



Air Force Enhanced Use Lease Program



“Endless opportunities...creating value for businesses, communities, and the Air Force warfighter.”

Air Force Enhanced Use Lease Program

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Eglin AFB Emerald Breeze
EUL Opportunity
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Agenda

- **EUL Overview**
- **Goal of the EUL Program**
- **EUL Benefits**
- **EUL Process**
- **AF EUL Projects – Current & Potential**
- **Next Steps for Eglin Emerald Breeze EUL – Phases 2 & 3**
- **Benefits of EUL to Private Sector**
- **EUL Team**
- **Questions**



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Air Force EUL Program

A lease of underutilized land, natural infrastructure, equipment and/or buildings for consideration equal to the assets' fair market value

Authority: 10 USC 2667, Under PL 106-398, National Defense Authorization Act

Unlocking & Returning the Value



- **Corporate Program to support the Base and its Mission**
- **Proceeds used to sustain, restore and modernize Air Force (AF) infrastructure**
- **Offers win-win benefits for AF installations, developers, and the local communities**

Fly – Fight – Win



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Goal of the EUL Program

- **EUL is a critical tool in asset management**
- **As an execution agent, AFRPA supports the Base and MAJCOMs to meet asset management goals and lead the EUL process**
- **Create a corporate program - (Win-Win for all)**
- **Return a significant and predictable source of value to AF**
- **Give Commanders the construction, O&M, & services they need**

AFRPA EUL Goal:

Bring quality & value to AF

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EUL Benefits

- **Unleashes captive value from property**
 - Leveraging our assets to maximize returns and utilization
 - Underutilized assets return little or no value to AF
 - Underutilized assets typically cost AF to maintain
- **Provides for needed development**
 - Provides in-kind funding source for needed and un-funded capital improvements
 - Supporting the mission with quality facilities
 - Reduces costs – Returns value
- **Attracts tenants who complement mission**
- **Stimulates local job market**
- **Bolsters community relations**

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EUL Process

Phase I - Identification

- Base/MAJCOM identify underutilized assets
- Evaluate economic and developmental constraints
- Obtain concurrence from Base/MAJCOM for kickoff and Site Orientation Visit (SOV)
- Determine advancement to Phase II

Base/MAJCOM Concurrence



Phase II - Acquisition

- Prepare BCA
- Hold Industry Day
- Determine Highest and Best Use
- Release Request for Qualification (RFQ)
- Select Highest Ranked Offeror
- Base/MAJCOM representation on deal team

Executive Steering Group Review, SAF/IEI Source Selection Approval



Phase III - Negotiation

- Develop Business & Leasing Plans
- Agree to financial and lease terms
- Execute lease
- Congressional/OMB/OSD Notification

Criteria for Identification:

- Strong market demand (i.e. 3:1 return required)
- No planned base need for duration of lease, but required long-term
- No 'deal-breakers' (e.g., legal, operations, security)

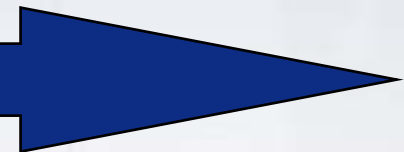
Criteria for Acquisition:

- Qualifications of developer
- Compatibility with Air Force mission
- A7C (Civil Engineer) approval of in-kind consideration
- Development timetable

Criteria for Negotiation:

- Fair Market Value required
- Mitigation of Air Force risk but participation in project success if possible

