



Memorandum

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

From: Gina Greathouse, EVP of Economic Development

Date: October 5, 2017

Re: Commerce Lexington Inc.'s
Economic Development Efforts

Please accept this notice requesting payment of the first *commitment* of **\$114,250** to Commerce Lexington Inc.'s Economic Development efforts for Fiscal Year 2017-2018. This payment covers the period from July 1, 2017-September 30, 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: 10/10/217
 Quarter: Q1

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	47
Animal Sciences	4
Business & Professional Services	55
Clean Technology	2
Life Sciences	18
Software & IT	16
Visitor Industries	44
Small Businesses	77

Clients Served - Company Age	
<1 Year	95
1 - 5 Years	45
5 - 10 Years	24
>10 Years	58
Unknown (Confidential)	15

Clients Served - Type	
Local Company	106
Regional Company	6
National Company	43
International Company	22
Minority/Female/Veteran Owned	57
Unknown (Confidential)	5

Client Meetings / Outreach	
Workshops / Training	869
Outreach	3
Initial Client Meeting	131
Follow-up Meeting	243
Existing Business Meeting	51

Project Meetings	
Initial Project Meeting	79
Follow-up Project Meeting	152

Outputs

Business Outcomes Per Client Served

Breakdown	Received Private Investment		Received Public Investment		Started Business		Relocated / Retained		Created New Jobs		Completed Training	
	%	###	%	###	%	###	%	###	%	###	%	###
Overall	100%	13	100%	8	100%	3	100%	1	100%	17	100%	8
By Industry												
Advanced Manufacturing	46%	6	50%	4	0%	0	0%	0	29%	5	0%	0
Animal Sciences	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Business & Professional Services	31%	4	38%	3	0%	0	100%	1	24%	4	0%	0
Clean Technology	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Life Sciences	0%	0	13%	1	33%	1	0%	0	6%	1	0%	0
Software & IT	23%	3	38%	3	0%	0	0%	0	18%	3	0%	0
Visitor Industries	15%	2	13%	1	33%	1	0%	0	12%	2	0%	0
Small Businesses	15%	2	0%	0	33%	1	0%	0	6%	1	0%	0
By Age												
<1 Year	15%	2	0%	0	33%	1	0%	0	0%	0	0%	0
1 - 5 Years	15%	2	25%	2	0%	0	0%	0	12%	2	0%	0
5 - 10 Years	23%	3	13%	1	0%	0	0%	0	47%	8	0%	0
>10 Years	23%	3	13%	1	0%	0	100%	1	12%	2	0%	0
Unknown Confidential)	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
By Type of Service Provided												
Workshops / Training	8%	1	0%	0	0%	0	0%	0	0%	0	75%	6
Outreach	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Initial Client Meeting	85%	11	88%	7	0%	0	100%	1	53%	9	0%	0
Follow-up Meeting	92%	12	88%	7	0%	0	0%	0	53%	9	0%	0

Jobs Created Per LFUCG Incentives This Quarter 181

Payroll Created Per LFUCG Incentives This Quarter \$ 10,593,419.00

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	-	-

Source: U.S. Census Bureau, 2016 Annual Averages

Average Wage of Lexington Jobs Created by Participating Clients \$ 70,212.00

Average Wage of non-Lexington Jobs Created by Participating Clients \$ -

Total Payroll of Lexington Jobs Created by Participating Clients \$ 1,144,645.00

Total Payroll of non-Lexington Jobs Created by Participating Clients \$ -

Number of Lexington Jobs Created by Participating Clients 525

Number of non-Lexington Jobs Created by Participating Clients 9

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. As this is the first quarter of the fiscal year, our team is making great progress on meeting our goals of new jobs and capital investment.

In this quarter, Commerce Lexington met with 41 existing businesses in our strategic targets. We worked with 42 companies interested in locating to or expanding in Lexington. Four companies came from out of town in Lexington for a site visit. We met with 56 site selection consultants and 55 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.

SUCCESES – Ten economic development projects were announced or received preliminary approval for incentives in this quarter. Nine of the projects were in Fayette County; these nine companies anticipate adding 213 new jobs and investing \$9.2 million in Lexington operations. The one regional project was the Toyota announcement; they will be investing over \$120 million in their Georgetown operation. Below are projects that were added to our New & Expanding list in the most recent quarter.

VeBridge expands Lexington operations - On July 13, Commerce Lexington Inc. joined VeBridge executives in celebrating the grand opening of their expanded facility. The company recently hired 10 employees due to their growth, and they anticipate adding an additional 10 jobs with an average wage of \$23,026 in 2017. Their expansion represents 40 percent growth in square footage. Founded in 1998, VeBridge provides enterprise content management (ECM) and business processes (BPM) to eliminate paper, unnecessary steps, and incomplete processes for businesses and organizations. No state or city incentives were received.

Fooji expands Lexington operations - On August 8, Mayor Jim Gray and Commerce Lexington Inc. joined Fooji executives to celebrate the grand opening of the company's new headquarters in Lexington announcing that Fooji has created over 41 new full-time jobs with an average wage of \$71,864 and 17 new part-time jobs in the last year. Founded in 2015, Fooji provides a patent-pending technology platform for brands that create unique and engaging fan experiences leveraging social media networks and on-demand delivery services. Over the last year, the company expanded into 6,000 square feet, converting the old Hurst Office Supply building into their corporate headquarters. The company received incentives through the Lexington Jobs Fund.

KITO U.S.A. breaks ground on expansion - On August 30, KITO U.S.A., a Japanese manufacturer of robotic welding equipment, broke ground on their expansion in the Blue Grass Business Park. Their expansion will create five new jobs with an average wage of \$34,320 for the company. They were the second business to locate in Commerce Lexington's business park in 1997 and have continued to grow their operation. No state or city incentives were received.

