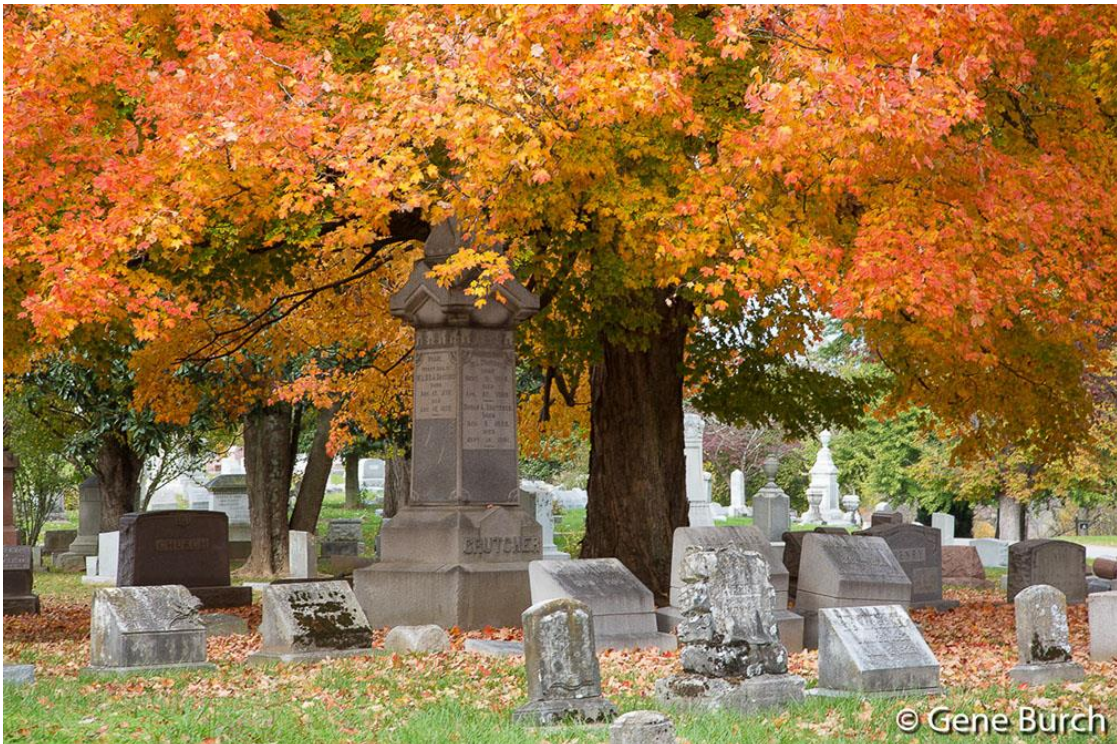


# 2019-20 ANNUAL REPORT



# 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. 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, 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

Dr. Houston Barber, Vice-Chairman

Zachary Horn, Secretary/Treasurer

Heather Worthington

Sam Amburgey

Clay Patrick

## STAFF

Terri Bradshaw, President/CEO

Margaret Gray, Executive Assistant

# LETTER FROM THE CHAIRMAN

On behalf of the board of directors of the Kentucky Capital Development Corporation (KCDC), I am pleased to present you with the FY2019-20 Annual Report. As chairman, I am proud of the work KCDC has done to bring in new investment; help existing business and industry; and add jobs to Frankfort/Franklin County.

In July 2019, KCDC and its partners updated the Frankfort/Franklin County Economic Development Strategic Plan. As the year progressed, and our city, our nation, and our world were experiencing unprecedented circumstances, the KCDC team remained focused on the goals that were identified in the updated community strategic plan. While a global pandemic endangered our health, and economic conditions threatened our livelihoods, the Kentucky Capital Development Corporation continued to strengthen and diversify the Frankfort/Franklin County economy. That mission is now more critical than ever.

Through the crisis KCDC staff remained laser-focused on taking care of our own by assisting businesses of all sizes by providing inventories of PPE Vendors with products readily available; keeping up-to-date lists of available jobs and other resources for individuals and businesses throughout the community; assisting with loan and grant applications made available due to the pandemic; hosting discussions amongst peers and those in like industries to learn best practices through the “reopening” process; and continuing to tell the good news stories about progress still being made in spite of COVID-19.

We will continue these efforts into the coming year because we believe that during this time of scarce resources it will remain crucial to get as large a return on our investment as possible. And while business attraction is important, it is also costly in terms of marketing and incentives; and comes with the risk of the unknown.

While equally important is supporting the businesses that already call Franklin County home. Existing business projects can return greater investment and often represent less risk. In addition, the best marketing campaign for new attraction is having existing businesses tell their stories of success. As the economy remains tough and unemployment high, supporting existing businesses as they diversify and expand, or enabling them to remain here, will be more important than ever.

We continue to collect data describing how the COVID-19 pandemic is impacting local businesses which will enable us to act strategically in our future plans, because the work of our team is never confined to what the community needs today, but rather a big picture vision for what the next decade might look like.

And in spite of a pandemic, 2019 was a year of significant growth for our community and organization and I cannot wait to see what the upcoming year has in store for Frankfort, Kentucky. The KCDC board is made up of volunteers dedicated to serving our community and we are proud to stand with this community at this time of crisis.

*Danny Willis*  
Chairman

# ABOUT FRANKFORT/FRANKLIN COUNTY



The preliminary average weekly wage for Franklin County, Kentucky was \$854, up from \$805 in 2018-19. This would be equivalent to \$21.35 per hour or \$44,408 per year, assuming a 40-hour week worked the year around.

A year ago the labor force was 24,990, of which 24,070 were employed and 920 were not. The unemployment rate was 3.7%.

Currently the total civilian preliminary labor force (not seasonally adjusted and not fully reflecting the data for the 2<sup>nd</sup> Quarter of 2020) for Franklin County is 24,883, of which 23,833 are employed and 1,150 are unemployed. The unemployment rate is 4.2% which is still below the Kentucky average of 5.2%.

## How we compare

	2018-19	2019-20	KY 2019-20
Average Annual Wage**	\$41,860	\$42,068	\$47,840
Civilian Labor Force*	24,990	24,580 (25,303)	2,060,600
Number Employed*	24,070	23,386 (24,160)	1,958,000
Number Unemployed*	920	1,194 (1,143)	108,000
Unemployment Rate*	3.7%	4.9% (4.5%)	5.2%
Median Household Income****	\$53,539	\$55,068	\$45,911
Median Property Value***	\$135,250	\$139,300	\$148,100
Median Property Taxes***	\$1,110	\$1,150	\$843

\*Bureau of Labor Statistics <https://www.bls.gov/web/metro/laucntycur14.txt>

\*\*Bureau of Labor Statistics [https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages\\_kentucky.htm#qcewkychart1](https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_kentucky.htm#qcewkychart1)

\*\*\*Data USA (<https://datausa.io/profile/geo/franklin-county-ky#:~:text=Median%20Household%20Income-%2453%2C539&text=Households%20in%20Franklin%20County%2C%20KY,represents%20a%204.98%25%20annual%20growth.>)

\*\*\*\*Census.gov (<https://www.census.gov/quickfacts/fact/table/franklincountykentucky/frankfortcitykentucky/PST045219>)

All data in the above chart pertains to people living in Frankfort/Franklin County, regardless of where they work. Pre-pandemic data is included in () to allow us to make reasonable comparisons in the local economy from year to year, under normal circumstances.

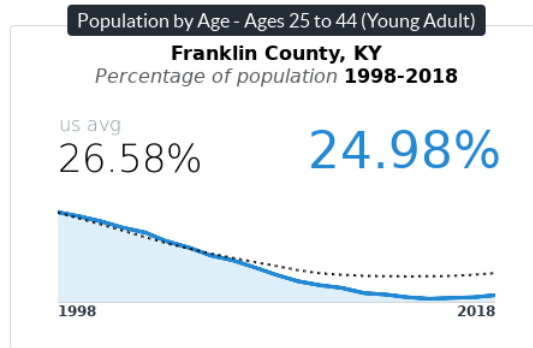
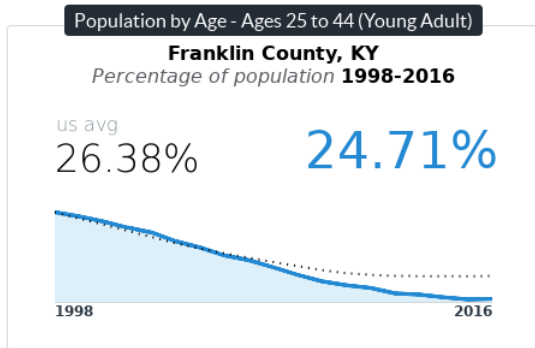
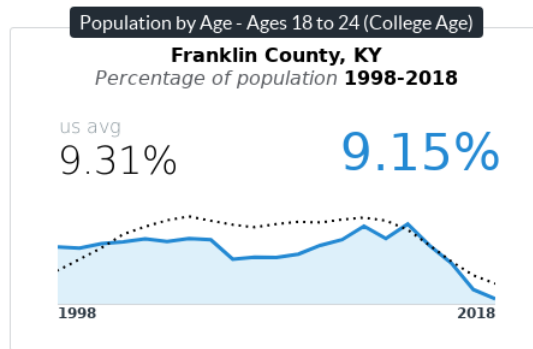
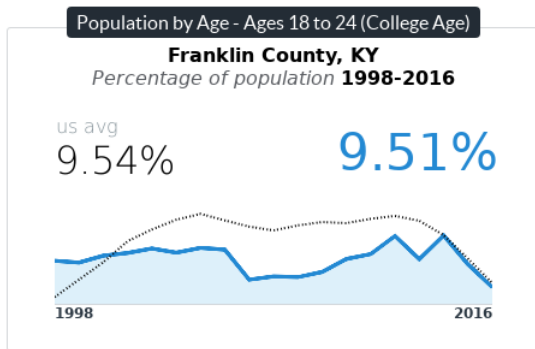
	Frankfort 2019-20	Franklin County 2019-20
Total Business Establishments	1,693	2,386
Total Employees	35,127	44,187
Population	27,668	50,597
Median Age	38.07	40
Population Growth Since 2018-19	-62	-58

