

**City of Fairfield
Minutes
Regular Meeting of City Council
March 11, 2019**

Council-Manager Briefing

6:00 PM - PACE Financing 6:30 PM - Economic Development Update

Mayor Miller called the briefing to order at 6:00 PM. Councilmembers present: Leslie Besl, Debbie Pennington, Tim Abbott, Ron D'Epifanio, Bill Woeste. Craig Keller arrived at 6:30 PM.

Staff members present: Mark Wendling, Dan Wendt, Alisha Wilson, Greg Kathman, Alex Kraemer, Erin Lynn, Steve Maynard, Tiphonie Howard, Lee Rosato, Carol Mayhall, Dave Butsch, Adam Sackenheim, Scott Timmer.

Council heard a presentation regarding PACE Financing from Skylor Miller, Greater Cincinnati Energy Alliance, and a presentation regarding Economic Development in Fairfield from Greg Kathman, Development Services Director. See attached slides.

Business Meeting Call to Order

Mayor Miller called the Regular Meeting to order at 7:00 PM.

Prayer/Pledge of Allegiance

Mayor Miller led in prayer and Pledge of Allegiance.

Roll Call

Councilmembers present included:

Attendee Name	Title	Status	Arrived
Ron D'Epifanio	Council Member at Large	Present	
Chad Oberson	Council Member at Large	Present	
Bill Woeste	Council Member at Large	Present	
Leslie Besl	Council Member, 1st Ward	Present	
Craig W. Keller	Council Member, 2nd Ward	Present	
Debbie Pennington	Council Member, 3rd Ward	Present	
Tim Abbott	Council Member, 4th Ward	Present	
Steve Miller	Mayor	Present	

Agenda Modifications

None.

Executive Session Requests

Councilmember Abbott, seconded by Councilmember Pennington, moved for Executive Session to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee. Motion carried 7-0.

Special Presentations and Citizen Comments

David Brown, Butler County Auditor's Office, addressed Council regarding the status of fuel quality testing in the County, as well as announced the Board of Revision filing deadline of April 1.

Peggy Potts, 5292 Freida Drive, addressed Council regarding the decision concerning the Asian market. She stated that the newspaper indicated objections due to undesirables, that the area will decline and that it will add traffic. Mayor Miller stated that the article was not good reporting and was biased, that the reporter picked and chose what to report. Attorney Steve Woltermann explained that the zoning for that piece of land is different because it is a PUD and that the office building was meant to be a buffer to the residential area, and by changing it to retail, it would no longer serve as that intended buffer.

Public Hearing(s)

None.

Approval of Minutes

- a. The Regular Meeting Minutes of February 25, 2019 were approved as written and submitted.

OLD BUSINESS AND REPORTS

Development Services Committee

Bill Woeste, Chair; Tim Abbott, Vice Chair; Ron D'Epifanio, Member

Ordinance amending Ordinance No. 166-84, the Codified Ordinances of Fairfield, Ohio, Section 1141.02, the City of Fairfield, Ohio, Zoning Map by changing the current Frederic's Corporation Planned Unit Development Plan to M-2, General Industrial District.

Recommendation:

It is recommended that City Council have a first reading on this item at the January 28, 2019 meeting, set the joint public hearing date for February 11, and await the written recommendation from the Planning Commission.

Councilmember Woeste presented the third reading of this ordinance. ORDINANCE NO. 18-19.
APPROVED 7-0.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Bill Woeste, Council Member at Large
SECONDER:	Tim Abbott, Council Member, 4th Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

NEW BUSINESS

Public Works Committee

Chad Oberson, Chair; Ron D'Epifanio, Vice Chair; Bill Woeste, Member

Motion to Read by Title Only

Motion to read the following three (3) ordinances by title only.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Chad Oberson, Council Member at Large
SECONDER:	Craig W. Keller, Council Member, 2nd Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Ordinance to authorize the City Manager to enter into a contract with Prus Construction for the 2019 Sidewalk/Apron Replacement Program.

Recommendation:

The staff recommends that City Council authorize the City Manager to enter into a one (1) year contract with Prus Construction of Cincinnati, Ohio for the 2019 Sidewalk/Apron Replacement at the unit prices indicated. The recommendation to exercise the year 2 and year 3 option are to be determined.

It is further recommended that City Council authorize and direct the preparation of legislation for the appropriation of funding in the amount of \$375,000.00 from the General Fund for the 2019 portion of this project.

Councilmember Oberson presented the first reading of this ordinance.

RESULT:	FIRST READING	Next: 3/25/2019 7:00 PM
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Ordinance to authorize the City Manager to enter into a contract with WG Stang, LLC for the River and Gray Intersection Improvements Project.

Recommendation:

It is recommended that City Council approve legislation for an appropriation of funding for the amounts shown in the Financial Impact.

