



Economic Development Annual Report 2008

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PCC Airfoils Inc., Painesville Facility

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2008 Economic Overview



**FEDERAL
GOVERNMENT**

Federal Overview –

Major factors have unfolded in 2008. With the presidential election and downturned economy there appeared new initiatives on the forefront within the federal government. Increases in unemployment over the past year and the increased uncertainty in the housing market since 2006 created a pressing problem for the overall economy. To deal with the financial market crisis and credit crunch, Congress passed, and the president signed, the Emergency Economic Stabilization Act of 2008 (ESSA). This legislation authorized Treasury to buy up to \$700 billion in troubled assets from the financial markets and gave Treasury a broad array of powers to deal with the financial crisis. While implementation of the rescue is still in its infancy, Treasury has designated up to \$250 billion to purchase equity shares in troubled financial institutions.

For much of 2008, trade was the bright spot, with net exports accounting for most of the growth in GDP earlier in the year. This is according to the US Chamber of Commerce State of American Business where further emphasis shows that corporate profits are softening as the economy slows. With product weak, businesses have little reason to invest, and, at some companies, internal cash flow appears to have been used defensively in stock purchases. The report further states that families, businesses and banks that are fortunate to have cash are sitting on it. They emphasize that we must restore credit, confidence, consumption and responsible risk taking to restart growth in the US economy.

State Overview –

Governor Strickland's focus over the past year has and remains fiscal responsibility and living within our means. This has placed some challenges on various State Departments but this coming year he has expressed in the State of the State Address that implementations will include the tax reforms enacted in House Bill 66. This includes the full phase-in of a 21 percent across-the-board income tax reduction. In addition to broadening the Job Retention Tax Credit and Job Creation Tax Credit to encourage more business opportunity in Ohio, the Governor's budget creates several new job-creating tax credits, including a Film Tax Credit to spur growth of the film industry and a New Markets Tax Credit to give our cities and towns a proven tool to spur investment and bring new life to downtown centers. In addition to these new job-creating tax credits Governor Strickland announced that he will work with the legislature to develop a second job stimulus plan in the coming months, to include an expansion of Ohio's Third Frontier program, regulatory reform and streamlining measures to assure that Ohio gets its share of federal stimulus funds and can put them to work quickly, and additional investments that will create jobs in the short term and strengthen Ohio for generations.



Northeast Ohio's Overview –

In Team Neo's most recent NEO Economic Review the focus remains on the market. According to their reports the office space market in Northeast Ohio is strong, with occupied Class A, B and C space up nearly 5% since Q1 2004. There is more occupied space in Q2 2008 than anytime in the past five years, as total occupied space has increased to almost 112 million square feet. Noting the solid demand for office space, the Real Estate Research Corporation (RERC), had listed the Cleveland region favorably as one of the top 5 office markets to watch in 2008. Even in the face of a soft national economy, the demand for space in the Northeast Ohio office market continues to grow. According to the Grubb and Ellis Q2 2008 office report, asking rents are rumored to be in the low- to mid-\$30s for significant new developments, the highest rates ever quoted for commercial business district office space. Northeast Ohio's vacancy rate of 12.1% is nearly on par with the U.S. average of 11.5%, and is notably lower than many major U.S. markets. Northeast Ohio's vacancy rate is lower than the San Diego, Chicago, Atlanta, Phoenix, Las Vegas and Dallas markets. Furthermore, when viewed by class type, Class A vacancy rates have drastically decreased by nearly 6% in the past five years. Class B and C vacancy rates have remained stable. This also holds very steady with what we have seen in Painesville as well.



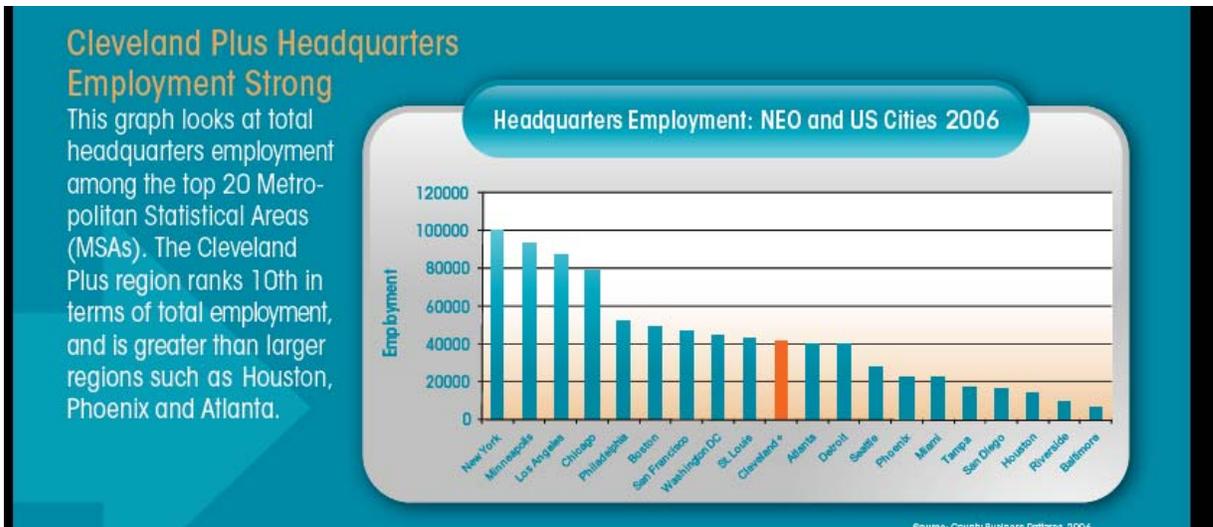
Northeast Ohio's Overview – cont.

