

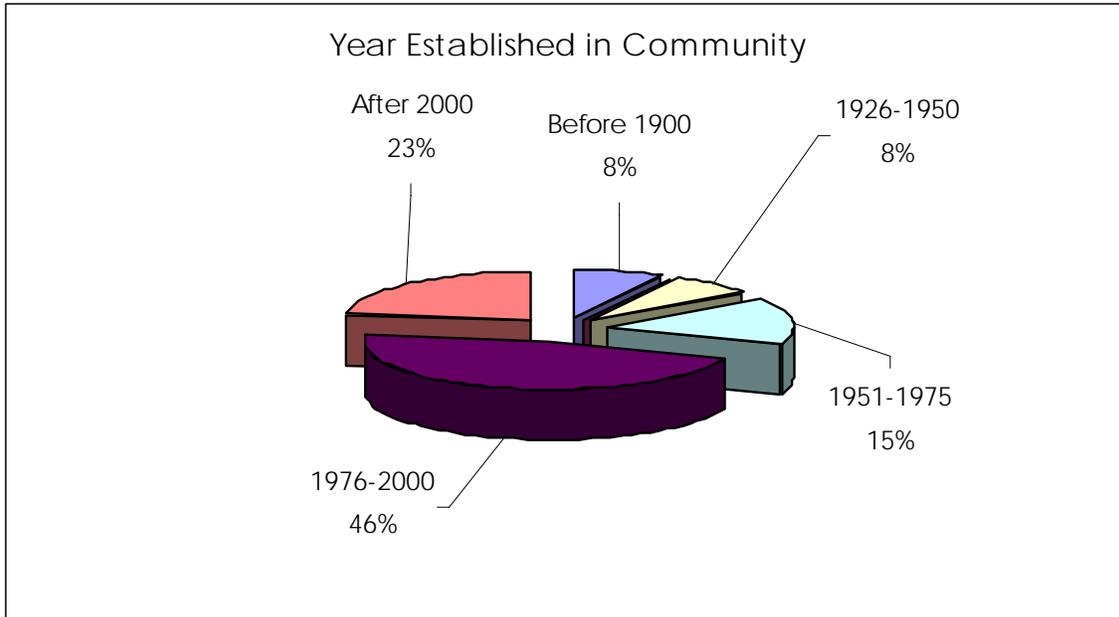
**Painesville City**  
**Retention & Expansion Survey**  
2006-2007

The Painesville City Office of Economic Development and Economic Development Committee of Council has conducted extensive surveys with executives of 16 existing key account companies by means of one-on-one interviews during the past six months. This is the first systemized approach to developing a strong retention and expansion program within the City of Painesville.

The Business Synchronist Information System questionnaire was developed by Blane, Canada, Ltd. of Chicago, and has been tested nationally and employed in 39 states and over 360 development organizations throughout the United States.

The Synchronist survey is a structured business information system designed for collection, management, analysis and reporting of the business data impacting the City of Painesville's economy. The system helps to address six specific analytic topics crucial to economic development and the future of Painesville City's industrial marketplace. It identifies the company's value in the community, their growth potential, those at risk of downsizing or relocating, their level of satisfaction with city services and utilities, existing or emerging problems that could pose a threat to their business, as well as identifying untapped marketing opportunities that can be leveraged for attracting new businesses to the community.

The respondents in this survey represent a wide variety of Painesville's industrial market but all are within the top energy users or largest employers otherwise known as our Direct Connection Key Accounts. They range from independently owned start up companies to companies that employ more than 230 employees. From all companies interviewed 10 were considered to be headquartered here in Painesville, 4 are an office operation, 2 distribution and 6 manufacturing. The city's largest employer did not participate in this survey but are expected to contribute to the process at a later time. The ownership of the companies were primarily privately owned, 9 companies, and 1 was employee owned. Unions were not represented strongly in the surveyed companies, only two companies reported unionization within their firms. And 12 of the companies reported owning their buildings. The survey also reported that companies have a significant amount of history with the city and their respective buildings are in good condition for future operations. All data is indicating a strong future for the companies and future of Painesville City's industrial market.



