

FULL STRIDE INITIATIVE

**Commerce
Lexington**
ECONOMIC DEVELOPMENT

Investor Update
January 1 – March 31, 2015

Economic Development Division Welcomes New Staff

The Commerce Lexington economic development division is excited to welcome two new people to its team. Both will be valuable assets to our team and our economic development efforts.

Allison Boyd is our new Research Director. Before joining our team, Allison served as a Graduate Fellow at the Council of State Governments, where she conducted public policy research, primarily in the areas of education, workforce development and taxes. Before CSG, Allison taught undergraduate political science classes at the University of Kentucky for two years. She received her undergraduate degree in Politics and Government from Ohio Wesleyan University and her Master of Public Administration

from the Martin School of Public Policy and Administration.

Lauren Gross joined the Economic Development team in December of 2014 as the Administrative & Marketing Assistant. Lauren started her career at Commerce Lexington in 2013 as an intern and in November of 2013 she became the Marketing & Events Assistant for the Membership & Marketing Department. Lauren is a Lexington native and graduated from the University of Kentucky with a Bachelor's degree in Corporate Communications. Lauren was an active member of Alpha Delta Pi Sorority and served as an undergraduate Teaching Assistant for the College Of Communications.

Economic Development Land Committee

Over the past few months, the Commerce Lexington team has been an active participant in LFUCG's Economic Development Land Committee. This committee is tasked with determining the best use of the available parcels of land zoned as Economic Development (ED). On January 15, our team

presented to the committee explaining the trends we have seen in project leads, locations and the economic development needs from our prospective companies. This is an important initiative for our team because available land for our project leads is vital to the success of our economic development efforts.

IN THIS ISSUE

Marketing, Tradeshow and Networking	2
Business and Education Network	4
Community & Minority Business Development	5

By the Numbers

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

30	NEW PROSPECTS INTERESTED IN FINDING A NEW LOCATION OR EXPANDING OPERATIONS
13	EXISTING CLIENTS AND LOCAL ENTREPRENEURIAL COMPANIES WITH POTENTIAL EXPANSIONS IN LEXINGTON
44	EXISTING BUSINESS VISITS
5	CLIENT VISITS

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

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ECONOMIC DEVELOPMENT

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MARKETING, TRADESHOWS AND NETWORKING

Medical Device & Manufacturing Tradeshow

Commerce Lexington, in partnership with LG&E and Kentucky Utilities, participated in the annual Medical Device & Manufacturing (MDM) tradeshow February 10 – 12 in Anaheim. Many Kentucky communities also participate in the event. This tradeshow is well-known for being the event that offers direct access to the companies with the latest products and cutting-edge technologies in the world of medical design and manufacturing, a strategic target of Commerce Lexington.



Gina Greathouse working the Kentucky booth with regional partners.

Leadership Lexington Economic Development Day

Our team helped plan Economic Development day for Leadership Lexington, which took place on February 12. The class learned about the different aspects of economic development, including workforce, site selection, land use and more. They heard from a panel of existing and relocated businesses, including Tiffany & Co., Frogdice, Equinext and Tempur Sealy. The class finished the day by participating in our economic development simulation.



Representatives from the BBDP discussing the importance of our partnership and our individual roles to the class.

Strategic Target: Video Game Development

As a part of the Bluegrass Business Development Partnership (BBDP), Commerce Lexington supported the growth of video game development, one of our strategic targets, through two series of events in this quarter. The first event was Lexington’s Global Game Jam, which was hosted by RunJumpDev and took place January 23 – 25. Over 48 hours, 24 developers came together in Lexington to produce seven unique games with the theme “What Do We Do Now?”

The BBDP also sponsored Super Soul to attend the Game Developers Conference (GDC) in San Francisco in a continued mission to share Kentucky game development with the game development scene at-large. GDC is a great opportunity for developers to network with a variety of talented and influential people within the industry, including individuals from Microsoft, Google, Samsung, Epic, Sony and Unity. This event helps set Super Soul and the Kentucky gaming industry on an international stage.



GDC attendees playing a Super Soul game and learning about the Kentucky gaming industry.

Bluegrass Biotech

The Bluegrass Biotech networking group held its first meeting on March 11 at Paratechs. This networking group is made up of biotech companies in the region to provide education and networking opportunities. This meeting served as a roundtable discussion on shared services and potential collaborative opportunities in the industry. The Bluegrass Biotech group also received a tour of Paratechs and F6 Pharma laboratories. Individuals from 22 companies attended this meeting.

MARKETING, TRADESHOWS AND NETWORKING

Contact Center Consortium (C3N)

On March 4, the Contact Center Consortium (C3N) network met at Commerce Lexington. Dr. Frank Fletcher, Owner/Area Director of Club Z! In-Home Tutoring Service, presented to the group and led a discussion on managing the multi-generational workforce, a pressing issue for the consortium. These meetings offer an opportunity for the companies to share best practices and to network. Representatives from over 15 companies attended the meeting.



Dr. Fletcher leading a discussion on the multi-generational workforce at March's C3N meeting.

KAM Event

Commerce Lexington assisted the Kentucky Association of Manufacturers (KAM) in planning and promoting an Executive Briefing. This luncheon took place on March 17th at Toyota Motor Manufacturing, Kentucky. Over 50 individuals attended this briefing to discuss the pressing issues of the manufacturing industry and receive updates from KAM.

