



The Cleveland Plus economy continues to show gradual improvement. The region's unemployment rate is at its lowest point (8.5%) since December 2008, and is lower than that of the United States (9.1%).

Fueling this growth is the region's fundamental shift from traditional manufacturing to advanced manufacturing in areas such as specialty chemicals and medical devices. By 2015, Northeast Ohio's manufacturing GRP is projected to outpace that of the United States by nearly 10%.

DEVELOPMENT ACTIVITY

CLEVELAND'S MEDIA INDUSTRY GAINS MOMENTUM

Through the work of the Greater Cleveland Film Commission, six full-length feature films – *The Avengers; I, Alex Cross; Fun Size; Boot Tracks* and more – were shot in and around Greater Cleveland, making this one of the busiest years for film production in the region's history. These productions injected an estimated \$80 million into the region's economy and set the stage for a strong, sustainable media industry in Northeast Ohio.

YOUNGSTOWN-WARREN AREA GARNERING POSITIVE MEDIA COVERAGE

National and international media are taking notice of the rejuvenation in the Mahoning Valley. The following stories appeared in October and November:

- + The *Wall Street Journal* and the *Financial Times* reported on the \$650 million V&M Star steel pipe mill being built in Youngstown.
- + *NPR* noted that the shale gas development boom in Ohio and Pennsylvania is breathing new life into industrial towns like Youngstown.
- + The *New York Times* spotlighted the recovery around Youngstown and Akron, pointing out that it has outpaced that of former boomtowns like Colorado Springs and Tucson.
- + The *Detroit News* reported impressive first-year sales of the new Chevrolet Cruze produced at Lordstown. The plant also has been selected to manufacture the new diesel Cruze.

AKRON HOLDS NATION'S #3 SPOT FOR MANUFACTURING JOB GROWTH

In a ranking of the employment strength of the top 100 U.S. markets, Akron placed #3 nationwide for one-year manufacturing job growth. This was based on data, from June 2010 - June 2011, provided by the Bureau of Labor Statistics.

CANTON AREA REPORT REFLECTS MANUFACTURING GROWTH

Sales increases, market share growth, company expansion, employment boosts and continued new-product development are among the positive trends reported by Canton area businesses in a recent SYNCHRONIST report, available at cantonchamber.org.

CLEVELAND HOPKINS INTERNATIONAL AIRPORT CONTINUES SAFETY ENHANCEMENTS

Cleveland Hopkins International Airport (CLE) continues airfield safety improvements, breaking ground in October on a \$69 million FAA-funded Air Traffic Control Tower and Terminal Radar Approach Control facility. Equipped with the latest technology, the tower will facilitate the airport's seamless integration into the FAA's coming Next-Generation (NextGen) Air Transportation System.

MAJOR INVESTMENTS IN DOWNTOWN CLEVELAND CONTINUE TO TAKE SHAPE

- + The future home of the \$465 million Cleveland Medical Mart and Convention Center is on pace for completion in 2013. The immense facility – which will include a four-story Medical Mart, an underground convention center, and a reconfigured mall doubling as the roof – will become the world's first medically oriented marketplace and convention center.
- + The Flats East Bank project is also on track for 2013 completion. The project will feature 450,000 square feet of office space, an Aloft Hotel, retail and commercial spaces, and more than 10 acres of public greenspace with a 1,200-foot boardwalk along the Cuyahoga River.
- + The \$400 million first phase of the Cleveland Horseshoe Casino is gaining momentum in the historic Higbee Building on Public Square. Construction also is progressing on the new casino welcome center, which will feature first floor retail space, valet services and parking for nearly 1,000 cars.
- + Several projects are under construction at University Circle, the area's cultural and educational hub, including the \$350 million Cleveland Museum of Art expansion, the \$45 million first phase of the Uptown neighborhood urban revitalization project, the \$27 million Cleveland Museum of Contemporary Art project, which represents both a redesign and relocation of the museum, and many other residential and retail renovations and conversions. Ongoing development includes projects initiated by University Hospitals and Case Western Reserve University.

