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Cleveland+
Business



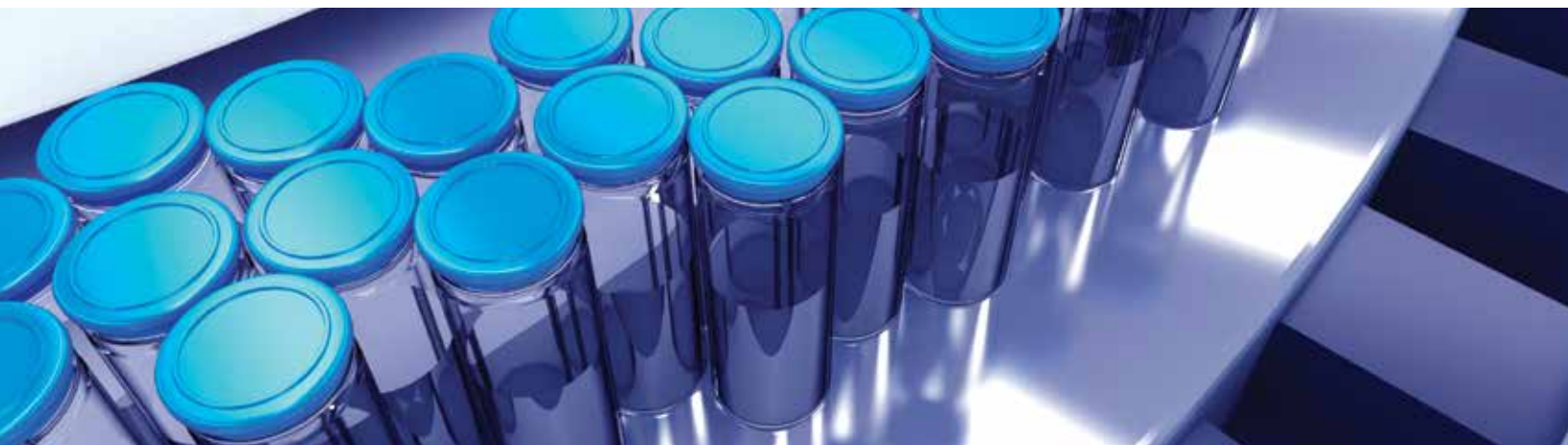
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PLUS REVIEW APRIL 2014

Quarterly Economic Indicators
18 Counties of Northeast Ohio

The Cleveland Plus economy continues to show gradual improvement. The 18-county region gained an average of more than 9,900 jobs from Q3 2012 to Q3 2013.

This report also takes an in-depth look at growth in the biomedical sector from 2000 – 2014. With Northeast Ohio's legacy of manufacturing and healthcare expertise, the biomedical industry has become a \$5.6 billion sector in 2014.



The biomedical industry – which includes medical device manufacturing, pharmaceuticals and therapeutics, and research and development – is a driving force in the Cleveland Plus region.

With access to world-class research hospitals and health care professionals, the area has become the location of choice for more than 700 biomedical businesses.

In 2013, the Global Center for Health Innovation opened its doors. The only facility in the world of its kind, the Global Center offers a glimpse into the future of health and healthcare. It will foster health and healthcare innovation, technology, education and commerce through state-of-the-art spaces, programs and virtual offerings. Its presence in Cleveland Plus underscores Northeast Ohio's commitment to the biomedical sector.

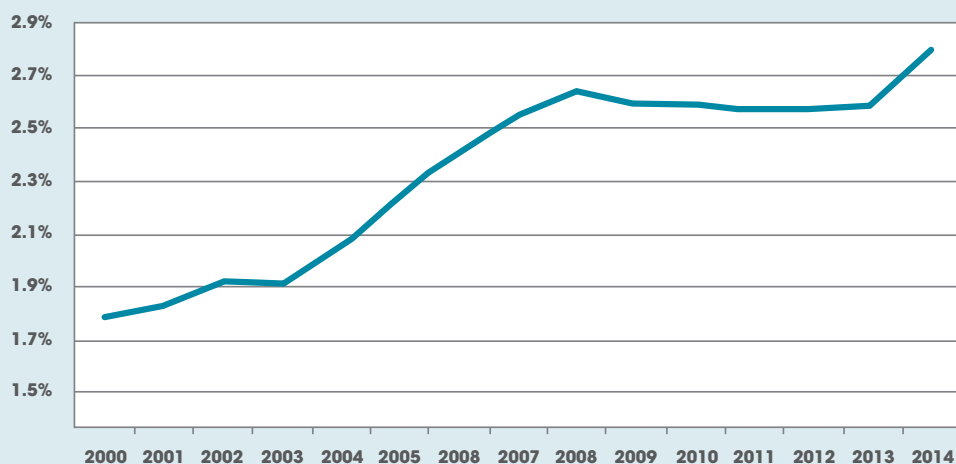
(Growth in Biomedical Gross Product: 2000 - 2014)