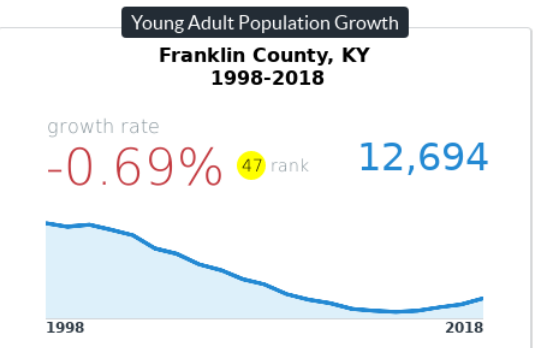
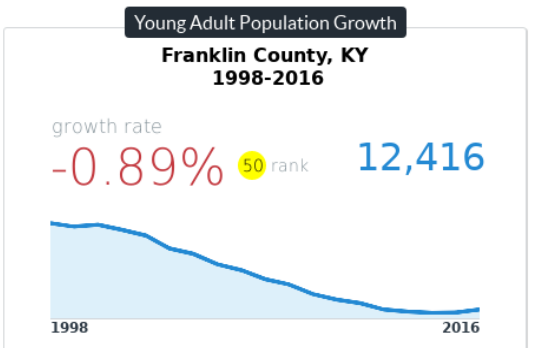
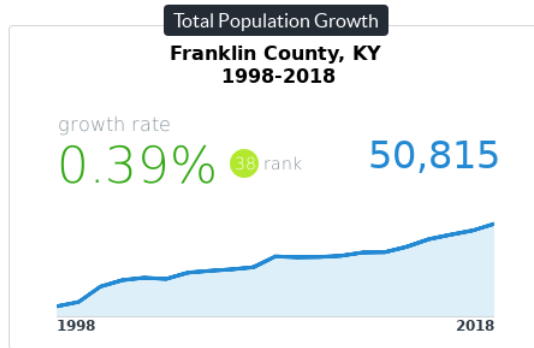
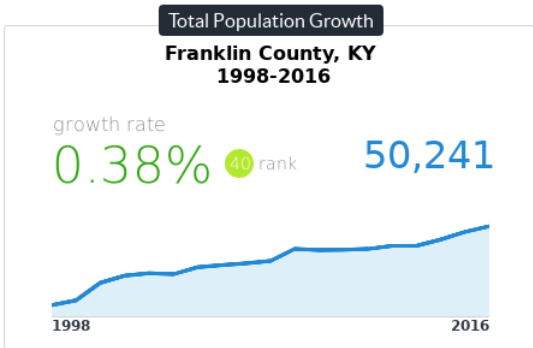
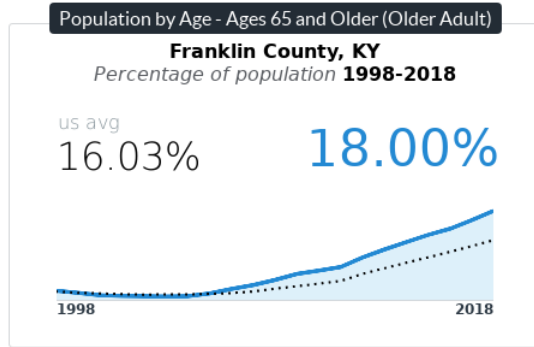
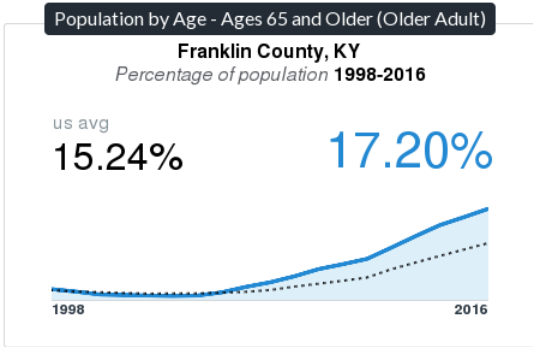
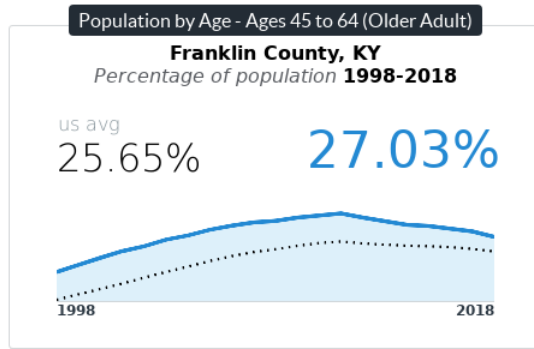
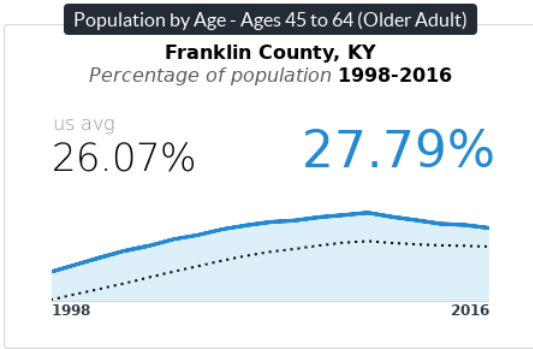
Average Household Income	NA	\$70,760
Labor Force	14,473	25,916
Employed	13,970	24,973
Unemployed	457	896
Unemployment Rate	4%	3.46%
Not in Labor Force	8,285	15,504
Dwellings	13,342	23,272
Occupied	12,595 (94.5%)	22,146 (95.16%)
Owner Occupied	6,619 (52.55%)	14,042 (63.41%)
Renter Occupied	5,976 (47.45%)	8,104 (36.59%)
Educational Attainment		
High School	5,667 (29.91%)	10,712 (30.28%)
Some College	4,378 (23.11%)	8,075 (22.83%)
Associate Degree	926 (4.89%)	2,019 (5.71%)
Bachelor's Degree	3,569 (18.84%)	6,417 (18.14%)
Graduate Degree	1,903 (10.04%)	3,953 (11.17%)

**Kentucky Cabinet for Economic Development** <http://www.selectkentucky.com/compare-communities.html>

All data in the above chart pertains to people living in Frankfort/Franklin County, regardless of where they work, except Total Business Establishments and Total Employees. That data relates to people working in Frankfort/Franklin County, no matter where they live.

## Population





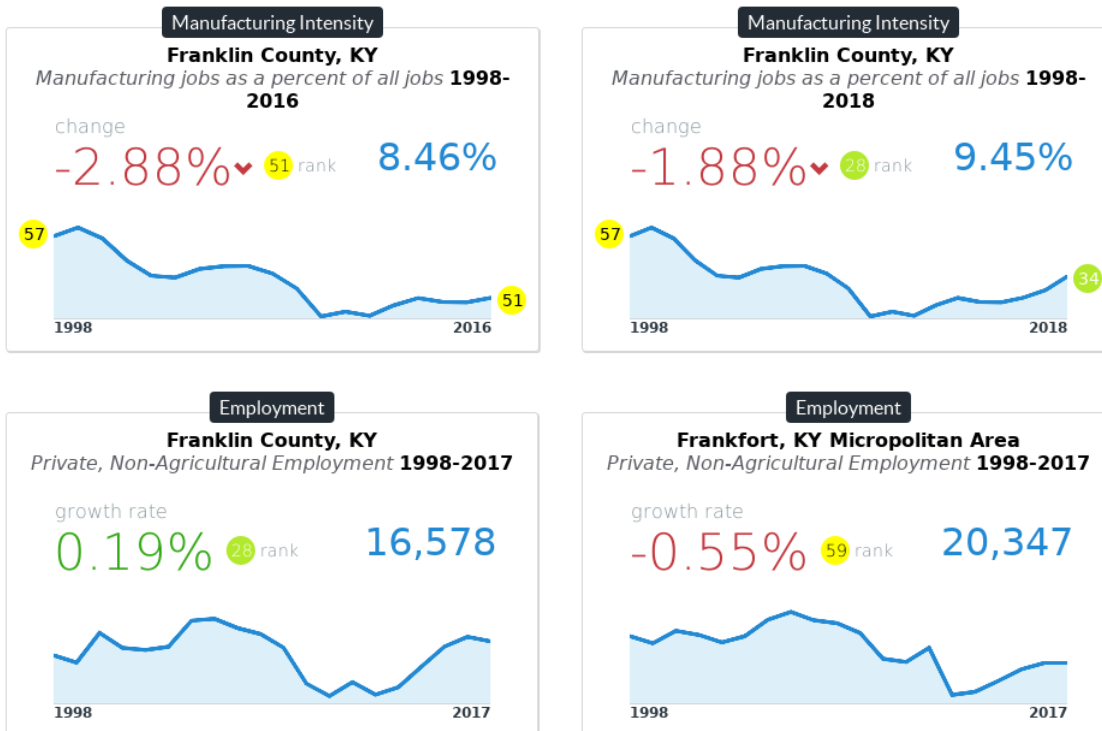
(Harvard School/U.S. Economic Development Administration – US Cluster Mapping Project’s Region Dashboard)

According to the data above, the age distribution of the Frankfort Micropolitan Area and Franklin County reflects a larger portion of older people than the national average (16.03%) and Kentucky’s average (16.35%). Frankfort and Franklin County have older populations and they are

getting older, with the portion of population 65 or older increasing from the last census. The larger portions of older people negatively impact our economy as it results in a smaller population of working-age people, as reflected in the smaller workforce aged population (24-64 year olds).

In addition, the data above reflects the continued trend of slow overall population growth in Frankfort/Franklin County and in the surrounding area during the past 20 years, and the decline in population in both Frankfort and Franklin County since last year. 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



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

Manufacturing jobs continue to rise in Franklin County, up nearly 1% from 2016-2018 at 9.45% of all jobs in Franklin County, but are still 1.88% lower than in 1998. While employment in all private sector, non-agricultural industries has only risen .19% annually over the past two decades in Franklin County and has decreased .55% in the Frankfort Micropolitan area.

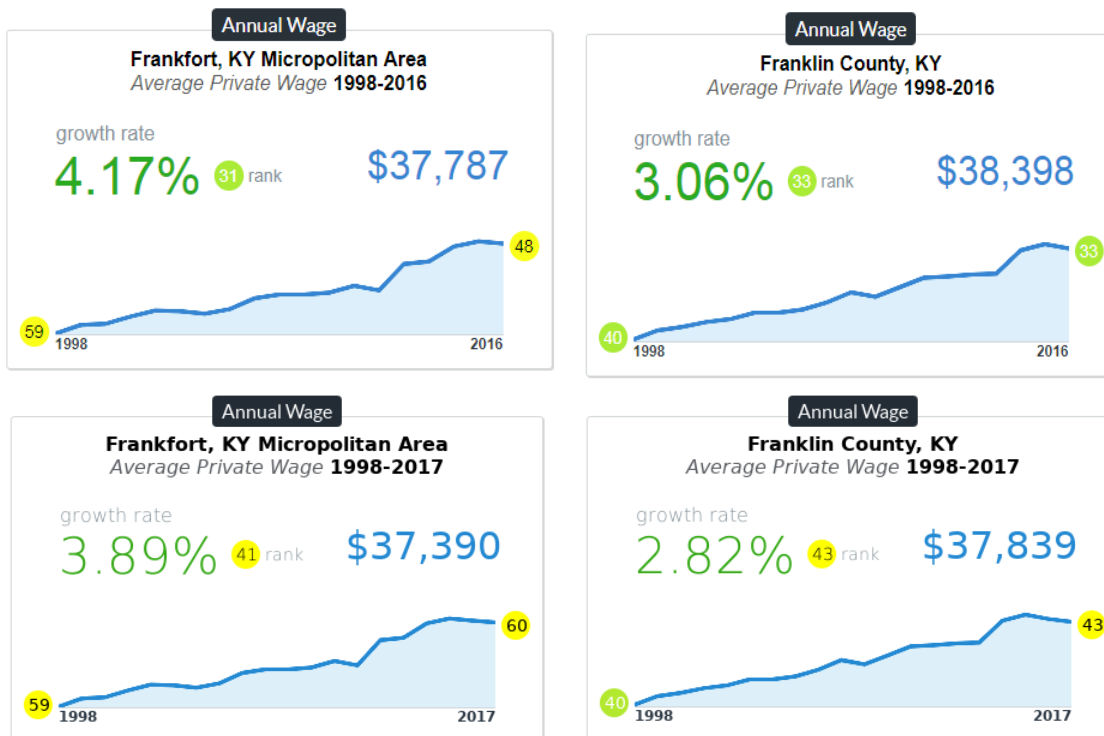
Employment and job creation build prosperity and there is a large and growing body of literature demonstrating a positive correlation between employment and individual and community health. While employment’s benefits for individual’s is obvious, there are also community advantages that improved job opportunities provide. In addition to providing personal income, employment addresses broader societal needs: it helps accrue, through the collection of taxes, resources for



various community programs. This in turn reduces the need for social benefits, and helps maintain social cohesion. Community revitalization due to an influx of well-employed and higher earning residents can help make neighborhoods healthier, including through the creation of new opportunities for physical activity and improved nutrition via new parks, walking trails and bike lanes, and grocery stores and farmer’s markets supportive of healthful eating. There is even evidence that lower county-wide unemployment rates are associated with reduced rates of the opioid-related deaths and emergency department visits related to opioid overdoses.

