

**THE CITY OF KENT, OHIO
FINANCE COMMITTEE
WED., APRIL 11, 2007**

This meeting of the Finance Committee of Kent City Council was called to order by Chair Wayne Wilson at 7:25 p.m. on Wed., April 11, 2007.

PRESENT: MR. BARGERSTOCK, MR. DELEONE, MR. FERRARA, MR. HAWKSLEY (arr. AT 7:45 P.M.), MR. KUJAR, MS. OSWITCH, MR. SCHULTZ, AND MR. WILSON

ALSO PRESENT: D. RULLER, CITY MANAGER; J. FENDER, MAYOR & PRESIDENT OF COUNCIL; J. SILVER, LAW DIRECTOR; L. COPLEY, CLERK OF COUNCIL; B. RISSLAND, BUDGET & FINANCE DIRECTOR; J. IDONE, PARKS & RECREATION DIRECTOR; AND G. ROBERTS, SERVICE DIRECTOR

ABSENT: MR. HAWKSLEY & MS. GAVRILOFF.

Chair Wilson said the first item on their agenda deal with an amendment to the appropriations ordinance. **Dave Ruller, City Manager**, introduced **Barb Rissland, Budget & Finance Director**, at this time.

Ms. Rissland said they received a list of requested items, adding that a majority of them were reappropriation of funds from 2006 to 2007 for some capital projects. She said the Franklin Hills appropriation dealt with the extension of the water line. She said they would pay for this through a loan from the OWDA, and it would be repaid through special assessments.

Ms. Rissland said there is an increase in the Solid Waste Fund, adding that the costs are going up, but the increase should be supported by an increase in the fees.

She said that one appropriation ordinance brings it in line with the originally approved budget. She said that they usually start the tax budget around this time of year, and by the end of the year, some situations change. She said that the County does not allow them to amend the certificate until the year closes. Ms. Rissland said these changes would bring the budget up to the budgeted amount that was approved last fall.

There were no questions nor comments at this time.

MOTION TO APPROVE THE AMENDMENTS TO THE APPROPRIATIONS ORDINANCE.

Motion made by Ms. Oswitch, seconded by Mr. DeLeone, and carried by a voice vote of 6-0-1, with Mr. Wilson abstaining.

Mr. Wilson said the next issue is the creation of the Recreation Specialist.

Mr. Ruller introduced **John Idone, Director of Parks and Recreation**, at this time. Mr. Idone said the recreation division of the department has had one full time person for thirty years. He said as the department grew and programs were expanded, they utilized part time personnel, and currently have more than thirty part time persons. He said one of the newest programs started a few years earlier was the before and after school program. He said they currently have three sites, and are licensed with the State of Ohio. Mr. Idone said they have a contract with Job and Family Services that requires detailed record keeping. He said those people who cannot afford the service can apply for vouchers, and they bill the County. He said the program is very successful and affordable. He said one of their issues is that it is difficult to maintain the quality of service administratively with part time personnel. Mr. Idone said the Park Board recommended approval of this position in February, and it was endorsed by the Civil Service and the union the previous month. He requested they amend the General Compensation Plan, and add this as a Classification VII position.

Mr. Idone said the funds for this position are generated from the program. He said he realizes the sensitivity to creating a new position because of cutbacks in other areas, but this position will pay for itself.

Mr. Kuhar asked if they can fill it from within, and Mr. Idone said they are intending on doing that. He said they have a part time employee working twenty-five hours weekly that will work an additional fifteen hours. He said they are not adding a new position, just increasing the hours. Mr. Kuhar asked if they plan to not replace the part time person, and Mr. Idone said that was correct.

Ms. Oswitch said she was looking at the requirements for the position, adding there seems to be a lot of qualifications to be an hourly employee. Mr. Idone agreed, adding he made that case with Civil Service, but it was denied. He said the Union recognized it was a professional position, and did not want it to be part of the bargaining unit.

There was no audience comment at this time.

MOTION TO APPROVE THE POSITION OF RECREATION SPECIALIST.

Motion made by Mr. Kuhar, seconded by Mr. Ferrara, and carried by a voice vote of 6-0-1, with Mr. Wilson abstaining.

