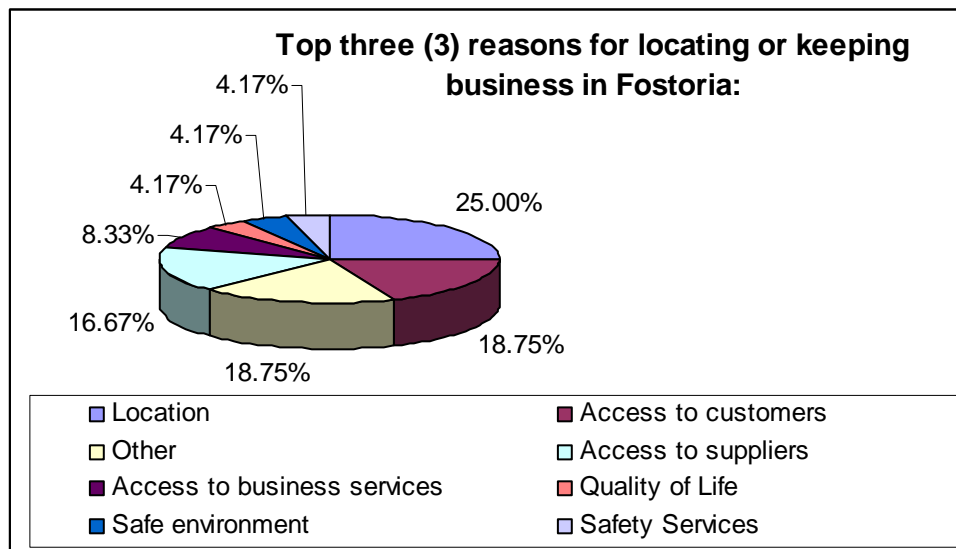


Results: Industrial Business Survey

LOCAL BUSINESS ENVIRONMENT

Overall opinion of Fostoria as a place to do business:

50.0%	Good
42.86%	Average
7.14%	Poor



Other responses for locating or keeping business in Fostoria include:

- ♦ Purchased an excellent facility
- ♦ Bought out the competition
- ♦ Electric utilities
- ♦ Experienced, hungry workforce
- ♦ Live here, don't want to move
- ♦ Rail line / access
- ♦ Long established business in the community

Would participants recommend Fostoria as a place to locate other potential businesses?

Yes	76.92%
No	23.08%

IMMEDIATE needs/concerns that could be addressed by local government and/or local private entities:

- ♦ Poor school ratings; education and training of incoming workforce
- ♦ Quality of available workers appears to be declining
- ♦ Improvement of local restaurants; dining options for lunch and/or catering
- ♦ Help with financing equipment for immediate growth
- ♦ Financial assistance to help train new employees
- ♦ Process for obtaining building permits; time consuming and unduly difficult
- ♦ Water & Sewer cost; considerably higher in past several months
- ♦ High taxes
- ♦ Lack of shopping, lodging, restaurants, etc.

LONG-TERM needs/concerns that could be addressed by local government and/or local private entities:

- ♦ Educate all the students; increase graduation rates and promote skills that will allow students to become responsible citizens. The higher the education level of the community, the higher the wage level and skill level will be.
- ♦ Financial assistance with major expansion
- ♦ Improve quality of workforce
- ♦ Infrastructure improvements that promote long-term growth plans for the community, i.e. roadways / access.

Cost of doing business in Fostoria, (high, acceptable, or low).

