





# An In-Depth Look at Enhanced-Use-Leasing (EUL)

And the opportunities to find an  
economic solution by deploying  
renewable energy initiatives



**GovEnergy**  
[www.govenergy.gov](http://www.govenergy.gov)



# Did you know...

- In 1970 only 24% of the oil used in the U.S. was imported
- Today
  - Almost 70% of the oil used in U.S. is imported
    - Costing over \$700 Billion per year
  - U.S. uses 25% of the world's oil but our population is only 4% of the world's
  - Oil use in India and China is rising rapidly

<http://www.pickensplan.com/>



# The Solution...

- DOE says 20% of U.S. can be run on renewable energy by 2030
  - T. Boone Pickens suggests it can be done by 2018 with private sector support
- Most of this renewable energy production will come from wind and solar resources
- The government can play a crucial role by working with the private sector



# Renewable Energy Initiative

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- Enhanced Use Lease (EUL) and Base Realignment and Closure (BRAC) deals can be implemented as highly effective mechanisms to expedite large-scale renewable energy deployment and networking



# Government Involvement

- Under the Energy Policy Act of 2005 and Energy Independence Act of 2007 Federal agencies are required to reduce their energy consumption significantly
- Large tracts of land are needed to increase solar and wind production

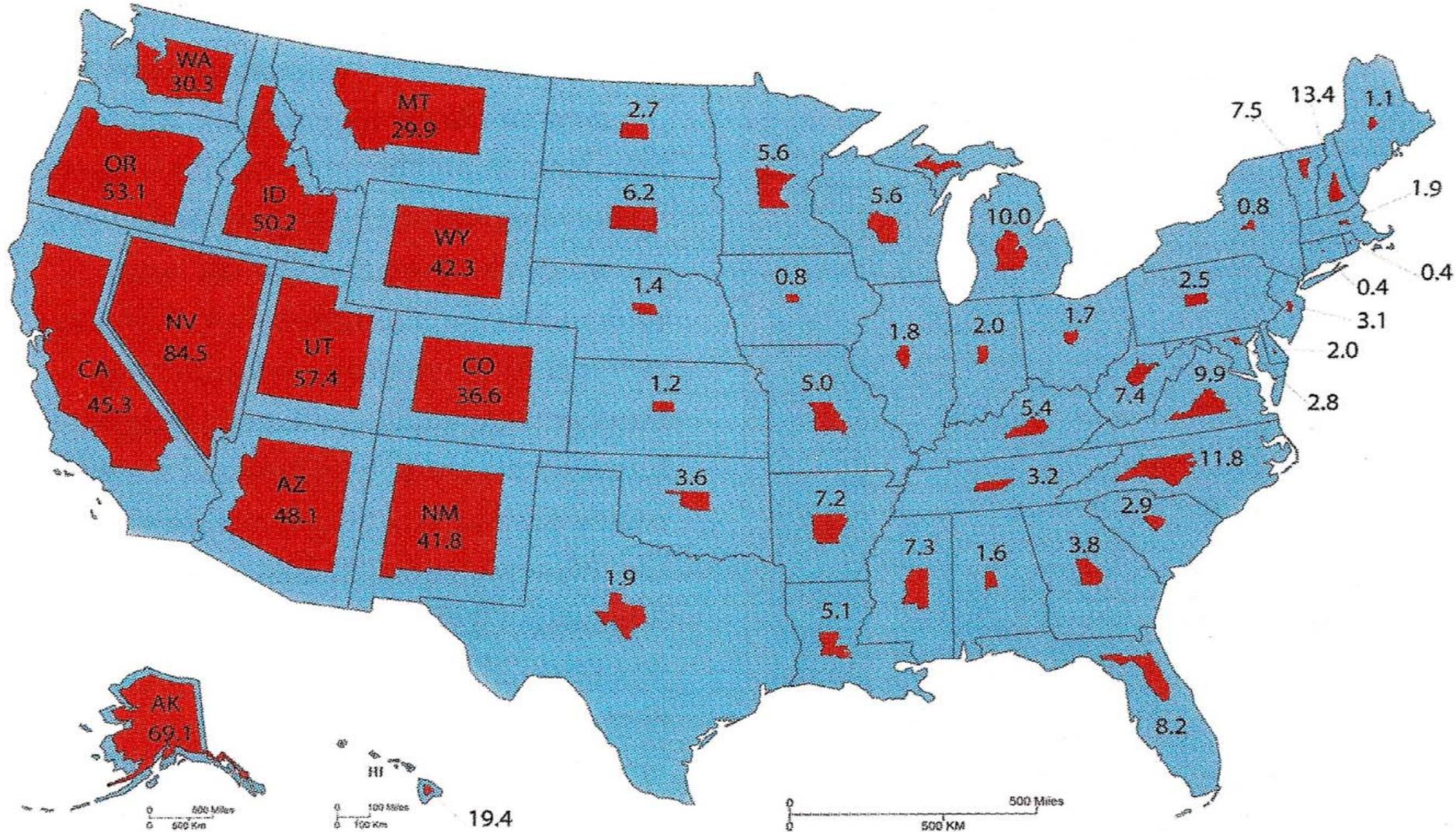


# Connecting the Dots

- Vast amounts of surplus land are adjacent to government complexes requiring energy
- U.S. government has direct ownership of about 650 million acres of land - nearly 30% of U.S. territory
  - Corridors West of Mississippi River provide significant levels of wind and sun
  - A majority of federal land is out West

# WHO OWNS THE WEST?

## Federal Land as a Percentage of Total State Land Area



Data source: U.S. General Services Administration, *Federal Real Property Profile 2004*, excludes trust properties.



# Military Land

1. California: 3.5 million acres
2. New Mexico: 2.3 million acres
3. Alaska: 2 million acres
4. Arizona: 1.5 million acres
5. Texas: 1.4 million acres
6. Utah: .8 million acres

<http://www.nrcm.org/documents/publiclandownership.pdf>



# Enhanced Use Leases

- A private developer signs a long-term ground lease with the federal government
- Method for the private developer to enhance government land that is not being fully utilized
- EUL programs accommodate BRAC functions
- Lease payments are typically in the form of cash in-kind services to the government agency
- Used by DoD, VA, NASA and GSA



# EUL Rewards

- No pre-development land carry costs (property taxes, debt, interest)
- Potential sharing of capital requirements through public investment of tax increment and other revenues
- Preferred rate of return paid to developer prior to participation by public entity
- Potential exemption from land use, zoning, and building requirements
- Potential abatement of property taxes



# EUL & Renewable Energy Deployment

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- A vehicle for combining public and private resources to generate economic opportunity and provide public benefits
- A vehicle for leveraging public and private assets to accomplish what neither sector can achieve without the other



# Responsibility of the Developer

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- Work closely with public partner to establish project objectives and create project vision
- Reduce public capital investment and minimize or eliminate public risk
- Create customized public/private partnership that meets the opportunities and constraints of its public partners



# Responsibility of the Developer

- Assemble Qualified Team
- Market Analysis
- Manage Environmental Process
- Business Plan
- Development Program
- Site Plan
- Development Plan
- Financial Analysis
- Develop Budgets
- Finance Plan
- Marketing Plan
- Communicate with Tenants
- Property Management Plan
- Involve Community
- Execute Master Agreement
- Review Schedules
- Implement Reporting
- Monitor Budget
- Finalize Plans
- Permitting and Entitlements
- Award 3<sup>rd</sup> Party Contracts
- Manage Construction
- Review Performance
- Coordinate Completion
- Manage Property



# Federal Development

- Recognized for its ability to form successful public and private partnerships
- 90% of portfolio is comprised of private-public partnerships
- Positioned to support renewable energy deployment and networking



# Energy-Oriented Projects

- *Enhanced Use Lease (EUL)*
  - Flagstaff Business and Energy Park – Bellemont, AZ
  - City of Medicine Center – Durham, NC
- *Base Realignment and Closure (BRAC)*
  - Naval Station Ingleside - Corpus Christi, TX
  - Castle Commerce Center – Merced, CA



# Federal Development

- Focused on attracting renewable energy production, research, and education users to its EUL and BRAC Developments
- Initiated discussions with world-class companies in the renewable energy industry regarding the development and implementation of its projects



# Federal Development

- Building strategic alliances & partnerships in an effort to effectively implement its projects as renewable energy research and production oriented developments
- Continues to target industry professionals that are at the forefront of new discoveries, technological developments, and renewable energy needs



# Worldwide Advantage

- Through an interdisciplinary approach users will be able to work as a consortium that will draw on its combined assets and harness the strengths of its professionals to augment renewable energy capacity
- Consortia and special programs will play key roles in the enhancement of large-scale renewable energy deployment and emergency response in the event of non-renewable energy shortages



