

FULL STRIDE INITIATIVE

Commerce
Lexington
ECONOMIC DEVELOPMENT

Investor Update
July 1 – Sept. 30, 2017

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Blue Grass Stockyards holds grand opening

On September 8, Mayor Jim Gray and Commerce Lexington Inc. joined the Blue Grass Stockyards and other dignitaries in celebrating the grand opening of their new state-of-the-art facility. The 232,000-square-foot facility, located off I-75 near the Kentucky Horse Park, includes 40,000 square feet of office and retail space.



Blue Grass Stockyard owners and key leaders cut the ribbon on the new Blue Grass Stockyards.

By the Numbers

In 2017, Commerce Lexington Inc.'s Economic Development Division responded to calls from the following:

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

38 COMPANIES WITH POTENTIAL EXPANSIONS IN LEXINGTON

131 EXISTING BUSINESS VISITS

17 CLIENT VISITS

VeBridge expands Lexington operations

In July, Commerce Lexington Inc. joined VeBridge executives in celebrating the grand opening of their expanded facility. The company recently hired 10 employees due to their growth, and they anticipate adding an additional 10 jobs in 2017. Their expansion represents 40 percent growth in square footage. Founded in 1998, VeBridge provides enterprise content management (ECM) and business processes (BPM) to eliminate paper, unnecessary steps, and incomplete processes for businesses and organizations.



VeBridge CEO Paul Engel cuts the ribbon for their expanded Lexington operation.

ANNOUNCEMENTS

Fooji expands Lexington headquarters

In early August, Mayor Jim Gray and Commerce Lexington Inc. joined Fooji executives to celebrate the grand opening of the company's new headquarters in Lexington announcing that Fooji has created over 41 new full-time jobs in the last year. Founded in 2015, Fooji provides a patent-pending technology platform for brands that create unique and engaging fan experiences leveraging social media networks and on-demand delivery services. Over the last year, the company expanded into 6,000 square feet, converting the old Hurst Office Supply building into their corporate headquarters.

Mayor Jim Gray and Commerce Lexington Inc. Board Chair Carla Blanton join Fooji executives in cutting the ribbon to their new headquarters.



Toyota Motor Manufacturing, Kentucky announces major investment



On September 26, Toyota Motor Manufacturing, Kentucky (TMMK) announced they will invest \$120,960,000 in the Georgetown operation. The money will go toward technology that will expand the 2.5-liter engine production at the plant. TMMK currently produces 600,000 engines per year, and this investment will increase capacity by nearly 20 percent.



KITO U.S.A. breaks ground on expansion

KITO U.S.A., a Japanese manufacturer of robotic welding equipment, broke ground on their expansion in the Blue Grass Business Park in early August. They plan to add five new jobs to accommodate the business' new growth. They were the second business to locate in Commerce Lexington Inc.'s business park in 1997 and have continued to grow their operation.

Key leaders and dignitaries break ground on KITO's expansion. Participants include: Mayor Jim Gray, Councilmember Joe Smith, KITO President Ken Yamauchi, KITO Manager Kelly McEuen, Denham-Blythe CEO Bill Quenemoen, and Commerce Lexington Inc. Board Chair Carla Blanton.

EVENTS, CONFERENCES, AND MARKETING

Commerce Lexington Inc. meets with Brookings Institution as a part of BEAM initiative

As a part of the Bluegrass Economic Advancement Movement (BEAM), the Commerce Lexington Inc. team joined Louisville colleagues in Washington, D.C. for a two-day workshop with the Brookings Institution. BEAM has been selected to join a group of nine city-regions seeking to increase the impact of metropolitan trade strategies through new research and plans that will determine how our region can best use international economic partnerships with international metro counterparts. This effort is a part of the Global Cities Initiative, a joint project of Brookings and JPMorgan Chase. The process will take a little over a year and will help guide our international economic development efforts. While in D.C., our team also met with potential export partners and officials at the Department of Commerce.

Another initiative of BEAM is the Mergers & Acquisitions advisory committee. BEAM has convened a group of experts in the M&A space including investment bankers, lawyers, accountants, and business brokers to discuss how we can strengthen our economic development efforts in working with companies going through M&A. We held the second meeting on September 15 in Frankfort to discuss access to capital, incentives for M&A, succession planning, and identifying companies that are poised for M&A.



As a part of BEAM, Commerce Lexington Inc. spent two days in Washington, D.C. with the Brookings Institute to launch this new initiative.

Commerce Lexington Inc. attends 2017 Federal SBIR Road Show

Commerce Lexington Inc. and the Bluegrass Business Development Partnership sponsored and participated in the 2017 Federal SBIR Road Tour & Annual Kentucky Conference in Lexington this quarter. The conference attracts companies that have secured or are interested in applying for federal SBIR/STTR grants through federal agencies. It is a great opportunity to promote Lexington's highly educated workforce to these innovative companies.



