



Memorandum

To: Mr. Kevin Atkins  
Chief Development Officer  
Mayor's Office  
Lexington-Fayette County Urban Government

From: Gina Greathouse, EVP of Economic Development

Date: January 3, 2018

Re: Commerce Lexington Inc.'s  
Economic Development Efforts

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Please accept this notice requesting payment of the second *commitment* of **\$114,250** to Commerce Lexington Inc.'s Economic Development efforts for Fiscal Year 2017-2018. This payment covers the period from October 1, 2017-December 31, 2017.

Please remit to:

**Commerce Lexington – Economic Development**  
c/o Gina Greathouse  
330 East Main Street  
Suite 205  
Lexington, KY 40507

Please call if you have any questions. Thanks you.

**Lexington-Fayette Urban County Government**  
 Economic Development Partner Agency Quarterly Report  
 Fiscal Year 2018

Partner Agency: Commerce Lexington (CLex)  
 Date: 1/10/2018  
 Quarter: Q2

**Section 1: Program Narrative**

Q1: Describe your quarterly activities. What were the biggest successes and the biggest challenges? Are you meeting your goals? In your response, address overall activities, and BEAM, BEN, BBPD in particular.

See attached.

Q2: Please describe efforts to attract and retain employers in each of the target sectors. What are your successes and challenges?

See attached.

Q3: Describe efforts to both assist new entrepreneurs/startups, and engage recent alumni and university students in Lexington. What are the biggest successes and challenges in your efforts?

See attached.

Q4: Describe efforts to help existing local companies grow. What are your successes and challenges?

See attached.

Q5: Describe how you are targeting and assisting potentially underserved and underrepresented businesses. Address your services for minority- and women-owned businesses in your response.

See attached.

**Section 2: Performance Metrics**

*Outcomes Directions: Report each metric on a quarterly basis, unless it is only available annually. If an annual measure, use latest available.  
 Inputs/Outputs Directions: Report each metric per last quarterly activities. Calculation specifications, if needed, are provided. ONLY report on previous quarter's activities unless otherwise noted.*

**Inputs**

Clients Served - Industry	
Advanced Manufacturing	43
Animal Sciences	4
Business & Professional Services	53
Clean Technology	5
Life Sciences	24
Software & IT	16
Visitor Industries	30
Small Businesses	70

Clients Served - Company Age	
<1 Year	10
1 - 5 Years	70
5 - 10 Years	13
>10 Years	58
Unknown (Confidential)	59

Client Meetings / Outreach	
Workshops / Training	73
Outreach	20
Initial Client Meeting	79
Follow-up Meeting	163
Existing Business Meeting	29

Clients Served - Type	
Local Company	129
Regional Company	13
National Company	33
International Company	28
Minority/Female/Veteran Owned	38
Unknown (Confidential)	8

Project Meetings	
Initial Project Meeting	51
Follow-up Project Meeting	85

**Outputs**

Breakdown	Business Outcomes Per Client Served											
	Received Private Investment		Received Public Investment		Started Business		Relocated / Retained		Created New Jobs		Completed Training	
	%	###	%	###	%	###	%	###	%	###	%	###
Overall		48		9		3		15		13		39
<b>By Industry</b>												
Advanced Manufacturing		5		5		0		1		5		12
Animal Sciences		1		0		0		0		1		2
Business & Professional Services		3		3		0		1		3		15
Clean Technology		3		2		0		1		3		0
Life Sciences		4		2		1		0		4		3
Software & IT		2		1		0		0		2		7
Visitor Industries		0		0		0		0		0		1
Small Businesses		37		0		0		0		0		0
<b>By Age</b>												
<1 Year		4		1		3		0		4		0
1 - 5 Years		32		4		0		9		4		5
5 - 10 Years		5		0		0		0		1		0
>10 Years		7		4		0		3		4		21
Unknown (Confidential)		0		0		0		0		0		0
<b>By Type of Service Provided</b>												
Workshops / Training		0		0		0		0		0		11
Outreach		0		0		0		0		0		0
Initial Client Meeting		10		9		0		0		10		1
Follow-up Meeting		10		9		1		4				24

Jobs Created Per LFUCG Incentives This Quarter	119
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Payroll Created Per LFUCG Incentives This Quarter	\$ 9,781,012
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**Outcomes**

Target Sector Employment		
Advanced Manufacturing	11,954	7.8%
Animal Sciences	3,934	2.6%
Business & Professional Services	29,168	18.9%
Clean Technology	21,354	13.9%
Life Sciences	21,526	14.0%
Software & IT	2,979	1.9%
Visitor Industries	24,162	15.7%
Small Businesses	0	0.0%

Source: U.S. Bureau of Labor Statistics, 2016 Annual Averages.

Average Wage of Lexington Jobs Created by Participating Clients	\$ 69,966.00
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Number of Lexington Jobs Created by Participating Clients	791
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Average Wage of non-Lexington Jobs Created by Participating Clients	\$ -
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Number of non-Lexington Jobs Created by Participating Clients	813
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Total Payroll of Lexington Jobs Created by Participating Clients	\$ 29,434,371.00
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Total Payroll of non-Lexington Jobs Created by Participating Clients	\$ -
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**Q1: Describe your quarterly activities. What were the biggest successes and the biggest challenges? Are you meeting your goals? In your response, address overall activities, and BEAM, BEN, BBPD in particular.**

Commerce Lexington Inc.'s economic development team works every day to recruit new businesses, to retain and grow existing businesses, and to foster the entrepreneurial community. We maintain relationships with existing businesses as well as site selection consultants, who serve as the gatekeeper to new and expanding companies.

In this quarter, Commerce Lexington was extremely busy with new companies interested in locating in Lexington. We had 14 site visits by companies outside of Lexington throughout the quarter. We met with 29 existing businesses in our strategic targets. We also worked on 35 new projects interested in locating to or expanding in Lexington.

We met with 53 site selection consultants and 17 economic development partners to foster good relationships, which will hopefully yield more project activity. Throughout this report, our team has outlined the activity in this quarter along with the successes and challenges. Please see the supplemental metrics to give additional detail on our activities this quarter.

**SUCSESSES** – Ten economic development projects were announced or received preliminary approval for incentives in this quarter. All of the projects were in Fayette County; these ten companies anticipate adding 415 new jobs with an average annual wage of \$71,000 and investing \$100.4 million in Lexington operations. Below are projects that were added to our New & Expanding list in the most recent quarter or held announcements.

**EnerBlu to create nearly 1,000 jobs with operations in Lexington, Pikeville**

On December 15, Gov. Matt Bevin joined local officials from Lexington and Pikeville and executives from EnerBlu Inc., a manufacturer of batteries for buses, military vehicles, and energy-grid storage, to announce the company's decision to locate its headquarters and manufacturing operations in Kentucky. EnerBlu will relocate its headquarters from Riverside, Calif. to Lexington, where it will invest \$40 million in its new location and create 110 administrative, research-and-development and executive positions. The average wage of these positions is over \$83,000/year plus benefits. Our team has requested the median wage for the local resolution and are waiting on that number; it is not a requirement on the KBI application. The office is expected to open in early 2018. The company will also invest \$372 million in its one million-square-foot, high-tech facility in Pikeville to manufacture lithium-titanate oxide (LTO) batteries, called EnerBlu Advanced Energy Storage Units. This facility will add 875 new jobs in Eastern Kentucky. Construction in Eastern Kentucky is scheduled to start in mid-2018, and the facility's opening is planned for 2020. EnerBlu received preliminary approval for the Kentucky Business Investment program, which is performance-based with a state and local contribution.

**Tech company Fusioncorp spins out new startup adding new jobs**

A Lexington-based technology company has spun out a new startup, Gamifi by Fusioncorp. Gamifi's goal is to expand this new platform into a method of creating unique experiences through different technologies supported by applications. The City of Lexington and Commerce Lexington Inc. joined Gamifi by Fusioncorp executives in mid-November to celebrate the grand opening of the new spinout in Lexington and to announce that Gamifi has created eight new full-time technology jobs. The company received incentives through the Lexington Jobs Fund.

### **Lexington entrepreneurial community creates 270 new jobs this year**

In early November, SPARK hosted its annual celebration of the entrepreneurship community in the Bluegrass Region. The Lexington Office of the Kentucky Innovation Network conducts an annual survey to track the investment, wages, job creation, and more of our startup community. This year 113 companies responded to the survey. Altogether, these clients raised more than \$57.1 million dollars in capital funds and created 270 new jobs in FY 2016 ending June 30, 2017.

During the event, the BBDP recognized 23 companies as the recipients of the Lexington's eAchievers award for excellence in entrepreneurship. To qualify for the award, the companies created at least five new full-time jobs and/or raised over \$1 million in capital. The companies that received the eAchiever award include: 451 Tech; Acceleration Systems; Fooji; Fusioncorp; Gun Media Holdings; Hera BioLabs; Hippo Manager Software Inc.; Identify3D; Lumenari, Inc.; MakeTime; Medmyne; Nexeon MedSystems Inc.; nanoRANCH; nGimat, LLC; NX Development Corp; Orthopeutics, LP; Piramal Pharma Solutions; Post Time Studios; Smart Farm Systems, Inc.; SIS; Summit Biosciences Inc.; VeBridge and Xooker.

### **Companies that did not have a formal announcement (potential for grand opening):**

- **JR Buck Industries** is a contract manufacturing company specializing in custom metal fabrication, welding, and machining. They expanded their facility by 10,000 sq. ft. investing \$1.1 million and adding 10 new jobs with an average wage of \$44,300 and a median wage of \$33,280 plus benefits. The company received incentives through the Kentucky Small Business Tax Credit program.
- **MakeTime** is an online platform that enables companies to produce machined components quickly and efficiently by collecting unused CNC machine time from qualified machine shops across the United States and placing each order with the right shop for the job. They are expanding into the second floor of their building investing \$437,500 and adding five new jobs with an average and median wage of \$72,800 plus benefits. The company received incentives through the Lexington Jobs Fund.
- **Molding Solutions** is a manufacturer of custom molded projects in rubber and plastic as well as a mechanical assembler. They recently expanded their operations investing over \$366,000 and adding six new jobs with an average and median wage of \$53,560 plus benefits. The company received incentives through the Kentucky Small Business Tax Credit program.
- **Barnhill Enterprises, LLC** is a manufacturer of chimney caps and products. They recently expanded their operations investing \$82,727 and adding six new jobs with an average wage of \$41,000 and a median wage of \$43,139 plus benefits. The company received incentives through the Kentucky Small Business Tax Credit program.
- **Paratechs Corp** is a biotech company that offers innovative technologies for easier and more cost-effective research. They recently expanded their operations investing \$6,696 and adding one new job with an average and median wage of \$44,990 plus benefits. The company received incentives through the Kentucky Small Business Tax Credit program.
- **Powertech Water, LLC** is a developing a revolutionary water treatment technology that spun out of the University of Kentucky. They recently expanded investing \$14,495 and adding two new jobs with an average and median wage of \$51,418 plus benefits. The company received incentives through the Kentucky Small Business Tax Credit program.
- **The Weekly Juicery** produces raw, cold pressed juiced. They recently expanded their operations investing \$16,500 and adding one new job with an average and median wage of \$31,200 plus benefits. The company received incentives through the Kentucky Small Business Tax Credit program.