ADVANCED MANUFACTURING A DRIVING FORCE IN CLEVELAND PLUS ECONOMY

While the economy of Northeast Ohio has undergone tremendous diversification over the past several decades, manufacturing continues to play a prominent role in our economic success.

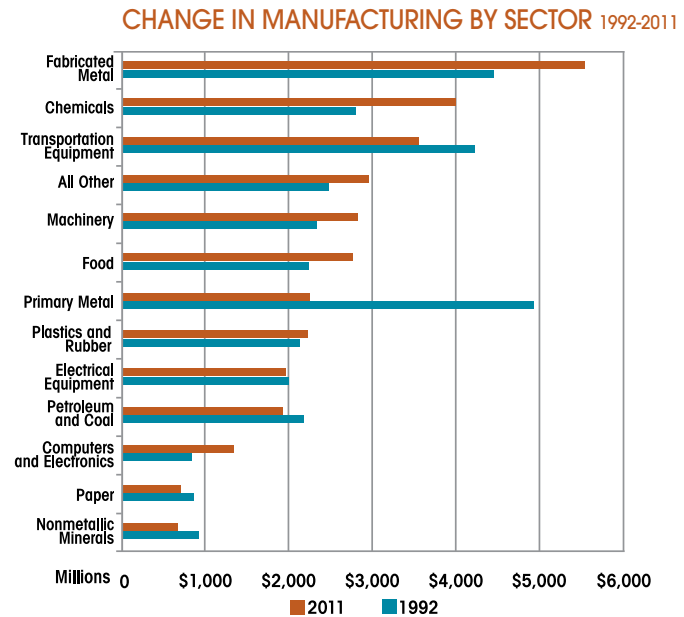
In 2011, for instance, manufacturing accounts for 13% of all jobs in the region compared with 8.5% of all jobs in the U.S. Similarly, manufacturing GRP accounts for more than 18% of output in the region compared with only 12% nationally. Overall, Northeast Ohio's competitive share of manufacturing gross product in 2011 is 50% (LQ* of 1.51) higher than the US average, and is projected to be nearly 60% higher by 2015 (LQ* of 1.60).

*Location quotients

NORTHEAST OHIO MANUFACTURING IS TRANSITIONING

The manufacturing sectors driving growth in Northeast Ohio have transitioned as the economy diversifies into areas such as chemicals (plastics, rubber, paint, specialties) and fabricated metal manufacturing. The region is enjoying significant growth in these areas as well as seeing emerging growth in computers and electronics manufacturing. Conversely, traditional sectors – primary metals and petroleum – for example, declined from 1992 to 2011. This chart ranks sectors by largest GRP in 2011.

Source: Economy.com



VALUE-ADD SECTORS EXPERIENCE FASTEST GROWTH

Total manufacturing GRP is expected to be 20% higher in 2015 than it was in 1992. GRP in Northeast Ohio trends even higher when looking solely at growing and emerging sectors – i.e., removing traditional sectors that have declined nationally over the past 20 years (primary metals, coal and minerals). For example, manufacturing growth in GRP was approximately 18% higher in 2011 than in 1992 and is expected to be nearly 40% higher in 2015 when removing traditional sectors.

Source: Economy.com



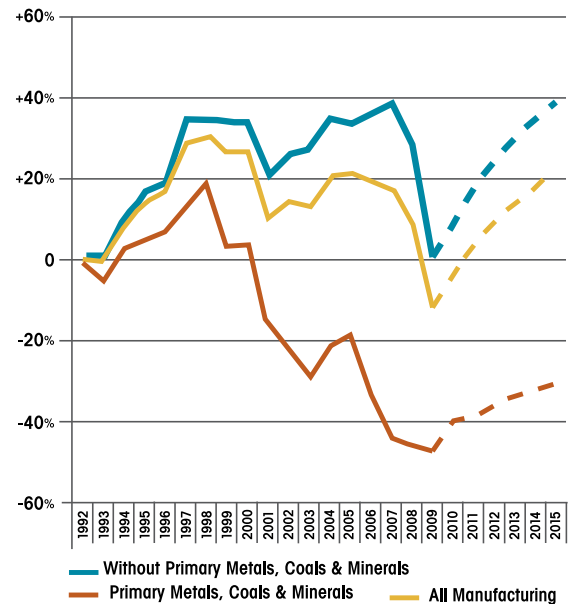
NEO MANUFACTURING PROJECTED TO GROW FASTER THAN THE NATIONAL AVERAGE

By 2015, Northeast Ohio manufacturing GRP is projected to outpace that of the United States by nearly 10%.