Northeast Ohio's economy is expected to continue diversifying. The information industry is expected to grow the fastest, at 34% over the next 10 years. Despite common misperceptions, manufacturing output is projected to continue growing as well. Other faster-growing sectors include: Professional and Technical Services; and Finance and Insurance sectors. Projections for the next ten years also show higher paying occupations account for all the expected growth in employment. Jobs with above average pay are projected to grow 7.5% and expected high-growth occupations will include: Computer/Math, Business/Finance, Education, Training and Library, Sciences, Legal and Management.

Industrial Real Estate is Strong and Growing

Northeast Ohio is the sixth largest industrial market in North America. Our industrial vacancy rate is among the lowest in the past 5 years, with the Manufacturing vacancy rate showing a significant decline since 2006. In addition, there are approximately 411 million total square feet of Industrial space in the region, larger than at any time since 2000.

Even in the face of the current national economic decline, the Cleveland Plus Region continued to benefit in 2008 from its long-term trend of steady, moderate growth. We are diversifying and transitioning our economy to high-skill industries, indicating that education and workforce development will become even more valuable in the future. Our industrial and commercial real estate markets remain strong. According to TeamNeo by maintaining the course with Northeast Ohio's advancements in biomedical, alternative energies, high-tech manufacturing, corporate management and entrepreneurship, the region will accelerate growth and ensure long-term vitality.



Painesville's Economic Overview

The primary focus of the Office of Economic Development in 2008 was business retention and downtown redevelopment. With great uncertainty in the US economy, there was great uncertainty for the effects it may create on business overall in the region. In an effort to gain perspective on the conditions within our community our focus remained directly on two core areas manufacturing and downtown retail/office.

The Economic Development Office worked closely with seven leads on industrial investment in 2008. Of those seven leads one chose to remain with their operations in Perry, the other six are still active and still considering Painesville as their location. One is a headquarter manufacturing location. Of those seven inquiries four were for 5 acre parcels Renaissance Business Park and one was for 15 acres in Osborne's Property located behind the new PCC Airfoils.



Lake County Educational Services Center opens new Conference Center and expands Offices into the 1st and 2nd Floor of the Chase Building

The attraction efforts of the department over the past year have been aggressive toward industry while still maintaining the strong retention and expansion programs that have been the cornerstone of growth within the City for many years. This past year a Manufacturing Forum was held with our largest employers and energy users to gain a better perspective of their impacts due to the uncertain economic conditions. Interesting enough while we thought the majority of the challenges would express trouble securing financing, cash flow issues and lead times on accounts payable the focus was in a completely different direction. They had a much stronger concern for their future after this economic downturn. Their first and number one concern remained Workforce Development – They indicated that they need to know that after this downturn they will be able to find a committed and skilled workforce that can make their operations more competitive in the future. They also needed a way to contact and find workers that have been perhaps laid off from other nearby industries that have the skill sets they are looking for in employees. The second biggest concern was Energy Efficiency – Each company represented in the room expressed that they are being required by their parent corporations to conserve energy and investigate green alternatives. In many cases, even independently owned operations are looking for tools that they can use to reduce their overall consumption in an effort to report a greener operation to their customers and clients who are now demanding it.

Business Attraction, Retention & Expansion —

Business Retention & Expansion (BRE) is the cornerstone of our Economic Development efforts. In 2008 the Economic Development Office worked closely with the Coe Manufacturing Brownfield Redevelopment Project securing a \$200,000 grant for Phase I and Phase II assessments. This allows the City to move forward in assisting Coe Manufacturing with the completion on their Phase II assessment and eventual property clean-up. The redevelopment of this site opens new opportunities for land that otherwise would sit dormant and dilapidated.

We also continue working with an additional 17 companies within the City for future expansions. These include 7 Manufacturing Companies, 10 Service / Commercial Companies, and 0 Retail Companies.

2008 Major Attraction Projects

MatPlus: The City of Painesville worked with MatPlus to acquire the old Heritage Beverage Building on Burton Street. The building had remained vacant for approximately 6 years and this past year two companies ended up vying for the building at the same time. MatPlus came to the table quickly and purchased the building to expand their location from Euclid. The company specializes in MP Foam 35 which has superior molding and grinding characteristics that aid in producing diabetic and therapeutic insoles for the orthopedic shoe industry.

Path Technologies: Path Technologies came to us from Mentor and was a company that purchased two buildings located on one parcel on West Prospect. The company expanded into Painesville largely because of the reduction in energy costs and the ability to purchase their building on auction. They invested nearly \$200,000 in renovations to the existing building under a CRA. The company provides components for today's modern industry through state-of-the-art operations called EDM. EDM is a manufacturing process by which an electrical spark is discharged near the surface of a (electrically conductive) work piece.



PCC Airfoils, LLC Completes Construction in '08

PolyChem: PolyChem located a new division of their operations which was previously outsourced into a building located on West Prospect they signed a three year lease on the property. This new sector of their business will produce small clamps that are used on their stripping. PolyChem overall is the second largest producer of polyester strapping and polypropylene strapping in the world.

