

City Council Meeting Minutes
July 8, 2010
Special Session
5:00 p.m.

The Xenia City Council met in a Special Session on July 8, 2010, at 5:10 p.m., in the City Council Chambers, City Hall, with the following members present: Jeanne Mills, John Caupp, Dale Louderback, William R. Miller (arrived at 6:05 p.m.), Wesley Smith, Marsha J. Bayless, and Patricia L. Felton (arrived at 6:10 p.m.).

Economic Development Initiatives. Mr. Percival noted at a Council meeting a few weeks ago to discuss priorities, one of the priorities everyone listed was economic development. For almost a year, they have been working on a plan for economic development for the City. They came up with a couple of new initiatives and some other things they would like to outline. He then invited XEGC Director Steve Brodsky to proceed with the PowerPoint presentation, after which they will discuss what they are trying to accomplish with the new tax initiatives.

City of Xenia Economic Development Plan
Creating a Sustainable Community

What is Economic Development? Economic development has different meanings depending on context. To some, it means job creation or retention. Others define it as business attraction, while to others, it is wealth generation. All of these are elements of economic development. In its broadest sense, economic development is about creating an environment that is conducive to meeting the economic goals of a community. Those goals are unique to each community.

Development Goals for Xenia

- Market the City, sites, and buildings to prospective new businesses.
- Promote workforce development and develop information about workforce needs.
- Continuously examine ways of improving the local business climate, including streamlining permitting and regulatory procedures.
- Seek opportunities to develop vacant parcels of land and where appropriate, expand City boundaries, and pursue Joint Economic Development Districts (JEDD) in concert with surrounding townships in other growth areas.
- Develop strategies to increase retail opportunities, especially where market gaps currently exist.

Xenia's Economic Environment—Xenia has several advantages in pursuing economic development opportunities.

- Excellent location with good access to I-70, I-71, and I-75.
- Excellent industrial land available at competitive prices, much of it is “shovel-ready.”
- Proximity to Wright-Patterson Air Force Base provides opportunities to grow due to the inbound missions resulting from Base Realignment and Closure (BRAC).
- The region enjoys competitive vocational and technical training and higher education opportunities.
- Xenia citizens are perceived to be dedicated and skilled workers.
- Xenia has a diverse and growing housing stock in many price ranges.
- Xenia has a diverse economic base.

Xenia also has several challenges to development

- The city has relatively few industrial buildings available. Many of the buildings that are available are not desirable or conducive to today's environment due to their age. In the current economy, many companies do not want to build new buildings, even if they can get financing, because they would rather lease existing space so they have lower costs. If their business does not work out, they are not stuck with the building.
- Fiscal constraints hamper the ability to provide the necessary capital to quickly address utility and infrastructure needs a particular company may have. Most of the Xenia sites are shovel ready and have utilities and roads so a lot of infrastructure is not required.
- Parts of the economic base are at risk, especially those that rely on traditional automotive manufacturing, although a lot of those businesses have diversified and gotten into other areas. One example is Superior, a company in the Industrial Park that was featured in the *Dayton Business Journal* last week. Superior makes customized cutting tools, drill and saw bits/blades work for the automotive industry. A few years ago as the company began to diversify and started the process of getting into the aerospace industry, which was not easy, but the investment and their patience paid off. They have rehired almost all their laid off employees and are still hiring as they expand.
- There is a perception that taxes and government regulations are burdensome. People still have issues with the building permit process, but contractors also say if people start early and know how the process works, it is not any worse than anywhere else. For those who want to cut corners and not do things the right way, the process will be more difficult.
- The city's current demographic base makes retail recruitment more difficult and also affects the tax base. Retailers generally count roof tops, look at disposable income, and are not always so worried about location/visibility. Retailers ask how many households there are and what their income is, which is how they base their location decisions. Xenia does not necessarily compete as well as other areas as far as household income, although it has gotten better over the last few years.
- A relative lack of retail opportunities weakens the quality of life aspect of the community and makes recruitment more difficult.

