




City Council Report

Date: October 20, 2014
To: City Council
Through: Christopher J. Brady, City Manager
From: William J. Jabjiniak, Economic Development Director 
Subject: Resolution authorizing the execution of a Grant Agreement with the Department of Defense - Office of Economic Adjustment, Grant Number CL0903-14-03

District 6

Strategic Initiatives



Purpose and Recommendation

The City of Mesa's Office of Economic Development requests that City Council approve the attached Resolution (see Exhibit No. 1) authorizing the City Manager or his designee to approve and execute a Grant Agreement with the Department of Defense Office of Economic Adjustment. The Grant Agreement (see Exhibit No. 2) will provide \$151,311 to provide operational support and consulting services for the business development of the property known as the Arizona Laboratories for Security and Defense Research (AZLabs).

Background/Discussion

In April of 2010, the City of Mesa designated the City Council as the Local Redevelopment Authority (LRA). The LRA was recognized by the Department of Defense Office of Economic Adjustment (OEA) as the designated organization to prepare a Reuse Plan on May 19, 2010.

OEA provided a grant, which commenced starting June 1, 2010 to the City of Mesa for the cost of the consultant to prepare the Reuse Plan and Homeless Submission Report. The LRA quickly initiated actions to implement the reuse process, contacting homeless providers in the region and conducting a Workshop on Public Benefit

Conveyances for Homeless Providers and others on July 13, 2010. The City conducted an extensive community outreach effort. This effort is described in detail in the Reuse Plan, including a roster and description of various meetings that were conducted as part of this process. The City posted information about the site and the BRAC process on the City Website and interested parties were provided with complete instructions on submitting a Notice of Interest (NOI) if they wished to acquire the site and facilities.

By September 2010, the LRA selected a consulting team, and immediately began work on a reuse plan. The Department of Defense has defined the process for reuse of former military facilities and the LRA carefully followed the required procedures, and met all of these requirements.

The LRA completed its Reuse Plan and Homeless Submission Report (HSR) in February 2011 and submitted the documents to the Air Force and to the Department of Housing and Urban Development (HUD) recommending a no-consideration Economic Development Conveyance for the AFRL property in order to achieve the job creation and retention goals of the project. The Reuse Plan and HSR were approved by HUD on March 10, 2011.

In March 2011, our original grant from OEA was supplemented to include funds for a consultant to facilitate our efforts for an interim lease of the AFRL. In order to preserve the site's security clearance, the City executed an interim lease arrangement with the Air Force on June 23, 2011.

On August 22, 2011, the City Council authorized the execution of a grant agreement with the OEA to provide for consulting services to assist with the Base Relocation and Closure Process for the AFRL. An amended grant application was submitted on March 26, 2012 to the OEA for an additional \$30,000 to further assist with negotiations and legal work regarding the conveyance of the property. The City was approved for the amended grant which provides Community Planning Assistance Funds for economic adjustment activities.

On October 31, 2013, the City and the United States Air Force agreed to terms of conveyance of the Air Force Research Laboratory to the City of Mesa.

On November 18, 2013, Mesa City Council approved a resolution to purchase the Real Personal Property.

On June 18, 2014 the City of Mesa purchased the Arizona Laboratories for Security and Defense from the United States Air Force.

The City envisions continuing the legacy of the AFRL site by using this complex as the cornerstone of a science and technology research center including a wide range of academic and security industry projects. This site will continue to be used as a center for specialized research in technology, defense and national security fields, capitalizing upon the unique nature of the buildings, the security status of the

facilities, and the skills, knowledge and experience of the work force.

Fiscal Impact

The OEA grant funding is in the amount of \$151,311 for operations, maintenance and contractual support that requires a non-federal match of \$17,680, which is provided by City staff time that is already budgeted.

Coordinated With

Staff has worked and will continue to work with U.S. Office of Economic Adjustment (OEA) and the City Attorney's Office throughout this process.

Attachments

Exhibit No. 1	Resolution authorizing the execution of the Grant Agreement
Exhibit No. 2	Grant Award Letter for Grant Number CL0903-14-03