2008 Major Retention & Expansion Projects

Coe Manufacturing: In 2008 Coe Manufacturing was acquired by USNR. These acquisitions firmly establish USNR as one of the largest suppliers of wood processing equipment in the world, offering state-of-the-art machinery, controls and optimization to both solid wood and engineered wood products sectors. Headquartered in Woodland, Washington, USNR also operates facilities in Arkansas, Florida, Georgia, Oregon, British Columbia, and Quebec. During 2008 they closed their Tiger facility and Canadian facility and relocated the equipment and some engineering positions here to Painesville. They since have struggled some with the economic downturn but plan that overseas markets will enable them to gain new business.

2008 Major Attraction Projects

Retail: There are currently 9 retail spaces in the downtown that remain vacant. There are 5 which have been vacant for more than one year.

2008 New Painesville Businesses

<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
Contours Hair & Nails	Beauty Salon	1-4
PolyChem Corp	Manufacturing	4-8
Downtown Painesville Org	Non-Profit	1-4
El Gallo Estrada	Restuarant	1-4
Lake/Geauga Head Start	School/Service	1-4
NorthCoast Solution	Service	1-4
Your Vine or Mine	Retail/ Wine	1-4
The Storm Cellar	Restaurant	4-8
Chestnut Detailing	Auto Detailing	1-4
The Bird Walk	Retail	1-4
Boylan Performance	Office	1-4
Rob Reid Insurance Agency	Service	1-4
H2O Technologies	Distribution	1-4
New Business Total Employment		19 - 64



Bitzer Family Furniture recognized for their more than 90 years of business in Painesville

2008 Painesville Businesses Expansions / Re-Openings

<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
Lake County Port Authority	Expansion	-
Painesville Area Chamber of C	Expansion	-
Papa John's Pizza	New Ownership	-
Painesville Recycling	Expansion	-
Sheet Metal Services	Relocation	-
Expansion Employment Added		0

Approximate Gained Employees 2008 **19 - 64**



Your Vine or Mine Opens its doors for Business in '08

2008 Unsuccessful Businesses

Bitzer's Furniture: In business for over 90 years in Painesville the furniture store closed as a result of the Bitzer Family wanting to relocate to Chicago where their children and grandchildren now live. *Copy Quest:* Closed due to economic challenges. *Parlour Quilts:* Closed to help her ill mother and preferred not to due injustice to her business while caring for her. *Dessert Works:* Business became to much of a challenge and she felt it was too much to handle at the time.

Community Reinvestment Areas

The department continues to review all CRA applications which provide a unique tax incentive plan to owners and developers who wish to upgrade their properties by either renovation or new construction, in certain targeted areas of the City. During 2008, 7 applications were reviewed and approved for new CRA tax exemption. A total of 5 commercial CRA's indicate an investment of \$10,622,791.13 into the City of Painesville Business Community and \$187,971.59 into the residential community. The CRA applications were for the following properties:

Community Reinvestment Areas

Area 1

257 Mathews, Naylor	Residential	\$87,922.97
195 W. Eagle, Bachman	Residential	\$100,048.62
787 Renaissance, Core Systems	Industrial	\$484,000.00
437 W. Prospect, Path Technologies	Industrial	\$199,402.59
870 Renaissance, PCC Airfoils	Industrial	\$9,312,000.00

Area 2

1 Victoria Place, Painesville Properties	Commercial	\$601,128.52
154 Main Street, Your Vine or Mine	Commercial/Retail	\$26,260.02

CRA Annual Reviews

On October 21st, 2008, the Community Reinvestment Area Committee inspected the City's tax abated properties. One Hundred and twenty two (122) properties were inspected and one hundred and two (122) were found to be in compliance. The five properties that were found to be non-compliant were re-inspected in late November and at that time the land owners had completed the improvements required by the City.

Enterprise Zone Annual Report

During 2008 the City had no EZA Agreements in place. A full review of the Avery EZA was examined to determine if the appropriate length of time applied to the EZA through the State of Ohio. It was later determine that the State treasurers office and Avery Dennison were responsible for that determination.

