

Small Installation-Miami Project (SIMP) Description

The Assistant Secretary of the Army (Installations, Energy, & Environment) (ASA-IE&E) is seeking interested parties to execute a ground lease at eight (8) small installations across the United States and Puerto Rico. This requirement is being pursued under the Military Housing Privatization Initiative (MHPI) legislation (10 USC 2871-2885) enacted by Congress in 1996. When ready to commence the selection process, the Army will provide Qualifying Criteria to current Residential Communities Initiative (RCI) Companies to select a partner for execution of the land lease associated with this project.

Background

During the years when the RCI solicitations were originally developed, the Army determined that 18 installations in the Continental United States (CONUS)/Puerto Rico were either too small or geographically isolated to warrant consideration for privatization. In the intervening years this discussion has been revisited periodically but no privatization decision has resulted. In July 2018, Secretary of the Army Esper directed the Army staff to explore the potential to divest of the remaining CONUS housing inventories through privatization, re-designation, demolition, or other divestiture.

The Army discussed the potential for incorporating the small installations into the RCI portfolio in past Senior Executive Meetings and, on 5 February 2019, sent a letter to all RCI companies asking that they notify the Army of their interest in expanding their inventories to include the housing from these installations. Immediately thereafter, privatized housing programs across all Services came under intense Congressional and media scrutiny; privatization efforts at the small installations were temporarily suspended. The COVID pandemic resulted in further delays, however, Army leadership's interest in privatizing the small installations has not waned. The Army is now prepared to move forward with selection of a partner to enter a ground lease at these installations and add these existing Army housing assets to their current privatized housing portfolio. The Army would contribute these existing housing assets to the partner with a depreciated value of approximately \$143.6M to this project.

There are limitations regarding Army participation in privatization initiatives – in accordance with Title X, Section 2875 of the U.S. Code, the Army cannot contribute cash which accounts for more than 33% of total development costs or cash and conveyed assets which total more than 45%. This limitation may have an impact on the deal structure at the proposed small installations. The Army will contribute existing assets with a depreciated value of approximately \$143.6M to this project because most of the identified installations have new or like-new inventory. Similarly, the Army seeks privatization solutions which will not trigger an Office of Management and Budget (OMB) scoring event. The Office of the Secretary of Defense (OSD) has shared that private debt will not be scored by OMB for a new project such as this, unless credit authorities, e.g., loan guarantees are used.

To meet the Army's housing requirements and stay within OSD/OMB programmatic guidance, the Army has determined only existing MHPI participants can meet the qualifying criteria.

