JobsOhio Public Board Meeting

September 30, 2019
Call to Order

Bob Smith, Chairman
Introductions
Bob Smith, Chairman
Dr. Dean Hobler
Vice President of Academic Affairs & Provost
University of Northwestern Ohio
Robert Sprague
Ohio Treasurer
Sen. Matt Huffman
Ohio Senate
Gary Thompson
Executive Vice President, Regional Growth Partnership (RGP)
Agenda

Approve: Minutes of June 17, 2019
Approve: Communication Guiding Principles
President’s Report
JobsOhio Strategy
Governance Items
Committee Reports

Board of Directors
Monday, September 30, 2019
University of Northwestern Ohio Event Center - 1450 N Cable Road Lima, OH 45805

Call to Order

Chair’s Welcoming Remarks
- Introductions (New Board members, Special guests, Elected Officials, President Northern University)

Special Guests’ Welcoming Remarks
- University President (3 min)
- Senator Huffman (3 min)
- Treasurer Sprague (3 min)
- RGP Welcome & Update (Gary Thompson) (5 min)

Action: Approval of Minutes of June 17, 2019

Discuss/Approve Communication Guiding Principles

Bob Smith, Chair
Approve Minutes of June 17, 2019

Bob Smith, Chairman
Approve Communications Guiding Principles

Bob Smith, Chairman
Communications Guiding Principles

- Open & communicative with the public about matters related to the mission
- Provide public information in a timely and accessible manner in accordance with policy
- Seek to go above & beyond legal requirements
- Establish open and honest relationships & communication with stakeholders
- Follow best practices for openness and communications as defined by third parties
- Balance openness and transparency with the confidentiality of proprietary company information and details about negotiations to win competitive projects for Ohio.
Ohio Economic Outlook

Deal Flow and Pipeline

Marketing – Selling Ohio

Japan Mission
### POSITIVE OHIO ECONOMIC TRENDS

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Rate</td>
<td>4.1%</td>
</tr>
<tr>
<td>Labor Force Growth Rate</td>
<td>1.2%</td>
</tr>
<tr>
<td>GDP Growth Rate</td>
<td>3.5%</td>
</tr>
<tr>
<td>Patents Issued</td>
<td>4,625</td>
</tr>
<tr>
<td>Venture Capital Investment</td>
<td>$326.5M</td>
</tr>
</tbody>
</table>
## Ohio Economic Headwinds

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Job Growth Rate</td>
<td>0.1%</td>
</tr>
<tr>
<td>Net Migration</td>
<td>8,368</td>
</tr>
<tr>
<td>Industrial Production Growth Rate</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Age 20-34 Population Growth</td>
<td>0.1%</td>
</tr>
<tr>
<td>Rate of New Entrepreneurs</td>
<td>0.22%</td>
</tr>
</tbody>
</table>
DEAL FLOW & PIPELINE

ACTIVE PROJECTS BY STAGE*

- **214 LEADS**
  - 21,383 NEW JOBS
  - 20,997 RETAINED JOBS
  - $8.3 B CAPITAL INVESTMENT

- **38 NEGOTIATIONS**
  - 2,528 NEW JOBS
  - 3,754 RETAINED JOBS
  - $0.1 B CAPITAL INVESTMENT

- **102 OFFERS**
  - 15,700 NEW JOBS
  - 20,183 RETAINED JOBS
  - $17.6 B CAPITAL INVESTMENT

- **86 APPLICATIONS**
  - 6,044 NEW JOBS
  - 9,645 RETAINED JOBS
  - $2.6 B CAPITAL INVESTMENT

TOTAL PROJECT PIPELINE*

- **100,234 NEW AND RETAINED JOBS**
- **$29 BILLION CAPITAL INVESTMENT**

Data as of August 31, 2019

* Potential results if all projects are realized.
MARKETING: SELLING OHIO

Branding, marketing and selling Ohio in ways that effectively target:

• Business development efforts
  emphasis on attracting out-of-state companies to Ohio

• Talent attraction efforts
  encouraging Ohio natives to come home & attracting in-demand talent

Leverage the “Ohio. Find it here.” brand concept
MARKETING: SELLING OHIO

Key Accomplishments to Date:

• Selected Falls Communications as primary Agency
• Establish *cohesive* communications with the Administration & DSA
• On-going engagement with Innovate Ohio
• Collaboration with Ohio Business Round Table & other organizations
### MARKETING: SELLING OHIO

#### Key Findings to Date:

<table>
<thead>
<tr>
<th>Challenges:</th>
<th>Opportunities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of awareness of Ohio as a business destination</td>
<td>Diversity of Industries</td>
</tr>
<tr>
<td>Negative perceptions of Ohio driven by media coverage of social-economic problems and politics</td>
<td>Diversity of communities (big/small, urban/rural)</td>
</tr>
<tr>
<td>Perceived brain drain for in-demand talent</td>
<td>Education pipeline: 4-year institutions, voc tech, community colleges</td>
</tr>
<tr>
<td>Outdated perceptions: rust belt, low cultural diversity, loss of manufacturing</td>
<td>Innovation environment/R&amp;D capabilities</td>
</tr>
<tr>
<td></td>
<td>Tax environment</td>
</tr>
<tr>
<td></td>
<td>Geographic location / reach</td>
</tr>
</tbody>
</table>
JAPAN MISSION GOALS

Relationship Building

Secure New Jobs & Capital Investment

Ohio Awareness

Ohio Public Relations in Japan Media
JAPAN MISSION RESULTS

- 8 Company Meetings
- 4 Project Announcements
- 3 Diplomatic Meetings
- 5 Articles about Ohio in Media Outlets
- Largest Delegation at Midwest US Japan Association (MWJA)
Strategy Moving Forward
Ohio’s privatized economic development corporation

Private Structure authorized by Ohio’s elected leadership

-- 2011

Ohio Liquor Enterprise Acquired (for 25 years)

-- 2013
Ohio’s privatized economic development corporation

Ohio Liquor Enterprise
Acquired (for 25 years)
Ohio will be globally recognized as the best place to live, work, invest and achieve your American Dream.

