

JobsOhio Public Board Meeting

June 4, 2020



Call to Order

Bob Smith, Chairman



Introduction of Special Guests

Bob Smith, Chairman



Agenda

Approve: Minutes of March 17, 2020

COVID-19 Response

- JobsOhio Impact Initiatives and Donations
- Economic Impact and Outlook
- Strategic Opportunities

Committee Reports

Approve Minutes of March 17, 2020

Bob Smith, Chairman

JobsOhio COVID-19 Response Report



COVID-19 RESPONSE

- Uncharted territory for all of us
- Over 1 million filed for unemployment at fastest rate in history, small businesses, working poor and minorities hardest hit
- Compounded by tragic events during the last several days
- Ohioans came together during this crisis, resolute & with a common sense of purpose.

JobsOhio's private structure, stable funding and statewide partner network enabled us to serve Ohio as a catalyst in a time of crisis.



Ohio safe. Ohio working.

JobsOhio Impact Initiatives

Since March 15, 2020



\$250M+

Invested into new initiatives to support Ohio businesses



\$69M

40.2M Units of PPE purchased



18%

Jobs created commitment YOY (as of 3/31)



>98%

Engagement with State Legislature



24

Economic Impact Reports Prepared

311K+ Potential Jobs Impacted

15,259 Businesses Impacted

“JobsOhio is a national leader and essential partner in the economic landscape of Ohio. This role can be particularly impactful during these challenging times.”

– Stephen Steinour,
Chairman, President & CEO,
Huntington Bancshares



Ohio safe. Ohio working.

INITIATIVE:
Life Saving
PPE

INVESTMENT:
up
to **\$250M**

OBLIGATED: \$69.0M



Ohio safe. Ohio working.

*In partnership
with the State of
Ohio, assess,
validate,
negotiate and in
some cases
rapidly procure
life-saving PPE
for Ohio citizens*

IMPACT:

40.2M UNITS

- **Gloves:**
RB Sigma 2M
- **N95 Respirators:**
RB Sigma 2M;
Parkland 500K
- **KN95 Respirators:**
RB Sigma 2M
- **Face Shield:**
Magnet 650K;
Eaton/Thogus 360K;
Ford/Troy Design 650K
- **Gowns:**
Health Supply US 1M;
RB Sigma 2M;
Heren Foundation 10K
- **Surgical Masks:**
Trax Management 20M;
IGas – Cool Master Pro 8M;
Heren Foundation 1M
- **Foot Coverings:**
Heren Foundation 10K
- **Goggles:**
Heren Foundation 30K

INITIATIVE:

Air service restoration & revenue guarantees

INVESTMENT:

up to **\$10M**

OBLIGATED: \$10M



Ohio safe. Ohio working.

Position Ohio to jumpstart air service in key business markets

IMPACT:

5
AIRPORTS

“

The JobsOhio air service restoration funding will become a critical tool for Cleveland Hopkins International Airport and all of Ohio's Airports to motivate airlines to reinstate service to key high demand business markets. Re-starting that service is a strategic component of reigniting the economy. It will very likely make the difference of where an airline chooses to re-start point-to-point nonstop service.

– Robert Kennedy, Cleveland Airport Systems

INITIATIVE:

Liquor buyback

INVESTMENT:

up
to **\$30M**

OBLIGATED: \$1.6M



Ohio safe. Ohio working.

*Bar/restaurant
owners affected
by COVID-19 can
return high proof
liquor purchased
between*

*2/12/2020 –
3/17/2020*

IMPACT:

900

BUSINESSES

18,000

POTENTIAL JOBS

“

The liquor buyback program was a definite resource for my business at the beginning of the stay-at-home order. The immediate announcement showed the foresight and leadership of organizations like JobsOhio, and the commitment to helping restaurants through these uncertain times. The program was both efficient and impactful. It quickly provided resources to help fund the reinvention of The Whitney House during the closure of our dining room. I applaud JobsOhio and Ohio Liquor for offering this service to our industry in its time of need.”

Ian F. Brown, Owner, The Whitney House - Worthington, Ohio

INITIATIVE:

Liquor Rebate

INVESTMENT:

up
to **\$7M**

OBLIGATED: \$7M



Ohio safe. Ohio working.

*Assistance for bars
and restaurants
(permit holders) to
reopen, offer a
“rebate” to defray
the cost of restocking
high proof spirituous
liquor*

IMPACT:

12,503
COMPANIES

250,060
POTENTIAL JOBS

“

A \$500 rebate on the purchase of spirits for restaurants and bars in an amazing development that will help restock the shelves as those businesses look to get back to work. I am very impressed with all Ohio Liquor and JobsOhio have done to support our service industry in a time of unprecedented challenges!”

– Anne Dimmick, Watershed Distillery

INITIATIVE:

Loan deferment program

INVESTMENT:

\$4M



Ohio safe. Ohio working.