It is important to realize that “job creation” doesn’t precede economic improvement. First there must be a demand that occurs prior to the existence of the job itself. Once the demand exists, jobs are created as a result of good economic policies that ensure a prosperous working class and thus, economic expansion. So, if good, reasoned, and sound economic policies successfully enable a prosperous working class to earn enough wealth so that they may spend it on things other than bare survival, the demand that results from that spending will cause the creation of jobs. Job creation does not improve the economy. Instead job creation is the sign of a well-structured, equitable, and healthy economy.

## Wages



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

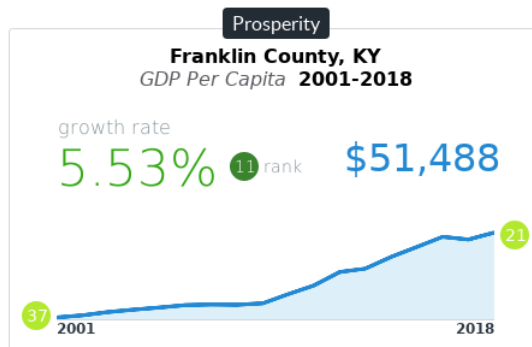
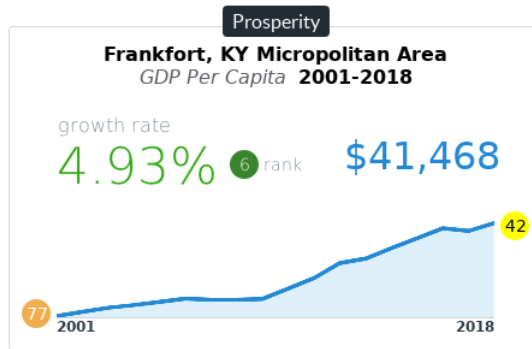
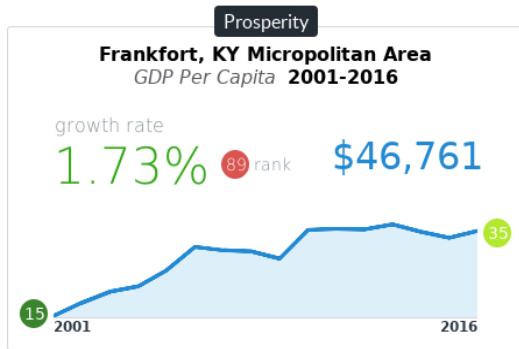
Since 1998, average private wages have risen in the Micropolitan Area, up 3.89% annually, from \$18,119 to \$37,390. In Franklin County private wages also have risen over the past two decades, but at a slower rate of 2.82%, from \$22,317 to \$37,839. However, both still remain well below the

state average of \$47,840. When non-private wages are included in the average, the annual income is raised to \$42,068, which still remains below the state average.

This is partially due to the high percentage of tourism and hospitality-related jobs, which are important to the community and the local economy, but pay only an average of \$17,018 in Franklin County. This is 54% below the US Average of \$36,854 according to the Harvard Business School Institute for Strategy and Competitiveness data.

This industry was also the hardest hit economically by the pandemic and, according to projections by Tourism Economics in their COVID-19 Outlook and Pandemic Impacts Report in March 2020, will not fully recover until at least 2023. These recent job losses will likely drive up the average annual wage within our community over the next several years, but will also increase the unemployment numbers, unless we recruit jobs in other sectors that are recovering more quickly to replace them.

### Gross Domestic Product (GDP)



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

Gross Domestic Product, the monetary value of all finished goods and services produced, is one of the most common indicators used to track the health within the county and Micropolitan area. While the GDP in the Frankfort Micropolitan Area has grown at a rate 4.93% since 2001, we moved from the 89<sup>th</sup> percentile in 2016 to the 6<sup>th</sup> in 2018. We had similar results in Franklin County, growing 5.53% from 2001-2018, but improving in ranking from 86<sup>th</sup> to 11<sup>th</sup> out of all counties in the United States.

Economic growth, a higher GDP, is caused by two main factors:

1. An increase in aggregate demand (AD)
2. An increase in aggregate supply, or production capacity

Short term economic growth is caused by an increase in aggregate demand. If there is spare capacity in the economy, then an increase in AD will cause a higher level of real GDP. A number of factors affect AD: lower interest rates, increased wages, increased government spending, consumer confidence, lower taxes, rising housing prices and financial stability.

Long-term economic growth requires an increase in the long-run aggregate supply as well as the aggregate demand. To maintain this GDP growth rate for the long term we will have to increase capital investments in new manufacturers, infrastructure, roads, etc. Long-term growth is also managed through an increase in the working population or labor productivity and technological improvements.

When companies hire new employees they increase productivity which increases their revenues, simultaneously they pay the new employees, and both the company and the new employees pay taxes. To sell the increased products, new markets are sought which contributes to the increase of revenues and thus the community's Gross Domestic Product (GDP).

When government invests in the ways and means that encourage greater entrepreneurial activity (e.g., tax breaks, better roads, lower corporate taxes) that encourage the businesses to hire more people, increase productivity and seek new markets, that increases revenues, and the GDP expands. More revenues results in improved public services such as education, the environment and infrastructure. This increase in revenues encourages investment and therefore encourages a cycle of economic growth.

### **Payroll Tax Revenues**

<u>Franklin County</u>	<u>City of Frankfort</u>
2019-20 - \$4,772,164	2019-20 - \$20,739,737
2018-19 - \$4,625,147	2018-19 - \$20,325,877
2017-18 - \$4,624,357	2017-18- \$20,580,892
2016-17 - \$4,341,338	2016-17 - \$20,807,000
2015 - 16 - \$3,897,633	2015 - 16 - \$20,577,000
2014 - 15 - \$3,566,977	2014 - 15 - \$20,211,100
2013- 14 - \$3,441,376	2013 - 14 - \$19,644,000

The simple correlation between taxation and economic activity shows that, on average, when economic activity and job creation rises more rapidly, tax revenues also rise more rapidly. The occupational tax data above, provided by the City/County Occupational Tax Collectors, reflects

that correlation. Payroll tax revenues continued to rise in both the city and county as job numbers and salaries increased prior to March 2020, at which point business closed during the pandemic and economic crisis and the amount of occupational tax revenue plummeted. This trend will likely continue into 2021 as the pandemic looms and teleworking is encouraged.

When tax revenues fall, school funding typically is near the top of the list of concerns of local businesses and policymakers. Support for workforce education is widespread and transcends political, social, and economic lines. However, weighing against our desire to achieve adequate and equitable funding for local schools during this crisis is the reality that adequate funding comes at a cost—in particular, a cost in the form of taxes.

Education and government spending is predicated on the fact that people and businesses prefer to locate in areas with comparatively better schools and numerous public services. Increased education and public services spending makes communities a more desirable place to live and work, thus more people move there. An increase in the region's attractiveness also means that workers will be more willing to accept employment in the area at relatively lower wages than before or than they might get elsewhere.

A study performed by Hilbert and Mayer in 2002, shows that even people without children prefer to live and own property in areas where schools are considered to be of high quality. The fact that people are willing to pay more for housing, accept lower wages and pay higher taxes to live in areas with better schools and more amenities is consistent with everyday observation. People routinely accept lower wages and pay higher housing prices to be near amenities such as beaches, mountains, and golf courses, as well as communities with wide choices for shopping, recreation, and leisure activities or other factors they view as contributing to their quality of life.

But higher taxes will reduce the amount of money consumers have to spend on other items, thereby reducing retail sales, cutting business profits, lowering the demand for intermediate goods and services, and lowering the level of employment. A qualified and well-educated workforce is critical to the success of the local economy and the replacement of tax revenue is critical to the survival of the local governments.

Occupational tax lost at both the local and state levels during FY 2019-20 will have a lasting effect on our education systems, housing, population, quality of life, future employment opportunities, and the success of existing businesses. However, taxing more to fund these amenities will have significant effects on the local economy and can only be avoided by new job creation – replacing the jobs and tax revenue lost, with new ones.

## SUCCESS STORIES

- Newly opened Nishida Art Specialty Composites of America (NASCA) received the Kentucky Business Investment funds to create 40 new jobs in Franklin County. NASCA is a

plastic resin, thermoplastic elastomer and synthetic fiber manufacturer located in Industrial Park #3.

- Volta, a leading technology solutions provider, received Kentucky Small Business Tax Credits (KSBTC) for expanding its workforce due to the rapid migration to digital technologies driven by the pandemic. As we continue to witness a historic deployment of remote work and digital access to services across every domain, the uptick of many digital services is likely here to stay and technology jobs are likely to continue to increase. Other small, service-related businesses who received KSBTCs for new job creation include Drs. Burch, Renshaw, Wix & Associates; Dunn Insurance Agency Inc.; and Pleasant Meadow II, LLC.
- Goodwood Brewing Co. opened a new brewpub in downtown Frankfort in the historic Vatter Building, with a full kitchen and brewery onsite. The facility offers a large deck overlooking the Kentucky River and offers the community a full spectrum of Kentucky made craft beers.
- Aldi, a leader in the grocery retailing industry and Harbor Freight, a discount tool and equipment retailer joined a number of other retail giants in new locations on 127. Big Lots relocated from another Frankfort location to join them and Chick-Fil-A to complete a build-to-suit project by Michigan-based Agree Realty Corporation. Ollie's Bargain Outlet, one of America's largest retailers of closeout merchandise and excess inventory began retrofitting the old Elder-Beerman building, just across the street, to open later in 2020.
- Sig Luscher Brewery received a KCDC Revolving Loan Fund Loan to fund additional inventory purchases allowing them to expand their business. The establishment is a heritage brewery originally formed in Frankfort in 1866 by Swiss immigrant, Sig Luscher.
- Buffalo Trace Distillery has been keeping busy on a number of fronts. In January, the Distillery announced it welcomed a record-breaking 293,996 visitors during 2019. This is a 35 percent increase in visitation over the previous year, and a 466 percent increase since 2010. This spring, Buffalo Trace was named the global Icons of Whisky Visitor Attraction of the Year and the American Distiller of the Year by Whisky Magazine. They were also named Distillery of the Year by Tasting Panel Magazine at the 2020 San Francisco World Spirits Competition. The distillery opened a newly expanded Visitor Center, which triples the size of the original Visitor Center. The expanded facility allows ample space and comfort for guests exploring the Gift Shop or tasting in the new tasting rooms. And they continue to march forward with a \$1.2 billion distillery expansion, now entering Phase II, which will take about two years to complete. This phase includes building a new Still House, new Dry House, new hammer mill and a new wastewater treatment facility. And they continue to make significant progress building warehouses on the farm, just having completed number eight of 22. Each new warehouse will hold 58,800 barrels.

