

Ohio Department of Development

2009 Annual Report



Ohio

Department of
Development

Ted Strickland, Governor
Lee Fisher, Lt. Governor

Lisa Patt-McDaniel, Director



Department of Development

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January 4, 2010

The Honorable Ted Strickland
Governor of Ohio
Office of the Governor
Statehouse
Columbus, Ohio 43215

Dear Governor Strickland:

I am pleased to share with you the Ohio Department of Development's 2009 Annual Report, which outlines the programs, incentives, and initiatives that our Department administered throughout the State of Ohio for Fiscal Year 2009.

This report showcases how our Department is working every day to create opportunity in Ohio. We are committed to making our incentives and programs more competitive with other states, while also ensuring that we are serving public interest. Focusing our investments into programs and initiatives that help foster near- and long-term prosperity, each of our 10 Divisions work directly with state, regional, and local partners to deliver the resources Ohio's communities, businesses, and citizens need.

This report outlines the responsibilities of each division and the success of our programs during the State Fiscal Year 2009. During that time period, we successfully awarded \$1.07 billion in loans and grants, \$229.9 million in tax credits, resulting in a leverage of more than \$4.6 billion for the state. Our investments throughout Ohio allowed us to assist 4 million households and train 9,900 new and incumbent workers. Just as importantly, our Department's initiatives created 20,300 jobs for Ohioans, while retaining more than 87,000 in our great state.

We continue to measure ourselves against the five goals of our Strategic Plan for Economic Development. Crafted with input from many sectors, our Strategic Plan sets in place a framework to share the Ohio story, capitalize on Ohio's strengths, cultivate top talent, invest in our regional assets, and focus on our customers.

The Ohio Department of Development works continuously to create opportunity in Ohio by focusing on future economic growth and positioning our state to take advantage of the opportunities ahead. Should you have any questions regarding the report, please feel free to contact me. Thank you.

Sincerely,

Lisa Patt-McDaniel
Director



Global Markets Division

In today's highly competitive global marketplace, Ohio must extend its economic reach, building relationships and seizing opportunities on a global scale. The Global Markets Division's trade managers and network of international offices promote the export of Ohio goods and services and work to solidify Ohio's position as a premier location for investment.

Ohio is the seventh-largest exporting state in the United States, **exporting \$45.5 billion in 2008, an 11.8 percent increase from 2007**. Ohio is the only state in the nation to see an increase in exports every year since 1998, and nearly one-quarter of all manufacturing workers in Ohio depend on exports for their jobs.

Columbia Chemical Company

"As a recipient of your E-Award this past summer, I think it is important to recognize the valuable assistance we have received from our state ... Here are just a few of the many examples of valuable assistance provided by the state:

- *2006 Trade Mission to Mexico – Solidified relationship with distributor. Sales to Mexico in 2008 were approximately \$400,000.*
- *2007 – Worked with the Ohio China Center. Sales to China now exceed \$1 million.*
- *2008 Trade Mission to Serbia and Hungary – Made important contacts with possible foreign partners including US Steel/Belgrade and Zastava (Yugo) Automobile.*

It would have been impossible for us to visit these companies without the State of Ohio's assistance and influence."

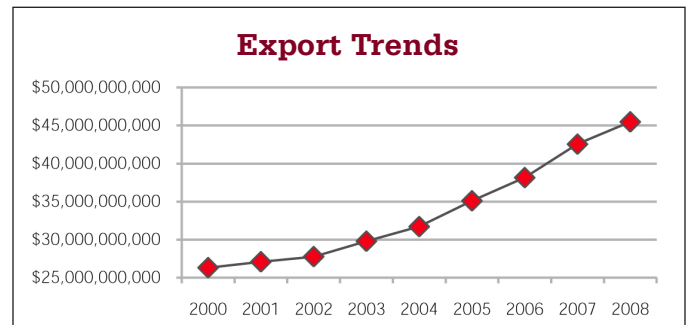
– *William E. Rosenberg, Jr., President
Columbia Chemical Company (Brunswick, Medina County)*

To continue to strengthen Ohio's position, our Global Markets team focuses on increasing exports from small- and medium-sized enterprises through counseling sessions and customized export projects. Our team may be meeting with a manufacturer in Mansfield, Ohio or a business in South Africa – all with the goal of strengthening Ohio's economy through exports. A number of Ohio's most important business partnerships were initiated by a phone call or meeting through the Global Markets Division. **In Fiscal Year 2009, our Global Markets team counseled more than 640 clients and organizations in the State of Ohio and completed more than 435 export projects.**

The Global Markets Division promotes our state's diverse regions as ideal locations for capital investment from foreign entities. Our efforts have helped make the State of Ohio the eighth-largest state of foreign direct investment and made Ohio the top Midwest destination for foreign direct investment by estimated job creation in 2008, according to **IBM Global Location Trends Report for 2009**.

Over the years, the Global Markets Division has helped bring in significant investment for Ohioans: 600 foreign-based corporations from 28 countries are operating in the state with more than 1,000 facilities, employing between 180,000 to 200,000 people in Ohio. **During 2007-2008, the Global Markets Division assisted in initiating additional foreign-owned investment projects in Ohio totaling \$1.7 billion, which are projected to create more than 6,800 jobs.**

We are committed to continuing our success with our new **Targeted Global Markets Strategy**, where we are developing country-specific strategies focusing on key opportunities in our state's targeted industries. Whether we are searching for new trends and developing new relationships in Ohio or abroad, participating at a trade fair in Hannover, Germany, a seminar in Monterrey, Mexico, or through discussions with the chief executive officers of multinational companies, we will look for opportunities that benefit from the Division's export strategies for Ohio's businesses and cultivate direct foreign investment.



Annual Reports

The following Report is available at www.reports.development.ohio.gov:

- **Ohio Exports 2008**



Ohio Tourism Division

The business of tourism is a vital component of Ohio's economic health and overall prosperity, providing a significant impact on our local and statewide economy and contributing to quality of life. The Ohio Tourism Division is a destination marketing organization working with Ohio's travel industry, including convention and visitors bureaus, attractions, restaurants, hotels, state parks, arts and cultural institutions, and festivals, to effectively promote Ohio's quality tourism experiences. Initiatives such as **Ohio's Tourism Campaign** and our **Multi-Cultural Tourism Initiative** are designed to strengthen Ohio's overall image as *The State of Perfect Balance*.

The Ohio Tourism campaign bolsters tourism in our state by providing cost-effective partnerships through advertising, public relations, online resources, call center and information fulfillment, and research. We provide travel industry and consumer trends to the Ohio industry, information critical to formulating successful marketing programs and initiatives.

The **Ohio Film Office** works with Ohio's production industry and local film commissions to market Ohio for film, television, and video production. Similar to tourism, the economic impact of the production industry in Ohio extends broadly throughout communities including employment of Ohio crew members, accommodations, restaurant/catered meals, and purchases at local retailers.

Key Marketing Successes

2008 Economic Impact of Tourism:

- **Visitor Spending:** generated \$39 billion in total sales across Ohio in 2008. This represents a 2.3 percent growth over 2007.
- **Taxes Generated:** \$2.7 billion in total taxes (\$1.6 billion state and \$1.1 billion local taxes) were generated by tourism in 2008, an increase of 2.3 percent over 2007.
- **Jobs:** 452,000 full-time equivalent jobs are supported by tourism in Ohio, 6.6 percent of all jobs, with a total income of \$10.5 billion.
- **Visits to Ohio:** 172 million visits were taken to and within Ohio during 2008.

2008 "Too Much Fun for Just One Day" Advertising Campaign Return on Investment:

- Launched in May 2008, the campaign generated an estimated \$437 million in visitor spending.
- For every \$1 invested by the state in tourism marketing, there was a return of \$12 in total taxes (approximately \$7 in state tax revenues and approximately \$5 in local tax revenues).

Key Awards

- *In 2009, the Ohio Tourism Division Public Relations Program was awarded a National Bronze Anvil award from the Public Relations Society of America as best Government Public Relations Program in the country.*
- *The Division, in conjunction with Ron Foth Advertising, earned three Telly Awards for the 2008 Spring/Summer Tourism Ad Campaign. The Telly Awards is a program "honoring the very best: local, regional, and cable television commercials, programs, and segments." The 30-second spots featuring Jack Hanna and Ken Griffey, Jr. both received Bronze Telly Awards for commercials in the Travel/Tourism category. The Ohio Destination Video received a Silver Telly Award in the Travel/Tourism online video category.*
- *The Division was awarded the 2008 President's Award in the Spirit of Cincinnati USA Awards by the Cincinnati USA Convention & Visitors Bureau for contributions to the NAACP & National Baptist Conventions.*
- *In conjunction with DigiKnow, the Division was awarded the 2008 W⁹ Awards Silver Winner by the International Academy of Visual Art for the redesign of DiscoverOhio.com, the Division's consumer Web site.*

- \$31 million in new tax revenue is estimated to have come to Ohio as a result of the state's campaign.
- Launched the new multicultural campaign, "Livin' for the Weekend," with events in Cleveland and Cincinnati with local partners. This is the first complete TV, radio, print, and online campaign for the multicultural markets to run in at least 15 years.
- As a result of increased marketing and Web site enhancements, unique visitors to DiscoverOhio.com are up more than 7 percent, and overall Web page views are up about 20 percent over 2007.

The Tourism Division welcomed cooperative participation for its print, online, and radio ad campaigns in 2009. A group from Columbus, including Experience Columbus, the Columbus Zoo, COSI, and Drury Hotels was able to buy three weeks of radio ads in two small markets at a discounted rate. Their message, when paired with the Division's "Too Much Fun for Just One Day" campaign, garnered the direct sale of 831 getaway packages – \$280,845 in sales of the Roar & Explore packages.



Eric Strand, VP of Sales and Marketing for Drury Hotels Company, LLC said,

"the Experience Columbus partnership, together with the Ohio Tourism Division cooperative program proved once again that destination marketing is most effective when we work together. The synergies from this approach allowed us to reach more travelers with a more compelling value proposition than if we had gone alone. This was a win for travelers, for Columbus, and for our industry."

2008 Media Relations Return on Investment:

- An audience of 187,055,288 consumers (audience/circulation) was exposed to stories on Ohio Tourism destinations, attractions, lodging facilities, restaurants, and more in 2008 – up nearly 21 percent from 2007.
- It would have cost more than \$7 million to purchase the media coverage we received (advertising equivalency) in 2008 – up nearly 58 percent from 2007. (Figures are based solely on media results directly linked to the Division's media relations efforts.)

2008 Travel Industry Partnerships:

- New focus on Travel Industry Partnerships and Outreach resulted in a record number of partnership offerings: more than \$2 million leveraged in additional paid advertising message and brand exposure via marketing assistance and cooperative programs.
- Leveraged resources and new marketing partnerships with State of Ohio agencies including: Ohio Department of Agriculture, Ohio Department of Natural Resources, Ohio Department of Transportation, and the Ohio Lottery Commission.

