

LATE NEWS

NAT CITY E. SIXTH TOWER IN NEW HANDS

■ Call it bad timing, but the new owner of the National City East Sixth Street Building, 623 Euclid Ave., plans to make the best of it. San Diego-based Westcore Properties paid \$8 million March 25 for the 11-story, 161,000-square-foot office building leased by anguished National City Corp. Dan Ankeny, Westcore president, said in an interview the company knew National City faced subprime issues before it bought the building, but figures whatever happens the bank still has a "long-term" lease on the space. The building was part of a \$100-million real estate portfolio Westcore bought from American Financial Realty Trust, which was acquired April 1 by Gramercy Capital Corp. of New York. Plans for the building are not set, but Mr. Ankeny does not rule out a sale. Mr. Ankeny said the 1896-vintage building is "a beautiful asset" and if it were not in Cleveland would be worth 10 times what Westcore paid for it. However, Westcore did pay \$400,000 less than American Financial paid for the building in 2005. The structure adjoins the big bank's landmark National City Center headquarters. — **Stan Bullard**

PA. RETAILER BARGAINS ON PARMA LOCATION

■ Ollie's Bargain Outlet, a discount retail chain based in Harrisburg, Pa., plans to open its first Cleveland-area store in early May at 5739 Broadview Road in Parma. The 30,000-square-foot space will occupy part of what was once a Giant Eagle. Ollie's associate manager of marketing and advertising Maria Konevitch said the retailer also is looking to put stores in Oakwood, North Olmsted and Sandusky. Ohio has seven of Ollie's 62 stores, the nearest in North Canton, which opened in February 2007. Others are in Chillicothe, Lima, Springfield, Steubenville, St. Clairsville and Mansfield. — **John Booth**

STEM CELL FIRM LANDS INVESTMENT

■ Stem cell technology company Cell Targeting Inc. of Cleveland will use part of a \$1 million investment from Toucan Ventures of Bethesda, Md., to help recruit a CEO or a chief technical officer, said co-founder Arnold Caplan. The money also will be used for further development and commercialization of the company's product, said Dr. Caplan, a professor at Case Western Reserve University. The technology places peptides on the surfaces of stem cells to help them more efficiently dock with specific tissues, a process aimed at making stem cell therapies cheaper and safer. — **Chuck Soder**

CRAIN'S CLEVELAND BUSINESS

HOME-GROWN

■ NEW PRODUCTS, MARKETS LEAD TO \$66M PLANT, 180 JOBS.

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Third Frontier spurs investment

Private dollars supporting state initiative far exceed forecast, but job formation slow

By **CHUCK SODER**
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Ohio's Third Frontier Project has attracted more than twice as many private investment dollars as the state thought it would to this point, though it's harder to tell whether it's

meeting its job creation goals.

The economic development initiative, which gives state grants to spur the commercialization of high-tech products, had resulted in \$2.4 billion in private investment on top of what grant recipients are required to chip in, according to state

|| **INSIDE:** State officials look at ways to secure the project's long-term future. Page 7

data released last month. That figure accounts for 68% of the total \$3.5 billion that the state, grant recipients and other investors have invested in Third Frontier projects so far. It also amounts to \$8.30 for every state dollar spent on the Third Frontier to date. The state initially expected to attract \$3.50 per dollar spent.

The data also indicate the Third Frontier has directly created or prevented Ohio from losing 5,640 jobs, including 1,748 in Northeast Ohio, since the program began doling out grants in 2002.

The statewide figure falls far short of the Third Frontier's final goal, which is to create 96,000 jobs by 2015. However, the number of jobs created to date grows to 14,100 when the state includes jobs created by the See **JOBS** Page 30



MARC GOLUB

"There might be less automobiles being made ... but the number of optical displays within those vehicles has gone up."

— Brian Wilson (above), president, North American Coating Laboratories

PLENTY TO SEE

Already entrenched in eyeglass lenses, Mentor coating firm benefits from added luxury in cars

By **JOHN BOOTH**
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The 21st-century dashboard is a crowded place: Satellite-fed navigation systems, stereos to handle every format but the vinyl LP, and touch-sensitive panels that have replaced knobs and buttons.

And all those displays have proven a boon for Mentor-based North American

Coating Laboratories, which develops and applies coatings for plastic and glass lenses.

"There might be less automobiles being made ... but the number of optical displays within those vehicles has gone up," said president Brian Wilson.

By way of example, Mr. Wilson estimates that over a four-year period, North American Coating coated See **SEE** Page 8

Forest City's India jaunt follows trend to go abroad

Developer sets sights on housing potential

By **STAN BULLARD**
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Forest City Enterprises Inc. is taking steps that may change its corporate profile to "international real estate developer" from national developer with holdings from New York to Hawaii.

Charles Ratner, CEO of Cleveland-based Forest City, recently said four of its executives spent "a week or so" in India and that the company is in talks about a joint venture with a "very quality Indian family to look at the possibility of doing some major development there along the lines of Stapleton."

Forest City's Stapleton project is an award-winning redevelopment of the 4,700-acre site of the former Denver airport to homes, shopping centers and office and industrial properties.

Forest City's interest in India comes amid a broader push outside the United States by real estate developers that include Developers Diversified Realty Corp. The big, Beachwood-based shopping center developer says it's exploring options to enter Mexico in its latest foreign

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SPECIAL SECTION

SMALL BUSINESS

Rise in cremations, flat death rate change how funeral homes do business ■ Page 17

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NEWSPAPER

Line: Look for product displays at Carlton Cards

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the products to successful existing card lines. For instance, one of the company's best-selling cards is one written on the theme "What is A Mother?" Among the personalized offerings is a photo book based on that card's look and feel. American Greetings supplies the text and graphics, but customers fill the pages with their own pictures.