*Six-month
deferral of
payment on
JobsOhio
loans*

IMPACT:

39

BUSINESSES

5,418

POTENTIAL JOBS

“

We really appreciate the partnership with our organization that JobsOhio continues to support. It is greatly appreciated and makes an impact on many people!

Craig Schultz, CFO, 2101 Superior Owner, LLC/GBX Associates

INITIATIVE:

Workforce retention loan

INVESTMENT:

up to **\$50M**

OBLIGATED: \$50M



Ohio safe. Ohio working.

*Provide
forgivable loans
to qualifying
JobsOhio clients
who agree to
retain employees
for up to 6
months*

IMPACT:

85

BUSINESSES

10,848

POTENTIAL JOBS

“

We really appreciate the quick assistance from JobsOhio to help us get through the COVID-19 pandemic. The Workforce Retention Loan has been extremely helpful for Nexceris to retain 100% of our team members even with significant reduction in business. Additionally, we were able to give our team members the assurance that they will all be able to keep their jobs for the foreseeable future. Giving some certainty for team members during these very uncertain times was very refreshing for everyone. Thanks again for your support!

– Kyle R. Shen, CEO and President, Nexceris

INITIATIVE:

Appalachian Growth Capital, LLC (AGC)

INVESTMENT:

up
to **\$2M**

OBLIGATED: \$2M



Ohio safe. Ohio working.

*Long-term,
low interest
loan to AGC
to help small
businesses in
Appalachian
Ohio with
financing*

IMPACT:

27

BUSINESSES

675

POTENTIAL JOBS

“

This investment comes at a critical time as AGC gears up its efforts to help small businesses in the region address the economic disruptions caused by COVID-19. We will be able to leverage the funds to secure additional investment in our region's companies by commercial banks and other small business lenders.”

– Brad Blair, Executive Vice President and CEO, AGC

INITIATIVE:

JobsOhio innovation fund

INVESTMENT:

up
to **\$50M**

OBLIGATED: \$47M



Ohio safe. Ohio working.

*Convertible debt
to Ohio-based
companies that
have already
completed a
seed round of
funding*

IMPACT:

37

BUSINESSES

\$63M

MATCHED CAPITAL

1,200

JOBS RETAINED

\$120M

PAYROLL

“

JobsOhio has been an indispensable tool for Ohio's economy in the midst of the COVID-19 crisis. The JobsOhio Innovation Fund represents a creative and critically important way to activate additional private capital to advance Ohio's most promising digital and healthcare growth companies. This program is another element of Ohio's continued competitive advantage in driving innovation companies that drive job growth and improve the lives of all Ohioans.”

– Mike Venerable, CEO , Cincytech

INITIATIVE:

Community Banks Loan Guarantee Program

INVESTMENT:

up to **\$50M**

OBLIGATED: \$50M



Ohio safe. Ohio working.

Bolster lending capacity to assist small, lifestyle businesses through a partnership with community banks in Ohio



IMPACT:

1,100
COMPANIES

7,150
POTENTIAL JOBS

“

We commend JobsOhio for creating this program to assist Ohio's small businesses that are so vital to our communities. We're proud to be able to support the program and our business customers during this time of need.”

– Don Hileman, CEO, First Federal Bank of the Midwest

INITIATIVE:

Port Authority Reserve Fund

INVESTMENT:

up
to **\$50M**

OBLIGATED: \$50M



Ohio safe. Ohio working.

*Backstop
Port Authority
Bond Funds
(S&P dialogue
ongoing)
leveraging
\$1B of private
project
funding*

IMPACT:

\$250M

OF ADDITIONAL PORT PROJECT CAPACITY

8,000

POTENTIAL JOBS



>98%
Engagement
with State
Legislature



- Engagement with the 99-member State Legislature scheduled
- 6 members of the Federal delegation engaged
- 250+ local partner engagements
- Over 1500 individual Ohio businesses

“I appreciate the updates that JobsOhio has provided me, as a legislator, during the COVID-19 crisis. Their ability to pivot and work with their business partners to obtain testing and PPE has been an essential part of Ohio's success to date.”

– Ohio State Senator Steve Wilson (R – Maineville)



- Detailed research memos sent statewide almost daily
- Leading data modeling and business sector intelligence
- Supported Governor's Council of Economic Advisors supporting Ohio's Return to Work plans



24

Economic
Impact Reports
Prepared

JobsOhio Donations

crocs™

7,000
shoes
donated

BATTELLE

2 weeks
of mask
sanitation



\$25,000
to help feed
Ohio's kids

\$200,000

of hand sanitizer purchased
from liquor distillers and
donated to food banks
and Ohio Restaurant
Association.

“

“We're thankful for the partnership with JobsOhio in meeting this urgent need in Ohio. Providing our frontline health care personnel with personal protective equipment as they work to keep us safe is an initiative we are proud to be a part of.”

– Ed Grecco, Chief Financial Officer, Battelle



Ohio safe. Ohio working.

