



# Economic Development Annual Report 2005

**By: Cathy Bieterman, Coordinator**



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## 2005 Economic Overview

### Federal Overview –

On the federal level of government in 2005 there were budget proposals, changes, legislation and key action suits that could impact our local business environment and the economy as a whole. One of the budget proposals, *Strengthening America's Communities Initiative* sought a reorganization of federal economic and community development programs, along with substantial cuts in program funding. The program would potentially combine 18 programs including CDGB and EDA reducing total funding by \$1.6 billion. *Transportation Reauthorization* the six year transportation reauthorization bill was enacted which allocates \$286.5 billion through 2009. By 2008 every state will receive 92 cents for highway projects from each dollar the state contributes to the Highway Trust Fund. Under the current law the state receives 90.5 cents. *Cuno v. DaimlerChrysler* the decision is significant to not only Ohio but multiple other states around the nation because it is the first time that a federal court has ever struck down an economic development tax incentive as impermissible under the Constitution's commerce clause. Since, the case the state has adapted the new tax reform policy to lessen the impact of the Cuno decision. H.B. 66 replaced the M&E Tax Credit that was challenged with a grant credit from the state. The state believes this will lessen the impact until the appeal to the case is reviewed. Some additional programs that were re-looked for funding and ultimately reduced in the process were: CDGB which was awarded a decrease of \$400 million from FY05, the EPA's Brownfield's Program received 34% less than the \$250 million appropriated in FY05 and finally affecting the Economic Development Initiatives of the nation and state is the elimination of the Brownfield's Economic Initiative which falls under HUD and fund the removal of hazardous materials for private redevelopment projects.



### Ohio's Overview –

Within the State of Ohio there have been many changes this past year to reform the current Tax Incentive Programs offered to business as well as the general business taxation practices. This comprehensive new *Tax Reform* adopted under *H.B. 66* is designed to tax consumption rather than investment and it broadens the base and therefore lowers the rates to individual companies. The reform will continue over the next 5 years with the current changes including the elimination of the 10% rollback for certain real property used in business; Phase-in of the Commercial Activities Tax (CAT); Phase-out of the Tangible Personal Property Tax including inventory, M&E, Furniture & Fixtures; Phase-Out of the Corporation Franchise Tax; and a 21% reduction in Individual Income Taxes over 5 years with a 4.2% cut across all brackets in 2005. On April 7, 2005, Ohio's legal climate changed significantly when *Senate Bill 80*, a new tort reform law, became effective. Senate Bill 80 passed the Ohio General Assembly in December and was signed by Governor Bob Taft in January. This comprehensive piece of legislation makes significant reforms to our legal system and ensures that both plaintiffs and defendants are treated fairly in the courts. Key provisions of Senate Bill 80 include: Limitations on the amount of punitive damages recoverable from both large and small employers, Limitations on the amount of non-economic damages recoverable for non-catastrophic losses, Statutes of repose for both product and construction-related claims, Modifications to Ohio's collateral source rule, Successor liability protection for certain asbestos-related claims, Immunity for certain property owners, Immunity from obesity claims. Senate Bill 80 also provides a number of additional reforms ranging from eliminating the consumer expectation test as a stand-alone test for certain product liability claims to permitting non-use of seat belt evidence in tort actions to mitigate non-economic damages. Ohio residents also passed *Issue I* which provided a \$650 million bond issue for economic development and \$1.35 billion bond issue for public works improvements including road, water and sanitary upgrades. This issues passage also set aside within the \$650 million bond issue approximately \$150 million for a *Job Ready Sites Program*. These funds will be appropriated throughout the state toward regional development projects in providing the necessary infrastructure resources to prepare a site for future development and allow for a statewide inventory of ready sites that are available for immediate use by large-scale industrial and commercial operations. \$90 million is available for the first three years. This also goes hand in hand with the states new *Site Certification Designation*.

