

FULL STRIDE INITIATIVE

● ● commerce
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Economic
Development

Investor Update
Jan. 1 – Mar. 31, 2022

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Total Quality Logistics Expands, Creating 300 New Jobs in Lexington



Total Quality Logistics (TQL) plans to increase employment up to 525 new full-time jobs across three Kentucky locations, of which 300 are

in Lexington. Commerce Lexington's Economic Development team has had multiple existing business meetings with TQL since they located in Lexington in 2011 and most recently worked with the Cabinet for Economic Development to assist the company with a new Kentucky Business Investment (KBI) Program application. Congratulations to TQL on their expansion and growth in Lexington.



Vector Corrosion Technologies to Locate Facility in Lexington



In January, Vector Corrosion Technologies, a provider of corrosion mitigation products and services, announced plans to invest over \$1 million to establish its first U.S.

manufacturing facility in Lexington, creating 20 full-time jobs. Headquartered in Winnipeg, Canada, Vector has over 50 years of experience in concrete repair and corrosion solutions to extend the life of infrastructure. "We are excited to welcome Vector Corrosion Technologies to Central Kentucky. This growing manufacturing operation plans to provide a variety of great jobs for the community," said Commerce Lexington President and CEO Bob Quick, "This is a key strategic target for our economic development efforts and will further strengthen our competitive advantage in this important economic sector. We want to thank Vector Corrosion Technologies for its investment and confidence in Lexington."

DID YOU KNOW?

CENTRAL KENTUCKY IS HOME TO INTERNATIONAL COMPANIES FROM JAPAN, SINGAPORE, CHINA, THE REPUBLIC OF KOREA, GERMANY, IRELAND, FRANCE, ITALY, SWITZERLAND, NEW ZEALAND, THE UNITED KINGDOM AND CANADA.

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By the Numbers

19 NEW PROSPECTS INTERESTED IN FINDING A NEW LOCATION OR EXPANDING

8 COMPANIES WITH POTENTIAL EXPANSIONS IN LEXINGTON

6 SITE VISITS

24 EXISTING BUSINESS VISITS

24 EXISTING BUSINESS REQUESTS

EVENTS, CONFERENCES AND NETWORKING



World Trade Center of Kentucky hosted the Consulate General of Canada with several key Kentucky companies and government representatives.

Local Officials Discuss Foreign Trade With Consulate General of Canada

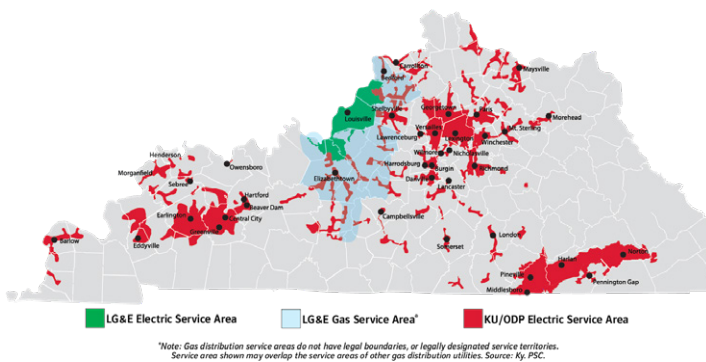
Commerce Lexington’s Gina Greathouse and Board of Directors from the World Trade Center of Kentucky met at a private luncheon with Consulate General Joseph Comartin of Canada in early March to discuss the impacts of foreign trade between the two countries. Discussion topics addressed supply chain disruptions, the trucking blockade and finding solutions to streamline the automotive industry and other industries affected in recent years.

Leadership Lexington Economic Dev. Day

Our team helped plan and participate in Economic Development Day for Leadership Lexington in March. This one-day event included a wage assessment activity to help class members better understand Lexington’s average annual salary between a variety of market industries and the importance of a diverse economy. They received an overview presentation of the local economy by Dr. Michael Clark, Associate Professor of Economics and Director for the Business and Economic Research at UK as well as hearing about Lexington’s economic competitiveness from a panel that included leaders from Belcan Engineering, Bullard, Big Ass Fans, and Crank & Boom Craft Ice Cream. The class finished the day with our economic development simulation, which is always a popular activity.



