

2017-2018 ANNUAL REPORT



JULY 2018

ABOUT THE KENTUCKY CAPITAL DEVELOPMENT CORPORATION

The Kentucky Capital Development Corporation (KCDC) is primarily focused on increasing employment opportunities, private sector capital investments and the local tax base and provides a wide array of confidential services and information to assist new, expanding and relocating American and international businesses as well as . Headquartered in Frankfort, the Capital of Kentucky, KCDC activities include:

- implementing strategies for building human, social, institutional and physical resources for stronger, self-sustaining local economic systems;
- analysis of the opportunities for social and economic infrastructure development;
- finding alternative sources of funding for various community development projects;
- promoting quality-of-life environments and strong community capacity for economic growth;
- developing comprehensive skills to build workforce competitiveness and creating career paths to quality jobs and higher wages;
- nurturing local small businesses and building clusters of competitive industries that create new growth and income;
- 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

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LETTER FROM THE CHAIRMAN

Economic diversification has become the buzzword throughout Frankfort and Franklin County over the past year. Meetings, discussions and op-ed columns all focused on the need to diversify our economy so that it is not overly dependent on state government jobs.

At KCDC, that realization came years ago. We have made excellent headway in diversifying the county's economic base with companies that don't rely on doing business with state government, and 2017-18 continued the trend.

Most prominent among these developments, were the announcement of the expansion of Investors Heritage and the opening of the Deloitte Frankfort office, creating 135 new business service industry jobs. KCDC also announced important job additions from the Recon Group and Hayashi Telempu North America; and over \$120M in local investments.

These businesses are creating jobs in a variety of sectors: professional services, financial services, advanced manufacturing and information technology. There is a common denominator, however, and that is the community's commitment to helping businesses succeed.

Each of these companies already had a presence in the community and made the decision to grow their businesses here. That is a testament to the commitment to excellence of the staff at KCDC and its partner agencies and a sure sign that our local leaders understand that a diverse economic base is the best way to generate wealth and prosperity - and commercial tax revenue that funds public services for decades to come.

Danny Willis
Chairman



ABOUT FRANKFORT/FRANKLIN COUNTY

The preliminary average weekly wage for Franklin County, Kentucky was \$818, slightly up from \$812 in 2016-17. This would be equivalent to \$20.45 per hour or \$42,536 per year, assuming a 40-hour week worked the year around.

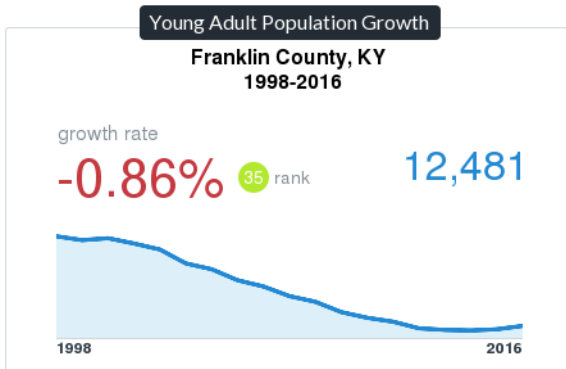
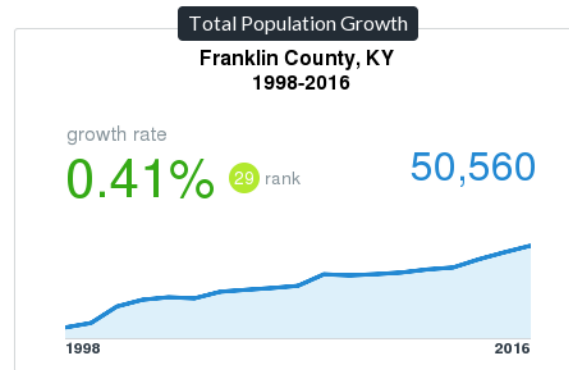
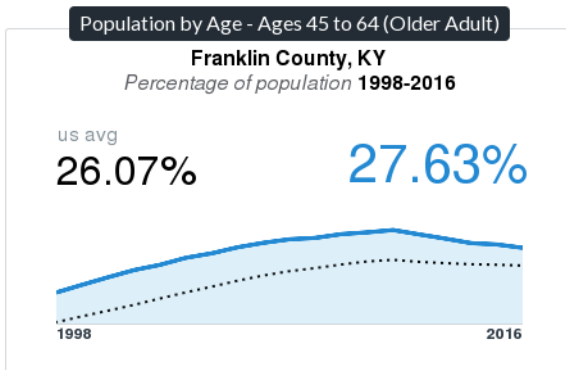
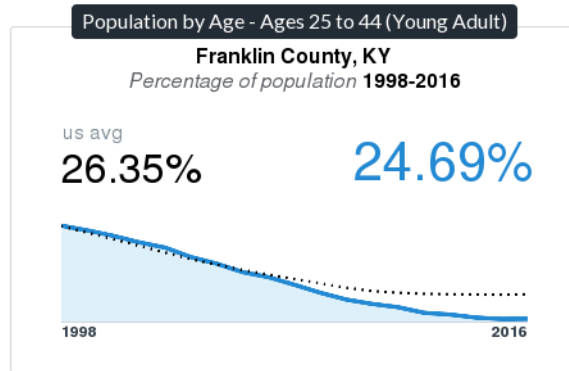
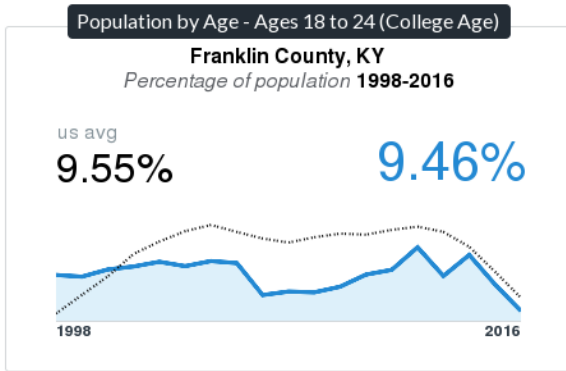
A year ago the labor force was 24,738, of which 23,763 were employed and 975 were not. The unemployment rate was 3.9%, which was .7% improved from the previous year and well below the state average.

