JobsOhio Public Board Meeting

December 19, 2019
Call to Order
Bob Smith, Chairman
Introductions
Bob Smith, Chairman
Jim Tressel
President, Youngstown State University
Bill Koehler
CEO, Team NEO
Senator Larry Obhof
President, Ohio Senate
Senator Kenny Yuko
Ohio Senate Minority Leader
Representative Don Manning
59th District, Ohio House of Representatives
Representative John Patterson
99th District, Ohio House of Representatives
Agenda

1. Approve Minutes of September 30, 2019
2. Financials/OHLQ Update
3. Committee Reports
4. President’s Report
   • Ohio Economic Outlook
   • Deal Flow and Pipeline & Highlights
   • ELITE – Youngstown-Warren
   • RH Energy Trans Pipeline
   • GM / LG Chem Joint Venture
5. JobsOhio Strategy Update
6. Adjourn
Approve Minutes of September 30, 2019
Financials & OHLQ Update
### JOBSOHIO FINANCIALS: Statements of Net Position

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>September 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$234,740</td>
</tr>
<tr>
<td>Investments</td>
<td>759,407</td>
</tr>
<tr>
<td>Inventory</td>
<td>81,909</td>
</tr>
<tr>
<td>Intangible asset - liquor franchise</td>
<td>1,011,944</td>
</tr>
<tr>
<td>Receivables</td>
<td>94,220</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>4,029</td>
</tr>
<tr>
<td>Capital assets</td>
<td>1,999</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2,188,248</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>33,811</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>151,344</td>
</tr>
<tr>
<td>Special obligation bonds payable</td>
<td>1,330,513</td>
</tr>
<tr>
<td>Bond interest payable</td>
<td>13,973</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,529,641</td>
</tr>
<tr>
<td><strong>Net position:</strong></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>1,999</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>656,608</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$658,607</td>
</tr>
</tbody>
</table>
## Statements of Revenues, Expenses, and Changes in Net Position

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Three Months Ended September 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
</tr>
<tr>
<td>Net liquor sales</td>
<td>$332,499</td>
</tr>
<tr>
<td>Distribution center revenue</td>
<td>1,866</td>
</tr>
<tr>
<td>Interest income - loans</td>
<td>684</td>
</tr>
<tr>
<td>Fees and other</td>
<td>93</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>335,142</strong></td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>195,649</td>
</tr>
<tr>
<td>Liquor franchise operating costs</td>
<td>66,988</td>
</tr>
<tr>
<td>Economic development programs</td>
<td>63,427</td>
</tr>
<tr>
<td>Professional services</td>
<td>9,259</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>3,435</td>
</tr>
<tr>
<td>Administrative and support</td>
<td>2,200</td>
</tr>
<tr>
<td>Insurance</td>
<td>157</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>341,115</strong></td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
</tr>
<tr>
<td>Bond interest</td>
<td>(13,295)</td>
</tr>
<tr>
<td>Investment income</td>
<td>5,244</td>
</tr>
<tr>
<td>Other</td>
<td>1,052</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td><strong>(6,999)</strong></td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>(12,972)</td>
</tr>
<tr>
<td>Net position, beginning of period</td>
<td>671,579</td>
</tr>
<tr>
<td><strong>Net position, end of period</strong></td>
<td>$658,607</td>
</tr>
</tbody>
</table>
• StateWays Magazine named Ohio the “Best of the Best” for Control States in 2019.

• Social Responsibility –

   GOAL: Lead the nation in social responsibility efforts.

   Hired an employee dedicated to social responsibility efforts.
Executive Committee
Audit Committee
Compensation Committee
Investment Committee
President’s Report
Ohio Economic Outlook
POSITIVE OHIO ECONOMIC TRENDS

<table>
<thead>
<tr>
<th>People</th>
<th>4.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Rate</td>
<td></td>
</tr>
<tr>
<td>Prosperity</td>
<td>+5.1%</td>
</tr>
<tr>
<td>Per Capita Disposable Income</td>
<td></td>
</tr>
<tr>
<td>Potential</td>
<td>$810M</td>
</tr>
<tr>
<td>Venture Capital Investment</td>
<td></td>
</tr>
</tbody>
</table>
COMPARATIVE UNEMPLOYMENT RATES

<table>
<thead>
<tr>
<th>Location</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>3.5%</td>
</tr>
<tr>
<td>Ohio</td>
<td>4.2%</td>
</tr>
<tr>
<td>Youngstown</td>
<td>5.5%</td>
</tr>
</tbody>
</table>
HOW HAS OHIO’S ECONOMY EVOLVED DURING THE PAST DECADE?

- $78 Billion Energy Industry
- Multi-Billion Dollar Data Center Industry
- Sustained Rebound in Manufacturing
- Surge in Global Investment
- Historic Infrastructure Investments
JobsOhio Pipeline & Highlights
The JobsOhio project pipeline represents the potential deals that JobsOhio and its state, regional and local partners are working to drive job creation and capital investment in Ohio.

