

What is Enhanced Use Leasing?

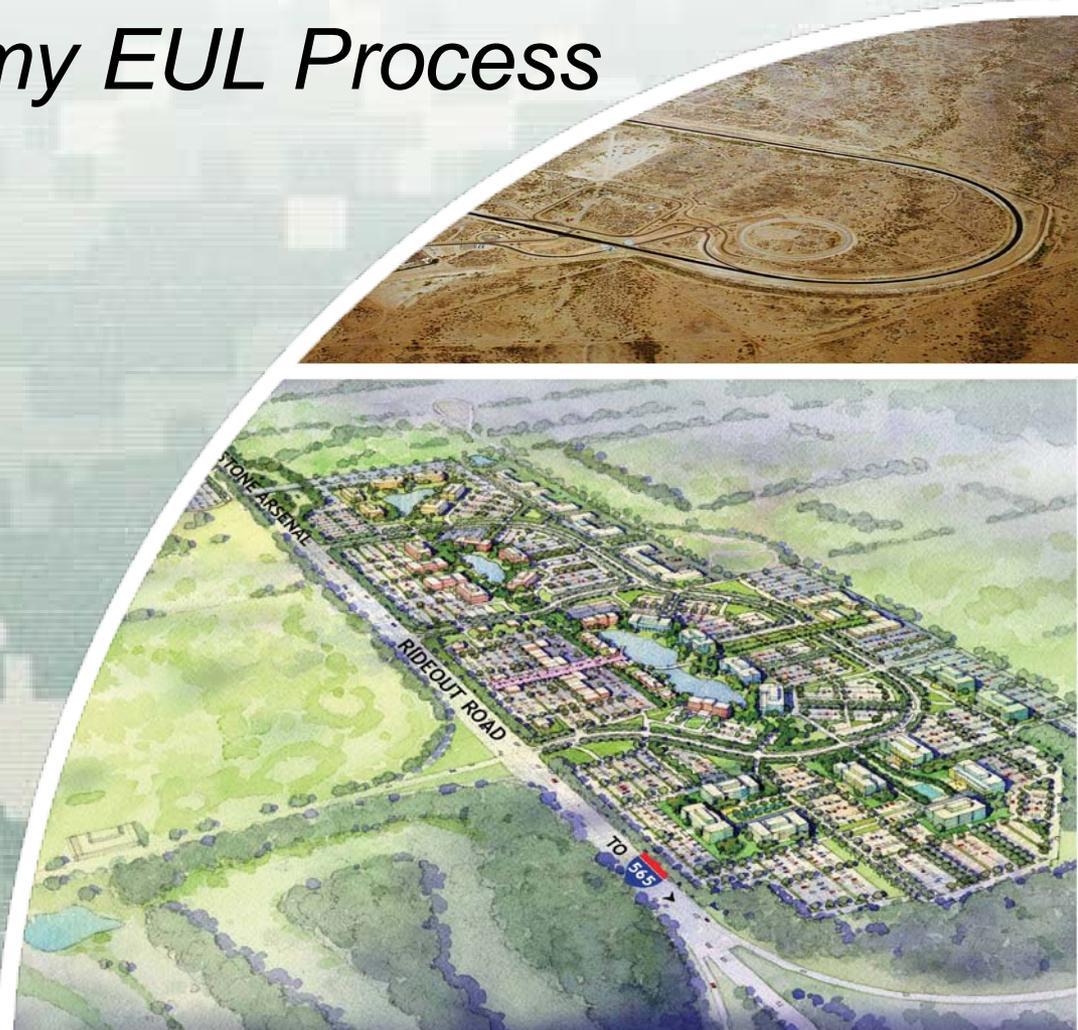
Overview of the Army EUL Process

<http://eul.army.mil>



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What is Enhanced Use Leasing?

- Tool in the military's arsenal providing an alternative to traditional approaches of acquiring, constructing or upgrading facilities.
- 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 Garrison 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, providing greater flexibility for facility reuse.
- 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.
- Off-sets declining Operation & Maintenance budgets.
- Attracts tenants who are synergistic with the missions of installations.
- Provides In-kind funding source for needed and unfunded capital improvements.
- Avoid cost of maintaining or razing old buildings.
- Free-up space for increased or new missions.
- Stimulates local job market.
- Improves community relations.



