CITY OF FAIRBORN
COUNCIL WORK SESSION
September 2, 2025, at 5:00 p.m.
Fire Training Room

COUNCIL MEMBERS	Present	Absent
Dan Kirkpatrick, Mayor	☒	☐
Clint Allen, Councilman	☒	☐
Sylvia Chess, Councilwoman	☒	☐
Adam Fritzsche, Councilman	☒	☐
Rodney McCubbins, Councilman	☒	☐
Mary Reaster, Deputy Mayor	☒	☐
Tana Stanton, Councilwoman	☒	☐

STAFF MEMBERS PRESENT

Adkins, Davis, Gebhart, McClure, McNamee, Riggs, and Schell.

Mike Gebhart, City Manager, explained he and Mike McNamee will tag team the Enhanced Lease Resolution 37-25 from 5:30 p.m. to 5:45 they are going let that be Kathleen Riggs, to update on the downtown zoning code text for tonight. We have a hard stop at 5:45 p.m. so that we can get down to the Council Chambers for the 6:00 p.m. meeting.

CEDA WPAFB/SYNERGY ENHANCED USE LEASE (EUL) CONTRACTED SERVICES UPDATE

Mike Gebhart, City Manager, explained there are three separate agreements with Resolution 37-25. A CEDA and two service agreements. They will also get into the background and the location of the project.

Background: Synergy Buildings Systems out of Beavercreek entered into a 50-year lease with the US Air Force back in December of 2024. They are carving out a little less than 24 acres along National Road that was behind the fence at Gate 8A off of National Road. Synergy entered into a 50-year lease with the U.S. Air Force in December 2025.
It is 23.5 acres adjacent to the City. Right across the street from there is Peerless Technology and project Waterworks. It is all planned class A research and office development space. Five buildings are planned with a groundbreaking is expected in the fall of 2025. With the first building occupancy in the fall of 2027.

This property is totally inside Bath Township. It is outside the City's boundaries, and the Air Force does not want to do an annexation into the City.

Mike McNamee proceeded to review the three agreements:

The Cooperative Economic Development Agreement which is authorized by the ORC. As the name implies, it allows multiple political subdivisions to join forces when it makes sense to do that and provide infrastructure and services to a developer's project that benefits the community at large.

The parties to the CEDA are Greene County, Bath Township, City of Fairborn and the developer, Synergy. The city provides sanitary sewer, storm sewer, water, fire, fire inspection, building inspection. The township is providing zoning. The County is giving the authority for building inspection to the City. They are also going to take care of the intersection to National Road, signalizing that and the entryway into the 23.5 acres.

Mayor Kirkpatrick asked if they would maintain the signal. Mr. Gebhart stated they will likely put in a signal, and they will maintain that. It will not fall to the City to maintain it.

Mr. McNamee stated the CEDA brings the parties together and the two primary agreements are the emergency services contribution agreement and the water and sewer contribution agreement. He gave a shout out to Chief Ryan Williams and Public Works Director, Terry Adkins, for bringing them into the inner workings of their world. The primary overlay is the City gets fairly compensated and at times more than fairly compensated for the services that they are providing, so that we will not be left holding the bag should any extraordinary events occur. They have made sure of that throughout the agreement.

Councilwoman Chess asked if they know how much the City will be receiving or is it based on usage? Mr. McNamee stated he would cover all the cash that will be coming into the City for services in just a few slides.

Mr. Gebhart stated the City will provide building permits, plan reviews, and inspections at our normal rate from the Building Inspection Department. We use the International Code Council evaluation table that comes out twice a year. This is a coast-to-coast average of what it costs per square foot to build in the country. We use that and put a multiplier on it and that is how much a permit costs. Most municipalities are those that have some type of building inspection use that ICC table.

Councilwoman Chess asked if the City would have the ability to raise those fees? Mr. Gebhart stated they will raise it anytime there is a new table. This project will have five buildings so there is a chance that tables will change a couple of times over the life of the project. We will use the most recent table at the time the buildings are being built. The City will also provide Fire code review, Fire/EMS services to the site. We will own and maintain the water and sanitary sewer system. We will do stormwater oversite also.

Bath Township will do the zoning, which they have already completed. Greene County will do traffic review and the zoning support for Bath Township.

