

11635

110549

REPORT BY THE
Comptroller General
OF THE UNITED STATES

**Review Of Base Realignment Study
Of Fort Douglas, Utah**

The Army has decided to close Fort Douglas, Utah, and to reassign the area support mission for Army Reserve units to Fort Carson, Colorado. The Army estimated the action would result in one-time costs of \$2.56 million and annual recurring savings of \$792,000.

GAO estimated one-time costs at \$2.65 million and the annual savings at \$580,000. Both the Army and GAO recognized several disadvantages to the realignment, the major one being probable deterioration of support to Army Reserve units in Idaho, Montana, and Utah. The Army is considering specific personnel assignments that could minimize the negative impact on Reserve support and possibly reduce one-time realignment costs.

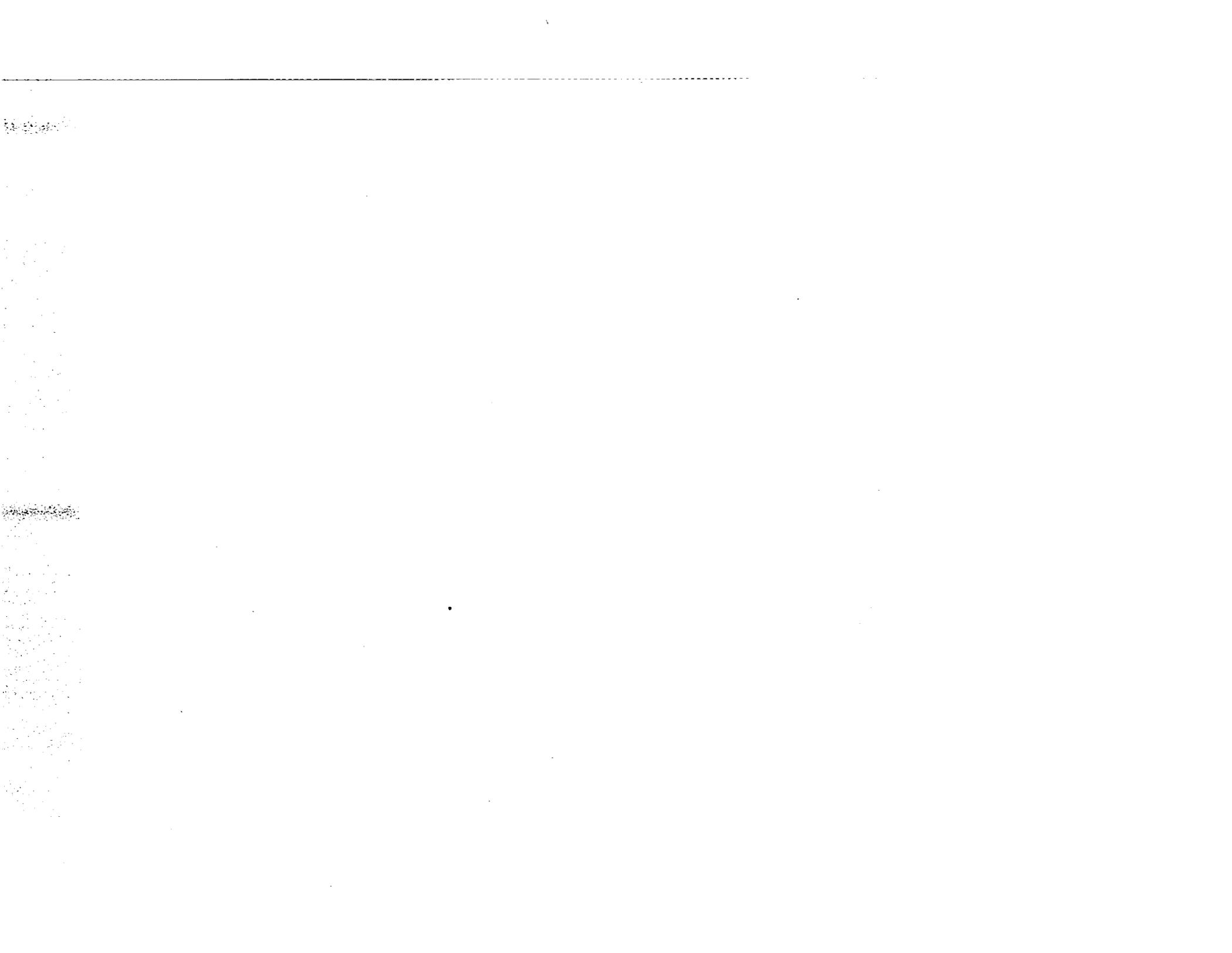


110549

007214



LCD-79-333
OCTOBER 10, 1979





COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-168700

The Honorable Edwin J. Garn
United States Senate

Dear Senator Garn:

In response to your May 14, 1979, request, we have reviewed the economic justification of the Army's decision to close Fort Douglas, Utah, and to reassign the area support mission for Army Reserve units from that installation to Fort Carson, Colorado. We reviewed the Army's Case Study and Justification Folder, dated October 1978; its supporting documentation; and other data supplied to us by members of your staff.

The Army estimated that the proposed action would result in one-time costs of \$2.56 million and annual recurring savings of \$792,000. We estimated the one-time costs at \$2.65 million and the annual savings at \$580,000.

Cost items and savings included in the Army's study and our differences--where an estimate can currently be made--are discussed in detail in appendix I. We did not include an estimated \$400,000 in annual recurring costs to the Government for maintaining the bases if the property cannot be disposed of. This estimate will be a recurring cost if (1) no other Federal agency has a justified need for the property and (2) no State or local public agency or private party is willing to accept the property with restrictions imposed because of its registration as a National Historic Landmark. We believe it unlikely that the Government would be unable to dispose of the property. Therefore, we accepted the Army's exclusion of this cost.

