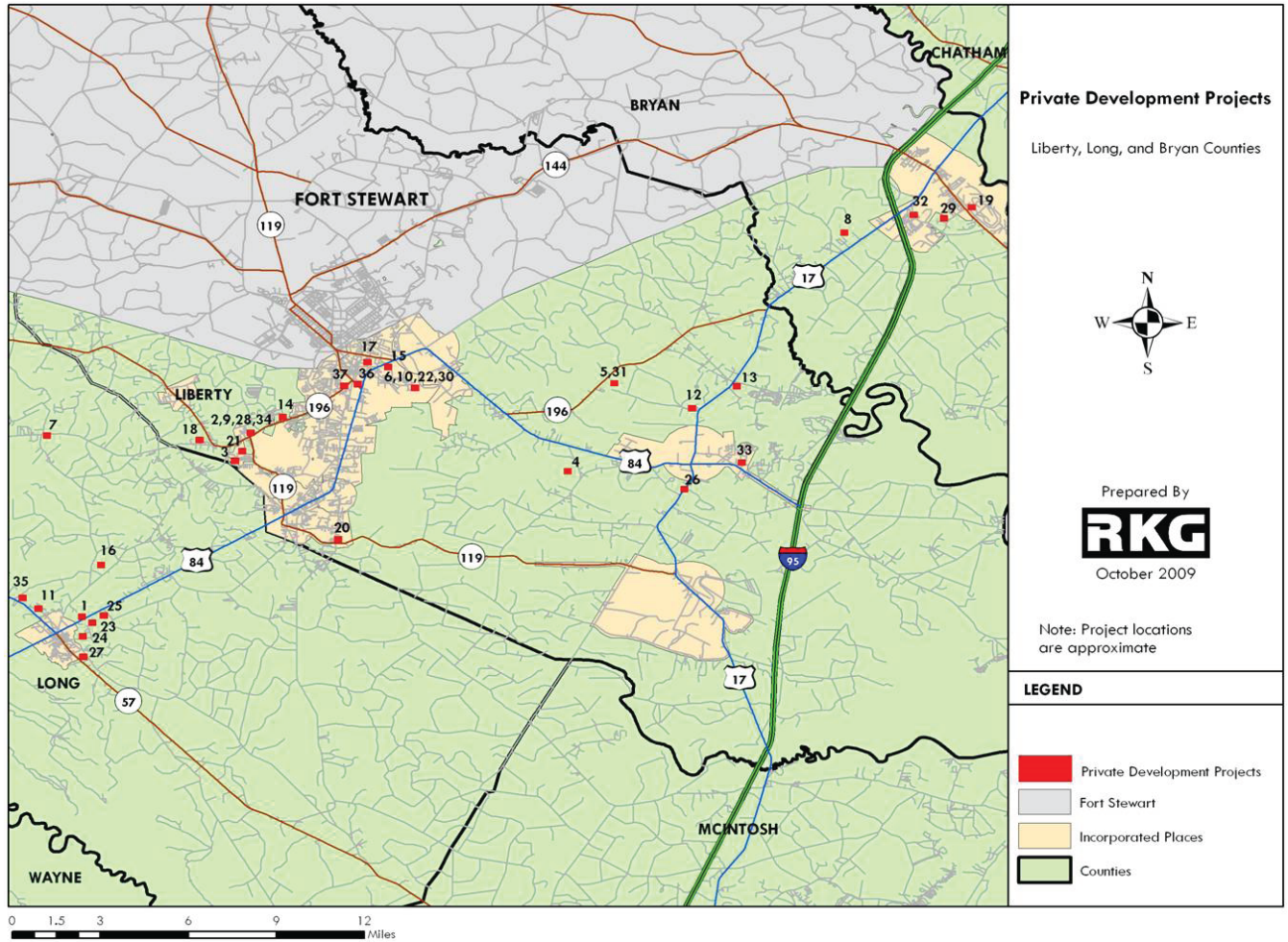
RKG estimates that the total number of buildable lots available before the December 2007 announcement was equal to 5,808 lots. Of this total, it is estimated that 2,437 (42.0%) lots were impacted by the DoD cancellation decision. The remaining lots were either already sold (1,738) or RKG believes could have been absorbed by normal growth over the 7-year projection period. It is important to remember that this group is composed of development projects that were started before the Brigade announcement. Although many developers sped up project phasing, the majority of lots in this grouping could reasonably be absorbed into the market within the build-out period, based on normal growth alone.

