



Advance Lexington and the Bluegrass Region

# Economic Development Strategic Plan Recommendations

April 2011

Delivered to:

Commerce  
Lexington  
ECONOMIC DEVELOPMENT



Presented by:

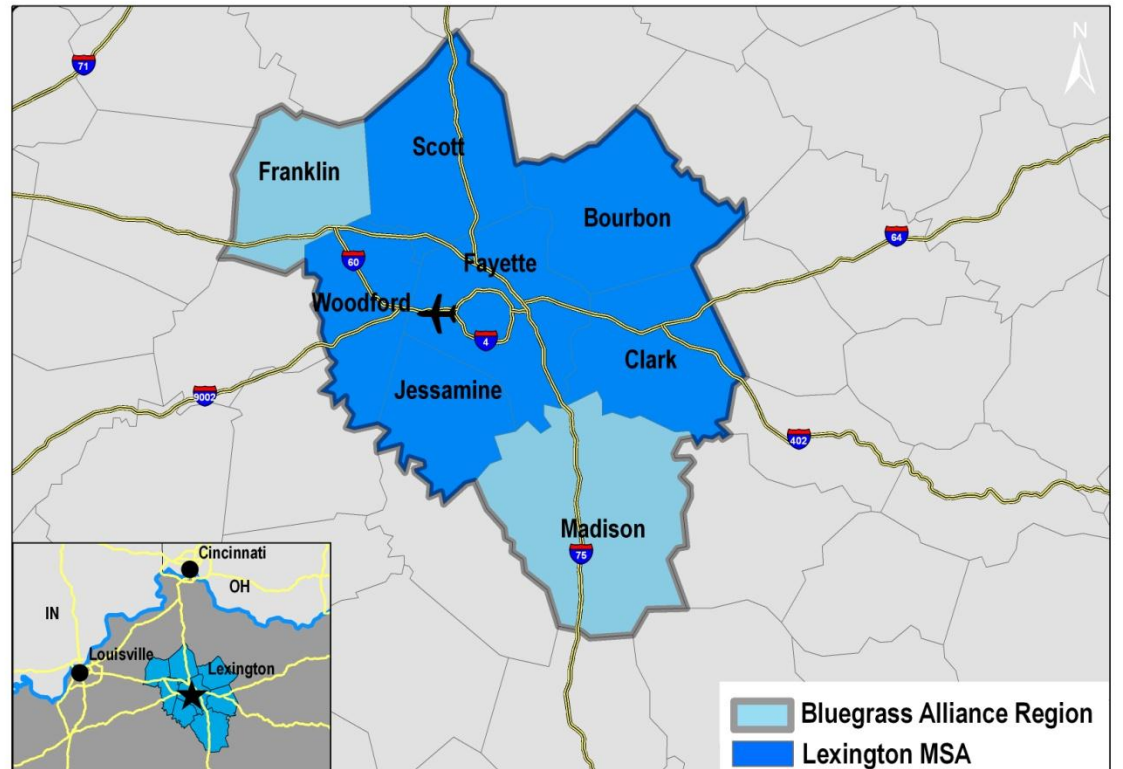
 **Angelou Economics**  
GLOBAL ECONOMIC DEVELOPMENT





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 **Angelou Economics**





## Foreword

AngelouEconomics is pleased to present the **Advance Lexington and the Bluegrass Region Economic Development Strategic Plan**. This document is the final phase of an economic development strategy for Lexington and the Bluegrass Region which lays out a road map for future economic development.

Many of the ideas and strategies for this plan came from the community and were synthesized with AngelouEconomics' extensive research on the Lexington and Bluegrass Region economy. It presents a set of specific, actionable recommendations focused on creating high-quality jobs and improving the overall quality of life of Lexington and the Bluegrass Region.

This strategy represents substantial input and feedback provided by the entire Lexington and Bluegrass Region community. Our sincere thanks to all the individuals and organizations who have participated in the creation of this plan. All of the Advance Lexington and the Bluegrass Region reports are available online at [www.AdvanceLexington.com](http://www.AdvanceLexington.com).

Thank you for your interest in **Advance Lexington and the Bluegrass Region**.





## Foreword

Since April 2010, AngelouEconomics has received input through interviews, focus groups and survey responses from over 1,100 citizens, the 30 member project steering committee, regional elected officials and businesses. The five phases of the **Advance Lexington and the Bluegrass Region** project are:

### Phase One: Lexington and Bluegrass Region Stakeholder Engagement

AngelouEconomics conducted an extensive public engagement process to identify the key challenges and opportunities from residents and businesses in Lexington and the Bluegrass Region.

- ✓ Conducted 10 Focus Groups from participants throughout the Bluegrass Region
- ✓ 1,130 Community and Business Survey responses from stakeholders throughout the Bluegrass Region
- ✓ Over 30 one-on-one interviews

### Phase Two: Market Assessment

This report is comprised of both qualitative and quantitative information. The qualitative – information gathered through surveys, focus groups and interviews – tells the story of what residents and businesses think about the community in which they live or work. The quantitative – what the statistics show – is often the perceptions seen by external businesses and site selection consultants.

- ✓ Established a baseline of demographic, economic, and workforce data to create an accurate analysis of the Lexington and Bluegrass Region economy
- ✓ Mapped assets; identified strengths, weaknesses, opportunities, and threats

## Public Input

- 10 Focus Groups with over 200 participants
  - Creative Economy / In2Lex
  - Education and Workforce Development
  - Quality of Life
  - Real Estate and Development
  - Minority Business Development
  - Business Community
  - Community and Economic Development
  - LFUCG Elected Officials
  - Bluegrass Area Development District
  - Bluegrass Alliance
- 1,130 Community and Business Survey Responses (online)
- Project Steering Committee with Representatives from:
  - Entrepreneurs
  - Young Professionals
  - Downtown Lexington
  - Major Employers
  - Target Industry Representatives
  - Minority Business Development
  - Commerce Lexington
  - LFUCG
  - Workforce Development
  - Education
- Over 30 one-on-one interviews
- Project website: [www.AdvanceLexington.com](http://www.AdvanceLexington.com)



## Foreword

### Phase Three: Target Industry Analysis

AngelouEconomics identified a set of target industries that match with the competitive advantages and economic needs of Lexington and the Bluegrass Region as well as complement the region's vision for its economic future.

- ✓ Identified 6 targeted industries and specific market segments
- ✓ Cost of operations model
- ✓ Target industry company list and high priority company profiles

### Phase Four: Reverse Site Selection and Organization Assessment

To assess the sales process of Commerce Lexington and partner organizations, and to evaluate the competitiveness of available sites, AngelouEconomics conducted a “mock” site selection process and client visit looking at potential sites in Lexington and the Bluegrass Region. AngelouEconomics also benchmarked Commerce Lexington versus other leading regional economic development organizations to evaluate overall organizational effectiveness, structure and outcomes.

- ✓ Evaluated sales process of the community and available sites
- ✓ Evaluated economic development organizational effectiveness, structure and outcomes

### Phase Five: Advance Lexington and the Bluegrass Region Economic Development Strategic Plan

The recommendations contained within this draft detail strategies and action items necessary to align economic and workforce programs and industry targets and improve Lexington and the Bluegrass Region's overall competitiveness and quality of life.

- ✓ Develop an implementable, actionable strategic plan and marketing strategy
- ✓ Complete roll out event for the Lexington community; provide ongoing support and annual scorecard event



## Foreword

Ultimately the success and implementation of this economic development strategic plan hinges upon four key areas:

1. **It must be collaborative and inclusive.** As identified in Mayor Gray's Transition Team report on economic development, it is extremely important for the region to speak with one voice. The most successful economic development organizations all have one thing in common: a strong partnership among the business community, government and higher education.

Lack of trust was frequently mentioned and observed during the interviews and focus groups associated with the development of this Strategy. It is a significant issue that impedes the Bluegrass Region's ability for achieving optimal economic performance.

Consequently, internal communications (within the region) may be as important as external marketing to the success of regional economic development efforts. It is recommended that a concerted and inclusive process be undertaken to create an efficient communications approach that communicates economic development goals and performance in a credible manner while at the same time more fully engages more members of the community in economic development.

2. **It must be regional.** High performing economic development programs are regionally based with active private and public sector leadership. Many companies are not as concerned with city or county boundaries as they are with labor sheds and suppliers. Lexington is credited with some regional efforts including the Bluegrass Area Development District and the Bluegrass Alliance. However, during the public input process many participants advocated for stronger regional economic development. The lack of trust among public sector entities was voiced as a concern, despite the good collaborative environment that exists among economic development practitioners.



## Foreword

- 3. It must be focused.** The most effective economic development programs are focused on growing and attracting employers within prioritized target sectors. This includes tackling significant barriers to business success and aggressively pursuing promising opportunities. Appropriate performance measures are agreed upon and closely monitored.
- 4. It must be funded appropriately.** Long-term dedication of a level of resources sufficient to implement economic development programs is required. The most effective programs use a blend of public and private sector funds and in-kind services. They also seek ways to creatively leverage regional assets and economic development partners in order to achieve greater success, reduce costs and optimize scarce resources.

*“I have lived in Lexington my entire life. I love this town. I believe that we need to update downtown and let the outside world (know) that Lexington is a great town to visit.”*

*- Resident Survey Response*





## Executive Summary

Commerce Lexington and the Lexington-Fayette Urban County Government (LFUCG) began this strategic planning process in April of 2010 with the intention of transforming economic development into higher levels of performance through a greater focus on priorities.

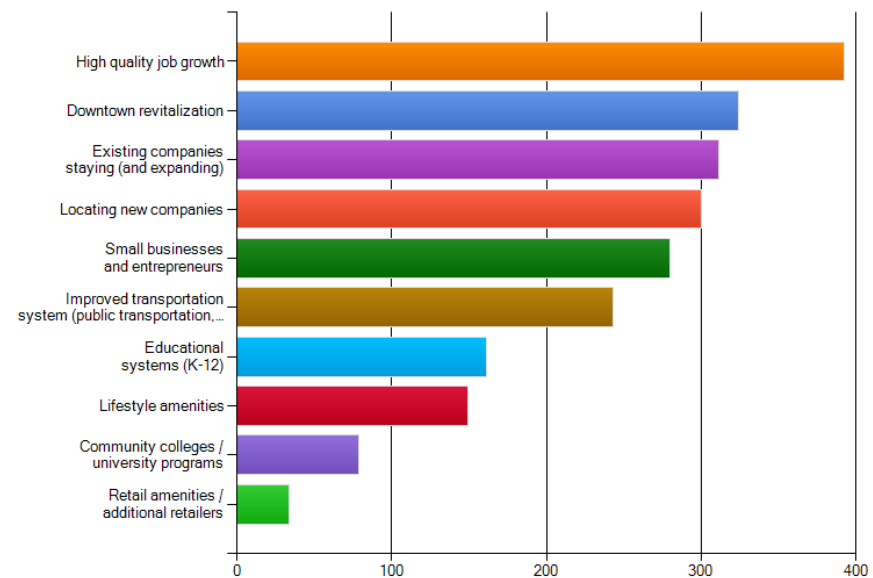
No longer content with the status quo, believing it to be insufficient to ensure the economic health of the Bluegrass Region, Commerce Lexington and LFUCG engaged AngelouEconomics of Austin, Texas to help identify the appropriate strategies to enhance the Bluegrass Region's economy and position it for future high-quality job creation.

AngelouEconomics has conducted over 200 economic development strategic plans and analyses. As an outside consultant the firm provides an experienced, independent and frank assessment to build upon the strengths and mitigate the challenges facing Lexington and the Bluegrass Region.

We received many different views on what the ultimate vision of this strategy should be. Five prevalent themes were identified.

1. **Generating and attracting high wage jobs.**
2. **Improved support to existing businesses, entrepreneurs and minority businesses.**
3. **Retaining more young people graduating from regional universities and secondary schools.**
4. **Improving and preserving Lexington and the Bluegrass Region's unique quality of life, including Downtown Lexington.**
5. **Fostering enhanced regional collaboration.**

What should be the top focus areas for economic development in Greater Lexington?  
(Choose up to three)



Source: Advance Lexington and the Bluegrass Region Online Community Survey



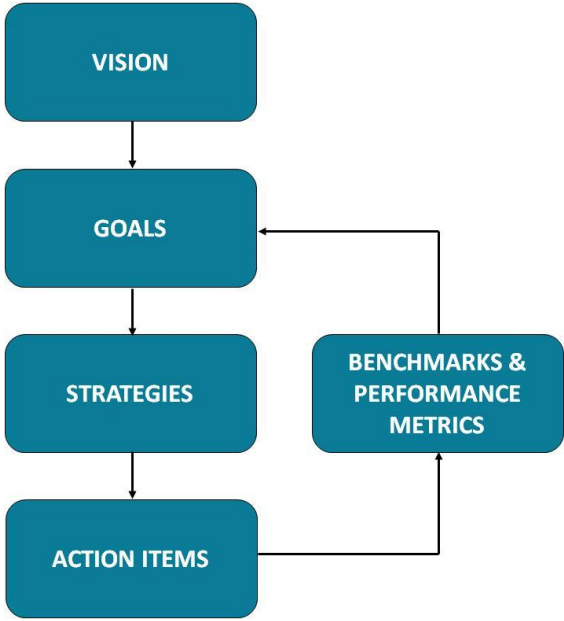


## Executive Summary

Based upon feedback received from the community and synthesized by AngelouEconomics, the following Vision Statement was developed. The **Advance Lexington and the Bluegrass Region** vision statement is vitally important and is the cornerstone of this Strategy. Regional leadership and community stakeholders must collaboratively work towards achieving this vision. No strategies or action item should be included that does not move Lexington and the Bluegrass Region toward achieving the vision. Long-term initiatives and regional decision making should be guided by this vision. Always measure performance and success in relation to this vision.

***“Lexington and the Bluegrass Region will be a dynamic and creative region, working together for an enhanced quality of life and a vibrant, sustainable economic future marked with prosperity and opportunities for all its citizens. Collaborative leadership, world-class education opportunities, cutting-edge innovation, and an unparalleled physical setting will make Lexington and the Bluegrass Region an extraordinary place to live, work, and visit.”***

### Process of Achieving the Advance Lexington and the Bluegrass Region Strategy





## Executive Summary

The Advance Lexington and the Bluegrass Region Strategy is Organized into Two Sections:

**Section A: Transforming the Lexington and Bluegrass Economy**, which focuses on seven goal areas directly targeted at solving key issues and maximizing opportunities which were identified and synthesized by AngelouEconomics during the public input process and independently derived through its own expertise.

**Section B: Marketing and Business Development Program**, which is organized around two topics: marketing and business development and sector based strategies (focused on the Target Industries previously identified in Report #2).

## Top 12 Priority Strategies

**Strategy 1.1:** Build upon the success of UK's Von Allmen Center for Entrepreneurship to become a nationally recognized hub of entrepreneurship training.

**Strategy 1.2:** Identify additional early stage funding opportunities.

**Strategy 1.3:** Provide a regional, annual forum for small businesses and entrepreneurs to help get their voices heard and engaged in developing annual policy recommendations.

**Strategy 2.1:** Brand UK's Coldstream campus to the multi-disciplinary nature of much of the leading research and development activities occurring at the campus.

**Strategy 3.1:** Build upon the existing private-public sector structure and programs and truly become a regional entity for economic development.

**Strategy 3.2:** Launch an internal communications strategy to raise awareness of the Bluegrass Region's economic development programs.

**Strategy 4.1:** Provide a reliable, predictable and consistent building permitting and development review process.

**Strategy 5.1:** Launch a Minority Business Accelerator Program.

**Strategy 7.1:** Increase the number of industry specific workforce development programs.

**Strategy 7.2:** Formalize and strengthen programs to retain talent in the Bluegrass Region.

**Strategy 8.7:** Carry out more sales missions and other collaborative "Golden Triangle" marketing initiatives in partnership with the Louisville and northern Kentucky marketing groups.

**Strategy 8.24:** Develop and communicate, both internally and externally, a Bluegrass Region brand while highlighting unique community facets/assets.



