



Setting the Standard

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• FORT BLISS, Texas
In early 2007, as plans for the Army & Air Force Exchange Service (AAFES) Lifestyle Center here, were progressing from concept to initial artist renderings, Exchange and Commissary News met in Dallas with then-AAFES Commander Maj. Gen. William “Bill” Essex, USAF; Senior Vice President (SVP) of the exchange service’s Strategic Partnership Directorate Ed King and then-VP of Strategic Partnerships, now VP of Community Development Initiative Joe Giuffreda.

Essex, King and Giuffreda presented AAFES’s vision for a new approach to offering retail, dining and entertainment that borrowed from the “Town Center” style of

development that had then become the cutting edge in urban and suburban retail development. These would be a new retail option for AAFES on large installations with a critical mass of patrons, that were slated to receive large influxes of troops and families.

Essex’s successor, Maj. Gen. Keith L. Thurgood, USAR, drove the “Freedom Crossing”

pilot program at Fort Bliss forward with enthusiasm. With equal fervor, his successor, Maj. Gen. Bruce A. Casella, USA, has had the honor of presenting the new main store ‘X’ Exchange Marketplace and surrounding specialty stores, restaurants and a first-run movie house to the Fort Bliss installation and its patrons.

In a landmark celebration here, the newly opened “Freedom Crossing” Lifestyle Center kicked off what Army & Air Force Exchange Service (AAFES) leadership anticipates will be the first of a wave of three retail, dining and entertainment “megaplexes” designed to meet the needs of very large Army installations that are experiencing dramatic growth due to various combinations of factors including force repositioning, military transformation, and Base Realignment and Closure (BRAC).

Plans for other such centers have been drawn up for JBLM Lewis-McChord, Wash., and Fort Sam Houston, JB San Antonio, Texas, pending Army, Department of Defense (DoD) and Congressional approval.

Occupying 492,000 sq. ft. overall, the town center-style shopping complex will serve a military community here that is expected to swell by 2012 to around 127,000 people, to include active duty, family members, retirees, Guard and reserve, and other eligible patrons.

As officials prepared to cut the opening ribbon to the new 217,000-sq.-ft. exchange “Marketplace,” Casella said, “For years the Exchange has gone where our Soldiers go, and this development responds with more facilities as the Fort Bliss population increases some 60 percent.”

Standing below the entrance canopy to the ‘X’-branded facility that bears standing letters spelling the word “Marketplace,” Casella remarked, “Today we open the doors to 25,000 active duty, and nearly 6,000 Guard and reserve members, plus retirees and family members, all the while laying a foundation to



welcome those who will join us.”

Installation Commanding General, Maj. Gen. Dana J.H. Pittard, USA, joined Casella in saluting patrons and invited guests and AAFES staff. “We want to thank AAFES and their partners... This has been a long time coming. Our Soldiers, families, civilians and retirees deserve nothing but the best, and that’s what they’re going to get. This is just the beginning. We want to thank our tenants who are here, our vendors who are here ... you serve those that serve this country.”

AAFES Lifestyle Center



major economic boost in the area; we have created 300 jobs with this project.” The AAFES commander estimated as many as 600 additional jobs could be added down the road as Freedom Crossing enters subsequent opening phases.

The next big step is slated for mid-2011, when, Casella added, “The commissary will be joining us. Next June, they will complete a new store right next to Freedom Crossing as part of the overall complex.

“We also look forward to bringing on more tenants, more services, more selection and more entertainment to make this ‘megaplex’ more than just a shopping experience — making it essentially an event for the whole family to come here and enjoy the entire day.”



LOOKING GOOD

John Paul DeJoria, chief executive officer (CEO) of professional hair-care leader John Paul Mitchell Systems and principal owner of the Patron Spirits Co., created a wave of excitement. Together with Casella; AAFES COO Mike Howard; former House Armed Services Committee (HASC) Chief Professional Staffer Will Cofer, and Rex Morena, CEO of Gino Morena Enterprises (GME), LLC, DeJoria cut the ribbon on a shiny new hair salon, bringing the Paul Mitchell brand to the street corner, next to the Gino Morena barber shop, in-between the X Exchange and the soon-to-be-completed commissary.

DeJoria, a former Navy servicemember himself and strong supporter of the Special Operations Warrior Foundation, personally thanked servicemembers for their service.

