

FULL STRIDE INITIATIVE

Commerce
Lexington
ECONOMIC DEVELOPMENT

Investor Update
Oct. 1 – Dec. 30, 2017

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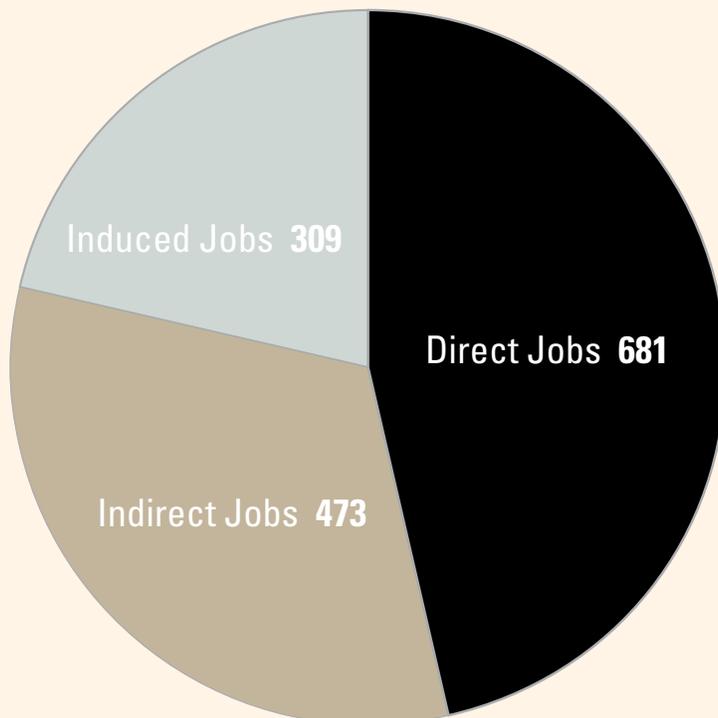
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2017 YEAR IN REVIEW

CAPITAL INVESTMENT

\$1,444,022,462

TOTAL NEW JOBS 1,463



DIRECT JOBS generated \$42,589,684 in Annual Direct Payroll with an average wage of \$62,540. This is an increase of \$12,000 per year from 2016.

INDIRECT JOBS generated \$562,871 in LFUCG Payroll Tax Revenue.

INDUCED JOBS generated \$325,534 in LFUCG Payroll Tax Revenue.

24

EXPANDING COMPANIES

3

NEW COMPANIES

Total LFUCG Revenue Generated

\$2,386,682

Total FCPS Revenue Generated

\$1,428,675

2017 YEAR IN REVIEW—HERE'S OUR PROOF

In 2017, Commerce Lexington's Economic Development Division had a successful year in terms of job creation, capital investment, and average wage announcements. We had several major announcements ranging from headquarters to manufacturing to technology companies. In this quarterly update is a snapshot of the types of leads we received, locations, targets v. actual, and our new and expanding list.

In 2017, our project locations announced an average wage of \$62,540/year, a \$12,000 increase in the average wage from 2016. This is a testament to the quality jobs and projects that our team worked on for 2017. Although we did not meet our job target, our capital investment numbers greatly increased for the year. We are seeing a trend in fewer job numbers, higher paying jobs, and more capital investment from our clients. We look forward to announcing even more quality projects in 2018.

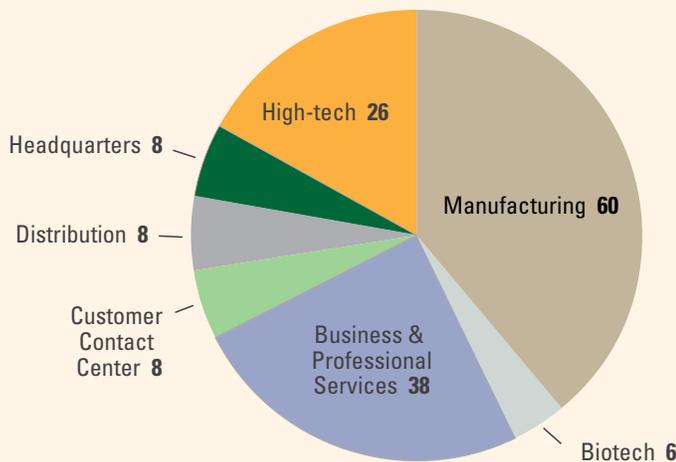
2017 Targets v. Actual

	Target	Actual
Prospects (new, existing, start-ups)	150	154
Site Visits	25	30
Prospect Locations	25	27
Existing Business Visits	160	160
Consultant Visits	200	191
Direct Jobs Created	1,000	681
Average Wage	\$45,000	\$62,540
Capital Investment	\$100,000,000	\$1,444,022,462

