

# Privatization of Army Lodging (PAL)

17 May 2010

## **Basis for the PAL Program**

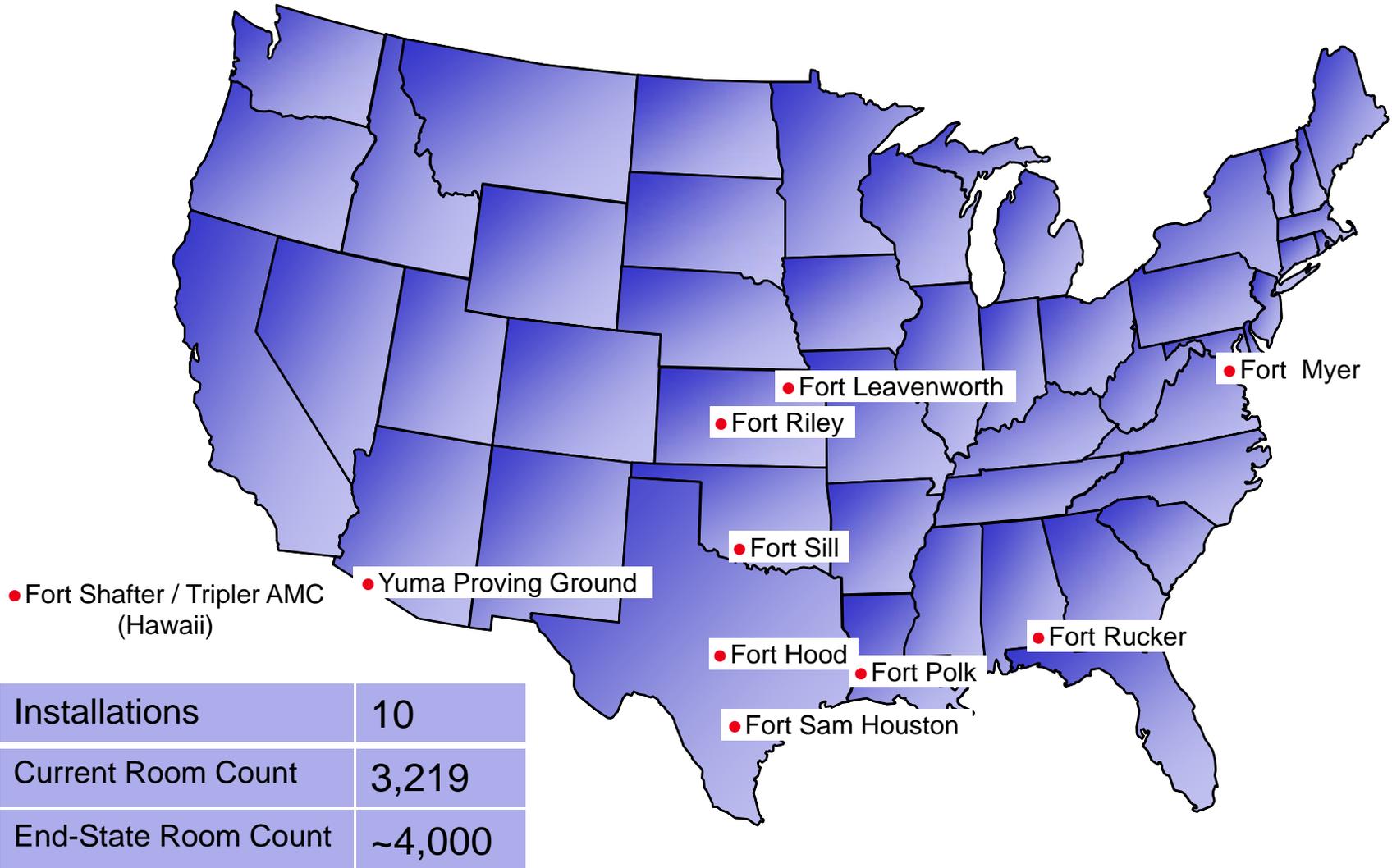
- Current Army Lodging recapitalization plan is insufficient
  - Excessive completion time (20+ years) for initial requirements
  - Although basic sustainment requirements incorporated, does not include funding for out-year replacement
- Appropriated funds unavailable
  - Requirement validated but unfunded
- Expanded Military Housing Privatization Initiative (MHPI) authorities provided opportunity to capitalize on success of Residential Communities Initiative (RCI)
- Army leadership has endorsed PAL program as solution to revitalization backlog and long-term sustainment
- PAL to be rolled out in three financially balanced multi-installation groupings at rates that equate to a weighted average of 75% for the official travelers

**The PAL partners are committed to the PAL Program's goals of :**



- Improving the Quality of Life for Soldiers and their Families
- Developing new and renovated hotel facilities
- Delivering superior hotel amenities and services
- Providing for the long-term sustainment of the facilities
  - Replacement Reserve Account
  - Reinvestment Account
- Funding the operation without additional Army subsidies
- Maintaining a weighted official traveler rate of 75% of per diem
- Capitalizing on the Success of RCI Program