Source: Economy.com

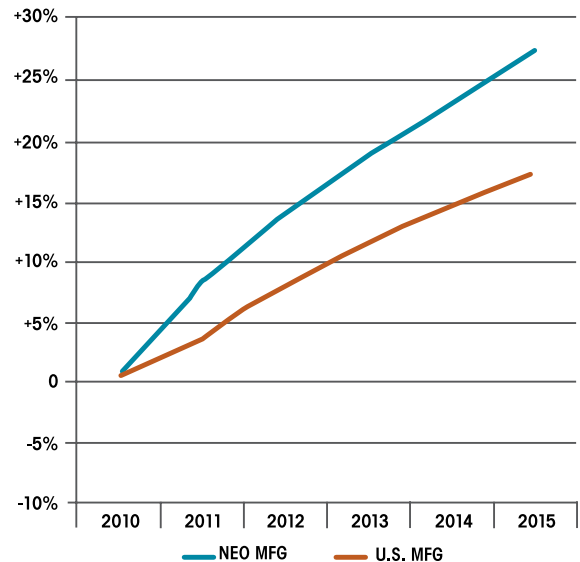
PROJECTED CHANGE IN MANUFACTURING GROSS REGIONAL PRODUCT (GRP): NEO 1992-2015

0 = 1992 MANUFACTURING GR

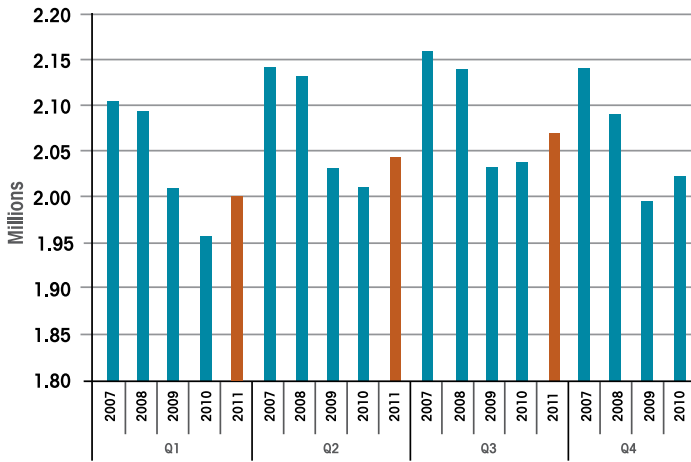


INDEX OF MANUFACTURING GRP: NEO VS. US

2010-2015 0 = 2010 MANUFACTURING GRP



NEO TOTAL EMPLOYMENT NOT SEASONALLY ADJUSTED

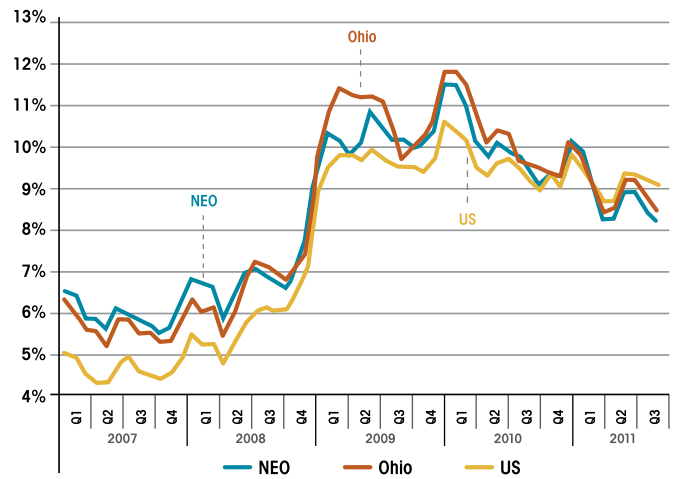


CLEVELAND PLUS EMPLOYMENT SHOWS GROWTH

Employment from Q2 2011 to Q3 2011 rose by nearly 24,000 jobs (1.2%). Employment in Q3 2011 also increased year-over-year by nearly 30,000 jobs (1.5%), representing the fifth consecutive quarter showing a year-over-year increase. Total employment averaged 2.07 million workers.