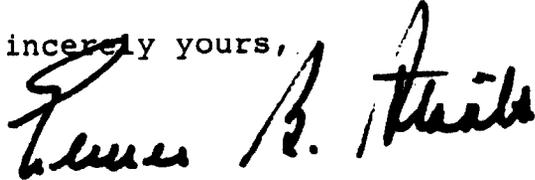
The Army's study recognizes several disadvantages of the proposed realignment. In our opinion, the major one is the probable deterioration of support to Army Reserve units in Idaho, Montana, and Utah. Army officials agreed that support to the Reserves may suffer and stated they are considering assigning maintenance specialist positions to the area maintenance support activities in the three States, rather than transferring all of these positions to Fort Carson.

Such a plan could minimize the negative impact on support to the Reserves and possibly reduce the one-time costs for the realignment.

We did not obtain written comments from the Army. However, we discussed these matters with Army officials, and their views are included in appendix I.

We are sending copies of this report to the Secretaries of Defense and the Army. Copies will be made available to others on request.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Smith". The signature is written in a cursive style with a large initial "J".

Comptroller General
of the United States

REVIEW OF BASE REALIGNMENT STUDYFORT DOUGLAS, UTAHBACKGROUND

Fort Douglas was established in October 1862 on the eastern edge of Salt Lake City, Utah, to protect the communication routes between east and west during the Civil War. Over the years, the size of the Fort has been reduced from 2,560 acres to its present 119 acres. In 1946 the U.S. Army garrison was established to provide administrative and logistical support to the Department of the Army and the Department of Defense agencies and activities in the Salt Lake City area. The garrison was eliminated in 1967, and the U.S. Army Support Detachment Salt Lake was established to support Army Reserve activities and to command Fort Missoula, Montana.

In 1970 Fort Douglas was made a subinstallation of Fort Carson, Colorado. Also Fort Douglas was registered as a National Historic Landmark in June 1970. Currently, the primary mission of Fort Douglas is to support assigned and tenant units and Army Reserve units in Utah, Montana, and Idaho.