\$1 billion+ has been invested in more than 200 start-ups since 2003

- + 82 national investors and 32 Northeast Ohio (NEO) investors have committed funding to Cleveland Plus biomedical companies
- + NEO has biomedical clusters in eight areas: imaging, biomaterials, orthopedic, cardiovascular, neurostimulation, biosensors, regenerative medicine and health IT
- + Four institutions (Cleveland Clinic, University Hospitals, Austen BioInnovation Institute in Akron and Case Western Reserve University) have been awarded more than \$500 million to develop new biomedical centers of excellence

Source: BioEnterprise

BIOMEDICAL SHARE OF TOTAL NEO GRP: 2000 - 2014

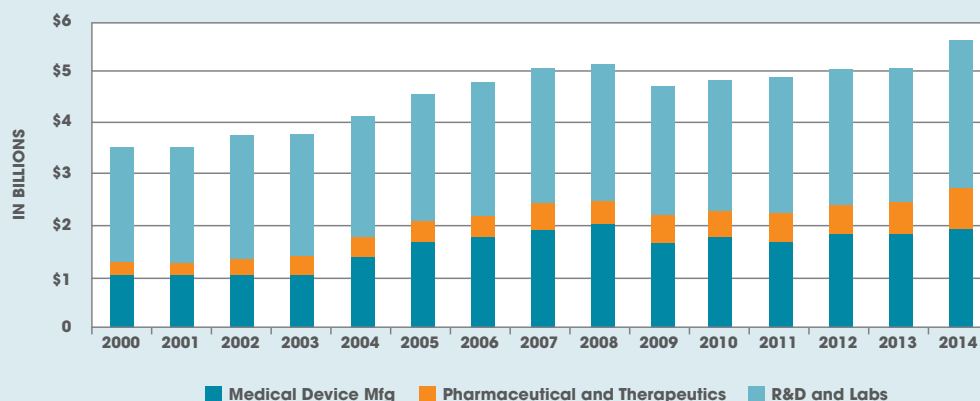


BIOMEDICAL INDUSTRY GROWS 59%

The biomedical industry today makes up a larger share of the total GRP in Northeast Ohio, having grown from 1.8% in 2000 to 2.8% (or \$5.6 billion) in 2014. This represents 59% growth from 2000 - 2014, while other industries remained relatively flat for this same time period.

Source: Moody's Economy.com

GROWTH IN BIOMEDICAL GROSS PRODUCT: 2000 - 2014



BIOMEDICAL GRP SURPASSES PRE-RECESSION LEVELS

Biomedical GRP grew steadily from 2000 to 2008, before losing ground as a result of the 2007 recession. In 2010, GRP began to recover and then surpassed pre-recession levels to become a \$5.6 billion sector in 2014.

Source: Moody's Economy.com



The biomedical industry employs more than **21,000 people** in Northeast Ohio

Source: Ohio Bioscience Growth Report 2012, published by BioOhio

The biomedical industry in Cleveland Plus has grown from 300 companies in 2002 to **more than 700** in 2014.

DEVELOPMENT ACTIVITY

INVOLTA CONTINUES TO EXPAND AKRON DATA CENTER

Involta, LLC is expanding its world-class data center in Akron, which houses mission critical computer systems and related components for healthcare organizations, businesses, government and educational institutions. The company's original investment of nearly \$17 million included a 5,000 square foot data center floor infrastructure and a 2.5MW onsite utility substation. The second phase will add an additional 5,000 square feet and is expected to be completed by late spring 2014.

HEINZ TO EXPAND IN MASSILLON

The H.J. Heinz Co. chose to expand its frozen food operations at its Massillon facility. The \$28 million capital investment will add 249 jobs and retain 450 jobs. Massillon was in competition with other Heinz locations in Florida, California, Iowa and South Carolina.