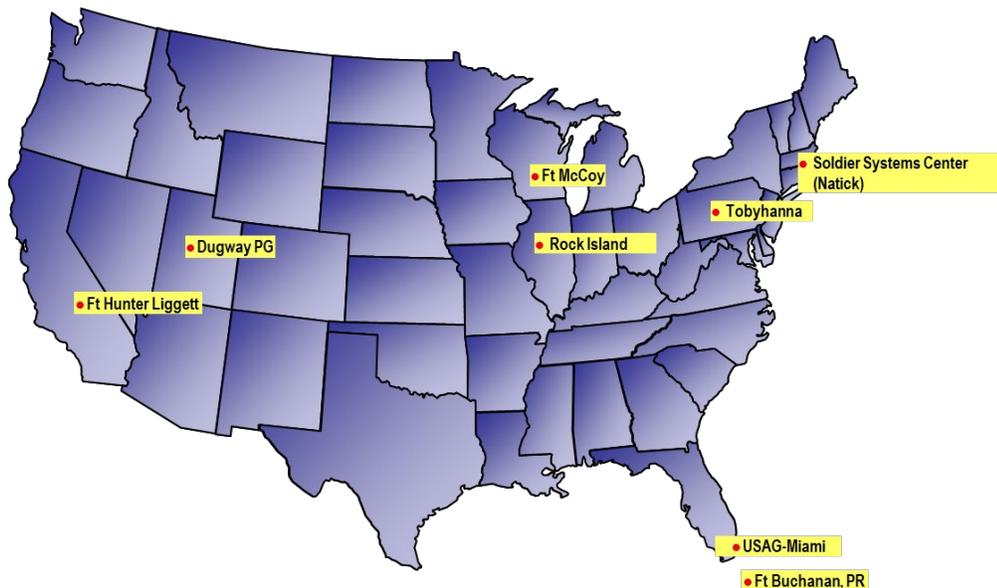
Proposed Scope of Work

The eight (8) sites proposed for privatization are not contiguous; however, the housing assets will be conveyed as one phased project along with a parcel of land at USAG-Miami. The missions of the installations are varied as is the locale of the installations – rural, remote, near city, urban, etc. All provide administrative, housing, recreational or other support to active duty, reserve component, retired military personnel or DoD civilian personnel stationed or living in the region. Fiscal and administrative support are provided by Army Materiel Command and the Army Reserve.

There are currently seven (7) different housing locations in five states and 1 territory with a Family Housing (FH) inventory of 549 units. Additional FH units and 120 Unaccompanied Housing (UH) units, as discussed in the USAG-Miami section below, are expected to be constructed during the Initial Development Period (IDP). The figures below represent an estimate of the end state inventory and will be validated during preparation of the development plan:

LAND HOLDING COMMAND	INSTALLATION NAME	FH*	UH*	TOTAL
ARMY MATERIEL COMMAND	Tobyhanna Army Depot	28	0	28
ARMY MATERIEL COMMAND	Rock Island Arsenal, IL	80	0	80
ARMY MATERIEL COMMAND	Soldier Systems Center (Natick), MA	28	0	28
ARMY MATERIEL COMMAND	Dugway Proving Ground, UT	161	0	161
ARMY MATERIEL COMMAND	USAG-MIAMI (estimated to be constructed)	75	120	195
ARMY RESERVE	Fort Buchanan, PR	46	0	46
ARMY RESERVE	Fort McCoy, WI	120	0	120
ARMY RESERVE	Fort Hunter Liggett, CA	86	0	86
	TOTAL	624	120	744

* Family Housing (FH), Unaccompanied Housing (UH)



USAG-Miami

At the U.S. Army Garrison-Miami installation, the Army is the executive agent for provision of base operations services in direct support of U.S. Southern Command (SOUTHCOM) (one of eleven Combatant Commands) and U.S. Special Operations Command South (SOCSOUTH).

Tenants receiving services include: SOUTHCOM, SOCSOUTH, Marine Forces South, U.S. Army Health Clinic, U.S. Army Network Enterprise Center (NEC), 410th Contract Support Brigade Regional Contracting Office, U.S. Army Logistics Readiness Center, Civilian Personnel Advisory Center, and Army and Air Force Exchange Service.

The Garrison cantonment area in the City of Doral consists of 55 acres on NW 33rd Street. The Federal Aviation Administration (FAA) has agreed to transfer 42.5 acres, with an option for 8 additional acres, directly across from SOUTHCOM headquarters to the Army for construction of military housing only.

The Army envisions all development and construction during the Initial Development Plan (IDP) will occur on the FAA site. As with other RCI projects, the Army will work with the selected partner to develop an IDP which focuses on the early years of the project, but provides a long-range plan for the operation, sustainment, renovation, and construction of housing over the ground lease term at all installations in the project.

