



Council Meeting: January 31, 2012

SUBJECT: Approval of Budget Modification No. 21 to Appropriate Office of Economic Adjustment Grant Funding for Onizuka Air Force Station (AFS) Base Realignment and Closure

DISCUSSION

When the Department of Defense (DOD) slated the Onizuka Air Force Station (AFS) for closure, it formally recognized the Sunnyvale City Council as the Local Redevelopment Authority (LRA) to serve as the primary agency for grants and other aid to plan and redevelop the Onizuka AFS site.

On November 8, 2011 staff submitted a grant amendment to the Office of Economic Adjustment (OEA) requesting 1) an extension of the grant's end-date from August 31, 2011 to January 31, 2012, and 2) a budget augmentation of \$30,225 to compensate for legal services and administrative costs to support the LRA's adoption of the Onizuka AFS Amended Redevelopment Plan and to prepare the grant's federally mandated closeout reports. The OEA approved the grant amendment application on January 12, 2012 and indicated that with the conclusion of the BRAC planning process this would be the final grant.

This report requests Council approval of Budget Modification No. 21 to appropriate \$30,225 in OEA funding to the Onizuka AFS Base Realignment and Closure (BRAC) project, as well as to appropriate the required local match of \$3,357 from the FY 2011/12 operating budget of the Community Development Department.

BACKGROUND

On December 9, 2008, the LRA directed staff to prepare an OEA funding request for a business plan and related activities as required for an economic development conveyance (EDC). On August 11, 2009, Council (RTC #09-204) approved receipt of \$652,579 in OEA funding for April 1, 2009 to March 31, 2010. On May 27, 2010, OEA approved a supplemental federal award of \$58,573, bringing the grant total to \$711,152, and also extended the grant end date to December 31, 2010. OEA awarded a new grant on August 26, 2011 for \$71,095 covering August 1 to October 31, 2011, and on January 12, 2012 approved the current \$30,225 augmentation and final extension to January 31, 2012.

EXISTING POLICY

Legislative Management Sub-Element, Goal 7.3C: Participate in intergovernmental activities, including national, state and regional groups, as a

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means to represent the City's interests, influence policy and legislation, and enhance awareness.

FISCAL IMPACT

There is no net impact to the General Fund for acceptance and appropriation of these grant funds. The City's required 10% match will be funded with currently budgeted operating funds from the Community Development Department. These budgeted expenditures will be transferred into the BRAC project.

Budget Modification No. 21 has been prepared to appropriate \$30,225 of grant funding from the Office of Economic Adjustment and \$3,357 of local City match from the FY 2011/12 operating budget of the Community Development Department. No additional City funds will need to be allocated for the match.

**BUDGET MODIFICATION NO. 21
FISCAL YEAR 2011/2012**

General Fund	Current	Increase (Decrease)	Revised
<u>Revenues:</u>			
901 – Federal Grants	\$0	\$30,225	\$30,225
<u>Expenditures:</u>			
Community Development Department – Various Activities	\$5,475,485	(\$3,357)	\$5,472,128
Project 826553 – Onizuka BRAC Redevelopment Plan Amendment Application Grant	\$78,991	\$33,582	\$112,573

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Approve Budget Modification No. 21 to appropriate the Office of Economic Adjustment's Redevelopment Plan Amendment Funding and local City match.

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2. Do not approve Budget Modification No. 21 to appropriate the Office of Economic Adjustment's Redevelopment Plan Amendment Funding and local City match.

RECOMMENDATION

Staff recommends Alternative 1: Approve Budget Modification No. 21 to appropriate the Office of Economic Adjustment's Redevelopment Plan Amendment Funding and local City match.

Reviewed by:

Hanson Hom Director, Community Development

Reviewed by:

Grace Leung, Director of Finance

Approved by:

Gary M. Luebbers
City Manager