- The team at Montaplast North America Inc. has contributed to a number of cornerstone vehicle launches for Ford Motor Company, General Motors, BMW, and Mercedes-Benz US from Frankfort, KY and their Sales & Engineering office in Auburn Hills, MI. Most recently they were involved in launching General Motor's flagship sports car, the 2020 Chevrolet Corvette, in which Montaplast designed, engineered, and manufactured the entire interior trim. With more than 700 employees at their Frankfort KY plant, this community has made their mark on the historic vehicle. They plan to continue accelerating the automotive industry with their technology and expertise as they plan to invest in their people, equipment, and technologies over the coming years.
- Jim Beam was also busy this year, taking the title of World Whiskey Brand Champion 2019 and preference over other more expensive bourbons in a blind taste test conducted by the Beverage Testing Institute. They donated \$5 million to the University of Kentucky to establish the James B. Beam Institute for Kentucky Spirits. The institute will support a curriculum to educate the next generation of distillers with the skills needed to succeed in the distilled spirit industry.
- With hand sanitizer in short supply due to COVID-19, Beam Suntory, Buffalo Trace, Castle & Key and Glens Creek Distilling converted areas of their facilities to help fill the demand for some of the world's largest organizations in health care, government, military, retail, distribution, airline, pharmacy and banking industries.
- In January 2020, the Super Bowl was held at Hard Rock Stadium in Miami Florida, where Centria's Dimension Series and Versawall panels were used. Centria is a world leader in high-performance metal wall and roof systems and a valued corporate citizen of Franklin County.
- Craft distillery Castle & Key, which spent four years renovating the former Old Taylor Distillery Co., completed a \$6.5 million investment which created 80 new jobs.
- Bluegrass State Skills Training Grants for \$150,000 were approved through the Kentucky Cabinet for Economic Development KEDFA Board. These funds were leveraged to obtain an additional \$150,000 to train 250 employees at Greenheck Fan Corporation and 550 employees at Montaplast of North America, Inc.
- Kentucky State University and Frankfort Independent Schools (FIS) partner to provide access to college credits and the chance for high school seniors to graduate high school with an associate degree. This year that partnership yielded its first student to graduate with an associate degree from Kentucky State and a high school diploma from Frankfort High.

- As part of Georgetown College’s bicentennial celebration, they recognized the impact that several local counties have had on their history. Mary F. Craig, from Franklin County, was one of the first women admitted to the college and a trailblazer for all women who would attend later. In an effort to give back, they created the Legacy and Legends Scholarship, providing a four-year full-tuition scholarship for all students from Franklin County admitted to the College during the next ten years. This partnership gives the community an opportunity to not only raise the education level of its populace but further develop its workforce and economic development.

## BUSINESS RECRUITMENT

Again in 2019-20, a wide range of manufacturing and professional services projects dominated the time of staff at KCDC, in spite of the lack of available industrial land and buildings and the COVID-19 pandemic. Prior to the outbreak of the Coronavirus, the staff was actively working 31 projects, 28 of which were new businesses to the community. At the end of the fiscal year, nearly 6 months into an economic crisis, two of the new projects, Nishida Art Specialty Composite America, Inc. which created 40 new jobs and Goodwood Brewing Company with 45 new jobs have been completed; eight are still active and four are “on hold” due to COVID-19. We lost 13 projects due to lack of available land; five because we had no suitable buildings and one because the property owner backed out of the sale agreement.

The four projects that are currently “on hold” stemmed from 300 recruitment letters sent to restaurants and bars in the Central Kentucky region in August 2019, by KCDC. From those solicitations, we hosted 11 site visits with entrepreneurs who were interested in expanding to a new location. Four of those projects remain active.

In March 2020, the safety guidelines established by the CDC and the Governor paused site visits for several months, putting many projects on hold. However, by June 30, 2020, site visits were rescheduled with safety measures in place and six new projects were added to the active list. Five are still active.

Even during the pandemic, KCDC continued to maintain relationships with site selection consultants and investment promotion agencies that provide invaluable support through virtual field visits, knowledge sharing, and efforts to continuously improve Frankfort’s capability to sustain the needs of various businesses. These meetings promote interactive exchanges of ideas and networking between the community and site selection consultants. KCDC President/CEO met with 16 site selection consultants in Atlanta in the fall of 2019. (Another visit was scheduled with Chicago site selectors in March, but was postponed.)

As the job market began to try to recover, and as safety restrictions would allow, KCDC launched a new business recruitment program that focuses on helping Frankfort and Franklin County recover from permanent job loss due to the coronavirus pandemic and increase economic resiliency for any future shocks and the ramifications of inadequate availability of land and buildings.

While previous marketing strategies were focused on talent recruitment, the pandemic required a switch to a larger focus on business recruitment and job creation to recover from the jobs lost due to the coronavirus pandemic. The new strategy contains marketing efforts that will build on information and data gathered that shows critical objective metrics on relevant factors such as economic performance, population well-being, high school graduation rates, and more to attract investment and to keep citizens and decision makers mindful of where improvements are needed. Additionally, this dashboard will help us to diversify the economy to new areas that are underrepresented and attract businesses creating living-wage jobs to the region.

This dashboard of information will then be used to showcase the advantages of the Frankfort and Franklin County region while incorporating other factors that don't show up on the dashboard, such as the downtown area, Kentucky State University, and affordability, among others. The story this information creates will help KCDC to focus on the area's best assets when selling the community to new businesses.

KCDC also began to research a variety of tools to assist in job recruitment. We settled on Gazelle.ai to help us generate and engage with more meaningful leads. This software will leverage the power of AI to help identify growth companies by prioritizing our target companies, creating target account lists, finding actionable company-specific data, monitoring target companies, and maximizing conference return on investment. That software will be available in September 2020.

The ultimate goal of this strategy is to support economic recovery and resurgence and to catalyze new investment and economic activity by creating attractive, functional, and enjoyable spaces while also making gains in economic development. To create this space, we continue to rely on the existing Downtown Development Strategy, which focuses on improving street design, public arts, and events programming, to create "a strong sense of place" that can attract people and economic activity.

At a time when we are seeking a new approach to economic development that responds to the changing markets, lack of available industrial land or buildings, the increase in the number of individuals who will continue to telework, and fiscal realities of the coronavirus pandemic, KCDC sees real value in promoting quality of life as a driver for job recruitment and investment.

Lastly, the proposed strategy will recognize the need to supplement job recruitment with incubators and small business development programs to help new and emerging businesses. These programs provide entrepreneurs with assistance locating affordable start-up space, training



on business fundamentals, and, ultimately, networking opportunities. They also improve and facilitate access to capital; training and coaching services; small business financing programs; and free, low-cost, or shared office space. Access to capital is provided through networking events with local lending institutions, “angel investor” programs, or directly through revolving loan funds and other financing mechanisms.

## BUSINESS RETENTION & EXPANSION

While new business recruitment is always important, the highest priority of the Kentucky Capital Development Corporation, is, and has always been, the Business Retention and Expansion (BR&E) program. In FY2019-20 this program has focused mainly on assisting existing businesses in navigating programs and resources available to help them respond to the coronavirus pandemic and job creation through business expansion, the foundation of effective economic development vital for recovery.

It makes little sense to invest major time and resources into the recruitment of new businesses while many others might be lost due to obstacles presented by the coronavirus. Additionally, working with existing customers is ten times more cost effective than continuously cultivating new ones. This strategy has been successful in Franklin County, as more than 80% of net new jobs and capital investment are generated by existing businesses.

The new BR&E strategy was developed from an accurate knowledge of the business community and constant communication with affected businesses and is being implemented to help businesses with recovery from the pandemic and its effects, expansion of current sites and facilities, assistance in identifying and preparing sites for expansions, and assistance with regulations and permits related to planning, zoning, and building.

KCDC began researching tools to assist in the creation of a database of existing businesses and to determine where to target our recovery efforts. Businesses in the database include manufacturing, health care, technology, professional services, and retail and restaurants in downtown Frankfort. The program targets at-risk businesses, living-wage businesses, medium- to large-sized businesses, businesses located in downtown Frankfort, and businesses in industries anticipating expansion or attraction. To better inform this database, KCDC worked with regional partners to purchase SizeUP KY and Gazelle ai to provide data market research. Both will be available in September 2021.

In a normal environment, the business retention strategy involves a meeting between the KCDC President/CEO, Franklin County Judge Executive and local business leaders to discuss and address any issues they may be experiencing. These visits are centered on an interview with the business owner (or president or lead staff) to learn how they can be best assisted, including questions

about their plans for expansion or relocation. In light of quarantine restrictions caused by the pandemic, we began virtual visits with local businesses to help identify at-risk companies and those that are considering closing or relocating. These virtual visits continued to allow us to create and maintain relationships with established local business owners, to build trust, and collect valuable information to recognize opportunities where KCDC can add value to the local economy.

In addition, we conducted periodic online surveys to better understand the current and projected needs of businesses. These surveys are sent to targeted businesses in the community and consist of key questions that measure the company's health and happiness in Frankfort and surrounding Franklin County. The surveys serve as a regular reminder that we are a problem-solving resource for these businesses, as well as helping KCDC to stay on top of business concerns and trends in areas such as transportation, workforce development, regulatory issues, and public safety.

Furthermore, KCDC began to create a repository of the numerous organizations within the state and region that provide startup and technical assistance to businesses, including classes, one-to-one consulting, and plan preparation. This directory and the KCDC website and social media continue to relay pertinent information to business owners and entrepreneurs, including where to take classes on starting a business, how to get advice on creating a business plan, how to find technical assistance specifically for financing, and how to get an occupational license or appropriate building permits. When complete, and if funded through the EDA grant, the repository will also have an outreach function to market its services and other business assistance organizations, and to contact potential entrepreneurs who may have an idea for a business but are unsure of where to start. Lastly, the repository will hold a comprehensive calendar of activities which will include business roundtables, networking opportunities, Kentucky State University programs, and events from the chamber of commerce, minority business groups, economic development organizations, and Small Business Development Centers (SBDCs).

KCDC has invested heavily in programs that assist in economic recovery from the coronavirus pandemic, which include writing informative editorials, Paycheck Protection Program (PPP) loan and loan forgiveness assistance, helping with Main Street loan applications, creating personal protective equipment (PPE) vendor lists, hosting virtual job fairs, hosting roundtable discussion about best practices for returning to work, and creating hiring and resource lists. These expanded BR&E initiatives will allow us to continue to do that in 2020-21.

## WORKFORCE RECRUITMENT

While there has been extensive job loss in a number of industry sectors, developing a qualified workforce remains a priority for local businesses, especially in light of the pandemic. Numerous difficulties are cropping up as many try to return to work, including young mothers and fathers facing childcare issues, fear of the pandemic, and the permanent loss of some jobs and industries.

New jobs are being created in areas that previously saw lower levels of employment, including cleaning and sanitization, logistics, and online commerce. These expanding industries require recruiting new workers and retraining a significant portion of the current workforce.

KCDC responded to this demand by developing a workforce strategy to attract qualified talent to fill these new positions; prepare the next generation of business leaders in the Frankfort region; and provide unemployed residents, college graduates, and high school students with employment opportunities in the Franklin County.

The cornerstone of this component is the Community Concierge program, which will connect new and potential residents with trained Community Concierges. The partner grant between KCDC and DFI, if funded, will underwrite this program in which Concierges, who are residents of Frankfort and Franklin County and of diverse background, ethnicity, industry, and interests. The program will help ease new residents' transitions and can be used by employers to recruit qualified talent to the community by connecting them to those who are knowledgeable and passionate about Frankfort.

This program will give Frankfort a recruiting advantage when competing for a qualified workforce, help new residents feel welcome even before they may move to the area, establish entrepreneurial and personal relationships, and create an attachment between residents/potential residents and Frankfort.

## PUBLIC POLICY

With projects ranging from downtown revitalization, Dolly Graham Park, streets and roads, a Riverwalk, public art, sewer expansion, public safety and fiber ready industrial and business parks, KCDC and its partners continued to work to leverage 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, continued to help influence policies that impact Frankfort and Franklin County and seek funding to help leverage local resources. For the second year, this partnership had 25 local business and civic leaders register to participate in a Fly-In to visit with our congressional delegation in Washington D.C. and speak to a number of agency staff from which we are seeking grant funding.

Unfortunately this event was scheduled for March and had to be postponed until travel restrictions are lifted. The KCDC President, City Manager and select local business leaders instead participated in calls with representatives of the National Endowment for the Arts, US Department

of Transportation and Environmental Protection Agencies to seek support of our applications for upcoming projects.

