

“DRAFT”

GreaterFindlayInc.



A Partnership For Growth

PROGRAM ASSESSMENT REPORT

SUBMITTED BY:
RESOURCE DEVELOPMENT GROUP
JUNE 2007

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ASSIGNMENT

Resource Development Group (RDG) was retained by GreaterFindlay, Inc. (GFI) for the following:

Conduct a series of interviews with governmental officials and private sector leaders to determine the following:

- Depth of understanding and support for GFI's economic development programs.
- Test funding potential for a new five-year cycle commencing in 2008.
- Identify principal sources of potential funding.
- Identify potential leadership for a funding campaign.

Define the elements of a possible funding campaign including strategy, timing and approach.

The results of this Assessment are summarized herein.

METHODOLOGY

Resource Development Group experience –

- Participation in formulation and budgetary funding for more than eighty (80) economic and community development organizations throughout the country. Collectively, these total close to \$400 million in operating capital and include both chambers of commerce as well as separate economic development corporations;
- Familiarity with numerous economic and community development programs throughout the United States.

Background information provided by the GFI staff.

Individual interviews with 72 strategically identified business and community leaders.

The Assessment focused on:

- Leadership perceptions of GFI's past success and future potential.
- Identifying potential challenges impacting the success of a regional fundraising campaign.
- Identification of leadership for a funding effort.
- Testing the viability of a public/private sector funding campaign to secure funding for another 5-year operating cycle.

KEY FINDINGS

The following analysis reflects the aggregated responses of the 72 assessment participants.

What is your general impression of economic health of Findlay/Hancock County?

The vast majority of assessment respondents believe that the Findlay area economy continues to grow, is stronger than other N.W. Ohio Counties, but is growing slower compared to the past. Key factors include:

- Current business environment in the State of Ohio
- Social Infrastructure

What is your impression of the new GreaterFindlay, Inc. organization?

- 50% of those interviewed believe that the creation of GFI is a positive development, should reduce redundancy and hopefully enhance the public and private-sectors ability to collaborate on important issues
- Of that 50%, many believe it is too early to judge its effectiveness
- More than 75% interviewed believe that GFI must be and remain politically neutral
- At least 50% of those interviewed were unsure of GFI's program of work.

"I rate the Chamber as Good, the CDF as Fair and the CVB as invisible."

"It is perceived that Findlay no longer has a Chamber of Commerce."

How would you rate the effectiveness of the CDF's economic development programs?

Most of those interviewed recalled the need to create the CDF in the 1980's in response to the potential acquisition of Marathon Oil. The creation of Tall Timbers Industrial Park, Foreign Trade Zone and aggressive new business recruitment was instrumental in helping transform and diversify the Findlay/Hancock County economy. Assessment participants perceived that the activity level and number of successful projects has diminished noticeably during the past 5 - 8 years.

The vast majority of small owners interviewed believed that one was required to invest \$10,000 annually to become a CDF member.

Many respondents acknowledged that the CDF has operated with a minimal staff and a modest budget.

“During the last 10 years....more reactive than proactive.”

“It did a great job initially but has flattened out.”

“We have not done the wrong thing in the past.”

“Doug and Russ were very helpful with our expansion and new building.”

“GFI needs to bring the utility companies into the process much earlier to ensure the best possible product offering.”

“Who is doing what?”

**How would you rate the following elements of the GFI organization and programs?
Volunteer Board Leadership**

The majority of respondents believe the GFI Board is comprised of key business and community leaders dedicated to make Findlay stronger. There is consensus that GFI should remain non-political, very transparent and committed to appropriate small business representation.