Blue Grass Stockyards holds grand opening - On September 8, Mayor Jim Gray and Commerce Lexington Inc. joined the Blue Grass Stockyards and other dignitaries in celebrating the grand opening of their new

state-of-the-art facility. The 232,000-square-foot facility, located off I-75 near the Kentucky Horse Park includes 40,000 square feet of office and retail space. Our team worked closely with the city and state on retaining this business in Lexington. This project was announced in 2016 and received approval for incentives in February 2016.

Toyota Motor Manufacturing, Kentucky announces major investment - On September 26, Toyota Motor Manufacturing, Kentucky announced they will invest \$120,960,000 in the Georgetown operation. The money will go toward technology that will expand the 2.5-liter engine production at the plant. TMMK currently produces 600,000 engines per year, and this investment will increase capacity by nearly 20 percent. It will not yield any direct new jobs, but the indirect and induced jobs will be positively affected. No state or city incentives were received.

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

- **Xooker, LLC** is a technology company that developed a mobile marketing app that helps small businesses reach customers with discounts. Xooker, LLC will create 100 new jobs with an average annual wage of \$50,980 plus benefits. Capital investment is estimated at approximately \$1.4 million in startup costs and lease. They received preliminary approval for the Kentucky Business Investment program in September.
- **AVENTICS Corporation** has been established in Lexington for over 50 years and manufactures fluid power products. They are adding three new production lines to diversify their products. The expansion will create 20 new jobs with an average annual wage of \$55,000 plus benefits and a \$860,000 investment.
- **Fusioncorp** – Fusioncorp, started in Lexington, is a web design and software development company that has created a new company, Gamefi, that will create 8 new, high-tech jobs with an average wage of over \$56,000 a year and over \$700,000 in capital investment.
- **Florida Tile** maintains its corporate headquarters in the Beaumont area of Lexington; they are the headquarters to a tile manufacturing company with production in Lawrenceburg. They are consolidating all professional positions to the Lexington operation. They are adding 12 new jobs with an average annual wage of \$82,825 and investing \$3.5 million in their operation adding another floor to their current footprint.
- **West Sixth Brewing** is a craft beer manufacturer. In this quarter, they received approval from the state for the Kentucky Small Business Tax Credit for investing \$14,700 and adding four new jobs with an average annual wage of \$36,712.
- **Old World Timber** is a manufacturer of reclaimed wood products. In this quarter, they received approval from the state for the Kentucky Small Business Tax Credit for investing \$14,240 and adding three new jobs with an average annual wage of \$24,086.

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 industrial sites for manufacturing/engineering projects. 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)

BEN has had many successes this quarter. The Academies of Lexington successfully launched in 3 of our high schools. Bryan Station, Frederick Douglass, and a Freshman Academy at Tates Creek High School.

The Academies of Lexington initiative 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 will create an emerging workforce prepared to compete successfully in the 21st century economy.

The schools are using career-themed academies, based on current workforce data, to lay a solid foundation for success in the classroom and the workplace and help close the skills gaps in our region. The model gives students an opportunity to choose a career path that aligns with current workforce needs that also best fits their personal interests.

An advisory board of over 40 local businesses from manufacturing, IT, healthcare, and professional services has been created to help advise the academy schools to ensure their pathways are relevant to the needs of the workplace.

We are also working with FCPS on an employability skills system that will be used in the academy schools to ensure the development of essential skills in our students.

This quarter, BEN board members representing both industry and post-secondary institutions, visited Nashville to explore and learn about the strategies, structures, and tactics that are producing real progress in education/workforce reform in their city. The agenda was structured to bring a high-level view of the systemic and broad-based transformation taking place in Nashville, including the extensive and deep engagement of the community in the effort.

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 also struggle with the stigma that vocational education has in our community and are working to change that.

We are meeting goals of continued awareness by our business community and our schools to ensure shared accountability of transforming education to meet the needs of our city. We are starting the process now of getting students more work based learning opportunities with businesses to help train the next generation of workers.

Bluegrass Economic Advancement Movement

Our team, along with Kevin Atkins, represents the Lexington region in the Bluegrass Economic Advancement Movement (BEAM). This quarter, BEAM Core Group members attended the Global Cities Initiative Cohort Working Session: Market Prioritization and Metropolitan Economic Partnerships at the

Brookings Institution in July. Selected by Brookings through a competitive application process, the BEAM Region joins seven other metros to produce a locally-tailored market prioritization assessment and a work plan. Several assignments will help the BEAM Region progress by applying new evidence-based methodology to prioritize international markets for high-potential economic relationships. Through assessments, the BEAM Region will identify existing and potential market connections, sector synergies, and growth trends.

During this quarter, the BEAM Region submitted Assignment #1: Identifying Sectoral Opportunities to define the BEAM Region sector specialization and determine how it aligns with global demand, utilizing FDI data, export data, and company interviews. During this time, BEAM members held several core group meetings and conference calls, and attended the Global Executives Breakfast Forum: "Landscape of Kentucky Trade and Investment," focused on the importance of boosting Kentucky's export growth and attracting foreign direct investment. Next steps include Assignment #2, identifying the markets that share similar sector specialization and that show potential for economic linkages.

