

FULL STRIDE INITIATIVE

**Commerce
Lexington**
ECONOMIC DEVELOPMENT

Investor Update
July 1 – September 30, 2016

More than a Bakery breaks ground on \$57.1 million facility

On July 11, Gov. Matt Bevin, along with members of the Richmond Baking Co. family including Bill, Rob and Felicia Quigg, celebrated a “crumb turning” signifying the start of construction on More Than A Bakery’s new facility in Versailles. The \$57.1 million bakery will employ 310 people and produce cookies, crackers and other baked goods by contract for major food brands and retailers. This project started as a “Request for Information” through a site selection consultant in Lexington and worked with Commerce Lexington Inc. throughout the process. We’re proud they landed in Central Kentucky!



Commerce Lexington Inc. team joins More Than A Bakery officials and Governor Bevin for a commemorative “crumb turning” photo.

Blue Grass Stockyards breaks ground on new facility

On September 2, the Blue Grass Stockyards broke ground on its new state of the art facility. Blue Grass Stockyards owners celebrated the groundbreaking with key officials including Mayor Jim Gray, Congressman Andy Barr and CLX President and CEO Bob Quick.



Key officials break ground on the new Blue Grass Stockyards facility.

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By the Numbers

In 2016, Commerce Lexington Inc.’s Economic Development Division responded to calls from the following:

75 NEW PROSPECTS INTERESTED IN FINDING A NEW LOCATION OR EXPANDING OPERATIONS

31 EXISTING CLIENTS AND LOCAL ENTREPRENEURIAL COMPANIES WITH POTENTIAL EXPANSIONS IN LEXINGTON

121 EXISTING BUSINESS VISITS

14 CLIENT VISITS

COMPANY ANNOUNCEMENTS

Belcan cuts ribbon on new Pratt & Whitney space

On September 8th, Commerce Lexington Inc. joined executives from Belcan and Pratt & Whitney to cut the ribbon on their two new Pratt and Whitney spaces in the Belcan's Lexington operation. Both rooms will accommodate 25 full time employees and will contribute to their growth announced in July 2015. We are proud of Belcan's growth and investment in Lexington!



Belcan opens new Pratt and Whitney spaces in Lexington.

ArchVision celebrates 25 years, spins out groundbreaking new business AVAIL

For many years, the Bluegrass Business Development Partnership has worked with Lexington-based ArchVision, and in July, we were excited to announce they spun out a new software company, AVAIL. This company has developed a cutting edge software solution for the architecture, engineering and construction market changing the way customers retrieve digital files on company networks. AVAIL will create 4 new jobs and received approval for a Lexington Jobs Fund loan to assist in the start-up of the new company. We are proud that AVAIL is joining our growing tech sector!

SPECIAL ANNOUNCEMENT

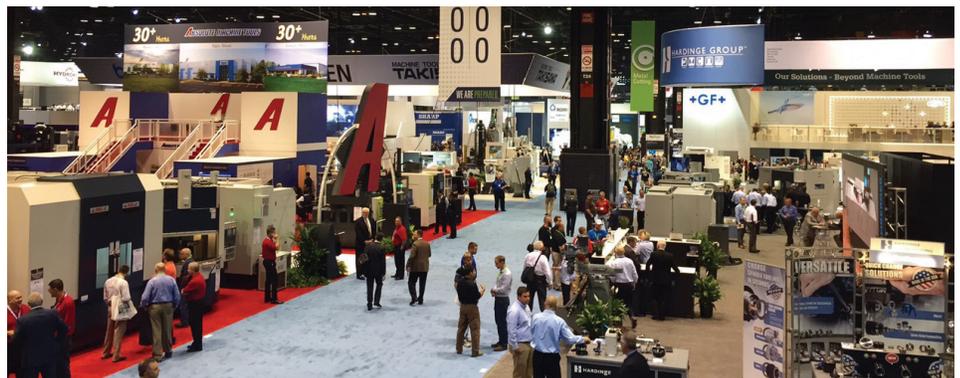
IEDC Professional Development & Marketing Awards

The economic development team participated in the annual International Economic Development Council (IEDC) conference in Cleveland in September. The annual conference offers professional development for economic developers across many areas of practice including Business Retention & Expansion; Entrepreneurship; Marketing and Attraction; and Community Development. During the fall conference, Commerce Lexington Inc. was recognized as a Silver award recipient for our "Here's Our Proof" bourbon marketing campaign during the Breeders' Cup. Our team was also awarded the Bronze award for our "Come Back Home" alumni series in the Kentucky Alumni magazine. The alumni campaign award submission featured some of Lexington's global brands as well as a spotlight on UK grad Kim Knopf, CEO of Innovative Mattress Solutions.

