



# Torino Chamber of Commerce Presentation



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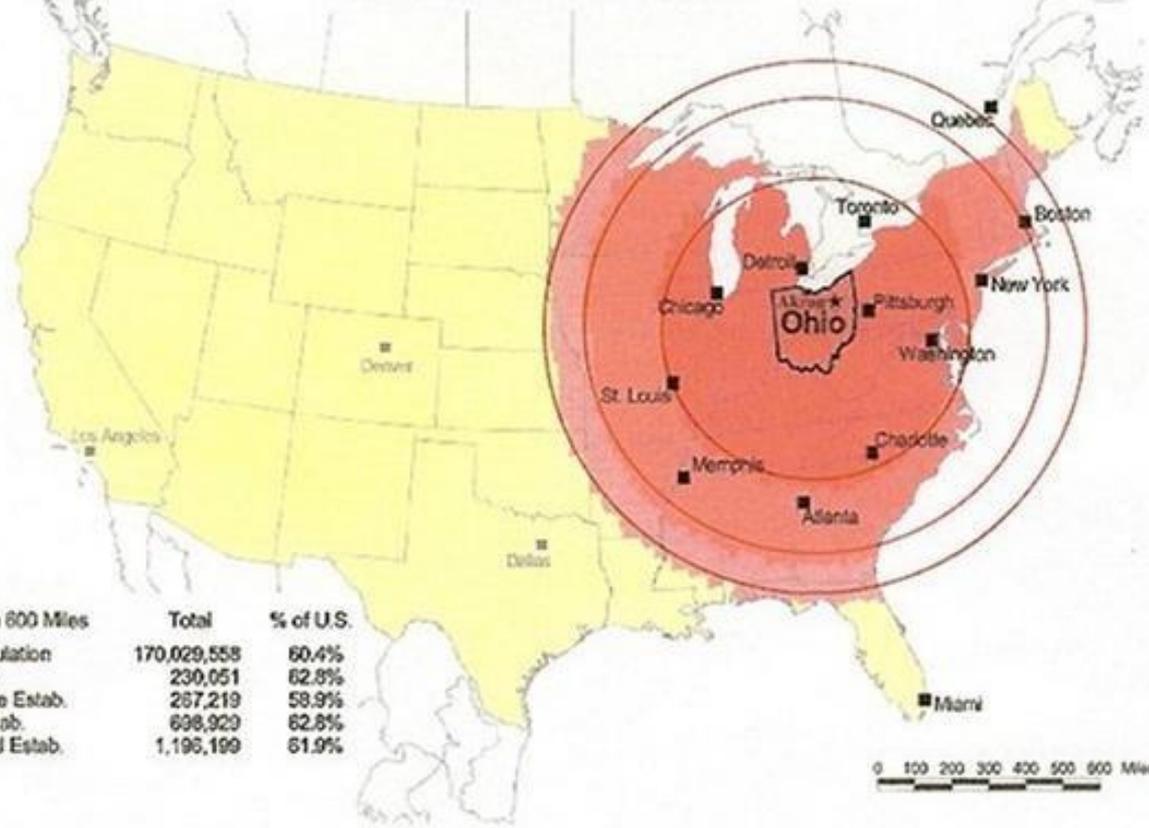