Another initiative of BEAM is the Mergers & Acquisitions advisory committee. BEAM has convened a group of experts in the M&A space including investment bankers, lawyers, accountants, and business brokers to discuss how we can strengthen our economic development efforts in working with companies going through M&A. We held the second meeting on September 15 in Frankfort to discuss access to capital, incentives for M&A, succession planning, and identifying companies that are poised for M&A. All BEAM initiatives this quarter entailed two days in DC with the Brookings Institute; three in-person core group meetings in Frankfort; six conference calls with the core group and/or the GCI cohort; and six company meetings related to BEAM.

Minority Business Development

There were two successes this quarter. First, a small personal training firm the MBD has been working with for over a year, Synergy Coach, won the Commerce Lexington Minority Business of the Year Award. Second, a client closed an expansion loan that included real estate and the purchase of new equipment.

Small Business Development Center

This quarter the Bluegrass SBDC successfully assisted three companies in obtaining \$5.3 million in capital that created 22 jobs. In addition, we worked with a client on the submission of a funding proposal to the Access Loan Program for \$129,600. The proposal was presented to the full committee in early September. The project is expected to close in October.

Note from the Kentucky Innovation Network: Client numbers are reported annually based on data collected in the KYIN Annual Survey. These numbers will be reported in the Q2'18 quarter and announced publically at the 2017 SPARK Celebration event on Nov 2nd. Annualized data are stated as "n/a" in the current quarterly report.

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 41 existing businesses in this quarter for the first time in this fiscal year. 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 celebrated the grand opening of the Blue Grass Stockyards, which considered relocating to a surrounding county when they rebuilt their facility. The remainder of announcements did not discuss the option of leaving Fayette County.

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. In late September, our team sponsored and attended the Area Development's Women Forum in Chicago. This is one of the leading professional development forums, and our team heard from key site selection consultants on topics from RFIs to retention to incentives. The Forum provides top notch training, as well as the opportunity to market Lexington and the Bluegrass Region to 12 site selection consultants.

Commerce Lexington, along with our regional partners in the Bluegrass Alliance, participate in KentuckyUnited, which is the statewide marketing initiative that was formed to promote Kentucky as a great place to do business, as well as raise the state's awareness across the county. Our counterpart in Paris attended the event in Indianapolis in August, and our team attended the event in Chicago in September. These events give us the opportunity to build on relationships with site selection consultants as well as market Lexington and its attributes for their future projects.

Our team attended two regional conferences this quarter to assist our recruitment efforts: AutoVision and the Federal SBIR Road Tour. The AutoVision Conference, created by the Kentucky Automotive Industry Association (KAIA), showcases the future of the automotive industry from a variety of perspectives and provides access to the expertise of C-suite executives, industry leaders and other experts. The Bluegrass Business Development Partnership sponsored and participated in the 2017 Federal SBIR Road Tour; this conference draws companies that have secured or are interested in applying for federal SBIR/STTR grants through federal agencies. Both conferences were great opportunities for professional development and networking with existing and prospective businesses.

Successes and 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.

The Kentucky Innovation Network (Lexington Office) has collaborated with the Commerce Lexington team in recruiting efforts for three companies during the 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. The Kentucky Innovation Network has been actively involved for some time in efforts to save this program and to help with efforts to restructure the program.

Small Business Development Center

The SBDC participated in a site tour and a meeting with a out-of-town business owner in the process of starting a restaurant/winery in downtown Lexington. The SBDC and the MBD will continue to assist the client with the intention of using the Access Loan Program. The economic development team referred a Nicholasville-based businesswoman exploring a new product category “mixing water” that will be extracted from the spring where bourbon was first produced in Kentucky. The SBDC met with her to begin exploring feasibility. MBD referred a local business owner with a commercialized wearable technology seeking financing to support expansion and the SBDC is working with the client to explore export financing opportunities.

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)

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 Kentucky Innovation Network office completed **107 client meetings** – 35 meetings with clients that were new to the office and 72 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 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.

The KYIN-LEX and Commerce Lexington economic development team collaborate to facilitate **SPARK** – Lexington’s premier entrepreneurship focused education and networking series. During the quarter, the team designed, organized, and hosted two SPARK events: the **SPARK GSE Pitch Competition** (July 19) and the **SPARK BGA Case Studies Luncheon** (Sept 14). Both were high quality events that were very well attended. The SPARK GSE event featured teams from across Kentucky that had participated in the 2017 Governor’s School for Entrepreneurs program. The SPARK BGA event featured investors and leaders of portfolio companies from Lexington’s Bluegrass Angels investor group in a panel discussion format.

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 5 Across 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 companies, mentoring companies as they prepare for investment, educating companies about investment based financing, and managing logistics for screening meetings, member meetings, leadership team meetings, fund manager meetings, and diligence meetings. The BBBDP 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, launched its third **Entrepreneurs Bootcamp** during the quarter. Bootcamp is a 14-week program that teaches entrepreneurship and provides an entrepreneurship immersion 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 immersion 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 BBBDP and the Bluegrass Angels. The solicitation period closed on 19 Sept and applications have been distributed to the selection committee. Selected applicants will be invited to pitch to the selection committee and awardees will be announced at the Nov 2nd 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.

KYIN-LEX began work in July to plan the annual **Global Entrepreneurship Week** festivities in Lexington – GEWLEX 2017. The 2017 GEWLEX programming will take place Nov 13-19, and will include 17 events. Events will include educational and networking opportunities from each of the BBBDP partners and will aim to highlight Lexington startups and the organizations that support them.

Alumni and Student Engagement

Beyond the alumni and student engagement listed above by KYIN-LEX, 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, our team met with the UK Career Center to discuss ways we can continue to improve our partnership and receive an update on the university's efforts to place students into jobs. We also send out updates from various colleges and universities about opportunities including new partnerships and career fairs. We also are in the early stages of planning an event with UK's Director of Corporate Partnerships to build awareness of how our local companies can engage with the university, the students, and the alumni.

