

# 2016-2017 ANNUAL REPORT



JULY 2017

# ABOUT THE KENTUCKY CAPITAL DEVELOPMENT CORPORATION

The Kentucky Capital Development Corporation (KCDC) provides a wide array of free, confidential services and information to assist new, expanding and relocating American and international businesses. Headquartered in Frankfort, the Capital of Kentucky, KCDC services include:

- providing current, comprehensive market information about Franklin County, the Bluegrass area and the Commonwealth of Kentucky;
- identifying space or site options for businesses with start-up, relocation or expansion needs;
- offering business development assistance and acting as a liaison between businesses and city/county and state government agencies;
- assisting company expansion operations by providing information and answering inquiries about county zoning, taxes and other issues critical to doing business; and
- providing information for employees relocating to the county.

The KCDC operates under the direction of a six-member board appointed by the Franklin County Judge Executive and the Frankfort Mayor equally.

The Franklin County Fiscal Court and the City of Frankfort provide critical financial support for KCDC's efforts through annual budget appropriations. As a public service to the citizens of Frankfort and Franklin County, KCDC provides key economic development data as measures of our performance for, and accountability to, our community.

## BOARD OF DIRECTORS

Danny Willis, Chairman

Dave Weller, Vice-Chairman

Rex Fowler, Secretary/Treasurer

Dr. Houston Barber

Dr. O.M. Patrick

Dr. Miriam A. Fordham

## STAFF

Terri Bradshaw, President/CEO

Laura Warren, Executive Assistant

# LETTER FROM THE CHAIRMAN

It has been my honor to serve as Chairman of the Board at Kentucky Capital Development Corporation (KCDC) this past year and a pleasure to work with an outstanding Board of Directors made up of volunteers from our community that share a commitment to public service and a love for Frankfort and Franklin County.

As our community continues to grow one of the best entities to help that growth is KCDC. We strive to grow our community by adding citizens, adding valuable jobs, assisting investments that grow the tax rolls and promoting numerous community development projects.

KCDC is helping shape the future of our great county and I am proud to be a part of it. As the world grows smaller and smaller through technological innovations, the need for continued focus on local economic development is more critical than ever.

The leadership of Frankfort and Franklin County created KCDC for the purpose of promoting economic development. As you will see in this report, fiscal year 2016-2017 was no exception. KCDC fulfilled that purpose by consistently creating high quality jobs in our community, assisting new and existing businesses and creating job opportunities for Frankfort/Franklin County residents.

*Danny Willis*  
Chairman



# ABOUT FRANKFORT/FRANKLIN COUNTY

There are 554 job openings advertised online in Franklin County, Kentucky as of June 30, 2017. This number is down from 1,013 from this time last year.

The preliminary average weekly wage for Franklin County, Kentucky was \$802.88, slightly down from \$810 in 2015-16. This would be equivalent to \$20.07 per hour or \$41,750 per year, assuming a 40-hour week worked the year around.

The total civilian preliminary labor force (not seasonally adjusted) for Franklin County, Kentucky in March, 2016 was 24,463, of which 23,345 were employed and 1,118 were unemployed. The unemployment rate was 4.6% percent. In May 2017 the labor force was 24,738, of which 23,763 were employed and 975 were not. The current unemployment rate is 3.9%, which is .7% improved from last year and well below the state average.

## How we compare to Kentucky

| <b>Frankfort 2017</b> | <b>vs.</b>               | <b>Frankfort 2016</b> | <b>KY 2017</b> |
|-----------------------|--------------------------|-----------------------|----------------|
| 31,281                | Total Average Employment | 31,297                | 2,090,932      |
| \$41,750              | Average Annual Wage      | \$42,120              | \$43,652       |
| 24,738                | Civilian Labor Force     | 24,463                | 2,090,932      |
| 23,763                | Number Employed          | 23,345                | 1,972,163      |
| 975                   | Number Unemployed        | 1118                  | 118,769        |
| 3.9%                  | Unemployment Rate        | 4.6%                  | 5.7%           |

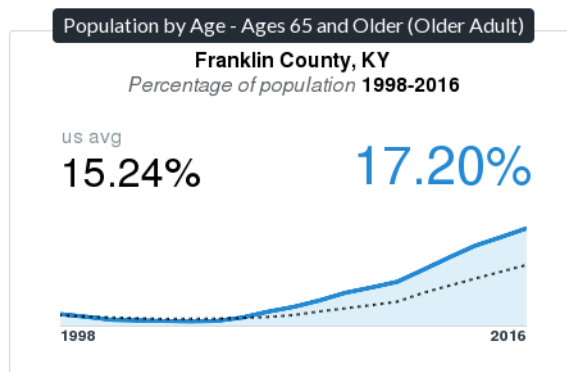
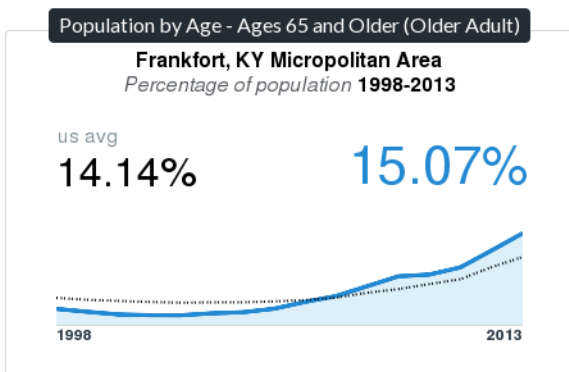
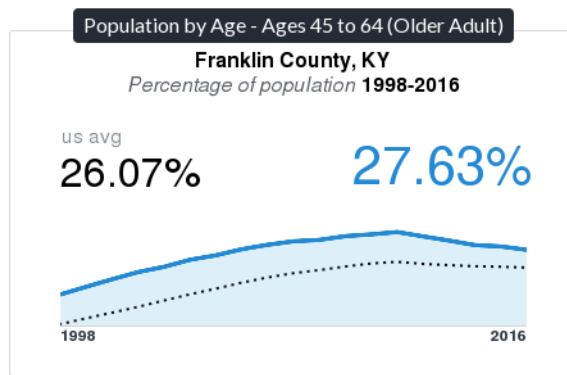
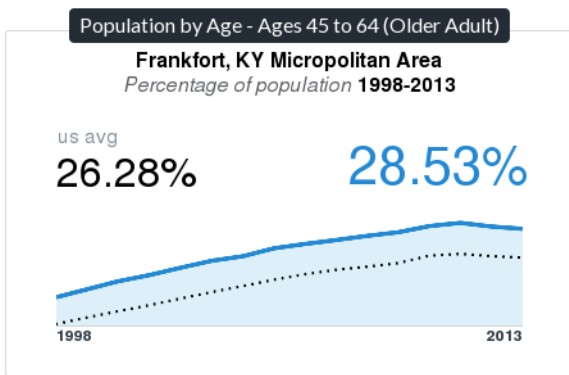
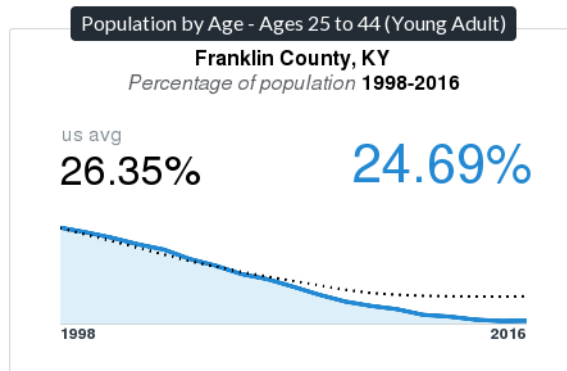
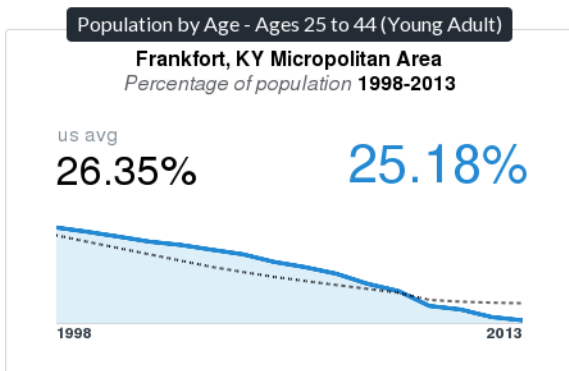
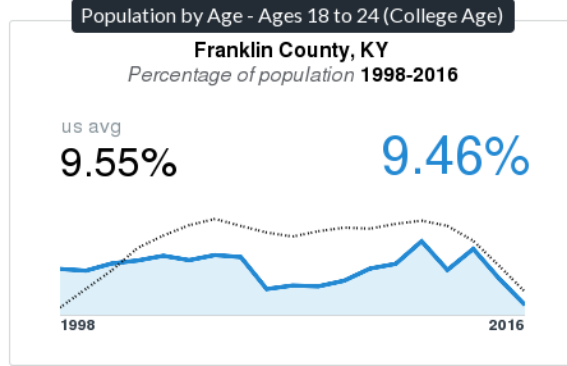
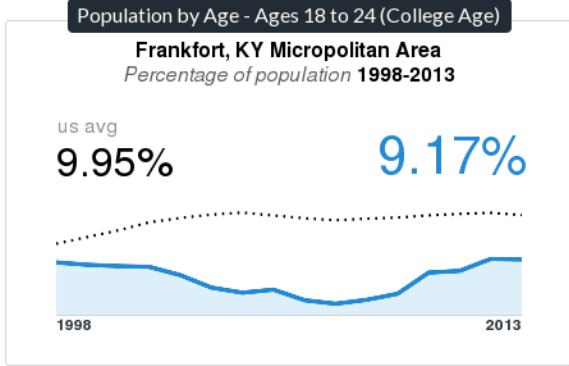
(KCEWSreports.ky.gov)

