

ISSUE 1 FOR JOBS - Big Impact of Ohio Third Frontier Makes May 4 Vote Pivotal for Ohio's Future

Phillip Eggers experienced firsthand the value of the Ohio Third Frontier program that Issue 1 for Jobs seeks to extend. He knows the May 4 primary election vote is essential to the state's quest for jobs and a growing 21st Century economy.

"We need the Ohio Third Frontier if new (high-tech) companies are to have the opportunity to stay in Ohio," Eggers said. "The alternative is seeking funds on the West or East Coast and then locating there as my past five companies have needed to do."

Eggers is CEO of Dublin-based CardioX Corp. The company was called the "poster-child for start-up opportunities in Ohio and the Midwest" and featured in the *Wall Street Journal* and *Business Week*. CardioX is creating a noninvasive method to locate heart shunts, holes in the heart that can cause strokes, heart attacks and migraine headaches.

"Alongside lead investor Reservoir Venture Partners, TechColumbus invested \$500,000 from the Regional Commercialization Fund ... which allowed CardioX to develop a prototype system," Eggers said. "The fund is made possible by monies from the Ohio Third Frontier." Now home to four employees, Eggers said CardioX will employ 60 in five years.

It is the kind of job growth Ohio voters can expand on by backing Issue 1, the Third Frontier program that's lifting the state's status as a technology center through jobs and long-term economic growth.

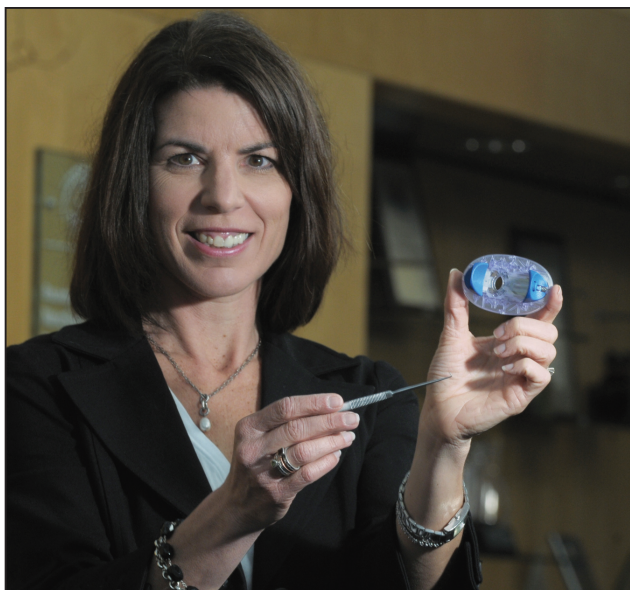
Voter-approved Ohio Third Frontier funding expires in 2012.

The Ohio General Assembly overwhelmingly, and in bipartisan fashion, voted to put Issue 1, a four-year, \$700 million bond issue, on the ballot.

That support from both sides of the political aisle demonstrates the Ohio Third Frontier's stature as an economic engine for the state's future.

"Passage of State Issue 1 is vital to the continued growth of our economy in Central Ohio," said Dr. Steve Allen, CEO of Nationwide Children's Hospital and chairman of the TechColumbus Board of Directors. "Since its inception in 2002, the Ohio Third Frontier has contributed to the advancement of Central Ohio as an innovation-driven, competitive 21st Century economy."

CleveX CEO Sam Finkelstein agrees.



CleveX trainer Lynn Raymond displays the company's ExiClip, a disposable surgical instrument. Defeat of Issue 1 for Jobs would create a "noncompetitive gap for Ohio," CEO Sam Finkelstein said

Based in the TechColumbus incubator, the company's ExiClip is the first and only disposable surgical instrument that excises skin lesions and closes wounds in a single step. It reduces surgical excisions and allows patients' family doctors, OB/GYNs and others to take care of problems formerly handled by specialists.

Currently, CleveX employs 14 full-time and contract employees, Finkelstein said. In five years, he said, "If we continue subcontracting, we'll be up to 100 people. If we decide to manufacture ourselves, it would be 200."

It's that dramatic growth potential that makes Issue 1 critical to jobs in Ohio and the state's competitive standing as a player for high-tech companies.

"Without TechColumbus and Ohio Third Frontier funding, the opportunity for CleveX and companies like it to produce products is very low so many products would never get to market without Third Frontier funding," Finkelstein said.

Defeat of Issue 1 "would be a serious blow," Finkelstein said. "It would create a serious noncompetitive gap for Ohio in rebuilding and retooling its industry."

Proof is in the numbers. The Ohio Third Frontier has created more than 48,000 jobs and helped 571 start-up companies statewide. Central Ohio companies and programs have received \$250 million in Third Frontier investments, and those dollars helped attract more than \$1.5 billion in follow-on funding.

A recent study by the Ohio Business Roundtable said that by 2014, the tax revenues generated from companies supported by Ohio Third Frontier initiatives will repay the state's total current investment in the program.

Independent researchers, the prestigious research firm SRI International, reported that through 2008, Third Frontier expenditures of \$681 million generated \$6.6 billion in economic activity. That represents a nearly \$10 return on every dollar of the state's investment.

Voters' approval of Issue 1 for Jobs would expand the Ohio Third Frontier through funding of innovation centers at state universities and investments in new companies involved in high-tech fields, notably those involved in biomedical, advanced energy and IT fields.

At 3X, CEO Alan Arman said a multitude of Ohio Third Frontier initiative programs have helped his company, which is based in the TechColumbus incubator. Its 3X Backup@ system provides an economical online backup solution in an all-in-one device.

"The Third Frontier is trying to make Ohio a technology center, so it can produce high-growth technology jobs here," he said. "We don't have the branding of other technology centers such as Silicon Valley to attract capital and start-up companies. We have the talent, but we don't have the capital."

"The Third Frontier will glue the two pieces together," Arman said, adding taxpayers will continue to see measurable results. His own company currently employs 12 people. He expects that number to be 60 in five years.

Issue 1 is pivotal to high-tech growth in Ohio, because it has become an organic part of that growth, said Ted Ford, president and CEO of TechColumbus.

"This is not a stimulus," Ford said. "It is a solid investment in Central Ohio's future with proven results. The Third Frontier has helped create an entrepreneurial ecosystem that supports the growth of young technology companies. We are proud to

announce our support of this program. Its renewal is so critical to the continued growth of our region and state."

The Facts: Issue 1 for Jobs

- With a 10-year initial life and an initial commitment of \$1.6 billion, the Third Frontier has emerged as the centerpiece of Ohio's technology-based economic development and job-creation efforts.
- The Third Frontier attracted \$3.2 billion in follow-on dollars (federal, state, local, private and foundation funds) on top of the \$473 million it spent through June 2009 on technology-based programs.
- The Third Frontier's total return on investment has averaged 22 percent each year over the life of the initiative.
- From 2003 through 2008, venture capital investment in Ohio grew almost 2.5 times faster than in the U.S., 20.4 percent each year compared to 8.6 percent nationally.
- **By 2014, the initial \$1.3 billion invested will be repaid to the state's treasury through increased tax receipts.**

Source: *United for Jobs and Ohio's Future*

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