Realignment plans

In April 1978 the Secretary of the Army announced a plan to study the possible closure of Fort Douglas, except for the Reserve Center and the Area Maintenance Support Activity. On March 29, 1979, the Army announced:

"At Fort Douglas, * * *, the Army has determined that the preferred alternative is to close the installation with the exception of reserve activities. As a result, 6 military and 50 civilian positions may be reduced; 11 military positions may be transferred to Tooele Army Depot, Utah; 143 military and 44 civilian positions may be relocated to leased facilities in the Salt Lake City area; and 40 civilian positions may be transferred to Fort Carson, Colorado."

Congressional request

On May 14, 1979, Senator Edwin J. Garn requested an audit of the Army's base realignment study. In a subsequent meeting, the Senator's staff advised us that the Senator was concerned that the Army's study had not considered all the costs to the Government, had understated costs, and had not considered the possibility of providing space at Fort Douglas to Federal agencies which are leasing space in Salt Lake City. Also, the Senator's staff provided us documents which challenged the Army's computations of costs and savings.

SCOPE

Support for the Army's decision is contained in a Case Study and Justification Folder issued in October 1978 and revised in June 1979. We reviewed support for selected data contained in the case folder and considered other matters which could affect the decision but were not included in the folder. We discussed the proposed realignment with Army officials at the Department of the Army headquarters and the U.S. Army Forces Command at Fort Carson and Fort Douglas. We also interviewed officials of the General Services Administration (GSA), the Department of the Interior, the Historic Preservation, and the Fort Douglas Historical Preservation Association. We reviewed applicable regulations and records, but due to time constraints, we did not review construction costs.

COSTS AND SAVINGS

The Army estimated that the proposed realignment of Fort Douglas would require one-time costs of \$2.6 million, including construction costs of \$1.4 million, and should produce recurring savings of \$792,000 annually. Our review of the study disclosed certain errors, omissions, and questionable procedures which affected the estimated one-time costs and recurring savings. A summary of the Army's economic data and our adjustments are shown in the table below and details are included in appendixes II and III.

<u>Operating costs</u>	<u>Army</u>	<u>GAO</u>	<u>Difference</u>
	------(000 omitted)-----		
Baseline costs	\$45,080	\$45,080	\$ -
After realignment costs	<u>43,400</u>	<u>43,479</u>	<u>79</u>
Total	1,680	1,601	-79
Less cost not associated with the realignment	<u>888</u>	<u>888</u>	<u>-</u>
Total	792	713	-79
Potential savings lost (note a)	<u>-</u>	<u>-133</u>	<u>-133</u>
Annual savings	\$ <u>792</u>	\$ <u>580</u>	\$ <u>-212</u>
One-time costs	\$ <u>2,557</u>	b/\$ <u>2,655</u>	\$ <u>97</u>

a/Savings lost by not relocating additional agencies onto Fort Douglas, and thus, reducing leasing costs in Salt Lake City.

b/Does not total due to rounding.

Cost reductions

The Army estimated that cost reductions of \$2,227,000 would be realized at Fort Douglas as a result of the realignment. We decreased the Army's estimate by \$113,100: \$69,600--decrease in the number of eliminated civilian personnel positions from 50 to 41--and \$43,500--operation and maintenance cost of the buildings to be retained at Fort Douglas.

Civilian personnel savings

The study shows a net savings of \$771,000 as a result of eliminating 92 civilian positions at Fort Douglas and adding 42 civilian positions at Fort Carson. The net decrease of 50 positions include 41 full-time permanent and 9 temporary part-time positions.

We do not agree that eliminating temporary part-time positions results in an annual recurring savings. Therefore, we reduced the civilian personnel savings by \$69,600--the amount by which claimed savings exceeded the costs of the 41 full-time positions eliminated.

The Army disagreed with our adjustment, claiming that the use of temporaries was necessary and routine to handle seasonal and cyclical changes in the workload at Fort Douglas. However, they acknowledged that the number of part-time positions fluctuate and that only four to five such positions are usually filled at any given time.

