

2015 YEAR IN REVIEW

The Lake County Ohio Port and Economic Development Authority was created in February 2007 to promote projects that will provide for the creation of jobs and employment opportunities and improve the economic welfare of the people residing in Lake County. The Port Authority is also authorized by state law to enhance, foster, aid, provide or promote transportation, economic development, housing, recreation, governmental operations, culture or research.

Comments From The Chairman

As we say goodbye to 2015 and embark on 2016, I find it hard to believe that yet another year has passed. For me, it's even more difficult to believe that this February marks the ninth anniversary of the Port.

Each year I ask myself: What did we really accomplish? Of course, I always think we should have accomplished more; but, each year as I sit down and reflect on our achievements, I am always pleasantly surprised by the number and scope of the results. This past year was no different. Before I share this list of accomplishments with you, I want to acknowledge the people without whom none

of this would have been possible. Those people include the team in place at the Port; the consultants and advisors that we rely on; the support of our County Commissioners as well as the numerous political, economic development, not-for-profit and for-profit organizations with whom we interact; and, of course, my fellow board members. This team provides support to all 23 townships, villages

and cities of Lake County as their economic development partner. The year 2015 was a busy one for the Port. Highlights include our work with Lubrizol Corporation, which resulted in the retention of 307 jobs, the addition of 24 new jobs and a five-year, \$100-million-dollar expansion commitment from the company in Painesville Township.

During 2015 we completed the cleanup and renovation of the former Coe industrial site in Painesville. This project spanned three years and resulted from a \$1.2 million state grant that provided the funds necessary to remediate the site and receive a “No Further

Action” letter from the EPA. The site is now home to two companies employing 17 people. We are currently negotiating a lease for an additional 30,000 square feet of space that will bring another 16 jobs to Lake County. We are proud to have restored this former brownfield site back to a viable manufacturing facility.

We were successful in garnering approximately \$1.1 million in federal FAA and state ODOT aviation grants to make necessary runway improvements to the Lost Nation Airport. While you may not necessarily be a user of the airport, these improvement dollars generally go to local contractors whose

employees are often local residents. That translates to money from outside our community being injected into our local economy. We also kicked off the start of a new master plan for the airport. This 16- to 24-month project will provide the Port a roadmap to insure that the Lost Nation Airport continue to be a premier executive airport and valuable economic driver and business attraction tool for Lake County.

We continued our efforts to advance the Lake County Coastal Plan by completing a hospitality study in partnership with the Lake County Visitor’s Bureau. This study identified several hotel development opportunities in the county, including a potential waterpark resort in Fairport Harbor. The Port also provided assistance to numerous small businesses throughout the year — either directly through our financing programs or indirectly by connecting those companies with local agencies in the best position to provide them the support

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they needed to invest, grow and thrive. Looking forward, in addition to our continuing work on the Coastal Plan, Lost Nation Airport, and several financing projects for companies looking to locate into Lake County, we are rolling out a county-wide Business Retention and Expansion (BRE) campaign in conjunction with Team NEO. This

initiative will provide enhanced local, state and federal support to our Lake County business community. We also look forward to continuing our support of several workforce and education initiatives, as our local educational institutions work to develop the skills needed for the workforce of tomorrow. I am proud to have been a small

part of the Port's 2015 accomplishments and look forward to even greater success in the future for all of us living and working in Lake County.

Sincerely,
Christopher J. Madison, CPA
Chairman

Bond and Energy Financing

Through its unique statutory structure and ability to utilize public-private partnerships, the Lake County Ohio Port and Economic Development Authority (LCOPEDA) is able to offer bond financing options for businesses and other entities that can be structured to meet an individual project's needs. The Port Authority is able to issue tax-exempt

bonds. The borrower is responsible for service on the incurred debt, but this option enables the borrower to obtain a one-time sales tax exemption on all construction materials used in a project. The Port Authority also finances energy efficiency upgrades through PACE (Property Assessed Clean Energy) bonds or its Lake Port Energy

Program (LPEP). With PACE, the Port Authority works with private land owners and local government entities to provide up-front, assessment-based financing for energy upgrades. LPEP is geared toward the public and not-for-profit sectors.

Economic Development Loan Program

LCOPEDA administers the County's Economic Development Loan Fund. This fund was created by the County Commissioners and utilizes federal Community Development Block Grant funds to assist existing businesses to remain competitive and to provide job

opportunities. Funds can be used for fixed assets to purchase land, buildings, machinery and equipment, renovation, expansion etc. Since the program's inception in 2011, over \$900,000.00 has been loaned to local businesses for projects totaling over \$9 million

dollars in business investment. A total of 83 new jobs are expected to be created.

– **Timothy A. Cahill**
*Director of Public Finance
and Controller*

Hospitality Study

In 2015 the Lake County Visitors Bureau commissioned a feasibility study to evaluate five sites in Lake County for hotel development. These sites were located in Wickliffe, Willoughby, Concord, Fairport Harbor, and Madison. The

study was completed by Hotel & Leisure Advisors, an internationally recognized hospitality consulting firm based in Cleveland. The feasibility study evaluates market conditions and can provide detailed recommendations on

what hotels and amenities will be successful in a given location. The study can be used as a marketing tool to attract new development, and the study has already attracted interest to the County.