# Federal Development Vision

- Development projects will be networking mechanisms for the renewable energy industry
- Valuable ventures between institutions and vendors will be established
- Coordination between innovative professionals and vendors will enhance the level of renewable energy products and services provided
- Strategic conference centers will attract professionals from all fields of renewable energy



# Targeted Tenants

- Entities involved in renewable energy research & development
- Renewable energy producers
- Manufactures & distributors of renewable energy production technology
- Users of renewable energy & renewable energy products



# Tenants Expressing Interest

- Diversified Investment Group
- Invenergy LLC
- Scott-Macon LTD
- Baxter Healthcare
- Green Fuel 4U
- Visual Integartor
- Linden Hills Cooperative
- Risk Group
- Hamilton Jones Associates
- ITC Infotech
- Harvest Bio-fuels of CA
- CGMH Associates
- Turvest Capital Management
- Valdel
- Association of Certified Green Technology Auditors
- Gateway Capital
- Amerimar Enterprises
- Atalum
- T-Solar
- Cordsa Global
- Biovizyon
- Renewable Energy Magazine
- Suzyon Energy
- Mamys



# Users of Renewable Energy

- Encouraged by incentives for installation, use & excess production
- Encouraged by government regulations
- Want increased energy efficiency, improved reliability, more efficient use of capital & lower operating costs
- Customers increasingly want to buy from environmentally responsible companies