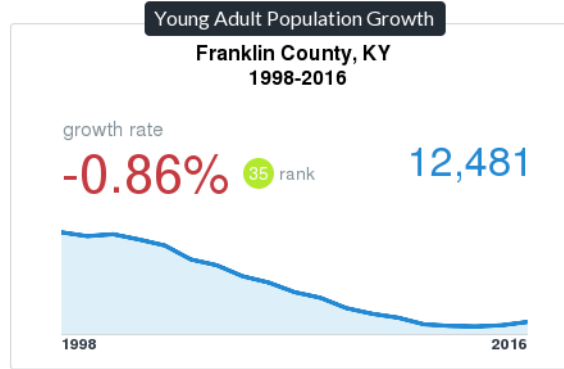
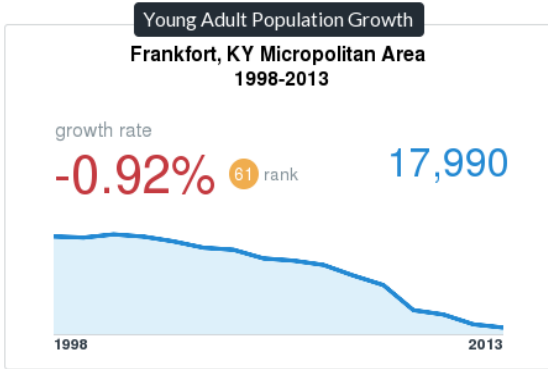
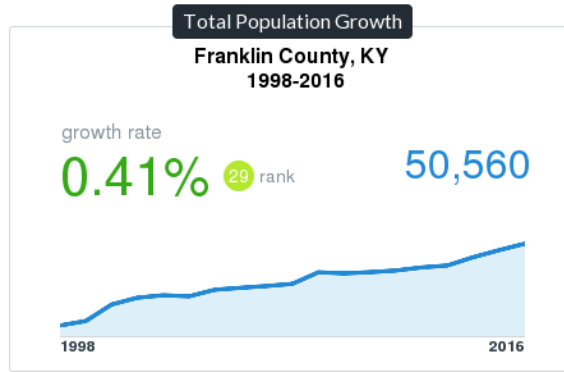
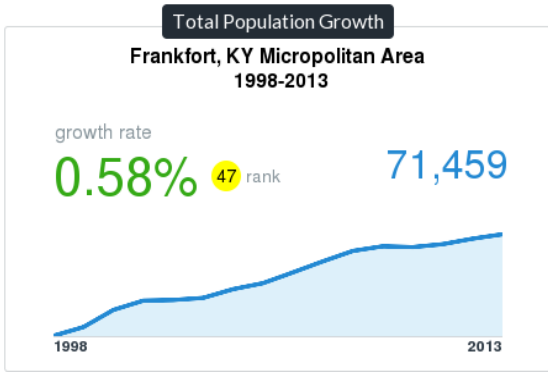
## How we compare nationally

| <b>Frankfort 2017</b> | <b>vs.</b>                  | <b>Frankfort 2016</b> | <b>National Avg</b> |
|-----------------------|-----------------------------|-----------------------|---------------------|
| \$46,818              | Median Household Income     | \$42,180              | \$44,749            |
| 84.10                 | Cost of Living Index        | 96.8                  | 100                 |
| \$114,950             | Median Home Price           | \$92,000              | \$201,995           |
| \$1,110               | Median Property Taxes       | \$971                 | \$2,673             |
| 16%                   | Projected 5 Year Job Growth | 5%                    | 7%                  |
| 41                    | Crimes/1,000 People         | 46                    | 44                  |

(TIME/Money Best Places to Live 2016: How Does Your Town Stack Up?)