Small Business Development Center

Beginning in August, the SBDC refocused training offerings. In September, the SBDC developed and launched the first offering in the "Start Smart" training series and gave a presentation on entrepreneurship and business management to a group of UK business school students at Bluegrass Distillers. The students are working with Bluegrass Distillers through an internship program. Let's Talk Small Biz meetings were held in August and September. The Bluegrass SBDC uses KyBizInfo to connect with potential and existing business owners.

Challenges

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.

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 41 existing businesses that fell into all targeted sectors. From these meetings, we identified 13 companies that are interested in expanding their locations. Some were announced this quarter, including the companies mentioned in Q1, 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 provides a variety of assistance to startups in the Lexington area. See Q2 and Q3 for their overview of existing company assistance.

Small Business Development Center

During the July - September reporting period the Bluegrass SBDC had approximately 164 client meetings resulting in more than 376 hours of prep work and contact time to provide consulting services. Through our Grow Kentucky Economic Gardening program we assisted an existing manufacturer that has been in operation since 2005 delivering more than 10 hours of intensive consulting services.

Challenges

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.

Commerce Lexington – Please see the challenges addressed in Q1.

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

A new lender has been brought onto the Access Loan Program. The lender has pledged to assist emerging small businesses that need financing will provide valuable assistance moving forward. The MBD has worked on the issue for some time and now has a tool in place to assist participants that may have had a misstep in the past. Another success was a large loan to an existing woman-owned business retaining 25 jobs and eventually adding 6 more.

In July, the SBDC organized a visit from the SBA Office of Advocacy. While in town they made several site visits to connect directly with small business owners. Visits were made to Barrel House Distilling Company and Alliance Farm.

In August, the Bluegrass SBDC began planning the 2018 Minority & Women Contractor Training Program. We are working with Patrice Muhammad with LexTown Media Group to promote the program. A promotional campaign began in August.

MBD and the SBDC participated in the Minority Business Expo, exhibiting in the business resource center throughout the expo. In this quarter, the Bluegrass SBDC supported the LFUCG minority-training program for 3 events. The Bluegrass SBDC did a targeted promotion of the North/East Lexington Neighborhood MiniGrant, a program of Blue Grass Community Foundation, the North Limestone Community Development Corporation and Community Ventures, is funded through a grant from the Kresge Foundation. The goal of the grant is to encourage more inclusive community development and to fund neighborhood-based projects in the fields of art, culture, food, and health in Northeast Lexington. All projects should embody the concept of equity - defined as intentionally just and fair inclusion into a society in which all can participate, prosper, and reach their full potential.

