



Economic Development Annual Report 2007

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2006 Economic Overview

Federal Overview –

There were a few federal cases and bills that proved to be of interest and had some affect to local companies this past year. The **Energy Independence and Security Act of 2007** which was originally named the Clean Energy Act of 2007 stated its purpose is to move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers, to increase the efficiency of products, buildings, and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government, and for other purposes. The overall intent of the bill was to increase the supply of alternative fuel

sources by setting a mandatory Renewable Fuel Standard (RFS) requiring fuel producers to use at least 36 billion gallons of biofuel in 2022 and Reduce U.S. demand for oil by setting a national fuel economy standard of 35 miles per gallon by 2020. This is expected to increase fuel economy standards by 40 percent and save billions of gallons of fuel. **Declining Housing Market**, between 1997 and 2006, U.S. home prices rose by 124 percent. But by the end of 2007, reports indicate that higher mortgage rates and the subprime lending crisis had resulted in 4.5 million unsold homes nationwide, nearly double the amount in early 2005. By 2006, 20 percent of all new mortgages were subprime, and 2008 began with 2.3 million delinquent mortgage loans and 505,000 that were in default, according to Moody's Economy.com. At the end of January, the government announced that annual economic growth slowed to just 0.6 percent in the fourth quarter of 2007 and that home building plunged at a 24 percent annual rate. All of these numbers translate into a decline in construction and job losses in related industries, including mortgage brokers, real estate agents, carpenters and furniture salespeople, in addition to a decrease in consumer confidence and spending.



State Overview –

The State of Ohio had major changes this year with the election of Governor Ted Strickland and Lt. Governor Lee Fisher. Since taking office this past year Strickland has made many new appointments to administration and the cabinet and has been changing the dynamics of operations throughout the state. In those changes he signed an Executive Order establishing an energy advisor to the governor to coordinate the state's efforts to create jobs through becoming a leader in the production of next-generation energy. In addition, he made available \$5 million in grants for Ohio Wind Production and Manufacturing Initiatives. KnowHow2GoOhio, a multimedia and grassroots campaign established to help students in grades 8 through 10 prepare for and pursue higher education. Gearing toward 2008 Strickland recently outlined a \$1.7 billion jobs stimulus package, Building Ohio Jobs, which will invest in job-creating industries and Ohio workers. Through issuing bonds, the \$1.7 billion Building Ohio Jobs package is expected to create more than 80,000 good-paying jobs in Ohio and lay the foundation for future economic prosperity by investing in the state's energy economy, distribution infrastructure, biomedicine, bioproducts, public works, our downtown neighborhoods and the Clean Ohio fund.



Northeast Ohio's Overview –

On Northeast Ohio's front a new The Greater Cleveland Marketing Alliance (now known as the Cleveland Plus Marketing Alliance or CPMA) was formed in 2005 with the mission of increasing economic development in Northeast Ohio. From 2006 - early 2007, the Cleveland Plus Marketing Alliance (formerly known as the Greater Cleveland Marketing Alliance) has worked with hundreds of volunteers around the region to develop Northeast Ohio's first ever regional brand. This

brand has now become a popular front in economic development for the region as a whole. In the past three years, nearly 100 Northeast Ohio companies received equity investments totaling more than \$500 million from venture capital and private equity firms. TeamNeo launched in 2007 the Northeast Ohio Economic Review. The publication was



Painesville's Economic Overview



The primary focus of the Office of Economic Development in 2007 was business attraction and downtown redevelopment. The primary emphasis was to create a strong business base within both segments of the community (manufacturing and downtown development) to offset the anticipated loss of jobs and income in 2009 with the anticipated departure of LakeEast Hospital.

The Economic Development Office worked closely with three leads on industrial investment in 2007. Of those three leads the City obtained PCC Airfoils, which will invest more than \$32.5 million into Painesville over the next year, and BARD, a bio-diesel fuel company who relocated its offices into the City as it continues to search for industrial land within Painesville. The third lead still remains interested and continues to view possibilities within Painesville City.