Mr. Wilson said the next issue on the agenda dealt with requested increase for fees in the Service Department. Mr. Ruller introduced **Gene Roberts, Service Director**, at this time.

Mr. Roberts said this was last reviewed in 2004. He said they have eight-five items on the list, with a majority of them being material only. He said of the eight-five items, twenty-two have increased and they are asking for the addition of two more items. He said when they lend out the fire hydrant backflow meter devices, they sometimes return damaged. He said there are two fee structures being proposed. He said the small one would carry a \$500 deposit if returned in proper working order. He said the deposit on the larger units would be \$1000.

Mr. Roberts said one other item was not listed, and deals with the delivery of mulch. He said they have not advertised for the last four years, and provide to those who know they supply mulch. He said they delivered seventy loads of mulch at \$30.00 per load. He said the actual cost was \$5892, and they are requested that the fee be increased to \$70, which breaks even on the labor.

Mr. Roberts said he just received a load of mulch for \$148. He said he knows they are not competing with the landscape firms, and requested they increase their fees. He said they have previously advertised all increases in the paper twice so everyone knows the date of the increase.

Mr. Bargerstock asked if the temporary water hook up is for swimming pools, and Mr. Roberts said that is correct. Mr. Bargerstock asked if they plan to charge \$500 for loaning it, and Mr. Roberts said that most use the large one, which would be \$1000. Mr. Roberts said the majority are returned, not damaged. He said in some instances, they owe for the water, adding they can deduct that amount. He said if Council so directs him, they could exclude residents from the deposit. He said most of the time the contractors throw it in the back of a pickup and keep it for thirty days. Mr. Bargerstock asked how many requests they get annually, and Mr. Roberts said he did not know.

Mr. Silver said it is not a fee, adding it is a deposit. Mr. Bargerstock said he felt that \$500 for filling a swimming pool seemed excessive. Mr. Silver said the money is returned to them.

Ms. Rissland said that most swimming pools are filled through a credit based upon the average. She said they read before the fill and read after the fill. She said that few are filled using a hydrant meter. Mr. Roberts said he can think of one.

Mr. Kuhar asked if they have a problem with homeowners filling their pools and not returning the equipment, and Mr. Roberts said he cannot answer that question without research. He said he knows of one resident that fills from the hydrant. He said the majority use the house meter and the City rebates the sanitary sewer. Mr. Kuhar suggested they could approve this, and exclude residents filling their own pools. He said most of the uses are commercial.

Mr. Bargerstock suggested if something happened, they could put a claim against the homeowner's insurance and/or levy their water bill. He said it just seems like a large deposit, in addition to the cost of filling the pool. Mr. Roberts noted that if they get a meter with \$300 damage to it, and put that on

someone's bill, the water would be shut off if they could not pay for it. He said it seems like a double penalty.

Mr. Fender asked if the current policy works well, and Mr. Roberts said that is correct. He said they are focusing on the contractors, as that is the majority of the damage they see.

Ms. Oswitch said if she was a homeowner, she could write a check that the City would hold and not cash. Mr. Roberts disagreed. He said all funds must be deposited, and they write a purchase order to pay back the resident.

Ms. Oswitch said she now has a problem. She asked if they can waive the residents, and questioned the potential to have a contractor claiming it. Mr. Roberts said that happens on a regular basis with permits.

Mr. Silver said the fire hydrants do not have to be used to fill a pool. He said they can use a garden house. He said if they use the hydrant, the City puts a meter on it and that is the reason for the deposit.

Mr. Bargerstock said the residents' situation is a little unique. He suggested they have an agreement to pay damages, in lieu of posting the money. He said he wants to be fair to the residents, but agrees the City should be compensated. He asked if it would be easier for the resident to pay the damage claim, adding it accomplishes the needs for the Service Department.

Ms. Oswitch said she is concerned. She said if she gives a check to the Service Department, it goes to the bank the following day. She asked if she returns the meter the following day when she would get her money back, and Mr. Roberts said usually within two weeks, depending on where they are in the check cutting process with the City.

Mr. Ferrara asked the cost of the unit, and Mr. Roberts said it is \$500. He said if they do not get one back, they can put a new one together. He said the \$1000 deposit comes close for the big unit.

