



Economic Development Annual Report 2009

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\$2 Million Secured for Lake East Hospital Demolition

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2009 Economic Overview

Federal Overview –

The last quarter of 2008 was difficult for business and industry, the U.S. economy continued its rapid decline following the presidential transition. In response, administration worked to stabilize the economy, and dramatically increased the role of the federal government in economic development. On February 17, 2009 President Obama signed into law a legislative package intended to stabilize the economy - the American Recovery and Reinvestment Act (Recovery Act). At an estimated cost of the \$787 billion, the Recovery Act was a combination of tax cuts, direct investments, and relief measures to aid states, businesses, and individuals most impacted by the economic downturn. The landmark bill had the greater impact on economic development than any other legislative item in 2009, funneling billions of dollars into short- and long-term economic development projects. The sheer size of the economic recovery bill and the focus on health care and climate change cast a shadow over traditional economic development, according to the International Economic Development Council. As a result, a number of economic development issues were left on the table at the end of 2009, reauthorization is still pending for the Economic Development Administration (EDA), small business programs as well as the Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) programs, and surface transportation programs. Although economic statistics showed the beginnings of a recovery toward the end of 2009, communities around the country continued to feel the impacts and seek new economic development solutions. The year ended with a clear recognition that jobs creation would need to be a primary focus of the federal government in 2010.



State Overview –

Governor Strickland's State of the State address this year promised keeping Ohio as a key player in meeting the energy needs of the nation and the world and he indicated that we are already seeing promising results. Over the last three years, Ohio has led the nation with 350 new or expanded facility projects in the renewable energy sector. Overall the truth is, our nation has lost more jobs in 2008 than in any year since World War II. In Ohio alone we lost more than 100,000 jobs. We now forecast that the general revenue taxes available to the state of Ohio will be lower in the 2011 fiscal year than they were seven years earlier. With those cuts the Governor has still promised to renew the Technology Investment Tax Credit to attract investors who are fueling the rise of new Ohio start-up technology companies; broaden the Job Retention Tax Credit and Job Creation Tax Credit so that more businesses can benefit from creating opportunity in Ohio; create a Film Tax Credit designed to spur the growth of the film industry, bringing new jobs and creative energy to Ohio; And, create a New Markets Tax Credit based on the existing federal program, to give our cities and towns a proven tool to spur investment in multi-use projects that bring new life to downtown centers.

OHIO



Northeast Ohio's Overview –

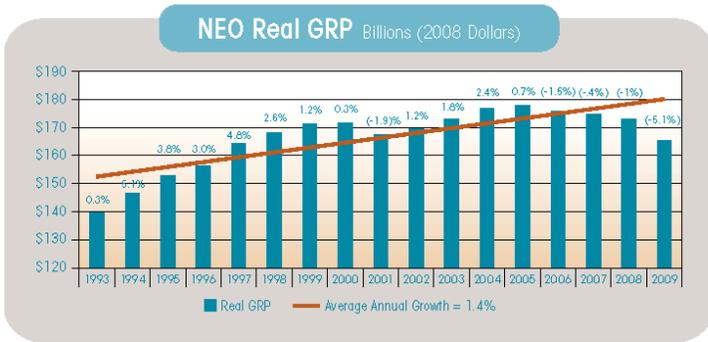
Northeast Ohio is trending closer to the U.S. in this current recession than in the 1981 recession, according to the most recent edition of Team NEO's quarterly Cleveland Plus® Economic Review released today. Compared to the 1981 major recession in which Northeast Ohio significantly lagged behind the U.S. in employment and GRP (Gross Regional Product), these indicators in the 16-county Cleveland Plus region of Northeast Ohio are trending closer to U.S. averages in this recession. The Review indicates that this change is likely due to Northeast Ohio's change in industry mix. Nearly 30% of the region's GRP depended on the manufacturing industry in 1981, compared with 12% today. Today, the Cleveland Plus region's economy is more diversified with increases in Healthcare, Headquarters, Professional, Scientific and Technical Services, and other industries. Specifically, the report indicates:



Northeast Ohio's Overview – cont.

Northeast Ohio is performing Similar to the U.S. in this Recession: In the 1981 recession, Northeast Ohio's employment and GRP (Gross Regional Product) rate dropped much more sharply than the U.S. Today's recession is trending much closer; a shift in Industry Mix is positively affecting GRP and Employment. During 1981 recession, Manufacturing accounted for 28% of employment; today it represents 12%.

Diversified mix and shift to higher growth industries may be positively impacting NEO economic stability in this recession: The NEO Biomedical industry has grown by 37% in the last 5 years, outpacing U.S. The NEO Professional, Scientific and Technical Services has grown 79% in the past 15 years with Scientific Research and Development growth



GRP Estimates Continue to be Adjusted for Recession

The most recent estimates from economy.com show Northeast Ohio's GRP contracting by approximately 5% in 2009. This decline reflects the ongoing recession in the U.S. economy. Data from economy.com is continuously updated and are subject to revisions.

