



Economic Development Annual Report 2011

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Ashlawn Energy Opens Facility in Painesville for Vanadium Redox Battery Commercialization

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
2011 Economic Overview.....	3
Business Retention, Expansion & Attraction.....	5
New Businesses & Employment.....	7
Community Reinvestment Areas & Enterprise Zone.....	8
Downtown Initiatives.....	9
Development & Redevelopment Projects.....	10
Marketing & Public Relations.....	11
Renaissance Business Park.....	12
Key Account Summary.....	12
Financial Programs.....	13
Site Selection	13
Summary of Accomplishments in 2011.....	14
2011 Photographs.....	16

2011 Economic Overview

Federal Overview –

In 2011, the Obama Administration's economic development priorities included three key areas: Innovation and Entrepreneurship, Education and Workforce Development, and Infrastructure and Energy. 2011 was a mixed year for the U.S. economic recovery. After adding over 700,000 jobs between the months of February and April, the economy sputtered amidst a combination of rising gas prices, the Japan tsunami, the ongoing European debt crisis, and the congressional standoff over raising the federal debt ceiling. The economy grew at a rate of just 1.8 percent through the first three quarters of 2011 but rebounded in the fourth quarter with a stronger growth rate of 3 percent. On April 27, 2011, the Obama Administration announced the Jobs and Innovation Accelerator Challenge. Designed by the Task Force for Regional Innovation Clusters (TARIC), the program draws on 16 federal agencies and bureaus to generate public-private partnerships geared toward job creation. Hiring slowed to a crawl during the summer months but picked up toward the end of the year, as the economy added over 100,000 jobs in each month between September and December.



State Overview –

Governor Kasich's office in 2011 focused largely on the creation of JobsOhio. The reason behind the move was to ensure that government was moving at the speed of the marketplace. JobsOhio was built from the ground up to do one thing: encourage business development in Ohio. The program is expected to do that by lowering business investment and eliminating the obstacles that impede growth. For any business, from local start ups to international market leaders, in a remarkably diverse range of industries. The program has transferred economic development efforts from the ODOD over to the newly formed JobsOhio program which is no longer directly under the State of Ohio. This separate division is responsible for the attraction, retention, and expansion of businesses in Ohio as well as the crafting of incentive packages on behalf of the State. It also recommended that the Ohio Tourism Division move to JobsOhio in 2012. Jobs Ohio is broked up into six separate state regions, the northeast region will be managed by TeamNeo and Cleveland Plus.

OHIO



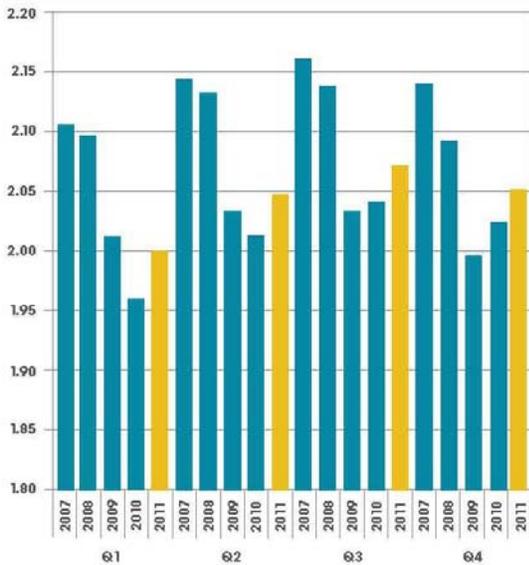
Northeast Ohio's Overview –

The Northeast Ohio region and the Cleveland Plus economy continues to improve. Unemployment is at its lowest rate in three years, and GRP is expected to grow in 2012 for the third consecutive year, with total GRP at more than \$184 billion.