This year the city's award of a Brownfield's Grant, funding for Dolly Graham Park upgrades, the oral history grant for the March on Frankfort and funding for community policing and body-worn cameras are examples of the success of these partnerships and our strategy to lobby for state and federal monies to benefit our community.

Leadership staff of KCDC also served on the Kentucky Association of Economic Development Public Policy Committee, Frankfort Area Chamber of Commerce Public Policy Committee and Central Kentucky Public Policy Committee. She participated in legislative events sponsored by the KY Association of Manufacturers, Kentucky Chamber of Commerce, Commerce Lexington and Frankfort Area Chamber of Commerce and has regular meetings with staff of senators McConnell and Paul and Congressman Andy Barr.

In July 2019, staff attended the Central Kentucky Public Policy Group Washington D.C. Fly-in to discuss with legislators policy affecting businesses in Central Kentucky. In June 2020, KCDC representatives participated in virtual meetings with staff of the US Economic Development Administration to garner support for our application for a \$350,000 Economic Adjustment Assistance Grant to assist local businesses in their response to the coronavirus.

In addition, KCDC solicited and submitted letters of support to Kentucky's Congressional delegation addressing the extension of the PPP Loans; support of local government and tourism in the next stimulus package and support of the BUILD grant for the Holmes Street project.

In early 2020 KCDC reached out to the Franklin County Farmer's Market, the Community Farm Alliance, the Kentucky Equal Justice Center, Senator Paul Hornback (chair of the Senate Ag Committee) and Representative Joe Gravies to discuss potential state legislation addressing food desserts, which downtown Frankfort became upon the exit of PicPac. This group is considering legislative changes for the 2021 session.

In June 2020, representatives of KCDC, the City of Frankfort and local businesses testified before the Kentucky Joint Committee on Licensing, Occupations, and Administrative Regulations to support an amendment to KRS 243.084 that would allow our local breweries to sell packaged liquor that is co-branded by them, without a package quota license. We have obtained a sponsor for the bill and will continue to work to push that bill through the legislature in 2021.

## DOWNTOWN DEVELOPMENT

Want to see how Frankfort's art scene is thriving these days? Just take a walk down the street, where a new outdoor mural may catch your eye. A number of striking murals have sprung up

around downtown Frankfort. On your walk you may also see public art sponsored by FrankArt and funded by an NEA grant received by the City of Frankfort.

Census Tract 712 in downtown Frankfort, which includes the Capital Plaza Area and the Holmes Street Corridor, is certified as an Opportunity Zone by the U.S. Department of the Treasury and the Internal Revenue Service. This designation offers significant federal tax breaks and deferrals to entities and individuals investing in Opportunity Funds, which support development projects within one or more zones. There are a number of projects underway that are taking advantage of the OZ designation and KCDC continues to work with the Economic Innovation Group and local financial advisors to use this program to benefit local development.

East Main Street construction is nearing completion while the redevelopment of the Second Street Corridor, with the assistance of a Transportation Investment Generating Economic Recovery (TIGER) Grant, is in the beginning stages.

A Local Foods Local Places (LFLP) grant was awarded to the City of Frankfort. LFLP was established to help cities and towns across the country protect the environment and human health by engaging with local partners to reinvest in existing neighborhoods using local food enterprise. A team of experts from the U.S. Department of Agriculture, the U.S. Environmental Protection Agency and the Northern Border Regional commission, worked with the Frankfort Community members to set goals and plan projects that will boost local economies and drive downtown and neighborhood revitalization. The City of Frankfort requested assistance to determine the best location for its farmers market and to assess the feasibility of creating a commercial kitchen to increase downtown foot traffic and spur revitalization. A plan was approved by the City; however, neither of these projects has begun.

In the heart of downtown, the 2019 Summer Concert Series saw record numbers in attendance and exceptionally talented bands including Superfecta, with sounds of 1960's Motown; The Rigbys, a Beatle covers band; County Wide Band, featuring Southern Rock; Lou Orleans, a brass band; The Baja Yetis, offering funk-based soul; and Boogie G and the Titans, also a funk band.

Also bringing crowds to the heart of downtown was the inaugural Bourbon on the Banks, a premier Bourbon tasting festival. The 3-day event hosted an appreciation dinner, sponsored by Beam Suntory, for Kentucky's Japanese Industry. Guests included Governor Martha Lane Collins, who spoke of her experiences in recruiting Toyota North America to Georgetown. The festival also offered attendees the opportunity to learn from nationally-recognized master distillers, bourbon educators and authors and watch chef demonstrations, while sampling their innovative bourbon creations and strolling the banks of the Kentucky River.

New Frankfort Development, LLC announced their plans for a nearly \$90M development on 12 acres in the heart of downtown Frankfort. The proposal includes a new YMCA, 200-plus residential units, a new parking garage, office and retail space and a \$14M renovation of the

existing hotel. These developments depend on the approval of city, county and state Tax Increment Financing, which is currently being studied to determine the best compromise to create success for the project and the community.

Longtime downtown grocery, Bryant's PicPac, announced its closing in July 2019. Staff of KCDC worked with the Kentucky Grocers Association, Laurel Grocery Association, Yago Farms, Kroger Mobile Market, Kentucky Grocers Association and the American Wholesale Grocers Association to recruit a grocery or mobile market to downtown Frankfort. Each responded with similar concerns about lack of market and the inability of small groceries to survive in rural settings. At that time, KCDC contacted Franklin County Farmer's Market, Kentucky Equal Justice, Community Farm Alliance, Senator Paul Hornback and Representative Joe Gravis to discuss legislation to support food deserts. Due to the extremely short session in 2020, the legislation did not pass. We continue to revise language for the 2021 session.

KCDC and DFI also partnered with the Kentucky Finance and Administration Cabinet to prepare and distribute downtown business information to all new employees as they moved into the Mayo-Underwood Building. A letter was sent from the mayor and county judge welcoming them to our downtown and encouraging them to visit the many restaurants, bars and retail stores within our beautiful city.

KCDC, the Tourist Commission and DFI continued to work with the City to establish an Entertainment Destination Center (EDC) designation for a large part of the downtown area. This designation will allow patrons to possess open containers of alcohol on public streets and sidewalks within the EDC and will activate the sidewalks of downtown.

The Downtown Redevelopment Strategy continues to move forward. The city recently received responses to the Request for Proposal to build a Riverwalk and Main Street was converted back to 2-way. The Wayfinding Master Plan has been approved by the Commission and new signage has been funded by the Transportation Alternatives Program. The city is currently working to revise the original plan to include two-way Main and Mero. They are also soliciting engineers' estimates on the signage fabrication and installation.

With this redevelopment strategy underway, local business and preservation activity continues to see many exciting developments in a wide range of services, businesses and renovations.

The Mason-Hogue Building experienced a beautiful façade renovation which will be followed by the restoration of the interior in the fall of 2020. That building will be a mixed-use project with high-end vacation rental properties on the top two floors and commercial/retail space on the street level.

Descendants of E.H. Taylor purchased 300 Washington Street and are restoring that building to house a Bed & Breakfast, bourbon bar and restaurant. Goodwood Brewing Company, a brewpub

featuring Kentucky crafted beers, opened at the other end of Main Street. The Crumbaugh Company continued renovation of the Marcus Building into a multi-use facility on St. Clair St. and their neighbor's at the Brick Alley are wrapping up their renovation and expansion next door. Across the street owners are finishing the renovation of 330 St. Clair, which will soon be Mortimer Bibb's Irish Pub; and just around the corner the Cooperage Bar continues to get closer to opening day.

In addition, the Downtown Revitalization Grant was disbursed among three projects that continue to move forward, as well- Bill Cull and Joe Johnson are restoring and readapting the Engine House at 307/309 West Main; Frank Haydon, Taylor Marshall and their all-star team continue to revitalize the old Simon Warehouse at 104-112 Broadway into a Bourbon-centric bar, restaurant and hotel; and Chad Peach has resumed his renovation of Sullivan Square at 215 West Main Street into luxury downtown apartments.

Downtown Frankfort remains the economic engine for the region and a hub for arts, innovation, and creativity. It provides the physical spaces and places to support the activities of entrepreneurs, artists, and businesses large and small. It is a destination where people come to experience culture, entertainment, commerce, and community and it is an urban neighborhood providing opportunities for households of varied age and incomes, from singles to families, to lead healthy, productive, and fulfilling lives.

As you can see, Downtown Frankfort continues to grow in spite of a less than stellar economy caused by the pandemic. The empty sidewalks of just a few years ago, prior to the pandemic were abuzz with workers, residents, and visitors. Restaurants, nightlife, street markets, and cultural events filled the city streets. Cyclists and pedestrians populated our downtown, and visions of artistic expression were found in unexpected places.

As downtown Frankfort recovers from COVID-19, it continues to create an abundance of opportunity, interaction, choices, and experiences. It is this abundance that makes downtown special and worthy of great attention and foresight.

## COVID-19 RESPONSE

KCDC worked with Frankfort EMA and local industry to solicit and collect excess PPE items for first responders and healthcare workers and participated in the health department weekly update on FPB Channel 10. Until the dismissal, due to lack of funding, of our research and social media staff person in mid-June, we provided and regularly updated a list of COVID-19 resources for local businesses, government and individuals and lists of jobs available in Franklin County and Central Kentucky. We partnered with the City of Frankfort to provide a clearinghouse of COVID-19 information for businesses and individuals.

We sent daily updates to businesses concerning programs to assist with COVID-19 including grants; loans; technical assistance; local, state and federal programs; free webinar and other trainings. Staff attended training, and then assisted local small businesses with SBA Loan applications including EIDL, PPP, Main Street and PPP Forgiveness Loans. We worked with local industry to identify potential funding replacements for those who do not meet the requirements of the Paycheck Protection Program and provided information concerning employee health insurance options during a pandemic.

KCDC partnered with Kentucky Career Center to host Virtual Job Fairs for local businesses that needed to hire during the pandemic and served on the city's Marketing Action Committee to strategize ways we will market and support positive projects and activities in the community.

As part of our COVID-19 Response Strategy, we partnered with DFI to host 10 Business Roundtables discussing strategies to get back to work. These conversations were live-streamed via Facebook and recorded to allow them to be shared via all social media outlets for others to learn from.

We also worked with DFI and the Frankfort Plant Board to host FrankForward videos on Ch. 10 featuring active projects that continue to advance in Frankfort. Featured projects included segments with Ben and Melinda Hardin, owners of 245 W Main; Karl Lawrence and Tim Luscher, representatives of the new Downtown Restaurant Association; Katie Beard and Sarah Anderson with the Frankfort Public Works Department to discuss 2-Way Main; AJ Johnson and Stuart Reagan to discuss Brick Alley renovations and additions; Karl Lawrence at Mortimer Bibb's to see what they have done with their building renovation and their plans as they prepare to open; Joe Johnson and Bill Cull discussed the renovations of the Old Firehouse and Michelle Bragg with the Farmers Market discussed their reopening to on-site customers.