## Executive Summary

**Section A: Transforming the Lexington and Bluegrass Economy**, which focuses on seven goal areas directly targeted at solving key issues and maximizing opportunities which were identified and synthesized by AngelouEconomics during the public input process and independently derived through its own expertise.

This section of the Advance Lexington and the Bluegrass Region Strategic Plan comprises a set of strategies that are designed to enhance key economic development initiatives:

- Goal 1: Connect innovation across the region and foster a culture of entrepreneurship.**  
Entrepreneurship and small business growth will drive the future of the Lexington and Bluegrass Region's economy. Some significant resources are currently in place; however, there are gaps in the continuum of services. Entrepreneurs are often confused about where to start and the benefits of particular programs.
  
- Goal 2: Fully capitalize upon University of Kentucky and other higher education institution assets.**  
UK and other regional higher education institutions' economic impact goes well beyond the sizeable benefit of its research and technology commercialization as a provider of education and direct contributor of jobs, tourism spending, etc. Support of these institutions' basic missions are crucial in many ways to Lexington and the Bluegrass Region.
  
- Goal 3: Foster enhanced regional collaboration**  
Lexington and the Bluegrass Region's leadership must establish the proper framework that will align goals, build trust, and maximize cooperation among regional constituencies.



## *Executive Summary*

**Goal 4: Improve permitting and development review processes and increase the availability of real estate options for target industry companies.**

Providing a predictable, reliable and accountable permitting and development review process is critical to provide a business friendly environment attractive to companies within the target industries.

**Goal 5: Elevate minority business development programs.**

Aggressively close the gap between minority business owners' economic activity versus minorities' percentage of the overall population. Stakeholders interviewed described a significant challenge in finding appropriate resources and mentors when starting or expanding a business. There is a need to better connect minority business firms to the marketplace through an aggressive minority business development program.

**Goal 6: Clarify economic development roles and responsibilities.**

The best regional approaches throughout the U.S. are most often found within private-public collaborative efforts. The time is ripe to better engage the region in decision making through the creation of an autonomous regional economic development board.

**Goal 7: Better connect workforce development and education programs to employer needs.**

Job availability and career advancement opportunities were the most common issues raised through public input. Further evidence of the importance of this issue is seen in the region's struggle to retain graduates from its universities.





## *Executive Summary*

**Section B: Marketing and Business Development Program**, which is organized around two topics: marketing and business development and sector based strategies (focused on the Target Industries previously identified in Report #2).

### **Goal 8: Marketing and Business Development Recommendations**

An effective marketing program is essential to success in attracting, creating and retaining investment and quality jobs. A solid economic development marketing program with a wide-ranging scope is currently in place through Commerce Lexington. It is a partnership between the business community, higher education, and local government – the collaborative approach used by most top performing programs.

### **Goal 9: Industry Specific Recommendations**

Recommendations are provided for each of the six target industries. Principal market opportunities, assets/competitive advantages, and core marketing and business development initiatives to help grow investment and employment within these sectors.



## Implementation

### **Advance Lexington and the Bluegrass Region: Implementation**

Implementation is the most important factor in any strategic plan. Without effective and collaborative implementation, all the effort invested in developing this strategy will simply be wasted. An implementation matrix following the initial review of this **draft report** will identify roles and responsibilities, implementation timelines and budget considerations.

### **Recommendation: Develop an Advance Lexington and the Bluegrass Region Implementation Committee**

Sustainability for Advance Lexington and the Bluegrass Region lies in the ability of the partners to establish and support an implementation committee that oversees the plan's execution. Most of the strategies in this strategic plan can be accomplished through existing groups, so the implementation committee needs to include their representatives.

#### **Action Items:**

- Establish the formalized implementation committee.
- Gain commitment and buy-in from regional stakeholders.
- Host an implementation plan “Kick-off” where priorities are set and tasks assigned.
- Meet monthly to monitor progress in the first year, and quarterly afterwards.
- Prioritize as necessary.
- Consider creating working groups for each of the plan's goal areas.
- Launch an intranet portal where internal communication between stakeholders can occur. This will provide stakeholders with the ability to upload reports and status updates for consistent communication and collaboration.
- Develop an external online communication forum for the project and include social media components.

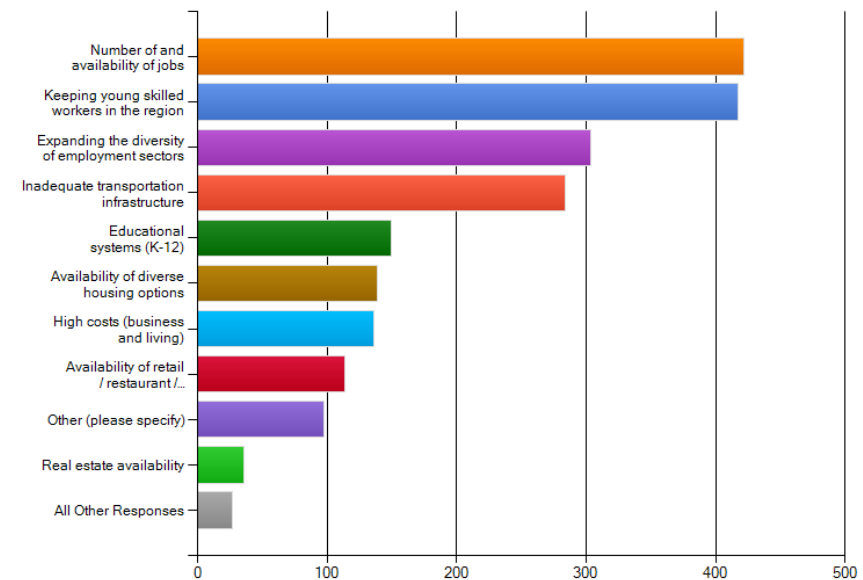


## Project Work to Date

The following summarizes findings of the previously released Market Assessment Report (full report available at [www.advancelexington.com](http://www.advancelexington.com)), which was based on extensive economic and demographic data analysis and substantial community input through interviews, focus groups and online surveys.

- **There must be a common understanding of the value of the various facets of economic development.** Many stakeholders expressed a scarcity of trust, understanding and communication between economic development partners and frequently noted the need for a collective vision.
- **Need to improve the minority business development program.** Commerce Lexington and the Urban League's recent Economic Inclusion Report found a significant gap between minority business owners' economic activity versus minorities' percentage of the overall population. Interviewed stakeholders described a significant challenge in finding appropriate resources and mentors when starting or expanding a business.
- **Need to create a culture of entrepreneurship that celebrates successes and accepts failure.** Many stakeholders described Lexington's undeveloped entrepreneurship culture as a significant barrier to enterprise development and innovation in Lexington.

What are the most significant challenges facing Greater Lexington as they work to improve job and economic growth? (Choose up to three)



Source: Advance Lexington and the Bluegrass Region Online Community Survey



## Project Work to Date

- **Need for a more organized and resourced effort focused on external regional marketing.** Commerce Lexington, Bluegrass Alliance and other economic development partners have made improvements in external marketing. However, for a region the size of the Bluegrass, much more needs to occur, requiring focused, proactive commitment of additional resources to spread the word about Lexington and the Bluegrass Region.
- **Commercial redevelopment and additional cultural amenities should be considered as a means to create a dynamic environment to draw and retain young professionals.** Redevelopment and revitalization of older commercial areas is an important component of the city's economic development efforts, especially as a tool to promote small businesses and attract and retain young professionals.
- **High innovation indicators...need to further strengthen programs to capture spin off opportunities.** Although Lexington has a strong technology foundation, availability of capital and other resources for emerging start-ups are limited although growing.
- **Lexington and the Bluegrass Region has an incredible opportunity to further leverage the significant amount of R&D occurring – if it is targeted to the specific targeted industries and available to the greater Bluegrass Region.** UK's Coldstream Research Campus presents a great opportunity to leverage the University's research faculty to work with private sector entrepreneurs.

***“We need an environment in which small, entrepreneurial businesses are seen as the lifeblood of the community. That means such businesses should be encouraged in the form of tax incentives and other state and local programs designed to develop and attract these companies here.”***

**- Business Survey Response**



# SWOT Analysis Key Findings

<p style="text-align: center;"><b><u>STRENGTHS</u></b></p> <ul style="list-style-type: none"> <li>• Highly educated workforce</li> <li>• Significant healthcare and life science assets</li> <li>• Rural landscape surrounding Lexington – unique natural beauty</li> <li>• Significant education cluster</li> <li>• Horse industry center and related services</li> <li>• Transportation access to national interstate infrastructure</li> <li>• Strong regional airport with additional regional flight options</li> <li>• Connections between education and employers (ex: healthcare)</li> <li>• Major tourism events related to equine industry</li> <li>• Unique industry base (Thoroughbred, bourbon, etc)</li> <li>• Excellent quality of life</li> <li>• Strong public schools</li> <li>• Vibrant artistic/creative community</li> <li>• Engaged private sector</li> <li>• Family oriented community</li> <li>• Central location close to major U.S. population centers</li> <li>• Low unemployment compared to state and nation</li> </ul>	<p style="text-align: center;"><b><u>WEAKNESSES</u></b></p> <ul style="list-style-type: none"> <li>• Need for a common understanding of the value of the various facets of regional economic development</li> <li>• Limited startup capital – start-ups look for funding outside of Lexington</li> <li>• Lack of developable and affordable land in Lexington</li> <li>• Mismatch between talent and job opportunities – losing talent to other cities</li> <li>• Small pool of upper management talent</li> <li>• Permitting process – not streamlined, multiple agencies involved</li> <li>• Low level of trust between the surrounding counties and Lexington-Fayette County</li> <li>• Need more science / math teachers</li> <li>• Not enough engineers being produced statewide to meet demand</li> <li>• Manufacturing workforce – younger generation is not interested, older generation is retiring</li> <li>• Limited community programs to re-train older workers – need transition support</li> <li>• Lack broad based approach to education – more than just 4-year schools, educate about options – kids and parents see 4-year only option</li> <li>• Need for improvements to the minority business development program</li> <li>• Transportation within the city – need more road connectivity and additional public transportation options</li> </ul>
<p style="text-align: center;"><b><u>OPPORTUNITIES</u></b></p> <ul style="list-style-type: none"> <li>• Enhancing entrepreneurship and innovation support programs (capital, networking and mentorship programs)</li> <li>• Leveraging Lexington’s significant cross-cutting industry opportunities in high growth industry sectors</li> <li>• Better communication of what kinds of jobs are available throughout the region</li> <li>• Improved development review process</li> <li>• Common understanding and vision for economic development</li> <li>• Expanded technical and vocational training programs</li> <li>• Leveraging the region’s significant healthcare and life science assets for continued job creation</li> <li>• Expanded air connections aligned to target markets (especially low-cost carriers)</li> <li>• Elevate the collaborative approach to marketing the entire region</li> <li>• Improved regional, external marketing with additional resources</li> <li>• Improved talent retention / attraction</li> <li>• Career tracking / training - help students identify what they’re good at</li> <li>• Educate graduates about the available resources for finding local jobs</li> </ul>	<p style="text-align: center;"><b><u>THREATS</u></b></p> <ul style="list-style-type: none"> <li>• Poor perception of state of Kentucky by site selection professionals</li> <li>• Limited air connectivity and potential expansion of low cost airlines in competing markets</li> <li>• Many of the major roads in Lexington are managed by the state Department of Transportation</li> <li>• Intra-regional distrust</li> <li>• Continued off-shoring of manufacturing</li> <li>• Numerous public sector entities in the region make collaboration a challenge</li> <li>• Tax structure inhibits regionalism on economic development projects</li> </ul>



## Project Work to Date

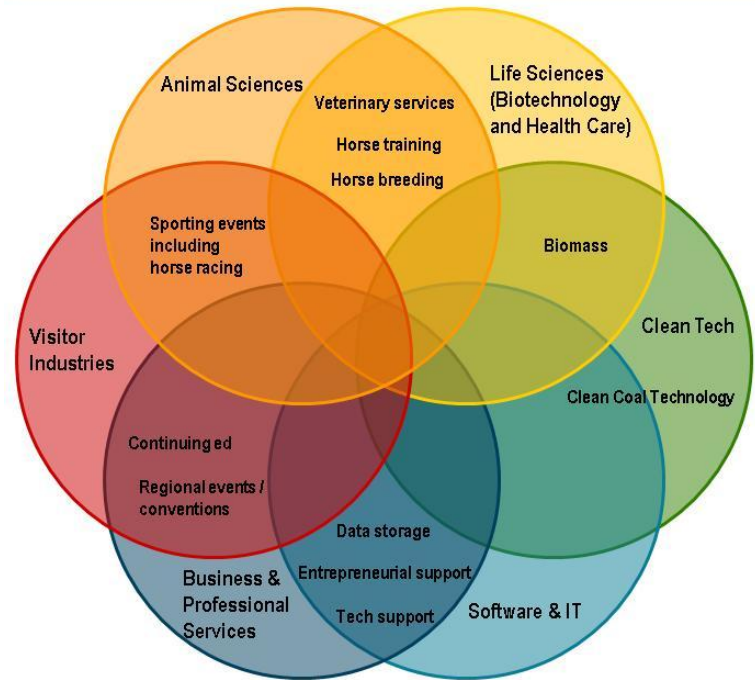
The following is a summary of the findings of the previously released Target Industry analysis. The recommendations contained in the Action Plan build upon the Target Industry analysis and Market Assessment findings.

At the conclusion of the target industry identification process, six industry targets stood out as the primary focus of business start-up, retention, expansion, and recruitment efforts for the city. They are, in no particular order:

1. **Clean Tech** (Fuel Cells, Clean Coal Technology, and Biomass)
2. **Software & IT** (Design and Digital Media, Gaming and Interactive Media, Technical Support and Data Storage Centers)
3. **Business & Professional Services** (Professional Services for Entrepreneurs, and Financial Services)
4. **Visitor Industries** (Cultural and Sporting Events, Conventions and Business Associations, and Continuing Education)
5. **Animal Sciences** (Training and Veterinary Services, Breeding, and Research and Development)
6. **Life Sciences** (Biotechnology, Pharmaceuticals Research and Development and Manufacturing, Medical Device Manufacturing, and Healthcare/Regional Services Center)

The recommended target industries complement Lexington's and the Bluegrass Region's existing asset base and will help create a diversified economy and high-quality jobs. The figure to the right highlights the target industries and some of the niche sectors.

### INTERRELATIONSHIP OF TARGETED INDUSTRIES



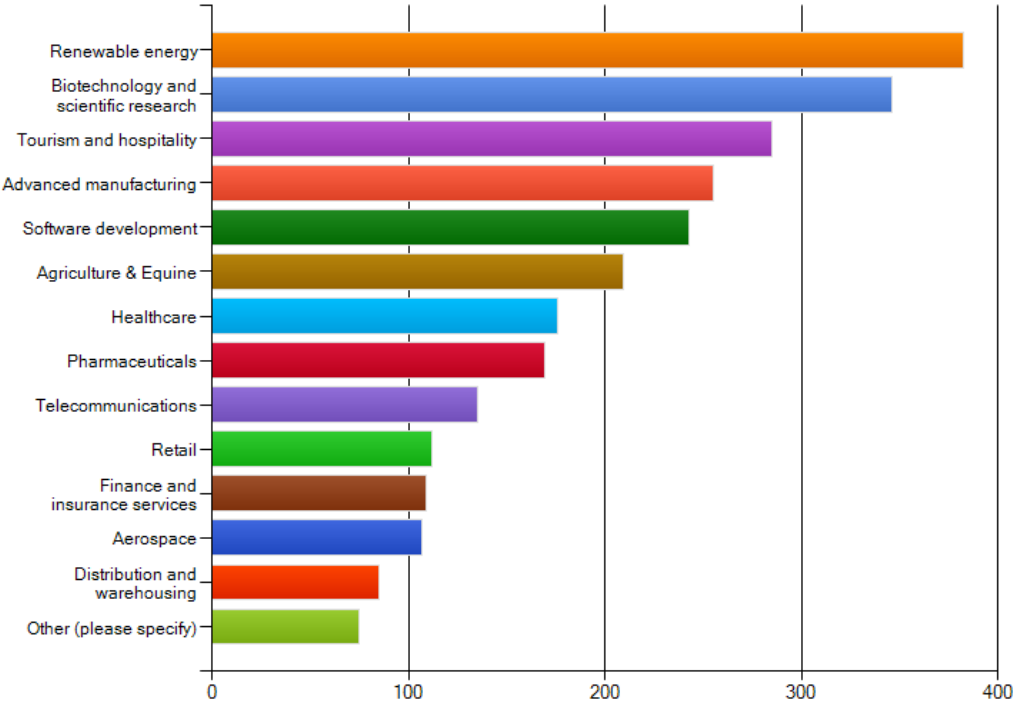


## Project Work to Date

Every region has a set of unique strengths and assets that target industry companies can leverage for success. These strengths can include such things as workforce skills, education assets, real estate and infrastructure, among many others. The challenge is to identify the key assets of Lexington and the Bluegrass Region that will support a diverse set of industries to grow, while improving the “product” of a region (e.g. quality of life, cost of business, education, etc).