Business Retention & Expansion (BRE)

- Primary Goal for XEGC—we need to build upon the base that we have
- Nationally, more than 80 percent of job growth comes from BRE efforts
- Less costly than attraction efforts

BRE Strategy

- Maintain membership in *BusinessFirst!*, a regional business retention program that supplies the City with a very comprehensive data base. It also allows them access to 80 different resource partners (people in regulatory agencies, finance groups, education, training, and utilities that have made a commitment to the Business First program) who respond within 24 hours if they are called for assistance with one of your businesses.
- Maintain contact via e-mail and other media to alert businesses about new opportunities utilizing the data base they have. They just found out this spring that Xenia businesses are now eligible for some U.S. Rural Development (RDA) financing. He met with a business last week to discuss one of those programs, and more than likely the business will pursue that to make some changes to their building and get some term working capital to help them expand.
- Utilize XEGC Boards, the Xenia Area Chamber of Commerce and other groups and individuals to network with area businesses.

- Work with development partners to provide assistance to our businesses, not only for our *BusinessFirst!* program partners, but they also work closely with Greene County's Development Department and the Dayton Development Coalition when they get leads. He got a lead Tuesday that was provided by the Dayton Development Coalition.

Community Marketing

- Promote Xenia to both internal and external audiences. One of the results of the community survey done last fall was that there is a negative perception among Xenia citizens. It is a self esteem issue. They need to communicate to current residents and external people they are trying to entice about the positive things about Xenia and the business opportunities available.
- Work with regional development partners to educate them on the Xenia community and its assets. He has met with representatives from the Dayton Development Coalition, the State Development Office, and others to show them the housing options, the Industrial Park, our available land, and everything Xenia has to offer. Most of the people did not realize all Xenia has to offer because it had been awhile since they visited our City. If they do not know, they will be unable to help us sell the community.
- Targeted advertising in industry publications. There are some site development and area development magazines that are used by real estate people and site selection consultants who make real estate decisions. Where appropriate, they do some advertising, but that can get very expensive for their limited budget. For the last two years, they have tried to work with publications that have Internet packages, and they might get an advertisement in one issue of a magazine. Quite frankly, that is not going to do a lot, but they also get a full year presence on their website, and in some cases, they get to post information about their industrial sites, demographics, etc. Most site consultants do web searches first to narrow down where they want to locate. XEGC's website has also generated some leads.
- Develop a "Xenia Proud" or similar campaign to enhance community pride and visibility.
- Maintain a list of currently available industrial and commercial properties. Keeping a list of industrial and commercial properties is easy, but it is more difficult to keep a current list of properties for lease because the property owners do not always let XEGC know when they lease their property. There have a few occasions when they referred someone to a property and found out the property was leased a few weeks before and no longer available.
- Keep the website up to date because that is where most recruitment is happening.

Development Areas

- Xenia has excellent industrial sites available
 - OVCH Property (164 acres). He thought the road paving between Union Road and St. Rt. 380 was to be completed this week.
 - Arnovitz Site (90 acres) in the Industrial Park between Enterprise Lane and Patton Street. Utilities are in place.
 - Bales Site (access to site is off Birch and Hoop Roads). At this time there is no access from Enterprise Lane. Their recommendation is to not extend Enterprise Lane to the site because there is a lot of frontage. Depending on the business that might move there, the last thing he would want to do is spend hundreds of thousands of dollars to put in a road and have the business wish the road was located somewhere else. They have a right-of-way across the property to get to Enterprise Lane.
 - Hooven & Allison Redevelopment. He hopes to have a report to Council by the end of July on where they are at in regard to the site clean-up. They are finishing up the soil boring and water samples. He anticipates they will request authorization from Council to apply for some Clean Ohio Funds to help with the clean-up. He could not

provide an estimate at this time because they are looking at several scenarios. Once the clean-up is done, that will be an excellent site. Some of the buildings will need to be demolished, but not all, which should help with recruitment efforts for businesses that would like to make use of existing buildings. Since there is a lot of open space on the site, it will be easy for an industry to configure the site to meet their needs.

