There is no greater honor than serving those who serve.
Agenda

› Exchange Overview
› RE Organization
› Sustainability
› Challenges
Our Mission

1895 – General Order 46:

“... to supply the troops at reasonable prices with the articles of ordinary use, wear and consumption, not supplied by the Government, and to afford them means of rational recreation and amusement.”

Its secondary purpose was, using the exchange profits, to provide a means for improving the messes.”

Today:

Provide quality merchandise and services at competitively low prices; and

Generate earnings to MWR programs.
Exchange Leadership

The Board of Directors

Director/Chief Executive Officer
Thomas Shull

Deputy Director
MG Joseph S. Ward Jr.

Chief Operating Officer
Michael Howard
<table>
<thead>
<tr>
<th>The Exchange “By the Numbers”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$10.3 Billion</strong></td>
</tr>
<tr>
<td>REVENUE FY 2012</td>
</tr>
<tr>
<td><strong>$342 Million</strong></td>
</tr>
<tr>
<td>EARNINGS FY 2012</td>
</tr>
<tr>
<td><strong>2.2 Million</strong></td>
</tr>
<tr>
<td>Exchange Credit Program account holders</td>
</tr>
<tr>
<td><strong>$224 Million</strong></td>
</tr>
<tr>
<td>Dividend to Soldiers, Airmen and their families</td>
</tr>
<tr>
<td><strong>36%</strong></td>
</tr>
<tr>
<td>Exchange Associates connected to military</td>
</tr>
<tr>
<td><strong>24%</strong></td>
</tr>
<tr>
<td>Exchange associates who are military spouses and family members</td>
</tr>
<tr>
<td><strong>486</strong></td>
</tr>
<tr>
<td>Wounded Warriors hired since 2010</td>
</tr>
<tr>
<td><strong>1.4 Million</strong></td>
</tr>
<tr>
<td>Combat uniforms outfitted in FY 2012</td>
</tr>
<tr>
<td><strong>4 Million</strong></td>
</tr>
<tr>
<td>School lunches served every year</td>
</tr>
<tr>
<td><strong>7 Plants</strong></td>
</tr>
<tr>
<td>Providing bakery goods/bottled water to support military overseas</td>
</tr>
<tr>
<td><strong>2,817</strong></td>
</tr>
<tr>
<td>Facilities Worldwide</td>
</tr>
<tr>
<td><strong>50</strong></td>
</tr>
<tr>
<td>States</td>
</tr>
<tr>
<td><strong>33</strong></td>
</tr>
<tr>
<td>Countries</td>
</tr>
</tbody>
</table>
We go where you go!

- Field Exchanges
  - Imprest Funds
  - Tactical/Mobile Field Exchanges
    - Afghanistan
    - Iraq
    - Kyrgyzstan
    - Cyprus
    - Kuwait
    - Saudi
    - Qatar
    - EUFOR
    - KFOR
    - UAE
    - Oman
    - Romania

69 Retail Stores Supporting Contingency Operations
EXCHANGE STRATEGIC PRIORITIES
No greater honor than serving those who serve.

LEADERSHIP
- Develop and inspire future leaders who are passionate about serving Soldiers and Airmen
- Promote an ethical, transparent and friendly workplace
- Link Performance to priorities and reward success accordingly

MANAGEMENT
- Reduce SG&A costs
- Focus CapEx program on high ROI projects

MERCHANDISING
- Intensify national brands / Reposition the Main Store

SELLING
- Launch online store
- Grow concessions
- Grow the Express

MARKETING
- Increase customer market share
- Launch loyalty program

SUPPLY CHAIN
- Optimize the supply chain
- Improve online fulfillment

Updated 16 April 2013
Grow the Express

Focus on healthy options

- Assortment Alignment to Demographics
- Island Coolers
- Grab N Go Convenience

Create destination/value experience

- Floor layout adjustments
- In-store food concepts
Grow Concessions

Expand National and Regional Brands

Enable Service Business Managers with Mobile Tools

Expand non-traditional business
Intensifying National Brands
Optimize the Supply Chain