Staff also participated in a number of virtual training experiences addressing business issues during COVID 19 which included *Dealing with the Coronavirus: 12 Ideas That Can help Save Tourism and Downtown Businesses; New Federal Legislation and Unemployment Insurance; SBA EIDL; KSBDA Injury Disaster Loan; Ten Impacts of Coronavirus on the Economic Development Profession & Solutions to Mitigate Challenges; Tourism and the Coronavirus; Understanding the Paycheck Protection Program; North American Auto Manufacturing Challenges During a Global Pandemic; Resources for Local Governments in Federal Coronavirus Response Laws and Programs; Business Survival Strategies; Small Business Webinar sponsored by DFI; COVID, Communities and Small Businesses; Resetting America; KY Unemployment Insurance Update; COVID19 Summit - How to Develop a Business Continuity Plan; What's Next? Planning Strategies for Return to Work; Regional Planning During COVID-19: The Impacts of a Global Pandemic on Local Decision-making; How Does Kentucky's Economy Rebound from COVID-19?; BR&E COVID-19 Response Network Best Practices; Rethinking the Global Supply Chain; EDO Roundtable: How Different Regions are Planning for COVID-19; The Impact of COVID-19 on Education and How Will We Rebuild the Workforce?; COVID-19 Legal Liabilities Risks for Employers; New Workforce Normal After COVID-19; Reopening the Economy: A review of states' responses to COVID-19; Update on Resources for COVID-19 with*



*Representative Andy Barr; The Road to Recovery; Rebooting After the Pandemic: Where Do We Go From Here?; Louisville CRE and COVID-19: Strategies for a Shifting World; The Impact of COVID-19 on Local Governments and How They Will Go Forward; Call-in with Senator Rand Paul; Tourism Industry Idea Sharing Zoom Webinar; Local Business Recovery "The Grand Reopening" with 7 Mountains Media and CapCity Communications; The Impact of COVID-19 on Tourism in Kentucky and How the Industry Looks to Rebound; Re-opening Requirements and Unemployment Insurance Update with Representatives from the Office of the Governor; After COVID-19: Advantages of International Arbitration; Restaurants and Retail: Responding to the Reopening; and Predicting the Post-COVID-19 World.*

## OUTREACH

The Kentucky Capital Development Corporation highlights Franklin County through local and national events, activities and sponsorships. In FY2018/19, the KCDC staff:

**Organized/Hosted** Franklin County Industrial Development Authority annual meeting, meetings of local developers and realtors; Commerce Lexington Regional Public Policy meeting; Community Concierge grant planning group; local industry meetings; BOTB VIP Dinner; mayoral candidates forum; Opportunity Zones best practices seminar; meetings with local banks to discuss financial partnership strategies for downtown revitalization; seven EmpowHER Frankfort events featuring the following speakers: Nathan Crosley, Beam Suntory; Tim Luscher, Sig Luscher; Glenn Waldrop, DFI and BOTH; Alaina Lantz, Castle & Key; Ted Mitzlaff, Goodwood Brewing; Shari Thompson, My Old Kentucky Om Yoga Studio and the four mayoral candidates for the 2020 primary elections; EmpowHER volunteer projects including the Frosty 5K, the Stewart Home and the Salvation Army Angel Tree; Washington D.C. legislative fly-in (canceled week prior to planned travel due to COVID-19); meetings with the EPAD Planning group, KY Utilities/LG&E, Tennessee Valley Authority, Gray Construction, USDA, 16 site selection consultants in Atlanta; and Kentucky Career and Technical College; virtual meetings with the National Endowment for the Arts, U.S. Department of Transportation, U.S. Economic Development Authority and Environmental Protection Agency Brownfield Staff and thirty eight site visits for business and industry prospects.

**Partnered in/Served on** Central Kentucky region elected officials economic development simulation; and state and federal legislative strategy; Kentucky Association of Economic Development Foundation Board of Directors, KY Institute for Economic Development, City of Frankfort Marketing Action Committee, Downtown Frankfort Inc. Board of Directors (Ex-Officio), Frankfort Area Chamber of Commerce Board of Directors (Ex-Officio), Central Kentucky Public Policy Committee, City of Frankfort Brownfield Committee, Bluegrass Area Development District Economic Development Advisory Committee, Frankfort/Franklin County Census Committee, Downtown Reinvestment Grant Committee, Frankfort/Franklin County Public Policy Committee, Bourbon Strategies Committee and Bourbon on the Banks Committee

**Presented** to the Kentucky Association of Counties; Kentucky Association of Economic Development; Economic Innovation Group (EIG); Frankfort City Commission; Franklin County Fiscal Court; Commerce Lexington Regional Public Policy Committee; Frankfort Area Chamber of Commerce Board of Directors; Leadership Frankfort and Leadership Lexington

**Participated in** Frankfort Area Chamber of Commerce annual meeting, legislative event and Public Policy Committee; East KY Power Rural Economic Development Seminar; Traditional Bank Women's Luncheon Series; Independence Bank Opening Events; Unveiling of the new Mayo-Underwood facility; Second Street BUILD grant meetings; Downtown Frankfort, Inc. (DFI) monthly board meetings and annual meeting; Brownfield Committee; Goodwood Brewing Co. grand opening; Kentucky Workforce Investment Board meetings; Whitaker Bank appreciation event; Downtown Reinvestment Grant Committee; Council on Postsecondary Education meeting concerning future workforce training; several meetings of the Architectural Review Board; meeting with the Finance Cabinet to discuss special events for new building opening; KY Association of Economic Development fall conference; numerous interviews with local and regional media; Bluegrass Alliance consultant visits and legislative meetings; Central Kentucky Washington DC Fly-In; World Trade Day; Frankfort City Commission meetings; Franklin County Fiscal Court meetings; Bourbon Strategies Committee meetings; KY Chamber of Commerce Central KY Policy Meeting; Bourbon on the Banks meetings; Bluegrass Area Development District Economic Development Advisory Committee; ESGR Appreciation and Awards event; KY Association of Manufacturers business briefings; State Journal Editorial Board meetings; Burlington Condo Association meetings; and numerous virtual meetings and trainings including Economic Innovation Group monthly Opportunity Zones roundtable discussions

## MARKETING AND BRANDING

KCDC continued to make significant changes in marketing efforts due to budget cuts, 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.

We continued to focus on a 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 continued to update the site and add user friendly features making the site more accessible and better reflecting of our brand. The site provides information consistent with our prospect packets; contains up-to-date data and is mobile friendly.

We also continued 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. 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. Due to funding cuts, we eliminated the position that

provided social media support in mid-June. The existing staff updates social media when time allows, with hopes that additional EDA funding will be obtained to resume a larger presence in the future.

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.

The President & CEO was recognized by Industry Era Magazine which included a 2-page article featuring KCDC, our mission and accomplishments. We were also provided editorial content in the Lane Report Central Kentucky Market Review which is a magazine distributed to all Central Kentucky business prospects.

KCDC also touted our message through multi-media news releases and interviews, email, print and online campaigns and continues work with the City of Frankfort's Marketing Advisory Committee in establishing a message that becomes the "brand" of our community and the agencies who partner in its development. As part of this initiative, we partnered with Downtown Frankfort Inc. and the Frankfort Plant Board to produce numerous 8-minute videos aired on Channel 10 weekly, featuring ongoing projects that continue to survive the pandemic. This is part of our FrankForward initiative, touting continued progress within the community.

By participating in the Bluegrass Alliance consultant luncheons in Atlanta, KCDC teamed with other KY communities to host an event with 16 national consultants. 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 Central Kentucky and why our region has 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 and months of quarantine, staff often turned to virtual training opportunities, KY Association of Economic Development and Area Development Magazine conferences, East KY Power Rural Development Seminar, Frankfort Area Chamber of Commerce trainings 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; how to use bourbon to recruit people and businesses to Kentucky; creative local incentives to land a project; scripting a site visit; Additive Manufacturing; aligning resources to modernize business retention & expansion; Kentucky's international economic development strategy; the advantage of local utilities in Kentucky; data driven economic development; ethics in economic development; strategies to grow a talent pipeline; hemp success in Kentucky; Kentucky's Product Development Initiative; Opportunity Zones, and workforce development.

Staff also participated in the following webinars: *Virtual Roundtable of Economic Development Executives; Zoombusiness: Online Mapping; Business Retention & Expansion Summit; Convergent Chamber/Economic Development Round Table; EIG Quarterly State and Local Call on Opportunity Zones; Understanding Kentucky's Target Markets - Food & Beverage and Agriculture; Dealing with the Coronavirus: 12 Ideas That Can help Save Tourism and Downtown Businesses; New Federal Legislation and Unemployment Insurance; SBA EIDL; KSBDA Injury Disaster Loan; Ten Impacts of Coronavirus on the Economic Development Profession & Solutions to Mitigate Challenges; Tourism and the Coronavirus; Understanding the Paycheck Protection Program; North American Auto Manufacturing Challenges During a Global Pandemic; Resources for Local Governments in Federal Coronavirus Response Laws and Programs; Business Survival Strategies; Small Business Webinar sponsored by DFI; COVID, Communities and Small Businesses; Resetting America; KY Unemployment Insurance Update; COVID19 Summit - How to Develop a Business Continuity Plan; What's Next? Planning Strategies for Return to Work; Regional Planning During COVID-19: The Impacts of a Global Pandemic on Local Decision-making; How Does Kentucky's Economy Rebound from COVID-19?; BR&E COVID-19 Response Network Best Practices; Rethinking the Global Supply Chain; EDO Roundtable: How Different Regions are Planning for COVID-19; The Impact of COVID-19 on Education and How Will We Rebuild the Workforce?; COVID-19 Legal Liabilities Risks for Employers; New Workforce Normal After COVID-19; Reopening the Economy: A review of states' responses to COVID-19; Update on Resources for COVID-19 with Representative Andy Barr; The Road to Recovery; Rebooting After the Pandemic: Where do we go from here?; Louisville CRE and COVID-19: Strategies for a Shifting World; The Impact of COVID-19 on Local Governments and How They Will Go Forward; Call-in with Senator Rand Paul; Tourism Industry Idea Sharing Zoom Webinar; Local Business Recovery "The Grand Reopening" with 7 Mountains Media and CapCity Communications; The Impact of COVID-19 on Tourism in Kentucky and How the Industry Looks to Rebound; Re-opening requirements and Unemployment Insurance update with representatives from the Office of the Governor; After COVID-19: Advantages of International Arbitration; Restaurants and Retail: Responding to the Reopening; and Predicting the Post-COVID-19 World.*



## OTHER ACCOMPLISHMENTS

- Named by Site Selection Magazine the 8th Top Micropolitan in Kentucky and 59<sup>th</sup> in the U.S for job creation and investment

- President/CEO named amongst 10 Best CEOs by Industry Era magazine
- KCDC, as a member of the Bluegrass Alliance, was recipient of the Spirit of the Bluegrass Award presented by Bluegrass Tomorrow, a quality of life organization that promotes extended regional cooperation and enhanced economic development efforts.

## OUR PARTNERS AND ALLIES

Being small but mighty, our organization relies heavily on strategic partnerships to achieve the community's fullest vision of economic development. Captured in these pages, we share our success with partners who represent diverse sectors of our community.

Many organizations share the KCDC goal of building Franklin County's economy and making the region an even better location to do business and succeed. Kentucky Capital Development Corporation is pleased to work with partner organizations such as Bluegrass Area Development District, Bluegrass Workforce Investment Board, City of Frankfort, Downtown Frankfort, Inc., Bourbon on the Banks Festival, Bluegrass Tomorrow, Frankfort/Franklin County Tourist & Convention Commission, Frankfort Plant Board, Franklin County Fiscal Court, Frankfort Area Chamber of Commerce, 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 Workforce Development Cabinet, KY Municipal Energy Agency, KY Association of Manufacturers, KY Association of Master Contractors, KY Career Centers, KY Community and Technical College System, the University of Kentucky, Community Economic Development Initiative of Kentucky, KY Association of Economic Development, KY Association of Manufacturers, KY United, Commerce Lexington and Bluegrass Alliance.

Bluegrass Alliance is a regional marketing effort that is a joint venture of Scott, Madison, Fayette, Woodford, Jessamine, Bourbon, Clark, Montgomery 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 the Bluegrass Alliance, KCDC generates leads and business relationships with prospects and consultants, working to increase private capital investment and create higher incomes for our citizens. KCDC participated in a consultant visit in Atlanta this year prior to the pandemic.

