

FULL STRIDE INITIATIVE

Commerce
Lexington
ECONOMIC DEVELOPMENT

Investor Update
Apr 1 – June 30, 2020

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New Ways to Keep Growing

The strong momentum in Lexington's economic development efforts at the start of 2020, in terms of new prospects and interest from site-selection consultants, came to a sudden halt due to the COVID-19 pandemic. Our immediate focus shifted to helping existing businesses in the region navigate the abrupt stoppage in the economy and providing support to the City of Lexington in efforts to find available personal protective equipment (PPE) for frontline workers. We will continue to be an ongoing and proactive resource for our existing companies in this new economy.

Going forward, the landscape of economic development looks very different, with most meetings and site visits virtual rather than in-person. In May our team hosted its first virtual client visit. The expectation is that technology platforms will become increasingly more important, and economic development professionals will need to be skilled in virtual and geospatial platforms, and make use of drone footage. Although personal relationships with consultants will require a new and creative approach, they remain critical, and we still expect in-person meetings with them for final community rounds of project recruiting.

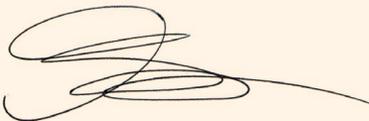
While many companies are seeing a decline in revenue this year, economic incentives will remain an important factor for those making decisions on business relocation and expansion. With that in mind, we are anticipating that the pipeline of new clients that we had earlier in the year will break loose with new projects this fall.

Many of our industry association experts are anticipating the reshoring of production for items that are key to our national security, such as medicines, pharmaceuticals, auto parts, aerospace, defense and others. This will impact the commercial real estate market, so communities will need to be prepared with appropriately zoned land and available buildings. As the U.S. economy continues to restart, greater access to capital, job training and infrastructure will be necessary.

Kentucky's economic development leaders see plenty of opportunity ahead. We remain optimistic and are ready for the challenges and opportunities in front of us. In July, Lexington received a new national ranking, one that feeds our optimism about the future of our economy. We were ranked number nine among the Ten Most Diversified Economies in the U.S., from Livability. According to Emsi, a labor market analytics firm,

"These economies have the range of industries, depth and nimbleness needed to overcome turbulent times and come out the other side even stronger."

Thank you,



Gina Greathouse
Executive Vice President,
Economic Development

By the Numbers

In 2020, Commerce Lexington Inc.'s Economic Development Division provided assistance to:

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

45 COMPANIES WITH POTENTIAL EXPANSIONS IN LEXINGTON

76 EXISTING BUSINESS VISITS

13 CLIENT VISITS

HERE'S OUR PROOF:

Lexington was recently ranked as

#9 Most Diversified Economies in the U.S.

by Livability

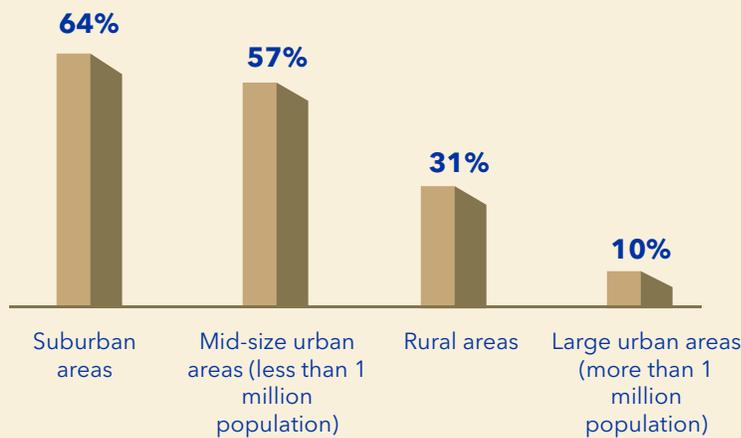
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Site Selectors Guild publishes Economic Development Activity Predictions

The Site Selectors Guild released predictions on economic development activity in the months ahead. The information is a result of a survey of a diverse group of economic development consultants who are amongst the top professionals in the industry. The common theme is that “Big Cities are Out, Suburbs and Mid-Size Cities are in.” This study supports our positive outlook and puts the Bluegrass in a position for a productive 2021.

Suburbs & Mid-Size Cities Are In, Big Cities Are Out



SiteSelectorsGuild.com | Percentage of Consultants Rating Location Types as “Likely” or “Highly Likely” for an expansion/relocation project in the 12 months.