12 - 18 MONTHS

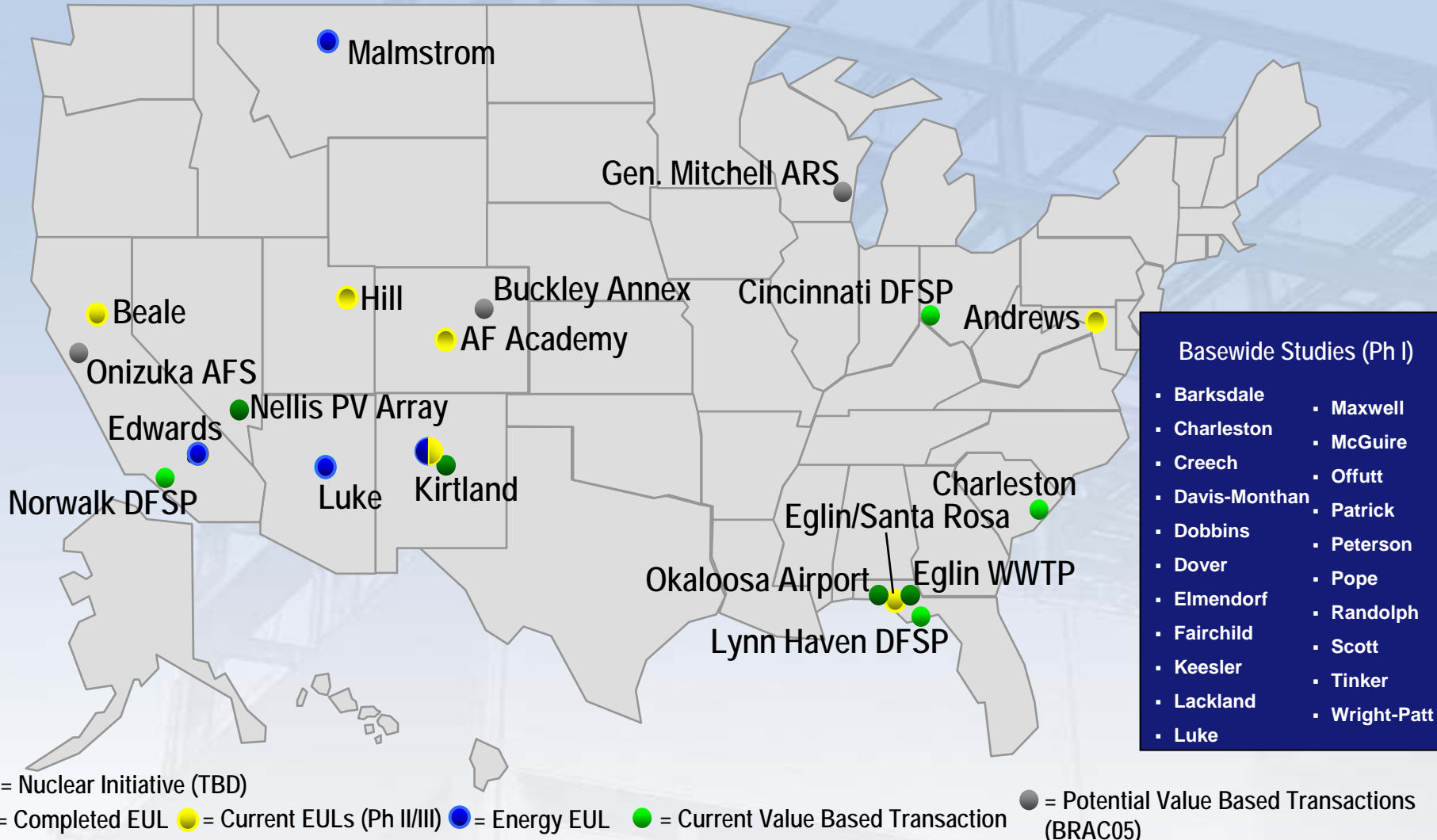


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Current EUL Projects



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Eglin Emerald Breeze EUL

- The Eglin Emerald Breeze EUL has progressed to Phase II with the next step being to issue the RFQ. Other tasks include:

Phase II

- Evaluate RFQ responses
- Hold Oral Presentations
- Select Highest Ranked Offeror

Phase III

- Conduct Lease Negotiations
- Finalize Business and Leasing Plan
- Notify Congress
- Complete National Environmental Policy Act (NEPA) analysis
- Execute Lease



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EUL Benefits to the Private Sector

- **Market Rate Returns:** Developer captures market rates 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:** Air Force EUL program is in its early development stages, anticipate many more projects across the country



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