Mr. Ruller said he understands the sensitivities, as a former pool owner. He said he never knew anyone who used a hydrant. He said that instead of getting concerned about this, it is being suggested in case it becomes problematic. He said they may be fretting about something that may not happen, adding that most people use their own hose and water service.

Chair Wilson called for audience comment at this time.

John Bard, 435 Francis Street: Mr. Bard asked if they are filling from the hydrant, who turns it on, and Mr. Roberts said that when they install the meter, they turn it on, and there is a valve for the homeowner to use. Mr. Bard asked how long it takes, and Mr. Roberts said it depends on the size of the pool. Mr. Bard asked how many gallons per hour are pumped, and Mr. Roberts said it pumps about 450 gallons per hour. Mr. Bard asked the size of an average pool, and Mr. Ruller said they are about 20,000 gallons. Mr. Bard said that the Fire Department probably brings the hose. He said it appears they are thinking about the contractors who damage it, and suggested they buy some little cases with the money they make. Mr. Roberts said they would not be making money.

MOTION TO APPROVE THE FEE INCREASES AS PRESENTED BY THE SERVICE DEPARTMENT.

Motion made by Mr. Schultz, seconded by Mr. Ferrara, and carried by a voice vote of 6-0-1, with Mr. Wilson abstaining.

MOTION TO AUTHORIZE THE ADMINISTRATION TO PROVIDE A COMPENSATION AGREEMENT, IN LIEU OF THE BOND, FOR RESIDENTIAL PURPOSES.

Motion made by Mr. Bargerstock, seconded by Mr. DeLeone.

Mr. Bargerstock said it may not be a major issue, but it may be an issue for the residents that need it. He suggested it seemed a little abusive for the resident, and asked why they should penalize someone. He said they should not have to wait two weeks to get their money back.

Mr. DeLeone said if it only happened one other time, it appears fair.

Mr. Schultz said he could not support the motion. He said it is appropriate for people to use their own meters and hoses.

Ms. Oswitch agreed with the motion. She said if she just paid a fortune for a pool, she may not have the \$500 for someone else to use and make interest on for two weeks.

The motion failed by a hand count of 4-3, with Mr. DeLeone, Mr. Kuhar, Mr. Bargerstock, and Ms. Oswitch supporting the motion. Mr. Schultz, Mr. Ferrara, and Mr. Wilson dissented and Mr. Hawksley abstained.

Mr. Wilson said the next item on their agenda was the retail assessment by the Buxton Company

Mr. Ruller said they were fortunate to have Joe Fackel from the Buxton Company present. He said that Mr. Fackel will explain about his firm. He said that retail has become a quality of life issue. He said things like the closing of Giant Eagle has been traumatic. He said retail is a part of our lives, and part of the quality of life. He said they have had their challenges in retail in Kent, and one of the messages is to be smarter than what they have, instead of a shot gun approach. He suggested they need to lead with their strengths. He said Mr. Fackel's firm finds a community's strengths in a retail word. He said the firm is not a developer's firm, but is hired by retail to decide where to locate.

Mr. Ruller said they were able to get an initial study done, adding it could be a multi-phased project. He said they have had questions about retail, and they seem to be missing out in Kent. He said he invited Mr. Fackel to share the information, so they could ask questions.

Joe Fackel, Buxton Company: Mr. Fackel said they are headquartered in Fort Worth Texas. He said he will talk about the project they did in Kent earlier in the year, and some things they could do if Council so desired.

Mr. Fackel said they have been a customer analytics firm since 1994. He said they specialize in retail site selection. He said in 2005, they did more than three billion square feet of analysis on behalf of about 100 retail clients. Mr. Fackel said one side works with retailers and restaurants, and tells them where to put stores. He said if a retail client is looking at Kent, they will know what type of revenue the location will do. He said they began working with public sector clients about six years earlier, after being inundated with calls from elected officials and city staff who wanted to embrace the retail issue. He said they developed methodologies specific to the public sector. Mr. Fackel said the proof is in the pudding. He said they have worked with more than 250 cities in thirty-two states, with more than 10 million square feet in retail "coming out of the ground."