Annual Reports

The following Annual Report is available at www.reports.development.ohio.gov:

- **2008 Ohio Tourism Division Return on Investment**



Strategic Business Investment Division

Increased prosperity and a higher quality of life are achieved and sustained through the creation, expansion, retention, and attraction of business. Growing Ohio's businesses contributes to job growth and in turn, healthier, more vibrant communities.

For three years in a row, more companies have chosen to make investments in new business construction and expansion projects in Ohio than in any other state. The Strategic Business Investment Division is on the front line of economic development, utilizing the state's outstanding economic development toolbox. The Division supports the well-being of Ohioans by providing business owners and communities with the information and support they need to make informed, critical decisions that directly impact Ohio's economy and environment for business growth. **In Fiscal Year 2009, the Division was part of 181 projects, which are expected to create more than 14,000 jobs and retain more than 35,000. In addition, more than \$188 million was awarded for Business Development/Financial Incentives during that period.**

JPMorgan Chase

JPMorgan Chase is adding at least 1,150 jobs in Central Ohio over the next three years.

The expansion is a result of collaboration between Ohio and the cities of Columbus and Westerville, which approved tax incentive packages worth an estimated \$20.5 million to help entice the New York-based financial institution to add to its Central Ohio base of about 14,700 employees.

"We are expanding in the Columbus area because we know employees here are educated, motivated and dedicated, and because the city and state have been excellent partners," said Charlie Scharf, CEO of Chase Retail Financial Services.

Ohio Energy Office

The Strategic Business Investment Division also plays a key role in facilitating Ohio's development and deployment of advanced energy. Through the **Ohio Energy Office**, our Department works to ensure stable energy prices, modernize Ohio's energy infrastructure, and attract the jobs of the future to Ohio through the growth of environmentally friendly industries.

Ohio's bipartisan energy bill, signed into law in 2008, requires that 25 percent of Ohio's energy come from advanced or renewable sources of energy by 2025, creating a new energy economy within Ohio and accelerating Ohio's advanced energy supply chain. Our Energy Office has a lead role in meeting those goals, making Ohio more attractive to business and a better place to live.

Toledo: First Solar & Xunlight

The Economist, The Wall Street Journal, Newsweek, and investors around the world recognize Toledo as a hotspot for research, development, and commercialization of advanced solar technologies.

The Regional Growth Partnership in Toledo estimates that more than 5,000 jobs have been created in solar energy in the Toledo area during the last five years.

*Stemming from its history of glass making, Toledo has leveraged academic successes at the **University of Toledo**, industry leadership successes at **First Solar**, entrepreneurial successes at **Xunlight**, and continuous and significant support from the **Ohio Third Frontier** to become the home of a dynamic cluster of people, companies, and products focused on solar photovoltaics – technology that directly converts sunlight into electricity.*

The Ohio Energy Office funds projects related to the deployment of renewable energy technologies including wind, solar photovoltaic, solar thermal, and geothermal, as well as energy efficiency measures for industrial, commercial, and some consumer classes of residential. In Fiscal Year 2009, the Office **secured \$14.6 million for 178 projects** through a number of programs, including: the Alternative Fuel Transportation Grants, Diesel Emissions Reduction Grants, Advanced Energy Fund, and the State Energy Program.

The Ohio Energy Office also administers the **State Energy Plan** and conducts special projects to promote awareness, develop capacity, deploy projects, and provide technical assistance, training, and outreach for renewable energy technologies, alternative fuels infrastructure, energy efficient buildings, fuel cells, and industrial process efficiency. The Office has been involved in supporting energy-related components of the American Recovery and Reinvestment Act, including the State Energy Program, the Energy Efficiency and Conservation Block Grant Program, and the Energy Efficient Appliance Rebate Program.



Strengthen our Strengths | Link and leverage our inventive past with our innovative future.

To date, the Ohio Energy Office has been awarded **\$133,686,411** in funding from the U.S. Department of Energy through the American Recovery and Reinvestment Act. For Fiscal Year 2009, the Ohio Energy Office was allocated only the State Energy Program portion, **\$96,083,000**. A number of awards through these funds were announced including **\$13,444,458** for the Deploying Wind and Solar program.

An award of **\$268,294** was executed to Nexant, Inc. for evaluation services for the Energy Efficiency and Conservation Block Grant; the award was funded through that program.

The remaining funds awarded to the Ohio Energy Office to date: **\$1,253,864** for enhancing state government energy assurance capabilities and planning for smart grid resiliency; **\$24,979,600** for the Energy Efficiency and Conservation Block Grant Program; **\$11,020,000** for the Energy Efficient Appliance Rebate Program; and **\$349,977** for a special project through the Industrial Efficiency program, plus the State Energy Program of **\$96,083,000**.

Ohio has been identified as an “impact state” for job creation potential – our manufacturing strengths, logistics capabilities, skilled workforce, and competitive business environment make Ohio a major competitor in the growth of the new energy economy. The Ohio Energy Office supports that vision by making the promise of the new energy economy a reality in Ohio.

Business Incentive Programs

- The **Job Creation Tax Credit** is a refundable tax credit to companies creating at least 25 full-time jobs (within three years) in Ohio. The credit may also be available for certain high-wage industries creating 10 or more full-time jobs within three years. The tax credit is measured as a percentage of the state income tax withholdings for all new employees hired under the program, and is applied toward the company's commercial activity tax liability. Should the amount of the credit exceed the company's commercial activity tax liability for any given year, the difference is refunded. The tax credit rates for approved projects generally range between 25 and 55 percent for a period of five to seven years. Effective October 1, 2009, the Job Creation Tax Credit moved from an individual employee commitment system to a payroll-based commitment system. **The Division awarded \$79.7 million in Job Creation Tax Credits in Fiscal Year 2009.**

- The **Job Retention Tax Credit** is a non-refundable tax credit to companies retaining at least 1,000 full-time jobs in Ohio. Companies must also commit to new fixed-asset investments of either \$100 million if the average wages of the retained jobs exceed 400 percent of the federal minimum wage (equal to \$29.00 per hour), or \$200 million if the average wage amount of the retained jobs does not exceed 400 percent of the federal minimum wage. The credit is measured as a percentage of the state income tax withholdings for all employees retained under the program. The tax credit rates for approved projects range up to 75 percent for 10 years. Effective October 1, 2009 eligibility requirements for the Job Retention Tax Credit were reduced to a minimum of 500 full-time employees for investments as small as \$50 million for manufacturing projects and \$20 million for projects involved in significant corporate administrative functions. **The Division awarded \$12.7 million in Job Retention Tax Credits in Fiscal Year 2009.**

Willard & Kelsey Group, LLC

Willard & Kelsey Solar Group's continued investment in Northwest Ohio is one of many reasons why companies recognize the region as a top global center for the solar industry. With the help of \$19.1 million in state assistance, the company will create 400 jobs with its new headquarters, research and development, and initial manufacturing operations in the City of Perrysburg.

The company will begin manufacturing thin-cell solar panels for worldwide distribution with four production lines in its new 252,000-square-foot facility. Its newly patented technology will help reduce the overall costs associated with production and increase solar panel efficiency by up to 20 percent.

In addition to its continued leadership in the industry, Willard & Kelsey's investment in Northwest Ohio was selected as one of the top 15 corporate investment projects in the United States by Trade & Industry Development Magazine's 2009 Corporate Investment & Community Impact Awards.

- The **Research and Development Investment Tax Credit** provides a non-refundable tax credit up to 7 percent for qualified research and development expenses. Qualifying expenses fit into two categories: in-house research expenses and contracted research expenses. Any unused portion of a tax credit may be carried forward for up to seven years.



- **Enterprise Zones** provide real and personal property tax incentives for businesses that expand or relocate in Ohio. To establish an Enterprise Zone, a municipality or county must apply to the Director of Development for certification. To secure benefits, non-retail businesses must apply to the local community for local property tax exemptions and to the Director of Development for state income tax incentives.
- **Community Reinvestment Areas** provide a mechanism for local jurisdictions to offer local real property tax incentives for residents and businesses that invest in designated areas of Ohio. To establish a Community Reinvestment Area, the municipality or county must apply to the Director of Development for confirmation. Investors meeting the local criteria must then apply to the municipality or county for the real property tax exemption.
- The **Ohio Job Ready Sites Program** bolsters our state's inventory of available facility locations served by utility and transportation infrastructure. Sites improved under the program are kept ready for future business prospects seeking locations for new or expanded operations. **The State of Ohio has awarded \$108.5 million in the first two funding rounds during Fiscal Years 2006-2009, with \$48.5 million being awarded during Fiscal Years 2008-2009.** The grants may be used to offset costs traditionally incurred in industrial and commercial site development, from acquisition of real property to utility upgrades to construction build-out of speculative facilities.
- **Rapid Outreach** funds are used for on- or off-site infrastructure improvements, including water, sewer, road, and rail improvements. These funds are awarded to companies primarily engaged in manufacturing, research and development, high technology, corporate headquarters, and distribution. Given the demand for limited grant funds, qualified projects must involve substantial job creation or retention, and all other public and private sources of financing must be considered before a commitment of Rapid Outreach funding is made.
- **Roadwork Development (629) Funds** are available for public roadway improvements, including engineering and design costs. Funds are available for projects primarily involving manufacturing, research and development, high technology, corporate headquarters, and distribution activity. Projects must typically create or retain jobs. Grants are usually provided to the local jurisdiction and require local participation.
- The **Alternative Fuel Transportation Grant** improves air quality through grants to businesses, nonprofit organizations, school systems, or local governments for the purchase and installation of alternative fuel refueling, blending, or distribution facilities and terminals. Current incentives are focused on retail fuel distributors and school systems.