Congressman LaTourette speaks about business in the region at the Economic Development Office Business Breakfast Series.

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. Specific detail on local industry, key accounts and large employers, reviewed this year, proved the results of the Synchronist Survey conducted in 2005 are on track toward the estimates of local industry. The projections outlined growth anticipated by 2009 to include 192 new jobs, \$8,365,000 in capital investment and add an estimated 124,000 square feet within their existing facilities. With just one year to the '09 projected date they have added 203 employees and have met nearly three-quarters of the capital investment projections. These employment figures and investments are positive news moving into 2009 and showcase the growth of our existing largest employers and largest energy users.

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. Going into this coming year the departments primary objective is to grow business and strength amongst both large industry and business within the downtown district to offset this impact.

Business Attraction, Retention & Expansion —

Business Retention & Expansion (BRE) is the cornerstone of our Economic Development efforts. The outcomes of the business retention and expansion programs have resulted in a positive tracking of the 2005 largest employment figures which indicate 239 new jobs have been created since this time. This is an increase thus far of 19% in employment within Painesville's top employers. In addition, with the recent sale of the 10 acre parcel in Renaissance Business Park and additional 150 new jobs will be created by year-end 2008.

We also continue working with an additional 17 companies within the City for future expansions. These include 9 Manufacturing Companies, 6 Service / Commercial Companies, and 2 Retail Company.

Painesville Major Employers		
	2005	2007
1. Lake Hospital Systems	818	838
2. Avery Dennison	611	611
3. Core Systems	255	300
4. Lake Erie College	182	190
5. Ohio Assoc. Enterprises	142	180
6. Coe Manufacturing	105	125
7. Cintas Corporation	100	130
8. SAS Rubber	95	105
9. Fluid Regulators	90	150
10. Eckart-Altana America	102	110
Total Employment Gain	2500	2739

Painesville City's largest employers gain 239 new jobs a 19% gain over two years.

2007 Major Attraction Projects

PCC Airfoils: The City of Painesville aggressively fought for this \$32.5 million expansion of PCC Airfoils, Inc. The City competed along side the states of Oregon and Georgia as well as competing locally. The electric rates and land costs within those states were extremely competitive. However, it was the City of Painesville's municipally owned power, infrastructure and Business Park that enabled us to secure the project. The overall investment has created an anticipated 100 jobs in year-one providing over \$80,000 per year in local income tax. Twenty of the 100 jobs are expected to be salaried positions anticipated at \$60,000 per year and the remaining 80 are hourly positions at approximately \$35,000 per year. The total annual labor forecast is anticipated to be \$4 million the first year and \$6 million per year subsequently. During the construction period, the local economic impact forecast from local primary vendors, equipment and supplies is anticipated to be \$6 million. And overall estimated project costs are \$4.5 million in land and building investments, \$4 million in manufacturing infrastructure, \$24 million in machinery and equipment as well as \$250,000 in furniture and fixtures.



PCC Airfoils, LLC Begins Construction '07

2007 Major Retention & Expansion Projects

Coe Manufacturing: Coe continues to increase in employment since they relocated a portion of the Tiger, Oregon facility in 2005. Overall employment for the company now exceeds 130 employees with future growth expected. This past year the oldest buildings on Coe's property were demolished a \$400,000 investment in an effort to push forward progress toward remediation under the VAP through the Ohio EPA. Burgess & Niple, the city and Coe remain focused on finding an end user for the property and making steps toward a no further action letter. New investments in machinery and equipment along with incumbent workforce training are also underway. Grants are being sought through the ODJFS in conjunction with Auburn Career Center.

Obron/ Eckart: New bonding equipment with an estimated investment of \$500,000 was delivered and added a new bonding innovation process which bonds pigment to aluminum. They continue to seek space within their existing site and near their current facility for warehouse expansion. The need for warehouse space has been limited since the installation of this equipment.