# Population

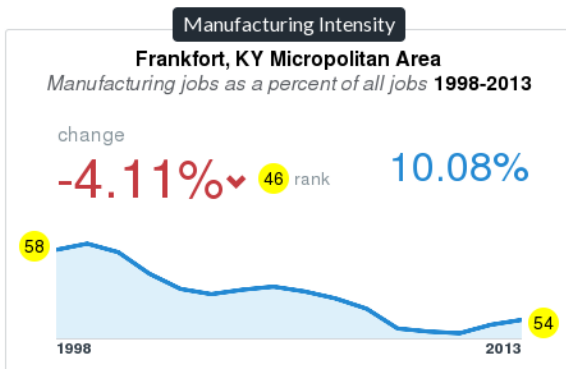


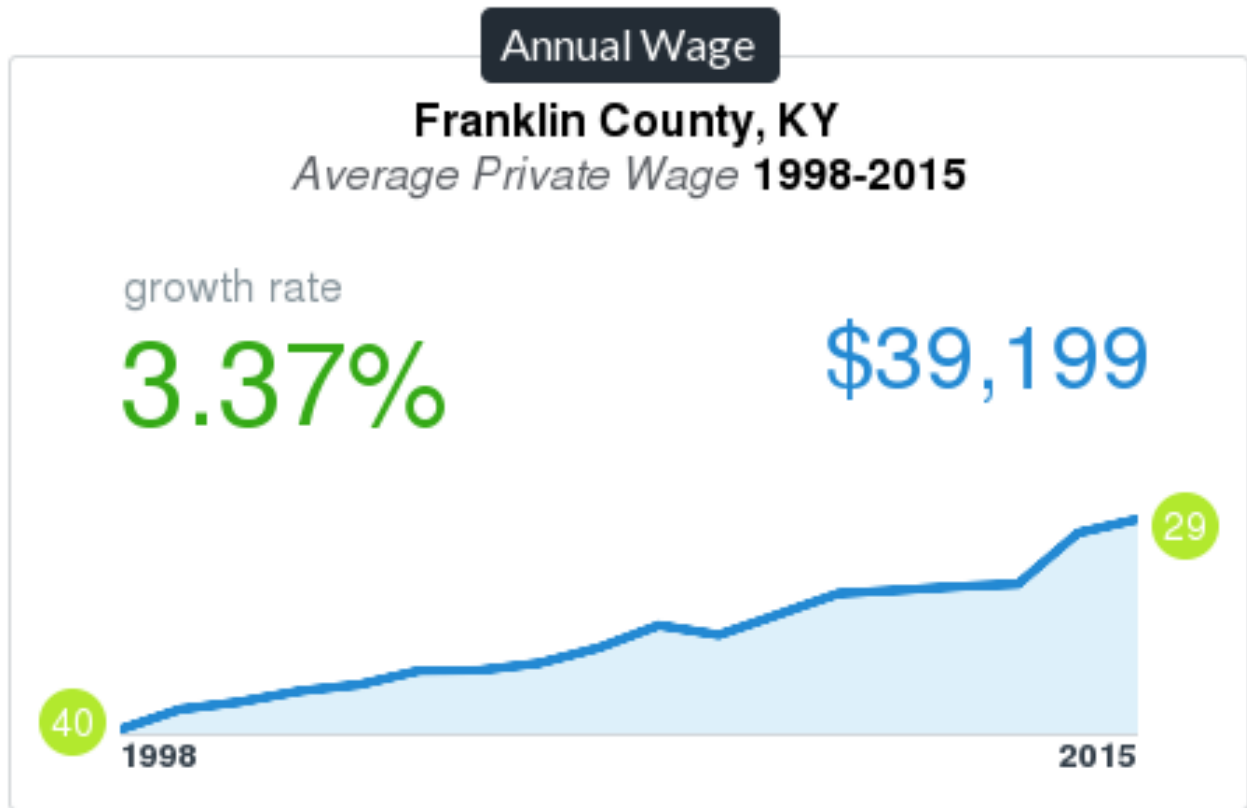
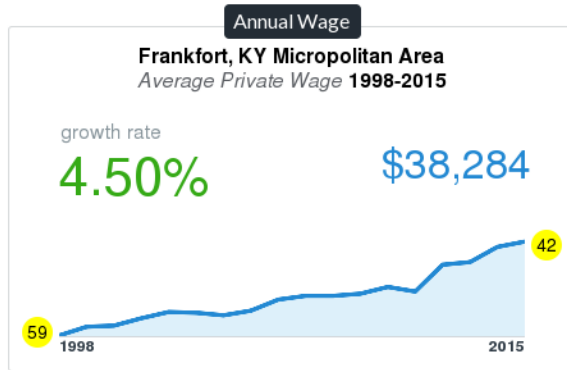


The population charts above confirm the continued trend of slow population growth in Franklin County and in the surrounding area. The data shows that the only growth in population in Franklin County over the past several years was in the 65 years and older category. There was a loss in population in all the working age groups of 18-24, 25-44 and 45-64 years old.

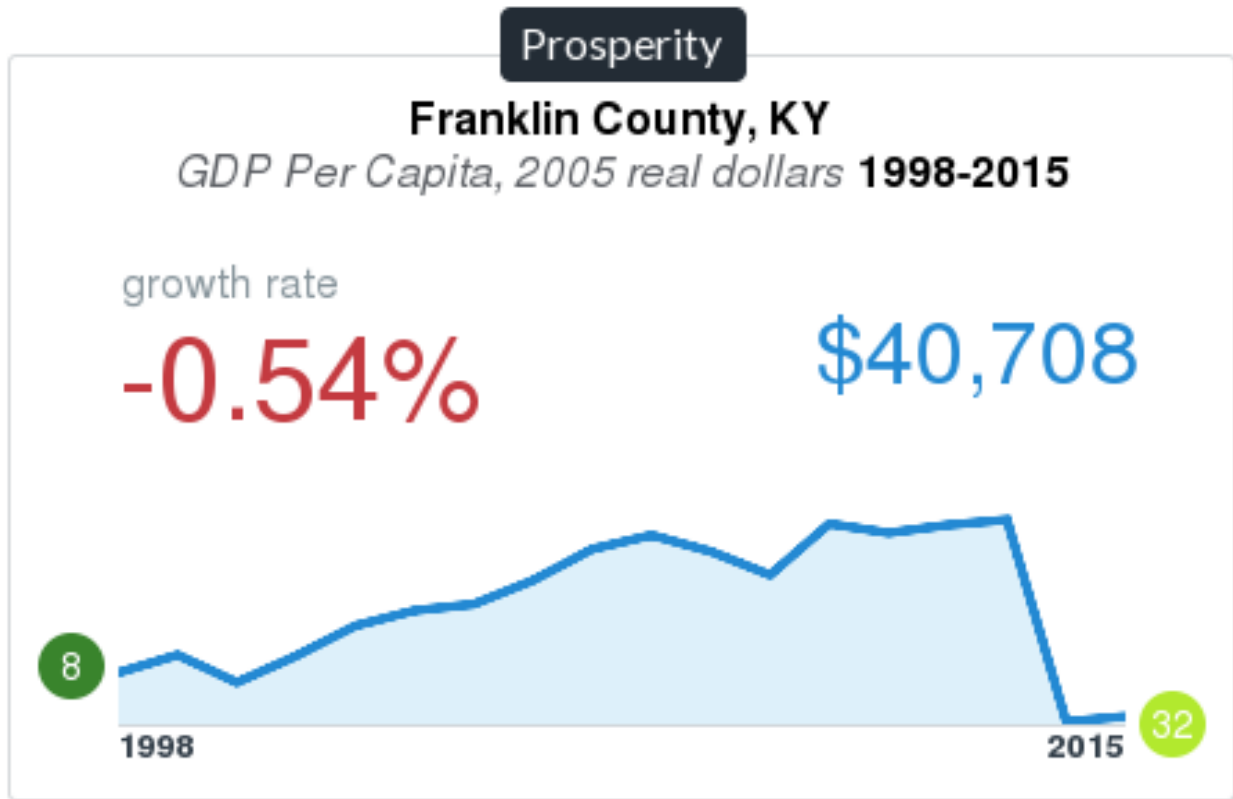
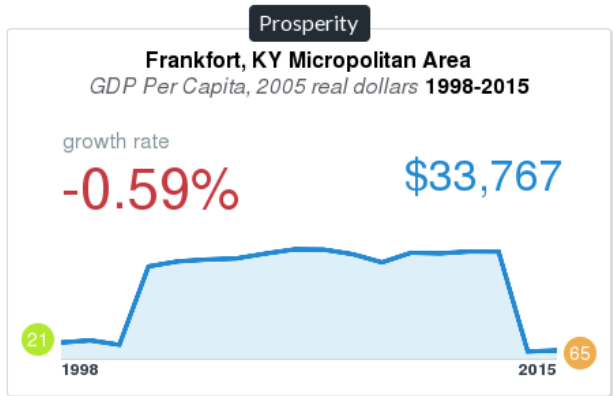
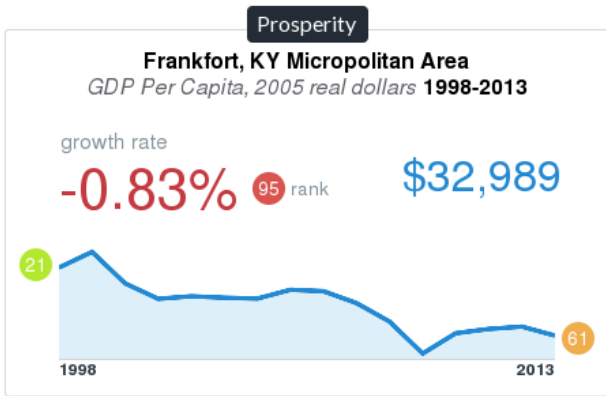
## Employment