Base operations costs

The Army estimated the costs to operate and maintain the buildings to be retained at Fort Douglas for use by Reserve activities by computing a current cost factor per square foot for all buildings, including family housing. However, since (1) no family housing is to be retained and (2) maintenance of family housing is administered from a separate account and, in our opinion, performed at different levels than that of other facilities, we adjusted the Army's cost factor by excluding the family housing costs and area. Our adjusted cost factor, when applied to the area of the buildings being retained, resulted in a \$38,200 increase in the cost to maintain these buildings. Army officials agreed with our adjustment.

The study included the cost of utilities at the Navy Reserve Center in its baseline costs but not in the after-realignment costs. To correct this omission, we increased the after-action costs by \$5,300.

Cost increases

The Army estimated that realignment cost would increase \$1,435,000 for (1) basic allowance for quarters (BAQ) payments, (2) leasing costs, and (3) Fort Carson's assumption of the Fort Douglas area support mission. We made a net decrease of \$34,400 in these projected increases as follows:

- Increased projected BAQ payments to military personnel by \$14,800.
- Decreased projected leasing costs by \$68,300.

--Increased the estimated costs for Fort Carson to assume the area support mission by \$19,100.

Basic allowance for quarters

Sixty-six sets of family quarters at Fort Douglas will be eliminated from the Army's inventory as a result of the proposed realignment. At the time of our review, these quarters were averaging a 98-percent occupancy rate, and Fort Douglas officials had a waiting list for vacancies. As a result of the realignment, the Army, or another DOD activity, must pay BAQ to those persons who would otherwise occupy these quarters. The study understated BAQ payments by approximately \$14,800.

The Army omitted BAQ costs for military personnel living on base whose positions would be eliminated. In our opinion, BAQ costs should be based on the number of family housing units being eliminated which would otherwise be occupied. We computed the BAQ amount based on the quarters normally occupied.

The Army also based BAQ costs on lower graded personnel rather than personnel living in family housing. Army auditors noted this error but did not adjust the study. We recomputed BAQ costs based on the grades of the personnel living in the family quarters.

Leasing costs

The Army overstated by about \$68,300 the leasing costs expected to be incurred by agencies moving from Fort Douglas to downtown Salt Lake City. The Army's overstatement was primarily the result of

- using an excessive rate for leased storage space and
- including leasing costs for agencies which would not be moving to leased space.

The Army estimated these leasing costs based on \$8 per square foot for administrative office space and \$5 per square foot for storage space. Based on information obtained from GSA and Salt Lake City Chamber of Commerce officials, we adjusted the rate for storage space to

- \$2 per square foot for warehouse storage space,
- \$8 per square foot for storage space requirements of less than 500 square feet, leased jointly with office space, and
- \$8 per square foot for special use space.

The Army study states that the land and buildings which comprise the Navy/Marine Corps Reserve Center at Fort Douglas will be transferred to the Department of the Navy, with no relocation being required for these tenants. However, the study included leasing costs for the Navy and Marine Corps Reserves. We deleted these costs.

The study included leasing costs for parking spaces for 80 percent of the authorized personnel of tenant activities. According to GSA officials, the Government pays for parking only for Government-owned vehicles or privately-owned vehicles used for official business. We deleted the excessive leasing costs for vehicle parking.

Our adjustments to leasing costs decreased the study's after-realignment costs by \$68,300. Army officials concurred with our adjustments.

Area support mission costs

The Army estimated that Fort Carson would incur a total cost increase of \$924,000 to assume the Fort Douglas area support mission. This increase includes direct maintenance support, general maintenance support, and miscellaneous costs. We increased the maintenance costs by \$19,100: \$9,100 for temporary duty (TDY) travel and \$10,000 for transportation of space components, as explained below.

TDY costs. Army officials estimated that \$30,000 would be needed in travel and per diem costs for contact teams to assume the maintenance workload, based on Fort Carson's current costs for its contact team workload. They acknowledged, however, that Fort Carson's teams currently provide primarily general maintenance, whereas Fort Douglas' teams provide both direct and general maintenance support. Therefore, we used the baseline costs at Fort Douglas to estimate the costs of both direct and general maintenance.