This is a statewide certified sites program that works to match make corporate users with appropriate properties for new facility investments the designation is presented by the Ohio Department of Development for sites meeting specific electrical, water, sewer and infrastructure improvements. Communities will have specific environmental assessments and criteria that must be received in order to qualify for a Site Certification Designation. Also incorporated with these funds is the **Third Frontier Project**. This fund offers \$18 million in 19 seed funds which invested \$170 million in 64 Ohio companies which has now received \$280 million from co-investors and represent 454 jobs. It also invests \$100 - \$200 million in Venture Capital. The projects focus continues to be on Fuel Cells, Molecular Imaging, Advanced Data Management, and Multifunctional Nanomaterials. The program is primarily designed to support early stage capital, provide entrepreneurial assistance, for new product development, and to grow fuel cells. There is also a major focus on the state to strengthen Ohio's automotive revitalization and have enacted an **Automotive Revitalization Tax Credit** to assist the 4 or 5 major automotive companied retail jobs, capital investment, and sites throughout the state of Ohio. Finally, another one of the State's initiatives this past year regarding Economic Development has been the **Ohio Means Business Campaign** this statewide marketing initiative intends to challenge the current perception and convince target markets that something fundamental and good has happened that makes Ohio worth a second hard look for capital investment, it also created evangelical supporters among Ohio based CEO's. They have begun national media campaign in publications like the Wall Street Journal, Forbes, and Fortune. More information on Ohio Means Business can be found at [www.ohiomeansbusiness.com](http://www.ohiomeansbusiness.com)

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**LAST YEAR**, Sher surpassed \$6 billion for the first time in history, with double-in revenues, volume was also named an Companies to work in stockholders and em surprising for a cor where the business as are equally attractive

**RETURNING FROM** World War I, Howard Stoneker envisioned an insurance company closely tied to the emerging popularity of the automobile. It proved to be an excellent idea. Today, Ohio Casualty ( ranks 47th among U.S. Property/Casualty insurance gr Over 3,500 independent agencies nationwide of complete line of Ohio Casualty Group products. Ohio Casualty is just one of five *Fortune 1000* insurance groups based in Ohio. Why? Ohio offers an ideal location, a skilled workforce, outstanding higher education and ready access to the latest technology. All that, plus a relaxed, yet sophisticated lifestyle that attracts top talent.



PolyOne helps people work wonders with polymers.

Why Ohio?

**NEVER BEFORE** has the plastics and rubber industry had so many products and services available from a single company in so many locations around the world. PolyOne's vast product line includes plastic compounds, colorants and polymer additives, thermo-plastic elastomers and specialty coating systems. And last year, they worked wonders for their customers to the tune of \$2.2 billion in revenues.

access to technology, research and development. Meanwhile, PolyOne employees enjoy a related, yet sophisticated lifestyle with diverse cities, outstanding schools and affordable housing. Ohio is a great place to raise a family.

PolyOne operates manufacturing and distribution centers worldwide, but it makes its home in Ohio.

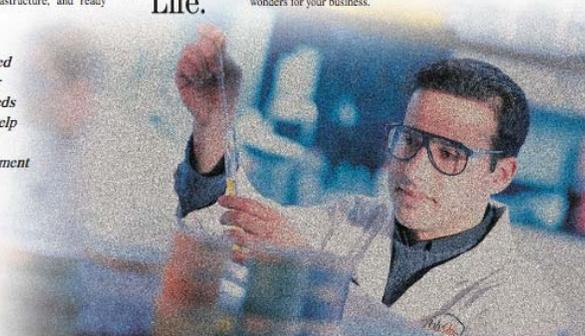
Bring Your Business. Enrich Your Life.

Ohio provides PolyOne with an ideal location, a skilled workforce, an excellent transportation infrastructure, and ready

And now Ohio's business climate is even better. Major tax reforms have shifted policy from taxing capital investment, profits, and wealth creation to taxing gross receipts. The result is greater incentives to invest in innovation and productivity and more support for entrepreneurial activity. Visit us at [OhioMeansBusiness.com](http://OhioMeansBusiness.com). Or call us, and we'll show you how Ohio can work wonders for your business.

"At PolyOne, we're committed to meeting our customers' needs every day to help them succeed. Ohio's commitment to business has done the same for us."

— Thomas A. Waltherstein  
President and CEO  
PolyOne Corporation



**NEW TAX REFO**

**Attract talent.** Start-up labor costs: 21% lower personal income tax.

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**NEW TAX REFORM PAVES WAY FOR OHIO BUSINESS GROWTH**

**Attract talent.** Start-up labor costs: 21% lower personal income tax.

**Enhance R&D.** No property tax on investments in machinery and equipment.

**Reduce tax rates.** No business tax on product sold to customers outside Ohio.

**Enjoy a level playing field.** All companies taxed the same.

**Start a new enterprise.** First 100 gross receipts are tax-free.

**Spent less on compliance.** Fair, simple, equitable. Lower cost of doing business.

**Plan accurately.** Save, efficient, profitable. No tax surprises.

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## Painesville's Economic Overview

The City of Painesville has several programs and incentives for business attraction, retention, and expansion within the City limits. The following summarizes the programs that we have in place and the initiatives of this past year to make these programs of use to area businesses.