Retention & Expansion support for local industry

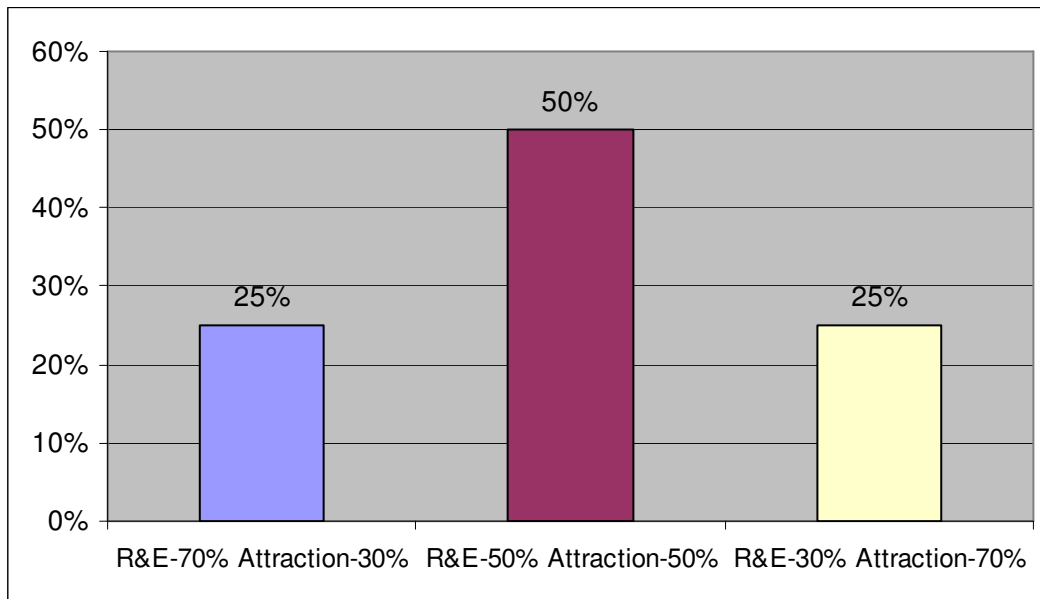
Of those with an opinion, more than 50% believe that there has not been enough focus and service delivery to existing companies. Going forward.....

25% believe that R&E and New Business Attraction efforts should be 70% - 30%

50% believe that R&E and New Business Attraction efforts should be 50% - 50%

25% believe that R&E and New Business Attraction efforts should be 30% - 70%

“The companies in Tall Timbers used to get a lot of attention, we seem to have been taken for granted.”



New Business Attraction

There is a general sense that our new business attraction efforts have been inconsistent over the years and more recently have been reactive. There is a general perception that the CDF has been solely focused on the retail development and distribution facilities. More than 70% of respondents advocate a much more targeted new business attraction approach geared towards high value jobs.

“CDF has been focused on what we don’t want, not necessarily focused on what we DO want.”

Small Business Support

The traditional Chamber component of GFI received high marks from 90%+ of those interviewed. The small business owners interviewed really value the programs and networking opportunities (Fresh Brewed Business, etc.) and believe the communications are very good. GFI staff may want to pay particular attention to

moving events around town to different locations, venues and use the Findlay Country Club less often.

Marketing Findlay/Hancock County

There is general support for dedicating additional resources to marketing Findlay to enhance new business recruitment; however we need to ensure our products, services and offerings are indeed in place before launching a more aggressive marketing campaign.

Regionalism

Although Findlay has a long and successful history of steering its own ship in terms of economic development, more than 50% of those interviewed believed that regionalism is important enough to further investigate, but according to some may be a tough sell. Route 30 corridor was mentioned favorably by those offering an opinion about potential linkages with other communities. There was no appetite for associating Findlay/Hancock County with the greater Toledo region.

Tourism Promotional efforts

Most respondents believe that Findlay will not become a destination for conventions and large corporate events. There was broad based support for marketing Findlay as a preferred community for regional and statewide youth sports tournaments and agricultural attractions/events.

Communications/ Investor Relations

The majority of the small business owners interviewed along with larger organizations which are very close and familiar with GFI, Board members for instance, believe that the communications have been satisfactory. Most really like the e-mail updates. Current CDF Investors and Board members desire more interactive meetings in which information is presented in the form of an Executive Summary in advance of the meeting allowing for key issues to be presented to Board members/Investors for their direct involvement and input.

“Doug & Russ should schedule several update meetings annually with City Council.”

“The Schulman project was announced with no prior “heads up” to the Tall Timbers companies about this new location ahead of time.”

“I would appreciate more dialogue and interaction at meeting.”

“It would be also helpful to understand why we lost a particular deal.”

Product Development

Not many of the respondents had a definitive opinion about the need for more sites and buildings. The Tall Timbers companies were not supportive of the recent announcement in the newspaper about GFI's interest in developing another industrial park, when their needs of an exit road and greater water pressure have not been addressed.

"We should already have another Tall Timbers in the works."

"Job Ready Sites sounds like a good, but what is the chance we can get it done and approved?"