Aero-Controlex: Since their expansion last year and relocation of a California based plant they have steadily increased employment and continue to add investment into the Painesville facility. This past year new compressed air units were installed to help increase efficiency of the plant and lower overall leakage costs. This past year they received their full certification to ISO9001-2000 and to AS9100 for quality standards. Aero-Controlex has won several significant contracts for hydraulic valves and manifolds in support of the F-35 Next Generation Joint Strike Fighter (JSF) program. These products are used in a number of critical control systems ranging from engine lubrication to landing gear controls to arresting hook systems.

2004-2007 Income Tax Revenues for Key Account Companies

<u>Company</u>	<u>% Change in Employment</u>
Transdigm (AeroControleX)	50.79%
Cintas Corp	34.32%
Lake Erie College	22.86%
STP Products	21.66%
American Roll Form	12.10%
Eckart America (Obron) Hdqtr	11.12%
Merteck (Ohio Assoc Enterprises)	11.10%
High Tech Performance Trailers	5.80%
Lake Hospital Systems	4.58%
Avery Denison	3.05%
Eckart America (Obron)	2.40%
Coe Manufacturing	-0.43%
SAS Rubber	-3.27%
Core Systems	-14.37%

2007 Major Attraction Projects

Retail: There are currently 6 retail spaces in the downtown that remain vacant. There are 3 which have been vacant for more than one year.

2007 New Painesville Businesses

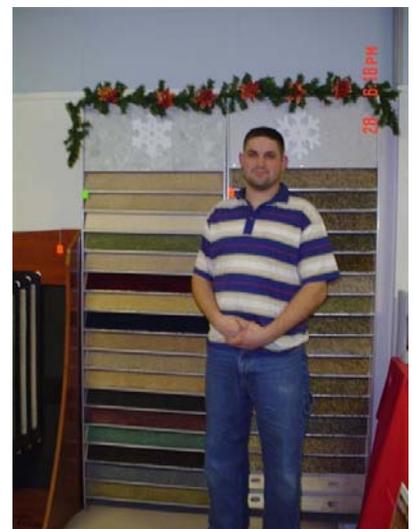
<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
Diverse Kuts	Barber	1-4
Leo Talikka	LPA	1-4
Message Therapists	Message Therapists	1-4
Ohio Real Title Agency	Title Agency	1-4
Bon V's Beauty Supply	Beauty Supply Retail	1-4
Burgers & More	Restaurant	1-4
Painesville Stoves	Retail Distribution	1-4
Terkk's Computer	Computer Retail / Service	1-4
All Title Services	Title Agency	1-4
Raw Styles	Retail Clothing	1-4
New Business Total Employment		10 - 40



Consolidated Investments Façade Improvement on Local Bakery.

2007 Painesville Businesses Expansions / Re-Openings

<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
Wojtila's Bakery	Re-Opened	
Summit Academy	Expansion	1-4
Industrial Coating Equipment	Manufacturing (Relocation)	
Jimmy's Restaurant	New Ownership	
Aero Control X	Expansion/ Manufacturing	15 - 20
The Hideout	New Ownership	
China House	New Ownership	
Special Events Floral	Relocation	
Expansion Employment Added		16 - 24



Painesville Flooring opens its doors in the Downtown after 3 years of running his business out of a home office.

Approximate Gained Employees 2007 **26 - 64**

2007 Unsuccessful Businesses

Art Essence Gallery: In business for 15 years in Painesville the gallery found itself in a difficult financial position and without the volunteer support of new artists to keep the co-op in operation. They made the decision as a board to close in January. *Arabica Coffee:* They were behind on rent and could not foresee the ability to get caught up. *Main Street Memories:* The building they were in was being sold and they were told they had to vacate by December. They are taking a year to decide if other options might be available to them as a company.