Across the street, DeJoria visited the Class Six where he signed bottles of his proprietary, world-famous Patron Tequila for a number of his fans in uniform.

STATE OF THE ART

Fort Bliss Exchange General Manager Paula Gunderson commented on the uniqueness of the project. “We’ve had a blast getting this store open; it’s been under construction for 18 months. We’ve renovated the old store, expanded it from 85,000 sq. ft to 217,000 sq. ft.”

In CONUS, she related, “It’s the state-of-the-art exchange for AAFES. We have a lot of ‘firsts,’ we have a lot of ‘new.’ The Victoria’s Secret Pink Shop is new to Fort Bliss and it’s also the first in CONUS. We have a brand-new Ashley Furniture concept area which has expanded from 7,000 sq. ft. to 25 000 sq. ft.

“Our gun counter is the largest in the exchange system,” Gunderson said, “as is the store’s jewelry counter and our brand-new PowerZone ARC display counter.”

Asked about patron’s reactions, Gunderson said, “I am absolutely ecstatic; customers are saying — ‘now, I don’t have to go to the mall anymore!’ They are amazed; their mouths drop open.

WELCOMING REMARKS

The evening prior to the ribbon cutting, guests, among them Assistant Secretary of the Army for Installations and Environment (ASA I&E) Katherine Hammack, El Paso City officials, and installation and AAFES leadership, gathered for a preview reception in the “Grand Hall” area — which also serves as a marketplace for concessionaires and as the site of an extensive food court.

A celebratory cake, and vendor food and beverage samples were served prior to welcoming remarks from Pittard, Casella, and AAFES Vice President (VP) Community Development Initiative Joe Giuffreda.

MWR ENGINE

“Freedom Crossing is innovative, it’s world-class shopping,” Casella observed, “This project, with its various facilities and features, cost \$100 million — that is a huge investment for AAFES and we expect to generate a big return on this. ... We’re planning in our main exchange here for annual sales of \$90 million. In the greater Bliss area, we plan to generate more than \$350 million per year. This is a huge investment and a huge return. Most of those dollars will be fed right back into our Morale, Welfare and Recreation (MWR) funds for our families.”

To put the cost in perspective, during AAFES’s fiscal 2009 which coincided with a challenging period for almost all retailers who had to contend with an extremely uncooperative economy, AAFES generated \$420.1 million in earnings based on approximately \$9.8 billion in total sales. Around two-thirds of earnings (\$261.6 million in 2009) are typically returned in varying amounts to all branches of the armed services to fund MWR activities, while the remaining amount is reinvested in capital improvements.

ECONOMY BOOST

As Congressman Silvestre Reyes (D-Texas); Yesenia Monsour, San Antonio regional director for Sen. Kay Bailey Hutchison (R-Texas); El Paso civic leaders, Department of Defense (DoD) officials and patrons listened, Casella observed, “For the local community, this is a



“It makes us feel good that we can provide everything that they need in one big box facility,” she said, enabling patrons to one-stop shop if they do not want to leave the base or do not have the time to.

“But it is not just about the big box, of course; it’s about the Grand Hall, it’s about the concessionaires, our third-party tenants, it’s all about synergy — it’s not just a shopping place, it’s a way of life. People can shop, then go to the theater, eat and relax. When you walk out there on the promenade, they’re relaxing, enjoying — soldiers, families, retirees,” Gunderson said, “They are just smiling, enjoying and that’s what this is about.”

That sentiment was echoed by an Army Reserve soldier from Lawton, Okla. — who was on monthly training with his unit in El Paso — CW4 William “Bill” Hall, USA, Integration Officer at the Army Air Defense Artillery (ADA) School at Fort Sill, perhaps best summed it up when he told *E and C News*, “From what I see, there’s no reason the soldier and his family need to go anywhere except right here at Fort Bliss. We had nothing like this when I was stationed here, but the good news is we’ve got all this for years to come.”

FESTIVE FAVORITES

ConAgra, a manufacturer of numerous consumables items found in AAFES stores, supplied a climbing wall and a David’s Seeds spitter car that both attracted throngs of patrons. In particular, youngsters were eager to test their skills as they climbed a tall “Slim Jim” tower wearing safety harnesses, just in case. Inside the store, ConAgra staged a Slim Jim eating contest with a grand prize of a \$1,000 flat-screen TV for the winner.