It is also recommended that City Council direct the preparation of legislation authorizing the City Manager to enter into a contract with WG Stang, LLC for the River and Gray Intersection Improvements Project.

Councilmember Oberson presented the first reading of this ordinance.

RESULT:	FIRST READING	Next: 3/25/2019 7:00 PM
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Ordinance to authorize the City Manager to enter into a contract with A&A Safety of Amelia, Ohio for the 2019 Pavement Marking Application Program.

Recommendation:

It is recommended that City Council approve legislation for an appropriation in the amount of \$105,000.00 from the Street Improvement Fund, and authorize the City Manager to enter into a contract with A&A Safety of Amelia, Ohio for the 2019 Pavement Marking Application contract.

ORDINANCE NO. 19-19. APPROVED 7-0.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Chad Oberson, Council Member at Large
SECONDER:	Bill Woeste, Council Member at Large
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Motion to Suspend Second and Third Readings

Councilmember Oberson presented the first reading of this ordinance.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Chad Oberson, Council Member at Large
SECONDER:	Bill Woeste, Council Member at Large
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Public Utilities Committee

Debbie Pennington, Chair; Chad Oberson, Vice Chair; Leslie Besl, Member

Motion to Read by Title Only

Motion to read one (1) ordinance by title only.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Debbie Pennington, Council Member, 3rd Ward
SECONDER:	Craig W. Keller, Council Member, 2nd Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Ordinance to authorize the City Manager to enter into a contract with Larry Smith Incorporated for the Donald Drive Water Main Replacement Project.

Recommendation:

It is recommended that City Council authorize the City Manager to enter a contract with Larry Smith Incorporated, and appropriate project funding in the amount of \$480,000.00 for the Donald Drive Water Main Replacement Project. Rules suspension is being requested in order to expedite the project.

ORDINANCE NO. 20-19. APPROVED 7-0.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Debbie Pennington, Council Member, 3rd Ward
SECONDER:	Tim Abbott, Council Member, 4th Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Motion to Suspend Second and Third Readings

Councilmember Pennington presented the first reading of this ordinance.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Debbie Pennington, Council Member, 3rd Ward
SECONDER:	Craig W. Keller, Council Member, 2nd Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Finance & Budget Committee

Tim Abbott, Chair; Leslie Besl, Vice Chair; Chad Oberson, Member

Motion to Read by Title Only

Motion to read the following two (2) ordinances by title only.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Tim Abbott, Council Member, 4th Ward
SECONDER:	Debbie Pennington, Council Member, 3rd Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Ordinance to amend Ordinance No. 127-18 entitled “An Ordinance to make estimated appropriations for the expenses and other expenditures of the City of Fairfield, Ohio, during a period beginning January 1, 2019, and ending December 31, 2019.”

Recommendation:

It is recommended that City Council suspend the rules requiring a second and third reading of this Ordinance and adopt the appropriations listed above.

ORDINANCE NO. 21-19. APPROVED 6-0 (Councilmember Abbott abstained).

RESULT:	ADOPTED [6 TO 0]
MOVER:	Tim Abbott, Council Member, 4th Ward
SECONDER:	Craig W. Keller, Council Member, 2nd Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington
ABSTAIN:	Abbott

Motion to Suspend Second and Third Readings

Councilmember Abbott presented the first reading of this ordinance.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Tim Abbott, Council Member, 4th Ward
SECONDER:	Debbie Pennington, Council Member, 3rd Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Ordinance to amend Ordinance No. 127-18 entitled “An Ordinance to make estimated appropriations for the expenses and other expenditures of the City of Fairfield, Ohio, during a period beginning January 1, 2019, and ending December 31, 2019.”

Recommendation:

It is recommended that City Council suspend the rules requiring a second and third reading of this Ordinance and adopt the appropriations listed above.

ORDINANCE NO. 22-19. APPROVED 7-0.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Tim Abbott, Council Member, 4th Ward
SECONDER:	Debbie Pennington, Council Member, 3rd Ward
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Motion to Suspend Second and Third Readings

Councilmember Abbott presented the first reading of this ordinance.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Tim Abbott, Council Member, 4th Ward
SECONDER:	Bill Woeste, Council Member at Large
AYES:	D'Epifanio, Oberson, Woeste, Besl, Keller, Pennington, Abbott

Meeting Schedule

Clerk Wilson read the following meeting schedule:

- A. Monday, March 25 - Council-Manager Briefing, 6:00 PM; Regular Meeting 7:00 PM
- B. Monday, April 8 - Council-Manager Briefing, 5:30 PM; Regular Meeting 7:00 PM
- C. Monday, April 22 - Council-Manager Briefing, 6:00 PM; Regular Meeting 7:00 PM

Executive Session of Council (if needed)

Council adjourned to Executive Session at 7:40 PM.