- Identify software enhancements at Waco and Dan Daniel
- Improve online fulfillment
- Pack and ship within 48 hours
  - Deliver within 7 days
**Mission**

- Plan, Develop, Construct and Maintain Exchange Real Estate Assets

**Vision**

- Be a Catalyst for Sustained, Long-Term Business Growth

“A partner for the life of your facility”
Long Range Capital Program (LRCP)

Military Transformation >>> Increased Sustainment

$ Millions

FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16

0 50 100 150 200 250 300 350

Fiscal Years 06 thru 14 – BoD Approved

Program

------------------------Image Updates #/$------------------------

74 453M

------------------------New Construction #/$------------------------

120 1.2B
Facility Life Cycle Model

* Functional Review addresses facility location, size and shape.
Where Projects Come From

» Master Planning Process
  » Analyze every base; 10-year cycle
  » 3-Phase approach (Kick-off, Interim, Final)
  » Command involvement
  » Integrated with Installation Master Plan
  » Plan entire communities
  » Revalidated as requirements change

» Shopping Center Replacement Strategy
  » Book Value
  » Sales Per Square Foot (Stress)
  » Age of the Facility
  » Years Since Last Renovation

» Merchandising Directorate

» Locally Identified Requirements
Project Life Cycle Model

YEAR 1
Planning & Initiation
- Project Initiated (PPQ)

YEAR 2
Feasibility
- Project Authorized (Charter)

Approval & Commitment
- Scope Defined (35% Design)
- Congressional Release
- BoD Viability Reconfirmation

Construction
- Construction Completed (Grand Opening)

YEAR 3

Design

Scope Definition
- BoD Approval

Change Control
1391/Project Timeline

- Nov - Jan: Draft 1391 Developed, coordinate w/BCE & DPWs
- Feb: AAFES FY NAF Program Approved by BoD
- Feb - Mar: Finalize 1391s
- Apr: Submit to Services
- May: Services send to OSD
- Jun: Brief OSD on Program
- Aug: Brief Congress
- Jan - May: Program Approved
Sustainability
Sustainability Efforts

WORKING TOGETHER TO MAKE A DIFFERENCE

- Food Court Pilot
- Partnering
- 1st LEED Silver DoD Exchange
- CONUS- wide Energy Retrofit
- Energy Training
- Award Recognition
- Sustainability Brochure & Video
- Reduce Carbon Footprint
- Recycling
- Greener Fleet
- Green Bags
- Tracking System, Energy & Water
## RE-Energy Reduction Projects

### Express Energy Retrofit
- Study, pilot complete -- successful
- **Rollout in progress**
  - 147/170 Buildings completed
  - ~$55k per building
  - 6 yr. SPB, recurring savings
  - 100% AAFES funded

### Main Store Energy Retrofit
- **Study in progress (3 mo.)**
  - Buckley & Campbell selected
  - LCC, modeling based ECM selection
  - Best long term impact w/capital
  - Portfolio wide retrofit strategy
- Future pilot proposal in 2013

### Food Energy Retrofit
- **Study, pilot *in progress (3 yr.*)**
  - Ft. Campbell selected for pilot
  - Contract awarded Nov-2012
  - $702k, 100% funded by DoD-ESTCP
- **Future rollout plan:**
  - 113 Food courts, 6 yr. SPB goal

### OCONUS Energy Retrofits
- Energy use being confirmed
- Pilot Express upgrade 2013
- Future MOA, rollout

### Infrastructure upgrades:
- RTU to Central System Retrofit
- Energy, Water Tracking Upgrade
- Controls Central Monitoring
Challenges - APF Support

- Army and AF own our real property
- Traditional APF support is declining
  - Basic facility maintenance and base services
  - Companion APF projects to support our LRCP
    - MCSS, pharmacies, clean site, utilities to site
  - OCONUS utilities – potential $60M/yr bill
- Lack of APFs has deferred Exchange projects
- Traditional support burden gradually shifting to Exchange
- Unknown Sequestration Effects
- BoD intent is slow and balanced approach to APF reduction
What We Procure

