



Assistant Secretary of the Army **Installations & Environment**



Development and Partnership **Opportunities in the Military Sector**

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The Office of Economic Adjustment Growth Summit
Housing Privatization and Program Resources Panel
12 December 2007



U.S.ARMY

The Army Environment Today

- Global War on Terror
- Base Realignment and Closure
- Grow the Army
- Army Modular Force Initiative
- Reset / Modernization
- Business Transformation



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Business as Usual Not an Option

- Increases in Army requirements consistently outpacing available funding
- Beginning of a cultural shift –
 - Recognition of need to focus on core mission
 - Looking to other sources for provision of non-core services
- Army's Privatization and Partnerships Office established to spearhead new strategies for leveraging Army assets to meet requirement



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Partnership is Key to Success

- Whether with a private developer or with local communities, partnerships are vital to meeting Soldier and Family needs
- Army relies on local communities to meet majority of housing requirements
 - Programming for on-post housing averages only 30% of permanent party population
- We are continually searching for opportunities to divest non-core functions through mutually beneficial relationships with a wide range of service providers



U.S. ARMY

Active Programs / Achievements

- **Residential Communities Initiative (RCI)**
 - Most mature program
 - To Date: 36 installations privatized and \$10B in debt placed
- **Privatization of Army Lodging (PAL)**
 - Estimated \$1.3B in development opportunity
 - First of 3 project groups awarded (13 installations)
- **Unaccompanied Personnel Housing (Barracks) Privatization**
 - 5 pilot sites identified, work currently underway at 2 sites
- **Utilities Privatization (UP)**
 - 436 systems privatized, 77 under evaluation
- **Municipal Services Partnerships (MSP)**
 - Success at 2 pilot sites
 - Legislation pending to expand opportunities
- **Army-Community Heritage Partnerships**
 - 9 sites actively engaged in development of initiatives



RCI Integrated Community at Fort Belvoir



Connecting Homes w-Retail

- Starbucks / Convenience Store
- Day Spa / Nail & Beauty Shops
- Barber Shop
- Sports Memorabilia
- Cigar Shop
- Watch Repair & Engraving
- Home Decor



Challenges

- Huge requirements
- Limited authorities
- Dealing with private sector, on their terms, while still trying to operate within our bureaucracy
- OMB Scoring
- Congress as our “Board of Directors”



Future Focus

- Continue to look for innovative financing strategies
- Synchronize various privatization and partnership initiatives to maximize benefits
- Seek expansion of legislative authorities to support development of new business initiatives