



Economic Development Annual Report 2010

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City's CDGB Storefront Grant Makes Big Façade Improvements on Downtown Buildings

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2010 Economic Overview

Federal Overview –

In 2010, the Obama Administration's economic development priorities included three key areas: Innovation and Entrepreneurship, Education and Workforce Development, and Infrastructure and Information. After a tough 2009 in which the economy continued to decline and lawmakers approved federal spending to try to reverse the trend, President Obama and Congress began 2010 focused on creating jobs and improving the economy. Despite these efforts, economic growth continued at a slow pace. The U.S. gross domestic product increased at an annual rate of only 2.6 percent in the third quarter, the unemployment rate stayed above 9.5 percent the entire year. The Build America and Recovery Zone Bonds programs expired.

Build America Bonds lowered borrowing costs to help states, municipalities, and nonprofit organizations finance economic development projects and infrastructure such as roads and bridges. The Treasury Department estimated the program produced substantial savings. Similarly, the Treasury Department pushed Recovery Zone Bonds as a means for large municipalities to fund economic activities in designated, distressed areas.



State Overview –

Governor Strickland's office in 2010 as stated in the State of the State address focused largely on alternative energy technology and clean energy production. The legislature brought state and private universities together in the University Clean Energy Alliance of Ohio to unite their efforts in pursuit of energy breakthroughs. They also spent a great deal of emphasis on reforming state code to encourage business in the State of Ohio. In January John. R. Kasich was sworn into office as the State of Ohio's 69th Governor. Since that time several bills have been introduced into office to restructure the states offices in an effort to meet an \$8 billion dollar deficit. The State of Ohio is expected to release a budget soon that will have several impacts budgetary impacts on local governments. These impacts include changes to the local government taxes, kilowatt hour taxes and the estate taxes. The state is also expected to make several other changes through SB 5 Public Employee Collective Bargaining Law and HB 1 OhioJobs Law.



Northeast Ohio's Overview –

The Northeast Ohio region saw in 2010 year-over-year improvements in both manufacturing and services sectors as well as total employment. Other year-over-year comparisons reveal that initial unemployment claims are down and that the unemployment rate dropped overall. Moreover, in previous recessions, the Plus region has experienced more severe declines in employment than the U.S. However, through the 13 quarters of the current recession, the Plus region is tracking the same as the U.S.



Some of the supporting factors for these improvements include:

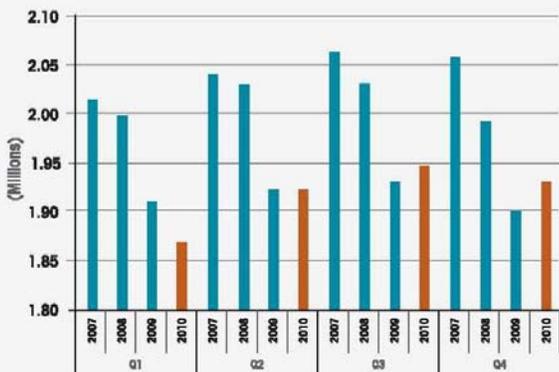
- NEO Employment Showing an year-over-year increase of more than 30,000 jobs
- Manufacturing employment is up about 10,000 jobs from the Q4 2009 average, while the services sector is also up about 6,000 jobs from Q4 2009.
- Northeast Ohio unemployment rate declined to 9.3%, with Ohio at 9.4%, and the U.S. at 9.1%

Northeast Ohio's Overview, cont.

- Unemployment Claims Down - Q4 2010 claims are at 5,600 compared with 7,100 a year ago
- In comparing the employment from the 1981 recession to the current recession, Northeast Ohio is tracking the same as the U.S. - For the 13 quarters of the 1981 recession, Northeast Ohio employment was 7% below the U.S. trend: for the 13 quarters of this recession, Northeast Ohio is mirroring the national trend – with both having employment 5% below 2007 levels.
- NEO Gross Regional Product (GRP) Projected to Show Stronger Growth Than the U.S. - Moody's economy.com estimates that 2010 GRP for the region will grow 3.6%, greater than the U.S., which is projected to grow 2.7%.

NEO Total Employment

(Not seasonally adjusted)

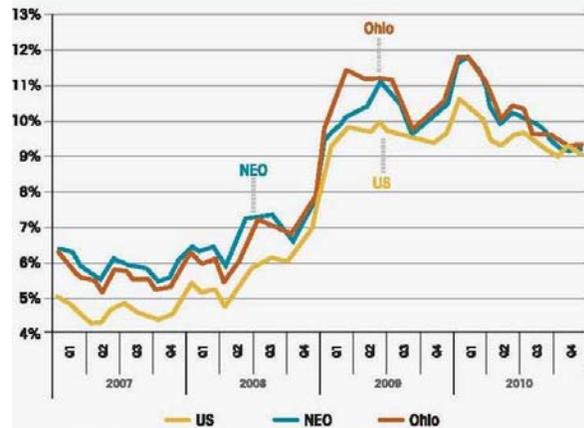


NEO EMPLOYMENT SHOWS YEAR-OVER-YEAR GROWTH

Employment in Q4 2010 increased year over year by more than 30,000 jobs, representing the third consecutive quarter showing a year-over-year increase. Total employment averaged 1.93 million workers, up from an average of 1.90 million workers in 2009.