- ▶ With an unemployment rate of 7.6% in Q4 2011, Northeast Ohio outperformed both Ohio (7.9%) and the US (8.3%). This is the first time the unemployment rate has fallen below 8% since Q4 2008. Year-over-year, the unemployment rate declined 1.6%.
- ▶ Manufacturing saw a 4% increase year-over-year with more than 8,400 jobs gained. While services gained 11,000 jobs (1%) and construction also saw year-over-year gains (nearly 7% and 4,000 workers), government was down almost 5,000 workers (-2%) from Q4 2010.
- ▶ Through 17 quarters of the 2007 recession, the employment index for Cleveland Plus is trending the same as the US. This compares to a gap through 17 quarters of the 1981 recession, when Northeast Ohio's index was 5% lower than the US.

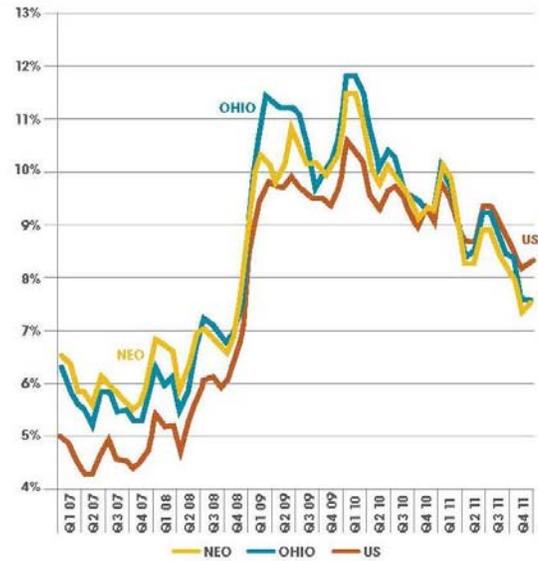
NORTHEAST OHIO TOTAL EMPLOYMENT (NOT SEASONALLY ADJUSTED)



CLEVELAND PLUS EMPLOYMENT GROWS SIX CONSECUTIVE QUARTERS YEAR-OVER-YEAR From Q3 2011 to Q4 2011 there was a seasonal decline of about 18,000 jobs. However, year-over-year employment growth continues. In Q4 2011, 27,000 (or 1.5%) more people were employed than in Q4 2010. Total employment averaged 2.05 million workers.

Source: Ohio Labor Market Information (LMI)

UNEMPLOYMENT RATES THROUGH DECEMBER 2011

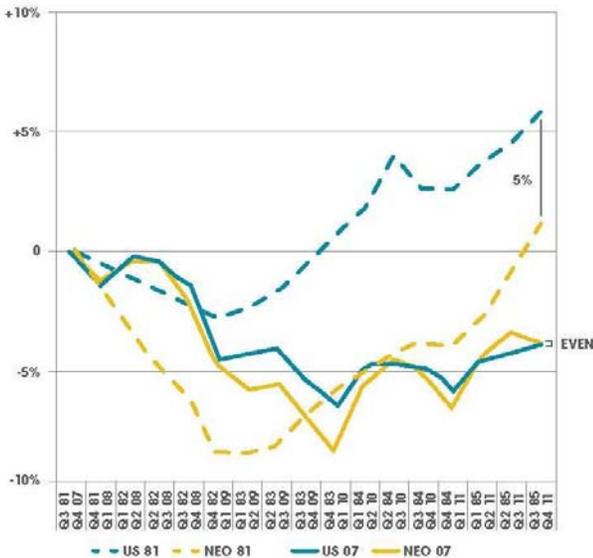


NEO UNEMPLOYMENT RATE LOWEST IN THREE YEARS

With an unemployment rate of 7.6% in Q4 2011, Northeast Ohio outperformed both Ohio (7.9%) and the US (8.3%). This is the first time the unemployment rate has fallen below 8% since Q4 2008. Year-over-year, the unemployment rate declined 1.6%.