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

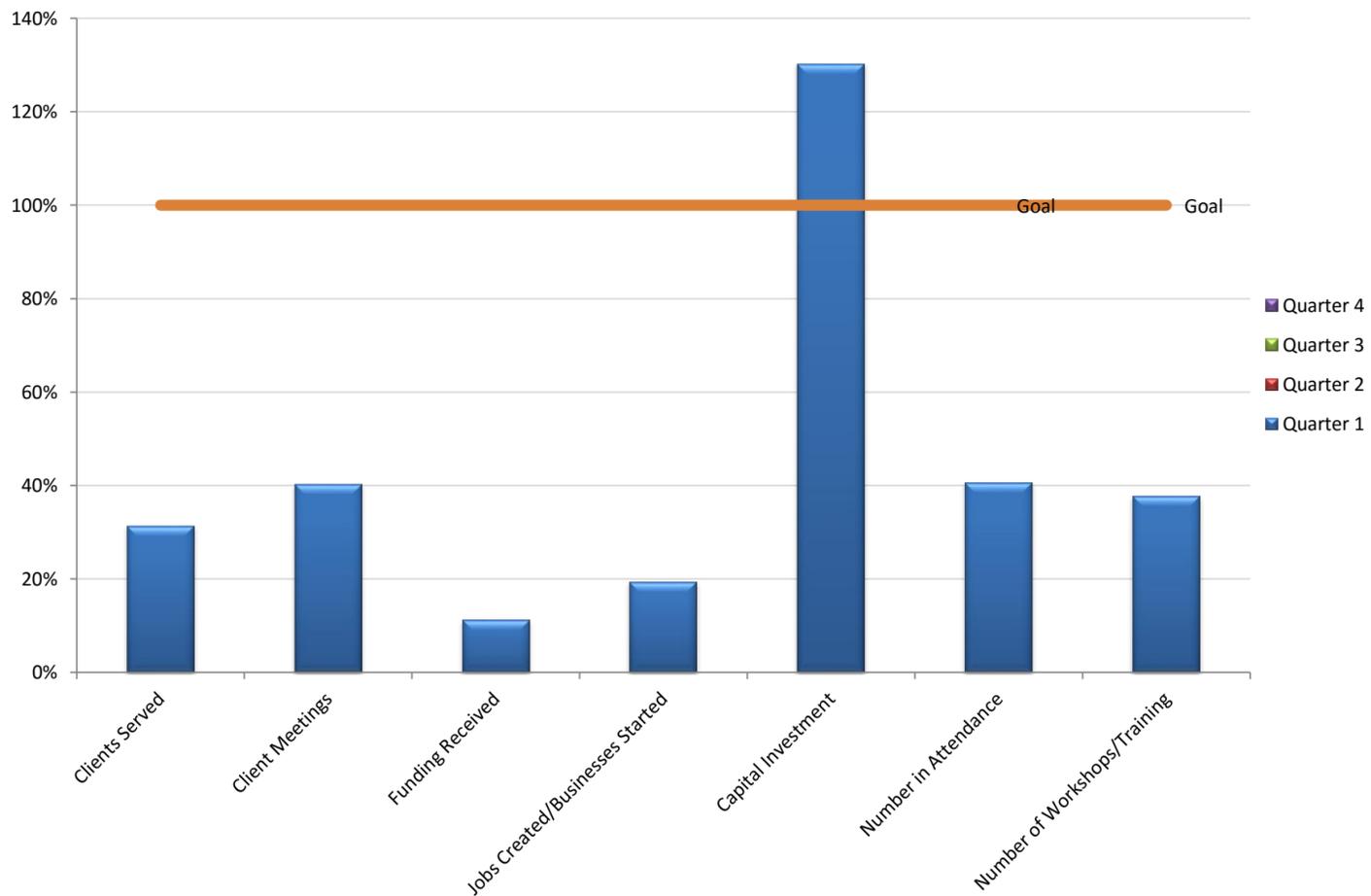


LEXINGTON



Fiscal Year 2017-2018

2017 - 2018							
	Goal	% Attained	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Bluegrass Business Development Partnership							
Clients Served	1,092	31%	342	0	0	0	342
Client Meetings	595	40%	239	0	0	0	239
Funding Received	\$ 78,650,000	11%	\$ 8,818,763	\$ -	\$ -	\$ -	8,818,763
Jobs Created/Businesses Started	1,273	19%	246	0	0	0	246
Capital Investment	\$ 100,000,000	130%	\$ 130,237,682	\$ -	\$ -	\$ -	\$ 130,237,682
Workshops/Training							
<i>Number in Attendance</i>	5,120	41%	2,076	-	-	-	2,076
<i>Number of Workshops/Training</i>	125	38%	47	0	0	0	47



Bluegrass Business Development Partnership

	2017 - 2018		Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
	Goal	% Attained					
Economic Development							
Clients Served	310	27%	83				83
Client Meetings	595		239				239
Funding Received	\$ 15,000,000	11%	\$1,588,000				1,588,000
Jobs Created/Businesses Started	1,000	21%	213				213
Capital Investment	\$ 100,000,000	130%	\$130,237,682				130,237,682
Workshops/Training							
<i>Number in Attendance</i>	1,325	19%	255				255
<i>Number of Workshops/Training</i>	34	9%	3				3
Workforce Development							
Clients Served	82						0
Training/Partnerships	150						0
<i>Students/Teachers</i>	100						0
<i>Businesses</i>	50						0
Minority Business Development							
Clients Served	170	31%	53				53
Funding Received	\$ 650,000	277%	1,800,000				1,800,000
Jobs Created/Businesses Started	15	207%	31				31
Procurement	\$ 550,000	9%	47,000				47,000
Workshops/Training							0
<i>Number in Attendance</i>	3,320	27%	887				887
<i>Number of Workshops/Training</i>	17	24%	4				4
Innovation and Commercialization							
Clients Served	280	38%	107				107
Funding Received	\$ 60,000,000						0
Jobs Created/Businesses Started	240						0
Workshops/Training							0
<i>Number in Attendance</i>	2,050	42%	859				859
<i>Number of Workshops/Training</i>	36	94%	34				34
Small Business Development Center							
Clients Served	300	33%	100				100
Funding Received	\$ 3,000,000	181%	5,430,763				5,430,763
Jobs Created/Businesses Started	18	11%	2				2
Workshops/Training							0
<i>Number in Attendance</i>	125	60%	75				75
<i>Number of Workshops/Training</i>	12	50%	6				6
Duplicates (Office Use Only)							
Clients Served	100		3				
Funding Received							
Jobs Created/Businesses Started							
Capital Investment							
Workshops/Training			4				
<i>Number in Attendance</i>	3600						
<i>Number of Workshops/Training</i>	48						

Economic Development
Fiscal Year 2017-2018

	2017 - 2018 Goal	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD	
Clients Served	310	83	0	0	0	83	
Prospects	150	42				42	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				41	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.
Client Meetings	595	239	0	0	0	239	
Face to Face Client Meetings	270	124				124	Total number of meetings with all clients, including multiple visit from recruitment projects and additional existing business visits needed.
Site Visits	25	4				4	Clients that visit Lexington
Site Selection Consultant Meetings	200	56				56	Meetings with site selection consultants with the potential to bring projects to Lexington.
Economic Development Partner Meetings	100	55				55	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.
Funding Received	\$15,000,000	\$1,588,000	\$0	\$0	\$0	\$1,588,000	
Incentives Received	\$15,000,000	\$1,588,000				\$1,588,000	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.
Jobs Created/ Businesses Started	1000	213	0	0	0	213	
Jobs Created	1000	213				213	Number of new jobs created in Lexington in the areas of manufacturing, distribution, headquarters operations, call centers, and high-tech start-ups.
Capital Investment	\$100,000,000	\$130,237,682	\$0	\$0	\$0	\$130,237,682	
Capital Investment	\$100,000,000	\$130,237,682				\$130,237,682	Expenditure in real estate, building renovations, equipment
Workshops/Training	Number in Attendance: 1325 Number of Events: 34	Number in Attendance: 255 Number of Events: 3	Number in Attendance: 0 Number of Events: 0	Number in Attendance: 0 Number of Events: 0	Number in Attendance: 0 Number of Events: 0	Number in Attendance: 255 Number of Events: 3	
SPARK 5 Across	600 12	255 3				255 3	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. SPARK and Awesome Inc. are proud to announce 5Across, an informal gathering of entrepreneurs, investors, and service providers from Lexington, KY. Each 5Across meeting will feature presentations from local entrepreneurs who will be pitching their idea to a panel of judges. 5 Pitches from different teams 5 Slides per pitch 5 Minutes per pitch 5 PM start time \$500 prize to the winning pitch
Geeks Night Out	150 2	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	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	Consortium of call centers and back office operations
Bluegrass Bio	30 2	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				23 3	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				28 2	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				115 1	Sponsorship or collaboration on various events including RunJumpDev, Shift, Start-up Advantage, Global Entrepreneurship Week, Startup Weekend, SBIR/STTR Workshops, undercover events.