Unemployment Rates

(Through December 2010)

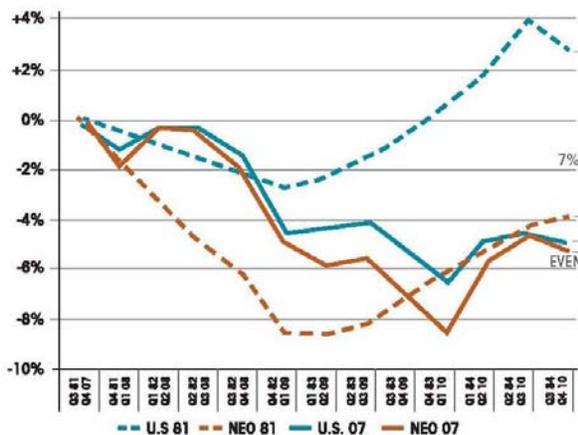


UNEMPLOYMENT RATE MIRRORS U.S. RATE

Northeast Ohio's unemployment rate declined to 9.3% in Q4 2010, while the state dropped to 9.4% and the U.S. fell to 9.1%. Overall, unemployment dropped nearly one percent since Q4 2009, when Northeast Ohio's unemployment rate was 10.2%.

Recession Employment Comparison

(0 = Employment at Start of Recession)



EMPLOYMENT TRACKING EVEN TO U.S.

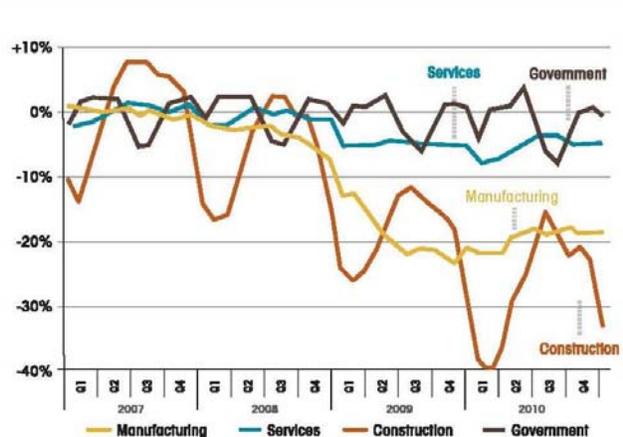
COMING OUT OF RECESSION

Through 13 quarters of the 2007 recession, the employment index for Cleveland Plus continues to track the same as the U.S., with both about 5% below the employment level of Q4 2007, when the recession began. This compares to a dramatic gap through 13 quarters of the 1981 recession, when Northeast Ohio was 7% below the U.S. trend.

Source: Ohio Labor Market Information (LMI)

Change in Employment By Sector

(0 = 2007 Sector Average)



EMPLOYMENT IN MANUFACTURING

AND SERVICES SECTORS GROWING

Combined, these four sectors comprise total employment in Northeast Ohio. Manufacturing employment is up about 10,000 jobs from the Q4 2009 average. Additionally, the services sector is also up about 6,000 jobs from Q4 2009.

Source: Bureau of Labor Statistics (BLS)

Painesville's Economic Overview



The primary focus of the Office of Economic Development in 2010 was business retention during the tough economic recession. With continued great uncertainty in the US economy, there was great impact that hit local businesses in all sectors manufacturing, commercial, retail and office. In an effort to gain perspective on the conditions within our community we conducted business surveys with our banks, mortgage companies, large office users, large commercial operations, large non-profits, key manufacturing companies and small manufacturing companies.



New aerial photo's of Shamrock Business Center show new Shamrock Boulevard extending to the CSX Railroad

From the manufacturing based surveys we have found a mixed reaction to their individual impacts. Four (4) companies had little or no impact during the economic recession. Six (6) companies experienced some form of layoff's but all reported at the end of 2010 that they were back to their 2009 employment figures and sustained the recession. One (1) company reported an 11% loss in sales that still has not been recovered but they are diversifying into new markets to try and fill that gap. One (1) company intentionally downsized from \$5 million to \$1.5 million in sales because managing the company became difficult, this was in the midst of the economic downturn but they don't feel the economy had a great impact on the company. One (1) company was on the City's list of high-risk companies in 2003 and then again in 2007, the economic downturn directly impacted their potential to regain contracts and the company was purchased by a competitor. Some employment for this company remains in the City but is at high-risk and the company is expected to be completely dissolved from the community in 2011. Overall companies affected by the economic downturn were hit hard at the end of 2009 and beginning of 2010. Most layoffs within the City's largest Key Accounts were between December 2009 and March 2010. These companies were from diverse industries including: Industrial Goods, Technology/Information, Consumer Goods, Industrial Machining, Advanced Manufacturing, and Durable Goods. No WARN notices were received.