Painesville Downtown Events & Happenings

- **Farmers' Market:** As always the Farmers' Market was a tremendous success during 2008. We had some new varieties in fresh produce, baked goods and homemade items such as organic teas and homemade breads and pastas. In total at full market we had 17 regular vendors and many intermixing seasonal vendors selling a variety of products and produce. The 2009 Market will begin on May 14 and go through October 22rd. This coming year will be our tenth anniversary for the Painesville Farmers Market.
- **Art in the Park:** The seventh year for Art in the Park was a beautiful sunny day and over 2,000 attendees were projected to be there. This year we saw new shoppers come out to shop around and view the art work of local artists. The event showcased artists from the area, musical ensembles, and fine food from Roberto's Restaurant, Painesville Rotary and coffee's from Java Express. In addition, this year we added a featured national artist, Jim Daly, and a professional story teller that resulted in greater crowds of young children. The event which was hosted by the City and the Downtown Painesville Organization attracted 33 artists and many visitors to downtown on August 16, 2008. Next years event will be held on August 15, 2009.
- **Taste of Painesville:** The 10th Annual Taste of Painesville was a great success this year. The participating restaurants and varied merchants were enthusiastic about their ticket and food sales at the event. This years event showcased 12 food vendors and 6 merchants or informational booths. The event sold over \$14,002 in ticket sales and raised over \$1,900 for the Downtown Painesville Organization. The venue will be held again during 2009 on September 3rd. The sponsor for the third consecutive year was STP Products, one of Painesville's largest employers.
- **Historic Downtown Painesville Holiday Open Houses:** Thirty-one participating businesses kept their doors open till 9pm on November 18th and served a spread of food, gifts and entertainment for the Holiday Shopping Season in downtown Painesville. The annual event was a success for each of the participating businesses and brought in 100 completed passports. This was the first year that the City turned over the event to the Downtown Painesville Organization. The event was completely managed and promoted by the organization and will continue as their event into the coming years, This was nearly double the number of passports submitted in past years. The Sixth Annual Holiday Open Houses included: China House, Nemeth's Lounge, Painesville Flooring, Terkk's Computer, Diverse Kuts, Jimmy's Restaurant, Riders 1812 Inn, Joughin & Co. Hardware, Conway Land Title, Bella Donna Salon & Spa, Grande Designs, Roberto's Italian & American Restaurant, Ye Olde Oaken Bucket, Federico Tire Inc., Artful Hands Studio, Bistro 70, Curves, To Each His Own, Senors Mexican Restaurant, Storm Cellar Sports Bar & Grille, Your Vine or Mine, The Birdwalk, Gartman's Model Bakery, La Mexicana Grocery Store, Painesville Furniture, Special Events Floral, Massage Clinic & Day Spa, . The Downtown Painesville Organization will again hold the event in November 2009.
- **Other Events:** Painesville Photography Contest, Annual Business Appreciation Networking Event, Quarterly Business Networking Breakfast Series.

Business in Downtown

- **Downtown Painesville Organization:** This past year operating as a Main Street Program community we are making a long-term commitment towards establishing and funding a revitalization organization with required full-time staff. Key investors as required have been secured to ensure that these funds remain in place to meet the five year public-private partnership commitment. These key investors and a required \$60,000 budget was necessary in order to make application for the program. In **2008 we made the Main Street Application**, Jeff Siegler of Heritage Ohio informed the Downtown Painesville Organization's Board of Directors that Heritage Ohio has been very impressed by the progress that has been made by the

Downtown Planning Process for Master Plan Begins



Downtown Painesville Organization. “The selection committee felt that Painesville is an incredibly strong program and on the cusp of being ready.” He also regretfully expressed that Downtown Painesville Organization needed a little more time to strengthen the organization and funding. The committee encouraged “the Downtown Painesville Organization” to continue to mimic the main street approach in the coming year towards future acceptance. Siegler stated “It was a very close decision and everyone was most impressed with the organizations progress in Painesville”. “The committee felt another year would mature the existing program in its mission and execution of programmatic activity.” We again have made application in the beginning of 2009 and expect notification by March.

- › **Lake Geauga Cleveland Foundation Grant:** The Board of Directors through the assistance of the City of Painesville was awarded a \$15,000 grant to perform a Strategic Planning Session in collaboration with the Lakeland Non-Profit Foundation. This Strategic Planning Process will enable the organization to be a model organization throughout the State of Ohio’s Main Street Programs.
- › **Structured Board of Directors and Downtown Management:** The Downtown Painesville Organization has formed a structured management system within the downtown. This organization now offers the City some assistance in redevelopment efforts from local merchants, organizations and primary property owners. The organization provides a structure mechanism for all active participants to address concerns, improve properties and detail future plans of action for the historic business district. This organization will be key to maintaining a strong business base within the central business district as the community grows closer to the indirect effects from the loss of the hospital. They have hired their first Executive Director and are now operating as a full Main Street Program even without official designation.
- › **2008 Downtown Organization Operating Budget**

2008 Budget Expenditures	2008 Budget	
Executive Director	\$29,000	General Membership \$6,000
Health Benefits	\$1,800	Key Investors \$34,000
Insurances	\$1,600	Grants \$15,000
Office/Rent/Utilities	\$2,400	Fundraisers/ Events \$1,900
Office Expenditures	\$6,000	
Special Projects	\$3,000	
Other Miscellaneous	\$1,500	

Downtown Painesville Four Point Approach Committee Reports:

- › **Organization Committee:** The organization and membership committee is working hard to expand the organization so they can accomplish more and make a bigger impact in Downtown Painesville. They have recruited dozens of new members and reached out to everyone from Lake Erie College students to area retirees to get them involved in the efforts. They also met their 2008 membership goal of \$6,000.
- › **Promotions Committee:** The promotions committee is working to improve the image of downtown and to promote downtown businesses to events. Over the past year they have utilized technology to spread their message and boost interest in downtown. They also hosted in conjunction with the Students in Free Enterprise (SIFE) group the first ever Welcome Back Concert which brought hundreds of Lake Erie College students downtown and connected them with Painesville businesses.

- › **Design Committee:** The design committee is working to beautify downtown. This past year we partnered with the City of Painesville and the Painesville Community Improvement Corporation to erect hanging flowers baskets around downtown. In 2009, they'll be partnering with the City of Painesville and other community stakeholders to develop a new streetscape plan for downtown.
- › **Economic Committee:** The economic restructuring committee has partnered with the City of Painesville and other community stakeholders to develop a new master plan for downtown that will bring new housing and development while preserving our historical buildings and character. This plan is in the final stages after a year of hard work.



