

## **COMMUNITY IMPROVEMENT CORPORATION**

Members and Trustees Annual Meeting

Hellriegel's Inn, Painesville, Ohio

Thursday, **February 24, 2005**

President Gilmer called meeting to order at 12:10 p.m.

Mr. Margalis called the roll

**ATTENDEES:** Frank Ashton, Robert Afuldish, Morris Beverage, Michael Davis, Michael Evangelista, James Gills, David Gilmer, Martin Kuula, Dale O. Langbehn, Janice Lipscomb, Ken Lorenz, Caroline Luhta, William Margalis, Patrick Rositani, Bob Shiner, Walter Siegel, Ken Spence, Dan Troy, Darrell Webster, Tom Williams

**PROXY:** David Anderson, Doug Heiser, Art Iacafano, Bryon Pike, Edward Podojil, Frank Ragley, William Reid

**ABSENT:** John Crocker, Rose Dziac, Lorraine Fende, James Hayer, Verne Horton, Gary Kostura, Lee Lydic, Michael Patriarca, Tim Posar, Neil Sawicki, Jim Setele, Gretchen Skok DiSanto, Greg Waina, Jerry Youngberg

### **Others present:**

John Hawkins, Legal Counsel

Cathy Haworth, Executive Director LCEDC

Theresa Swick, LCEDC

Michael Slocum, City of Eastlake Finance Director

Ken Sinha, First Merit Bank

Charles Tackett

Laura DePledge, City of Eastlake Council

Dave Comes, North Perry

## **Minutes**

Minutes of Annual Meeting of the Board of Trustees, dated February 26, 2004 were reviewed. Commissioner Afuldish moved and Ms. Luhta seconded a motion to approve the minutes. Motion passed.

## **Treasurers Report**

Mr. Rositani, Treasurer reviewed the LCEDC Balance Sheet dated 12/31/04 and the twelve months of activity ending on that same date. The Center has a strong cash position. Income exceeded expenses by \$55M (without audit adjustments and depreciation). Commissioner Troy asked why audit fees were higher for 2004. The State of Ohio is now reviewing the accountant prepared audit and charging a fee to do it. The Treasurer's report was approved as presented.

## Economic Development Committee Report

### PROGRAM REPORT

- **SBDC** – Entering into another round of business plan competition with Lake Erie College. We will have two teams. Companies participating will be Thermotion in Mentor and Universal Metal Products in Wickliffe
- **SBDC** Lake County was part of a fiscal audit for the statewide SBA audit; it went very well
  
- **Procurement** –
  - 05 funding has been approved with 3 option years
  - More responsibility for local office – oversees Kent Regional Business Alliance, Kent State University and Toledo Chamber
  - Highest awards and number of contracts in the history of the program, 28MM (\$20MM last year and \$4.6MM 1999)
  - Identified other sources of revenue - \$10M this year for GSA schedules
  - See attached Veterans national publication highlighting our Veterans symposium
- **EZ/Site/RLF** –
  - Midwest Materials was ratified by commissioners. \$1.5MM in M&E abatement. 63 jobs retained
  - New automatic clawback language in all agreements based on employment targets
  - Talking to confidential prospect about moving to the county; 40 jobs and they would consolidate operations in Akron and Ashtabula
  - \$6,579 in technical assistance funds received for program
- **SBA 504 loan program**
- 6 loans have been approved since the fiscal year started 10-1; Four more going to committee; our CDC for October had the most activity than any other CDC in the Cleveland District
- Program has new guidelines
  - Reauthorization levels have been increased to \$6 billion for 2005
  - Increased maximum size of SBA loans:
    - \$1.5MM for regular loans
    - \$2MM for public policy loans
    - \$4MM for manufacturing loans
    - 1 job for every \$50M lent for regular and public policy loans
    - 1 job for every \$100M lent for manufacturing
- **ITAC** – shifting to more training from individual counseling;
  - Certificate course for International Trade at Lakeland Community has been very successful. Review of evaluations indicates

participants are satisfied with that course and David's course for startups.