Lake County Economy Continues on a Roll



Chris Madison
Chairman



John Konrad
Vice Chair



Rita McMahon
Secretary/Treasurer

Lake County finished 2015 with an unemployment rate of 3.7%, down two full points from 5.7% at the start of the year. Lake County had the tenth lowest unemployment rate in the State.

This marked the 75th time in the last 90 months since July of 2008 that the Lake County unemployment rate was at or below the State of Ohio's rate. It was also the 82nd time in the same period that Lake County's rate was below the national unemployment rate. Our biggest challenge is not finding a job for every worker (our unemployment rate is already at 3.7%) but rather finding a worker for every job. Our manufacturing community in particular continues to be challenged to fill the demand for workers.

Ten years from now, we expect that Lake County could be between 4,000 – 8,000 workers short to support our current needs based upon the numbers of Baby Boomers

retiring and Millennials entering the workforce.

2016 presents three challenges for the County from a traditional economic development standpoint:

1. **Workforce Development** –

We need to continue efforts to demonstrate to young people the career opportunities in manufacturing. Programs like AWT's Robobots, the Junior Robots, Auburn Career Center's "We Build It Here" video series, the Chamber of Commerce's "Manufacturing Day" and the Lake County Ohio Port and Economic Development Authority's Teacher Day are all a part of the county-wide efforts to develop a future workforce to support the 900+ manufacturing businesses in Lake County.

2. **Available Buildings** –

Lake County currently has a 2.8% vacancy rate for industrial buildings. There are only four spaces above 50,000 square feet in the

County. This lack of available space limits the potential to attract businesses to Lake County. Current rents do not support the cost of new construction, so it is likely we will face this shortage of space for the immediate future.

3. Development Land – According to Costar, a commercial real estate information service, Lake County has only 7 parcels of land of 30 acres or larger with sewer, water, gas, and electrical service in sufficient capacity to develop for industrial use. The cost of providing the necessary utilities to serve the undeveloped sites is prohibitive. While manufacturing represents 39% of the County’s workforce and over 33,000 jobs in Lake County, we are fortunate that our economy is diverse. With large corporate employers like Lubrizol, Steris and Avery Dennison, and major retail concentrations like the Great Lakes Mall as well as medical centers at Lake Health, we have a wide variety of career opportunities for the residents of Lake County. The Coun-

ty also supports our nursery, winery, and tourism industries. As much as we would like to attract new businesses and continue to work with TeamNeo and JobsOhio, we face a short term challenge with the lack of available industrial real estate. While we look to help create new industrial space, we also want to continue to take a medium term view to assist our existing business through our Business Retention and Expansion program. Last year we assisted Lubrizol’s expansion in Painesville Township. We helped retain 307 jobs and add 24 new jobs as Lubrizol committed to a 5 year \$100 million dollar expansion. We also believe we need to continue a long term effort to develop and support a future workforce through education.

– **Mark Rantala**
Executive Director
Lake County Ohio Port
and Economic Development
Authority



Arthur Lindrose
Board Member



Eric Schnur
Board Member



Bill Martin
Board Member



John Rampe
Board Member

Coastal Development Plans

Since the debut of the Lake County Coastal Development Plan and the Landside Communities Plan in 2005 and 2006 respectively, new opportunities have been created and significant components of the Plans are moving forward. The Great Lakes as a whole are receiving increasing recognition as an integral regional and even national resources. The communities that border the lakes are seeing a corresponding rise in the demands of their residents to provide high-quality options for access to, and recreational facilities, on the water.

One of the most significant changes to Lake County's shoreline was not even on the drawing board at the time the Coastal Development Plan was created. Lake Metroparks acquired over 600 acres of land along Lake Erie and has designated it as "Lake Erie Bluffs Park." The park has several miles of trail, lakefront camping, and a well-appointed shelter house. The Metroparks is also in the process of constructing a 50-foot observation tower. Lake Erie Bluffs features Ohio's longest stretch of wild beach on Lake Erie and is an important resting point on the migratory path of many bird species and is quickly being recognized as a destination location for "birders".

The largest development project in the Landside Communities Plan is in Fairport Harbor. The plan envisions a hospitality and conference facility

that would create year-round demand and tourist traffic within the Village. When the Port Authority was given the responsibility of implementing the coastal plans by the County Commissioners in 2013, we elected to explore the concept of a hotel and conference center with an indoor waterpark. The viability of this use was validated by a hospitality feasibility study commissioned by the Lake County Visitors Bureau that was completed by Hotel & Leisure Advisors, one of the industry's leading hotel and hospitality advisory firms. The Port Authority has partnered with the Village of Fairport Harbor for this project and is currently working through the process of selecting a plan and a developer.