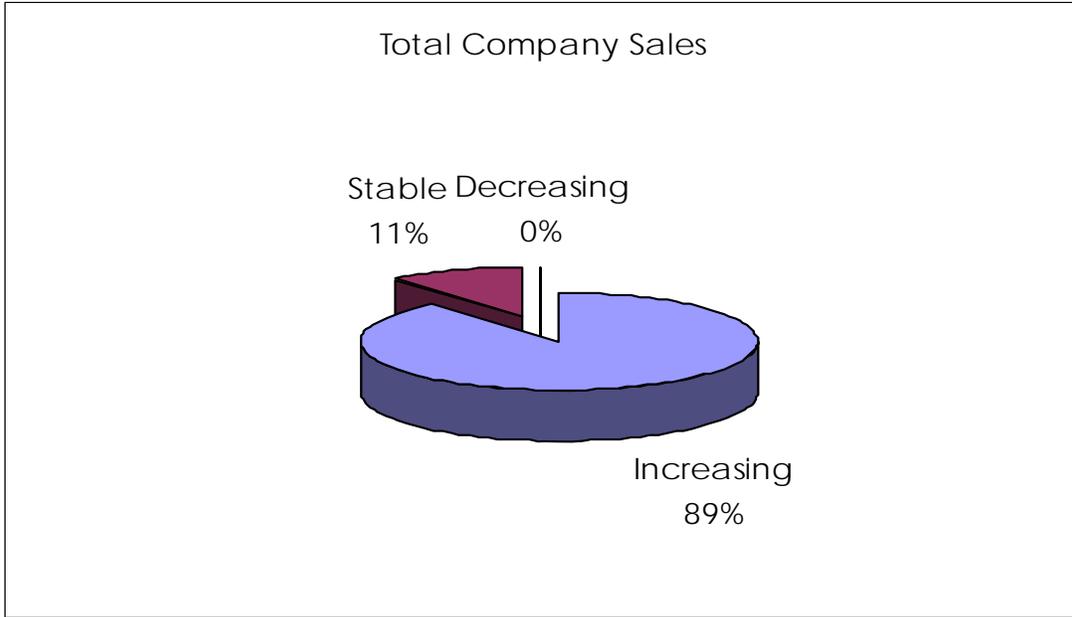
### Business Retention

Survey results have indicated one fourth (23%) of our largest employers came into the city and located in Painesville since the year 2000. This is a significant indicator of the City's increased investment since 2000 in economic development, business retention and expansion initiatives as well as the increased investment in utilities and infrastructure within that time frame. Additionally, these companies have indicated more positive responses in services and overall city services provided to them within the community. These companies are also the strongest indicators for future expansions within the city as well.

### Business Expansion

Painesville City businesses are growing and are positioned for future growth. Even in the midst of an uncertain national economy which continues on today, local companies are growing and report optimistic expansion plans and anticipated future growth. In identifying their greatest achievement in the last five years, 75% included growth, expansion and launching of new products or services. Of the 16 interviewed 14 companies reported plans to expand in the next three years. Additionally, these companies project over \$8,365,000 in new capital investment and the creation of more than 192 new jobs by 2009 an increase of 20% in employment. In addition, an estimated 124,000 sq. ft. will be added to current city facilities to accommodate these expansions.

It is also encouraging that 72% show their primary product in the growth cycle and 78% will be introducing additional new products into their markets in the next 2 years. These additionally are strong indicators of future investment and jobs along with continued increased sales and market share potential.

