



Agenda Item Summary

File #: 24-00155

Agenda Date: 2/13/2024

Agenda Item Name:

Chair Letter to the Army Regarding the Equipment Concentration Site

Presenter:

Sean McLendon, Economic Development & Food System Manager 352 548 3765

Description:

Chair Letter to the Army Regarding the Equipment Concentration Site

Recommended Action:

Approve temporary forbearance of right to exercise section 16.(ii) of Lease and authorize the attached Chair letter.

Prior Board Motions:

At the December 12, 2023, Board Meeting the Army Reserve and Army Corp of Engineers gave an update on progress to date constructing the Equipment Concentration Site and the impact of permitting delays.

At the July 14, 2020 Regular Board Meeting, Commissioner Cornell moved the following: Adopt the resolution to: 1. Approve and authorize the Chair to sign the lease agreement as an interim step in the donation of the Fairgrounds Redevelopment Area and; 2. Approve and authorize the Chair to sign the necessary documentation to subsequently donate of the Fairgrounds Redevelopment Area to the US Army Reserve at such time as the US Army Reserve is prepared to receive it, with conditions for ownership of the property to revert back to the County as previously approved by the Board. 3. That the Deed be amended to match the language in the lease agreement.

The motion carried 5-0.

At the May 12, 2020, Regular Meeting the Board authorized the Chair to sign the letter of intent to donate the Fairgrounds Redevelopment Area to the US Army Reserve.

The motion carried 5-0.

At the February 25, 2020, Regular Board Meeting Commissioner Cornell moved the substitute motion to postpone this item to the first meeting in April of 2020 and direct staff to reach out to the Airport Authority for their written input regarding their outparcels and responding to the Board with opportunities to combine those or how having the Army facility would affect those outparcels. Direct staff to contact Weyerhaeuser regarding interest in the land swap proposal. If the deadline will close out the Army facility opportunity, then the Board will schedule a meeting to address the matter within in the necessary time frame. Staff to follow the timeline presented to the Board.

The motion carried 5-0.

At the December 2, 2019, Joint Board Meeting Commissioner Cornell moved the following:

1. Direct county staff to present the Board with comparable data to share with the community from other locations where the Army Reserve has located these type of equipment concentration sites.
2. Staff to ask the Army Reserve to help identify the necessary job skills and workforce training efforts to help our community prepare for this.
3. Staff to ask the Army Reserve to review the preliminary site plan and determine if one to three acres on the corner of Waldo and 39th could be carved out.

The motion carried 5-0.

At the May 28, 2019, Regular Meeting the Board Authorized the Chair to sign the Temporary Right of Entry Agreement between Alachua County and The Department of the Army for due diligence related to the Army's potential use of the Fairgrounds Redevelopment Area, once the final terms have been negotiated by parties and approved by the County Manager and the County Attorney.

Fiscal Note:

There is no direct financial impact to the County at this time.

Strategic Guide:

Social and Economic Opportunity

Background:

Section 16(ii) of the long-term lease signed in 2020 provides that "The Lease may also be terminated under the following conditions: At Lessor's [County's] option for cause:... if the Government [Army Reserve] does not complete construction of the Equipment Concentration Site on the Premises and commence operation of the Equipment Concentration Site within three years following the date of February 25, 2021;..." At the December 12, 2023, Board Meeting, Col. Rhoades, Army Reserve, and Sonia Suggs, Army Corp of Engineers, gave an update on the progress in constructing the Equipment Concentration Site and the impact of permitting delays. The permitting issue has significantly delayed the completion of the project. At the time of the December presentation, all problems were resolved.

Despite the delay, significant progress has been made at the site. The Army has requested that the County temporarily forbear its right to termination pursuant to section 16(ii) of the Lease until the end of 2025, and staff recommends that the Board approve the forbearance and authority the attached Chair letter.

Staff toured the facility in January 2024 to confirm the progress, including the renovation of the former fairgrounds pavilion and enclosure of the main equipment maintenance facility. The Chair Letter gives the Army Reserve a forbearance period until the end of 2025 to complete the construction of the Equipment Concentration Site. The Chair Letter states that the County will not terminate the lease pursuant to section 16(ii) of the Lease provided that the Army completes construction and places the facility into operation by December 31, 2025.

A US Army Reserve Equipment Concentration Site is a \$36 million investment estimated to bring over \$13.4 million annually in economic benefit to the local economy. In addition, the facility will support approximately 110 direct, indirect, and induced jobs. The County has authorized the donation of the property to the US Army Reserve. It is currently under a long-term lease to the Army Reserve as a placeholder action while the Army works through the long process of accepting the land donation.