

AFRL REUSE PLAN EXECUTIVE SUMMARY

The City of Mesa, Arizona has developed this plan to transfer the Air Force Research Lab (AFRL) to the City of Mesa by means of an Economic Development Conveyance. 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 organizations and projects. This site will continue to be used as a center for specialized research in high 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.

Background

In 2005, the Department of Defense Base Realignment and Closure Commission (BRAC) evaluated recommendations from the services for the closure and realignment of bases and missions, and made recommendations to the President and the public. The Commission designated the US Air Force Research Laboratory (AFRL) in Mesa, Arizona for closure. The Department of Veterans Affairs (VA) requested the site and was scheduled to receive it when the Air Force completed its withdrawal in September of 2011. However, in January of 2010, the VA withdrew its request for the property and the Department of Defense declared the site excess to military requirements and surplus to Federal requirements, and thus available for civilian reuse.

In April of 2010, the City of Mesa designated the City Council as the Local Redevelopment Authority (LRA), as this body constituted a representative group of stakeholders from the community. 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. 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 posted information about the site and the BRAC process on 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. NOI materials were required to be submitted by October 12, 2010.

The LRA sought assistance with the assessment of the property and the development of a reuse plan, issuing a Request for Proposals for professional services. By September, the LRA had selected a consulting team, and work on a reuse plan began immediately.

The Department of Defense has defined the process for the reuse of former military facilities and the LRA has carefully followed the required procedures. The LRA has met all of these requirements by providing information to the public through announcements in the press and on the City Website, conducting public outreach and a Workshop for homeless service providers, receiving and reviewing letters of interest, and conducting publicized meetings and hearings about the reuse plan.

Site Description

The AFRL site is located in the southeast quadrant of the City of Mesa, Maricopa County, Arizona. The AFRL is adjacent to the Phoenix-Mesa Gateway Airport, the Polytechnic Campus of Arizona State University, and the Chandler-Gilbert Community College. The AFRL was part of Williams Air Force Base until the base closure in 1993, at which time the airport facilities were converted to commercial use, and other base facilities were acquired by Arizona State University (ASU) and Chandler-Gilbert Community College.

The AFRL site consists of nine buildings situated on approximately seven contiguous acres, with parking areas, and other improvements. Another building is across the street on approximately 1.5 acres with adjacent parking. A major thoroughfare, Sossaman Road, separates the AFRL site from Phoenix-Mesa Gateway Airport. On the other three sides, ASU structures surround the site. There are no residences in the immediate area. The two areas of the AFRL site are fenced and accessible only through controlled entrances.

The Plan Development Process

The LRA received only one NOI, which was submitted by the team from Arizona State University (ASU) and Alion Science and Technology Corporation (Alion), a defense contractor. This NOI was solely focused on the collaborative framing of the “highest and best” use of the site through a strong public-private alliance among the City, ASU, and Alion, and subsequently a broader collection of additional participants from government, academia, and industry. The NOI was in the context of a public benefit conveyance for educational purposes that would involve ASU, other universities, and a collection of private corporations including Alion. NOI’s were not received from providers of homeless services. The NOI submission from ASU, as submitted, would traditionally be associated with sponsorship by the U.S. Department of Education and therefore include some restriction on the use of the property for a period of up to 30 years. However, the City is interested in maximizing the potential of the facility without any restriction on its use in the future. The City recognizes the importance and potential contributions that educational institutions can make and will work with ASU and other academic institutions to integrate their programs, knowledge, and interests into the operation of the AFRL.

Based upon the NOI submission, a careful examination of the area real estate market, an assessment of the nature and condition of the facility, and consideration of the LRA objectives, three reuse alternatives emerged:

- 1) Conventional Reuse Alternative --- reuse of the buildings and site in a conventional fashion, placing them in the current real estate market as commercial, industrial or retail buildings;
- 2) NOI Response Alternative --- adoption of the ASU/Alion Notice of Intent approach with the University receiving the site through an educational public benefit conveyance, and
- 3) Specialized Research Reuse Alternative --- capitalizing upon the distinctive features and construction of the buildings and site to continue and expand upon the current specialized research being conducted at the installation by obtaining the property through an economic development conveyance.