During the interviews each manufacturing company was asked directly what support could be offered to assist them to grow and expand in the near future. Needs varied across the board and no clear definition for assistance was derived from the surveys. However there were a few overlying areas of need, the following were offered as priorities in order of importance. 1) Financial Resources, Access to Capital; 2) Reduction in Overall Business Operating Costs & Utilities; 3) Energy Efficiency, Mechanisms to Reduce Carbon Footprints; 4) Buildings that are in "Move-In" Condition; 5) Mechanisms to Obtain a Qualified Workforce

This past year Economic Development Office worked closely with and offered proposals on two leads on industrial investment in 2010. This was the slowest year for industrial land investments in the last five years, Of those two leads one company is an existing company who made some expansion in 2010 but is projecting additional expansion into the coming year. One other lead was looking for areas to consider once economy picks back up and they are confident in their opportunity to expand. We believe that both of those businesses were considering a build because of municipal electric rates and the attractiveness of the land costs which would help them meet their long-term growth needs.

The retention efforts of the department over the past year have been aggressive towards our existing industry and helping them determine where potential opportunities and cost saving measures could be obtained. We worked with several to identify key energy savings and worked closely with the Lake County Port Authority to try and identify re-financing and alternative creative financing solutions on new equipment that would enable them to gain new work contracts replacing customers they may have lost due to the economic downturn.

Business Attraction, Retention & Expansion —

Business Retention & Expansion (BRE) is the cornerstone of our Economic Development efforts. We are continuing to work with 10 companies within the City for future expansions. These include 5 Manufacturing Companies, 3 Service / Commercial Companies, and 2 Retail Company. The number of expansion projects is down from last year as many companies we were working with last year have already made their expansions or have halted their expansion due to the economic conditions.



Core Systems Announces Hiring 60 New Employees

2010 Major Manufacturing Retention & Expansion Projects

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.

RDP Motor Sports: The City worked with RDP MotorSports to retain the company here in Painesville as they continue growing employment within the community. We worked with them to ensure their electric bills remain low to ensure profits are growing employment, worked to make improvements to the roadway leading up to the building so that low ridding vehicles coming in from out of state did not have to be trailered into the shop and we worked to identify other tools that they could take advantage of to help market their company here in the City of Painesville.

STP Products: On November 5, 2010, through Viking Acquisition Inc., Avista Capital Partners acquired the assets of the Global AutoCare Business from The Clorox Company. The Global AutoCare Business has now been renamed Armored AutoGroup Inc. This past year the Economic Development office worked with management at STP Products to ensure a smooth transition with the purchase and retain operations in the City of Painesville. The City also worked with Armoured AutoGroup to obtain an energy efficiency grant through AMP Ohio.

Aero-Controlex: The economic development office met with new company representatives at AeroControlex to determine any potential for future investments in Painesville. Energy cost reduction was a concern, they felt they may be maxed out in capacity which would prohibit large expansion potential. The City obtained a grant through AMP Ohio in partnership with the University of West Virginia to conduct an energy audit. AMP also is currently investigating the potential new load projections of machinery and equipment they are considering relocating from CA to Ohio to determine if their current transformers can meet that capacity or if additional capacity needs to be added to their plant by Painesville Municipal Electric for this expansion. This could create an additional 40 jobs to Ohio and the City of Painesville.

Eckart America: The City met with Eckart America to discuss mandates that have been placed upon the company by their corporate offices. They are being mandated to evaluate their carbon footprints and determine mechanisms that they can put into place to reduce their carbon footprint by 30% by 2030. They are completing the carbon footprint evaluation with the help of AMP Ohio and the Painesville Municipal Electric Plant and they are expected to evaluate the areas of potential improvement going into 2011.



Core Systems: In 2010 the Economic Development Office worked closely with the Core Systems to provide them the utility and financing support they needed to secure new equipment and a new product line with Whirlpool. 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 financing mechanisms and training dollars to train their employees on this new product line here at their Painesville facility. Because their primary customer is Whirlpool, they are highly reliant on servicing the needs of Whirlpool. In the 2nd quarter 2010 we were notified that financing was secured through a combined loan by the State of Ohio and Lake County Port Authority. The company expanded adding 60 jobs to Ohio here in Painesville.