\$10,500

donated to
community
foundations

- Dayton Foundation
- Akron Community Foundation
- Foundation for Appalachian Ohio
- Greater Cincinnati Foundation
- Greater Toledo Community Foundation
- Greater Cleveland Foundation
- The Columbus Foundation

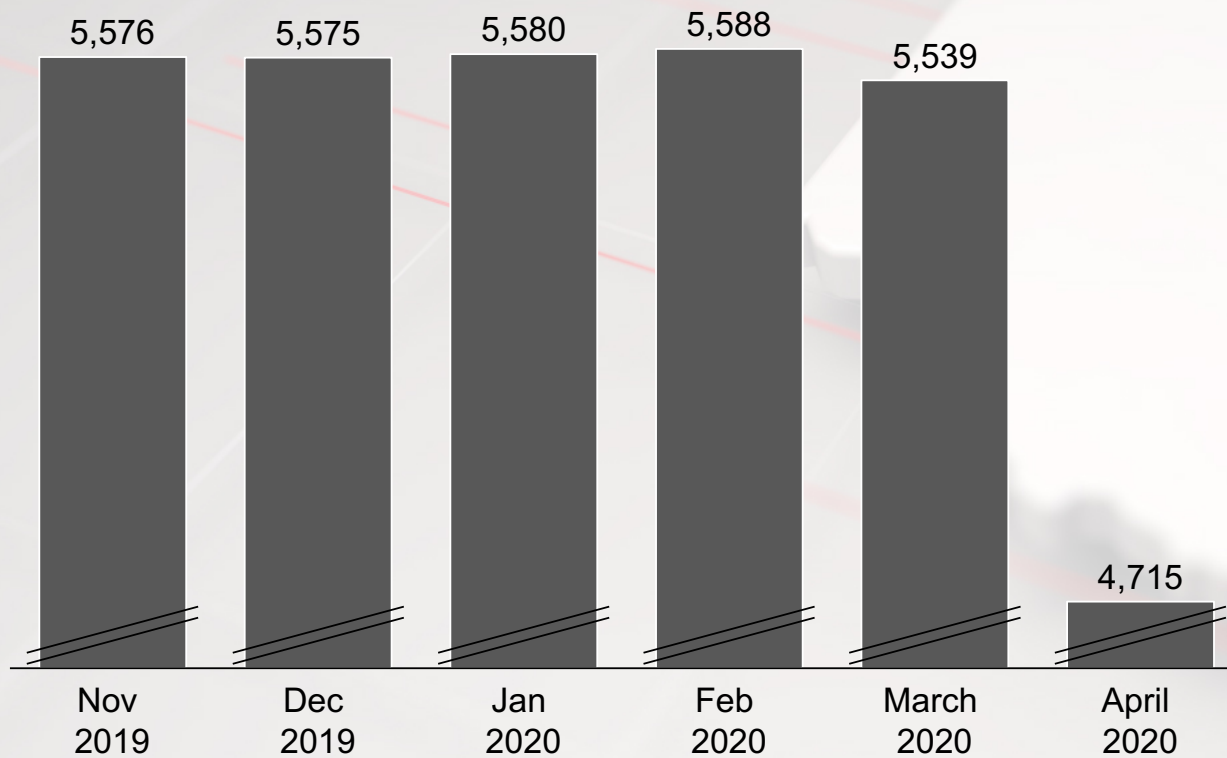


Economic Impact, Outlook and Opportunity Discussion

Ohio Employment Situation Update

Total Employment in Ohio, Nov 2019 – April 2020

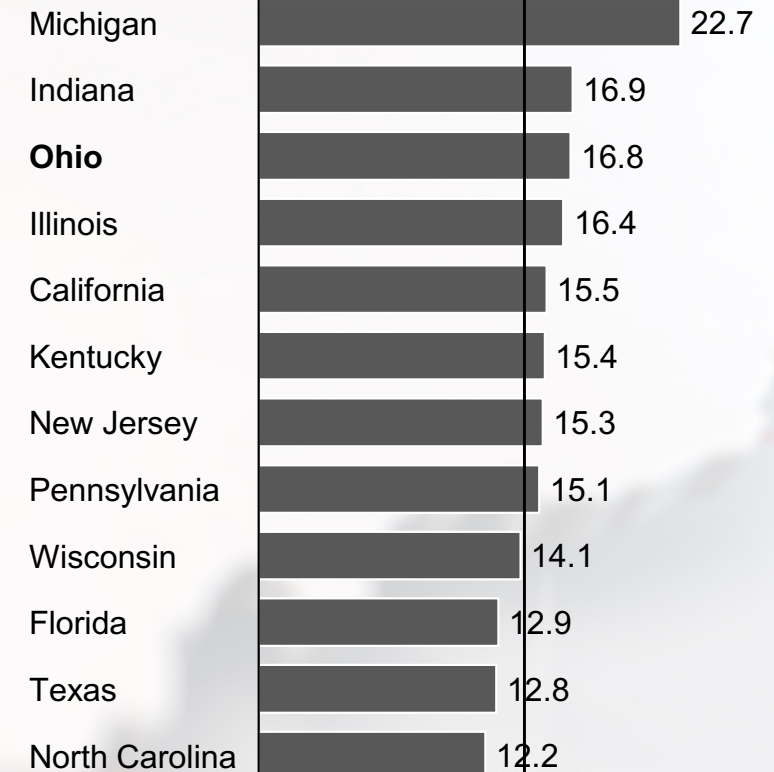
Ths.