### Business Expansion & Retention —

Business Retention & Expansion (BRE) is the cornerstone of our Economic Development efforts. Painesville has found that through retention and expansion efforts we are able to create additional jobs and tax revenue for the community. Our BRE strategy focuses on satisfying the needs of businesses already in the community, encouraging them to stay or grow. This year our efforts were able to secure three major expansions including Aero Control X, Coe Manufacturing, and Bella Donna Hair Designs.

We also continue working with an additional 11 companies within the City for future expansions. These include 3 Manufacturing Companies, 8 Service / Commercial Companies, and 0 Retail Companies.

#### 2005 Major Retention Projects

**Coe Manufacturing:** The City was able to secure the consolidation of Coe Manufacturing and the move of its Oregon plant to Painesville. This retention project enabled the city to secure \$12.9 million in investment, 146 jobs, and invest \$11.9 million in machinery and equipment in the Painesville Facility. The move of Coe Manufacturing's Oregon Plant engineering wood products production line is now located here at their facility on Bank Street. They also received the Ohio Investment in Training Program, which provides financial assistance for specific training and workforce development. This is a 50% tax credit which anticipates a reimbursement of up to \$175,000 to Coe over a three year period.

**AeroControl X:** With \$300 million in sales, TransDigm purchased Fluid Regulations in Painesville providing new opportunities, jobs and investment into Painesville's existing 50 year business. The proprietary aerospace components manufacturer has invested more than \$800,000 into the facility. This was from the efforts of the city in moving their Richmond Heights office operation into Painesville and South Euclid facilities resulting in the creation of 75 new jobs.

### Business Attraction —

The City has aggressively worked to attract commercial, retail and manufacturing companies into various city wide developments including 300 acres in the South West Development Plan, 50 acres of recently annexed property at the intersection of SR 535 and SR 283 along the Grand River toward Fairport Harbor, Renaissance Business Park and with local property owners along the Richmond Street Corridor. Our business attraction efforts have focused on identifying companies from outside the area that are looking for a location to expand or relocate. The City's primary economic tool and incentives include Painesville Municipal Power, City water and sewer, low-cost industrial land, and CRA & EZA Tax Abatements. Our business attraction efforts have been in direct relationship with the developers efforts and have supplemented their own marketing and attraction initiatives. Marketing portfolios have been created and sent on behalf of the city and the primary developer.

#### 2005 Major Attraction Projects

**Pemery Corporation:** This Company formed here in the City of Painesville through the collaborative efforts of the city and their partner business Imax Corporation. The Virginia based company Ashlawn Group and inventor David Parish brought their new fuel cell component based business here to the City of Painesville. It was through the great relationship that the City of Painesville had with existing company Imax Industries that the city is now looking at a potential to create nearly 500 jobs in the new innovation of fuel cell battery development and assembly. Pemery has just

received notice of Third Frontier Funding Grants in the amount of \$775,300 and is moving forward on the next prototype for the Army's Armament Research Development and Engineering Center in Picatinny, N.J. The Painesville project will be the largest mass production of fuel cells nationwide.

**2005 New Painesville Businesses**

<i>Company Name</i>	<i>Facility</i>	<i>No. of Employees</i>
Blu Martini	Restaurant / Bar	1-4
Coe Manufacturing	Manufacturing Expansion	146
Crystal Clean Car Wash	Car Wash	1-4
Rhino Gear Co	Manufacturing	1-4
Summit Academy	Charter School	1-4
Family Dollar	Retail	4-10
Azteca Shoe Store	Retail	1-4
Lynd Tool Company	Manufacturing	1-4
Decure Candles	Manufacturing	1-4
New Horizon Food	Restaurant/Deli	1-4
Roberto's Restaurant	Restaurant	1-4
Hemphill Travel's	Relocation/Retail	1-4
Northcoast Tech DBA Revol	Retail	1-4
Adams Auto & Truck Repair	Automotive Repair	1-4
McGroarty Enterprises Inc.	Service	1-4
Hedershot Consulting Group	Service	1-4
Jade Products, Inc.	Manufacturing	1-4
M & M Auto Body & Detail	Automotive Repair	1-4
Soto's Inc.	Automotive Sales	1-4
Allavas Company	Residential Property's	1-4
D.C.'s	Restaurant	1-4
The Roller Palace	Recreation	1-4
Chester's Legacy Tavern	Restaurant / Tavern	4-10
Arabica	Coffee Shop	1-4
Jade Products	Manufacturing	4-10
M & M Auto Body & Detail	Automotive	1-4
Soto's Inc	Auto Sales & Service	1-4
Allavas Company	Tax Services	1-4
D.C's Restaurant	Restaurant & Deli	1-4
Advanced America	Financial Lending	1-4