# PAL: Privatized Lodging Operations



# First 10 PAL Installations: A Mix of Army Missions



## **First 10 PAL Installations Transferred -- 15 Aug 2009**



## Many Employees Have Transferred to IHG



## **Quotes from the Field**

### **Quotes from Former Army Lodging General Managers**

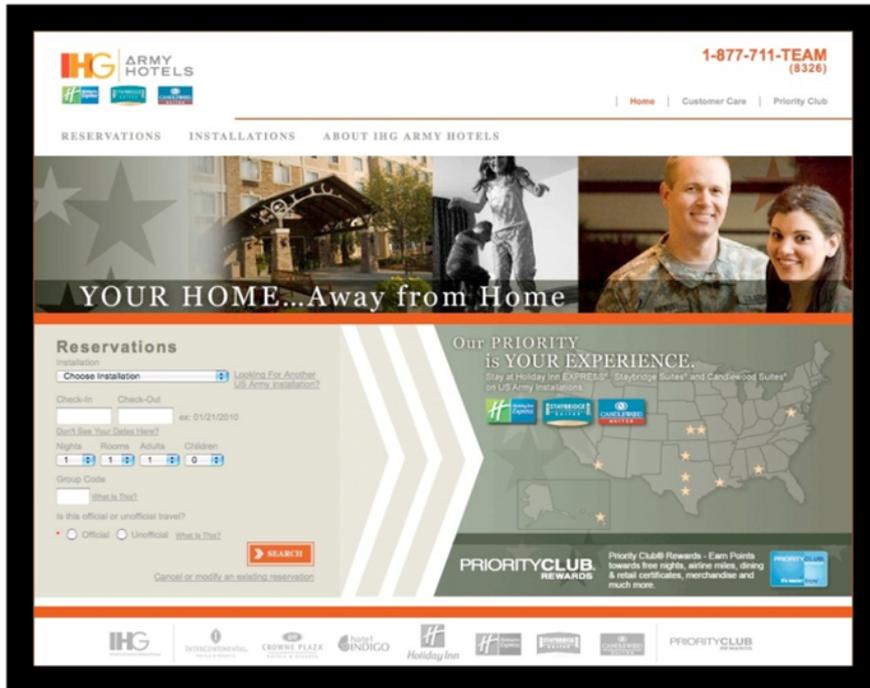
- “These guys like all of the attention they are getting. There is so much energy here and so much focus on customer service that it feels like new life in here. It’s so exciting to be a part of it and it seems like everyone feels it as well. Everyone has great ideas to make things better for the guest. It has been a lot of work but way more rewarding and just a lot of fun!”
- “Social went VERY well last night. Estimated attendance 175 – 200 guests. Very positive comments from our guests in reference to services – many, many smiles! We held babies and I got to watch a dog while Mom and Dad were getting food. I could not be more proud of our team. It is amazing what change can do! We are taking “baby steps” but everything is slowly coming together.”

## Hotel Services & Amenities Being Rolled-out

- Large Great Room to greet arriving guests
- Complementary hot buffet breakfast
- 24-hour access to Cupboard convenience store operated on the honor system
- Priority Club Rewards Program
- Fitness Centers, Business Centers
- Free guest laundry
- Weekly cookout and social gathering
- Free high-speed internet
- DVQ special services
- Sports equipment available at front desk
- Complimentary DVD library at front desk
- Full-time Post Concierge available
- Check-in/out kiosks at satellite hotels
- Healing gardens and sports court areas
- Pets Are Welcome...and can stay with you
- Global Reservations via phone or web



## Website and 800 Reservation Number



**IHG** | **ARMY HOTELS**  
**877.711.TEAM**

[ihgarmyhotels.com](http://ihgarmyhotels.com)

Guest-friendly website and toll-free central reservation center telephone number are up and running for making reservations



## Frequent Stay Points

IHG offers all official travelers the opportunity to sign-up and earn Priority Club<sup>®</sup> points while on official duty



*where will your  
PCR Points  
take you?*



**PRIORITY CLUB**  
REWARDS  
It's easier. Enjoy™

Enjoy the exclusive benefits on stays at IHG Army Hotels with Priority Club Rewards<sup>®</sup>

- Points never expire
- Earn 3 points per dollar spent at IHG Army Hotels
- No blackout dates
- 4,400 locations to earn and redeem
- Redeem for stays at many of our IHG hotels worldwide

Visit [www.IHGArmyHotels.com](http://www.IHGArmyHotels.com) for more information.