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 2007, 7 applications were reviewed and approved for new CRA tax exemption. A total of 2 commercial CRA's indicate an investment of \$752,814.00 into the City of Painesville Business Community and \$486,450.53 into the residential community. The CRA applications were for the following properties:

Community Reinvestment Areas

Area 1

Guyer, LTD, 264 Prospect	Commercial	\$288,814.00
Core Systems, LLC, 787 Renaissance Parkway	Commercial	\$464,000.00
148 Mathews, Roberts	Residential	\$102,977.90
178 Second, Berzanske	Residential	\$116,398.24
160 Second, Rodriguez	Residential	\$85,000.00
181 Mathews, Wooten	Residential	\$80,557.91

Area 4

497 Fairlawn, Rodriguez	Residential	\$101,516.48
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CRA Annual Reviews

On January 17, 2008, the Community Reinvestment Area Committee inspected the City's tax abated properties. One Hundred and Six (106) properties were inspected and one hundred and four (104) were found to be in compliance. The two properties that were found to be non-compliant were re-inspected in late February and at that time the two land owners had completed the improvements required by the City.

Enterprise Zone Annual Report

During 2007 the City completed all reporting for the final remaining EZA agreement for Avery Dennison. The initial total investment in the project was \$4.9 million. The total project cost at completion of the agreement was \$4.3 million. The City has not entered into any additional Enterprise Zone agreements since 2004. The companies' performance during 2007 was reviewed by the Tax Incentive Review Council in March 2007.

Painesville Manufacturing DVD: To better promote the City of Painesville's job and career opportunities a DVD was produced to highlight Key Account companies. This video features the corporate culture and job performances within each of our largest energy users and employers. The video represents a variety of career opportunities which drive today's economy. The video has been featured in many news articles and is played locally on Channel 12 News.

(Painesville Manufacturing DVD: Please see the attached DVD in Exhibit B)

Painesville Downtown Events & Happenings

- **Farmers' Market:** As always the Farmers' Market was a tremendous success during 2007. We had some new varieties in fresh produce, baked goods and homemade items. In total at full market we had 20 vendors selling a variety of products and produce. The 2008 Market will begin on May 15 and go through October 23rd.
- **Art in the Park:** The sixth year for Art in the Park was a beautiful sunny day, this was not the case for the past three years. This year we saw more 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 and Painesville Rotary. In addition, this year we added a featured national artist, Dean Morrissey, and a professional story teller that resulted in greater crowds and better event attendance. The event which was hosted by the City and Art Essence Gallery attracted 35 artists and many visitors to downtown on August 18, 2007. Next years event will be held on August 16, 2008.

Local Chef Shops the Market For Ripe Produce



- **Taste of Painesville:** The 9th 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 year's event showcased 9 food vendors and 6 merchants or informational booths. The event sold over \$10,654 in ticket sales and raised over \$1,500 for the Downtown Painesville Organization. The venue will be held again during 2008 on September 4th.
- **Historic Downtown Painesville Holiday Open Houses:** Twenty-one participating businesses kept their doors open till 9pm on November 13th 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 148 completed passports. This was nearly double the number of passports submitted in past years. The Fifth Annual Holiday Open Houses included: DC's Restaurant, Nemeth's Lounge, Painesville Flooring, Terkk's Computer, Diverse Kuts, Ohio Title Agency, Jimmy's Restaurant, Riders 1812 Inn, Art Essence Gallery, Arabica-on-the-Square, Joughin & Co. Hardware, Conway Land Title, Hari Designs & Bella Donna Spa, Grande Designs, Main Street Memories, Roberto's Italian & American Restaurant, Ye Olde Oaken Bucket, Parlour Quilts, Federico Tire Inc., Artful Hands Studio, Bistro 70, Curves, To Each His Own. The city will again hold the event in 2007 on November 18th.
- **Other Events:** Painesville Photography Contest, Business Appreciation Networking Event.