QUEST AUTOMOTIVE PRODUCTS TO INVEST \$1.6 MILLION AT ITS MASSILLON FACILITY

Quest Automotive Products, manufacturers of paints and primers used mainly in the automotive industry, is expanding its business by constructing a \$1.575 million, on-site manufacturing building. The new 23,000-square-foot space will add up to 25 new jobs, in addition to the current 123 full-time workers.

LEGACY MEASUREMENT SOLUTIONS INVESTS IN YOUNGSTOWN-WARREN AREA

Legacy Measurement Solutions – the largest gas measurement company in the US – has announced plans to locate its newest, nearly 73,000-square-foot facility in Brookfield as part of its manufacturing expansion. The company plans to hire about 150 employees who will assist customers with their needs in the Marcellus and Utica shale plays. The company has a strong niche in the measurement equipment fabrication industry for gas and liquid hydrocarbons.

HENDRICKSON TRAILER PLANS EXPANSION IN CANTON

Hendrickson Trailer Commercial Vehicle Systems, a leading global manufacturer and supplier to the commercial transportation industry, is expanding its Canton offices to accommodate its growing global

business. The company plans to add 12,000-square-feet to its current facility, which will include offices, meeting rooms and engineering work space to accommodate 30 new jobs in its engineering design division.

I²R POWER CABLE COMPANY SELECTS MILLS BUSINESS PARK IN CANTON

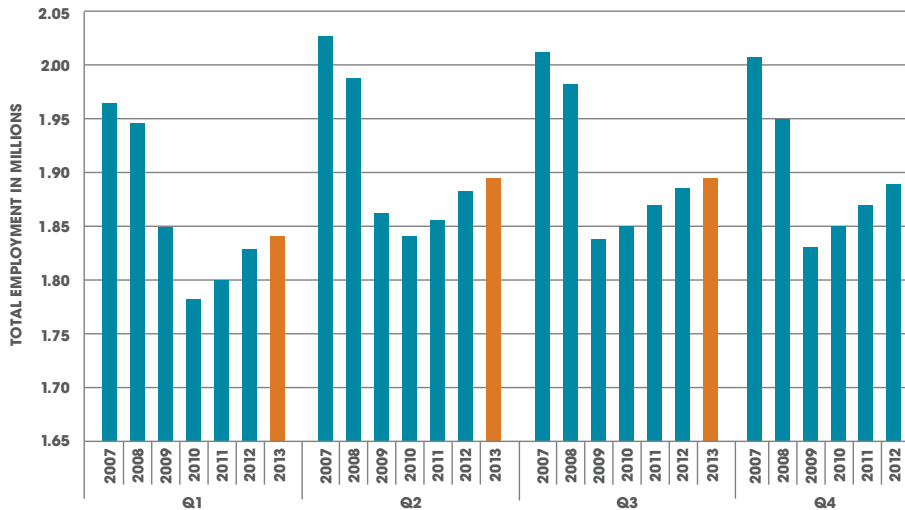
I²r Power Cable Company will be expanding into a new facility on 2.8 acres in Mills Business Park in Canton. The 26,000 square foot facility will house I²r's water cooled cable operation for the induction melting equipment market. The company will be the fourth business to locate in the park, joining Medline Industries, Old Dominion Freight Line, Inc. and GE Oil & Gas.

RENOVATIONS AND NEW CONSTRUCTION THRIVE IN DOWNTOWN CLEVELAND

Downtown Cleveland's explosive growth continues with numerous renovation projects in full swing. For example, the former Ameritrust complex is undergoing a major overhaul that will result in apartments, a hotel, a full-service grocery store, and dining establishments alongside a new administration office for Cuyahoga County. Restoration work continues on the historic Schofield Building transforming it into a multi-use facility with a boutique hotel, apartments and retail space. Developers are beginning the conversion of the former East Ohio Gas office building into several hundred apartments, and the former Crowne Plaza Hotel is being revamped into a four-star Westin Hotel.

In addition to widespread renovation of existing space, several new projects also are bringing a new look and energy to downtown. A new 31-story, \$260 million Hilton Hotel is being built next to the recently-opened Convention Center and Global Center for Health Innovation. Along the Cuyahoga River, the \$150 million second phase of the Flats East Bank project will add a new 243 unit apartment building, retail amenities, and additional modern office space to its successfully completed first phase, which includes an Aloft hotel, an Ernst & Young office building, and three restaurants.