Business & Education Network
Fiscal Year 2017-2018

	2017-2018 Goal	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD		
Clients Served	82	0	0	0	0	0		
Ford NGL - Awareness by Business	75	0				0	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	0				0	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				0	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.	
Training/Partnerships	150	0	0	0	0	0	0	
Students/Teachers Participating in Work Based Learning Opportunities (Based on Final NGL Plan)	100	0	0			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.
Businesses Participating in Work Based Learning Opportunities (Based on Final NGL Plan)	50	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							
Clients Served	170	53	0	0	0	53							
Minority	75	29				29	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				14	Scheduled visits with minority business owners to discuss jobs, new business, and overall company direction.						
Female	35	10				10							
Funding Received	\$650,000	\$1,800,000	\$0	\$0	\$0	\$1,800,000							
ACCE\$\$ Loan Program	\$650,000	\$1,800,000				\$1,800,000	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.						
Jobs Created/ Businesses Created	15	31	0	0	0	31							
	15	31		0		31							
Procurement	\$550,000	\$47,000				\$47,000	Procurement facilitated by Commerce Lexington staff and completed by MBE's.						
Workshops/Training	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	
	3320	17	887	4	0	0	0	0	0	0	887	4	
Toyota Opportunity Exchange	2000	1	0	0							0	0	Yearly event. Allow Commerce Lexington staff to canvass Tier-1 & Tier-2 Suppliers for opportunities
Opportunity Exchange	125	2	46	1							46	1	Local Bi-Yearly event that connect MBE's to opportunities with large companies
State of Kentucky/LFUCG Seminars	70	4	0	0							0	0	Information/Training sessions on benefits of Certification for MBE's
KCTCS/UK Supplier Diversity Fair	250	1	160	1							160	1	Seminar showcases departments & Procurement Opportunities for MBE's, WBE's, & DBE's
LFUCG Minority Business EXPO	450	1	680	1							680	1	Sponsored annual event.
SBDC/LFUCG Contractor Training	45	3	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.
TSMDC Business Opportunity Fair	350	1	0	0							0	0	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							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							
Clients Served	280	107	0	0	0	107							
New Clients	40	35				35	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				72							
Funding Received	\$60,000,000	\$0	\$0	\$0	\$0	\$0							
Federal Funds & KY State Funding Programs						\$0	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	Funding for startup companies provided by friends/family/founders, angel investors, and venture capital.						
Jobs Created/ Businesses Started	240	0	0	0	0	0							
Technology Based Job Growth	240	0				0	Full-time & part-time high-tech and non-tech hires.						
	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	
Workshops/Training	2050	36	859	34	0	0	0	0	0	0	859	34	
SPARK 5 Across	600	12	255	3							255	3	see ED tab. SPARK, formerly the Lexington Venture Club, is a joint initiative between UK and Commerce Lexington.
Bluegrass Angels	250	10	102	11							102	11	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							502	20	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