Mr. Fackel displayed some of their clients at this time. He said they work with Bass Pro Shops or Ben and Jerry's. He said they work with big box and small box businesses, and one client is FedEx. He said they are the best in the business.

Mr. Fackel said they built a tool that is a retail matching tool. He said they can match specific retailers and restaurants to the psycho graphics or lifestyles of people living in a trade area. HE said they are the only company doing that kind of work on this level.

Mr. Fackel said the benefits of retail include the increase of tax revenues; new permanent jobs; new dollars into the community; retail dollars currently spent outside of the community; satisfaction of citizens who shop at home; and to improve the ability to recruit non-retail businesses. He said retail used to be a red-headed step child of economic development. He said it is a competitive industry, adding that cities are becoming more engaged. He said five years ago at the International Council of Shopping Centers, there were 800 public sectors; this year, there will be more than 10,000. He said the communities are actively and aggressively recruiting retail.

Mr. Fackel said that retailers deal in trade areas, adding if nothing else, he hopes they understand how retailers analyze them. He said it is a complex, scientific process, using unique data sets. He said a lot of cities use political boundaries, and in a market like Kent, that does not help. He pointed out they can be in four different communities in five minutes, so political data is meaningless. Mr. Fackel said rings

are also meaningless. He said a five-mile ring around Gary Indiana would be around Lake Michigan. He said retailers do not use the ring methodology.

Mr. Fackel suggested they think about their own shopping habits, adding that people think in terms of minutes. He said they developed a trade area using a drive time methodology. He displayed a fifteen minute drive time trade area, which shows the population, growth, and number of households. He said they did this for Kent, from the corner of East Main Street and Water Street. He said in the fifteen-minute area, there are more than 120,000 households, with a population of almost 300,000. He said this is how they need to position Kent to the retail sector, as a high density market with a lot of opportunities.

Mr. Fackel said they then identify the customer. He said that Tom Buxton founded their firm, after spending twenty-five years with the Tandy Corporation, better known as Radio Shack. He said Mr. Buxton did all of their site selection, and only had the census data of age, sex, race, and income. He said the demographics for a one or three mile ring did not work, and was the impetus for him to start the Buxton company. He said that retailers no longer rely on demographics, adding they have almost 1000 retail clients, and decisions are not made using demographics.

Mr. Fackel said that retailers care about customers, adding that demographic data is stale and general. He said it identifies people, and not customers, and does not explain what people want to buy or defines a true trade area. He said in most cases, demographics can do more harm than good, which is why the retailer is trying to get away from demographics.

Mr. Fackel said they use psycho graphics, not demographics. He said this includes lifestyles, purchase behavior, and media habits. He said everyone in the room has given up data, adding it may be a frequent grocery store card or by registering the dog. He said it could be by subscribing to a magazine, marriage, or having a baby. He said every time they do something like that, that data is being collected and sold. He said his company buys that data and aggregates it. He said they can look inside the rooftop of more than 119 million households, and get their habits. He said they manage more data than the Library of Congress, adding they manage more than twenty-seven terabytes of data in Fort Worth, Texas. He said they have more than 100 employees, including fifteen GIS analysts.

Mr. Fackel said that retailers need A+ locations. He said that communities cannot waste their time and resources chasing the wrong retailer. He said every member of Council has been asked about a certain retailer, adding that while some are appropriate, others are not.

Mr. Fackel said they manage more than twenty-five databases in house. He said if there is data on how people spend their money, how people spend their money, his company has that information.

Mr. Fackel said that segmentation is a common way for retailers to determine who are the customers in a given geography. He said this is their customer DNA for the Kent trade area. He said this places every household into one of sixty-six psycho graphic segments.

Mr. Fackel said that segment 29 shows that this type of household is 71% percent more likely to go mountain biking. He said they read Newsweek. He said they can track where they shop and what they read. He said they can tell the City what retailers Kent needs, and can benchmark that profile against 5000 retailers. He said with science and data, they can tell the City, factually, those retailers who have meaningful locations in similar compositions.

