

FULL STRIDE INITIATIVE

Commerce
Lexington
ECONOMIC DEVELOPMENT

Investor Update
July 1 – Sept. 30, 2015

Innovative Mattress Solutions announces relocation of headquarters to Lexington

Lieutenant Governor Crit Luallen and Lexington Mayor **Jim Gray** announced on September 24 that UK graduate and Innovative Mattress Solutions CEO Kimberly Brown Knopf will locate her company's headquarters in Lexington. Innovative Mattress Solutions (IMS), operating in Kentucky as Sleep Outfitters, has mattress stores in six states. IMS will create 52 jobs and invest nearly \$2.4 million in the project. We are thrilled for Kim Knopf and IMS to come back home to Lexington.

"Deciding to locate its headquarters in Lexington is a vote of confidence from Innovative Mattress Solutions in our city's workforce and quality of life," Mayor Gray said. "Our unemployment rate is among the lowest in the state. Innovative Mattress Solutions is a welcome addition to Lexington, a university city that embraces talent, ideas and an entrepreneurial spirit."

"We are so excited that Innovative Mattress Solutions has 'bounced' into Lexington with its new headquarters, new jobs for our community and an economic investment that will impact our region for many years," said Bob Quick, president and CEO of Commerce Lexington Inc. "Our economic development staff is proud to have worked with IMS since 2010, as we explored the opportunity to place its headquarters here. Both UK alumni and headquarter operations are points of emphasis set forth in our economic development strategic plan."



IMS CEO Kim Knopf joined by Lt. Governor Crit Luallen, UK President Dr. Eli Capilouto, Mayor Jim Gray and CLX President & CEO Bob Quick.

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By the Numbers

In 2015, Commerce Lexington's Economic Development Division responded to calls from the following:

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

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

116 EXISTING BUSINESS
VISITS

25 CLIENT VISITS

COMPANY ANNOUNCEMENTS

Belcan Corporation expands in Lexington adding 100 new jobs

On July 28, Lieutenant Governor Crit Luallen and Mayor Jim Gray announced Belcan Corporation's decision to expand their downtown Lexington operation. Belcan, a leading engineering services and technical staffing provider in the aerospace industry, will create 100 jobs and invest over \$3.2 million into the expansion in the Lexington Vine Center.

Belcan will lease an additional 15,000-square feet in the Vine Center to accommodate the increased number of engineers needed to support its new customer Pratt & Whitney, a commercial and military aerospace gas turbine engine supplier. Belcan opened its Lexington office in 2005 to service a growing aerospace contract with Sikorsky Aircraft Corporation.



Lt. Governor Crit Luallen, Mayor Jim Gray, CLX President & CEO Bob Quick joined by Belcan team in announcing Belcan's announcement.

Consolo announces expansion in Lexington

On August 27, Governor Steve Beshear and Lexington Mayor Jim Gray announced Consolo Services Group is expanding its Lexington location. Consolo, a software company that specializes in the hospice and palliative care industry, will create 30 jobs and invest \$730,700 into the project.

"When a local business grows and invests in Lexington, it tells the world that our city is a great place to do business," Mayor Gray said. "Since 2011, our employment rate has been cut by more than half, and many of the good jobs our economy has produced have come from expansions of local businesses. Congratulations, Consolo!"

"Consolo Services is a great example of a company that recognizes the benefits of being located in a city with a solid technology sector," said Bob Quick, CCE, president and CEO of Commerce Lexington Inc. "Consolo's expansion will create more software development and high quality support jobs for our community."

Fast Fact:

At \$7.7 billion, aerospace parts and products were Kentucky's largest export category in 2014.

Bluegrass Tool & Industrial breaks ground on expansion project

On August 11, Bluegrass Tool & Industrial broke ground on an expansion of its Lexington operations with Mayor Jim Gray and CLX Board Chair Herb Miller. Bluegrass Tool & Industrial is a one-stop supplier for industrial manufacturers specializing in hoist and crane sales, fabrication, electrical and mechanical contracting. They will invest nearly \$1.5 million into a new 25,000 square-foot facility. They also plan to launch a spin-off company creating 10 new jobs.



Mayor Gray, Bluegrass Tool & Industrial owner Russell Sells, wife Jenna Sells, and CLX Chairman Herb Miller break ground on the new facility.