# Introduction



# Ohio's Strategic Access to U.S. Markets

300, 500, and 600 Mile Radii from Ohio

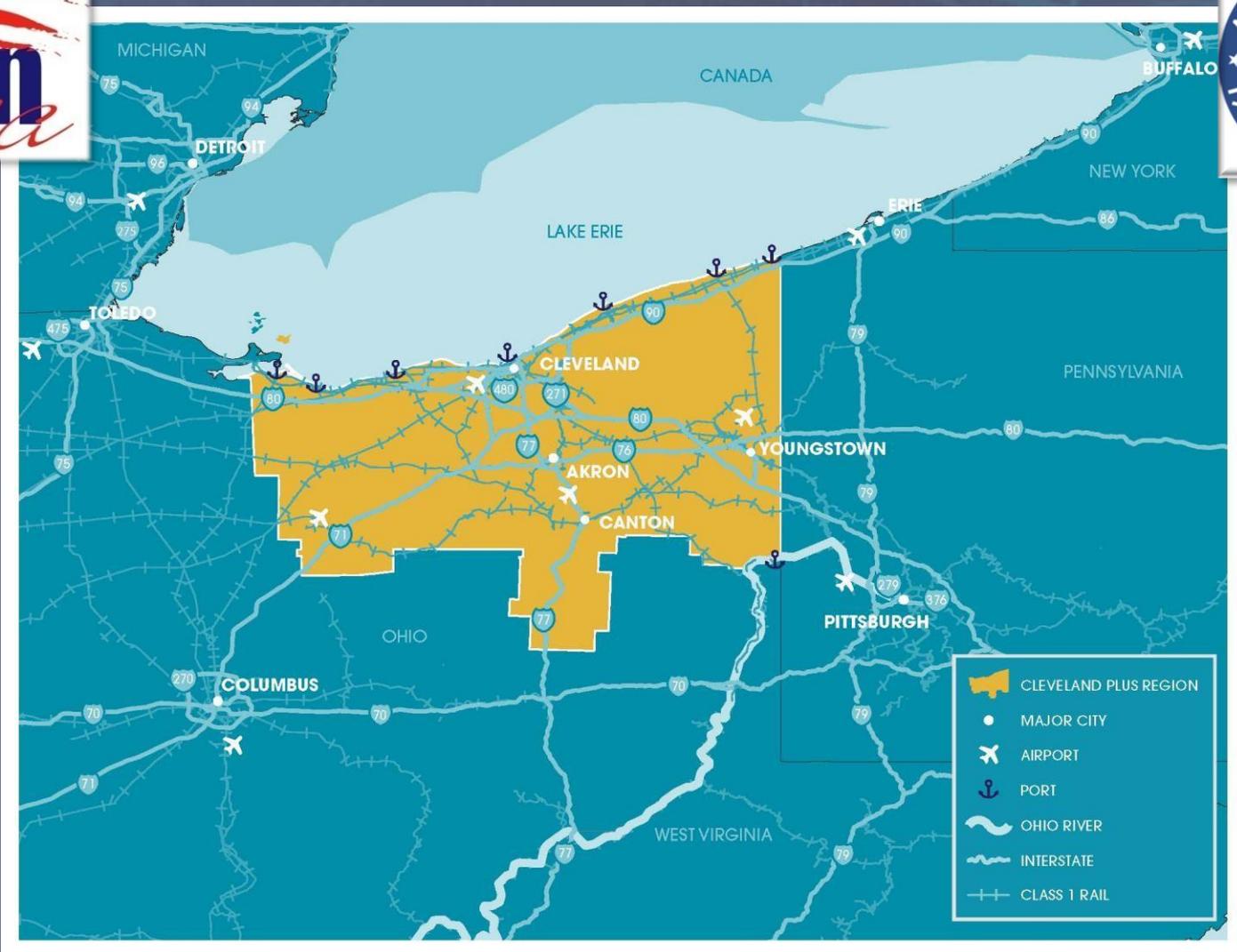


Within 600 Miles	Total	% of U.S.
U.S. Population	170,029,558	60.4%
Factories	230,051	62.8%
Wholesale Estab.	267,219	58.9%
Retail Estab.	698,920	62.6%
Combined Estab.	1,196,199	61.9%

0 100 200 300 400 500 600 Miles

Sources: 2000 P.L. 94-171, U.S. Bureau of the Census; 1998 County Business Patterns, U.S. Bureau of the Census. Prepared by: Office of Strategic Research, Ohio Department of Development, (November 2001)

- 7<sup>th</sup> largest state - population of 11.5M
- Ohio's GDP is ~\$500B, No. 8 nationally and No. 20 world wide
  - Similar to Poland and Switzerland
- Ohio is the 8th largest exporting state in U.S.
- \$6.5 billion in foreign direct investment
- Ohio is the only state to see its exports rise every year since 1999 to \$45.6 billion in 2011
- Largest trading partner is Canada – access to 45% of Canadian market.
- Ohio exports to over 200 foreign countries.
- Ohio is number one in the export of capital machinery/equipment.
- Ohio is number one in engineered polymers and precision performance plastics.
- Eastern time zone – enabling same day business transactions with major European markets



# Opportunity Northeast Ohio

## Foundation Clusters

Metalworking

Polymers (plastics & rubber)

Instruments, Controls, &  
Electronics (ICE)

Information Technology (IT)