- **TEC Biosciences** is biotech startup focused on mass spectrometry for chronic diseases. They are establishing a laboratory in Lexington investing \$1,000,000 and adding four new jobs with an average wage of \$66,248 and a median wage of \$60,000 plus benefits. The company received incentives through the Lexington Jobs Fund.

## **CHALLENGES**

As we meet with companies interested in expanding or locating to Lexington, we hear about the challenges businesses face with available real estate and available workforce. Real estate is limited in Lexington with not enough available industrial buildings in the 75,000 – 200,000 SF range, as well as not enough sites for manufacturing/engineering projects. In this quarter, one of our prime light industrial sites in the Citation Business Park is now under contract taking another 25 acres off the market. The number of optimal sites in Lexington presents challenges in retaining existing businesses as well as in recruiting new businesses. In terms of office space, we do have adequate supply of office space in downtown and suburban areas, but the majority of the space is not Class A or “cool” space that technology companies typically occupy.

In terms of workforce, we continue to see challenges in finding skilled workers for a variety of positions including engineering, industrial maintenance, CNC machinists, and software developers.

## **UPDATES**

### **Business & Education Network (BEN)**

The Business & Education Network (BEN) had many successes this quarter. The Academies of Lexington were designated as an official Ford Next Generation Learning (NGL) community. Designation Day—which was the culmination of two years of behind-the-scenes work—kicked off the official transformation in education to build a stronger workforce in Lexington. Superintendent Manny Caulk, Mayor Jim Gray, Cheryl Carrier with the Ford Fund, and many others spoke about the power of this transformation to over 100 business and community leaders in attendance.

This quarter BEN and FCPS hosted *Mission: Exploration*, the first annual Academies of Lexington career fair to help students identify their interests and find pathways to success. 1,500 ninth graders from Bryan Station, Frederick Douglass, and Bates Creek high schools explored a breadth of industries from five targeted sectors: Healthcare, Professional Services, Information Technology, Construction and Trades, and Engineering/Manufacturing. Professionals from nearly 40 local companies and organizations attended the event to offer students hands-on learning experiences, as well as open dialogue to discuss real-world careers here in Lexington.

Some of the challenges we face are finding new and creative ways to communicate the initiative to key audiences such as parents, students, and businesses and community leaders. We continue to work with Onefold communications to help craft the message to the various audiences in a way that meets their needs.

We are starting the process now of getting students more work based learning opportunities with businesses to help train the next generation of workers. This quarter nearly 25 business partners donated hundreds of hours in time to provide support and opportunities to students to help shape them into the workforce of tomorrow.

We are meeting goals of continued awareness and participation by our business community and our schools to ensure shared accountability of transforming education to meet the needs of the workforce.

### **Bluegrass Economic Advancement Movement**

Our team, along with Kevin Atkins, represents the Lexington region in the Bluegrass Economic Advancement Movement (BEAM). All BEAM initiatives this quarter entailed eight conference calls and meetings with the core group and/or the GCI cohort, multiple hours of data analysis and preparation, and the BEAM board meeting.

This quarter, BEAM Core Group members reviewed Assignment #1 with Brookings, reviewed best practices with cohort members San Antonio and Columbus, and began Assignment #3 to be submitted in January.

During this quarter, the BEAM Region submitted Assignment #2. The purpose of Assignment #2 was to map the BEAM Region's current international ties and to identify which locations could be targeted for more productive international relationships by exploring the foreign locations that share similar or complementary sector specializations.

In mid-December, the Bluegrass Economic Advancement Movement (BEAM) board met in Frankfort for an annual update. They heard from a core team member on the BEAM initiative about our current Brookings Institute cohort focusing on market prioritization. They also received updates from the KY FAME program and the KCTCS school system on their advanced manufacturing centers in Lexington and Louisville.

### **Kentucky Innovation Network**

See responses to Q2 and Q3.

On behalf of the BBDP, the Lexington Office of the Kentucky Innovation Network conducts an annual survey of the region's early-stage companies. The results announced at the SPARK Celebration event were based upon self-reported data for July 1, 2016 through June 30, 2017. The companies represent industry sectors in: biotechnology, advanced manufacturing, e-commerce, independent game development, IT and software development, energy technologies, and business services. This year 113 companies responded to the survey, offering a 73% response rate. In FY 2017 the companies reported employing 928 individuals and creating 270 new jobs. The average annual salary of all reported full-time jobs was \$68,383. Altogether, BBDP clients reported raising \$57.1 million dollars in grant and equity funding.

### **Minority Business Development**

This year has been unique. The Access Loan Program is seeing larger loan requests in addition to smaller micro level loans from existing businesses. The latest was a minority loan client that received approval for a loan that will create over 80 jobs in the restaurant industry. We are also getting returns by adding SCORE to our Access Loan Sub-Committee. They have assisted in delivering great analysis, and two loans that received approval through our new micro loan partner. This helps in the area of access to capital for existing businesses that have some issues in their business and may have been forced to non-traditional, payday, or internet lenders. The SBDC has a new director that has instituted some changes that are more client-friendly assisting the Access Loan Program. In December we were able to work through two loans, one with a pending approval that will add four engineers/computer science professionals if approved.

## **Small Business Development Center**

This quarter the Bluegrass SBDC successfully assisted one company in obtaining \$150,000 in capital that created one job. The Bluegrass SBDC has \$8.6 million in funding projects in progress.

This quarter, we completed work on a BBDP referral from the first quarter, by assisting the wearable technology company with the creation of a funding proposal that was submitted to the Access Loan Program totaling \$300,000 (\$100,000 term loan and \$200,000 line of credit). The financing will support export activity thereby enabling the expansion of the Lexington-based business. The proposal was presented to the full committee in mid-December. Two lenders from the Access Loan Program are reviewing the proposal for funding consideration. This is one of the funding projects in progress.

The Bluegrass SBDC is on a federal fiscal year. While this report reflects second quarter activity for the Bluegrass Business Development Partnership, it is the first quarter of the program year for the Bluegrass SBDC. Activity in the pipeline and demand for services is such that we are on track to meet our annual goals.

### **Q2: Please describe efforts to attract and retain employers in each of the target sectors. What are your successes and challenges?**

The Bluegrass Business Development Partnership works every day to recruit new businesses to Lexington as well as to retain existing businesses connecting them to resources to help them grow and be successful. With many existing businesses and prospective companies, multiple BBDP partners are either at the table or involved as the project progresses. Serving as a one-stop shop, each partner knows when to engage the others.

**Existing Business** - Commerce Lexington's economic development team met with 29 existing businesses in this quarter for the first time in this fiscal year. We learned of 11 existing businesses that are considering an expansion. If we identify a company that could grow or be a risk for leaving Lexington, we maintain frequent communication with the client assisting them on their site selection, tax incentives, training grants, and workforce connections. In this quarter, we provided assistance to Baptist Health Plan in partnership with the Mayor's Workforce Specialist and the Kentucky Career Center. The health insurance division Baptist Health Plan is closing in 2018. We provided rapid response to the first round of layoffs by compiling job openings, assisting them with their resumes, and connecting them with employers that have job openings. The successes of this quarter include: Fusioncorp, JR Buck Industries, MakeTime, Molding Solutions, Barnhill Enterprises, Paratechs Corp, Powertech Water LLC, the Weekly Juicery, and TEC Biosciences.

**Recruitment** – Our economic development team maintains strong relationships with site selection consultants as they are the gatekeeper to companies that are growing and establishing new locations. Our biggest recruitment success this quarter is EnerBlu's announcement of their headquarters in Lexington. Below are our efforts in continuing to build relationships and to market Lexington for future projects.

The Bluegrass Alliance hosted a successful site selection consultant luncheon in Atlanta in early November. Our regional group, consisting of Lexington, the surrounding counties plus Frankfort and Mt. Sterling, met with 25 site selection consultants and shared new developments in the region. This is an annual trip for all partners to attend. Atlanta has one of the highest concentrations of site selection consultants.

In mid-November, Commerce Lexington Inc. traveled on a marketing trip to Chicago with the City of Lexington. In partnership with the University of Kentucky, our team hosted a site selection consultant luncheon, at which Dr. Eli Capilouto spoke on UK's assets and economic impact on Lexington and the state. We also hosted an event for consultants at the UK vs. Kansas basketball game. With both events and individual meetings, we met with over 25 consultants in the Chicago area.

The economic development team traveled to Bowling Green in mid-November for the annual conference for the Kentucky Association for Economic Developers (KAED). KAED is a membership organization for economic development groups, utilities, and service providers in the state. The conference serves as an opportunity to network with three site selection consultants and for professional development.

### **SUCSESSES & CHALLENGES**

Some of the successes in this quarter are the companies we added to our New & Expanding list above. Our team was involved with all companies above. The challenges are also similar to the items discussed above. The biggest challenges to our existing and prospective clients are available land and available workforce.

### **Kentucky Innovation Network**

KYIN-LEX did not undertake any notable recruiting efforts during this quarter. Recent changes to the Kentucky SBIR/STTR Matching Funds program, which served as a strong lead generation source for startup recruiting efforts in the past, have dramatically reduced the number of high quality, well-financed startup companies that are actively seeking relocation to Kentucky.

KYIN-LEX has been actively involved for some time in efforts to save this program and to help with efforts to restructure the program. Engagement by LFUCG to articulate the historic impact of this program on the Lexington startup ecosystem to the Kentucky Cabinet for Economic Development would be advantageous. Changes to this program have already had a significant negative impact on Lexington's startup/entrepreneurship sector, and these impacts will become increasingly visible in the coming quarters. This program is strategically significant for Lexington, and action is necessary to save the program.

### **Small Business Development Center**

In the first quarter, Commerce Lexington referred a local business owner with a commercialized wearable technology to the SBDC for assistance with developing a funding proposal to support expansion. The SBDC worked with the client to explore export financing opportunities. A loan proposal with supporting financial projections was developed, and submitted to the Access Loan Program. Client presented to the full committee on Dec. 15. Two lenders are evaluating the funding request.

Commerce Lexington referred a manufacturing project to the SBDC for assistance with the development of a funding proposal for submission to the Access Loan Program. The SBDC has been assisting the client on reformatting his financial projections and business plan.

The nature of the work of the Bluegrass SBDC does not lend itself to the traditional economic development attraction and retention model, rather our work focuses on cultivating and developing small businesses, many of whom become employers.

**Q3: Describe efforts to both assist new entrepreneurs/startups, and engage recent alumni and university students in Lexington. What are the biggest successes and challenges in your efforts?**

### **Kentucky Innovation Network (Lexington Office)**

#### **Alumni and Student Engagement**

Commerce Lexington Inc.'s team continues to work with existing students and alumni from area universities plugging them into opportunities with our employers. On multiple occasions, we sent resumes to our clients and networking groups; many of those resumes are from recent graduates or alumni interested in locating back to Lexington. In this quarter, we met with the UK College of Engineering to give them an update on our efforts and to learn more about what is new in the college. Our team also participated in an alumni event in Chicago while we were in town for the site selection event described above.

#### **KYIN-LEX Activities**

The Kentucky Innovation Network office in Lexington (KYIN-LEX) works almost exclusively with startup companies. Markedly distinct from a small business of age less than 12 months, one accepted definition of a *startup* is: "a human institution designed to create a new product or service under conditions of extreme uncertainty" (*The Lean Startup* by Eric Ries).