Strategic Business Investment Division Financial Assistance for Fiscal Year 2009	
Financial Assistance	Projects
Job Creation Tax Credit	468
Awarded \$79.7 million	
Job Retention Tax Credit	5
Awarded \$12.7 million in tax credits	
Ohio Job Ready Sites Program	13
Awarded \$48.5 million	
Rapid Outreach	74
Awarded \$12.4 million	
Roadwork Development Funds	44
Awarded \$16.1 million	
Industrial Site Improvement Fund	6
Awarded \$3.5 million	
Research & Development Investment Loan Fund	11
Awarded \$32 million	
Ohio Enterprise Bond Fund	5
Awarded \$30.6 million	
Taxable Ohio Enterprise Bond Fund	4
Awarded \$35.6 million	
166 Direct Loan	33
Awarded \$68.5 million	
Innovation Ohio Loan Fund	19
Awarded \$17.8 million	
Rural Development Initiative Grant	1
Awarded \$500,000	
Contingency	19
Awarded \$8.1 million	
Logistics & Distribution	8
Awarded \$43.8 million	
Urban Redevelopment Loan	1
Awarded \$3.2 million	



- The **Industrial Site Improvement Fund** assists geographically and/or economically disadvantaged counties around Ohio in the expansion and modernization of buildings, remediation of environmentally contaminated property, and completion of other infrastructure improvements at sites used primarily for commercial or industrial activities.
- The **Research & Development Investment Loan Fund** provides loan financing of between \$1 million and \$5 million for projects primarily engaging in research and development activity. Rates are fixed (at or below market rates) with terms similar to those of commercial bank financing. Companies receive a dollar-for-dollar, non-refundable Ohio commercial activity tax credit for all principal and interest payments during the year.
- The **Ohio Enterprise Bond Fund** provides revenue bond financing through this S&P rated fund (currently AA-, "double A-minus"), whereby proceeds from the sale of bonds is loaned to companies for fixed rate, long-term capital asset financing. Rates are fixed prior to funding, depending on the type of bond issued, with terms between seven to 10 years for equipment and 15 to 20 years for real estate. Up to \$10 million in financing is available through the Program.
- The **166 Direct Loan** provides direct loan financing to help finance manufacturing and other eligible facilities. Eligible uses for funding include new building construction, building acquisition, and acquisition of machinery and equipment. Amounts of financing are usually set at 30 percent of the project cost (to a maximum of \$1 million), subject to an increase by the Director of Development, with a minimum loan amount of \$350,000. The rate is fixed (at or below market rates) with terms similar to those of commercial bank financing. Eligible projects must involve significant job creation or retention.
- The **Regional 166 Direct Loan** was created to promote economic development, business expansion, and job creation by providing financial assistance for eligible projects in the State of Ohio. It provides loans for land and building acquisition, construction, expansion or renovation, and equipment purchases for eligible businesses. Twelve local economic development agencies administer the program. The Program provides low-interest loans up to \$350,000 to businesses willing to commit.
- **Volume Cap** provides a federal tax benefit by allowing eligible issuers to issue tax exempt Private Activity Bonds up to a state limit known as the "Volume Cap." The State of Ohio's allocation of Volume Cap is determined annually by the Internal Revenue Service on a per capita basis for projects consisting of multi-family housing, single-family housing, exempt facilities, manufacturing, and student loan bonds.
- The **Innovation Ohio Loan Fund** provides loans for acquisition, construction, and related costs of technology, facilities, and equipment purchase. The Fund was created to assist existing Ohio companies in developing next-generation products and services within Targeted Industry Sectors. The Fund provides competitive financing terms on loans to finance projects that will positively impact Ohio by creating high-value jobs, increasing tax revenues, and improving the economic welfare of Ohio.
- The **Rural Industrial Park Loan** provides direct loans to rural, distressed local communities, and applicants committed to creating well-planned industrial parks.

Annual Reports

The following Annual Reports are available at www.reports.development.ohio.gov:

- **Job Creation Tax Credit Annual Report**
- **Job Retention Tax Credit Annual Report**
- **Job Ready Sites Report**
- **Steel Industry Advisory Council Annual Report**
- **Report on Task Force for Economic Development Incentives**

The Ohio Bipartisan Job Stimulus Plan

The Ohio Bipartisan Job Stimulus Plan makes major investments in workforce, infrastructure, and new and emerging industries that spur job creation in Ohio.

Designed to create jobs for Ohioans while laying the foundation for future economic prosperity, the Ohio Bipartisan Job Stimulus Plan was developed in 2008 to create rapid and long-lasting stimulus for Ohio's economy.

The Ohio Department of Development administers the Logistics and Distribution, Clean Ohio, and Historic Preservation Stimulus components of the plan.

Logistics & Distribution Stimulus

With the signing of the Ohio Bipartisan Job Stimulus Plan by Governor Ted Strickland and the Ohio Legislature, the Ohio Department of Development began to rapidly deploy the \$100 million Logistics and Distribution Stimulus component of the plan.

The Logistics and Distribution Stimulus plan was designed to rapidly stimulate a high-impact industry sector in Ohio, with \$50 million dedicated to Fiscal Year 2009, and \$25 million dedicated to each of the following two fiscal years, respectively.

Projects have an array of multimodal and transload capabilities, and were awarded based on their ability to



enhance Ohio's leading logistics networks and provide maximum economic impact.

In total, Logistics and Distribution Stimulus has funded 13 projects with \$60.6 million in forgivable loans to date, expected to assist in the creation of more than 850 jobs in the near term.

Columbiana County Port Authority – acquire and prepare property for multimodal facility in Wellsville on the Ohio River.

Franklin County Engineer – crucial upgrades to Rickenbacker International's highway interchanges.

City of Franklin – freight, multimodal and transload enhancements at Franklin Yards (Warren County).

Bluegrass Farms of Ohio, Inc. – develop the Central Ohio Logistics Center in Jeffersonville (Fayette County).

Lucas County Improvement Corporation – invest in conveyor and material transfer systems to enhance multimodal capabilities at The Port of Toledo.

79th Street Associates, LLC – redevelop an industrial property in a logistics gateway in the City of Cleveland.

Wheeling & Lake Erie Railway Company – upgrade to the Wheeling & Lake Erie Railway mainline in the Village of Creston (Medina and Wayne counties).

Cleveland-Cuyahoga County Port Authority – construct a new manufacturing-warehouse facility, infrastructure and road improvements, slip reconfigurations, and equipment upgrades.

Marion Industrial Center – expand rail infrastructure and intermodal operation at the distribution and manufacturing facility in the City of Marion (Marion County).

The City of Toledo – conduct modifications to improve train traffic flow and increase capacity at the Norfolk Southern Airline Junction Intermodal Facility (Lucas County).

Lucas County Improvement Corporation – expand the Toledo Express Airport intermodal cargo facility, allowing the hub to compete regionally and globally as a leading intermodal site.

Drivers Diversified dba American Rail Center, Inc. – create a Rail Logistics Center (RLC) in the Village of Dunkirk (Hardin County).

Intelligrated, Inc. – assist with property improvements, machinery and equipment, IT investments, and professional fees for this leading Ohio logistics company operating in West Chester Township (Butler County), the City of Mason (Warren County), and the City of London (Madison County).

Clean Ohio Fund Stimulus

The Clean Ohio Fund restores, protects, and connects Ohio's important natural and urban places by preserving green space and farmland, improving outdoor recreation, and cleaning up brownfields to encourage redevelopment and revitalize communities.

In 2008, the Clean Ohio Fund was strongly supported in its successful bid for renewal and extension by a large majority of voters in all 88 Ohio counties. The reauthorization allocated \$400 million to continue the important work of the Clean Ohio Fund and significantly enhance our ability to renew Ohio's infrastructure and grow our economy.

The Clean Ohio Revitalization Fund program, a program of the Clean Ohio Fund administered by the Department's Urban Development Division, provides grants to acquire property, demolish structures, conduct environmental cleanup, and improve infrastructure on or serving a brownfield property. Since its inception, 80 Clean Ohio Revitalization Fund projects have been awarded more than \$185 million, leveraging more than \$2 billion in private sector investment, and creating and/or retaining more than 10,000 jobs. In addition, nearly \$4.2 million has been awarded to 14 projects through Clean Ohio Assistance Stimulus Funds.

Fostered by strong partnerships and new resources, Clean Ohio projects are outstanding demonstrations of innovation, creativity, and diversity. A few examples of how the Clean Ohio Revitalization Fund is working include:

The **City of Fairborn** received a \$2.8 million Clean Ohio Revitalization Fund grant for the CEMEX Town Plant Redevelopment project. With Clean Ohio funding, the City and Wright State University will remediate contaminants from past uses and redevelop the site into the Calamityville Tactical Laboratory. This facility will serve as a self-sustaining, all-hazard training environment for first providers such as law enforcement, fire, and EMS; and first receivers such as physicians, nurses, and hospital staff.

The **City of Cuyahoga Falls** received a \$2 million Clean Ohio Revitalization Fund grant for the Former State Road Shopping Center project. Clean Ohio funds will help the City remediate contamination, demolish more than 350,000 square feet of decaying building, and ultimately redevelop the site into a new mixed-use center.

The **Toledo-Lucas County Port Authority** received a \$1.9 million Clean Ohio Revitalization Fund grant for the Industrial Park at Beazer project. Upon completion of remediation, the Port Authority plans to attract manufacturing and marine companies to the property with its prime location on the Maumee River.

Ohio Historic Preservation Tax Credit Stimulus

The Ohio Historic Preservation Tax Credit program provides recipients tax credits equal to 25 percent of qualified rehabilitation expenditures. In the Job Stimulus Plan, \$120 million was set aside for Ohio Historic Preservation Tax Credits.

In October 2008, 46 applicants were approved totaling more than \$74 million in tax credits, leveraging \$415 million in private funds. Round Three tax credits, totaling approximately \$23.7 million, were awarded in December 2009 to 12 applicants.



The total tax credits of more than \$222 million awarded to date represent 99 projects in 26 cities. Credits are being used in Cleveland to rejuvenate buildings along historic Euclid Avenue and in Cincinnati for the long-neglected Over-the-Rhine neighborhood. In smaller cities, credits are being used to rehab anchor buildings in historic downtowns.

Projects:

Since its completion in 1891, the Fort Piqua Hotel, built in Romanesque Revival style, has been a source of pride for the community of Piqua. The building hosted presidents and dignitaries throughout its long history, until falling into a state of neglect. The building represents the heart of this community and with the help of more than \$4 million in Ohio Historic Preservation Tax Credits and Clean Ohio funds, Piqua leaders and historic preservationists have brought the building back to life by renovating the former hotel into the new home of the community library, a coffee shop, banquet facility, and restaurant.

The Capitol Theatre in Cleveland opened in 1921 as a silent film and vaudeville house. The Theatre is being rehabilitated by the Detroit Shoreway Community Development Organization into a three-screen cinema featuring art and independent films. The \$24 million project received more than \$1 million in Ohio Historic Preservation Tax Credits, which will leverage \$300 million.

Located at the southeast corner of East Broad Street and Grant Avenue, the Seneca Hotel is situated in the heart of downtown Columbus in the city's Discovery District. The property, built in 1917 and listed on the National Register of Historic Places, has been vacant and in decay for 17 years. Designed by the nationally renowned architect Frank Packard in a Jacobean style popular for hotels and school buildings during the late 19th and 20th centuries, the 10-story 136,500-square-foot structure was one of the finest hotels in Columbus. With more than \$4 million in Ohio Historic Preservation Tax Credits, the building has been converted into market-rate apartments with retail on the first floor.

Advanced Energy Stimulus

The Ohio Department of Development also works with other state agencies on projects related to the Ohio Bipartisan Job Plan.

The state Advanced Energy Stimulus plan seeks to increase the development, production and use of advanced energy technologies in Ohio with \$150 million in funding over a three year period.