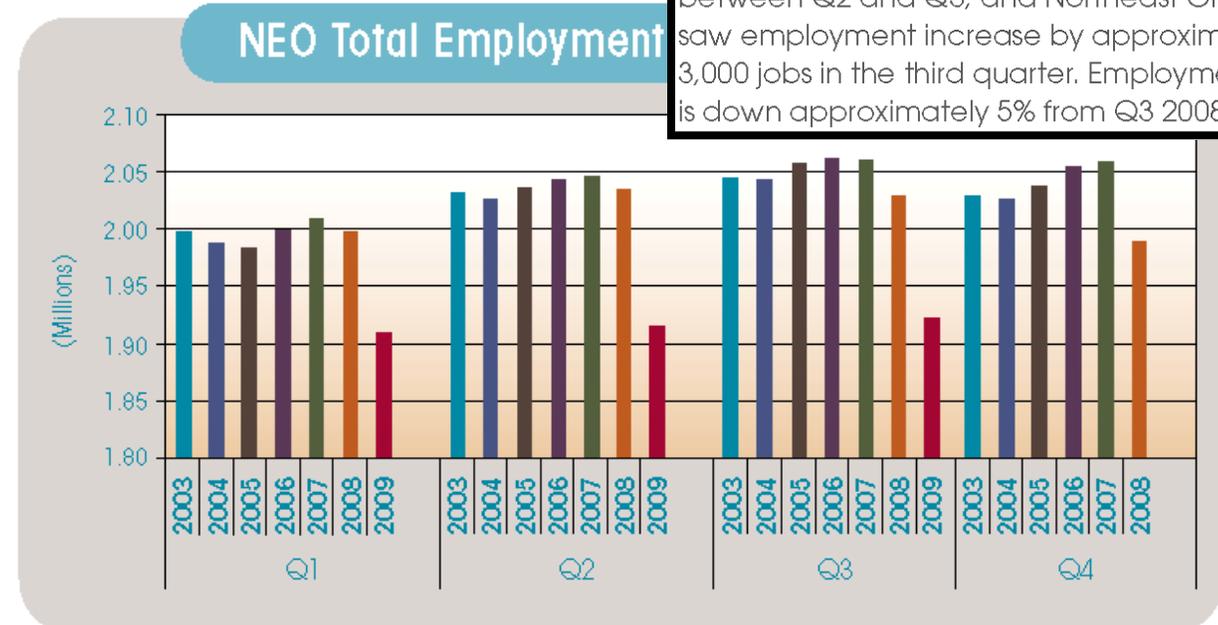
Source : Moody's Economy.com

doubling U.S and NEO Aerospace-Related Industry has by 59% in the last 15 years.

NEO Employment Up Slightly in Q3

grown

This chart shows total employment year over year for comparison of seasonal patterns. There is typically incremental job growth between Q2 and Q3, and Northeast Ohio saw employment increase by approximately 3,000 jobs in the third quarter. Employment is down approximately 5% from Q3 2008.



Source : Ohio Labor Market Information (LAUS Data)

Painesville's Economic Overview



The primary focus of the Office of Economic Development in 2009 was business retention and downtown redevelopment. With continued great uncertainty in the US economy, there was great uncertainty for the effects it may create on business overall in the region. In an effort to gain perspective on the conditions within our community we have been conducting business surveys with our banks, mortgage companies, large office users, large commercial operations and large non-profits. From these surveys we have found that businesses in those markets are relatively positive about their futures. In the next 2-3 years they expect to be making new investments and in a position to hire new employees. Those companies directly tied to the housing market are still uncertain about their prospective future and how long their recovery will take.



Australian Team from the University of South Wales visit Painesville Electric Plant for Vanadium Redox Battery Project

This past year Economic Development Office worked closely with three leads on industrial investment in 2009. Of those three leads one company is expecting to close on a location in the 2nd quarter of 2010. One lead found that the economic downturn lead them to reconsider their expansion. The other is still looking at potential locations and expects to come to a decision by summer of 2010. One is a headquarter manufacturing location, the other is headquartered in California but has an existing location in Willoughby and the third is headquartered in Ashtabula County. Of those three inquiries all were looking for existing buildings that were on the market, we did have six requests in 2009 for space in Renaissance Business Park but because lease and purchase rates remain low we do not expect those companies to build at this point. We believe that many of those businesses were considering a build because of municipal electric rates and the lack of adequate building stock to meet their long-term growth needs.

The retention efforts of the department over the past year have been aggressive towards our exiting industry and helping them determine where potential opportunities and cost saving measures could be obtained. We also worked with many of our industries, the Ohio Department of Development and the Lake County Port Authority to try and secure financing on new equipment that would enable them to gain new work contracts replacing customers they may have lost due to the economic downturn.

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This past year a Manufacturing Forum was held with our Human Resource Managers in our largest employers and energy users to gain a better perspective of their impacts due to the uncertain economic conditions. While they had a concern about layoffs in the early part of the year their focus remained on training their existing workforce to gain new skills that would be necessary to make them more competitive into this new economy. They were also greatly interested in working with the local schools to give school age children a better image and perspective on jobs available in manufacturing.