MARKETING, CONFERENCES AND NETWORKING

International Manufacturing Technology Show in Chicago

In September, Commerce Lexington Inc. partnered with LG&E-KU at the 2016 International Manufacturing Technology Show (IMTS) in Chicago. IMTS is America's largest manufacturing technology show with over 110,000 attendees. LG&E-KU promoted Kentucky as a key state for manufacturers to do business and allowed economic developers to exhibit in partnership with the utility company. IMTS gives Commerce Lexington Inc. an opportunity to showcase Lexington's strengths in manufacturing and to network with a variety of companies that have operations worldwide and in Lexington. While attending IMTS, KentuckyUnited, the statewide marketing initiative, held two events in Chicago. Governor Matt Bevin spoke at



The International Manufacturing Technology Show at McCormick Place in Chicago

the existing business luncheon thanking these companies for their investment and job creation in Kentucky. Lexington firms included LexAir Inc. and SQS (formerly Galmont Consulting). The second event focused on site selection

consultants, at which we promoted Kentucky as a great place to do business; 19 consultants attended the luncheon.



MARKETING, CONFERENCES AND NETWORKING

MosquitoMate presents at DC Fly-In

In early July, BBBDP client MosquitoMate participated and presented during Commerce Lexington Inc.'s DC Fly-In. MosquitoMate is a Lexington startup that uses technology developed at the University of Kentucky to get male mosquitoes (which don't bite) to be released in yards and sterilize female mosquitoes (which do bite and can spread disease). This portion of the Fly-In focused on the importance of federal grants and how they can be leveraged by state dollars to spin out technology from the university.



Dr. Stephen Dobson, MosquitoMate's president, presents on the company and its technology.

Young Entrepreneurs Pitch Ideas at SPARK Event

In July, SPARK (formerly known as Lexington Venture Club) hosted the 2016 Governor's School for Entrepreneurs pitch competition. Lt. Governor Jenean Hampton attended and visited with the students pitching their businesses. Throughout the summer, young entrepreneurs worked together to develop ideas, write business plans and create prototypes that culminated to this final pitch competition. Barko Polo, a company that produces dog toys to help dogs with sensory disabilities, took home the grand prize of \$1,000. 114 people attended this event.



Lt. Gov. Hampton presents winning check to Barko Polo with representatives from GSE and the BBBDP.

CLARK hosts Manufacturers Networking Group

CLARK Material Handling Company hosted our Manufacturers Networking Group for a lunch and learn on September 22nd. Dennis Lawrence, CLARK's President and CEO, presented along with other key executives from the company. Twenty-five individuals attended the meeting, which was sponsored by Dean Dorton.



Dennis Lawrence welcomes the attendees of the Manufacturers Networking Group.

AutoVision Conference

Commerce Lexington Inc. attended the AutoVision Conference in Lexington in September. The AutoVision Conference, created by the Kentucky Automotive Industry Association (KAIA), showcases the future of the automotive industry from a variety of perspectives and provides access to the expertise of C-suite executives, industry leaders and other experts.



Wil James, President of Toyota Motor Manufacturing, Kentucky, Inc., presenting on the Lexus line in Central Kentucky.

Kentucky International Trade Summit

In mid-September, Commerce Lexington Inc. sponsored and participated at the Kentucky International Trade Summit in Louisville. This conference is Kentucky's largest gathering of international business professionals in the state. It offers an opportunity for networking and professional development as well as access to experts in international trade.

Fast Fact:

Commerce Lexington Inc. was awarded 2016 Chamber of the Year by ACCE.





BUSINESS AND EDUCATION NETWORK

Commerce Lexington Inc., the Business & Education Network and Fayette County Public Schools continue their partnership with the Ford Motor company on the Ford Next Generation Learning Initiative (NGL).



The NGL program mobilizes educators, employers and community leaders to create a new generation of young people who will graduate from high school both college and career-ready. This will create an emerging workforce prepared to compete successfully in the 21st century economy.

This initiative uses career-themed academies to lay a solid foundation for success in the classroom and the workplace. This academy model gives students an opportunity to choose a career path that aligns with current workforce needs and best fits their personal interests.