Councilman Caupp asked what happened to the potential biodiesel company. Mr. Brodsky said they are still working with a potential tenant, but the tenant would only need one small portion of the site.

Mr. Brodsky continued discussion on Industrial Sites:

- Industrial Boulevard Sites (1- to 10-acre tracts available)
- There are also excellent retail locations
 - Progress Drive Area
 - West Park Square Redevelopment (former Walmart)
 - Greene Park Plaza Redevelopment (former Kroger/Rink's site). They are working with the owner of that site to see if they can get some type of family recreation/entertainment complex there. The owner is currently doing a market feasibility study to see if there is a need, which we all know there is. If the numbers come back where they need to be, the owner may pursue that at that site. It may be fall before they have the results.
 - Downtown area. The Tier II Grant will be a tremendous help in revitalizing our downtown and help property owners update some of their buildings. It was disappointing to learn this week that Fulmer's was closing. They have contacted another grocery store to see if they might be interested in locating in that space. They recognize the importance of having a grocery store in the downtown area. Many people relied on Fulmer's, especially those residents who live in the senior high rise apartments. He has left messages with the Greene CATS Director to schedule a meeting. They would like to sit down with the managers of senior high rise apartments to see if there are ways to increase the bus routes or explore other options so those citizens can continue to be served by the remaining grocery stores.

Councilman Caupp said he did not know with whom Mr. Brodsky spoke, but SuperValu is located in Xenia and Mike Lofino owns 17 Save-a-Lot stores; he felt that concept might work. Mr. Brodsky said he would be glad to talk with Councilman Caupp after the meeting, but they are contacting people to see if there is interest in getting another grocery store in that space.

Mayor Bayless asked how much acreage was still available at Progress Center. Mr. Brodsky thought 120 to 150 acres were still available. Mr. Percival thought there were 120 acres available. Mr. Brodsky felt they would see additional development at Progress Center as the economy improves.

Councilman Louderback asked if there were still plans for a Kroger Marketplace at Progress Center. Mr. Brodsky said he did not know if Kroger still planned to build a Marketplace, but he thought they were still looking at doing something in Xenia. He would be reluctant to say exactly what Kroger plans to do. Councilman Caupp said Kroger does not allow their stores to get stale. Mr. Brodsky noted Kroger is currently building a Marketplace in Beavercreek.

Mr. Lewis said Walmart is also going to be remodeled. Councilman Caupp said a lot of Walmart stores are downsizing. They are widening the isles, eliminating some isles, and downsizing their shelving square footage.

Mr. Brodsky continued discussion on **Retail Locations:**

- In-fill development in Midtown area. The lot next to Rite-Aid is available as well as space available in Xenia Plaza on Allison Avenue. He thought once the new Cox Elementary School is rebuilt on Dayton Avenue, they might see additional things happening, especially if the Greene Park Plaza Redevelopment moves forward with a family recreation center.

Housing

- Singing Greens
- Gerdes Turf Farm (400 acres were annexed to the City of Xenia several years ago)
- In-fill in existing plats (Wright Cycle Estates, Sterling Green, et al)

Mr. Brodsky said while there are hundreds of acres of land for potential new residential development, the current weak housing market means it will likely be several years before these areas will be addressed. When the market does rebound, a detailed cost/benefit analysis should be performed before approving new subdivisions or annexations because new developments also place a demand on City services.

Councilman Louderback asked how many houses could be built on the Gerdes Property. Mr. Brodsky said there is the potential for 1,000 homes, depending on their size, lay-out, and the number of roads. He suspected there would be less than that.

Where do we go from here?

- New Income Tax Rebate Incentive.