There is a fear among the manufacturers interviewed that a new industrial park and further industrial recruitment will place substantial pressure on the already tight labor market and apply upward pressure on current wage structures.

CDF's economic development program has traditionally been funded by both private sector companies and local government. As GFI considers implementing an expanded economic development work plan, should both the private and public sectors be asked to provide additional revenue to support future efforts?

There was nearly universal agreement that the City of Findlay, Hancock County and business community have a responsibility to work together to lead development efforts and also all should help to fund ongoing economic development programs. The case should also be made to 3-4 select townships for their funding support.

What are the key measurements, benchmarks and return on investment criteria would you like to see incorporated to evaluate GFI's program of work?

Many respondents interviewed were unaware of any current program goals, activity targets and output measurement. Everyone we interviewed wants to see a formal benchmarking methodology to measure activity, progress, output and return on investment.

There is a broad consensus that the creation and attraction of high impact, white collar "high tech" jobs is an important objective. It will prove important to first define "high tech" jobs before we can measure our success in fostering the creation and attraction of these types of premium jobs.

Instead of hard target goals like the creation of specific number of new jobs, number of new companies, most are in favor of establishing aggressive ranges for activity & output.

We should compare our economic strength/growth on an annual basis. Some would like to see Findlay compared to other similar communities in Ohio and surrounding states. A formal Annual Scorecard measuring all GFI program components and how funds were spent will be well received by members and stakeholders.

The Six Disciples measurement process is widely supported to gauge organizational progress and staff accomplishments.

“Where are we and where should we be?”

“I would like to see better tracking of past projects, have they continued to grow...what has been the total impact.”

“There is too much out of our control to develop specific jobs goals.”

Which of the following initiatives are most important to Findlay/Hancock County?

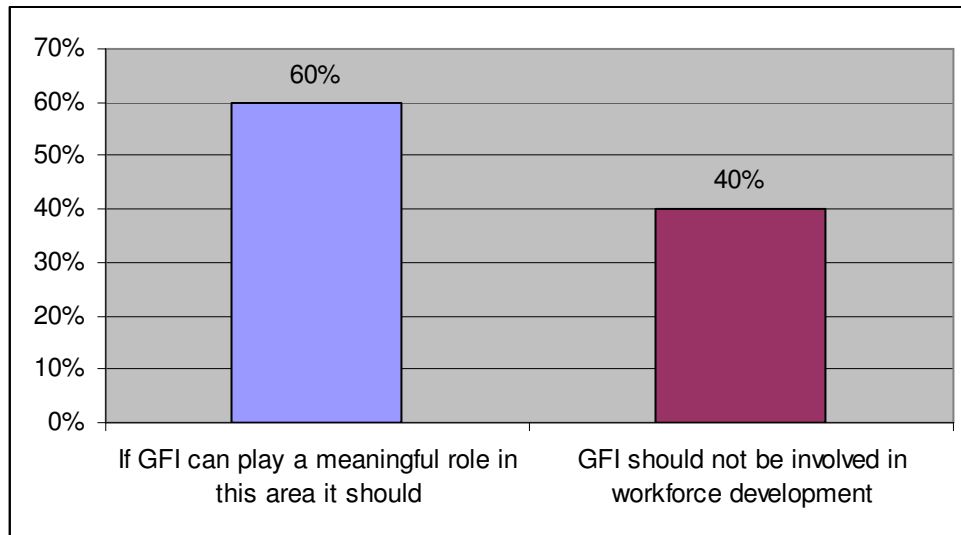
The primary economic development goal is the attraction and creation of high value jobs designed to provide excellent employment opportunities for Findlay residents, many of whom are believed to be under-employed and to further diversify our local economy. The consensus opinion offered, prioritize the following GFI initiatives:

- New Business Recruitment (High Value Jobs)
- Business and Community Diversification
- Existing Industry Support
- Federal/State Grant Funding
- Workforce Development
- Product Development (Sites, Buildings)
- Marketing Findlay/Hancock County
- NCCET – (many knew very little about NCCET)
- Legislative Lobbying

Should GFI play a more prominent role in Workforce Development?

60% of those with an opinion believe that workforce availability/ development is an important issue and that if GFI can play a meaningful role in this area it should.

40% of those with an opinion believe that GFI should not be involved in workforce development and should be left to the school systems, Colleges /Universities and employers.