On August 24th, Ford coaches came to Lexington to meet with a small group of stakeholders to deepen the community-wide understanding of the benefits and features of transforming the secondary school experience using the Ford NGL approach. We reviewed Lexington's accomplishments and gaps to date and are working to finalize the steering committee that will lead our community in this work.



Commerce Lexington Board Chairman Alan Stein and FCPS Superintendent Manny Caulk welcome community stakeholders to the first NGL steering committee meeting.



Bryan Station High School Principal James McMillin and FCPS Strategic Partnerships Manager Kim Lyon participate in the Ford NGL Steering Committee meeting



Ford NGL Coach Starr Herrman walks a group of community stakeholders through the process of creating career academies

In September, over 70 community stakeholders visited Nashville for the "Academies of Nashville" Study Visit. Members of the Nashville community shared how they transformed their high schools into personalized learning communities that offer rigor, relevance, relationships and readiness for all students.

During this visit, FCPS principals, counselors and staff learned about the strategies, structures and tactics that are producing real progress in high school reform in Nashville. The agenda was structured to bring a high-level view of

the systemic and broad-based transformation taking place in Nashville, including the extensive and deep engagement of the business community in the effort.



Members of Fayette County Public schools participate in a debriefing session at the Academies of Nashville Study Visit

The next phase of the program, the master planning phase, will begin in October. The Master Plan is similar to a strategic business plan which will guide the development of a successful career academy network in our community. Community leaders consisting of employers, educators, foundations, civic leadership, parents and students will work together to develop a vision/mission statement, strategies for meeting the vision statement, action steps, measurable outcomes, timelines and yearly goals. This document will be unique to our community, but it will be guided by the three strands of the Ford NGL framework: Transforming Teaching and Learning, Redesigning High Schools, and Sustaining Change Through Business & Civic Leadership. The master plan should be completed by the end of December/early January and will begin implementation in 2017.

COMMUNITY & MINORITY BUSINESS DEVELOPMENT

Outreach

Tyrone Tyra has joined the Kentucky Small Business Administration Lender’s Conference Planning Committee. The committee is holding its 19th annual conference in Bowling Green, KY in November. The conference concentrates on best practices and awards to local and national banks that fund SBA guaranteed loans. Commerce Lexington’s Access Loan Program has had three companies that have won individual awards over the years, and many of the program’s member banks participate in SBA’s guarantee programs.

The Kentucky Commission for Small Business Advocacy met in Madisonville, KY in August. Tyrone Tyra, as chair, presided over the meeting which highlighted the Kentucky Secretary of State Office and the One-Stop Portal, as well as the Commission’s Annual Report. There was also a presentation on the state of the Kentucky Cabinet for Economic Development by Erik Dunnigan, Acting Secretary.



Acting Secretary Erik Dunnigan, KCED, addresses the group.

The 14th Annual Bluegrass Minority Business Expo boasted bringing back a former local business owner Phil Wilkins to talk about his business journey from Lexington to Atlanta, Georgia.

The Frankfort Area Chamber of Commerce has re-established a full Access Loan Program that includes six area banks and a non-profit to assist business in its area. Commerce Lexington staff, along with the Bluegrass Small Business Development Center, has orchestrated the activities for many years and now this group wants to start 2017 with an independent Access Loan Program. Our team is still playing an active role by consulting with the Frankfort Chamber.

There was a 2016 review and goal setting meeting for the Lexington Women & Minority Contractors Training class in September. Ten companies graduated in 2016. The goal was set to have 15 participants for 2017. Commerce Lexington Inc., Lexington-Fayette Urban County Government, Fifth Third Bank and Messer Construction sponsor and participate in the 10 week sessions.



Bluegrass Minority Business Expo Committee Members & Guest Speaker Phil Wilkins

Fall Opportunity Exchange

The Fall Opportunity Exchange, presented by Columbia Gas, featured two of the principals from the company Fluent, a blockchain-based financial network and payment platform startup aimed at providing a frictionless operating network for large enterprises and their global supply chains. This was a topic that many small businesses were interested in. The event drew over 60 attendees, 16 of which were first time attendees.



CMBD Chair Larry Forester and onlookers for his welcome comments



Fall Opportunity Exchange presenters, Lafe Taylor & Koby Hastings of Fluent, LLC

By the Numbers

- 21** MEETINGS WITH MINORITY BUSINESSES
- 14** ASSISTED WOMEN-OWNED BUSINESSES
- 13** EXISTING BUSINESS CALLS
- \$159,931** IN PROCUREMENT TO MBA CLIENTS
- \$310** THOUSAND IN ACCESS LOANS