The infrastructure and development costs for the 2,437 affected lots are calculated at \$28.3 million based on the specific cost factors provided by each developer. As mentioned previously, the infrastructure costs were taken directly from interviews with the developers. No generic costing information or estimates were used by RKG that were not provided by the developers and builders. The consultant then applied proportional cost factors to each impacted lot.

### **Post-Announcement Developments**

Site preparation and development began for 1,121 buildable lots after December 2007 (Table 4). Of these lots, RKG determined that 664 (59.2%) were directly impacted by the 5th Brigade cancellation. These lots were either bought or developed for the purpose of meeting the housing needs incoming military and civilian personnel. Although some of these lots likely would have been absorbed through normal growth, the consultant did not deduct these from the total impacted lots. Based on developer interview, RKG concluded that these projects would not have been initiated if not for the Brigade announcement. As a result, all costs associated with these developments, including raw land costs, were included in the impact calculation. RKG estimates that the total land and infrastructure costs associated with these developments equal about \$13.6 million.

The map on the following page shows the general location of each impacted development. The majority of these residential developments were located within a few miles



**Figure 2.2: Private Development Projects**



Residential Pre-Announcement Development Losses: Liberty, Bryan, and Long Counties																			
Map ID	Initial Construction Date	LOTS						HOMES				Total Damages							
		Total Lots	Buildable Under Construction	Lot Market Share	Total Natural Growth Absorption	Total Natural Growth WITH 5th BCT	Available For Sale	Built Homes	Sold	Available For Sale	Impacted Lots		Total Raw Land Damages	Total Infrastructure Damages	# of Homes Impacted	Total Home Damages			
<b>LOTS ONLY</b>																			
1	2006	340	340	4.9%	75	240	140	200	0	0	0	0	0	100	\$0	\$923,943	0	\$0	\$923,943
2	2006	3,551	3,551	51.2%	1,182	2,901	952	2,599	0	0	0	0	0	1,720	\$0	\$6,135,651	0	\$0	\$6,135,651
3	2007	78	78	1.1%	22	57	44	34	0	0	0	0	0	13	\$0	\$164,172	0	\$0	\$164,172
4	2007	301	301	4.3%	0	139	0	301	0	0	0	0	0	139	\$0	\$471,247	0	\$0	\$471,247
5	2007	852	100	1.4%	28	73	0	100	0	0	0	0	44	\$0	\$843,221	0	\$0	\$843,221	
6	2006	108	108	1.6%	36	88	100	8	0	0	0	0	0	0	\$0	\$0	0	\$0	\$0
7	2007	350	79	1.1%	12	47	10	69	0	0	0	0	35	\$0	\$632,472	0	\$0	\$632,472	
8	--	2,000	0	0.0%	0	0	0	0	0	0	0	0	0	\$0	\$0	\$0	0	\$0	\$600,000
Total		7,580	4,557	65.8%	1,354	3,545	1,246	3,311	0	0	0	0	2,051	\$0	\$9,170,707	0	\$0	\$9,170,707	
<b>HOMES ONLY</b>																			
9	2006	291	291	4.2%	97	238	80	211	92	80	12	141	\$0	\$2,260,113	6	\$626,940	6	\$626,940	\$2,887,053
Total		291	291	4.2%	97	238	80	211	92	80	12	141	\$0	\$2,260,113	6	\$626,940	6	\$626,940	\$2,887,053
<b>HOMES &amp; LOTS</b>																			
10	2007	148	148	2.1%	42	107	68	80	28	28	0	39	\$0	\$0	\$0	\$0	0	\$0	\$0
11	2007	38	38	0.5%	6	23	2	36	2	0	2	17	\$0	\$45,071	2	\$300,000	2	\$300,000	\$345,071
12	2005	78	78	1.1%	26	64	63	15	78	63	15	1	\$0	\$13,478	15	\$3,290,400	15	\$3,290,400	\$3,303,878
13	2007	277	88	1.3%	25	64	46	42	46	16	30	18	\$0	\$395,705	30	\$4,435,200	30	\$4,435,200	\$4,830,905
14	2006	650	98	1.4%	28	71	9	89	9	0	0	44	\$0	\$1,111,941	0	\$0	0	\$0	\$1,111,941
15	2007	197	197	2.8%	55	143	0	197	0	0	0	88	\$0	\$601,343	0	\$0	0	\$0	\$601,343
16	2007	2,400	0	0.0%	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0	0	\$0	\$0
17	2006	43	43	0.6%	14	35	43	0	37	0	37	0	\$0	\$0	\$0	\$0	19	\$2,738,000	\$2,738,000
18	2006	108	86	1.2%	29	70	78	8	35	26	9	0	\$0	\$0	\$0	\$0	9	\$1,296,000	\$1,296,000
19	2007	1,100	184	2.7%	60	142	103	81	35	26	9	39	\$0	\$943,999	2	\$500,000	2	\$500,000	\$1,443,999
Total		5,039	960	13.9%	284	720	412	548	270	159	308	245	\$0	\$3,111,537	77	\$12,559,600	77	\$12,559,600	\$15,671,137
<b>GRAND TOTAL</b>		<b>12,910</b>	<b>5,808</b>	<b>83.8%</b>	<b>1,736</b>	<b>4,502</b>	<b>1,738</b>	<b>4,070</b>	<b>362</b>	<b>239</b>	<b>320</b>	<b>2,437</b>	<b>\$0</b>	<b>\$14,542,357</b>	<b>83</b>	<b>\$13,186,540</b>	<b>83</b>	<b>\$13,186,540</b>	<b>\$28,328,897</b>