Source: Ohio Labor Market Information (LMI)

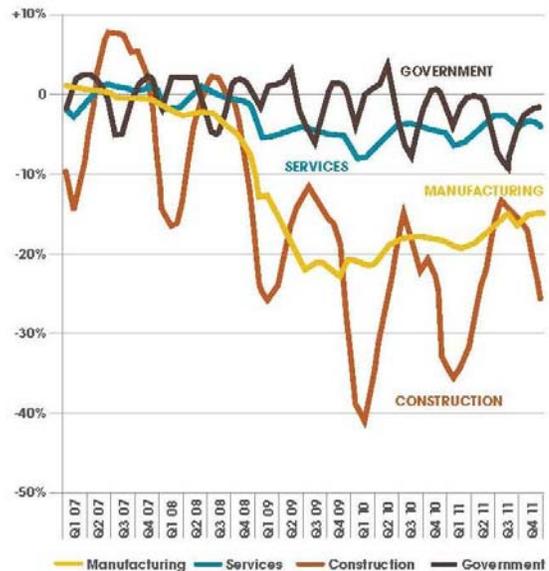
RECESSION EMPLOYMENT COMPARISON



CLEVELAND PLUS TRACKING EVEN TO U.S.

Through 17 quarters of the 2007 recession, the employment index for Cleveland Plus is trending the same as the US. This compares to a gap through 17 quarters of the 1981 recession, when Northeast Ohio's index was 5% lower than the US. Source: Ohio Labor Market Information (LMI)

CHANGE IN EMPLOYMENT BY SECTOR 0=2007 AVERAGE



MANUFACTURING, SERVICES AND CONSTRUCTION SEE YEAR-OVER-YEAR GROWTH

Manufacturing saw a 4% increase year-over-year with more than 8,400 jobs gained. While services gained 11,000 jobs (1%) and construction also saw year-over-year gains (nearly 7% and 4,000 workers), government was down almost 5,000 workers (-2%) from Q4 2010. Source: Bureau of Labor Statistics (BLS)

Painesville's Economic Overview



The primary focus of the Office of Economic Development in 2011 was business retention during the tough economic recession. Although signs of US economy recovery in manufacturing began to strengthen that strengthening became more evident in the 4th quarter of the year in all most all sectors of manufacturing. Commercial, retail and office still linger somewhat behind, however, signs of strengthening appear to be growing. In an effort to gain perspective on the conditions within our community we conducted business visits with large manufacturers, large commercial operations, large non-profits, and some small to mid-sized manufacturing companies.



The office continues to seek funding for the CSX bridge & overpass to connect Shamrock Business Center & open new land development opportunities as interest grows.

From the manufacturing based visits we have found that several were even planning future job growth and new equipment and capital investment going into 2012. Although there was still a great

deal of uncertainty we determined that we would wait another year to conduct a full survey of their anticipated growth plans. No WARN notices were received throughout this economic downturn from 2009 to 2011.

This past year Economic Development Office worked closely with and offered proposals on two leads on industrial investment in 2011. This continued to be one of the slowest years for industrial land investments. Of those two leads one company is located in Lake County and has continued to look at an existing building that met their 20,000 sq. ft. requirements with a 10 ton crane. One other lead was looking at the Coe Manufacturing Facilities for an out of state relocation. They continue to seek this site as a possibility but are waiting to see the sustained economic turn-around. 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 also worked closely with the Lake County Port Authority to identify key financing tools for equipment and capital investments.

Business Attraction, Retention & Expansion —

Business Retention & Expansion (BRE) is the cornerstone of our Economic Development efforts. We are continuing to work with 12 companies within the City for future expansions. These include 7 Manufacturing Companies, 3 Service / Commercial Companies, and 2 Retail Company. The number of expansion projects is up from last year as many companies who were reconsidering due to the economic downturn decided that it was not feasible to continue to hold off.

