


17  
9-23-08*City of Alexandria, Virginia*

## MEMORANDUM

DATE: SEPTEMBER 17, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF APPLICATION FOR FEDERAL DEFENSE  
ECONOMIC ADJUSTMENT PROGRAM GRANT FUNDS

---

**ISSUE:** Continued development of economic development and planning initiatives to respond to Department of Defense's BRAC 2005 actions moving commands and other operations out of Alexandria.

**RECOMMENDATION:** That City Council authorize the City Manager to file an initial second-year grant application with the federal Department of Defense (DoD) Office of Economic Adjustment (OEA) in the initial amount of \$152,000. (There is no specific due date for the application.)

**BACKGROUND:** On November 9, 2005, the recommendations of the 2005 Base Realignment and Closure (BRAC) Commission were signed into law by the President of the United States. Congress took no action on these recommendations, and the President approved the recommendations without making any changes from what BRAC had recommended. These BRAC recommendations were national in scope, and were the largest set of DoD related base closures, consolidations and moves in the history of the BRAC process. As part of that process, DoD determined that it wanted to move from leased office space in Northern Virginia (Arlington, Fairfax County and the City of Alexandria) to existing military bases throughout the region and the country. The military claimed that the proposed moves would save money, but the City, our Congressional delegation, and others argued that the moves actually would not only result in a long-term DoD cost savings, but also would have a negative effect and would disrupt existing military commands and offices.

When the BRAC recommendations were first proposed in 2005, Mayor Euille created a 20-member Mayor's BRAC Work Group that is comprised of the Mayor, Vice Mayor, two members of the Planning Commission, residents, businesses, AEDP staff, as well as impacted property owners and their representatives. The Mayor's BRAC Work Group helped develop information and arguments that were presented to BRAC and our Congressional delegation. The Work Group has continued to meet and provide guidance on how the City should respond to the BRAC triggered job moves from Alexandria.

As a result of the DoD BRAC decisions, it is estimated that the City of Alexandria will lose more than 7,370 DoD jobs, as well as associated private sector contractor and support employment (see attachment for details). While firm total impact numbers are still being compiled, 20 DoD agencies and commands were directed to realign or close their operations currently located in leased office space in the City. The projected 7,370 loss in jobs equates to more than 7% of all employment in the City of Alexandria. It is estimated that this move of jobs out of the City will leave 1.5 million square feet, or 8% of the City's existing office stock vacant. In addition, 4.2 million square feet of office space in Arlington, mostly in Crystal City, will also become vacant as 23,000 DoD jobs are transferred out of that County. As a result, since Crystal City is an office market that the City competes with, the economic impact of the BRAC job losses will be greater than just the BRAC job losses within the City limits.

Last year, the City of Alexandria received a \$255,800 Department of Defense Community Planning Assistance Funds grant to begin BRAC recovery efforts. The one-year grant period began October 1, 2007, and ends September 30, 2008, (Federal FY 2008). This initial grant allowed the City to hire a consultant to perform BRAC Coordination services, and funded the Alexandria BRAC Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis, currently underway. Significant progress has been made in collecting data and information, forming relationships with impacted DoD commands, establishing protocols between the City and neighboring communities and beginning to formulate detailed recovery strategies.

This initial Federal FY 2009 funding request (which has no specific due date but needs to be submitted in the near term to keep the BRAC coordinator position funded) will allow the City to continue coordinating BRAC response efforts within the City by continuing with the BRAC coordinator contract position with the federal government and defense agencies, and with our neighbors. An amended grant request will be prepared later this year for Council consideration once the two outstanding items noted below reach conclusion.

As noted, the first year of BRAC recovery efforts funded an economic base analysis and SWOT analysis. Those studies are in the final stages of completion, and will result in a list of prioritized targeted industries for the City to focus on as part of its economic development strategy. Once they are finalized, the City will need to further articulate programs and strategies to aggressively target these industries, and the amended grant request will address these efforts.

In October of this year, the Department of the Army is expected to make an announcement about the relocation of the Washington Headquarters Service (WHS); more than 6,400 jobs and up to 1.8 million square feet of secure office space. There are two sites in the City of Alexandria competing against sites in Fairfax County for the relocation. It is expected, no matter what site is chosen, that there will be significant impacts on the City of Alexandria. Once the decision is finalized, the City Manager's Office, Department of Planning & Zoning and AEDP will identify necessary resources and include those in the amended grant request.

**FISCAL IMPACT:** The City of Alexandria is requesting an initial second-year 12-month grant in the amount of \$152,000 to accomplish the BRAC coordination responsibilities previously described. The City expects to submit an amended request following the announcement of the

relocation of BRAC 133, and following the completion of the Alexandria SWOT Analysis. There is a federally required local 10% match that will be provided through in-kind time of City staff and AEDP staff. No local cash match will be needed. AEDP will continue to be responsible for day-to-day grant administration.