Synergy's responsibility is to design, construct, and fund all onsite infrastructure, install all water, sewer, stormwater systems, and their costs. They will comply with the Fairborn Codified Ordinances when they install that. They will maintain a minimum water pressure standard, and they will provide a letter of credit if the site is every transferred to a third party.

Mr. McNamee discussed the financial contributions – Building inspection fees are billed directly to the developer on an hourly basis; Fire EMS services provided through the agreement with Bath Township with the amendment to the agreement to include the EUL property to Zone 4 of the Fire and EMS agreement with Bath Township and that will include $70,000 annually and it increases 10 percent every 5 years. So, at execution we have $70,000 and for 4 years we get $70,000 and that escalates all the way up to $165,00 every year at the end of the fifth year. They have a good escalator going forward.
Mr. Gebhart stated this is in addition to the $500,000 they are receiving.

Councilwoman Chess stated if these are billed to the developer are we paid hourly. Mr. Gebhart stated for instance they are going to pay $65.65 per hour for the Fire Marshall to review plans. On the $70,000 for Fire and EMS that will be sent to Bath Township, and they will send the $70,000 along with their other annual payment so we are made whole on the EUL site and the rest of Bath Township. Mr. McNamee stated lawfully they cannot provide Fire and EMS services to Bath Township territory without having a contractual agreement.

Mr. McNamee discussed Water and Sewer Contributions – developer builds infrastructure at their own expense; pays higher outside-City utility rates at 2.5 times the regular rate for consumption; annual contribution $115,000 to sinking fund. At the end of the 50 years the developer will contribute $8.5 million to this fund.

Mr. Gebhart said because this is Federal property, there is no property tax on it. Initially in the discussions it centered around how we will share the property tax revenue to make sure that the City of Fairborn is whole and that our taxpayers pay zero out of pocket to provide these services and we actually make money. The Greene County Prosecutors office came back and said it is federal property there is no property tax. Then the struggle became how do you ensure that our taxpayers don't pay a dime for this as well as we have some revenue for providing these services. They originally talked about a joint Economic Development District for this. A JED works best if there is income tax. Because this is federal property there is no income tax. Because it is federal property they can't get property taxes. There are no tax dollars coming into an entity for this property. They then began to look at the CEDA. JEDs and CEDAs are the two ways the Ohio Revised Code allows communities to work together as opposed to an annexation. The problem here is it is federal ground, and it can't be annexed, but you can still do CEDA. You can still cooperatively work together to provide services. Synergy is making a direct payment to the City for all the different items they see. We did not have to provide services, but we are the only ones who can. Greene County and Bath Township don't have water and sewer near there nor are they able to provide Fire and EMS services nor are they able to provide building inspection services in a timely manner. That is why the push was on to work with the City of Fairborn to make this happen. Because we work so well with Wright Patterson, we wanted to see this succeed.

Mr. McNamee discussed the Sinking Fund – it's a benefit to the City. As the City is able to access the sinking fund to provide services, infrastructure projects that are not EUL-related. If we see an area, we want to connect and we want to use the rainy-day fund we can get that money. We cannot have the cash dip below $300,000, that is the only benchmark we have on that. Second, in terms of the developer, let's say for example we have $1 million in the fund and there is a catastrophic event of $1.5 million they are required to do a true up at each year end if the funds they contributed and the funds that

have been spent on EUL related projects is at a deficit they are required to true that up, plus the $300,000 to keep that minimum $300,000. To get to Councilwoman Chess' question about are they going to sell out. That is not unusual for developers to do that, so they are not saying one way or the other but we anticipated that and if they are selling out to an entity that we don't know the buyer has to deposit a $500,000 irrevocable letter of credit to the City so we make sure they are still making those annual payments into the sinking fund. Those are some interesting facts about the sinking fund.

Mayor Kirkpatrick as if there will be any active duty or contractors? Mr. Gebhart said they don't know.

Councilwoman Stanton asked who holds the Sinking Fund. Mr. McNamee stated the City holds it.

Mr. McNamee said the CEDA runs through 2074, with automatic 50-year renewals, default: 90-day cure period before enforcement; developer has enforcement rights as a third-party beneficiary, the city retained all sovereignty rights.

Mr. Gebhart stated the site cannot be annexed – services still required; agreements ensure cost recovery and revenue streams, protects Fairborn taxpayers from outside service subsidies; supports major regional economic development project, staff is going to recommends approval of Resolution 37-25 at the regular council meeting tonight.