Business Attraction, Retention & Expansion —

Business Retention & Expansion (BRE) is the cornerstone of our Economic Development efforts. In 2009 the Economic Development Office worked closely with the Coe Manufacturing Brownfield Redevelopment Project and with their Woodland Office Representatives of the company which acquired COE, USNR. Several meetings took place over the course of the year involving the City, Ohio Department of Development and the Lake County Port Authority to assist them in gaining new prospective clients and reducing their operational costs at their Painesville facility. Because their end customer is 100% tied to the housing industry they took an exorbitant hit in 2009 and are facing only one company order into 2010. Their future operations remain bleak due to the fact that a significant and steady increase in the housing market for several years will be necessary for orders to come back into the plant operations. The City of Painesville passed legislation in 2009 to assist the company in obtaining grant funding through the Clean Ohio Assistance Funding Program, however representatives from USNR needed to focus completely on sales at that time and had to suspend work that would be necessary for the Brownfield grant application. In the 1st quarter 2010 we were notified that all manufacturing operations would cease until production came back, we were told office positions would remain.

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

2009 Major Manufacturing Retention & Expansion Projects

Avery Dennison: Avery Dennison had approximately 25 employees that they laid off in the Specialty Tape Division within the region of which 23 were in their largest facility, Painesville. Of those laid off employees most have been hired back as of December 2009. Avery was recognized nationally as a Star Program for the Voluntary Protection Program (VPP), a program that promotes effective worksite-based safety and health.

Associated Enterprises: The City, AMP-Ohio and the electric plant to analyze their electric usage and determine locations of existing meters to ensure all are current and working meters related to their operations. They are submitting a drawing of the existing locations for the City to work more closely with them. There is also a desire to work with them to increase their load factor overall reducing their peak demand charges.

Coe Manufacturing: As indicated above the City, Ohio Department of Development and the Lake County Port Authority worked closely with Dale Brown of the USNR Corporate Offices to acquire funding for the completion of a Phase II and for future clean-up grant funding. Monthly phone conference meetings occurred throughout 2009 with corporate offices to discuss mechanisms for assisting the company. Representatives from the Ohio Department of Development and the USEPA performed a site tour and later in the year a meeting was conducted with the Lake County Port Authority to discuss creative financing mechanisms.

Core Systems: This past year the City worked closely with Core Systems on some electrical issues occurring at the facility. In addition, Core Systems announced an opportunity to expand and acquire an estimated 20 year contract through Whirlpool that would lead to new investments in the Painesville plant. The City, Ohio Department of Development and the Lake County Port Authority are currently working with them to secure financing for new equipment and machinery.

PCC Airfoils: The City met in conjunction with AMP-Ohio to discuss current usage and projected usage. Due to the economy their facility has not been able to grow at the projected rate however, they have a very strong hold in their market and expect sales to increase steadily and consistently going into 2010. The City is also working with them to install electric metering systems so they can further analyze their usage on an hourly basis.

IMAX Industries: The City and Chamber nominated them for the Ohio Entrepreneur of the Year through the State Chamber of Commerce. He was recognized as a nominee at a May annual chamber event in Columbus.

Eckart America: The City has resolved a long-standing metering issue related to their Itron electric monitoring system. This will enable the company to view their electric usage consistently in 15 minute intervals to determine if any changes can be made in their operations to reduce their peak demand charges.

Extrudex: This past year Extrudex experienced some outages and the City, AMP-Ohio and the Municipal Electric worked with representatives to offer a solution to the problems. It appears at this time the problems have been solved and no further outages have occurred at their facility.

Grand Rock: The City has begun working with them to obtain much needed funding mechanisms which would allow them to target new overseas markets and contract new orders increasing their overall sales revenue projections.

2009 Major Commercial Retention & Expansion Projects

Chase Building: The City is working aggressively with owners of the Chase Bank Building to retain the existing tenants and reconfigure space for Lake East Hospitals future Urgent Care facility. At this point the asbestos's removal costs have exceeded their projections and we are working with the property owners to see if any resources can be obtained for asbestos's removal through the CORF, COAF or USEPA.



PCC Airfoils, LLC Celebrates opening in 2009



Victoria Place: The City has been working with the manager of Victoria Place to keep constant communications with them about future updates to the Parking Garage. There has been great concern by Victoria Place about their ability to renew leases with the existing conditions. The City this past year dedicated resources to make cosmetic improvements and continues to keep the manager up to date on pending improvements.



Art Infusions Opens its doors for Business in '09

2009 Major Attraction Projects

Retail: There are currently 4 retail spaces in the downtown that remain vacant. There is 1 which has been vacant for more than one year. This one vacant space includes Copy Quest (vacant for 2 years).