Downtown Painesville Organization
creates new marketing logo

(Downtown Painesville Annual Report: Please see complete report in Exhibit C)

Additional Business Contacts

The office has been visiting downtown businesses, local manufacturers and commercial offices to foster communication between the City and the business community, promoting public/private partnerships for the overall development of the city, and remaining abreast about issues and concerns facing the local business economy. New business packets are delivered on a quarterly basis to all new businesses welcoming them to the City of Painesville. In addition, we have held numerous grand opening in 2008.

Hispanic Small Business Seminar and Publications: Typically the Small Business Development Center hosts Small Business Seminars. Because of an increased demand they had for a Spanish version of the course we were able to partner with the Hispanic Chamber of Commerce and the SBDC to provide this seminar at Morley Library. There was a great attendance by start-up Hispanic business owners and those interested in starting a business. The event also enabled us to prepare materials that are a self-guide to starting a business in Spanish.

Other Economic Development Programs: Quarterly Works For Business, Painesville E-Business News Updates, Quarterly Business Breakfast Series, Quarterly Business Task Force Committee Meetings, Painesville Map, Historic Walking Tour & Visitors Guide.

Development / Redevelopment Projects

Lake East Hospital: In 2008 the City of Painesville began the Phase I and Phase II in accordance with the US EPA Grant. In addition, we focused on making application to the Clean Ohio Revitalization Fund (CORF) in the amount of \$3 million for the demolition of the Hospital property. After a meeting with the ODOD regarding our submittal we were called and notified that we should withhold our application until the June 2009 timeframe. The ODOD indicated that they would not consider the property a true "Brownfield" by their definition until the property was vacant. Therefore the finalization of the CORF will take place prior to the June 2009 deadline.

Painesville Wireless Infrastructure: The implementation of the Wireless System in place and focus continues on the recruitment of physicians offices, college based businesses, new opportunities within the Chase Bank Building/Victoria Place and high technology business park areas.

Painesville Hotel: The option which was on the hotel reverted back to the City because of the project cost in November. Since that time we have actively sought partnerships once again to fill or re-use the hotel building and site.

Richmond Street: The city has continued its focus on the redevelopment of one of the City's primary entrances, Richmond Street.

Coe Manufacturing Brownfield Redevelopment: A continued focus has been on the completion of a Phase II assessment and identification of remediation costs for Coe Manufacturing. This past year the buildings were demolished which was an investment of \$400,000 on the part of COE. There has also been interest expressed by the Port Authority to partner with the City of Painesville on the full remediation project.

PCC Airfoils: The hiring campaign for PCC Airfoils is moving aggressively. By the end of 2008 they had 44 employees and expect to hire an additional 60 employees in 2009 and 20-25 in 2010. They installed all four furnaces and have begun production testing. They anticipate to be at full production in March 2009. The total investment in this project was \$32.5 million and according to the CRA agreement the building investment alone was just over \$9 million.

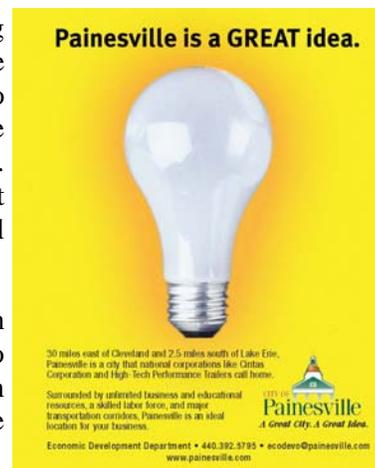
Brownfield Assessments: In an effort to identify various hazardous substance based Brownfield's within the City of Painesville, the City applied to the US EPA for \$200,000 in Brownfield grants. In 2008 we were notified that we had received this grant and therefore have proceeded with Phase I and Phase II's for the Coe Project and LakeEast Hospital Site.

TeamNeo: The City of Painesville received the prestigious TeamNeo Asset Creation Award. This award was presented to Rita McMahon and the City of Painesville in 2008 in recognition of their long-term investment in municipal utilities. The award represented the effects that the investment made to Economic Development and to its ability to recruit national companies like PCC Airfoils to the State of Ohio. PCC Airfoils created 100 new jobs to the State of Ohio.

Marketing and Public Relations

Marketing Painesville: Most recently we have been working on some new marketing approaches to retail, business and industry. Our past ad's which you can see here include a slogan "Great City...Great Idea" which features in our advertising a Light bulb to reflect the Municipal Savings we can offer. These ad's are featured regularly in Inside Business and the Lake County Business Journal as well as other regional publications. This approach has been very successful in our industrial markets and will continue, but we have recognized a need for a softer approach to general commercial, office and retail recruitment.

So this past year we piggy backed of the State of Ohio's National Marketing Campaign called "Build Your Business...Love your Life". The reason we chose to replicate this so closely with our marketing materials was to ad recognition to our Painesville campaign and showcase that Painesville truly is a place where business prospers and grows, a place you can enjoy your family, recreation and a beautiful downtown environment.



This new marketing piece also showcases all of the incentives available for relocation including business loans and Community Reinvestment Area's. It details site selection information, development areas, workforce development programs and municipal utility information. There is also a Resource CD which will direct users to our website. This enables us to update our materials weekly, therefore a company has the most up to date information on demographics, location, transportation, potential clients and more at the click of their mouse. This allows us to significantly reduce our future printing costs for out dated information.