One of the most important criteria when selecting target industries is if the industry matches the types of employers that community would like to have. In Lexington and the Bluegrass Region, focus group, interview, and survey data gathered by AngelouEconomics identified a strong interest in attracting renewable energy and biotechnology firms.

**What type of employers would you like to see expand or locate in Greater Lexington?  
(Choose up to three)**



Source: Advance Lexington and the Bluegrass Region Online Community Survey



## ***Goal 1: Connect Innovation Across the Region and Foster a Culture of Entrepreneurship***

Entrepreneurship and small business growth will drive the future of Lexington and the Bluegrass Region's economy. Some significant resources are currently in place; however, there are gaps in the continuum of services. Entrepreneurs are often confused about where to start and the benefits of particular programs.

### **Strategies within Goal 1:**

- 1. Build upon the success of UK's Von Allmen Center for Entrepreneurship to become a nationally recognized hub of entrepreneurship training.**
- 2. Identify additional early stage funding opportunities.**
- 3. Provide a regional, annual forum for small businesses and entrepreneurs to help get their voices heard and become engaged in developing annual policy recommendations.**
- 4. Create a Certified Entrepreneurial Community Program to elevate entrepreneurial training throughout the Bluegrass Region.**
- 5. Establish a dedicated funding source to elevate arts and cultural assets in Lexington.**





## ***Goal 1: Connect Innovation Across the Region and Foster a Culture of Entrepreneurship***

**Strategy 1.1: Build upon the success of UK’s Office of Commercialization and Economic Development to become a nationally recognized hub of entrepreneurship training.** Through this integrated support structure additional resources can be brought to bear to further facilitate entrepreneurial growth in Lexington and the Bluegrass Region. Ensure that this program becomes part of the day-to-day fabric of the Bluegrass Region’s entrepreneurial support network.

### **Action Items:**

- Offer a degree in entrepreneurship at UK and certification in entrepreneurship at Bluegrass Community and Technical College.
- The expanded center would manage the region’s incubator space.
- Create a regional information section specific to the Bluegrass Region connected to the state’s [www.KyBizInfo.com](http://www.KyBizInfo.com).
- List and clarify state and local entrepreneur support resources.
- Continue to engage additional entrepreneurs into existing support networks.

## **Best Practice**

### **IC<sup>2</sup> Institute - Austin, TX**



The IC2 (Innovation, Creativity, Capital) Institute, at the University of Texas at Austin is a “think and do” tank. The Institute’s global network centers on over 100 IC2 Research Fellows from a broad range of academic disciplines and institutional affiliations from the public and private sectors. The mission of the Institute is to enhance understanding of the processes of economic wealth creation and prosperity sharing. Over the past 20 years the Institute has accomplished its mission through creative and innovative research, education, and practices regional, national and global levels.

The IC2 Institute is a leader in distance education. The Institute’s innovative MS Degree Program in Science and Technology Commercialization is currently being offered simultaneously in Austin, TX and Washington, D.C.

The Institute has an international orientation and is providing infrastructure development consulting and training for many foreign countries.

The IC2’s Institute’s Austin Technology Incubator’s (ATI) metrics for success focus on accelerated technology commercialization, job and wealth creation, global linkages and research and education opportunities.



## **Goal 1: Connect Innovation Across the Region and Foster a Culture of Entrepreneurship**

### **Strategy 1.2: Identify additional early stage funding opportunities.**

This is a common problem for many regions trying to grow their entrepreneurial base. Limited access to capital was mentioned as a major barrier to entry for start up and high growth companies.

#### **Action Items:**

- Aggressively pursue with regional/state partners, the adoption of HB 448, which would help foster early-stage investment by creating a Kentucky Angel Investment Tax Credit Program, which would provide angel investors with a 40% personal income tax credit.
- Strengthen linkages between Lexington and the Bluegrass Region with Louisville and Northern Kentucky/Cincinnati angel investors. Share expertise on technologies and entrepreneurial development under consideration.
- Ensure that all regional economic development groups share information on national SBIR/STTR funding available to local, minority, small businesses, and aspiring entrepreneurs.
- Consider the creation of a “Certified Capital Company” program to jump start the creation and expansion of venture capital companies in the Commonwealth of Kentucky and the Bluegrass Region. ([www.capcofacts.com](http://www.capcofacts.com)).
- Consider legislation which would allow government pension funds to invest up to a ½ percent of their portfolio into local venture capital firms. Visit [www.texasahead.org/economy/sb275/tgf.html](http://www.texasahead.org/economy/sb275/tgf.html) or [www.businessweek.com/magazine/content/08\\_64/s0804016847709.htm](http://www.businessweek.com/magazine/content/08_64/s0804016847709.htm) for examples.

## **Certified Capital Company Programs**

Certified Capital Company (CAPCO) Programs are economic development programs intended to increase the flow of capital to local businesses and help develop venture capital infrastructures in underserved areas.

The goal of CAPCO programs is to strengthen local economies by:

- Stimulating the flow of capital to early-stage businesses that are unable to access traditional financing;
- Building venture capital infrastructure;
- Creating high-paying jobs; and
- Increasing tax revenues.

Nearly 20% of states across the country have chosen to use CAPCO programs as an effective economic development tool to encourage the growth of businesses in their jurisdictions. To date, CAPCO programs have been enacted and/or renewed a total of 28 times.

***“The lack of a true entrepreneurial infrastructure, including financing, is the greatest barrier to growth.”***

***- Business Survey Response***



## **Goal 1: Connect Innovation Across the Region and Foster a Culture of Entrepreneurship**

### **Strategy 1.3: Provide a forum for small businesses and entrepreneurs to help get their voices heard and engaged in developing annual policy recommendations.**

We heard from numerous entrepreneurs and small businesses that they feel their voices are pushed to the side. Many felt there was a need to continue a dialogue through this strategic planning process, and to rectify the perceived “elitist” attitude in the community.

#### **Action Items:**

- As part of the Mayor’s proposed CEO Roundtable, ensure small businesses and entrepreneurs, including minority business owners have seats at the table.
- Ensure small business and entrepreneurship are part of the region’s economic performance indicators.
- Consider establishing an annual Entrepreneur Town Hall event that includes entrepreneurs and small businesses. Develop annual policy recommendations to strengthen entrepreneurship.
- Continuously gather additional feedback from small businesses through an expanded Business Retention and Expansion visitation program. Report and follow up on additional findings.

### **Strategy 1.4: Create a Certified Entrepreneurial Community Program to elevate entrepreneurial training throughout the Bluegrass Region.**

#### **Action Items:**

- Travel to Asheville, NC to meet with the AdvantageWest team to learn more about their Certified Entrepreneurial Community program.
- Establish an entrepreneurship task force that will create a training curriculum and certification program.
- Market the program throughout the Bluegrass Region.
- Ensure ongoing training and re certification.

## **AdvantageWest, NC - Certified Entrepreneurial Community Program**

Chartered in 1994, the AdvantageWest Economic Development Group is a non-profit, public-private partnership that serves the 23-County region of western North Carolina as the regional economic development commission. AdvantageWest developed the Certified Entrepreneurial Community (CEC) Program, an innovative economic development strategy that helps communities become “entrepreneur ready”.



For a community to be designated with the CEC certification, it must undertake an intensive process that typically lasts between 18 months and two years, engaging community leaders from the public and private sectors

In order for a community to receive CEC certification, the community must prepare and present a comprehensive book detailing the work above including goals and metrics they set forth on behalf of their respective community. The book and the process are then reviewed by a certification review committee.

The CEC Program provides certified communities with a full range of support from AdvantageWest (training, signage, grant opportunities, and youth engagement) and gives them a marketable asset that can help them promote small business growth. Perhaps equally as important, the process of CEC certification strengthens relationships and builds a collaborative spirit amongst local community and business leaders.



**Goal 1: Connect Innovation Across the Region and Foster a Culture of Entrepreneurship**

**Strategy 1.5: Establish a dedicated funding source to elevate arts and cultural assets in Lexington.**

Arts and culture in Lexington and the Bluegrass Region are pillars of the region’s economy and significant drivers to the region’s tourism base. Like most regions, funding for arts & culture initiatives is limited. However, a key to improving the overall quality of life and making strategic improvement in the Bluegrass Region’s tourism is enhancing the opportunities and investment for arts and cultural amenities. The Bluegrass Region has a rich arts and cultural asset base, but further investment could be made.

Enhancing arts and culture assets and programs will have a direct impact on improving Lexington and the Bluegrass Region’s overall quality of life and economic competitiveness. Desirability and livability are those unique characteristics that differentiate a region. Additionally, the location decisions of corporations are increasingly driven by a region’s quality of place (in addition to labor, real estate and proximity to markets) because quality of place attracts well educated workforces. In short, regions that offer desirable quality of life amenities have competitive advantages over those that do not.

**Action Items:**

- Consider the creation of a dedicated arts and culture fund similar to the San Francisco Fund for the Arts program found to the right.
- Create an arts and culture task force with strong business community support to determine/lobby specific funding needs. This task force could become an advisory group to determine annual allocations and better connect arts and culture groups.
- Ensure specific investments are made in facilities and promotion of Lexington and the Bluegrass Region’s cultural assets.

**San Francisco Fund for the Arts  
San Francisco, CA**



Through a combination of State and City Legislation, Grants for the Arts/San Francisco Hotel Tax Fund (GFTA) was established in 1961. The goal of the fund is

to contribute meaningfully to the presentation and enhancement of existing art forms while assuring the ability of others to experiment and to find new, as yet untested ways of adding to the city’s cultural panorama. Its policy is to support the general operating expenses of arts organization without limit on the number of years an organization can be awarded grant funds.

Through a portion of its hotel tax, GFTA distributed nearly \$8.9 million to 220 groups and activities throughout the San Francisco area in 2009. These funds were used to support such programs as the oldest continuously running ballet company in the United States, an internationally acclaimed symphony, and an array of arts and cultural festivals throughout the year.

***“Arts & Culture needs to be recognized as an economic driver for Lexington.”***  
***- Quality of Life Focus Group comment***





## Goal 2: Fully Capitalize Upon University of Kentucky and Other Regional University Assets

The University of Kentucky's economic impact goes well beyond the sizeable benefit of its research and technology commercialization. It is also one of the largest employers and has a major economic impact on tourism spending. Support of it and other regional higher education institutions is crucial to the economic vitality of Lexington and the Bluegrass Region.

A special strength of University of Kentucky, with its bold vision to become a top 20 research university, is that top-notch research is conducted within many different colleges and departments including Medicine, Agriculture and Engineering, to name a few.

Many technologies emanating from UK involve convergence of different disciplines. For example, UK's Center for Clinical and Translational Science (CCTC) is interdisciplinary and brings together various expertise to evaluate and develop innovations. Their Therapeutic Advisory Panel can expedite the development of new drugs and has the capacity to produce FDA-registered design and manufacturing of sterile products.

### Strategies within Goal 2:

1. **Brand UK's Coldstream campus to the multi-disciplinary nature of much of the leading research and development activities occurring at the campus.**
2. **Capitalize upon UK's Center for Applied Energy Research and its leading Advanced Agriculture Research programs.**
3. **Work together with the state as a whole to help elevate UK research programs.**
4. **Create a Regional Higher Education Council.**

## Colleges & Universities in the Bluegrass Region

Asbury University  
Berea College  
Bluegrass Community & Technical College  
Eastern Kentucky University  
Georgetown College  
Indiana Wesleyan University  
ITT Technical Institute  
Kentucky State University  
MedTech College  
Midway College  
National College  
Spencerian College  
Strayer University  
Sullivan University  
Transylvania University  
University of Kentucky  
University of Phoenix

***"I think UK is important to all growth. Build a strong research university and companies will come here to take advantage of the new opportunities and skilled talent."***

***- Resident Survey Response***



## Goal 2: Fully Capitalize Upon University of Kentucky and Other Regional University Assets

### Strategy 2.1: Brand UK's Coldstream campus to the multi-disciplinary nature of much of the leading research and development activities occurring at the campus.

UK's Coldstream campus provides significant benefit in facilitating ongoing research and development off site from UK. However, the Coldstream "brand" can be better developed and focused one of UK's main research strengths – its integrative approach across colleges and departments to solving problems and supporting commercialization of new technologies. There are multiple areas of research strength and growing collaboration. Biotechnology is one such area and represents the largest concentration of companies at Coldstream. The pharmaceutical development/manufacturing, industrial/energy and Animal Science segments are also significant.

#### Action Items:

- Explore expanding collaborative marketing with Commerce Lexington. As their target sectors are congruent, cost sharing can occur, since Coldstream provides a valuable inventory of large real estate parcels in a research park setting.
- Aggressively pursue global business enterprise opportunities in conjunction with Kentucky overseas representatives.
- Continue to emphasize sustainability and LEED certification in the design and construction of facilities with the vision of becoming a world-class research park.
- Provide the continuum of services necessary to enable locally-generated technology entrepreneurs to successfully transition from incubators to Coldstream sites and buildings.

## Cummings Research Park Huntsville, AL

Ranked as the 2<sup>nd</sup> largest research and technology park in the U.S. and the 4<sup>th</sup> largest in the world, Cummings Research Park (CRP) is a model for transforming research into business success. With a vibrant mix of Fortune 500 companies, local and international high-tech enterprises, US space and defense agencies, a thriving business incubator, and competitive higher-education institutions, CRP is the high-tech center of the Huntsville region. CRP owes much of its success to the synergies created between corporate, government, and academic research interests through the co-location of anchor tenants such as the University of Alabama – Huntsville, several national space/defense research institutes, and dozens of corporations. Key industries that have a research and development presence at CRP include: software design, engineering services, aerospace & defense, computers & electronics, research & development, and biotech.



In addition to the research and technology development that has formed the foundation of the park, CRP is also home to the Bridge Street Town Centre, a 2.1 million sq. ft. mixed-use development that features over 70 upscale shops and restaurants, the 210-room Westin Huntsville Hotel with 74 luxury residential condominiums, a 14-screen Monaco Pictures and a six story office tower. The addition of Bridge Street Town Centre should help CRP remain an attractive location for the expansion and relocation of research and technology employers.



## ***Goal 2: Fully Capitalize Upon University of Kentucky and Other Regional University Assets***

### **Strategy 2.2: Capitalize upon UK's Center for Applied Energy Research and its leading Advanced Agriculture Research programs.**

The multidisciplinary nature of the University of Kentucky's Center for Applied Energy Research provides a strong foundation for further research into renewable and traditional energy. It is doing innovative work in diverse segments of the energy field including carbon capture and sequestration, advanced battery development, biomass, and algae.

#### **Action Items:**

- Support the establishment of additional endowed professorships in important research areas such as solar, clean coal technology, biomass, algae, etc.
- Leverage the acumen of regional private sector companies, such as Alltech, to create additional adjunct professorships.
- Seek to become one of the leading global centers in research linked to Kentucky's traditional and renewable energy strengths.

### **Strategy 2.3: Work together with the state as a whole to help elevate UK research programs.**

Although UK has attracted significant research and development dollars and has advanced as a leading research institution, the university still only ranks 50<sup>th</sup> in the nation (37<sup>th</sup> among public institutions) with plenty of room for further growth.