2009 New Painesville Businesses

<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
Art Infusions	Retail/ Art Studio	1-4
Bank Street Bed & Breakfast	Bed & Breakfast	1-4
Global Wine Selections	On-line Wine Distributor	1-4
Heritage Ohio Home Healthcare	Service	1-4
Jalapeno Loco	Restuarant	8-12
LBL Printing	Service	8-12
New Directions for Living	Service	1-4
Soto's Insurance Agency	Service	1-4
Serilla Record & Candy Shop	Retail/ Recording Studio	1-4
Imaging Systems & Services	Manufacturing	1-4
MANUVIS	Service	4-8
Digital Imaging Systems	Retail/Printing Service	1-4
Dylan, Iosue and Associates	Service	1-4
Verizon Wireless	Retail/ Cell Phone Service	1-4
Yvonne's Sweet Shop	Retail/Candy Store	1-4
Attorney Christopher Tucci	Service	1-4
RDP Motorsports	Manufacturing	8-12
New Business Total Employment		41-96



2009 Painesville Businesses Expansions / Re-Openings

<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
HEAP	Relocation	-
Summit Academy	Relocation	-
Leo Talikka	Relocation	-
Mr. Muffler	New Ownership	-
M&M Auto Body	Relocation	-
Expansion Employment Added		0

Approximate Gained Employees 2008 **41-96**

2009 Unsuccessful Businesses

Chicago Title: In business for over 50 years in Painesville their Corporate Offices have taken a new approach to locate in highly dense areas where there is high traffic counts. *Lynd Tool and Dye:* With the downturn in the economy they were not able to sustain their location in Painesville. *Artful Hands Studio:* In the economic downturn the building

owner had financing difficulties that forces them to relocate the stores operations to a rent free location. *Storm Cellar*: A split in partnership caused the business to experience uncertainty and could not sustain. *EB2 Technologies*: Upset about overall management in Victoria Place and the condition of the parking garage. *American Title Company*: With the downturn in the economy they were not able to sustain the new location in Painesville. *Wojtila's Puritan Bakery*: They were struggling to gain sales since they opened their operation and tried to hold on until the new year but then closed their operation at the end of the year expecting that sales would not increase going into 2010.

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 2009, 2 applications were reviewed and approved for new CRA tax exemption. There were no commercial CRA investments this year. There was a total CRA investment of \$236,359.34 into the residential community. The CRA applications were for the following properties:

Community Reinvestment Areas

Area 1

354 W. Eagle Street, Flores Household	Residential	\$120,389.34
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Area 4

363 Button Avenue, Edgell Household	Residential	\$115,970.00
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CRA Annual Reviews

On October 28th, 2009, the Community Reinvestment Area Committee inspected the City's tax abated properties. One Hundred (100) properties were inspected and one hundred (100) 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 land owners had completed the improvements required by the City.

Enterprise Zone Annual Report

During 2009 the City had no EZA Agreements in place.

Painesville Downtown Events & Happenings

- **Farmers' Market:** This year the market celebrated its 10 Year anniversary. As always the Farmers' Market was a tremendous success during 2009. While other markets were impacted by the economy Painesville's vendors almost all reported an increase in sales this year in their annual survey. We had some new varieties in fresh produce, baked goods and homemade items such as organic teas and homemade breads. This year we also had our first Hispanic Growers. In total at full market we had 21 regular vendors and many intermixing seasonal vendors selling a variety of products and produce. The 2010 Market will begin on May 13 and go through October 21st. This coming year will be the Painesville Markets 11th year in operation.
- **Art in the Park:** The 8th year for Art in the Park was a beautiful sunny day and over 2,000 attendees were projected to be there. This year we saw a reduction in artists and when we polled the ones who did not attend many said they were doing less shows and doing more internet website galleries and sales. The event showcased artists



from the area, musical ensembles, and fine food and specialty coffees from Java Express. In addition, this year we added a featured artist, Sue Chaffee, and a professional story teller group held events for young children. The event which was hosted by the City and the Downtown Painesville Organization attracted 21 artists and many visitors to downtown on August 15th, 2009. Next years event will be held on August 21st, 2010.



Painesville Farmers Market Celebrates 10 Years

- **Taste of Painesville:** The 11th Annual Taste of Painesville was a great success this year and once again grew dramatically over last year. The participating restaurants and varied merchants were enthusiastic about their ticket and food sales at the event. This years event showcased 12 food vendors and 6 merchants or informational booths. The event sold over \$19,411.00 in ticket sales and raised over \$2,604.10 for the Downtown Painesville Organization. The venue will be held again during 2010 on September 2nd. The sponsor for the fourth consecutive year was STP Products, one of Painesville’s largest employers.
- **Historic Downtown Painesville Holiday Open Houses:** There were 37 participating businesses which kept their doors open for the Downtown Painesville Organization’s Holiday Open Houses. Originally this event was created by the City of Painesville and this past year in an effort to support the efforts of the Downtown Organization the event has been turned over to them to help promote business and shopping in the retail establishments.
- **Other Events:** Painesville Photography Contest, Annual Business Appreciation Networking Event, Quarterly Business Networking Breakfast Series.