Are Corporate Location Decisions Moving Forward?

61%

say companies are moving forward with site selection projects

34%

say companies are pausing site selection projects

5%

say companies are canceling site selection projects or consolidating facilities

When Will the Majority of Project Activity Resume?

69%

predict 2021

Launch Blue, An Early Stage Accelerator Program for Kentucky Tech Startups, Launches in June

Launch Blue is an early stage accelerator program designed to nurture the most promising Kentucky founders with scalable, technology-based startup ideas and empower them to move from the idea stage to successful launch. The program will provide resources to Kentucky tech startups by engaging entrepreneurship resources, mentors and investors to competitively position portfolio companies for national accelerator programs.

Commerce Lexington Economic Development is part of a group of organizing partners that represent a diverse base of experience, insight and continued support from across the entrepreneurial ecosystem.

For more information on the program and a complete list of organizing partners, please visit launchblue.org



ECONOMIC DEVELOPMENT

Meet The Team: Cheryl Klever

Cheryl is a Project Manager for Economic Development at Commerce Lexington, Inc. She works alongside her team to demonstrate Lexington's best attributes for companies considering location or expansion to Lexington. Commerce Lexington teams with a member from each sector at the KY Cabinet for Economic Development, LFUCG Office of Chief Development Officer, Higher Education, and Bluegrass Workforce Innovative Board to meet with existing businesses and various industries within Fayette County to learn about their operations, challenges and successes. She provides companies with a wealth of resources, programs and services to support and encourage expansion opportunities. Cheryl nurtures healthy relationships with existing businesses to promote a prosperous ecosystem of economic success to the Bluegrass Area.



HERE'S OUR PROOF:

Lexington was recently ranked as

#6 Cities with the Lowest Start-up Cost

by SmartAsset

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FULL STRIDE SUPERSTARS

Full Stride Superstars

As the COVID-19 pandemic has dominated the world over the last 6 months, many of our Full Stride Investors have stepped up to make a difference during this trying time. From donating thousands of dollars for COVID-19 relief and aid to producing personal protective equipment for healthcare workers across the nation, the Commerce Lexington Economic Development team wants to say thank you to all of our investors for being leaders in the community.

Commerce Lexington Inc. is highlighting members who are doing good for the community during this crisis in its Kudos Corner on the website, social media and other publications. If you see a member company doing good, let us know by e-mailing a good deed sighting to **Mark Turner**.

Commerce Lexington Inc. Recognized Among Top Economic Development Groups Nationally by Site Selection Magazine

For the second time in three years, Site Selection magazine named Commerce Lexington Inc. as one of the Top Economic Development groups in the nation.

Through hard work and a fierce commitment to community, Commerce Lexington's Economic Development team has received multiple accolades from national and international sources over the years.

This award also recognizes the commitment of so many people and companies throughout the Bluegrass region that assist our business recruitment and retention efforts. For the top metro areas across the nation, collaboration is key, and Lexington's success in economic development can be credited to a strong partnership between the City of Lexington, Ky - Government, Commerce Lexington Inc. and the University of Kentucky.



BUSINESS AND EDUCATION NETWORK



The Business and Education Network hires Data Analytics firm to complete Talent Analysis and Strategy Research

The Business and Education Network has partnered with Innovative Quality Solutions (IQS), a custom market research firm, to conduct a study of the labor and job market in Central Kentucky.

As BEN works to develop and execute a talent strategy for the region we must recognize not only the occupational fact pattern as it exists today but also include the trends and patterns as they are expected to unfold over the next five to ten years. And while the occupational patterns are an important component of the strategy, they are only half of the equation as the labor pool that is and will be available must also be considered.

Unique assets, such as the presence of a great university that is the University of Kentucky, means that the need to retain talent will most likely outweigh the need to attract talent. Further, the unique relationship Lexington has with its surrounding communities is also a strength. While a project such as this must be fluid in its design and outputs, two key objectives of the talent strategy will be to ensure that:



- There is a pipeline of talent to fill the jobs that are open and will be growing in the Lexington area including ensuring that people have the skills needed to fill those jobs.
- The occupational needs of the people in the Lexington area are being met. That is to say, the people in the area should have access to stable, good paying jobs.