- Construction / AE Services
  - Data / Geo (Title 1) / Design (Title 2)
  - Construction Management (Title 3)
  - New Construction / Renovation
  - Environmental / Energy
- Store Support Services
- Facilities Management Office (FMO)
- Equipment / Fixtures
  - NBFF and In-house Food Equipment
  - Retail Store Fixtures
  - Office Furniture
  - Store Carpet and Flooring
  - Gas Dispensing
  - Fixture Logistics Installation Contract (FLIC)
- Overseas Plants
- Vehicles (non-GSA)
A-E Contract Types

- Small Projects – IDIQ Contracts
  - Set Hourly Rates
  - Individual Orders for each Project at FFP
- Large Projects – Individual Contracts
  - FFP Contracts with design phases
- Master Planning – IDIQ Contracts
  - Set Hourly Rates
  - Individual Orders for each Project at FFP
- Environmental – IDIQ and Individual Orders
- Energy Management – IDIQ and Individual Orders

FFP = Firm Fixed Price
IDIQ = Indefinite Delivery/Indefinite Quantity
Construction

- FMO Local → Small Projects
  - Construction Estimated < $25k

- HQ → Large Projects
  - Construction Estimated > $25k

- IDIQ multiple award contracts
  - Best Value Selection - technical and price considered
  - Design / Build, Bid / Build Burger King Upgrades
    - Awarded May 2011 for 5 years with 2 one year options
  - Design / Build, Bid / Build Shopping Centers
    - Awarded July 2008 for 5 years with 1 five year option
How to Work with AAFES

Info at http://www.aafes.com
Construction Solicitation

Info at http://www.aafes.com/pz%2Ds/construction/

Solicitation Number: AAFES-REZC-04-005-08-017
Title: Image Upgrade Vandenberg Hall Cadet Bookstore
Location: USAF, CO
Value Range: $200,000 TO $500,000
Construction Period: 90 DAYS
Due Date: 16 April 2008: 2PM
Synopsis: Renovate 12,650 sq of sales floor, wall finishes and upgrade lighting. The Cadet Book Store floor and wall finishes will be replaced and the suspended ceiling tiles and lighting will be replaced. Electrical and mechanical systems will be upgraded and a three bulb sink will be installed in the rear workroom/storage area. Scope of work also includes the installation and relocation wall graphics and signage indicated in the drawings.
Amendments: None
Contracting Officer: Judy James (Tel: 214-312-6996)
There is no greater honor than serving those who serve.

Thank You!
FY15 MILCON
SAME
25 March 2014

FY11 Unmanned Aerial System (UAS) Hangar, Fort Hood
- Army Force Structure
- Shrinking the Footprint
- Overseas Consolidation
- BRAC?
- Army Facility Investments
- Army Program
  - Military Construction, Army
  - Military Construction, Army Reserve
  - Military Construction, Army National Guard
- Renewable Energy
- Take Aways
• Brigade Combat Team Reorganization
  ➢ 10 CONUS + 2 OCONUS HQs eliminated and 1 pending SECDEF approval
  ➢ Adds a 3rd Maneuver Battalion to CONUS BCTs only
  ➢ Adjust Enabler requirements
  ➢ New BCT structure established using existing facilities

• Active Component Draw Down to 490K by 2015
  ➢ Requires extensive coordination/synchronization
  ➢ Maximum use of vacated facilities for added structure (3rd MN/BN)
    Exception: MILCON requirement identified at Fort Polk and Fort Benning;
    however, O&M solution to support accelerated decrement was provided
  ➢ Provides opportunity for more consolidation
  ➢ Provides opportunity for alternatives to costly leases
  ➢ Provides opportunity for alternatives to continued use of Relocatables

• Includes Europe and Korea Transformation Initiatives

• Force structure reductions below 490K are pre-decisional

• Army’s FY15 requested MILCON projects are required, incorporating current force structure reductions and are neutral to future force reductions
Identifying Excess Capacity

• The Army is conducting capacity analyses to provide metrics on how much excess capacity will be created when the Army’s Active Component (AC) force structure declines to 490,000 Soldiers.