Business Communication / Publications

Downtown Painesville Organization Forms: The Downtown Painesville Organization was formed in January 2007 in response to the communities interest in a structured management system within the downtown historic business district. Several approaches to accomplish the desired results were studied and the Main Street approach, as recommended in the City's Comprehensive Plan, was determined to be the best fit for Painesville. The approach provides avenues for economic development while being sensitive to historic preservation. The organization received its incorporation as a non-profit 501c3 organization in August of 2007. By December of 2007 the organization secured \$40,000 in membership and key investor participation. Key investors include: The City of Painesville, LakeEast Hospital, Lake Erie College, Painesville Community Improvement Corporation and Painesville Rotary. The organization submitted its application to Heritage Ohio in October, 2007 and received notification in December 2007. Notification from Jeff Siegler of Heritage Ohio informed the Downtown Painesville Organization's Board of Directors that Heritage Ohio had been very impressed by the progress that has been made by the 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." Since that time the Board of Directors has posted the position for its first Executive Director which is expected to be hired by June 2008 at a salary not to exceed \$29,000.



Downtown Painesville Organization dedicates the new location of the Gage Home on August 30th, 2007 where a wine & cheese reception was held after.

Painesville Main Street Program Board of Directors: The Board of Directors for the Downtown Painesville Organization have established their by-laws, five year strategic planning budget, board of directors handbook as per the Ohio Main Street Program and have laid the foundation for the executive director to be hired.

D.A.R.T. Visit: On April 26th, 2007 the Downtown Painesville Organization and City Office of Economic Development hosted a Downtown Assessment Resource Team Visit. This visit resulted in over 100 participants focusing efforts towards improving the economic conditions of the historic downtown area. A Downtown Assessment Resource Team (DART) came to the City of Painesville on April 26th. The Downtown Assessment Resource Team visit, or DART, is designed to assist any community in Ohio in addressing their downtown issues and identifying the necessary revitalization efforts. Through the visit, participants set action priorities for taking significant steps in building

comprehensive business management solutions within Painesville's downtown central business district. The team made up of Heritage Ohio Team Members held a one day workshop focused on stimulating economic development by encouraging cooperation and building leadership in the business community; creating a positive image for downtown by promoting the downtown as an exciting place to live, shop and invest; improving the appearance of the downtown; economic restructuring of the downtown by strengthening and expanding the economic base; and to receive, administer and distribute funds in connection with any activities related to the downtown.



DOWNTOWN PAINESVILLE
P.O. Box 601
Painesville, Ohio 44077
www.downtownpainesville.org

D.A.R.T. Report: The release of the DART report was distributed in September identifying a Four Point Approach under the Main Street Program as the prime method for economic restructuring within downtown Painesville.

A follow-up meeting on May 30th, 2007 resulted in the formation of four committee's. The Organization, Design, Promotion and Economic Restructuring Committee's set goals and objectives for which to follow.

(DART Report: Please see the complete DART Report in Exhibit C)

Four Point Approach Committee Reports: The Organization committee successfully raised over \$6,000 in membership this past year. The Design Committee organized and raised funds in collaboration with Painesville Community Improvement Corporation \$11,500 to install lights in trees and hanging baskets within the downtown district. The Promotions Committee has been organizing a commemorative yearly Welcome Back concert with students from Lake Erie College's SIFE Organization. The Economic Restructuring Committee has been working with the City to identify projects within the City's Downtown Master Planning Process that it may undertake as large scale improvement projects.



Terkk's Computer opens on Main Street

Working with Lake Erie College: There has been substantial work this past year with Lake Erie College to facilitate a more "college town" environment in the downtown area. There were banners placed from Lake Erie's campus to the new location of Storm Football in recreation park. These banners are geared to draw students and family members into the downtown and to the new home of Lake Erie football. In addition, the Office of Economic Development has been working with the Business Advisory Board to the newly formed Lake Erie College Center for Entrepreneurism to foster opportunities for students to have student run businesses within the downtown area.

Business Visitation: On a monthly basis, the Economic Development 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 2007. Grand Openings Included: RiteAid, The Gage Home, Terkk's Computer, Diverse Kuts, PCC Airfoils, and others.