How Does Army Lease?

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

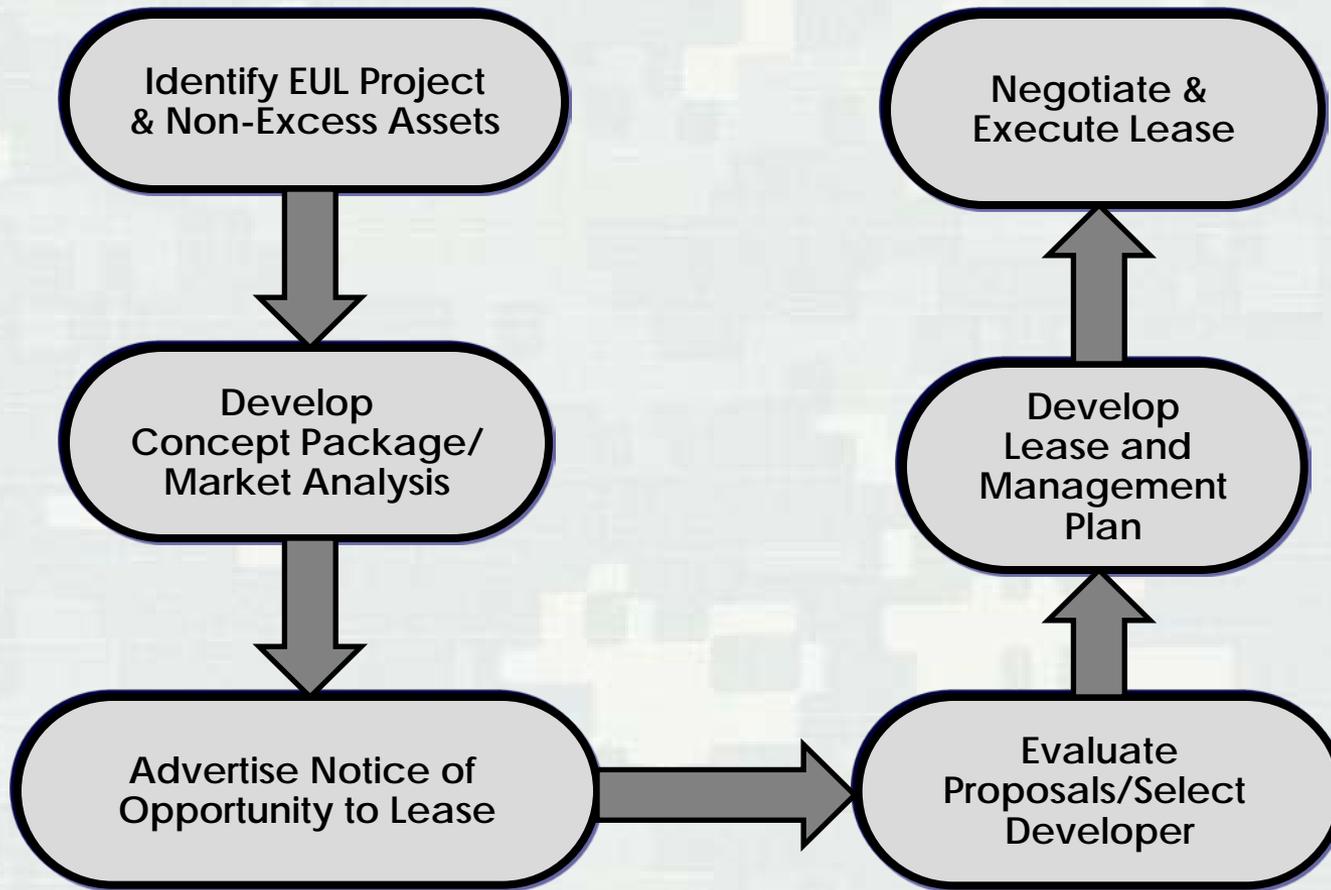


Benefits of EUL for Private Sector

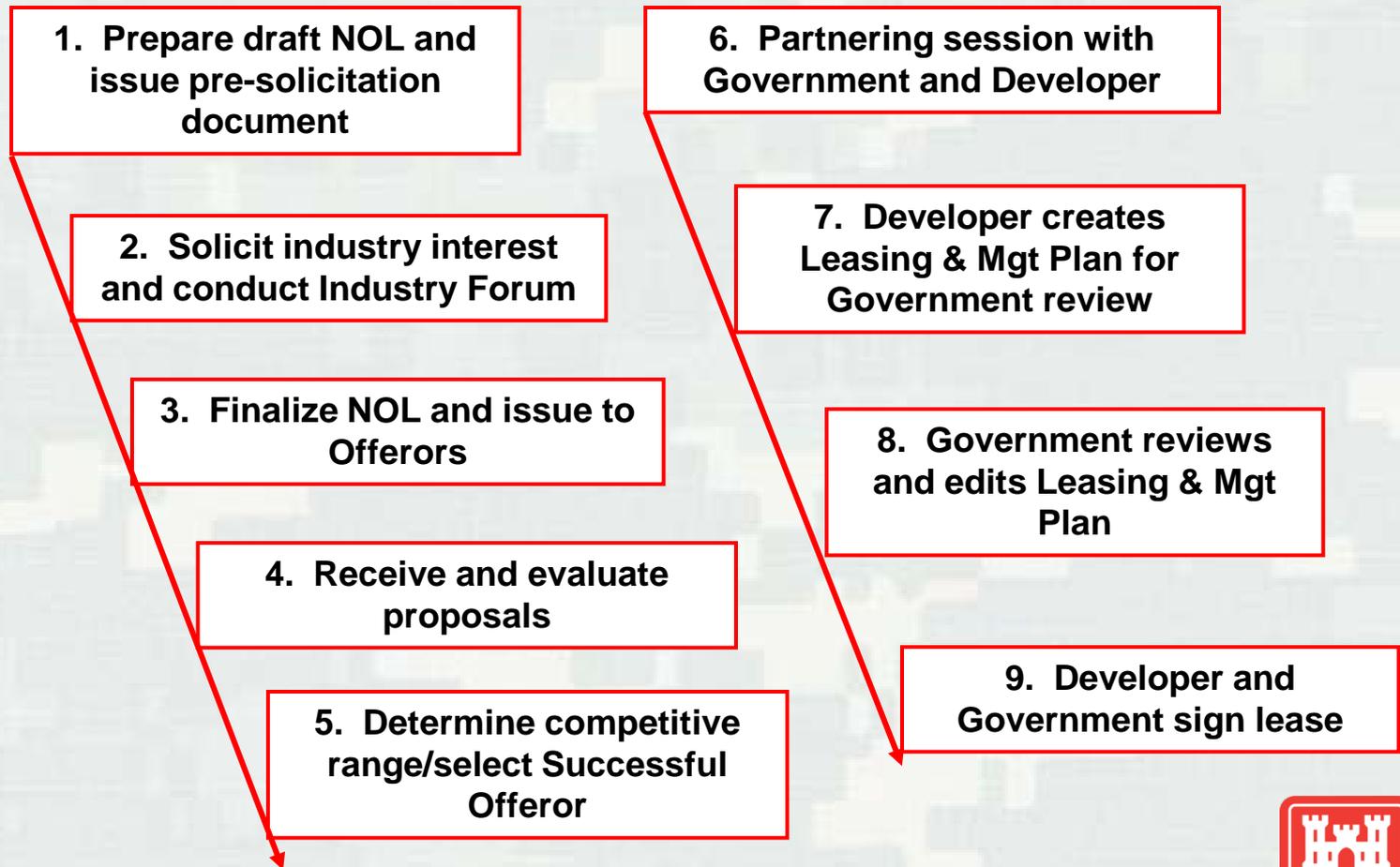
- **Market Rate Returns:** Developer captures market rates of return on design, construction, maintenance, leasing and property management activities.
- **Long-Term Relationship:** Ground lease for assets is up to 50 years.
- **Efficient Developer Selection Process:** Approach is to minimize time and effort of bringing a development entity on board to perform work.
- **Community Benefits.**



Army EUL Roadmap



Description of Solicitation Plan



What Does the Deal Look Like?

- Military Goal – Maximize land rent by mirroring a private sector transaction.
- Developer Teams.
- Think Real Estate !



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

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