Grand Rock: The Office met with Grand Rock, the Port Authority and the ODOD. The State offered them a training grant if they use it to purchase machinery in combination with the 166 Regional Loan for \$350,000. They plan to purchase the first piece of machinery then follow with the second investment next year. The first piece of equipment brought on 8 jobs with high hourly wage rates for the area.

PCC Airfoils: The City continues meeting with the company to identify energy efficiency projects that they can invest in for their own facility to reduce their carbon footprint by 2030. We are also working with them to determine if a future energy contract could be put into place to allow them to have a budgeted electric plan to enable them to provide fix cost data to their customers for contracting purposes. They are also in the process of determining if future furnace purchases to ramp up production could be allocated for 2011 or 2012, additional review from AMP Ohio will determine the current transistor load and its capacity for those furnaces and the amount of capacity that will remain after their installation to ensure they have the capacity to meet future demands. If they acquire the furnaces in 2011 the delivery of the furnaces would be year end 2013. This would be an investment of upwards of \$3 million and would generate 30% to 35% growth for the company.



Tartan Marine Relocated to Painesville

2011 Major Attraction Projects

Tartan Marine: The City of Painesville worked closely with Bill Ross, the Lake County Port Authority and the Ohio Department of Development to secure the necessary financing for Tartan Yachts to acquire Legacy a separate company which warranted the expansion into the City of Painesville. The City also worked extensively with the Small Business Administration and the Lake County Port Authority to attempt to reconfigure additional financing on the building, the negotiation process for this refinancing is still occurring today. The company **brought in an additional 36 employees to the City of Painesville.**

2010 Major Commercial Retention & Expansion Projects

Painesville Employee Credit Union: The Painesville Employee Credit Union made a significant investment in relocating to a newly constructed building after planning the move for over 7 years. The banks assets have gone from \$450,000 to more than \$23 million in assets today over the last 30 years. Now the credit union is more than 4,000 members proud.



Painesville Credit Union Expands

Chase Building: The City continues working aggressively with owners of the Chase Bank Building to bring the building back to a marketable site within the downtown area. We are awaiting an access agreement from the building owners for a Phase I and full asbestos's survey. We also continue working with two interested development partners seeking to purchase the building if asbestos's removal financing can be obtained.

CVS Site Relocations: The office has met and been working closely with the relocations of Cannon, Avenni, & Malchesky, One Cut Above Barber Shop and National City Bank to ensure that these companies remain in downtown Painesville after CVS negotiates for their properties.

2010 Major Retail Attraction Projects

170 Main Street - The office worked one on one with the purchaser of 170 Main to identify financing options for the purchase of the building, we assisted the owner in preparing a finance package and worked him to ensure that he was aware of any pre-sell issues with the building that would affect him related to property maintenance and fire safety. The office also worked with him on the notion of a coffee shop downtown. The office worked to maintain good communication between city departments and the purchaser as the sale was completed.

Retail: There are currently 5 retail spaces in the downtown that remain vacant. There is 2 which has been vacant for more than one year. These two vacant space includes Copy Quest (vacant for 3 years) and Dollar Bank (vacant for 1 year). These spaces pose a great deal of concern as other retail spaces within the City are leasing.



2010 New Painesville Businesses

<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
K& D Tackle	Bait & Tackle Shop	1-4
Loro Technologies	Computer Services	1-4
Virtec Enterprises	Engineering Consultant	1-4
Borinquen	Restaurant	1-4
Creations Martha	Baptismal Retail	1-4
National Alliance of Mental Ill	Non-Profit	4-8
New Directions for Living	Service	1-4
Ava Lane Salon	Hair Salon	1-4
Bada Bing Pizza	Restaurant	4-8
Providence Home HealthCare	Home Health Provider	4-8
Hanover Marine	Manufacturing	40-60
Allstate Insurance Agency	Insurance	1-4
Los Tres Gallos	Restaurant	1-4
El Rinconcito	Restaurant	1-4
Jackie's Place	Restaurant	1-4
New Business Total Employment		63--128

2010 Painesville Businesses Expansions / Re-Openings

<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
Yvonne's Sweet Shop	Expansion	4
Crossroads	Expansion	
MBG Plastics	Expansion	4
Expansion Employment Added		8