Supporting documents indicated that Fort Douglas' teams incurred TDY costs of \$15,700 in 1978 (the baseline year) for direct and general maintenance work in Idaho and Montana--about 40 percent of their workload. With the realignment, the remaining workload--the 60 percent that is in Utah, primarily within the Salt Lake Valley--would also be performed by contact teams from Fort Carson. We estimated, therefore, that the total travel costs from Fort Carson will be at least 2.5 times the 1978 costs at Fort Douglas for travel to Idaho and Montana only.

Transportation. The study included \$20,000 of additional after-realignment costs to transport major items--mainly engines and transmissions--to units to be installed by contact teams. The study included only two-thirds of the Army's estimated cost of these shipments because one-third of the items were reportedly obtained at a nearby Army depot. However, Army officials at the depot and at Fort Douglas stated that this claim was incorrect, that is, the depot did not provide these items to Fort Douglas. Therefore, we added \$10,000 to cover transportation costs for the remaining one-third of these items.

Army officials stated that transportation costs for parts, other than major items, were not included in the study separately, because

- many component parts are installed in major end items which are shipped as units,
- contact teams usually carry component parts in their trucks at no additional costs, and
- the increase in parcel post shipment costs for component parts is included in other operating costs.

Potential savings lost

The Army's study does not include the potential savings to the Federal Government if additional Federal agencies moved into excess space on Fort Douglas. As explained below, we estimated this potential savings lost to be approximately \$133,000.

GSA officials reviewed listings of presently assigned space and requests for space in Salt Lake City and identified those agencies which could possibly use space on Fort

Douglas. Based on discussions with GSA and/or agency officials, we estimate that four Federal agencies now in leased space could use approximately 24,375 square feet on Fort Douglas. The Federal Government would save approximately \$133,000 in leasing costs if Fort Douglas were retained in its present status.

MAINTENANCE COST IF FEDERAL
GOVERNMENT RETAINS PROPERTY

The Federal Government may incur costs of approximately \$400,000 annually if it retains Fort Douglas in caretaker status. The Army estimates include caretaker costs for 18 months. If ownership of the property is not transferred outside the Federal Government within this period, the Federal Government will incur additional caretaker costs. A Department of the Interior official estimated this could cost up to \$400,000 annually. Army officials do not expect GSA to have any problems in excessing the property because they are sure the State of Utah wants the property.

CONTESTED ISSUES

We were asked to inquire into other issues about the proposed closing. The results of our inquiries are described below.

Leasing costs

It was suggested that the Army did not consider leasing costs for certain tenant activities at Fort Douglas in determining the after-realignment costs. The Army's study included about \$170,000 for such costs. (See app. II.) It was also suggested that approximately 70,000 square feet of office space and 30,000 square feet of maintenance space was available at Fort Douglas and could be used by various Federal agencies in leased space in Salt Lake City. Our review indicated that space available at Fort Douglas is somewhat less than the amount shown. More importantly, however, Federal agencies which could possibly relocate to Fort Douglas have requirements for only about 24,400 square feet of space and thus could potentially save only about \$133,000 annually. We included this potential savings in our analysis.

Transportation costs

The costs to transport Army Reserve equipment to Fort Carson for repair may be as much as \$600,000 annually if the

Fort Douglas maintenance facility is closed. The Army's maintenance support system generally does not provide for the Army Reserve equipment to be transported to Fort Carson. The necessary repairs will be accomplished by contact teams, which will visit Army Reserve Area Maintenance Support Activities or local Reserve units. We included estimated costs for contact teams in our analysis.

Maintenance of historic site

The Army study omitted the approximately \$500,000 the Federal Government will incur annually for maintaining Fort Douglas as a registered National Historic Landmark, but justifiably so. The Federal Government will incur this cost, which according to the Department of the Interior would be about \$400,000 annually, if no other Federal agency puts the property to some beneficial use, or if GSA is unable to dispose of it. In our opinion, it is unlikely that GSA will have to retain the property.