Small Business Development Center														
Fiscal Year 2017-2018														
		2017 - 2018 Goal	Quarter 1		Quarter 2		Quarter 3		Quarter 4		YTD			
Clients Served		300	100		0		0		0		100			
Clients that had counseling services with the SBDC.		300	100								100		<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>	
Funding Received		\$3,000,000	\$5,430,763		\$0		\$0		\$0		\$5,430,763			
Dollar amount and number of loans received or equity financing received		\$3,000,000	\$5,430,763								\$5,430,763			
Businesses Started		18	2		0		0		0		2			
Businesses started from counseling clients		18	2								2		<p>Businesses that are started as a result of SBDC counseling/consulting.</p>	
Workshops/Training		Number in Attendance: 125 Number of Events: 12	Number in Attendance: 75 Number of Events: 6	Number in Attendance: 0 Number of Events: 0	Number in Attendance: 75 Number of Events: 6									
Customers that attended training conferences at the SBDC		125 12	75 6	0 0	0 0	0 0	0 0	0 0	0 0	75 6	75 6		<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 & 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
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			
FY2005 Totals	\$24,896,300	689	\$40,937	211	623	\$893,978	\$136,119	\$62,500	\$14.30	\$16.48
FY2006 Q1	\$14,025,000	511	\$42,915	119	189	\$604,614	\$132,400			
FY2006 Q2	\$30,729,617	107	\$36,702	25	34	\$134,438	\$57,135			
FY2006 Q3	\$22,114,900	163	\$53,544	34	49	\$232,206	\$103,819			
FY2006 Q4	\$963,000	40	\$52,500	18	16	\$55,187	\$7,358			
FY2006 Totals	\$67,832,517	821	\$44,553	196	288	\$1,026,445	\$300,712	\$195,000	\$5.26	\$6.81
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	\$48,318	105	93	\$345,502	\$110,381			
FY2007 Totals	\$85,444,020	377	\$45,031	161	155	\$573,658	\$143,259	\$200,000	\$2.87	\$3.58
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	\$39,031	55	90	\$490,226	\$140,289			
FY2008 Q4	\$2,000,000	0	\$0	0	0	\$7,218	\$11,880			
FY2008 Totals	\$170,321,801	1043	\$37,016	137	209	\$1,176,192	\$414,608	\$621,000	\$1.89	\$2.56
FY2009 Q1	\$16,500,000	108	\$31,244	46	29	\$112,668	\$17,606			
FY2009 Q2	\$5,011,529	26	\$20,703	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			
FY2009 Totals	\$145,003,723	701	\$36,995	160	204	\$804,500	\$155,477	\$513,000	\$1.57	\$1.87
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	\$44,593	11	34	\$134,365	\$22,363			
FY2010 Totals	\$85,337,834	714	\$50,813	218	289	\$1,183,176	\$310,107	\$485,920	\$2.43	\$3.07
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			
FY2011 Totals	\$145,616,224	1733	\$36,757	479	400	\$2,073,358	\$520,099	\$485,920	\$4.27	\$5.34
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	\$43,124	190	111	\$391,176	\$92,108			
FY2012 Totals	\$164,641,769	1616	\$44,581	480	385	\$1,498,867	\$277,112	\$496,000	\$3.02	\$3.72
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	\$45,000	943	478	\$542,296	\$123,121			
FY2013 Totals	\$733,225,285	1,721	\$45,000	1,146	738	\$1,968,379	\$502,970	\$457,000	\$4.31	\$5.41
FY2014 Q1	\$5,367,505	162	\$64,043	38	50	\$317,905	\$48,227			
FY2014 Q2	\$60,295,936	244	\$56,729	59	77	\$423,717	\$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			
FY2014 Totals	\$83,635,681	807	\$59,832	245	246	\$1,499,733	\$235,919	\$457,000	\$3.28	\$3.80
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			
FY2015 Totals	\$146,981,045	1,073	\$48,032	303	396	\$1,399,973	\$766,202	\$457,000	\$3.06	\$4.74
FY2016 Q1	\$48,557,570	419	\$56,041	61	66	\$488,406	\$265,927			
FY2016 Q2	\$89,214,279	479	\$62,920	431	160	\$2,114,860	\$302,047			
FY2016 Q3	\$81,830,693	373	\$45,866	133	77	\$337,300	\$155,759			
FY2016 Q4	\$5,302,571	58	\$61,420	49	32	\$146,137	\$33,034			
FY2016 Totals	\$224,905,113	1,329	\$55,924	674	335	\$3,086,703	\$756,766	\$457,000	\$6.75	\$8.41
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	\$160,635	12	16	\$538,069	\$1,028,967			
FY2017 Totals	\$1,453,061,896	1,352	\$52,121	553	473	\$3,016,506	\$1,570,030	\$457,000	\$6.60	\$10.04
FY2018 Q1	\$130,237,682	213	\$43,534	192	120	\$467,543	\$93,880			
FY2018 Totals	130,237,682	213	\$70,212	192	120	\$467,543	\$93,880	\$457,000	\$1.02	\$1.23
FY2005-2018 Total	\$3,661,140,890	14,189	\$45,982	5,155	4,861	\$20,669,010	\$6,183,261			

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			

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
Suite 205
Lexington, KY 40507

Please contact Gina Greathouse at (859)226-1623 for more information.



FOR IMMEDIATE RELEASE

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Tech company Fooji expands Lexington headquarters, adding new jobs

LEXINGTON, KY. (August 8, 2017) – A Lexington-based technology company is expanding its operations to help global brands directly create on-demand experiences with customers and fans. Mayor Jim Gray and Commerce Lexington Inc. joined Fooji executives to celebrate the grand opening of the company's new headquarters in Lexington announcing that Fooji has created over 41 new full-time jobs and 17 new part-time jobs in the last year.

"Lexington's high quality of life is naturally attracting and growing creative tech companies like Fooji," Mayor Jim Gray said. "This is great news for Fooji, and for its hometown."

Founded in 2015, Fooji provides a patent-pending technology platform for brands that create unique and engaging fan experiences leveraging social media networks and on-demand delivery services. Over the last year, the company expanded into 6,000 square feet, converting the old Hurst Office Supply building into their corporate headquarters. Fooji also has offices in Los Angeles and Lisbon, Portugal.

"Fooji is proud to call Lexington, KY home," said Co-Founder and CEO Gregg Morton. "With the support of Commerce Lexington, Fooji was able to identify a new downtown headquarters and secure financing through the Lexington Jobs Fund, accelerating future hiring plans."

During a Fooji-powered brand marketing campaign, brands select an opt-in trigger that consists of a hashtag and emoji combination. Fans then share that trigger on social media to opt-in and receive a branded product delivered to them within 60 minutes. This unique method of fan engagement has been proven to drive valuable return on investment, including overall brand awareness and lift, increased ticket purchases for movie studios, higher streaming volume for networks and consistent product sales for Consumer-Packaged Goods (CPG) clients.

Fooji is currently used by companies such as ABC, Adidas, Amazon Studios, Budweiser, Disney, FOX, GSK, Paramount Pictures, Patron, Pepsi, Toyota, Turner Broadcasting, Verizon and Warner Bros. In 2017 alone, Fooji has secured its brand partners more than 1.4 billion earned media impressions and driven more than 1.6 million earned brand mentions equating to over \$30 million in earned media for their brand partners.



In May of 2017, Fooji closed a \$2.77 million round of Series A funding to help grow the team in other national offices. Since 2016, Fooji has brought more than \$3.6 million of venture capital into the Lexington startup community.

"Fooji's rapid growth and the wide embrace it has received from international brands employing its expertise speaks to the opportunities innovation-based companies can find here in Kentucky," said Terry Gill, secretary of the Kentucky Cabinet for Economic Development. "I congratulate Fooji on its Lexington expansion and look forward to its continued growth and success."