Approximate Gained Employees 2010 71--136

2010 Unsuccessful Businesses

To Each His Own: The long-time antique store in the downtown closed as the owner retired when an offer to buy her building arose, she did not want to sell the business because she did not want to see someone run the business who did not understand the antiques. *K&D Tackle:* This company opened in February and had a hard time sustaining the necessary sales to keep operations throughout the off-seasons. *Curves:* The owner explained that several sites across Northeast Ohio closed, the franchise over extended itself when the franchise originally began, they are combining Concord, Mentor and Painesville. *Lake County Educational Services:* They re-located to a location in Painesville Township after lease issues at the Chase Building. *Lynn Meek Photography:* They decided that in the down economy it was more advantageous for them to relocate the business back into their home. *Hemphill Travel:* The travel agency business changed dramatically and most transactions were online, they relocated the business to a virtual office out of their home in Willowick. *Special Events Floral:* She was not getting the business she had been in the downtown area

when she relocated to 50 Liberty Extension. *Industrial Equipment Coating:* The company relocated to mentor after having issues with paying rent here in the City. *Ohio Payroll Plus:* They relocated to cheaper space with a larger area, they are trying to lower overhead costs. They could not find the space in the City at the price they got for the space they got in Mentor. *Dollar Bank:* They relocated their primary offices to Painesville Twp their corporate officers were very discouraged by the damage of equipment in their Painesville location and the lack of support for improvements by the property owner. This prompted them to make a decision to locate in Painesville Twp and leave just a satellite location in Painesville.

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 2010, 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 \$231,807.17 into the residential community. The CRA applications were for the following properties:

Community Reinvestment Areas

Area 1

241 West Eagle Street, Justin Barnum	Residential	\$116,944.88
164 Mathews Street, Karina Lara	Residential	\$114,862.29

CRA Annual Reviews

On October 13th, 2010, 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 five properties that were found to be non-compliant were re-inspected in late November and at that time the land owners had completed the improvements required by the City.

Enterprise Zone Annual Report

During 2010 the City had no EZA Agreements in place.

Painesville Downtown Events & Happenings

- **Farmers’ Market:** This year was the markets 11th year in operation. As always the Farmers’ Market was a tremendous success during 2010. We had some new varieties in fresh produce, herbs and homemade items such as unique artisan’s bread. 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 2011 Market will begin on May 12 and go through October 27th. At the request of the farmers we are extending the market an additional week into October. This coming year will be the Painesville Markets 12th year in operation.
- **International Cuisine Festival:** The event is starting out much as the Taste of Painesville did 11 years ago. This was the 2nd year for the festival and we are still working to achieve our goal of having this event become the largest international food festival in the area, focusing on ethnic foods prepared by local churches. This year's event will be the 3rd year and the event will be held on May 21st, 2011.
- **Art in the Park:** This was the 9th 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 an increase in artists much of it had to do with using new means to contact artists via e-mail, social media and through a new individual event website. The event showcased artists from the area, musical ensembles, and fine food and specialty coffees from Java Express. In addition, this year we once again a story teller and group art events for young children. The event which was hosted by the City and the Downtown Painesville Organization attracted 32 artists and many visitors to downtown on August 21, 2010. Next years



Farmers Market Thrives In Downtown Painesville



Downtown Painesville Organization

event will be held on August 20th, 2011 and will be the City's 10th year anniversary.

- **Taste of Painesville:** The 12th Annual Taste of Painesville was a great success this year attracting more than 5,000 guests. The participating restaurants and varied merchants were pleased about their ticket and food sales at the event. This year's sales did drop some from the previous year which was the highest recorded sales year since inception. This year's event showcased 13 food vendors and 6 merchants or informational booths. The event sold over \$15,844.00 in ticket sales and raised over \$2,370.00 for the Downtown Painesville Organization. The venue will be held again during 2011 on September 1st. The sponsor for the fifth consecutive year was STP Products, one of Painesville's largest employers.
- **Historic Downtown Painesville Holiday Open Houses:** This year the Downtown Painesville Organization officially took over all responsibilities for this event. The City of Painesville Economic Development Office has no further involvement in this event other than a supportive role for the Downtown Painesville Organization.
- **Other Events:** Painesville Photography Contest, Annual Business Appreciation Networking Event, Quarterly Business Networking Breakfast Series.

Business in Downtown

- **Downtown Painesville Organization (Painesville's Main Street Community Program) :** 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. The organization became a recognized Main Street Program in 2009 and continues to work toward becoming an accredited Main Street Program in the State of Ohio. This past year the organization has worked to attract record crowds to downtown events, paid for flower baskets to be re-installed in the downtown area, put new flower boxes on Main Street, launched a gardening volunteer program, developed a summer visitors guide, launched weekly historic tours, and a variety of other accomplishments listed in the attached downtown annual report. This coming year the board of directors has three primary objectives to achieve recognition as a Main Street Community. These objectives were identified by Heritage Ohio to include: 1) Create Comprehensive Work Plans 2) Host Active Committee's—in accordance with the Heritage Ohio Four Point Approach and 3) Create a Budget that is focused on the Heritage Ohio 1/3 Model.