OTHER MATTERS

Our review of the Army's study dealt primarily with quantifiable cost data. The Army study listed several disadvantages to the proposal. These are shown in appendix IV. The most important of these, in our opinion, is the probable deterioration of Active Army support to Army Reserve units in Idaho, Montana, and Utah. Because of this and other disadvantages, all command levels below the Department of the Army recommended retention of activities at Fort Douglas.

Army officials agreed that support to the Reserves may suffer, and stated that the Army is considering assigning maintenance positions to maintenance activities in the three States, rather than transferring all of these positions to Fort Carson. Implementation of such assignments could improve support of Reserve units and possibly reduce the one-time costs of the realignment.

In a recent report, 1/ we summarized a 1975 6th Army study's 2/ comments on the Salt Lake Support Detachment maintenance responsibilities and the potential for more effective use of similar nearby Army Reserve and National Guard maintenance resources. We believe the Army should consider the 6th Army's study in considering alternative methods of supporting the Reserves if Fort Douglas is closed.

The study noted that the Salt Lake Support Detachment provides direct and general maintenance support to Army Reserve maintenance activities in seven cities in Utah, Idaho, and Montana. The distance to these shops ranges from one-fourth mile to 540 miles, and most shops are over 300 miles away.

Adjacent to the Salt Lake Support Detachment is a new, modern Army Reserve Area Maintenance Support Activity (AMSA) capable of expansion. Additionally, the Utah National Guard's combined support maintenance shop (with direct and general support capabilities) is located nearby. According to the study, it would appear difficult to justify retention of these three facilities all within the former bounds of Fort Douglas.

The study provided the following alternative method of providing direct and general support maintenance to the area maintenance support activities.

"The Idaho National Guard's Combined Support Maintenance Shop and the Montana National Guard's Combined Support Maintenance Shop * * * have an equal or greater support capability and are more ideally located to support AMSA's in those States than is the Support Detachment located at Salt Lake City. Relieving Fort Carson of the responsibility to provide DS [direct support] to the Area Maintenance Support Activities identified above and assigning

1/ "Can the Army and Air Force Reserves Support the Active Forces Effectively?" (LCD-79-404, Apr. 25, 1979).

2/ "Cross-Utilization of Reserve Component Maintenance Capabilities," Headquarters, 6th Army, Presidio San Francisco, California (Mar. 12, 1975).

this responsibility to the Army National Guard, Utah, Idaho, and Montana respectively, would materially reduce travel cost, improve response time, and permit the interactivation [sic] of the Salt Lake Support Detachment activity."

Department of the Army officials stated they are not pursuing interservice support agreements to allow the Utah, Idaho, and Montana National Guard to provide support to AMSA when Fort Douglas is closed. They explained that, when they initially inquired about such a possibility, the three States requested additional personnel and facilities to assume the support responsibility. We believe that the Army should decide upon and pursue the most efficient and effective means of continuing adequate support to the Reserve activities.

CONCLUSION AND OBSERVATION

Our review of the Army's Case Study and Justification Folder showed that the proposed realignment of Fort Douglas is economically feasible. Based on our adjustments, total annual savings of about \$580,000 and one-time costs of \$2.6 million yield a cost recovery period of 4.6 years. In our opinion, the Army should consider the savings in contrast with the disadvantages, especially the deterioration of support to the Reserves, before implementing the proposed realignment.