Other Economic Development Programs: Quarterly Works For Business, Monthly 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

The Gage Home Move: On April 26th, 2007 the Office of Economic Development facilitated the move of the historic Gage Home. The move was funded by developer Elm Street Properties, LLC and the City of Painesville. The move took 6 1/2 hours, and required much departmental assistance. The building was built in 1858 by Charles Avery a prominent local businessman and one of the founders of Lake Erie College. The building was moved with cooperation from RiteAid who built its new location at the corner of Erie and State where this building's home originated. The building was re-located onto city owned property located on the east side of South State just south of Joughin's Hardware.

Lake East Hospital: In 2007 the City of Painesville began its Downtown Master Planning Process to provide a planning and conceptual design process while evaluating potential redevelopment sites and market conditions within the downtown. The City entered into an agreement with City Architecture to provide additional detail on site investigations, identifying community goals and objectives, a final conceptual development plan, preliminary streetscape improvements, private property improvements, development guidelines and a master development plan. The City made application for a US EPA grant for Hazardous Substances which if retained would assist in the Phase I and Phase II needed to proceed with making application for Clean Ohio Funding.



The Gage Home Move on April 26th, 2007

Painesville Wireless Infrastructure: The City and Lake Erie College are collaborating on the implementation of a wireless infrastructure system known as Painesville MuniSync. The primary engineering and development focus of the project will be to light up the college campus and then direct a signal toward City Hall that will broadband enable the majority of the city buildings for eGovernment applications. Companies today rely heavily on “real time” operations and the ability to access high speed internet connections. The new economy emerging from the high speed data connections brings technology based approaches that are creating jobs and promoting entrepreneurialism. With this new infrastructure there is a new potential for redevelopment projects. These may include:

- ~ **Recruitment of Physicians Offices:** Real time information in the medical industry is crucial. Creating a mechanism for physicians and emergency services to relate real time information and data from the hospital to their individual offices can play a factor in the relocation of the existing doctor’s offices at LakeEast Hospital.
- ~ **College Based Businesses:** The Lake Erie College’s Center for Entrepreneurialism opens opportunities for the City to work collectively with the college to foster student run companies within the downtown central business district. Student run businesses are often times heavily reliant on today’s technology.
- ~ **The Chase Bank Building/Victoria Place:** Currently serving as the home to primarily the Lake County Board of Education the second floor has been occupied by the board to serve as a training facility. The space will lend itself ideally as a technology center. The space is conducive to any technical training courses that can be offered to local business and upstairs space may lend itself well as incubator type space where shared services and resources could be pooled. (Phone lines, Computers, Office Equipment, etc.) Victoria Place: Currently the management team of Victoria Place is following a vision to see the building serve as a non-profit office center. The office environment and leasing rates lend themselves well to non-profits that are looking for larger space at reasonable leasing rates. The same technical center approach could be used here.
- ~ **High Technology Business Parks:** Considerations for a high technology business park should be considered within the north and southwest ends of the city. Considerations for cluster around fiber optics, voice recognition, RFID and CRO Services should be made within these parkways.

Painesville Hotel: An option has been made on the hotel property by Elm Street Properties, LLC. A conditional use permit was granted to allow mixed-use redevelopment upon approval of the City.

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. With new leadership within the organization an emphasis has once again been placed on demolishing the existing buildings and beginning the necessary remediation.

PCC Airfoils: In the expansion agreement with PCC Airfoils the following terms are in the process of being met. The city sells the 9.84 acres to PCC Airfoils with the assistance of CB Richard Ellis. A dedicated electrical line to service the site will be brought from the H-9 line into Renaissance Business Park. Assistance in application will be made to ODOD for Job Creation Tax Credits and State Grants. Electrical Infrastructure to the building will be supplied along with the necessary transformers to the site. Assistance will be offered in conjunction with the ODJFS and Magnet to facilitate the recruitment of over 100 employees.