	High	Acceptable	Low:
Building costs (rent):		85.71%	14.29%
Corporate taxes:	50.00%	50.00%	
Payroll taxes:	50.00%	50.00%	
Property taxes:	21.43%	78.57%	
Public utilities:	7.14%	92.86%	
Transportation of product to market:	7.14%	78.57%	14.29%

Ranking amenities and services in Fostoria:

	Very Poor	Poor	Average	Good	Excellent
Roads, highways and freeways:	14.29%		50.00%	35.71%	
Water and sewers:		7.14%	64.29%	21.43%	7.14%
Natural gas services:		7.14%	42.86%	42.86%	7.14%
Telecom services:		21.43%	50.00%	21.43%	7.14%
High speed Internet access:		28.57%	42.86%	21.43%	7.14%
Electrical services:		15.38%	53.85%	30.77%	
Health care services (EMS, hospitals, clinics):			58.33%	41.67%	
School system:	16.67%	25.00%	50.00%	8.33%	
Child care services:			90.00%	10.00%	
Restaurants:	38.46%	46.15%	15.38%		
Professional services:		30.77%	61.54%	7.69%	
Shopping:	30.77%	38.46%	30.77%		
Recreation/cultural activities/entertainment:	33.33%	50.00%	16.67%		
Snow and ice removal:		14.29%	64.29%	14.29%	7.14%
Street repairs:		14.29%	85.71%		
Fire protection:			35.71%	57.14%	7.14%
Police protection:		21.43%	35.71%	28.57%	14.29%
Business services:		35.71%	42.86%	14.29%	7.14%

BUSINESS OPERATION

Business typically purchase materials, supplies, and services from suppliers outside Fostoria. When asked if some of these items could be produced locally and profitably, only 8.33% responded YES.

Identifying materials, supplies or services that could be produced profitably – rather than having them shipped into the area include:

- ♦ Building materials for construction
- ♦ Lumber yard

FUTURE PLANS

At least 71% of respondents have plans to modernize and/or expand their present building(s) or equipment.

When asked if there were any constraints – participants answered:

No constraints:	22.22%
Need financial assistance:	33.33%
Insufficient space:	11.11%
Need physical facility planning assistance:	11.11%
Other:	33.33%

Other responses included:

- ♦ Justification and approval of funds by corporate
- ♦ The railroad diamond continues to be a major obstacle; would like to expand our rail siding
- ♦ Time and money

Types of expansions being considering:

Other:	55.56%
Manufacturing / production space:	44.44%
Warehouse space:	33.33%
Office space:	11.11%

Other responses included:

- ♦ Automation
- ♦ New equipment
- ♦ Rail siding
- ♦ Storage
- ♦ Facility upgrades

Expansion would be started:

Between 1-3 years:	60.00%
Within 6 months:	40.00%

31% of respondents have considered opening another branch plant or office.

75%	would locate outside Ohio, but in the U.S.;
25%	would locate outside this county, but in Ohio.

Timeline for these openings:

75%	between 1 – 3 years;
25%	within 6 months.

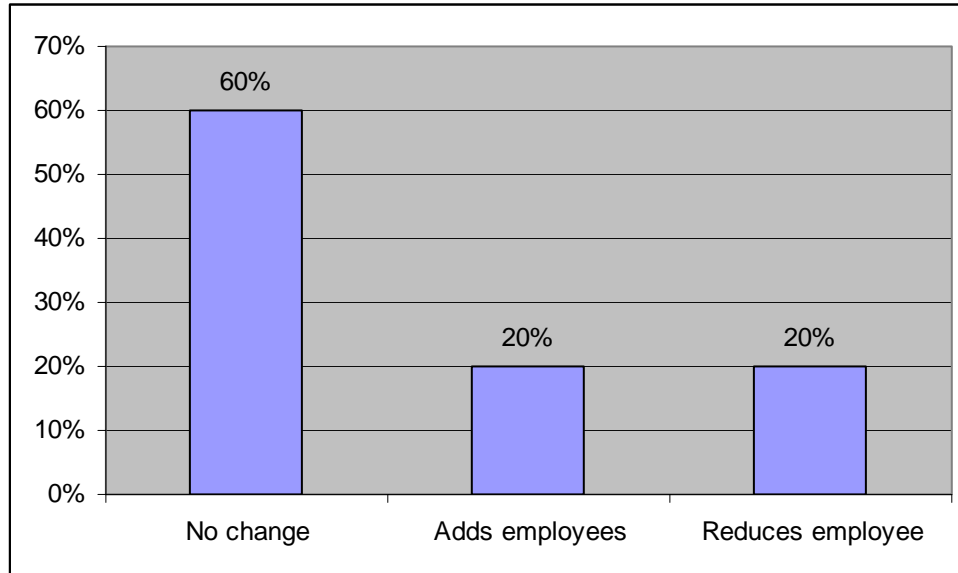
Possible constraints:

Need financial assistance.