## Vertical Clusters

Automotive

Aerospace

Biomedical

Capital Machinery

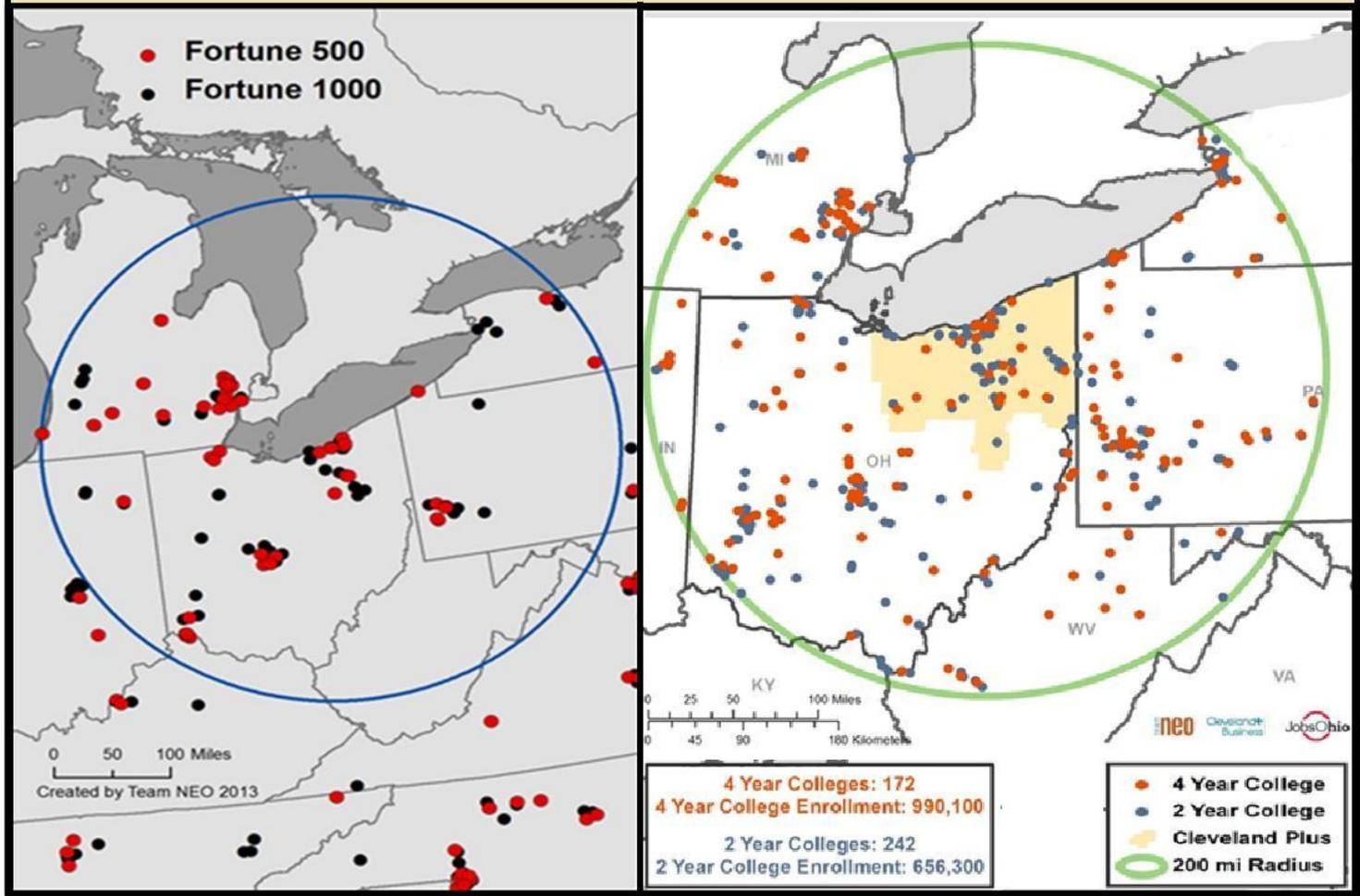
Advanced Materials

Insurance

Financial Services

Software

# Access to Customers, Suppliers, and Higher Education



# AKRON

## OHIO, USA



### Distances to Major Markets

City	Miles	KM
New York City	461	740
Washington DC	337	540
Chicago	348	560
Detroit	178	285
Toronto	318	510
Atlanta	668	1050
Dallas	1002	1429
Denver	1217	1724
Los Angeles	2041	2890
New Orleans	890	1260



Donald L. Plusquellic  
Mayor



## Vision

Akron will become globally known for its continuous innovation , effective business support for growing companies and its global attraction of innovative companies.

## Key Strategies

- Capitalize on our foundation clusters (polymers, metal working, machinery/equipment) to focus on biomaterials, orthopedics, wound care ,medical devices, renewable energy and advanced materials
- Develop strategic international technology bridges to attract innovative companies and technologies
- Effectively leverage regional and State resources
- Create a effective ecosystem that provides comprehensive support to businesses
- Collaboration

- Geographic center of 12<sup>th</sup> largest market in US
  - 4.2 million people, 50 mile/80 km radius
- One of 5 Metropolitan areas in NE Ohio
  - Akron, Canton, Cleveland, Mansfield, & Youngstown
- Number 2 among mid size cities in the US for business investment
- Ranked 14th among top USA cities for European expansion
- Over 20 Fortune 500 companies are invested in Akron
- Industrial/Office Parks & stand-a-lone properties