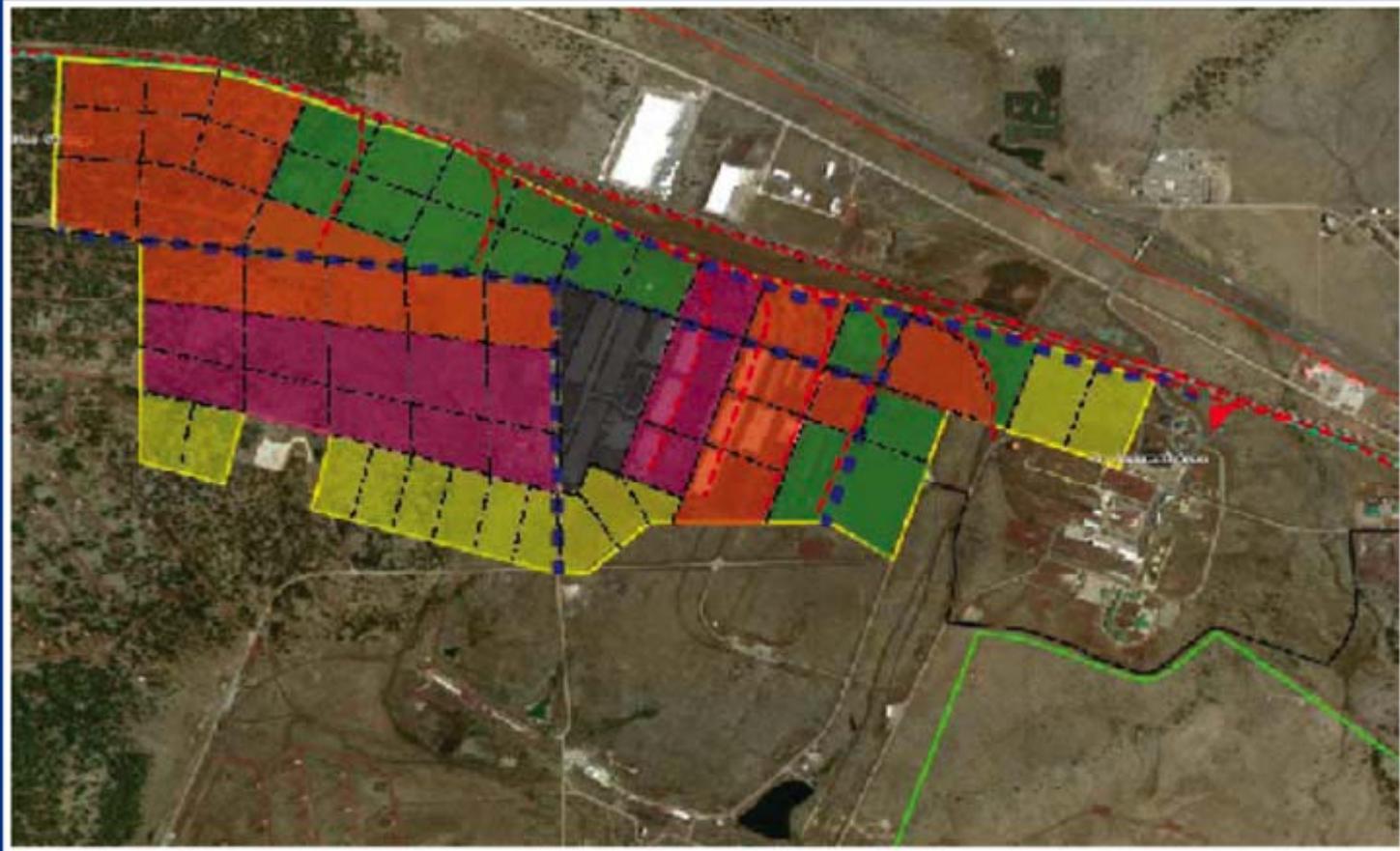


# In the Spotlight

- Wind
- Solar thermal
- Photovoltaic
- Hydrogen
- Biomass
- Hydro electric
- Natural gas



# Flagstaff Business and Energy Park (EUL)



# Flagstaff Business and Energy Park (EUL)



- 815 acre master-planned intermodal business and energy oriented development
- Collaboration with the US Army Corps of Engineers and the Arizona National Guard
- Offers valuable opportunities to manufacturing, distribution & renewable energy companies
- Valuable logistics mechanism for large-scale renewable energy deployment & networking



# Flagstaff Business and Energy Park (EUL)

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- 12 miles West of Flagstaff/140 miles North of Phoenix
- Adjacent to major east-west freight rail corridor accessible through existing docks and spurs on the site
- Near junction of two major interstate highways