• Preliminary results indicate the Army will have about 15-20% excess capacity at its US installations (167 Million Square Feet) at the 490K level by 2019.

• Facility capacity was examined through several complementary efforts: (a) IMCOM garrison facility category groups, (b) all federal Army installations worldwide, to include the Active, Guard, and Reserve, and (c) a representative subset of Active installations with operational missions.

• Excess capacity is greatest in General Purpose Administrative Space (38% excess, 28 MSF), Vehicle Maintenance Shops (26% excess, 7 MSF), and Large Unit Headquarters (23% excess, 5 MSF).

• The Army estimates that it costs about $3 per square foot to provide maintenance for occupied facilities. Therefore, 167 Million Square feet of excess capacity would cost over $500M a year.

• Further analyses will assist the Army in making prudent MILCON and facility investment decisions. For example, the Army will use the capacity analysis process to identify opportunities to eliminate the continued use of relocatable and temporary facilities.

• If the Army’s AC end-strength is reduced below 490,000, more excess capacity will be created.
• European Infrastructure Consolidation
  ➢ Analysis of current infrastructure and force structure
  ➢ Task Force results expected Spring of 2014

• Korea Transformation
  ➢ **Yongsan Relocation Plan**: Bilateral agreement signed Oct 2004
    ✓ Relocates 5,000+ Service Members from Yongsan to Humphreys
    ✓ Funding Source: 100% Republic of Korea (ROK) In-Kind Construction and ROK Cash Contributions
  ➢ **Land Partnership Plan**: Bilateral agreement signed Mar 2002
    ✓ Relocates 7,000 Service Members from areas north of Seoul
    ✓ Funding Source: ROK In-Kind Construction and ROK Cash Contributions and limited US MILCON
• Why does the Army need BRAC?
  ➢ Absent this authority, the Army will be forced to retain installation infrastructure that is excess to its requirements and thereby jeopardize spending on forces, training, infrastructure and modernization.
  ➢ Force reductions produce excess capacity; excess capacity is a drain on resources. Only through BRAC can we align our infrastructure with our force structure.

• Why Use BRAC?
  ➢ BRAC is a fair, objective, and proven method for eliminating excess domestic infrastructure and realigning what remains.
  ➢ BRAC provides for a sound analytical process, founded in a 20-year force structure plan developed by the Joint Staff; based on a comprehensive installation inventory to ensure a thorough capacity analysis; and defined with a selection criteria that place priority on military value.
  ➢ The BRAC process is comprehensive, thorough and transparent; examining all installations and conducting thorough analyses using certified data.
  ➢ Most important, BRAC requires an “All or None” review by the President and Congress, which prevents either from taking individual recommendations off of the Commission’s list. With an independent commission, this all-or-none element is what insulates BRAC from politics.

<table>
<thead>
<tr>
<th>Round</th>
<th>Closures</th>
<th>Major Closures</th>
<th>RC Closures</th>
<th>Net Annual recurring Savings</th>
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<tbody>
<tr>
<td>2005</td>
<td>12</td>
<td>11</td>
<td>387</td>
<td>$1,041M</td>
</tr>
<tr>
<td>1995</td>
<td>29</td>
<td>10</td>
<td>0</td>
<td>$312M</td>
</tr>
<tr>
<td>1993</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>$68M</td>
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<td>1991</td>
<td>5</td>
<td>4</td>
<td>0</td>
<td>$304M</td>
</tr>
<tr>
<td>1988</td>
<td>77</td>
<td>6</td>
<td>0</td>
<td>$260M</td>
</tr>
<tr>
<td>Totals</td>
<td>124</td>
<td>32</td>
<td>387</td>
<td>$1,985M</td>
</tr>
</tbody>
</table>

A future BRAC would focus on efficiency, unlike BRAC 2005 which was primarily a transformational BRAC.
Funding levels reverted back to pre-2000 levels

SUP = Supplemental
ARRA = American Reinvestment and Recovery Act
GWOT = Global War on Terror
OCO = Overseas Contingency Operations
Facility Investment Strategy is dependent on adequate resourcing of SRM to:

