

## The Fayetteville I-295 Outer Loop White Paper Fort Bragg, Fayetteville, Cumberland County

### **Background**

I-295 is a proposed addition to the National System of Interstate and Defense Highways that would connect existing Interstate 95 to the All-American highway, the largest access road to Fort Bragg, North Carolina. The I-295 project has been under study since 1978 and the first stage connection of I-95 to US 401/Ramsey Road has already been completed. The next stage, connection of US 401/Ramsey Road to the All-American Highway/Fort Bragg is ready to begin upon approval of the State's investment. However, there has been suggestion that the funds earmarked for the I-295 project should be diverted to other transportation projects around the State. This paper outlines the critical need for the completion of I-295 in light of economic opportunities and national security issues arising from the coming relocation of the U.S. Army Forces Command (FORSCOM) and the U.S. Army Reserve Command (USARC) to Fort Bragg, North Carolina.

### **History**

First identified in the Statewide Transportation Improvement Program in **1978**, the I-295 Loop was envisioned as providing a multi-lane freeway to serve traffic demands and to provide direct access between I-95 and the Fort Bragg Military Reservation, with a new crossing of the Cape Fear River. In **1989**, the section of proposed I-295 was identified as a part of the Intrastate System when the Highway Trust Fund was approved by the North Carolina General Assembly. In **2003**, the NC General Assembly amended the legislation, designating the segment of the project that was then not constructed (from US 401-N to East of NC 24-87) a part of the Urban Loop System. (The segment from I-95 to US 401-N was completed in **2005**, utilizing equity formula funds.)

Construction funding for these projects was identified in the STIP in **1994**, with construction originally scheduled to begin in **1999**. Delays in completing the pre-construction process (planning, design, and right of way acquisition issues) prevented the department from awarding contracts. Those matters have now been settled and construction of the next segment of I-295 is scheduled for construction in **2009**.

### **Overview**

Rapid completion of the I-295 loop is necessary to ensure that the Fayetteville area is poised to accommodate and capitalize on both the known and potential economic growth that will occur as a result of the relocation of FORSCOM and USARC to Fort Bragg and to meet the growing security needs of the nation's largest Army installation. Without the I-295 corridor, Fayetteville and the surrounding region will not be able to properly accommodate the anticipated 40,000 persons that will move to the region as part of the

FORSCOM and USARC relocation. Additionally, failure to demonstrate the area's readiness and ability to accommodate this population growth will inhibit expected growth in the form of defense contract firms and economic migrants that will now be incentivized to relocate to positions close to FORSCOM and its 30 billion dollars in contracting authority. Finally, the addition of the FORSCOM 4-star headquarters significantly increases the security threat to Fort Bragg and the Fayetteville community. Expansion of I-295 is a linchpin in the U.S. Army-directed closure of an existing major access road (Bragg Boulevard) in order to meet this increased security threat.

#### A. Economic Expansion and Opportunities

The Federal Base Realignment and Closure Process of 2005 (BRAC) mandated that the U.S. Army Forces Command and the U.S. Army Reserve Component Command would relocate from their current home at Fort McPherson, GA to Fort Bragg, North Carolina. This move involves the direct relocation of approximately 40,000 active duty service members, dependents, and Department of Defense civilians and contractors to this region of NC. This relocation is anticipated to increase Gross Regional Product by approximately 1.1 billion dollars and the State's Gross Domestic Product by 2.9 billion dollars. However, this move will create an enormous strain on existing transportation resources in the Fayetteville area. Even excluding the effects of closing Bragg Boulevard, traffic congestion, delays at base entrances, and traffic on existing access roads is projected to increase significantly. For example, traffic throughput in Spring Lake, the town of 9000 adjacent to the new FORSCOM headquarters, is anticipated to increase three-fold, from 33,000 to 100,000, upon FORSCOM's relocation in September 2011.

The military has anticipated these issues by deeding 26.5 million dollars worth of land for completion of the I-295 project and preparing that land for use as a connecting roadway. In addition, the Department of Defense has earmarked 21.8 million dollars for improvements to Murchison Road, a main access road to Fort Bragg that is anticipated to be part of the new road system that will accommodate the growing force structure. I-295 is a vital part of this proposed transportation sector expansion, as it will connect existing I-95 directly with Fort Bragg access roads and the improved Murchison Road, allowing for dispersal of traffic and population to the surrounding counties. An expanded Murchison Road, while able to alleviate some congestion, would not be able to disperse traffic beyond the Fayetteville metropolitan area cutting off surrounding counties from increased access to Fort Bragg.

The project is also extremely important economically because this expansion gives us the opportunity to preplan for known economic growth/opportunity for new industry as opposed to "regular growth" of other metropolitan areas. Growth of other metropolitan areas based on ability to accommodate expansion is speculative and such new infrastructure is unlikely to attract completely new industries to North Carolina. However, Fayetteville and surrounding area is faced with a known economic expansion and the ability to accommodate can translate into the growth of a viable and valuable concentration of defense-related industry.