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

- **Downtown Merchant Meetings:** In response to a growing need from downtown merchants to do collective projects the City has begun holding regular merchant meetings once again in the downtown area. These were stopped when the Downtown Painesville Organization was formed in 2009 but then restarted in 2010. The merchants are working once again with the City to focus on areas to improve joint marketing approaches, downtown customer service and discuss key topics affecting business in the downtown business district.

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. The Economic Development

Office continues to work on strong collaborations and reaching out to foster new relationships through the following:

- ▶ **Minority Business Exchange:** The City in conjunction with the NAACP has begun to hold regular monthly meetings with minority business owners throughout the City. The organization has been featured on WELW radio and is working to bring an awareness to area minority business owners about the resources that are available to grow and expand their companies here in Lake County. At this time there are approximately 15 business owners meeting on a regular monthly basis.
- ▶ **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. Our goal is continue to grow the local produce at the market and in local grocery stores and convenient stores so there is always access to a high nutrient rich produce in Painesville.
- ▶ **Proud to Be Painesville Group:** The Economic Development Office began last year hosting a series of meeting to Improve Painesville's Image & Environment through Public Relations. A group of key representatives from the City Schools, City Administration, Lake Erie College, Downtown Painesville Org, Harvey Alumni, area Churches and others gather quarterly to discuss approaches that can be taken to improve Painesville's Image both internally and externally. This quarter the group is meeting again to discuss goals for 2011. Last year the committee came up with a logo, began sending joint press releases, discussed sharing press releases in each others newsletters and talked about cost sharing ideas.
- ▶ **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

Shamrock Business Center: In 2010 the office worked to further develop partnerships between Shamrock Business Center, Forest City, M.E Osborne, the Lake County Engineers Office, the Lake County Port Authority and the City of Mentor to identify potential funding sources for the completion of the necessary roadway infrastructure to further development in the City's SW Development Plan area. The City in conjunction with these partners made application for Federal Stimulus funds through TIGER I and TIGER II. The City also worked to prepare a Job Ready Sites Application through the Ohio Department of Development. None of these funding sources were granted in 2010.

Painesville Hotel Property: The office submitted necessary affidavits to the USEPA and finally transferred title to the Lake County Port Authority in an effort to use remaining US Hazardous Substances grant funding for the Phase I, Phase II and asbestos's surveys in the hotel property. These surveys have cost \$53,000 thus far. Once the remediation costs and demolition costs have been secured the office plans to seek clean up funding through the Clean Ohio Assistance Fund Grant Program.

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

Brownfield Assessments: The office continues to maintain and inventory of Brownfield sites within the City for potential remediation. The office continues working diligently with owners of Coe Manufacturing to progress and complete the Phase II environmental assessment necessary to go after clean up funding through the Clean Ohio Revitalization Grant Program.

RP3 Program: The City of Painesville made application and was awarded in 2010 a Platinum Level for APPA's Reliable Public Power Provider (RP₃[®]) Program. 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, like Painesville who successfully meet the guidelines in each of the four areas 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.

Downtown Painesville Revitalization: The office received \$31,825.25 in 2010 from the Lake County CDGB Program for Façade Improvement in Downtown Painesville. This grant program helped leverage over \$100,000 in building owner improvements in Painesville's historic downtown buildings. Complete Façade Improvements were done on Gartman's Bakery (\$7,500), Pollutro Insurance Agency (\$2,500) and Federico Tire (\$7,500). Total projects included Bella Donna Salon & Spa (\$1,383.50), Conway Land & Title Agency (\$1,637.50), Your Vine or Mine (\$2,962.50), 3 South State Street (\$2,000), Bistro 70 (\$3,341.75), 170 Main Street (\$3,000).



Left: Pollutro Insurance Agency Before Façade Improvement Grant
Right: A photo taken after the \$2,500 Grant. The grant covered new siding, framing. The property owner expended additional to cover additional building improvements.

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 which you can see here. The other is "A Place to call Home" This year we modified the publications that we market and advertise within. We reduced the number of ad's running in Inside Business Magazine and featured regularly with the new Tri-County Business Journal as well as other local publications. This approach has been successful in reaching area industrial markets. This was a trial year for the publication and in 2011 we plan to take all advertising out of Inside Business and switch to the Tri-County Business Journal for a softer approach sell on Painesville for general commercial, office and retail recruitment.