- Sustain required facilities
- Improve existing facilities (eliminate Q3’s/"horizontal” Q4’s; meet energy security; MILCON tails)

<table>
<thead>
<tr>
<th>APPN</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>OMA budget</td>
<td>1,956</td>
<td>1,826</td>
<td>1,804</td>
<td>2,031</td>
<td>2,094</td>
<td>2,221</td>
<td>2,501</td>
<td>2,496</td>
<td>3,041</td>
</tr>
<tr>
<td>OMA exec</td>
<td>1,473</td>
<td>2,204</td>
<td>1,813</td>
<td>2,979</td>
<td>4,029</td>
<td>2,236</td>
<td>2,521</td>
<td>2,757</td>
<td>2,278</td>
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<tr>
<td>OMAR budget</td>
<td>201</td>
<td>204</td>
<td>213</td>
<td>223</td>
<td>256</td>
<td>235</td>
<td>234</td>
<td>256</td>
<td>287</td>
</tr>
<tr>
<td>OMAR exec</td>
<td>134</td>
<td>151</td>
<td>204</td>
<td>220</td>
<td>504</td>
<td>208</td>
<td>223</td>
<td>234</td>
<td>285</td>
</tr>
<tr>
<td>OMNG budget</td>
<td>384</td>
<td>392</td>
<td>398</td>
<td>486</td>
<td>501</td>
<td>560</td>
<td>622</td>
<td>619</td>
<td>688</td>
</tr>
<tr>
<td>OMNG exec</td>
<td>307</td>
<td>407</td>
<td>419</td>
<td>455</td>
<td>558</td>
<td>532</td>
<td>600</td>
<td>614</td>
<td>815</td>
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<tr>
<td>TOTAL budget</td>
<td>2,541</td>
<td>2,421</td>
<td>2,415</td>
<td>2,740</td>
<td>2,851</td>
<td>3,036</td>
<td>3,357</td>
<td>3,370</td>
<td>4,016</td>
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<tr>
<td>TOTAL exec</td>
<td>1,914</td>
<td>2,762</td>
<td>2,435</td>
<td>3,654</td>
<td>5,090</td>
<td>2,977</td>
<td>3,344</td>
<td>3,656</td>
<td>3,414</td>
</tr>
</tbody>
</table>

*Source: FY15 PB lock.*
Army Facility Investments

• Reductions
  
  ➢ FY15 Sustainment funded at 62% of Facility Sustainment Model requirement
  ➢ Restoration and Modernization (R&M) reduced to high priority leadership initiatives
  ➢ MILCON (MCA, MCAR and MCNG) reduced by 22% from FY14 PB Baseline

• Impacts
  
  ➢ Extended recapitalization rates
  ➢ Accelerated degradation of existing facilities impacting training, readiness and quality of life

• Mitigations
  
  ➢ Continue to weigh condition of existing facilities into MILCON prioritization process
  ➢ Demolish failed and failing facilities
  ➢ Sustain vacated facilities at lower levels
  ➢ Consolidate through an additional round of BRAC
  ➢ Increase sustainment funding in future programs as informed by improved modeling
**FY14** Sustainment currently funded at 77% of OSD FSM requirements.

FY14 Sustainment funding request: $2,961.6M
- $2,151.1M - Active Army
- $232.6M - Army Reserve
- $577.8M - Army National Guard

FY14 Demolition Program: $35.4M
- $28.0M - Active Army
- $2.6M - Army Reserve
- $4.8M - Army National Guard

FY14 Restoration & Modernization funding request: $325.6M (without Energy)
- $221.0M - Active Army
- $19.5M - Army Reserve
- $85.1M - Army National Guard

Army Energy Program
- $250M - Active Army
- $39M - Army Reserve
- $26M - Army National Guard

**FY15** Sustainment funding requested at 62% of OSD FSM requirements.

FY15 Sustainment funding request: $2,404M
- $1,721M - Active Army
- $207M - Army Reserve
- $476M - Army National Guard