Currently the total civilian preliminary labor force (not seasonally adjusted) for Franklin County is 24,965, of which 24,152 are employed and 813 are unemployed. The unemployment rate is 3.3% which is still below the Kentucky average of 3.9%.

How we compare

Frankfort 2018	vs.	Frankfort 2017	KY 2018
\$42,536	Average Annual Wage	\$41,750	\$45,708
24,965	Civilian Labor Force	24,738	2,071,630
24,152	Number Employed	23,763	1,991,301
813	Number Unemployed	975	80,329
3.3%	Unemployment Rate	3.9%	3.9%
\$50,999	Median Household Income	\$46,818	\$46,659
83.7	Cost of Living Index	84.10	86.2
\$138,800	Median Home Price	\$114,950	\$128,100
\$1,078	Median Property Taxes	\$1,110	\$843
47	Crimes/1,000 People	41	40

Population

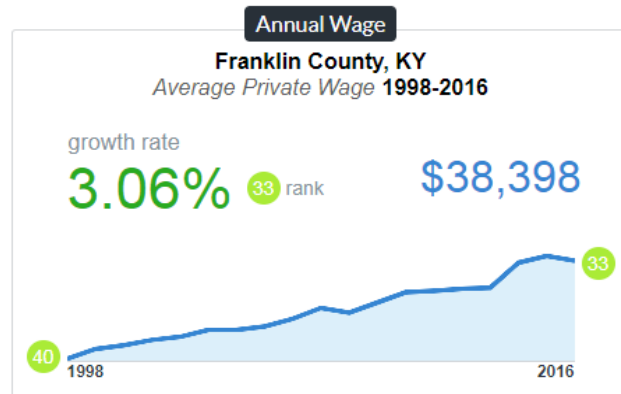
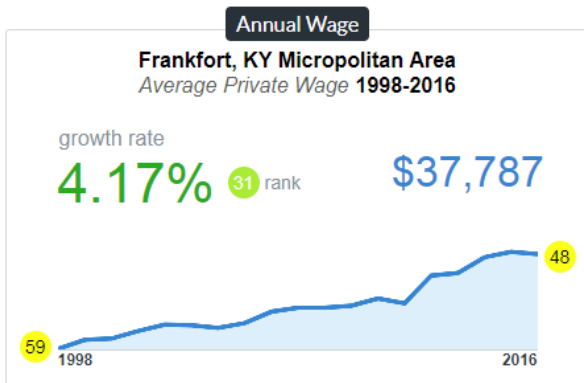


The population charts above confirm the continued trend of slow population growth in Franklin County and in the surrounding area. The data shows that the 65 years and older category is the only population growth in Franklin County over the past several years. There is a continual decline in population in all of the working age groups of 18-24, 25-44 and 45-64 years old. There has been a steady decline in the young adult population count over the past 18 years and less than half a percent growth in total population during that same time period.

