



What is Enhanced Use Leasing?

Overview of the Army EUL Process

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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 the military's needs.
- Receive rent in cash or in-kind services no-less-than FMV of asset.

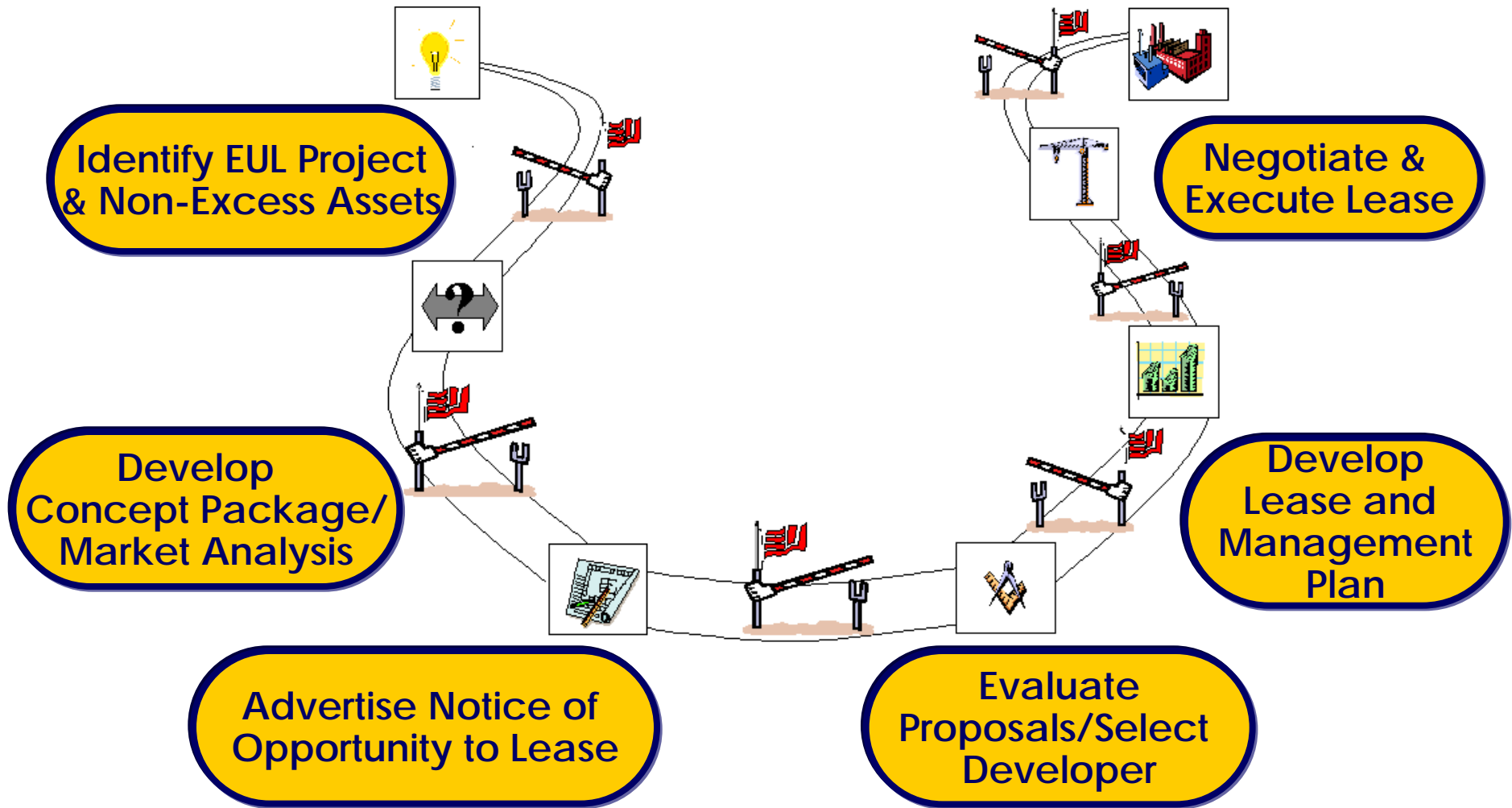


Title 10 USC § 2667 gives Military Departments authority to:

- 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.



US Army Corps of Engineers Baltimore District





Why Does Army Lease?

- Off-set declining Operation & Maintenance budgets.
- Bring tenants who are synergistic with missions of installations.
- Avoid cost of maintaining or razing old buildings.
- Free-up space for increased or new missions.



How Does Army Lease?

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



Why Does Military 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.



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 and agreements with end users is frequently 20 years or more.
- Efficient Developer Selection Process: Approach is to minimize time and effort of bringing a development entity on board to perform work.



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 Leasing Program

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