## **OTHER**

- Lake County One Stop is Certified
- March 9<sup>th</sup> Legislative visits
- Membership Drive – CLOSED AT \$81M

Others not contributing this year: Eckart Ink, Universal Metal Products, Morton Salt, Eye Lighting, GE Quartz, United Musical Instruments, News Herald others: Woodline Products - out of business, OSI EZ closed

- Annual luncheon March 18<sup>th</sup>. Lt. Gov. Bruce Johnson, Speaker
- Comcast to feature the Center on CNN first quarter – will coincide with 20<sup>th</sup> Anniversary, Crain's pull out, annual meeting
- Economic Fund for the Future (last meeting asked for information)
  - Commissioner Aufuldish met December 21<sup>st</sup>
  - Nine counties, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, Stark, Summit and Wayne
  - Pursuing three strategies: Regional Dialogue, Economic Dashboard for the region (research trends and economic indicators), grant making
  - Identified 6 areas: Manufacturing Competitiveness, Internationalization, Minority Business Development, Brain drain/gain, Support to technology clusters, Skilled workforce
  - Need to be invited to participate; next RFP first quarter 2005
  - Would like Lake County at the table, not as a voting member but as a contributor – will be attending Annual Meeting on February 28th
- **Team NEO**
  - 12-10 meeting called on behalf of economic development reps. Will now start quarterly updates
  - Analysis of projects to date, mostly retention
  - Expanded services to include distressed areas (higher unemployment, brownfield)
  - Need to post projects on website
  - More marketing will take place
  - Will allow us to come with what we have raised, but need 3 year commitment
    - Loud and clear at that meeting – need to influence their practices
    - Organization is not going away – maximize the assistance they can provide
    - No other vehicle to drive northeast Ohio R&E
    - Committee will identify a local private sector individual to represent us
    - Example of influence – new site selection product. Who would have known
- Center has committed \$10M per year for three years.

- Lubrizol still considering
- Eddie Zai of the Cleveland Companies met with Cathy Haworth, David Gilmer and Commissioner Aufuldish. He brings companies from abroad to Lake County to expand their businesses here. Interest is in the Latino community to build a base or build a business. The Economic Development Center will provide technical assistance. Painesville Chamber of Commerce will network on this. There are housing projects for the Latino Community. The Center also needs to assist with networking capabilities. Cathy Haworth is working with the Empowerment Zone in Cleveland. They would like to provide assistance to low to moderate income individuals.

Commissioner Troy asked if Ms. Haworth thought there was a need to change incentives offered to stimulate growth and development. She said that is starting to happen, referring to Willoughby and Mentor's new programs.

### **Election of New Members and Trustees**

Grand River Village is a new member of the CIC

#### **New Trustees:**

Ronald Balog, Grand River Council President, Public Trustee  
 Michael Slocum, City of Eastlake Finance Director, Public Trustee  
 Ken Sinha, First Merit Bank, Private Trustee  
 Jim Janson, Chicago Title, Private Trustee

#### **New Members**

Laura DePledge, City of Eastlake Council  
 Charles Tackett

All terms are for three years, February 24, 2005 to February 24, 2008  
 Mayor Shiner moved and Mr. Langbehn seconded a motion to approve the above nominations. Motion passed.

Trustees with terms expiring that have been renewed for another three years, February 24, 2005 – February 24, 2008:

D. Gilmer  
 V. Horton  
 G. Kostura  
 D. Langbehn  
 K. Lorenz  
 W. Margalis  
 B. Pike  
 W. Reid  
 P. Rositani  
 R. Shiner

G. Skok DiSanto  
G. Waina  
J. Youngberg

Mr. Evangelista moved and Mr. Siegal seconded a motion to renew the above terms.  
Motion passed

### **Other Business**

Mr. Ashton reviewed the Super Walmart going into Madison. It is a \$1.6 million project. They are encouraging using local workers and prevailing wage workers for construction. Letter was sent to LaTourette and Madison has welcomed Walmart.

Mr. Rositani moved and Mr. Kuula moved to adjourn. Motion passed.