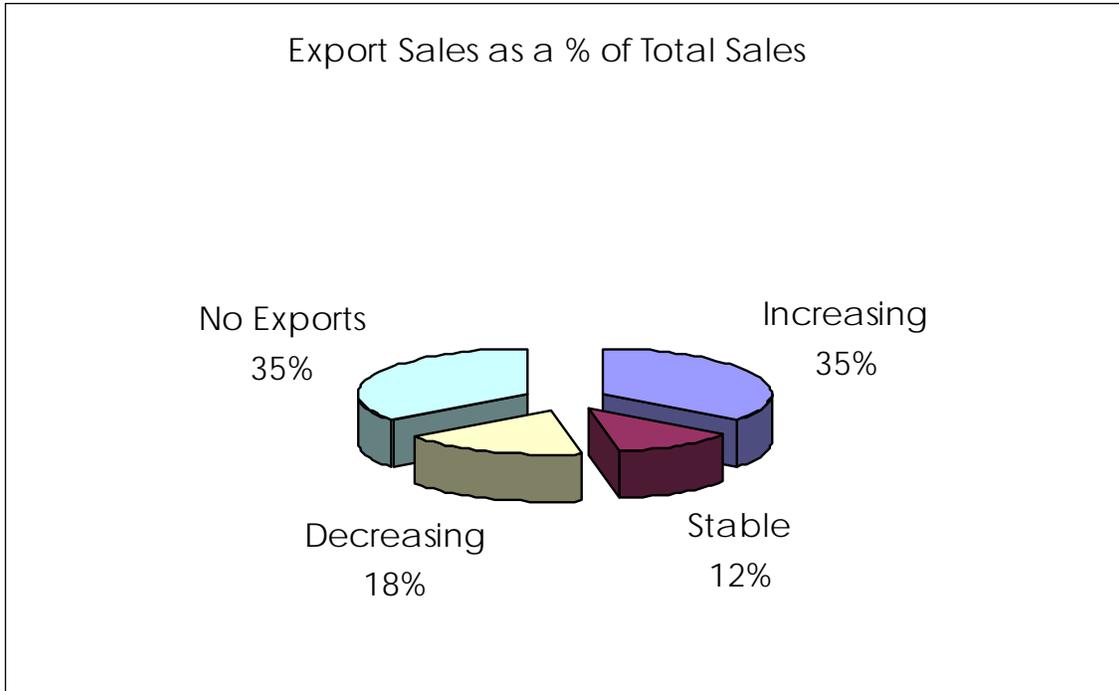


Technology Impact

A large majority of companies in all areas reported heavy investments in new technology. New and advanced technologies are emerging for 50% of the companies that will change either their product or how it is produced or marketed. The primary areas of emerging technology are in CNC machinery, radio frequency chips, microwave processes, and new technology for molding and stamping.

International Business Trends

The primary markets for companies surveyed are at 22% international and 44% national. Of those companies in the international business market 8 reported sales increasing by 36.36% and 6 reported their market share increasing by 27.27%. Export markets listed by multiple companies within Painesville City include: Canada, Mexico, Italy, Europe. The two primary export markets being Canada and Mexico. Overseas locations for companies include: Canada, Germany, Finland, Italy, China, Argentina, Brazil as well as others who are worldwide.

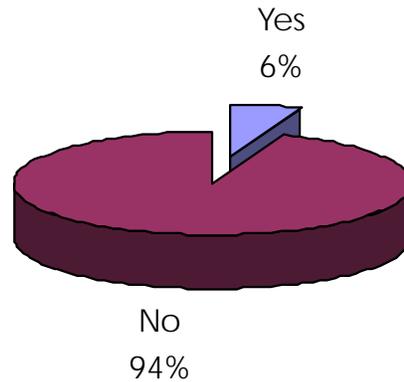


### Community Evaluation

Business executives give Painesville City high marks as a place to do business. Good quality of life aspects, central to markets within their location, a strong sense of community, along with low electric rates were all identified throughout many interviews as the primary strengths, followed closely by professionally run utilities departments, ease of working with city administration / city officials, and strong stable workforce. Absence of consistent entry level workforce was identified as a serious weakness, and this issue is related to strong concerns about the availability of educated workers with the necessary skills to enter manufacturing plants within the city. The needs of roadway improvements, improvements to residential areas and industrial property zoning in residential areas all are issues that merit attention in the near future.