As the only Franklin County investor and participant in 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.

## PLANNING THE WORK, WORKING THE PLAN

The Frankfort/Franklin County Economic Development 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. It was updated by the partnering organizations and approved by the KCDC Board of Directors in July 2019.

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.

The accomplishments listed in the following pages are reflective of the actions the community has taken to contribute to the overall success of achieving the goals in the plan during the fiscal year 2019-2020.

### **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:**

Increase the inventory of land ready for economic development

**Actions:**

Work with city and county governments to evaluate the capacity of current infrastructure to meet existing and future public utility needs

**Actions Completed:**

KCDC continues work with city, county and state to determine best opportunity for success of the expansion of sewer to South 127. KCDC meets regularly with Frankfort Plant Board and industry representatives to assure infrastructure needs are being met to allow uninterrupted production. City continues work on the \$14M Second Street Corridor revitalization. City prepared and submitted a new application for a BUILD planning grant for the Holmes Street area. The FIRE (Frankfort Industry for Reliable Energy) group continued to meet with FPB concerning KYMEA improvements, water supply and internet/fiber improvements provided by FPB. The city/county continue to explore Tax Increment Financing to fund infrastructure costs of downtown development.

**Actions:**

Educate and pair up local financial planners, lending institutions, developers and property owners within the Opportunity Zone to implement viable projects through greenfield development and infill.

**Actions Completed:**

Staff of KCDC holds regular meetings with developers, local bankers and financial advisers to assure they are updated on latest OZ regulations and paired local financial advisors with experts in OZ funding to proposed projects within the zone.

**Actions:**

Continue to seek CDBG funds to partner with local government on infrastructure development and workforce projects

**Actions Completed:**

KCDC holds 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 and Sig Luscher Brewery who is funding revolving inventory with the same program.

**Actions:**

Support development of additional industrial sites with required infrastructure available for new businesses or the expansion of existing firms.

**Actions Completed:**

In FY 2019-20 KCDC sold one of its own vacant professional office properties in Industrial Park #3 and two properties owned by private investors to be used for development/job creation. KCDC worked with a private developer to purchase and provide infrastructure for an 86-acre industrial park. The rezone required for this development was denied by the Franklin County Fiscal Court in June 2020.

**Strategies:**

Enhance the quality of available properties.

**Actions:**

Upgrade vacant properties and turn into productive properties through infill and redevelopment opportunities.

**Actions Completed:**

KCDC continued work with local governments and developers on infill projects to “recycle” abandoned and dilapidated properties to other uses and serves on the Brownfield Grant Committee.

**Actions:**

Use the Opportunity Zone designation to entice development within the OZ area.

**Actions Completed:**

KCDC continues to update and distribute the Opportunity Zone prospectus for Census Tract 712 and participates in regular meetings with EIG and national and local financial advisors to determine best practices for using OZ funding for downtown projects. There are three active OZ projects as of June 30, 2020.

**Actions:**

Identify and evaluate EPA qualified brownfields to determine costs of recovering properties for future use.

**Actions Completed:**

The City’s Brownfield Assessment Grant has successfully completed numerous Phase I and Phase II Assessments.

The grant has also successfully removed abandoned petroleum tanks on Louisville Road and Second Street. KCDC and the City participated in virtual meetings with EPA to secure



the city's application for more Brownfield Planning Grant Funds to be used for assistance to conduct reuse planning activities for Holmes Street area. The Brownfield Grant Committee has received responses to a RFI from consultants and will choose a group to administer the new grant in July 2020.

**Actions:**

Support legislation that provides incentives for development of land and buildings that makes it easier to execute projects and improvements.

**Actions Completed:**

KCDC 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. KCDC staff serves on the Downtown Revitalization Grant committee and continues to meet with a group representing local lending institutions to discuss possibilities of forming a local infrastructure fund to promote downtown redevelopment. The city/county continue to work with developers of Parcels B&C to negotiate a TIF. KCDC serves on the Central Kentucky Public Policy Committee and hosts a group of Franklin County leadership in lobbying federal legislation that includes the support of workforce investment programs; long-term transportation infrastructure funding; low-cost, reliable energy and commonsense regulatory reform.

**Strategies:**

Promote innovation through the provision of sufficient technological infrastructure in the community and the adoption of new technologies

**Actions:**

Work with existing providers to develop an ultra-high-speed fiber internet infrastructure

**Actions Completed:**

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.

**Actions:**

Identify and develop public/private partnerships to provide access to new technologies to businesses

**Actions Completed:**

KCDC worked with partners at KCED and the Kentucky Science and Technology Center to promote a new office of Kentucky Commercialization Ventures, a new public-private partnership that aims to develop academic innovations into job-creating technology. KCDC, DFI and the City continue to work with developers of parcels B&C.

**Strategies:**

Support safe, reliable, economical energy while maintaining an environmental sensitivity

**Actions:**

Continue regular meetings of the Frankfort Industry for Reliable Energy (FIRE) group to assure energy needs are being met for our largest employers.

**Actions Completed:**

The FIRE (Frankfort Industry for Reliable Energy) group continued to meet with FPB concerning KYMEA improvements, water supply and internet/fiber improvements provided by FPB.

**Actions:**

Promote adoption and use of energy conservation programs and opportunities by local businesses

**Actions Completed:**

In FY2018-19 KCDC worked with city and county to adopt EPAD/PACE, an energy efficiency incentive program. While we continue to remain in contact with the appointed administrator of this program, there have been no property owners who have chosen to participate since the inception of the program.

**GOAL TWO**

**Provide a vibrant labor force for the 21<sup>st</sup> Century whose skills align with the needs of local businesses**

**Strategies:**

Enhance the business community's awareness of successful workforce development opportunities provided by regional educational facilities

**Actions:**

Conduct applied research on talent needs of local employers and inventory the quality and quantity of existing workforce development and degree/certificate programs

**Actions Completed:**

KCDC conducts periodic online surveys to better understand the current and projected needs of businesses. Because of the changing needs of employers caused by the pandemic, KCDC applied for a \$350,000 grant from EDA in June 2020. If funded KCDC will work to create a repository of the numerous organizations within the region that provide startup and technical assistance, certification, degrees and training classes.

**Strategies:**

Develop, attract and retain a highly educated resident population

**Actions:**

Complete the process of becoming a Work Ready Certified Community

**Actions Completed:**

The Chamber of Commerce Certified Work Ready Community Committee continued to determine ways to meet the criteria required to advance the community from “In Progress” to fully certified. They will apply again in September.

**Actions:**

Increase entrepreneurial opportunities

**Actions Completed:**

If awarded, the EDA grant applied for in June 2020 will fund the creation of a directory and a website that provide pertinent information to business owners and entrepreneurs, including where to take classes on starting a business, how to get advice on creating a business plan, how to find technical assistance specifically for financing, and how to get an occupational license or appropriate building permits. The repository will also have an outreach function to market its services and other business assistance organizations, and to contact potential entrepreneurs who may have an idea for a business but are unsure of where to start. The repository will hold a comprehensive calendar of activities which will include business roundtables, networking opportunities, Kentucky State University programs, and events from the chamber of commerce, minority business groups, economic development organizations, and Small Business Development Centers (SBDCs). KCDC researched numerous tools to provide local businesses with data to help them remain competitive. We are acquiring access to SizeUp KY, a business intelligence and market research tool that helps businesses increase engagement.

**Actions:**

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 and how academic content translates into work ready skills

**Actions Completed:**

Industry tours for elected officials are planned for fall 2020. Chamber of Commerce Education Committee is sponsoring INSPIRE program, to create a pipeline of well-trained, informed and talented workforce. They continue to host the program’s teacher’s academy, which allows educators to interact with business professionals in a workplace environment. They will also be hosting videos about business and work ethic for fall classrooms.

**Actions:**

Promote youth leadership, minority and cross-generational development, education, engagement and empowerment opportunities

**Actions Completed:**

KCDC continues to administer the EmpowHER Frankfort Women-in-Business group which supports a number of community charities and events including the Stewart Home, Frosty

5K and Salvation Army Angel Tree. KCDC also applied for grant funding to support the Building our Next Generation of Leaders program, which is a youth leadership and recruitment program. The Chamber has been working with KSU and a local high school teacher to build a leadership program for them as well.

**Actions:**

Connect job seekers to job opportunities through new and innovative workforce recruitment programs.

**Actions Completed:**

KCDC has hosted an annual job fair for local employers and now partners with the Kentucky Career Center to host Virtual Job Fairs to allow job seekers and employers a venue to advertise and discuss job openings even during quarantine. As part of the EDA Grant request, KCDC included the Community Concierge program and the Recruiting Our Next Generation of Leaders programs which will allow local citizens and businesses to participate virtually in the recruitment of a qualified workforce to the community.

**Actions:**

Work with regional and national partners to create innovative workforce development strategies.

**Actions Completed:**

President/CEO of KCDC is a member of the Bluegrass Alliance, Kentucky United, the Kentucky Association of Economic Development, Kentucky Association of Economic Development Foundation Board of Directors, the Central Kentucky Public Policy Group, World Trade Center and the Bluegrass ADD Economic Development Advisory Committee. She participates in consultant visits throughout the United States to promote Central Kentucky and participates in regional public policy planning concerning legislation that affects businesses. KCDC President/CEO continues to work with the Kingdom of Jordan, ICMA, Bozeman and Prospera to write a workforce development training grant for the leaders of Jordan.

**Strategies:**

Assist industries in promoting the benefits of this economic sector as a career option

**Actions:**

Enhance the business community's awareness of workforce development opportunities at regional colleges and universities.

**Actions Completed:**

In June 2020, KCDC applied for an EDA grant to fund the creation of a repository of the numerous organizations within the region that provide startup and technical assistance, certification, degrees and training classes.

**Actions:**

Enhance the value attached to craft and technical skills in the community to increase the proportion of students participating in technical, skilled craft, and STEM educational programs

**Actions Completed:**

KCDC continues to work with Franklin County Career and Technical College, Bluegrass Community and Technical College, KY FAME and Kentucky Association of Master Contractors on projects to promote technical skills occupations. Chamber of Commerce Education Committee is sponsoring videos that feature what is paid by each career sector.

**Strategies:**

Engender a healthy housing market characterized by stable and increasing property values.

**Actions:**

Develop a housing strategic plan that is based on housing market data and create a housing marketing program to attract new homeowners to the county.

**Actions Completed:**

Prior to the pandemic, KCDC began gathering data to begin a housing assessment and applied for a grant to pay for a housing marketing plan. We did not receive that grant.

**Actions:**

Emphasize policies that encourage market rate, private sector housing redevelopment or infill development of lower quality housing units

**Actions Completed:**

KCDC continues to work with local developers and governments on infill projects and to promote realigning current policy to encourage, rather than punish, local developers who are investing in dilapidated, condemned properties.

**Actions:**

Use zoning, code enforcement and incentive policies to encourage property maintenance and mixed-income neighborhoods to minimize high poverty concentrations and upgrade residential units

**Actions Completed:**

KCDC continues to work with local developers and governments on infill projects and to promote realigning current policy to encourage, rather than punish, local developers who are investing in dilapidated, condemned properties.

**Actions:**

Create vibrant, commercial/mixed-use districts that are strongly interconnected with surrounding neighborhoods

**Actions Completed:**

KCDC staff continue to work with developers of parcels B and C; the Mason-Hogue building; Crumbaugh Company, Broken Fork Design and Peach Properties and Construction to develop mixed-use properties that connect the Central Business District to neighbors in the Historic District as well as South Frankfort.