COMPANY ANNOUNCEMENTS

Kentucky named top state for economic development in 2015

Governor Beshear, joined by Mayor Jim Gray, Bob Quick and other community officials, celebrated Kentucky receiving the Governor's Cup at Xerox in early July. Site Selection magazine named Kentucky the top state for economic development projects per capita last year and presented the Governor's Cup to the state earlier this year.

Fayette County has played a significant role in job creation and capital investment in Kentucky's economy. Since January 2008, the region announced more than 115 new and expansion projects, which are projected to create 3,702 jobs and nearly \$377.5 million in new investment.



Governor Steve Beshear, Mayor Jim Gray, CM Shevawn Akers, CM Jennifer Scutchfield and CLX President and CEO Bob Quick hoisting the Governor's Cup for economic development.

Council of State Governments cuts ribbon on renovated headquarters

On August 31, the Council of State Governments cut the ribbon on their \$5.5 million renovation of its national headquarters. The council, which was founded in 1933, is tasked with being a nonpartisan resource for all branches of state governments.



Lt. Governor Crit Luallen, Mayor Jim Gray and other dignitaries cutting ribbon on new building.

Ashland announcement

In late July, Ashland Inc. announced plans to build a new 145,000 square-foot office building on its Lexington campus investing an estimated \$35 million into the project. The new building will house Valvoline, a business unit of Ashland that has been based in Lexington for more than 30 years, and other Ashland corporate employees.

Ashland is a Fortune 500 global leader in specialty chemical solutions and the parent company of Valvoline, a premier consumer-branded lubricant supplier. Ashland and Valvoline have been part of the Lexington community for more than 30 years. Approximately 600 employees currently work in Lexington.

**Are you expanding your business? We can help.
Contact us for assistance.**

**Commerce
Lexington**
ECONOMIC DEVELOPMENT

800.341.1100 locateinlexington.com

MARKETING, TRADESHOWS AND NETWORKING

Lexington's Bluegrass Alliance markets region in Atlanta

Commerce Lexington leading the Bluegrass Alliance, travelled to Atlanta in late September to market Central Kentucky to site selection consultants in Atlanta. The Bluegrass Alliance planned an appreciation luncheon, at which 15 consultants attended, giving our team the opportunity to showcase our region for their next project.



Lexington's Bluegrass Alliance markets region to Atlanta-based Consultants

TwinSpires presents to C3N on best practices

TwinSpires hosted the Contact Center Consortium (C3N) on September 15. Mark Hall, the Contact Center Manager at TwinSpires, and his team presented on their Customer Relationship Management (CRM) software. 14 individuals attended this meeting.



Mark Hall of TwinSpires presenting to C3N group

Industrial Asset Management Council (IAMC) Fall Forum

Commerce Lexington attended the IAMC Fall Forum on September 26-30 in Cleveland, Ohio. This forum gives our team the opportunity to network with major corporations and the country's top site selection consultants. Networking is a large component of the forum giving us the opportunity to market the Bluegrass Region to consultants and the key decision makers of corporations.



IAMC attendees gather at the Tuesday night networking reception in the Cleveland Arcade, the nation's oldest indoor mall.

AutoVision Conference

Commerce Lexington attended the Kentucky Automotive Industry Association's inaugural AutoVision Conference in Louisville this September. The AutoVision Conference 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. This was a great opportunity for education on industry trends and networking with existing businesses. CLARK Material Handling Company, nGimat and MakeTime. The event focused on innovation and entrepreneurship. Over 125 individuals attended this event.



Governor Beshear kicking off the conference and speaking on the impact of the automotive industry in Kentucky.

SPECIAL EVENTS

Council District Days

The Economic Development team is continuing to plan and host Council District Days. This entails two to three visits with existing businesses in the councilmember's district. On these days, councilmembers learn about the companies, hear about the opportunities and challenges they face, and tour their facilities. These visits are an excellent way to engage the councilmember in their business community as well as to give them a better understanding of our economic development efforts. In this quarter, Councilmember Amanda Mays Bledsoe participated by visiting Associations International, MosquitoMate and Creative Lodging Solutions. Our team is in the process of planning days with Councilmembers Lamb and Evans.



CM Bledsoe visiting with biotech manufacturer MosquitoMate

Fast Fact:

The Bluegrass Region has 97 automotive manufacturing facilities, representing over 20% of all auto-related businesses in Kentucky.

