

What is Enhanced Use Leasing?

Overview of the Army EUL Process

<http://eul.army.mil>



US Army Corps of Engineers
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What is Enhanced Use Leasing?

- Tool in the military's arsenal to more effectively use underused property to benefit installations.
- Leverage DoD assets that are currently available, but not excess to military's needs.
- Receive rent in cash or in-kind services no-less-than FMV of asset.



What is Enhanced Use Leasing *not*?

- Sale of Installation land.
- Partnership with selected Developer.
 - Army contributes no equity into the project.
 - Army makes no guarantee of revenue to Developer.
 - All risk is on selected Developer.



Title 10 USC § 2667 gives Military Departments authority to:

- Enter into long-term or short-term leases
- Lease land and/or buildings
- Receive income on leased property, which can be used to fund other new construction and does not have to be invested in the leased property



Why Does Army Lease?

- Unleashes captive value from property
- Reduces Operation & Maintenance requirements
- Attracts tenants who are synergistic with the missions of installations
- Provides cash or In-kind funding source for needed and unfunded projects
- Stimulates local economy
- Improves community relations



How Does Army Lease?

- Competitive Notice of Opportunity to Lease (NOL) Process
- Developer Evaluation & Selection Process
- Negotiation Process



Benefits of EUL for Private Sector

- **Market Rate Returns:** Developer captures market rates of return on design, construction, maintenance, leasing and property management activities
- **Long-Term Relationship:** Ground lease for assets for terms in excess of 25 years
- **Efficient Developer Selection Process:** Approach is to minimize time and effort of bringing a development entity on board to perform work

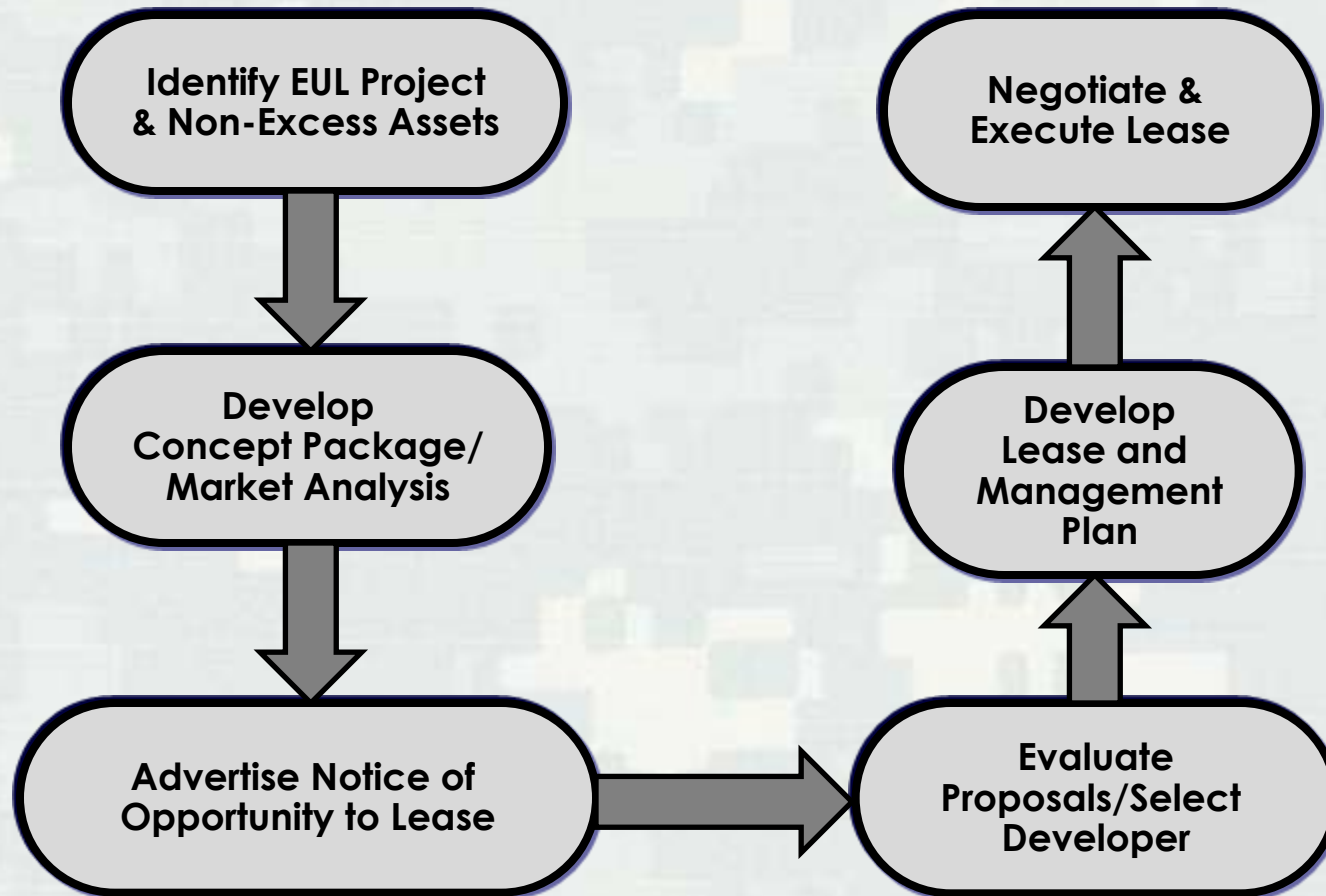


Benefits of EUL for Local Community

- Job creation and general economic stimulus
- Potential tax revenues
- Sometimes can directly fulfill objectives of the local jurisdiction



Army EUL Roadmap



Description of Solicitation Plan



What Does the Deal Look Like?

- Army Goals – Maximize rent for compatible use of installation real property that is not excess, but for which there is no long term planned use
- Specific property, specific use, specific term, specific rent
- A development schedule that must be met or the Army has the right to terminate



U.S. Army Corps of Engineers Enhanced Use Lease Program

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