The Advanced Energy Stimulus plan dedicated \$84 million to non-coal-related projects over a three-year period, with three \$28 million annual appropriations and \$66 million for clean coal technologies. Both are administered by the Ohio Air Quality Development Authority (OAQDA).

Non-coal-related projects are reviewed by OAQDA staff and outside reviewers, the Development Finance Advisory Council, approved by OAQDA and brought before the State Controlling Board for final approval. Coal projects are reviewed by staff and outside reviewers, the Technical Advisory Committee and approved by OAQDA.

In total, Advanced Energy Stimulus has assisted ten projects to date with grants and low interest loans totaling more than \$26 million. These projects will assist in the creation and retention of more than 4,200 jobs for Ohioans.

Ohio Cooperative Solar – installation of photovoltaic (PV) solar panel modules on the roofs of commercial buildings for customers in the University Circle area of Cleveland (Cuyahoga County).

Schmack BioEnergy – which recently changed its company name to quasar energy group, to construct an anaerobic digester system in Columbus (Franklin County).

Technology Management, Inc. – to commercialize a solid oxide fuel cell system into military markets for replacement of kilowatt class diesel gensets to be refined for use in residential and agricultural settings at multiple locations across Ohio.

Wayne Trail Technologies, Inc. – to establish a unique manufacturing process used in lithium-ion battery packs – the type of batteries used to power hybrid electric vehicles in Fort Laramie (Shelby County).

The Ohio State University – to demonstrate the use of coal combustion products to successfully reclaim and stabilize mine sites.

Westerman Nuclear LLC – to construct a new manufacturing facility to supply components to the nuclear industry in the U.S. and around the world from its planned location Bremen (Fairfield County).

InSet Systems LLC – to demonstrate and produce an inertial sensor tracking system for monitoring the underground location of miners and equipment on a real time basis.

The Ohio State University – to support the Coal Combustion Products Extension Program.

Xunlight Corporation – to expand its current two megawatt pilot production line to 25 megawatts for manufacturing its amorphous silicon thin-film photovoltaic modules in Toledo (Lucas County).

Willard & Kelsey Solar Group LLC – to expand its Perrysburg manufacturing facility for increased capacity in the manufacture of thin-cell photovoltaic solar panels to be distributed around the nation and the world.



Entrepreneurship and Small Business Division

The entrepreneurial spirit of small business owners sparked economic growth early in Ohio's statehood, and this spirit continues to drive Ohio's economy today. As they adapt to an increasingly competitive global economy, Ohio's small businesses maintain their special, trusted role in the heart of the state's communities, offering quality products and services, along with a healthy dose of hospitality.

Recognizing the vital role entrepreneurs play in Ohio's economy, the Entrepreneurship and Small Business Division works in partnership with a broad network of public and private partners across the state to provide the information, assistance, and advocacy that fosters small business growth and development. Faced with the unique challenges of its constituents, the Division supports Ohio's small businesses (up to 500 employees) by creating opportunities for them to expand financial literacy and access capital, entrepreneurial skills, and coaching. **During the past year, 2,106 jobs were created and 48,126 were retained through more than \$100 million of loan assistance provided to small businesses by the Division.**

Ohio Small Business Development Centers

The Entrepreneurship and Small Business Division is home to the **Small Business Development Centers of Ohio**, the state's premier technical and management assistance program for small business owners supported through the U.S. Small Business Administration. **In 2008, the network of 39 centers across the state served more than 9,150 clients.** And as technology becomes increasingly important to the future of businesses of any size, the Entrepreneurship and Small Business Division is focused on best practice programming through seminars, Webinars, DVDs, television, radio, and other means to help Ohio's small businesses become more efficient and effective.

- The **1st Stop Business Connection** offers Ohio's entrepreneurs one resource for all state and federal registration requirements to start a new business. Providing free, comprehensive business start-up kits to guide people through registering a business in Ohio, the 1st Stop is made possible through a partnership between the Small Business Development Center program and the U.S. Small Business Administration.

Wilmington Business Resource Center

*In November 2008, the Ohio Department of Development and the Ohio Small Business Development Center (SBDC) Network opened the **Wilmington Business Resource Center** to assist those affected by the closing and downsizing of local businesses such as DHL. The Center connects families to vital state services through customized business training events, e-counseling, quality-based assessments, technical assistance, loan packaging guidance, and information on federal, state, and local regulations and programs.*

The Wilmington Business Resource Center, which also houses the Ohio Benefit Bank operated by the Governor's Office of Faith-Based and Community Initiatives, is a one-stop location for business assistance and services from the SBDC Network including the International Trade Assistance Center, the Manufacturing and Technology Small Business Development Center, and the Ohio Procurement Technical Assistance Center.

The Wilmington Business Resource Center counseled 176 clients with 628 hours of direct client counseling. In addition, the Center conducted 55 training sessions for 655 attendees and has served 831 people in the Wilmington project. The Center is open 10 a.m. to 4 p.m. daily.

- The **Not-So-Small Business TV Show** was a 2008 show sponsored by the Ohio Department of Development airing on the Ohio Channel and focused on small businesses in Ohio, and the pros and cons of becoming an entrepreneur. The show examined the best practices of small businesses throughout the State of Ohio.
- The **Women's Business Resource Program** provides valuable resources to women entrepreneurs to help overcome the barriers that impede business success. These resources include training, procurement, marketing, networking, and counseling through our Small Business Development Center network. This program complements the Directory of Women-Owned Businesses, which identifies companies throughout the state by industry and location.



- The **Micro Enterprise Support Program** provides outreach and training to unique market sub-segments in the small business community, including senior citizens, baby boomers, veterans, displaced workers, the physically challenged, minorities, and youth and faith-based organizations which employ one to five people. A key component of the program is the “Best Way to Start a Home-Based Business” workshop, which is tailored to each market featuring experts from the target population.

Trainer Starts NuLife Personal Fitness

Hard work is a concept that's very familiar to small business owner, Miesha Wilson. Raised by her grandmother in Cleveland's inner city, she graduated from Glenville High School before becoming the first member in her family to earn a college degree. Overcoming struggles of the inner city, she not only earned one degree but three. The same diligence that enabled her to conquer the many obstacles she faced while growing up led her to start her own business years later.

*While working for a local fitness camp, Wilson began to receive numerous requests for her personal training services and volunteered her services during her spare time. As more of her clients began to lose 10-40 pounds, her client base grew. Determined to start a business, she visited the **Small Business Development Center (SBDC)** in Cleveland for assistance with writing a business plan. With a sound business plan and client base of 80 clients, she started **NuLife Personal Fitness** in November of 2005. NuLife Personal Fitness' membership more than doubled in its first year and has since opened a second location in January 2009.*

- The **Small Business Hotline** provides answers to business-related questions, and information to businesses affected by the decline in the automotive and manufacturing industries, with referrals to local, state, and federal programs. Third- and fourth-tier automotive suppliers can also receive assistance. Hotline number: (877) 25SMBIZ or (877) 257-6249.
- The **Women's Business Directory** provides a directory of women-owned businesses in the State of Ohio, including demographic information, business category, and contact information, for use by other women-owned businesses and corporate use. The Women's Business Directory currently has 500 women business owners on record.

www.womensbusinessresource.development.ohio.gov



Strengthen our Strengths | Link and leverage our inventive past with our innovative future.

Minority Business Enterprise Division

A central tenet of the Strickland/Fisher administration is to make state government more responsive, customer friendly, and above all, more inclusive. Key to realizing these important objectives is the need to drive and sustain a business environment sensitive to the particular needs of minority business enterprises.

As Ohio's lead facilitator of minority business growth, the Minority Business Enterprise Division assists in the creation, growth, and development of minority business enterprises throughout the state. A key priority of the Division is to increase the level of services statewide that support socially and economically disadvantaged businesses and emerging entrepreneurs in the urban core. New initiatives targeting urban entrepreneurship are being developed to provide business assistance to minority-owned and -operated business.

Hooven-Dayton Corporation

Hooven-Dayton Corporation began as The Hooven Automatic Typewriter Company in 1912 in Hamilton, Ohio. In 1935, the company moved to Dayton, changed its name to Hooven-Dayton, and began supplying businesses with printing solutions.

*Today, the **Hooven-Dayton Corporation** has grown into a strong Ohio company, operating as a specialty label printer and manufacturer, with capabilities ranging from flexible packaging to converting solutions for a variety of industries.*

The company received direct assistance from the Minority Business Enterprise Division, which supported the purchase of a new press that will help to expand market share by increasing its screen printing, embossing, and cold foil stamping capabilities.

The Division's loan and bond programs provide access to capital and surety bonds for firms that may not qualify for traditional lending or bonding. Management, technical, and procurement assistance services are available at eight regional **Minority Contractors and Business Assistance Centers** around the state. **During Fiscal Year 2009, these Centers provided counseling in business operations, bidding and estimating, accessing capital, and certification to more than 2,000 business owners during**

5,791 counseling sessions. As a result of these individual counseling sessions, these Centers were able to assist minority businesses in receiving \$405,550 in financing. **This increased access to capital resulted in more business activity, the creation of 622 jobs, and retention of 923.**

Seven regional **Procurement Technical Assistance Centers** market contracting and subcontracting opportunities for certified Minority Business Enterprises (MBE) and EDGE (Encouraging Diversity, Growth & Equity) businesses. In Cycle Year 2009, our Procurement Technical Assistance Centers counseled 2,290 small business owners. Working with our Centers, small businesses received more than \$90.9 million in Prime Contact awards and \$18 million subcontract awards. The **Minority Business Initiative** strengthens our commitment by increasing our collaboration with the state's Minority Business Enterprise and **EDGE program.**

Minority Business Enterprise Division Financial Assistance for Fiscal Year 2009	
Ohio Capital Access Program	
Provided \$540,000 for 55 loans, leveraging an additional \$4 million. These loans created 160 jobs and retained 190.	
Minority Business Direct Loan Program	
Provided \$595,000 for two loans, leveraging an additional \$1.51 million. These loans created 17 jobs.	
Minority Business Bonding Program	
Provided \$550,000 in bonding capacity to two companies, leveraging \$550,000 in potential contracts. This bonding capacity is projected to create six jobs.	
Minority Contractors and Business Assistance Centers	
Provided assistance in receiving \$405,550 in financing, which created 622 jobs and retained 923.	
Procurement Technical Assistance Centers	
Provided assistance to small businesses, receiving more than \$90.9 million in Prime Contact awards and \$18 million in subcontract awards.	



Strengthen our Strengths | *Link and leverage our inventive past with our innovative future.*

The Minority Business Enterprise Division has developed new tools for strengthening opportunities available to minority businesses. Established by an executive order from the Governor, the Division has assembled the **Minority Business Advisory Council** to recommend new policies and programming ideas to improve the atmosphere for minority business growth. Newly established **Minority Business Development Organizations** facilitate training, strategic management, networking, and mentoring opportunities with major corporations to ensure minority businesses in Ohio have access to the assistance they need to be productive and profitable.