2011 Major Manufacturing Retention & Expansion Projects

IMAX Industries: The City has continued to work with IMAX Industries to research some financing possibilities that would allow them to expand and purchase a new building while looking at redevelopment opportunities for their existing facility on Jackson Street. Discussions also included the purchase of a new building and expansion of their product line which would give them the capacity needed to operate in both buildings. An expansion is expected in 2012.

Aero-Controlex: The City worked to secure a state grant through the Ohio Department of Development to expand Aero-Controlex's operations here in the City. Aero-Controlex has invested over \$500,000 in training costs to train their Painesville employees on the new aerospace technology they are acquiring through the purchase of a California based company and relocation of that company here to Painesville.

This relocation resulted in 41 new jobs to Painesville and at an average wage of \$66,878. The business now designs and manufactures highly engineered electro-mechanical actuators for major aircraft as a result of this acquisition.

Core Systems: Core Systems is entering into a new contract with GE, which will take their sales up \$1 mill by the end of April. They are however, trying to leverage some cash flow throughout this expansion process. They have currently been approved for an \$800,000 GE Equipment Loan and a \$200,000 Lake County Revolving Loan that the City assisted them with in conjunction with the Lake County Port Authority. This new equipment is expected to be into operation by end of March, ramping up production of refrigeration components for GE this spring. This will follow with new contracts in other areas of GE including their washer and dryer lines 4th quarter. In addition, CEO, Bill Loebbaka has now purchased the business and they are running operations with more control. They have re-negotiated their building lease and are working to acquire the property through a form of land contract or future outright purchase. The City is helping them with a property appeal with Lake County's Auditors office throughout this transition. They have a number of managers within the business that also now have a portion of ownership to the company and their goal is to eventually form the structure as a wholly employee owned company. They are making some great changes that are expected to bring back an additional 40 employees by this summer and they see the potential to expand beyond those employment levels going into 2013 and 2014 as a result of these new contracts.



City Receives TeamNeo Regional Collaboration Award for Joint Economic Development District with Concord Twp.

PCC Airfoils: The City continues meeting with the company to identify future energy programs that can be used in partnership to make reductions to their carbon footprint as well as provide them with long-term energy contracts to enable them to have stable pricing for their product bids.

2011 Major Attraction Projects

Ashlawn Energy: The City continues to work with Ashlawn Energy to secure employment as a result of the commercialization of the City's Vanadium Redox Batter Prototype. Ashlawn Energy was announced as one of the winners of this year's NorTech Innovation Awards. At Cleveland State University, Norma Byron was also recognized by President Barak Obama in his remarks on Small Businesses making impacts in Northeast Ohio. He remarked that "with help of an award from the Department of Energy's Smart Grid Program, Ashlawn is poised to manufacture a next-generation energy storage system in Painesville that will improve efficiency." President Obama went on to say that "it will help families and businesses cut down on energy waste, save money and reduce dangerous carbon pollution." They are projecting job growth of nearly 200 to 250 employees over the next 5 years.



2011 Major Commercial Retention & Expansion Projects

High Tech: The City has worked extensively with High Tech Performance Trailers during their economic downturn to assist in their recovery efforts. The company has now teamed up with ComTruck who is a commercial truck and fleet service corporation specializing in preventative maintenance programs and full services for light, medium and heavy duty truck, vans and automobiles. This now enables High Tech to service cosmetic and mechanical repairs for fire trucks, school busses, ems trucks, bucket trucks and other large vehicles with top-notch materials and supplies guaranteed with excellence and quality. This partnership has relocated an additional 8 jobs to the City and now High Tech's building is once again filled to capacity with a total of nearly 60 jobs recreated here in the City. These jobs are a result of the lease arrangements within this building to Tartan Marine, Bio Thera Tech, High Tech Awnings, ComTruck and High Tech Performance Trailers.

USNR: The City worked to retain the remaining 11 engineers at the Coe Manufacturing site. All engineers have now been relocated into the downtown area, their employment has been secured and we are working toward the facilitation of redevelopment of their former site on Bank Street.