**Ohio Lost ~30K Jobs/Day in April,
State Unemployment Rate of 16.8% = 6th Highest in U.S.**

Unemployment Rate, April 2020^{1,2}

Percent



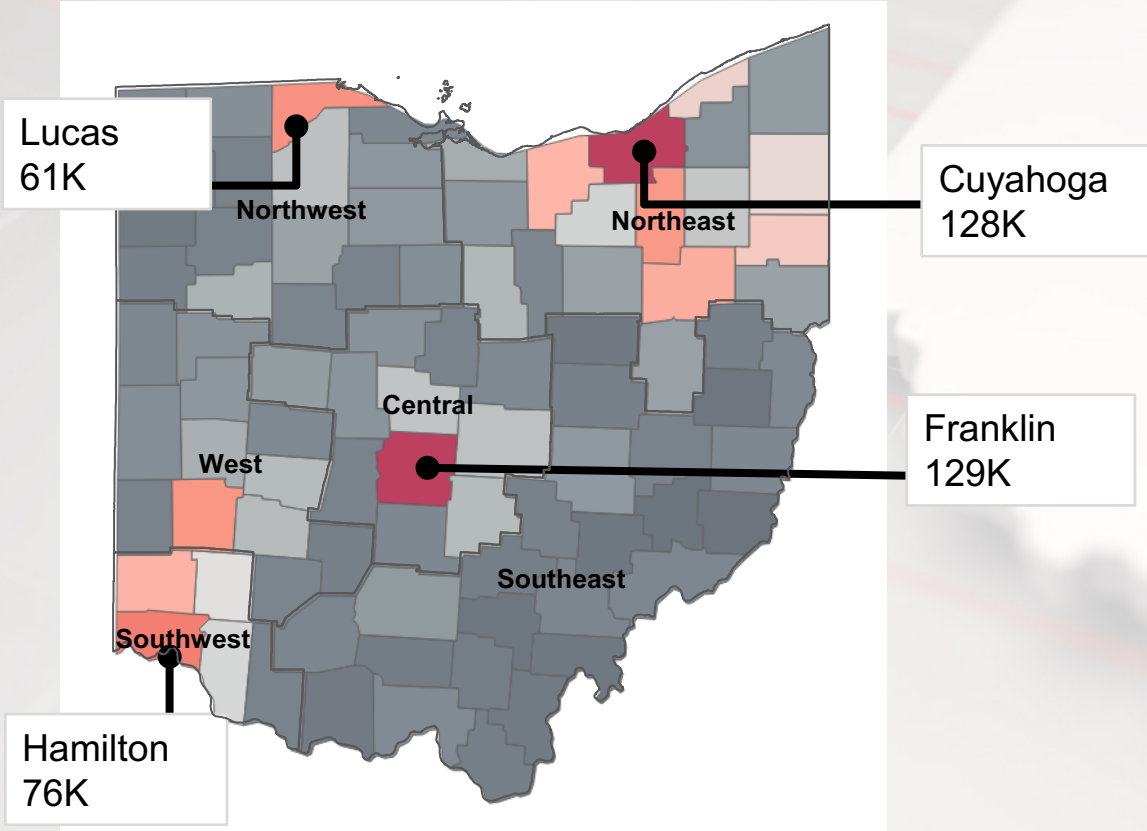
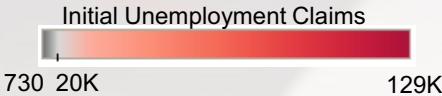
U.S. = 14.7