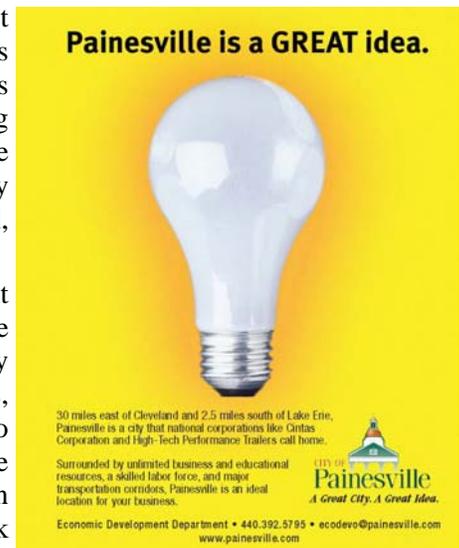
Painesville Resource CD: We continue using our Economic Development marketing piece called the Painesville Resource CD which showcases all of the incentives available for relocation including business loans and Community Reinvestment Area's. It details site selection information, development areas, workforce 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 monthly, 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 13,500 in their social media and e-mail database, they also performed Robocalls for the Downtown Taste of Painesville to increase event attendance. We have also focused heavily this year on radio advertisement and direct website calendar listings. This advertising featured local events and specials running with downtown merchants on WKKY Radio ad campaigns.

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 within its own Site Selection Directory and Leads Directories. For the sixth year the Department put a large focus on having a quarterly updated Site Selection Directory that is sent out to all lead contacts and area commercial realtors. Because of reductions in our advertising budget 2011 will be a year devoted to finding new niche low-cost advertising mechanisms to showcase properties within the City of Painesville. The City was able to set up accounts now through LinkedIn that will allow us to make new connections with area CEO's and key decision makers.

Out-of-the-Box Advertising

This year we plan to try some new advertising techniques with Facebook, Twitter, and other social media connections to test the waters and see if there are business leads that can be generated through these social media websites.



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, the Painesville Minority Business Exchange 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; 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 2010 our office marketed Renaissance Business Park within the region for business expansions without the assistance of a marketing firm. Our previous agent in 2009 was CBRE with corporate real estate agent Fred Herrera who worked hand in hand with the City on the relocation of PCC Airfoils. Because of the economic downturn and the lack of interest in industrial land we have decided to independently list the industrial park until the market returns for industrial land.

Renaissance Company Updates

PCC Airfoils, LLC: The company now employees over 80 and expect to increase into 2011. 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.

Cintas Corporation: The company has continued to see growth and has been working to expand new markets. They have had some difficulties this past year but remain committed to adding new product lines into Painesville.

Core Systems, LLC: Core Systems remains strong in 2010, while they had a layoff in they recovered and added 60 new jobs to their plant. They have acquired new product lines and now have secured all 5 product lines for the Whirlpool Washers and Dryers.

Renaissance Business Park Job Creation

Because of the Industrial Park the city has increased employment by 540 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 AMP. All letters and reports were sent to the following 2010 Painesville City Key Accounts: **American Rolled Formed, Coe Manufacturing, Associated Enterprises, Cintas Corporation, Core Systems, Extrudex, Fasson-Avery Dennison, Fluid Regulators, Grand Rock, High Tech, IMAX-Tasyd Industries, Lake Erie College, Eckart- Altana, ROCO Industries, SAS Rubber, STP, Xponet.**

City of Painesville, Ohio

- Population 11,503
- Land Area 7.5 sq. miles
- Names for - General Paine

Largest Employers in Area

- ABM LTD
- Lake Hospital
- Lubrirol
- University Hospital
- Stern Corp
- Lincoln Electric
- Parker Hannifin
- Progressive
- PCC Airfoils
- Core Systems

Workforce Resources

Listed by Proximity

- ODHS
- Lake Erie College
- Auburn Career Center
- Lakeland College
- Cleveland Industrial Training Center
- Cleveland State University
- Tri-C

Renaissance Business Park
\$45,000 per acre

City of Painesville

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 office contacted over 60 manufacturers this past year to discuss with them the challenges they were facing in a down economy. They were also each invited to attend a luncheon planning session with Jim Gray, of JPD Advisors. We had approximately 15 people in attendance but the discussions were very good. 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 has been working with participating area banks to determine if the City's PLEDGE loan program could be modified to offer some advantage for small businesses. With current interest rates so low and returns on CD's less than 1% it is impossible to offer the program as any benefit to business. Instead we are working in conjunction with the Lake County Small Business Development Center to offer micro-loan programs to those companies that are being denied conventional bank loans.

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: Ohio In-Site, which is the State of Ohio Site Selection tool, allows us to keep listing properties current for the State of Ohio's searches. This site is also linked with Cleveland Plus , 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, the Painesville Hotel 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 Applied for in 2010

- › TIGER II—Federal Stimulus Grant
- › Job Ready Sites Grant - Ohio Department of Development
- › IBM Smart Cities Challenge Grant—IBM
- › Lake County Visitors Bureau Arts & Culture Grant
- › Community Development Block Grant—Lake County
- › Ohio Department of Agriculture Grant Program—Farmers Market

Accomplishments from 2010

Economic Development Strategic Plan: The 2010-2015 Five Year Economic Development Strategy has been completed with key goals established to attract customers, retain current and existing businesses and attract new businesses into the City of Painesville.