Manufacturing jobs continued to rise in Franklin County but are still 2.89% lower than in 1998.





Since 1998, average wages have continued to rise in the region, up 4.5% since 1998 and up nearly \$4,500 since 2013. In Franklin County wages also have risen, but at a slower rate of 3.37% in the past 19 years. Franklin County has risen from being ranked 40<sup>th</sup> to 29<sup>th</sup> in the state for annual wages but is still well below the national average of \$50,396.



(Harvard School/U.S. Economic Development Administration – US Cluster Mapping Project’s Region Dashboard: Frankfort, KY Micropolitan Area (Franklin and Anderson Counties))

Gross Domestic Product (GDP), the monetary value of all finished goods and services produced within the county, has also improved by 24% since 2013 in the Frankfort Micropolitan Area, due to the increase in job numbers. However, in Franklin County, it is still \$3,953 less than it was in 1998, at \$44,661.



## Payroll Tax Revenues

### Franklin County

2016-17 - \$4,341,338

2015-16 - \$3,897,633

2014 - 15 - \$3,566,977

2013 - 14 - \$3,441,376

### City of Frankfort

2016-17 - \$20,807,000

2015 - 16 - \$20,577,000

2014 - 15 - \$20,211,100

2013 - 14 - \$19,644,000

Payroll tax revenues continue to rise in both the city and county as job numbers and salaries increase.

# ANNUAL PROJECT ACTIVITY REPORT

We discovered this year how important a strong existing business component is to our economic development. Our existing business and industry base provided stability. Several local companies made tremendous investments and added jobs. Without our vibrant primary job base, it would be difficult for our community to continue to move forward in the manner our citizens have come to expect from us.

This is a report of successful business location and expansion project activity directly assisted by the KCDC staff during FY2016/17.

| <b>Industry and Corporate</b>                 |   |
|---|---|
| Beam Suntory                                  | Manufacturing and distribution of distilled spirits                       |
| IDT Tools                                     | Produce die components and stamping dies                                  |
| Buffalo Trace Distillery                      | Distiller of world class and award winning bourbons and American whiskeys |
| Hayashi Telempu North America                 | Manufacture automotive interior products                                  |
| Toyota Material Handling                      | Manufacture forklifts   |
| Nishida Art Specialty Composite America, Inc. | Manufacture of thermoplastic elastomers for the automotive industry       |
| Castle & Key                                  | Distillery, events venue  |
|   |   |
| <b>Service and Technology</b>                 |   |

|                             |   |
|-----------------------------|---|
| The ReCon Group             | IT solution provider                                    |
| Redwing Ecological Services | Helps clients handle ecological regulatory requirements |
| West Sixth Brewing          | Agri-Tourism venue featuring brewery                    |
| Kenvirons                   | Environmental and civil engineering firm                |
| Kentucky Knows              | Downtown Retail   |

KCDC continues to work with these pending projects.

| <b>Project description</b>                                      |                               |
|---|-------------------------------|
| Injection molding manufacturer                                  | New business                  |
| Logistics Company   | New business                  |
| Breakfast lunch restaurant downtown                             | New businesses                |
| Manufacturer of heaters   | New business                  |
| Supply chain services provider                                  | New business                  |
| Bottle manufacturer   | New business                  |
| Hemp dog food manufacturer                                      | New business                  |
| Senior Care facility  | New business                  |
| Sales and Installation of high-frequency and ultrasonic welders | New business                  |
| Tier 2 automotive supplier                                      | New Business                  |
| Logistics company   | New business                  |
| Restaurant/bar downtown   | New business                  |
| Riverboat attraction  | New business                  |
| Multi-family dwelling   | New business                  |
| Hotel/Conference Center   | New business                  |
| Restaurant downtown   | New business                  |
| Brewery/taproom downtown  | New business                  |
| Dance/art studio  | New and relocating businesses |
| Auto manufacturer   | Equipment purchase            |
| Auto manufacturer   | Expansion                     |

When an existing Frankfort/Franklin County business expands or a new business locates in the community, significant economic benefits ensue. With those new jobs come payroll dollars, increased demand for housing, goods and services, greater capital investment and a broader tax base all of which spreads throughout the economy.

While each job added brings economic value to the community, that value varies by industry based on wages, skill level required, labor intensity, etc.

After an initial impact occurs, changes ripple through other sectors. For example, when a manufacturer expands and adds 100 jobs, it is likely a result of increased sales. The manufacturer will buy goods and services it needs from other businesses in order to serve its customers. That is an indirect impact; indirect impacts also include the wages of the new employees. Those

businesses, depending on the size of the impact, may also hire additional workers. When the employees at the manufacturer and the supporting businesses buy goods and services for their households, this creates induced impacts.