All Regions Significantly Impacted – NE Ohio Saw Most Displaced By Volume

Initial Unemployment Claims by County, March-May 16, 2020¹

Number of initial claims

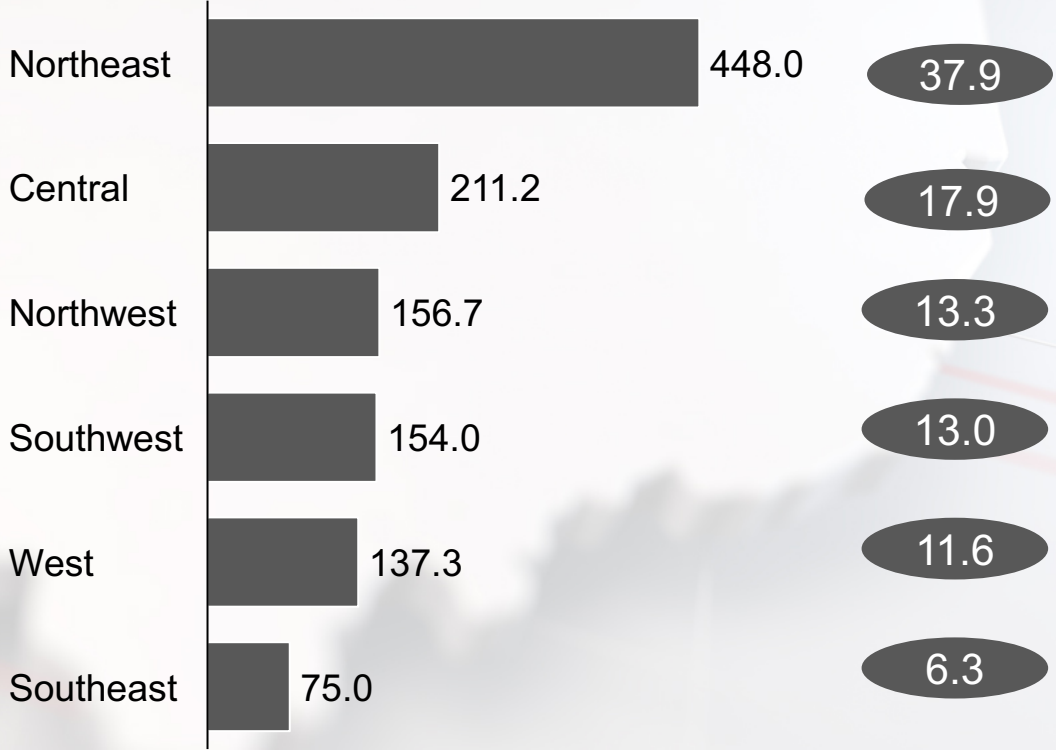


1. ~40K claims or 3.7% of total initial unemployment claims in March 2020 were not mapped

Source: Ohio LMI, US Department of Labor, Ohio SE, OneColumbus

Initial Unemployment Claims by Ohio Region, March-May 16, 2020

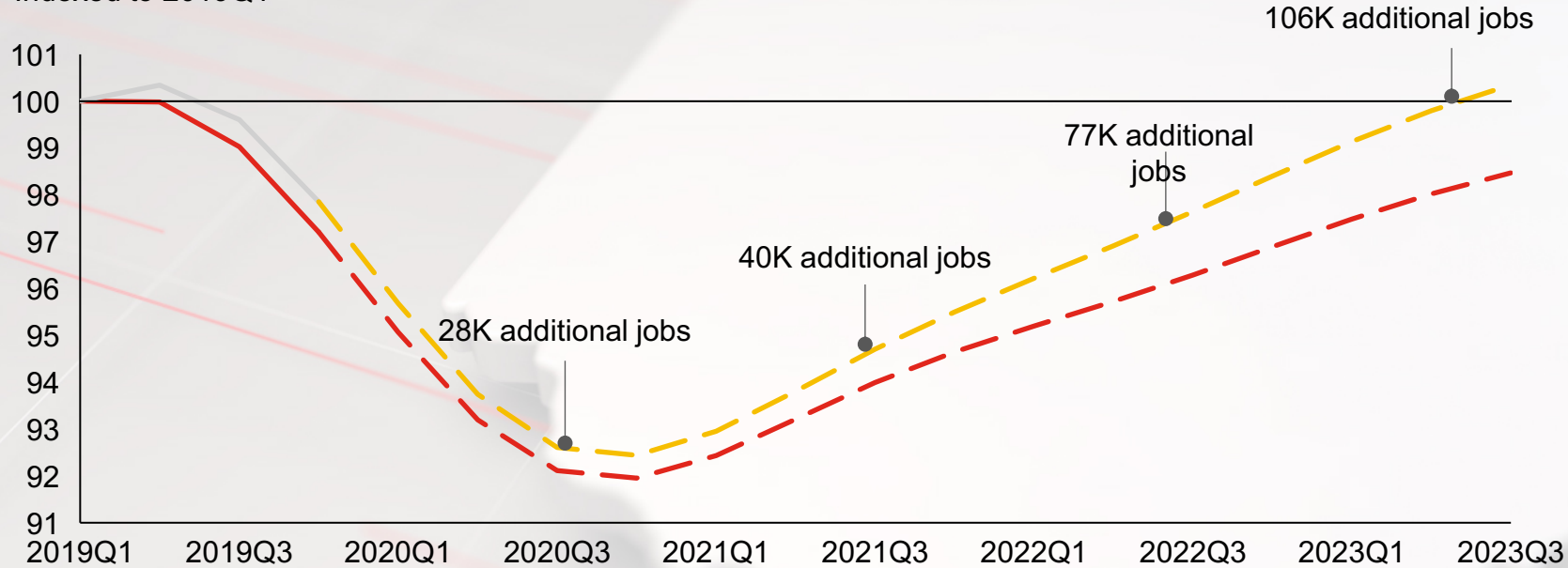
Ths. of initial claims, Bubble = Pct of total, %