Mr. Fackel said the density issue is important. He said while demographics can be identical, lifestyles may be totally different. He said that is what they bring to the table. He said one trade area may have 36,000 households while another has 96,650 households. He said conventional wisdom would lead them to Trade Area B because of the number of people. He said when they count customers, they find about the same opportunity for stores like Ben and Jerry's. He said they have a lot of clients like Kent that are suburban, with a lot of competing retail. He said the overall density may not meet some threshold, the location density would be in line with existing locations.

Mr. Fackel displayed the household profile for a fifteen minute drive time. He said they can take the

information, put it through the retail database, and find stores that use that composition.

He said one segment is a dominant segment, representing 3% or more of the households. He said segment 19 represents married couples, with few children, mid-sized suburban homes, gone to college, have professional and white collar jobs. He said they fill their homes with toys, televisions, and pets.

He said another dominant segment is Segment 27, Middleburg Managers, which represent singles/couples over fifty-five; solid managerial jobs; own homes in satellite communities; enjoy reading, playing musical instruments, do indoor gardening and refinish furniture.

Mr. Fackel said another dominant segment is Section 37, Mayberryville, representing middle class couples, lucrative blue collared jobs, moderate homes in rural areas who hunt, fish, watch t.v., and buys trucks.

Mr. Fackel said another data point is retail trade potential data. He said the first column show the \$ within a fifteen minute drive time. He said this puts a dollar demand figure on about 415 products. HE said there is \$5.1 billion worth of retail trade potential in that fifteen minute drive time. He said if they are told there is no retail opportunity for Kent, he would argue that point. He said there is a lot of opportunity. He said that although there is a lot of retail, it does not mean they do not have hope. Mr. Ferrara asked if those are dollars spent, and Mr. Fackel said it is an estimated demand figure. He said it uses a complex formula, adding it shows the demand figure on more than four hundred product and services. He said they can share this data with existing retailers to help them understand on where to focus and capitalize on opportunities.

Mr. Ferrara asked about the comparison index, and Mr. Fackel said it is compared against the Akron market. He said that 100 is average. He said there are dozens of individual items behind every category.

Mr. Fackel said the next step is to take the profile and uncover the retailers who are around the composition of customers as displayed in the data. He said in a Ben and Jerry's profile, they identify the dominant segment households. He said they know the households that Ben and Jerry's typically locates around. He said they could go back to Ben and Jerry's, showing them visually the market. He said they use visual medium, adding that retailers have a short attention span. He said they try to paint the picture for the retailers so the picture tells the story.

Mr. Fackel said they can show a business they know the customers and the needs. He said he has not mentioned anything about demographics.

Mr. Fackel displayed the same trade area with Autozone. He said it is totally different than Ben and Jerry's, appealing to a different type of customer. He said a typical Autozone location is 9595 of dominant segment households, while the example area only had 5300. He said with that data, they would advise against recruiting an Autozone.

Mr. Kuhar asked how they can have two Autozones, and Mr. Fackel said that is not Kent, adding it was just an example. He said they use Ben and Jerry's and Autozone because they are so different and appeal to a different type of customer.

Mr. Fackel said at the end of the process they will know whether or not the retailers are viable opportunities. He said that they produce materials for retailers for Kent. He said they deal with specific retailers, and would give the City the real estate person's contact number and email. He said they put together a total package.

Mr. Kuhar said Kent is unique because of the university and geographical challenges also. He asked how many towns that are similar to Kent that they provided this same service, and the outcome.

Mr. Fackel said when they think of Kent, it is easy to think of the university. He said with the trade area, they are looking at 120,000 households. He said the college students are not overtaking the trade area, and are a small part of the overall customer picture. He said that could change if they go to a ten minute or seven minute trade area.

Mr. Fackel said they have worked in a number of “traditional” college towns, and they are not the same urban level. He said they have retailers on the ground in similar markets. Mr. Fackel said they understand the dynamics associated with any market. He said that because the development cycle can be very long, it may be slow, but they know they are working smart and trying to recruit the right kind of retail. He said that some fail miserably, while others fail because they do not have Council’s commitment, the professional staff, or the budget to attend trade shows. He said the common thread among successful communities are committed Council, patient Council, aggressive recruitment, and talented City staff. He said they have all of those factors, and he is confident they can make things happen.