Approximate Gained Employees 2005 184 - 280



**Chester's Legacy Tavern Opens for Business**



**Pemery Corporation Open House**

**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 2005, 13 applications were reviewed and approved for CRA tax exemption. A total of 4 Commercial CRA indicate an investment of \$2,465,927.00 into the City of Painesville Business Community and \$731,120.00 into the residential community. The applications were for the following properties:

## Community Reinvestment Areas -

### Area 2

Bella Donna Salon and Spa, 150-152 Main St.	Commercial	\$142,600.00
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### Area 3

Tropical Village, 539 Liberty St.	Multi-Family	\$1,126,349.00
Transdigm, Inc./AeroControlex , 313 Gillette St.	Industrial	\$839,579
Coe Mfg. , 609 Bank St.	Industrial	\$357,399

### Area 4

Karen Seymore, 472 Fairlawn	New Single Family	\$89,900.00
Tenia Wilson, 479 Fairlawn	New Single Family	\$56,000.00
Minnie Lilly , 475 Fairlawn	New Single Family	\$83,000.00
Thomas & Jennifer Chipps, 402 Community Ln.	New Single Family	\$85,000.00
Mark Ely Jr., 401 Community Ln	New Single Family	\$90,000.00
Andrea Newby & Mark Calvey, 397 Community Ln.	New Single Family	\$90,000.00
Holly Barnicoat, 389 Community Ln.	New Single Family	\$80,000.00
Charles & Jennifer Swietlik, 385 Community Ln	New Single Family	\$85,000.00
Nancy Ann Bolinger, 393 Community Ln.	New Single Family	\$72,220.00

## CRA Annual Reviews

On October 7, 2003, the Community Reinvestment Area Committee inspected the City's tax abated properties. Seventy-eight properties were inspected and sixty-nine were found to be in compliance. The nine properties that were found to be non-compliant were re-inspected in late November and at that time the nine land owners had completed the improvements required by the City. The last and final noncompliant property was found to be in compliance on December 7th, 2005.

## Enterprise Zone Annual Report

During 2005 the City had a total of two (2) active Enterprise Zone tax abatements. The following companies have EZ agreements with the City:

Fluid Regulators and Avery Dennison. SAS Rubber Co.'s abatement expired on December 31, 2004. The City did not enter into any additional Enterprise Zone agreements during 2004 - 2005. The companies' performance during 2004 was reviewed by the Tax Incentive Review Council in March 2005.



## Downtown Initiatives

- **Farmers' Market:** As always the Farmers' Market was a tremendous success during 2005. The market had 20 participating farmers from May to October. The 2006 Market will begin on May 18 and go through October 26th.
- **Art in the Park:** The fourth year for *Art in the Park* was a downtown success. The event showcased artists from the area, musical ensembles, and fine food from Bistro 70, Roberto's Restaurant and Dessert Works. New this year to assist in the ambiance of the event was Painesville Area Rotary which provided wine and cheese sales. The event which was hosted by the City and Art Essence Gallery attracted 51 artists and over 1,000 visitors to downtown on August 20, 2005.
- **Taste of Painesville:** The 6<sup>th</sup> Annual Taste of Painesville was a great success this year. The participating restaurants and varied merchants were enthusiastic about their ticket and food sales and the event. This years event showcased 13 food vendors and 7 merchants or informational booths. The venue will be held again during 2006 on September 7th.



- **Historic Downtown Painesville Holiday Open Houses:** Nineteen participating businesses kept their doors open till 9pm on November 15<sup>th</sup> and served a spread of food, gifts and entertainment for the Holiday Shopping Season in downtown Painesville. Despite an evening of tornado warnings the annual event was a success for each of the participating businesses. The Fourth Annual Holiday Open Houses included: Riders 1812 Inn, Sidewalk Café, Art Essence Gallery, Aribica-on-the-Square, Joughin & Co. Hardware, Conway Land Title, Hari Designs & Bella Donna Spa, Grande Designs, Main Street Memories, Roberto's Italian & American Restaurant, Special Events Floral and Design, Ye Olde Oaken Bucket, Parlour Quilts, Federico Tire Inc., Artful Hands Studio, Bistro 70, Bitzer Furniture, Curves, To Each His Own. The city will again hold the event in 2006 on November 14<sup>th</sup>.