During the quarter, the KYIN-LEX office completed 48 client meetings – 6 meetings with clients that were new to the office and 42 meetings with existing clients. These meetings involved coaching, counseling, and mentoring services, mostly related to developing a strategy to move from the idea stage to an operating business over the course of several years, and securing funding to support the business operations. The primary sources of clients for the KYIN-LEX office are: community entrepreneurs, faculty entrepreneurs from the University of Kentucky, entrepreneurs from throughout Kentucky that are seeking funding from Lexington's Bluegrass Angels investor group, and entrepreneurs from throughout Kentucky that are participants in the Awesome Fellowship program at Awesome Inc. The KYIN-LEX office is uniquely positioned and qualified to provide said services and stands as a benchmark for the state in both the quantity and quality of services provided to technology based, startup institutions and entrepreneurs.

In an effort to maximize utilization of resources, the KYIN-LEX office has employed a strategy of directing new leads to the weekly Startup Breakfast meeting for initial contact and mentoring. While clients receive significant value at these meetings, much of the activity that occurs at Startup Breakfast cannot be captured in metrics. This is perhaps one factor that explains the decrease in New Client meetings during the quarter. Additionally, client meeting metrics are down overall for the quarter due to: the holidays and associated year-end administrative activities and Global Entrepreneurship Week. Lexington's Global Entrepreneurship Week festivities (Nov 13-19) is a significant annual function of the KYIN-LEX office which involves a great deal of planning and administrative activity. These efforts reduced staff availability for one-on-one client meetings.

The KYIN-LEX and Commerce Lexington Economic Development teams collaborate to facilitate SPARK – Lexington's premier entrepreneurship focused education and networking series. During the quarter, the team designed, organized, and hosted the annual SPARK Celebration event on Nov 2. The SPARK Celebration event included the following highlights:

- **Announcement of 2017 Startup Economic Impact data** - See response to Q1.

- **Recognition of 2017 eAchievers** - To qualify as an eAchiever, the company must have received at least \$1 million dollars in funding and/or creating 5 new full-time jobs in Fiscal Year 2017. Based on the survey results, 23 companies met this milestone. See eAchiever list in Q1.
- **Recognition of the Bluegrass Angels Launch Grant Fund Award recipients** - Lexington is home to one of the strongest and most active angel investor groups in the region – the Bluegrass Angels investor group and associated funds. BGA Members give tirelessly of their time and personal financial resources to support the startup and entrepreneurial community in Lexington than throughout the state. BGA, in partnership with the BBDP, established the BGA Launch Grant Fund in 2014. The mission of this program is to support very early stage startup companies in the form of: 1) a \$4,000 grant; and 2) a BGA mentor to advise the company. The following Lexington companies were recognized as awardees for the Fall 2017 round of the program: TEC Bioscience and Kitchen Automation Technologies.
- **Presentation of the 2017 Harvey Award** - The annual Harvey Award recipient is selected by the Bluegrass Business Development Partnership partners and awarded to that individual or organization that has made a major contribution to the support, success and sustainability of Lexington's entrepreneurial/small business community. The 2017 Harvey Award was presented to Dr. Mahendra Jain.

5 Across, Lexington's premier startup pitch competition, which is produced by Awesome Inc. and funded by BBDP, continues to grow in both quality and reputation. Over the past several years the 5 Across competition has enjoyed more candidates from Central Kentucky, higher quality candidates, and increasing audience sizes. The program is widely respected throughout the state and serves as an example for others. 5 Across has also enjoyed significant success as an outreach opportunity to engage students of all ages in entrepreneurship. The KYIN-LEX office is actively involved with recruiting companies to pitch at 5 Across, and it serves as a critical practice experience for KYIN-LEX clients who are preparing to raise startup investor financing.

The KYIN-LEX office is heavily engaged with Lexington's Bluegrass Angels investor group. KYIN-LEX serves as a pipeline partner for BGA by screening and mentoring companies as they prepare for investment, educating companies about investment based financing, and managing logistics for meetings for screenings, BGA members, the leadership team, the fund managers, and due diligence. The BBDP partnership supports BGA by providing meeting space for many of these meetings. Through its partnership with BGA, KYIN-LEX engages with clients throughout the state and beyond who seek investment from BGA. BGA is one of the few angel groups in the state that is willing to take a lead position in an angel round – particularly one involving a highly scalable, technology-based startup. BGA has developed an expertise in performing due diligence and negotiating deal terms that is widely respected throughout the state and region.

The UK Von Allmen Center for Entrepreneurship, the parent organization of KYIN-LEX, concluded its third Entrepreneurs Bootcamp during the quarter. Bootcamp is a 14-week program that teaches entrepreneurship and provides an entrepreneurship emersion experience. The program is open to participants from the community as well as UK faculty, staff, and students. This year's Bootcamp kicked off with 30 projects and a strong and engaged group of aspiring entrepreneurs. More information about the program is at the following link: <http://vace.uky.edu/venture-studio/>

KYIN-LEX is heavily involved in UK Accel, a new program formed as a partnership between the UK Office of Technology Transfer, the UK Von Allmen Center for Entrepreneurship, and Awesome Inc. The program provides a 90-day entrepreneurship emersion experience for UK faculty and staff that have made an IP

disclosure to UK OTC. The goal of the program is to determine if the faculty/staff inventors are the right people to lead a startup company to commercialize the IP. The finale event for the first cohort of UK Accel program took place during the quarter as well as the kickoff for the second cohort. The program website is at the following link: <https://www.research2.uky.edu/office-technology-commercialization/ukaccel>

KYIN-LEX has worked throughout the quarter to facilitate the Fall 2017 round of the BGA Launch Grant Fund program, a program that is funded equally by BBDP and the Bluegrass Angels. Written applications were reviewed by a panel of BGA members. Selected applicants were invited to pitch to the selection committee and awardees were announced at the Nov 2 SPARK Celebration event. More information is available at: <http://www.bgagrants.com/>

The KYIN-LEX office publishes a weekly News and Events Newsletter that is now distributed to over 400 quality contacts in the Lexington area. The newsletter summarizes activities, events, opportunities, job openings, and other needs of interest to entrepreneurs and startups. The Newsletter includes a Book of the Month program to promote continuous learning in the disciplines of leadership, marketing, startup funding, and other topics of interest to startup entrepreneurs.

KYIN-LEX facilitates the weekly Startup Breakfast event for peer mentoring and networking in the startup community. This uniquely Lexington event continues to be well attended, and serves as a valuable resource for the community and a dependable anchor event of the Lexington startup ecosystem.

During the quarter, KYIN-LEX led BBDP's effort to facilitate the annual Global Entrepreneurship Week festivities in Lexington – GEWLEX 2017. The 2017 GEWLEX programming took place Nov 13-19, and included 17 events. Events included educational and networking opportunities from each of the BBDP partners and aimed to highlight Lexington startups and the organizations that support them. 486 entrepreneurs, small business leaders, investors, and community leaders attended Lexington events during GEWLEX 2017.

### **Small Business Development Center**

During this reporting period, the Bluegrass SBDC conducted 22.50 hours of training, hosting 11 events that attracted 160 attendees. Two of the workshops – Marketing Musts for Small Business and Let's Talk Small Biz - were the Bluegrass SBDC's contribution to the Bluegrass Business Development Partnership's celebration of Global Entrepreneurship Week. The Bluegrass SBDC brought in nationally known speaker and authority on entrepreneurship Rieva Lesonsky to present Marketing Musts for Small Business. The SBDC provided two judges for the University of Kentucky's Von Allmen Center for Entrepreneurship boot camp business plan pitch competition. The Bluegrass SBDC continues to use KyBizInfo to connect with potential and existing business owners.

### **Challenges**

#### **Kentucky Innovation Network**

The most significant challenge facing the KYIN-LEX office is managing the limited human resources available to spend working with high priority clients and programs given the incredible opportunity available to the Lexington community for excellence as a Midwest startup ecosystem. The KYIN-LEX team has worked to overcome these challenges with services such as the weekly KYIN-LEX News & Events newsletter and Startup Breakfast which serve many clients. Still, the opportunity in Lexington far exceeds

the office's capacity. Of the operations described above, only 5 Across directly benefits from local funds provided through BBDP. The KYIN-LEX office has the lowest staffing level of any of the 12 offices throughout the state.

### **Small Business Development Center**

A challenge for us this quarter was the holiday shutdown.

#### **Q4: Describe efforts to help existing local companies grow. What are your successes and challenges?**

The Bluegrass Business Development Partnership meets with a variety of existing local companies each quarter connecting them to the resources available for them to succeed and grow. Commerce Lexington's economic development team focuses on businesses in the following strategic sectors: advanced manufacturing, animal sciences, business and professional services, clean technology, life sciences, software and IT, as well as visitor industries. The Kentucky Innovation Network focuses on solely on startups in a variety of industries, and the Bluegrass Small Business Development Center focuses on small businesses.

Commerce Lexington's goal is to meet with 160 existing businesses each year, and in this quarter, we met with 29 existing businesses that fell into all targeted sectors. From these meetings, we identified 11 companies that are interested in expanding their locations. Some were announced this quarter, including the companies mentioned in Question 2, and some companies' expansions are set for one to four years from now. Our team continues to check in with them on their progress and if they need any assistance from our team. We connect our clients to tax credits, training grants, export grants, hiring resources, business development opportunities, real estate, and much more.

### **Kentucky Innovation Network**

See Responses to Q1 and Q2.

### **Small Business Development Center**

During the October to December reporting period the Bluegrass SBDC had approximately 197 client meetings resulting in more than 382.6 hours of prep work and contact time to provide consulting services. Through our "Grow Kentucky Economic Gardening" program we continued to provide assistance to an existing manufacturer that has been in operation since 2005 delivering more than eight hours of intensive consulting services. Traditionally, this quarter is a more difficult time for existing businesses to request services due to the demands on the business from the holiday season.

### **Challenges**

#### **Commerce Lexington**

Please see the challenges addressed in Question 1.

#### **Kentucky Innovation Network**

The most significant challenge in this area is availability of talent particularly in the areas of technical skill (e.g., software development) and experienced leadership/executive management for startups. The

IN2LEX weekly newsletter contains a stream of job openings with Lexington startup companies. A high impact opportunity in this area would be a startup-focused job board to help Lexington startups advertise their job openings in a more visible format.

**Q5: Describe how you are targeting and assisting potentially underserved and underrepresented businesses. Address your services for minority- and women-owned businesses in your response.**

**Minority Business Development and Small Business Development Center**

Our team attended two national events in this quarter and brought back information for our women-owned and minority-owned businesses regarding how to access contracts with Toyota Tier 1 and Tier 2 suppliers and other large corporations like Starbucks, CVS Health, and Fifth Third Bank. We also brought back specific information for minority businesses on how to apply for Federal Emergency Management Agency (FEMA). In a presentation, FEMA revealed that FEMA opportunities for minorities are great but listing of minority businesses is very small.

In October, the Bluegrass SBDC began accepting applications for the 2018 Minority & Women Contractor Training Program. LexTown Media Group provided assistance in promoting the program. The SBDC team served as a panelist on the Jr. Minorities in Agriculture, Natural Resources, and Related Sciences (MANRRS) Leadership Institute. The conference was hosted by UK's College of Agriculture, Food and Environment's Office of Diversity. The Bluegrass SBDC also supported the LFUCG minority-training program for 1 event.

**Note: Target Industry NAICS Codes**

The Bluegrass Business Development Partnership uses the following North American Industry Classification System (NAICS) codes in classifying clients and sourcing data.