Attendees hear from the different federal agencies about grant and funding opportunities for their businesses.

AutoVision

Commerce Lexington Inc. attended the AutoVision Conference in Lexington in August. 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. This was a great opportunity for professional development and networking with existing and prospective businesses.



Governor Matt Bevin addresses the AutoVision conference welcoming them to Lexington.

EVENTS, CONFERENCES, AND MARKETING

National Horse Center Lunch & Learn

On August 16, Commerce Lexington Inc. and VisitLEX partnered on a luncheon at the National Horse Center's monthly meeting at US Equestrian's headquarters. The National Horse Center is a group of 31 national and international organizations that are headquartered at the Kentucky Horse Park. Our economic development team spoke to the group on what our team does and how we can be of assistance to them.

Attendees learn about the services offered by Commerce Lexington Inc.'s economic development team and VisitLEX.



Gov. Bevin speaks at Global Executive Breakfast Forum

Commerce Lexington Inc. attended the World Trade Center's Global Executive Breakfast in August at the Governor's Mansion in Frankfort. Governor Bevin was the keynote speaker focusing on boosting Kentucky exports and increasing foreign direct investment, which was followed by four panelists from across the state. One panelist was a representative of the Bluegrass Economic Advancement Movement (BEAM) region and spoke on the work our team is doing with the middle market, exports, mergers and acquisition, and market prioritization.



Photo Credit: Kentucky Chamber

BBDP hosts two SPARK events

The Bluegrass Business Development Partnership (BBDP) plans SPARK (formerly Lexington Venture Club) events each quarter to further develop our entrepreneurial community. During this quarter, our team designed, organized, and hosted two SPARK events: the SPARK GSE Pitch Competition on July 19 and the SPARK BGA Case Studies Luncheon on Sept. 14. The SPARK GSE event featured teams from across Kentucky that had participated in the 2017 Governor's School for Entrepreneurs program. The SPARK BGA event featured investors and leaders of portfolio companies from Lexington's Bluegrass Angels investor group in a panel discussion format. Both events provided professional development opportunities for our entrepreneurial community as well as networking opportunities.

Learn more about SPARK and future events at sparklex.org.



SPARK attendees hear from Bluegrass Angel investors and startup companies.

EVENTS, CONFERENCES, AND MARKETING

Recruitment Efforts

Our economic development team maintains strong relationships with site selection consultants as they are the gatekeeper to companies that are growing and establishing new locations. In late September, our team sponsored and attended the Area Development's Women Forum in Chicago. This is one of the leading professional development forums, and our team heard from key site selection consultants on topics from RFIs to retention to incentives. The Forum provides top notch training, as well as the opportunity to market Lexington and the Bluegrass Region to 12 site selection consultants.

Commerce Lexington Inc., along with our regional partners in the Bluegrass Alliance, participate in KentuckyUnited, which is the statewide marketing initiative that was formed to promote Kentucky as a great place to do business, as well as raise the state's awareness across the county. Our counterpart in Paris attended the event in Indianapolis in August, and our team attended the event in Chicago in September. These events give us the opportunity to build on relationships with site selection consultants as well as market Lexington and its attributes for their future projects.



Commerce Lexington Inc. sponsored the Area Development Women's Forum and used the opportunity to promote the women on our economic development team and their successes.



Economic developers attend Area Development's Women Forum to learn best practices and for professional development.

HERE'S OUR PROOF:

Lexington was recently named
#7 Best Small City for Foreign Direct Investment
by Business Facilities magazine.

BUSINESS AND EDUCATION NETWORK



A New Wave of Thinking

The world today looks nothing like it did just twenty years ago. The rapid evolution of technology, automation, and the internet has touched every aspect of our lives from the way we communicate, to how we work and learn. So then why has public education stayed largely the same? And how can we expect our students to thrive in decades-old learning environments while the world moves boldly forward?

These questions (and so many more) have spurred a new wave of thinking that is transforming public education in our city, from the ground up. The Academies of



Lexington are small learning communities within Fayette County Public Schools that allow all students to connect what they are learning in the classroom with real-world applications.

As a partnership between the Business & Education Network, Fayette County public high schools, students, families, educators, businesses, and community partners, the initiative offers students an educational experience that is as innovative, immersive, and engaging as the world around us. Through new approaches to deeper learning and a more personalized educational experience, Academy students graduate high school ready to find their future path to success.

Frederick Douglass High School, Bryan Station High School, and Tates Creek High School are the first schools in the county to join the movement, igniting a deep interest in the community to learn exactly what the buzz is all about.

Here are just a few ways that Academies are doing education differently:

1. Students receive a more personalized educational experience in small learning communities.

Academy students realize their potential in tight-knit learning communities where they can learn and grow, surrounded by peers and teachers who know and cultivate their strengths. Small learning communities allow both students and teachers to have a voice and more closely collaborate on projects.