NORTHEAST OHIO TOTAL EMPLOYMENT (NOT SEASONALLY ADJUSTED)

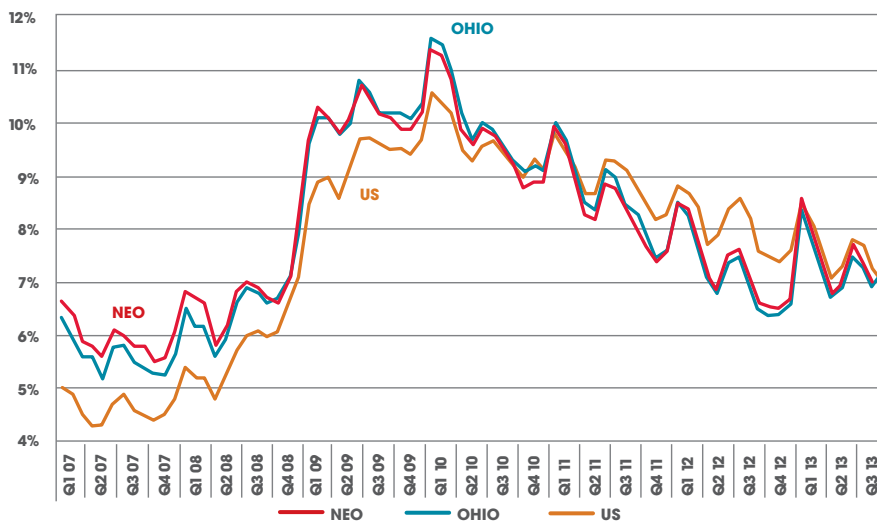


TOTAL EMPLOYMENT GROWS YEAR-OVER-YEAR

Total employment averaged 1.894 million workers in Q3 – an increase of approximately 9,900 jobs from Q3 2012. This marks the 13th consecutive quarter of year-over-year employment growth.

Source: Quarterly Census of Employment and Wages (QCEW). This is the most current, reliable data available for total jobs in Northeast Ohio.

UNEMPLOYMENT RATES THROUGH SEPTEMBER 2013

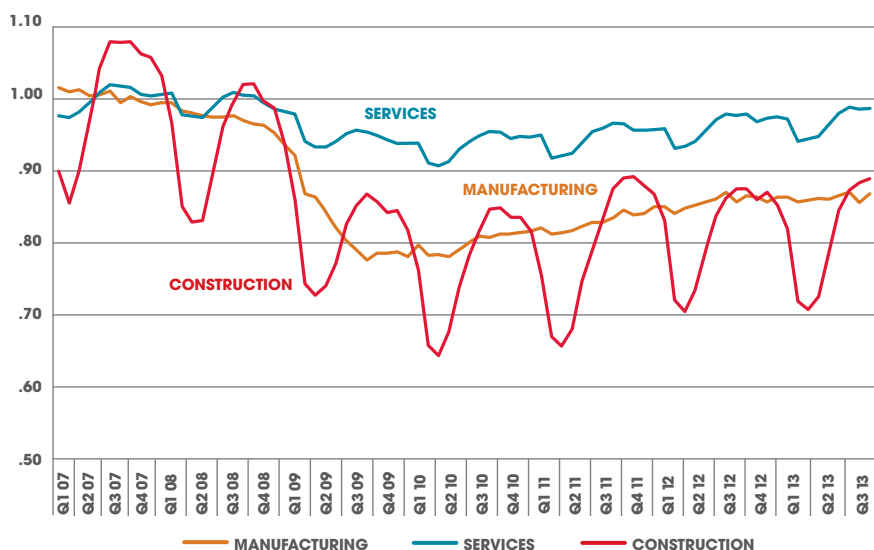


NEO UNEMPLOYMENT RATE HOLDS STEADY

Northeast Ohio's Q3 unemployment rate – 7.1% – mirrored the state unemployment rate and came in slightly lower than the US rate of 7.3%. Year over year, the unemployment rate remained unchanged.

Source: Current Population Survey (CPS), a survey of 60,000 households nationwide