Employment

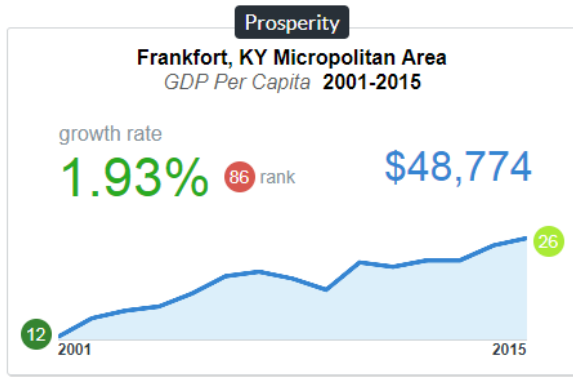


Manufacturing jobs continue to rise in Franklin County, at 8.46% of all jobs, but are still 2.88% lower than in 1998.



Since 1998, average private wages have continued to rise in the region, up 4.50% since 1998. In Franklin County private wages also have risen, but at a slower rate of 3.06% over the past 20 years.

Franklin County has risen from being ranked 40th to 33rd in the state for annual private wages but, at \$38,398 annually, the average of private wages in Franklin County is still well below the state average of \$45,708 and the national average of \$51,939. However, when non-private wages are included in the average, the annual income is raised to \$42,536.



(Harvard School/U.S. Economic Development Administration – US Cluster Mapping Project’s Region Dashboard)

Gross Domestic Product (GDP), the monetary value of all finished goods and services produced within the county, has also increased 37% since 2001 in Franklin County, due to the increase in the number of manufacturers. The Micropolitan Area has also seen steady GDP growth at nearly 2% annually in the same time period.

Payroll Tax Revenues

Franklin County

2017-18
 2016-17 - \$4,341,338
 2015-16 - \$3,897,633
 2014 - 15 - \$3,566,977
 2013 - 14 - \$3,441,376

City of Frankfort

2017-18
 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

Companies involved in manufacturing and a wide range of professional services dominated the year's announcements, which came from areas across the county. Due to concerns over a 2019 electric contract between the Frankfort Plant Board (FPB) and KyMEA, there were nearly 8 months during 2017-18 that KCDC did not receive manufacturing referrals from our consultants or the Kentucky Cabinet for Economic Development, due to their high consumption of energy and the uncertainty of costs. Therefore the number of manufacturing announcements was down during this fiscal year. However, the number of Service and Technology jobs created in this period more than doubled from last year.

Of the 226 job-creation announcements and the investment of over \$124M, nearly all was derived from existing businesses, reminding us how important a strong retention and expansion component is to our economic development strategy.

Topy America announced a \$37M investment in new equipment here at the Frankfort facility. Topy has been headquartered in Frankfort since 2007. They are a subsidiary of Topy Industries Limited located in Tokyo and have business ventures in Tennessee, Illinois, Mexico, China, Vietnam, Indonesia and Europe.

Buffalo Trace, owned by the Sazarc Company, and headquartered in Frankfort, also announced a \$42M expansion adding warehousing space to their 400 acre property. They welcomed over 200,000 visitors to this facility in 2017. Buffalo Trace is the home to a number of world renowned bourbons including VanWinkle, Blanton's, Elmer T. Lee and the Antique Collection.

Hayashi Telempu North America, manufacturers of automotive interior parts, also announced a \$41M expansion in the fall of 2017. They are headquartered in Japan and provide parts to Toyota, Honda and Subaru. Their expansion will include bringing employees from current plants in Ohio and Michigan as well as relocating a sales branch from Lexington.

Newcomers to the community were Kellwell Commissary, a food/snack provider for the prison industry, and West Sixth Farm. The farm is located on 120 rolling acres in Franklin County where they grow ingredients for their beer, host events, create estate ales and invite people to experience the farm extension of an urban brewery. In an effort to recruit the farm to Franklin County, KCDC resuscitated the Revolving Loan Fund program and provided them with a \$200,000 low interest loan to cover infrastructure costs.