(New Marketing Campaign: Please see complete resource cd and brochure in Exhibit B)

Advertising

The Economic Development Office has continued its aggressive marketing campaign aimed at CEO's of local corporations as well as entrepreneurs in Northeast Ohio. The marketing has been focused within publications which are commonly used by these two demographics. Throughout the year, as mentioned above, the Economic Development Office placed numerous ads in regional business magazines including: Inside Business and the Lake County Business Journal.

Downtown Marketing: Many of the downtown events such as Taste of Painesville, Art in the Park, the Farmers Market and the Holiday Open Houses, provide advertising in various publications and exposure to Painesville for both residents

and visitors. In combination with the downtown merchants the City organized and managed a monthly “TGIF” co-op full page ad in the TGIF section of the News Herald along with a full page co-op ad in the Tribune and Gazette. This advertising featured local restaurants, bakeries, and unique specialty shops that Painesville offers. In addition, the City ran a “Shop & Dine Painesville” WKKY Radio ad campaign and a full page advertisement in the Lake Erie Tower News.



Renaissance Business Park - Creating Jobs For the Future

Industrial Marketing: In an effort to maximize our exposure regionally and target companies looking for potential expansion the city has focus its advertising efforts with Inside Business Magazine and the Lake County Business Journal. For the fourth year the Department put a large focus on the Entrepreneurial Tools that Inside Business offers companies which are both starting and expanding. These businesses are often also technology driven and through the state have a better opportunity to get grants and funding for their innovations. In addition to these ad’s the Office of Economic Development was featured in the TeamNeo’s Inside Business edition for the Asset Creation Award along side with PCC Airfoils.

Along with these ad’s in Inside Business Magazine we are continuously working closely with editors to enhance our overall exposure. We are pushing to get key stories on local companies and local successes here in the City of Painesville. This year PCC Airfoils was featured in the Plain Dealer and Crain’s Cleveland Business on-line as well in many State wide publications and during TeamNeo presentations. We plan in 2009 to continue an aggressive marketing campaign focused on entrepreneurs, industry and new technologies.

Community Involvement

The Economic Development Office has worked very closely with the Chamber and Lake County Port Authority throughout the year to partner on various business communication, networking and resource based initiatives. In addition to involvement with the Painesville Area Chamber of Commerce I also serve on or have been involved in some capacity with: Auburn Career Centers Business Advisory Council, Lake County Development Council, Lake County Community Improvement Corporation, Lake County Small Business Loan Program Board, Lake County Entrepreneurial Club, Lake Erie College’s Center for Entrepreneurism Business Advisory Board, Painesville Community Improvement Corporation, Painesville Schools Educational Foundation, Downtown Painesville Organization. I also serve on the following committee’s: PCIC’s Economic Development Committee, Chairman; PCIC’s Party-in the Park Committee, Marketing Chairman; Downtown Painesville Organization’s Design, Promotion, Organization and Economic Restructuring Committee’s; Team Neo’s Regional Marketing Committee, the State of Ohio Small Business Administration’s Advisory Group for Lake County SDBC and the Painesville City Schools Educational Foundation.

Renaissance Business Park

Industrial Marketing Efforts

During 2008 our office took an aggressive approach to marketing Renaissance within the region for business expansions along with the marketing firm of CBRE with corporate real estate agent Fred Herrera and Geis Construction Company located in Streetsboro. The construction firm has numerous clients that are looking for quick, low-cost options within a build-to-suit. The construction firm now offers any potential candidate for Renaissance Business Park a no-cost preliminary site plan and cost estimates on construction of a facility. This has continued to be a great asset to our recruitment efforts on the Renaissance remaining sites. With these cost estimates we can provide a small to mid size company the first step in their decision making process.

Renaissance Company Updates

PCC Airfoils, LLC: They are working through their new dynamics as the first event “green” build for PCC Airfoils Corporate. Historically PCC Airfoils has always acquired existing buildings and as the first “green” build, they have since had corporate officials coming in from across the country to view the new operations and the potential this new facility can offer their future productions.

Cintas Corporation: The company has continued to see growth and has been working to expand new markets. The existing CEO Greg Hart has transitioned into a new position and Al Kosis who has been overseeing Painesville for many years will remain as the new CEO.

Core Systems, LLC: Core Systems remains strong in 2008 as they proceed with trying to identify new training grants and avenues for their employees. Working with Amigos & More they put together a safety program to teach all of their employees both English and Spanish safety operations. This has proved to be successful and they are continuing to seek new training venues through the State of Ohio.

Renaissance Business Park Job Creation

Because of the Industrial Park the city has increased employment by 530 employees in 9 short years. Income tax revenues in the parkway are now exceeding \$230,000 per year. These three businesses have also brought more than 50 million in capital & equipment to the City and each is within our Top 5 employers.