Another project we have undertaken is the process of creating a rehabilitation plan for the access channel between Lake Erie and the Mentor Harbor area which serves the Mentor Lagoons Marina. The Port Authority is continuing to shepherd the project through the U.S. Army Corps of Engineers' rehabilitation program. The infrastructure of the channel is well beyond its service life and its current configuration does not effectively attenuate wave action. The Port Authority and the Army Corps are preparing to undertake a feasibility study which will evaluate potential designs for the rehabilitated channel.

– **Peter K. Zahirsky, Esq., M.P.A.**
Director of Coastal Development



Mark Rantala
Executive Director



Peter Zahirsky
Director of Coastal
Development



Timothy A. Cahill
Director of Public Finance
and Controller



Patty Fulop
Airport Manager

Lake County Teacher Day

2015 saw the first annual Lake County Teacher Day, an innovative event by the Port Authority to connect the education and business sectors. The event was co-sponsored by the Lake County Educational Service Center, the Alliance for Working Together, the Lake County Chambers of Commerce, and Lake Metroparks. The event served the dual purposes of

acquainting teachers with the manufacturing sector and its modern, high tech facilities that make up a significant part of the Lake County's economy, and connecting educators to the valuable county resources that are available to enhance and support the work of the teachers in their classrooms. Participants visited several Lake County manufacturers and also went to

the Environmental Learning Center, where they were given presentations by the many organizations in the county that provide resources for educators. The day ended with a meet and greet cookout with the Commissioners at Lake Erie Bluffs Park.

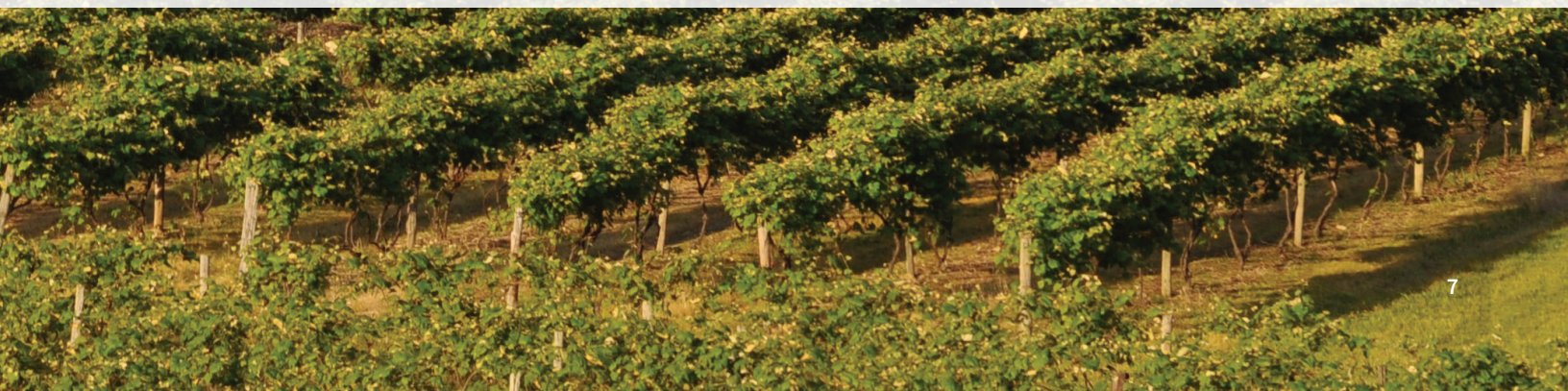
Lost Nation Airport

Lost Nation Airport is designated as a General Aviation Reliever Airport to Cleveland Hopkins International and is part of the National Plan of Integrated Airport Systems (NPIAS). It conveniently links visitors to downtown Cleveland via the Route 2 Business Corridor. The airport features two runways: 5-23 that

is 5,013 feet long by 100 feet wide and; 10-28 which 4,835 feet long by 100 feet wide. It provides an AWOS III (Airport Weather Observation Station) which greatly enhances its safety and utility and allows pilots to access real time weather conditions. The airport is situated within both the Cities of Willoughby and Mentor, and

is located approximately 3 miles north of downtown Willoughby providing easy access to the Route 2 manufacturing corridor.

– **Patty Fulop**
Airport Manager





We Build it Here

This year the Port Authority premiered its “We Build It Here” video series. The videos are part of the Port Authority’s ongoing efforts to market Lake County as a prime location for manufacturing businesses. The Port Authority partnered with Auburn Career Center and the Alliance for Working Together to create a video campaign. The videos are all two to three minutes in length and are professional quality. Students in Auburn’s Interactive Media program created the videos and did all the filming, interviewing, and editing. The videos highlight the diversity of Lake County’s manufacturing sector and showcase the modern, high-tech, clean facilities utilized by the businesses

Business Retention and Expansion Campaign

LCOPEDA is leading a campaign to help local businesses become aware of existing resources that could help them grow and create new jobs. LCOPEDA is working with community leaders in Lake County to create and sustain a calling program to assess the needs of local businesses and to connect them with organizations and resources to help them succeed and grow. The goal is to help Companies with expansion, financing, workforce issues and more, creating successes like Lubrizol’s \$100 million dollar expansion commitment.

– **Timothy A. Cahill**
Director of Public Finance & Controller