Business in Downtown

- **Downtown Painesville Organization:** This past year Painesville was proud to celebrate its acceptance as a Heritage Ohio Main Street Community. The Main Street Four-Point Approach® is a community-driven, comprehensive strategy used to revitalize downtown and neighborhood business districts throughout the United States. It is a common-sense way to address the variety of issues and problems that challenge traditional business districts. Painesville’s Main Street Community association is known as the Downtown Painesville Organization which was formed in 2007. This past year the organization set its first Strategic Plan as a result of the City securing a \$15,000 grant from the Cleveland Foundation. This grant paid for the services of Lakeland Community College to act as a facilitator and compile the final organizational plan. Since that plan was finalized the organization has been working diligently to set achievable goals. This years goals included: formulate a long-term financial plan, educated public officials about the benefits of the program, gain membership and support, flower baskets and beautification projects, historic building plaques, assist the City with the streetscape plan, encourage façade renovations, directional signage from the freeways, create a marketing plan, target select groups for advertising, facilitate joint marketing amongst merchants, expand Friday night car shows, highlight businesses on the website, select a centralized focus area along with Heritage Ohio, finish a business guide, retail business recruitment, conduct business boot camps, examine regulatory issues, maintain annual meetings for members, conduct quarterly update meetings and to create a beat to stay in front of downtown merchants.

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



Downtown Painesville Organization
creates new marketing logo

Additional Business Contacts

The office has been visiting downtown businesses, local manufacturers and commercial offices to foster communication between the City and the business community, promoting public/private partnerships for the overall development of the city, and remaining abreast about issues and concerns facing the local business economy. New business packets are delivered on a quarterly basis to all new businesses welcoming them to the City of Painesville. In addition, we have held numerous grand openings in 2009.

Lake County Farmers Market Coalition: The City of Painesville has formed a County Wide initiative to bring together annually with the Lake County Farmers Market Directors to talk about educational programming and transportation to serve and educate low-income families about the nutritional benefits of purchasing local grown produce versus carb enriched foods. We are also working to gain exposure in local restaurants and encouraging local restaurants to purchase from local vendors during the season. These sales make a dramatic impact on Lake County's agricultural economy, keep resources within Lake County and offer higher nutritional content for their patrons.

Lake County P-16 Initiative: The City's Economic Development Office has been actively involved in the Lake County's P-16 Initiative. The group is made up of community leaders from education, business, social service, philanthropy, and government who believe that the improvement of education is tied to the development of the economy and the quality of life in the entire county. P-16, which stands for pre-kindergarten through college, is interested in the educational success of every child in the County. The P-16 model is data driven and research-based.

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

Development / Redevelopment Projects

Lake East Hospital: In 2009 the City of Painesville received notice of award through the Clean Ohio Revitalization Fund Grant in the amount of \$2,052,408.00 which was 72.78% of the actual cost of the project. The remaining financial resources were committed by Lake East Hospital and through other match sources such as the USEPA Grant that the City used to fund the Phase I, Phase II and asbestos's study. Recently the City completed an RFQ for a Project Management Team and is in the process of finalizing agreements with a Team to manage the day to day demolition activities and reporting documents necessary to conform with the Ohio Department Of Development.

Painesville Wireless Infrastructure: The City held a business Wireless Campaign this past year to make business aware throughout the community of the wireless infrastructure and how it can benefit business in their long term disaster recovery planning efforts. The City's Economic Development Office and Beta Strategy Group contacted each City business by mail and met with several key manufacturing, commercial and retail businesses to analyze their current telecommunications and broadband reliance and determine all cost saving measures that can be taken and implemented through the City's new technological infrastructure.

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

Painesville Hotel: This past year we have worked aggressively to qualify the Hotel property as a Brownfield with the USEPA to secure grant funding for a Phase I, Phase II and asbestos's survey. The USEPA had a concern about using

grant funding for this project since the City is in the chain of title. We are still working to identify other grant sources that could be used to perform these environmental assessments.

Brownfield Assessments: In an effort to identify various hazardous substance based Brownfield's within the City of Painesville, the City applied to the US EPA for \$200,000 in Brownfield grants. In 2009 we performed multiple assessments on Lake East Hospital through this grant which enabled us to apply for the larger CORF grant which we received. We are still working aggressively to qualify other sites within the City that could result in an end-use infill development project.

RP3 Program: The City of Painesville has made application for APPA's Reliable Public Power Provider (RP₃)[®] designation. All winners will be officially announced during the first general session of the 2010 APPA Engineering & Operations Conference in Omaha, Nebraska on March 29th, 2010. The American Public Power Association's RP3 program rewards public power systems that demonstrate basic proficiency in four important disciplines: reliability, safety, training and system improvement. Utilities who successfully meet the guidelines in each of the four areas will receive tremendous value and recognition for their achievement. 84 of the nation's more than 2,000 public power utilities have earned RP3 recognition for providing consumers with the highest degree of reliable and safe electric service.

Painesville A Main Street Community: This year the City of Painesville received designation as a Main Street Community. The Ohio Main Street Program, administered by Heritage Ohio, has been working with communities across the state to revitalize their historic or traditional commercial areas. Based in historic preservation, the Main Street approach was developed by the National Trust for Historic Preservation to save historic commercial architecture and the fabric of American communities' built environment, but has become a powerful economic development tool as well. The Main Street program is designed to improve all aspects of the downtown or central business district, producing both tangible and intangible benefits. Improving economic management, strengthening public participation, and making downtown a fun place to visit are as critical to Main Street's future as recruiting new businesses, rehabilitating buildings, and expanding parking. Building on downtown's inherent assets — rich architecture, personal service, and traditional values and most of all, a sense of place — the Main Street approach has rekindled entrepreneurship, downtown cooperation and civic concern.