Of the industrial businesses surveyed, 8.5% have considered moving their business. Another 8.5% have considered selling their business.

Reason for these considerations is overall cost of production. Other sites are being evaluated.

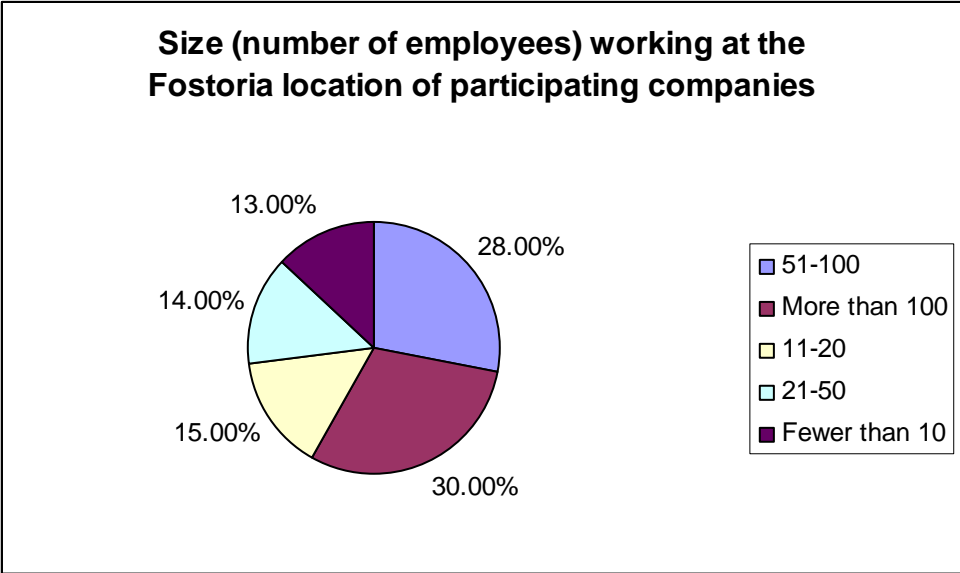
When asked what impact expanding, moving, closing or selling may have on the number of employees in the Fostoria area, participants responded:



EMPLOYMENT & TRAINING

Rating local management and staff work force:	Poor	Average	Good	Excellent
Quality:		50%	41.67%	8.33%
Availability:	16.67%	50%	33.33%	
Stability:	8.33%	33.33%	50%	8.33%
Rating the local labor force:	Poor	Average	Good	Excellent
Quality:	23.08%	53.85%	15.38%	7.69%
Availability:	25.57%	42.86%	21.43%	7.14%
Stability:	21.43%	50%	28.57%	

21.43% of businesses surveyed have (part of their workforce) unionized.