Mr. Brodsky noted the City of Fairborn and the City of Kettering recently passed an incentive to provide an Income Tax Rebate to businesses. Dayton passed an Income Tax Rebate for businesses in the downtown area, and other communities are looking at similar legislation. Their recommendation is to create an Income Tax Rebate Program for non-retail businesses with a yearly payroll of over \$1 million to give the City another economic development tool for job creation. It is designed to enhance the tax base of the community and provide employment opportunities for residents of the City in accordance with the Economic Development and Vision Plans of the City of Xenia. He shared the proposed ordinance below:

880.24 INCOME TAX REBATE PROGRAM

- (a) Where a qualifying non-retail business is subject to the provisions of 880.04, imposition of withholding tax, it may be eligible for the Xenia City Income Tax Rebate Program. Qualifying businesses will be non-retail businesses including, but not limited to, manufacturing, distribution, research and development, or technology firms. The incentive program is available to qualifying new businesses or qualifying existing businesses.*
- (b) The Income Tax Rebate Program will rebate a portion of withholding income taxes collected from qualifying non-retail businesses creating at least 45 new full-time jobs with a wage of 150 percent of the federal minimum wage or 20 jobs at 400 percent of the*

federal minimum wage or some combination such that the total payroll exceeds \$1,000,000 for those jobs paying in excess of 150 percent of the federal minimum wage. At least 20 percent of the jobs will be held by Xenia residents.

- (c) If the qualifying non-retail business adds the requisite number of employees and payroll they will be eligible for a rebate of withholding taxes paid based on a credit of up to 1 percent of the withholding income tax rate (i.e. credit of up to 1% of current 1.75% tax rate equating to 57% rebate of withholding taxes paid).*
- (d) Qualifying non-retail businesses are eligible for a rebate for up to five years, if they commit to staying in Xenia for at least ten years. The rebate program will contain claw back provisions specified in the rebate agreement if the qualifying non-retail business leaves prior to the 10-year period or significantly reduces employment.*
- (e) All rebate agreements are subject to the approval of City Council.*

Mr. Brodsky said while XEGC would administer the program, the decision making rests with Council.

Councilman Louderback clarified the eligible rebate was based on a 1.75% tax rate and not the 2.25% tax rate requested in the upcoming levy. Mr. Brodsky said if the rate increases to 2.25%, they would have to look at whether they want to keep the rebate the same or if they would want to increase it. Obviously, the rebate is based on the current tax rate. Mr. Bazalak said if the business is paying a higher rate, even at 1%, they will be getting a credit for a lot more because they will be paying a lot more at 2.25%. They looked at that and had the same question as Councilman Louderback.

Councilman Louderback asked how they could legally require employees to live in the City of Xenia. Mr. Brodsky said they cannot legally require that, but they can strongly encourage businesses to hire City of Xenia residents. With their Enterprise Zone companies that receive tax abatement through the State, they ask that at least 10% of people they hire are City of Xenia residents. Mr. Percival said most of those companies exceed the 10% by a large margin.

Councilman Louderback asked if a resident of Beavercreek who worked in Xenia would pay City of Xenia income tax. Mr. Percival said yes; they have to pay the current City of Xenia income tax rate because they work in the City.

Councilman Caupp asked how that would work for a new company with a tax abatement. Would the company get either the tax abatement OR the Income Tax Rebate, or could they get both. Mr. Brodsky said potentially the company could get both. The City of Xenia gets 9% of the property tax collected with the majority going to the school system. That tax abatement is affecting the schools a lot more than the City, County, or any of the other entities. They have some agreements with the Township that would require some income tax sharing depending on the business. If they do business in the Township, they would have to talk to the Township to see if they would be willing to delay when they receive the full tax sharing benefit or something. Mr. Percival thought it was based on net collections and not on gross collections. Mr. Bazalak noted that was true for OVCH and the Progress Drive area. Mr. Brodsky said that is something they would have to look at.