## Business Communication

**Downtown Merchants Association:** The Downtown Merchants Association met every other month during 2005 until October. At that time the merchants decided to further achieve more collective efforts they would begin meeting on a monthly basis to plan co-op advertising, events to draw more residents downtown and other collective brochures to enhance the shopping experience in downtown.

**Business Visitation:** On a monthly basis, Cathy Bieterman 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.



## Financial Programs

**Downtown Design Assistance Program/Awning Program:** The Department has continued to market the Downtown Design Assistance Grant Program. However, with the expected budget cuts in 2006, this will be the last year for the program until future funds may come available.

**PLEDGE Linked Deposit Program:** The Department has continued to market and assist local businesses through this program. The program is designed to encourage business growth and redevelopment of the downtown and under-utilized buildings and land. This year Bella Donna Hair Salon applied and was accepted for the PLEDGE Program and a 3% reduction in her overall lending rate for a five year term. This enabled her to purchase the adjacent Main Street building and expand her business. This expansion lead to \$230,000 in investment and has also allowed the business to expand by adding 10 new full-time employees and 4 new part-time employees.

## Redevelopment

**Painesville Hotel:** The Department has sent out Request for Proposal to area developers, architects and interested parties to possibly enter into an agreement for redevelopment of the old hotel building located at 257 Main Street. It is the city's goal to enter into an agreement that will further enhance the city's economic tax base and foster additional investment into the downtown. The city has highlighted the following potential uses for the property... Commercial/Retail, Residential/Offices, Housing, Performing/Cultural Arts Center.

**Lake East Hospital:** The Department has begun meeting with the Hospital and their Board of Directors on a reuse plan for the hospital after it is vacated. The expected departure date of the hospital is 2008. The city is working to offset the financial impact of the projected initial 1<sup>st</sup> year loss of \$551,113 and the overall loss long-run of \$233,093.00.

**Richmond Street:** The Department has continued its focus on the redevelopment of one of the City's primary entrances, Richmond Street. The city has met with property owners of current rented tenant based residential lots to

discuss the possibilities of future development on those parcels. Property owners are willing to work with the city as the City continues to market the corridor for continued retail and commercial development. This year Hemphill Travel relocated to Richmond Street, accenting the north corner of Prospect and Richmond; a small retail plaza opening with

## Redevelopment...Cont.

anchor Dunkin Donuts has created a new atmosphere on the west side of Richmond; and Chester's Legacy Tavern opening on the Northeastern corner of Richmond and Chester Street offer a model of what can be achieved through continued investment in the Richmond Street area.

## Downtown Parking

This past year the city has encountered two specific parking concerns in the downtown area. With the expansion of Bella Donna Hair Salon there was more demand for long term parking. This was primarily the demand of her customers that utilized spa services and were in the downtown area for multiple hours. The department worked with the Public Works Department to quickly resolve the situation by adding more long-term parking meters in the nearby vicinity. Another primary concern came with the re-opening of Arabica. The demand for short term, quick access parking continues to be needed in that area of the square. The department continues working with the Public Works Department to try new solutions to the concerns of the business owner.