**Opportunity Akron**

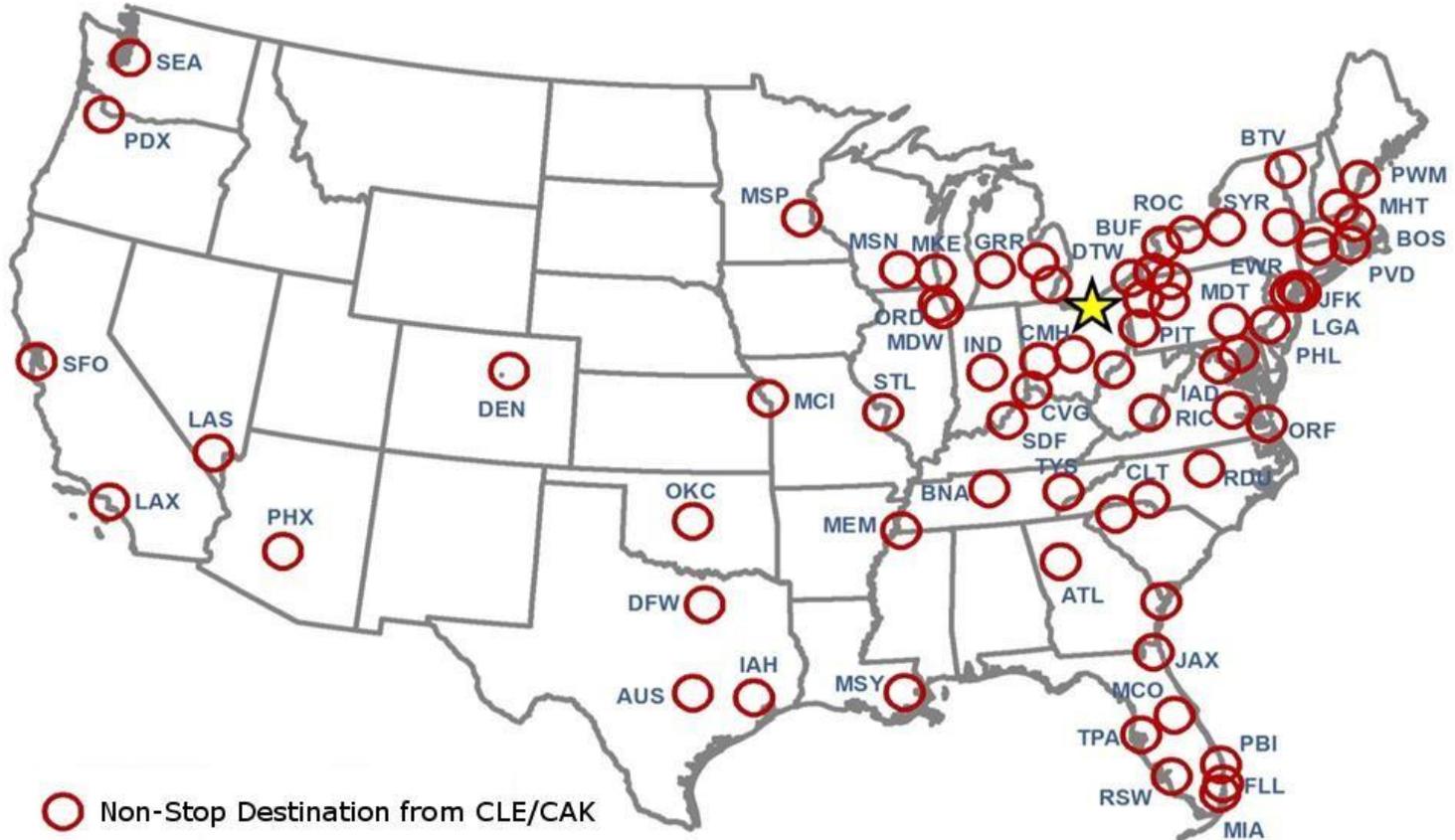
- Stand-a-lone properties
- HQ of second largest US energy company- First Energy
- Three nationally recognized hospitals and a medical university
- Austen BioInnovation Institute in Akron (ABIA) formed in 2008
- Top Polymer Science and Engineering College- Univ. of Akron
- World center of tire technologies (Goodyear & Bridgestone)
- Major aerospace research and manufacturing-Lockheed Martin
- One of the most comprehensive business infrastructure in the US (clusters, supply chain)
- Akron Global Business Accelerator (AGBA)- 2008 winner of the Incubator Innovation Award from the National Business Incubator Association

- **Access to trained and educated labor**
  - 300,000 educated and trained labor force in Akron/Summit County
  - 29 colleges and universities
  - 26,000 degrees awarded annually
  - 180,000 degree-seeking students
- **Entrepreneurial network**
- **Access to funding**
  - State of Ohio Third Frontier program
  - Angel networks
  - Northeast Ohio has the highest concentration of health care VCs between the coasts, top 5 in the country!
  - The Akron Bioinvestments Fund
- **Strong international connections**
  - Akron provides a safe landing to international companies looking to access the U.S. market through the Akron Global Business Accelerator (AGBA)
  - Exhibitions, conferences, business missions

**Business supportive ecosystem, “Can Do” Approach!**

- Strong, on going, relationship with Israel Life Sciences
  - Investments in the Targetech Innovations Center, Netanya
  - Only US city to invest in an Israeli business incubator
  - Strong and on-going relationships with the Israeli business clusters
  - Water technology cooperation agreement with the City of Netanya and Mekorot
- Relationships with 5 cities in Finland: Helsinki , Kupio, Oulu, Tampere, Turku
- Collaborative agreement with the technology center in Chemnitz, Germany (TCC)
- The University of Akron has engaged the University of Lemans (France)
- Developed technology bridge platforms with Lithuania (Kaunas University) & Slovenia (PoliMat) while exploring bridges with:
  - Baden Wurttemberg and Aachen, Germany, and Sweden
  - Corporative agreements with Qingdao, Hangzhou and City of Weihai, China
- Business missions to and from India, Germany, China, Turkey, Japan, and others.
- Active participation in international exhibitions, conferences, and business missions in targeted business sectors.

# Non-Stop Air Travel to Major US Markets



○ Non-Stop Destination from CLE/CAK

★ Hopkins/Akron Canton

0 125 250 500 Miles

Created by Team NEO 2013

Source: Cleveland Hopkins International Airport

- Three time All America City; 1981, 1995, & 2008
- One of the leading leisure destinations of Northeast Ohio.
- Theaters, Resorts, Fine Dining, World-class entertainment, Professional Sports (in the heart of downtown)
- Gateway to the Cuyahoga Valley National Park
  - Largest national park in an urban setting in the US
  - Top 10 in attendance
  - Links Cleveland & Akron Metropolitan Parks system with the Ohio Erie Canal National Heritage Corridor
- Vibrant night life



**Akron – Quality of Life**

- **Power of Collaboration**

- Effective working relationship between governmental entities (City, County, State, and Federal), businesses, the hospitals, and institutions of higher education
- Goodyear/Bridgestone Firestone
- Akron Biomedical Corridor
- Austen Biomedical Institute in Akron (ABIA)