Mr. Percival said a lot of companies today do not have a major real estate presence. A lot of them are not building big buildings or making major real estate investments, but they are bringing 10, 20, 30, or 40 jobs. This is just an incentive for them. When the personal property tax went away and was replaced with the Commercial Activity Tax (CAT), it took away part of the incentive for the Enterprise Zone Program because they could no longer get a rebate on personal property tax. The Income Tax Rebate Program is just another tool.

Mr. Brodsky said as the CAT tax was instituted, even though they had a couple of years left on their Enterprise Zone Agreements, they voluntarily stopped the agreements. Businesses said it was not worth it to them to do all the paperwork involved because they were heavy on personal property tax and getting almost no rebate anymore. Therefore, those businesses voluntarily separated from that program.

Mr. Brodsky said some people asked why they were not making the Income Tax Rebate Program available to small businesses rather than businesses with huge payrolls. If you have a company with a huge payroll, the company is getting a decent Income Tax Rebate, which acts as an incentive. If you own a small shop with three or four employees, the Income Tax Rebate Program is not much of an incentive to get back a few hundred dollars. The low interest loan program is still available to help those small businesses so they can get better financing, and generally those businesses need better financing terms. They have done a few loans recently where the businesses were able to get conventional loans, and they were able to provide some gap money.

Mr. Percival said the Income Tax Rebate Program is just another tool in the tool box that will allow them to be more aggressive. Xenia has available, inexpensive land with infrastructure in place. When you look at those things, they will probably be looking at start-up businesses. If a major business relies on Wright-Patterson Air Force Base, they will still want to be located on I-675 at the front door to WPAFB because that is still the perception. Everybody at WPAFB will swear that is not true, but if you talk to the guys running the businesses, they will tell you they want to be right there.

Mr. Brodsky said several weeks ago they met with several major development firms in the area. They were flabbergasted when one of the firms said they were told by a number of potential companies that they did not want to look a piece of land on I-675 in Fairborn because it was too far away from WPAFB. Mr. Lewis said his brother-in-law works for McDonnell Douglas and the company just moved from one side of I-675 to the other side to get closer to WPAFB.

Vice President Mills said that did not make sense to her. Honda has a business in Marysville, a transmission company in Russells Point, KTH in St. Paris (a 30-minute drive from Marysville), and they have at least 11 or more affiliate shops all around the area. Mr. Brodsky said those are not aerospace companies. Mr. Lewis said those companies are also not doing government contracting.

Mr. Percival said the rule used to be that you had to be able to be at WPAFB within 15 minutes. The folks at WPAFB will tell you that is no longer true, but individual companies still have that in their mind. Mr. Lewis said it may no longer be the rule, but it was still the practice.

Mr. Brodsky said more than likely those large aerospace companies [that do work for WPAFB] will not come to Xenia even though land outside the City will cost ten times more. Xenia has a

value proposition which is why their target is the smaller start-up companies that need more land and space to grow, but cannot afford to spend \$500,000 an acre. Some of the lots out there are going for \$500,000 to 700,000 an acre. Good industrial land in Xenia is going for \$25,000 to \$40,000 an acre. Between the value proposition Xenia has and the lower cost of doing business, especially for those businesses that use a lot of water, those are the companies they have been able to attract. He suspects those are the companies they will continue to attract rather than the larger defense related companies.

Councilman Louderback asked for an update on the Cornerstone Research Group; he thought they were a WPAFB supplier. Mr. Brodsky said CRG has some contracts with the Air Force Defense Department, but quite frankly, that is not their primary driver. He still suspects CRG will build in Xenia when the economy improves and financing becomes easier. CRG Industries leased some vacant space on Patton Street, and they do expect there will be some additional growth out there as well. Mr. Percival said another start-up company is joining CRG at the Industrial Park.