Source: Ohio Labor Market Information (LMI)

UNEMPLOYMENT RATES

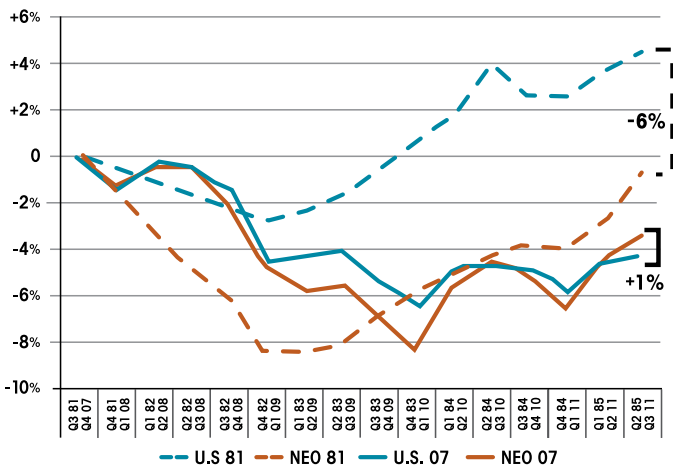


NEO UNEMPLOYMENT RATE CONTINUES TO OUTPERFORM U.S.

With an unemployment rate of 8.5% in Q3 2011, Northeast Ohio outperformed both Ohio (8.8%) and the U.S. (9.1%) and is at its lowest point since December 2008. Overall, unemployment dropped 1.2% since Q3 2010, when it was 9.7%.

Source: Ohio Labor Market Information (LMI)

RECESSION EMPLOYMENT COMPARISON

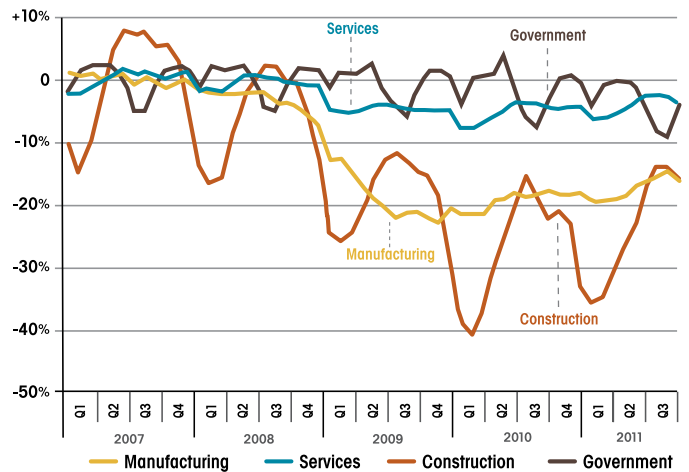


CLEVELAND PLUS TRACKING BETTER THAN U.S.

After 16 quarters of the 2007 recession, the employment index for Cleveland Plus is trending about 1% better than the U.S. The U.S. is about 4.5% below the employment level of Q4 2007, when the recession began, compared to Northeast Ohio at 3.5% below. This compares to a dramatic gap through 16 quarters of the 1981 recession, when Northeast Ohio's index was 6% lower than the U.S. Index.

Source: Ohio Labor Market Information (LMI)