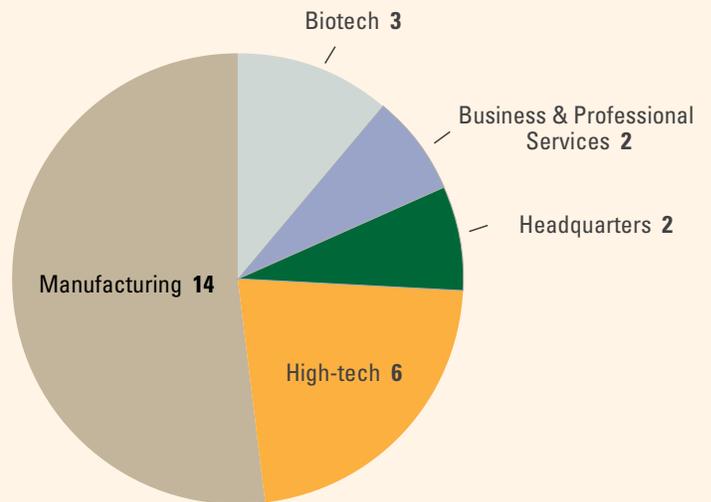
HERE'S OUR PROOF:

Lexington is ranked **#8 City with the Lowest Startup Costs** by SmartAsset

2017 Leads



2017 Locations



2017 New and Expanding List

Month	Firm	Type	Product	Reported Investment	Direct Jobs
Feb	The Apiary LLC	Exp	Event space and caterer	\$32,300	2
Mar	hydra	Exp.	Homemade aromatherapy products manufacturer	\$285,000	26
Apr	Toyota Motor Manufacturing Kentucky	Exp	North American Production Support	\$1,212,400,000	0
Jun	Visumatic Industrial Products Inc	Exp.	Manufacturer of automated systems	\$41,802	5
Jun	Old World Timber, LLC	Exp.	Manufacturer of reclaimed wood products	\$50,466	4
Jun	Bluegrass Tool & Industrial	Exp.	Supplier of industrial products	\$22,000	4
Jun	MosquitoMate	Exp	Biotech manufacturer of ZAP mosquitoes	\$535,040	12
Sept	VeBridge	Exp	Enterprise content and business processing management firm	\$1,193,967	20
Sept	Fooji	Exp	Tech company connecting brands to consumers	\$754,795	41
Sept	Florida Tile	Exp	Corporate headquarters of tile manufacturer	\$3,524,000	12
Sept	KITO U.S.A.	Exp	Manufacturer of robotic welding equipment	\$695,000	5
Sept	Xooker, LLC	Exp	Mobile marketing app developer	\$1,472,000	100
Sept	Toyota Motor Manufacturing Kentucky	Exp	North American Production Support	\$120,960,000	0
Sept	West Sixth Brewing Company	Exp	Craft brewing operation	\$14,700	4
Sept	Old World Timber, LLC	Exp	Manufacturer of reclaimed wood products	\$14,240	3
Sept	Fusioncorp, LLC	Exp	Software development company	\$747,150	8
Sept	AVENTICS Corporation USA	Exp	Manufacturer of pneumatics components, systems, and applications	\$861,830	20
Nov	JR Buck Industries, LLC	Exp	Custom metal fabrication services	\$1,300,000	10
Nov	MakeTime Inc.	Exp	On-demand manufacturing marketplace platform	\$437,500	5
Nov	Molding Solutions	Exp	Custom injection molders of plastic and rubber	\$366,758	6
Nov	Barnhill Enterprises, LLC	Exp	Manufacturer of chimney caps and products	\$82,737	6
Nov	ParaTechs Corp	Exp	Biotech company that offers innovative technologies for easier and more cost-effective research	\$6,696	1
Nov	PowerTech Water, LLC	Exp	Technology company for water production	\$14,495	2
Nov	TEC Biosciences	New	Biotech company focused on measurement of metabolomics	\$1,000,000	4
Nov	SPARK	New	Entrepreneurial Companies	\$57,193,486	270
Dec	The Weekly Juicery, LLC	Exp	Manufacturer of raw, cold pressed juice	\$16,500	1
Dec	EnerBlu, Inc.	New	Headquarters and R&D facility for energy solutions company	\$40,000,000	40
			TOTAL	\$1,444,022,462	681