**Notes:**

[ID 5] Sold 100 lots as raw land

[ID 8] Was under contract to buy the land prior to December 2007. The land was never purchased, however \$600,000 was spent in soft costs in preparation for the 5th IBCT.

[ID 9] is renting out 12 units intended as for-sale. Investment losses were calculated for 50% of units.

[ID 16] is undeveloped raw land

[ID 17] is renting out units intended as for-sale. Investment losses were calculated for 50% of the units.

[ID 19] is renting out units intended as for-sale. Investment losses were calculated for 2 homes unable to rent.

Source: RKG Associates, Inc., 2009

**Table 2.3: Residential Pre-Announcement Losses**



Residential Post-Announcement Development Losses: Liberty, Bryan, and Long Counties																	
Map ID	Initial Construction Date	LOTS						HOMES									
		Total Lots	Buildable Lots or Under Construction	Lot Market Share	Total Natural Growth Absorption	Total Natural Growth WITH 5th BCT	Sold	Available For Sale	Built Homes	Sold	Available For Sale	Impacted Lots	Total Raw Land Damages	Total Infrastructure Damages	# of Homes Impacted	Total Home Damages	Total Damages
<b>LOTS ONLY</b>																	
20	2009	38	38	0.5%	7	22	0	38	0	0	0	22	\$144,699	\$460,138	0	\$0	\$604,838
21	2009	161	52	0.8%	18	30	0	52	0	0	0	30	\$181,155	\$646,518	0	\$0	\$827,673
22	2009	118	118	1.7%	22	68	0	118	0	0	0	68	\$542,617	\$2,223,424	0	\$0	\$2,766,041
23	2009	88	88	1.3%	8	42	0	88	0	0	0	42	\$148,607	\$107,311	0	\$0	\$255,917
24	2009	95	95	1.4%	9	46	0	95	0	0	0	46	\$167,522	\$38,969	0	\$0	\$206,491
25	2009	111	111	1.6%	10	53	0	111	0	0	0	53	\$303,552	\$632,346	0	\$0	\$935,897
26	2008	18	18	0.3%	4	11	0	18	0	0	0	11	\$120,205	\$62,616	0	\$0	\$182,821
27	2008	160	160	2.3%	19	78	22	138	0	0	0	56	\$368,413	\$275,620	0	\$0	\$644,033
28	2008	199	199	2.9%	56	144	0	199	0	0	0	144	\$1,233,939	\$2,177,539	0	\$0	\$3,411,478
29	2009	84	0	0.0%	--	--	0	0	0	0	0	84	\$650,000	\$0	0	\$0	\$650,000
<b>Total</b>		1,072	879	12.7%	155	495	22	857	0	0	0	557	\$3,860,708	\$6,624,480	0	\$0	\$10,485,188
<b>HOMES ONLY</b>																	
30	2008	12	12	0.2%	3	7	9	3	9	5	4	0	\$0	\$0	2	\$413,600	\$413,600
<b>Total</b>		12	12	0.2%	3	7	9	3	9	5	4	0	\$0	\$0	2	\$413,600	\$413,600
<b>HOMES &amp; LOTS</b>																	
31	2009	100	0	0.0%	0	0	0	0	0	0	0	0	\$0	\$0	0	\$0	\$0
