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ARMY ANNOUNCES FORT BRAGG PARTNER FOR RESIDENTIAL COMMUNITIES INITIATIVE

The Army announced today the selection of the firm who will develop the Community Development and Management Plan (CDMP) for Fort Bragg, N. C., as part of the Army's Residential Communities Initiative (RCI). Under the RCI program, the Army plans to privatize Army family housing at 28 installations throughout the United States.

Picerne Military Housing, LLC will work with the Army to develop the CDMP that will serve as the blueprint for the Army's residential community at Fort Bragg. This planning phase is expected to take approximately six months. Upon acceptance of the CDMP by the Army, and review of the plan by DoD, OMB and Congress, the project will begin in the Spring of 2003.

Current estimates expect approximately \$455 million in private sector debt and equity in the initial development phase of the project for renovation and construction of the family housing communities at Fort Bragg.

The CDMP proposed by Picerne, upon approval, will result in the construction of approximately 3,050 new or replacement housing units, renovation of 1,815 housing units and the construction of 11 new community centers, as well as a host of other ancillary facilities and amenities to meet the family housing needs at Fort Bragg. Picerne has proposed that a limited liability company, whose members will include Picerne and the Army, will develop, redevelop, construct, own, manage and maintain the housing units; maintain the grounds of unoccupied and public areas; construct and maintain the roads and infrastructure in associated areas; and reinvest profits for future renovations and replacements.

"The Residential Communities Initiatives allows the Army to focus on its core mission while handing the job of maintaining housing to our private partners who know how to do it best," said Secretary of the Army Thomas E. White. "Most importantly, it provides our soldiers the same quality of life as the people they defend. Bringing RCI to Fort Bragg - from which so many of our soldiers are currently deployed around the world - is never more essential than now. Whenever our soldiers are away protecting freedom around the world, they can rest assured that their families are living in quality, affordable housing."

RCI will improve, in a short period of time, the quality of life for the more than 5,000 residents and family members who reside on Fort Bragg. The overall family housing appearance and function within Fort Bragg will weave the natural and built environments together as a planned community using both traditional community land planning guidelines and "Beaux-Arts" principles, which combines stately, ornamented architecture with planning of entire communities with common themes and styles.

Fort Bragg is the Army's fifth RCI project. The Assistant Secretary of the Army for Installations and Environment has overall responsibility for the RCI program. Under RCI, soldiers who reside on post will receive the Basic Allowance for Housing (BAH) and pay rent to the developer. These rental revenues will cover all development costs, operations and maintenance costs, and debt service.

The Army has a \$6 billion revitalization requirement that would take many years to alleviate under existing procedures. Together with traditionally funded military construction and increased housing allowances, privatizing family housing under RCI is an essential element in solving the Army's acute family housing problem.

The Picerne Real Estate Group, parent organization of Picerne Military Housing, LLC, headquartered in Warwick, Rhode Island, has created housing and commercial properties throughout the United States and Puerto Rico since 1925.

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For more information: Please call Karen Baker at 703-697-7592
(Karen.Baker2@hqda.army.mil) or Kevin Larson at 703-697-7591
(Kevin.Larson@hqda.army.mil)

Fort Bragg Public Affairs: (910) 396-5620

Internet availability for the RCI program: www.rci.army.mil