14. ADJOURNMENT

The Regular Meeting adjourned at 8:15 PM.

ATTEST:

Clerk of Council

Mayor's Approval

Date Approved_____



City of Fairfield
March 11, 2019

WHO WE ARE

- Nonprofit organization focused on energy efficiency investments
- Total regional investment over ***\$50+ million***
- Public-Private Partnership
- ***\$20+ million*** in grants & contracts awarded
 - Department of Energy Better Buildings
 - County and City Governments
 - Kentucky State Energy Office



Greater Cincinnati
**Energy
Alliance**



WHAT IS PACE?

Property Assessed Clean Energy (PACE) provides a capital financing option for building owners that Local Governments can facilitate as an economic development incentive.

PACE is a special assessment financing for energy efficiency and renewable energy building improvements for commercial properties.



OLD CONCEPT / NEW APPLICATION



1736 – First Assessment District created in Philadelphia

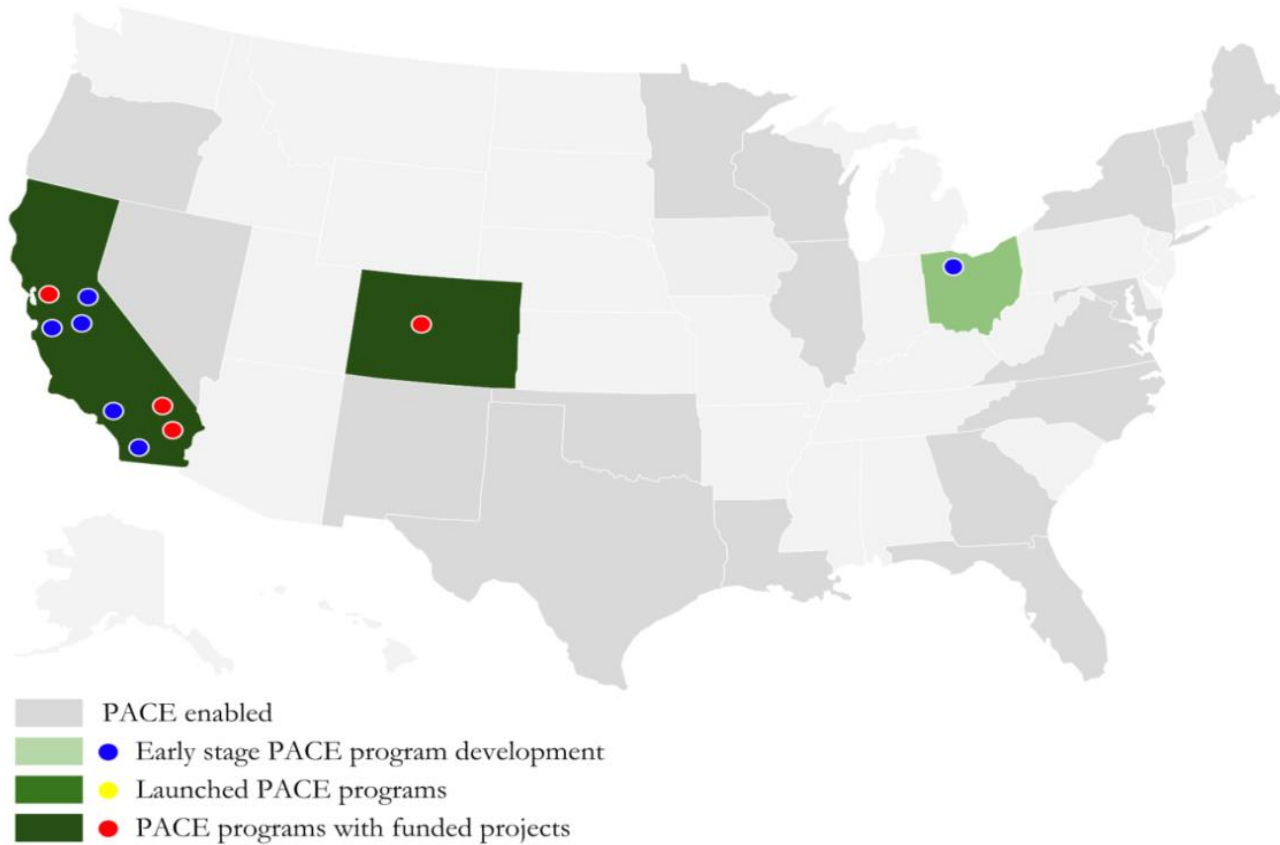
Today – 37,000 Assessment Districts nationwide

- Water & Sewer Service
- Storm Water
- Sidewalks
- Lighting
- Downtown Renewal
- Energy Efficiency (PACE)