Mr. Brodsky continued discussion on **Where do we go from here?**

- Pursue grants for redevelopment of older industrial properties. As he mentioned earlier while discussing the H&A Redevelopment, they will be coming to Council within the next few weeks with another Clean Ohio Grant application. They are working with a company right now on a long-term lease at that location.
- BRAC Recruitment
 - Start-ups and spin-offs
 - Companies looking for value
- Build on Buxton Study
- JEDD or other partnership agreements

Councilman Caupp asked if the owner of West Park Square was doing anything about the old Walmart building. Mr. Percival said there are two owners in West Park Square. The owner of the old Walmart building lives in California. Developers Diversified owns everything else past the old Walmart building over to the old Hollywood Video site. The owner of Walmart has the building listed with Colliers International but he has a lease rate of \$4.50 per sq. ft. Most people who rent an empty box store do not want to pay that because they feel they can low-ball the empty box price because that will raise the lease price on all the other out lots. The problem is that the owner does not care if the lease prices go up on the other properties owned by Developers Diversified. It would be a lot easier for the City if all that property was owned by one company. Developers Diversified is actively pursuing leads. He has sent them several leads and they are using the Buxton Study as part of their recruitment efforts.

(Councilman Miller arrived at 6:05 p.m.)

Mr. Brodsky said the owner of the former Walmart owns retail space around the country, so hanging onto the old Walmart building will not hurt him financially. Mr. Percival said the gentleman is a multi-billionaire. Another individual he met with while at the ICSC conference has a good relationship with the gentleman that owns Walmart and has worked with him on several different deals. He is attempting to push him in a direction that would be helpful to the City.

Councilman Smith asked what kind of commitment Xenia Community Schools has made to Xenia businesses. Although they cannot make it a rule, Mr. Brodsky said the school's goal is

that 40% of the construction will go to local businesses. They met with contractors and suppliers, and there will be additional meetings this fall to explain the opportunities and process businesses must follow to submit bids. As much as possible, Xenia Community Schools would like to use local contractors, sub-contractors, and suppliers. Obviously, there are a lot of different things that go into the construction of new school buildings. Councilman Miller thought there was also a special training to explain to local companies how they can get certified to be a contractor. Mr. Brodsky said they had that training as well as additional meetings.

With the new Income Tax Rebate Program, Vice President Mills asked what makes Xenia stand out above Fairborn, Beavercreek, and other communities that have similar incentive programs. Mr. Brodsky said they cannot compare Xenia to Beavercreek. In 2003, the City of Xenia celebrated its bicentennial, and in 2006 the City of Beavercreek celebrated its 25th anniversary. There is no way to compare a 200-year old city with a 25-year old city. Vice President Mills said she doesn't want to compare the cities, she wants to know how Xenia can stand out above the other cities. Mr. Brodsky said Xenia has more available land at a better value than surrounding communities. Xenia has available land at \$40,000 an acre compared to other cities that are asking \$500,000 an acre. He thought that value proposition was Xenia's biggest selling point. Labor force and demographics are similar to other cities. Xenia does not have the proximity to WPAFB like Beavercreek, Fairborn, or Riverside. The Income Tax Rebate Program will make Xenia more competitive. Some of the developers they met with weeks ago asked to be informed immediately if Council decides to implement the Income Tax Rebate Program.

Mr. Bazalak said they discussed businesses that have a fixed asset investment. Unfortunately, that is not necessarily the market today. Fairborn is looking at 9.9 mils, which will put them at a higher property tax rate than the City of Xenia. They know that Beavercreek has a significantly higher property tax rate, but they don't know what they might be looking at in the near future in regard to a funding source. Even with the City asking for an Income Tax increase in November, the Income Tax Rebate Program will be an incentive to attract new businesses. Once the jobs come here, it is more likely the person [families] will want to live here if they are looking at overall costs. They would already be paying the income tax, but they would be paying less for property taxes in Xenia compared to other communities. Vice President Mills said they need to know those things in order to sell and promote Xenia.

(President Felton arrived at 6:10 p.m.)

