

FULL STRIDE INITIATIVE

**Commerce
Lexington**
ECONOMIC DEVELOPMENT

Investor Update
April 1 – June 30, 2014

Creative Lodging Solutions expands in Lexington adding 120 jobs

Commerce Lexington recently announced the expansion of Creative Lodging Solutions' (CLS) headquarters in Lexington. Creative Lodging Solutions is a nationwide travel company that delivers customized lodging programs for corporate clients. The company will create 120 new jobs and invest \$5.5 million in the expansion project.

CLS is moving from an 18,000-square-foot facility on Harrodsburg Road to 60,000 square feet of the former Kroger building in Beaumont. CLS currently employs 134 people and is expected to almost double its workforce in the next four years.



Insights and observations

We had a very busy quarter with travel, trade shows and client visits. A record number of company visits – 10 different companies in town evaluating the region. We are following up diligently and hope this will translate into additional outreach and perhaps a new location or more.

With staff transitions now complete, we have smoothly molded together to make us

the “well-oiled” team we strive to be. It was difficult to lose two people at the same time, but luckily our team fell right back into place. Travis Lane and Hannah Huggins are coming along just great.

Read more for a quick snap shot of where we've been and what we've been doing this quarter.

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By the Numbers

In 2014, Commerce Lexington's Economic Development Division responded to calls from the following:

61	NEW PROSPECTS INTERESTED IN FINDING A NEW LOCATION OR EXPANDING OPERATIONS
17	EXISTING CLIENTS AND LOCAL ENTREPRENEURIAL COMPANIES WITH POTENTIAL EXPANSIONS IN LEXINGTON
71	EXISTING BUSINESS VISITS
18	CLIENT VISITS

The Contact Center Consortium (C3N), a Commerce Lexington networking group for customer contact centers, met in early June to discuss workforce issues and the employee selection hiring process. David Daniel, the Manager of KU's Business Service Center, led the discussion. It was a very productive dialogue between the various companies. The group discussed the systems and challenges they encounter when hiring and retaining employees. They specifically discussed the job requirements of their employees as well as the job posting and screening processes. The group is planning to meet again in September.



MARKETING TRIPS & CONFERENCES

PAX East



Several gaming companies from Lexington participated in a conference panel at PAX. Lexington was the only community that had more than one company participate in a speaking panel.

Gaming is a growing industry in Kentucky and is one of Commerce Lexington's strategic target niches. Lexington currently has four full-time and five early-stage game development companies. As a part of the Bluegrass Business Development Partnership, we supported a group of local game developers and a booth at the Penny Arcade eXpo (PAX East) in Boston, Mass. PAX East is a three-day tradeshow exclusively for the gaming industry. This event drew tens of thousands of gamers and included a variety of events, such as game-culture inspired concerts, panels on game topics, exhibitor booths, a local area network (LAN) party, tabletop game tournaments and video game freeplay areas. Some of our local gamers were even featured in a panel during the show.

2014 Professional Development & Marketing Opportunities

This quarter provided many opportunities for professional development and networking with site selection consultants. Our team's first trip was in April to the Kentucky Association for Economic Development (KAED) spring conference in Owensboro.

Later in April, Commerce Lexington travelled to Pinehurst, NC for the Industrial Asset Management Council (IAMC) spring forum for networking with industrial asset management and corporate real estate executives. IAMC provides great networking for economic development professionals, Fortune 500 real estate professionals and site selection consultants from across the country.

Toward the end of the quarter, Commerce Lexington attended the Area Development Consultants Forum in Columbus, Ohio. This forum addresses the leading issues, strategies and best practices necessary for successful economic development. We made contact with eleven site selection consultants.

BIO

In late June, Hannah Huggins represented Commerce Lexington's exhibit at the 2014 BIO International Convention (BIO) in San Diego with the University of Kentucky, our Bluegrass Business Development Partner. BIO is a global biotech conference that draws over 15,000 industry leaders, including 2,500 CEOs, from 50 states and 70 countries.

Biotech is a growing industry in Kentucky and is another niche we are continually targeting and pursuing. BIO gives Commerce Lexington an opportunity to showcase Lexington's strengths in biotech and to network with a variety of companies ranging from start-ups to Fortune 500 companies. Our team met with some of our existing biotech companies in San Diego as well as prospective companies that we are recruiting.



The Bluegrass Business Development Partnership visited the new SBIR-STTR company expo within the BIO tradeshow. The team met with several companies interested in the Lexington area.

Marketing Trips

This quarter, the economic development team completed two marketing trips to Ohio and Texas. Our team first traveled to Columbus and Cincinnati to cultivate and maintain relationships with site selection consultants. Site selection consultants represent major corporations and provide valuable due diligence and guidance to their clients. It's important for our team to maintain our relationships with the gate keepers to companies. We also met with executives at the headquarters of some companies who have Lexington operations to thank them for their presence and investment in our community.