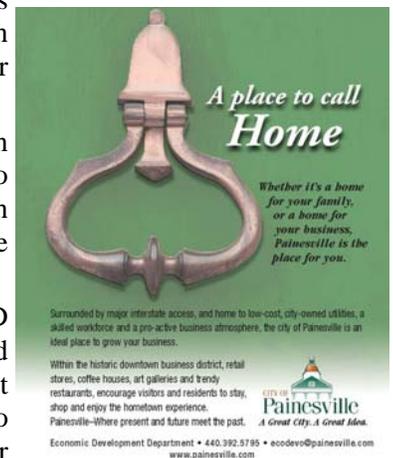
Marketing and Public Relations

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

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

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

Downtown Marketing: Many of the downtown events such as Taste of Painesville, Art in the Park, and the Farmers Market are showcased in various publications aimed at both residents and visitors. In combination with the Downtown Painesville Organization we worked to send e-mail blast notifications to more than 2,500 in their database, they also performed Robocalls for the Downtown Taste of Painesville event which resulted in a dramatic increase in event



attendance. We have also focused heavily this year on radio advertisement and direct website calendar listings. This advertising featured local restaurants, bakeries, and unique specialty shops that Painesville offers on WKKY Radio ad campaigns and a full page advertisement in the Lake Erie Tower News.

Manufacturing Related Marketing: In an effort to maximize our exposure regionally and target companies looking for potential expansion the city has focus its advertising efforts with Inside Business Magazine and the Lake County Business Journal. For the fifth year the Department put a large focus on the Entrepreneurial Tools that Inside Business offers companies which are both starting and expanding. These businesses are often also technology driven and through the state have a better opportunity to get grants and funding for their innovations. In addition to these ad's the Office of Economic Development was featured in the TeamNeo's Inside Business edition for the Asset Creation Award along side with PCC Airfoils. Along with these ad's in Inside Business Magazine we are continuously working closely with editors to enhance our overall exposure. We are pushing to get key stories on local companies and local successes here in the City of Painesville. This year IMAX Industries was featured in the New Herald for their nomination of State of Ohio Entrepreneur of the Year. We plan in 2010 to continue an aggressive marketing campaign focused on entrepreneurs, industry and new technologies.



City Economic Development Department, Downtown Organization, Chamber of Commerce and Port Authority work together to promote business in Painesville.

General Advertising

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

Out-of-the-Box Advertising

This year we took on some new approaches to on-line advertising. Listings included: Idea Crossing, Linked In, AmericanTowns.com, Lake County Blog, The Open Press, Discover Ohio and Constant Contact.

Community Involvement

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

Renaissance Business Park

Industrial Marketing Efforts

During 2009 our office marketed Renaissance Business Park within the region for business expansions along with the marketing firm of CBRE with corporate real estate agent Fred Herrera and Geis Construction Company located in Streetsboro. The construction firm has numerous clients that are looking for quick, low-cost options within a build-to-suit. This year they have been challenged because of the availability of existing low-cost building stock in the marketplace. The construction firm now offers any potential candidate for Renaissance Business Park a no-cost

preliminary site plan and cost estimates on construction of a facility. This has continued to be a great asset to our recruitment efforts on the Renaissance remaining sites. With these cost estimates we can provide a small to mid size company the first step in their decision making process.

Renaissance Company Updates

PCC Airfoils, LLC: The company now employees over 70 and expect to increase an additional 25 employees into 2010. They have been working with the City to identify some long-term unique approaches to energy programs and have been open to working with the City to identify new energy sources. They have been heavily involved in the community and have attended nearly all of our City Planning meetings related to Economic Development.

Cintas Corporation: The company has continued to see growth and has been working to expand new markets. They held their third annual community day this year where they invite City representatives and general business representatives in to talk about their operations and how they can partner to be good corporate citizens.

Core Systems, LLC: Core Systems remains strong in 2009, while they had a layoff early in the year of almost 40 employees they have hired all of those employees back and are projecting to add additional employment in 2010. They have been working closely with the City to support the City's operations toward ensuring reliable electric in the Industrial Park. Core Systems expects to continue to grow as a company into 2010.

Renaissance Business Park Job Creation

Because of the Industrial Park the city has increased employment by 530 employees in 10 short years. Income tax revenues in the parkway are now exceeding \$230,000 per year. These three businesses have also brought more than 50 million in capital & equipment to the City and each is within our Top 5 employers.

Key Account Companies Summaries

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 2009 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, 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 2009:

Extrudex: In December 2008 Amp-Ohio noticed a change in billing since August, this resulted in a malfunctioning meter. The City and AMPOhio worked closely with the company's management team to resolve the issues and come to an agreement on electric usage during the period when the meter malfunctioned.

PCC Airfoils: There were some issues at the beginning of the year with their meter readings due to the new installation of the meters. The City and AMPOhio worked closely with the management team at PCC to resolve the issues. The company since is looking at the Itron electronic metering system for future electric monitoring on their end.

Associated Enterprises: The City and AMP met with representatives to discuss mechanisms which could result in meter consolidation and potential cost savings. The company is relooking its existing meters to determine if any consolidation can occur. The company is also closely monitoring their demand on their meters to see where cost savings could occur due to their existing load factor.