To hit these bold targets, BEN and its partners must have accurate data and actionable insights regarding the current occupational outlook as well as insights regarding the current labor market and its intended participants. The research findings will directly inform the design and implementation of the operational strategies and provide the informational backbone for a multi-year initiative.

The information in the report will paint a detailed picture of the jobs that are currently available in the region as well as the jobs that will be present in the future. Concurrently, the research will show the talent pool that is currently and prospectively available to fill these jobs. This combination, when subjected to subsequent analysis will highlight areas of strength, abundance, weakness and shortfalls. From there, decisions will be generated regarding the most effective strategy for creating the most desired jobs and ensuring that those jobs are able to be filled within the region.

Phase one of the project started in March of 2020 and should be completed by early fall.

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Market research helps us understand our workforce and how best to retain and attract talented workers.

— Betsy Dexter,
Executive Director,
Business & Education Network



COMMUNITY AND MINORITY BUSINESS DEVELOPMENT

Access Loan Program Administers Small Business Economic Stimulus Program

After a presentation to LFUCG City Council by current board chair Ray Daniels and Tyrone Tyra, the program accepted the duties of administering a \$2.5 Million Small Business Economic Stimulus Program.

The program offers a grant for up to \$25,000 to assist small businesses with the effects of the Coronavirus pandemic. The program opened on July 20th and has since been paused until current applications are reviewed. The grants will be evaluated by the Access Loan Sub-Committee and closed by Traditional Bank. We hope to have the funds committed and in the hands of small businesses with the next 10 weeks.



LEXINGTON'S SMALL BUSINESS STIMULUS PROGRAM

PURPOSE:
To support local small businesses in Lexington who have experienced an impact and incurred expenses due to the COVID-19 pandemic.

AMOUNT OF GRANTS:
Eligible businesses can apply for up to \$25,000 based on demonstrated impact from COVID-19.

ON-LINE APPLICATION:
www.lexingtonky.gov/economicdevelopment

BROUGHT TO YOU BY:



ELIGIBILITY CRITERIA:

Businesses must meet the following criteria to apply for grant assistance:

- Funds will be awarded for reimbursement only toward actual expenses resulting from COVID-19 pandemic.
- Be located in Lexington/Fayette County.
- Have a current business license filed with Lexington-Fayette Urban County Government.
- Have been in operation since January 1, 2020.
- Be a sole proprietor, limited liability corporation, not-for-profit, or non-profit.
- Maximum of 50 full-time employees allowed (max of 100 for restaurants).
- All business taxes, payroll taxes and other payments to the Lexington-Fayette Urban County Government must be current.
- Reimbursement costs must have occurred on or after March 8, 2020 and be directly related to the COVID-19 pandemic.

COVID-19 REIMBURSABLE EXPENSES INCLUDE:

- Costs of business interruption.
- PPE (Personal Protective Equipment)
- Payroll-related expenses.
- Actions to facilitate compliance-related to public health measures.

DOCUMENTATION REQUIRED:

- Documentation of COVID-19 purchases.
- Year-to-date profit and loss statement.
- Business financial statement for previous quarter.
- Proof of business ownership.
- Current LFUCG business license as of 01/20/2020.
- Payroll-related expenditures.
- Business employment impact.

Questions? Contact Tyrone Tyra at (859) 226-1625 or tyra@CommerceLexington.com

Access Loan Program also has over \$6 Million in loan requests pending.



HERE'S OUR PROOF

- 42 MEETINGS WITH MINORITY BUSINESSES
- 38 WOMEN-OWNED BUSINESSES ASSISTED
- 32 EXISTING BUSINESS CALLS
- \$50,000 IN PROCUREMENT DURING THE QUARTER
- \$10,000 IN ACCESS LOANS

Minority Business Accelerator Welcomes New Client

Great news! Commerce Lexington's Minority Business Accelerator has added a new client -Lawrence Herring and his company Patriot Group, Independent Insurance Agents and Brokers, located at 2304 Hurstbourne Village Suite 200 in Louisville. The business covers all lines of insurance but concentrates on medium to large company needs. Mr. Herring will soon locate a new office in Lexington in the Winchester Road area.



Lawrence Herring,
Patriot Group



COVID-19 Response

Since our last report, Community & Minority Business Development has continued to assist small businesses with applying for and following up with the COVID-19 related employer funding programs from the federal government.