**ATTACHMENT:** City of Alexandria BRAC Impacts by Location

**STAFF:**

Mark Jinks, Deputy City Manager

Stephanie Landrum, Senior Vice President, AEDP

# City of Alexandria 2005 BRAC Impacts

information compiled by the Alexandria Economic Development Partnership, August 2006

Building Information	Command/Agency	New Location	Lease Ex. Date	Approx Jobs Impact	Approx Sq Ft Impact	Total RBA*
<b>Park Center</b>						
<b>Park Center 1</b> 3101 Park Center Drive Stonewater Partners Stonewater Ptnrs., David Cheng/Courtney McLeod 914.285.3373/914.461.3301	U.S. Army Audit Agency	Fort Belvoir, VA	July 31, 2007	140	27,656	226,000
<b>Park Center Office 4</b> 4501 Ford Avenue Northwestern Mutual Life Cambridge (management), Carmen Davis 703.671.5082, cdavis@cambridgeus.com	Army Test and Evaluation Command (ATEC)	Aberdeen (APG), MD	July 1, 2015	796	100,000	229,000
<b>Mark Center</b>						
<b>1901 N Beauregard Street</b> Mark Center Plaza II, LP Duke Realty Corp. 703.578.7773	OSD, Defense Modeling Simulation Office	Fort Belvoir, VA	Mar. 17, 2006 LEASE EXTENDED	75	15,013	85,400
<b>2001 North Beauregard Street</b> 2001 N Beauregard Street, LP Duke Realty Corp. 703.578.7773	OSD, Defense Acquisition University	Fort Belvoir, VA	Oct. 10, 2007	40	8,000	239,945
<b>4850 Mark Center Drive</b> Institute for Defense Analysis Duke Realty Corp. 703.578.7773	OSD, DOT & E	Fort Belvoir, VA	Jan. 13, 2007	130	26,000	258,412
<b>Hoffman Center</b>						
<b>Hoffman 1</b> 2461 Eisenhower Avenue Hoffman Family Ltd. Partnership Hoffman Mngmt., Mike Perine 703.960.4700	Office of the Secretary of Defense Washington Headquarters Services Army Contracting Agency E-Commerce Region HQs U.S. Army G1/Personnel Transformation Administrative Assistant to the Secretary of the Army (SAAA) Communication and Electronics Command U.S. Army G1/Civilian Personnel Office	Fort Belvoir, VA Fort Belvoir, VA Fort Sam Houston, TX Fort Belvoir, VA Fort Belvoir, VA Fort Belvoir, VA Fort Belvoir, VA	Sept. 2010	1,547	309,376	309,376
<b>Hoffman 2</b> 200 Stovall Street Hoffman Family Ltd. Partnership Hoffman Mngmt., Mike Perine 703.960.4700	US Army Surface Deployment and Distribution Command Army Human Resources Command	Scott Air Force Base, IL Fort Knox, KY	Mar. 2010 Dec. 2014	1,472 2,000	204,783 401,792	606,575

Attachment

<b>Alexandria Tech Center IV</b> <b>2850 Eisenhower Avenue</b> Alexandria Tech Center IV Ltd. Simpson Properties, Fred Zamer 703.299.0029, x 13	Defense Technology Security Administration	Fort Belvoir, VA	Feb. 28, 2012	202	40,422	70,000
<b>2320 Mill Road</b> Simpson Family Partnership Simpson Properties, Fred Zamer 703.299.0029, x13	Army Broadcasting-Soldier Radio/TV	Fort Meade, MD	May 2006 <b>REALIGNED</b>	80	16,000	17,446
<b>Sheet Metal Workers Building</b> <b>601 N Fairfax Street</b> Sheet Metal Workers Natl Pension Fund Trammell Crow, Spencer Stouffer 703.288.2549	American Forces Information Service Army Broadcasting-Soldier Radio/TV	Fort Meade, MD Fort Meade, MD	July 31, 2007	119 100	23,760 20,000	118,800
<b>Security Storage</b> <b>621 North Payne Street</b> Security Storage Co. of DC, Rob Williams 202.234.5600	Office of the Secretary of Defense	Fort Belvoir, VA	Feb. 2008	0	95,446	95,446
<b>Braddock Place</b> <b>1340 Braddock Place</b> ING Clarion Realty Services James Dean, Dave Peterson 202.879.9483, 703.917.0909	Counterintelligence Field Activity (CIFA) Defense Security Service (DSS)	Quantico, VA Quantico, VA	Nov. 15, 2007	129 140	25,855 28,123	79,964
<b>Summit Centre</b> <b>4700 King Street</b> MGP Summit Centre Operating LLC Scott Moseley 301.968.4900, smoseley@mgpre.com	Army Community and Family Support Center	Fort Sam Houston, TX	Jul. 1, 2008	400	77,124	114,757

	Approx Job Impact	Approx Sq Ft Impact	Total RBA*
<b>Totals</b>	<b>7,370</b>	<b>1,419,350</b>	<b>2,451,121</b>

\* Total RBA- Total rentable building area, in square feet