## Cost of Living Index 2013

City	State	Composite	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc
<b>AKRON</b>	<b>OH</b>	<b>98.5</b>	<b>94.1</b>	<b>107.8</b>	<b>94.1</b>	<b>104.4</b>	<b>92.5</b>	<b>92.5</b>
Los Angeles	CA	129.9	99.9	196.0	107.0	111.3	110.0	104.2
Denver	CO	105.2	92.8	115.2	102.5	101.9	107.9	103.7
Chicago	IL	113.4	93.9	134.7	97.9	120.2	96.8	108.4
New York	NY	218.8	132.8	437.1	132.1	125.4	106.1	151.5
Philadelphia	PA	121.2	114.5	142.5	128.9	103.7	96.8	114.0
Boston	MA	140.1	129.8	177.4	139.2	103.1	126.6	129.4

**Note:** To use this index, compare one city's index figure as a percentage of each other. US Average= 100.0 Source: The Greater Akron Chamber



- A Legacy City of continuous innovation and re- invention



- It's all about reducing risk & time while developing technical, commercial and financial opportunities.
  - Effective collaboration and business support to reduce risk & time.
  - Strong assets to support business growth.
  - World class business support & a “soft landing” through the Akron Global Business Accelerator.
  - History and spirit of innovation and entrepreneurship.
  - Access to capital and funding sources.
- *Akron's large enough to be effective, small enough to care for you !*

**We can Help You Grow your Business in N.A !**

**What Can we Offer You?**



# Akron's Assets



# Akron Global Business Accelerator



- 230,000 sq ft (22,000 sq.m) of space
- 9-story building
- Part of the 1.5m sqft (140,000 sq.m) Canal Place Complex
- Located in Downtown Akron, Ohio, USA
- Within walking distance of downtown Akron's restaurant & entertainment district



# History



- Founded in 1983 as an initiative of the City of Akron
- The Accelerator and its 45 client companies are serviced in a renovated 310,000 ft<sup>2</sup> tire manufacturing facility owned and operated by the City of Akron.
- More information can be found at [www.AkronAccelerator.com](http://www.AkronAccelerator.com)





# Type of Space Available

1. Office
2. Laboratory (Wet & Dry)
3. Manufacturing



# Office

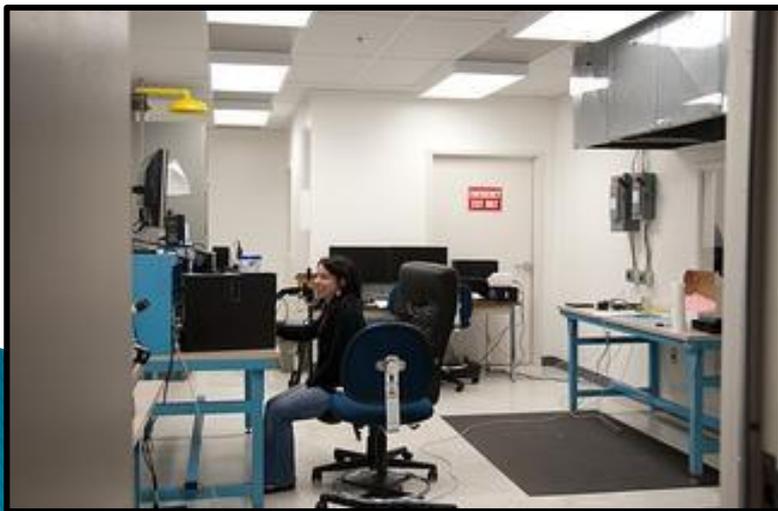
- **Typical size - 550ft<sup>2</sup> (52m<sup>2</sup>)**
- **Average Cost Per Month (USD) - \$435**
  - **\$9.50/ft<sup>2</sup>/yr (\$100/m<sup>2</sup>/yr)**





# Laboratory (Wet & Dry)

- **Typical size - 1,200ft<sup>2</sup> (112m<sup>2</sup>)**
- **Average Cost Per Month (USD) - \$1,500**
  - \$15/ft<sup>2</sup>/yr (\$161/m<sup>2</sup>/yr)





# Manufacturing

- **Typical size** - 4,000ft<sup>2</sup> (372m<sup>2</sup>)
- **Average Cost Per Month (USD)** - \$1,667
  - \$5/ft<sup>2</sup>/yr (\$54/m<sup>2</sup>/yr)





# Available Amenities



## Utility, Building, & Office Services

- HVAC
- Trash Removal
- Electric (Capable of supporting office, lab, and manufacturing use)
- Mailboxes
- 24/7 Access
- Computer Training Facility
- Telecommunications Center

## Infrastructure Amenities

- Industrial Elevators (455 kg capacity)
- Material Handling Equipment
- High Speed Internet & Phone Network
- Parking Available
- Truck Loading Docks
- Reception Area
- State of the Art Server Farm



# Close to Downtown



## Downtown View



# Shared Office Rooms & Catering





## **Business Services**

- Business Assistance Center
- On-site Immigration attorney and support
- Initial Pro-Bono Legal & Attorney Services
- Marketing & Communications Assistance
- Networking Opportunities
- Events & Business Lectures
- Procurement Technical Assistance Center (PTAC)
- International Trade Assistance Center (ITAC)



