



MEMORANDUM

Friday, February 17, 2012

To: City Council

From: Cathy Biertman, Economic Development

cc: Rita C. McMahon, City Manager

RE: December/January Economic Development Update

Announcements / Highlights:

- **RP3 Platinum Status:** Painesville Municipal Electric has achieved a Platinum designation in the program.
- **High Tech Trailers:** This past quarter, the decision was made to cut ties in KY and bring the operation back to its home here in Painesville. The Painesville facility, celebrating its 31st year in operation, hired back 90% of their original, experienced work force.
- **Imax Industries:** They have recently contracted with a South Carolina based company that is expecting to take their company from \$1 mill in sales to over \$4 mill in sales over the next 3-5 years. They have hired 2 new employees.
- **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.

Economic Development Projects

- **RP3 Platinum Status:** Painesville Municipal Electric has achieved a Platinum designation in the program. With this designation, PME utility is recognized for its commitment to providing safe and reliable power to our community. The Award will be accepted at the APPA Engineering & Operations Technical Conference in Cleveland, Ohio on April 16th, 2012. PME will be recognized at this national conference, in front of other municipalities and colleagues, to highlight the achievement. This award recognizes PME for its outstanding commitment to electric reliability, safety, work force development, and system improvement. Of the nation's more than 2,000 public power utilities, 154 have earned RP3 recognition from the American Public Power Association for providing consumers with the highest degree of reliable and safe electric service and of those 154 Painesville ranks in nearly the top category as a Platinum community.

- High Tech Trailers:** The City has been working hand in hand to retain High Techs operations here in Painesville despite some tough economic impacts the company sustained in 2009 when Hanusosky entered into a joint venture with Kentucky Manufacturing in Louisville, Kentucky and moved production to Louisville. The Ohio plant continued operations as a trailer service center and as an independent trailer restoration facility. During these past years the City worked in collaboration with the Lake County Port Authority and SBA to help the company maintain its high standard of quality in its existing facility here in Painesville. This past quarter, the decision was made to cut ties in KY and bring the operation back to its home here in Painesville. The Painesville facility, celebrating its 31st year in operation, they now plan have hired back 90% of their original, experienced work force including welders, fabricators, machinists, painters, plumbers, mechanics, cabinet makers, office staff and marketing personnel and they are projecting more growth going forward into 2012. In March of 2012 Bruce Hanusosky, President announced he will begin construction on an extensive line of new "Stealth" Series gooseneck and tag trailers. Like the full size 53' transporter, the gooseneck and tag trailers will feature the same smooth lines and lightweight design features. The progressive design serves the needs of the racing industry as the facility builds transporters for corporate marketing, training and hospitality; mobile display, event marketing and merchandising, and mobile command centers for disaster relief.
- IMAX Industries:** For over one year the City has been working closely with IMAX Industries on a relocation of their operation and expansion of their business here in Painesville City. The company is a complete turnkey operation from concept through engineering and build of specialty equipment. They specialize in resistance welding equipment but also deal in automation needs. They also specialize in designing, engineering, fabrication, assembly, programming, shipping and installation of equipment. They use the latest 2D & 3D Design Software to design anything from a simple checking fixture to a complex robotic weld cell. In addition they are known for their progressive die design, prototyping, & product development. They have recently contracted with a South Carolina based company that is expecting to take their company from \$1 mill in sales to over \$4 mill in sales over the next 3-5 years. They have hired 2 new employees and expect to have another 10 employees hired by the end of 2012. They will be operating out of 2 facilities, one in their existing facility on Jackson Street and their other operations and offices will be moved to their new facility at 117 West Walnut. They expect this expansion will double their workforce long term.
- 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 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 internally. They are re-negotiated their building lease and 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.

Downtown

Downtown Painesville Organization Update: The Downtown Painesville Organization board held its goals meeting this month and is setting the date for their Heritage Ohio annual review in February. Also, Jim Fodor has taken over as the new president for 2012.

This past month the merchants group has decided to take over their own merchant meetings with the help of the Downtown Painesville Organization. The City will now act as a conduit to help them achieve some of the things that require City action. This is a big step forward for the merchants and I believe this will change the direction of the group making them more involved in the future of their combined marketing and downtown sales events.

Business Attraction, Retention & Expansion

Business Visits/Meetings: Bev's Hair Care, Conway Land & Title, Your Vine or Mine, Bella Donna Salon & Spa, Ornela's Boutique, Painesville Furniture & Morse Van Lines, Painesville Gallery, Bada Bing Pizza, Mexican Food Specialists, La Mexicana, Key Bank, La Hispania, Silvestro's, Sidewalk Café, Grand Design Floral, Verizon, China House, Your Vine or Mine, Consolidated Investment Company, Gently Loved Boutique, BioTheratech.