#### **Action Items:**

- Work with UK to attract and retain research talent.
- Continue to strengthen connections to locally headquartered corporations through adjunct professorships, research grants, internships and mentorships.
- Work with UK to advocate for a fund that could be accessed to help match federally funded grants. The state fund should also be competitively granted, not an allocation per University. A tool like this could be highly useful as UK continues to beef up its federal research expenditures.



## ***Goal 2: Fully Capitalize Upon University of Kentucky and Other Regional University Assets***

### **Strategy 2.4: Create a Regional Higher Education Council.**

Continue strengthening communication and collaboration between the region's higher education institutions, economic development leaders, city/county governments and workforce providers within the Bluegrass Region. This approach is similar to Mayor Gray's Transition Team's recommendation of creating a Higher Education Roundtable; however at a larger regional level.

#### **Action Items:**

- Provide higher education top administrators and applicable department chairs with a "seat at the table" in future economic development initiatives.
- Establish collaborative partnerships to ensure the workforce needs of employers are shared with the universities and that a process is in place for the universities to evaluate those needs. The dialogue should also periodically address clusters of graduates that could be better tapped by regional employers in order to retain more young people.
- Share information about research infrastructure and cluster support programs and identify significant gaps.
- Seek to establish a regional higher education council similar to the best practice example to the right.

## **North Carolina Higher Education Council**

Within the 501 (c)(3) Piedmont Triad Partnership, a Higher Education Innovations Council has been established to cultivate collaboration between 20 two- and four-year postsecondary chancellors and presidents across the 12-County region.

The group meets quarterly to exchange information about program best practices, R&D initiatives, and faculty resources. The council has developed a cross-institution asset map of academic programs that support the region's target clusters and a gap analysis to determine potential new initiatives.

The council has reshaped enrollment policies to encourage students of one school to take advantage of learning opportunities of another. A regional, shared video conferencing system will be unveiled soon designed to provide real time learning opportunities for students across institutions.





### Goal 3: Foster Enhanced Regional Collaboration

#### WHY REGIONALIZE?

AngelouEconomics has identified a set of three conditions that affect communities as they work towards a regional approach that are also applicable to Lexington and the surrounding Bluegrass Region:

- 1. **The region already shares a workforce:** As identified in the first phase of this project, the labor shed for the region is intertwined. Nearly 48% of Lexington’s workforce lives outside of Fayette County.
- 2. **Competition is fierce:** The number of new company prospect projects has shrunk in recent years, and the landscape is now global. Each community in the region simply does not, by itself, have enough of the assets that are most critical to site selectors and prospective companies. By coordinating efforts, each stands to benefit from more labor, transportation, real estate, and natural (water, power) assets it can call its “own.” This means greater recognition in the global marketplace.
- 3. **Times are tight:** Working as a region will increase the Bluegrass Region’s market share and resource base, and will generate an increased amount of economic activity. Communities have to realize and take advantage of the economic payoff of regionalism: when Georgetown lands a new manufacturing firm, for example, that firm employs residents of Lexington, Frankfort and other communities. Companies located in other communities may become suppliers of goods and services to regional manufacturers thereby creating additional job opportunities, investment and tax revenue. In other words, when one community within the Bluegrass Region lands a new employer, everyone benefits.

*“The region, at least the contiguous counties to Fayette, must be involved with this process for a new plan to be successful.”*

**- Business Survey Response**



## ***Goal 3: Foster Enhanced Regional Collaboration***

### **Strategies within Goal 3:**

- 1. Build upon the existing private-public sector structure and programs in order to truly become a regional entity for economic development.**
- 2. Launch an internal communications strategy to raise awareness of the Bluegrass Region's economic development programs.**
- 3. Enhance regional resource and information sharing of opportunities.**



### ***Goal 3: Foster Enhanced Regional Collaboration***

**Strategy 3.1: Build upon the existing private-public sector structure and programs in order to truly become a regional entity for economic development.**

The **Advance Lexington and the Bluegrass Region** project has reinforced the need for improved communication and collaboration among all economic development stakeholders in the Bluegrass Region.

As evidenced by the region's labor and commute sheds and supply base, the Bluegrass Region's economy operates across multiple political boundaries. The Bluegrass Region must work to better align resources throughout the region in pursuing key target industry opportunities. Working collectively as a unified region will bring greater assets to bear and expand the region's recognition in a very competitive marketplace. Most of the Bluegrass Region's direct competitors are already benefiting from the competitive advantages of a regional approach leveraging public and private sector resources.

The region must now move toward a more formal collaboration of business development efforts by creating a coordinated regional entity that serves and is accountable to the eight counties, with each county playing an active leadership role on the governing board. Board membership would consist of governmental, business, higher education and economic development representatives from each county that chooses to participate in a regional approach. The board will establish and guide the strategic direction of the regional program. This entity would become the primary external marketing agency engaging all regional assets and coordinating business attraction and expansion and potentially even entrepreneurship activities consistent with the roles played by most regional collaboratives.



### **Goal 3: Foster Enhanced Regional Collaboration**

While strong examples of economic development collaboration have occurred, particularly the Bluegrass Area Development District and Bluegrass Alliance, much more can be done to engage more people and resources in economic development and to integrate efforts to address existing industry and prospect needs.

Each individual community/county economic development organization, meanwhile, would remain the local economic development contact, engaging in more site- and incentive-specific duties, and operating under the larger regional umbrella group. Individual economic development organizations could still engage in generating economic activity for their own community (based on their own specific target industry niches). However, the overall regional marketing program should be coordinated by this umbrella regional marketing entity with active ownership, participation and decision making input of the entire Bluegrass Region’s private and public sector leadership and economic developers.

This model would require an expanded and refined regional economic development council. Successful regional economic development groups are generally partnerships between businesses, government, and higher education. Most have active business leadership in order to retain connectivity to the marketplace. They are often positioned under a chamber umbrella in order to help ensure business leadership and financial support. However, strong political leadership involvement is also critical with principal elected officials acting as the leading spokespersons. We recommend that the regional economic development council represent a cross section of the region with all counties represented and some board seats reserved for smaller communities to fill on a rotating basis.

As key organizations within the Bluegrass Region begin to work more closely together through this planning framework, a well-developed and communicated set of regional performance metrics will be critical to success. Regional collaboration among key organizations in this plan should become a part of their performance metrics.

***“We recommend that the Mayor initiate meetings to develop relationships & identify mutual goals & initiatives that may be pursued. Topics may include, over time, opportunities for a common Marketing/Branding of the Region, Tourism opportunities, further coordination of regional ED Professionals, regional Planning, needs of the private sector, etc...”***

***- Mayor Gray’s Transition Team – Economic Development Recommendation***





### *Goal 3: Foster Enhanced Regional Collaboration*

**Action Items:**

- Create a regional economic development board with governmental and business representation from each Bluegrass Alliance Region County.
- Collaboratively plan and implement a bold regional marketing program.
- Agree upon and monitor performance measures.



### ***Goal 3: Foster Enhanced Regional Collaboration***

#### **Strategy 3.2: Launch an internal communications strategy to raise awareness of the Bluegrass Region's economic development programs.**

Many stakeholders expressed confusion and a lack of knowledge about regional economic development efforts, despite a substantial amount of time and other resources dedicated towards communication. The communications measures and processes need to be reviewed and improved in a collaborative manner that involves LFUCG, Commerce Lexington and other interested parties. Internal marketing is just as important as external marketing.

#### **Action Items:**

- Establish a small task force to recommend improvements that will ensure greater understanding of programs and results. Ensure that an efficient communications process is implemented that is not wasteful of scarce resources.
- Host an annual regional economic summit to discuss results and top priority projects for the coming year and get buy-in.
- Establish a regional economic development speaker's bureau to widely communicate economic development programs, successes and engagement.



## ***Goal 3: Foster Enhanced Regional Collaboration***

### **Strategy 3.3: Enhance regional resource and information sharing of opportunities.**

The region has improved its business retention and expansion efforts, but it now needs to take the actions necessary to take it to the next level. Use this retention and expansion program to identify suppliers and value chain opportunities. A program like this must be regional in scope and information sharing must go across county lines.

#### **Action Items:**

- Ensure local economic development organizations throughout the region work to identify suppliers and value chain opportunities, as well as ratings of local services.
- Purchase business retention and expansion software such as Synchronist to analyze the gathered information in more depth. Help share this information, including opportunities, obstacles, trends, and gaps among the region's economic development groups and with governing bodies.
- Include the identified supplier firms within prospect lists.
- Ensure that the firms visited include a blend of large and small companies and that feedback received is used to help correct gaps or other deficiencies in the business support system.



## **Goal 4: Improve permitting and development review processes and availability of real estate options**

Providing a predictable, reliable and accountable permitting and development review process is critical in providing a business-friendly environment that is attractive to companies within the target industries.

### **Strategies within Goal 4:**

- 1. Provide a reliable, predictable and consistent building permitting and development review process.**
- 2. Consider providing reduced or abated development fees (building permit fees, inspection, tap fees) for strategic projects within the targeted sectors.**
- 3. Establish a Downtown Lexington Business Improvement District (BID) to finance enhanced marketing and business development programs in Downtown Lexington.**
- 4. Improve upon the availability of real estate options connected with target industry company requirements.**
- 5. Improve access to the Bluegrass Region through additional direct flight connections.**
- 6. Consider lobbying the Commonwealth to dedicate a portion of existing state sales or property tax revenue to create a \$5 million pool for local and regional economic development. (State level)**

***“The building permits process at LFUCG is extremely inflexible, hard to deal with and the process takes far too long.”***

***- Business Survey Response***





## ***Goal 4: Improve permitting and development review processes and availability of real estate options***

### **Strategy 4.1: Provide a reliable, predictable and consistent building permitting and development review process.**

AngelouEconomics conducted a focus group with the real estate and development community and several follow-up interviews with both private sector real estate representatives and developers, as well as LFUCG staff to explore deeper into the issue. Many of the developers and other businesses in the region expressed frustration with the permitting and development process. It was noted that many planning permission decisions are made at the political level instead of the administrative level and are highly unpredictable. AngelouEconomics recommends a thorough examination of the existing permitting process in Lexington and offers the following recommendations to improve the process.

#### **Action Items:**

- Create a brochure and website improvements that clearly articulate the permitting and development review process (include timelines, flowcharts and key staff contacts).
- Establish quarterly development review meetings with local government representatives and local developers to improve the understanding of regulations and to identify areas for improvement.
- Ensure that appropriate review processes are done concurrently and avoid duplication.
- Establish specific thresholds for determining when permitting decisions are made at an administrative versus political level.
- Some cities will grant permits if their review process extends beyond a certain time period. Consider establishing very specific timelines for response by LFUCG to development applications.

***“..establish a Commissioner of Planning, Preservation and Economic Innovation to help coordinate how the city balances increasing economic development with preserving the city's unique character and distinctive landscape. We think he should further strengthen how LFUCG creates an environment where business can thrive.”***

***- Mayor Gray's Transition Team – Economic Development Recommendation***



## ***Goal 4: Improve permitting and development review processes and availability of real estate options***

**Strategy 4.2: When existing budgetary challenges are overcome the LFUCG and other communities throughout the Bluegrass Region should consider providing reduced or abated development fees (building permit fees, inspection, tap fees) for strategic projects within the targeted sectors.**

To be eligible, the project must be within the six targeted industries identified in the Target Industry Assessment or be sustainable development, such as LEED certified buildings. Performance criteria could be established based on the number of jobs created and a “claw back” provision (ability to recoup the abatement) included if the company which occupies the facility is actually not within the six targeted industries, or does not meet its employment commitment.

### **Actions:**

- Communities throughout the Bluegrass Region should encourage growth of businesses within the six target industries by reducing or waiving inspection, tap and permit fees to incentivize businesses to expand or relocate to the region.
- The reductions or abatement of these fees is also recommended to be made available to developers who build spec development projects specific to one of the six target industries’ facility requirements.
- Include a claw back provision if lease agreements with developers are not with target industry businesses.



## ***Goal 4: Improve permitting and development review processes and availability of real estate options***

### **Strategy 4.3: Continue work to establish a Downtown Lexington Business Improvement District (BID) to finance enhanced marketing and business development programs in Downtown Lexington.**

Downtown Lexington is the living room of the region. A healthy, vibrant and active downtown environment is key to improving the region's product. Business Improvement Districts are a proven downtown economic development model providing downtowns with significant advantages. Working in conjunction with existing downtown businesses and organizations, Lexington Downtown Development Authority and the Downtown Lexington Corporation should continue to pursue the creation of a BID to provide ongoing strategic investments to aggressively advocate and promote Downtown Lexington.

#### **Action Items:**

- Continue to push forward the petition campaign for the BID.
- Have a significant lobby of supportive property owners participate in any public forums during the BID approval process.
- Establish a base level service agreement with LFUCG to ensure all services provided by the BID are above and beyond existing services and to provide a level of accountability that those existing services remain in place if a BID is approved.
- Schedule one-on-one meetings with elected officials to discuss the benefits of a BID and lobby for their support.
- Seek out support of other non-taxing property owners to gather voluntary contributions if support is there.



## **Goal 4: Improve permitting and development review processes and availability of real estate options**

### **Strategy 4.4: Improve upon the availability of real estate options connected with target industry company requirements.**

Commerce Lexington and the Bluegrass Alliance have developed a strong regional database of existing real estate options. However, some deficiencies were pointed out in the availability of land and building options desired by new and expanding companies within the target industries.

#### **Action Items:**

- Continue to update the regional database of industrial and commercial sites and buildings.
- Identify and prioritize any significant deficiencies in land parcel/building availability relative to target businesses' requirements in conjunction with the regional commercial real estate and development community.
- Dedicate financial resources, including the use of incentives, towards helping the development community address severe deficiencies in the availability of sites and buildings appropriate to the needs of businesses within the targeted industries.
- Emphasize sustainable building and development practices such as LEED certification and the sustainable use of building products and supplies.

### **Strategy 4.5: Improve access to the Bluegrass Region through additional direct flight connections.**

- Continue to work with regional airport partners in lobbying the Commonwealth to create additional incentives to attract air service providers to the Bluegrass Region.
- Consider updating the current airport traffic study to determine the potential for additional direct flights in key US markets with high concentrations of target industry companies.
- Aggressively seek out opportunities to expand flight connections to locations with high concentrations of the region's target industries.

***“There is a lack of airlines and convenient air routes to other parts of the world.”***

**- Business Survey Response**





***Goal 4: Improve permitting and development review processes and availability of real estate options***

**Strategy 4.6: Consider lobbying the Commonwealth to dedicate a portion of existing state sales or property tax revenue to create a \$5 million pool for local and regional economic development.**

Unlike many states, the Commonwealth of Kentucky receives much of the region’s local tax revenue, with some being distributed back to local governments. Creating a \$5 million pool dedicated to local and regional economic development use will expand local jurisdictions’ ability to support strategic investment.

**Strategy 4.7: Establish a local Strategic Projects Investment Fund targeted to help attract and expand strategically important businesses within the target industries.**

Many communities have created local incentive programs, such as a community investment fund, to attract/expand strategically important, employment-generating projects. Given LFUCG’s current budget challenges, this may be a longer-term strategy; however, it is important as many of the Bluegrass Region’s competitors are able to offer local incentives.

**Uses:**

- Business attraction (fixed assets and equipment, technical training and to serve as capital for a “closing fund” to complement existing incentives)
- Expansion of area businesses (machinery/equipment, facility improvements, technical training)



***Goal 4: Improve permitting and development review processes and availability of real estate options***

**Eligibility/Priorities:**

- Companies within the identified target industries
- Projects deemed “strategically important”
- An economic impact analysis should be developed for each project to identify the return on investment which should exceed 2:1 (projected tax revenues vs. incentive cost)
- Project creates or retains high-quality jobs (e.g. wages and salaries more than 100% of regional median income with employee benefits)
- Clawback provisions should be incorporated to help ensure accountability of expenditures
- We recommend an initial capitalization of at least \$250,000



## Goal 5: Elevate Minority Business Development Programs

### Strategy 5.1: Launch a Minority Business Accelerator Program.

Commerce Lexington and the Urban League's recent Economic Inclusion report found a significant gap between minority business owners' economic activity versus minorities' percentage of the overall population. Stakeholders interviewed described a significant challenge in finding appropriate resources and mentors when starting or expanding a business. Commerce Lexington's Minority Services Program has several initiatives underway with regional partners. Of note is the program's very successful Access Loan Program which connects minority businesses with the region's lending community. However, more can be done to better connect scalable minority firms to the marketplace while developing a more robust corporate procurement environment. Cincinnati's Minority Business Development Accelerator includes several effective initiatives which can be tailored to the Bluegrass Region. See the best practice case study to the right.

