



**MONTGOMERY COUNTY
ADMINISTRATION BUILDING**

451 West Third Street
P.O. Box 972
Dayton, Ohio 45422-1110

COUNTY COMMISSIONERS

Judy Dodge
Dan Foley
Deborah A. Lieberman

COUNTY ADMINISTRATOR

Deborah A. Feldman

Dear Montgomery County Business and Community Leader:

Recently you may have read about the new interchange at Austin Road and the proposed development around it. The interchange will represent a \$70 million dollar investment of federal, state and local funds and will open over 1,200 acres of land for development on the high growth I-75 corridor between Dayton and Cincinnati. Plans for Austin Landing, the 400 acres immediately adjacent to the interchange, include a mixed use development of over 5.5 million square feet containing office, light industrial, retail, and residential. Additionally, as a focal point of the development, there is a proposed 6,000 seat event center. This project is one of the largest and most significant development efforts our community has undertaken and we believe it is critical to the long term renewal of the Montgomery County economy. We recognize that many of you may have questions about the importance of this project, the purpose of the proposed event center, and why we are considering the use of the hotel/motel or lodging tax as one of several financing options. We would like to take this opportunity to answer each of these questions directly.

The purpose of this letter is to share with you important information regarding the Austin development. It is critical that it be understood in the context of Montgomery County's comprehensive economic development plan which is based on principles of balanced growth throughout the County. Our comprehensive plan includes strategies around continued support of our core city, a focus on logistics and distribution along the I-70 corridor and adjacent to the Dayton International Airport, support and promotion of our regional strengths around advanced materials and manufacturing, aeronautics and sensor technology, IT and human effectiveness.

The news has recently been filled with disappointing events regarding the local economy, most significantly the closure of the GM Moraine truck plant, and the current national recession. However, we are confident that as a community, if we remain focused on these strategies, we can turn our economy around. Recent successes such as the 800,000 square foot Payless distribution center in Brookville, \$1.6 Million investment in TechTown & IDCAS in Dayton, and the new Care Source headquarters building in downtown Dayton are evidence that these strategies are working.

Why Austin Road?

Southern Montgomery County is home to some of our largest high tech companies including Lexis Nexis, Teradata and New Page. These companies represent over 4,000 jobs and from a competitive standpoint, they have consistently told us that access to the workforce along the I-75 growth corridor is essential to their staying and growing in the region. The interchange also provides a strong connection to the Miamisburg Mound and redevelopment there that has created over 250 jobs over the last five years. Any successful plan must be based upon a realistic assessment of the current situation. The facts are that over the last ten years, Montgomery County has lost population. However, the counties directly south of us, Butler and Warren, represent some of the fastest growing areas in the state.

Here are two statistics that support this population trend:

Between 2000 and 2009, the number of people 22 to 24 living in Warren and Butler Counties grew 14% and 51%, respectively. The number of people 25 to 29 grew 20% and 91%.

We can look at these demographics and “wring” our hands and declare Montgomery County a “dying” community as a recent magazine declared **or** we can turn this reality into an asset.

- The Austin Interchange is within a thirty minute commute time of northern Hamilton County, most of Greene County and all of Montgomery County. It provides an ideal location for employers interested in recruiting a work force from this wide and diverse geographic area.
- Growth along the I-75 corridor south of Dayton is not a possibility, it is a reality. There are eight interchanges between I-275 and Austin Road. Growth at each of these interchanges has been stunning over the last ten years and the development already underway or soon to be underway includes an outlet mall, industrial/business parks, multiple retail establishments and restaurants.
- We strongly believe that with aggressive and bold planning, we can create a high-visibility destination at Austin that will attract many of the high quality companies considering a location in Southwest Ohio. With those employers comes a superior workforce that is essential for the long-term vitality of the region.

Why an Event Center?

We strongly believe it is critical that the Austin Interchange development have an anchor amenity to differentiate the location from other developments along the I-75 corridor. We need something to encourage potential companies and employees to look north on 75 and not south. We must create a sense of “place”. Market analysis and ongoing research consistently indicate that an anchor amenity is essential. We believe the proposed event center would be a key catalyst to creating the identity which is so important to the development’s success. Negotiations are ongoing with Mandalay Entertainment, owners of the Dayton Dragons, to explore the potential of a minor league hockey team to serve as the primary tenant of the event center. Additionally, the event center would fill a current gap in the Dayton/Cincinnati arena market providing a mid-size venue for concerts and other entertainment. Another important use of the event center would be to strengthen our county’s competitiveness in the youth sports market. Currently, we do not have sufficient venues to attract many youth sports tournaments. These tournaments can be an extremely lucrative source of business for our area hotels and restaurants. A great deal of additional information is needed as we explore the potential of this amenity.

We recognize there are strong opinions on all sides of this proposal and, as we have always done, we will sincerely listen to and consider all comments and suggestions before taking action.

Why consider the use of the lodgings tax?

The County Commission has requested that the legislature give it the option to raise the hotel/motel tax or lodgings tax by a maximum of 4%. The legislation proposed by Speaker Husted *would not* raise the lodgings tax. It would simply give the County Commission the same authority available to almost every urban county in the State of Ohio. Again, no decision has been made as to whether we would exercise this option. As we stated above, important work must be done on determining the viability of the event center and the value it adds to the Austin development before taking any action on the lodgings tax.

In discussing the lodgings tax, it is important to understand the facts. The current tax in Montgomery County is 6%: 3% goes to the local jurisdiction (i.e. city or township), 3% is countywide (of the countywide tax, 70% goes to the Convention and Visitors Bureau/ 30% to Montgomery County government). Additionally, the 7% sales tax is applied. Presently, on a \$100 hotel room, the combined tax is \$13.00. If we did raise the tax a full 4%, the tax would be \$17 or an increase of \$4.00. If our neighboring counties all kept their tax at their current rates, the difference in the tax on a \$100 room would range from \$4.25 to \$4.50 per night.

We recognize there are a number of people who are concerned about our consideration of this tax as a potential funding source for the event center, however we believe that the amount and the relatively few number of Montgomery County residents who would be affected by it, make it a logical and reasonable option to consider.

We hope this letter has helped you understand more about the Austin Road development and the important role we believe it can play in our county's future growth. As we stated at the outset of this letter, Austin is part of a much broader economic development strategy which, with hard work and commitment, can successfully stabilize our economic base and position Montgomery County competitively for the future.

Sincerely,



Commissioner Judy Dodge
Montgomery County



Commissioner Dan Foley
Montgomery County



Commissioner Debbie Lieberman
Montgomery County