- **Business Manufacturing Visits/Meetings:** IMAX Industries, Core Systems, Coe Manufacturing, SAS Rubber, High Tech Trailers, Tartan Marine.

Business Events

- **Manufacturing Forum:** The office held its annual manufacturing forum where local manufacturers had the opportunity to come together and hear about the programs and services that are offered through the City of Painesville, State of Ohio, JobOhio, the Lake County Port Authority, the SBA, the City's Key Account Programs for their future business expansion and for business attraction of key area suppliers. One of the main driving forces from industry represented at the meeting was a need to have more energy efficiency programs in place through the City to help them reduce their overall operational costs and long term reliable electric and low cost utilities.
- **Minority Business Exchange:** The office is working hand in hand with the NAACP and local minority business owners to re-energize the organization and begin holding monthly meetings once again to provide networking opportunities for local minority business owners. The next meeting will be held March 8th at the NAACP office from 8 am to 9 am.

- **Business Appreciation After Hours:** The Business Appreciation After-Hours event was held on December 15, 2011. The event was hosted by the City of Painesville and the Painesville Area Chamber of Commerce. There were over 100 attendees at the event which was sponsored by PNC Bank, Avery Dennison, Consolidated Investment, Painesville Community Improvement Corporation, Painesville Pellet & Stoves, COSE, Huntington Bank, and Burgess & Niple. The City of Painesville holds this event every year to show our appreciation to the businesses who are committed to doing business in the City of Painesville.
- **Business Breakfast Series:** The Business Breakfast Series was held on February 9, 2012 at the Elks Lodge. The event was sponsored by Painesville Furniture/Morse Van Lines with over 80 attendees. City Manager, Rita McMahon, gave the presentation for the event, which looked back on 2011 and was followed by plans to move forward in 2012.

Community Event

International Cuisine Celebration: The International Cuisine Celebration will take place on May 19, 2012 from 3 pm to 8 pm. The committee met this month to go over plans for this year. This year is the 3rd year for the event which we hope to grow into a much larger event. The plan is to get the information out earlier this year to the churches to have a much larger participation. The committee hopes to have participation from the churches and restaurants who will offer some truly “authentic” ethnic food to the community. The event will include music, kids activities, entertainment, and of course food.

Art in the Park: Plans are well underway for the City of Painesville Art-in-the-Park which will take place on August 18, 2012. Last year we had well over 30 vendors with a good mix of art forms. The committee will be meeting in February to discuss this year’s venue. Art postcards that advertise the date will be sent out this month to the artists. The event for this year will include some fine music, entertainment, and various children’s activities.

Farmers Market: The City of Painesville Farmer’s Market will take place from May 17, 2012 to October 25, 2012. The office is working in conjunction with the Health Department and the ODJFS to install an electronic EBT machine at the Farmer’s Market to accept food stamps and SNAP program benefits for low income families. It is our goal to have this machine in place by early spring when the market opens. The office will continue to have the ACHIEVE Voucher Program in partnership with the Health Department. This program offers vouchers to participants who complete nutrition classes. The vouchers are given out upon completion to be used at participating Lake County Farmer’s Markets. Many activities will be planned this year including cooking demonstrations and information provided to the public that stresses the importance of buying locally grown produce.

Photography Contest: The City of Painesville’s Photography Contest will begin March 1, 2012. The deadline for submitting photos will be June 15, 2012. This will be the City’s 10th year for having the photography contest. New for this year will be a “digitally

enhanced" category. All photography will be on display this year at Painesville Furniture/Morse Van Lines.

Marketing

- **Current Advertising:** Pride, Inside Business Magazine

Grant Projects

- JRS Grant \$3 million – Presentation will be made before the Job Ready Sites Committee Members on February 16th, 2012. We expect to hear the results of the competitive grant by early March.
- LCVB Arts & Culture Grant – The office has made application once again for the Lake County Visitors Bureau grant in the amount of \$5,000 for Art in the Park 2012.
- Exploring submission of a CORF Grant for \$3,000,000 for Clean Up work on Coe Manufacturing.
- Exploring the submission of a COAF Grant Application for Hotel Property with ODOD for 2012. If funds become available again through the program.
- Lake County USEPA Grant: Waiting to hear the status of when it is appropriate to start lobbying for the grant we are waiting get a confirmation that our grant application is going to committee.

City Wide Goals: Goals that were achieved or furthered as a result of activity, if any -

- **Improving Painesville's Image and Environment:** Working with downtown business owners on marketing their business for the summer season.
- **Stewardship and Fiscal Responsibility:** Working to obtain additional grant funding for infrastructure projects.
- **Communication:** Holding regular meetings with merchants, manufacturers and minority business owners to spur communication and collaboration.
- **Community Engagement:** Conducted business visits within the City and talked with them about ways they can become more active within the community and grow their business in Painesville City.