HERE'S OUR PROOF:

Kentucky is ranked **#6 Top Manufacturing State** by Business Facilities

COMPANY ANNOUNCEMENTS

EnerBlu to create nearly 1,000 jobs with operations in Lexington, Pikeville

On December 15, Gov. Matt Bevin joined local officials from Lexington and Pikeville and executives from EnerBlu Inc., a manufacturer of batteries for buses, military vehicles, and energy-grid storage, to announce the company's decision to locate its headquarters and manufacturing operations in Kentucky.

EnerBlu will relocate its headquarters from Riverside, Calif. to Lexington, where it will invest \$40 million in its new location and create 110 administrative, research-and-development and executive positions. The headquarters is expected to open in early 2018.

The company will also invest \$372 million in its one million-square-foot, high-tech facility in Pikeville to manufacture lithium-titanate oxide (LTO) batteries, called EnerBlu Advanced Energy Storage Units. This facility will add 875 new jobs in Eastern Kentucky. Construction is scheduled to start in mid-2018, and the facility's opening is planned for 2020. We are thrilled to welcome EnerBlu to Kentucky.



EnerBlu executives joined by Gov. Matt Bevin, Rep. Hal Rogers, CLX President & CEO Bob Quick, and other local leaders in announcing its new Kentucky operations.



Gamifi executives joined by Commerce Lexington and City Officials in cutting the ribbon to their new operation.

Tech company Fusioncorp spins out new startup adding new jobs

A Lexington-based technology company has spun out a new startup, Gamifi by Fusioncorp. Gamifi's goal is to expand this new platform into a method of creating unique experiences through different technologies supported by applications. The City of Lexington and Commerce Lexington Inc. joined Gamifi by Fusioncorp executives in mid-November to celebrate the grand opening of the new spinout in Lexington and to announce that Gamifi has created eight new full-time technology jobs. For more information on Gamifi by Fusioncorp, visit fusioncorpdesign.com. Congratulations to Fusioncorp and Gamifi.

COMPANY ANNOUNCEMENTS

Lexington entrepreneurial community creates 270 new jobs this year

In early November, SPARK hosted its annual celebration of the entrepreneurship community in the Bluegrass Region. During the event, the BBBDP recognized 23 companies as the recipients of the Lexington's eAchievers award for excellence in entrepreneurship. To qualify for the award, the companies created at least five new full-time jobs and/or raised over \$1 million in capital. The Lexington Office of the Kentucky Innovation Network conducts an annual survey to identify these

companies. This year 113 companies responded to the survey, offering a 72 percent response rate from the Bluegrass Business Development Partnership (BBBDP) clients. Altogether, BBBDP clients raised more than \$57.1 million dollars in capital funds and created 270 new jobs in FY 2016 ending June 30, 2017.

To see a list of the 23 recognized companies, please visit sparklex.org.



2017 eAchievers

FedEx cuts the ribbon on new Lexington Freight location

On November 10, FedEx Freight cut the ribbon on its new state-of-the-art facility in Lexington with Representative Andy Barr and other local leaders. The new operation is over 50,000 sq. ft., has 86 doors, and was built by Brett Construction Company. The grand opening was also celebrated in conjunction with Veterans Day, at which FedEx recognized their employees who are veterans. This facility will be a great resource for our economic development clients. Congratulations to FedEx on their new location.



Local leaders gather to dedicate the new FedEx Freight building.

EVENTS, CONFERENCES, AND NETWORKING

Bluegrass Alliance travels to Atlanta

The Bluegrass Alliance hosted a successful site selection consultant luncheon in Atlanta in early November. Our regional group, consisting of Lexington, the surrounding counties plus Frankfort and Mt. Sterling, met with 25 site selection consultants and shared new developments in the region. This is an annual trip for all partners to attend. Establishing and cultivating relationships with consultants is vital to our role as economic developers. Atlanta has one of the highest concentrations of site selection consultants.



Bluegrass Alliance hosts consultants in Atlanta.

Economic Development team travels to KAED for professional development

The economic development team traveled to Bowling Green in mid-November for the annual conference for the Kentucky Association for Economic Developers (KAED). KAED is a membership organization for

economic development groups, utilities, and service providers in the state. The conference served as great professional development as well as an opportunity to network with several site selection consultants.



