



Military Transformation Task Force

Enhanced Use Leasing

Overview

What is Enhanced Use Leasing (EUL)?

Enhanced Use Leasing, or EUL, is a relatively new tool in the military's arsenal of real property authorities. EUL provides an alternative to traditional approaches of acquiring, constructing or upgrading land and/or facilities. It provides a mechanism for Military Departments to receive rent, in cash or in-kind services at no-less-than the fair market value (FMV) of the asset, by leveraging Military Department assets that are currently available, but not excess* to the Military's needs.

Title 10 United States Code (U.S.C.) § 2667 gives Military Departments the authority to:

- Enter into long- or short-term leases, providing greater flexibility for facility reuse.
- Lease land and/or buildings.
- Receive income on leased property that can be used to fund other new construction and does not have to be invested in the leased property.

Benefits of EUL projects for the Private Sector:

- Market Rate Returns: Lessee (e.g., developer) captures market rate of return on design, construction, maintenance, leasing/sales, 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.
- Growing Program: The military's EUL program is growing rapidly with multiple projects currently underway with the anticipation of many more on the horizon across the country.

Benefits to the Military Department:

- Unleashes captive value from property.
- Provides for needed development.
- Attracts synergistic tenants who compliment missions at local installation or project site.
- Supplements under-funded operations and maintenance accounts.
- Provides in-kind funding source for needed and un-funded capital improvements.
- Stimulates the local job market.
- Improves community involvement in military activities.

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**Excess property is any land or structure that is no longer needed to carry out a military mission. Non-excess property is any land or structure that may be needed to carry out a military mission in the future.*



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What Does a Typical EUL Solicitation Process Include?

When a Military Department undertakes an EUL project, it typically follows the following steps when engaging the Development Community:

1. Prepare draft Notice of Availability to Lease (NOL) and issue pre-solicitation Document.
2. Solicit industry interest and conduct Industry Forum.
3. Finalize Solicitation Document and issue to Offerors.
4. Receive and evaluate proposals.
5. Determine competitive range/select Successful Offeror.
6. Partnering session with Government and Developer.
7. Developer creates an operating and leasing plan for Government review.
8. Government reviews and edits operating and leasing plan.
9. Developer and Government sign lease.

Where can I find out more about the EUL process?

Site Name	Web Address	Information Provided
U.S. House of Representatives – Office of the Law Revision Counsel	http://uscode.house.gov/	10 U.S.C 2667 (Enhanced Use Leasing Statute)
OMB Circular A-11 Appendix B:	http://www.whitehouse.gov/omb/circulars/a11/current_year/app_b.pdf	Federal Government Budgetary Treatment of Leases
U.S. Army EUL Program (Ft. Sam Houston, Camp Bullis)	http://eul.army.mil	Information on Army EUL Program including Guidance and Lessons Learned
U.S. Air Force EUL Program (Randolph AFB, Lackland AFB)	http://www.afropa.hq.af.mil/enhanced_use_leasing/eul.shtml	Information on Air Force EUL Program including Guidance and Lessons Learned

*For more information, please contact the
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