- Advanced Manufacturing: 31-33
- Animal Sciences: 11292, 1152, 54171, 54194, 7112
- Business & Professional Services: 54, 55, 561
- Clean Technology: 3254, 3391, 5417, 54194, 621, 622, 623
- Life Sciences: 3254, 3391, 5417, 54194, 621, 622, 623
- Software & IT: 5112, 517, 518, 5415
- Visitor Industries: 44-45, 5615, 56192, 61143, 711, 712, 713, 721, 722

# Bluegrass Business Development Partnership

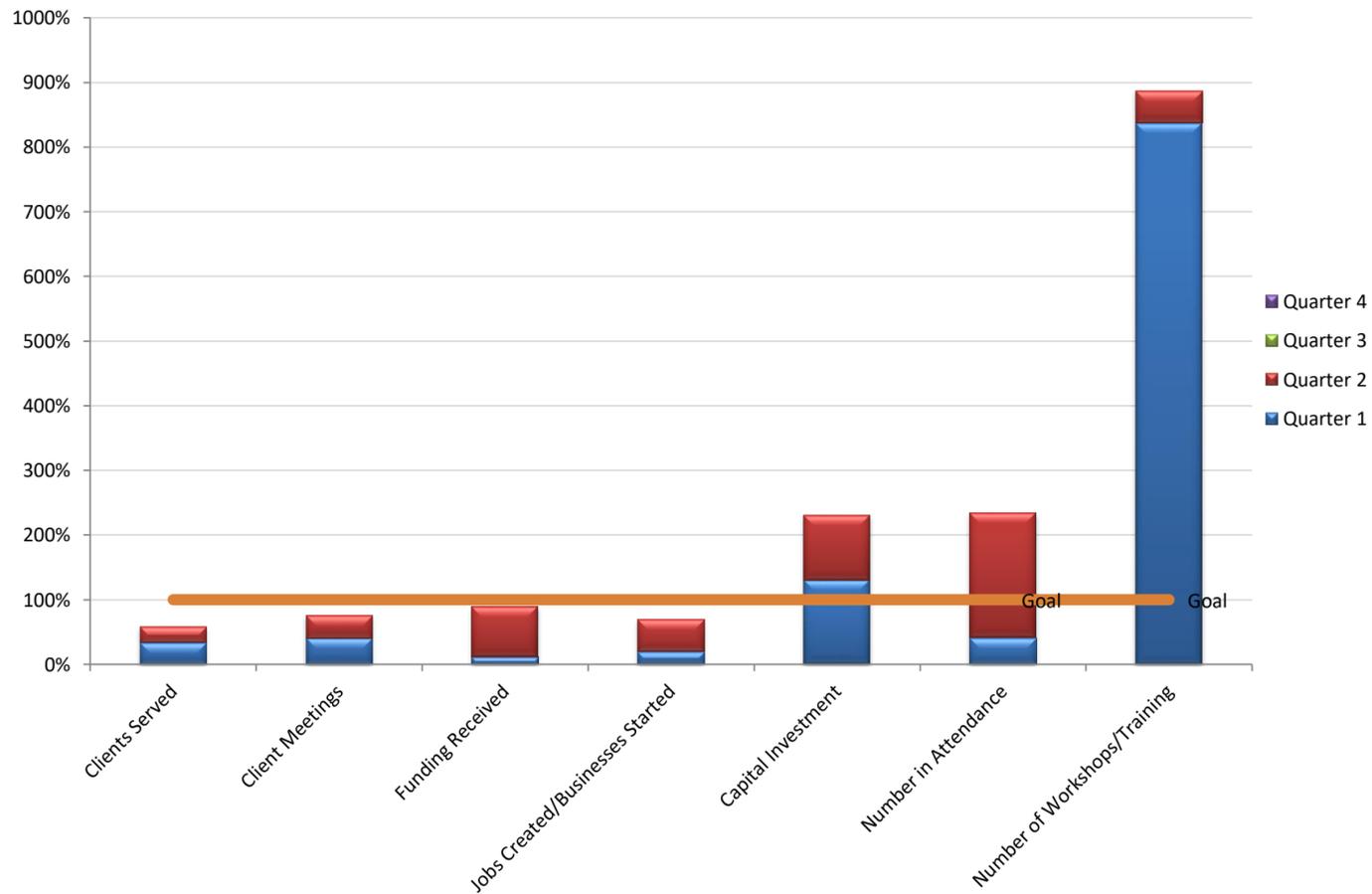


LEXINGTON



Fiscal Year 2017-2018

	2017 - 2018		Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
	Goal	% Attained					
<b>Bluegrass Business Development Partnership</b>							
Clients Served	1,092	58%	368	265	0	0	633
Client Meetings	595	75%	239	210	0	0	449
Funding Received	\$ 78,650,000	89%	\$ 8,818,763	\$ 61,118,486	\$ -	\$ -	69,937,249
Jobs Created/Businesses Started	1,273	70%	246	642	0	0	888
Capital Investment	\$ 100,000,000	231%	\$ 130,237,682	\$ 100,418,172	\$ -	\$ -	\$ 230,655,854
<b>Workshops/Training</b>							
<i>Number in Attendance</i>	5,120	235%	2,076	9,941	-	-	12,017
<i>Number of Workshops/Training</i>	125	888%	1047	63	0	0	1,110



# Bluegrass Business Development Partnership

	2017 - 2018		Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
	Goal	% Attained					
<b>Economic Development</b>							
Clients Served	310	47%	83	64			147
Client Meetings	595		239	210			449
Funding Received	\$ 15,000,000	28%	\$1,588,000	\$2,656,000			4,244,000
Jobs Created/Businesses Started	1,000	63%	213	415			628
Capital Investment	\$ 100,000,000	231%	\$130,237,682	\$100,418,172			230,655,854
Workshops/Training							
<i>Number in Attendance</i>	1,325	44%	255	329			584
<i>Number of Workshops/Training</i>	34	18%	3	3			6
<b>Workforce Development</b>							
Clients Served	82	57%	26	21			47
Training/Partnerships	150						0
<i>Students/Teachers</i>	100						0
<i>Businesses</i>	50	2000%	1,000				1,000
<b>Minority Business Development</b>							
Clients Served	170	53%	53	37			90
Funding Received	\$ 650,000	453%	1,800,000	1,144,000			2,944,000
Jobs Created/Businesses Started	15	813%	31	91			122
Procurement	\$ 550,000	9%	47,000				47,000
Workshops/Training							0
<i>Number in Attendance</i>	3,320	272%	887	8,128			9,015
<i>Number of Workshops/Training</i>	17	41%	4	3			7
<b>Innovation and Commercialization</b>							
Clients Served	280	55%	107	48			155
Funding Received	\$ 60,000,000	95%		57,193,486			57,193,486
Jobs Created/Businesses Started	240	113%		270			270
Workshops/Training							0
<i>Number in Attendance</i>	2,050	126%	859	1,731			2,590
<i>Number of Workshops/Training</i>	36	247%	34	55			89
<b>Small Business Development Center</b>							
Clients Served	300	65%	100	95			195
Funding Received	\$ 3,000,000	185%	5,430,763	125,000			5,555,763
Jobs Created/Businesses Started	18	17%	2	1			3
Workshops/Training							0
<i>Number in Attendance</i>	125	188%	75	160			235
<i>Number of Workshops/Training</i>	12	142%	6	11			17
<b>Duplicates (Office Use Only)</b>							
Clients Served	100		3				
Funding Received							
Jobs Created/Businesses Started				270			
Capital Investment							
Workshops/Training			4				
<i>Number in Attendance</i>	3600			815			
<i>Number of Workshops/Training</i>	48			19			

Economic Development  
Fiscal Year 2017-2018

	2017 - 2018 Goal	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD							
<b>Clients Served</b>	310	83	64	0	0	147							
Prospects	150	42	35			77	Commerce Lexington's economic development team actively recruits companies (manufacturing, distribution, headquarters, technology, call centers) to expand or relocate to the Bluegrass region. We also work with existing businesses and start-up companies to assist them in expanding their presence in Lexington and the region.						
Existing Business Visits	160	41	29			70	Commerce Lexington visits 160 export based existing companies every year. During the visits, the team identifies and addresses barriers to growth of existing firms, as well as work to retain the at risk companies. We also provide access to capital, opportunities and networks for businesses.						
<b>Client Meetings</b>	595	239	210	0	0	449							
Face to Face Client Meetings	270	124	126			250	Total number of meetings with all clients, including multiple visit from recruitment projects and additional existing business visits needed.						
Site Visits	25	4	14			18	Clients that visit Lexington						
Site Selection Consultant Meetings	200	56	53			109	Meetings with site selection consultants with the potential to bring projects to Lexington.						
Economic Development Partner Meetings	100	55	17			72	Research Director and team meets with partners that assist in economic development efforts. These include real estate agents, utility representatives, staffing agencies, colleges, and members of the Bluegrass Alliance.						
<b>Funding Received</b>	\$15,000,000	\$1,588,000	\$2,656,000	\$0	\$0	\$4,244,000							
Incentives Received	\$15,000,000	\$1,588,000	\$2,656,000			\$4,244,000	Commerce Lexington works with the Kentucky Cabinet for Economic Development (KCED) in administering tax incentive programs, which are based on job creation and capital investment, to help companies offset their start-up costs. Incentives awarded including KBI, KRA, KEIA, Small Bus. Tax Credit, and Jobs Fund are calculated in this number. Although not included, Commerce Lexington also helps coordinate with the KCED training program, such as grant-in-aid, and financing programs.						
<b>Jobs Created/ Businesses Started</b>	1000	213	415	0	0	628							
Jobs Created	1000	213	415			628	Number of new jobs created in Lexington in the areas of manufacturing, distribution, headquarters operations, call centers, and high-tech start-ups.						
<b>Capital Investment</b>	\$100,000,000	\$130,237,682	\$100,418,172	\$0	\$0	\$230,655,854							
Capital Investment	\$100,000,000	\$130,237,682	\$100,418,172			\$230,655,854	Expenditure in real estate, building renovations, equipment						
	Number in Attendance	Number of Events	Number in Attendance	Number of Events	Number in Attendance	Number of Events	Number in Attendance	Number of Events	Number in Attendance	Number of Events	Number in Attendance	Number of Events	
<b>Workshops/Training</b>	1325	34	255	3	329	3	0	0	0	0	584	6	
SPARK 5 Across	600	12	255	3	329	3					584	6	Formerly the Lexington Venture Club, SPARK was introduced in November 2015. SPARK is a partnership between Commerce Lexington and the Lexington Office of the Kentucky Innovation Network, which is part of UK. SPARK is a catalyst by which entrepreneurs, service providers, and investors work together to develop a strong economy in Central Kentucky. We have several events throughout the year and finish with our annual Entrepreneurial Celebration reception which recognizes early stage and growing companies in Central Kentucky that have received funding through venture capital, angel investors, friends and family, and state and federal sources.
Geeks Night Out	150	2	0	0	0	0					0	0	A networking event held at various Lexington establishments that is a part of the in2lex group: Innovators, engineers, techies, and entrepreneurs who gather to share ideas. Alliance of forward thinkers. The future of Lexington's innovative spirit.
Manufacturer's Network Group	75	2	0	0	0	0					0	0	The Manufacturers Networking Group is comprised of local manufacturing companies who come together to discuss issue they face every day in the workplace.
C3N	40	4	0	0	0	0					0	0	Consortium of call centers and back office operations
Bluegrass Bio	30	2	0	0	0	0					0	0	Bluegrass BIO is a networking group for Central Kentucky biotech groups. The groups meets twice a year to discuss industry trends, hear from speakers, as well as network.
High-tech Networking Group	30	2	23	3	80	1					103	4	Newly added in 2016, we have formed a networking group that brings together high-tech companies to discuss workforce, recruitment, and other issues.
Outreach Activities	100	5	28	2	50	1					78	3	Events in which our team participates in to promote economic development education. Events include presenting on panels, speaking to groups, and coordinating the Economic Development Simulation for Leadership Lexington.
Partnered Activities	300	5	115	1	486	16					601	17	Sponsorship or collaboration on various events including RunJumpDev, Shift, Start-up Advantage, Global Entrepreneurship Week, Startup Weekend, SBIR/STTR Workshops, undrcover events.