32	2008	192	192	2.8%	53	123	36	156	36	36	0	87	\$544,002	\$979,203	0	\$0	\$1,523,205
33	2008	38	38	0.5%	9	23	3	35	3	2	1	20	\$261,038	\$783,115	1	\$150,000	\$1,194,153
<b>Total</b>		330	230	3.3%	62	146	39	191	39	38	1	107	\$805,040	\$1,762,318	1	\$150,000	\$2,717,358
<b>GRAND TOTAL</b>		1,414	1,121	16.2%	219	648	70	1,051	48	43	5	664	\$4,665,748	\$8,386,799	3	\$563,600	\$13,616,147

Notes:  
 Post-Announcement projects given full credit (natural growth not subtracted)  
 [ID 29] The land was purchased predicated on the 5th IBCT, however as of report writing no construction activity has taken place.  
 [ID 31] These lots were not targeting the military market  
 [ID 33] Home Construction Cost is an estimate  
 Source: RKG Associates, Inc., 2009

**Table 2.4: Residential Post-Announcement Losses**



of Fort Stewart, mostly in the City of Hinesville and Liberty County along Routes 196 and 119. Another cluster of developments are located around the intersection of Routes 84 and 57 in Long County.

## Estimated Commercial Development Impacts

There were four commercial developments identified as potentially impacted by the 5th Brigade announcement. Three of the commercial properties were purchased after the original 2007 announcement. These commercial land purchases were initiated to serve the new demand from the incoming military and civilian population. Accordingly, all post-announcement commercial developments were given full credit for land and/or building costs.

Commercial Impacts				
Map ID	Project Description	Purchase Date	Acres	Total Impacts
34	Commercial Land	2008	220, 143 Developable	\$7,000,000
35	Commercial Building*	2007	50	\$0
36	Commercial Building	2008	--	\$195,000
37	Commercial Land	2008	8	\$3,050,000
<b>TOTAL</b>	--	--	--	<b>\$10,245,000</b>
*Building was purchased before the December 2007 Announcement				
Source: RKG Associates, Inc., 2009				

**Table 2.5: Commercial Impacts**

One of the four identified commercial developments was purchased before the announcement. Although the developer was expecting growth based on surrounding private and public construction activity within Long County, RKG did not find this project to be impacted as a result of the Brigade cancellation. RKG estimates that total commercial development impacts are equal to \$10.2 million.