#### Action Items:

- Establish a corporate leadership group of regional corporate executives.
- Identify 5-7 minority businesses in the initial year of the program and provide them with intensive mentoring, capital and other assistance.
- Develop a set of performance criteria, mentorship teams and financial consulting.
- Launch a regional campaign with leading regional corporations to develop a pool of committed corporations that will facilitate new business contacts.
- Establish a task force comprised of interested parties from throughout the region to help plan and implement the program and monitor progress.

## Cincinnati Minority Business Accelerator



Cincinnati USA Regional Chamber's Minority Business Accelerator (MNBA) was formed in 2003 as a result of recommendations by the Cincinnati Community Action Now Commission in order to address disparity in the region's business community. The mission of the MBA is to accelerate the growth and development of sizable African-American and Hispanic owned businesses and expand the minority entrepreneurial community in the Cincinnati area. The MBA carries out its mission by addressing both the supply-side (the portfolio of minority owned businesses to which they provide management and financial consulting), as well as the demand-side (the identification and facilitation of business contracts with local corporations).

Currently there are 36 firms in the MBA portfolio, hiring over 2,500 workers, 40% of which are women or minorities. To qualify and to be invited as a member of the MBA portfolio, businesses must have annual revenues of \$1 million or more, have a business plan that indicates strong potential for accelerated growth in 2-5 years, be certified as a minority business enterprise by a third-party agency, and lastly have headquarters in the Cincinnati USA Region (3 states, 15 counties in southwest Ohio, Northern Kentucky, and Southeast Indiana). Benefits of membership in the MBA program include business-development services, access to procurement and capital opportunities, business support for mergers and acquisitions, and education and networking opportunities. Approximately 60% of the companies in the MBA portfolio have revenues less than \$10 million and 25% have revenues greater than \$25 million.



## *Goal 5: Elevate Minority Business Development Programs*

Establish a set of criteria for inclusion, considering the following parameters:

- Company must generate over \$500,000 annual revenue
- Over 5 full time employees
- Needs to be engaged in a value-added sector
- Certified as a minority business enterprise

Recommended services:

- Intensive corporate mentorship
- Access to a pool of capital
- Assistance with identification of and connection to procurement opportunities
- Education

While Lexington and the Bluegrass Region do not have the sheer volume and concentration of major multi-national corporations, there is still a very sizable existing company base that can be tapped into to help provide the funding, leadership acumen and time to launch such a program.





## ***Goal 5: Elevate Minority Business Development Programs***

### **Strategy 5.2: Establish a regional minority business certification program and regional database of certified companies.**

There are currently five organizations that certify a minority business (depending upon minority group ownership). Existing minority companies commented on the confusion associated with becoming certified. We recommend establishing a one-stop-shop for minority business development certification program within LFUCG's Minority Business Enterprise Program. This program should be made available to the entire Bluegrass Region and be interconnected with other regional government and service websites.

### **Strategy 5.3: Adopt a set of minority business development program performance metrics including growth in number of entrepreneurs and sales volume, to evaluate effectiveness.**

Recommended metrics are contained in the appendix of this report.



## Goal 6: Clarify Economic Development Roles and Responsibilities

The best economic development approaches throughout the U.S. are most often found within private-public collaborative efforts such as is found at Commerce Lexington, which given its broad business engagement and funding, is the most natural vehicle upon which to build and construct a stronger regional program. However, the regional effort can be independent or housed in a separate organization if viewed as a preferable alternative approach and alternative financing and staffing resources are identified. Clear delineation of public and private sector roles is essential for success. The widely cited perception of limited engagement and inadequate communication is a major barrier to further success.

### Strategies within Goal 6:

1. **Clarify and formalize roles and responsibilities of local/county economic developers and those of Commerce Lexington.**
2. **Clearly define the roles and responsibilities for LFUCG's economic development efforts.**

### INPUT RECEIVED FROM COMMUNITY & ECONOMIC DEVELOPMENT REPRESENTATIVES FOCUS GROUP

Strengths & Opportunities	Weaknesses & Threats
<ul style="list-style-type: none"> <li>• Relative size of city – accessibility</li> <li>• Location at the gateway to large energy reserves – coal, natural gas</li> <li>• Unique industries – Thoroughbred industry, bourbon industry</li> <li>• Creative / entrepreneurial class</li> <li>• Excellent Quality of Life</li> <li>• Strong public schools</li> <li>• Significant higher education presence in the region</li> <li>• Vibrant artistic community</li> <li>• Talented Young Professionals</li> <li>• Do more to promote the city and the downtown</li> <li>• Attract corporate HQs</li> <li>• Great green spaces – currently under-utilized</li> <li>• Stimulate environment for innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of diversity</li> <li>• Transportation within the city – need more road connectivity</li> <li>• Need larger pool of funds for risk capital</li> <li>• Need more opportunities to nourish young talent, retain more graduates</li> <li>• Lack of local civic funding – from public &amp; private sides</li> <li>• NIMBY – keeps important decisions from being made</li> <li>• MPO needs to be expanded</li> <li>• Disjointed development process – requirements aren't made clear</li> <li>• Lack of seed capital</li> <li>• Approach to regionalism tends to be every man for himself – tend to compete instead of cooperate</li> </ul>



## ***Goal 6: Clarify Economic Development Roles and Responsibilities***

**Strategy 6.1: Clarify and formalize roles and responsibilities of local/county economic developers and those of Commerce Lexington.**

### **Action Items – Short Term:**

- Develop an operating protocol and memorandums of understanding (MOUs) that formalize and strengthen collaboration between local and regional economic development organizations.
- Engage in formal planning with local and regional economic developers and their leadership to clarify their roles and responsibilities related to various economic development activities.
- Ensure involvement of chambers, public-private organizations, and others related to economic development.
- Foster wide engagement in regional economic development.
- Collaboratively formulate and execute an effective economic development marketing campaign.
- Determine performance measures (recommendations included in the report).

### **Action Items – Long Term:**

- Address regional economic development foundational deficiencies such as transportation, workforce, etc. that impact economic development.
- Jointly develop and advocate a Bluegrass Region economic development agenda.
- Coordinate with Bluegrass ADD on needs in the following areas:
  - Transportation
  - Utilities infrastructure
  - Regional permitting/development/real estate (see Goal 4)



## ***Goal 6: Clarify Economic Development Roles and Responsibilities***

**Strategy 6.2: Clearly define the roles and responsibilities for LFUCG's economic development efforts.**

### **Action Items**

- Several elected LFUCG officials currently play active, positive leadership roles in economic development and it is imperative that this active governmental leadership grows, as a collaborative approach is needed with strong governmental engagement.
- The Mayor should be Lexington's chief business development officer and build positive collaborative relationships with regional Judges and other regional elected officials. Many regional stakeholders cited distrust of LFUCG. Efforts must be made to rectify this issue.
- While not a main driver of economic activity and job creation, retail recruitment was identified as a need by several stakeholders. LFUCG should consider, within budgetary constraints, hiring a Business Development Manager to address gaps in retail and business development. This should be an administrative position.





## *Goal 7: Better Connect Workforce Development and Education to Employer Needs*

### **GOAL 7: WORKFORCE DEVELOPMENT AND RECRUITMENT**

During the extensive information gathering process, job availability and career advancement opportunities were the most common issues raised. This is further apparent by the fact that the region has struggled to retain graduates from the region’s universities. Additionally, Education and Workforce Development focus group participants urged us to develop strategies for improving communication between workforce development / businesses and education and to get the word out about career paths at an early age. Focus group participants also recognized the need to create a more targeted workforce development and education pipeline specific to the identified target industries and leading occupations.

#### **Strategies within Goal 7:**

- 1. Increase the number of industry specific training programs.**
- 2. Formalize and strengthen programs to retain talent in the Bluegrass Region.**
- 3. Establish additional internships to connect students with emerging target industry occupations.**
- 4. Identify and understand students’ and young professionals’ opinions about working and living in the region.**
- 5. Expand Adopt-a-School programs in every school district in the Bluegrass Region.**

### INPUT GATHERED FROM WORKFORCE DEVELOPMENT AND EDUCATION REPRESENTATIVES FOCUS GROUP

Strengths & Opportunities	Weaknesses & Threats
<ul style="list-style-type: none"> <li>• High levels of educational attainment</li> <li>• Strong ties between education and employers (ex: healthcare)</li> <li>• Diverse workforce</li> <li>• Central KY is a retirement destination</li> <li>• Junior Achievement program being introduced in more and more high schools</li> <li>• Improve talent retention / attraction</li> <li>• Career tracking / training - help students identify what they’re good at</li> <li>• Educate graduates about the available resources for finding local jobs</li> <li>• Better connect students with target industry occupations</li> <li>• Better connect with existing, successful local entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of willingness of workforce to relocate from rural areas</li> <li>• Need more science / math teachers</li> <li>• Not enough engineers being produced statewide to meet demand</li> <li>• Manufacturing workforce – younger generation is not interested, older generation is retiring</li> <li>• No community programs to re-train older workers – need transition support</li> <li>• Drug use</li> <li>• Lack broad based approach to education – more than just 4 year schools, educate about options – kids and parents see 4-yrs as only option</li> <li>• Lexington doesn’t do a good job of promoting what companies are here and who is hiring</li> </ul>



## Goal 7: Better Connect Workforce Development and Education to Employer Needs

### Strategy 7.1: Increase the number of industry specific training programs.

Kentucky Workforce Investment Board's recent *A Strategic Transformation of Kentucky's Workforce System* Report identifies making investment decisions based on sector strategies a key priority in transforming the state's workforce development system. As discussed in the Workforce Development and Education Focus Group, more can be done to connect students with growing and emerging occupations in the region's targeted industries. The Bluegrass Workforce Investment Board (BGWIB) has made significant improvements in providing the region with a one-stop-shop for workforce development training. Fayette County Public Schools Locust Trace AgriScience Program is an exemplary example of such training programs.

#### Action Items:

- Officially adopt the target industries previously identified in Report #2 as a baseline for future job training and education programs.
- The BGWIB should consider including additional target industry representatives on the board of directors or creating a target industry advisory team.
- Ensure that any future target industry recommendations are congruent with the regional target industries identified in Report #2.
- BCTC should consider creating a certificate program in Entrepreneurship, see Strategy 1.1 and A-B Tech program in Asheville, NC as a best practice: <http://www1.abtech.edu/academic-programs/business-and-hospitality-education/entrepreneurship/entrepreneurship-certificate>.

## Austin Community College Biotechnology Training



The Biotechnology Program at Austin Community College (ACC) works in collaboration with the local bioscience industry to educate students in basic laboratory skills, math skills, genetic engineering, protein purification, cell culture, quality assurance and quality control principles, regulations, bioinformatics, computer skills, ethics, documentation, and teamwork. Students go on to work in positions that span the diverse range of biotechnology fields including Pharmaceutical, Molecular Diagnostics, Manufacturing, Cancer Research, Fisheries, Wildlife, and Cell Culture. The ACC Biotechnology Program was the 1st program in the state to formally adopt the Washington Skill Standards for Biotechnology and to receive program recognition from the Texas Skill Standards Board.

ACC Biotechnology Program offers a 1-year Certificate, which provides students basic skills for entry-level positions, a 2-year Associates of Applied Science (AAS) degree, which provides students with more advanced skills required to work as a biotechnician or to transfer to a university, and an Advanced Technical Certificate that educates post-baccalaureate students to work at the bench and is composed solely of biotechnology courses. At the end of the program, all students are required to do an internship in industry. Ninety-five percent of these students are hired during their internship with starting salaries ranging from 30k to 45K.



## ***Goal 7: Better Connect Workforce Development and Education to Employer Needs***

### **Strategy 7.2: Formalize and strengthen programs to retain talent in Lexington and the Bluegrass Region.**

Many of the traditional economic development initiatives can help address graduate retention such as quality of life improvement, affordability, branding and downtown redevelopment. However, many college graduates will already have an idea of where they want to live after college before they even graduate from high school. Continuing to tap into regional alumni networks to sell the Lexington and Bluegrass Region product can help address this to potential students and children of alumni. The Bluegrass Region needs to continue to focus on generating additional job opportunities and enhancing quality of life amenities to make the region more attractive to young professionals.

#### **Action Items:**

- LFUCG should consider hiring a Youth Coordinator to focus on talent retention. See City of Roanoke, Virginia program: [www.roanokeva.gov](http://www.roanokeva.gov).
- Welcome new college students just as the region would welcome a new employer through events, forums and mentorship programs.
- Increase retention of graduates of Bluegrass Region colleges and universities through increased matching of graduates and Bluegrass Region companies (job fairs, co-op opportunities).
- Continue efforts to enhance cultural offerings for young professionals.

***“We need to provide employment opportunities for the college grads and older experienced workforce. There are not enough companies here to keep workers starting and staying here when looking to work.”***

***- Resident Survey Response***



## Goal 7: Better Connect Workforce Development and Education to Employer Needs

### Strategy 7.3: Establish additional internships to connect students with emerging target industry occupations.

One of the biggest concerns identified by potential employees and employers is a lack of awareness of existing firms and specific job opening and career opportunities within the region on the part of K-16 students as well as educators. The region must do a better job of profiling these companies and employment opportunities and matching them with students and graduates.

#### Action Items:

- Strengthen regional involvement and connectivity in increasing and communicating internship opportunities.
- Educate career service advisors throughout the region on target industries and specific career opportunities to help steer student focus to target industry areas.
- Expand career events on campuses.

### Strategy 7.4: Identify and understand student and young professionals' opinions about working and living in the region.

#### Action Items:

- Involve students from regional universities to assist in sending out a survey to college students to determine what they do and do not like about living Lexington and the Bluegrass Region.
- Communicate findings to LFUCG, ADD, and other organizations.

## Intern to Earn Louisville, KY



Intern To Earn is a regional program supported by HIRE (an alliance of colleges and universities in the Greater Louisville region), and the Greater Louisville Inc. (the metro area chamber of commerce). Thirty-one regional colleges and universities participate in the program, as do a number of regional employers.

The program helps interns in multiple ways. First, it is a resource for identifying internship opportunities. Additionally, it helps interns meet other interns, find entertainment and leisure opportunities locally, and build relationships with a network of local professionals. The program works to improve the future pool of workers and young talent in the Louisville area by recognizing that interns tend to return to the communities in which they interned.

The program is not only an asset for interns, but is extremely beneficial to regional companies as well. It helps them find top young talent, get to know the next generation of local workers and customers, and acts as a local workforce recruitment and retention tool. Ultimately, the program is a positive for all parties involved; an intern-friendly environment for students, businesses, and the region.

*"I came to Lexington for a summer internship and I have to say it's a nice friendly town but it's BORING!!"*

*- Community Survey Response*





## ***Goal 7: Better Connect Workforce Development and Education to Employer Needs***

### **Strategy 7.5: Expand Adopt-a-School programs in every school district in the Bluegrass Region.**

Adopt-a-School programs match local companies or “partners” with a school or school district program of their choice. The partner adopts the school by providing cash donations (through sponsorships), volunteers or in-kind contributions. Typically these programs are a collaborative effort between educators and a Chamber of Commerce.

#### **Action Items:**

- Work with regional K-12 providers and potential business partners to develop a program for every school district in the Bluegrass Region to support and utilize. (Goal should be to enlist 30 business partners per school)
- A business could choose to invest in technology or provide cash contributions, even as little as \$500.
- A business could also consider sponsoring a specific program. HSBC’s Economics of Life Program is a great example.