Military broker Webco General Partnership Vice President of Field Sales Tom Montenegro, who was there with Webco Marketing VP John Catlett and Webco Southern Texas district manager, Judy Carlile, thanked ConAgra’s Director of Sales and Marketing (GFG/SFE), Larry Thomas and Sales Manager Joe Kimosh and for their company’s strong support of the event. The broker was also involved with coordinating a \$300 Godiva Chocolate gift basket giveaway, along with ‘Godiva bear’ bag giveaways in the Godiva concept shop; a Bulova watch giveaway of two \$600 watches and a Nestlé bottled water giveaway of 10 cases of water.

Attracting more groups of parents and children to the eastern edge of Freedom Crossing was a giant Hunt’s Ketchup inflatable children’s play slide, also from ConAgra, and a similar “Tide slide” on the western side.

PHOTO OPPORTUNITIES

A perennial favorite at large store openings, the Budweiser Clydesdales attracted crowds to see the team of draft horses, piloted by two carriage men and a Dalmatian dog, pulling the company’s iconic beer wagon. The team was stopped in its tracks by the Budweiser girls who posed for photo opportunities with smiling servicemembers while the Clydes stood at the ready in the background.

NASCAR racing cars from Crown Royal and M&M’s were strategically displayed. Crown Royal’s blue Ford Fusion drew admirers toward the all-new Class Six store, while the M&M’s Toyota provided a race driving simulation for “kids of all ages” near the main entrance to the Marketplace.

Miller Lite girls maintained a busy schedule





of posing for photos with troops, whether uniformed or dressed in ‘civvies,’ from one end of the facility to the other.

Branded characters abounded, including Burger King’s “The King” and a friendly can of Chef Boyardee Ravioli, who greeted patrons at the main entrance. Near the playground area, children met Spider-Man, Snow White, Cinderella, and McGruff the Crime Dog.

Just outside the door of the food court, near the corner Starbucks Coffee House, was a Pepsi soccer ball kicking inflatable, and around the side entrance of the ‘X’ was a Cheer detergent inflatable where patrons could test their quarterbacking abilities by throwing a football through targets to win samples of the laundry product.

PATRONS IMPRESSED

In planning and construction for five years, the opening of this first and largest-of-its-kind “Lifestyle Center” in the portfolio of AAFES retail facilities was well received by other patrons who talked to *E and C News* during the three-day celebration.

Joanne and Krisiann Jernigan, who were shopping the PowerZone, said of the store, “I love it, it’s totally different, very pretty, really awesome — it’s got everything that you could possibly want. ... We always come to shop on post, but now ... even more so.”

New attractions for patrons also include the first Arby’s restaurant in the AAFES system, which joined several other new branded food operations, including Buffalo Wild Wings, Smashburger, Sarku of Japan and Junga Juice (*for more on the Food Court, see E and C News 1/2011*).

GIGANTIC HIT

If its first weekend of existence is any gauge, Gunderson and AAFES are on target. Freedom Crossing, laid out in similar fashion to a contemporary town center with a pedestrian shopping district, was a gigantic hit with patrons. Many mothers with small children came to enjoy the family-friendly amenities, as did local reservists and installation servicemembers — who were given time off by the command to enjoy the opening celebration — many bringing families with them to shop the stores, participate in multiple activities and take in various entertainment events.

Multiple vendors and brokers had coordinated with AAFES to provide a full slate of celebrity appearances, fun contests and giveaways.

CELEBRITY ATTRACTIONS

Among the headliners during the three-day event was actress Alyssa Milano, who created a surge of excitement on Saturday. Her appearance was coordinated by military broker Sarvis Inc., and AAFES’s special events guru, Fort Lewis, Wash., GM Pat McGhee. Milano, who was also appearing in support of her newly released line of “Touch” NFL-licensed women’s apparel, greeted several thousand patrons for hours beyond her scheduled appearance time, vowing to stay until she had met the last patron who had lined up to meet her.

“The focus of this is the benefit, and obviously this kind of thing builds traffic, and anything that builds traffic to the base gets them in the habit of coming to the base more often,” commented the military broker’s president, Richard Sarvis.