# Quick Facts

- Proven track record of start-up success rates
  - 90% success rate for incubator startups
  - 20% success rate for non-incubator startups
- “Soft landing” site through various International technology bridge initiatives
  - I.e. Finland, Lithuania, Slovenia, Chemnitz, & Israel
- Winner of Incubation Innovation Award from the National Business Incubation Association
- Portfolio company Summit Data Communications won outstanding National Incubator Client
- Other successful companies include:
  - 7Signal
  - Vadxx Energy
  - FMI Medical
  - Niche Vision



# Industrial Parks in Akron



# 5 Industrial/Office Parks



1. **Ascot**
  - 200 acres
2. **Massillon Road**
  - 98 acres
3. **North Turkeyfoot**
  - 34 acres
4. **South Munroe**
  - 54 acres
5. **White Pond**
  - 48 acres

*Note: Price of \$25,000/acre*



# Ascot





# Massillon Road





# Massillon Road





# State and Local Incentives



# State and Local Incentives



## 1. Tax Relief

- Tax Abatement
- Tax Increment Financing
- Employee Income Tax

## 2. Grants

- Workforce Development
- Infrastructure

## 3. Low Interest Loans

*Note: Incentives vary by project*



# Cost of Doing Business in Akron



## Organizing the Business

Step	Estimated Cost
Decide on Company Structure	\$100
Prepare founding government documents	\$2,500 - \$5,000
Form entity through Ohio Secretary of State	\$500
Register to do business within State of Ohio	\$250



## Opening the Business

Step	Estimated Cost
Open bank account	\$25
Liability Insurance	\$2,500 - \$10,000
Shipping Account	\$0
Contract for IT Services	\$2,000
Print Office Supplies	\$500 - \$1,500



## Hiring Employees

Step	Estimated Cost
Decide on Employee Benefits	\$0
Draft Employee Handbook	\$1,000
Draft Offer Letter to Employee	\$500
Prepare OSHA Training	\$1,000
Prepare Payroll Processing	Various
Prepare Employee Agreement	\$1,000
Prepare COBRA Termination Notice Template	\$500



## Operating the Business

Step	Estimated Cost
Register with IRS	\$0
Register with State of Ohio	\$0
Register with Summit County	\$0
Register with City	\$0
Check for other required licenses/permits	\$0
Hire Employees	\$0
Complete Employment Records	\$0
Train Employees	\$0



# Taxes



Net Profit Tax	2.25%
Payroll Tax	2.25%
<u>Commercial Activity Tax</u>	
<u>Property Tax</u>	9.10%



# Commercial Activity Tax (CAT)



Taxable Gross Receipts (TGR)	Annual Minimum Tax	CAT
Less than \$1 Million	\$150	No additional tax
Between \$2 and \$3 Million	\$800	$0.26\% \times (\text{TGR} - \$1 \text{ Million})$
Between \$3 and \$4 Million	\$2,100	$0.26\% \times (\text{TGR} - \$1 \text{ Million})$
More than \$4 Million	\$2,600	$0.26\% \times (\text{TGR} - \$1 \text{ Million})$



# Akron Property Tax Rates



School District	2013 Rate
Akron	9.10%
Copley	6.88%
Woodridge	7.35%
Springfield	7.39%
Revere	6.75%
Coventry	8.02%



## Total Costs

Organizing the Business	\$3,350 - \$5,850
Opening the Business	\$3,025 - \$13,525
Hiring Employees	\$4,000*
Operating Business	\$0
CAT & Property Taxes	Varies