PACE LEGISLATIVE MAP 2010

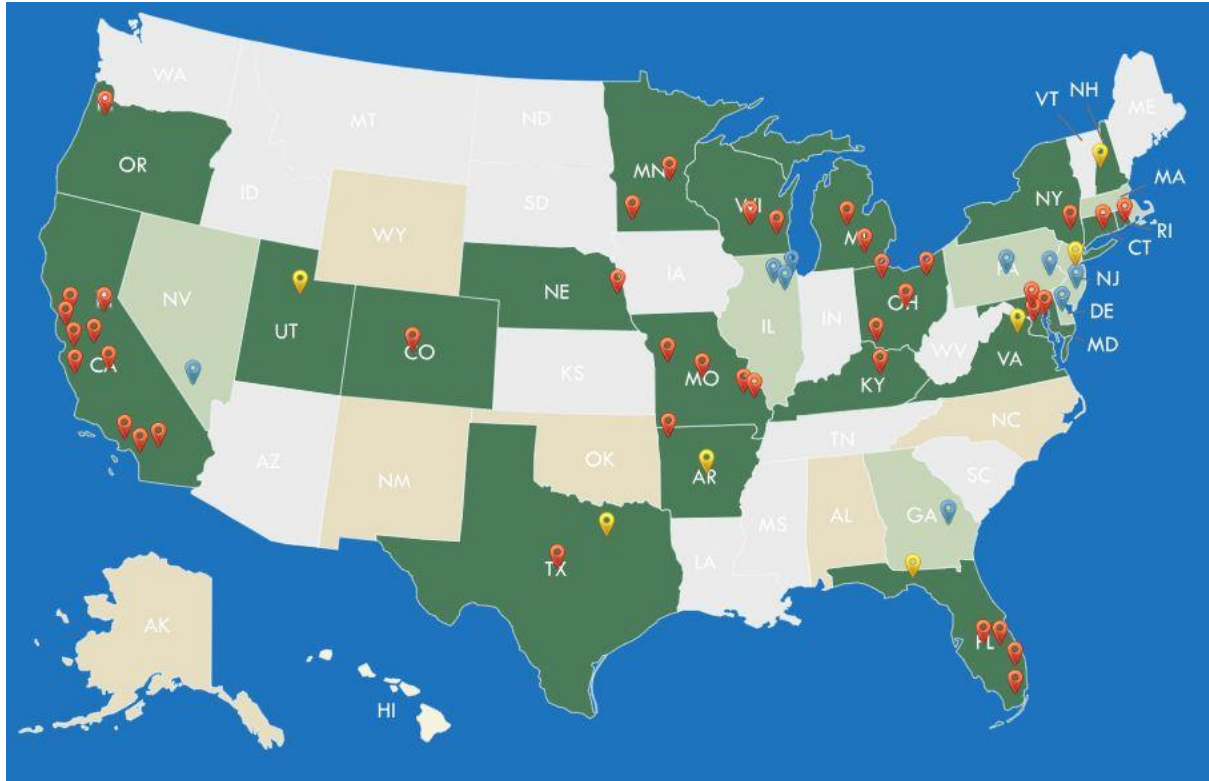
\$1,000,000 in PACE investments

3 States



PACE LEGISLATIVE MAP 2019

\$700,000,000 in PACE Investments – 43,000+ Jobs Created
30+ States reaching 80+% of US Population



OHIO ENERGY SID

- PACE legislation modifies Special Improvement Districts to create an “ESID”
 - Ohio State Legislation was passed in 2009
 - Local Legislation needed by City, Village or Twp.
- Property owner voluntarily joins district
- Non-contiguous district



OHIO ESID PROCESS (1ST PROJECT)

1. Property owner submits petition to local government to create ESID
2. Local government approves ESID creation by Resolution/Ordinance
3. ESID Board forms (2 of 5 members by local government)
4. ESID and local government approve the project including the PACE special assessment schedule by Ordinance



OHIO ESID PROCESS (1ST PROJECT)

5. Special assessment details forwarded to County Auditor/Treasurer
6. PACE financing “closing” occurs with PACE Lender
7. Energy project gets completed
8. Property owner receives normal tax bill with the PACE special assessment added and remits to the County Treasurer as usual. All taxing authority remains with the local government



LOCAL GOVERNMENT ROLE

(AFTER 1ST PROJECT)

Ongoing approval for future projects as new property owners are approved by the ESID

Continues to authorize the County Auditor to place new PAC special assessments for new/approved property owners

COUNTY ROLE

(AFTER 1ST PROJECT)

Auditor continues to receive requests from local government to place assessment on property tax record

Treasurer continues to receives payments from participating property owners and remits to the local government finance department

OHIO PACE ROLE



WHO IS PACE FOR?