FY15 Demolition Program: $22.7M
- $19.4M - Active Army
- $1.3M - Army Reserve
- $2.0M - Army National Guard

FY15 Restoration & Modernization funding request: $289.0M (without Energy)
- $272.1M - Active Army
- $7.8M - Army Reserve
- $9.2M - Army National Guard

Army Energy Program
- $54M - Active Army
- $12M - Army Reserve
- $3M - Army National Guard

Source: FY15 PB lock.
**Army Total Obligation Authority (TOA) $120,531M***

*Excluding Overseas Contingency Operations (OCO)*

**MILCON $1,284M**

- **AFHC = Army Family Housing Construction = $78.6M**
- **MCNG = Military Construction National Guard = $126.9M**
- **MCAR = Military Construction Army Reserves = $103.9M**
- **BRAC = Base Realignment and Closure = $84.4M**
- **MCA = Military Construction Army = $539.4M**

*3/25/2014*
Allocation of MILCON funding remains consistent among MCA, MCNG, and MCAR
MCA Authorization Request: $405.3M*

MCA Appropriation Request: $539.4M

*Does NOT include P&D/UMMC/Minor or 3rd increment of USMA Cadet Barracks
<table>
<thead>
<tr>
<th>PN</th>
<th>Installation</th>
<th>ST</th>
<th>Description</th>
<th>PA ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>81372</td>
<td>Fort Irwin</td>
<td>CA</td>
<td>Unmanned Aerial Vehicle Hangar</td>
<td>45,000</td>
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<tr>
<td>76093</td>
<td>Military Ocean Terminal Concord (MOTCO)</td>
<td>CA</td>
<td>Access Control Point</td>
<td>9,900</td>
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<tr>
<td>76087</td>
<td>Military Ocean Terminal Concord (MOTCO)</td>
<td>CA</td>
<td>General Purpose Maintenance Shop</td>
<td>5,300</td>
</tr>
<tr>
<td>77305</td>
<td>Fort Carson</td>
<td>CO</td>
<td>Aircraft Maintenance Hangar</td>
<td>60,000</td>
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<tr>
<td>81357</td>
<td>Fort Carson</td>
<td>CO</td>
<td>Unmanned Aerial Vehicle Hangar</td>
<td>29,000</td>
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<tr>
<td>70668</td>
<td>Fort Shafter</td>
<td>HI</td>
<td>Command and Control Facility (SCIF/COIC)</td>
<td>96,000</td>
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<tr>
<td>73542</td>
<td>Fort Campbell</td>
<td>KY</td>
<td>Unmanned Aerial Vehicle Hangar</td>
<td>23,000</td>
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<tr>
<td>81349</td>
<td>Fort Drum</td>
<td>NY</td>
<td>Unmanned Aerial Vehicle Hangar</td>
<td>27,000</td>
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<tr>
<td>81187</td>
<td>United States Military Academy</td>
<td>NY</td>
<td>Cadet Barracks, Incr 3</td>
<td>58,000</td>
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<tr>
<td>69649</td>
<td>Letterkenny Army Depot</td>
<td>PA</td>
<td>Rebuild Shop</td>
<td>16,000</td>
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<tr>
<td>51937</td>
<td>Fort Jackson</td>
<td>SC</td>
<td>Trainee Barracks Complex 3, Ph 1</td>
<td>52,000</td>
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<tr>
<td>73272</td>
<td>Joint Base Langley – Eustis</td>
<td>VA</td>
<td>Tactical Vehicle Hardstand</td>
<td>7,700</td>
</tr>
<tr>
<td>81393</td>
<td>US Naval Station Guantanamo Bay</td>
<td>CU</td>
<td>Health Clinic</td>
<td>11,800</td>
</tr>
<tr>
<td>81635</td>
<td>US Naval Station Guantanamo Bay</td>
<td>CU</td>
<td>Dining Facility</td>
<td>12,000</td>
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<td>77831</td>
<td>Kadena Air Base</td>
<td>JA</td>
<td>Missile Magazine</td>
<td>10,600</td>
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<tr>
<td>Various</td>
<td>P&amp;D/Host Nation/Minor</td>
<td></td>
<td></td>
<td>76,127</td>
</tr>
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<td></td>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>539,427</strong></td>
</tr>
</tbody>
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**Acceleration Candidates**