- The **Ohio Capital Access Program** encourages lending institutions to make loans to small businesses for growth and expansion by establishing a unique credit enhancement reserve account at a Capital Access Program lending institution. The program is similar to a loan guarantee program and is available to any Ohio small business or nonprofit with less than \$10 million in sales. It is the only state business program with this unique loan guarantee structure. **A total of \$540,000 was provided through the Program for 55 loans, leveraging an additional \$4 million. These loans created 160 jobs and retained 190.**

- The **Ohio Minority Business Direct Loan Program** provides fixed, low-interest rate loans to certified minority-owned businesses that are purchasing or improving fixed assets and creating or retaining jobs. **Through the Program, \$595,000 in loans was provided, leveraging an additional \$1.5 million in Fiscal Year 2009.**
- The **Minority Business Bonding Program** provides bid, performance, and payment surety bonds to state-certified minority-owned businesses that are unable to obtain bonding through standard surety companies. **A total of \$550,000 in bonding capacity was provided through the Program, leveraging \$550,000 in potential contracts in Fiscal Year 2009.**

The Office of Insurance and Financial Development

From buying a home to saving for your child's education, insurance and financial institutions are vital to the growth and success of Ohio's economy and workforce.

The Office of Insurance and Financial Development works with the state to develop and implement policies, strategies, and programs, designed to attract and retain insurance and financial service businesses and jobs in Ohio.

In December 2009, the office unveiled its strategic plan to enhance the business climate for Ohio's insurance industry and develop, with the industry, innovative ways to create and retain jobs.

Ohio's insurance industry is one of the oldest and most established industries in the state, employing more than 100,000 Ohioans, whose wages total nearly \$6 billion. There are more than 250 insurance companies

headquartered in Ohio, many located in the state's large urban centers. Just as important, are the hundreds of smaller companies and independent agents located across Ohio, that play a vital role in providing employment opportunities and economic growth to the state. Because of Ohio's favorable business infrastructure, these companies have made significant investments by expanding and committing to future growth in the state.

Beyond providing business incentives for insurance companies, the Office of Insurance and Financial Development helps to cultivate top talent by promoting internship opportunities and through the recently launched Web site OhioMeansInsuranceJobs.com. The Web site ensures that job seekers are connected to positions that will not only help the industry's growth, but provide the lifestyle that will keep top talent in Ohio for years to come.

The development of the strategic plan for Ohio's insurance industry was a collaborative effort between the Ohio Department of Insurance, Ohio Department of Development, the Board of Regents, and the private sector.



Technology and Innovation Division

In targeted areas of technology, the **Technology and Innovation Division** implements programs to establish regional and statewide clusters of innovation that sustain Ohio's global competitive advantages for product development, company growth and attraction, job creation, and wealth creation. An independent study by SRI International found that **state expenditures related to the Ohio Third Frontier of \$681 million generated \$6.6 billion of economic activity, 41,300 total jobs, and \$2.4 billion in employee wages and benefits.** According to the impact study's figures, Ohio has garnered a nearly \$10 return on every dollar of the state's investment in the period from 2003 – 2008, with the expectation of increased impacts in the years to come. The Division accomplishes these goals by administering four primary programs:

- The **Ohio Third Frontier** works to expand Ohio's technology-based research capabilities and promote innovation and new company formation to create and retain high-wage jobs for future generations. Through the Ohio Third Frontier, more than 290 awards have been distributed throughout the state.
- The **Thomas Edison Program** promotes technological innovation within Ohio's existing industrial base by providing access to critical technology expertise within Ohio's emerging technology industries by supporting new technology company formation. The seven **Edison Technology Centers**, located throughout the state, provide a variety of product and process innovation services, and commercialization services to Ohio companies in key industry verticals. The 13 **Edison Technology Incubators** connect early-stage companies to business assistance, mentoring, investment capital, and physical space, allowing entrepreneurs to concentrate their limited resources on the development of their core product/service. **During Fiscal Year 2009, the total investments made in Edison Technology Centers, Edison Technology Incubators, and special sponsorships was more than \$15.2 million.**
- The **Ohio Technology Investment Tax Credit** stimulates early-stage investments in technology-based startups by providing a tax credit for Ohio taxpayers that invest in small, Ohio-based technology companies. To date, private investors have invested approximately \$109.8 million in 422 qualified Ohio technology companies.

During Fiscal Year 2009, the Technology Investment Tax Credit program approved 234 investments totaling \$11.9 million and tax credits of \$2.9 million. They also qualified 61 new firms as being eligible for Technology Investment Tax Credit backed investments.

American Trim: Advanced Technology in Traditional Manufacturing

American Trim is a Lima, Ohio-based company specializing in metal forming, finishing, and coating for the appliance and automotive industries.

The company began in 1951 as Lima Tool and Die with only four employees.

In part, with assistance from Ohio Third Frontier, the company has grown and expanded to 1,200 employees today working in three Ohio facilities and five other manufacturing facilities in the United States and Mexico.

In 2008, American Trim demonstrated its full-sized, PVD-coated heavy truck bumper. If the sample products pass customer tests, American Trim expects to establish a new factory based on the technology.

Steve Hatkevich, American Trim Director of Research and Development, estimated the market for this initial product to be more than \$90 million annually. "We believe that hitting a home run with this product will result in 90 new manufacturing jobs."

- The **Ohio Capital Fund** was established to increase the availability of venture capital for Ohio technology companies. The Fund invests in private venture capital funds which, in turn, look to invest in Ohio-based seed or early-stage technology companies. The Fund's activities are governed by an Investment Policy overseen by the **Ohio Venture Capital Authority**. **As of June 30, 2009, the Ohio Capital Fund of the Ohio Venture Capital Authority has made \$100.5 million commitments to 21 venture funds in Ohio, who in turn, have made investments in 33 Ohio companies.**



Table 1 provides detailed information regarding the efforts of each of the four programmatic areas.

Ohio's Major Technology-Based Economic Development Programs	
Ohio Third Frontier	Total Awards through June 30, 2009
Research and Commercialization Collaboration	
Ohio Research Scholars Program creates 26 endowed chairs at Ohio Universities.	\$146.5 Million
Wright Centers of Innovation Program supports university-based Centers of Excellence in target technology platforms ¹ .	\$295 Million
Research Commercialization Program provides funds for applied research.	\$232.4 Million
Wright Projects provide grants for capital equipment purchases.	\$76.0 Million
Entrepreneurial Support	
Entrepreneurial Signature Program pairs high-growth-potential technology startups with experienced entrepreneurs, risk capital, network in six regions.	\$84.8 Million
Pre-seed and Seed Funds award grants to pre-seed funds that invest in startups.	\$43.8 Million
Product Development Assistance	
Ohio Third Frontier Action Fund awarded grants to pre-seed funds and to companies for applied R&D leading to near-term commercialization.	\$18 Million
Ohio Research Commercialization Grant Program (SBIR III) awards grants to improve viability of technologies developed through Federal R&D projects.	\$13.3 Million
Fuel Cell Program supports applied R&D to help commercialize fuel cell components produced in Ohio.	\$40.9 Million
Advanced Energy Program supports applied R&D to commercialize advanced energy system components produced in Ohio.	\$21.2 Million
Cluster Development	
Ohio Innovation Loan Fund provides subsidized debt financing to established companies to develop next-generation products and services.	\$54 Million committed during program life
Targeted Industry Attraction Grants attract out-of-state companies in target industry sectors to locate new facilities in Ohio.	\$3.4 Million
Workforce Development	
Ohio Third Frontier Internship Program places highly-trained students (up to the doctoral level) with Ohio tech-based industries.	\$1.5 Million
Thomas Edison Program	
Edison Technology Centers (7) support the industrial competitiveness of Ohio companies in key industry verticals by providing access to technology and business expertise.	\$13 Million – \$13.5 Million/year
Edison Technology Incubators (13) assist technology-oriented startups during concept definition and development stages, allowing entrepreneurs to concentrate on development of their core product/service.	\$4 Million – \$4.5 Million/year
The Ohio Capital Fund/Ohio Venture Capital Authority	
Ohio Capital Fund "Fund of funds" mechanism increases venture capital available for early-stage investment in Ohio companies.	\$98.5 Million (of total \$150 Million)
Ohio Technology Investment Tax Credit	
The Technology Investment Tax Credit provides tax credits to taxpayers who invest in small, Ohio-based technology companies.	\$28.5 Million (of total \$45 Million set aside)

Note: ¹The five technology platforms targeted by Ohio Third Frontier are: Biosciences; Advanced Materials; Advanced Energy; Instruments, Controls, and Electronics (ICE); and Power & Propulsion.



Alignment of Technology-Based Economic Development Programs

The Technology and Innovation Division is focused on supporting the innovation and growth of Ohio companies along the entire technology commercialization continuum. At the transition between each phase and the next is the need to mobilize resources. Collectively, Ohio's four Technology-Based Economic Development programs support the advancement of entrepreneurs and companies across the technology commercialization continuum, as depicted in Figure 1.

In the Imagining Phase of Commercialization, programs under the Ohio Third Frontier, such as the Ohio Research Scholars, the Wright Centers of Innovation, and the Wright Projects, are directed toward building world-class centers of excellence in targeted fields with strong commercial relevance to key industry sectors. The attraction of new talent to Ohio universities and increased university-industry research collaboration resulting from these investments are expected to yield many new commercial opportunities.

The Edison Technology Incubators, the Ohio Technology Investment Tax Credit, and the Ohio Capital Fund/ Ohio Venture Capital Authority support and extend the entrepreneurial assistance of the Ohio Third Frontier's Pre-Seed Funds and Entrepreneurial Signature Program in the Incubating Phase.

The Ohio Third Frontier's direct investments in Ohio companies, such as the Research Commercialization Program, Fuel Cell Program, and Advanced Energy Program, provide commercialization support to companies in the Demonstrating Phase.

The Edison Technology Centers provide technical assistance to existing Ohio companies as they grow and diversify into new markets (Growth and Sustainability Phase). In addition, the state makes available loans for new equipment purchases and other investments through the Innovation Ohio Loan Fund, Job Creation Tax Credits for operation expansions, and our comprehensive suite of economic development programs.