At Miami, the FAA will be included in each stage of design review to ensure that project orientation, height, and building materials do not adversely impact their aviation control mission, although approval is not required until the design is at 100%. Similarly, the partner must coordinate with the city of Doral and Dade County to comply with all development criteria and codes imposed by the local governments. Specific information surrounding the Miami housing requirement and FAA land include but are not limited to:

- 1. Housing Requirement:** The 12 March 2019 Housing Market Analysis (HMA) indicates an FY23 requirement of 127 for UH (E5 and below) and 172 FH units. An updated Key & Essential (K&E) roster has increased the FH requirement to 178 units. This translates into an Army programming requirement of 120 UH (E5 and below) [95% of 127] and 160 FH [90% of 178]. SOUTHCOM has identified a K&E requirement of 61 FH units which should be constructed as the first priority and then space for 120 UH Service Members as the next priority. Any remaining funds should be directed toward increasing the FH inventory.
- 2. Land Transfer:** The United States of America owns approximately one hundred sixty acres (160) of land located approximately 2.5 miles west of the Miami International Airport (MIA), which land is under the jurisdiction of the FAA. The FAA has placed air navigation and communication equipment on the site, which is critical to the safe and efficient operation of the national airspace system and the management of air traffic into and out of MIA, as well as seven (7) other airports in south Florida. The FAA and the Army have agreed in principle to a no-cost transfer of 42.5 acres (with an option for an additional 8 acres); provided that such transfer does not result in interference with, obstruction of, or encroachment upon, the FAA's air navigation and communication equipment, or interfere with the FAA's access to the site; and that the Army agrees to comply with the additional terms and conditions as established in an MOU agreement

between the parties executed on 20 August 2021. Land retained by the FAA will include an antenna array and a Very High Frequency Omni-Directional Radio Range Tactical Air Navigation (VORTAC) system.

Transfer of the land from the FAA to the Army shall occur after the Army notifies the FAA in writing that all Congressional notification requirements necessary for the development of housing on the land have been satisfied and the developer, to whom the Army intends to lease the land, has obtained a commitment for financing in an amount adequate to enable construction of the planned scope of development. Construction shall not commence on the land transferred unless and until the FAA conducts a final Obstruction Evaluation Analysis of the proposed development plan at the 100% design phase and the FAA determines in writing that such development plan (including temporary construction equipment) complies with applicable FAA regulations, rules, orders, and notices.

The FAA has advised that the land to be transferred is aligned with major arrival and departure path(s) for MIA. The partner will be responsible for all noise reduction, mitigation, and/or abatement requirements applicable to the use of the land for residential purposes. Additionally, approximately 3-feet of compacted fill to the ground surface will likely be required to bring the land up to an acceptable developable level. Stormwater management should be developed in accordance with measures consistent with the Best Management Practices for South Florida Urban Stormwater Management Systems (SFWMD, 2002). The selected partner should discuss opportunities to utilize FAA-retained property for storm water management activities.

The Army is responsible to provide and maintain a security fence dividing the land transferred and the land remaining in the jurisdiction of the FAA. The security fence must meet all the FAA's requirements and may contain additional security requirements necessary to meet Army force protection standards.

The selected partner must, to the maximum extent practicable, mitigate any wildlife attractants at its own cost and expense in accordance with FAA Advisory Circular 150/5200-33C, entitled Hazardous Wildlife Attractants on or Near Airports.

An updated site plan of the FAA transferred property will be under development in the fall of 2021 and will be available to the selected partner in early 2022. American Land Title Association (ALTA) surveys of each site required for financial and real estate closing will be the responsibility of the selected RCI partner.

3. **Scope:** The selected partner is expected to maximize construction of housing to accommodate K&E personnel and to construct up to 60 2-bedroom UH apartments for E5 and below. K&E FH personnel consist of:

O10 – 1	CW2 – 1
O9 – 1	E9 – 2
O8 – 2	E8 – 2
O7 – 2	E7 – 3
O6 – 20	E6 – 7
O5 – 8	E5 – 5

O4 – 1	E4 – 5
CW3 – 1	

Any additional development funds should be utilized to increase the FH inventory. All construction and renovation work must comply with the latest version of the RCI Construction and Renovation Standards.