## Goal 8: Marketing and Business Development Program

**Section B: Marketing and Business Development Program**, which is organized around two topics: marketing and business development and sector based strategies (focused on the Target Industries previously identified in Report #2).

An effective marketing program is essential to success in attracting, creating and retaining investment and quality jobs. A solid economic development marketing program with a wide-ranging scope is currently in place through Commerce Lexington. It is a partnership between the business community, higher education, and local government – the collaborative approach used by most top performing programs. Rather than add numerous new initiatives, elevation of the region’s program from “good” to “excellent” can best be achieved through quality improvements and prioritization of those programs, such as collaborative regional sales missions, that have yielded the best results, while also seeking additional collaboration in order to share costs and “open additional doors”. Periodically, some initiatives may need to be eliminated in order to free up resources.

**Three areas of improvement that should result in elevated performance are a) sharpened focus on the identified target sectors, b) more proactive sales and marketing, and c) greater regional collaboration.**

There is sizeable value to be derived from strengthening the regional Bluegrass Alliance collaborative effort. Along with increasing the potential pool of funding, a broader regional effort provides for a larger array of competitive assets which can be marketed, i.e. although industrial land is in short supply in Fayette County, other counties within the Bluegrass Alliance have ample sites. In addition, businesses and site consultants have consistently expressed their preference in working with larger regions and the Lexington’s area’s competitors are continuing to regionalize. Strengthened collaboration with the Golden Triangle partners should also yield further results and save money through cost sharing.

Advance Lexington and the Bluegrass Region | Economic Development Strategic Plan Recommendations

**“My biggest frustration is our inability to work together as a region.”**

**- Business Interview**



## ***Goal 8: Marketing and Business Development Program***

### **Strategies within Goal 8:**

- 1. Focus regional marketing and business development programs around the targeted industries and the specific niches identified within those industries.**
- 2. Establish target industry working groups for each of the six targeted industries.**
- 3. Aggressively research and target companies within those target industries.**
- 4. Ramp up the current relationship building program with site selectors, other decision influencers and business executives who are most aligned with the region's targeted industries.**
- 5. Expand the schedule of trade shows and industry conferences attended, participating in at least one per targeted sector, while leveraging allies' resources in order to cost share.**
- 6. Increase involvement of key stakeholders on sales trips and trade shows.**
- 7. Carry out more sales missions and other collaborative "Golden Triangle" marketing initiatives in partnership with the Louisville and northern Kentucky marketing groups.**
- 8. Continue to actively participate in the Kentucky United sales missions and trade shows.**



## ***Goal 8: Marketing and Business Development Program***

9. Dedicate marketing resources towards the attraction and retention of skilled workers.
10. Continuously communicate with existing and prospective business owners in order to aggressively encourage and support entrepreneurship, help identify obstacles and facilitate the delivery of needed support services.
11. Build upon the recent improvements to Commerce Lexington's website by adding material specifically focused on the needs of the target sector audiences, with robust data and resources.
12. Continue to expand and enhance the use of social media to market the region.
13. Further strengthen connections to the University of Kentucky and other regional higher education institutions to reach alumni and other sources of investment.
14. Closely collaborate with the Convention and Visitors Bureau and co-market where appropriate.
15. Develop and implement a communication strategy in order to better share results, challenges and opportunities with key state allies.
16. Help connect local businesses with the wide array of export assistance resources in place.
17. Elevate international business recruitment efforts in conjunction with the State of Kentucky, Golden Triangle partner agencies and area multinational corporations.





## ***Goal 8: Marketing and Business Development Program***

18. **Develop business operating cost comparisons for each of the region's target industries.**
19. **Make improvements to the business retention and expansion program and other existing business programs.**
20. **Ensure that proactive, effective marketing is conducted to distribute information about minority business development programs (addressed elsewhere in this Strategy) to minority businesses, as well as to procurement officers and business groups such as the Manufacturers Networking Group.**
21. **Advocate for continuing support and the dedication of necessary resources required by important current and past Department of Defense installations such as the Blue Grass Army Depot and Bluegrass Station.**
22. **Improve the measurement of which marketing approaches are the most productive in generating leads, prospects and in the conversion of those companies to new and expanded employers.**
23. **Seek additional financial support and identify and capitalize upon ways to leverage allies and other congruent resources. The evolution to full-fledged regional marketing and an expanded scope of initiatives will necessitate, in the intermediate term, additional resources, particularly professional staff.**
24. **Develop and communicate, internally and externally, a Bluegrass Region brand while highlighting unique community facets/assets.**



## Goal 8: Marketing and Business Development Program

### **Strategy 8.1: Focus regional marketing and business development programs around the targeted industries and the specific niches identified within those industries.**

Align the majority of marketing and business development resources with the target sectors identified in the Target Industry analysis of this Strategy as offering growth potential and matched to the Lexington region's attributes. Retain some resources to assist other economic development opportunities that may develop over time.

### **Strategy 8.2: Establish teams of experts for each of the six targeted industries.**

The Lexington region contains many individuals knowledgeable about one or more of the targeted sectors. Capitalize upon their expertise in a way that can help provide early identification of industry trends, opportunities and obstacles through the formation of cluster working groups.

- In those clusters for which active associations don't currently exist (*i.e. Bluegrass Bio*), form small target industry teams of business executives, university representatives, angel investors and other experts from throughout the entire region whose main purpose is to monitor policy and regulatory issues, provide supply trend information, identify possible target companies, develop strategies for attracting and expanding industry, and develop key messages concerning each industry.
- The teams should meet periodically to discuss industry strategies while brainstorming initiatives and industry intelligence gathering and collaboration.
- Continually investigate and advocate for competitive legislative changes (such as the need for equine industry incentives competitive to other leading states) that would make the Bluegrass Region a more advantageous location to do business in target industry sectors.
- The teams can serve to support existing companies, and as part of prospect teams to meet with companies being recruited to the Bluegrass Region – providing prospects with solid evidence of public-private cooperation in key economic development areas.

**“We need more proactive marketing and to better anticipate opportunities.”**

**- Elected Official Interview**



## Goal 8: Marketing and Business Development Program

### Strategy 8.3: Aggressively research and target companies within those target industries.

- As a base, use the initial list of corporations provided through this Strategy.
- Periodically augment the prospect lists through a predictive model that pinpoints companies with revenue growth, new contracts, senior executive changes, mergers and acquisitions, and other indicators of facility relocation/expansion potential.

### Strategy 8.4: Ramp up the current relationship building program with site selectors, other decision influencers and business executives who are most aligned with the region's targeted industries.

Emphasize marketing approaches that have been proven to be the most effective in economic development, including face-to-face meetings, special events such as familiarization tours, and digital communication. Annually participate in at least one "Expansion Management" Roundtable with site consultants in order to establish relationships and convey the Lexington area's strengths.

### Strategy 8.5: Expand the schedule of trade shows and industry conferences attended, participating in at least one per targeted sector while leveraging allies' resources in order to cost share (see recommended Marketing Calendar).

- Seek ways to increase exposure and reduce costs by collaborating with other development entities such as the Coldstream Research Park, area corporations, Golden Triangle economic development agencies, and the Kentucky Cabinet for Economic Development.
- Include at least one leading multi-sector corporate real estate related association, such as the International Asset Management Council (IAMC).

## Cornerstone Regional Development Partnership – Regional Marketing Organizational Structure



The Cornerstone Regional Development Partnership is a private, nonprofit division of the Jacksonville Regional Chamber of Commerce that operates as Jacksonville and Northeast Florida's regional economic development initiative. Cornerstone partners with 7 regional counties and more than 200 private sector entities in the Jacksonville area.

Cornerstone focuses its efforts on regional marketing, prospecting, and international trade. Cornerstone maintains a comprehensive website with a multitude of resources and data for prospective businesses looking to relocate or expand in the Jacksonville area (<http://www.expandinjax.com/Home.aspx>).



## Goal 8: Marketing and Business Development Program

**Strategy 8.6: Increase the involvement of key stakeholders on sales trips and trade shows,** including local businesses, government leadership, other Bluegrass Region communities, and higher education leadership. As recommended by the Economic Opportunity Work Group, the Mayor should participate in priority missions as the primary spokesman for LFUCG. Consider co-participation at strategic trade shows and industry conferences with area companies and entrepreneurs active in those fields. One of the competitive advantages of the current private-public sector structure is the ability to engage a wide range of subject matter experts in the targeted sectors, research, marketing, and government.

**Strategy 8.7: Carry out more sales missions and other collaborative “Golden Triangle” marketing initiatives in partnership with the Louisville and northern Kentucky marketing groups.** Hold at least one large, joint annual sales mission to a key source market involving business, government and higher education representatives from all three areas.

**Strategy 8.8: Continue to actively participate in the Kentucky United sales missions and trade shows.**

These efforts leverage resources in a way that reduces the Lexington region’s implementation cost. In addition, these statewide initiatives can often reach more employers.

**Strategy 8.9: Dedicate marketing resources towards the attraction and retention of skilled workers.** Talent attraction and retention, as described elsewhere in this Strategy, is critical to economic growth. A worthy suggestion from Mayor Gray’s Transition Team is to target Lexington expatriates through Kentucky Clubs, website information, and improved identification and connection to job openings at local employers. Talent retention and expansion needs to be much more than marketing. It involves continued efforts to increase employment opportunities and quality of life offerings, i.e. it was frequently commented that retail and restaurant options are of keen interest to young professionals.

Advance Lexington and the Bluegrass Region | Economic Development Strategic Plan Recommendations

“The joint sales trip with Louisville and Tri-Ed has been one of the most effective ways to connect with prospective employers.”

- *Commerce Lexington interview*

“All the bright people leave for larger cities like Cincy, Nashville or especially Atlanta. Atlanta is Lexington South.”

- *Community Survey Response*





## Goal 8: Marketing and Business Development Program

### **Strategy 8.10: Continuously communicate with existing and prospective business owners in order to aggressively encourage and support entrepreneurship, help identify obstacles and facilitate the delivery of needed support services.**

Entrepreneurship is the lifeblood of the Lexington regional economy and must be vigorously supported through effective two-way communication. The Lexington region's array of entrepreneurship support organizations provides many resources; however, those most in need are often bewildered by the questions of where to start and what particular services are provided by the various entities. Part of marketing's value lies in clarification, which is a critical need of many local entrepreneurs who often don't have the time to investigate the various programs.

### **Strategy 8.11: Build upon the recent improvements to Commerce Lexington's website by adding material specifically focused on the needs of the target sector audiences, with robust data and resources.**

Ensure that economic and demographic information specialized to the needs of the target sectors is current and easily available. Include more information on the region's specific education and training programs/graduates, specialized facilities, and incentives required by employers within the targeted sectors. Include operating cost comparison information for prototype companies.

See Tucson's [www.treoaz.org](http://www.treoaz.org), [www.iowacityareadevelopment.com](http://www.iowacityareadevelopment.com) and [www.floridagreatnorthwest.com](http://www.floridagreatnorthwest.com) for powerful regional economic development websites.

Creating specific sections that focus on targeted industries for the region is important for ensuring that the Commerce Lexington's website is maximizing its effectiveness. By incorporating aspects of top economic development websites such as Tucson Regional Economic Opportunities, Iowa City Area Development, and Florida's Great Northwest, Commerce Lexington can build upon the improvements already made to its website. Each targeted cluster should be highlighted and include the following information for perspective industries:

- Detailed profile of the industry cluster
- Regional statistics on the targeted cluster
- Regional map of targeted cluster companies and assets
- List of workforce training & education assets supporting the targeted cluster
- Funding opportunities
- Research & Development in the region
- Regional collaborations already in place
- Specialized facilities in the region catered to the targeted cluster
- News related to the targeted cluster
- Occupations supporting the targeted cluster
- Cost of operations comparison of targeted cluster versus competitor cities
- Infrastructure in place that supports the targeted cluster

**“There is no local support for small businesses. Just obstacles. We are on our own.”**

**- Business Survey Response**



## Goal 8: Marketing and Business Development Program

### Strategy 8.12: Continue to expand and enhance the use of social media to market the region.

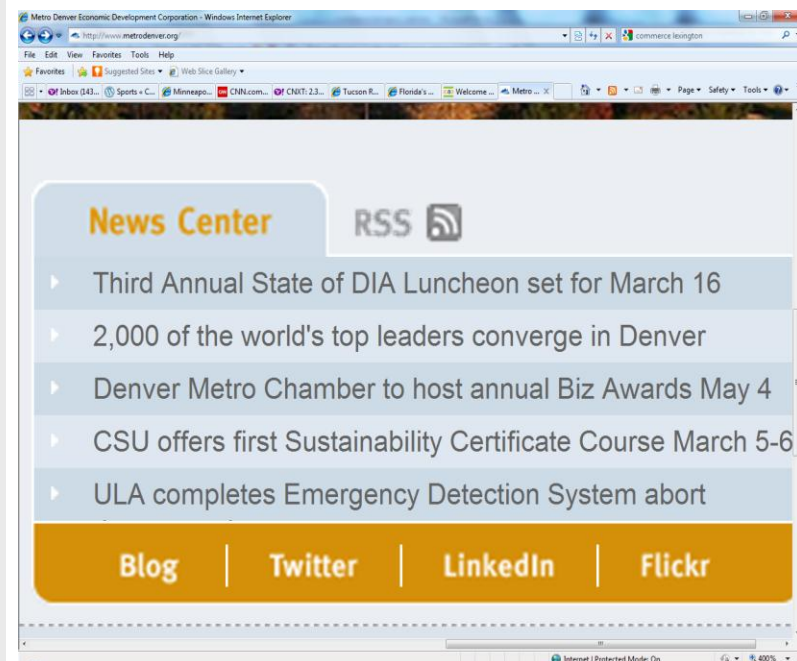
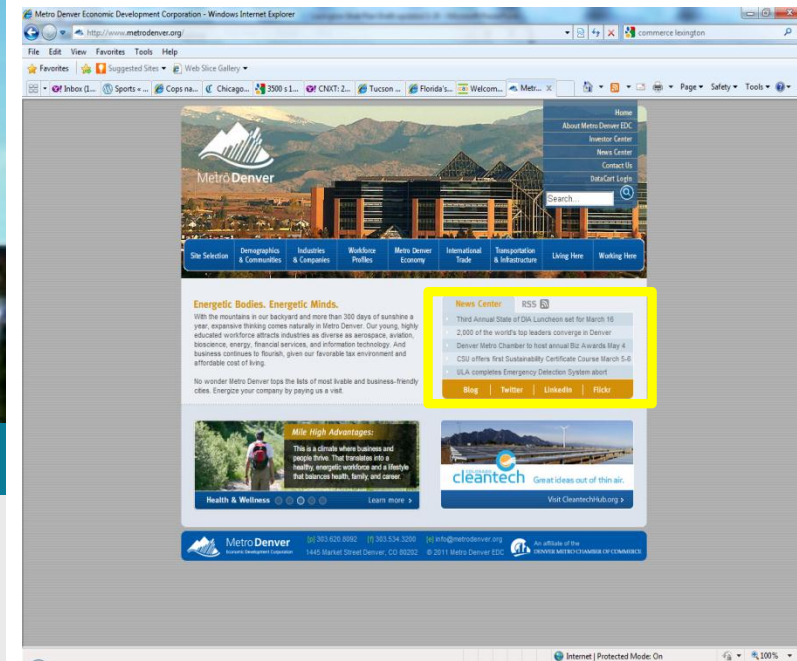
Metro Denver is an example of an economic development organization that does an effective job of utilizing blogs and other social media including LinkedIn, Twitter and Flickr to connect to internal and external audiences. See [www.metrodenver.org](http://www.metrodenver.org), as well as the screenshots on this page which display social media links on the website's homepage.

What others say about your community is more important than what you say about yourself.

Dialog with industry peers is the #1 source of information influencing business executives' perceptions of a region's business climate. One approach to capitalize upon this is through establishment of a Digital Ambassadors program which engages local business executives and other community members in marketing the area's business advantages to their electronic networks.