Downtown Initiatives

- Worked with the County CDGB Grant which was received in the amount of \$30,000 to provide façade improvements and other improvement projects for Gartman's Bakery, Federico Tire, Bella Donna Salon & Spa, Pollutro Insurance Agency, Bistro 70, Your Vine or Mine, 170 Main Street, Conway Land & Title Company, and 3 South State Street.
- Worked with downtown merchants to reestablish regular merchant meetings with topics focused on bringing new opportunities to retail businesses in the downtown area.
- Met with Key Downtown Stakeholders to share Downtown Master Plan and Streetscape Plan thoughts and determine potential funding interests.
- Held annual meeting with the Painesville Safety forces to address concerns from business about issues related to homeless, fraudulent credit cards and checks and business security systems.
- Aggressive sought efforts to utilize the City's reaming USEPA grant funding for Phase I, Phase II and asbestos's environmental assessments in the downtown area.
- Continued working to identify potential solutions and new partners for the revitalization of the existing Chase Bank building in downtown Painesville.
- Offered one major incentive proposal for the purchase of 170 Main Street, building was purchased and redevelopment continues on the property with a tentative open in Spring 2011.
- In partnership with the NAACP initiated a minority business group for Painesville called the Painesville Minority Business Exchange.
- Conducted Commercial/Retail Synchronist type surveys with key employers, city banks, mortgage offices and other key institutional partners to determine the impacts of the economy on their operations.
- Successful events: Business Appreciation Events, Farmers Market, Art-in-the-Park, Taste of Painesville, International Cuisine Festival, Quarterly Business Breakfast Series.

Manufacturing/ Workforce Initiatives

- Conducted Synchronist Surveys with the City's Key Account companies to assess and evaluate the economic impacts each were facing and any future resources that could be offered to assist them with new job creation.
- Worked aggressively with Core Systems for an expansion and addition of 60 new employees to the State of Ohio and Painesville.
- Received Energy Assessment Grants and conducted Energy Assessments in conjunctions with AMP for STP Products and Aero-Controlex.
- 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 of that company to a manufacturing building in Painesville and two major company proposal for business expansion of existing City businesses.
- Key Manufacturing Projects: Coe Manufacturing (Brownfield), Core Systems (Expansion), , STP Products & Eckart America (Change in Ownership, Retention), Associated Enterprises (Metering), Aero-Controlex (Audit & Expansion), PCC Airfoils (Itron System Instillation), Avery Dennison (Metering), Eckart America (Carbon Foot Print Analysis), Genesis Lamp Company (Expansion), RDP MotorSports (Expansion), High Tech (Financing).

Other Project Initiatives

- Formulated a Public Relations Campaign Committee made up of representatives from Lake Erie College, Painesville City Schools, Painesville City Economic Development and Downtown Org to strengthen our public image.
- Initiated the Phase I, Phase II and asbestos's survey with the US EPA Brownfield Grant for the Painesville Hotel Project.
- Requested \$200,000 for asbestos's removal funding for Chase Building for Lake Hospital Urgent Care Center, still waiting to hear results of grant request.
- Working with Colleges & Universities including Lake Erie College, Lakeland College and Tri-C Community College for Alternative Energy Research Initiatives & Workforce Development Partnership Opportunities.
- Working closely with OSU Extension Office and Health District to strengthen Farmers Markets in Lake County and Painesville.
- 2010 Grant Projects: Job Ready Sites Grant, Tiger II Application, IBM Smart Cities Challenge, Department of Agriculture Grant, Lake County Visitors Bureau Arts & Culture Grant and CDGB Grant.
- Departmental Staff Meetings: Met with all City Departments to discuss City-wide projects.



Core Systems Expands adding 60 jobs here in City



RDP Motor Sports Wins Las Vegas International Car Show landing them new international contracts



Federico Tire Remodel with CDGB Grant of \$7,500

Ashlawn Energy Kick's off 1st Battery Prototype



Your Vine or Mine Changes Occur with Grant



Pollutro Insurance Company Remodels Façade with Grant of \$2,500



Gartman's Model Bakery Remodel with \$7,500 Grant



Office meets with local manufacturing companies to determine impacts of the economy on local workforce and business operations.



Farmers Market Continues Upward Growth in sales as Office Works to Promote Additional Educational Programs about Nutrition Benefits of eating Local Produce.

Exhibits

Exhibit A: [Site Section Directory](#)

Exhibit B: [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 2010 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: [Downtown Painesville Annual Report](#)