PCC Airfoils Construction: Installation of transformers & electrical infrastructure

Brownfield Assessments: In an effort to identify various hazardous substance based Brownfield's within the City of Painesville, the City has applied to the US EPA for \$200,000 in Brownfield grants. It is expected these funds if received would be used for Coe Manufacturing, the old Hotel Site and the Hospital Site.

TeamNeo: In an effort to have a closer working relationship with TeamNeo we have participated with the TeamNeo marketing committee this past year. This committee has enabled us to view our marketing in a more regional approach and brought us closer with Northeast Ohio marketing representatives and resources.

Marketing and Public Relations

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, 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 Tribune along with a full page co-op ad in the Gazette. This advertising featured local restaurants, bakeries, and unique specialty shops that Painesville offers. In addition, new this year during the fall season, the City ran a "Shop & Dine Painesville" WKKY Radio ad campaign that featured local merchants and restaurants. The campaign ran on WKKY for three months and will be renewed in March 2008.

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 this past year. For the third 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 grows. This is a regional marketing piece that is distributed by TeamNeo to companies looking to relocate in Northeast Ohio. 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 Bruce Hanusosky of High Tech Performance Trailers was featured for growth and experience in a unique industry. We plan in 2008 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 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 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 Economic Development Center, 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, Painesville Merchants Association. 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 and the Painesville City Schools Educational Foundation, Golf Committee.

Renaissance Business Park

Industrial Marketing Efforts

During 2007 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. This past year we also entered into discussions with 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 is a great asset to our recruitment efforts on this site. 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: New to the industrial park, the company plans to bring some equipment into the facility mid-summer. With this equipment they will have some initial staff with the anticipation of full production in early December 2008.

Cintas Corporation: The company has continued to see growth and needs for employees. They are still looking at new RFID processes and new product lines that will enhance existing services. The company overall announced it has been named the Most Admired Company in the diversified outsourcing industry on FORTUNE's 2007 list of "America's Most Admired Companies." Cintas has consistently ranked among the top five Most Admired organizations in its industry sector since 2001, and has topped the diversified outsourcing list for the fourth time.

Core Systems, LLC: Core Systems is currently in the process of working on their Six Sigma Certification and continue to work towards being a Center for Excellence within their industry. They have had increases in employment since the addition of equipment when they relocated a facility in 2006 from Greensboro, NC.

Manufacturing Updates

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



Bob Miner, Aero Controlex installs a new Compressed Air System that provided significant energy consumption savings to the plant.

2007 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 2007:

Extrudex: Concerns about Electrical Consumption and separate metering. We met with them to review their current electric metering system and provided solutions for their concerns. Their was also a detailed review of their utility accounts.

Cintas Corporation: Conducted a full energy assessment of their facility to ensure that there were no internal problems relating to electric spikes. The following services were conducted at the site: Electric rate and use analysis, electric load monitoring, power disturbance analysis and infrared testing of electrical connections. The concerns from these analysis were addressed and the concerns have been diminished.

Eckart America: Working to resolve a monitoring problem with their Itron system. The system allows them to monitor their current electric demand at any time throughout the day from the plant or from other locations over the internet.'

Energy Efficiency Education:

Painesville Manufacturing Meeting: The first annual meeting of Key Accounts was held in February 2007. 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 and business leaders. The open forum offered guidance to our department and resulted in the creation of the Workforce Initiative DVD to assist employers in requiring qualified workers for their plants.

Painesville/Lake County Manufacturing Meeting: In conjunction with the Painesville Area Chambers of Commerce we held the first Painesville Manufacturing Forum which was hosted by Lake County Chambers of Commerce. We had many of our largest industries represented to listen to a forum on Energy Deregulation. Amp-Ohio and First Energy presented together on the future of the Electric Industry.

Energy Efficiency Technologies & Measures: In October the City held a training seminar in conjunction with Amp-Ohio and Cleveland Public Power. The seminar had over 40 participants who joined the City in this seminar to learn in detail how to cost effectively improve energy efficiency and reduce energy costs.