<table>
<thead>
<tr>
<th>PN</th>
<th>Installation</th>
<th>ST</th>
<th>Description</th>
<th>PA ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8984</td>
<td>Blue Grass Army Depot</td>
<td>KY</td>
<td>Shipping and Receiving Building</td>
<td>15,000</td>
</tr>
<tr>
<td>68826</td>
<td>Fort Hood</td>
<td>TX</td>
<td>Simulations Center*</td>
<td>46,000</td>
</tr>
<tr>
<td>41449</td>
<td>Fort Lee</td>
<td>VA</td>
<td>Adv Individual Training Barracks Cplx, Ph3</td>
<td>86,000</td>
</tr>
</tbody>
</table>

*Not in FY15-19 FYDP - Formerly in FY15
Army MILCON
$1,284M

AFHO
$351M

AFHC
$79M

MCNG
$127M

MCAR
$104M

BRAC
$84M

MCA
$539M

MCAR FY15 Budget Request
Army MILCON

Army Reserve continues to build out critical shortages
## FY15 MCAR Project Summary

### Installation Description

<table>
<thead>
<tr>
<th>PN</th>
<th>Installation</th>
<th>ST</th>
<th>Description</th>
<th>PA ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>71901</td>
<td>Fresno CA Army Reserve Center</td>
<td>CA</td>
<td>Army Reserve Center</td>
<td>22,000</td>
</tr>
<tr>
<td>81959</td>
<td>Fort Carson CO Training Building Addition</td>
<td>CO</td>
<td>Training Building Addition</td>
<td>5,000</td>
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<tr>
<td>77151</td>
<td>JB McGuire-Dix-Lakehurst NJ Army Reserve Center</td>
<td>NJ</td>
<td>Army Reserve Center</td>
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<tr>
<td>67661</td>
<td>Mattydale NY Army Reserve Center/AMSA</td>
<td>NY</td>
<td>Army Reserve Center/AMSA</td>
<td>23,000</td>
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<tr>
<td>72291</td>
<td>Fort Lee VA TASS Training Center</td>
<td>VA</td>
<td>TASS Training Center</td>
<td>16,000</td>
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<tr>
<td>Various</td>
<td>P&amp;D/Minor</td>
<td></td>
<td>P&amp;D/Minor</td>
<td>12,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>104,000</strong></td>
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### Acceleration Candidates

<table>
<thead>
<tr>
<th>PN</th>
<th>Installation</th>
<th>ST</th>
<th>Description</th>
<th>PA ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>85812</td>
<td>March (Riverside) CA Army Reserve Center</td>
<td>CA</td>
<td>Army Reserve Center</td>
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<td>77228</td>
<td>Arlington Heights IL Army Reserve Center</td>
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<tr>
<td>77163</td>
<td>Starkville MS Army Reserve Center</td>
<td>MS</td>
<td>Army Reserve Center</td>
<td>9,300</td>
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</table>
The Army National Guard requires continued investment to provide facilities which support unit readiness.
<table>
<thead>
<tr>
<th>PN</th>
<th>Installation</th>
<th>ST</th>
<th>Description</th>
<th>PA  ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>230113</td>
<td>Augusta</td>
<td>ME</td>
<td>National Guard Reserve Center</td>
<td>30,000</td>
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<tr>
<td>240165</td>
<td>Havre De Grace</td>
<td>MD</td>
<td>National Guard Readiness Center</td>
<td>12,400</td>
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<td>300128</td>
<td>Helena</td>
<td>MT</td>
<td>National Guard Readiness Center Add/Alt</td>
<td>38,000</td>
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<tr>
<td>380073</td>
<td>Valley City</td>
<td>ND</td>
<td>National Guard Vehicle Maintenance Shop</td>
<td>10,800</td>
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<td>500036</td>
<td>North Hyde Park</td>
<td>VT</td>
<td>National Guard Vehicle Maintenance Shop</td>
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<tr>
<td>Various</td>
<td>P&amp;D/Minor</td>
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<td>31,320</td>
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</table>