CHANGE IN EMPLOYMENT BY SECTOR THROUGH SEPTEMBER 2013 1.0 = 2007 AVERAGE

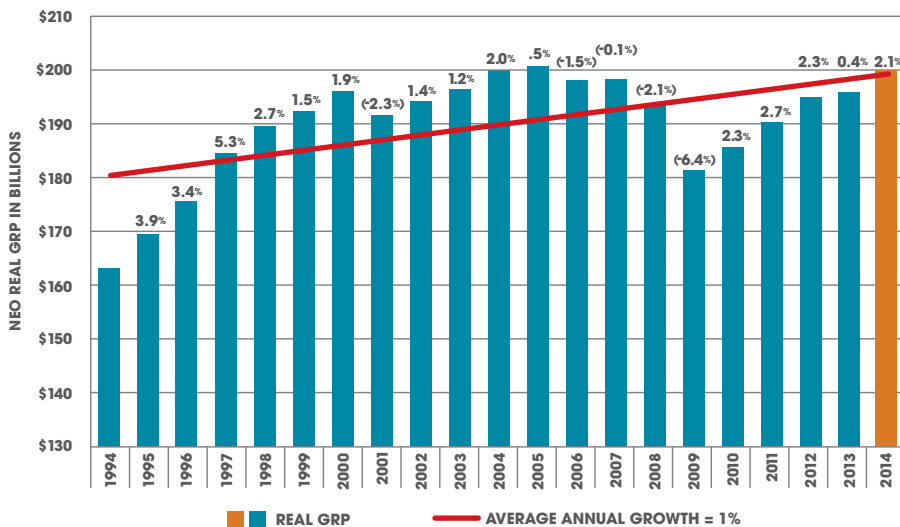


SERVICE, CONSTRUCTION SECTORS CONTINUE TO GROW

Service sector employment continues to outpace 2012, adding almost 10,000 workers year-over-year. The construction sector added more than 1,200 workers year-over-year, while the manufacturing sector remained flat, adding just under 500 jobs.

Source: Quarterly Census of Employment and Wages (QCEW). This is the most current, reliable data available for total jobs in Northeast Ohio.

NEO REAL REGIONAL GROSS PRODUCT (GRP) IN BILLIONS



GRP NEAR PRE-RECESSION LEVEL

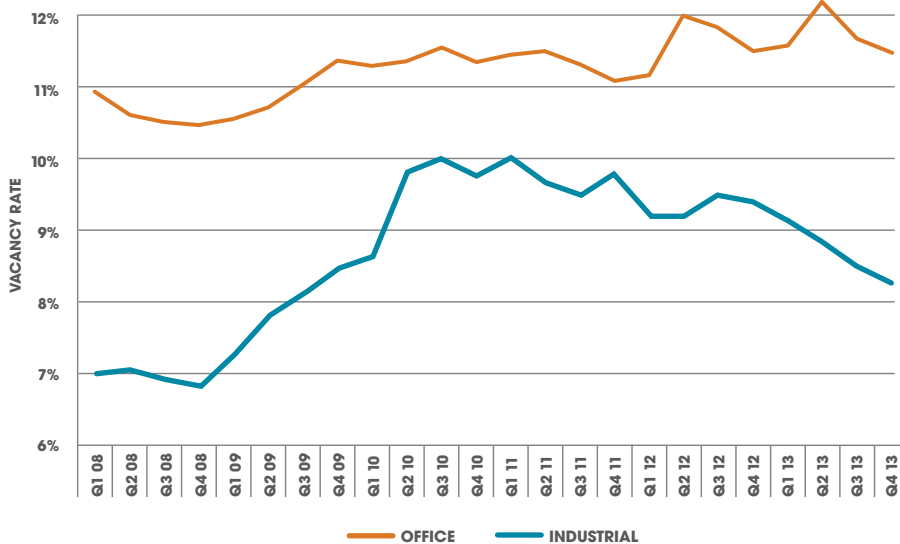
Northeast Ohio's GRP is almost \$200B*, only \$2B** less than the height of the pre-recession economy in 2005. GRP is projected to grow 2.1% in 2014, according to Moody's Economy.com.

Source: Moody's Economy.com

* Moody's Economy.com continuously changes projections for GRP. Figure represents an estimate for 2014.