Geeks Night Out

On March 23, Commerce Lexington hosted IN2LEX's Geeks Night Out, a networking event geared toward the innovators, forward thinkers and entrepreneurs in Lexington. Over 51 geeks attended this event at Shakespeare and Co.



Attendees networking at Geeks Night Out.

SelectUSA 2015 Investment Summit

Our economic development team attended the SelectUSA Investment Summit in Washington, DC on March 23 – 24. This summit connected over 1,300 international investors to economic development organizations facilitating investment in the United States. This summit gives Commerce Lexington the opportunity to network directly with investors interested in finding a location for their business operations, and it has led to a couple of exciting prospects.



Governor Beshear speaking on a panel at SelectUSA about Kentucky.



SBIR/STTR Road Tour

The Bluegrass Business Development Partnership sponsored and attended the Federal SBIR/STTR Road Tour in Louisville on March 24. This event kicked off the federal government’s tour to promote the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. These programs support scientific excellence and technological innovation through the investment of federal grants. Through Kentucky’s competitive match program, we have successfully recruited 26 companies to Lexington that have received these funds. This conference gave us the opportunity to market Lexington and to meet prospective companies.



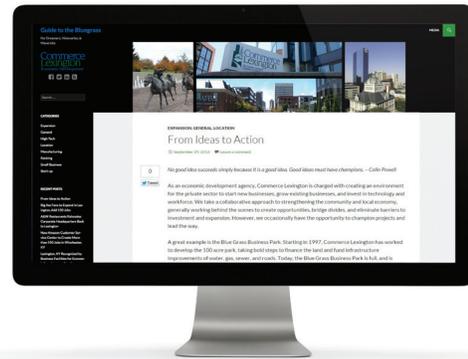
Attendees learning more about the SBIR and STTR programs.

NYC – KentuckyUnited

Our team traveled to New York City at the end of March as a part of KentuckyUnited, a statewide marketing initiative. This trip entailed a luncheon with site selection consultants, which drew 31 consultants. Our team also used this as an opportunity to meet with some of our prospects based in the New York area.

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

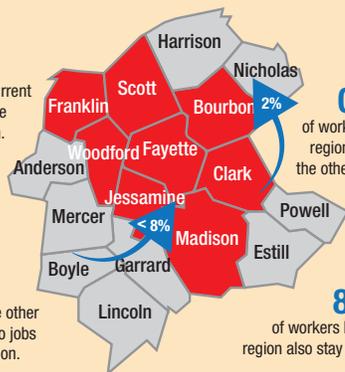


88% or 309,930
of the BGWIA workforce work at jobs in the 8-county region.

81%
of workers in the current BGWIA live in the 8-county region.

Only 2%
of workers living in 8-county region commute to jobs in the other 9 counties in BGWIA.

< 8%
of workers living in the other 9 counties commute to jobs in the 8-county region.



80%
of workers living in 8-county region also stay in the region for work.

Having access to a properly trained workforce is one of the top concerns for business recruitment and retention in Central Kentucky. In today’s global economy, we can’t afford to have a workforce investment system that’s operating within an outdated model. From the business community perspective, there are numerous problems with the current federal system as it is applied locally in the Bluegrass Region. With the implementation of the new Workforce Investment and Innovation Act (WIOA), beginning July 1, 2015, it is a perfect opportunity to educate our community and promote change to the system. BEN has been working with the Kentucky Workforce Cabinet, local business leaders, policy makers and government officials, including taking a delegation of local leaders to meet with Governor Beshear, to encourage desperately needed changes. Educating business leaders and local officials on how the system works and providing data that clearly demonstrates the importance of using workforce dollars efficiently and effectively is important to the Bluegrass Region, especially Lexington. As you can see in the diagram to the left, Fayette County is the hub of economic development in the region and the center of the labor market. BEN will be closely monitoring upcoming changes with the WIOA implementation.

COMMUNITY & MINORITY BUSINESS DEVELOPMENT

Opportunity Exchange

Our Spring Opportunity Exchange boasted a very engaged crowd in March. The attendees asked many questions regarding their businesses' branding and market positioning strategies from our speaker Stacey Wade, founder of NIMBUS. NIMBUS is a fully integrated creative agency that works with large corporations and emerging small businesses across the country.



By the Numbers

24 MEETINGS WITH MINORITY BUSINESSES

16 MEETINGS WITH EXISTING BUSINESSES

35 MEETINGS WITH FEMALE-OWNED BUSINESSES

Access Loan

The Access Loan Program added another \$240,000 small business loan to an emerging minority safety sales and service company retaining eight positions and creating two new sales jobs over the next three months. That brings the program total to over \$12.8 million dollars. The loan was accepted and closed by Community Trust Bank.



The Kentucky Commission on Small Business Advocacy

Tyrone presided over the quarterly commission meeting which included an updated report on the state small business Ombudsman's activities. It also included a presentation from Mandy Lambert, Commissioner of Business Development for the Kentucky Cabinet for Economic Development on Creating a Culture of Entrepreneurship. The presentation about the state's strategies is available if any of our investors would like it forwarded to them by email.

Economic Development Investment Board

Tyrone Tyra serves on LFUCG's Economic Development Investment Board and assisted in the approval of two new grants to create/retain 43 professional jobs. The total approved by the board was \$300,000, which also included a modification of a previous grant.