This year’s Leadership Lexington class started Economic Development Day at Big Ass Fans and closed out the session at Junior Achievement.

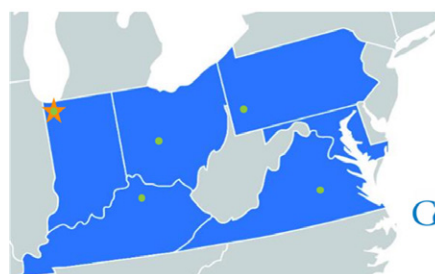


Lunch & Learn With Kentucky Utilities Co.

The Commerce Lexington Economic Development team kicked off the new year by hosting a luncheon featuring guest speakers Daryl Smith and Brad Sowden representing Full Stride Investor Kentucky Utilities Co. The presentation shared insight into KU’s economic development participation, including a high-level overview about its service territory, utility systems, and examples of how they calculate energy requirements for new projects interested in expanding or locating in Kentucky’s electrical environment.

Utility Informational Sessions

At the end of January, the economic development division continued utility education and hosted a hybrid informational session featuring guest speaker Tyler Burke representing Full Stride Investor Columbia Gas of Kentucky. The presentation provided a high-level overview of natural gas - from sourcing and extraction to adequate storage fields to customer delivery. Main takeaways from the presentation included understanding various examples of how industrial customers use natural gas, common measuring units, typical industrial load and pressure requirements, and effectively responding to an RFI- what the gas company needs to know.



- 6-State Footprint
- ~7,500 Employees
- ~3.5M Natural Gas Utility Customers
- ~500K Electric Utility Customers



EVENTS, CONFERENCES AND NETWORKING



Bourbon 101 With Ky. Distillers’ Association

Commerce Lexington was honored to host the Kentucky Distillers’ Association (KDA) to learn about bourbon and how it impacts economic development in our region and state. The KDA is the first and only non-profit trade association dedicated to protecting Kentucky’s legacy in Bourbon and sharing it with the world. Eric Gregory, President of the KDA, shared the history, current climate, and future initiatives about Kentucky’s signature industry so our team could better understand its challenges and find ways to encourage opportunities for Lexington to capitalize in the market and make our city more competitive for capital investments to create jobs and increase tourism.

Water 101 With Kentucky American Water

Water, an often overlooked utility, is a major component that influences a company’s decision to locate in a particular city or region. Our team met with Full Stride Investor Kentucky American Water to learn about the water and wastewater systems in Central Kentucky. The informational session provided a high-level overview about Kentucky American Water, water supply and treatment capacity, wastewater treatment, water quality and infrastructure. Kentucky American Water invests approximately \$25 million annually in capital improvements to ensure the water they provide not only meets but surpasses what is required by state and federal drinking water standards.



What is the Right Broadband Technology?

Fixed Wireless	Cable	Fiber
Speed Rating 100 Mbps Download 20 Mbps Upload	Speed Rating 1 Gbps Download 50 Mbps Upload	Speed Rating 10 Gbps Download 10 Gbps Upload
Deployment Cost Economical <i>IF</i> 100% Coverage not required	Deployment Cost Same as Fiber for New Locations	Deployment Cost Costly with Long Life
Coverage Usually Covers About 70% of Premises	Coverage 100%	Coverage 100%

Broadband 101 with Kinetic by Windstream

At the end of March, Commerce Lexington hosted Full Stride Investor Kinetic by Windstream for another informational session on telecommunications. Our team learned about the differences between fixed wireless, cable, and fiber and how each technology impacts speed, cost, and coverage. Representatives from Kinetic by Windstream shared information on two federally regulated programs, Affordable Connectivity Program and Emergency Connectivity Fund, available to low-income households, schools and libraries.