Perceived barriers to growth seen by city business executives again found a strong consensus for entry-level workforce skills and the ability to acquire additional land for expansions.

Is There Any Reasons the Community May Not Be Considered for Future Expansion?



Public Services

The quality of public services rated high among existing industries, with more than 80% rating both police and fire above average, and ambulance/paramedic at 93% of this level. The City's water quality and sewage treatment facilities ranked at 80% above average and Painesville Municipal Power ranked 81% above average in electric service, reliability and response. In addition, anticipated electrical usage increases were reported by 71% of companies surveyed within the next 3 years.

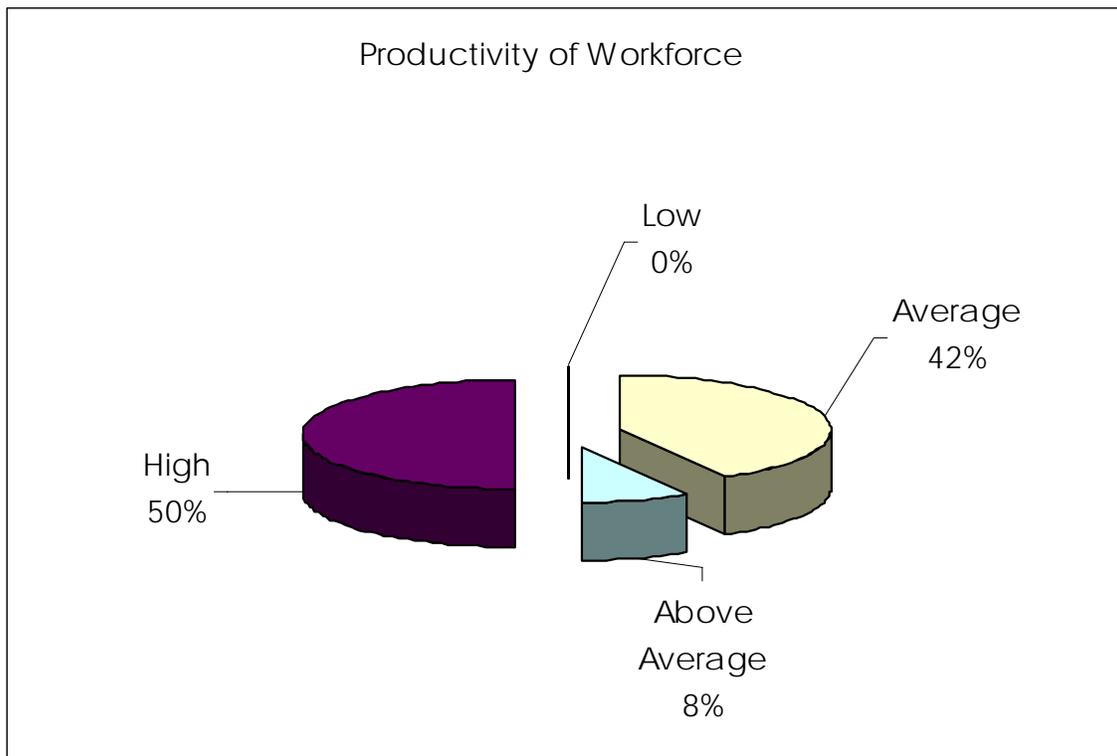
There were some obvious areas of concern that stood in agreement amongst executives interviewed. The primary items were lack of knowledge about public transportation and its function for their workforce. Many executives were not aware of the transportation services within the community and had a lack of knowledge about employees use of the services. There also appeared to be a lack of knowledge about Painesville City Public Schools of which 53% could not respond as to the quality of the school district. Traffic control issues were also highlighted as 57% indicated problems with heavy traffic during shift changes or around the outskirts of the downtown central business district. One final concern was the property tax rate primarily in the city of which 60% rated the property tax rate below average of fair and equitable in the survey.

Overall Painesville City services and municipal utility services ranked 87% as above average. Perceived professionalism in city administration, elected officials and city staff was repeated along with ease of doing business in the community as primary reasons for high rankings of overall city services.