Councilman Louderback asked how Beavercreek gets by with having no income tax. He understood Beavercreek's property taxes are higher. He asked if The Greene and Fairfield Commons were paying taxes. Mr. Percival said yes. Their property tax revenue is huge. Mr. Bazalak noted their property tax rate is higher, but their assessed valuation is significantly higher as well.

Mr. Brodsky said Beavercreek's housing stock is different because the homes have a higher value. You can look at very similar looking subdivisions in Beavercreek and Xenia and the price could be \$30,000 more in Beavercreek. Councilman Louderback said he understood that, but he did not know how Beavercreek can be sustained year after year without an income tax. Mr. Brodsky said he did not know.

Mr. Percival said the City of Beavercreek does not have a Fire Department; they have a township Fire Department. They have no infrastructure costs because they have no Water Department or water and sewer lines to maintain (owned and maintained by Greene County). They have a street levy dedicated solely to the streets. Beavercreek does have a Police Department. Mr. Brodsky thought the City of Beavercreek and Township supported the Police Department. Mr. Percival said that was no longer true; they have split. Councilman Miller said Fairborn also provides police protection to Beavercreek. Mr. Percival said that was incorrect; Fairborn used to provide fire protection, along with Beavercreek Township.

Councilman Louderback said he heard rumors that Beavercreek will be asking for an income tax. Mr. Brodsky said that has been a rumor for a long time. Councilman Caupp said Beavercreek has a lot of WPAFB employees who will never vote for an income tax.

Mr. Percival said that is the other thing. Can Beavercreek do the 1% and not have a referendum. Councilman Miller said the Beavercreek Charter states any income tax brought about will require Council approval, but it will not go into effect until the population votes for it. Therefore, it must be a referendum. Councilman Caupp said that was correct. Councilman Miller said he already talked to the Beavercreek Mayor.

Mr. Percival said they would like Council to look over the information they proposed for a few weeks. The proposal will be brought back at a future Council meeting after everyone has a chance to thoroughly review it think it through. Is it a placebo and will it fix all the problems? He did not think so, but it is another tool to help the City become more competitive with surrounding communities. Xenia is not just competing with surrounding communities. For example, Clayton was competing with other communities in Ohio for the new Caterpillar parts distribution center. When it came down to the final three, it was between Ohio, Indiana, and Tennessee. The City of Xenia is not just competing with Fairborn, Beavercreek, and Centerville. They are competing with Indiana, Michigan, Illinois, Kentucky, and Tennessee. He thought Mr. Brodsky raised an important point earlier. It definitely behooves them to work with the employers in Xenia to help them grow, add employees, and become more successful because that is the best value added proposition for us.

Councilman Louderback asked if Clayton offered a lucrative tax incentive to Caterpillar. Mr. Percival said yes; he believed it will take 15 years for the payback. You have to ask yourself how much those 500 jobs would mean to our community and our citizens. Jobs are important today because a lot of people are unemployed. You have to weigh that whole equation. Councilman Caupp thought Caterpillar needed a rail system. Mr. Percival said that was not the case. Mr. Brodsky said Caterpillar did not need a rail system, but they were specifically looking for a location on I-70 only.

Mr. Brodsky noted the Payless Shoes Distribution Center's site selection consultant paid a site visit to Xenia to look at the OVCH property. The issue was that the road did not go all the way over to U.S. 68. Councilman Louderback asked if the distribution center located in Vandalia. Mr. Percival said Payless Shoes built an 800,000 square foot distribution center in Brookville. Mr. Brodsky said people are looking at Xenia, but Montgomery County has a rail system to offer businesses that Xenia does not have. He asked one of the realtors if a company would rather have a \$150,000 grant and have to spend \$750,000 more for land costs. Even without the grant, Xenia's land costs are lower.