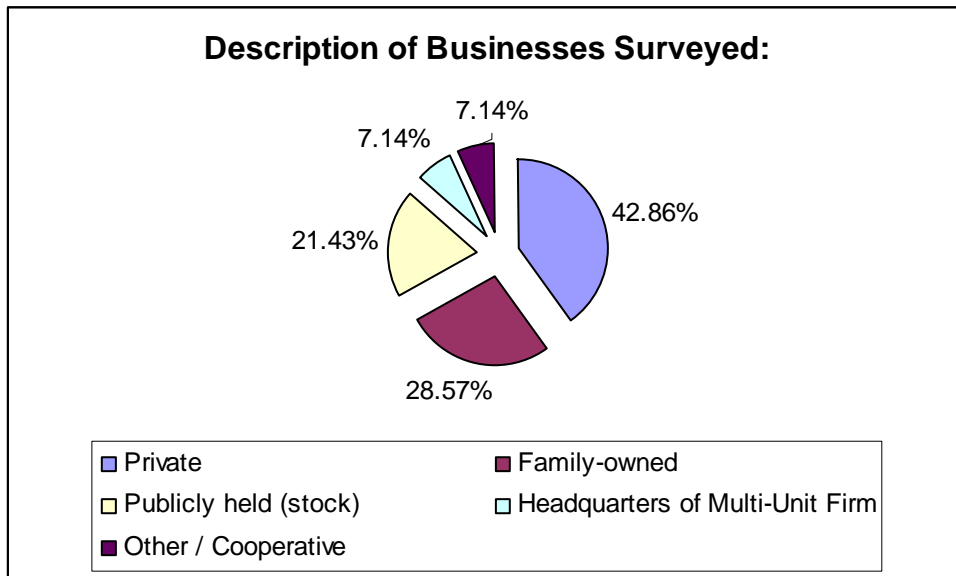
Ranking current employee training needs:

No training necessary:	15.38%
Computer Skills:	46.15%
Customer Service Skills:	7.69%
Other / Technical Skills:	30.77%
Professional Skills:	7.69%
Mechanical Skills:	61.54%
Managerial Skills:	38.46%
General Skills / Basic Math:	61.54%
Other:	7.69%

Other training includes:

- ♦ Continuing education on safety
- ♦ Automation - PLC controls, etc.

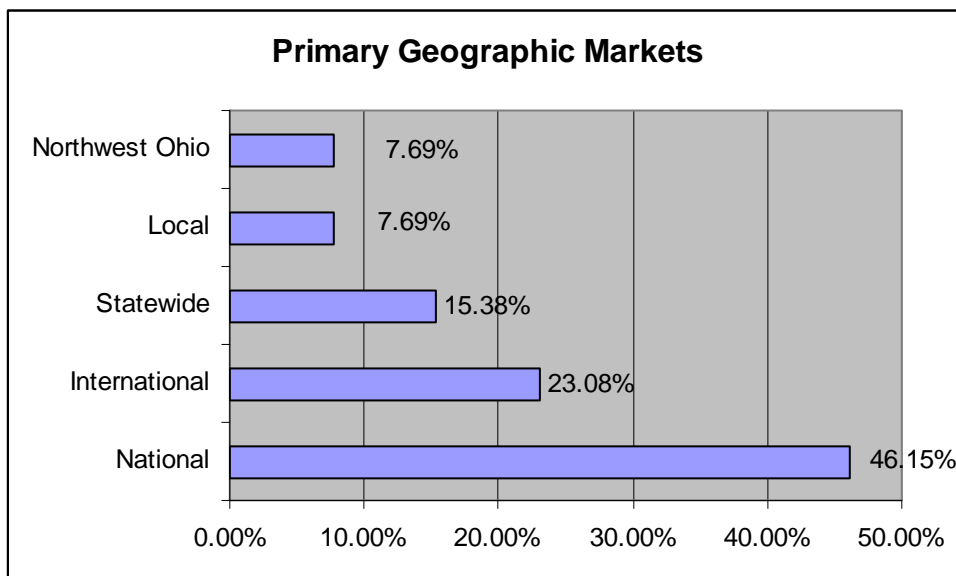
GENERAL INFORMATION



Longevity of business at current location:

More than 10 years	78.57%
Between 1-5 years	14.29%
Between 5 - 10 years	7.14%

92.86% of businesses own their space.