Geeks Night Out

In this quarter, our team hosted two of IN2LEX's Geeks Night Out events. This is a networking event geared toward the innovators, forward thinkers and entrepreneurs in Central Kentucky. On July 22, more than 65 geeks attended this networking event at Lexington Beerworks, and on September 23, more than 70 geeks enjoyed the craft beer and patio at Ethereal Brewing.



Geeks networking at Lexington BeerWorks

LVC and 5Across

During the last quarter, the BBDP successfully held two Lexington Venture Club events, as well as sponsored 5Across. In July, student entrepreneurial teams from the Governor's School of Entrepreneurship presented their pitches to the group. The 1st place winner of the GSE student pitch competition was Walk Easy. Walk Easy is a preventative method of care for patients with neuropathy that scans the bottom of the foot for any possible infections/abnormalities and sends a report of this to the patient's doctor. In September, UK presented their new initiative, Venture Studio, which provides real world experience for members of the UK community. We also sponsored the 5Across event—5 minute pitches from 5 entrepreneurs at 5 p.m.

Upcoming Events

- Breeders' Cup World Championships / Lexington
- Site Selectors Marketing Trip / Chicago
- UK Alumni Luncheon / Chicago
- Site Selectors Marketing Trip / Dallas

BUSINESS AND EDUCATION NETWORK



This past August, the Business and Education Network named **Betsy Dexter** as their new Executive Director. BEN is a subsidiary of Commerce Lexington Inc. that is charged with assisting efforts to close the workforce skills gap in the Central Kentucky Region.

Before coming to Commerce Lexington Inc., Dexter spent three years with the Kentucky Chamber of Commerce as a manager of public affairs, specializing in education and workforce policy. Prior to her work with the Kentucky Chamber, she was a Field Representative for former Congressman Ben Chandler, where she represented the Congressman throughout Kentucky's Sixth Congressional District. Her previous professional experience includes marketing and brand management for Panera, LLC, and washingtonpost.com.

Business and Education Network Board Chair **Mark Lewis**, President of Tenmast Software, said, "After an exhaustive search and careful consideration, the BEN board selected Betsy Dexter to lead the Business Education Network. Betsy has a strong background in workforce development and brings talent and skill to the position. I am looking forward to working with Betsy to bring business and education together in order to enhance our skilled and dynamic workforce in Lexington."

In April 2015, Dexter completed a yearlong fellowship with the Association of Chamber of Commerce Executives, where she worked to develop strategies for improving the birth-to-career education pipeline in local communities.

Over the last two months, Betsy has begun working with the BEN board to design, orchestrate, and execute relevant solutions that will create an exceptional workforce for our region. She is currently working on identifying local and regional workforce gaps and finding new ways to connect Business & Industry to Education. She is also collaborating with community partners such as the Lexington Fayette Urban County Government and Fayette County Public Schools to develop both short and long term strategic goals.

She can be reached at (859) 226-1604 or bdexter@commercelexington.com.

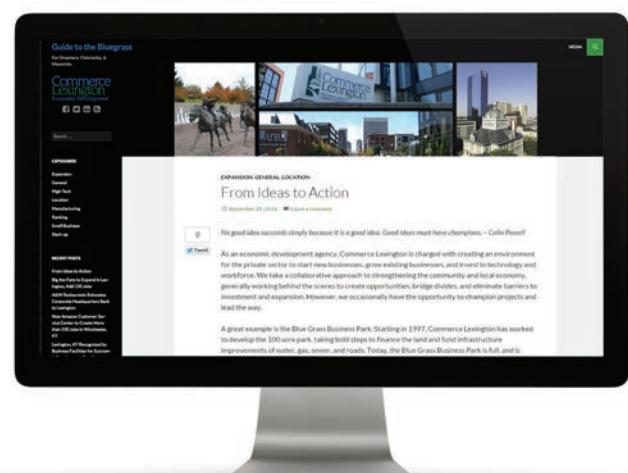


Fast Fact:

Dixie cups, CLARK industrial forklifts, Jif Peanut Butter, Link-Belt Excavators by LBX, and Tiffany & Co. jewelry are manufactured in Lexington.

Our Blog

Check out our Economic Development Team's new Blog. Keep up to date with new economic development data and news to use every Monday at news.locateinlexington.com



Fast Fact:

Lexington ranks 4th best city for attracting foreign investment by fDi Intelligence.