Business & Education Network  
Fiscal Year 2017-2018

	2017-2018 Goal	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD		
<b>Clients Served</b>	82	26	21	0	0	47		
Ford NGL - Awareness by Business	75	20	20			40	Partnership with CLX and FCPS on a collaborative community approach that will transform education in Fayette County. Ford NGL mobilizes educators, employers, and community leaders to create a new generation of young people who will graduate from high school both college and career-ready. This framework will help create an emerging workforce prepared to compete successfully in the 21st century economy. Goal is to create awareness in the community now and gain participation once the plan is in place.	
Ford NGL - Awareness by High Schools	6	6	0			6	Partnership with CLX and FCPS on a collaborative community approach that will transform education in Fayette County. Ford NGL mobilizes educators, employers, and community leaders to create a new generation of young people who will graduate from high school both college and career-ready. This framework will help create an emerging workforce prepared to compete successfully in the 21st century economy. Goal is to create awareness in the community now and gain participation once the plan is in place.	
Ford NGL - Schools sign on to participate	1	0	1			1	Partnership with CLX and FCPS on a collaborative community approach that will transform education in Fayette County. Ford NGL mobilizes educators, employers, and community leaders to create a new generation of young people who will graduate from high school both college and career-ready. This framework will help create an emerging workforce prepared to compete successfully in the 21st century economy. Goal is to create awareness in the community now and gain participation once the plan is in place.	
<b>Training/Partnerships</b>	150	0	1,000	0	0	0	1,000	
Students/Teachers Participating in Work Based Learning Opportunities (Based on Final NGL Plan)	100	0	1,000	0	0	0	1,000	Once the Ford NGL master plan is written (early 2017), then we will build advisory boards/partnerships with businesses, get students into WBL opportunities--internships, field trips, careers fairs, capstone projects, etc. Teachers will participate in externship programs.
Businesses Participating in Work Based Learning Opportunities (Based on Final NGL Plan)	50	0	25	0	0			Once the Ford NGL master plan is written (early 2017), then we will build advisory boards/partnerships with businesses, get students into WBL opportunities--internships, field trips, careers fairs, capstone projects, etc. Teachers will participate in externship programs.

www.BluegrassJobs.com - The job portal that aggregates thousands of Lexington area jobs from hundreds of sites including job boards and company listings. On average, 4,000+ jobs are aggregated.

Minority Business Development  
Fiscal Year 2017-2018

	2017 - 2018 Goal	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD	
<b>Clients Served</b>	170	53	37	0	0	90	
Minority	75	29	17			46	A minority business as defined by Commerce Lexington is a business that is 51% owned, operated and controlled by a person who is a member of the following racial and ethnic groups:  African American: An individual of Black race or African origin or parentage; Hispanic American: An individual of Latin American culture, origin or parentage; and Asian American: An individual of Japanese, Korean, Chinese, Indonesian, Indochina, Malaysian, Filipino, native Hawaiian, or Pacific Islanders culture, origin or parentage.
Existing Minority Business Visits	60	14	9			23	Scheduled visits with minority business owners to discuss jobs, new business, and overall company direction.
Female	35	10	11			21	
<b>Funding Received</b>	\$650,000	\$1,800,000	\$1,144,000	\$0	\$0	\$2,944,000	
ACCE\$\$ Loan Program	\$650,000	\$1,800,000	\$1,144,000			\$2,944,000	The ACCE\$\$ Loan Program's mission is to provide easier access to the financing and helpful business advice that you need to start or grow your business. This program is committed to fostering economic growth and enhancing business opportunities for minorities, women, and emerging small businesses.
<b>Jobs Created/ Businesses Created</b>	15	31	91	0	0	122	
	15	31	91	0		122	
<b>Procurement</b>	\$550,000	\$47,000				\$47,000	Procurement facilitated by Commerce Lexington staff and completed by MBE's.
<b>Workshops/Training</b>	Number in Attendance 3320 Number of Events 17	Number in Attendance 887 Number of Events 4	Number in Attendance 8,128 Number of Events 3	Number in Attendance 0 Number of Events 0	Number in Attendance 0 Number of Events 0	Number in Attendance 9,015 Number of Events 7	
Toyota Opportunity Exchange	2000 1	0 0	2,100 1			2,100 1	Yearly event. Allow Commerce Lexington staff to canvass Tier-1 & Tier-2 Suppliers for opportunities
Opportunity Exchange	125 2	46 1	0 0			46 1	Local Bi-Yearly event that connect MBE's to opportunities with large companies
State of Kentucky/LFUCG Seminars	70 4	0 0	28 1			28 1	Information/Training sessions on benefits of Certification for MBE's
KCTCS/UK Supplier Diversity Fair	250 1	160 1	0 0			160 1	Seminar showcases departments & Procurement Opportunities for MBE's, WBE's, & DBE's
LFUCG Minority Business EXPO	450 1	680 1	0 0			680 1	Sponsored annual event.
SBDC/LFUCG Contractor Training	45 3	0 0	0 0			0 0	Held 3 times a year with an average 15 participants. They are taught business planning, estimating and bidding, cost management, financing, etc.
TSMSDC Business Opportunity Fair	350 1	0 0	6,000 1			6,000 1	Large event that features a matchmaking session for minority businesses and the companies they want to do business with
MBA Quarterly Summit	30 4	1 1	0 0			1 1	Quarterly meeting focused on business success and procurement.

## Innovation and Commercialization

Fiscal Year 2017-2018

	2017 - 2018 Goal	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD			
<b>Clients Served</b>	280	107	48	0	0	155			
New Clients	40	35	6			41	The Lexington Innovation Office is part of a state-wide program funded by DCI. The objective of the program is to create more technology-based businesses and jobs in the state. The Lexington ICC serves UK, Lexington, and the surrounding counties.		
Existing Client Meetings/Assistance	240	72	42			114			
<b>Funding Received</b>	\$60,000,000	\$0	\$57,193,486	\$0	\$0	\$57,193,486			
Federal Funds & KY State Funding Programs		\$0	\$14,919,499			\$14,919,499	Funding received by regional companies from federal agencies and funding received by regional companies from a variety of state programs targeted at technology-based companies; SBIR/STTR match program, KY enterprise funds, loan program, ...		
Equity Fund Raising		\$0	\$42,273,987			\$42,273,987	Funding for startup companies provided by friends/family/founders, angel investors, and venture capital.		
<b>Jobs Created/ Businesses Started</b>	240	0	270	0	0	270			
Technology Based Job Growth	240	0	270			270	Full-time & part-time high-tech and non-tech hires.		
<b>Workshops/Training</b>	Number in Attendance: 2050 Number of Events: 36	Number in Attendance: 859 Number of Events: 34	Number in Attendance: 1,731 Number of Events: 55	Number in Attendance: 0 Number of Events: 0	Number in Attendance: 0 Number of Events: 0	Number in Attendance: 2,590 Number of Events: 89			
SPARK 5 Across	600	12	255	3	329	3	584	6	see ED tab. SPARK, formerly the Lexington Venture Club, is a joint initiative between UK and Commerce Lexington.
Bluegrass Angels	250	10	102	11	171	12	273	23	The Bluegrass Angels and the Bluegrass Venture Fund III are the first organized angel group in KY. Their mission is to provide early-stage capital and mentoring to new scalable businesses in the region.
Activities Workshops	1200	14	502	20	1,231	40	1,733	60	Global Entrepreneurship Week, UK Venture Studio, Venture Challenge, pitch competitions, conferences, workshops, other entrepreneurial activities, and newly created event in 2017, Startup Breakfasts.



## Small Business Development Center

Fiscal Year 2017-2018

	2017 - 2018 Goal		Quarter 1		Quarter 2		Quarter 3		Quarter 4		YTD	
<b>Clients Served</b>	300		100		95		0		0		195	
Clients that had counseling services with the SBDC.	300		100		95						195	
	<p>A client is the business, if it exists. In the case of a prospective business, the client is the individual (i.e., nascent entrepreneur) receiving SBDC services. Counseling is defined as services provided to an individual and/or business, i.e. client (see above) that is substantive in nature and is in the area of business formation, management, financing, and/or operation of a small business enterprise.</p>											
<b>Funding Received</b>	\$3,000,000		\$5,430,763		\$125,000		\$0		\$0		\$5,555,763	
Dollar amount and number of loans received or equity financing received	\$3,000,000		\$5,430,763		\$125,000						\$5,555,763	
<b>Businesses Started</b>	18		2		1		0		0		3	
Businesses started from counseling clients	18		2		1						3	
	<p>Businesses that are started as a result of SBDC counseling/consulting.</p>											
<b>Workshops/Training</b>	Number in Attendance	Number of Events	Number in Attendance	Number of Events	Number in Attendance	Number of Events	Number in Attendance	Number of Events	Number in Attendance	Number of Events	Number in Attendance	Number of Events
	125	12	75	6	160	11	0	0	0	0	235	17
Customers that attended training conferences at the SBDC	125	12	75	6	160	11					235	17
	<p>Training is defined as an activity or event in which the SBDC plays a substantial role in delivering a structured program of knowledge, information or experience on a business-related subject. There must be one or more attendees. Includes Women &amp; Minority Contractor Training and Let's Talk Small Biz.</p>											