The big picture

According to a study last year by PMA - The Worldwide Community of Imaging Associations, U.S. consumer spending on digital photo custom products in 2007 was projected at \$951 million, up 37% from an estimated \$694 million in 2006 and more than double the \$461 million spent in 2005.

About 43 million households bought photo books, photo greeting cards, collages, calendars, photo CDs, DVDs and other personalized photo items in 2006, the study found.

American Greetings officials would not discuss PhotoWorks' revenues prior to its acquisition, but according to PhotoWorks' unaudited quarterly report filed on Aug. 13, 2007 - its last filing before the deal with American Greetings - the company's total revenues for the nine months ended June 30, 2007, were \$8.4 million, all coming from custom photo products. Gross profit for the period was \$3.4 million.

The initial personalized product line includes 11 items, ranging from a \$22.90 coffee mug to a \$126 satchel with an outer panel that can be

covered completely in photographs. The prices include shipping, because although product samples are on display in the stores, customers don't walk out with the items in hand. Instead, they get "folio" with a code and instructions on how to go online and put photos into the template for the item.

"Customers will come in and they can see, feel and touch this," Ms. Babcock said. "It's just a whole different experience than when you see it online."

What's in store

American Greetings has a number of customer bases it's looking to reach with personalization.

First, there are the existing users of Webshots and PhotoWorks, whom

the company hopes to turn into more active buyers by offering more products. Webshots' old online store now redirects visitors to the PhotoWorks site at www.photoworks.com, and the latter retains its original product lines while adding the American Greetings-created content. Those online communities saw an online-only soft launch of personalization, to which Ms. Babcock said there was a "good initial response."

The company also hopes to capitalize on the appeal of scrapbooking among people who might be interested in creating their own photo books but don't want to invest too much time and money into the hobby. And there's the casual Internet consumer who knows her way around the computer but

might still feel wary about buying things with a credit card online.

The personalized display in the Carlton Cards stores will be about four feet wide and near the checkout counter in case customers have questions about the line. In about 80% of the stores, there also will be high-visibility personalized shelf space at the counter itself, said digital photography division director of retail Elizabeth Draeger.

If the line expands, American Greetings plans to offer more themed products such as wedding- or baby-related keepsakes. The web sites also will store photos and customer information so different projects can be made from existing photos or additional copies of completed projects can be ordered. ■

See: In-house metal shop helped fuel growth

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about 2.5 million dashboard display lenses for the Pontiac Grand Prix alone. The company's roots may be in the eyeglass world, but auto-industry work now accounts for about 42% of the company's sales, surpassing the 30% share held by its ophthalmic business.

North American Coating pulled in about \$4 million in sales last year, reflecting about 25% cumulative growth over the past three years, Mr. Wilson said. Much of that new business has come from the automotive market.

Mr. Wilson's father, John Wilson, founded the company in 1974 and remains its CEO. The company employs 45 and is headquartered in

what used to be Steris' base of operations on Pineneedle Drive.

From Kias to Corvettes - both names are seen on labeled racks of lenses in the North American Coating labs - scratch-resistant and anti-glare coatings are valuable to dashboard displays in the same way they are to eyeglasses and pilot helmet visors. The demand for transparent conductive coatings that go on touch screens has gone up in that market, too.

Car radios, measured in terms of the familiar narrow, horizontal rectangle shape known as "one DIN," are taking up more dashboard space as they include more features, notes Milton Beach, spokesman for Delphi Electronics and Safety in Kokomo, Ind. More displays such as navigation

systems and touch-screen panels mean more lenses heading to companies such as North American Coating.

"They do put special coatings on those touch screens so that you don't get fingerprints on the display, and that adds to the aesthetic value for the manufacturer," Mr. Beach said.

Magic fingers

It isn't unusual for North American Coating to get a shipment of a couple hundred thousand lenses at a time from an injection molding company that's supplying the completed pieces to a bigger client such as Delphi. Even so, Mr. Wilson said, the company regularly still handles one- or two-piece orders.

North American Coating does both

vacuum coating, in which lenses are mounted on racks in vacuum chambers and spun through a spray application, and dip coating, which is just what it sounds like.

Mr. Wilson, who has a degree in optical engineering, designs the chemical coatings to specifications according to what a customer needs, but he says a big key to North American Coating's growth has been its in-house metal shop. The company tools all its own support brackets that serve as "fingers" to hold the often odd-shaped lenses in place during the coating process.

Eyeglasses and sunglasses remain the other major piece of North American Coating's business, but the company is looking to grow in

other areas. It coats lenses for use in medical devices, helicopter pilot visors and electronics ranging from grocery store scanner glass to touch-sensitive screens for automated teller machines.

Mr. Wilson said the company is close to inking a contract for some endoscope lenses and is nearing a deal for a dip coating project that could spark some expansion. North American Coating's building is 42,000 square feet, but the company only uses about 28,000 square feet of that space right now.

With that kind of room to grow, North American Coating executives are trying to find a lens-making injection molding company interested in using some of the space. Such an arrangement could cut down on design and production errors and reduce the risks of lenses becoming damaged or dirty in transit. ■

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<p>Bolton Elementary 5442 Rae Road Lyndhurst, Ohio 44124 30,815 SF on 10.6 Acres</p>	
<p>Ridgebury Elementary 1111 Alvey Road Lyndhurst, Ohio 44124 33,171 SF on 5.98 Acres</p>	

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