COMMUNITY & MINORITY BUSINESS DEVELOPMENT

13th Annual Lexington Area Minority Business Expo

The 13th Annual Lexington Area Minority Business Expo again offered many classes and seminars that were targeted to small and emerging small businesses. The sessions began on July 29th with speaker, Andre' Taylor, a pioneering entrepreneur, dynamic speaker, popular media personality and a regular contributor to ABC News *Money Matters*. His most popular books include: *You Can Still Win!*, *Break Through*, *Bounce Back*, *Come from Behind and Flourish*, and *Winning In Sales: The 7 MUSTS: Succeed In The Modern Game of Selling*.

Mayor Jim Gray was also an attendee at the July 29th kick-off celebrating former LFUCG employee Marilyn Clark and Co-Chair of the MBE Expo committee for her service and recognizing the day as Marilyn Clark Day!

The Expo also boasted former UK basketball player and entrepreneur Derek Anderson as the Luncheon Keynote Speaker. Mr. Anderson is a person who has been through many ups and downs through life, but learned through it all that success comes from, "Not Staying Down!" Derek says, "I never gave up on being the best at whatever I tried to do, or be. I had to overcome family issues, homelessness, my environment, and my own personal decisions, but I NEVER STOPPED BELIEVING IN MYSELF." The two-day event again boasted over 500 attendees.

Fast Fact:

There are over 800 arts-related businesses in Lexington employing almost 4,000 people.

Fast Fact:

NASA Kentucky is located in downtown Lexington on the University of Kentucky campus.

Minority Business Outreach

This quarter has focused on outreach and prospective opportunities for small and minority businesses. In August we attended the Latino Education Alliance event at Fasig-Tipton Farm to remind Latinos that are interested in starting or expanding a business that we have all of the tools they need for assistance. Out of that event came a renewed effort for a group to purchase the Hispanic Radio station in Paris. The group has chosen to take their request through our Access Loan Program.

Staff also met with Mark Hill of Messer Construction at the end of July. Messer is developing a date for an outreach meeting for Minority and Women-owned businesses to solicit sub-contractors for their Berea College project which should come in at about \$50 million dollars and start early next year. Stay tuned for the outreach announcement.

Chamber of the Year

Tyrone, along with other staff, attended the annual American Chamber of Commerce Executives Convention again this year. Commerce Lexington was a finalist for "Chamber of the Year" for the second time in two years. As has been mentioned in other reports the subject of Diversity & Inclusion took on many tracts at the convention. As a growing focus in the chamber world this year boasted the most opportunities to discuss "best practices".



ACCE President Nick Fleming, Bob Quick, Lynda Bebrowsky & guest

Small Business Advocacy

On August 21st, Tyrone was installed as the acting chair of Governor Steve Beshear's Commission on Small Business Advocacy. The main focus of this commission meeting was the finalization of Kentucky's "One Stop" portal and updates on the Kentucky Small Business Tax Credit and the Angel Investor Tax Credit approved by the Legislature.

COMMUNITY & MINORITY BUSINESS DEVELOPMENT

Opportunity Exchange

The Fall Opportunity Exchange was held at the Lyric Theatre. Over 50 registered members/non-members attended.



Board members Ray Daniels & Larry Forester-with Kerisha Wright of TMMK.



File photo – Fall Opportunity Exchange

Commerce Lexington Inc.'s Minority Business Development (MBD) program strives to promote and sustain the economic growth, development and self-sufficiency of minority business owners and entrepreneurs

By the Numbers

29 MEETINGS WITH MINORITY BUSINESSES

15 MEETINGS WITH EXISTING BUSINESSES

16 MEETINGS WITH FEMALE-OWNED BUSINESSES

KY PTAC

The newly revamped Kentucky Procurement Technical Assistance Center, (KY PTAC), put on a seminar in late August giving small businesses the opportunity to learn some new and updated ways to do business with the Federal government. The information was so valuable that we sent out a summary email to our business listing letting them in on the many opportunities with a \$19 Billion dollar spending plan through a growing opportunity called "Simplified Acquisitions". Just to note, although federal spending has gone down in recent years this program has grown by \$7 Billion dollars and is expected to grow again in the next fiscal year. KY PTAC is assisting businesses with ways to get established within this system of procurement.

Fast Fact:

Lexington's unemployment rate was 3.5% in August.

Access Loan

The Access Loan Program has closed \$40,000 in loans for 2015 but has over \$3.2 million in projects pending. Pending projects include a restaurant, radio station, organic soaps, and a distillery.