Mr. Kuhar asked where the “apples to apples” chart was, adding it is hard for him to compare to Indiana or Texas. He said they may have thousands of unique locations that need retail. He asked where he can find an “apples to apples” where there are instances of similar markets and similar demographics to Kent. He said he needs to compare when he makes a purchase, with something more than a good sales presentation.

Mr. Fackel said he could provide a client reference list. He said whether they are working in downtown Manhattan or Kent, Ohio, it is the same approach, data, and tools. He encouraged them to send an email to some of the Council people in those other communities to see what they do.

Mr. Ruller said they have completed Phase 1, which established the initial profile. He said this is a discussion of what was found. Mr. Fuller said in the magazine, *Governing*, this company was on the cover, in an article about chasing retail. He said Mr. Fackel was quoted extensively in that article. He said that cities are chasing as fast as they can. He said the article spoke about how it is no longer shooting from the hip, and is more business like. He said this firm is recognized very prominently.

Mr. Ruller said he had conversations with two local developers, and both companies spoke highly of the Buxton Company.

Mr. Fender asked the total cost, and Mr. Ruller said he was told between \$60,000 and \$70,000. Mr. Ruller said he explained to them that this was not a budgeted expense, and they used other monies at the end of 2006. He said they had spent \$14,000 for the first phase. Mr. Fackel said that most communities pay \$70,000, and he would finish this for another \$35,000.

Mr. Fender said he is extremely interested. He said Mr. Fackel mentioned some successes, adding that is important to have. Mr. Fackel said the execution is what it is about, adding they feel like they have been studied to death. He said they provide a road map, and they will know the prospects, their data, and information to have meaningful discussions. He said it would not be about demographics.

MR. Hawksley said they have a little natural food store in Kent, and they also have a Mustard Seed Market, which is ½ of the size of Whole Foods. He said it is a similar concept. He asked what they think in terms of these types of businesses. Mr. Fackel said they would do a profile if they have three or more locations, adding if not, they can do it on the fly. He said if it is a stand alone concept, they cannot make assumptions on where to put the stores. Mr. Fackel said that the Winking Lizard is an example of a good regional concept.

Mr. Bargerstock said he had concerns about the application, and ask if they do anything industrial. Mr. Fackel said they just do retail and health care. Mr. Bargerstock said they were limited, and Mr. Fackel said they are focused. Mr. Bargerstock asked how he would describe Kent geographically, and Mr. Fackel said he did not follow the question. Mr. Bargerstock said he is in the real estate and insurance business, and everything in the insurance industry is zip coded. He said the Zip Code in Kent is 44240, adding it also includes all of Streetsboro, Brimfield, a large segment of Ravenna and Stow. He said the minute they provide this information, they have problems.

Mr. Fackel said they do household level matching. He said they look at site specific, adding they cannot take this and move five miles up the road. He said it is done through mapping. Mr. Bargerstock asked if their matching is done with geographic limits, and Mr. Fackel said it is done with trade areas. Mr. Bargerstock said when they convey the data, and they grab the zip code base, they may find it is not Kent, but may be Suffield, Brimfield, and Franklin Township. He said it may be part of the JEDD. He said the process works great, but it may induce someone to move outside of their limits.

Mr. Fackel said they have no control over that, adding Mr. Bargerstock does not have that control either. Mr. Bargerstock asked how they can prevent that from happening, and Mr. Fackel said they find an anchor trade area at a point. He said they draw the data for that site, and cannot move it five miles down the road, as they will have a different trade area. Mr. Bargerstock said they may entice a retail customer who does not see anything in the downtown area, but may move outside of the limits of Kent, but in the same zip code and phone exchange. He said the Wal Mart in Tallmadge is identified as the Kent Wal Mart. He said they are good at attracting businesses outside of their limits.

Mr. Fackel said they could not entice Best Buy downtown, but could entice them to another site. Mr. Ferrara said they are not selling site specifics, but are selling a concept for the area. He said it becomes the City's job to sell the site specific spot. Mr. Fackel said they would look at the tract of land in downtown Kent, along the highway, or an old plat. He said typical sites include a brown field, green field, and downtown site. He said they would draw the three trade areas, and match one of those sites. He said they may find three unique opportunities.