E.D. Update to City’s Budget, Finance, and Economic Development Committee

Commerce Lexington shared an update of accomplishments to the Budget, Finance and Economic Development Committee in February as a part of our Lexington Economic Partnership. Information presented included the Economic Development division’s focus on business retention and expansion, business recruitment and entrepreneurial support. The presentation demonstrated our strategic initiative to create new primary jobs that increase household income and the city’s revenue through occupational tax withholdings which in return encourage greater capital investment in our region. Additionally, the Business and Education Network and Minority Business Enterprise provided an update and highlighted how all three divisions work collectively to enhance the quality of life in central Kentucky.

EVENTS, CONFERENCES AND NETWORKING



Bluegrass Alliance Meeting

In February, the Commerce Lexington Economic Development team hosted the regional Bluegrass Alliance meeting in Lexington. Guest speaker Ted Abernathy discussed the regional economic growth plan, Barry Kornstein shared a high-level overview of the Economic Impact Model that Commerce Lexington uses to determine the direct and in-direct economic impact of a company locating in Lexington and/or region; and Mark Franklin and John Merchant representing Dinsmore & Shohl, LLP introduced Industrial Revenue Bonds and how they impact economic development. The Bluegrass Alliance meets bi-monthly to share community updates, available real estate, current and future endeavors.



Top Left: Ted Abernathy - Managing Partner, Economic Leadership LLC
Top Right: John Merchant - Partner, Dinsmore & Shohl, LLP
Bottom Left: Mark Franklin - Partner, Dinsmore & Shohl, LLP
Bottom Right: Barry Kornstein - Economic Development Data Research Consultant

University of Kentucky (UK) Economic Outlook Conference

Commerce Lexington co-sponsored and attended the 33rd annual Economic Outlook Conference hosted by the University of Kentucky's Gatton College of Business and Economics. Our team listened to guest speakers from the Cleveland Federal Reserve, Gatton College of Business and Economics and Kentucky Council on Postsecondary Education to discuss the importance of education, workforce, supply chain, healthcare, and other valuable factors affecting Kentucky's economic climate. Attendees received a Kentucky Annual Economic Report courtesy of UK's Center for Business and Economic Research (CBER), whose primary research denotes that systematic and scientific inquiries into economic phenomena yield valuable knowledge to comprehend the formulation of informed public policy.

Remembering Bluegrass Alliance Members

Central Kentucky lost two great economic development leaders in recent months. Wayne Foster supported regionalism for many years and taught new economic development professionals the ropes of the business. Todd Denham kept Bluegrass Alliance meetings fun and interesting with his quick wit and positive attitude. The team here at Commerce Lexington and partners of the Bluegrass Alliance send our deepest condolences to their family and friends.



Wayne Foster (Left) and Todd Denham (Right)



Commissioner Jeff Taylor and staff from Kentucky Cabinet for Economic Development; Kevin Atkins, LFUCG's Chief Development Officer; Brian Lanahan, Sr. VP of Development with Premier Development Partners; and the Commerce Lexington Economic Development team, tour the former Trane facility.

Commerce Lex., KCED Representatives Tour Vacant TRANE Facility

In 2021, TRANE Commercial Systems downsized operations in Lexington and vacated a 688k square foot industrial facility, a bittersweet moment and opportunity. Recently, our team coordinated efforts with Premier Development Partners to host the Kentucky Cabinet for Economic Development team to tour the facility and learn more about the "one of its kind" industrial building available for lease in Lexington. Additionally, we had an opportunity to update the Cabinet with information pertinent to local economic development endeavors in Lexington-Fayette County.

BUSINESS AND EDUCATION NETWORK

Emerging Leaders of the Bluegrass Kicks Off a New Year



The need for investing in and preparing our future leaders has never been more important, not only within your business or organization, but also for the future of the Bluegrass Region. That is why Commerce

Lexington launched its EMERGE conference in 2014, and now a year-round educational and professional development opportunity for area emerging leaders through Emerging Leaders of the Bluegrass presented by Full Stride Investor, Keeneland.