Bold Investment Required to Bend Economic Recovery Curve Upward

Employment Recovery, 2019Q1 – 2023Q3

Indexed to 2019Q1



Achieving top 10 recovery performance would create

106K

additional jobs by 2023Q3

\$4.8B

additional GDP by 2022Q1

\$10.4B

additional wages by 2022Q1

1. Above OH's current forecast; DC counted as a State
2. US Census - Census Regions and Division of the United States, includes both West North Central and East North Central, includes 12 States
3. Tennessee is the Top 10 State in Employment Recovery

Source: US Bureau of Economic Analytics, Moody's Analytics



Framing Ohio's Opportunity

A Generational Opportunity for Ohio

Leverage Positive Global attention

Ohio's value proposition NEVER more evident

- National focus on reshoring secure supply chains aligns with Ohio's diverse industry, workforce & location
- Economic duress accelerates emerging trend away from the coasts – and Ohio is a perfect spot

JobsOhio and the statewide network of partners in place to help Ohio emerge a leader



Framing Ohio's Opportunity

A Generational Opportunity for Ohio

Leverage Positive Global Awareness of Ohio

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JobsOhio and the statewide network of partners in place to help Ohio emerge a leader

1. **FOCUS ON Ohio Businesses**

Ohio businesses NEED OUR HELP – expansions, consolidations, modernization, innovation

2. **Get Ohioans back to work, retain, reskill, re-shore** *Win Talent & Workforce War*

3. **Diversified deal-making & risk-taking** *Bold, aggressive, creative, smart*

4. **Align with the Administration & statewide partners**



Ohio's Position Heading in to COVID-19

Regional



- ✓ 1st in rainy-day fund balance
- ✓ 2nd highest bond rating
- ✓ 2nd highest pension funding level
- ✓ 2nd in real GDP growth
- ✓ 3rd in total GDP

Nationally

Ohio ranked #1 in the 2019 Governor's Cup



Best State
Business Climate

3

9



Best State for
Opportunity

7

N/A

Chief Executive

Best State for
Business

9

41



Best State for
Doing Business

9

N/A



America's Top
States for Business

10

23



Ohio Opportunities (For Discussion)

Ohio's Resilient Sectors

1. **Help Ohio companies** expand in-Ohio and consolidate operations from outside Ohio, into the buckeye state
2. **Assist Ohio companies** with productivity enhancements to help them accelerate their growth and competitiveness
3. **Position Ohio to lead in re-shoring** secure supply chains
4. Leverage & expand Ohio federal & military Installations

Ohio's "Right to Win"

1. 80% of economic dev projects come from Ohio business expansions
2. Diverse industries - 3rd largest mfg state
3. \$150B invested in China by US past 10 yrs
4. Over 50 East/West Coast businesses have already established Ohio presence

Open, Secure Supply Chains

Ohio's
Resilient
Sectors

1. U.S. shortages in medical supplies

- PPE, Active pharmaceutical ingredients

2. Limited domestic stockpiles

- Defense Production Act: General Motors, Ford

3. Country concentration

- Non-market limitations, including export controls
- India, which supplies ~40% of generic pharma used in U.S., imports nearly 70% of its APIs from China

4. National security global supply chains

- “Critical defense industry” supply chain

1. Identify New Supply Chain Opportunities by Type

- Reshoring – Bringing back U.S. operations
- Onshoring – Transferring supplier work back to U.S.
- FDI – Filling current U.S. supply chain gaps

2. Prioritize Highly Impacted Industries

- Focus on industries whose supply chain has been +/- impacted by the crisis, e.g. food, packaging & healthcare / PPE

3. Develop Case by Case Reshoring Solutions

- Build a case by case Ohio customized reshoring solution taking consideration such as just-in-time delivery, skilled labor, innovation, current supply chain network, cost, industry clusters, etc.

4. Conduct Company-Direct Outreach

- Companies operating in China and exporting to the U.S.
- Working directly with Regions/Ohio-based companies to understand supply chain issues and opportunities.
- Supply Chain Gaps in the U.S. – FDI opportunity.

5. Leverage Best-in-Class Tools

- Reshoring cost estimator; Gap analysis; Ohio supply chain analysis



Ohio Opportunities (For Discussion)