## Summary of Direct Private Development Impacts

RKG Associates' analysis indicates that total residential impacts associated with the 5th Brigade cancellation equal approximately \$41.9 million. The commercial development impacts are estimated at \$10.2 million, for a combined financial impact of roughly \$52.1 million before adjustments.

However, although the 5th BCT arrival has been cancelled, some new personnel growth is projected to occur at Fort Stewart/Hunter AAF over the next several years. According to documentation received from the base, there will be 860 military, civilian government, and federal contractors arriving at Fort Stewart by 2013, and another 283 arriving at Hunter Army Airfield. Although requested by RKG Associates, the Garrison Command at Fort Stewart was not able to provide additional detailed information (e.g., number of employees by rank, pay scale and year of arrival) about this population. It was therefore assumed that the characteristics of these new incoming personnel would be similar to those originally scheduled to come to Fort Stewart/Hunter AAF.

The total incoming personnel (1,143) are equal to 20% of the total incoming military and civilians that were projected to arrive under the original announcement in 2007 (5,664 personnel). Because the region will grow by approximately 1,143 military and civilian personnel, the residential impact estimates must be adjusted down by 20% (\$8,389,008) to account for this offsetting growth. This results in a revised total residential development impact of \$33,036,036. Including commercial development impacts, RKG estimates the private development impact at \$43.8 million.



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# 3.0 Public Sector Impacts



## Public Sector Impacts

### Public Sector Expenditures

The following sections present research findings for public sector expenditures occurring as a result of the 5th BCT assignment to Fort Stewart. Similar to the private sector analysis, the consultant team used the December 2007 decision point to separate pre- and post-announcement expenditures and isolate directly related investments. Prior to December 2007, communities surrounding Fort Stewart undertook various planning and infrastructure projects to prepare for military growth initiatives and to absorb natural, underlying growth.

### Direct Public Impact Methodology

To assess direct public sector expenditures, the consultant team contacted city and county administrators, city mayors, and school district finance officers and superintendents in Bryan, Liberty, Long and Tattnall Counties. Stakeholders identified any planning efforts or physical improvements either initiated or purposely re-sized as a result of the 5th BCT announcement. Table 6 shows the results of these interviews. The table also includes expenditures for annexation and infrastructure capacity expansions in the City of Midway and the City of Richmond Hill. The City of Midway initiated engineering and site planning services to expand wastewater treatment capacity in support of a planned residential development. The reversal of the BCT decision resulted in a loss of private sector financing for the project, thus undermining the fiscal sustainability of the plant expansion and requiring the city to absorb planning expenses without any offsetting revenue from future development. Similarly, the City of Richmond Hill spent funds to annex and extend water and wastewater services to a site under private contract for housing specifically targeted to the BCT. The June 2009 cancellation resulted in dissolution of the contract and halted development, thus again requiring the municipality to bear the cost of public infrastructure planning. The city also has ongoing expenditures associated with expansion of its wastewater treatment facility to meet anticipated growth. As illustrated on the table, total direct public sector expenditures estimated to date are \$7 million.

### Indirect Public Impact Methodology

As noted earlier, communities either initiated or elevated in priority a variety of other facility improvements prior to the December 2007 announcement. Public entities undertook these projects, including roadway and transit improvements, classroom expansion and wastewater treatment upgrades, as a result of the expected, but not formally announced, Brigade assignment or to support other specific military-related initiatives, such as Grow The Army. Communities such as Richmond Hill also experienced higher rates of natural growth (for purposes of this analysis defined as non-military growth), requiring ongoing public expenditures to support planned residential and commercial development. Additionally, in 2006 the Liberty County Development Authority initiated planning and construction for a \$30 million dollar Water Reclamation Facility (WRF) at Tradeport East Business Center in eastern Liberty County. Originally envisioned as a 2 million gallon per day (mgd) facility, the Development Authority planned to expand the treatment capacity of the advanced membrane bioreactor technology to 3 mgd to capture increased residential development opportunities associated with both military and underlying community growth. In 2008, the Development Authority began to scale back plans for more treatment capacity, including the cancellation of engineering and construction contracts, due primarily to a downturn in overall economic conditions and dampened development prospects in the region. Pending approval from the State of Georgia, the WRF will begin operations at its initially planned treatment flow of 0.8 mgd.