Later in the quarter, our team traveled to Dallas, Texas on another marketing trip. Gina Greathouse and Kimberly Rossetti met with nine site selection consultants and three company prospects in the Dallas area. The companies we met with fell within our strategic targets of advanced manufacturing, software and IT.



MARKETING TRIPS & CONFERENCES

Trade Mission to United Kingdom

In mid-May, Commerce Lexington and over 25 business and government leaders joined Governor Beshear on Kentucky’s first-ever trade mission to the United Kingdom (London/Manchester). Central Kentucky has worked hard to develop a diverse business base, and many of our regional firms are global businesses. To be competitive globally, we must understand different cultures and develop relationships with interested companies that are mutually beneficial.

Commerce Lexington President and CEO Bob Quick hosted three United Kingdom companies that either have a presence in Lexington or are considering a location in Lexington during a “Kentucky Product & Hospitality Reception.” The event was hosted by Governor and First Lady Beshear and U.S. Ambassador to the United Kingdom of Great Britain and Northern Ireland Matthew W. Barzun.

During Quick’s visit to London and Manchester, he visited with individual companies. He also met with trade groups that broker relationships between businesses and organizations. An immediate take-away from his trip was a visit to Lexington by Michal Kaczmarek, Editor, Americas and Europe, fDi (Foreign Direct Investment) Magazine.



Bob Quick poses with Governor Beshear and other attendees at the networking reception in London Conservatory.

Upcoming Marketing Trips

<p>August Detroit, MI</p>	<p>September Chicago, IL</p>
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This quarter proved to be very productive for the Business and Education Network. We had a number of opportunities to build strategic partnerships in Lexington and Central Kentucky to promote workforce development and to highlight opportunities in our region. Combining efforts with education, employers, local officials and community organizations to attract, retain and develop a highly skilled, educated and diverse talent pool will secure our ability to remain globally competitive.

BEN has partnered with Fayette County Public Schools to assist with developing a 21st century Career and Technical Education (CTE) system. Benchmarking successful CTE programs in cities such as Shanghai, China, Denver, Colorado, Toronto, Canada, Melbourne, Australia, exposes FCPS to global competencies employers are seeking in their employees. BEN’s role is to bring employers to the table to provide input on curriculum and proficiency outcomes.

BEN is also a member of the BGWIB/KY Career Center Regional team. We assisted in setting up and promoting a local job fair on June 16, 2014 at BCTC’s Leestown campus. 53 employers participated and over 700 job seekers attended. We are now following up with employers who participated to understand their satisfaction with skills & education of those who were seeking employment.

Last but not least, on August 5, 2014, BEN is sponsoring the Emerging Schools, Emerging Workplaces Summit. This is an opportunity for industry leaders in advanced manufacturing, healthcare, energy and agriculture to meet with education leaders to identify skill gaps and work together on solutions to close or eliminate those gaps.

Upcoming Event

Evolving Schools, Emerging Workplaces Summit
August 5, 2014

Bringing Industry and Education together to enhance workforce development in the Bluegrass.

There is no cost to attend, but registration is required.
Click here to register.

Sponsored by the Business & Education Network

COMMUNITY & MINORITY BUSINESS DEVELOPMENT

Strategic Alliance/Minority Business Accelerator



Members of the Commerce Lexington Minority Business Accelerator program.

After its launch in June 2013, the Minority Business Accelerator program has reached over \$4.1 million in contracts. National Diversity Solutions, a certified MBE in Lexington, reported their business has grown with Messer Construction to over \$3.9 million.

Four clients from the Minority Business Accelerator program attended the Commerce Lexington 2014 Leadership Expedition to Charlotte, North Carolina. The Leadership Expedition offered many new leads to the clients, which will help them in growing their businesses. The members are pictured above.

The Community & Minority Business Development staff has worked with a total of 77 businesses/prospective businesses during the last quarter. Even though loan production is down, many individuals are interested in starting operations. These visits should lead to a number of loans in the future.

By the Numbers

49 MEETINGS WITH MINORITY BUSINESSES

14 MEETINGS WITH EXISTING BUSINESSES

14 MEETINGS WITH FEMALE-OWNED BUSINESSES

Minority Business Development Advisory

The Minority Business Development Advisory Committee met in June. The Committee covered a variety of topics, including updates on general minority businesses, the Accelerator program and the Minority Business Expo.

Ceremonial Bill Signing

We also participated in Governor Beshear's ceremonial signing of House Bill 301 on June 23rd. This bill offers employment tax

incentives to small businesses hiring as little as one full-time employee.



Governor Steve Beshear signs ceremonial house bill aimed at helping small businesses with expansion growth.

Need information about starting or growing your business?

Contact us.

Commerce Lexington

ECONOMIC DEVELOPMENT

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