**GOAL THREE**

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

**Strategies:**

Proactively work to strengthen our economy and maintain a business friendly environment

**Actions:**

Continue to identify city/county regulations that are barriers for economic growth and make improvements

**Actions Completed:**

KCDC regularly meets with local realtors/developers, city/county officials, industry leaders and P&Z officials to address regulative barriers to development. KCDC maintains data for comparison to surrounding counties to allow us to determine areas where we are not competitive and address them appropriately. A list of development issues and possible solutions was compiled by the local developers and presented to the city and county. KCDC conducts periodic online surveys and on-site visits to better understand the current and projected needs of businesses.

**Actions:**

Research and provide innovative programs to assist in the success of local businesses

**Actions Completed:**

KCDC staff was trained to assist with PPP, EIDL, Main Street and PPP Forgiveness Loan applications. They then assisted local businesses with the application process. We work with the Bluegrass ADD, Bluegrass WIB and Bluegrass State Skills Corporation to provide funding for training of adult workforce for manufacturers and individuals and with the KY Cabinet for Economic Development and KY FAME representatives to promote participation in the FAME program to our local manufacturers. We continue to work with Franklin County Career and Technical College, Bluegrass Community and Technical College and Kentucky Association of Master Contractors on projects to promote technical skills occupations. KCDC began to create a repository of the numerous organizations within the state and region that provide startup and technical assistance to businesses, including classes, one-to-one consulting, and plan preparation. We also acquired access to Gazelle ai

to assist with gaining more meaningful leads in recruiting businesses and SizeUP KY a data market research tool for local businesses.

**Actions:**

Provide easy to obtain and understand information regarding land use, buildings, utilities and zoning regulations

**Actions Completed:**

City and county P&Z officers continue to work to provide information as needed

**Actions:**

Overlay city and county regulations that affect businesses and/or economic development to identify and eliminate contradictions or duplications

**Actions Completed:**

City and county P&Z officers and the P&Z Commission continue to work together to assure conformity and consistency within the regulations.

**Actions:**

Streamline the permit review process

**Actions Completed:**

City and county P&Z officers continue to work together to improve the review process

**Strategies:**

Create a communication network for spreading positive news and events to both existing and prospective residents and businesses

**Actions:**

Develop means to communicate information about community events and ways citizens can get involved in community improvement projects/efforts

**Actions Completed:**

The City of Frankfort's Marketing Action Committee (MAC) was formed to strategize ways to market activities in the community.

**Actions:**

Develop a communication strategy that regularly shares new economic development activities taking place within the community

**Actions Completed:**

The MAC was also formed to strategize ways to market and support positive projects in the community. As part of the initiative KCDC, FPB and DFI began the FrankForward project that provides 6-8 minute recordings to a weekly Around 10 segment on Channel 10 about positive projects happening in the community.

**Strategies:**

Enhance the luster and identity of the community through emphasis on the quality, character and appearance of the built environment.

**Actions:**

Improve the main corridors throughout the city.

**Actions Completed:**

The City of Frankfort continues to plan the redevelopment of the 2<sup>nd</sup> Street corridor and is currently requesting BUILD grant funding to improve the Holmes Street Corridor.

**Actions:**

Boost the availability and attractiveness of common areas (streets, sidewalks, parks, etc.) through improvements in street lighting, landscaping and various other amenities.

**Actions Completed:**

The City continues to sponsor the Neighborhood Revitalization Grant, Community Collaboration Program and Neighborhood Beautification Grants. The responsibilities of the Planning & Zoning Director changed to include a larger focus on community and neighborhood development.

**Strategies:**

Continue an active retention and expansion program among existing industry.

**Actions:**

Maintain the strategy of proactively connecting with existing businesses to understand and respond to their needs.

**Actions Completed:**

KCDC continues to implement a BR&E 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 can help resolve these issues. The President/CEO of KCDC and the County Judge meet with industry representatives regularly as part of the industry retention and expansion program. During the pandemic these visits were done virtually. Most industry have representatives who actively serve 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. This group has representatives from all local industries. KCDC and DFI worked with a network of small businesses to discuss and assist with “re-opening” and broadcast those conversations on numerous social media outlets for use by other businesses.



## **GOAL FOUR**

### **Increase targeted marketing of Frankfort/Franklin County as a desirable place for industrial and commercial location and expansion**

#### **Strategies:**

Continue to promote a marketing plan that focuses on recruitment of new businesses as well as retention and expansion of existing businesses

#### **Actions:**

Identify and act on opportunities for regional marketing

#### **Actions Completed:**

Links are provided from KY United, Bluegrass Alliance and Kentucky Cabinet for Economic Development sites to the KCDC website allowing increased visibility and access; and updated lists of available land and buildings in Franklin County are provided on all sites. KCDC staff holds membership in the KY Association for Economic Development, KY United and Bluegrass Alliance that host consultant visits throughout the world to market our state and our region.

#### **Actions:**

Maintain involvement in Bluegrass Alliance, Kentucky United and Kentucky Association of Economic Development

#### **Actions Completed:**

KCDC is a member of the Bluegrass Alliance, a regional marketing effort that is a joint venture of Scott, Madison, Fayette, Woodford, Jessamine, Bourbon, Clark, Montgomery 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. Staff also holds membership in the Kentucky Association of Economic Development and Kentucky United.

#### **Strategies:**

Promote educational, housing, recreational and entertainment choices in the community to potential and current industries and their employees

#### **Actions:**

Provide up-to-date, professional packets for each visiting prospect and new employees

#### **Actions Completed:**

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.

#### **Actions:**

Provide up-to-date data and community profile online

**Actions Completed:**

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, Statebook and Bluegrass Alliance. All property and community profile information is also provided on Zoomprospector and Statebook and regularly updated by KCDC staff. A building inventory project for downtown buildings was begun by DFI in 2017. KCDC obtained access to Gazelle ai and Size-Up KY to offer data search and comparison opportunities for local economic development partners and businesses. Access to these programs will be available in August 2020.

**Actions:**

Provide regular informational and promotional advertisements and articles about positive developments in the community

**Actions Completed:**

Promotional articles are provided to local and regional media by all partners. FPB, KCDC and DFI host FrankForward, a weekly TV recording that features new, positive projects happening in the community.

**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:**

Complete riverfront development

**Actions:**

Encourage mixed-use development on the riverfront (new hotel, meeting facilities, YMCA)

**Actions Completed:**

KCDC, DFI, Tourism and City and County representatives served on the Development Advisory Committee and Community Engagement Advisory Committee to promote redevelopment of the Capital Plaza Tower and convention center property. KCDC conducted numerous meetings 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. DFI, KCDC and the City continue to work with developers of Parcels B&C and to determine TIF strategies to make the proposed mixed-use project successful.

**Actions:**

Develop a plan to better activate existing riverfront property such as Ann Street River Overlook Deck, Sullivan Garage Upper Level, Blanton Landing, Singing Bridge

**Actions Completed:**

The city is in the feasibility study process of a river walk that will connect retail shops and restaurants to the Kentucky River and will provide recreational opportunities and accessibility this area desperately needs.

**Actions:**

Promote expansion of tourist excursion businesses

**Actions Completed:**

KCDC continues to recruit “river industry” to the area and to meet with local and outside business owners concerning a variety of boat associated venues interested in locating on the river in Frankfort.

**Strategies:**

Encourage local and state governments to expand and improve access throughout the community

**Actions:**

Redesign Broadway/Wilkinson intersection

**Actions Completed:**

**Actions:**

Evaluate alternatives to one-way streets to improve downtown access

**Actions Completed:**

Main and Mero streets have been converted to 2-way. The community continues to study traffic patterns concerning the feasibility of Ann and High Street changes.

**Actions:**

Provide rail right-of-way improvements

**Actions Completed:**

The Downtown Development Strategy includes rail improvements on Broadway, which are included in the TIF Development Plan being negotiated with the developers of Parcels B&C.

**Actions:**

Improve trail connections

**Actions Completed:**

City Public Works and Parks maintain over 88 miles of trails that connect the community for walkers and bikers. They are currently preparing the bid documents for the Pinsky (Thoroughbred) Trail which will connect downtown with KSU and East Main Street. Construction should begin on the trail in spring 2021.

**Actions:**

Develop directional/informational signage and a wayfinding system in downtown.

**Actions Completed:**

The Wayfinding Master Plan was approved by the City Commission and funding was provided through the Transportation Alternatives Program. The city is revising the original plan to include two-way Main and Mero and obtaining engineers' estimates on the signage fabrication and installation.

**Actions:**

Increase access to downtown parking for visitors and residents through innovative public/private partnerships.

**Actions Completed:**

A parking structure was built on Mero Street adjacent to the Mayo-Underwood Building through a P3 project. That parking can be utilized by the public when the state office building is closed. The development plan of Parcels B & C continues to include an additional parking structure with 150 public spaces.

**Strategies:**

Work to increase pride in the attractiveness of the community as a place to visit, shop and live.

**Actions:**

Support neighborhood beautification projects

**Actions Completed:**

City received an \$8M TIGER grant to redevelop the 2<sup>nd</sup> Street corridor and is currently requesting BUILD grant money to prepare for Holmes Street neighborhood revitalization project. City changed the Planning & Zoning Director responsibilities to include a larger focus on community and neighborhood development. City sponsored \$100,000 Downtown Rehabilitation Grant, Neighborhood Revitalization Grant, Community Collaboration Program and Neighborhood Beautification Grants. KCDC and DFI continue to work with city staff to determine solutions for downtown trash receptacle issues.

**Actions:**

Identify possible incentives for property owners to maintain and improve their buildings and grounds

**Actions Completed:**

Downtown Frankfort was designated an Opportunity Zone and a variety of potential 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. We also continue to meet with respective representatives of New Market Tax Credits, Your Kentucky Home Down Payment Assistance Gift Program and Commonwealth Infrastructure Fund to become better informed about all the programs available as we revitalize downtown.

**Actions:**

Encourage/incentivize additional downtown housing

**Actions Completed:**

Data gathering for a housing study has begun. The city/county continue to negotiate Tax Increment Financing for downtown development project that will include additional housing units.

**Actions:**

Expand community events and public art programs that bring citizens together to promote the community to others

**Actions Completed:**

New murals and public art downtown are sponsored by FrankArt and funded by an NEA grant received by the City. Bourbon on the Banks (BOTB) is an annual event sponsored by the BOTB committee and the Summer Concert Series continues to be offered throughout the summer by DFI.

**GOAL SIX**

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

**Strategies:**

Maintain and enhance the financial capacity of the KCDC to fulfill its mission

**Actions Completed:**

KCDC remains financially solvent and have obtained an LBAR grant for \$2,000, each of the last 3 years, to expand the EmpowHER Frankfort program, provide data for a housing study and gather data for the Community Concierge program. Staff continues to provide all audit, loan and grant agreement information to involved parties as required for reporting and monitoring purposes. Staff regularly research interest and investment options and have increased interest income by nearly 40% since 2015. KCDC has completed each fiscal year since 2015 with expenditures below requested budget.

**Strategies:**

Periodically evaluate capacity and talents of staff to assist KCDC in fulfilling its mission

**Actions Completed:**

KCDC staff currently works extensive overtime to assure our projects are completed timely. Any additional responsibilities for KCDC will require additional staff, thus additional funding. Due to funding cuts, we had to dismiss one part-time administrative assistant in June 2020. This leaves only one full-time and one part-time staff person. This cut in staff

resulted in cutting a number of services including the housing study, local and regional job listings updates, COVID-19 resources updates, and social media campaign.

**Strategies:**

Periodically evaluate Board structure and policies for effectiveness in fulfilling its mission

**Actions Completed:**

A review of the KCDC by-laws, including board structure and function, is done annually, and are determined to be effective. Updates to the Strategic Plan were made and approved in 2019. Staff makes monthly and annual reports to board members and local elected officials.