Mr. Ferrara asked how they work with a city after the data is provided, and Mr. Fackel said they do not nickel and dime their clients. He said they provide ongoing service. He said there is an annual meeting in Vegas in May, and they open their booth to the public sector clients to have meetings, and host a reception for networking. He said they do not recruit, and that they need to remain an objective third party. He said they are very accessible, and are present for the long haul.

Mr. Ferrara said the university students are not fairly represented in the demographics. He asked how Mr. Fackel's company would account for this, and Mr. Fackel said it is hard to get that data. Mr. Ferrara asked if he felt it was relevant, and make them more unique. Mr. Fackel said that is not something that retailers would review. He said a retailer needs to know that they have done the deal elsewhere. He said if they are the anomaly site, it will not happen, as no retailer will risk their career by pulling a trigger on a deal that has not been done before.

Mr. Ferrara said the data is not capturing the relevant information pertaining to the students. He suggested they may be capturing the data, and Mr. Fackel said they profile them. He said they have four segments for college students. He said they do much of the same thing, with similar lifestyle and purchase behavior. He said they do not do it for the retailers, adding the data is hard to come by.

Mr. Ferrara asked how relevant the data would be if it is about seventeen minutes out, and does this affect the data adversely. Mr. Fackel said he was talking about a secondary trade area, adding that retailers want 75% from the fifteen minute drive time. He said if they do not have that density, it is hard to portray a secondary trade area, unless it is a unique market that will pull from a greater geography. He said they stick to a primary trader. He said they need a story they can defend. He said the minutes they suggest someone drives past six malls to get to the same location will render them dead. Mr. Ferrara asked if their data captures that information, and Mr. Fackel said that was correct. He said they also do distance tolerance testing. He said if they determine a concept, like an organic food store, are too close to another store, they would not recommend it. He said it is cannibalism.

Mr. Kuhar said he represents a good majority of students who spend a lot of money on electronics, clothing, food and gasoline. He said to not include them in the presented picture troubles him, as they are buying those items elsewhere. He said they have to send a message that they are there. He said with respect to potential retailers, he asked if he would give them the exact names of clients they have worked with.

Mr. Fackel said that college kids are part of the profile, and are a small amount of the households. He said they are not as important as the others. Mr. Kuhar asked how that was possible when there was 20,000 of them, and Mr. Fackel said there are 290,000 people in 120,000 households. Mr. Kuhar said that realistically, someone will not drive to Kent to buy a hamburger, but the 20,000 people would. Mr. Ferrara said they are accounted for, and Mr. Fackel agreed. Mr. Ruller said they gave him a short list of ten different retailers in Kent. He said Chipolte's was in there, adding the one in Kent is #1 in Ohio. He said it does capture that. He said he hears Mr. Fackel said they need to think as a retailer. He said their strength is not Kent-specific, but is the trade area. He said they are right about the locality and the number of students. He said they are not ignored, but Kent is part of a bigger picture.

Mr. Ruller said they talked about older downtown areas, but what he is seeing is that downtowns are coming back. He said that magazines indicate that downtowns are the place to be for university cities. Mr. Fackel said there are some specific hurdles to be overcome with a traditional downtown. He said parking, access, and visibility are examples. He said they have unmotivated property owners, adding he was in Pittsburgh earlier in the day and that is a problem. He said it is a problem in Kent, also. He said if they can control real estate, whether downtown or along the highway, they can drive the process and make things happen. He said it is not unrealistic to think a specialty grocery store could come to Kent. He said they have to understand the trade area and the customers. Mr. Fackel said as it relates to the university, it can be shared anecdotally. He said they are looking at this as a retailer, and bring forward that perspective. He said Kent serves a greater population.

Mr. Schultz said it can go the other way, adding they can use this analysis to encourage developers. He said it is not just about retailers, but also about developer. Mr. Fackel said that most public sectors use the data in that fashion, and encourage a developer to take down existing buildings. He said they would put together a potential tenant list, and show them what would fit in the center. He said that Gary Indiana did not have the attractive demographics, and had high crime. He said they had a trade area of more than 200,000 with no grocery store. He said the demographic data was worthless. He said they need to show the retailers they are marketable.