BREAKOUT OF ANNUAL SAVINGS

	<u>Army</u>	<u>GAO</u>	<u>Difference</u>
<u>Gross cost reductions</u>			
Military pay (6 military spaces)	\$ 117,000	\$ 117,000	\$ -
Civilian personnel:			
Family housing (2 FTP)	28,000	28,000	-
OMA & OMAR base operations (81 FTP, 9 TPT)	<u>1,447,000</u>	<u>1,377,400</u>	<u>a/-69,600</u>
Total	<u>1,475,000</u>	<u>1,405,400</u>	<u>-69,600</u>
Operating costs:			
Family housing operations	191,000	191,000	-
Fort Douglas base operations reductions	<u>444,000</u>	<u>400,500</u>	<u>b/-43,500</u>
Total	<u>635,000</u>	<u>591,500</u>	<u>-43,500</u>
Total cost reductions	<u>2,227,000</u>	<u>2,113,900</u>	<u>-113,100</u>
<u>Gross cost increases</u>			
Military payroll account:			
Quarters allowances (Army)	154,000	168,800	c/14,800
Quarters allowances (non-Army)	<u>34,000</u>	<u>34,000</u>	-
Total	<u>188,000</u>	<u>202,800</u>	<u>14,800</u>
Leasing costs:			
Army	153,000	130,800	d/-22,200
Other DOD activities	60,000	32,900	-27,100
Other Federal agencies	<u>110,000</u>	<u>91,000</u>	<u>-19,000</u>
Total	<u>323,000</u>	<u>254,700</u>	<u>-68,300</u>
Operating costs:			
Civilian personnel (42 spaces at Ft. Carson)	704,000	704,000	-
DS/GS maintenance for USAR:			
Contact team travel & per diem	30,000	39,100	e/9,100
Petroleum and other lubricants	12,000	12,000	-
Contract maintenance	29,000	29,000	-
Parts and supplies	47,000	47,000	-
Transportation	20,000	30,000	e/10,000
Miscellaneous (Ft. Carson)	<u>82,000</u>	<u>82,000</u>	-
Total	<u>924,000</u>	<u>943,100</u>	<u>19,100</u>
Total cost increases	<u>1,435,000</u>	<u>1,400,600</u>	<u>-34,400</u>
Net cost reduction	<u>792,000</u>	<u>713,300</u>	<u>-78,700</u>
Potential savings lost	-	f/-133,000	<u>-133,000</u>
Estimated annual savings	<u>\$ 792,000</u>	<u>\$ 580,300</u>	

FTP - Full-time permanent
TPT - Temporary part-time
OMA - Operations and Maintenance Army
OMAR - Operations and Maintenance Army Reserve
USAR - U.S. Army Reserve
DS/GS - Direct support/general support

FOOTNOTES TO BREAKOUT OF ANNUAL SAVINGS

- a/The Army's study shows the elimination of 50 civilian positions, which is the net difference between decreases at Fort Douglas and increases at Fort Carson. These 50 positions include 41 FTP and 9 TPT positions. We believe that only FTP positions can be claimed as savings and, based on the average budgeted cost per staff-year, the FTP positions represent \$69,600 less than the total amount claimed in the study.
- b/Due to the inclusion of family housing costs and square footage in its computation, the study understated the maintenance costs for those buildings to be retained at Fort Douglas. Also, the cost of utilities provided to the Navy was included in the baseline cost and we have, therefore, added these costs to the after-action.
- c/The adjusted study included increased BAQ payments based on persons currently in family housing less those in positions being eliminated. We believe the number of normally occupied quarters being eliminated is a better index of the increased BAQ payments.
- d/Our adjustments to leasing costs primarily related to decreasing the rate for storage space, deleting leasing costs for agencies which will not relocate, and decreasing the number of authorized leased parking spaces.
- e/We adjusted the contact team and transportation costs based on information provided by Army officials at Fort Douglas, Fort Carson, and U.S. Forces Command headquarters. This information indicated that current costs are related to less than 40 percent of the mission being transferred. Therefore, we estimate a minimum level of 2.5 times the current contact team costs to accomplish this mission. Also, transportation costs were reportedly based on continuation of a current practice of obtaining one-third of certain major items from the Tooele Army Depot with no increase in transportation costs. Fort Douglas and Tooele officials disagreed that such a practice currently exists. Therefore, we added transportation costs for the additional one-third of the major equipment items.
- f/Savings lost by not relocating additional agencies onto Fort Douglas, and thus, reducing leasing costs in Salt Lake City.