2011 Retail Analysis

Retail: There are currently 8 retail spaces in the downtown that remain vacant. There are 5 which has been vacant for more than one year. These include the former Copy Quest, Dollar Bank, Art Infusions, Artful Hands, Puritan Bakery, Yvonne’s Restaurant, Borequin’s old location and the Gage House. These two vacant space includes Copy Quest (vacant for 4 years) and Dollar Bank (vacant for 2 years), Puritan Bakery (vacant 2 years), Artful Hands (vacant 2 years), Gage House (vacant 5 years). These spaces pose a great deal of concern as they continue to deteriorate without tenant and owner investment being made into their structures. The City continues to identify potential new owners/new tenants for key these properties.



Office assists Chester’s Restaurant Recovery

2011 New Painesville Businesses

<u>Company Name</u>	<u>Facility</u>	<u>No. of Employees</u>
El Rinconcito	Restaurant	1-4
Jackie’s Place	Restaurant	1-4
Suit Yourself	Retail	1-4
Muffler Shop Palomino	Auto Repair	1-4
Phenomenal Results Barber	Service	1-4
Scents, Arts and Novelties	Retail	1-4
Vocational Guidance Services	Service	1-4
Ashlawn Energy	Manufacturing	1-4
Bykowski Fastpitch	Service	1-4
LifeSpring Church	Church	1-4
Painesville Gallery	Retail	1-4
Painesville Stove & Pellet	Retail	1-4
<u>Ways Custom Welding</u>	<u>Manufacturing</u>	<u>1-4</u>
New Business Total Employment		13-52



T&T Celebrate 40 years in business

2011 Painesville Businesses Expansions / Re-Openings

<u>Company Name</u>	<u>Facility</u>	<u>No. of New Employees</u>
Great Lakes Glasswerks	Expansion	2
AeroControlex	Expansion	41
Janco Industries	Expansion	2
<u>Lifeline</u>	<u>Expansion</u>	<u> </u>
Expansion Employment Added		44

Approximate Gained Employees 2011 **57-96**

2011 Unsuccessful Businesses

Art Infusions: This start up company had difficulty sustaining its profits based on all of its inventory being consignment.
Pease-Kerr Canfield Insurance Agency: The owner was getting ready to retire and he did not want to sustain their office so they sold out to enable their retirement. The company they sold to did not have an interest in retaining another office at this location.
Scents Arts & Novelties: Start up company that could not sustain.
Dr. David Lewicki: Moved his location closer to hospital in Concord, had some concerns in the City about homeless hanging out by Library and the reputation of his business.
Goodwill Store: The board of directors made an decision to close the location because of its difficulties managing the location in the past, they re-opened and closed again in 2011.

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 2011, 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

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



Painesville Gallery opens its doors for business

CRA Annual Reviews

On October 13th, 2011, the Community Reinvestment Area Committee inspected the City's tax abated properties. One hundred nine (109) properties were inspected and one hundred nine (109) were found to be in compliance. The three 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 2011 the City had no EZA Agreements in place.

Painesville Downtown Events & Happenings

- **Farmers' Market:** This year was the markets 12th year in operation. As always the Farmers' Market was a tremendous success during 2011. We had some new varieties in fresh produce, herbs and homemade items such as unique artisan's bread. This year we also held a number of educational programs and live chef demonstrations. We also held events to encourage downtown workers to shop the market. In total at full market we had 20 regular vendors and many intermixing seasonal vendors selling a variety of products and produce. The 2012 Market will begin on May 17 and go through October 25th. This coming year will be the Painesville Markets 13th year in operation.
- **International Cuisine Festival:** The event is turning into a Spring Taste of Painesville. This was the 3rd year for the festival and we are still working to gain more participation from area churches, the event we hope will become the largest international food festival in the area, focusing on ethnic foods prepared by local vendors and local churches. The 2012 event will be the 4th year and will be held on May 19th.
- **Art in the Park:** This was the 10th year for Art in the Park which was a beautiful sunny day and over 3,500 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 secured a \$4,000 grant from the Visitors Bureau which helped us bring the Cleveland Museums Parade the Circle into Painesville. The event which was hosted by the City and the Downtown Painesville Organization attracted 42 artists and many visitors to downtown. This year will be the 11th year of the event, held on August 18th.