Combined, the direct, indirect and induced impacts are the total impact and measure the ripple effects of the initial change. Not all of these changes will occur within Franklin County; leakage occurs when goods and services from outside the area are purchased.

So for the approximate 150 new jobs added by the 2016/17 new locations and expansions to the Frankfort/Franklin County economy in the manufacturing sector, charted above, the ripple effect is an additional 205 jobs in other sectors resulting in a total impact of 355 jobs.

These jobs are located throughout all the other sectors of our economy. The additional jobs grew the local economy, which is measured in value added, similar to gross domestic product (GDP). With the added jobs the overall economy grew by an estimated \$40 million, which increased state and local taxes by nearly \$4 million.

## COMMUNITY DEVELOPMENT

As has been the case over the past several years, there was no shortage of community development projects in FY 2016/2017, as city and county leadership kept its focus on positioning Frankfort/Franklin County as a leader in economic development preparedness.

With projects ranging from downtown revitalization, streets and roads to sewer expansion and fiber ready industrial and business parks, city and county officials and KCDC have worked within their own means and leveraged their reputations and relationships for state and federal assistance to improve our product.

These community development projects are where KCDC relies on numerous city and county departments the most. Besides the usual assistance in answering questions pertinent to their departments on prospect requests for information, Planning & Zoning, public works, legal, fire and law enforcement have all answered the call whenever KCDC asked for assistance. And they have done so with the encouragement and support of leadership that insists on Frankfort having the best in all services for the community.

## DOWNTOWN DEVELOPMENT

Frankfort's commercial and retail activity saw many exciting developments in a wide range of specialties and services, with a mix of unique, local spots and nationally recognized brands. Downtown was the spot for many of these new businesses, with several finding fresh, innovative uses for historic buildings.

Local developers continue to breathe new life into the downtown area by renovating many of our beautiful downtown, historical buildings and KCDC continues to partner with the City of Frankfort

and Downtown Frankfort Inc. to focus our recruiting efforts on specialty foods and spirits providers. We have spent the past several months working with City Visions, an urban planning consulting firm, to guide us on future building use and connectivity between the business district and the future development of the Capital Plaza Area.

## OUTREACH

The Kentucky Capital Development Corporation highlights Franklin County through local and national events, activities and sponsorships. In FY2016/17, the KCDC staff:

**Organized** a regional job and career fair; meetings with downtown building owners and City Visions representatives; meetings with local downtown representatives and Lexington Mayors office;

**Hosted** quarterly industry meetings and annual industry appreciation event, Franklin County Industrial Development Authority annual meeting, meetings of local developers and realtors; and Kentucky Association of Economic Developers Kentucky United Partners Annual Meeting;

**Partnered** in production of TV programs to spotlight local employers; filing of Collaborative Action Grant for downtown; Churchill Downs event for expanding local manufacturers; applications for Workforce Skills Grants for local high schools; and Frankfort Independence Schools/City of Frankfort grant;

**Presented** to the Kentucky Association of Counties, Frankfort City Commission, Franklin County Fiscal Court, Franklin County High School Career Day, Chamber of Commerce Community meeting, Montaplast 25<sup>th</sup> Anniversary Dinner, Retired Government Workers monthly meeting, Independence Bank groundbreaking and the Lexington Bluegrass Area Realtors Association; and

**Participated** in the Community Branding Committee; Frankfort Area Chamber of Commerce monthly board meetings, annual meeting, board retreat, legislative events and Economic Development Committee; Work Ready Communities Committee; Frankfort First Committee; Capital Development Committee; Downtown Frankfort, Inc. (DFI) monthly board meetings, annual meeting and Buildings Committee; Brownfield Committee; Kentucky Workforce Investment Board meetings; KY Association of Economic Development spring and fall conferences; MBM Trade Show; Kentucky United consultant visits; numerous interviews with local and regional media; Bluegrass Alliance consultant visits and legislative meetings; World Trade Day; KY Chamber Workforce Summit; Frankfort/Franklin County Public Policy Committee; Frankfort Plant Board public meetings; Frankfort City Commission meetings; Franklin County Fiscal Court meetings; Bourbon Strategies Committee meetings; KY Chamber of Commerce Central KY Policy Meeting; Bluegrass Area Development District Economic Development Advisory Committee; ESGR Appreciation and Awards event; Capital Plaza Redevelopment Group; KY Association of Manufacturers business briefings; Employer Support of Guard and Reserve Boss Lift; State Journal Editorial Board meeting; Burlington Condo Association meetings; Succession Planning Training; numerous webinars on downtown development and Placemaking; Kentucky Housing Corporation meetings; event planner research committee; StateBook International webinar trainings; meeting

with City Visions concerning downtown redevelopment; KY River Development Committee and Farm City events.

## MARKETING AND BRANDING

KCDC continued to make significant shifts in marketing efforts, but remained committed to its biggest strengths – strong local, state and regional partnerships and promoting the community’s track record in creating a pro-business culture.

One tactical change was to contract professionals for the printing and design of prospect packets. The packets were created using the colors of the KCDC logo and the Frankfort – Kentucky Distilled logo. They were designed and printed to allow us to do in-house updates, keeping costs to a minimum. These packets are distributed to site selectors and industry leaders and now reflect the professionalism required to be considered in such a competitive market.

We continue the use of Facebook, Google+ and LinkedIn as marketing tools. This year staff promoted the agency, the community and a variety of events on these social media venues and soon gained hundreds of contacts and means to spread our news. Among our followers are site location consultants, elected officials, and other economic development groups. Staff continues to become educated on the many ways of maximizing these tools for positive community exposure.

KCDC continued to use innovation in our website, as staff began working with McAllen Solutions to make it more user-friendly and informational. All available industrial and commercial site information and photos are being updated and the News section is updated regularly to keep the site fresh. Again, staff continues to educate themselves on ways to make the websites better perform their unique and specific functions and provide useful information for industrial prospects, as well as small businesses and entrepreneurs, which nurtures and supports the entrepreneurial spirit.

Perhaps the most understated, yet effective method of establishing its trademark, KCDC relied on its media relations to generate editorial copy in local, regional, and national publications. Editorial content provides a credibility factor that a paid advertisement cannot and we have been fortunate to maintain an excellent working relationship with the local and regional media, thus are called upon often for input in articles concerning local and state issues.

KCDC also touted our message through multi-media news releases and interviews, email, print and online campaigns and continued work with the Community Branding Committee in establishing a message that becomes the “brand” of our community and the agencies who partner in its development.

The committee has focused on formulating a clear branding message that will allow us to market our community as a pro-business environment, with a clear consistent value system, one that has economic and community development right up there with education, public safety and quality of life for its citizens. We have incorporated the new branding logo and tagline with the KCDC logo on all print materials and continue to look for ways to incorporate the Kentucky Distilled message in all that we do.