ONE-TIME COSTS

	<u>Army</u>	<u>GAO</u>	<u>Difference</u>
Military personnel	\$ 47,800	\$ 46,300	<u>a/\$-1,500</u>
Civilian personnel	264,800	264,800	-
Installation services	8,500	7,500	<u>b/-1,000</u>
Transportation of supplies and equipment	88,300	88,300	-
Cost of placing instal- lation into caretaker status	237,400	329,300	<u>c/91,900</u>
Cost of caretaker pending GSA takeover	433,100	433,100	<u>d/-</u>
Other	74,700	82,700	<u>e/f/8,000</u>
Total construction cost	<u>1,402,800</u>	<u>1,402,800</u>	-
Total	<u>\$2,557,400</u>	<u>\$2,654,800</u>	<u>\$97,400</u>

a/Adjustment based on inconsistent Army Audit Agency rounding.

b/Adjustment necessary to reduce the costs for disconnecting and reconnecting telephones. The study included costs for moving telephones used by the Navy and Marine Corps Reservists although these activities are not relocating.

c/Adjustment made to add the estimated cost of a security fence.

d/Caretaker costs cover an 18-month period. The Federal Government will incur additional caretaker costs of approximately \$400,000 annually if the property is not excessed within 18 months.

e/Adjustment based on GSA's estimate to renovate self-service store space.

f/The study does not include costs to sever and reconnect the utilities for three retained buildings. We did not have any basis for estimating the costs to do so.

DISADVANTAGES OF THE PROPOSEDREALIGNMENT LISTED IN THE ARMY'S STUDY

Closure will eliminate 66 sets of on-post Government quarters. These families would be forced to acquire housing on the local economy at rental cost and mortgage payment levels greater than the national average. After allowing for increases in quarters allowances, the savings in operating family housing quarters are substantially reduced.

The Army has an investment in both the land and buildings at Fort Douglas. Based on current market values, the 119 acres is worth approximately \$5.9 million. While closure will create the situation whereby this investment is lost. Selection of alternative plans will require an additional capital investment of approximately \$1.4 million.

Closure of the community support facilities, such as the officers' and non-commissioned officers' clubs, post exchange, post theater, and post service station, will have an adverse impact on morale of Active, Reserve, and retired personnel who use these facilities.

Fort Douglas provided decentralized support for Reserve Components in the tri-State area of Utah, Montana, and Idaho. Centralization of support at Fort Carson will result in slower support to these units, because of time and distance factors.

Closure will result in a large expenditure of one-time nonconstruction costs (estimated at \$1.2 million), personnel and operational disruptions, the elimination of 56 personnel spaces, and a potential income loss in the Salt Lake City area of approximately \$1.7 million.

Closure will eliminate a regular Army military installation in a major State capital, which has been the main focal point for all military services in the greater Salt Lake area. The Army believes that this military presence in the Utah area has helped the professional recruitment program being conducted by the Army Medical Detachment as well as keeping the Reserve Component units at 74 percent of authorized strength.

There would be no facility for issuing Government Identification Cards to active duty and retired military personnel and their dependents, together with reserve personnel in the greater Salt Lake Valley. Although the cards can be obtained by mail, it is a slower process.

(945382)

Single copies of GAO reports are available free of charge. Requests (except by Members of Congress) for additional quantities should be accompanied by payment of \$1.00 per copy.

Requests for single copies (without charge) should be sent to:

U.S. General Accounting Office
Distribution Section, Room 1518
441 G Street, NW.
Washington, DC 20548

Requests for multiple copies should be sent with checks or money orders to:

U.S. General Accounting Office
Distribution Section
P.O. Box 1020
Washington, DC 20013

Checks or money orders should be made payable to the U.S. General Accounting Office. NOTE: Stamps or Superintendent of Documents coupons will not be accepted.

PLEASE DO NOT SEND CASH

To expedite filling your order, use the report number and date in the lower right corner of the front cover.

GAO reports are now available on microfiche. If such copies will meet your needs, be sure to specify that you want microfiche copies.

AN EQUAL OPPORTUNITY EMPLOYER

**UNITED STATES
GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548**

**OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300**

**POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE**



THIRD CLASS