## Marketing and Public Relations

### Advertising

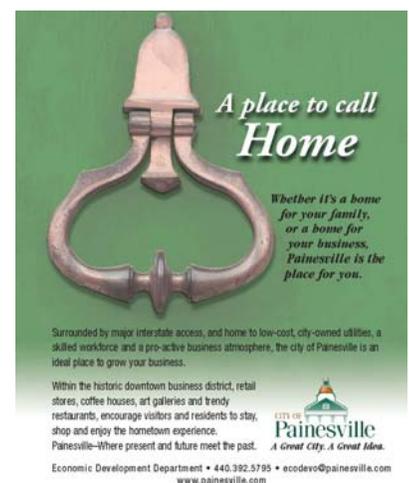
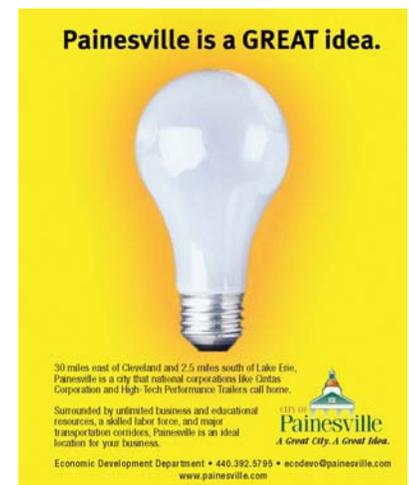
The Department produced a new advertising campaign designed around Painesville's proximity to Cleveland, Lake Erie and listing national corporations which are currently located within the city such as Cintas, and High Tech Performance Trailers. The ad's further showcase the new slogan "A Great City. A Great Idea." Two ad's designed to generate interest in Painesville as a place to do business.

Throughout the year, the Economic Development Department placed numerous ads in regional business magazines including: Crains, Inside Business, SBN and Lake 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. The department has also created, printed and distributed a Downtown Shopping Guide during 2005. The downtown shopping guide offers a map and guided tour to the local restaurants, bakeries, and unique specialty shops that Painesville offers.

**Industrial Marketing:** The City has focused its industrial marketing in Inside Business this past year. With further reductions in the marketing budget it has been a challenge to continue in some previous publications like Crains. Therefore to maximize our exposure regionally and target companies looking for potential expansion the city has focused its advertising efforts. This past year all Industrial Marketing was incorporated with Inside Business Magazine. 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 the opportunity to further achieve various grants and funding if their innovation is key to the states success.

Along with the current advertising in the Inside Business Magazine we are also 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.



## Community Involvement

The Economic Development Department has worked very closely with the Chamber throughout the year and partnered with the Chamber on various business communication, networking and resource based initiatives. In addition to involvement with the Painesville Area Chamber of Commerce Cathy Bieterman has recently accepted to serve or become involved in some capacity with:

- Lake County Development Council
- Lake County Community Improvement Corporation
- Lake County Economic Development Center
- Lake County Entrepreneurial Club
- Lake County Chambers of Commerce
- Painesville City Improvement Corporation
- Painesville Schools Educational Foundation

## **Renaissance Business Park**

### Marketing Efforts

During 2005 the Economic Department continued its marketing efforts with NAI Daus Professional Marketing Firm. However, the contract was up for renewal at the end of 2005 at which time the Economic Development Committee decided to send out a RFQ for Professional Marketing Firms Interested in the marketability of Painesville's Industrial Parkway. The Professional Real Estate Brokerage Firm will have the responsibility of carrying out all sales and marketing functions as determined or approved by the City, including, but not limited to:

- Educating prospective purchasers about Renaissance Business Park;
- Assisting the City in determining an appropriate market price;
- Insuring coordination of prompt closings;
- Facilitating meetings between City Administration and prospective purchasers.

The City will enter into a contract for a Professional Marketing Firm in 2006.

### Renaissance Company Updates

**Core Systems:** The company is working on an Energy Assessment through AMPOhio and is expecting to be complete with the assessment in 2006.

**Cintas Corporation:** Cintas has continued to develop and remain strong in their competitive market as high quality and comparably priced uniform providers. They have a new plant manager named Greg Hart who has replaced previous plant manager Al Kosis.



## 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 is conducted annually in conjunction with the Painesville Municipal Electric Plant and AMPOhio. All letters and reports were sent to the following 2005 Painesville City Key Accounts:

**American Rolled Formed, Brockway, 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, Obron Eckart, ROCO Industries, SAS Rubber, STP, Xponet**

The resources that the Office of Economic Development offers with Painesville Municipal Power, AMPOhio and the Direct Connections Program adds significant value to our primary electric users. Through this program we are able to maintain close communication with key industry and assist in building strong relationships within each of those companies. Direct Connections also acts as an arm of the City providing services for our companies such as the following:

- Power quality investigations
- Energy audits
- Infrared inspections
- Questline: America's technical assistance hot line
- Demand-side management
- Energy management
- Environmental permitting and compliance
- Substation/switchgear maintenance programs
- Natural gas supply evaluation and procurement



The Economic Development Office in 2005 offered a Direct Connections Compressed Air Training Session supported by the Painesville Municipal Electric Plant, U.S. Department of Energy, ODO, Office of Energy Efficiency and AMPOhio. This year's training session was geared to educate and inform our key account businesses how to maximize the productivity in Compressed Air and decrease wasted energy use. The program covered Compressed Air Basics, Air Supply, Basic Piping for Air Systems, Demand Side Evaluations, Methods to Identify the Costs of Compressed Air, and Materials to use within their own local companies.