- Northern Arizona University in Flagstaff is affiliated with the Arizona Solar Center – a University consortium
- Regionally known for its highly specialized work force
- Home to rich historic district and cutting-edge research facilities



# Intermodal Oriented

- Trains move a ton of freight an average of 436 miles on a single gallon of diesel fuel
- Shifting 10% of freight from truck to rail would reduce fuel consumption by more than 1 billion gallons a year
- Trains have increased their fuel efficiency by 80 percent over the last 25 years
- Railroads are deploying innovative hybrid and “gen-set” locomotives that reduce emissions by nearly 90%
- A single rail intermodal train can remove 280 trucks (equivalent to 1,100 cars) from the highways

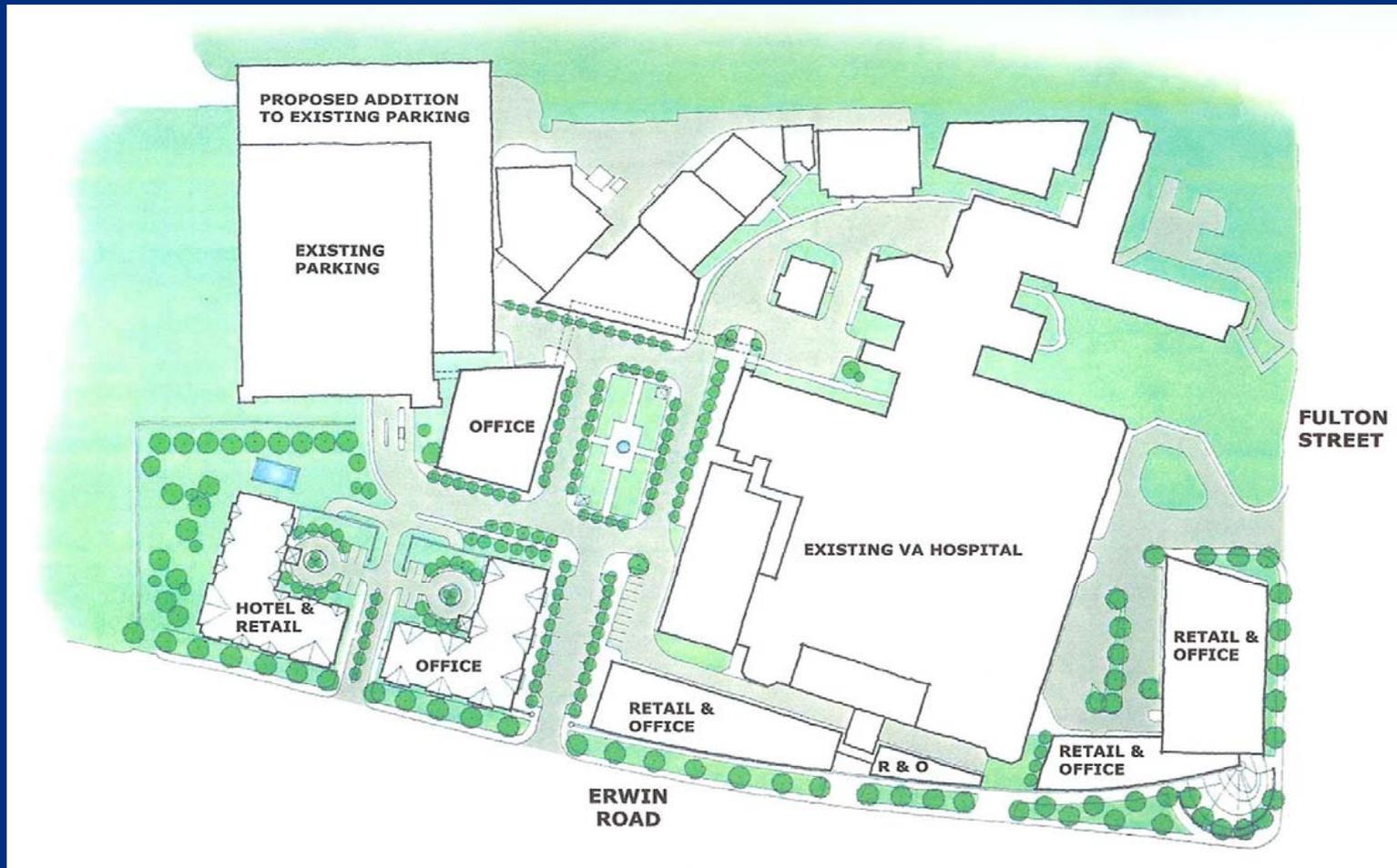
[www.freightrailworks.org](http://www.freightrailworks.org)