The City has been very deliberate that our taxpayers don't pay for this project.

Councilwoman Chess how do we know if the water has been pretreated before it gets to Fairborn. Mr. Gebhart would defer to public works on that question, but it is by Ohio Environmental Protection guidelines. They have a similar clause in their agreement with Huber Heights that is already in place. Mr. McNamee said if they're going to discharge anything that's not considered normal sanitary discharge, they're required to go by the EPA regulations and permitting processes. Terry Adkins, Public Works Director, stated they are the user and if they are going to put anything out other than normal residential waste they would contact the EPA as the user and they have to notify the EPA of what they are producing and the EPA would then test that.

Mr. McNamee said if they start using in excess of the capacity that we have they will be responsible for paying their pro-rata share for bringing that additional capacity. We have both long-term and short-term infrastructure protections.

Mayor Kirkpatrick asked if this is unique or has it occurred on other bases. Mr. McNamee responded, yes, there was one in Georgia, and it has worked out well. It is not something the government does every day, and they really drive a hard bargain. Mayor Kirkpatrick stated with our Base being unique. Is there a potential for other organizations to want to do this besides Synergy? Mr. McNamee said it is probably limited because of the lack of property and there is a second phase of the Enhanced Use Lease that is Beavercreek Township, but we are not involved in that,

Councilman McCubbins said the VA has embraced EUL's and it has worked out very well. Mr. McNamee agreed.

Councilman Allen if the site will be fenced. Mr. McNamee said it will be access controlled, but it is a private fence.

Councilman Allen asked what stormwater oversite entails. Mr. Gebhart stated it is on federal ground, so it is going to have to meet their requirements, but it will also have to meet our stormwater requirement. He believes it will be vastly different because it is federally owned ground.

Councilwoman Stanton asked if anything would come to Council to approve other than this resolution. Mr. Gebhart said stormwater usually goes with zoning and those are conditional approvals and will be handled by Bath Township. We will make sure what they put in the ground is within EPA guidelines, but he believes that is all covered through Bath Township. Bath Township is done with all the zoning. It went through a regional board, then it went through the township zoning commission and then it went on to the Trustees for a public hearing and he believes they passed it in early August. He knows they have all the site plans. Manuel Jacobs and his team will work off of those approvals.

Staff moved as quickly as possible on this project, but made sure all the Ts were crossed and the I's dotted.

ZONING CODE UPDATE

Kathleen Riggs, City Planning, provided a brief update prior to the Council meeting about the zoning text amendment that will come before them. She stated they just went through a zoning code update that was approved in May. Part of that update was to focus on uses for the downtown commercial district when they divided the downtown commercial district into two subdistricts. One is called Broad Street subdistrict, and the other is called the Main Street subdistrict. Main Street is really Main and Central over to Pleasant to Second Street. The Broad Street subdistrict creates the bookend.

On Main Street they really wanted to promote restaurant and retail uses, so the only residential use was for multi-family on upper floors with commercial uses on the first floor. Since then, staff has been approached and received some feedback that we should permit single family residential in this Main Street subdistrict so that is what is before Council this evening. It went to Planning Board and was approved. This changes that the existing single-family homes the way they are today is they are legal non-conforming uses. If this gets approved those would then be legal conforming uses and any existing commercial building that wants to be transformed into residential or new residential structure would then be permitted. It would require Planning Board for approval but essentially it would be a permitted use.

Deputy Mayor Reaster stated nothing really changed with existing homes. We are just changing the way that it reads. If she remembers correctly if it is currently a residential house it is going to stay a residential house unless there is a 6-month vacancy, then it changes. Ms. Riggs agreed.

CITY MANAGER COMMENTS

Mike Gebhart, City Manager, stated he had nothing at this time.

COUNCIL COMMENTS

Councilman Allen appreciated Ms. Riggs sharing that information. He did take a planning course what he got out of that was the very matrix. He appreciates what she does.

Mayor Kirkpatrick mentioned the upcoming work sessions and meetings.

ADJOURNMENT

Deputy Mayor Reaster moved to adjourn the meeting. Councilman McCubbins seconded. Yeas, seven: Reaster, McCubbins, Allen, Chess, Fritzsche, Stanton and Kirkpatrick. Nays, none. Motion carried. The meeting was adjourned at 5:43 p.m.

MAYOR

CLERK, CITY OF FAIRBORN