

Office of Economic Development
EDAB Local Redevelopment Authority Subcommittee
MEETING MINUTES

Date: January 4, 2011 8:00 A.M.

MEMBERS PRESENT

Brian Campbell, Chair
Rich Adams
Jeff Crockett
Roc Arnett (excused)

STAFF PRESENT

William Jabjiniak
Patrick Murphy

MEMBERS ABSENT

Steve Parker
Jim LeCheminant

1. Chair's Call To Order

Chair Brian Campbell called the meeting of the EDAB Local Redevelopment Authority (LRA) Subcommittee to order at 8:57 a.m.

2. Approval of July 7 and October 26, 2010 Minutes

MOTION: Rich Adams moved that the minutes from July 7 and October 26, 2010 be approved as written.

SECOND: Jeff Crockett

DECISION: Passed unanimously

3. Update regarding the development of the Redevelopment Plan and Homeless Submission Report

Mr. Patrick Murphy explained the purpose of this report is to present the draft Redevelopment Plan and Homeless Submission Report that is required as part of the Base Relocation and Closure (BRAC) process.

Mr. Murphy outlined the Base Closure Process as follows:

- Base Closure Announced
- LRA formed
- LRA Advertises Property – Conducts Outreach
- LRA Evaluates NOI's
- Develops Reuse Plan
- Public Review and Comment Period
- LRA submits reuse Plan to HUD and the Air Force
- HUD and the Air Force Evaluate/Approve
- Redevelopment Plan
- The Air Force has one (1) year to prepare an Environmental Impact Analysis

A Public Meeting was held on December 16, 2010 to present the draft Redevelopment Plan and Homeless Submission Report. The purpose of this Public Meeting was to give the public an opportunity to review and provide comments. Comments from the public are due by noon on January 13, 2011.

The Homeless Submission Report and Redevelopment Plan were scheduled to be taken to the City Council by the end of January, but it has been pushed back several weeks to ensure all comments are addressed and/or incorporated in the reports and plan. The project has moved very rapidly due to the cooperation of the Air Force and the City of Mesa.

The Homeless Submission Report (HSR) has been completed and there were no Notice of Interest (NOI's) received from any Homeless Providers. A letter of interest was submitted but was later withdrawn. The Homeless Submission Report discusses priorities, and programs for the Homeless that are outlined in the City of Mesa's approved 5-Year Consolidated Plan. The Homeless Submission Report delineates Council priorities for emergency shelter facilities, and transitional shelter facilities. The Homeless Submission Report also discusses the recommendations of the Redevelopment Plan.

The analysis noted in the Plan indicates the Air Force Research Lab (AFRL) is not ideally located, the buildings are old or outdated, and were built for a specific use. However the Plan also points out the critical component of the AFRL which is the ability to do specialized research and the specialized construction (i.e. copper roofs, etc.) of the existing buildings. The ability to conduct this type of specialized research is desired by various defense contractors.

The Plan discusses reuse alternatives culminating in the discussion for the preferred alternative. The discussions regarding the alternatives include pros and cons. The preferred alternative is to obtain an Economic Development Conveyance (EDC) and market the property to those companies such as Aerospace Defense Contractors, etc. that require specialized research capabilities.

The preferred alternative would implement the vision/goals of the LRA while maximizing reuse of the facility by capitalizing on specialized research capabilities.

The second (2) alternative is the ASU NOI Submittal requesting a Public Benefit Conveyance (PBC) for educational purposes. This alternative is not recommended as it does not capitalize upon the reuse of the ARFL's unique structures or ability to conduct specialized research. This alternative does not address job creation and long-term economic growth. However, ASU and similar institutions can be a valuable partner with the reuse of the AFRL.

The third (3) alternative would be to market the property for typical office and industrial users. This alternative is not recommended because the recruitment of typical office and industrial users in all likelihood would not be successful. The AFRL buildings will not compete with the existing abundant supply of office and industrial space that are newer and are near superior freeway locations.

The LRA and City Council will be asked to make a recommendation on the Redevelopment Plan and Homeless Submission Report in February. Upon approval from the LRA and City Council of the reports they will then be forwarded to the Department of Defense (DoD), Office of Economic Adjustment (OEA) and Housing and Urban Development (HUD).

An Interim Lease option is being discussed to ensure the security clearance is maintained for the site. Our goal is to complete negotiations for the Interim Lease by the end of February. Maintaining the security clearance is crucial to the future reuse of the site. The Air Force has to vacate the site by September 2011, but all reports indicate the move to Wright-Patterson Air Force Base, Ohio will take place by July 2011.

Mr. Jabjiniak commented that a meeting was held several weeks ago with the City of Mesa, higher state and federal government officials and Retired Air Force Generals to help keep the process moving along. It is vital to maintain the security clearance before the AFRL is vacated. The Science Foundation, ASU, Alion have been involved in helping to shepherd the process along. There has been hesitation and foot dragging from the Commander at the AFRL who does not agree that an Interim Lease is necessary. However, negotiations for an Interim Lease are proceeding.

Mr. Murphy commented that the employees of the AFRL will be briefed on January 11, 2011 as to the status of our efforts.

Chair Campbell commended Mr. Patrick Murphy for the outstanding leadership in keeping the whole process on track. He also believes the meetings held in Washington, D.C. in April 2010 with the Pentagon were a huge success and gathered the extraordinary support needed from the higher officials and military leaders for a difficult BRAC turn-over.

Mr. Jeff Crockett commended Mr. Murphy for all his hard and excellent work. He also stated that the city was keenly aware of the AFRL employees' positions and situations. The employees have been briefed every other month and kept in the loop. The EDAB Board is committed and supportive of all his efforts and how important it is to retain those jobs in Mesa.

Mr. Murphy thanked the staff and EDAB Board for their support and help during this endeavor. He stated that there are still unknowns but they were working as quickly and effectively as possible to save and add jobs to the site.

4. Discuss and take action regarding the proposed next steps to be undertaken by the LRA including but not limited to finalizing and making preliminary report or recommendations to LRA

The committee discussed the options pertaining to the potential cost for an Economic Development Conveyance (EDC) (i.e. No cost conveyance, Fair Market Value, etc.). The committee agreed that the City should attempt to acquire the AFRL at a no cost conveyance. A no cost conveyance should be justified based on the findings delineated in the Redevelopment Plan.

MOTION: Roc Arnett moved that the EDAB LRA Subcommittee recommend the Local Redevelopment Agency (LRA) take the following actions:

1. Recommend approval of the Homeless Submission Report.
2. Recommend approval of the Mesa AFRL Redevelopment Plan that includes the acquisition of the Mesa AFRL through an Economic Development Conveyance in order to capitalize on the Preferred Alternative discussed in the Redevelopment Plan.

SECOND: Rich Adams

DECISION: Passed unanimously

5. Other business

None

6. Adjournment

Chair Campbell adjourned the meeting at 9:23 A.M.

Submitted By:

William J. Jabjiniak
Economic Development Department Director
(Prepared by Patrick Murphy)