Relying on innovation and a highly skilled workforce, each of these companies is creating jobs and building the commercial tax base that Frankfort and Franklin County use to fund high-quality

public services. These services are essential for the quality of life that nearly 50,000 county residents enjoy.

This is a report of successful business location and expansion project activity during FY2017/18.

Industry and Corporate	
Topy America, Inc	Automotive parts manufacturer
Kellwell Commissary	Prison industry food/snack supplier
Buffalo Trace Distillery	Distiller of world class and award winning bourbons and American whiskeys
Hayashi Telempu North America	Manufacturer of automotive interior products
Service and Technology	
The ReCon Group	IT solution provider
Investors Heritage	Insurance company
West Sixth Brewing	Agri-tourism venue featuring brewery
Volta	Computer support and data services
Deloitte	Consulting company

KCDC continues to work with these pending projects:

Project description	
Brewery	New business
Manufacturer of aviation and auto engine parts	New business
Plastic Injection Molding manufacturer	New business
Swedish CBD product distributors	New business
Ready-to-bake consumer products manufacturer	New business
Grocery	New business
Discount tool and equipment retailer	New business
Bourbon warehousing	New business
Swedish hose liner manufacturer	New business
Retailer	Relocation
European auto parts manufacturer	New business
Restaurant	Sale
RV Sales & Service Company	New business
Golf course	Sale
Hotel/Conference Center	New business
Cosmetology School	New business
Brewery/taproom	New business
Dance/art studio	New and relocating businesses
Taproom	New business
Brewing company	New business
Retail center developer	New business
Brewery, Taproom and Distributor	New business

(Continued)	
Distribution Center	New business
Shopping Center/Strip Mall	Redevelopment
Taproom	New business
Bourbon warehousing	Expansion

When an existing Frankfort/Franklin County business expands or a new business locates in the community, significant economic benefits ensue. With the 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 226 new jobs added by the 2017-18 expansions to the Frankfort/Franklin County economy, charted above, the ripple effect is an additional 307 jobs in other sectors resulting in a total impact of 457 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 \$60 million, which increased state and local taxes by nearly \$6 million.

COMMUNITY DEVELOPMENT

As has been the case over the past several years, there was no shortage of community development projects in FY 2017/2018, as city and county leadership kept its focus on positioning Frankfort/Franklin County as a leader in economic development preparedness.

With projects ranging from Capital Plaza area demolition, downtown revitalization, streets and roads, 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.

A State and Federal legislative strategy that includes representatives of the City, County, local businesses and KCDC, was implemented to help influence policies that impact Frankfort and Franklin County and seek funding to help leverage local resources. The city's award of a nearly \$8M TIGER grant and the Opportunity Zone designation are examples of the success of these partnerships and our strategy to attain state and federal monies to benefit our community.

This partnership has also improved communication to the community by developing a master PowerPoint that has been presented to a variety of civic groups, neighborhood associations and business organizations; and a Resource Roadmap and new marketing materials that articulate the goals, priorities, benchmarks, notable accomplishments and future initiatives of these partners.

DOWNTOWN DEVELOPMENT

A committee appointed by the City Board of Commissioners and the Franklin County Fiscal Court has spent the past several months working with City Visions, an urban planning consulting firm, to prepare a redevelopment strategy for downtown that includes the central business district, the Capital Plaza Area, and Wilkinson and Holmes streets. This effort resulted in obtaining input from more than 3,000 residents through public meetings, presentations to community groups, a survey and a new website. City Visions will provide the community with a master plan for development in September 2018, at which time the committee will partner with the Kentucky Finance and Administration Cabinet to prepare requests for interests and proposals.

With this redevelopment strategy underway, the local business activity saw many exciting developments in a wide range of services, with a mix of unique, local investors and nationally recognized brands. Downtown was the spot for several of these new businesses. Deloitte, an industry-leading audit, consulting, tax and advisory service that serves many of the world's most admired brands, including more than 85 percent of the Fortune 500 and more than 6,000 private and middle market companies, announced a new office with 60 new employees to the downtown

area. They work across more than 20 industry sectors in nearly 40 states and 150 countries worldwide.

Investors Heritage also announced 75 new jobs and a \$1M expansion at its current location on Capital Avenue, where they have been headquartered since 1963. They are licensed in 30 states where they provide a variety of insurance and financial services.