** 2013 Dollars

NORTHEAST OHIO INDUSTRIAL AND OFFICE VACANCY

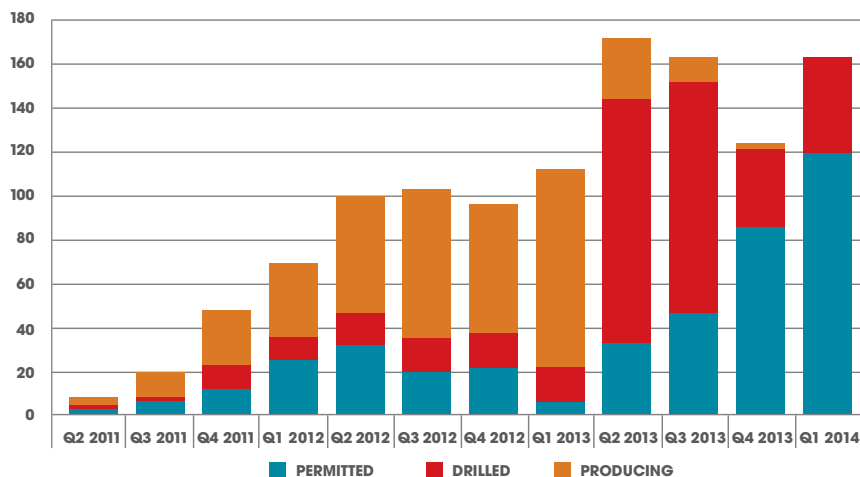


LOWEST RATE IN FOUR YEARS

The vacancy rate for industrial space continues to decline. At 8.3% in Q4 2013, it is at the lowest rate since Q3 2009. Occupied space is at 515 million square feet. Office vacancy remained steady at 11.5%, down slightly from Q3's 11.6%. Occupied space is currently at 146 million square feet.

Source: CoStar

OHIO UTICA WELL ACTIVITY (NON-CUMULATIVE)



WELL PRODUCTION ACTIVITY GROWS IN Q1

This graph shows the status of Utica shale wells originally permitted in each quarter. Since tracking results in Q2 2011, there have been 1,181 total permits issued of which 775 have been drilled. As mid-stream infrastructure projects are brought online, the number of producing wells has increased significantly. Of the 775 drilled, there are 381 currently in production in the state. This represents a 56% increase from just six months ago. Of the 775 wells that have been drilled, 166 were drilled in the last six months.

Source: Ohio Department of Natural Resources

GENEROUS SUPPORT PROVIDED BY:



DATA SOURCES

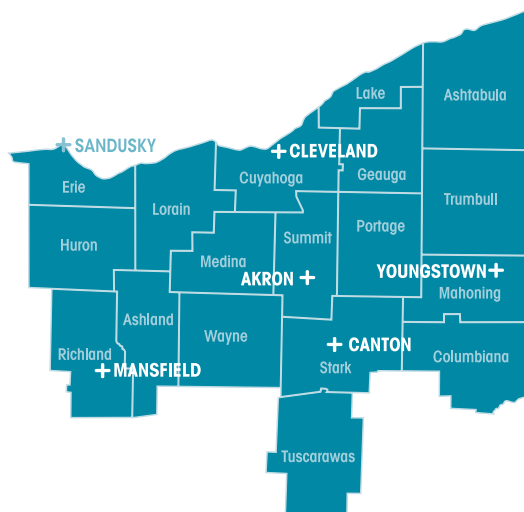
Team Northeast Ohio uses a number of data sources for the Regional Economic Review. One of the primary sources is Moody's Economy.com (economy.com) data for Northeast Ohio.

Moody's Economy.com county-level output, employment and payroll historical data are estimated from several publicly available sources and are summarized into the Team NEO regional footprint. It is important to understand data provided by Economy.com are estimates of economic activity.

Team NEO also uses data from federal and state sources as part of the report. We rely heavily on data from the U.S. Bureau of Labor Statistics (bls.gov) and Ohio's Labor Market Information (lmi.state.oh.us) for information on wages, unemployment and both general and industry-specific employment.

Industrial and office real estate data for this edition were derived from the CoStar Group. Due to market limits within the CoStar database, historic trend data for the Team NEO region are reflective of 14 of the 18 counties forming the regional footprint. These counties include: Ashtabula, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit and Trumbull.

ABOUT TEAM NEO AND THE CLEVELAND PLUS 18-COUNTY REGION



Team NEO is a regional, private-sector organization that markets Northeast Ohio to the world and collaborates with its partners and others to attract new businesses and help those that are here grow. We are the Northeast Ohio regional partner for JobsOhio, a private, nonprofit corporation that drives economic development and job creation for the state. As the JobsOhio regional partner, we support the retention and expansion work of our 18 county partners by connecting them, and their client companies, with both state and JobsOhio support as well as resources across Northeast Ohio. Since 2007, we have attracted 83 new company operations, almost 7,300 new jobs and more than \$320 million in annual payroll to Northeast Ohio. Since becoming a JobsOhio regional partner in 2011, we also have helped 216 companies within Northeast Ohio create or retain almost 59,000 jobs and add almost \$3 billion in capital investment. For more information, visit www.clevelandplusbusiness.com.

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