Hawley's Floral celebrates 100 years of doing business in the City of Painesville.

- **Taste of Painesville:** The 13th Annual Taste of Painesville was a great success attracting more than 5,000 guests. The participating restaurants and varied merchants were pleased about their ticket and food sales at the event. This years sales did increase from the previous year much had to do with the great weather. This years event showcased 15 food vendors and 8 merchants or informational booths. The event sold over \$18,470.00 in ticket sales and raised over \$2,775.00 for the Downtown Painesville Organization. The venue will be held again during 2012 on September 6th. The sponsor for the sixth consecutive year was STP Products, one of Painesville’s largest employers.
- **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 additional flower boxes on Main Street, started business boot camps, 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 Section)

- › **Downtown Merchant Meetings:** In response to a growing need from downtown merchants to do collective projects the City has continued 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 and the City are working collectively on areas to improve joint marketing approaches, downtown customer service and discuss key topics affecting business and safety in the downtown business district.



Farmers Market Thrives In Downtown Painesville

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 continued to play a key role with minority business owners throughout the Minority Business Exchange. The organization and the City are 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. Our focus this year is identifying new home based businesses that could make an expansion.
- › **Lake County Farmers Market Coalition:** The City of Painesville continued to play a key role in the Achieve Program and facilitating a County Wide initiative to bring local foods into Lake County’s neighborhoods. Much of our focus has been 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 with local



Downtown Painesville Organization

restaurant owners and encouraging them 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 is in its 2nd year of hosting a Public Relations Campaign in collaboration with the Painesville City Schools and Lake Erie College. This past year the committee established a Proud to be Painesville Campaign, logo and hosted a media day. The committee is working aggressively to transform the image of Painesville. This group is made up 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 2012.
- ▶ **Other Economic Development Programs:** Quarterly Works For Business, Painesville Linked In News Updates, Quarterly Business Breakfast Series, Quarterly Business Task Force Committee Meetings, Painesville Downtown Map, Painesville Magazine, Painesville Business Directory.

Development / Redevelopment Projects

Shamrock Business Center: In 2011 the office worked to further develop partnerships between Shamrock Business Center, Forest City, M.E Osborne and the Ohio Department of Development by again making application for \$3 million to the Ohio Job Ready Sites Program and continuing efforts to fund the necessary roadway infrastructure and bridge to complete the connection into the site to spur economic development. The project cost are just over \$9 million, with a \$3 million gap in financing at this point.

Painesville Hotel Property: In 2011 the office completed the Phase I, Phase II and asbestos's study. Minor levels of dry cleaning components were identified in the Phase II which resulted in higher than expected clean up and demolition costs. The office is now trying to identify resources from state and regional grants to support the \$1.2 Million dollar clean up cost estimates that we received.

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

Brownfield Assessments: In 2011 the City of Painesville used the remaining grant funding from the USEPA’s \$200,000 Environmental Assessment Grant. However, the City took the lead on a County Wide assessment grant through the Lake County Port Authority to enable us to secure \$1 million in assessment resources through the USEPA. The grant is pending.

RP3 Program: The City of Painesville made application again in 2011 for the RP3 designation 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. The application is pending.