Core Systems: The City in conjunction with AMP-Ohio tested with infrared testing the exterior transformers and replaced lightning arrestors and fuses which were believed to be the cause of their re-occurring facility outages. At this point no further instances have occurred and their facilities power has been reliable since.



Electric Outage Notification

This past year the Economic Development Office worked closely with the Electric Plant and Distribution to gather key contacts for the City's largest energy users. These Key

Account Companies are now immediately contacted and notified when the power has been disrupted and provided with an estimated time for turn-on. If the turn-on is expected to be longer than 30 minutes follow-up calls are made to update them on the status.

Painesville Manufacturing Meeting: The third annual meeting of Key Accounts was held in Spring 2009. This meeting featured Sue Dukeman who talked about regional and state workforce development programs. Local representatives talked openly about problems they are facing and concerns they have in the industry related to workforce development. Represented at this meeting were city representatives, local schools, career centers, the State of Ohio, Magnet and business leaders. The open forum offered guidance to our department and resulted in the determination that they would like to see more involvement with school age children to educate students about opportunities in manufacturing.

Painesville Small to Midsize Manufacturing Meeting: For the first time the City held a manufacturing event for small to midsize manufacturers to assist them in planning for the future of their business operations since the economic downturn. Owners of the businesses came out to discuss steps they could take to work in a leaner environment, generate new sales and new sales prospects, expense control, cash flow, customer service and other short and long-term management techniques.

Financial Programs

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

Other Funding Mechanisms: We have begun to explore a new low interest loan program in collaboration with the Economic Development Committee of PCIC. The loan amount has been approved for \$15,000 through the committee which will mimic the City's Low Interest Loan Program but on a smaller project oriented loan basis. PCIC hopes that this loan could be used to support storefront improvement projects in the core downtown area.

Review of Business Incentives Offered in the Region: The office had been reviewing our business incentives package compared to other communities including: Willoughby, Mentor, Oberlin, Cuyahoga Falls, Hudson, Kent, Lorain, Middleburgh Heights, Perry, Hamilton, Delaware and Xenia. Of those comparisons the City of Painesville offered a Low Interest Loan Program, CRA Tax Abatement, Site Selection, Brownfield Assistance Program, Direct Connections Energy Efficiency Program, Key Accounts Program, Business Visitation Program and educational program revolving around Green Initiatives. Other communities that most closely represented Painesville's Incentive packages included: Oberlin, Cuyahoga Falls, Hudson, Lorain, Hamilton and Delaware. Some of the programs that the City did not offer which were offered by other communities included: Job Creation Income Tax Grants, Building Permit Fee Waivers, Extend Water and Sewer Lines through a Community Improvement Corporation Grant, Economic Development Electric Rate Incentives, Economic Development Grants through outside Organizations, Green Incentives, Web based Site Selection.

Unique incentives offered by single communities included:

Lorain Contractor – They have a City Construction Manager that oversees construction projects to ensure that building works closely with the City. That person works directly with the subcontractors and charges a fee back to the business.

Xenia Business First Program - The goal of the program is to provide a single point of contact for businesses to address their needs. An outreach specialist, a professional in the local economic development community,



City Completes Downtown Master Plan in conjunction with City Architecture.

will learn more about the business and help to identify area resources to help address issues or concerns that a business may confront. These could include, but are not limited to, regulatory issues, financing, workforce development, supply chain efficiency, utility issues, government contracting opportunities, exporting and more.

Painesville's Incentive Package was unique when it came to the MuniWireless Program of which no other communities offered wireless infrastructure capabilities. Painesville also offered the Synchronist Business Surveys which were unusual for any individual community, however some counties have conducted the surveys in their individual communities.



Painesville Receives Main Street Award

Site Selection

We have continued to maintain an up to date listing of available buildings, properties, square footage and amenities with each available property in the city to ensure that when a request is made into the Office of Economic Development we know which properties are available in the city that can meet the prospects needs. The City is also working closely with a list of well known site selection consultants within the State of Ohio. This list has been created and updated yearly by the Office of Economic Development to send out in-depth marketing information on major industrial property, commercial property and retail property with certain specifications. Other site selection marketing tools we are using include: Pro-Cure, which is the State of Ohio Site Selection tool, allows us to keep listing properties current for the State of Ohio's searches. NEORGIS: This is TeamNeo's Site Selection Database, the City has listed all available industrial buildings and vacant industrial land for site selection consultants to view. We are able to update this information on a regular basis, keeping accurate information about our locations in front of relocation decision makers. Ohio's Brownfield Inventory Directory: We have continued listing the Brownfield Site of Coe Manufacturing, Lake East Hospital 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. Finally the City in conjunction with the Lake County Port Authority has begun listing properties on the commercial MLS System known as CoStar gaining national recognition for vacant properties for the City of Painesville property owners.