*\*Does not include Payroll Processing*



# Akron Technology Bridge & Soft Landing Initiatives



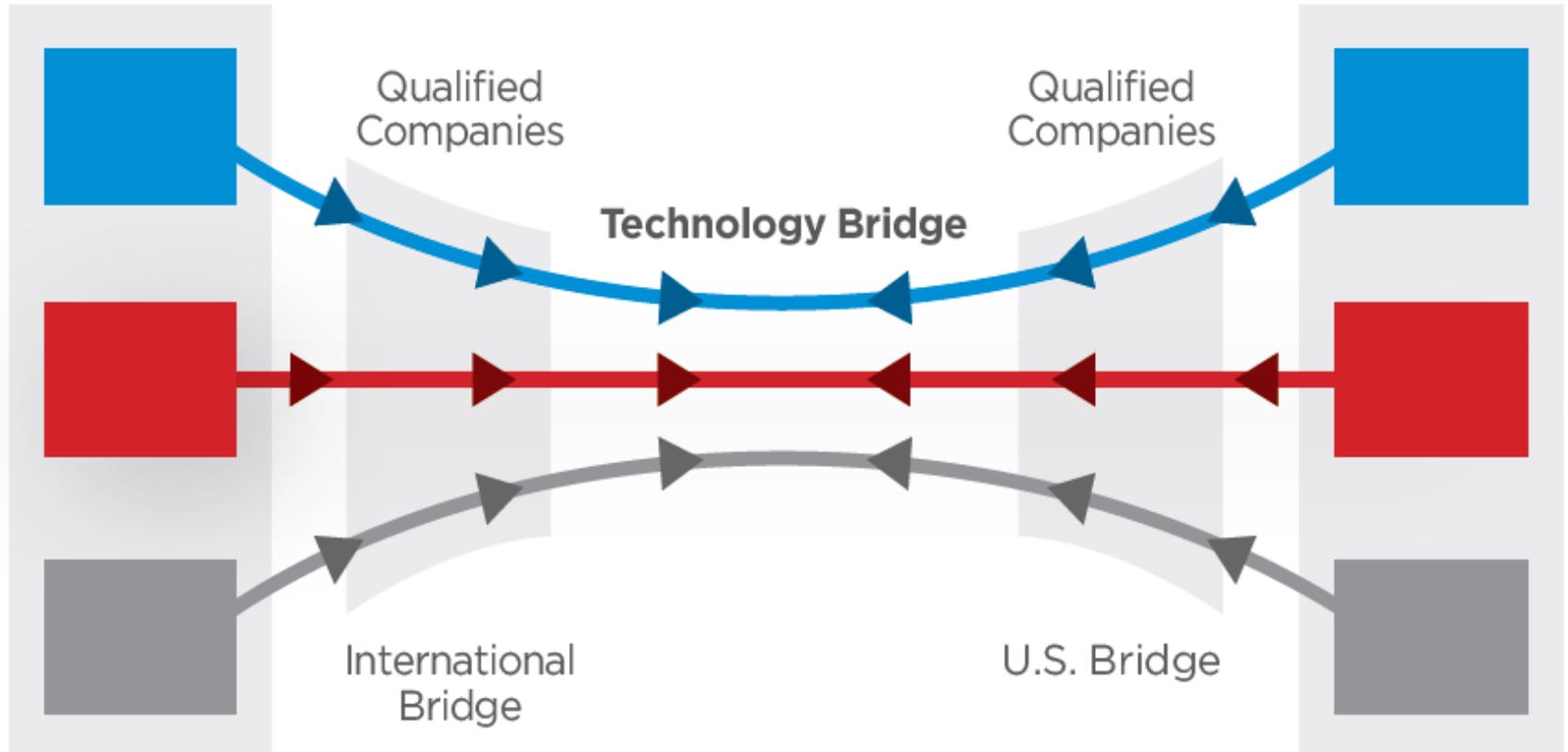
# THE BRIDGES WE ARE CREATING

- The BioFinland Bridge
- The Chemnitz Bridge
- The Israeli Targetech Bridge
- The China Bridge
- The LeMans Bridge
- Others under consideration

**Global  
Portal City**  
“Soft Landing Zones”

# Technology Commercialization Bridge Model

**Akron USA  
U.S. Portal City**  
“Soft Landing Zones”



● **Research & Development**

● **Business Development**

● **Funding**



# Product Liability in the USA



# IN THE USA THERE ARE:



- ▶ 1.5 million lawyers (250,000 in California)
- ▶ 30 - 50% contingency fee
- ▶ Walt Disney Mentality
- ▶ Lawyers as Colt .45, "The Great Equalizer"
- ▶ \$1 million clubs



# BASIS FOR PRODUCT LIABILITY ACTIONS:



- ▶ Negligence (Conduct important)
- ▶ Warranty (A promise, expressed or implied)
- ▶ Strict Liability (Liability without fault)



# ROOTS OF PRODUCT LIABILITY DEVELOPMENT IN USA



- ▶ Trend towards mass production
- ▶ Prejudice against big industry
- ▶ Industry can defend itself better than one man
- ▶ Industry can spread the risk
- ▶ Increasing role of courts as lawmaker
- ▶ Political pressure by regulatory agencies
- ▶ Lack of social welfare provisions
- ▶ Media pressure
- ▶ Consumer consciousness
- ▶ Contingency fee for plaintiff's attorneys



**50 STATES = 50  
INDEPENDENT  
JURISDICTIONS**



# 50 Places to Get into Trouble



Hawaii



Alaska



# MANUFACTURER'S PRESENTATION OF PRODUCT (Externally)



- ▶ The product itself
- ▶ Advertising
- ▶ Interviews
- ▶ Media
- ▶ Brochures
- ▶ Owner's manual
- ▶ Annual report
- ▶ Open house
- ▶ Company newspapers or periodicals
- ▶ Customer correspondence
- ▶ Correspondence with suppliers (specifications)
- ▶ Warranty conditions



# MANUFACTURER'S PRESENTATION OF PRODUCT (INTERNALLY)



- ▶ Internal memos
- ▶ Test reports
- ▶ Drawings
- ▶ Technical specifications
- ▶ Quality control system
- ▶ Cost analysis
- ▶ R & D stated policies
- ▶ Internal telephone book
- ▶ Archives
- ▶ Written or printed documentation of any kind



# PREVENTION:



- ▶ Quality control
- ▶ Exceed minimum government safety standards
- ▶ Warn about known risks or dangers
- ▶ Coordinated corporate presentation of the product
- ▶ Caution and standardization in test report language
- ▶ Dedicated lobby activity



## PREVENTION (CONTINUED)



- ▶ Easily controllable design
- ▶ No central storage of test reports
- ▶ Uniform safety features with rest of world to USA
- ▶ Old safety features should not be better than new ones
- ▶ Central control of product advertising