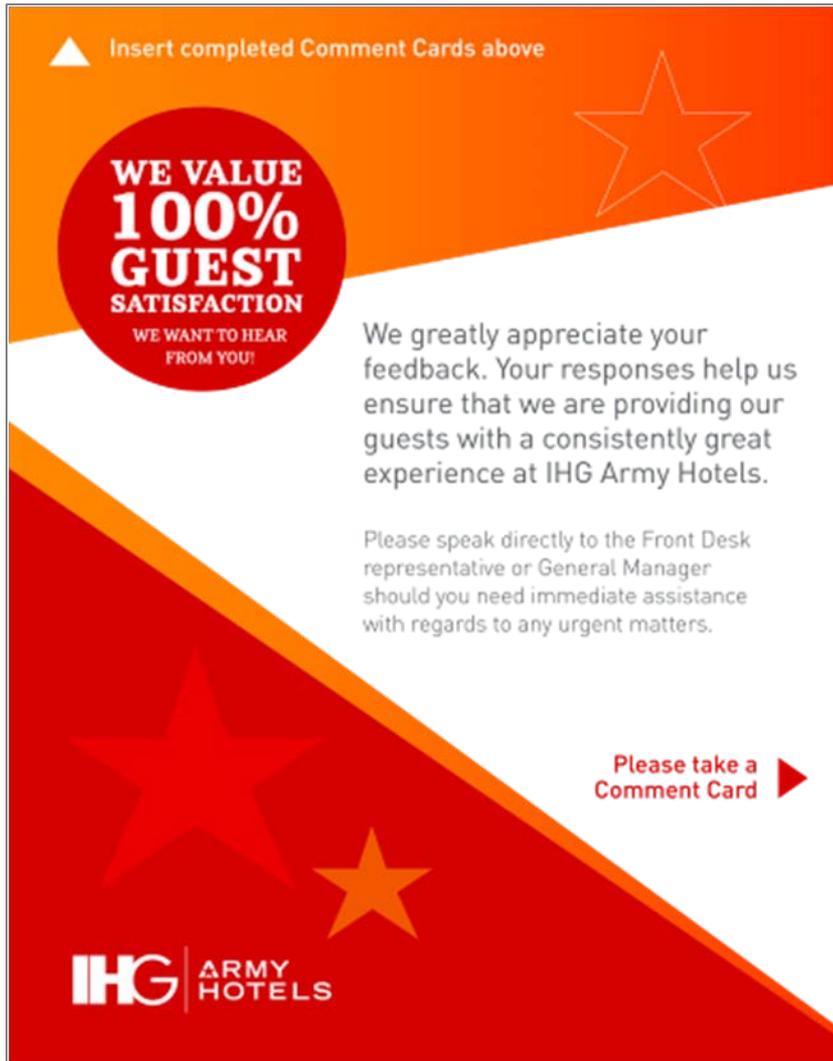
**20,500** *points awarded at this hotel!*

**IHG** ARMY HOTELS

# Weekly BBQ Socials



## Focus on Customer Service



IHG is focused on customer service and guest satisfaction – if there are any issues with your stay - bring them to the attention of management



## During the first 24-months of Privatization

- Hotels will be flagged as “IHG Army Hotels” until fully converted to Holiday Inn Expresses
- Change in management and expectations
- Many IHG services are already in place
- Hotel renovation activities fully commenced in January as subcontracting activities completed and environmental issues were being remediated
- 933 Rooms to be branded as Holiday Inn Express hote
  - Magnolia House Fort Polk (70 rooms)
  - Cypress Inn Fort Polk (59 rooms)
  - Keith Ware Hall Fort Hood (274 rooms)
  - Aultman Hall Fort Sill (240 rooms)
  - Allin Hall Fort Sill (290 rooms)



## Fort Polk Progress Photos



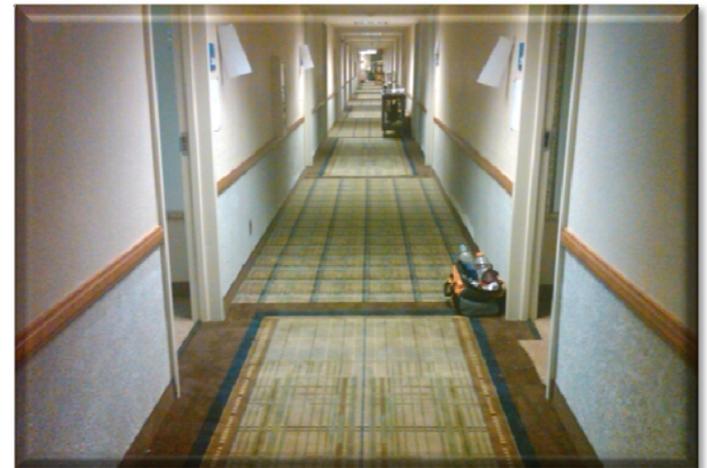
Before and after of  
branded rooms at  
Magnolia House



## Fort Hood Progress Photos



New corridor carpeting  
at Keith Ware Hall



Before and after of branded  
rooms at Keith Ware Hall



## Fort Sill Progress Photos



Bathroom renovations



Before and after of  
branded rooms at  
Aultman Hall

## Enhanced Candlewood Suites to come



**New Hotel's “Great Room” & More Amenities to come**