Other celebrities stepped up on short notice to support the event. Military broker Get Marketing paid transportation costs for Tenna Barnes, the lead vocalist of country music band Cowboy Crush, who sang the national anthem at the V.I.P. reception. Professional golfer Scottie Robertson signed autographs in the sporting goods area and front of the store, and Lou Santiago, host of Spike TV’s “Ultimate Car Build-Off” found he had a wider audience than he could have imagined of both young and older fans.

Creating significant traffic inside the store were former Dallas Cowboys linebacker and defensive end Charles Hayley and cornerback Everson Walls, who signed licensed memorabilia for patron fans. Meanwhile, around the complex, customers enjoyed appearances by Brooke and Shauna from the Tennessee Titans Cheerleading Squad, and mixed martial arts (MMA) and Ultimate Fighting Championship (UFC) fighters Keith Jardine, Paul Buentello, Victor Ortiz and Jamie Varner.

CENTERS OF ENERGY

Past the children’s playground, another center of bustling popcorn-fueled energy formed as patrons prepared for the ribbon cutting of another AAFES “first.” The 10-screen Southern Theaters-run movie house is the first of its kind on any military facility to show first-run movies.

It does so by arrangement with AAFES, the city of El Paso and the installation command, which allows “easy access” to members of the community to use eligible facilities at Freedom Crossing. The cinema is located across from a paved piazza and open-air dining area adjacent to a popular Buffalo Wild Wings casual dining restaurant — another military first.

PATRONS RELAX

Just as had been envisioned in the planning phases, soldiers and family members pushed strollers around attractive, tree-lined public areas, as well as in the stores and restaurants, and took full advantage of Freedom Crossing’s recreational amenities, ranging from the best-in-class food court with its southwestern décor, to the canopied walkways punctuated by seats and planters, shops, restaurants and services. Just beyond this are the new commissary building and an expansive commissary parking lot under construction.

Relaxing on lounge and bench seats while their children played in a fountain courtyard in the center of the pedestrian section of main street or in the nearby children’s playground built by complex developer ServiceStar, military mothers and spouses took the opportunity to take a break.

SPARKLING IN THE NIGHT

With just such occasions and many more celebrations in mind, the planners created an open-air entertainment area for patrons to listen to live music and enjoy dancing next to the stage.

Beyond trees adorned with fairy lights, on the way to the Grand Theater, a fireplace surrounded by a semi-circle of comfortable couch seating provided an area for serene contemplation of its crackling logs.

LOOKING AHEAD

“We will employ a phased approach,” said Giuffreda, “Depending on how Freedom Crossing at Fort Bliss performs, additional lifestyle centers could make their way to other military communities,” including JBLM Lewis-McChord and Fort Sam Houston, Texas.

“There is an approval process,” said SVP Strategic Planning and Partnerships Mike Immler, “and we use a public-private venture to orchestrate the partnership between AAFES, a developer, a construction firm, and an architect and engineering firm. That approval goes through the department of the Army, through the Office of the Secretary of Defense (OSD), and the HASC and the Senate Committee on Armed Services (SASC), also have to endorse it. For this particular project, the HASC asked us to have 30 percent of the third-party space under letter of intent (LOI) before we were allowed to proceed.

“We’re using that same threshold to go forward at JBLM Lewis-McChord and at Fort Sam Houston, Texas. So we’ll be sending that package forward on JBLM Lewis-McChord in the next 30 days to the Army to begin the process.

“We have probably about 40 percent under LOI, and lease occupied space is at 30 percent, including the theater, Smashburger Buffalo Wild Wings, Gamestop,



Sarku of Japan, and Junga Juice.”

As AAFES Sales Directorate SVP Dale Bryan, commented, “You try to sum it up in one word and you can’t.

You say ‘Wow!’, you say ‘Awesome!’ you say ‘Phenomenal!’ — it’s absolutely gorgeous, beyond expectations, and the customers down here deserve it.

“Active-duty, family members, retirees — this outside area is exactly what they wanted. It was to allow people a place to socialize, shop and enjoy a relaxing stroll, and that’s what they are doing right now,” Bryan pointed out, “They are sitting outside socializing, eating, drinking, kids are playing on the playground — you can’t ask for more.”

—E and C NEWS