CHANGE IN EMPLOYMENT BY SECTOR 1.0=2007 AVERAGE

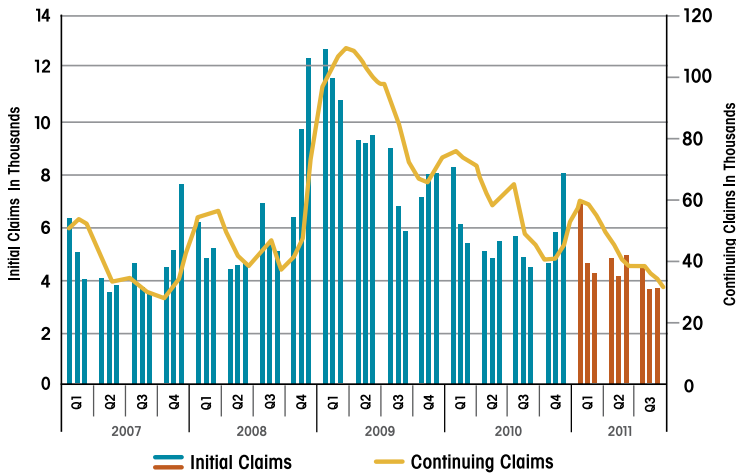


MANUFACTURING CONTINUES TO PERFORM WELL

Manufacturing saw a 2.5% increase in employment Q3 over Q2, and year-over-year gains improved by 8,000 jobs, or 3.7%. While services remained stable from Q2 to Q3 (up slightly, by .4%), construction saw a seasonal uptick of 6,000 jobs (or 10.5%) and government was down almost 13,000 jobs, or 5.4%. Year-over-year changes for these sectors saw services up almost 11,000 jobs, construction up 3,000 jobs and government employment down nearly 4,000 jobs.

Source: Bureau of Labor Statistics (BLS)

AVERAGE MONTHLY UNEMPLOYMENT CLAIMS

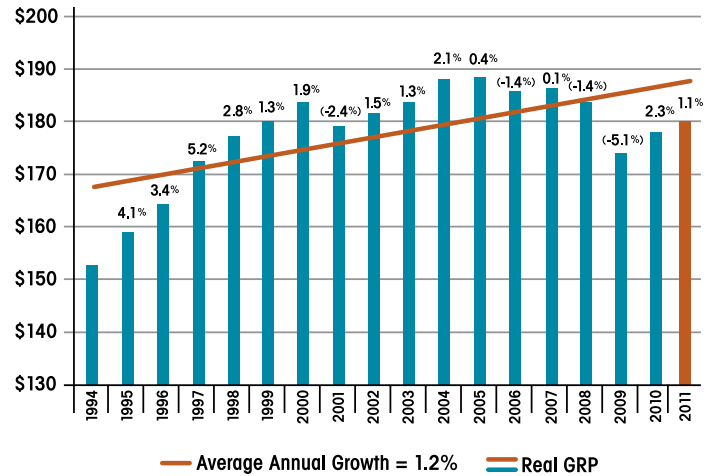


UNEMPLOYMENT CLAIMS DOWN SLIGHTLY YEAR-OVER-YEAR

Continued claims dropped to 32,000 in September 2011, their lowest level since November 2007. Initial claims rose slightly to 3,900 in September, but remain comparable to pre-recession levels. For Q3 2011, continued claims averaged 34,900; initial claims averaged just under 4,000.

Source: Ohio Labor Market Information (LMI)

NEO REAL GROSS REGIONAL PRODUCT (GRP) IN BILLIONS

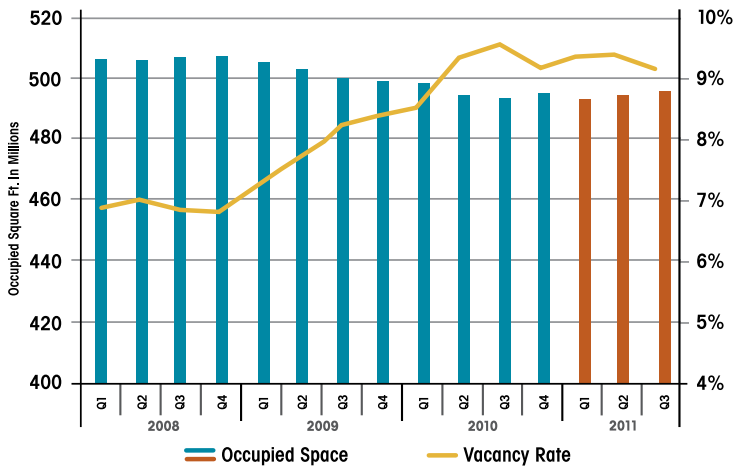


NEO GRP EXPECTED TO GROW IN 2011

GRP in the 18-county region is expected to grow approximately 1.1% in 2011, with total GRP at just over \$180 billion. Since 1994, our economy has grown by almost \$30 billion, or nearly 18%, but is 4.5% below the peak of 2005.