## Workforce

The Painesville City workforce ranked above average in workforce stability and productivity of the workforce while ranking average on availability at 43.75% and quality at 50%. Major areas of employee recruitment needs include: CNC machinists, unskilled entry level labor, exterior operators, electricians, welders, CDL licensed drivers, technicians with mechanics skills. As well as some specialized positions such as cabinet makers, blow mold technicians, mold set up & design, and specialized machine maintenance staff. Some also mentioned difficulty in getting job postings out to the right applicants, stating that the various newspapers were not often a good resource for posting jobs.

Companies attribute recruiting problems 43% to the community, 57% to the industry and 25% were unsure which may be the result of the recruiting problems. Overall 67% of companies anticipate their job openings status to be significantly stable over the next year and 22% expect to see increases.



## Workforce Training

The majority reported that the workforce training they have established within their companies is primarily related to skilled training on various machinery or practices they use internally. Of the 8 companies 53% report increased training investment needs within the next year, 6 report more than 76% of that investment to go into skilled

training. However, within entry level positions remedial training is significantly high as well.

### Trends

To provide continuity for this annual survey each year 16 to 20 companies will be added to provide a larger range of economic data on all industry inclusive of this manufacturing survey and analysis. Future surveys will include additional commercial and retail businesses that heavily impact the future of Painesville's economy. Each survey will gain additional information about key market areas within the City to determine what economic development resources must be the focus of future city operations.

The current trends evident by the 2006-2007 study indicate that there is an increasingly stable organizational climate evident by little turnover in ownership and top management. Management and ownership within the community are exceptionally supportive of Painesville City and Painesville City business initiatives. Overall companies are looking to see the results of the State of Ohio's CAT Tax and the phase out of the Real Property Tax it is anticipated among executives to make some positive change within the industry's tax structure locally. Many have attributed their consistent growth to diversifying their customers, products and markets as well as finding more "niche" approaches to marketing their goods. It appears overall the continued investment in technology and new product development has maintained sales in many companies during a rough economic period. In maintaining sales over the past few years companies appear to be seeing substantial abilities to re-invest in their companies and products moving forward into slightly stronger economic conditions. Remaining cautious not to over invest companies within the City of Painesville appear to be optimistic about the future of their industries.

The 16 companies interviewed were some of Painesville City's Key Account Companies. These companies are some of the City's largest employers as well as the City's largest electric consumers. Of these 16 companies 14 companies have indicated future building expansions, additional utility needs and the creation of additional jobs within the City.

The goal of this City of Painesville Retention and Expansion project is to identify key components that contribute to growth in companies locally, highlight and contribute to those components and quickly identify any inhibitors to growth that can be altered to resist any barriers to growth within the community. The information in this report provides an overview of all economic trends and forecasts that promote and contribute to a positive economic development climate for Painesville's future growth in business and industry.

## Regional Key Findings

The following reports can be viewed and obtained to gain a better perspective regionally about key components affecting economic growth across Northeast Ohio, the State of Ohio and the United States.

- Lake County Strategic Economic Development Plan: (Lake County, not yet complete)
- Fund for Our Economic Future: Dashboard Indicators (Northeast Ohio)
- Team Neo: Wage & Benefits Survey (Northeast Ohio, in final stages of completion)
- MAGNET: Manufacturing Advocacy & Growth Network (Northeast Ohio, State & US Resources)

The Synchronist Retention & Expansion Survey was conducted by The City of Painesville Office of Economic Development. For additional information about the survey process or details please contact Cathy Bieterman, Economic Development Coordinator.

The following community members also assisted in the surveys conducted with local executives:

Allen Weaver, FirstMerit Bank  
David Komjati, Key Bank  
Pete Bednar, Lakeland Center for Business & Industry



**City of Painesville**  
**Office of Economic Development**  
**Cathy Bieterman, Coordinator**  
**7 Richmond Street**  
**Painesville, Ohio 44077**  
**[www.painesville.com](http://www.painesville.com)**