MR. Hawksley asked about transit oriented development, and Mr. Fackel said they are just getting into it, adding that the methodologies are not tried and true at this point. He said retailers would question how one can assume that if they park their car, to walk to a train that they will buy a suit. He said there is real doubt about the viability from the retail point of view from those districts.

Mr. Fackel thanked them for their time.

MOTION TO RECESS FOR EXECUTIVE SESSION FOR LAND ACQUISITION AND PENDING LITIGATION.

Motion made by Ms. Oswitch, seconded by Mr. Hawksley.

Roll call was taken on the motion. Voting aye: Mr. Bargerstock, Mr. DeLeone, Mr. Ferrara, Mr. Hawksley, Mr. Kuhar, Ms. Oswitch, Mr. Schultz and Mr. Wilson. The motion carried by a roll call vote of 8-0.

Chair Wilson recessed this meeting at 8:30 p.m.

Following Executive Session, Chair Wilson reconvened this meeting at 9:30 p.m.

MOTION TO APPROVE THE PURCHASE OF LAND FROM THE CROOKED RIVER AND THE SALE OF THE OTHER PROPERTY AS PRESENTED.

Motion made by Ms. Oswitch, seconded by Mr. DeLeone.

Ms. Oswitch said she understands the concerns with this sale, but they are helping a business already established that came to their Community Development Department. She said it is the potential for additional economic development, adding it is a good investment. Ms. Oswitch said she was at the Parks Department meeting when this was discussed, adding it is a great piece for the trail. She said the little building is fantastic.

Mr. DeLeone agreed with Ms. Oswitch at this time.

Mr. Bargerstock said he could support part of the motion, but not all of it.

MOTION TO AMEND THAT THE PROPERTY BEING SOLD BE DONE SO AT PUBLIC BID.

Motion made by Mr. Bargerstock, and died for want of a second.

Mr. Bargerstock said he had no problem with the Parks Department using park funds for park land. He said with respect to selling City property, it is the Council's responsibility. He said it is a public aspect and should be sold as a public bid. He said if this is the only bidder, so be it, but they have the responsibility to the citizens to get the best price. He said this has been tracked into Council, adding they have done this too many times. He said one example are the poor leases for the incubator, adding they were

burned. HE said they have plenty of examples where they do not sell property by public bid as to why abuses take place. He said they should not follow that path again, and he vehemently disagrees with the Law Director on that aspect.

Mr. Kuhar said he wished they could separate the issue of the purchase and the acquisition. He said he agrees with the purchase at this time, adding the market sucks currently, to put it lightly. He said he would probably vote against the motion, thought, because the last thing the public wants to see is the purchase of more land. He said he did not know if they could separate it, adding he is probably not in the majority.

Mr. Schultz said no one disagrees with the public interest, but this gentleman needs to make a decision as he has an offer on property in Brimfield. He said if they do not proceed, they could lose the business. He said it is important to proceed without bidding.

Mr. Hawksley said they have been working on the trail since 1992, adding they have the resources and these are the missing links.

The motion carried by a voice vote of 6-2, with Mr. Bargerstock and Mr. Kuhar dissenting.

MOTION TO APPROVE THE OPTION OF \$100 FOR THE RICCIARDI PROPERTY.

Motion made by Mr. Schultz, seconded by Mr. Kuhar, and carried by a voice vote of 7-0-1, with Mr. Bargerstock abstaining.

Hearing no further business before this Committee, Chair Wilson adjourned this meeting at 9:30 p.m.

Linda M. Copley, Clerk of Council

ACTION RECOMMENDED:

- 1) TO AMEND THE APPROPRIATIONS ORDINANCE
- 2) TO APPROVE THE POSITION OF THE RECREATION SPECIALIST
- 3) TO APPROVE THE SCHEDULE OF FEES AS PRESENTED BY THE SERVICE DEPARTMENT.
- 4) A PRESENTATION WAS RECEIVED FROM THE BUXTON COMPANY; NO ACTION REQUIRED
- 5) TO APPROVE THE PURCHASE OF LAND FOR THE TRAIL AND SALE OF LAND FOR A KENT BUSINESS
- 6) TO APPROVE THE OPTION OF \$100 FOR THE RICCIARDI PROPERTY.