Mayor Bayless asked if businesses ever let the city know they are in trouble. It seemed like Fulmer's was just gone. Mr. Percival said businesses rarely do that. Less than six months ago they asked Fulmer's if they were in trouble. Fulmer's said they had some issues and that things were tight, but they thought they would be okay. Mr. Lewis asked if Fulmer's was a chain. Mr. Percival thought the Fairborn Fulmer's closed less than a year ago. Mr. Brodsky said there were three Fulmer's in this area. Councilman Caupp said it would not surprise him if Fresh Encounters (Fulmer's) pulls out of all their southern stores. They only stores left are in Hillsboro, Wilmington, and New Carlisle. Mr. Lewis thought demographically they could get another grocery store at the location. Mr. Brodsky said they are working on that.

Mr. Percival said another tool they just got from Buxton was a way to pinpoint people's buying habits to tell local retailers what products they should carry. These are all different tools, and they have to continue to work with every available tool they have.

Councilman Louderback noted since Xenia is the county seat, the demographics are different. Mr. Brodsky agreed they have to work with what they have, but that is not necessarily a bad thing.

Mr. Percival said many things go into the mix when businesses are looking at sites. He checked with RG Properties this week about the old Bob Evans site and asked what was going on. The representative said absolutely nothing because Bob Evans will not lower their price. For the old Bob Evans site to become a viable retail site, they have to tear down the existing building and erect a new building. For them to be able to do that, they cannot pay \$850,000 for that piece of ground. Councilman Caupp suggested they create an empty box tax for Bob Evans because then they will sell.

Mr. Lewis wondered if it would do any good to approach Bob Evans as a community. Mr. Percival said he would be happy to do that. Councilman Louderback suggested using eminent domain. Mr. Percival said eminent domain is not allowed for active development due to a recent Supreme Court case decision.

Mayor Bayless confirmed Mr. Percival would talk to someone from Bob Evans. Mr. Percival said yes.

New Xenia Community Video. Mr. Brodsky then showed a preview of the new community video for Council's perusal. The video is not the absolute finished product, because they want to get some higher resolution graphics to make the video look a little better. If Council would like changes to be made, there is still an opportunity to do that.

Mr. Brodsky noted no narrators were used in the video, which was done on purpose because they did not want to have a talking head. They wanted people in the community to tell the story of our community. Xenia people are telling the story and not a narrator who may not even know where Xenia is located. President Felton asked if all the people in the video live in Xenia. Mr. Brodsky said he could not say they all live in Xenia, but they at least work here. President Felton said she understood that.

Mr. Brodsky said they would like to highlight the graphic of the Transportation Triangle so the interstates stand out.

Mr. Lewis thought the video was great. He suggested taking a better picture of the highway. There were a lot of weeds in the shot used of the U.S. 35 Bypass. He also suggested showing a small commercial carrier taking off or landing at the Lewis A. Jackson Regional Airport rather than the private two-seater plane shown. They are expanding that runway so small commercial carriers can land there. Mr. Brodsky said the videographer spent the entire day at the airport to get the shot he took. Councilman Caupp said they would just need to call the airport to get the flight schedule. Mr. Lewis said the airport workers would bring a commercial carrier on the runway for them. People need to know it is more than a private airport, and they are trying to change the airport using the federal money they now have. Councilman Caupp agreed; the video only showed recreational planes taking off.

Mr. Lewis also suggested changing Chief Person's comment about the "serious" crime rate to "very low" crime rate. He thought Xenia has a very low crime rate compared to other cities and thought the word "serious" might give the wrong impression. No one is being killed here nor are cars getting broken into every other night. Other than those few things, he thought the video was great.

President Felton said she would call Mr. Brodsky with her comments. Councilman Miller said he liked the video.

Mr. Brodsky noted Xenia resident Andre Devon shot the video. Vice President Mills thought not having a narrator helped keep your interest. Mr. Lewis agreed.

Mr. Percival asked Council to review information on the Income Tax Rebate Program and to give them feedback within the next few weeks. If people have other ideas on how to entice businesses to Xenia, please share them.

The Special Session was adjourned at 6:40 p.m.

Michelle D. Johnson, Clerk
Xenia City Council

Patricia L. Felton, President
Xenia City Council