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

Grants Received in 2009

- › **\$30,000 - CDGB, Storefront Improvement Project**
- › **\$2.05 M - Clean Ohio Revitalization Fund, Lake East Hospital Demolition**
- › **\$3.74 M - Department of Energy, Ashlawn Vanadium-Redox Battery Project**

Accomplishments from 2009

Economic Development Strategic Plan: Began Economic Development Strategic Planning Process for 2010 – 2015 in collaboration with Schools, County, Manufacturing Companies, Downtown Representatives, Port Authority, Chamber of Commerce and other key leaders. Meetings were held throughout 2009 and a completed plan is expected in the spring of 2010.

Downtown Initiatives

- › Received designation as a Main Street Community for the Downtown Painesville Organization.
- › Completed the Downtown Painesville Organization Strategic Plan in connection with the Lake Geauga Fund Grant. Lakeland Community College was hired as the facilitator to complete the requirements of the grant request.
- › Set clearly defined goals and objectives for each of the Four Point Approach committee's for the Main Street Program.

- Researched benefits of the Special Improvement District. It is further being investigated as a part of the Downtown Painesville Organizations long-range Financial Plan.
- Successfully partnered with the Painesville City Improvement Corporation to provide a grant for professional façade design's on historic downtown buildings. This design will later be in combination with grant funds for building renovations being sought by CDGB funding.
- Held annual meeting with the Painesville Safety forces to address concerns from business about fraudulent checks and the proper methods for identifying customers key information when taking checks or cash payments.
- Held several downtown business grand openings to highlight the six new retail store openings in a down economy.
- Aggressive marketing and site selection surrounding the Lake East Hospital Physicians relocations and the relocation of the Urgent Care Center into the downtown area.
- Successful events: Business Appreciation Events, Farmers Market, Art-in-the-Park, Taste of Painesville, Quarterly Business Breakfast Series.

Manufacturing/ Workforce Initiatives

- Held a Ribbon Cutting Ceremony in conjunction with the Ohio Chamber of Commerce, Painesville Chamber of Commerce, Ohio Department of Development, TeamNeo, local and state representatives and Key Account Companies to welcome PCC Airfoils and their plant which is now in full operation with 70 employees.
- Invited Sue Dukeman from the Ohio Workforce Development Department of the Ohio Department of Development out to meet with Key Account Companies that are in a position to receive Ohio Guarantee Workforce Training Grants. Also had Leslie Ryan from the Ohio Department of Jobs and Family Services discuss with them Incumbent Workforce Training Dollars available in Lake County.
- Completed a full comparison of incentive programs offered by local Ohio municipalities and regions with similar demographics, similar colleges and similar utilities. Painesville was defined as competitive in its use of incentives offered.
- Introduces the Wireless Infrastructure available to Key Account Companies and Large Commercial Companies. Found that significant savings were identified immediately by Key Account Manufacturing companies.
- A Painesville Manufacturing Forum was held this year in conjunction with the Painesville Area Chamber of Commerce the Port Authority and the ODOD to educate manufacturers on resources available through the City, County and State of Ohio to help with business expansion and growth of employment.
- Presented one major company proposals for relocation to Renaissance Business Park, two companies are still considering the investment.
- Worked on various business concerns and addressed specific business issues related to the downturn in the economy, played a very reactive role in supporting the companies as layoffs and downsizing became a reality to some key companies.
- Key Manufacturing Projects: Coe Manufacturing (Brownfield), Core Systems (Outages & Taxes), , STP Products & Eckart America (Wireless Infrastructure), Associated Enterprises (Metering), , Aero-Controlex (Outages), Extrudex (Outages).

Other Project Initiatives

- Completed the Phase I, Phase II and asbestos's survey with the US EPA Brownfield Grant received last year for the Lake East Hospital Site.
- Completed the Clean Ohio Revitalization Grant Application in the amount of \$2.5 million for the demolition of LakeEast Hospital's Building.
- Created a new Resource CD and Brochure piggybacking of the State's marketing campaign, Build Your Business and Love Your Life. This CD allows companies to have up to date resources without the cost of re-printing yearly informational brochures.
- Working on implementation and application of the RP3 Energy Reliability Application through APPA.
- Assisting on several funding opportunities for grant and stimulus resources.



PCC Airfoils Hosts Community Open House



Art Infusions Celebrates Grand Opening



Bank Street Bed & Breakfast Opens its Doors



PCC Airfoils Grand Opening Celebration



Rider's Inn Celebrates 25 years

Downtown Painesville Organization Hosts Car Show



City Hosts Breakfast Open House for Businesses at New Harvey High



Dr. Maria Skyllass-Kazacos, Anthony Kazacos, Son of Maria and Michael Kazacos Maria's Husband joined Norma Byron of Ashlawn Energy to see where the new \$3 M Battery Project would be located. Maria works for the University of South Wales in Australia and traveled with her family to Painesville.



Terkk's Computer Celebrates Expansion



Painesville City Becomes a Main Street Community



Taste of Painesville Celebrates Record Attendance

Exhibits

Exhibit A: [Site Section Directory](#)

Exhibit B: [Business Community Resources Comparison](#)

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

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



For more information about the 2009 Annual Economic Development Report or Exhibits contact Cathy Bieterman, Economic Development Coordinator at 440-392-5795.

Exhibits

Exhibit A: [Site Section Directory](#)

Exhibits

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