Key Account Summary

The Painesville City Office of Economic Development performed its annual key account summary analysis for each of the City’s key account businesses listed below. This summary takes effect yearly to provide our key energy users with an overall analysis of their peak electric demand, annual average load factor, average monthly electric energy cost, and annual average cost of electric energy. This review was conducted annually in conjunction with the Painesville Municipal Electric Plant and AMPOhio. All letters and reports were sent to the following 2008 Painesville City Key Accounts: **American Rolled Formed, Coe Manufacturing, Associated Enterprises, Cintas Corporation, Core Systems, Eckart America, Extrudex, Fasson-Avery Dennison, Fluid Regulators, Grand Rock, High Tech, IMAX-Tasyd Industries, Lake Hospitals, Eckart– Altana, ROCO Industries, SAS Rubber, STP, Xponet.**

The Office of Economic Development also worked on specific projects for the following key account’s in 2008:

Extrudex: In December Amp-Ohio noticed a change in billing since August, this resulted in a malfunctioning meter. Resolution continues on the usage of the account, however since that time the meter has been replaced and the problem corrected.

PCC Airfoils: We met with PCC Airfoils to ensure that the current demand was as expected. Being that they are still in the testing phase of their operations it has been difficult to tell. Further information was gathered from the company to allow an approximate necessary date for the transfer from the H-4 circuit to the H-9 circuit. The anticipated transition will occur in March 2009.

Associated Enterprises: With recent transitions in their operations they are interested in working with Painesville Municipal Power to begin consolidating meters. This will allow the company to examine its redefined operations and perhaps reduce their overall electric bills.

Painesville Manufacturing Meeting: The second meeting of Key Accounts was held in November 2008. This meeting featured speaker Bob DeWitt who talked about the Electric Industry and the benefits to Painesville Companies. Local representatives talked openly about problems they are facing and concerns they have in the industry. Represented at this meeting were city representatives, local schools, career centers, the State of Ohio, Magnet and business leaders. The open forum offered guidance to our department and resulted in the determination that workforce development and energy efficiency programs remain their top concerns.



Coe Manufacturing Demolishes Buildings No Longer Used on Premise to proceed with Property Remediation Plans

Financial Programs

PLEDGE Linked Deposit Program: The Economic Development Office continued to market and assist local businesses through this financing program. The program is designed to encourage business growth and redevelopment of the downtown and under-utilized buildings and land. There is an existing loan from 2005 with Bella Donna Salon & Spa for \$230,000 into the purchase of 151 Main Street. In 2006 the City approved 2 additional PLEDGE Loan Agreements one for IMAX Industries & one for SHS Properties totaling \$400,000.00. These programs enabled the creation of 7 jobs since that time. No further loans have been issued.

Other Funding Mechanisms: We have begun to explore a new low interest loan program in collaboration with the Economic Development Committee of PCIC. The loan amount has been approved for \$15,000 through the committee but awaits board vote. This item is still pending.

Review of Business Incentives: The office had been reviewing our business incentives package compared to other communities. We are comparing ourselves to communities of our size throughout Northeast Ohio and Ohio as a whole. Upon completion of this comparison we will examine any new or existing incentives which should be relooked in more detail.

Site Selection

We have continued to maintain an up to date listing of available buildings, properties, square footage and amenities with each available property in the city to ensure that when a request is made into the Office of Economic Development we know which properties are available in the city that can meet the prospects needs. The City is also working closely with a list of well known site selection consultants within the State of Ohio. This list has been created and updated yearly by the Office of Economic Development to send out in-depth marketing information on major industrial property, commercial property and retail property with certain specifications. Other site selection marketing tools we are using include: Pro-Cure, which is the State of Ohio Site Selection tool, allows us to keep listing properties current for the State of Ohio's searches. NEORGIS: This is TeamNeo's Site Selection Database, the City has listed all available industrial buildings and vacant industrial land for site selection consultants to view. We are able to update this information on a regular basis, keeping accurate information about our locations in front of relocation decision makers. Ohio's Brownfield Inventory Directory: We have continued listing the Brownfield Site of Coe Manufacturing and plan to update others as more data on the properties becomes available. This directory is searched by developers and investors looking for sites needing remediation or clean-up.

(Site Selection Directory: Please see complete site selection directory in Exhibit A)

Accomplishments from 2008

Downtown Initiatives

- Fully implemented the DART recommendations with the Downtown Painesville's Design Committee, Organization Committee, Economic Restructuring Committee and Promotions Committees.
- Secured \$35,500 in key investors into the Downtown Organization for a 5-year commitment subsequently allowing the organization to Hire its first Executive Director
- Secured \$15,000 from the Lake/Geauga Cleveland Foundation for a Strategic Board of Directors Plan incorporated with the Ohio Main



Painesville City and Concord Twp agree to Joint Economic Development District (JEDD)

Street Program to create the first Statewide Strategic Board Development Model. This model will be used across the state to educate other existing and newly formed Main Street Programs on the proper mechanisms to form and develop Main Street Organization boards and processes.