**Strategy 8.13: Further strengthen connections to the University of Kentucky and other regional higher education institutions to reach alumni and other sources of investment.** The University of Kentucky is the region's paramount economic development asset and it is an asset that will only grow in importance due to the need for leading-edge innovation and educated talent in order for the U.S. to compete abroad. Few universities have medical, agriculture, engineering and pharmacy all on one campus as UK does.

- Continue to advertise in alumni publications
- Hold periodic meetings with those colleges and offices that offer the most economic development potential including Engineering, Business, Agriculture, Medicine and with the Office of Commercialization and Economic Development to identify and connect with alumni and to help foster technology commercialization
- Proactively assist with state appropriations and grant requests





## Goal 8: Marketing and Business Development Program

**Strategy 8.14: Closely collaborate with the Convention and Visitors Bureau and co-market where appropriate.** Exhibit or participate in other ways at major target-industry specific conferences held within Lexington. Market at major Keeneland events. Support important Agri-tourism initiatives such as the Bluegrass Horse Farm Trail.

**Strategy 8.15: Develop and implement a communication strategy in order to better share results, challenges and opportunities with key state allies.**

Many projects are currently referred to Commerce Lexington by economic development allies such as utility companies and the Kentucky Cabinet for Economic Development. It is important to also include these allies in the relationship marketing program. This should include a recognition event with Kentucky Cabinet for Economic Development staff.

**Strategy 8.16: Help connect local businesses with the wide array of export assistance resources in place.**

Overseas markets are a source of potential growth for many local businesses as Kentucky's exports have doubled over the past decade. Local businesses' success in exporting their goods and services translates into jobs and investment.

### Action Items:

- Connect prospective exporters to the Kentucky World Trade Center/Lexington office which offers many valuable resources, ranging from financial assistance programs to overseas trade missions.
- Link area businesses to the extensive network of trade promotion organizations including American Chambers of Commerce Abroad, the U.S. Department of Commerce International Trade Administration, embassies, consulates, etc.
- Add more global commerce content to the [LocateinLexington.com](http://LocateinLexington.com) website.

**“We need a more global educational experience at the local schools and firm support for languages, foreign culture and international trade.”**

**- Business Survey Response**





## Goal 8: Marketing and Business Development Program

### Strategy 8.17: Elevate international business recruitment efforts in conjunction with the State of Kentucky, Golden Triangle partner agencies and area multinational corporations.

International business development cannot be overlooked in today's economy – particularly given the global nature of the Lexington region's target industries, and its worldwide exposure through the horse industry. Because international marketing can be a long-term, expensive proposition, such activities need to closely link to and leverage existing Kentucky Cabinet for Economic Development programs and overseas offices, and global corporate relationships.

- The Bluegrass Region should assist with efforts to reinvigorate Kentucky's international recruitment efforts.
- Seek out collaborative opportunities with global companies within the Bluegrass region, the Kentucky World Trade Center, universities and international organizations.
- Provide local executives who interact with foreign executives, with the tools and information necessary to promote Lexington and the Bluegrass Region.
- Expand on the current domestic marketing partnership with the Louisville and Northern Kentucky economic development groups in order to cost share marketing initiatives aimed at increasing foreign investment.
- Ensure that the Commerce Lexington website includes some translated information for principal source investment nations such as Japan and Germany, material about foreign-based companies and assets in the Bluegrass Region, and links to international organizations throughout the state and region.
- Recognize local global companies' accomplishments in order to create community awareness of the importance of an international business perspective.
- Actively participate with the regional partners in the Kentucky Cabinet for Economic Development's inward investment initiatives in coordination with the state's overseas contractors in Japan, China and Mexico. Target events connected to the region's priority sectors and Kentucky's leading source countries for new investment projects including Japan and Germany.
- Support as a community the strategic development of University of Kentucky global partnerships.

## Charlotte Regional Partnership International Inward Investing

The Charlotte Regional Partnership is a nonprofit, public/private economic development organization that markets the 16-County Charlotte region (12 counties in North Carolina and four in South Carolina). The 20 year old Partnership encourages government/business collaboration to promote the Charlotte region to attract sustained, long-term growth, job creation, and investment opportunities.

The Partnership operates an International Business Information website with a wealth of publicly available information geared toward international inward investment. The website

(<http://charlotteusa.com/business-info/international-business/>) includes a separate webpage for nine foreign countries that have a major presence in the Charlotte region. Each webpage highlights the reasons why companies from that particular country have chosen to locate in Charlotte including factors such as direct air travel connections, cultural festivals, and key industry strengths shared by both the Charlotte region and the foreign country. Each webpage also provides a map and directory of every foreign-owned firm from that country that has facilities in the Charlotte region, including basic company information (address, contact person, # of employees, year established, and type of industry). The website also includes a foreign investment profile of each of the nine foreign countries relative to North Carolina and the U.S., and a marketing document in each foreign language. The Partnership also has a list of international business organizations (such as local ethnic chambers of commerce) and international cultural organizations, complete with contact information, on its "Regional Resources" webpage ([http://charlotteusa.com/business-info/regional-resources/#international\\_business\\_organizations](http://charlotteusa.com/business-info/regional-resources/#international_business_organizations)).





## Goal 8: Marketing and Business Development Program

**Strategy 8.18: Develop business operating cost comparisons for each of the region’s target industries.** Initially using the operating cost information provided as part of this Strategy, periodically update cost comparisons. This will allow the Bluegrass Region to demonstrate, where appropriate, its cost advantages. Additionally, if the region is not competitive on a cost basis, it will be able to understand the competitive gaps which may be addressed with other initiatives and tools.

**Strategy 8.19: Make improvements to the business retention and expansion program and other existing business programs.** The current program of calling upon existing businesses within the greater Lexington region is a solid business retention and expansion initiative. It can be strengthened in the following several ways.

- Transition to the use of a business visit survey instrument and software that gathers and tracks more critical information from the visited companies. More systematic tracking of findings will improve detection of trends and also allows for ratings of local services.
- Findings should be communicated to LFUCG and other affected entities on at least a semi-annual basis and used to improve any areas of deficiency. Findings should be reported at least semi-annually.
- Share key findings, including opportunities and obstacles, among Bluegrass Region partners, including the Bluegrass Area Development District.
- Seek increased participation from elected officials in Council District Day business visits.
- Consider regular CEO Roundtables for both large and small businesses, a Transition Team suggestion. These programs have worked well in other communities.
- Identify a list of companies with headquarters outside of the region and plan and implement a schedule of visits to those corporate or divisional headquarters. Carry out through visitation with a team comprised of private and public sector representatives.
- Closely engage with industry groups and trade associations connected to the targeted industries such as Bluegrass Bio or Manufacturers Networking.

“Look at what Jerry Abramson did in Louisville and visit headquarters of local facilities.”

- *Business Interview*



## ***Goal 8: Marketing and Business Development Program***

**Strategy 8.20: Ensure that proactive, effective marketing is conducted to distribute information about minority business development programs (addressed elsewhere in this Strategy) to minority businesses as well as to procurement officers and business groups such as the Manufacturers Networking Group.** This should include printed collateral materials as well as digital communication. Testimonials should be emphasized regarding the benefits of programs such as the ACCESS loan program. Fuller engagement in and benefit from economic development of all facets of the Bluegrass Region's residents is crucial to success of this strategy.

**Strategy 8.21: Advocate for continuing support and the dedication of necessary resources required by important current and past Department of Defense installations such as the Blue Grass Army Depot and Bluegrass Station.** Collaborate with other regional installation retention and expansion initiatives including BRAC 2015. Advocate federal support of Blue Grass Army Depot and state support to Bluegrass Station's growth.

**Strategy 8.22: Improve measurement of which marketing approaches are most productive in generating leads, prospects and in conversion of those companies to new and expanded employers.** Performance measures are recommended within this Strategy to better gauge marketing initiative effectiveness. Prioritize resource allocation to those that are most cost effective.

**Strategy 8.23: Seek additional financial support and identify and capitalize upon ways to leverage allies and other congruent resources.** The evolution to full-fledged regional marketing and an expanded scope of initiatives will necessitate, in the intermediate term, additional resources, particularly professional staff.



## Goal 8: Marketing and Business Development Program

**Strategy 8.24: Develop and communicate internally and externally a Bluegrass Region brand while highlighting unique community facets/assets.** A critical element to an overall marketing strategy, the region must present itself as the Bluegrass Region.

- The region should develop a regional business brand that creatively and succinctly captures its essence and its strategy for business and talent attraction/retention. A regional brand is a powerful tool in communicating a consistent message and image globally. The execution of the branding campaign should still allow flexibility for the counties, cities and other organizations to maintain their individual identities.
- Explore active participation of local marketing experts and the Marketing programs of the University of Kentucky and Transylvania University in supporting this initiative.
- Kansas City is an example of a region that has been successfully involved in comprehensive branding. See the example to the right.

## Kansas City Area Development Council (KCADC) - Unified Branding Campaign

The Kansas City Area Development Council (KCADC) developed a two-pronged campaign in 2004 to promote the greater



Kansas City region as a unified economy: the ThinkKC and OneKC campaigns, together, ThinkOneKC. City, County and business leaders within the region focused on a simple asset, the region's easy-to-remember two-letter initials, KC. Through an aggressive marketing campaign that included 150 presentations to local groups and the use of 20 billboards, KCADC promoted the KC initials as a common identifier for the region and a way to position Kansas City as a preeminent urban area, amongst only three other U.S. cities known nationally by their initials: New York, Los Angeles, and Washington, D.C.

ThinkKC is the KCADC's national marketing and branding campaign, promoting the region as a top U.S. city for attraction of new companies, jobs, and residents. OneKC is a good example of a campaign that successfully promotes regional cohesiveness and publicizes the economic, social, and cultural interdependence of the many jurisdictions that make up the Kansas City region. This campaign is especially important in Kansas City because the region spans two states and is made up of 18 counties and more than 50 individual communities.

KCADC has a Branding Toolbox on its website that provides the ThinkKC and OneKC official campaign logos in a downloadable graphic format, with many variations of the logos, including logos for each of the region's 18 counties and 45 municipalities. This makes it easy for each individual community to simultaneously promote itself and the greater Kansas City region.



## Goal 9: Targeted Cluster Specific Strategies

The following section summarizes for each of the six target industries, principal market opportunities, assets/competitive advantages, and core marketing and business development initiatives to help grow investment and employment within these sectors.

### Life Sciences

“Coldstream Research Park is an underutilized asset.”  
- *Business Interview*

MARKET SEGMENTS	KEY ASSETS	MARKETING INITIATIVES	SECTOR STRATEGIES
<ul style="list-style-type: none"> <li>• Biotechnology</li> <li>• Pharmaceuticals Research and Development and Manufacturing</li> <li>• Medical Device Manufacturing</li> <li>• Healthcare/Regional Services Center</li> </ul>	<ul style="list-style-type: none"> <li>• Abundant supply of educated workers through higher education institutions</li> <li>• Top Pharmacy program</li> <li>• Growing regional health care center with multiple hospitals and over 15,000 employees</li> <li>• Interdisciplinary Center for Clinical/Translational Sciences</li> <li>• Life Sciences comprises most of the over \$300 million in UK research grants and contracts</li> <li>• Blue Grass Army Depot munitions/chemical agents knowledge</li> <li>• Growing disbursement of early stage capital</li> <li>• Availability of large tracts in a research park setting at Coldstream Research Park,</li> <li>• Good I-75/64 access</li> </ul>	<ul style="list-style-type: none"> <li>• Medical Device and Manufacturing, BIO, and Interphex trade shows</li> <li>• Regional sales missions to Philadelphia and other large pharmaceuticals and medical instrumentation centers</li> <li>• Hold regular meetings with UK’s Medical College and Center for Clinical and Translational Sciences re: areas of opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Link to UK patent portfolio strengths in drug development/design and materials for medical devices</li> <li>• Continued collaboration with the Lexington Innovation and Commercialization Center to nurture early stage companies</li> <li>• Advocacy of state and federal funding support to Lexington Life Sciences</li> <li>• Expand research linkages to Blue Grass Army Depot</li> <li>• Ensure elected officials and economic developers work with hospital administrators to collaboratively plan and implement programs to expand patient “reach” as a means to grow Lexington’s regional health center role</li> <li>• Market to federal funding agencies such as NIH</li> </ul>





“Focus on the creative rather than commodities. There is much upside potential in information technology.”

- Local Employer Interview

## Goal 9: Targeted Cluster Specific Strategies

### Software and Information Technology

MARKET SEGMENTS	KEY ASSETS	MARKETING INITIATIVES	SECTOR STRATEGIES
<ul style="list-style-type: none"> <li>• Design and Digital Media</li> <li>• Gaming and Interactive Media</li> <li>• Technical Support</li> <li>• Data Storage Centers</li> </ul>	<ul style="list-style-type: none"> <li>• Abundant supply of IT trained workers through institutions of higher education</li> <li>• Coldstream Research Campus</li> <li>• Extensive broadband network</li> <li>• Relatively low electric rates</li> <li>• Desirable quality of life</li> <li>• Local array of IT firms, including IBM, Lexmark, and ACS</li> </ul>	<ul style="list-style-type: none"> <li>• CEBIT (with state and Golden Triangle) trade show</li> <li>• Northern California and Boston sales missions</li> <li>• Target third party technical support providers for technology firms</li> <li>• E3 Expo (interactive game development), and Game Developers' Conference(participate with local game developer companies)</li> </ul>	<ul style="list-style-type: none"> <li>• Convene regular meetings with Engineering College and other IT program department heads to determine alumni enterpris and commercialization opportunities</li> <li>• Explore expanded Department of Defense information technology role at Bluegrass Station</li> <li>• Strengthen Golden Triangle linkages to increase venture capital availability to IT firms</li> </ul>



“Kentucky can become an on-shore regional services hub.”

- *Business Interview*

**Goal 9: Targeted Cluster Specific Strategies**

**Business and Professional Services**

MARKET SEGMENTS	KEY ASSETS	MARKETING INITIATIVES	SECTOR STRATEGIES
<ul style="list-style-type: none"> <li>Professional Services for Entrepreneurs</li> <li>Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>Sophisticated telecommunications network</li> <li>Regional business hub</li> <li>High value relative to cost location</li> <li>Over 12,000 graduates annually from area colleges/universities</li> <li>Fayette County among most educated region in the U.S.</li> <li>Customized technical training through BCTC</li> <li>Growing business outsourcing companies such as ACS(Xerox)</li> </ul>	<ul style="list-style-type: none"> <li>Kentucky United sales trip to New York/New Jersey</li> <li>Campaign to site selection consultants specializing in regional and administrative offices,</li> <li>Target local Colleges of Business alumni</li> </ul>	<ul style="list-style-type: none"> <li>Seek to expand role as a business and financial services hub</li> <li>Market the abundance of business program graduates</li> </ul>



“There are lots of supplier opportunities in automobile hybrid components.”  
 - *Business Interview*

**Goal 9: Targeted Cluster Specific Strategies**

**Clean Tech**

MARKET SEGMENTS	KEY ASSETS	MARKETING INITIATIVES	SECTOR STRATEGIES
<ul style="list-style-type: none"> <li>• Fuel Cells</li> <li>• Biomass</li> <li>• Clean Coal Technology</li> </ul>	<ul style="list-style-type: none"> <li>• University of Kentucky Center for Applied Energy Research</li> <li>• Toyota hybrid supplier requirements</li> <li>• UK strengths in biomass, biofuels, hybrid batteries, and product engineering</li> <li>• Alltech’s algae research and fermentation facilities</li> <li>• Access via I-65 and I-64</li> </ul>	<ul style="list-style-type: none"> <li>• Identify and target Toyota hybrid supply requirements</li> <li>• Michigan sales mission on fuel cells</li> <li>• Plug-in Expo(hybrid and electrical vehicle industry)</li> <li>• Clean Tech Conference and Expo</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a target industry group to help identify most appropriate “market space” within the sector</li> <li>• Explore adoption of a Kentucky renewable energy portfolio standard</li> <li>• Expand role in clean coal technology research and development</li> <li>• Explore fulfilling Department of Defense renewable energy contract research and development needs at Coldstream Research Park and Bluegrass Station</li> </ul>



“Secure the horse industry as it is in dire need of government support or we are going to lose a lot more jobs.”