Miami Scope Guidance	Minimum	Maximum
UH	120	120
FH	61	160
GFOQ*	7	7

* General Flag Officer Quarters (GFOQ), included in 61 K&E FH units

4. **GFOQ enclave:** A component of the K&E requirement is construction of 7 Executive Homes to house six General/Flag Officers and one Command Sergeant Major (E9). The Army recognizes that land constraints may dictate a footprint/size less than that seen in construction of GFOQs at other installations, however, it expects functionality and finishes commensurate with the rank and responsibility of the assigned occupants. All Executive Homes should be co-located and have access to a shared outdoor open space with entertainment capable of supporting up to 50 guests. Ideally a portion of this space should be covered.

One of the General Officers is in a Special Command Position. The Special Command home (Quarters 1) must have 5 bedrooms, capability to convert one room to an office that can support the Secret Internet Protocol Router Network (SIPRNet) [see AR 380-5, para 6-13b for minimum construction standards], and an outdoor kitchen and entertainment space for 20, including overhead cover.

A final site planning and security assessment by Protective Service Detail will make the determination as to the need for an intrusion detection system, a separate space/capability for on-site protective service detail to operate, and a panic room. A Sensitive Compartmented Information Facility will not be required in the home.

5. **Funds to Construct:** The selected partner is responsible to leverage the Basic Allowance for Housing (BAH) revenue associated with this project to obtain the necessary debt to achieve the development scope. A commitment for financing in an amount that is adequate to enable construction of the planned scope of development on the transferred land is a prerequisite to FAA’s transfer of the land. Two of the installations have on-going Army Family Housing Construction projects underway which will preclude their immediate transfer to the project – 26 units at Tobyhanna Army Depot (July 2023) and 17 units at Fort Buchanan (January 2024). Army will not contribute equity to this project, nor will it entertain the use of any MHPI authorities which would be scored by the OMB.

6. **Anti-Terrorism Force Protection (ATFP) Requirements/Access Control Points:** All construction must comply with Unified Facilities Criteria (UFC) 4-010-01, 12 December 2018; Change 1, 19 August 2020; UFC DOD Minimum Antiterrorism Standards for Buildings, as well as installation guidance. In addition, two Access Control Points (ACPs) will likely be required on the property (one aligned to the Doral Central

Park entrance). ACPs are addressed in UFC 4-022-01, 27 July 2017, UFC Entry Control Facilities Access Control Points.

7. **Height/Proximity Restrictions:** No structure will be built on the land that exceeds 44' Mean Sea Level/34' Above Ground Level in height. No obstruction of any kind shall be placed within a 1,000' radius of the FAA's VORTAC system located on the retained FAA site.

8. **Local Requirements:** The selected partner must coordinate with City and County officials to ascertain development requirements associated with housing construction on the FAA parcel. City of Doral Code of Ordinances which addresses development impact fees and tax implications can be found at https://library.municode.com/fl/doral/codes/code_of_ordinances?nodeId=14386.

9. **Current Occupancy:** In FY21 there were a total of 833 active-duty Service Members at USAG-Miami eligible for FH and UH:

- a. Eligible for FH: 659
- b. Eligible for BOQ/BEQ (E5 and above): 140 (93 – E5s)
- c. Eligible for UH (E4 and below only): 34

These Service Members were accommodated as follows:

- a. SM's in FH Government Leases: 6
- b. SM's in UH Government Leases: 52
- c. SM's in private ownership or lease arrangements: 775

Government leases will be terminated upon the completion of Miami RCI construction.

Rock Island Arsenal, IL

The Rock Island Arsenal comprises 946 acres, located on Arsenal Island, originally known as Rock Island, on the Mississippi River between the cities of Davenport, Iowa, and Rock Island, Illinois; Rock Island Arsenal lies within the state of Illinois. It is home of First Army headquarters and is now the largest government-owned weapons manufacturing arsenal in the United States. Rock Island Arsenal has manufactured military equipment and ordnance since the 1880s and is designated as a National Historic Landmark.