All commercial property types* including
Multi-family with 5 or more units

*Exception: state and federal buildings



BENEFITS TO BUILDING OWNERS

- No Down Payment
- No Personal Guarantee
- Preserve Credit Lines
- Resolves Split Incentive
- Off Balance Sheet Treatment
- Fixed Rate/ Fixed Payment
- Long term: 10-30 years
- Transfers with the property
- Can include soft costs



Efficient Financing for Building Efficiency

What is PACE Financing?

PACE is a simple and effective way to finance energy efficiency and renewable energy building improvements. PACE can pay for qualifying improvements for almost any type of property including commercial, retail, industrial, nonprofit, and multi-family.

Property owners across the United States are using PACE because it saves them money and makes their buildings more valuable. PACE provides financing for 100% of an energy project's cost and is repaid for up to 25 years with a voluntary special assessment added to the property's tax bill.

Why PACE Financing?

No Down Payment PACE covers 100% of the hard and soft costs of an energy project eliminating the need for up-front capital. No Personal Guarantee PACE financing is "guaranteed" by the Special Assessment added to the property's tax bill, therefore, no personal or business guarantees are needed. Off Balance Sheet Treatment Because PACE financing is solely repaid via a Special Assessment added to the property's tax bill, "off balance sheet treatment" is recommended by some accountants because the repayment "runs with the land" and not the business.	Fixed Rate / Fixed Payment PACE financing rates and terms are fixed for the life of the PACE loan. 15-25 Year Term Repayment terms can be extended to match the useful life of the eligible improvement. Triple Net Lease Pass-through Because repayment of PACE funding is via a Special Assessment on the property's tax bill and is technically an increase in property taxes, the property owner can seamlessly share the PACE-financed improvement costs (and energy savings) with the tenant under some lease structures such as "triple nets".
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PACE Benefits for the Property Owner

No Down Payment	Energy Savings	Energy Savings
No Personal Guarantee	Low Fixed Payment	Low Fixed Payment
Off Balance Sheet Treatment	Extended Term	Triple Net Pass Through
Preserved Credit Lines & Freed Up Capital Budgets	Increased Cash Flow & NOI	ZERO Net Cost to Property Owner

KEY POINTS FOR UNDERWRITING

Retrofit



New Construction & Gut Rehab



- Up to 90% PACE Assessment + Loan
- Prepayment option is available

PACE RETROFIT SUCCESS STORIES



NEYER PROPERTIES: BLUE ASH, OH

Key Points:

- Tenant Pass Through
- 15 Year PACE Assessment



Energy Improvements:

- LED Lighting
- HVAC replacement



KETTERING TOWER: DAYTON, OH

Key Points:

- \$2.1M PACE Project
- \$394k Annual Energy Savings
- \$285k Annual PACE Assessment
- 10 Year PACE Assessment



Energy Improvements:

- LED Lighting system
- Occupancy control
- Real time building automation system



SUMMIT WOODS I&II: SHARONVILLE, OH

Key Points:

- \$250,000 PACE Project
- 10 Year PACE Assessment



Energy Improvements:

- Energy Management Systems:
 - HVAC Controls
- LED Parking Lot Lighting



PACE NEW CONSTRUCTION SUCCESS STORIES



MORELIA GROUP: OAKLEY CONNECTION

Key Points: New Construction

- \$6.8M Total Project Cost
- \$1.3M PACE Project
- \$134,000 Annual PACE Assessment
- 25 Year PACE Assessment



Energy Improvements:

- Building Envelope
 - Roof
 - Windows
 - Doors
 - Insulation



BRANDICORP: KEYSTONE HOTEL

Key Points: New Construction

- \$22M As Completed Appraised Value
- \$1.7M PACE Project
- \$186,000 Annual PACE Assessment
- 30 Year PACE Assessment



Energy Improvements:

- Building Envelope
 - Roof
 - Windows
 - Doors
 - Insulation

120 room limited service Hilton
Garden Inn.



PACE FUNDING PROCESS

- Initial Eligibility Form
- Energy Project Summary
- Lender Consent
- Energy Project Application
- ESID / Local Government Approval
- Funding
- Installation

OHIO PACE Funding Process

- 1. Initial Eligibility Form**
The property owner completes a brief form at OHPACE.org to help PACE determine if the property and potential energy project is eligible for OHIO PACE financing.
- 2. Energy Project Summary Form**
The property owner works with a OHIO PACE registered contractor to identify eligible energy saving improvements and quantify the energy savings. This form is submitted with the Energy Project Application.
- 3. Energy Project Application**
The application allows the property owner to provide essential financial documentation about the property and its operating status. OHIO PACE provides the information to its network of registered capital providers to obtain PACE financing terms for the owner.
NOTE: The property owner must obtain written consent from the existing mortgage holder before a PACE special assessment can be added to the property's tax bill.
- 4. Funding**
The property owner agrees to financing terms and then the PACE special assessment is added to the property's tax bill. After the OHIO PACE financial closing occurs, the funding will be available for the eligible energy saving improvements.
- 5. Installation**
The registered contractor completes the installation of the authorized energy saving improvements. OHIO PACE ensures all improvements are installed to the satisfaction of the property owner.