Reliable Public Power Provider

Downtown Painesville Revitalization: In 2011 the Office worked with the

Downtown Painesville Organization to take a one-on-one approach to improving the interior of local businesses through private investment and volunteer hours. In addition, the City has been working with local contractors to identify cost estimates of some of the historic buildings throughout the downtown area so that we can determine the amount of investment that will need to be made in order to lease or sell these properties. The City's vacant property registration program which was established in 2011 was a crucial advantage allowing us more access into these properties and encouraging that they are listed with local realtors. This has drawn significantly more interest into these properties than we have seen in the last 5 years opening up their potential for investment.

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. The other is "A Place to call Home" This year we modified the publications that we market and advertise within. We again reduced the number of ad's running in Inside Business Magazine and featured fewer ad's with the new Tri-County Business Journal because of budget cuts. This approach has been unsuccessful in reaching area industrial markets. This was a trial year for the year to see how we are impacted by our advertising methods. In 2012 I am recommending that we go back to our regional advertising in Inside Business which has been extremely successful in reaching key manufacturing corporations.

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.

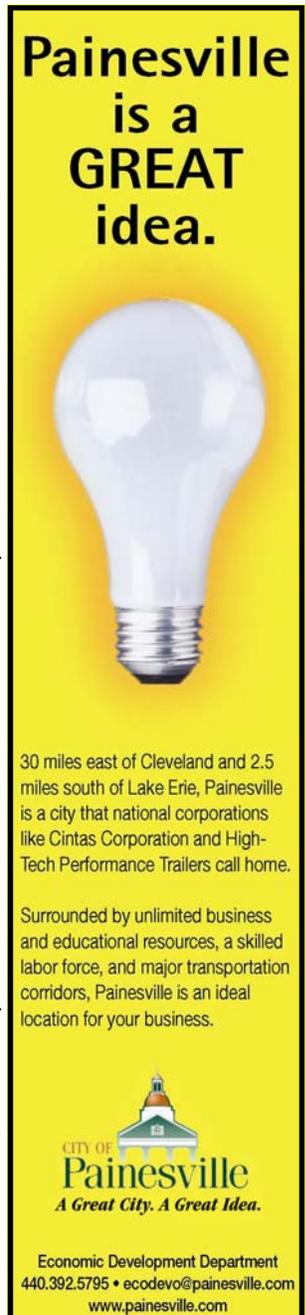
Downtown Marketing: Many of the downtown events such as Taste of Painesville, Art in the Park, and the Farmers Market are showcased in various publications aimed at both residents and visitors. In combination with the Downtown Painesville Organization we worked to send e-mail blast notifications to more than 16,500 in their social media and e-mail database, they also performed Robocalls for the International Cuisine and 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.

WELW Marketing Campaign: New this year the office did an on-air marketing campaign aimed at showcasing local company owners who talked about their business in Painesville, their success in our community and all the reasons that they love doing business in the City of Painesville. This was a great success for the City and for Painesville's image as a business friendly community.

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 seventh year the Department put a large focus on having a regularly updated Site Selection Directory that is sent out to all lead contacts and area commercial realtors. Because of reductions in our advertising budget 2012 again this will be a year devoted to finding new niche low-cost advertising mechanisms to showcase properties within the City of Painesville. The office continues to be very successful with LinkedIn which allows 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 radio and online marketing.



Painesville
is a
GREAT
idea.



30 miles east of Cleveland and 2.5 miles south of Lake Erie, Painesville is a city that national corporations like Cintas Corporation and High-Tech Performance Trailers call home.

Surrounded by unlimited business and educational resources, a skilled labor force, and major transportation corridors, Painesville is an ideal location for your business.



CITY OF
Painesville
A Great City. A Great Idea.

Economic Development Department
440.392.5795 • ecodevo@painesville.com
www.painesville.com

Community Involvement

The Economic Development Office has worked very closely with the Downtown Painesville Organization, Chamber of Commerce and the Lake County Port Authority and several other organizations 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 Administration Loan Program Board, 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, the Painesville City Schools Educational Foundation and the Lake County Visitors Bureau Strategic Planning Committee. I also serve on the following committee's: PCIC's Economic Development Committee, PCIC's Public Relations 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.