# EXTERNAL INFLUENCES ON A PRODUCT



- ▶ Government regulatory agencies
- ▶ Professional societies
- ▶ Consumer advocates
- ▶ Experts and professional literature
- ▶ Court decisions
- ▶ Customer habits and complaints
- ▶ Competition
- ▶ Media
- ▶ Insurance companies



# WARNINGS MUST:



- ▶ Indicate the danger and the consequences of not heeding the warning
- ▶ Describe the proper use of the product or its components
- ▶ Be simple
- ▶ Be located in an easily noticed place



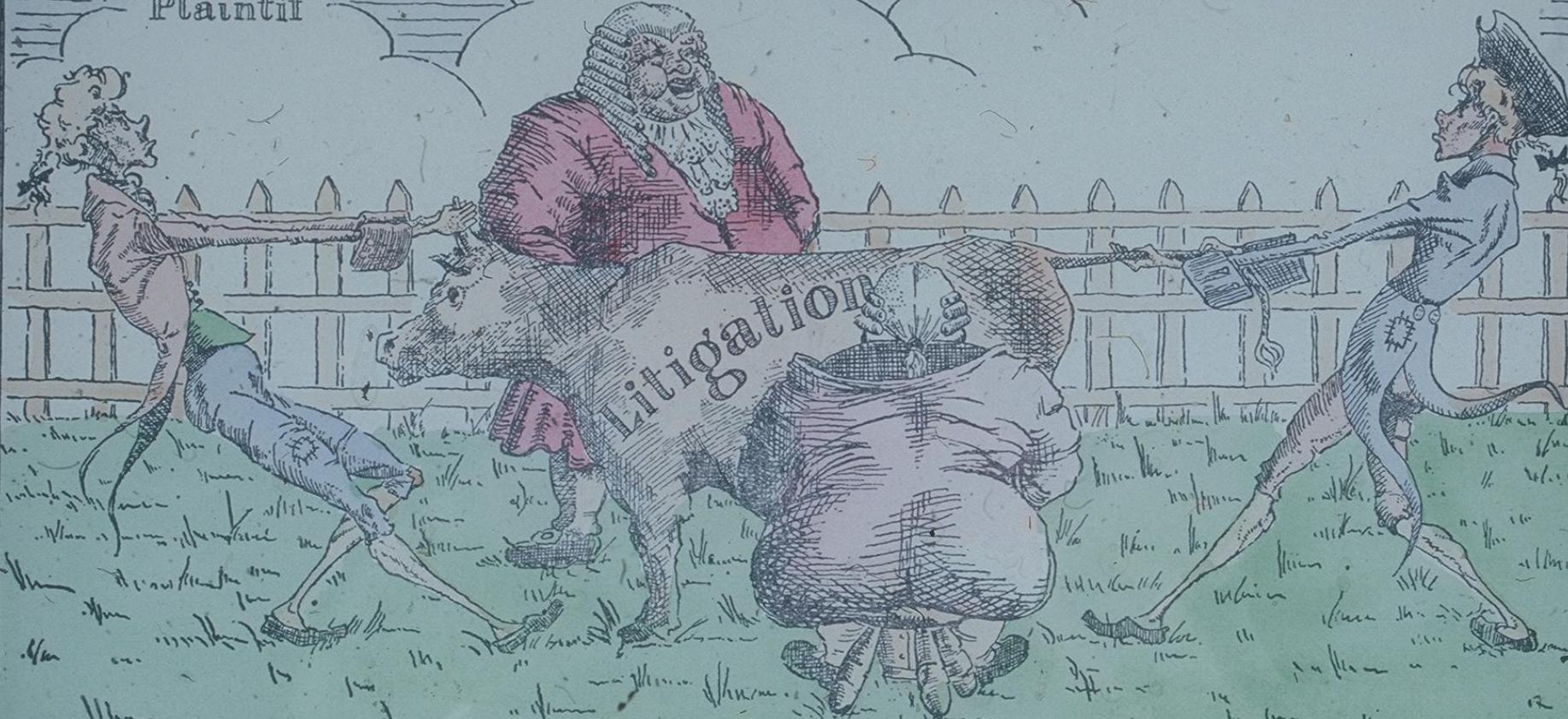
**THE PERSONAL INIURY LAWYER**



Plaintif

Judge

Defendant



Litigation

Lawyer

LEGAL ADVICE



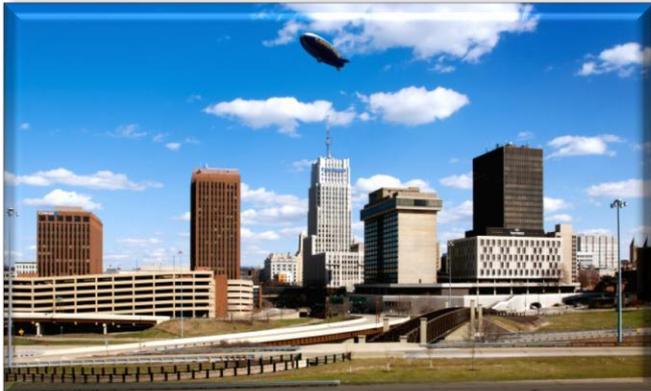
# Conclusion



# The Mayor's Office of Economic Development



**166 South High Street  
Akron, Ohio 44308**



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**Contact Us**