Submit an Initial Eligibility Form
at OHPACE.org

About OHIO PACE and the City of Cincinnati

OHIO PACE is a program administrator that works with property owners in the city of Cincinnati to secure PACE financing for qualified energy projects. It coordinates efforts with the City of Cincinnati and connects property owners with private PACE capital providers and contractors to ensure the successful funding and installation of energy projects.

CHRIS JONES
Director of PACE Financing
513.562.4822
cjones@ohpace.org

CINCINNATI

OHIO PACE is a program of:
Energy Alliance



QUESTIONS?

Skylor R. Miller

Local Government Outreach

513.562.4834

smiller@greatercea.org

ECONOMIC DEVELOPMENT UPDATE

COUNCIL-MANAGER BRIEFING
MARCH 11, 2019

AGENDA

- Overview
- 2018 Projects
- Upcoming 2019 Projects

ECONOMIC DEVELOPMENT OVERVIEW

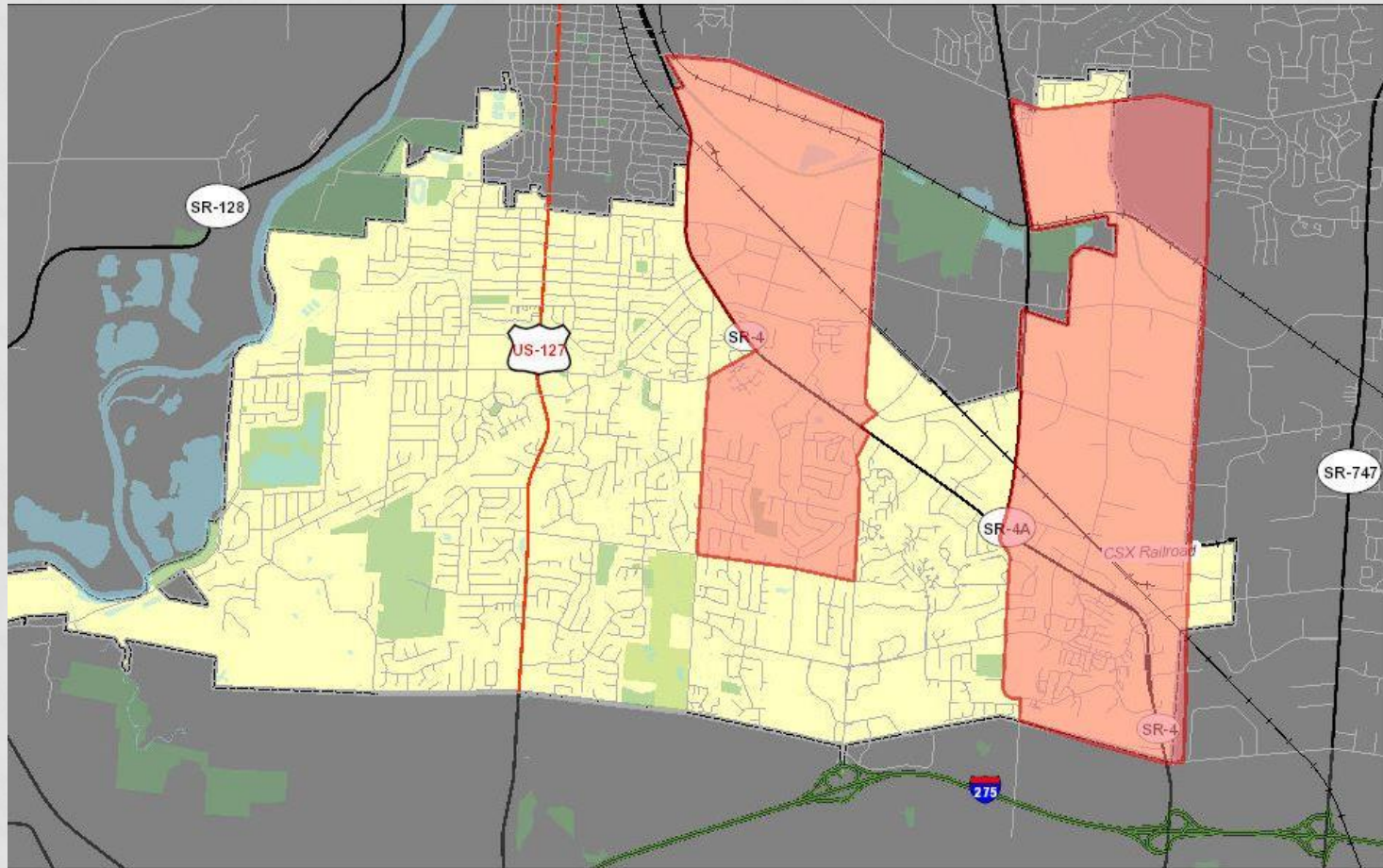
- 2018 was another strong year for economic development in Fairfield
- Healthy blend of:
 - New Development
 - Expansions
 - Redevelopment
- National economy remains strong; business confidence
- Identifying new programs to facilitate development
- Despite positive outlook, local challenges exist