# Intermodal Oriented

- Policy makers can help move freight from the highway to rail through tax incentives and the promotion of private-public partnerships to expand freight rail capacity.
- Through an EUL Federal Development and the US Army Corps of Engineers are in a position to utilize their intermodal assets and implement freight rail at Flagstaff Business and Energy Park.

# City of Medicine Center





# City of Medicine Center (EUL)

- 12 acre master-planned research park
- Partnership with the Department of Veterans Affairs (adjacent to Duke University)
- Prototype medical community of office, research, hotel and retail buildings
- Opportunities for medical, pharmaceutical and biotechnology industries



# City of Medicine Center

- Duke is affiliate of the Southeast Renewable Energy Conference – A University Consortium
- Proposing a solar module on the top level of the parking garage at the VA Medical Center Site
  - Solar panels would be placed to allow cars on the top level to conveniently park underneath
- North Carolina has attractive state incentives

# Naval Station Ingleside (BRAC)





# Naval Station Ingleside (BRAC)

- 1,009 acre mixed-use park with 80 existing buildings, just outside of Corpus Christi, TX
- Partnership with the Port of Corpus Christi
- Focus on renewable energy oriented R&D, higher education & energy production
- Additional uses including maritime, retail, resort, commercial, residential, ecotourism and light industrial