Talent & Workforce

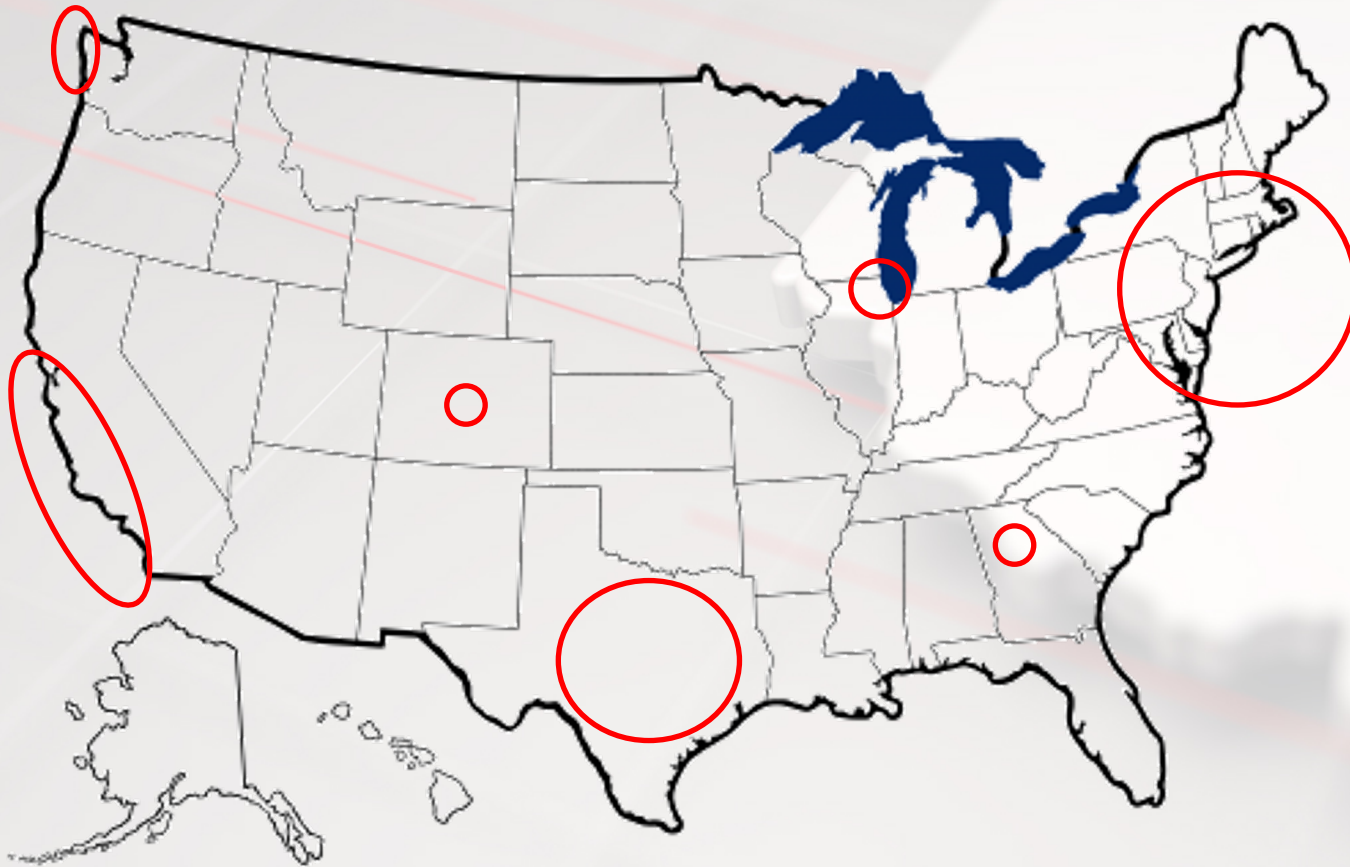
1. Connect unemployed Ohioans to open jobs
2. Support re-skilling & upskilling to fill in-demand jobs
3. Retain greater percentage of Ohio's college grads
4. "Re-shore" in-demand talent from coasts

Ohio's "Right to Win"

1. Ohio retains 52% of college grads each year
2. 60% retention keeps 11K more workers in Ohio each year
3. Pilot project indicate impact of ~20K additional talent per year

PILOT PROJECT: Talent “Re-Shoring”

Talent &
Workforce



Re-shore in demand talent from Coasts

- Help Ohio companies recruit in-demand talent from the coasts where these jobs over indexed
- [Pilot Launched findyourohio.com](https://findyourohio.com) March 3, 2020
- Pre-COVID results were well beyond expectations



Ohio Opportunities (For Discussion)

Invest in Innovation

1. Invest in more Innovation Districts in Ohio
2. More Funding for Ohio's entrepreneurs and startups
3. Assist Ohio's mature businesses with Digital transformation-accelerate growth and competitiveness

Ohio's "Right to Win"

1. States investing in innovation during downturn see a return
2. Competitive business/tax climate
3. Cincinnati Innovation District

Innovation District Anchor Criteria & Matching Investment

Colleges & Universities-Talent Production:

\$25M from JobsOhio (forgivable if outcomes achieved)

- At least 3x increase in annual STEM talent production (ie. 800 Computer Science degrees/yr to 2400 Computer Science degrees/yr)
- Carnegie Level 1 institution
- 25,000+ graduates/year; MSA population of 2+ Mil
- Experiential learning (CO-OP; Internships)
- Co-business development to attract strategic companies

Medical / Research Institutions:

\$25M from JobsOhio (forgivable if outcomes achieved)

- \$500M in Research, Carnegie Level 1 Research Institution
- 400+ Patent Production
- Increase NIH/NSF R&D funding/ production by at least 20%.
- Co-business development to attract strategic companies

Real Estate:

Up to \$50M from JobsOhio (grants/loans/convertible debt)
>10:1 match from developers/anchors

- Urban development adjacent to Carnegie 1 and medical research institute
- Develop 1.5M – 2M sq feet for large scale mixed-use development

Desired Outcomes (10 Years)

- 20,000 incremental new jobs
- 15,000 Incremental new STEM degreed graduates
- \$2 Billion+ Incremental Research
- \$3 Billion+ Annual Economic Impact

If an area does not meet the criteria for an Innovation District, there are smaller scale opportunities to partner with JobsOhio to create Centers of Excellence, Science Parks, etc.