**VISION**
- Job creation, payroll and capital investment growth
- Be at the top
- Grow, retain & attract companies and in demand talent

**MISSION**
- 100+ committed professionals
- 6 Regional Partners
- Hundreds of local economic development partners
- International Business Development partners

**PEOPLE**

*Working Draft for Discussion Purposes*
HISTORY & OVERVIEW

9 Sectors & Cross Sector Strategies

6 Regional Partners
HISTORY & OVERVIEW

9 Sectors & Cross Sector Strategies

6 Regional Partners
### JobsOhio Funding Model

**Per $35 bottle of Liquor**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Amount</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>71%</td>
<td>$25</td>
<td>Goes to JobsOhio Beverage System to operate liquor business in Ohio</td>
</tr>
<tr>
<td>12%</td>
<td>$4</td>
<td>Goes to the state of Ohio</td>
</tr>
<tr>
<td>17%</td>
<td>$6</td>
<td>Goes to JobsOhio</td>
</tr>
</tbody>
</table>
Funding Model

Revenue State Run $1.3 Billion
Operating Costs ($848) Million
Taxes Collected + Shared Profits ($181) Million
FY2019 Net Liquor Profit ~$271 Million

To the State of Ohio $181 Million

7th largest US economy

21st largest global economy

54 Fortune 1000 Companies

70 NYSE Companies

Nearly 50 NASDAQ Companies

From 2011 - 2018, JobsOhio assisted companies on over 2,200 PROJECTS that committed to create over 170,000 NEW JOBS and invest $48.6 BILLION of new capital in Ohio.
MOVING OHIO FORWARD

Strategy Building Blocks

JO/JON + ODSA Professionals
Professional experience working with several thousand companies

Listening Tour
Statewide listening tour with 500+ stakeholders

McKinsey Analysis
Performance assessment & strategy development

State Budget
Identified points of alignment and leverage with new state budget priorities and independent data refresh
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GO-FORWARD STRATEGY

Enhance Current Strategy
(~/$150M/year)

Additions
— Investment Philosophy
— Federal Installations
— Airports/Air Service
— Digital Connectivity

Talent
— Seed Capacity
  4 year CS Degrees
— Bootcamps
— Scale Talent-Matching
  Services for clients

Sites
— Planning & site-prep
— Commercial Development
— Infrastructure & Readiness

Innovation
— Innovation Districts
— Innovative Partnerships
  • Investments
  • Programming
  • Services

Expand Financial Capacity and Achieve Long-Term Sustainability

Working Draft for Discussion Purposes
NEW STRATEGY – DESIRED OUTCOMES

**Vision:** Ohio will be globally recognized as the best place to live, work, invest and achieve your American Dream.

**Current Strategy** (~$150M/year)
- Additions
  - Enable greater impact on projects
  - Achieve ‘fair share’ of federal jobs
  - Increase air service capacity and city-pairs
  - Create universal access

**Talent**
- Align tech talent supply with corporate demand
- Create better overall availability of in-demand workforce

**Sites**
- Create more locations where companies desire to grow and places people desire to live

**Innovation**
- Be home to nationally-relevant innovation districts and lead the Midwest in entrepreneurship

**Additions**
- +10-15K jobs/year
- +3-5K jobs/year
- +5-7K jobs/year

Working Draft for Discussion Purposes
NEW STRATEGY – NEXT STEPS

- Feedback/approval from Board of Directors on strategic direction

September

- Communicate with JobsOhio associates
- Launch in-depth operational planning (e.g., organizational, financial, processes)
- Finalize detailed business plans with metrics and performance criteria

October

- Complete re-organization to align with new strategy
- Conduct investment philosophy review

November

- Finalize business plans and investment philosophy options
- Present to Board of Directors in Youngstown

December

Working Draft for Discussion Purposes
Insights & Questions
Governance Items

Don Grubbs, General Counsel
Officer & Committee Appointments

Elect Secretary and Treasurer

Committees Appointments:

Executive: Smith, Nauseef, Bishop, Williams

Audit: Thornton, Batchelder, Platt, Sullivan

Compensation: Lyles, Thornton, Platt, Sullivan

Investment: Nauseef, Bishop, Williams, Lyles
Appoint: Independent Review Panel Members

Hugh Sherman, PhD
Dean of the College of Business
Ohio University

Dan T. Moore
Founder, Dan T. Moore Co.

Doug Pontsler
Chairman and Managing Director, COVE
Approve Annual Ethics Training

- Conflict of Interest Policy
- Policies on Gifts, Meals & Entertainment
- Whistleblower Policy
- Lobbying Activities
- Reporting & Disclosure Requirements
- Corporate Governance Requirements
Committee Reports
Thank You for Attending!

Save the Date: December 19th Youngstown