Month	Year	Firm	Type	Product	County	Reported Investment	Direct Maximum Planned Jobs	Average Yearly Wage	Median Yearly Wage
12	2017	Barnhill Enterprises, LLC	Exp.	Manufacturer of chimney caps and products	Fayette	\$82,737	6.00	\$43,139	\$41,101
12	2017	EnerBlu, Inc.	New	Headquarters and R&D facility for energy solutions company	Fayette	\$40,000,000	110	\$83,200	
12	2017	The Weekly Juicery, LLC	Exp.	Manufacturer of raw, cold pressed juice	Fayette	\$16,500	1	\$31,200	\$31,200
11	2017	SPARK	New	Entrepreneurial Companies	Fayette	\$57,193,486	270	\$68,383	
11	2017	TEC Biosciences	New	Biotech company focused on measurement of metabolomics	Fayette	\$1,000,000	4	\$66,253	\$60,008
11	2017	PowerTech Water, LLC	Exp.	Technology company for water production	Fayette	\$14,495	2	\$51,418	\$51,418
11	2017	ParaTechs Corp	Exp.	Biotech company that offers innovative technologies for easier and more cost-effective research	Fayette	\$6,696	1	\$44,990	\$44,990
11	2017	Molding Solutions	Exp.	Custom injection molders of plastic and rubber	Fayette	\$366,758	6	\$53,560	\$53,560
11	2017	MakeTime Inc.	Exp.	On-demand manufacturing marketplace platform	Fayette	\$437,500	5	\$72,800	\$72,800
11	2017	JR Buck Industries, LLC	Exp.	Custom metal fabrication services	Fayette	\$1,300,000	10	\$44,296	\$33,280
9	2017	VeBridge	Exp.	Enterprise content and business processing management firm	Fayette	\$1,193,967	20	\$23,026	\$20,800
9	2017	Fooji	Exp.	Tech company connecting brands to consumers	Fayette	\$754,795	41	\$71,864	\$60,008
9	2017	Florida Tile	Exp.	Corporate headquarters of tile manufacturer	Fayette	\$3,524,000	12	\$82,826	\$82,826
9	2017	KITO U.S.A.	Exp.	Manufacturer of robotic welding equipment	Fayette	\$695,000	5	\$34,320	\$34,320
9	2017	Xooker, LLC	Exp.	Mobile marketing app developer	Fayette	\$1,472,000	100	\$50,960	\$50,960
9	2017	Toyota Motor Manufacturing Kentucky	Exp.	North American Production Support	Scott	\$120,960,000	0	\$0	n/a
9	2017	West Sixth Brewing Company	Exp.	Craft brewing operation	Fayette	\$14,700	4	\$36,712	\$36,712
9	2017	Old World Timber, LLC	Exp.	Manufacturer of reclaimed wood products	Fayette	\$14,240	3	\$24,086	\$24,086
9	2017	Fusioncorp, LLC	Exp.	Software development company	Fayette	\$747,150	8	\$56,160	\$56,160
9	2017	AVENTICS Corporation USA	Exp.	Manufacturer of pneumatics components, systems, and applications	Fayette	\$861,830	20	\$55,390	\$53,857
6	2017	MosquitoMate	Exp.	Biotech manufacturer of ZAP mosquitoes	Fayette	\$535,040	12	\$50,000	\$50,000
6	2017	Bluegrass Tool & Industrial	Exp.	Supplier of industrial products	Fayette	\$22,000	4	\$40,040	\$40,040
6	2017	Old World Timber, LLC	Exp.	Manufacturer of reclaimed wood products	Fayette	\$50,466	4	\$29,120	\$29,120
6	2017	Visumatic Industrial Products Inc	Exp.	Manufacturer of automated systems	Fayette	\$41,802	5	\$41,475	\$41,475
4	2017	Toyota Motor Manufacturing Kentucky	Exp.	North American Production Support	Scott	\$1,212,400,000	0	\$0	\$0
3	2017	hydra	Exp.	Homemade aromatherapy products manufacturer	Fayette	\$285,000	26	\$21,840	\$21,840
2	2017	The Apiary, LLC	Exp.	Event space and caterer	Fayette	\$32,300	2	\$29,411	\$29,411
12	2016	Tenmast Software Company	Exp	Software development company for housing authorities	Fayette	\$2,650,000	10	\$64,480	\$57,200
12	2016	TwinSpires.com	Exp	Online wagering site	Fayette	\$0	18	\$23,920	\$23,920
12	2016	Monomoy Capital Partners	New	Private equity firm for middle market	Fayette	\$100,000	13	\$310,000	
12	2016	Nishida Art Specialty Composite America Inc.	New	Manufacturer of composite material for automobiles	Franklin	\$2,330,000	30	\$29,744	
12	2016	SDG Blue, LLC	Exp.	IT company, specializing in security, network infrastructure, technology	Fayette	\$25,670	7	\$77,813	
12	2016	The Weekly Juicery, LLC	Exp.	Manufacturer of raw, cold pressed juice	Fayette	\$7,754	2	\$25,563	
12	2016	PowerTech Water, LLC	Exp.	Technology company for water production	Fayette	\$5,380	1	\$69,909	\$69,909
12	2016	Equine Diagnostic Solutions	Exp.	Diagnostic testing for the veterinary health care industry focusing on equine testing	Fayette	\$5,006	1	\$45,760	\$45,760
12	2016	Hera Testing Laboratories, Inc.	Exp.	Toxicology and therapeutic biotech testing company	Fayette	\$18,263	5	\$72,301	
12	2016	MakeTime Inc.	Exp.	On-demand manufacturing marketplace platform	Fayette	\$29,234	8	\$83,741	
11	2016	Big Ass Solutions	Exp	Manufacturer of large industrial and residential ceiling fans	Fayette	\$10,700,000	562	\$45,011	\$45,011
11	2016	SPARK	New	Entrepreneurial companies	Fayette	\$65,339,025	307	\$72,280	
10	2016	West Sixth Brewing Company, LLC	Exp	Craft brewing operation	Fayette	\$25,000	3	\$38,792	\$38,792
9	2016	Lakeshore Learning Materials	New	Distribution center for educational materials and classroom furniture	Woodford	\$47,440,579	262	\$34,320	
9	2016	United Parcel Services, Inc.	Exp	Ground hub for package delivery and logistics	Fayette	\$105,983,878	15	\$40,560	\$40,000
9	2016	Rosellini Scientific	New	Medical nanotechnology for intravascular drug delivery	Fayette	\$375,000	2	\$75,000	\$75,000
9	2016	JR Buck Industries, LLC	Exp	Custom metal fabrication services	Fayette	\$108,205	2	\$40,040	\$40,000
8	2016	WearWare, Inc. (DBA FlyWire Cameras)	New	Manufacturers a flexible and wearable HD video camera	Fayette	\$2,780,000	4	\$47,715	\$50,190
7	2016	AVAIL	Exp	Software development for architectural firms	Fayette	\$500,500	4	\$83,200	\$80,600
7	2016	Kinemetrix Industrial Design, Inc.	Exp	Advanced automation and robotic systems manufacturer	Fayette	\$28,977	2	\$37,440	\$37,440
7	2016	Acstecnos America Corporation	New	Designs and manufactures specialized machines for automotive industry	Jessamine	\$1,242,817	41	\$72,800	
6	2016	Identify3D	Exp	Software and services for intellectual property protection in digital manufacturing	Fayette	\$200,000	4	\$99,996	\$99,840
6	2016	MakeTime Inc.	Exp.	On-demand manufacturing marketplace platform	Fayette	\$2,000,000	28	\$67,850	
5	2016	James Pepper Distilling Co.	Exp	Bourbon distillery	Fayette	\$1,292,000	3	\$54,080	\$52,000
4	2016	Hera Testing Laboratories, Inc.	Exp	Toxicology and therapeutic biotech testing company	Fayette	\$1,810,571	23	\$47,840	\$52,000
3	2016	Wiser Strategies	Exp	Professional services in marketing and communications	Fayette	\$47,500	1	\$37,500	\$37,500
2	2016	More Than A Bakery, LLC	New	Manufacturer of baked goods	Woodford	\$57,100,000	310	\$45,760	
2	2016	Bluegrass Stockyards, LLC	Exp	Agribusiness	Fayette	\$11,900,000	20	\$39,562	\$35,000
1	2016	Coldstream Laboratories Inc.	Exp	Contract pharmaceutical manufacturing	Fayette	\$12,771,948	40	\$48,755	\$52,000
1	2016	Kinemetrix Industrial Design, Inc.	Exp	Manufacturer of advanced automation and robotic systems	Fayette	\$11,245	2	\$71,760	\$71,760