**TOTAL** 126,920

**Acceleration Candidates**

<table>
<thead>
<tr>
<th>PN</th>
<th>Installation</th>
<th>ST</th>
<th>Description</th>
<th>PA  ($)</th>
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</thead>
<tbody>
<tr>
<td>350029</td>
<td>Alamogordo</td>
<td>NM</td>
<td>National Guard Readiness Center Add/Alt</td>
<td>5,000</td>
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<tr>
<td>530041</td>
<td>Yakima</td>
<td>WA</td>
<td>Enlisted Barracks, Transient Training*</td>
<td>19,000</td>
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<tr>
<td>100082</td>
<td>Dagsboro</td>
<td>DE</td>
<td>National Guard Vehicle Maintenance Shop</td>
<td>10,800</td>
</tr>
</tbody>
</table>

*Not in FY15-19 FYDP - Formerly in FY15*
Energy Initiatives Task Force (EITF)
Large-Scale Renewable Energy Opportunities

**Location**: Ft. Irwin, CA
**Project**: 15 MW Solar
**Business/Acquisition Model**: Competitive PPA through DLA

**Location**: Ft. Drum, NY
**Project**: 28 MW Biomass
**Business/Acquisition Model**: PPA Notice of Intent to Award to ReEnergy Holdings LLC

**Location**: Ft. Detrick, MD
**Project**: 15 MW Solar
**Business/Acquisition Model**: PPA Notice of Intent to Award to Ameresco Inc.

**Location**: Ft. Drum, NY
**Project**: 28 MW Biomass
**Business/Acquisition Model**: PPA Notice of Intent to Award to ReEnergy Holdings LLC

**Location**: Ft. Irwin, CA
**Project**: 15 MW Solar
**Business/Acquisition Model**: Competitive PPA through DLA

**Location**: Ft. Detrick, MD
**Project**: 15 MW Solar
**Business/Acquisition Model**: PPA Notice of Intent to Award to Ameresco Inc.

**Location**: Ft. Drum, NY
**Project**: 28 MW Biomass
**Business/Acquisition Model**: PPA Notice of Intent to Award to ReEnergy Holdings LLC

**Location**: Redstone Arsenal, AL
**Project**: 10 MW Solar
**Business/Acquisition Model**: MATOC PPA

**Location**: Redstone Arsenal, AL
**Project**: 25 MW Renewable CHP
**Business/Acquisition Model**: Competitive PPA through HNC

**Location**: Schofield Barracks, HI
**Project**: 18 MW Solar
**Business/Acquisition Model**: Competitive lease in conjunction with the GA Power Advanced Solar Initiative

*Note: Representative of assessed and deactivated opportunities.*
Take Aways

• Force Reductions
  The Army's MILCON budget request is neutral on future Army Force Structure Reductions below 490K end-strength. Army is assessing facility requirements associated with 570K to 490K end-strength decision. Future end-strength reductions will be informed in part by a Supplemental Programmatic Environmental Assessment (SPEA) to assist Army leaders in force reduction decisions.

• New BRAC
  Additional BRAC authority is necessary to reduce excess facility infrastructure and produce the efficiencies needed in light of proposed force structure reductions and our current budget environment.

• Energy Leverage
  Funding levels do not allow desired level of investment in energy initiatives, prioritizing leverage of private sector investment through 3rd party financing.

• Partnerships and Privatization
  Army Privatization and Partnerships programs continue to exceed expectations by leveraging private sector funding for sustainable quality homes, lodging, and reliable utility systems. Through these programs the Army gains efficiencies, lower costs, mitigates risk, offsets budget shortfalls, and strengthen ties with local communities in support of the Army mission.

• Reserve Component
  The USAR and ARNG are a critical operational component of the Army Force Generation (ARFORGEN) cycle by providing trained and ready Soldiers. The current MILCON funding levels only address the most critical and immediate needs.

3/25/2014