Today Rock Island provides manufacturing, logistics, and base support services for the Armed Forces. The Arsenal is the only active U.S. Army foundry, and manufactures ordnance and equipment, including artillery, gun mounts, recoil mechanisms, small arms, aircraft weapons sub-systems, grenade launchers, weapons simulators, and a host of associated components. About 250 military personnel and 6,000 civilians work at Rock Island Arsenal.

Rock Island has an inventory of 80 homes constructed between 1872 and 2017. Beyond routine maintenance, all homes were last renovated between 2011 and 2017. Seven (7) of the homes are on the National Historic Register. Only routine maintenance and repair work is anticipated in these units until construction of the USAG-Miami housing is complete. In addition to the housing, the Garrison may be interested in including the former historic Quarters 1 as a Community Center or other use as part of the project. It has been utilized by the installation

Morale, Welfare, and Recreation office since 2008, however, the Army would be interested in receiving viable, cost-effective proposals for use of this building in the project.

Rock Island Arsenal reports that 76 accompanied military personnel reside in government-provided military family housing in May 2021.

Soldier Systems Center (Natick), MA

The U.S. Army Natick Soldier Research, Development and Engineering Center (NSRDEC), also known as the U.S. Army Natick Soldier Systems Center, or simply as Natick Labs, is an element of the United States Army Research, Development, and Engineering Command, headquartered at Aberdeen Proving Ground, Maryland, and a tenant unit on the installation of the U.S. Army Soldier Systems Center at Natick, Massachusetts.

NSRDEC exists to develop and test new material systems for U.S. Army soldiers. It has been the prime developer of Meals Ready to Eat (MREs), elements of the Future Force Warrior System, the Pouch Attachment Ladder System (PALS) grid and other items and methods used in the modern American military.

No homes are currently occupied at Natick. There will be 28 newly constructed homes (Beneficial Occupancy Date January 2022) in the inventory at Natick with a grade designation of: 2-O6, 3-O4, 6-O2, 1-E9, 6-E8, and 10-E4.

Tobyhanna, PA

Tobyhanna Army Depot is a logistics center for the United States Department of Defense specializing in electronic systems and located in Coolbaugh Township, Monroe County, near Tobyhanna, Pennsylvania. It is a facility for the repair, upgrade and integration of Command, Control, Computer, Communications, Intelligence, Surveillance and Reconnaissance systems for all branches of the Armed Forces. The depot's mission is total sustainment, including design, manufacture, repair and overhaul, of hundreds of electronic systems. They include satellite terminals, radio and radar systems, telephones, electro-optics, night vision and anti-intrusion devices, airborne surveillance equipment, navigational instruments, electronic warfare, and guidance and control systems for tactical missiles.

Tobyhanna has gained new missions and workload in each of the five rounds of Defense Base Realignment and Closure between 1988 and 2005. The depot is also the largest employer in northeastern Pennsylvania, with more than 5,000 personnel working at the installation. The depot's regional economic impact approaches \$2 billion annually.

Tobyhanna Army Depot has an inventory of 2 homes built in 2011 (1-O6 and 1-E9) and another 26 (24 Company Grade and 2 Field Grade) currently under construction and will potentially be available for transfer into the privatized project in July 2023.

Fort Buchanan, PR

United States Army Garrison Fort Buchanan, Puerto Rico, is a United States Army installation in Puerto Rico. It is in the metropolitan area of the capital, San Juan.

Fort Buchanan consists of 746.16 acres between the municipalities of Bayamón and Guaynabo, Puerto Rico with a real estate value estimated at \$560 million. Fort Buchanan is host to several tenant activities, most of them to support the United States Armed Forces Reserve Component. Fort Buchanan serves a population of approximately 130,000, including military personnel, their dependents, retirees, veterans, and the civilian workforce.