While these projects represent significant public investment made in preparation to absorb expected military and community growth, the consultant team did not include such costs as part of the public sector economic impact calculation unless one of two conditions was met:

- the Brigade announcement was the direct trigger for an expenditure decision; or
- the Brigade cancellation was a driving factor in the reversal of a specific private sector project which the public sector investment was intended to support.

However, the analysis highlights two specific projects as indicated in Table 7 due to the particular nature of these expenditures. The Long County School District purchased land for new school construction in 2006 in anticipation of military-induced growth. After the 2007 announcement of the 5th BCT assignment, district officials concluded



<b>Direct Public Sector Expenditures</b>				
Jurisdiction/Entity	Project/s Identified	Project Inception	Description of Expenditure	Expenditures Related to 5th Brigade Announcement
Liberty County School District	Middle school on Ft. Stewart	Jul/Aug 2008	Planning, architectural and legal fees	\$10,000,001
Long County School District	Portable classroom leases	Aug-08	Lease of one portable for Smiley Elementary School (SES) and one portable for Walker Middle School	\$56,990
	School expansion and portable unit purchase	Feb-09	Additional classrooms to SES; enlarge cafeteria/kitchen; purchase MODPOD for Pre-K; and construct Weight Bldg at Long County High School	\$2,220,772
Liberty County	Increase in size of Justice Center in Hinesville	2007	Additional courtroom planned (15,000 sf at \$195 sf)	\$2,925,000
City of Midway	Wastewater treatment plant (WWTP) upgrades	2007-2008	Site preparation and engineering	\$124,300
	Annexation of Richmond Reserve site	2007	Planning and legal fees	\$5,000
City of Richmond Hill	Extension of water and wastewater lines to the Richmond Reserve site	2007	Planning, engineering and construction	\$690,000
	WWTP Upgrades	2007	Testing fees, environmental studies and legal fees	\$50,000
<b>TOTAL DIRECT PUBLIC EXPENDITURES</b>				<b>\$7,072,062</b>

**Table 3.1: Direct Public Sector Expenditures**

that the planned school would not be large enough to meet BCT-related growth, so they halted plans for school construction and pursued the leasing of portable classroom to accommodate expected increases in student enrollment. District officials indicated that the portable classroom units provided for a more cost-efficient expansion of capacity. The original Brigade announcement and reversal of the decision significantly influenced investment decisions in the district, including the initial site purchase.

The City of Hinesville and Fort Stewart shared wastewater treatment capacity prior to construction of a new facility used exclusively by the off-post community. The city initiated plans for a new plant in 2005 to reduce municipal treatment loads at the existing facility and support Fort Stewart in demonstrating sufficient on-installation capacity to absorb growth through Department of Defense initiatives such as Grow The Army. Dampened growth in the

community and lower than expected municipal revenue have significantly affected the fiscal sustainability of this project. Total indirect public sector expenditures estimated to date are \$26 million.



<b>Indirect Public Sector Expenditures</b>			
Jurisdiction/Entity	Project/s Identified	Project Inception	Expenditures
Long County School District	Purchase of land adjacent to Smiley Elementary School for construction of combined Gr 3-8 School + planning	2-Oct-06	\$1,138,065
Hinesville	Design and construction of WWTP and extension of lines along 15th Street	2005	\$24,931,861
<b>TOTAL INDIRECT EXPENDITURES</b>			<b>\$26,069,926</b>