Of those who believe GFI should play a role in strengthening our workforce, most believe it should play a very focused role in collaboration with the region’s educational institutions.

“Institutions are doing a good job, but I’m unsure about the linkage between the schools and the business community.”

Workforce has not been a long term priority, but it is a big issue with the Tall Timbers companies.”

Would you prefer to package your annual GFI transactions and make one single investment annually to GFI or have the opportunity to select different programs and sponsorship opportunities throughout the year?

- 80% agreed with the notion of reducing the 14 current dues levels to 5 or 6 levels.
- 6 – 8 companies interviewed would prefer a Single Ask – which we can accommodate
- The majority of those interviewed would prefer to maintain the current structure of membership dues, CDF investment and opportunity to select various events, programs and underwriting opportunities

Should GFI implement a tiered investment formula with an enhanced menu of Investor Benefits?

As noted above, 80% of those interviewed support condensing the current 14 membership dues levels to the proposed 5 or 6 levels. They go further and agree that each Membership/Investor level have a distinct benefits package.

Are you willing to make a multi-year financial pledge?

More than 85% of those interviewed which indicated a propensity to invest would be amenable to a multi-year financial pledge, subject to annual review and approval.

GFI has outgrown its current facility – would you support GFI moving into a new, larger facility? If so, should that be funded in a stand alone campaign or rolled into an enhanced operating funding campaign?

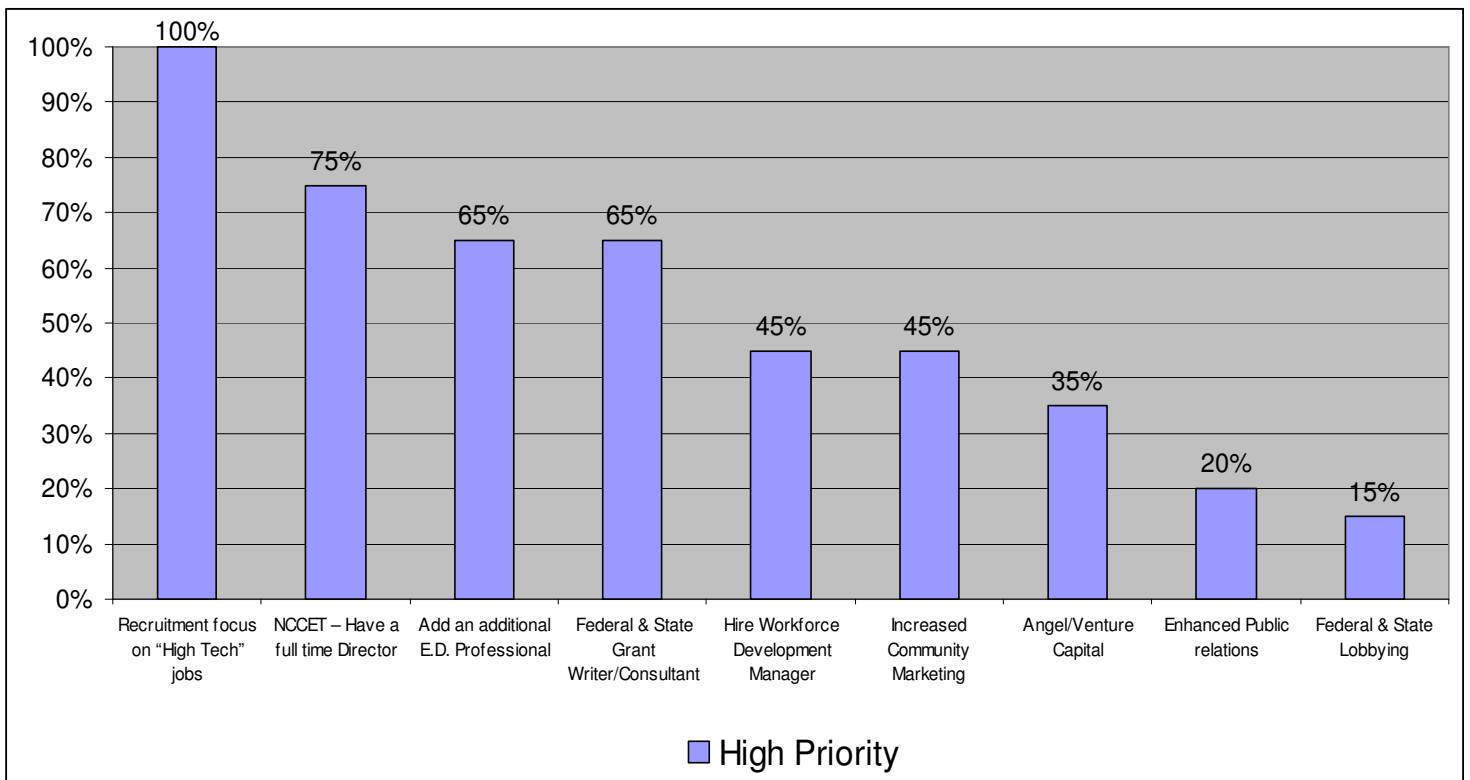
Most respondents did not consider securing a larger office a high priority. 90+% believe that if a capital campaign for a new building is indeed necessary, it should definitely be separate and follow the operational funding campaign.