Fort Buchanan currently has an active inventory of 29 homes built in 1948. They have had routine maintenance since their construction. Another 17 units are currently under construction and will be available for transfer into the privatized project in January 2024. Rank designation at end state is anticipated as follows: 12 E1-E3, 2 E4-E6, 10 E7-E9, 4 W1-O3, 10 W4-O5, 3 O6-O10, and 5 civilians.

As of May 2021, 20 homes were occupied at Fort Buchanan 2 E4-E6, 6 E7-E9, 3 W1-O3, 3 W4-O5, 1 O6-O10, and 5 civilians.

The homes are in two separate neighborhoods and in two different counties (Bayamon and Guaynabo). Based on Army's previous MHPI experience in Puerto Rico, the recordation and title search required in preparation of the ground lease and conveyance of property will require more time and be more costly. Local counsel will be required as documents are in Spanish and courthouse records are often missing or incomplete.

There is currently an Energy Savings Performance Contract (ESPC) owned by Johnson Controls at Fort Buchanan. Although the wind and solar projects have reduced electric costs by approximately 35%, the housing portion of the ESPC contract is \$218K per year in addition to the cost of the electricity (\$275K per year). Previous MHPI privatization efforts required that the ESPC contracts be bought out before the housing could be privatized. The ESPC term is through 2033 and the Army will buyout the housing portion of the contract before the RCI ground lease is executed.

Fort McCoy, WI

Fort McCoy is a United States Army installation. It is located on 60,000 acres between Sparta and Tomah, Wisconsin, in Monroe County. The post is used primarily as a military training center. A part of Fort McCoy is also used by the Wisconsin State Patrol as a training facility.

Fort McCoy has an inventory of 120 homes built between 1998 and 2020. A few homes have had minor renovations but mostly routine maintenance since their construction. The homes are in a single neighborhood. In May 2021, Fort McCoy reports that 110 of their 120 FH units are occupied.

Fort Hunter Liggett, CA

Fort Hunter Liggett is a United States Army installation in southern Monterey County, California, about 250 miles (400 km) north of Los Angeles and 150 miles (240 km) south of San Francisco. The fort is primarily used as a training facility, where activities such as field maneuvers and live fire exercises are performed. Fort Hunter Liggett, at 167,000 acres, it is the largest United States Army Reserve command post. It contains 86 housing units in adequate condition. Due to the remote location of Fort Hunter Liggett, there is no local community to utilize as a tenant waterfall. Many of the civilian employees (37) reside on-post. Both of these factors may cause the lending community to request a loan guarantee – an untenable deal term for the Army.

Similarly, OMB may object to privatization of homes for civilian residents. The Army is discussing this issue with the appropriate authorities. As of 18 May 2021, 25 units were vacant.

Dugway Proving Ground (DPG), UT

Dugway Proving Ground is located about 85 miles (140 km) southwest of Salt Lake City, Utah, in southern Tooele County and just north of Juab County. It encompasses 801,505 acres (3,243 km², or 1,252 sq mi) of the Great Salt Lake Desert, an area the size of the state of Rhode Island, and is surrounded on three sides by mountain ranges. It had a resident population of 795 persons as of the 2010 United States Census, all of whom lived in the community of Dugway, Utah, at its extreme eastern end. Dugway's mission is to test United States and allied biological and chemical weapon defense systems in a secure and isolated environment. DPG also serves as a facility for US Army Reserve and US National Guard maneuver training, and US Air Force flight tests—mostly from nearby Hill Air Force Base in Clearfield. DPG is controlled by the United States Army Test and Evaluation Command. The area has also been used by Army special forces for training in preparation for deployments to the War in Afghanistan. There are 161 Family Housing units at Dugway in varying condition. Due to the remote location of DPG, there is no local community to utilize as a tenant waterfall. Many of the civilian employees (58) reside on-post. Both of these factors may cause the lending community to request a loan guarantee – an untenable deal term for the Army. Similarly, OMB may object to privatization of homes for civilian residents. The Army is discussing this issue with the appropriate authorities. As of 18 May 2021, 127 units were vacant.

-End of Project Description-