2. Hands-on, project-based learning offers more relevant, engaging experiences.

With project-based learning (PBL), students are the star of the classroom as teachers facilitate more meaningful, hands-on projects built around

the needs of today's ever-changing world. In addition to offering deeper learning experiences, research has shown that PBL increases students' motivation and positively impacts students' achievements.

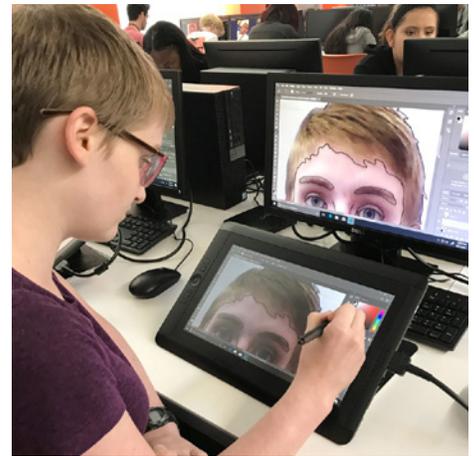
3. Students are better prepared for life after high school.

Academies improve collegiate and workforce readiness by helping students develop skills like a strong work ethic, problem solving abilities, personal presentation, collaboration, creativity, and responsibility. Academies students graduate high school ready to make more informed decisions about their future by exposing them to a variety of industries, creating opportunities for college credits, internships, and industry certifications.



4. Academies build a better workforce and stronger community in Lexington.

By more fully preparing students for life after high school, Academies are building a better workforce which in turn will draw new businesses to our city, making Lexington a better place to live, learn, and work. The initiative also offers a unique way for businesses to give back to the community while helping generate a supply of talented workers who are ready to fill the roles that are most needed by local businesses and industries.



Learn more about the Academies of Lexington by visiting academiesoflex.com.

COMMUNITY & MINORITY BUSINESS DEVELOPMENT

Minority Business of the Year: Synergy Coach

Synergy Coach won the Minority Business of the Year award at Commerce Lexington Inc.'s Annual Salute to Small Business. Over the past year, Commerce Lexington Inc. has worked with Synergy Coach on marketing, staffing, and their location. Synergy Coach is a holistic wellness consulting practice designed to educate, empower, and motivate its members through meshing individualized talent. Synergy's methodology to total fitness includes accountability, education, community, and self-awareness. The approach strives to resolve pain, revamp posture, refine power, and recreate consistent optimized performance. This total approach and the founder Larry Jackson's dedication to community helped them win the award for 2017.



Larry Jackson, Synergy Coach's founder and owner, accepts the award.

Women & Minority Contractor Program

Our team is partnering with Shawn Rogers, the new Director of the Bluegrass Small Business Development Center (SBDC) to plan the Women and Minority Contractor Program. This is a 10-week training program, and the first three-hour class starts on January 9, 2018. The committee that oversees the program has come up with a new set of program deliverables that should fit each student. These deliverables include: the opportunity to sign up in the sponsor's venter databases; the creation of a capability statement; the exposure to certification opportunities; and the active work toward one certification.

Minority Business Accelerator

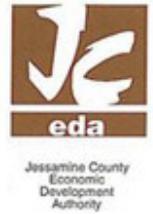
Each member of the Minority Business Accelerator has received a personal consultation with Tyrone Tyra in the past month. The program is seeking a new consulting firm to assist with the growth and sustainability of the Accelerator members. A Request for Proposals was sent out in August but did not yield satisfactory results. The evaluation sub-committee from the Minority Business Development Advisory Committee decided to send out the RFP again after changing some of the language and adding items from the member consultations. The proposals are due back on October 27.

COMMUNITY & MINORITY BUSINESS DEVELOPMENT

Access Loan Program

The Access Loan Program has reached another milestone! After the closing of \$1.8 Million in loans in September the program that facilitates loans to small businesses through our 25 lenders has reached over \$17.6

million. The loans retained 25 jobs and allowed the business to add six new jobs. That program total should go up again with the October loan closing of a startup audiology practice in Georgetown.



Bluegrass Minority Business Expo

The 15th Annual Lexington Bluegrass Minority Business Expo was a success. Over 680 individuals and small businesses registered for the full-day event. The itinerary included sessions for personal and business development for the attendees. The morning keynote speaker was Sheri Riley, a Kentucky native, Empowerment Speaker, Life Strategist, and Author, who works with celebrities, athletes, entrepreneurs, corporate executives, and all around busy individuals. She spoke on making choices that lead to less stress, better clarity, and a more fulfilling life. Her book *Exponential Living* sold more than any author at the Expo in the last five years.

The Lexington Bluegrass Minority Business Expo boasts a fine group of volunteers that put in so much work each year to make the conference a success. This year the group not only recruited minority businesses from as far away as Toledo, Ohio, but we also had 34 large companies represented in our Business Opportunity Exchange that allows MBE's to meet face to face with procurement professionals to market their goods and services.



Volunteers and planners for the Bluegrass Minority Business Expo.