While participating in the KY United consultant visit to Greenville, SC, KCDC teamed with other KY communities to host an event with area consultants. We hosted similar events, as part of the Bluegrass Alliance, in Detroit and Atlanta.

The opportunity for Franklin County to collaborate on recruitment events around the country are a great example of the state, local and business communities partnering to build on our successes. Together, we are able to show target companies the level of community support they can enjoy in Frankfort and why we have one of the most highly regarded business climates in the state.

## PROFESSIONAL DEVELOPMENT

KCDC's Board of Directors has always prioritized continued education/professional development of staff as a core value. With a limited budget, staff turned to webinar training opportunities, KY Association of Economic Development conferences, Frankfort Area Chamber of Commerce seminars and simply scheduled time with other economic developers who have areas of expertise the KCDC staff does not.

KCDC staff received training in such areas as downtown revitalization, Placemaking, business expansion, retention and attraction, retail marketing, trends in corporate strategy, target market development and implementation, regionalism, site and building certification, site development, website and social media utilization, marketing your community to millennials, assessing and selling your workforce, using data to determine development strategy and strategic planning.

"It is important that our personnel stay up to date on the latest practices", Danny Willis, KCDC Board Chair said. "Certainly, economic development is one area that requires being on the cutting edge of technology, recruiting methods, and existing industry programs. I am very proud of the level of education and professional reputation our KCDC staff has and continues to improve on."



## OTHER ACCOMPLISHMENTS

- Named by Site Selection Magazine the 4<sup>th</sup> Top Micropolitan in Kentucky
- Ranked by Smartasset.com as 8<sup>th</sup> best community where Social Security Goes Furthest
- Ranked by LawnStarter.com as the Number #1 Most Beautifully Landscaped Governor's Mansions

## OUR PARTNERS AND ALLIES

Many organizations share the KCDC goal of building Franklin County's economy and making the county an even better location to do business and succeed. Kentucky Capital Development Corporation is pleased to work with these partner organizations such as Bluegrass Area

Development District, Bluegrass Workforce Investment Board, City of Frankfort, Downtown Frankfort, Inc., Frankfort Area Chamber of Commerce, Frankfort/Franklin County Tourist & Convention Commission, Frankfort Plant Board, Franklin County Fiscal Court and Kentucky State University, as we expand relationships with business communities local and worldwide and develop a stronger and more diversified economic base.

Of course KCDC also relies on its strong relationships with its state and regional partners, such as the Kentucky Cabinet for Economic Development, Kentucky Finance and Administration Cabinet, KY Association of Economic Development, KY Association of Manufacturers, Bluegrass Alliance and KY United.

KCDC increased its involvement with KY United, a joint venture of the KY Cabinet for Economic Development (KCED), the KY Association of Economic Development (KAED) and regional and local economic development organizations, to serve as the state's marketing arm. Our President/CEO currently serves on the Kentucky United Steering Committee and hosted the group in Frankfort in May 2017.

Through strategically planned marketing events, KCED generates leads and business relationships with prospects and consultants, working to increase private capital investment and create higher incomes to all Kentuckians. KCDC participated in consultant visits in Atlanta, Detroit, Greenville, Owensboro and Lexington.

Bluegrass Alliance is a similar entity, on a smaller scale. That group includes Scott, Madison, Fayette, Woodford, Jessamine, Bourbon, Clark and Franklin counties along with partners from the utility industry including Columbia Gas of Kentucky, Delta Natural Gas, East Kentucky Power and E.On U.S.

As the only Franklin County investor and participant in KY United and Bluegrass Alliance activities, it is important KCDC remains active and visible to keep the community "on the radar" of not only the key players these initiatives target, but for the state and regional organizations that serve as lead providers as well.

These organizations continue to use an approach that is right in line with what we at KCDC try to do. Economic development is a team sport and by working with other proactive, committed communities and our local, regional and state economic development partners we deliver a consistent, professional, compelling story and strengthen our brand as a pro-business community.

## FOLLOWING OUR PLAN

The KCDC Strategic Plan is a comprehensive planning document that organizes our long-term vision into goals, strategies and action plans. In April 2013, the KCDC Board of Directors adopted the strategic plan to guide important policy and investment decisions over the coming years. In March 2016 we began updating that plan. Our intention is to implement the updated plan in January 2018.

The strategic action items outlined in this document were established to help maintain an emphasis on the most critical issues facing us and provide focus for policy and funding decisions and, where appropriate, provide guidance in the reallocation of existing resources. Services provided by KCDC are targeted to achieve priorities in one of the strategic areas.

The accomplishments listed in the following pages are reflective of the actions KCDC has taken to contribute to the overall success of achieving the goals in the plan.

**Mission Statement**

The mission of Kentucky Capital Development Corporation is to promote economic development of the Frankfort-Franklin County area through continuous enhancement and marketing of the workforce, infrastructure, and quality of life assets in this community.

Through partnerships, we seek to build a community that is globally competitive as a place to live, work and do business.

**Vision**

In ten years, Frankfort/Franklin County will have a growing economy because:

We will be a fully certified Work Ready community with a skilled labor pool large enough to attract new firms, especially those in environmentally sustainable sectors.

City/County officials are partners in economic growth by:

Fostering a regulatory environment that is consistent, flexible and supportive of business;

Developing and implementing incentives targeted to creating a more balanced local economy between public and private employment; and

Assuring the public infrastructure is adequate to support new economic growth.

We offer a highly desirable quality of life reflected in:

A revitalized downtown;

A successful educational system that supports lifelong learning for professional, technical, and skilled crafts positions; and

An attractive riverfront area that anchors a broad array of recreational opportunities.

|   |                |                          |
|---|----------------|--------------------------|
| <b>GOAL ONE</b>   |                |                          |
| <b>Ensure the infrastructure and supply of land/facilities supports continued economic development.</b> |                |                          |
| <b>Strategies</b>   | <b>Actions</b> | <b>Completed Actions</b> |