The training session was attended by: American Rolled Form, Partners In Plastic, Cintas & STP. Each company reported in the final surveys that they felt their company will benefit from the applications of the Compressed Air Training.

## Manufacturing Updates

**Eckart/Obron:** ECKART America L.P. has developed a unique new Non-Leafing Silver ink specially formulated for the patented MetalFX printing process. ECKART is now introducing its Standard Base Offset Silver' a new ink that offers unique technology. Eckart has also announced this year that they have recently been purchased by Altana and are now a division of the Altana Company. Newly named Altana-Eckart.

**Extrudex:** Extrudex has recently received the roadway dedication for Figgie Rd, allowing them to get a lot split and sell of the adjacent building they previously owned. The building was purchased by SHS Properties and they have plans to lease it for multi-tenant usage.

**Coe Manufacturing:** The city has worked diligently on their relocation and expansion within the city of Painesville. The Office of Economic Development assigned each building a parcel number to coincide with the CRA buildings for the purpose of filing forms for individual buildings; provided support and grants for an energy assessment audit on the facilities, met and noted drainage concerns on the state street building no. 39 and 39A of which the city engineers office and public works assisted them with a low cost repair solution; our Electric Plant Manager went and met with executives to remove hanging lines that could pose threat to trespassers and employees of the plant; and offered advice about the requirements and future sidewalk repairs that may be needed. The company is working to remediate other pressing issues prior to additional work on the sites vacant buildings.

## **Painesville Economic Conditions**

### **Site Selection**

The Economic Development office has begun tracking the Requests for Available Space (2nd Half of 2005). This will continue to be an asset in determining and comparing the current demand with the city's current inventory of available space. To date we have received 9 Requests for Specific Detail on Industrial Space Available, 2 Requests for Retail Land / 4 Request Retail Space, 4 Requests for Office Space Exceeding 3,000 Square Feet, 10 Businesses in City Interested in Space Available for Expansion.



### **Lease Rates vs. Available Land Rates**

The Economic Development office is still working on the findings within the Camion Study and the continued monitoring efforts of our own to maintain needed available space against current inventories. In a 2005 comparison we have indicated the following:

Lake County currently has 653 buildings in its industrial inventory, 26,486,043 sq ft (9.2%) of the market. (2005 CB Ellis Industrial Analysis)

Painesville City currently has 11 buildings with space available, 198,039 sq ft (1%) of Lake County's Industrial Market (Econ Dev Site Selection Info)

### **City's Vacancy Rates**

Painesville's Office Vacancy Rate 22.5% with average cost of \$14.46 per square foot. A majority of this office space is still inline with the Camion report indicating that it is listed as Class C office space. There is less than a 12% vacancy rate in Class A office space which makes up 5% of the downtown market. Regionally, weak demand has created favorable conditions for leasing, and creating little re-investment and upgrades to current Class C office space. 95% of the Painesville office market is considered lower quality Class B and C office space. (Camion Study)

## Development Projects

**Hotel RFP:** A Request for Proposal was sent on 257 E Main Street, the city owned Painesville Hotel for potential redevelopment or development on the current property. Requests were sent to various developers, architects and interested parties. The overall goal of the city is to work with a developer or a development team to redevelop the site into a vibrant downtown/central business district area and increase the City's tax base.



**Route 283 and 535:** Currently owned by Mr. Dawson the city worked in conjunction with the developer to establish a marketing portfolio on this property for commercial use. The city and developer have sent this out to over 50 prospects in retail, commercial and grocery. The city continues to aggressively market this site as the potential that it has leading into the Hemisphere project and its proximity to Route 2.

**Shamrock Business Center:** The City in conjunction with M.E. Osborn and Forest City are at this time marketing this property to big box retail establishments. There have been 4 direct site marketing contacts that have been made with big box retail establishments for this development in 2005. The office has also sent an additional 2 prospects to the ME Osborne Group for follow up recruitment efforts.

**Renaissance Business Park:** The City has been re-looking the marketing efforts of the parkway and has ended the contract with O'Donnell. The contract was a one year extension to the original agreement to utilize O'Donnell as the primary builder on Parcel 6 in conjunction with Neil Sewicki of NAI Daus. The City also reviewed the current marketing efforts of NAI Daus and sent out a Request for Qualifications for Professional Marketing Firms for the Parkway.