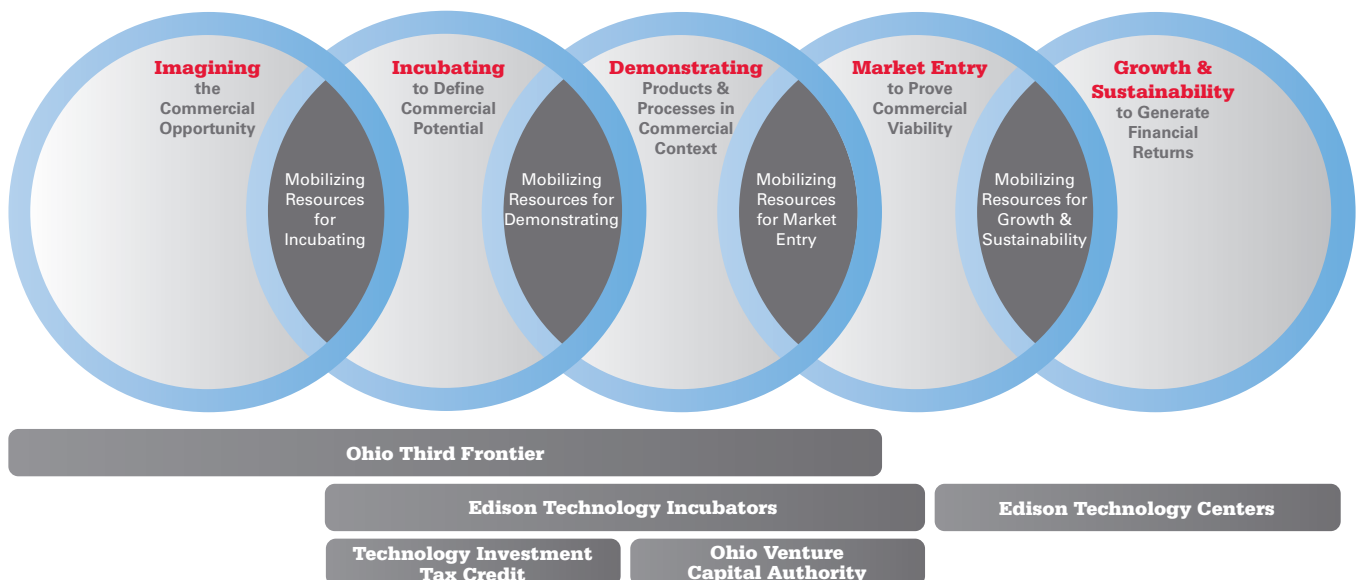
Innovation is important to Ohio's long-term economic growth because new products, services, and production processes provide Ohio companies with opportunities to enter new markets and to gain greater market share. Innovation affords Ohio's economy the opportunity to diversify into higher growth, higher value-added economic activities that can move Ohio to a better growth trajectory. Ultimately, this will generate higher quality jobs and higher incomes for current and future generations of Ohio citizens.

Annual Reports

The following Annual Reports are available at www.reports.development.ohio.gov:

- Ohio Third Frontier 2009 Annual Report
- Ohio Third Frontier 2008 Annual Report
- SRI International Report

Figure 1. Location of Ohio Technology-Based Economic Development Programs along Technology Commercialization Framework





Workforce and Talent Division

The availability of a reliable, skilled workforce is one of the most important factors for businesses planning to expand or relocate. Businesses succeed – or fail – on the work ethic and talent of their human capital, and our partnership with the University System of Ohio and the Ohio Department of Job and Family Services provides many opportunities for life-long learning and skill development so that Ohio talent remains the best around.

The Workforce and Talent Division is committed to supporting Ohio's most valuable asset: our workers. Ohio boasts one of the largest labor pools in the country, with 5.9 million workers. With more than 200 institutions of higher learning, thousands more are joining the workforce every year. Today, the Division connects Ohio's economic development and workforce development resources at the state, regional, and local levels.

The Ohio Department of Development's commitment to meeting the employment needs of Ohio's businesses is demonstrated by its elevation and realignment of the Workforce and Talent Division. Today, the Division provides comprehensive solutions for businesses through the many initiatives and programs outlined below.

- The **Ohio Workforce Guarantee Program** supports companies that are making investments in facilities, equipment, and training that result in the retention and creation of jobs for Ohioans. The Program is one of the few programs in Ohio that provides direct financial support to employers for training, paying for a portion of instructor salaries, materials, travel, and special needs. **More than \$15.5 million was set aside for companies through the Program, funding 191 new projects and training more than 6,500 new workers and more than 59,000 incumbent workers.** Regional Workforce Directors are located at the Department's Regional Economic Development Offices around the state and are ready to provide free assistance in preparing an application.
- The **Ohio Third Frontier Internship Program** was established in 2002 to link Ohio students with rewarding internship opportunities that provide hands-on experience within Ohio's private sector business community. The goal is to build a talented workforce for the future and assist students in gaining valuable work experiences that can lead to permanent, full-time employment in Ohio after graduation. **In Fiscal Year 2009, Ohio companies posted more than 1,000 internship opportunities. Through the Ohio Third Frontier Internship Program, we were able to secure internships for 838 students.**

The Program will reimburse up to 50 percent of an intern's wage, or no more than \$3,000 for a 12-month period. Following an intern's graduation, a firm will have the opportunity to offer full-time employment to an individual who is well-prepared for a future career with an organization. The Ohio Third Frontier Internship Program is available to businesses that can provide internships in one or more of the following industries:

- Advanced manufacturing;
 - Advanced materials;
 - Bioscience;
 - Information technology;
 - Instruments, controls, and electronics; and
 - Power and propulsion.
- The **Ohio Labor Management Cooperation Program** enhances the relationship between labor and management through worksite training programs, regular meetings, workshops, and conferences. It creates a stable and positive work environment by nurturing cooperative labor management relationships and by dispelling negative labor images.
 - The **Governor's Workforce Policy Advisory Board** assists the Governor in directing workforce development resources to maximize return on investment and ensure optimal growth in Ohio's workforce economy. The Board regularly assesses Ohio's employment needs, advises the Governor on setting performance goals and priorities to improve the state's workforce development system, and helps leaders who shape workforce development policy at the local level. Guided by the Workforce Investment Act of 1998, Board members represent a range of groups including business and industry, organized labor, state legislature, education, social service agencies, and others who have a stake in employment and training issues.
 - The **Appalachian Training Investment Partnership Program** assists smaller companies (less than 500 employees) in defraying some of the costs associated with employee training. The state's General Revenue Fund matches \$250,000 per fiscal year with the federal Appalachia Regional Commission's \$250,000 funding to assist companies located in any of Ohio's 32 Appalachian counties. Because the Appalachian Training Investment Partnership can be designated as pilot/demonstration projects, pre- and post-assessments, pre-employment activities, curriculum development, and consortia-based training projects can be considered for funding.



- **OhioMeansJobs.com** is an employer-driven job matching system that combines job listings from major job boards, newspapers, associations, and company Web sites to create a comprehensive listing of jobs throughout Ohio. Job seekers can browse through nearly 100,000 employment opportunities by job title, keyword, pay range, and location – all for free. Employers who register through the **Ohio Business Gateway** can browse through thousands of resumes for free. Ohio is the first state in the nation to offer free access to a publicly funded online recruitment system. **Since its launch in October 2008, nearly 90,000 job seekers have uploaded their resumes to the Web site and more than 1,200 Ohio companies have registered through the Ohio Business Gateway.**

OhioMeansJobs.com

John Formica spent 12 years in a company in the aerospace industry. While there, he held many positions including machinist, thermal sprayer, engineer, and operations/productions manager.

*John started looking for work on the **OhioMeansJobs.com** Web site and noticed a recruiter looking for thermal spray engineers, particularly ones with background in machining and with aerospace experience. He was hired soon after as the Coatings Application Manager at one of the few Northeast Ohio companies looking for someone with his unique skills. He has said that his visit to OhioMeansJobs.com allowed him to find a great job in Ohio.*

Annual Reports

The following Annual Report is available at www.reports.development.ohio.gov:

- **Ohio Department of Job and Family Services and Ohio Department of Development Joint Plan to Use Workforce Investment Act Funds Report**



Community Development Division

The Community Development Division provides the solid foundation necessary for Ohio's citizens and economy to flourish. By solidifying Ohio's infrastructure, improving housing conditions, creating jobs, addressing energy needs, and supporting local social service initiatives, the work of the Division is transforming Ohio into a global leader, making the state an even better place to work and live.

The **Office of Community Services** and **Office of Housing and Community Partnerships** work daily to help low- and moderate-income Ohioans obtain or maintain basic needs, including employment, education, and safe, affordable housing. The Division's programs, award recipients, and beneficiaries consist of varied and diverse groups. The Division's overarching goal is to help improve Ohio's communities through infrastructure improvements (waterlines, sewer lines, roads, and sidewalks); job creation and retention; housing improvements (repair, rehabilitation, construction, down-payment assistance, and weatherization); housing with supportive services (case management, budgeting, life skills, and substance abuse counseling); and homelessness prevention (through short-term rental assistance, utility assistance, mortgage assistance, and foreclosure prevention).

The Office of Community Services works to eliminate poverty by providing funds for employment, education, emergency housing assistance, and nutrition services to 53 local nonprofit organizations designated as community action agencies located throughout Ohio. In addition, the Office helps Ohio's low- and moderate-income residents reduce energy costs while improving comfort and addressing energy-related health and safety issues; and helps Ohioans understand that energy efficiency and the use of advanced energy options are beneficial to both economic development and the environment.

The Division accomplishes its many goals through the following programs:

- The **Home Energy Assistance Program** helps households with incomes at or below 175 percent of the federal poverty guidelines to heat and cool their residences. The Regular Heating Assistance Program, which operates November through May, pays a portion of household winter heating bills. The **Winter Crisis Assistance Program**, which operates November through March, provides a one-time payment to restore or retain residential heating services. The **Summer Crisis Program**, which operates in July and August, provides a one-time payment of up to \$100 and/or an air conditioner or fan to low-income households with a 60-year-old member or older; or documentation from a physician indicating that cooling is needed for a household member.

In Program Year 2009, more than \$208.8 million of Home Energy Assistance Program funds were expended to assist 393,939 households through the Regular Heating Assistance Program, 179,949 households through the Winter Crisis Assistance Program, and 29,764 households through the Summer Crisis Program.