|  |   |  |
|--|---|--|
| <p>Increase the inventory of land ready for economic development.</p>            | <p>Existing vacant properties have been corrected and turned into productive properties.</p>  | <p>Maintain searchable database of all available industrial property (land and buildings), including specific data, photos, readiness, etc. to allow for quick and organized property searches for prospects. Continued to work with local governments on infill projects to “recycle” abandoned and dilapidated properties to other uses. Conveyed Crayon Club property to YMCA.</p>  |
|  | <p>Identify and evaluate EPA qualified brownfields to determine costs of recovering properties for future use.</p>  | <p>The City’s Brownfield Assessment Grant has successfully completed 12 Phase I Assessments and 11 Phase II Assessments. The grant has also successfully removed abandoned petroleum tanks on Louisville Road and Second Street. In addition the grant supplied funds for a regional forum held in Frankfort on April 12 for developers and property owners and is being utilized to create a downtown redevelopment strategy for Frankfort.</p> |
|  | <p>Work with city and county governments to evaluate the capacity of current infrastructure to meet existing and future public utility needs.</p>   | <p>Participated in meetings concerning the expansion of sewer to South 127. Met regularly with Frankfort Plant Board and industry representatives to assure infrastructure needs are being met to allow uninterrupted production. Continued to meet with FPB concerning internet/fiber improvements and KyMEA contract concerns.</p>   |
|  | <p>With partners, discuss with the city and county the costs/benefits of establishing a capital improvements plan with designated set-aside funding based on a capital improvements district.</p> | <p>Worked with city and county officials on incentive possibilities that include set-aside funding, Tax Increment Financing and Tax abatements/moratoriums for area improvement projects. President/CEO served on the Downtown Revitalization Grant committee.</p>   |
|  | <p>Continue to seek CDBG funds to partner with local government on infrastructure development.</p>  | <p>Held regular meetings with our Department of Local Government representative to determine allowed use of previous CDBG funds, as well as possible future uses. Are currently working with West Sixth Brewery on CDBG Revolving Loan Agreement for infrastructure costs involved in the “farm” they have purchased in Franklin County to be used for an agri-tourism events venue. Closed out CDBG Artiflex loan following final payment.</p>  |
| <p>Kentucky Capital Development Corporation will have acquired an industrial</p> |   | <p>KCDC sold two lots, approximately 7 acres, in industrial park #3 during this fiscal year. All industrial property owned by KCDC has been sold, except for two small lots. Since KCDC does</p>   |

|  |   |   |
|--|---|---|
| site with required infrastructure available for new businesses or the expansion of existing firms. |   | not have the funding available to purchase and provide infrastructure to new property, we continue to work with private land owners/developers to market their property for industrial use. In FY 2016-17, we participated in the sale of nearly 50 additional acres in industrial park #3. We continue to aggressively market 660 additional acres and 23 additional industrial and commercial buildings totaling 842,490 sf, owned by private investors throughout Franklin County. |
| Enhance the quality of available properties.   | Establish criteria for evaluating the readiness of available properties for new businesses. | Used the Kentucky Cabinet for Economic Development criteria to establish "Build-Ready" Sites and are working with local developer to prepare a build-ready site on 13 acres in Industrial Park #3. Continue to work with consultants at City Visions to determine best building uses for downtown Frankfort.  |
|  | Share evaluations with property owners and encourage them to address deficiencies.          | City Visions continues to meet with downtown property owners to advise them to best uses for individual properties and how to market to that niche.   |

**GOAL TWO**  
**Ensure the skills and knowledge of the workforce matches the labor demands of existing and prospective employing firms.**

| <b>Strategies</b>  | <b>Actions</b>  | <b>Completed Actions</b>  |
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| Increase collaboration with city and county school systems in workforce development efforts. | Continue to emphasize the critical supporting role of education in economic growth. | President/CEO serves on the Chamber of Commerce Education Committee. Hosted regional job and career fair to allow employers to recruit and inform job seekers of possible careers within the industry sectors in the region. (Over 50 employers and 100 job seekers attended the event.)  |
|  | Complete the process of becoming a Work Ready Certified Community.                  | The Certified Work Ready Community Committee continued to determine ways to meet the criteria required to advance the community from "In Progress" to fully certified.  |
|  | Enhance the value attached to craft and technical skills in the community.          | We continue to work with Franklin County Career and Technical College and Bluegrass Community and Technical College on projects to promote technical skills occupations. Applied for 2 Workplace Skills grants to promote technical skills training within local schools. Did not receive either grant. Did, however, obtain donated manufacturing equipment for the Franklin County Technical Center and added |

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|   |  | trainings there in advanced manufacturing as well as plumbing and electricity.  |
|   | Increase the proportion of students participating in technical, skilled craft, and STEM educational programs.  | See above.  |
|   | Find ways to increase school officials' and teachers' understanding of the knowledge and skills required to be a work ready employee in a 21 <sup>st</sup> -century economy. | See above   |
|   | Seek opportunities to bring teachers and school officials into local industries so they can observe how academic content translates into work ready skills.                  | See above.  |
|   | Work with schools and other organizations to develop soft work skills.   | The Greater Frankfort Area Chamber of Commerce continues working toward Work Ready Community certification which includes the development of soft skills.   |
|   | Address the gap in the retraining of adults for new careers.   | Worked with Bluegrass ADD, Bluegrass WIB and Bluegrass State Skills Corporation to provide funding for training of adult workforce for manufacturers and individuals. Worked with KY Cabinet for Economic Development and KY FAME representatives to promote participation in the FAME program to our local manufacturers.  |
|   | Continue support for the new career/technical school when completed.   | Continuously worked with FCPS and FIS on projects, committees and ideas to support career and technical training.   |
| Assist industries in promoting the benefits of this economic sector as a career option. | In partnership with local industries, develop promotional materials that explain the diversity of industrial careers.  | In addition to Career Fair and in-school promotions, KCDC is partnering with Frankfort Plant Board to film 60- minute TV programs that will be aired on Ch. 10 to promote individual employers, what they do, what careers are available, what economic impact they have on the community, what role they play in local charities, etc. The first program, featuring Beam Suntory, is in final stages of production and should air in October 2017. |

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|  | Work with local schools and youth organizations to increase knowledge of industrial careers. | See above.   |
| Identify ways to leverage the values offered by KSU more directly in economic development efforts. | Strengthen KSU's involvement in economic development recruitment and retention.              | Representatives of KSU served on the workforce committee with industry representatives and helped in planning and training at job and career fair. |
|  | Enhance the business community's awareness of workforce development opportunities at KSU.    |  |

**GOAL THREE**  
**Build a more welcoming and supportive climate for economic development.**

| <b>Strategies</b>  | <b>Actions</b>   | <b>Completed Actions</b>  |
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| Identify city/county regulations that are barriers for economic growth.                                | Gather stories of problem areas in city/county regulations.  | Regularly met with local realtors/developers, city/county officials and P&Z officials to address regulative barriers to development. Worked with City Sewer Manager Bill Scalf to lower sewer tap-on rates by approximately 50%. Maintained data for comparison to surrounding counties to allow us to determine areas where we are not competitive and address them appropriately. |
|  | Identify specific regulations that have proven problematic for businesses.   | See above.  |
| The city and county regulatory environments will be coordinated to a similar vision.                   | Overlay city and county regulations that affect businesses and/or economic development to identify contradictions or duplications.                 | See above.  |
|  | Based on this analysis, identify ways to make the regulatory environments more consistent and flexible.  | See above.  |
| There will be clearly defined and frequently used incentives (and penalties) for economic development. | Encourage city and county governments to establish a one-stop listing of all regulations required to open or expand a business in Franklin County. | The Greater Frankfort Area Chamber of Commerce determined these publications are obsolete and not cost effective. We will promote the use of the KY Small Business Administration site for this information.  |