Other issues discussed in the interviews include:

- Need strategy for social infrastructure development
- Should have a special opportunities fund
- We need to further leverage and promote our airport
- Clarify/formalize lead dispersal protocol
- Make sure that “Chamber” events remain affordable for small businesses

Of those assessment participants providing an opinion, our findings indicate:

PROPOSED INITIATIVES	HIGH PRIORITY	MEDIUM PRIORITY	LOW PRIORITY
Recruitment focus on “High Tech” jobs	100%	0%	0%
NCCET – Have a full time Director	75%	15%	10%
Add an additional E.D. Professional	65%	20%	15%
Federal & State Grant writer/consultant	65%	20%	15%
Hire Workforce Development Manager	45%	25%	30%
Increased Community Marketing	45%	25%	30%
Angel/Venture Capital	35%	20%	45%
Enhanced Public relations	20%	40%	40%
Federal & State Lobbying	15%	45%	40%



RECOMMENDATIONS

Organizational Development

- Consider having a Full time NCC-ET Director
- Consider hiring an additional E.D Project Manager
- Continue to promote investor involvement in the current committees including:
 - Finance & Incentives
 - Promotion/Marketing/Communications
 - Red Carpet/Corporate Calling/Hosting
 - Special Projects
 - International Relations
 - Center for Entrepreneurship
 - Sites & Infrastructure

PROGRAMS

Workforce Development

- Consider hiring a Workforce Development Coordinator to serve as a liaison among the local businesses and the Colleges/Universities throughout the Northwest Ohio region to promote local career opportunities, encourage more internship programs, communicate workforce and skill attainment needs of local manufacturers to education/training providers
- Primary underwriters for a proposed Workforce Development Coordinator would include:
 - Owens Community College
 - Local Manufacturers

New Business Attraction

- Commission a Targeted Industry Study
- Strengthen and expand relationships with Site Consultants and regional multipliers
- Any proactive retail recruitment should be focused on high(er) end retailers

Existing Industry Support

- Implement an amplified and consistent corporate calling program targeting Tall Timber companies along with high growth and potentially at risk industries.
- Encourage continued volunteer participation in the corporate calling program.
- Acknowledge and publicize local expansion projects.

Federal/State Grant research

- Further dialogue is recommended among the County, City and GFI to develop an integrated strategy regarding current and future grant writing capacity and the parameters/expectations of the proposed grant search initiative
- Primary underwriter for this initiative might be Hancock County

Program Measurement

- Establish annual economic development activity and output goals
- Continue utilization of the Six Disciplines measurement system
- Develop a detailed Annual Scorecard in association with an Annual Report

Small Business Programs

- Continue to audit “Chamber” programs and eliminate or divest those which are trending down
- Consolidate 14 dues levels to 5- 6 levels
- Develop and communicate a defined menu of benefits for each Chamber dues level

Angel/Venture Capital

GFI could play an important coordinating and administrative function to foster greater start up funding deal flow, but initiating this new role should be triggered only by the expressed need by the local potential Angel Venture funders. Any associated costs GFI costs should be bourn by the Angel Funding group participants.

Convention & Visitors Bureau

A number of participants believed that the current County funding of \$325,000 annually might be at some risk. GFI leadership should meet with the County Commissioners to discuss the CVB’s program of work, results, etc. and work together to solidify current and future hotel bed tax funding for the CVB.