Global Entrepreneurship Week

The Bluegrass Business Development Partnership (BBDP) hosted and organized many great events in the month of November during the sixth annual Lexington Global Entrepreneurship Week (GEW). The BBDP hosted 15 events during the week, including multiple workshops, various panels, a pitch competition, and Startup Weekend. GEW is a great opportunity to showcase Lexington's entrepreneurial community as well as connect them to the numerous resources available in the community.

Ian McClure of UK moderated the M&A panels including companies and experienced service providers.

EVENTS, CONFERENCES, AND NETWORKING

Economic Development team travels to Chicago

In mid-November, Commerce Lexington Inc. took a marketing trip to Chicago with the City of Lexington. In partnership with the University of Kentucky, our team hosted a site selection consultant luncheon at which Dr. Eli Capilouto spoke on UK's assets and economic impact on Lexington and the state. We also hosted an event for consultants at the UK vs. Kansas basketball game. With both events and individual meetings, we met with over 25 consultants in the Chicago area.



Dr. Capilouto speaks to site selection consultants on university updates and the benefits of locating or expanding in Lexington.

BEAM board convenes for 2017 meeting



In mid-December, the Bluegrass Economic Advancement Movement (BEAM) board met in Frankfort for an annual update. They heard from a core team member on the BEAM initiative

about our current Brookings Institute cohort focusing on market prioritization. They also received updates from the KY FAME program and the KCTCS school system on their advanced manufacturing centers in Lexington and Louisville.

HERE'S OUR PROOF:

Lexington is ranked
**Top 9 Destinations
to Visit in 2018** by
Vogue

fDi Intelligence awards our ED team the 2017 Slogan of the Year

fDi Intelligence released their 2017 FDI Strategy Awards. Out of 117 economic development organizations globally, Commerce Lexington Inc. was awarded the Slogan of the Year for "Here's Our Proof." This marketing campaign is a play on words with a nod to our signature bourbon industry and proves why businesses should expand or locate here.

Read the article here:

<https://tinyurl.com/lexingtonaward2017>

One marketing piece from the "Here's Our Proof" campaign by Commerce Lexington Inc. and our marketing firm BORN.



BUSINESS AND EDUCATION NETWORK



Ford Next Generation Learning – Designation

On Tuesday, November 14, The Academies of Lexington, Fayette County Public Schools (FCPS), and the City of Lexington celebrated a tremendous milestone in a movement that has been more than three years in the making. Business and community leaders, students, and educators joined together to share a transformative vision, and to celebrate being designated as a Ford Next Generation Learning (NGL) community.

“We are here today to unlock the untapped potential and opportunity right here in Lexington,” said Daryl Smith, economic development project manager at LG&E and KU Energy, and chair elect of the Business and Education Network. “We are here to close the talent gap between high school education and our workforce needs. Community leaders, business leaders, and students have read the stats, they’ve heard the call and are ready to make positive changes.”

FCPS Superintendent Manny Caulk echoed Smith’s sentiments, adding that “The Academies give students a voice and choice in their education. We are giving students opportunity to find what they are most passionate about and then tailor their high school experience to



Mayor Jim Gray and Cheryl Carrier, Executive Director of NGL, celebrating Designation Day.

support the direction that they choose for themselves.” Caulk also noted that Academies will benefit businesses by allowing them to have a hand in shaping the future workforce.

Sharing personal insights on the impacts of Academies, Executive Director of Ford NGL Cheryl Carrier emphasized the incredible ways in which our students will learn. “They will be working on the most authentic projects with business partners. They will be engaged in teams, and developing the 21st Century skills that we need to work and survive life in general,” she said.

Also celebrating the launch of The Academies of Lexington was Mayor Jim Gray, who described the Ford NGL community designation as a “big milestone in our city’s 242-year history.”

While Designation Day has come and gone, the opportunity to join our movement is happening in real-time, right now.

To learn more about each of our Academies, or how you can get involved, follow us on social media or visit our website academiesoflex.com



Superintendent Caulk addressing the crowd at the NGL Designation Day.

New Partnership Manager for BEN

The Business and Education Network recently named Natalie Shepard as Partnership Manager for BEN. She will be responsible for managing the business partnerships that support The Academies of Lexington at Fayette County Public Schools, focusing on the onboarding of new community partners and volunteers, as well as ongoing relationship management with existing constituents, such as businesses, volunteers, faith-based organizations, and others.