## Economic Impact Report by Fiscal Year

	Reported Investment	Direct Maximum Planned Jobs	Average Yearly Wage	Indirect Jobs Created in Fayette Co.	Induced Jobs Created in Fayette Co.	Total LFUCG Revenue Generated	Total FCPS Revenue Generated	Total LFUCG Funding Received (yearly)	LFUCG Revenue per Dollar of Funding (yearly)	LFUCG & FCPS Revenue per Dollar of Funding (yearly)
FY2005 Q1	\$4,000,000	54	\$33,500	6	9	\$49,587	\$6,612			
FY2005 Q2	\$4,580,800	351	\$50,347	96	522	\$550,830	\$78,480			
FY2005 Q3	\$1,775,500	50	\$25,750	20	17	\$43,004	\$7,783			
FY2005 Q4	\$14,540,000	234	\$31,784	89	75	\$250,556	\$43,245			
<b>FY2005 Totals</b>	<b>\$24,896,300</b>	<b>689</b>	<b>\$40,937</b>	<b>211</b>	<b>623</b>	<b>\$893,978</b>	<b>\$136,119</b>	<b>\$62,500</b>	<b>\$14.30</b>	<b>\$16.48</b>
FY2006 Q1	\$14,025,000	511	\$36,868	119	189	\$604,614	\$132,400			
FY2006 Q2	\$30,729,617	107	\$34,301	25	34	\$134,438	\$57,135			
FY2006 Q3	\$22,114,900	163	\$45,660	34	49	\$232,206	\$103,819			
FY2006 Q4	\$963,000	40	\$42,000	18	16	\$55,187	\$7,358			
<b>FY2006 Totals</b>	<b>\$67,832,517</b>	<b>821</b>	<b>\$38,529</b>	<b>196</b>	<b>288</b>	<b>\$1,026,445</b>	<b>\$300,712</b>	<b>\$195,000</b>	<b>\$5.26</b>	<b>\$6.81</b>
FY2007 Q1	\$1,150,000	57	\$26,325	20	24	\$50,256	\$6,701			
FY2007 Q2	\$900,000	50	\$31,200	20	17	\$52,088	\$9,402			
FY2007 Q3	\$54,445,000	73	\$0	16	21	\$125,812	\$16,775			
FY2007 Q4	\$28,949,020	197	\$47,828	105	93	\$345,502	\$110,381			
<b>FY2007 Totals</b>	<b>\$85,444,020</b>	<b>377</b>	<b>\$44,076</b>	<b>161</b>	<b>155</b>	<b>\$573,658</b>	<b>\$143,259</b>	<b>\$200,000</b>	<b>\$2.87</b>	<b>\$3.58</b>
FY2008 Q1	\$47,191,000	115	\$37,322	31	16	\$50,347	\$53,931			
FY2008 Q2	\$40,231,493	536	\$35,489	51	103	\$628,401	\$208,508			
FY2008 Q3	\$80,899,308	392	\$38,732	55	90	\$490,226	\$140,289			
FY2008 Q4	\$2,000,000	0	\$0	0	0	\$7,218	\$11,880			
<b>FY2008 Totals</b>	<b>\$170,321,801</b>	<b>1043</b>	<b>\$36,910</b>	<b>137</b>	<b>209</b>	<b>\$1,176,192</b>	<b>\$414,608</b>	<b>\$621,000</b>	<b>\$1.89</b>	<b>\$2.56</b>
FY2009 Q1	\$16,500,000	108	\$31,244	46	29	\$112,668	\$17,606			
FY2009 Q2	\$5,011,529	26	\$18,314	5	6	\$15,989	\$8,727			
FY2009 Q3	\$85,632,194	232	\$48,529	45	59	\$338,529	\$45,307			
FY2009 Q4	\$37,860,000	335	\$31,979	64	110	\$337,314	\$83,837			
<b>FY2009 Totals</b>	<b>\$145,003,723</b>	<b>701</b>	<b>\$36,836</b>	<b>160</b>	<b>204</b>	<b>\$804,500</b>	<b>\$155,477</b>	<b>\$513,000</b>	<b>\$1.57</b>	<b>\$1.87</b>
FY2010 Q1	\$10,165,000	66	\$44,292	18	23	\$95,039	\$32,776			
FY2010 Q2	\$17,773,000	141	\$48,172	36	57	\$256,764	\$85,793			
FY2010 Q3	\$54,779,834	383	\$54,631	153	175	\$697,008	\$169,176			
FY2010 Q4	\$2,620,000	124	\$38,120	11	34	\$134,365	\$22,363			
<b>FY2010 Totals</b>	<b>\$85,337,834</b>	<b>714</b>	<b>\$49,532</b>	<b>218</b>	<b>289</b>	<b>\$1,183,176</b>	<b>\$310,107</b>	<b>\$485,920</b>	<b>\$2.43</b>	<b>\$3.07</b>
FY2011 Q1	\$30,043,740	534	\$32,472	227	103	\$526,590	\$132,717			
FY2011 Q2	\$4,214,000	403	\$27,855	59	82	\$344,161	\$54,558			
FY2011 Q3	\$93,461,484	613	\$40,752	151	166	\$799,036	\$168,022			
FY2011 Q4	\$17,897,000	183	\$55,481	42	49	\$403,572	\$164,802			
<b>FY2011 Totals</b>	<b>\$145,616,224</b>	<b>1733</b>	<b>\$36,757</b>	<b>479</b>	<b>400</b>	<b>\$2,073,358</b>	<b>\$520,099</b>	<b>\$485,920</b>	<b>\$4.27</b>	<b>\$5.34</b>
FY2012 Q1	\$13,189,975	461	\$37,495	192	170	\$549,352	\$84,763			
FY2012 Q2	\$1,890,000	30	\$72,800	9	11	\$61,346	\$8,696			
FY2012 Q3	\$87,393,852	319	\$55,458	89	93	\$496,993	\$91,545			
FY2012 Q4	\$62,167,942	806	\$38,522	190	111	\$391,176	\$92,108			
<b>FY2012 Totals</b>	<b>\$164,641,769</b>	<b>1616</b>	<b>\$42,209</b>	<b>480</b>	<b>385</b>	<b>\$1,498,667</b>	<b>\$277,112</b>	<b>\$496,000</b>	<b>\$3.02</b>	<b>\$3.72</b>
FY2013 Q1	\$35,331,138	348	\$53,688	74	86	\$586,089	\$128,924			
FY2013 Q2	\$16,547,426	129	\$50,170	66	64	\$223,209	\$72,528			
FY2013 Q3	\$129,878,286	294	\$58,805	63	110	\$616,784	\$178,399			
FY2013 Q4	\$551,468,435	950	\$46,046	943	478	\$542,296	\$123,121			
<b>FY2013 Totals</b>	<b>\$733,225,285</b>	<b>1,721</b>	<b>\$46,046</b>	<b>1,146</b>	<b>738</b>	<b>\$1,968,379</b>	<b>\$502,970</b>	<b>\$457,000</b>	<b>\$4.31</b>	<b>\$5.41</b>
FY2014 Q1	\$5,367,505	162	\$64,043	38	50	\$317,905	\$48,227			
FY2014 Q2	\$60,295,936	244	\$56,729	59	77	\$0	\$81,357			
FY2014 Q3	\$4,291,430	50	\$100,006	12	15	\$152,307	\$20,652			
FY2014 Q4	\$13,680,810	351	\$54,322	136	104	\$605,804	\$85,683			
<b>FY2014 Totals</b>	<b>\$83,635,681</b>	<b>807</b>	<b>\$59,832</b>	<b>245</b>	<b>246</b>	<b>\$1,076,016</b>	<b>\$235,919</b>	<b>\$457,000</b>	<b>\$3.28</b>	<b>\$3.80</b>
FY2015 Q1	\$9,615,000	462	\$32,115	128	196	\$628,694	\$547,029			
FY2015 Q2	\$123,147,675	530	\$60,792	144	162	\$629,268	\$199,291			
FY2015 Q3	\$3,621,700	25	\$64,779	15	15	\$55,424	\$7,390			
FY2015 Q4	\$10,596,670	56	\$51,112	16	23	\$86,588	\$12,491			
<b>FY2015 Totals</b>	<b>\$146,981,045</b>	<b>1,073</b>	<b>\$48,032</b>	<b>303</b>	<b>396</b>	<b>\$1,399,973</b>	<b>\$766,202</b>	<b>\$457,000</b>	<b>\$3.06</b>	<b>\$4.74</b>
FY2016 Q1	\$48,557,570	419	\$29,291	61	66	\$488,406	\$265,927			
FY2016 Q2	\$89,214,279	479	\$63,971	431	160	\$2,114,860	\$302,047			
FY2016 Q3	\$81,830,693	373	\$36,464	133	77	\$337,300	\$155,759			
FY2016 Q4	\$5,302,571	58	\$61,420	49	32	\$146,137	\$33,034			
<b>FY2016 Totals</b>	<b>\$224,905,113</b>	<b>1,329</b>	<b>\$45,206</b>	<b>674</b>	<b>335</b>	<b>\$3,086,703</b>	<b>\$756,766</b>	<b>\$457,000</b>	<b>\$6.75</b>	<b>\$8.41</b>
FY2017 Q1	\$158,459,956	332	\$40,403	98	43	\$189,326	\$22,192			
FY2017 Q2	\$81,235,332	967	\$57,232	399	392	\$2,253,197	\$512,897			
FY2017 Q3	\$317,300	28	\$22,381	44	22	\$35,914	\$5,974			
FY2017 Q4	\$1,213,049,308	25	\$43,361	12	16	\$538,069	\$1,028,967			
<b>FY2017 Totals</b>	<b>\$1,453,061,896</b>	<b>1,352</b>	<b>\$52,121</b>	<b>553</b>	<b>473</b>	<b>\$3,016,506</b>	<b>\$1,570,030</b>	<b>\$457,000</b>	<b>\$6.60</b>	<b>\$10.04</b>
FY2018 Q1	\$130,237,682	213	\$53,731	192	120	\$467,543	\$93,880			
FY2018 Q2	\$100,418,172	415	\$70,926	225	151	\$1,345,156	\$299,854			
<b>FY2018 Totals</b>	<b>230,655,854</b>	<b>628</b>	<b>\$65,094</b>	<b>417</b>	<b>271</b>	<b>\$1,812,699</b>	<b>\$393,734</b>	<b>\$457,000</b>	<b>\$3.97</b>	<b>\$4.83</b>
<b>FY2005-2018 Total</b>	<b>\$3,761,559,062</b>	<b>14,604</b>	<b>\$45,093</b>	<b>5,380</b>	<b>5,012</b>	<b>\$22,014,165</b>	<b>\$6,483,115</b>			

## Notes:

LFUCG Funding totals include all monies received by Commerce Lexington for Economic Development, Workforce Development, Minority Business Development, as well as the Bluegrass Business Partnership. CL Airlines money is not included.

The SPARK (formerly Lexington Venture Club) results were added into the totals in the following amounts:

Jan-07	\$35,445,000	67	\$61,700	16	21	\$125,812	\$16,775			
Jan-08	\$64,510,000	123	\$61,000	29	38	\$228,347	\$30,446			
Jan-09	\$68,932,194	132	\$65,000	31	41	\$261,125	\$34,817			
Jan-10	\$47,532,834	197	\$69,800	46	61	\$418,487	\$105,317			
Jan-11	\$65,484,484	154	\$63,485	36	48	\$297,545	\$39,673			
Feb-12	\$69,858,852	182	\$65,651	43	56	\$363,641	\$48,486			
Jan-13	\$83,870,192	201	\$66,558	54	90	\$395,835	\$52,778			
Nov-13	\$40,380,936	144	\$54,431	34	45	\$238,544	\$31,806			
Nov-14	\$57,442,275	144	\$70,395	34	45	\$344,964	\$144,913			
Nov-15	\$50,591,712	280	\$76,929	360	88	\$1,814,683	\$241,958			
Nov-16	\$65,339,025	307	\$72,280	185	98	\$1,124,726	\$182,639			
Nov-17	\$57,193,486	270	\$68,383	163	86	\$935,841	\$151,967			

SPARK is proud to be a catalyst by which entrepreneurs, service providers, and investors can work together to develop a strong economy in Lexington.



Requests for confidential individual project economic impact sheets can be made at

Commerce Lexington  
330 East Main Street  
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Please contact Gina Greathouse at (859)226-1623 for more information.



WHERE BUSINESS IGNITES

Embargoed for Release at 7:30 PM, EDT, Thursday, November 2, 2017 Contacts:

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**SPARK recognizes entrepreneurial community for creating 270 jobs and raising over \$57.1 million**

**LEXINGTON, KY. (Nov 2, 2017)** – On Thursday, SPARK, a Bluegrass Business Development Partnership (BBDP) initiative, held its annual Entrepreneurial Celebration and announced that the Central Kentucky entrepreneurial community created 270 new jobs and raised \$57.1 million in capital funds in Fiscal Year 2017.

The companies, employing a total of 928 people, reported an average salary of \$68,383 for full-time jobs. They represent industry sectors in biotechnology, advanced manufacturing, e-commerce, independent game development, IT and software development, energy technologies and business services. This further demonstrates Lexington’s position as a leading location for high-growth and high-wage technology-based jobs.

“We are a University City with a highly educated workforce and access to world-class research and development opportunities. As a city, we invest heavily in quality of life to keep and grow that workforce. In addition, the cost of living and cost of doing business here are extremely low,” Mayor Jim Gray said. “All of these factors help attract private investment that produces the good jobs we are talking about today.”

“Entrepreneurship is essential in growing our economy and a key component of our economic development efforts,” said Gina Greathouse, Commerce Lexington Inc. executive vice president. “With a high quality of life, low startup costs and a highly educated workforce, we continue to see great successes from our entrepreneurial community. Congratulations to our companies on another great year.”

“Lexington’s entrepreneurial ecosystem is a catalyst for the region,” said Eric Hartman, the director of the Lexington Office of the Kentucky Innovation Network. “We are fortunate in Lexington to enjoy an active and engaged entrepreneurial community, a strong angel investment organization to capitalize and mentor startup

entrepreneurs, and an excellent relationship with entrepreneurial knowledge-based innovators at the University of Kentucky.”

SPARK also recognized recipients of the Lexington eAchievers Award for excellence in entrepreneurship. Twenty-three startup companies in the Bluegrass Region were honored with the eAchiever award for receiving at least \$1 million dollars in funding and/or creating five new full-time jobs in Fiscal Year 2017, based on self-reported data.

The companies that received the eAchiever award include: 451 Tech; Acceleration Systems; Fooji; Fusioncorp; Gun Media Holdings; Hera BioLabs; Hippo Manager Software Inc.; Identify3D; Lumenari, Inc.; MakeTime; Medmyne; Nexeon MedSystems Inc.; nanoRANCH; nGimat, LLC; NX Development Corp; Orthopeutics, LP; Piramal Pharma Solutions; Post Time Studios; Smart Farm Systems, Inc.; SIS; Summit Biosciences Inc.; VeBridge and Xooker.

In addition to the eAchiever awards, the BBDP gave the Harvey Award, which is given annually to an individual or organization that has made a significant impact on the entrepreneurial community. The 2017 recipient of this award was Dr. Mahendra Jain, who retired in 2017 from his position as the Executive Director of the Kentucky Science and Engineering Foundation (KSEF) and the Senior Vice President of the Kentucky Science and Technology Corporation (KSTC).