FUNDING TREND ANALYSIS

When establishing the goal for an organization that has already conducted a multi-year funding cycle, a key component is the assessment of the top 20 investors' past track record to determine the historic rate of support from previous campaigns.

The top 20 normally track very consistently from one funding cycle to the next which allows us to establish a goal that is both aggressive and attainable. In GFI/CDF's case, historical annual E.D. funding matrix has been reviewed and the funding analysis of the top 10, 20, 30 investors and then all assessment participants reveals the following:

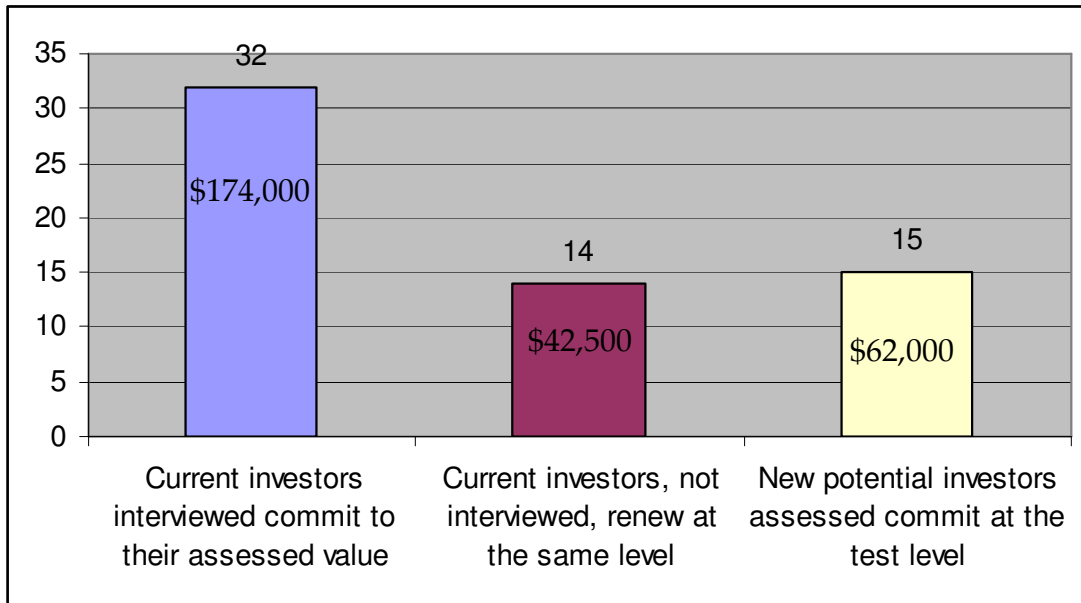
	<u>Current Private Sector Funding</u>	<u>Assessed Levels</u>
CURRENT CDF ANNUAL FUNDING	\$170,000 (Appx.)	
NUMBER OF INVESTORS	46	
TOP 10 INVESTORS	\$ 63,600	\$ 77,500
Percent of Total	37%	+22%
TOP 20 INVESTORS	\$113,600	\$130,000
Percent of Total	67%	+14%
TOP 30 INVESTORS	\$139,100	\$172,000
Percent of Total	82%	+24%
14 INVESTORS NOT INTERVIEWED	\$ 42,500	
15 NEW POTENTIAL INVESTORS	\$0	\$ 62,000
64 ASSESSED ORGANIZATIONS	\$176,000	\$238,000 +35%

If the top 20 investors again represent 67% of the amount which can be raised –
The campaign goal should be.....\$195,000/year

If the top 30 investors again represent 82% of the amount which can be raised –
The campaign goal should be.....\$210,000/year

If the following holds true:

The 32 current investors interviewed commit to their assessed value	\$174,000
The 14 current investors, not interviewed, renew at the same level	\$ 42,500
The 15 new potential investors assessed commit at the test level	<u>\$ 62,000</u>
The annual funding we can expect to secure from this group will be	\$278,500



CAMPAIGN RECOMMENDATIONS AND FUNDING GOAL

GFI current funding streams include Membership Dues, Transactions, County Tourism Funding and EDC funding from 46 investors. Although GFI is a consolidated organization, we recommend that the current funding streams be maintained as separate revenue sources. Additional program funding can be realized from an EDC specific funding campaign with the objectives of elevating current investment levels and significantly increasing the current investor team of 46 to more than 100 local companies financially supporting an amplified economic development program.

