



## Legislation Text

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**File #:** 19-0747, **Version:** 2

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**Agenda Item Name:**

Update on Fairgrounds Redevelopment

**Presenter:**

Michele Lieberman, County Manager

**Description:**

An update on the timeline and economic benefit of a US Army Reserve Equipment Concentration Site at the old Fairgrounds site.

**Recommended Action:**

Hear presentation.

**Prior Board Motions:**

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 Consideration:**

The County would consider a donation of the property with a reverter clause to secure the long term economic benefit to the local community. Conservatively, the economic benefit estimated at \$126,000,000 over the next 30 years.

**Background:**

In 2018, the US Army Reserve contacted the County regarding availability of the old Fairgrounds site on 39<sup>th</sup> Avenue to house an Equipment Concentration Site (ECS) by 2021. ECS facilities support the public works-type and disaster preparedness roles of the US Army Reserve. Alachua County has acquired an alternative site in Newberry, Florida to host Fair and agricultural events.

Alachua County has attempted to market the property directly and indirectly through the adjacent airport authority for private sector redevelopment. To date, those efforts have met with no success. The commercial viability of the site is hindered by the surrounding institutional uses: homeless camp, jail, work release and other governmental institutions surround the Fairgrounds property.

An ECS represents not only a best redevelopment option because of its general compatibility with the surrounding land uses and specifically because of the significant economic opportunities for East Gainesville, right now. Over the next 30 years, the US Army Reserve will bring, at a minimum, a direct economic benefit of approximately \$126,000,000 and between 65 to 75 annual jobs to the community.

#### ECS Direct Economic Impacts:

- \$36M construction project. The most competitive bidders will want to maximize their use of local sub-contractors and suppliers in order to have the best proposals.
- \$2.8M-\$3.0M annual payroll.

#### ECS Indirect Economic Impacts:

- Supply purchases (safety equipment, office supplies, and standard automotive parts)
- Transportation purchases: Parts deliveries, equipment pick-ups and deliveries.
- Employees will live in the community, go to our schools, pay taxes, and increase demand for goods and services.

#### Job Descriptions

The Army Reserve ECS will employ between 65 to 75 people. Many of them will be equipment mechanics, but there will also be some supply and administrative positions. These are civilian positions, and will be filled using the federal hiring process and subject to the applicable conditions of employment. They will be skilled positions that make around \$21-\$22 per hour, plus full federal benefits.

Facilities like this provide local and regional benefit, providing stable, well-paying vocational jobs with benefits; local contracting and material purchasing opportunities; as well as indirect and induced economic benefits to the surrounding community because of the local pass through of visiting personnel.

An ECS provides for the storage and maintenance of generators, trucks, and other public works-type and non-combat vehicles. Maintenance facilities are typically state of the art and offer opportunities for vocational and trade-school jobs.

#### Disaster Preparedness

An ECS makes Alachua County and Gainesville better prepared to respond in event of natural disasters. Equipment and personnel supplement the local and regional community's ability to bounce back after a storm as well as making East Gainesville a logistics hub for help in the State of Florida.

- Assistance with State and Local Emergencies
- Generators, trucks and other materials as needed at the request of local government
- Center of resilience operations to help our coastal neighbors and the Florida National Guard in hurricane response and other natural disasters

#### Ready-To-Go Partnership

The US Army Reserve is ready to develop the project in the near term with possible construction beginning as soon as January - February 2021. The site is strategically important to their mission

and to the security of the United States.

The US Army Reserve has already proved itself to be a good neighbor and contributor to East Gainesville. The site now occupied by Phalanx Defense Systems off NE 8<sup>th</sup> Avenue was formerly an Army Reserve site in the late 1940s. That property reverted back to the City of Gainesville and was recently adapted to a better use as commercial defense manufacturer. Alachua County will follow the City's precedence and requests that the Fairgrounds site, upon termination of use by the US Army Reserve, revert back to County ownership for adaptive reuse.

#### Major Points

- Stable, long-term employer paying good benefits, retirement and salary. **Military and Federal jobs are a path to the middle class for many.**
- Vocational and job training opportunities with an Equipment Concentration Site (vehicle mechanics)
- Ready to invest now (2021), and land use is good fit for the area's surrounding institutions.
- Economic Benefits over 30 years \$126M estimated direct payroll and construction impacts
- \$36M for local and regional site improvements and construction
- Ongoing direct, indirect and induced benefits related to site operations including purchases of fuel, machine parts and other fleet maintenance purchases.
- Direct employment is estimated at 65-75 jobs paying on average \$60k/year with Federal Benefits. Recruitment will be local via USAJOBS portal and applications will be similar to applying for US Postal Service. Applicants do NOT have to enlist in the US Army Reserves to get a job. However, if they do, the employee will accrue additional benefits on top of their other Federal benefits.
- In addition to the 65-75 positions, contract labor will also be utilized on site.
- Employees will live in the community, go to our schools, pay taxes, and increase demand for goods and services.
- Defense spending in Florida is a major source of employment, sales revenue and tax revenue for local government:
- In 2011, \$31.3B in wages; \$73.4B of FL's gross state product; total employment of 758,000 direct and indirect jobs; State and local tax revenue \$5.4B
- Procurement: Federal military procurement of goods and services generate 200,000 jobs across the state (engineering and manufacturing in particular)
- For North Central Florida the military supports approximately 18,000 jobs; \$1.5B in Total Sales; and \$1.4B in Gross Regional Product (Total Sales represents the total value of all goods and services sold as a result of military activities. This includes direct spending, wages, transfer payments plus spending associated with multiplier effects as initial receipts are re-spent. It incorporates the value of goods and services produced and sold in the region, imports into the region, and exports from the region. Gross Regional Product is the sum of consumption, investment, government revenues, and ex-ports less imports. It represents the total dollar value added of all goods and services produced as a result of defense spending.)