The program kicks off a new year on April 21 with A Day at the Races hosted by Keeneland. Following the kickoff, the cohort will gather monthly for events focused on professional development and community education. They will also have an opportunity to connect with a mentor in the community for the duration of the program year.

For more information please contact Amy Stout at (859) 226-1610 or to sign up for an annual pass, please visit www.commercelexington.com/emerging-leaders-of-the-bluegrass.html.

BEN Launches New Marketing Program to Attract Talent, Starting With Healthcare Sector

Communities across the country are facing fierce competition to attract and retain talent in their regions and Lexington is no different. To help us stand out in the battle for talent,



The Business and Education Network is launching “The Lex Factor” – a Talent Attraction Marketing Program- which will serve as the hub for all things live, work and play – the Lexington way! We all know Lexington is the

greatest city ever, which is why our mission is to share the best our town has to offer.

The program launched in late March and started with a Certified Nursing Assistant (CNA) Recruitment Campaign that will run through the middle of May.

CAMPAIGN OVERVIEW:

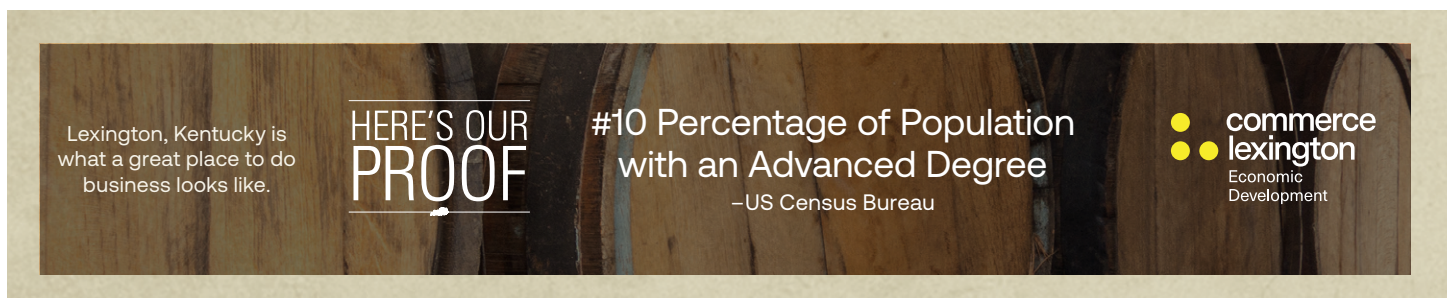
The overarching goal was to create awareness for the healthcare industry and specifically the CNA career pathway

in the wake of a workforce crisis. The marketing campaign will drive traffic to a CNA-specific landing page where interested candidates can gather more information and register for a “matchmaking” event. Select applicants will be paired with one of Lexington’s top healthcare providers, be paid to complete an 8-week CNA training course at BCTC and receive immediate career placement upon successful completion of the course.

CNA Matchmaking Event Information:

WHEN: Wednesday, May 18th | 6:00pm – 8:00pm
WHERE: Bluegrass Community & Technical College’s Leestown Campus
164 Opportunity Way (Building C, Room 136)
Lexington, KY 40511


If you know anyone interested in being a CNA or would like more information, please visit lexfactorky.com/CNA or contact Betsy Dexter at bdexter@commercelexington.com.



Lexington, Kentucky is what a great place to do business looks like.

HERE'S OUR PROOF

#10 Percentage of Population with an Advanced Degree
– US Census Bureau



COMMUNITY AND MINORITY BUSINESS DEVELOPMENT



Money Smart Classes

The FDIC’s Money Smart financial education program can help people of all ages enhance their financial skills and create positive banking relationships. First released in 2001 and regularly updated since then, Money Smart has a long track record of success. Our program began on March 21st and is presented by Community Trust Bank. The classes run for 5 weeks and are instructed by Shirie Hawkins of Community Ventures.