Resource Development Group recommends commencing the broad based EDC funding campaign in July 2007 with the anticipation of successfully completing the campaign by February 2008. **We are recommending a five year Campaign Goal of \$1.75 million, which represents \$350,000 of annual EDC program funding in addition to the City funding of approximately \$150,000, beginning in 2008 through 2012.**

Factors impacting the Funding Campaign:

CHALLENGES

- Good economy
- No current economic crisis – sense of complacency
- Confusion in the business community about GFI's Brand/Identity
- Perception that recent economic development results have only been marginal
- Of the 9 small businesses interviewed most will not be able to make an additional "economic development" investment above their current membership dues level

OPPORTUNITIES

- Of the 20 non investors interviewed 15, or 75%, indicated they would strongly consider making a financial pledge to GFI
- Only two current investors interviewed indicated they would not continue their financial support or their continued investment is at some risk
- Only 5 of the assessed, legitimate, non-investor prospects indicated they would probably not financially support GFI
- The Greater Findlay region has a broad enough base of companies with significant financial means to sufficiently fund an amplified economic development program
- City of Findlay economic development funding appears secure

- Hancock County could potentially be positioned to fund the Federal/State Grant research element of the GFI program
- Owens Community College indicated its willingness to provide significant funding, up to (50%) for a Workforce Development Coordinator and business outreach program

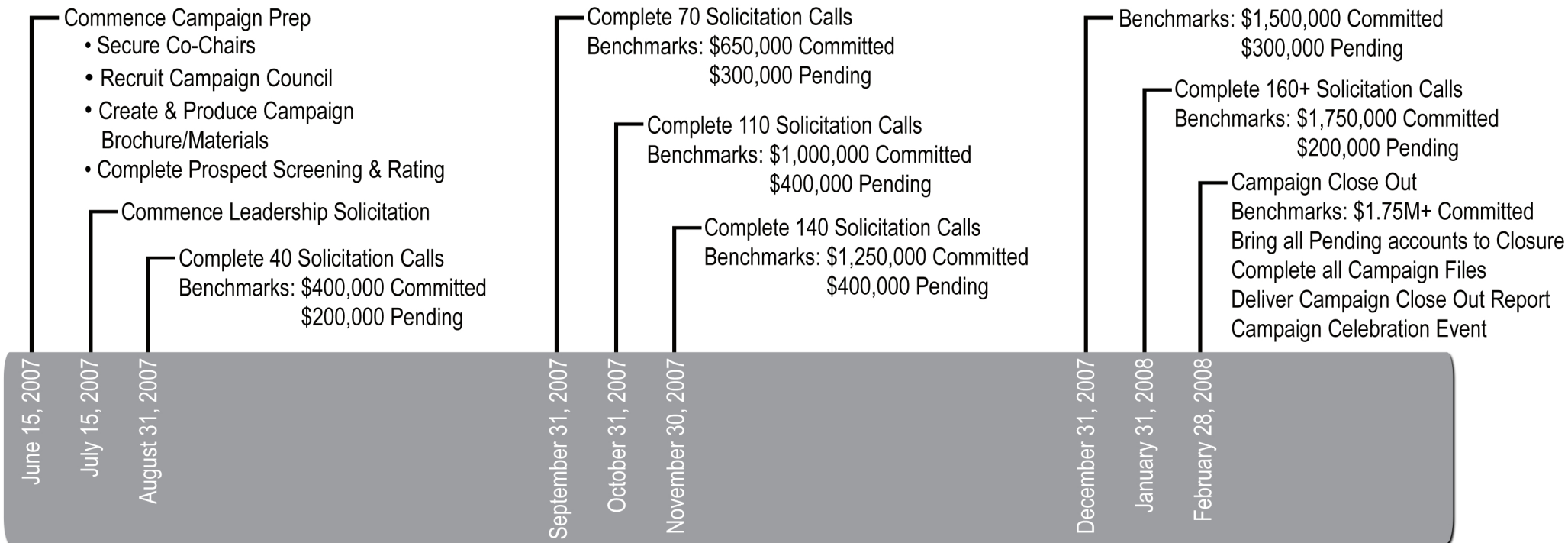
ESSENTIAL CAMPAIGN ACTION ITEMS

- Develop a clear case statement and rationale for support based on a focused economic development business plan with measurable outcomes and anticipated investor and community benefits
- Develop member benefits package for the new 5-6 dues levels
- Further GFI brand enhancement and community awareness
- Assemble a very strong, diverse and influential campaign leadership team