KCDC, the City of Frankfort and Downtown Frankfort Inc. continue to focus our downtown recruiting efforts on specialty foods and spirits providers. We are working with a number of prospective brewery/taprooms, restaurants and pubs in an effort to recruit them to our downtown. The recent changes in Sunday Liquor Sales requirements will likely make this easier, as will our recent designation as an Opportunity Zone. Once the guidelines are in place, this program will incentivize capital investments in the downtown area.

OUTREACH

The Kentucky Capital Development Corporation highlights Franklin County through local and national events, activities and sponsorships. In FY2017/18, the KCDC staff:

Organized/Hosted meetings with US Department of Transportation Secretary Elaine Chao, Congressman Andy Barr and regional developers; downtown redevelopment strategy community input meetings; Kentucky Association for Economic Development 50th Anniversary Magazine; community-wide Your Kentucky Home Down Payment Assistance Gift Program presentation; Tax Increment Finance Training; New Market Tax Credit Training; Commonwealth Infrastructure Fund training; quarterly industry meetings, Franklin County Industrial Development Authority annual meeting, meetings of local developers and realtors; Commerce Lexington Regional Public Policy meeting; Avison Young consultant visit to Frankfort and meetings with local banks to discuss financial partnership strategies for downtown revitalization.

Partnered in production of TV programs to spotlight local employers; filing of Collaborative Action Grant for downtown; filing of Brownfield grant for City of Frankfort; applying for National Conference of Mayor's CommunityWINS grant; Churchill Downs event for expanding local manufacturers; applications for Workforce Skills Grants for local high school; Frankfort Independence Schools/City of Frankfort grant and state and federal legislative strategy.

Presented to the Kentucky Association of Counties, Frankfort City Commission, Franklin County Fiscal Court, Frankfort Independent School Board; Frankfort Rotary; Frankfort Optimist Club and Commerce Lexington Regional Public Policy Committee.

Participated in the Community Branding Committee; Frankfort Area Chamber of Commerce monthly board meetings, annual meeting, legislative events and Economic Development Committee; Work Ready Communities Committee; Frankfort First Committee; Capital Development Committee; Downtown Frankfort, Inc. (DFI) monthly board meetings and annual meeting; Brownfield Committee; Kentucky Workforce Investment Board meetings; KY Association of Economic Development spring and fall conferences; Kentucky United consultant visits; numerous interviews with local and regional media; Bluegrass Alliance consultant visits and legislative meetings; Commerce Lexington Washington DC Fly-In; 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; State Journal Editorial Board meeting; Burlington Condo Association meetings; numerous webinars on downtown development and urban retail; Kentucky Housing Corporation meetings; StateBook International webinar trainings; numerous meetings with City Visions concerning downtown redevelopment; Area Development Women in Economic Development Forum; New Trends in Urban Retail Planning seminar; P3 training; Tax Increment Finance training; Word Press training; KAED Public Policy Committee; meeting with Vice President Pence concerning workforce issues; and a meeting with US Secretary of Environmental Protection Scott Pruitt to discuss environment regulations effect on local industry.

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.

Our primary focus was to create a new content-rich website that presents a first impression of the community as a business destination and communicates clearly the benefit of doing business in Frankfort/Franklin County. We added user friendly features making the site more accessible and better reflecting our brand. The new site provides information consistent with our prospect packets; contains up-to-date data and is mobile friendly.

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.

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 continues 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.

By participating in the KY United consultant luncheon in Cincinnati, KCDC teamed with other KY communities to host an event with national consultants. We hosted similar events, as part of the Bluegrass Alliance, in Chicago and Atlanta.

These opportunities for Franklin County to collaborate on recruitment events around the country is a great example of using partnerships with the state, local and business communities 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 country.

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 and Area Development Magazine 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; building a response team; Word Press; business expansion, retention and attraction; retail marketing, urban retail planning; target market development and implementation; regionalism; business location; site development; website and social media utilization; building, assessing and selling your workforce; using data to determine development strategy and strategic planning.

“Training presents a prime opportunity to expand the knowledge base of all employees and allow them to be better able to perform their jobs”, said Danny Willis, KCDC Board Chair. “

OTHER ACCOMPLISHMENTS

- Named by Site Selection Magazine the 2nd Top Micropolitan in Kentucky and 10th in the U.S for job creation and investment
- Frankfort Regional Medical Center received “A” ranking for patient safety
- Named Hip Green Scene
- Early College Academy was introduced in the Frankfort Independent School System that allows all students the opportunity to graduate high school with an associate’s degree.
- Named one of the Top Best Places for Manufacturing and Best Locations in the Louisville Area for Automotive Suppliers by Southern Business & Development Magazine
- 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, Commerce Lexington and KY United.