## Site Selection

The City has updated and re-evaluated the current methods for listing available sites within Painesville. A new Site Selection Directory was created providing more detailed information on each available site within the city as well as photo's of each available property and building that is currently for sale, lease or has available leasing space.

The City is also compiling a list of well known site selection consultants within the State of Ohio. This list will be used in the future to send out in-depth marketing information on major industrial property and infrastructure available for industrial relocations.

**PRO-CURE:** This is the State of Ohio Site Selection tool. The City of Painesville has received approval and access to keep its own updated record on the site. This 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 consultant to view. We are also able to update this information on a regular basis, keeping accurate information about our locations in front of relocation decision makers.

(Please see complete site selection directory in Exhibit A)



## Beautification

### Downtown Decorative Flower Boxes

In collaboration with the Painesville City Improvement Corporation, the city again this year assisted with decorative flower boxes which were placed throughout the downtown in front of participating businesses. Throughout the Summer the City received numerous positive comments on the project.

### Pretty in Painesville

In collaboration with the Painesville City Improvement Corporation, the City continues to market the Pretty In Painesville Beautification Awards for resident and businesses of the City. Throughout May, June, July & August, numerous residents and businesses were presented with the awards in recognition of their beautification efforts.

**May Winners:** Business Winner, Painesville Dental Group, 128 Mentor Avenue;

Residential Winner-Ward IV, 38 Lincoln Blvd.

**June Winners:** Business-Spear Mulqueeny Funeral Home-667 Mentor Avenue;

Residential Winners- Ward III-545 Trailwood Drive; Ward IV-730 West Jackson St.

Honorable Mention: 565 Magnolia Drive

**July Winners:** Business Winner, Tropical Village-251 West Walnut;

Residential Winners- Ward I-768 Hine Ave.; Ward II-312 East Erie St.;  
Ward III-589-Belmont Dr.; Ward IV-35 Harmon Blvd.

**August Winners:** Business Winner, Action Motors, 1158 Mentor Ave.;

Residential Winners- Ward I-377 Condon Court; Ward II- 42 Parkview Dr.;  
Ward III-365 Chestnut St.; Ward IV-448 Chardon St.



## Accomplishments from 2005

1. Continued Redevelopment of Richmond Street
2. Expanded City's Marketing Efforts with new advertising, attending Lake County Business Expo, and exposure with current available properties.
3. Successful events downtown including Taste of Painesville and Art in the Park to draw resident to downtown.
4. Worked with police department on downtown visibility of law enforcement.
5. At the request of local businesses provided training on crime prevention strategies.
6. Continue to strengthen cooperation with city and local governments through regional economic development meetings to understand the projects occurring throughout the county, working with Voices & Choices to determine what regional approaches are being considered throughout a 15 county area.
7. Increasing partnership opportunities with LakeEast Hospital, Morley Library, Lake Erie College, PCIC, PACC, Laketran, TeamNeo, Lake County Chambers of Commerce, Lake County Entrepreneurs Club and others.
8. Enhanced local programs with Financial Institutions including: Bank One, Key Bank First Merit, and also working with National City, Dollar Bank and the Credit Union.
9. Working to increase the retention, expansion and attraction of



## Accomplishments from 2005...Cont.

businesses. Current local businesses looking or in the process of expansion include: Bella Donna Hair Salon, Vesitec, Extrudex, Weaver Meats, Genesis Lamp, Coe Manufacturing and Great Lakes Glassworks.

10. Completed RFP/RFO for Painesville Hotel

11. Working to establish Painesville as a business friendly community by keep them informed on a monthly basis about initiatives in Painesville and from city to assist businesses, quick response to all business issues, and showcasing city businesses in Works for Business.

12. Educating businesses relative to building permits and permit requirements

13. Promoting Business Breakfasts, Networking and collaborative efforts amongst businesses

14. Working closely with HOLA to offer more communication amongst minority businesses and helping through the organization communicate with them on services available to their businesses owners.

15. Updated local demographic information compiling it into a format for easier access and placing all necessary tool to consider Painesville as a place to do business onto the Resource Center page of the Economic Development website.

16. Provided information, programming and workforce development and training through AMPOhio and Business Breakfast Series.



2005 Art In the Park



Remodel Begins on Chester's Legacy Tavern