A Partnership For Growth

Campaign Timeline



ASSESSMENT PARTICIPANTS

(72 Assessment Participants)

Agriculture (1)
Architects/Engineers (2)
Attorneys (2)
Automotive (2)
Banking (10)
Communications (1)
Consultants (1)
Construction - Contractors (4)
Construction – Suppliers (2)
Distribution/Logistics (1)
Education (2)
Foundations (1)
Governments (3)
Healthcare (2)
Insurance/Investments (5)
Large Corporate (3)
Manufacturing (8)
Media (2)
Miscellaneous (4)
Real Estate (3)
Retail (1)
Small Business (7)
Utilities (4)

ASSESSMENT PARTICIPANTS

Total Assessment Participants = 72

Tom Ahl	Tom Ahl Hyundai
Gregory R. Allen	First Federal Bank
Dr. J. Scott Atkins	Hancock County Dental Society
Robert E. Beach	KeyBank
Pamela K. M. Beall	Marathon Petroleum Company
Cathy Beckman	Central Travel
Charles L. Bills	Tall Timbers Distribution Center
Mark Cassin	Fifth Third Bank
Judy Chester	Cold Stone Creamery
Lynn R. Child	CentraComm Communications
Tim Connor	Chase Bank
Barbara Deerhake	The Community Foundation
Jeff Digby	Supper Thyme
Jeffrey Doepker	Time Services
Matt Dysinger	Sky Insurance
Judy Ennis	Owens Community College
Randy Flesch	Marathon Petroleum Company
Ray Frankart	Heartland Board of Realtors
Michael Gardner	Superior Trim
Philip Gardner	Findlay Industries
Todd Garlock	Garlock Brothers Construction
David Glass	The Findlay Publishing Company
Frank A. Guglielmi	ACAP Ltd.
John H. Haywood	Whirlpool Corporation
Karl L. Heminger	The Findlay Publishing Company
Lee Hitchings	Hitchings Insurance
Paul V. Howard	Clyde-Findlay Area Credit Union
Ed Ingold	Hancock County
Tony Iriti	City of Findlay
John Johnson	Chase Bank
Paul T. Kramer	Kramer Enterprises, Inc.
Eric Kurjan	Six Disciplines
John LaRiche	LaRiche Chevrolet
Kathy Lake	Home Savings Bank
Kevin Lent	City Barbeque
Pat McCauley	Time Warner Cable

Mark J. Maag
Scott Malaney
Pauline E. Milligan
Michael S. Needler
Jed Osborn
Carleton Palmer, III
Randy Payne
Garry L. Peiffer
Andy Peters
Karen Reams
Dave Reese
Kolleen Kirk Rill
Stephen A. Roepke
Sharon Rooney
Sandy Roller
Gary Rossilli
Harold R. Rowe
H. Richard Rowe
Ralph D. Russo
Lawrence B. Seawell
Paul E. Schmelzer, P.E., P.S.
Stephen O. Schroeder
Wil Schroeder
Jeff Shrader
Doris Shumacher
Michael C. Spragg
Terry Terhark
Martin L. Terry
George B. Walton
Donald C. Weber
Bill Wolf
Lisa Wolf
Patrick Woodhull
W. Paul Worstell
Riad Yammine
Burr Young

Ferguson Construction Company
Blanchard Valley Health System
ACI Construction Company, Inc.
Fresh Encounters, Inc.
Ball Corporation
National Lime & Stone
American Electric Power
Marathon Petroleum Company
City of Findlay
Millstream Credit Union
Kaleidoscope Farms
H & O Services
Firmin, Sprague & Huffman
Rooney & Associates Real Estate
KNG Energy
Rossilli's
Charles Construction Services, Inc.
Edward Jones
Betts Miller & Russo
Hercules Tire
Van Horn Hoover & Associates
Cooper Tire & Rubber Company
Nissin Brake Ohio, Inc.
Fifth Third Bank
Doranne's
Sky Bank
The Right Thing
The University of Findlay
Hancock-Wood Electric Cooperative
The Shelley Company
Wolfies
Stacy Insurance
Shaw Environmental
PRO TEC Coating Company
Findlay Development
Morgan Stanley