**Table 3.2: Indirect Public Sector Expenditures**



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# 4.0 Regional Impacts



## Regional Impacts

### Regional Economic Impacts

In addition to the direct financial impacts to private developers and local public entities, RKG Associates estimated the future economic impacts to the regional economy due to the loss of the 5th Brigade. This analysis accounts for all the indirect impacts to future employment, earnings, and output to final demand that resulted from the cancellation of the 5th Brigade. RKG utilized RIMS II industry multipliers obtained from the Bureau of Economic Analysis to conduct this analysis. As with the direct impacts, RKG offset the regional impacts by reducing the incoming personnel to Fort Stewart and Hunter AAF by roughly 20%. The 20% offset results from the proportional relationship between the current incoming personnel (1,143) and the original incoming personnel (5,669 military, civilian and contractors). The net impact to employment is equal to the difference between these two numbers. Due to rounding error the adjusted employment in Table 8 (4,535) is greater than the actual number (4,526).

#### ***Future Regional Employment Impacts***

The following table shows that the net direct employment impacts associated with the 5th Brigade include 4,051 military and 484 civilian and contractors. Two major employment sectors omitted from this analysis are construction and operations and maintenance employment, which despite the Brigade cancellation, have not been impacted. Over the next several years hundreds of millions dollars of new construction will be completed on post and those facilities will be operated and maintained as originally planned.

The indirect employment created in all other industries as a result of the 4,535 direct jobs is projected to equal 1,845 new jobs by the end of 2015 when all incoming personnel at Fort Stewart/Hunter AAF are in place. The total future employment lost to the region due to the 5th Brigade cancellation is estimated at 6,380 jobs.

#### ***Future Regional Earnings Impacts***

Earning impacts equal the total loss of wages, salaries, benefits, and other personal income due to the unrealized creation of 6,380 direct and indirect jobs in the regional economy. The estimated payroll for military and civilian government employees was estimated using current military and civilian pay rates by military rank and civilian

pay grades. RKG also added the 2009 basic allowance for housing and subsistence to accurately reflect current compensation levels for military personnel with and without dependents.

The distribution of military personnel by rank was obtained from Fort Stewart's Garrison Command from earlier 5th Brigade projections. No similar distribution of civilian employees was available, but RKG used current civilian pay rates and applied a distribution of pay grades based on previous military base assignments.

The total future regional earnings impacts during the 2008-2015 period equal approximately \$1.0 billion for direct employment at Fort Stewart/Hunter AAF and \$568 million for indirect earnings in all other industries. The future net impact to regional earnings is projected at \$1.6 billion over the projection period.

#### ***Regional Output Impacts***

Total regional output to final demand accounts for the total economic output in all industries as a result of the 5th Brigade cancellation. Since DoD has not cancelled the MILCON program at Fort Stewart/Hunter AAF, there is no impact to construction and operations and maintenance spending and employment. Therefore, the economic output impacts are confined to direct and indirect earnings impacts totaling \$1.6 billion.



Regional Economic Impacts Due to Cancellation of 5th Brigade: Fort Stewart/Hunter AAF (2008/2014)								
	2009	2010	2011	2012	2013	2014	2015	Totals
<b>OUTPUT</b>								
Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operation & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Output	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Economic Output Impact	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>EMPLOYMENT</b>								
Military	330	986	763	3,580	3,714	3,883	4,051	4,051
Civilian Govt./Contractors	39	118	118	428	444	464	484	484
Construction	0	0	0	0	0	0	0	0
Operation & Maintenance	0	0	0	0	0	0	0	0
Total Direct Employment	370	1,103	881	4,008	4,158	4,347	4,535	4,535
Indirect Employment Impact	150	449	358	1,630	1,691	1,768	1,845	1,845
<b>EARNINGS</b>								
Military	\$14,954,831	\$45,369,498	\$37,367,465	\$179,246,952	\$197,555,564	\$211,195,560	\$232,439,459	\$918,129,329
Civilian Govt./Contractors	\$2,094,850	\$6,372,024	\$6,552,172	\$24,463,647	\$26,060,800	\$27,463,088	\$29,203,756	\$122,210,336
Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operation & Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Earnings	\$17,049,681	\$51,741,522	\$43,919,636	\$203,710,599	\$223,616,364	\$238,658,648	\$261,643,214	\$1,040,339,666
Indirect Earnings Impact	\$9,309,126	\$28,250,871	\$23,980,121	\$111,225,987	\$122,094,535	\$130,307,622	\$142,857,195	\$568,025,457
<b>TOTAL ECONOMIC IMPACTS</b>								
Output	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	520	1,552	1,239	5,638	5,850	6,115	6,380	6,380
Earnings	\$26,358,807	\$79,992,393	\$67,899,758	\$314,936,587	\$345,710,899	\$368,966,270	\$404,500,409	\$1,608,365,123