As a result of military growth- not normal growth, personal income in Cumberland County will increase in 2013 by \$680 million to \$18.34 billion. At the completion of the Fort Bragg expansion in 2013, disposable income will have grown by \$587 million. Similar to the trends seen in other variables, income changes in the regional economy spike at the peak of the military expansion in 2011, then settle to a more gradual increase over the long run as the regional economy absorbs the expansion. Gross regional product (GRP), the most commonly used metric for measuring value added to the regional economy, is analogous to the gross domestic product used for benchmarking activities in the national economy. Although the above numbers are specific to Cumberland County total GRP for the counties surrounding Fort Bragg would increase by 1.1 billion dollars as a result of this expansion and relocation. This includes three Tier-1 counties in the state.

While it was thought that the local economy would grow at a fair pace without the military expansion (that is, normal growth), the infusion of military, civilian, and supporting contractors-together with the concomitant investments needed for construction and related activities-is expected to provide a further boost to the Cumberland County economy and lead to a GRP increase of \$524 million. Total sales to local businesses (output) is affected by changes in industry demand, the local region's share of each market, and international exports from the local region. The increase in 2013 is estimated to be \$403 million.

Total demand is defined as the amount of goods and services demanded by the local region; it includes both imports and local supply. Under the Fort Bragg expansion, total demand for Cumberland County is expected to increase by \$792 million.

The interruption of the planned I-295 corridor could have direct impact on the ability of the region to capitalize on the anticipated economic growth mentioned above. FORSCOM currently controls approximately 30 billion dollars in Defense contracts. At Fort McPherson, numerous defense firms have established offices there to maintain close contact with Army decision-makers. These firms are likely to see similar advantages in moving to the Fayetteville area. Second, the increase in force size and the new presence of senior decision-makers will create an environment attractive to start-up businesses and entrepreneurs with new technologies, mission focused products and services, and contract training firms. An infrastructure that allows relatively easy access to Fort Bragg and is conducive to area growth will be key to attracting these businesses to the (and thereby creating) All-American Defense Corridor endorsed by now Governor Elect Beverly Perdue. This industry would significantly increase both the tax base and consumer spending in the Fayetteville regional area.

It is also important to note that although North Carolina has 6 major military installations and is the 4th largest in number of military personnel in the nation, we still only rank 26 for the number of procurement dollars awarded to our companies. Of the 706 billion awarded in 2006, NC only received 2.9 billion in total contracts. Although the North Carolina Military Business Center has made significant impact leveraging these dollars, creation of a business climate conducive to companies relocating to Cumberland County,

which received almost half of total contracts awarded to NC in 2006, would ensure that North Carolina receives a larger percentage of those contracts.

## B. National Security

With the FORSCOM expansion, Fort Bragg will become the U.S. Army's largest installation, responsible for providing soldiers and materials necessary to fight not only the Global War on Terrorism but also to respond to domestic disasters such as hurricane relief and terrorist attack. For the Global War on Terrorism, Fort Bragg has moved more than 34,500 18-wheel trucks, 745 million tons of cargo, 480 military convoys, and tens of thousands of soldiers. With no direct link to the State's interstate highway system, all of this movement has had to be on existing city roads. As noted above, the relocation of FORSCOM, USARC, and other military units is anticipated to greatly increase the strain on the area's existing road network. Without significant expansion and linkage to I-95, this growth could severely impede the ability of units at Fort Bragg to respond quickly.

At the same time, the addition of FORSCOM, a four-star headquarters directly responsible for providing soldiers and equipment necessary to fight the Global War on Terrorism, greatly increases the security threat to Fort Bragg. Congestion, confusion, and inability to respond quickly create an environment conducive to terrorist activity.

## C. Readiness

The segment of I-295 linking I-95 with NC-87/Bragg Boulevard was first added to the State Transportation Improvement Program (STIP) in 1978. Construction investment for these projects was first identified in the STIP in 1994. Pursuant to that authorization, and with the continual financial support of the military, the planning, design, and right of way acquisition have been completed. The land, deeded to the State has been cleared and the Army has moved the impacted endangered species. The project is ready for bids and is anticipated to take 30 months to complete. If begun now, it can be completed in synch with the opening of FORSCOM headquarters and in time to capitalize on the area's potential for radical economic growth and to mitigate national security concerns.

## **Conclusion**

The need for the I-295 extension linking Fort Bragg to existing I-95 has been recognized for more than two decades and became apparent long before the decision to relocate FORSCOM and USARC to Fort Bragg. This move has made the need even more critical. Completion of I-295 is the linchpin in an overall development plan designed to capitalize on the economic growth that will occur as a result of the increased military presence and to make the All American Defense Corridor a reality. If properly managed, this economic growth has the real potential to radically increase the economic prosperity of North Carolina's fifth-largest metropolitan area and to add significantly to the gross domestic product of the State. In addition, creating a business and military friendly environment for FORSCOM, USARC, and the Defense industry will increase North Carolina's attractiveness for more Defense-based growth.