The Reuse Plan

As described in the following Reuse Plan, alternative No. 3 (Specialized Research Reuse Alternative) is the preferred recommendation.

The AFRL site faces a number of challenges if it is to be reused in a conventional way in the current real estate market for office, retail or industrial uses. First, the buildings at the AFRL are older structures, requiring system upgrades, interior renovations, and other modifications to make them attractive for any of these uses. Furthermore, the current real estate market in Mesa and the immediate area has a significant oversupply of available, high quality space in each of these three categories of use. Even with upgrades and modifications as described in the facilities assessment, these buildings would face very stiff competition in the marketplace. Finally, the AFRL is not well located with respect to the market for any of these uses; it is distant from the location of other office, commercial, and retail centers, surrounded by the airport and the ASU campus. Thus, reuse planning should focus on non-conventional uses that capitalize upon the facilities' distinctive characteristics.

Some of the buildings within the AFRL were constructed with high technology, specialized research space, and radio-interference shielding systems for particular and very specialized uses. This specialized construction, in-place communications and security systems, and the current high security status limits their alternative reuse potential to a great degree, but at the same time, these features focus the reuse alternatives. The most efficient reuse would therefore be for a purpose very similar to that for which they were originally constructed.

The LRA is proposing that the Air Force adopt the Plan that recommends the transfer of the AFRL to the City of Mesa by means of an Economic Development Conveyance. The site and facilities will continue to be used as a center for specialized research in high technology 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. Subsequent to submittal of its NOI, ASU in coordination with Alion Science and Technology Corporation has expressed a desire to conduct specialized research at the site as part of its broader efforts to establish a major new transdisciplinary research initiative focused on the security and defense area. The City envisions using this facility as the cornerstone of a research center that will include a wide range of organizations and projects. This Plan achieves a balance by offsetting the community's loss through the closing of the AFRL and loss of military positions with the continued and enhanced operation of the facility as a private sector center for secure, high tech research.

This recommendation is based upon the following:

- 1) The Vision, Goals, and Objectives for the reuse of the site developed by the LRA showed that the City's reuse priorities for the site and facility were:
 - a) creating and retaining jobs;
 - b) maximizing the reuse of the unique physical and intellectual assets of the current facility;
 - c) promoting long-term economic opportunity and growth; and
 - d) meeting community needs.
- 2) The reuse potential of the site is limited by a number of factors:

- a) the weakened condition of the local and national economies;
- b) an oversupply of available space, especially in the office and industrial markets;
- c) the potentially high cost of renovations and improvements to the facilities to make them marketable; and
- d) the location of the AFRL property on the periphery of these markets.

3) Notice of Interest responses were not received from providers of homeless services. The LRA did receive a NOI letter from the Arizona Department of Corrections, which was subsequently withdrawn.

4) The LRA received an NOI response from a team including Arizona State University and Alion Science and Technology Corporation seeking a Public Benefit Conveyance for educational purposes. However, this request would in all probability be associated with some restrictions on the use of the property for a considerable period.

5) The City recognizes the importance and potential contributions that educational institutions can make and will work with Universities to integrate their programs, knowledge, and interests into the operation of the new research center. ASU and Alion have expressed willingness to closely align with the City in the development of the site. The benefits to be gained from those public-private connections can be realized through an Economic Development Conveyance without the restrictions on the use of the property.

This plan meets a wide range of the criteria, including:

- 1) provides or maintains jobs in the City;
- 2) creates additional jobs through the expansion of operations at the site;
- 3) provides some opportunity for increased revenues for the City through increased employment;
- 4) capitalizes upon Mesa's Economic Development strengths and goals;
- 5) meets LRA goals and criteria for maximizing the nature of the site, buildings and staff; and
- 6) can be implemented immediately.

Conclusion

After careful consideration of a wide range of factors, the LRA has determined that this Plan to create a center for specialized research in high technology defense and national security fields is the best means to capitalize upon this unique opportunity. The implementation of this Reuse Plan will benefit the Air Force, our national defense efforts, the City of Mesa, and the employees at the AFRL by expeditiously and efficiently transferring the property. This Reuse Plan will continue and expand important research operations, maintain high-skill jobs, and establish the foundation for a science and technology research center that will include a wide range of academic and security industry organizations and projects.