Source: Bureau of Economic Analysis, DemographicsNow, Fort Stewart Garrison Command, and RKG Associates, Inc., 2009





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# Appendix



## Letter of Expenditures

October 6th, 2009

Melissa and Russell,

As per your invitation, we will respond to a number of points made during our discussions with you to include expenditures post announcement (to date), reasoning behind expenditures, current financial status, and lastly, our understanding of the purpose of OEA Funds. We will start with the last subject as it sets the stage for our other points.

Initially, Congressman Kingston sought for ways to mitigate the sizable investments made by both the private and public sector in anticipation of the 'promised' 5th Brigade. Congressman Kingston is keenly aware of the vast amount of dialog between Army leadership and the civilian community due to unparalleled housing needs for the military coupled with (private sector) difficulty in obtaining funds to meet the need. Numerous meetings were held with Army leaders and area banks and investors in an effort to give assurance and certainty of the 5th Brigade's arrival. The economic crisis demanded greater levels of assurance from the Army, as continued assurances to include a copy of military orders and a deployment date for new brigade loosened funds for necessary housing. This unusual situation is a virtual 'perfect storm' for larger developers like us, as it pried loose reluctant funds which now cannot be paid back. It is clearly, in our opinion, developers and investments like ours that Congressman Kingston is trying to help.

We have spent \$6,849,209.62 from a Heritage Bank loan, starting on July 1st 2008 for improvements at Independence where we accelerated our improvements for phasing to address anticipated 5th Brigade buildup at Ft. Stewart. We repurchased the 'Settlement' tract in Independence on March 30th, 2009, acquiring a loan of \$4,768,771.03 from Sea Island Bank in Savannah. In addition to loan amounts, we have spent significant 'out-of-pocket' expenses (\$626,719.07) for carrying cost, operations, and maintenance of these properties. Additionally, we have spent \$2,395,047.12 borrowed from Heritage Bank for improvement cost for three separate Long County projects – Vickers Hill, Crawford, and Murray Crossing. This amount represents expenditures post 5th Brigade announcement. All loan amounts can be separately verified by lending institutions who worked together with us to quantify these amounts as 5th Brigade dependent loans.

The reasoning behind these expenditures was based entirely upon the Army's request that the private sector step up and meet the need of a 'War-Time' Army in the critical area of housing. It is important to note that 3rd ID Commander, Anthony Cuccolo, faced this same potential shortage of housing at a previous duty station (Ft. Drum, New York). That housing need was not met, and soldiers had to be transported from miles away, creating a strategic nightmare. Fresh off this situation, Cuccolo pressed hard that housing be built to accommodate the vast numbers soon to arrive. We were given a brigade deployment date and arriving schedule of troops to include dates of arrival and rank so as to be better able to plan housing for the specific need of soldiers.

Our current financial status is dire to say the least. We have invested virtually everything in the assurances given by the Army. Without some immediate help, we will lose everything as we are personally guaranteed on every loan made us in this venture. As a sixty one year old man, having been in the market for 35 years, I had never felt more assured and confident with such an unusual level of exposure: I had government's word that my investment was incredibly needed and confidently covered by the arrival of the 5th Brigade.

Sincerely,

Clay Sikes/Bill Nutting