Dr. Jain has made a major contribution to the support, success and sustainability of Lexington and Kentucky’s entrepreneurial community. Under Dr. Jain’s leadership, Kentucky rose to a position of national prominence in Small Business Innovation Research (SBIR) support programs. Dr. Jain’s successful Phase Zero and Phase Double Zero SBIR programs have been emulated in other states and by federal funding agencies. Today, Kentucky is nationally known for its capstone SBIR/STTR Matching Funds Program, a program that Dr. Jain helped to create and administered for 10 years. Collectively, these programs have impacted more than 100 Kentucky-based, high-tech startups and hundreds of young scientists, engineers, and entrepreneurs.

SPARK, formerly known as Lexington Venture Club, has a mission to provide a forum which fosters sharing between entrepreneurs, businesses, investors and professional services providers. Over the last year, SPARK planned and sponsored luncheons focused on the entrepreneurial community in addition to networking events, open coffees, business showcases and pitch competitions. The group is managed by the City of Lexington, Commerce Lexington Inc. and the Lexington Office of the Kentucky Innovation Network, which is a part of University of Kentucky’s Von Allmen Center for Entrepreneurship within the Gatton College of Business and Economics.

The Lexington Office of the Kentucky Innovation Network conducts an annual survey of these early-stage companies. The results are based upon self-reported data for July 1, 2016 through June 30, 2017. This year 113 companies responded to the survey, offering a 72 percent response rate from the BBDP clients.

For information about the event and SPARK, please visit [sparklex.org](http://sparklex.org).

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**FOR IMMEDIATE RELEASE**

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**Tech company Fusioncorp spins out new startup adding new jobs**

**LEXINGTON, KY. (November 8, 2017)** – A Lexington-based technology company has spun out a new startup, Gamifi by Fusioncorp. Gamifi's goal is to expand this new platform into a method of creating unique experiences through different technologies supported by applications. Mayor Jim Gray and Commerce Lexington Inc. joined Gamifi by Fusioncorp executives to celebrate the grand opening of the new spinout in Lexington and to announce that Gamifi has created eight new full-time technology jobs.

"Lexington's high quality of life is naturally attracting and growing creative tech companies like Gamifi by Fusioncorp," Mayor Jim Gray said. "This is great news for our tech community, and our city."

Fusioncorp, founded in Lexington in 2005, recognized the growth of technology in apps and created a new company, Gamifi by Fusioncorp, to address this demand in the market. The company created two products through the new entity. Gamifi is the first product that engages users through immersive experiences using strategies involving Wayfinding, Augmented Reality and Gaming on an app with an end goal of creating a 365-day experience for the user. The other product is called Pivt, which is the backbone of the platform and is designed to integrate into current customer's active Point of Sale (POS) or Customer Relationship Management (CRM) systems to capture, retain and become smarter with the platform's data.

"Gamifi is intended to give individuals that attend major events, cities or significant attractions an immersive experience that will enhance not only the venue's ability to engage with their patrons but also give the end user an experience that will drive continuous engagement," said Michael Baer, President of Fusioncorp. "We are excited to be doing this in Lexington, KY and appreciate the support of many partners including the City of Lexington and Commerce Lexington Inc."

The Gamifi platform is also excited to announce App partnerships with The Muhammad Ali Center's global initiative 'Hours Against Hate' which will have exposure to over 11 Million individuals around the world. It is also currently building platforms for The Buffalo Olmstead Park system in NY, The DMCVB and Detroit Sports

Commission assisting in the Revitalization of Detroit, and Taylor Made Horse Farms, among others.

Gamifi by Fusioncorp has created eight new jobs with a capital investment of over \$750,000. The jobs created are base platform developers, UI/UX designers, and Android and iOS programmers. The company utilized the Lexington Jobs Fund, a local incentive program, to assist companies in offsetting their startup costs.

“Lexington has become a center for entrepreneurial activity and Gamifi by Fusioncorp is another great example of how vibrant our tech community is,” said Carla Blanton, Commerce Lexington Inc.’s board chair. “Our economic development team is proud of the success and the new jobs Gamifi is creating. Congratulations on your new company.”

For more information on Gamifi by Fusioncorp, visit [www.fusioncorpdesign.com](http://www.fusioncorpdesign.com).

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## Commonwealth of Kentucky Governor's Office

FOR IMMEDIATE RELEASE

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## EnerBlu to Create Nearly 1,000 Jobs with Operations in Pikeville and Lexington

Battery manufacturer will invest \$412 million across two locations

**FRANKFORT, Ky. (Dec. 15, 2017)** - Gov. Matt Bevin today joined local officials and executives from EnerBlu Inc., a high-power energy-storage provider, in Pikeville to announce the company's decision to locate its headquarters and manufacturing operations in Kentucky.

The company will invest \$372 million and create 875 full-time jobs in Eastern Kentucky with the establishment of a production facility in Pikeville, and an additional \$40 million and 110 jobs with the relocation of its headquarters to Lexington.

"We are excited that EnerBlu has chosen Kentucky as home for its headquarters, research and development facility, and for the first Lithium Titanate battery facility in the United States," Gov. Bevin said. "EnerBlu will help power our nation's transportation and defense industries, while providing job opportunities that will harness the highly skilled workforce of

Eastern Kentucky. We are grateful to EnerBlu for locating this incredible project in our state, and congratulate the communities of Pikeville and Lexington for the opportunities this new corporate partnership will create. This project will have a positive impact on Eastern Kentucky and the commonwealth as a whole for many years to come.”

Eastern Kentucky has long played a significant role in the global energy market with its strong ties to the coal mining industry. With this announcement, the region will expand upon that concept as it enters into the renewable energy industry.

EnerBlu will construct a 1 million-square-foot, high-tech facility in Pikeville to manufacture lithium-titanate (LTO) batteries, called EnerBlu Advanced Energy Storage Units. The batteries will power transit busses, commercial trucks, military vehicles and other equipment. Construction is scheduled to start in mid-2018 and the facility’s opening is planned for 2020.

Additionally, the company will relocate its headquarters from Riverside, Calif. to a 150,000-square-foot building in Lexington, where it will create 110 administrative, research-and-development and executive positions. The office is expected to open early next year.

The LTO is a rechargeable battery with the advantage of a faster charge than other lithium-ion batteries and provides high currents when necessary. Currently, more than 70 percent of the world’s LTO production is located in China. The Pikeville facility will be the first LTO factory in the US.

In selecting Kentucky, EnterBlu leaders noted the state’s logistical advantage of being within a day’s drive of 65 percent of the US population, the availability of a trained workforce in Eastern Kentucky and low costs for industrial power contributed to their decision.

“Creating a team that is building something meaningful that can benefit both the local and global community is not only exciting, but very meaningful to us,” said Michael Weber, executive chairman at EnerBlu. “You cannot imagine how thrilling it is to play a part in helping revitalize a region and put coal miners back to work through retraining and good jobs. It is tremendously gratifying to be more than just a company that sells products, but to also make an impact on people’s lives.”

“The Commonwealth of Kentucky provides an innovative company like EnerBlu with the resources and support necessary for success,” added Daniel Elliott, EnerBlu president and

CEO. "It has a highly skilled workforce with strong understanding of direct current (DC) power, complex machinery and robotics' operations in production environments. We appreciate the exceptional support we have been given by state government leaders and look forward to creating good-paying jobs for the state."

EnerBlu, established in 2015 through a collaboration between BRAC Global Automotive and Symlu, is an energy-storage provider focused on electric transportation, PV hybrid microgrid, power grid and genset hybridization.

The company provides research, development and production of low-cost, high-performance LTO batteries. EnerBlu plans to supply batteries and other energy storage devices for industrial, automotive, defense and commercial applications in the US and internationally.

Its EnerBlu AESU is compatible with hundreds of thousands of US and NATO military generator systems, which will help to reduce fuel usage. In turn, that will lessen the need for dangerous military fuel-resupply missions.

EnerBlu executives anticipate growth of its zero-emission commercial truck, shuttle bus and school bus business. Electric school buses also will be equipped with vehicle-to-grid technology for emergency energy storage.

Sen. Ray Jones, of Pikeville, acknowledged the impact this project could have on Eastern Kentucky.

"EnerBlu is the exact type of company we need in Kentucky, especially in Eastern Kentucky," Sen. Jones said. "These quality jobs can help diversify our economy and keep our hard-working men and women from leaving our region. This investment will result in a real economic boost to our area. I look forward to seeing EnerBlu grow and prosper and am hopeful this will be a sign of more good things to come in Pikeville, Eastern Kentucky and our commonwealth."

Rep. Angie Hatton, of Whitesburg, said the project was a team effort.

"This announcement is the perfect early Christmas present for Eastern and Central Kentucky, and I cannot overstate how much it means to those of us in Pike County and the surrounding area," Rep. Hatton said. "I want to thank EnerBlu for making such a significant

investment in our community and giving hundreds of families a bright future to look forward to. I have been proud to work with our local and state economic development leaders to make projects like this possible and stand ready to do whatever else I can to build on the gains we have made.”

Rep. John Blanton, of Salyersville, said Kentucky is “open for business.”

“Since the GOP took control of the House a year ago, economic development has been the top priority of the House Majority Caucus,” Rep. Blanton said. “I am elated about the \$372 million dollar investment and nearly 900 additional good-paying jobs that EnerBlu Inc. plans to establish in Pikeville. Kentucky is open for business because enterprise entities around America are beginning to see the quality of people we have right here in the Bluegrass.”

Pikeville Mayor Jimmy Carter noted the significant scope of the announcement.

“This is a revolutionary announcement for the City of Pikeville and all of Eastern Kentucky,” Mayor Carter said. “It is the culmination of years of hard work by the Pikeville City Commission and many others. Pikeville is known as the ‘City that Moves Mountains’ and much like the Cut Through project, EnerBlu will change the landscape of Pikeville and Eastern Kentucky. With this project, we will continue to lead in energy production and provide high-quality jobs for a skilled and dedicated workforce.”

Lexington Mayor Jim Gray described the arrival of EnerBlu as a “win-win” for all of Kentucky.

“We look forward to the good jobs EnerBlu will create in Kentucky,” Mayor Gray said. “Lexington has a long history of partnering with its neighbors to the east. Partnerships between cities like Lexington and Pikeville are a win-win for all of us.”

To encourage the investment and job growth in the community, the Kentucky Economic Development Finance Authority (KEDFA) preliminarily approved the company for tax incentives up to \$27.5 million through the Kentucky Business Investment program for the Pikeville project and up to \$2.5 million for the Lexington location. The performance-based incentive allows a company to keep a portion of its investment over the agreement term through corporate income tax credits and wage assessments by meeting job and investment targets.

In addition, EnerBlu can receive resources from the Kentucky Skills Network. Through the Kentucky Skills Network, companies can receive no-cost recruitment and job placement services, reduced-cost customized training and job training incentives. In fiscal year 2017, the Kentucky Skills Network provided training for more than 120,000 Kentuckians and 5,700 companies from a variety of industry sectors.

An introductory video shown during today's event can be viewed at <https://youtu.be/vPTR8D5Jlsw>.

For more information on EnerBlu, visit [www.EnerBlu.net](http://www.EnerBlu.net).

Detailed community profiles for Pike and Fayette counties can be viewed at <http://bit.ly/PikeCoKy> and <http://bit.ly/FayetteCo>.

Information on Kentucky's economic development efforts and programs is available at [ThinkKentucky.com](http://ThinkKentucky.com). Fans of the Cabinet for Economic Development can also join the discussion on [Facebook](#) or follow on [Twitter](#). Watch the Cabinet's "This is My Kentucky" video on [YouTube](#).

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