

MINUTES

COUNCIL-MANAGER BRIEFING

March 14, 2011

The Council-Manager Briefing was called to order by Vice Mayor Terry Senger at 6:00 p.m. at the Fairfield Municipal Building, 5350 Pleasant Avenue. The following Councilmembers were present: Mike Oler, Tim Meyers, Terry Senger, Mitch Rhodus, Mike Snyder, Marty Judd and Tim Abbott. Staff present: Art Pizzano, Rick Helsinger, Greg Kathman, Dave Butsch, Angie Johns, Mike Dickey, Mary Hopton, Dennis Stuckey, Jeff Kenworthy, Carol Mayhall, Dave Crouch, and Jim Bell.

Goal Update: JEDD Status Report, Economic Development Retention and Attraction

Development Services Director Tim Bachman briefly overviewed the positives in 2010 including more projects in the marketplace, strong industrial absorption, positive report with regard to earnings and their outlook from largest employers, and Liberty Mutual's completion of their facility. He explained some of the challenges include not much new construction, news of closing of Pella in 2011, and the job creation is still lagging. Economic Development Manager Greg Kathman commented we had a good year last year in terms of industrial absorption with ten large scale (over 10,000 square feet) projects that were new to Fairfield absorbed into our market last year. Mr. Kathman commented Keystone Foods was the largest one at 200,000 square feet on Port Union Road, there will be almost 240 jobs, and shipping has begun from that facility. He explained Masters Pharmaceuticals moved into the old Avery Dennison building on Seward Road, which was vacated by Avery in 2009. He explained EPAC Technologies is a high tech printing company based in California and they print textbooks and instruction manuals. He discussed there were three on LeSaint, which was a concern in 2009, but all three were leased last year. Mr. Kathman explained the tool on the Development Services part of the website which gives those looking for a land site or building to lease or purchase the ability to search information on the City's website that is tied to a State database. Mr. Bachman explained we have been using the databases for years, but what is new to the City is having the ability for the general public and anyone all over the world can check our website and look at available properties all over the city.

Mr. Bachman stated we are partners with Springdale as well as West Chester in the Joint Economic Development District. He displayed an aerial shot of the two building that were built as part of the JEDD. He commented for the year, the JEDD brought in \$1.1 million dollars. He explained the ratios in which West Chester had 83%, Fairfield had 10% and Springdale had 7%. He discussed the 2010 Fairfield revenue including the JEDD disbursement and the 5% administrative fee. He reminded Council that at year five, the books are open to each other and will be made whole if negative and again at year ten. He commented the JEDD board, which meets quarterly has changed; there are actually two representatives from West Chester and himself. Mr. Bachman explained the JEDD is a tool that West Chester has opted to use instead of a large tax abatement for a very large project.

Mr. Kathman stated business retention is a major focus for the department. He explained there are about 1,600 businesses in town and that is the best source for job creation and investment. He stated last year more than 60 formal retention visits were conducted. He briefly summarized what was learned at these visits including uncertainty about the economy, federal tax code, health care regulations, which cause businesses to be uncertain about the future which causes them to be cautious about the future or delay decisions. Mr. Kathman discussed the ways they combat the major concern of workforce quality. He further explained the impact of Bypass 4 construction was a concern especially on the eastern edge of town and the industrial areas were concerned with workers getting to and from work and the superstreet design. He stated overall there is general satisfaction with the quality of city services. He commented businesses are usually happy that he reaches out to them. Mr. Kathman explained his focus is with more of the larger businesses and some of the bigger manufacturers and office users. He further explained those efforts are supplemented with the Chamber of Commerce for retention. He explained a survey form was developed and is used by the Fairfield Chamber of Commerce President and staff on their one-on-one visits with businesses. He stated in 2010 the chamber completed 79 surveys in which 39 of those owned their own companies and 40 leased. He further stated they were not all Chamber members. He briefly discussed his follow up based on the answers to some of the questions. He commented at the bottom of the survey businesses are asked to give the City grades on a variety of services and briefly discussed the grades. Chamber President Kert Radel commented the small businesses really appreciate reaching out to them on a one-on-one basis. He stated last month he spoke at the Ohio Chamber of Commerce Conference in Columbus and he talked about this mechanism that we have and four chambers asked for a copy of the survey. He commented if there is an issue, Greg and Tim are able to respond. Councilmember Abbott thanked Mr. Radel and encouraged him to keep up his retention efforts. Mr. Radel briefly discussed some of the interactions he has had with the businesses. Councilmember Senger commented on how systematic the process is, which is encouraging.