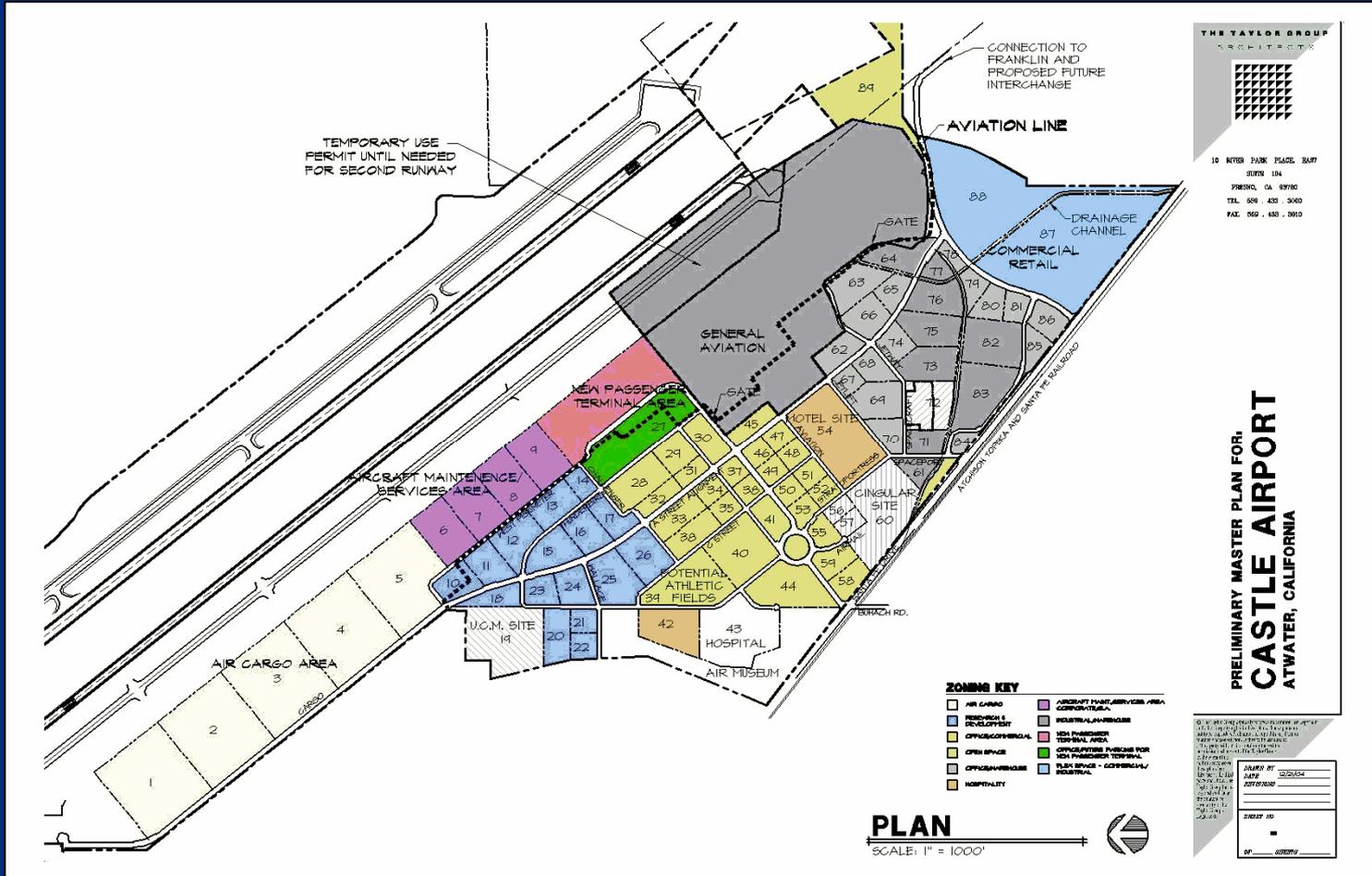


# Naval Station Ingleside

- Port, military, higher education and tourism oriented
- The site is situated astride the Corpus Christi Shipping Channel that links the Port to the Gulf of Mexico
  - The Port is among the top ten U.S. ports by cargo volume
- The diversified economy accounts for 4% of the nation's crude oil refining capacity



# Castle Commerce Center (BRAC)





# Castle Commerce Center

- 800 acre mixed-use aviation, commercial and industrial park in Merced, California
  - 900,000 SF of existing buildings
- Situated alongside an 11,800 foot runway
- Partnership with the County of Merced
- Retired Air Force Base located in the heart of California's agricultural region





# Castle Commerce Center

- Airport sufficient for heavy cargo airlines
- Central location and proximity to Highway 99 and I-5 allows efficient transportation between Los Angeles and San Francisco
- Administrative offices for University of California Merced are located at Castle
- UC Merced's solar program is based on site at the Castle Solar Laboratory



# Federal Energy Solutions LLC

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- Consulting for Government & Corporate Clients
- Advise on Alternative Energy Options
- Provides Strategies for Energy Directives
- Helps Implement Public Policies on Alternative Energy
- Manages Government Procurement Processes
- Structures Joint Venture & Asset Management Agreements



# Today, we've discussed:

- Public/private partnerships for EUL and BRAC projects that provide unique, economical and effective solutions by deploying renewable energy initiatives
  - City of Medicine Center
  - Flagstaff Business & Energy Park
  - Naval Station Ingleside
  - Castle Commerce Center
- For more information on these projects, go to [www.federaldevelopment.com](http://www.federaldevelopment.com)



# For More Information

Would you like to know more about this session?

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