Source: Economy.com

NORTHEAST OHIO OCCUPIED INDUSTRIAL SPACE

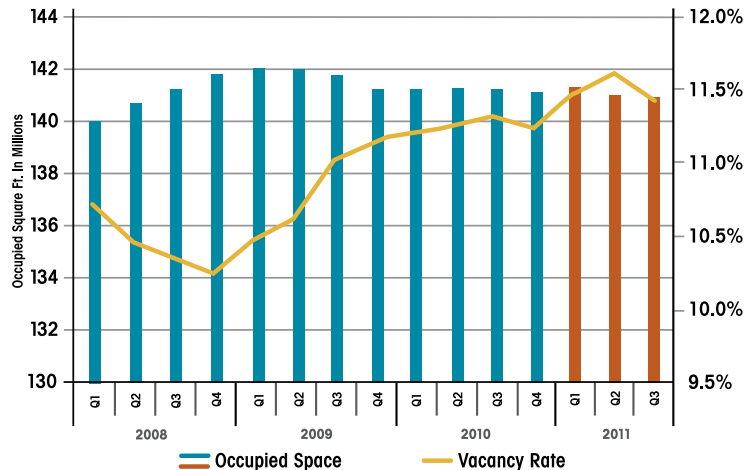


INDUSTRIAL SPACE USAGE REMAINS STABLE

In Q3 2011, Northeast Ohio's occupied industrial space remained stable at 495 million square feet. The vacancy rate declined from 9.4% in Q2 2011 to 9.1% in Q3 2011.

Source: CoStar

NORTHEAST OHIO CLASS A, B, C OFFICE SPACE



OFFICE SPACE REMAINS CONSISTENT

Class A, B and C office space in Cleveland Plus remains at about 141 million square feet. The vacancy rate declined slightly, to 11.4% from 11.6% in Q2 2011.

Source: CoStar

OUR PARTNERS INCLUDE:



DATA SOURCES:

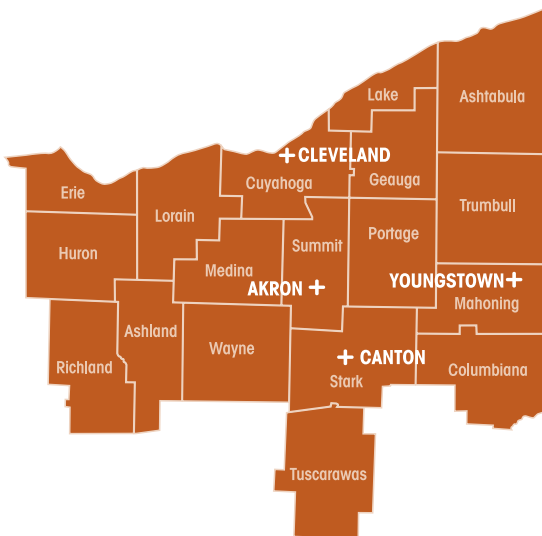
Team Northeast Ohio uses a number of data sources for the Regional Economic Review. One of the primary sources is the Moody's Economy.com (www.economy.com) data for Northeast Ohio.

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 (www.bls.gov) and Ohio's Labor Market Information (www.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. Recession employment data for this edition reflect former 16-county footprint. Employment sector data reflects MSA data (Cleveland-Akron-Canton-Youngstown).

CLEVELAND PLUS 18-COUNTY REGION



ABOUT TEAM NEO:

Team NEO advances Northeast Ohio's economy by serving as the 18-county region's private-sector economic development hub. It builds collaboration among the region's economic development organizations, attracts new businesses from around the world and connects the region to the state's JobsOhio program. Since 2007, the organization has attracted 48 new company operations, 4,800 new jobs and almost \$173 million in annual payroll to Northeast Ohio, leading to a total annual regional payroll benefit of \$281 million. For more information, visit www.clevelandplusbusiness.com.