Mr. Bachman discussed the unemployment rate and compared the city rate with both the state and United States unemployment rate. He commented the data is not a lot better, but it is going in the right direction. He further stated it has roller coasted down since the crisis of 2008 started. He commented it is about 9% for Fairfield, State and National. He discussed the valuation of the dollar amount on the building permit. He explained the bad news is 2009 was a tough year, but the good news is 2010 is a much better year with 35% increase in valuation of permits. He discussed the income tax revenue which dropped from 2008 and 2009 and then picked back up in 2010. Mr. Bachman discussed the business income tax revenue which dropped from 2008 to 2009 and went back up in 2010.

Ms. Hopton explained that does include the anomaly payment, but even with that payment out we were still up for 2010. Mr. Bachman explained the Cassidy Turley Industrial Market Report which shows the industrial vacancy rate for the Northwest Quadrant which Fairfield is in along with West Chester, Hamilton, Monroe, Springdale, Sharonville, and Forest Park. He commented in that quadrant in 2010 there was 1.6 million square feet absorbed in the market and Fairfield had 763,000 square feet of that absorbed. Mr. Kathman stated one of the challenges going forward is the lack of industrial space. He stated they do not see a lot of new speculative construction coming. Mr. Kathman stated they think there will be some small projects starts and some expansions in our existing businesses. He commented in the retail/commercial market there are some small projects available, but competition is very fierce and landlords need to be very aggressive. He stated the future of Cincinnati Mall is undetermined at this time. Mr. Kathman explained in 2011 they expect redevelopment will continue including redevelopment at Patterson Park and Fisher Park. He further explained a lot of people are choosing to start their own business or go into small business. He explained they are partnering with the Chamber, BizTech and others to assist entrepreneurs as well as those in small businesses that may need help to withstand the challenges and move forward. Mr. Radel discussed information was placed in the City newsletter which encouraged those interested in establishing or starting business in Fairfield which the Chamber forwards on to Biztech. Mr. Bachman commented the largest industrial tract left is 40-45 acres.

City Manager Pizzano introduced Mark Ober, Fire Chief from Anderson Township, and intern from Northern Kentucky University. Mr. Pizzano commented new metrics from the first quarter report will be discussed. Finance Director Mary Hopton stated last year a line regarding capital expenditures was added breaking it out from operating expenditures. She stated from this report you can see last year compared to this year and the net year to date change. She explained the West Chester JEDD revenues are on a monthly basis and it will standardly be less than 15% and the administration fee comes off the top, but our distribution is after the administration fee. She commented last year GE did not have a full base in December, so this year's projections are more close to target and are tracking above projections. Public Works Director Dave Crouch commented this year the line item for electric cost was added for electric at the Water and Wastewater Plants. He stated the city spent 1.7 million in electric and his department was half of that at 825,000. He explained they will continue to add on this so they can break it all down to cost per million gallons. He commented it is about \$183/million gallon treated at Water and \$163/million gallon at Wastewater, which is between \$700-1,000 per day to run the plants. He further commented the goal is to reduce the units of use. Public Works Dave Butsch discussed that he looked at our cost of material & labor and lane miles to get a cost per lane mile. Mr. Pizzano commented the increase is indicative of the winter we had. Parks & Recreation Director Jim Bell stated being tasked with maintaining our level of service with less, so they are relying more heavily on volunteers. He commented the service value is the number provided by the Arbor Day Foundation, which is what the volunteer hour is valued at. Police Chief Mike Dickey explained they added the calls for service, which are actual calls where they provided a service initiated by the public. Acting Fire Chief Jeff Kenworthy stated the metric added is mutual aid runs given and received. He explained mutual aid is when they are called from a neighboring community to help them with either EMS or fire and vice versa they come into our community and help us. He explained what they are trying to track is as the economy changes that we are not giving overburdened going into those communities and vice versa that we do not do the same. Development Services Director Tim Bachman discussed they are tracking permits issued. He explained they have two people now doing the job of three people last year, so they want to make sure they are not overburdened with regard to their inspections as well as the quality of their inspections. Councilmember Meyers discussed Recreation Activities Revenue and expenses. He stated that is significant as a plus.

The Council/Manager Briefing adjourned at 6:52 p.m.

Respectfully Submitted,

Angela Johns
Clerk of Council