- Community Survey Response

**Goal 9: Targeted Cluster Specific Strategies**

**Animal Science/Equine Industry**

MARKET SEGMENTS	KEY ASSETS	MARKETING INITIATIVES	SECTOR STRATEGIES
<ul style="list-style-type: none"> <li>• Training and Veterinary Services</li> <li>• Breeding</li> <li>• Research and Development</li> </ul>	<ul style="list-style-type: none"> <li>• World center of horse breeding, training and racing</li> <li>• Gluck Equine Institute</li> <li>• Veterinary Diagnostic Laboratory</li> <li>• Inter-department Equine Initiative</li> <li>• BCTC’s Equine Studies program</li> <li>• Large pool of skilled professionals</li> <li>• “Horse Capital of the World” with world class human and physical support infrastructure</li> <li>• Kentucky Horse Park with over 80 equine events annually</li> <li>• Home of 35 national equine associations</li> <li>• National Horse Show</li> <li>• Horse industry is a long-established part of the local culture</li> <li>• Bluegrass Region Livestock Marketing Center (cattle) is the largest livestock market east of the Mississippi River</li> <li>• Conducive physical setting with prime soils and a temperate climate</li> </ul>	<ul style="list-style-type: none"> <li>• Better capitalize upon local events including Keeneland races through advertising in event programs, horse sales, etc.</li> <li>• Continue to capitalize upon worldwide exposure from the World Equestrian Games to expand the growing sport horse segment</li> <li>• Capture equine associations-related businesses with the help of Kentucky Horse Park</li> </ul>	<ul style="list-style-type: none"> <li>• Expand global role as a horse health education center</li> <li>• Expand the sport horse segment regionally</li> <li>• Increase the number of spinoff companies tied to Gluck Equine Institute and other research</li> <li>• Ease process of booking horse farm tourism</li> <li>• Aggressively disseminate the Bluegrass Horse Farm Trail Project materials as a way to extend stays of visitors to Kentucky Horse Park, races and auctions</li> <li>• Modernize the Bluegrass Regional Livestock Marketing Center (cattle)</li> </ul>





{ *“Foster the grassroots arts and music communities.”* }  
 - Community Survey Response

**Goal 9: Targeted Cluster Specific Strategies**

**Visitor Industries (The Convention and Visitors Bureau is the lead marketing agency for this sector)**

MARKET SEGMENTS	KEY ASSETS	MARKETING INITIATIVES	SECTOR STRATEGIES
<ul style="list-style-type: none"> <li>• Cultural and Sporting Events</li> <li>• Conventions and Business Associations</li> <li>• Continuing Education</li> </ul>	<ul style="list-style-type: none"> <li>• Heart of the horse industry</li> <li>• Home to Keeneland</li> <li>• Kentucky Horse Park</li> <li>• Lexington Convention Center</li> <li>• Beautiful natural landscape with scenic horse farms</li> <li>• Distilleries</li> <li>• Visitor draw of colleges and universities including continuing education</li> </ul>	<ul style="list-style-type: none"> <li>• Cross-marketing opportunities including target sector conferences/meetings</li> <li>• Expand continuing education draws through area colleges and universities</li> <li>• Recruit additional signature equine events</li> <li>• Agri-tourism including Bluegrass Horse Farm Trail Project, Bourbon Trail</li> </ul>	<ul style="list-style-type: none"> <li>• Extend visitor stay duration through agri-tourism tours, downtown cultural events, etc.</li> <li>• Expand off-peak event visitation through the growth of continuing education and cultural events</li> <li>• Market regional assets through increased Golden Triangle collaboration</li> </ul>

The following Marketing/Business Development Calendar contains a schedule of some suggested marketing initiatives organized by category. Due to the timing of Strategy development, the third quarter is the first quarter listed. Most events occur periodically.

Program	Third Quarter 2011			Fourth Quarter 2011			First Quarter 2012			Second Quarter 2012		
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Targeted industry trade shows	<ul style="list-style-type: none"> <li>International Technology Manufacturing Show</li> <li>International Asset Management Council (corporate real estate and facilities)</li> </ul>			Medical Design and Manufacturing (MDM)			Interphex (Pharma)			<ul style="list-style-type: none"> <li>Plug-in Conference and Expo (hybrid vehicle)</li> <li>E3 EXPO (w/ local interactive game developers)</li> <li>BIO</li> </ul>		
E-mail campaign to site selection consultants	X			X			E-newsletter			X		
Sales trips/Mission				<ul style="list-style-type: none"> <li>.NY/NJ Triangle Mission to Philadelphia (Pharma/Life Sciences)</li> <li>Golden</li> </ul>			Michigan (Fuel Cell focus) Atlanta			Boston		
Alumni Events	<ul style="list-style-type: none"> <li>"Come Back Home" ads</li> <li>DC Fly In</li> </ul>			<ul style="list-style-type: none"> <li>"Come Back Home" ads</li> <li>College of Business meetings</li> </ul>			<ul style="list-style-type: none"> <li>"Come Back Home" ads</li> <li>Colleges of Agriculture and Engineering meetings</li> </ul>			<ul style="list-style-type: none"> <li>"Come Back Home" ads</li> <li>College of Medicine meetings</li> </ul>		
Social Media	X			X			Periodic updating of content on Facebook "Locate in Lexington" and Twitter "LocateInLex"			<ul style="list-style-type: none"> <li>X</li> <li>Launch Digital Ambassadors program</li> </ul>		
Site Consultant events	"Expansion Management" Site Selection Roundtable			Keeneland Races Hosting Event						<ul style="list-style-type: none"> <li>Keeneland Races Hosting Event</li> <li>"Expansion Management" Site Selection Roundtable</li> </ul>		
Direct Mail	Site Consultants and corporate clients			Targeted Cluster-specific mailing			Mailing to site selection consultants and corporate executives within targeted clusters			Targeted Cluster-specific mailing		
Entrepreneurial Support Events	<ul style="list-style-type: none"> <li>"Geeks Night Out"</li> <li>"5 Across"</li> <li>Lexington Venture Club</li> </ul>			<ul style="list-style-type: none"> <li>"Geeks Night Out"</li> <li>"5 Across"</li> <li>Lexington Venture Club</li> </ul>			<ul style="list-style-type: none"> <li>"Who Got the Money?" LVC event</li> <li>"Geeks Night Out"</li> <li>"5 Across"</li> <li>Entrepreneur Boot Camp (w/ Bluegrass Angels)</li> <li>Bluegrass Business Development Partnership meetings</li> </ul>			<ul style="list-style-type: none"> <li>"Geeks Night Out"</li> <li>"5 Across"</li> <li>Lexington Venture Club</li> </ul>		
Business Retention and Expansion visits	X			<ul style="list-style-type: none"> <li>X</li> <li>Visit out-of-state headquarters of local employers</li> </ul>			Visit 150 local businesses annually (critical questions survey)			<ul style="list-style-type: none"> <li>X</li> <li>Visit out-of-state headquarters of local employers</li> </ul>		
Cluster Group Meetings (staggered quarterly)	X			<ul style="list-style-type: none"> <li>X</li> <li>Meet with Executive Directors of equine associations at National Horse Center</li> </ul>			<ul style="list-style-type: none"> <li>Life Sciences (Bluegrass BIO)</li> <li>Software and I/T</li> <li>Animal Sciences</li> <li>Business and Professional Services</li> <li>Visitor Industries (thru CVB)</li> </ul>			<ul style="list-style-type: none"> <li>X</li> <li>Meet with Executive Directors of equine associations at National Horse Center</li> </ul>		
Minority Business Development	<ul style="list-style-type: none"> <li>Outreach</li> <li>Community Ventures Corporation Workshop</li> </ul>			<ul style="list-style-type: none"> <li>Outreach</li> <li>"Minority Business of the Year" award</li> <li>Community Ventures Corporation Workshop</li> </ul>			<ul style="list-style-type: none"> <li>Continuous outreach to minority businesses and procurement officers</li> <li>Expand use of social media for communication of opportunities/programs</li> <li>Commerce Lexington Workshop</li> <li>Community Ventures Corporation Workshop</li> </ul>			<ul style="list-style-type: none"> <li>Outreach</li> <li>Initiate Minority Business Development Accelerator programs</li> <li>Community Ventures Corporation Workshop</li> </ul>		
International Inward Investment	KY meetings w/ KY Cabinet for E/D overseas representatives			Collaborative Pacific Rim Inward Investment Mission with State of Kentucky and Golden Triangle			CeBIT (Digital I/T and Telecom)			Collaborative European Inward Investment mission with State of Kentucky and Golden Triangle		
Advertising	"Site Selection" magazine "Research and Science Parks" focus (w/ Coldstream) "Business Facilities" "Automotive" focus			Keeneland program "Site Selection" magazine "Medical Devices" focus			Site Selection magazine - "Entertainment Technology and Digital Media" focus			Keeneland program "Site Selection" magazine - "North America Automotive" and "Life Sciences Centers" "Business Facilities" "BioTech" focus		
Communications	<ul style="list-style-type: none"> <li>LFUCG progress quarterly update</li> <li>X</li> </ul>			<ul style="list-style-type: none"> <li>LFUCG progress quarterly update</li> <li>X</li> </ul>			<ul style="list-style-type: none"> <li>LFUCG progress quarterly update</li> <li>Commerce Lexington Economic Development Report</li> </ul>			<ul style="list-style-type: none"> <li>LFUCG progress quarterly update</li> <li>X</li> </ul>		
Allies Recognition Event				Golden Triangle Regional Event			KCED Staff Appreciation					
Bluegrass Alliance	<ul style="list-style-type: none"> <li>Board and Economic Development Directors meetings</li> <li>Partner Recognition Event</li> </ul>			Board and Economic Development Directors meetings			Board and Economic Development Directors meetings			Board and Economic Development Directors meetings		
Website	Expand cluster-specific material (Animal Science and Clean Tech)			<ul style="list-style-type: none"> <li>Expand cluster-specific material (Business and Professional Services)</li> <li>Translate website material (Japanese and German)</li> </ul>			Expand cluster-specific material (Life Sciences)			<ul style="list-style-type: none"> <li>Expand cluster-specific material (Software and I/T)</li> <li>Develop global inward investment section</li> </ul>		
Branding	Engage local marketing firms and UK or Transylvania to help support initiative			Kick-off branding initiative								

Green font = Collaborative Bluegrass Alliance cost-sharing participation with Golden Triangle economic development consortium and Kentucky Cabinet for Economic Development



## *Performance Metrics*

Ongoing performance evaluation is a critical component to Advance Lexington and the Bluegrass Region's success. The performance measurements proposed on the following pages will help project stakeholders to effectively measure the implementation of the strategies within this plan. Economic developers will have an opportunity to demonstrate the positive results of their efforts and for the public to determine whether economic development resources are well-spent.

Commerce Lexington currently does a thorough job in reporting results to the public on a quarterly basis. However, with a limited staff, too much time is spent on reporting. Project partners must agree upon a concise set of the most appropriate performance measures and periodic reporting on results.

Additionally, project partners should hold an annual "scorecard" meeting to review progress of each particular goal and strategy.



## *Performance Metrics*

### **Business Climate**

- Businesses served through the Business Retention and Expansion (BRE) program
- Ratings of overall business climate through BRE program

### **Workforce and Education**

- Average wage growth
- Local employers' ratings of workforce
- Changes in high school graduation rates and technical training certification
- Utilization of workforce development programs
- Ratings of workforce development programs
- Percentage of college educated workers
- Changes in ACT/SAT scores and dropout rates

### **Marketing and Business Development**

- Number of qualified prospects
- Conversion rates of prospects to new businesses
- New jobs generated
- Average salaries of new jobs
- Tax revenues generated





## *Performance Metrics*

### **Sites & Infrastructure**

- Amount of new lab space constructed
- Available developable acreage (with utility service)
- Office and industrial vacancy rates

### **Collaboration & Leadership**

- Participation levels of Bluegrass Region organizations in the regional effort through MOU's, funding, and participation

### **Strategy Implementation Plan Outcomes**

- Successful completion of initiatives (Annual Scorecard)

### **Entrepreneurship**

- Venture capital flow
- Regional spinoffs from research commercialization
- New business start-ups
- Patent creation

### **Minority business development growth**

- Number of certified minority businesses
- Minority business revenue growth
- Growth in contracts awarded
- Number of companies participating in Accelerator program
- Number of new minority businesses relocated to Lexington and the Bluegrass Region



## *Implementation Matrix*

The implementation of this strategy will rely upon the implementation committee to oversee the implementation and accountability of the strategies. The implementation matrix offers a detailed look at how Commerce Lexington, LFUCG, University of Kentucky and others should implement this action plan. It is organized by the eight goals outlined in this strategy and includes the most prominent action items, timeframe, and parties to be involved in implementation.

The implementation matrix will be provided as an editable excel document separate from the body of this report.



## Appendix A: Reverse Site Selection Key Takeaways

AngelouEconomics conducted a Reverse Site Selection to assess the sales process of Commerce Lexington, LFUCG and other partners and to assess sites available in Lexington and the Bluegrass Region.

Commerce Lexington's client hosting program is impressive and incorporates many strengths, particularly the engagement of local business leadership and regional assets.

Key takeaways for further tactical improvement are found below:

- Communication and follow up with site selection consultant team was excellent
- Welcoming reception and event was extremely memorable
- Provide a single point of contact at Commerce Lexington throughout the entire process
- Try to engage the Mayor or other elected officials to be the region's chief spokesperson –his presence would be an added benefit
- Provide professional transportation throughout the visit so Commerce Lexington staff can focus their time with consultant
- Leverage and quantify the incentives you can provide – free land, workforce training, tax savings – give these items dollar value
- Provide opportunity for consultant to meet with Kentucky Cabinet Secretary or Governor when dealing with major projects
- Provide additional maps for each site visited. Also provide one map with sites identified so consultant understands where each site is located in relation to others
- Consider local professional for Master of Ceremonies while hosting major clients/employers
- Provide a break in the afternoon for consultant to catch up on e-mail, return phone calls, etc.





## Appendix B: Acknowledgements

AngelouEconomics would like to express our appreciation to the many individuals and organizations who contributed their invaluable input on key issues identified during this strategic planning project, especially the Steering Committee, who guided and directed this project throughout the process.

Though too numerous to name individually, we would also like to thank the many other individuals who participated in the process by attending focus groups, granting interviews, completing surveys and providing feedback.

Finally, we would like to give a special thanks to the staff and elected officials of Commerce Lexington and Lexington Fayette-Urban County Government (LFUCG) for their time, resources, and coordination efforts.

## Steering Committee Members

- Kevin Atkins (Lexington-Fayette Urban County Government)
- Steve Byars (University of Kentucky)
- Juli Gaworski (Lexington Partnership for Workforce Development)
- Gina Greathouse (Commerce Lexington Inc.)
- Len Heller (University of Kentucky)
- Bo Howell (Lexington Young Professionals Association)
- Jeri Isbell (Lexmark International)
- Renee Jackson (Downtown Lexington Corporation)
- Joe Kelly (Lexington-Fayette Urban County Government)
- Bill Lear (Commerce Lexington Inc.)
- David Lord (Lexington Convention & Visitors Bureau)
- Mark Manuel (Bluegrass Community & Technical College)
- Doug Martin (Lexington-Fayette Urban County Council)
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- Kevin Stinnett (Lexington-Fayette Urban County Council)
- Harold Tate (Lexington Downtown Development Authority)
- John Taylor (Co-chair of the Minority Business Advisory Council)
- Pamela Trautner (Lexington Partnership for Workforce Development)
- Darby Turner (Commerce Lexington Inc.)
- Tyrone Tyra (Commerce Lexington Inc. – Minority Business Development)
- Anthony Wright (Lexington-Fayette Urban County Government)





## *Appendix C: Photo Credits*

### **PHOTO CREDITS**

Foreword, Executive Summary, Project Work to Date and Strategic Plan and Performance Metrics -  
Commerce Lexington Economic Development

Appendix A, B & C– Alltech FEI World Equestrian Games



# AngelouEconomics

***AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities. Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development. As a result, AngelouEconomics' clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract 'new economy' companies.***

## Project Team

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