The City began a Public Relations Committee that is working to change the image of Painesville.

Renaissance Business Park

Industrial Marketing Efforts

During 2011 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. In 2012 we may be reconsidering a land listing for 2013.

Renaissance Company Updates

PCC Airfoils, LLC: The company now employees over 80 and expects to increase into 2012. 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 during the economic downturn but see the recovery coming back for them, they remain committed to adding new jobs and product lines into Painesville.

Core Systems, LLC: Core Systems remains strong in 2011, they gained a new contract with GE that will bring in an 800,000 capital investment into the community from GE which will result in the retention and expansion of their employment base. The company ownership has changed and the employees are in a position to take on more of an ownership position.

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 \$243,000 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 2011 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.**

Painesville Manufacturing Meeting: In 2011 the office held its annual manufacturing forum. This meeting was held to make local manufacturing companies aware of the resources that are available to them through the federal, state, regional and local government agencies. The items that were addressed by local companies to foster job growth and future investment included: low-cost and highly reliable utilities, energy efficiency programs that can allow the company to put money back into their employees and new job creation rather than increased utility consumption, and new opportunities for renewable energy portfolio's to reduce their carbon emissions.

Financial Programs

PLEDGE Linked Deposit Program: The Economic Development Office continues 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 and the SBDC and Port Authority to secure loans through the State loan programs and through the Port's revolving loan fund. In 2011, we were successful in getting Core Systems a \$150,000 loan for capital equipment to secure the GE contact and \$150,000 for Imax Industries to pay for the gap financing on their new investment that the bank would not cover in their expansion. Each of these loans resulted in new job growth, as a result of the loans Core Systems anticipates bringing on an additional 40 employees in 2012 and Imax Industries anticipates bringing on an additional 8 employees in 2012.

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, allowing 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 office continues listing properties on the commercial MLS System known as CoStar gaining national recognition for vacant properties for the City of Painesville property owners.

2011 Contact Statistics:

Number of Retail/Grocery – 35 Connections made in 2011

Commercial/Industrial – 112 Connections made in 2011

Local Retention and Expansion Projects – 186 Connections made in 2011

Commercial, Industrial, Retail Developers/Brokers – 47 Connections made in 2011

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

Grants Applied for in 2011

- › Job Ready Sites Grant - Ohio Department of Development - \$3 Million
- › Lake County Visitors Bureau Arts & Culture Grant - \$5,000
- › Community Development Block Grant—Lake County - \$45,000
- › Ohio Department of Agriculture Grant Program—Farmers Market \$1,000
- › Lake County USEPA Grant - \$1 Million

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.
- › Aggressively sought efforts to utilize the City’s remaining 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 Summer 2012.
- › 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.
- Recipients of the TeamNeo Regional Collaboration Award for the Joint Economic Development District (JEDD) formed with Concord Township.
- 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.

*A place to call
Home*



*Whether it's a home
for your family,
or a home for
your business,
Painesville is the
place for you.*

Surrounded by major interstate access, and home to low-cost, city-owned utilities, a skilled workforce and a pro-active business atmosphere, the city of Painesville is an ideal place to grow your business.

Within the historic downtown business district, retail stores, coffee houses, art galleries and trendy restaurants, encourage visitors and residents to stay, shop and enjoy the hometown experience. Painesville—Where present and future meet the past.



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City Receives Regional Collaboration Award for JEDD



Ashlawn Energy Opens New Facility for Manufacturing



Painesville Gallery Opens For Business



Art in the Park Grows to Biggest Ever for 10th Year

Office Starts New Efforts to Complete Phase II



Core Systems Lands GE Contract Retaining and Adding Employment



Farmers Market Record Attendance



International Cuisine Grows in Attendance & Participation from local Churches

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](#)