"Commerce Lexington Inc. is proud of Fooji's success and tremendous growth over the last two years," said Carla Blanton, Commerce Lexington Inc.'s board chair. "Our economic development team has enjoyed assisting the company through their site selection process as well as their workforce needs. Congratulations on your expansion."

For more information on Fooji, visit www.fooji.com.

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Lexington-Fayette Urban County Government

Jim Gray
Mayor

Sept. 8, 2017

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Susan Straub
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New Blue Grass Stockyards opens

A 70-year Lexington tradition, interrupted by a devastating fire in January 2016, will be back in business next week, as sales begin at the new Blue Grass Stockyards in Fayette County. Mayor Jim Gray, Councilmembers and members of the Blue Grass Stockyards family cut a ribbon to officially open the new facility today.

“This is a proud day in our city,” Mayor Jim Gray said. “This \$600-million-a-year business, with deep roots in our agricultural economy, is back, and will be open for business on Monday in a facility that sets new standards for the industry.”

Jim Akers, Stockyards Chief Operating Officer, said, “It has been a dream of Gene Barber’s for 20 years to have a one-stop shop for our customers. It is designed around the ease of our customers.”

Gene Barber and his brother, Larry, are second generation owners of Blue Grass Stockyards along with seven other partners, Eric Barber, Scott Bucher, Austin Paul, David Holt, Jim Dause, Brian Horn and Johnny Lakes.

“I’m so proud of the members of our Blue Grass organization, who have come together to build this facility, and I am thankful to our loyal customers,” Barber said. The ground-breaking for the facility was just over a year ago.

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Terry Gill, Secretary of the Kentucky Cabinet for Economic Development, said, “Blue Grass Stockyards is a pillar in the state's agricultural industry, and a major contributor to the Central Kentucky economy. Following the devastating fire, it is a triumph to see this new location open and operational. I look forward to the company's success long into the future.”

The 232,000-square-foot facility, located off I-75 near the Kentucky Horse Park includes 40,000 square feet of office and retail space. There’s a Regional Marketplace at the Stockyards featuring over 20 businesses, including Bromagen Commodities, a broker; the Chop Shop, a local meat market; a restaurant, clothing store and all kinds of services cattle farmers need. And there’s an exhibit space for everything from farm equipment to nutrition software.

The 192,000-square-foot barn is state-of-the-art. “We’ve put an emphasis on minimal stress for the cattle, and humane handling. It is also designed to be efficient and easy for farmers to get in and unload their cattle,” Akers said.

Mayor Gray said the business is very important to Lexington. “Blue Grass Stockyards is to cattle what Keeneland is to Thoroughbreds,” Gray said. “It is the biggest cattle market group east of the Mississippi River. Because of its sales volume, it effectively sets the cattle price structure for the entire Eastern United States.”

In 2015, approximately 106,000 animals were sold at the Lexington market, plus another 50,000 sold on-line out of the Stockyards offices in Lexington. Farmers were paid approximately \$200 million for that livestock. Altogether, at its seven locations in Kentucky and through on-line sales, the market sells about \$600 million in cattle each year.

“Commerce Lexington is proud to participate in the grand opening event for the new Blue Grass Stockyards facility,” said Carla Blanton, Commerce Lexington Inc. Board Chair. “The Blue Grass Stockyards, and the creation of the Regional Marketplace, is a true attribute for our city. Congratulations to the Stockyards on your new home.”



BUSINESS

Toyota announces \$121M investment in Georgetown plant

BY TREY CRUMBIE
tcrumbie@herald-leader.com

SEPTEMBER 26, 2017 2:20 PM

GEORGETOWN — The amount of money Toyota is pumping into its Georgetown plant continues to grow. The Japan-based automobile manufacturer announced a \$120,960,000 investment in the company's largest manufacturing plant Tuesday.

The money will go toward technology that will expand the 2.5-liter engine production at the plant.

Currently, the plant produces more than 600,000 engines a year. The new investment will increase the engine production capacity by about 108,000 a year, said Wil James, president of Toyota Motor Manufacturing, Kentucky.

No jobs will be gained from the Georgetown investment. The engines will be used in hybrid vehicles built in North America such as the Highlander Hybrid made in Princeton, Ind.

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The \$121 million announcement comes only a few months after Toyota announced it was putting \$1.33 billion in the Georgetown plant to make vehicles using Toyota New Global Architecture, a system designed to make the company more nimble in car development, build a new paint shop and update equipment.

Toyota has previously announced it plans to invest \$10 billion in the United States over the next five years.

“I don’t think it’s too surprising that we would get a fair amount of that investment,” James said. “We’re pretty elated about that because we do have such a dramatic impact on overall North American manufacturing.”

The investment will allow the Georgetown plant to be part of the growing development of hybrids, James said. Toyota has sold more than 10 million gas-electric hybrids worldwide since 1997, more than any other automobile manufacturer.

Toyota’s announcement is part of a nationwide \$373.8 million investment, which includes a \$115.3 million investment in the Toyota manufacturing plant in Buffalo, W.Va., a \$106 million investment in the Huntsville, Ala., plant and other investments in Tennessee and Missouri.

The Georgetown plant received the most money out of the five investments announced.

“This investment is part of our long-term commitment to build more vehicles and components in the markets in which we sell them,” said Jim Lentz, CEO, Toyota Motor North America in a news release. “This strategy is designed to better serve our customers and dealers, and positions our manufacturing operations to fulfill their needs well into the future.”

The Georgetown plant employs about 8,200 people and produces vehicles including the Camry sedan and the Lexus ES 350.

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