<table>
<thead>
<tr>
<th>Stage</th>
<th>New Jobs</th>
<th>Retained Jobs</th>
<th>Capital Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leads</td>
<td>15,789</td>
<td>16,625</td>
<td>$6.6 B</td>
</tr>
<tr>
<td>Negotiations</td>
<td>1,560</td>
<td>1,417</td>
<td>$1.0 B</td>
</tr>
<tr>
<td>Offers</td>
<td>20,621</td>
<td>25,003</td>
<td>$18.5 B</td>
</tr>
<tr>
<td>Applications</td>
<td>7,021</td>
<td>19,590</td>
<td>$2.1 B</td>
</tr>
</tbody>
</table>

**Total Project Pipeline**

- **107,626** NEW AND RETAINED JOBS
- **$28 BILLION** CAPITAL INVESTMENT

Data as of November 30, 2019

* Potential results if all projects are realized.
Pipeline Efforts

12/31/18 Pipeline
- 398 Projects
- 78k New/Retained Jobs
- $27B Capex

107,626 New/Retained Jobs
- $28 Billion Capex

2019 Additions
- 560 Projects
- 133k New/Retained jobs
- $14 B in capex

Won
- 124 Projects
- 36k New/Retained jobs
- $5.6B capex

Lost
- 149 Projects
- 22k New/Retained jobs
- $6.1B in capex

Remaining
- 95 Projects
- 16k New/Retained jobs
- $14.9B in capex
Highlights

- Amazon Web Services: Jobs: 50, CapEx: $455M
- Quantum Health: Jobs: 350, CapEx: $0M
- AMG Vanadium: Jobs: 102, CapEx: $201M
- APEX Power Group, LLC: Jobs: 25, CapEx: $1.6B
- FundThatFlip: Jobs: 124, CapEx: $150K
- Amazon: Jobs: 2,500, CapEx: $300M
ELITE: Youngstown - Warren
RH energytrans Pipeline
GM / LG Chem Joint Venture
GM / LG Chem Joint Venture
JobsOhio Strategy Update
Go Forward, 5-Year Strategy

JobsOhio 1.0

- 9 Sectors
  - Federal & Military
  - Air Service

JobsOhio 2.0

- Talent
- Sites
- Innovation

Annual Investment: $300 Million (up from $150 Million)
Leverage partnerships, establish statewide initiative to drive federal mission and workforce retention, expansion and attraction.

Ohio recognized as top state for military members, missions, families and veterans.

10,000 new jobs over 5 years.

$3 Million - $5 Million

In collaboration with statewide partners, align on new strategy, teams, and processes. Launch Q2.
9 Sectors + Air Service

Increase destinations at the state’s 7 commercial airports by providing a mix of incentives to attract new air service to domestic and international routes.

2 new International routes, 3 new domestic routes over 5 years.

$4 Million

Create detailed program for revenue guarantee market participation. On-going.
Tech Talent Production

Build Ohio’s workforce of the future and spur accelerated production of tech-talent degrees and certifications.

Increase In-Demand degrees by 50%
7K – 20K additional graduates

$75 Million - $150 Million (over 5 years)

Engage partners; experiential learning concept mapped; advisory councils. Plan ready in Q3.
Talent Matchmaking Services

Talent Services match’s the right talent to the right position at the right company.

180 additional businesses serviced over 5 years (250% increase)

$75 Million - $100 Million over 5 years

Refine approach; establish talent ambassadors within JobsOhio Network. On-going.
Sites & Infrastructure

Expand the investment and availability of construction-ready sites for companies to locate and/or expand in Ohio. Increased focus on regions with economic blight & lagging infrastructure.

- 20 - 35 New, authenticated sites
- 10 - 20 new, “significant deals”
- 8,000 to 15,000 new jobs
- Up to $50 Million/year for 5 years

Engagement through network partners to inform Portfolio recommendations and project plans On-going.
Innovation Districts

Establish up to three nationally-competitive Innovation Districts. Combine site development, anchor & start-up employers and tech degree production.

TARGET PARAMETERS PER INNOVATION DISTRICT:
- 2,000-4,000 New Tech Degrees (from base of 600-1,000);
- Employing 5K-15K Ohioans.
- 5X10: Match on development.

Up to $20 Million - $100 Million over 5 years

Engaging interested parties.
Inclusive Growth Strategy

Partnering with distressed communities across the state. Utilize experienced economic development leadership and resources to help communities leverage their core strengths and assets to attract, retain and create jobs.

4,000-6,000 jobs over 5 years

Up to $30 million over 5 years

Finalize map of distressed areas, secure contracts with technical experts, gain alignment on strategy with stakeholders and network partners. Launch Q1.
Strategy in Action

JobsOhio 1.0 Strategy Enhancements

- Ohio Defense Forum (Columbus)
- National Lab Day (Toledo)
- Air Force Pitch Day (Dayton)
- Senior Executive Hired
- Various “Irons in the Fire” for New Service
- RFI Committee Report Completed
- Supporting State Strategy Completion By Year-End
- Convertible Debt Pilot Project and Openness to Earlier-Stage, High-Potential Companies

JobsOhio 2.0 Strategy Expansion

- CIO Working Groups Completed
- Portfolio of authenticated properties now 22
- $15M committed to further site readiness in APEG region
- Evaluating new investment rounds
- Cincinnati Uptown Consortium RFP process ongoing
- LSEG ELITE program expansion in Cleveland, Stark County (with Minority Business Association) and Youngstown
Thank you for attending!

Save the Date:
March 17, 2020: Dayton, Ohio