Ohio Opportunities (For Discussion)

Inclusive Recovery

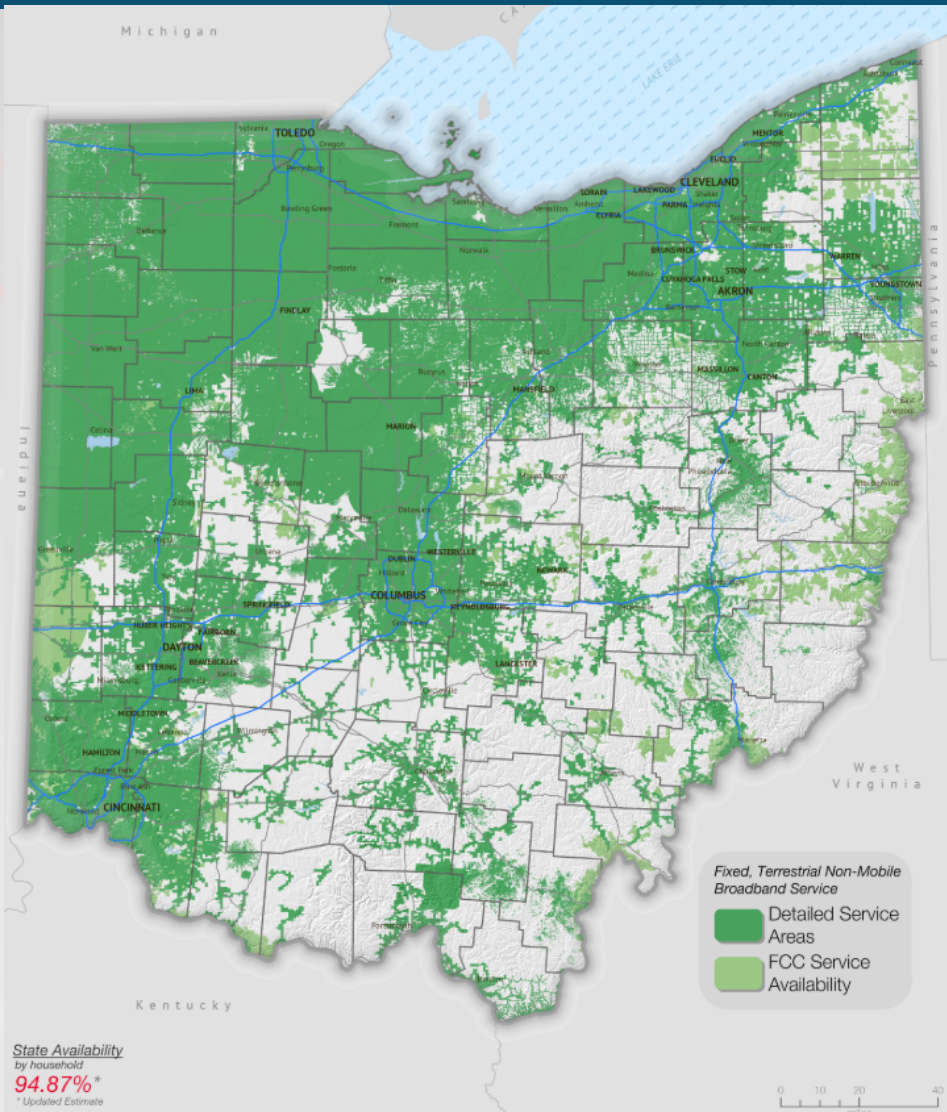
1. An even-sustainable recovery for ALL OHIOANS
2. Broadband! – close the digital gap
3. More Investment in distressed communities

Ohio's "Right to Win"

1. Opportunity for 500K Ohioans
2. Add \$1B-\$3B of GDP growth & 25K jobs
3. Innovate in telemedicine, telework, distance ed
4. Prepared communities win

Inclusive Recovery Through Broadband

Inclusive
Recovery



Potential Impact from Investment

- Near universal coverage could have the following potential economic impact on small businesses in rural Ohio:
 - \$1B – 3B in incremental GDP growth
 - 15K – 25K incremental new jobs

Promising areas for Economic Development Impact

- Telework / remote work
- Telemedicine
- Remote learning



QUESTIONS