Momentum in America’s 7th Largest State – Ohio Economic Development Update

@WhyOhio

June 2017
Pre-JobsOhio Economic Development Structure

**Historical Context**

1. **Department of Development (ODOD)**
   - Creation of the Ohio Department of Development in 1963
   - Focused on both trade (e.g., supporting exports) and investment

2. **Twelve District Operating Model**
   - See adjacent state-wide map

3. **Global Markets Division**
   - Network of 12 physical offices overseas

"It's become very clear to me that we are in trouble in terms of being able to stabilize the economy of the state -- let alone to think about how we can go outside of the state and start bringing people in."

-Governor Kasich, January 2011
“Incremental improvements in a government structure are not enough to get us where we need to be.”

- 47th in economic growth
- 2nd highest in job losses
- 42nd in economic outlook

- Customer service was severely lacking
- Slow and cumbersome approval process
- Proactive sales efforts were nearly non-existent
- Participation from C-level execs was limited
- Coordination with regions needed improving
Creation of JobsOhio – The Path to Reform

1. Create a private company – JobsOhio
   *Industry-based growth strategy with a targeted, proactive sales process to attract more investment and jobs*

2. Provide it with sustainable funding
   *Reliable, stable revenue stream for economic development*

3. Equip it with the best talent, tools and processes
   *Top talent and an economic development toolbox that is more competitive and wins more deals*
The Result – “One Firm, One State”
Since its creation in 2011, JobsOhio has focused on “tradable” economic development projects across the adjacent nine sectors.
Cross Sector Strategies

- JobsOhio continues to promote “horizontal thinking” across sectors, functions and the Regional Partners
- Industry teams are focused on five specific cross-sector areas and executing on these strategies is a 2017 priority

<table>
<thead>
<tr>
<th>Cross-Sector Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy / Smart Mobility</td>
</tr>
<tr>
<td>Carbon Fiber</td>
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<tr>
<td>FinTech</td>
</tr>
<tr>
<td>HealthTech</td>
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<tr>
<td>Internet of Things (IOT)</td>
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## Historical 5-Year Performance

Projects where JobsOhio and Regional Partners were involved

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>New Job Commitments</td>
<td>21,099</td>
<td>17,857</td>
<td>21,377</td>
<td>23,602</td>
<td>20,603</td>
</tr>
<tr>
<td>New Payroll Commitments ($M)</td>
<td>$915</td>
<td>$739</td>
<td>$939</td>
<td>$1,059</td>
<td>$994</td>
</tr>
<tr>
<td>New Capex Commitments ($B)</td>
<td>$5.8</td>
<td>$3.6</td>
<td>$6.1</td>
<td>$6.7</td>
<td>$4.6</td>
</tr>
<tr>
<td>Number of Projects</td>
<td>289</td>
<td>264</td>
<td>286</td>
<td>330</td>
<td>284</td>
</tr>
</tbody>
</table>

*Cumulative work with over 1,500 companies since inception*
Recent Corporate Expansion Activity in Ohio

1,064 jobs, Cincinnati
“Home grown” payroll, HR management & related services company

690 jobs, Valley View
New level of pharmacy care for patients on multiple medications

679 jobs, $700M, Toledo
Next Generation Jeep Wrangler at Toledo Assembly Complex

650 jobs, Cincinnati
Leading global clinical research organization (CRO)

650 jobs, Dayton
New, 7-story office tower downtown with a campus-like environment

483 jobs, Kettering
Automotive ride control and emission control products and systems

400 jobs, Columbus
Business Service Center for fastest-growing accounting organization

Morgan Stanley
300 jobs, Columbus
Significant expansion of Center of Excellence in region

300 jobs, $70M, Toledo
New high-tech axle manufacturing facility in a spec building investment
Business Environment Update: Significant Progress

Chief Executive

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>41st</td>
<td>22nd</td>
<td>10th</td>
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</table>

Forbes

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>38th</td>
<td>26th</td>
<td>11th</td>
</tr>
</tbody>
</table>

SITE Selection Magazine

<table>
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<tr>
<th>Year</th>
<th>2011</th>
<th>2013</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>9th</td>
<td>4th</td>
<td>3rd</td>
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</table>
Overview of Programs & Services

JobsOhio customizes state-level incentive packages on a situation-specific basis.

Customized site selection services ensure clients choose an optimal location.

Talent Acquisition Services for select strategic projects.
ZoomProspector

- **Response Quality**
  - Streamlined submittal process
  - Improved result matching function
  - Instant feedback

- **User Experience**
  - Faster load times
  - More robust records
  - Public access to data

- **Sales/Marketing**
  - Sophisticated Visitor Tracking and Identification
  - Free local editions
Other Initiatives to “Elevate Impact”

- Key JobsOhio initiatives and programs launched:
  - ✔ $50mm Research & Development (R&D) Center Grant Program
  - ✔ $5mm IACMI Composites Investment
  - ✔ FinTech 71 Accelerator
  - ✔ SiteOhio
  - ✔ Augmented Revitalization Effort
  - ✔ Talent Acquisition Services
Ohio’s economy – the 7th largest in the U.S. and 21st largest globally\(^{(1)}\) – is highly diversified

Currently, a $2B state budget surplus

### What Does This Mean for Companies?

- Attractive and stable economic environment with low cost structure relative to East and West Coasts
- Business friendly government with a structural surplus (only one-notch below AAA bond rating)
- Sizable and talented workforce across sectors
- Particularly successful track-record of facilitating foreign direct investment (FDI) projects

<table>
<thead>
<tr>
<th>Total Population</th>
<th>11.6M</th>
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<tbody>
<tr>
<td>Gross State Product (GSP)</td>
<td>$611B</td>
</tr>
<tr>
<td>Labor Force</td>
<td>5.7M</td>
</tr>
<tr>
<td>Fortune 1000 Companies</td>
<td>55</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Based on nominal World Bank GDP data
Questions?

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle Market</td>
<td>153</td>
</tr>
<tr>
<td>Small Business</td>
<td>76</td>
</tr>
<tr>
<td>Large Corporation</td>
<td>55</td>
</tr>
<tr>
<td><strong>Total 2016 Projects</strong></td>
<td><strong>284</strong></td>
</tr>
</tbody>
</table>