KCDC continued 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.

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.

Through strategically planned marketing events with Kentucky United and the Bluegrass Alliance, KCDC generates leads and business relationships with prospects and consultants, working to increase private capital investment and create higher incomes to our citizens. KCDC participated in consultant visits in Atlanta, Detroit, Cincinnati, Chicago and Lexington.

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 in line with what we believe will allow us all to be successful. 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 complete and implement the updated plan in January 2019, after the strategic redevelopment strategy for downtown has been finalized and can be incorporated.

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.

GOAL ONE**Ensure the infrastructure and supply of land/facilities supports continued economic development.**

Strategies	Actions	Completed Actions
Increase the inventory of land ready for economic development.	Existing vacant properties have been corrected and turned into productive properties.	Created and maintain a searchable database of all available industrial and commercial property (land and buildings), to allow for quick and organized property searches for prospects. Continue to work with local governments on infill projects to “recycle” abandoned and dilapidated properties to other uses. Sold 10 vacant properties in Industrial Park #3 to be used for development/job creation. Began sign inventory in each industrial park to determine future needs of tenants.
	Identify and evaluate EPA qualified brownfields to determine costs of recovering properties for future use.	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, 2017 for developers and property owners and is being utilized to create a downtown redevelopment strategy for Frankfort. Are requesting Brownfield Planning Grant Funds to be used for assistance to conduct reuse planning activities for Holmes Street area. Met with Administrator of the US Environmental Protection Agency, Scott Pruitt, concerning brownfield/EDA issues that face our local industry.
	Work with city and county governments to evaluate the capacity of current infrastructure to meet existing and future public utility needs.	Continue work with city, county and state to determine best opportunity for success of the expansion of sewer to South 127. Meet regularly with Frankfort Plant Board and industry representatives to assure infrastructure needs are being met to allow uninterrupted production. The FIRE (Frankfort Industry for Reliable Energy) group was reestablished. Continue to meet with FPB concerning internet/fiber improvements and KyMEA contract concerns. Working with Congressman Barr’s Office to prepare infrastructure needs assessment that he will consider when identifying funding opportunities to support our existing or expanding infrastructure. City received \$8M TIGER grant for infrastructure funding for the Second Street Corridor. City is preparing new application for BUILD planning grant for the Holmes Street area.

	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.	Work with city and county officials on incentive possibilities that include set-aside funding, Tax Increment Financing and Tax abatements/moratoriums for area improvement projects. Serve on the Downtown Revitalization Grant committee. Organized meetings with group representing local lending institutions to discuss possibilities of forming a local infrastructure fund to promote downtown redevelopment. Working with city and county to encourage the use of the EPAD/PACE, an energy efficiency incentive program.
	Continue to seek CDBG funds to partner with local government on infrastructure development.	Hold regular meetings with our Department of Local Government representative to determine allowed use of previous CDBG funds, as well as possible future uses. We are currently under contract with West Sixth Brewery who is using CDBG Revolving Loan Funds for infrastructure costs involved with the development of West Sixth Farm. Closed out CDBG Artiflex loan following final payment.
Kentucky Capital Development Corporation will have acquired an industrial site with required infrastructure available for new businesses or the expansion of existing firms.		All industrial property owned by KCDC has been sold, except for one small lot in Industrial Park #3. Since KCDC does 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. We continue to aggressively market 500 additional acres and 15 additional industrial and commercial buildings totaling 150,000 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 promote "Build-Ready" Sites and are working with local developer to prepare our second build-ready site in Industrial Park #3. Continue to work with consultants at City Visions to determine best building uses and redevelopment strategy for property in downtown Frankfort.
	Share evaluations with property owners and encourage them to address deficiencies.	City Visions continues to work 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.**