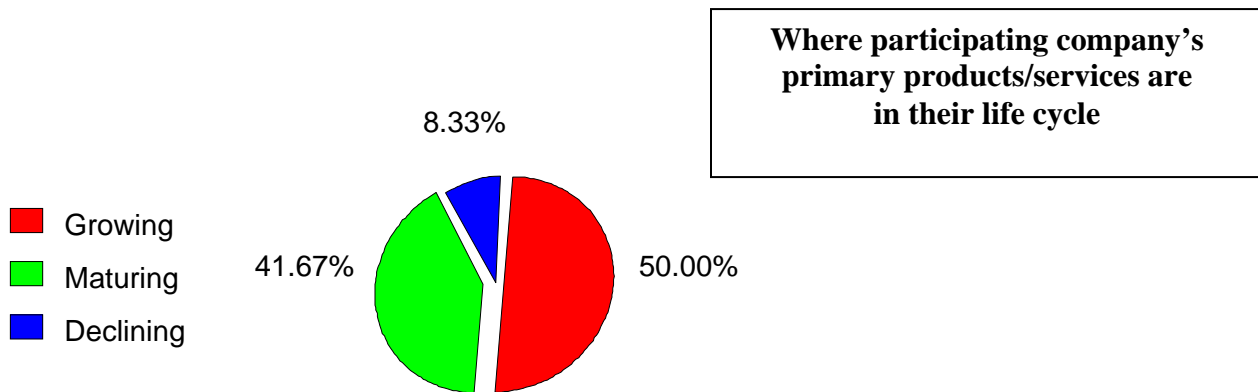


Over the next three (3) years, participants believe the following business factors will increase, stay the same, or decline:

	Decline	Stay the Same	Increase
Number of Customers:	7.14%	21.43%	71.43%
Sales, Total Revenue:	15.38%	7.69%	76.92%
Profits:	15.38%	30.77%	53.85%
Number of Employees:	7.14%	42.86%	50%

Factors that are believed to impact (increase or decrease) business profits:

- ♦ Acquisitions, new products, continuous improvement
- ♦ Cost of materials: will continue to increase which will have to be passed along to remain profitable
- ♦ Expansion and purchase by a major interanational company: will give the company much greater visibility.
- ♦ Expansion to Ohio: allowed us to be more regionally competitive.
- ♦ General economic outlook: residential building slowdown.
- ♦ Higher demand for services, less businesses available to provide services.
- ♦ More work
- ♦ Growth company, constantly reinvesting profits through new facilities and equipment.
- ♦ Strong market area, diversification, and waste recycling



- ♦ 69.23% of companies survey introduced new products, services and/or capabilities during the last five years.
- ♦ 61.54% they anticipate adding new products, services and/or capabilities within the next two years.
- ♦ 57.14% anticipate federal, state, or local legislative changes will have an adverse affect on their businesses within the next five years.

As a percentage of sales, companies spent the following on R & D:

Less than 3%	63.64%
Nothing	18.18%
3% - 6%	18.18%

What changes do participants anticipate affecting business and how:

- ♦ Certain initiatives regarding fuel economy (the price of fuel, etc.) may impact the number of miles driven which could drive down demand for our product.
- ♦ Climate change regulation.
- ♦ EPA regulations.
- ♦ Higher taxes
- ♦ Job certifications that may limit the number of qualified employees.
- ♦ Increased Taxes
- ♦ Increased Insurance Costs
- ♦ Inflated costs of materials
- ♦ More regulations: higher expense & less profits, additional paperwork takes time and money but generates zero profit.
- ♦ Ohio Heathy Family Act
- ♦ Tighter Safety Legislation
- ♦ Workers Comp

20% of businesses anticipate federal, state, or local legislation changes that will benefit their business within the next five year.

The emergence of “green” products will be one benefit; being able to offer a “green” alternatives where competitors lag behind.

As compared to other company facilities, productivity was rated:

High	50%
Average	30%
Extremely High	20%

Rating the overall quality of life in the Fostoria area:

Average	50%
Poor	42.86%
Good	7.14%

Comments, thoughts and suggestions:

- ♦ Found Fostoria to have an excellent workforce.
- ♦ Employees appreciate and embrace the success of company.
- ♦ Always welcome to tour our facility.
- ♦ If this state doesn't improve the tax and business climate, the brain drain is only going to continue to increase.
- ♦ The people we have done business with in Fostoria have been very kind and helpful with planning our relocation. The FEDC and others in the local government have been very helpful and a pleasure to work with.