CHALLENGES

- Workforce Development
- Decreasing Amount of Undeveloped Land
 - Expansions and Redevelopments increasingly important
- Aging building stock needing owner investment
 - Forest Fair Mall
 - Reigert Square
 - North Route 4 area
- Questions for consideration:
 - What is appropriate role for City - public activity vs. private activity?
 - What is affordable, while recognizing other City needs and priorities?
 - With limited resources, how are priorities established?

OPPORTUNITY ZONES



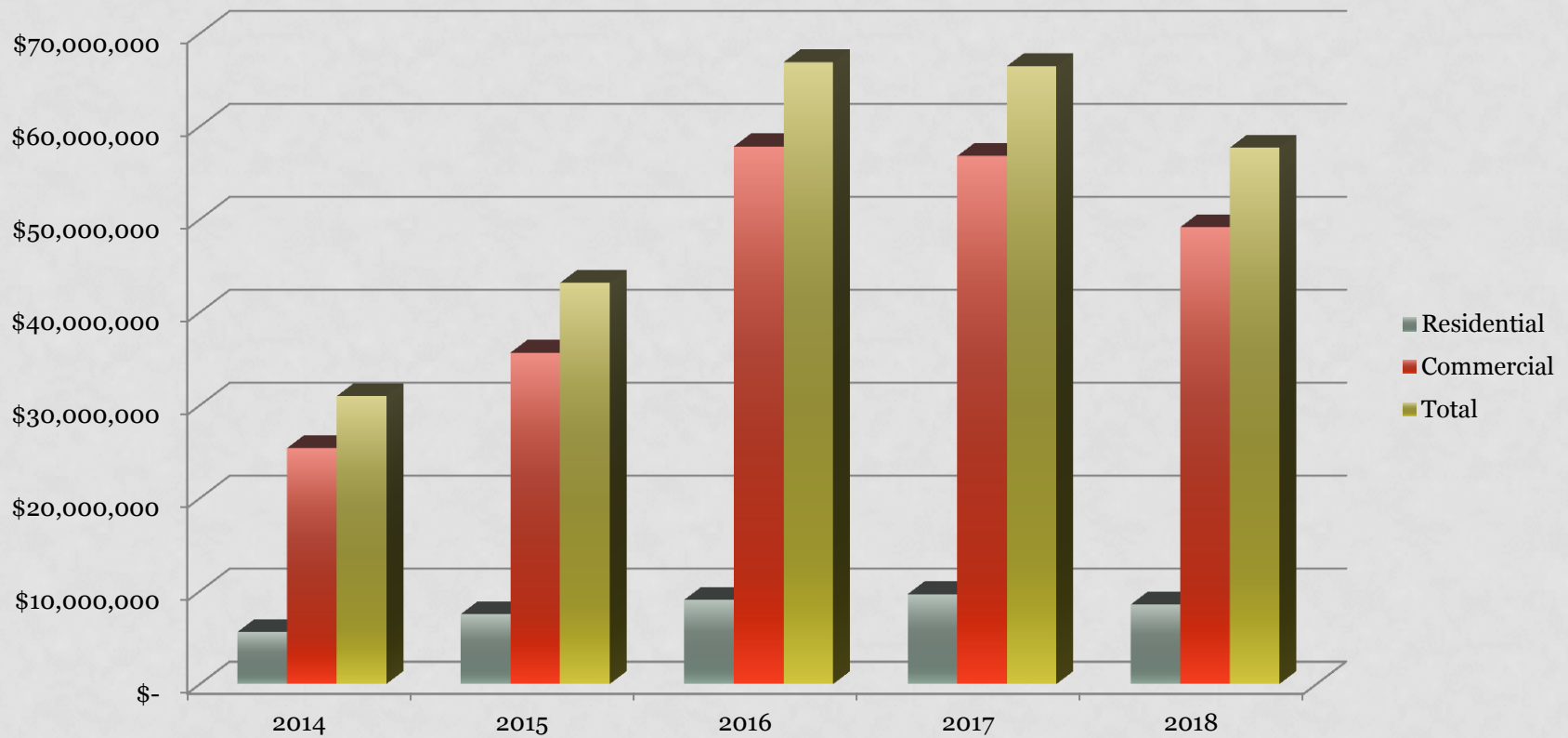
OPPORTUNITY ZONES

- Established in federal 2017 Tax Cuts and Jobs Act
- Enables investors who make equity investments into eligible business property to receive favorable tax treatment on capital gains tax liabilities
- Only 320 designated census tracts in Ohio
- Program rules just recently released
- Plan to inform all existing property owners, as well as prospective investors