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|   | In collaboration with public and private partners, determine the possibility of establishing an economic development ombudsman to assist new or expanding businesses. | This topic was discussed during meetings with developers and realtors. It remains on the list of items to address, but was not considered highest priority, so will be addressed as other issues are resolved.   |
| <b>GOAL FOUR</b><br><b>Increase targeted marketing of Frankfort/Franklin County as a desirable place for industrial location and expansion.</b> |   |  |
| <b>Strategies</b>   | <b>Actions</b>  | <b>Completed Actions</b>   |
| Develop a web-based marketing plan for the KCDC that focuses on retention and expansion of existing businesses.                                 |   | Continued to implement an expansion and retention program with local manufacturers that involved regular meetings and submission of online surveys to discuss issues and then connect them with local or state officials that could help them resolve these issues. Worked with the Kentucky Distillers Association, The Bourbon Trail, the KY Cabinet for Economic Development, the Bourbon Strategies committee and other spirits oriented businesses on an event to educate the community on the positive and far reaching effects the spirits industry has on Frankfort and Franklin County and how we can make our community more business friendly to the spirits industry. This event will be filmed and available online. Began redesign of KCDC website to provide a more informational and user-friendly site for prospects and current businesses. Links provided from KY United, Bluegrass Alliance and Kentucky Cabinet for Economic Development sites to the KCDC site allow increased visibility and access and updated lists of available land and buildings in Franklin County are provided on all sites. |
| Identify and act on opportunities for regional marketing.   | Ensure that a representative of Kentucky Capital Development Corporation is present at all BEAM meetings by demanding adequate notice of meetings.                    | President/CEO of KCDC is a member of the Bluegrass Alliance, Kentucky United, the Kentucky Association of Economic Development and the Bluegrass ADD Economic Development Committee. She attended consultant visits in Lexington, Owensboro, Detroit, Greenville and Atlanta. (To our knowledge, BEAM has had no meetings during this fiscal year.) Participate in regional public policy planning concerning legislation that affects businesses.   |
|   | Identify adjacent   | The President/CEO of KCDC is a member of the   |

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|  | communities interested in partnering on marketing.   | Bluegrass Alliance that consists of Scott, Fayette, Bourbon, Clark, Madison, Jessamine and Montgomery counties economic development agencies. We partnered with these agencies to host prospect visits and the November 2016 Annual Meeting of the Kentucky Association of Economic Development.   |
|  | Strengthen involvement in Bluegrass Alliance.  | See above.   |
| Maintain an up-to-date and comprehensive listing of available properties.  |  | A searchable, up-to-date, comprehensive listing of all available industrial and commercial properties including photos was made available. A partial listing was begun for downtown, retail properties and continues to be compiled.   |
| Maintain a program of industry visitation.   | Establish a regular schedule of industry visitation.   | The President/CEO of KCDC and the County Judge met with the industry regularly as part of the industry retention and expansion plan. Most industry had representatives who actively served on a variety of KCDC committees and an industry representative served on the KCDC Board of Directors.   |
|  | Develop a set of open-ended questions (e.g. What's working for you in this community?) that would allow industry representatives to comment on aspects of this location. | A questionnaire was established and was asked of each of the industry during an in-person meeting.   |
|  | Use these responses to: <ul style="list-style-type: none"> <li>- Enhance marketing materials;</li> <li>- Identify emerging concerns within this sector.</li> </ul>       | Any concerns revealed from the aforementioned questionnaire were immediately conveyed to the entity most likely to resolve the issue.  |
| Promote educational, housing, recreational and entertainment choices in the community to potential and current industries and their employees. |  | A new recruitment packet was created to promote all aspects of the community, including quality of life, to prospects. The packets were printed professionally and specifically to allow each to be tailored to the individual project. In addition, staff compiled extensive data addressing quality of life issues, to help determine next steps toward improvement. |

**GOAL FIVE**

**Continue to encourage quality of life improvements in the community to enhance the competitiveness of Frankfort/Franklin County in attracting and retaining industry.**

| <b>Strategies</b>   | <b>Actions</b>   | <b>Completed Actions</b>  |
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| Complete riverfront development   |  | Staff served on Capital Development Committee to promote redevelopment of the Capital Plaza Tower property and convention center. Met with Parks Representatives, state bridge staff and R.J. Corman representative to discuss future uses of walking bridge next to RR bridge. Worked with River Blast and recruitment of “river industry” to the area. Continue to work with local leadership in preparation for public input and development of the Capital Plaza area, downtown, the riverfront and adjacent areas. Met with local and outside business owners concerning a variety of boat associated venues interested in locating on the river in Frankfort. |
| With local partners, encourage local and state governments to expand and improve access throughout the community. | Improve river bridges.   | See above.  |
|   | Evaluate alternatives to one-way streets to improve downtown access.   | Regularly met with two-way Main Street representative and attended City Commission Meetings to stay apprised of progress concerning one-way/two-way Main Street. Continue meetings with consultants at City Visions to determine connectivity and accessibility issues and solutions.   |
|   | Increase access to downtown parking for visitors and residents through innovative public/private partnerships. | See above.  |
|   | Increase enforcement of parking regulations to increase turnover at existing parking spaces downtown.          |   |
|   | Assess the costs and benefits of utilizing golf cart trams around downtown to increase visitation              |   |

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|   | downtown.   |   |
| With local partners, work to increase pride in the attractiveness of the community as a place to visit, shop and live.              | Support neighborhood beautification projects.   |   |
|   | Identify possible incentives for property owners to maintain and improve their buildings and grounds.   | A variety of incentives was improved by city and county leadership to improve existing buildings and properties, including tax abatements, Tax Increment Financing, low-interest loans and project grant money. |
|   | Establish recognition programs for property and neighborhood beautification projects.   |   |
|   | Encourage and support local governments in developing, maintaining and upgrading community quality of life infrastructure (i.e., parks, recreational programs). | Community Leaders visited Columbus, IN to learn about their best practices and successes in revitalizing their downtown and improving quality of life for their community.                                      |
| With other partners, encourage access to high speed internet throughout the county that keeps pace with technological improvements. |   | Met with FPB staff regularly to discuss their infrastructure study and plans for upgrades.  |

**GOAL SIX**  
**Kentucky Capital Development Corporation has the resources and organizational capacity to promote the economic opportunities in Frankfort/Franklin County.**

| <b>Strategies</b>   | <b>Actions</b> | <b>Completed Actions</b>   |
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| Maintain and enhance the financial capacity of the KCDC to fulfill its mission. |                | KCDC remained financially solvent and continued to work within the same total budget allocation as the previous 6 fiscal years, having requested the same amount of funding from city and county since 2011. Obtained an LBAR grant for \$2,000 to expand career and job fair events. Provided all audit, loan and grant agreement information to involved parties as required for reporting and monitoring purposes. Researched interest and investment options and increased interest income by nearly 600%. |
| Periodically evaluate capacity of staff to assist                               |                | KCDC staff currently works extensive overtime to assure our current projects are completed   |



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| KCDC in fulfilling its mission.   |  | timely. Any additional responsibilities for KCDC will require additional staff.   |
| Periodically evaluate Board structure and policies for effectiveness in fulfilling its mission. |  | A review of the KCDC by-laws, including board structure and function, was done, and were determined to be effective. Updates to the Strategic Plan are currently in progress. |