- The **Percentage of Income Payment Plan** program requires regulated electric companies to accept payments based on a percentage of a household's income. To be eligible to participate in the Percentage of Income Payment Plan Program, the company providing the household's primary heating source must be regulated by the Public Utilities Commission of Ohio, the household's income must be at or below 150 percent of the federal poverty level, and the household must apply for energy assistance programs, if eligible. **In Program Year 2009, more than \$120 million of Universal Service Fund dollars were expended to assist approximately 256,000 households eligible to participate in the Program.**

Community Development

*U.S. Department of Energy Secretary Steven Chu was in Ohio on June 18, 2009 to announce the approval of Ohio's plan to utilize \$106 million of the state's total \$266 million allocation of Home Weatherization Assistance Program funding through the American Recovery and Reinvestment Act. **To date, this initiative has weatherized 4,496 housing units, created 926 jobs, and retained 1,551 jobs.***

*It is estimated that **more than 32,000 homes will be weatherized in Ohio over the next three years**, reducing energy costs for Ohio's families by an average of 24 percent, making their homes and their utility bills more comfortable.*

*This emphasis on weatherization has positively impacted equipment manufacturers and distributors. **Krendl Machine Company**, a family-owned, 50-year-old business in Delphos confirmed the addition of 16 workers since February. Krendl employees have also earned overtime to meet the demand for machines that blow insulation into walls and attics during the weatherization process. That demand is coming from around the nation and the world, noting an increase in business coming from Australia. Community action agencies in Ohio have purchased more than 60 Krendl machines since March. Meanwhile, one of Krendl's distributors, Applied Energy Products, has increased its workforce by nearly 60 percent. The company has added four employees since the beginning of 2009, bringing its total workforce to 11. They have added trucks and plan to hire at least an additional person.*



- The **Home Weatherization Assistance Program** provides funds to community-based, nonprofit organizations, and local governments throughout Ohio to help low-income households save energy, while increasing safety and comfort within their homes. The services provided may include a safety inspection and tune-up of the household's heating unit; reduction of major air leakages; insulation of hot water heaters, heating ducts, attics, walls, and floors; and client education. **In Program Year 2009, more than \$35.2 million of Federal Home Weatherization Assistance Program funds were awarded to 58 nonprofit organizations and local governments to assist 7,073 households.**
- The **Community Services Block Grant Program** provides funds to 52 community action agencies throughout Ohio to reduce the causes and conditions of poverty by supporting job training, economic development, transportation, housing, emergency food, shelter, and health care service programs. **In Program Year 2009, more than \$27.1 million of Federal Community Services Block Grant Program funds were expended to assist 239,290 households.**
- The **Electric Partnership Program** provides funds to selected electric service providers to perform in-home audits and install appropriate electric base load and thermal energy efficiency measures in high-cost and high-volume electric use structures occupied by Percentage of Income Payment Plan Program eligible households. **In Program Year 2009, 10 electric service providers were awarded more than \$17.9 million to assist 17,736 households.**
- The Community Development Program provides both formula and competitive funds to eligible local governments to address locally identified needs that are eligible **Community Development Block Grant Program** activities. The Formula Allocation grant amounts are determined by the number of low- and moderate-income persons residing in Ohio's non-urban counties and small cities. Specific programs funded by the Community Development Block Grant Program are listed below. **In Program Year 2008, the Office of Housing and Community Partnerships awarded Formula Allocation grants totaling more than \$18.3 million to the 127 eligible communities to complete Community Development Block Grant Program-eligible activities. In total, the Community Development Program will leverage approximately \$51.6 million of other public and private funds.**
 - The *Neighborhood Revitalization* grants provide funds, through a competitive process, to local governments for public facility improvements in targeted areas of distress. In Program Year 2008, 10 grants totaling more than \$2.9 million were awarded to improve 27,207 linear feet of sidewalks,

47,374 linear feet of streets, 10,189 linear feet of storm sewer lines, 1,134 linear feet of sanitary sewer lines and other Community Development Block Grant Program-eligible activities.

- The *Water and Sanitary Sewer Program* helps eligible local governments maintain, improve and expand water and sanitary sewer systems. In Program Year 2008, the Office awarded 19 grants totaling more than \$9.4 million to eligible applicants, leveraging more than \$40.5 million of other public and private funds.
- The *Economic Development Program* provides grants to eligible local governments for economic development projects that create and/or retain permanent, private-sector job opportunities. In Program Year 2008, the Office awarded 11 grants totaling more than \$3.2 million to create 346 jobs, retain 73 jobs, and leverage more than \$38.4 million of other public and private funds.

Community Services Block Grant Program

*During Fiscal Year 2009, the Community Development Division dispersed \$14.4 million of its \$38.9 million in additional funding for the **Community Services Block Grant Program** through the American Recovery and Reinvestment Act of 2009.*

The funds, administered by the U.S. Department of Health and Human Services, were allocated to the local community action agencies across the state to provide services and activities addressing employment, emergency services, and a variety of activities to combat poverty. Distribution of funds will continue over the next two years.

The Community Services Block Grant Program funds, administered by the Ohio Department of Development's Community Development Division and its Office of Community Services, may be used to assist families and individuals whose annual household income is at or below 200 percent of the federal poverty guidelines.

- The **Housing Opportunities for Persons with AIDS Program** provides funds to eligible nonprofit organizations or local governments on a competitive basis to meet the housing and supportive service needs of persons suffering from AIDS or HIV-related diseases. **In Program Year 2008, the Office of Housing and Community Partnerships awarded six Housing Opportunities for Persons with AIDS Program grants, totaling more than \$1.1 million to assist 694 households consisting of 1,928 persons, and leveraged more than \$1.8 million of other public and private funds.**



- The **Homeless Assistance Grant Program** provides funds for a continuum of housing/services to prevent persons from becoming homeless by providing homeless prevention services and assistance; moving persons from homelessness to permanent housing through the provision of emergency shelter, direct housing and transitional housing; and providing long-term permanent supportive housing to homeless persons with disabilities. Grants are funded with federal Emergency Shelter Grant Program and Ohio Housing Trust Fund dollars and awarded competitively to eligible nonprofit organizations, local governments, public housing authorities and consortia of any eligible applicants. **In Program Year 2008, the Office of Housing and Community Partnerships awarded 87 Homeless Assistance Grant Program awards totaling more than \$21.9 million to assist approximately 81,000 low-income people and leverage more than \$61 million of other public and private funds.**
- The **Housing Assistance Grant Program** provides funds to eligible nonprofit organizations to assist low- and moderate-income persons with emergency home repair/accessibility modifications, down payment assistance and homebuyer counseling. Grants are funded with Ohio Housing Trust Fund dollars and awarded competitively. **In Program Year 2008, the Office of Housing and Community Partnerships awarded 30 Housing Assistance Grant Program awards totaling \$6 million to repair 2,543 homes, provide 240 households with down payment assistance, provide homebuyer counseling to 680 households and leverage more than \$4.2 million of other public and private funds.**
- The **Community Housing Improvement Program** provides funds for a flexible, community-wide approach to the improvement and provision of affordable housing for low- and moderate-income persons, and to help develop local capacity to administer housing programs. Grants are awarded competitively and eligible communities can undertake a broad range of housing-related activities, including necessary infrastructure improvements. Based on the types of activities proposed, award recipients may receive Community Development Grant Program, HOME Investment Partnerships Program, or Ohio Housing Trust Fund dollars. **In Program Year 2008, the Office awarded 62 awards totaling more than \$30 million to assist approximately 2,700 low- and moderate-income households (consisting of approximately 7,500 people) and leveraging more than \$22.4 million of other public and private funds.**
- The **Neighborhood Stabilization Program** addresses Ohio's abandoned and foreclosed homes crisis with awards granted based on foreclosures, subprime loans, defaults, delinquencies, and vacancy rates,

with the areas of greatest need receiving funding. **The Office awarded grants totaling more than \$83.3 million to 29 communities and 21 regions to improve neighborhoods by purchasing and redeveloping abandoned and foreclosed properties, establishing land banks and demolishing blighted structures. As a result of the grants, approximately 535 homes will be constructed or rehabilitated, 203 households will be provided with down payment assistance, 26 rental units will be constructed, 3,670 structures will be demolished, and \$287.1 million will be leveraged.**

In addition, the Office awarded the Ohio Housing Finance Agency a \$29.2 million Neighborhood Stabilization Program grant to fund the Affordable Rental Housing Initiative. The Initiative encourages the redevelopment of demolished, foreclosed or vacant structures into affordable rental housing serving households with incomes at or below 50 percent of the area median income and provides additional resources to both the Ohio Neighborhood Stabilization Program direct award recipients, where vacant rental properties are abundant, as well as in rural communities through a nonprofit organization.

Annual Reports

The following Annual Reports are available at www.reports.development.ohio.gov:

- **Biennial Report to House and Senate Public Utility Committees on Universal Service Fund and Advanced Energy Fund**
- **Ohio Housing Trust Fund Annual Report**

Rules Report for the Community Development Division Filing of Rule Numbers 122:5-3-01 – 122:5-3-10 Percentage of Income Payment Plan (PIPP)

The new rules for the electric Percentage of Income Payment Plan (PIPP) program to become effective November 1, 2010, will set the criteria for customer eligibility and policies regarding payment, crediting arrangements and responsibilities, procedures for verifying customer eligibility, and procedures for disbursing public funds to suppliers and otherwise administering funds under the director's jurisdiction.

The purpose of the revised rules is to address the escalating costs of the electric PIPP program; create a more affordable year-round electric payment for program participants; create similarity between the gas PIPP and electric PIPP programs, thus simplifying program administration and service delivery as well as minimizing customer confusion; create a uniform arrearage crediting program applicable to accruing and past arrearages; make PIPP customers active participants in the payment program; and improve PIPP data reporting so performance of the program and the impact of the rule changes can be evaluated.

The **Office of Community Services** is working actively with staff of the Public Utility Commission of Ohio, participating utilities, and stakeholders to transition the PIPP program and its customers through this first comprehensive program update since the Ohio Department of Development was made responsible for its administration in 1999.



Community Development Division Financial Assistance for Fiscal Year 2009	
Home Energy Assistance Program	
Expended more than \$208.8 million to assist: <ul style="list-style-type: none"> • 393,939 households through the Regular Heating Assistance Program • 179,949 households through the Winter Crisis Assistance Program • 29,764 households through the Summer Crisis Program 	
Percentage of Income Payment Plan	
Expended more than \$120 million to assist approximately 256,000 households.	
Home Weatherization Assistance Program	
Awarded more than \$35.2 million to 58 nonprofit organizations to assist 7,073 households.	
Community Services Block Grant Program	
Expended more than \$27.1 million to assist 239,290 households.	
Electric Partnership Program	
Awarded 10 electric service providers more than \$17.9 million to assist 17,736 households.	
Community Development Block Grant	
Awarded grants totaling more than \$18.3 million to the 127 eligible communities to complete Community Development Block Grant Program-eligible activities.	

Housing Opportunities for Persons with AIDS Program
Awarded six grants, totaling more than \$1.1 million, to assist 1,928 households. Leveraged more than \$1.8 million of other public and private funds.
Homeless Assistance Grant Program
87 awards totaling more than \$21.9 million to assist approximately 81,000 low-income people. Leveraged more than \$61 million of other public and private funds.
Housing Assistance Grant Program
30 awards totaling \$6 million to repair 2,543 homes, provide 240 households with down payment assistance, provide homebuyer counseling to 680 households. Leveraged more than \$4.2 million of other public and private funds.
Community Housing Improvement Program
62 awards totaling more than \$30 million to assist approximately 2,700 low- and moderate-income households (consisting of approximately 7,500 people). Leveraged more than \$22.4 million of other public and private funds.
Neighborhood Stabilization Program
Awarded grants totaling more than \$83.3 million to 29 communities and 21 regions. Approximately 535 homes will be constructed or rehabilitated, 203 households will be provided with down payment assistance, 26 rental units will be constructed, 3,670 structures will be demolished, and \$287.1 million will be leveraged.