- › Hanging Baskets: Working in conjunction with the Parks and Recreations Office assisted in facilitating the request of the Main Street Programs beautification efforts by securing the necessary funding of Hanging Baskets. The hardware and baskets were purchased by the Downtown Painesville Organization with a donation of \$5,500 by Painesville Community Improvement Corporation.
- › Marketing seminars for downtown business owners were put into place with a great success. The first attracted 18 attendees to learn about best practices from Dr. Kay McMahon for operating a retail location, the second brought over 50 attendees to learn about customer service through a nationally recognized program known as “Give’m the Pickle”.
- › Worked with Lake Erie College’s Center for Entrepreneurism to bring new prospects from the arts community to provide advice on ways to attract local and regional art talent to the downtown area. Met and discussed options with Art Gallery owners from Little Italy.
- › Held monthly Downtown Painesville Organization Meetings to address issues of concern with local retailers. Topics included: Methods for notifying the local police of a crime in your store, ways to attract college students into your business, marketing the downtown as a whole, and beautification efforts each business can do to improve downtown Painesville.
- › Organized the Welcome Back Concert to connect businesses with local college students and created a passport to engage all businesses with each freshman student.
- › Created an invitation list of key community representatives for Business Openings & Expansions, purchased large scissors & ribbon to highlight event.
- › Aggressive marketing and Site Selection Visits within Victoria Place, the Chase Bank Building and the Gage Home.
- › Co-Op Advertising with Downtown Merchants included TGIF in News Herald, the Gazette News, the Tribune and on WKKY Radio.
- › Successful Events: Community Garage Sale, Farmers Market, Art-in-the-Park, Taste of Painesville, Quarterly Business Breakfast Series.



Chamber of Commerce selects La Mexicana as Business of the Year, Mary Jo Miller as Citizen of the Year and PCIC as Non-Profit of the Year

Manufacturing/ Workforce Initiatives

- › The City was the recipient of the TeamNeo Asset Creation Award. This award recognized the City of Painesville for its investments into Electric, Water and Sewer utilities for the purposes of Economic Development and business attraction.
- › Secured the US EPA Brownfield Assessments grant in the amount of \$200,000 for the environmental assessments of Coe Manufacturing and LakeEast Hospital.
- › Secured & successfully aided PCC Airfoils over \$30 million dollar project to meet the necessary deadlines for construction and 1st component test production.
- › Assisted in the State of Ohio presentation and eventual reward of the Ohio Job Creation Tax Credit for PCC Airfoils equal to \$921,000.00 in tax credits to the PCC Airfoils project and an additional state rapid outreach grant of \$150,000.
- › A Painesville Manufacturing Forum was held this year in conjunction with the Painesville Area Chamber of

Commerce in conjunction with the Lake County Chambers of Commerce to educate manufacturers on issues affecting local electric rates. Randell Corbin, Director of Regulatory Policy spoke on behalf of Amp-Ohio.

- › Created a Workforce Partnership with the ODJFS and the Regional Workforce Director for the Ohio Department of Development. We have initiated three incumbent workforce training grants for three manufacturing companies.
- › Updated Synchronist Survey with Yearly Key Account visits to all Key Accounts.
- › Creating a Resource CD with Complete Business Relocation Information & Brochure
- › Created a complete web-based resource directory for business relocation, expansion and attraction incentives. Listed all site selection information, all business resources in the city, state and region.
- › Actively participated in Entrepreneurial Programming with Inside Business, heavily involved and active in the Lake County Entrepreneurs Club.
- › Presented three major company proposals for relocation to Renaissance Business Park, two companies are still considering the investment.
- › Attraction of PCC Airfoils, PolyChem Components Division, Tech-Built Systems, PathTech Technologies, H2O Technology.
- › Key Manufacturing Projects: Coe Manufacturing (Brownfield), Core Systems (Taxes), Cintas (Outages, Drive Issues, Assessments), STP Products & Eckart America (Compressed Air Leak Detection), Associated Enterprises (Metering), American Roll Form (Metering), Aero-Controlex (Electric Capacity at Facility) & Extrudex (Outages).
- › JEDD: A Joint Economic Development District was formed between the City of Painesville and Concord Township. A JEDD Board of Directors was also selected to run and manage the district. From this district the City of Painesville will receive 25% of all income tax generated within that district. The current members include: Concord Twp., Painesville City; Lake East Hospital System and University Hospital Systems.

Other Project Initiatives

- › Worked to solidify the Downtown Painesville Organization to provide a centralized and consistent focus on a key project area within the Downtown in accordance with the Ohio and National Main Street Programs.
- › Working on PCC Airfoils construction, relative to communications, and current hiring campaign
- › Working on US EPA grant application filings
- › Working on Coe Manufacturing remediation costs and Phase II
- › Worked on various business expansion & attraction projects
- › Worked to enhance city events & bring them to a new level of community participation



Downtown Master Plan Comes Together through a series of Public Key Stakeholder Meetings



Farmer's Celebrate another Successful Year



Taste of Painesville has Record Attendance



Farmers Market has Record Attendance



City receives TeamNeo Asset Creation Awards for Investments in Municipal Utilities which lead to the Recruitment of PCC Airfoils to Ohio



The Storm Cellar Opens Adding Friday Nightlife to Painesville



Your Vine or Mine Opens its doors as the City's first Micro-Winery



City Hosts Business Breakfast in New Chestnut School



Lake County Educational Service Center Expands



Finishing Touches go onto PCC Airfoils



Story Telling at Art in the Park



Taste of Painesville

Exhibits

Exhibit A: [Site Section Directory](#)

Exhibit B: [Painesville Resource CD](#)

Exhibit C: [Downtown Painesville Annual Report](#)

Unable to Click on Links: Visit the Download Section of the City of Painesville's Website



For more information about the 2007 Annual Economic Development Report or Exhibits contact Cathy Bieterman, Economic Development Coordinator at 440-392-5795.

Exhibits

Exhibit A: [Site Section Directory](#)

Exhibits

Exhibit B: [Painesville Resource CD & Brochure](#)

*****See Attached CD*****

Exhibits

Exhibit C: [Downtown Painesville Annual Report](#)