Opportunity Exchange

The Spring Opportunity Exchange, presented by Equity Solutions Group and Gold Sponsor Republic Bank, was held on Wednesday March 16th at the Campbell House Lexington. The event featured a panel discussion on supplier diversity & inclusion. We also celebrated the University of Kentucky receiving the Jesse L. Moore Supplier 2022 Diversity Award from *INSIGHT Into Diversity* magazine.

The *INSIGHT Into Diversity* Jesse L. Moore 2022 Supplier Diversity Award is a national recognition honoring colleges and universities that take proactive steps to support and engage with minority-owned businesses through supplier diversity offices, unique programs and leading initiatives. Winners will be included in the April 2022 issue of *INSIGHT Into Diversity* magazine.



BY THE NUMBERS

19 meeting with minority businesses

11 Female-owned businesses assisted

\$10.4 MILLION in revenue generated by Accelerator members

\$43,800 in Access Loans

Minority Business Accelerator Members

Helping Hand, LLC

Owner, Chase Minnifield

Elaine Allen, LLC

Owner, Bishop Carter

TCG America

Owner/Rep, Tina Watson

Facilities Maintenance & Services Group, LLC

Owner, Frank Hall

Equity Solutions Group Consulting

Owner, Ray Daniels

The Patriot Group

Owner, Lawrence Herring

COMMUNITY AND MINORITY BUSINESS DEVELOPMENT

UK and Turner Construction Launch Construction Diversity Accelerator Program (CDA)

Commerce Lexington sponsored the opening reception of the CDA program. The CDA program is a 10-week program designed to help minority-owned, women-owned and other underrepresented construction-related businesses gain access to the tools, resources and opportunities to be competitive in the construction industry. The event was held at the University of Kentucky Student Center on March 8th.



SURVEY HIGHLIGHTS

34%

of businesses surveyed have been in business for 10– 20 years. 69% have been in business for 10+ years.

At 37%,

email scored as most effective way for DBEs to connect with prime contractors, followed by third-party introduction, networking events and phone calls.

Only 45%

of companies surveyed know where to find DBE contractors/consultants.

55%

of DBE subcontractors are secured by way of certified DBE lists.

55%

of subcontracted DBE firms located in the bluegrass area are in Fayette County.

Parity Analysis Survey of Minority Business Participation

In spring 2021, the Community and Minority Business office of Commerce Lexington, in partnership with EHI Consultants, conducted a parity analysis survey related to minority-owned business partnership with other businesses. Using a virtual survey instrument, surveyors interviewed over 100 prime contractors and consultants within the Lexington metropolitan area.

The overall objective of the analysis was to define where the obstacles and barriers exists in the areas of minority contracting in Lexington and Fayette County. As minority owned businesses aspire to grow and prosper, it is imperative that they become part of an inclusive and growing economic engine. The data and information derived from the survey will be used to help inform Commerce Lexington, business practitioners and policymakers on strategies, policies, and programs to enhance its minority business development partnerships.

Results

The survey process revealed gaps in business opportunities and contracting efforts. It also showed what prime contractors and professional service firms are looking for in minority-owned business services.

During the process, survey respondents indicated:

- Their desired types of services.
- Perceived and experienced barriers to Disadvantaged Business Enterprise (DBE) contracting.
- Corrective actions to increase DBE contracting.

During the Commerce Lexington survey, prime contractor firms shared obstacles to hiring DBE firms as subcontractors. They also suggested remedial actions to increase minority business participation. Survey outcomes were found to be encouraging, despite these three main barriers to DBE subcontracting:

- Prime contractors do not know where to find DBEs.
- Prime contractors have negative perceptions of DBE firm qualifications.
- Prime contractors believe DBEs are too small.

The survey also revealed several positive aspects. Based on successful past experiences, Prime contractor firms support networking/ matchmaking events with DBEs. Similarly, several firms are mentoring DBEs to improve their qualifications and capacity. As for those firms who currently do not provide mentoring services, they did state that they would be willing to participate in mentorship opportunities.