Strategies	Actions	Completed Actions
Increase collaboration with city and county school systems in workforce development efforts.	Continue to emphasize the critical supporting role of education in economic growth.	Chamber of Commerce Education Committee is sponsoring IMPACT program, to create a pipeline of well-trained, informed and talented workforce. 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. KCDC administers grant to Frankfort Independent Schools that allows new technology both in the schools and homes of the students.
	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. Necessary paperwork has been submitted to request an extension for a year.
	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. Obtained donated manufacturing equipment for the Franklin County Technical Center and partnered with KAMC to add trainings 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 st -century economy.	Ten local teachers are registered to participate in the IMPACT program's teachers academy, which will allow educators to interact with business professionals in a workplace environment. Chamber hosted 9 teachers for our first Teacher's Academy and met and toured with 10 area businesses
	Seek opportunities to bring teachers and school officials into local industries so they can observe how academic	See above

	content translates into work ready skills.	
	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 and sponsors the IMPACT program, both include the development of soft skills.
	Address the gap in the retraining of adults for new careers.	Work with Bluegrass ADD, Bluegrass WIB and Bluegrass State Skills Corporation to provide funding for training of adult workforce for manufacturers and individuals. Work with KY Cabinet for Economic Development and KY FAME representatives to promote participation in the FAME program to our local manufacturers. Applied for the CommunityWINS workforce grant.
	Continue support for the new career/technical school when completed.	Continuously work with FCPS and FIS on projects, committees and ideas to support career and technical training. The IMPACT program promotes and encourages certifications for careers, prior to post-secondary education and ensures students are aware of career/tuition reimbursement provided by local businesses.
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 partnered with Frankfort Plant Board to film a 60- minute TV program that was aired on Ch. 10 to promote Jim Beam as a local employer, 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 aired in early 2018. The Chamber's IMPACT program developed posters for each of the schools that explain each industry and the salaries and education associated with it.
	Work with local schools and youth organizations to increase knowledge of industrial careers.	Nine local teachers participated in the IMPACT program's teacher's academy, which allowed educators to interact with business professionals in a workplace environment.
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	Working with KSU representative to include

	community's awareness of workforce development opportunities at KSU.	their funding requests when regional business leaders fly-in to Washington DC.
GOAL THREE		
Build a more welcoming and supportive climate for economic development.		
Strategies	Actions	Completed Actions
Identify city/county regulations that are barriers for economic growth.	Gather stories of problem areas in city/county regulations.	Regularly meet with local realtors/developers, city/county officials and P&Z officials to address regulative barriers to development. Worked with City Sewer Manager to lower sewer tap-on rates by approximately 50%. Maintain data for comparison to surrounding counties to allow us to determine areas where we are not competitive and address them appropriately. Wrote an article for Kentucky League of Cities magazine, <i>Kentucky City</i> , addressing ways the local elected officials can assist in economic development.
	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.	City and county revised Sunday Liquor Sales laws that lifted restrictions on local businesses that impaired economic prosperity. City and county P&Z officers continue to work together to assure conformity and consistency within the regulations.
	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. For larger commercial and industrial projects, KCDC staff serves in this capacity. The Chamber serves smaller businesses in meeting these needs.
	In collaboration with public and private partners,	This topic was discussed during meetings with developers and realtors. It remains on the list

	determine the possibility of establishing an economic development ombudsman to assist new or expanding businesses.	of items to address, but was not considered highest priority, so will be addressed as other issues are resolved.
GOAL FOUR Increase targeted marketing of Frankfort/Franklin County as a desirable place for industrial location and expansion.		
Strategies	Actions	Completed Actions
Develop a web-based marketing plan for the KCDC that focuses on retention and expansion of existing businesses.		Continue to implement an expansion and retention program with local manufacturers that involves 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. Work 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. Completed 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. Continue to build on our plan to intentionally drive visitors to our Social Media 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.	(The BEAM program no longer exists.)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, Cincinnati, Detroit, Chicago and Atlanta and participates in regional public policy planning concerning legislation that affects businesses.
	Identify adjacent	The President/CEO of KCDC is a member of the

	communities interested in partnering on marketing.	Bluegrass Alliance that consists of Scott, Fayette, Bourbon, Clark, Madison, Jessamine and Montgomery counties economic development agencies. We partner with these agencies to host annual prospect visits and co-sponsored the November 2016 Annual Meeting of the Kentucky Association of Economic Development. As a result of a 2016 consultant visit to Los Angeles, a consultant from Avison Young visited Frankfort for 4 days in February 2018 for the first time. She will add the information she gathered while visiting to her list of prospective sites for her clients.
	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 is available on the websites of KCDC, the KY Cabinet for Economic Development and Bluegrass Alliance. A building inventory project was begun by DFI in 2017 and they are still working with the designers to get the program populated and ready for use, with a projected roll out date of August 2018.
Maintain a program of industry visitation.	Establish a regular schedule of industry visitation.	The President/CEO of KCDC and the County Judge meet with industry representatives regularly as part of the industry retention and expansion program. Most industry have representatives who actively served on a variety of KCDC committees and an industry representative serves on the KCDC Board of Directors. The FIRE (Frankfort Industry for Reliable Energy) group has been reestablished and meets quarterly.
	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 is asked of each of the industry during an in-person visit to their facility.
	Use these responses to: <ul style="list-style-type: none"> - Enhance marketing materials; - Identify emerging 	Any concerns revealed from the aforementioned questionnaire are immediately conveyed to the entity most likely to resolve the issue.