Governor's Office of Appalachia

Ohio's 32 Appalachian counties are well-known for their beautiful scenery, rich culture, and timeless traditions; they also boast a welcoming business climate, skilled workers with a strong work ethic, and an affordable cost of living.

As an advocate for Ohio's 32 Appalachian counties, the Governor's Office of Appalachia works in conjunction with the Appalachian Regional Commission in Washington, D.C. to promote the region's assets and to support local, regional, state, and federal initiatives. These initiatives contribute to the economic, educational, and community prosperity of the people of Ohio's Appalachian region, with **Governor's Office of Appalachia projects benefitting 210,000 Ohioans in Fiscal Year 2009.**

Community Facilities Initiative

*In Fiscal Year 2009, the Governor's Office of Appalachia created the **Community Facility Initiative**, setting aside part of their state allocation so that nonprofits and government entities could complete a variety of activities in facilities used by the community such as courthouses, village/town halls, theatres, MRDD facilities, and community centers.*

Funding levels were set at between \$15,000 and \$30,000, with dollar-for-dollar matching funds from the applicant.

Projects approved included energy efficient windows and doors, new roof installation, upgrading electric wiring, installing new heating/cooling units, meeting ADA regulations, and eliminating safety issues.

Thirteen projects were funded through the Community Facilities Initiative for a total of \$337,929. The response from communities and internal review of the initiative was very positive.

The Governor's Office of Appalachia sets the direction of Appalachian Regional Commission funding within Ohio in conjunction with four local development districts: Buckeye Hills-Hocking Valley Regional Development District, EastGate Regional Council of Governments, Ohio Mid-Eastern Governments Association, and Ohio Valley Regional Development Commission. The Office assists Ohio's Appalachian communities with important infrastructure, health care, worker training, and education projects to improve living conditions and spur economic development.

Last year, for example, the Office coordinated nearly 100 grants to local and regional communities. These grants and associated projects leveraged \$18.7 million in investments in Ohio Appalachia. Grassroots proposals originating from within the region drive partnerships between the Governor's Office of Appalachia and communities that promote economic progress while maintaining the traditions and values that make Appalachia unique.

The traditional assets that have been the foundation of the Appalachian region's economy for centuries are supporting new and emerging opportunities for the region today. Committed to advancing alternative energy in the state, the Governor's Office of Appalachia, working in coordination the Appalachian Regional Commission, awarded \$240,000 to Hocking College, a leader in advanced energy technology training, for a project to develop curriculum to educate technicians for solar and wind-powered hybrid vehicles.

- The Appalachian Regional Commission provides a funding allocation that is dedicated to alternative and advanced energy development, telecommunications, entrepreneurship, and asset-based development. Projects that fall under any of these four categories are eligible for funding under the **Regional Initiative Program**.
- The **Distressed County** status qualification is based on low per capita income, high rates of poverty, and unemployment. In the past, the distressed county program focused mainly on providing public facilities, clean drinking water, sanitary waste disposal, and human resource projects such as literacy training. In 2000, the Commission created a capacity-building effort and a telecommunications/information technology initiative. Only applicants in distressed counties are eligible for these projects with funding requests up to 80 percent of the project cost.
- The **Appalachian Regional Commission's Federal Access Road Program** better links the region's businesses, communities, and residents to the Appalachian Development Highway System and to other key parts of the region's transportation network. The program offers a flexible approach designed to meet local needs, and provides financing mechanisms to support a variety of economic development opportunities throughout the region.
- The **Community Investment Funds** consist of state planning grants and contingency grants for communities that demonstrate an opportunity to develop assets or create jobs. Eligible applicants, including units of local government, nonprofit organizations, community improvement corporations, port authorities, and community action corporations,



can apply for up to \$10,000 in funds. Community Investment grants require a 50 percent cash match by the grantee, and all funds are provided on a reimbursement basis only. Funds can be used to purchase sustainable assets that can be utilized for at least five years. **The Governor’s Office of Appalachia awarded \$182,485 in Community Investment Funds in Fiscal Year 2009.**

- The **Rapid Response Fund** consists of state dollars set aside by the Governor’s Office of Appalachia Director to be made available for projects that have an immediate need or have a significant job creation component. This Fund permits the Director to respond quickly to projects that will have a significant impact in a short period of time. Eligible applicants are community improvement corporations, port authorities, units of local government, and nonprofit organizations. Rapid Response grants follow the same guidelines as Appalachia Regional Commission area development, and job creation is strongly emphasized when committing Rapid Response Funds. **The Governor’s Office of Appalachia awarded \$455,485 in Rapid Response Funds in Fiscal Year 2009.**

Governor's Office of Appalachia Financial Assistance for Fiscal Year 2009	
Financial Assistance	Projects
Regional Initiative Program	4
Awarded \$318,668	
Distressed County	1
Awarded \$100,000	
Appalachian Regional Commission’s Federal Access Road Program	2
Awarded \$675,100	
Community Investment Funds	15
Awarded \$182,485	
Rapid Response Fund	5
Awarded \$455,485	
Community Facility Initiative Program	13
Awarded \$337,929	



Urban Development Division

No state can bring prosperity to all its citizens without vibrant, healthy cities and communities. Strong and healthy urban environments cultivate a successful business climate, helping to build a dynamic and prosperous state. As the economic vitality of our communities, large and small, is the economic vitality of Ohio, the state must continue to revitalize downtowns, reclaim historic buildings, and reclaim brownfields and other damaged lands.

Our Urban Development Division is committed to revitalizing Ohio's communities. By focusing on targeted remediation of contaminated land and buildings, commonly referred to as "brownfields," programs help unleash new energy, investments, and partnerships across Ohio. With a strong foundation in Governor Strickland's "Fix-it-First" principles to reinvigorate existing places, the Division provides resources and assistance to enhance the economic viability of Ohio's communities. Due in part to our continued efforts, six of the nation's top 100 livable metropolitan areas are in Ohio.

By collaborating with local communities and the **Ohio Environmental Protection Agency**, the Urban Development Division coordinates Ohio's brownfield revitalization efforts. At the center of these efforts is the **Clean Ohio Fund**. Passed by Ohio voters in 2000 and renewed in 2008 to turn blighted properties into productive use, the Clean Ohio Fund is transformative in assisting communities and local governments to realize their brownfield revitalization goals. Programs administered by the Division include:



CleanOhioFund

- The **Clean Ohio Revitalization Fund** is a key financial component to help a community build economic capacity by providing funding for brownfield redevelopment. Brownfield redevelopment allows a community to reclaim and improve its lands, making property viable for new development. **During Fiscal Year 2009, awards totaling \$43 million were granted through the Clean Ohio Assistance Fund and the Clean Ohio Revitalization Fund, leveraging a total of \$726 million.**

Urban Development

*On November 4, 2008, Issue 2, which reauthorized the **Clean Ohio Fund**, was strongly supported by a large majority of voters in all 88 Ohio counties in its successful bid for renewal and extension. The passage of Issue 2 means that the Clean Ohio Fund will receive an additional \$400 million allocation to continue our work to renew Ohio's infrastructure and grow our economy.*

*For example, the **City of Grandview Heights**, in partnership with Nationwide Realty Investors, is redeveloping and improving the city's old Grandview Yard Development site, thanks to a **Clean Ohio Revitalization Fund** grant in 2008. The \$847,000 project includes cleanup and removal of the site's contaminated soils and redeveloping this property into 264,422 square feet of new commercial and residential space.*

*The **Village of Dillonvale in Jefferson County** was awarded a **\$200,000 Brownfield Revolving Loan Fund** grant to assist in efforts to redevelop the former middle and high school project property. The \$233,543 project, located at 135 School Street, will support asbestos abatement and demolition activities. The planned redevelopment is expected to provide the Village with much needed public gathering space. The project will connect existing greenspace with the new public space, creating a defined area of community recreation.*

- The **Brownfield Revolving Loan Fund**, capitalized by a grant from the U.S. Environmental Protection Agency, offers below-market rate loans to assist with the remediation of a brownfield property to return the property to a productive economic use in the community.
- The **Ohio Historic Preservation Tax Credit Program** provides a tax credit for the rehabilitation expenses to owners of historically significant buildings. The tax credit subsidy is 25 percent of qualified rehabilitation expenditures, not to exceed the cap of \$5 million. Qualified rehabilitation expenditures are hard construction costs that meet the requirements of the U.S. Secretary of Interior's Standards for Rehabilitation of Historic properties. The tax credit can be applied to an applicable dealer in tangible, corporate franchise, or state income taxes. **During Fiscal Year 2009, \$78.3 million in tax credits were awarded to 48 projects, leveraging \$468.4 million.**



Urban Development Division Financial Assistance for Fiscal Year 2009	
Clean Ohio Revitalization Fund	
The Revitalization Fund awarded more than \$12.7 million in round five and more than \$20 million in round six, totaling more than \$32.8 million. The Assistance Fund awarded \$10.4 million Combined total for Clean Ohio money was \$43.3 million	
Brownfield Revolving Loan Fund	
Awarded \$350,000, leveraging \$7 million	

Ohio Historic Tax Credit

Since its completion in 1891, the **Fort Piqua Hotel**, built in Romanesque Revival style, has been a source of pride for the community of Piqua. The building hosted presidents and dignitaries throughout its long history, until falling into a state of neglect recently. The building represents the heart of this community.

With the help of **\$4.3 million in Ohio Historic Preservation Tax Credits** as well as Clean Ohio funds, Piqua leaders and historic preservationists are bringing the building back to life by renovating the former hotel to become the new home for the community library, meeting rooms, a coffee shop, banquet facility, and restaurant.

Annual Reports

The following Annual Reports are available at www.reports.development.ohio.gov:

- Ohio Historic Preservation Tax Credit Annual Report
- The Clean Ohio Report

Boards and Commissions

Boards and Commissions in which Development Participates

- Clean Ohio Council
- Development Financing Advisory Council
- Housing Trust Fund Advisory Board
- Industrial Technology and Enterprise Advisory Council
- Interagency Council on Homelessness & Affordable Housing
- Minority Business Advisory Council
- Minority Development Financing Advisory Board
- Public Benefits Advisory Board
- Ohio Economic Growth Cabinet
- Ohio Tax Credit Authority
- Ohio Third Frontier Advisory Board
- Ohio Third Frontier Commission
- Joint Select Committee on Volume Cap
- Ohio Venture Capital Authority
- Water and Sewer Commission
- Workforce Policy Board



**Department of
Development**

Ted Strickland, Governor
Lee Fisher, Lt. Governor

Lisa Patt-McDaniel, Director

800 | 848 1300

www.development.ohio.gov