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.

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 committee but awaits board vote. This item is still pending.



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 listed 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)



Summit Academy Expands Purchasing the Historic Morley Mansion



Accomplishments from 2007

Downtown Initiatives

- Established the Downtown Painesville Organization as a 501c3 Organization focused on the Ohio Main Street Approach for Downtown Painesville's Economic Revitalization
- Completed and Finalized the D.A.R.T. Downtown Assessment Resource Team Visit and Report for the Ohio Main Street Approach Implementation
- Working to Make Application to the Ohio Main Street Approach & Secure Funding to establish a Management System within the downtown area.
- Created a Painesville Restaurant Group focused on marketing Painesville's Restaurants and Evening Entertainment Opportunities
- Worked with Lake Erie College on creating connectivity with the Downtown through banners into recreation park and programs with local businesses
- Created an invitation list of key community representatives for Business Openings & Expansions, purchased large scissors & ribbon to highlight event.
- Co-Op Advertising with Downtown Merchants expanded to TGIF in News Herald

Manufacturing/ Workforce Initiatives

- Created a Workforce Initiative Video on Key Accounts with a 2 min. commercial
- Updated Synchronist Survey with Yearly Key Account Visits
- Creating a Resource CD with Complete Business Relocation Information & Brochure
- Created a Resource Page on the Website with all public ED Resources and Information
- Actively participated in Entrepreneurial Programming with Inside Business, Featured High Tech Performance Trailers and Bella Donna Salon & Spa as thriving Entrepreneurial Business in Painesville. Also heavily involved and active in the Lake County Entrepreneurs Club and the DIBS Network of Entrepreneurs.
- Presented two major company proposals for relocation to Renaissance Business Park, both companies are still considering the investment.
- Presented two existing city companies with preliminary site plans and cost estimates for Renaissance Business Park expansions.
- Attraction of PCC Airfoils, LLC.
- Received an option on Painesville Hotel Property
- Made Application for the US EPA Brownfield Grants
- Working close with Lake County Entrepreneurs Group and the Lake Erie College Department for Entrepreneurialism to encourage entrepreneurialism in Painesville.
- Participated on Team NEO's ED Marketing Committee

Other Project Initiatives

- Facilitated the move of the historic Gage Home, downtown
- Transit Center Stakeholders Meetings
- Working with Lake East Hospital Redevelopment & Property Re-Use
- Working on Coe Manufacturing Remediation
- Worked on various business expansion & attraction projects
- Worked to enhance city events & bring them to a new level of community participation



PCC Airfoils Ground Breaking: From Left: Tom Waltermire, TeamNeo; Rita C. McMahon, City Manager; Mike Kinney, PCC Airfoils; Arlene Becks, City Council; Jim Robey, TeamNeo; Paul Hach, City Council; Abby DelaMotte, City Council; Cathy Biertman, Economic Development; Fred Herrera, CBRE; Jeff Martin, Geis Companies; Fred Geis, Geis Companies; Greg Seifert, Geis Companies.



WKKY Arrives at Farmers Market



2007 Farmers Market



Rite Aid Grand Opening



PCC Airfoils, LLC Groundbreaking - November 30th, 2007



Tom Waltermire, TeamNeo Comments Painesville City Council & Administration



2007 Art in the Park



2007 Taste of Painesville



Gage Building Move Draws Thousands to North State Street on April 26th, 2007. The dedication of a successful building move and momentous historic preservation act was presented on August 30th.



Diverse Kuts Opens its Doors



Painesville Flooring Grand Opening



Taste of Painesville

Exhibits

Exhibit A: [Site Section Directory](#)

Exhibit B: [Painesville Manufacturing DVD](#)

Exhibit C: [D.A.R.T. 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 Manufacturing DVD](#)

*****See Attached DVD*****

Exhibits

Exhibit C: [D.A.R.T. Report](#)