	concerns within this sector.	
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. KCDC continues to administer the City/FIS grant that provides \$60,000 to market the community’s education programs and accomplishments.

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.

Strategies	Actions	Completed Actions
Complete riverfront development		Staff serves on Capital Development Committee to promote redevelopment of the Capital Plaza Tower property and convention center. Continue to meet with Parks representatives, Ky Transportation staff and R.J. Corman representative to discuss future uses of walking bridge next to RR bridge and painting of trestle. Continue with 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. Continue to meet 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.	Continue meetings with consultants at City Visions to determine connectivity and accessibility issues and solutions.
	Increase access to downtown parking for visitors and residents	A parking structure is currently being built on Mero Street through a P3 project. That parking can be utilized by the public when state office

	through innovative public/private partnerships.	building is closed. Local partners continue to work with City Visions and the state to prepare information, data, and suggestions to be used in the RFI and RFP process for a P3 project to take place in the block that previously contained the Fountain Plaza shops and convention center.
	Increase enforcement of parking regulations to increase turnover at existing parking spaces downtown.	During the downtown redevelopment strategy process, City Visions and city staff are completing a parking inventory and study to determine the true needs of downtown parking.
	Assess the costs and benefits of utilizing golf cart trams around downtown to increase visitation 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.	City recently received an \$8M TIGER grant to redevelop the 2 nd Street corridor and are currently requesting BUILD grant money to prepare for Holmes Street neighborhood revitalization project. City is changing the Planning & Zoning Director responsibilities to include a larger focus on community and neighborhood development. City sponsors \$100,000 Downtown Rehabilitation Grant, Neighborhood Revitalization Grant, Community Collaboration Program and Neighborhood Beautification Grants.
	Identify possible incentives for property owners to maintain and improve their buildings and grounds.	Downtown Frankfort was designated an Opportunity Zone and a variety of local incentives has been approved by city and county leadership to improve existing buildings and properties, including tax abatements, Tax Increment Financing, low-interest loans and project grant money (listed above). We also continue to meet with respective representatives of the New Market Tax Credit, Your Kentucky Home Down Payment Assistance Gift Program; Commonwealth Infrastructure Fund and Opportunity Zone to become better informed about the programs available as we revitalize downtown.
	Establish recognition programs for property and neighborhood beautification projects.	
	Encourage and support local governments in developing, maintaining and	Local government leaders visited Columbus, IN to learn about their best practices and successes in revitalizing their downtown and

	upgrading community quality of life infrastructure (i.e., parks, recreational programs).	improving quality of life for their community. The Chamber is scheduled to host a similar visit to Little Rock in August 2018. The City of Frankfort received an \$8M TIGER grant for infrastructure redevelopment on the 2 nd Street corridor. We have requested BUILD planning funds for the Holmes Street corridor for similar infrastructure expenses. City and County continue to work with our federal legislators to identify funding sources for infrastructure projects.
With other partners, encourage access to high speed internet throughout the county that keeps pace with technological improvements.		KCDC staff meets with FPB and AT&T representatives regularly to discuss their infrastructure studies and plans for upgrades. FPB continues to work toward building a new, fully fiber optic network and to provide fiber-to-the-home. Industrial Park #3 is designated by AT&T as a Fiber-Ready Park.

GOAL SIX

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

Strategies	Actions	Completed Actions
Maintain and enhance the financial capacity of the KCDC to fulfill its mission.		KCDC remains financially solvent and continues 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%. Finished 2017-18 well below requested budget. Some of those excess funds are being used to expand the KCDC conference room and replace 30-year-old air conditioning in the building.
Periodically evaluate capacity of staff to assist KCDC in fulfilling its mission.		KCDC staff currently works extensive overtime to assure our current projects are completed timely. Any additional responsibilities for KCDC will require additional staff, thus additional funding.
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.