A University of Kentucky graduate, Shepard has a Bachelor’s degree in Business Administration with successful project and client management work experience that will provide the foundation for facilitating and managing the partnerships and activities of The Academies of Lexington.



If you or your business would like to learn more or get involved with The Academies of Lexington, please feel free to reach out to:

Natalie Shepard
Partnership Manager
Business & Education Network

Commerce Lexington
nshepard@commercelexington.com
859-226-1629

BUSINESS AND EDUCATION NETWORK



Mission Exploration Event

While our Freshman Academy students may not be quite ready to start working on their resumes yet, after attending the first annual career fair this November they are now one step closer to discovering their interests and identifying their own pathways to success. The event, called Mission: Exploration, allowed 1,500 ninth graders from Bryan Station, Frederick Douglass, and Tates Creek high schools to explore a breadth of industries and career opportunities right here in Lexington.

Professionals from nearly 40 local companies and organizations attended the event to offer students hands-on learning experiences, as well as open dialogue to discuss real-world careers. Hosted at Bryan Station High School, students were able to tour designated areas focused on in-demand industries such as Information Technology, Engineering/Manufacturing, Construction and Trades, Medical, and Professional Services.

From learning how to extract DNA from strawberries at Alltech’s booth focused on biotechnology, to aiming and shooting real fire hoses with the Lexington Fire Department— Freshman Academy students got an inside look at what real professionals do in their careers.

Leading up to Mission: Exploration, students have been exploring their interests, studying careers, and completing rigorous learning activities to help them learn more about themselves, and ultimately, their career interests. By creating personal mission statements, completing personality and career assessments and establishing individual timelines, students were able to experience Mission: Exploration with a level of confidence in who they are and what they are drawn to.

HERE’S OUR PROOF:

Lexington is ranked
#2 Best Mid-sized City for New Grads
by OnlineDegrees



Student visiting with Traditional Bank at Mission: Exploration



Mission: Exploration student interaction.



Mission: Exploration student activity.

COMMUNITY & MINORITY BUSINESS DEVELOPMENT

Event Outreach

The last two months of 2017 were busy with staff attending events on behalf of small businesses. Our team attended the 28th Annual Toyota Opportunity Exchange, which is now held in Detroit, Michigan after being held in Cincinnati/Northern Kentucky for many years. The conference was held at The Cobo Conference Center in downtown Detroit. Tyrone Tyra was able to speak with national purchasing managers about opportunities for minority businesses and attend sessions for training. One of the best sessions was titled “Being a Disruptor” by Dr. Joe Johnson.



Dr. Joe Johnson speaking at the Toyota Opportunity Exchange in Detroit.

In November Fayette County Public Schools held a construction event to recruit minority businesses for the new elementary school to be built next year. Plans were released following the event.

The Annual Kentucky Small Business Administration Lenders Conference was held in Shelbyville, Kentucky at the Jephtha Creed Distillery, which started with a SBA guaranteed loan. There was a record number of lenders and practitioners in attendance. The featured speaker was John Schnatter, CEO Papa John’s Pizza.



John Schnatter, CEO of Papa John’s Pizza, speaking to the group.

Minority Business Accelerator

After a competitive Request for Proposals process and interviews with three finalists, the Minority Business Accelerator has a new consultant to work with the businesses. Equity Solutions Group Consulting is a company formed by Ray Daniels and Mike Scanlon. Pending a contract agreement, they will start working with our members in February.

Access Loan Program

On December 15th, the Access Loan Full Committee heard a request from a camera technology company that studies commercial fishing around the world. The request ranges from \$300,000 to \$450,000 and is still pending. The program has reached over \$18.7 million in loans to small businesses.

Planning for 2018

Meetings have begun for the planning of the Bluegrass Minority Business Expo in August 2018. Our division is also working with Messer Construction on a half-day event titled “Get It Done” to be held on March 13th, 2018. Kentucky Eagle has donated their conference room space for the event.

HERE’S OUR PROOF

17 MEETINGS WITH MINORITY BUSINESSES

11 ASSISTED WOMEN-OWNED BUSINESSES

9 EXISTING BUSINESS CALLS

\$14,300 IN PROCUREMENT DURING THE QUARTER

\$1,144,000 IN ACCESS LOANS