BUILDING PERMIT VALUATION 2014-2018

Building Investment



2018 PROJECTS



FAIRFIELD TOWNSHIP JEDD

- Partnership with Fairfield Township & Duke Development
- Potentially includes up to 5 Class A logistics buildings
- Building 1 complete, no tenants
- Project also includes:
 - FEMA approval for flood zone construction
 - OPWC grant for roadway improvements



STANDEX ELECTRONICS

- Custom magnetics and power conversion components
- New \$3.8 million, 60,000 SF facility on Thunderbird Drive is nearly complete
- More than 120 skilled employees relocating from Cincinnati
- Ribbon cutting expected in June 2019



SHIP-PAQ



- Family-owned packaging & shipping supplier
- \$1.7 million investment
- Doubled the size of their facility with a 47,000 SF addition
- More than 20 jobs

BECKNELL INDUSTRIAL



- 176,800 SF Class A spec industrial building on Commerce Center Drive
- \$10 million investment
- No tenants announced yet
- No property tax incentives offered on spec buildings

HOLLAR

- Online discount retailer listed by Wall Street Journal as one of “25 Tech Companies To Watch”
- Relocated its distribution fulfillment center from Los Angeles to Fairfield
- Leased 129,000 SF in the Union Centre Logistics Park
- City worked with REDI Cincinnati on this project



ALDI



- New 22,000 SF grocery opened in January 2019
- New attractive building expected to be a catalyst for future development in northern downtown area

EXPRESS SCRIPTS

- Express Scripts consolidated its two regional facilities into Fairfield
- 300 jobs relocated here, bringing total employment to 750



AA PLUMBING

BEFORE



AFTER



GOCO SHELL

(ROUTE 4 & CRESCENTVILLE)

BEFORE



AFTER



Attachment: ED 2018 presentation march '19 (1169 : March 11 Briefing)

GOCO SHELL

(ROUTE 4 & SYMMES)

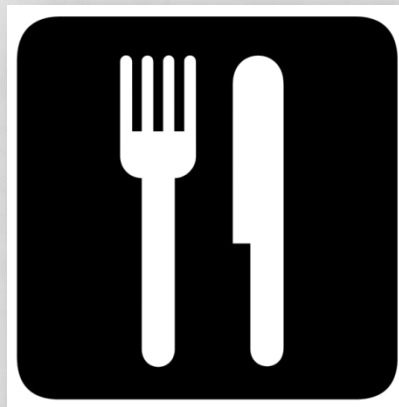
BEFORE



AFTER



RESTAURANTS



2019 UPCOMING PROJECTS

FISCHER GROUP



- Growing Fairfield company will invest \$3 million along Bohlke Boulevard
 - 30,000 SF expansion of manufacturing building
 - A new 20,000 SF headquarters office building
- At least 100 new jobs will be created, along with 110 retained jobs
- Future expansions a possibility

ARKU

- Germany-based ARKU will move its U.S. headquarters into a new 26,000 SF office and manufacturing facility at the corner of Seward Road & Union Centre Boulevard
- Growing metal-working company will relocate from leased space in Blue Ash
- At least 25 jobs within 3 years
- The new building has an attractive design for this prominent corner



TOWNPLACE SUITES BY MARRIOTT

- 83-room, 4-story upscale extended stay hotel is under construction near the intersection of Route 4 & Seward Road
- \$11.2 million total investment



CHICK-FIL-A

- New restaurant to be constructed in front of Meijer on South Gilmore Road
- Expected to open in early Fall



TELHIO CREDIT UNION

- Plans have been approved for an expansion and renovation of the Telhio Credit Union, located on Deis Drive in Village Green.



Telhio Credit Union

Fairfield Branch Additions

View 1

K&A ARCHITECTURE, LLC
655 West Street
Cincinnati, Ohio 45203
Tel: (513) 465-5000
Fax: (513) 465-5008



KROGER



- Plans are under review for a \$1.5 million interior renovation of the Kroger in Village Green.
- Work will be phased over several months.



SKYLINE CHILI



- A fire in the mechanical units in the Skyline Chili at Route 4 & Hicks destroyed the restaurant in September 2018
- Plans are currently under review to rebuild. Once approved, construction is expected to take 5 months.

Questions?