

2020-21 BOARD REPORT



Kentucky
Capital
Development
Corporation

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

Clay Patrick, Chairman

Zachary Horn, Secretary/Treasurer

Heather Worthington

Sam Amburgey

Danny Willis

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 FY2020-21 Annual Report. I am proud of the work KCDC has done to bring in new investment; assist existing business and industry; and add jobs to Frankfort/Franklin County, all while continuing to address the business community's needs as they try to pull out of a pandemic.

Throughout the past year the KCDC team remained focused on assisting businesses of all sizes through the "reopening" process while continuing to tell the good news stories about progress being made. We have provided business-led, nonpartisan solutions to unprecedented problems that put the interests of the local employers first.

And while supporting existing businesses was top priority, staff also assisted new projects such as LSUS, Proclivity, Alpha Medical Properties and Tone which will create nearly 200 additional jobs for our community with an over \$60M investment.

With scarcity of resources and lack of funding, the KCDC team has committed a great deal of time applying for numerous funding opportunities through the EDA and other sources interested in investing in a bottom-up local recovery strategy. If received, this funding will leverage private investment and help create and recover jobs in advanced manufacturing, technology, and skilled trades; increase exports; and attract more investment that helps our local businesses build product here and sell it elsewhere.

We continued to collect data related to COVID, housing, tax structures, demographics, jobs, and investment, which will enable us to act strategically in our future planning, because the work of our team is never confined to what the community needs today, but rather what we will need for the next decade.

Our research and advocacy agenda remains focused on identifying public policies that foster prosperity. Staff continues to participate in meetings and briefings on issues such as immigration, higher education, corporate income tax, regulations, and licensing.

KCDC developed a social media initiative that highlights local businesses and industries to thousands of users throughout the world. We formed a group of business champions, called the digital army that shares posts, events, podcasts, TV programs, and activities to drive the message of the initiative forward.

And despite a pandemic, 2020-21 was a year of significant growth for our community and organization and I'm excited to see what the upcoming year has in store for Frankfort, Kentucky. The KCDC board is made up of business professionals committed to serving our community and I am proud to serve with such a dedicated group of volunteers.

Clay Patrick
Chairman

ABOUT FRANKFORT/FRANKLIN COUNTY



The preliminary average weekly wage for Franklin County, Kentucky was \$860, up from \$854 in 2019-20. This is equivalent to \$21.50 per hour or \$44,720 per year, assuming a 40-hour week worked the year around.

A year ago the labor force was 24,445, of which 22,704 were employed and 2,741 were not. The unemployment rate was 10.8%.

Currently the total civilian preliminary labor force (not seasonally adjusted and not fully reflecting the data for the 1-2nd Quarter of 2021) for Franklin County is 24,107 of which 22,859 are employed and 1,284 are unemployed. The unemployment rate is 5.2% which is above the Kentucky average of 4.5%.

How we compare

	2020	2021	Kentucky
Average Annual Wage**	\$42,068	\$44,720	\$49,036
Civilian Labor Force*	24,445	24,107	
Number Employed*	22,704	22,859	
Number Unemployed*	2,741	1,284	
Unemployment Rate*	10.8%	5.2%	4.5%
Median Household Income***	\$55,068	\$56,274	\$50,589
Median Property Value***	\$139,300	\$142,900	\$141,000
Median Property Taxes****	\$1,150	\$1,110	\$843

*Bureau of Labor Statistics (June 2021) <https://www.bls.gov/web/metro/laucntycur14.txt>

**Bureau of Labor Statistics (March 20) https://www.bls.gov/regions/southeast/news-release/countyemploymentandwages_kentucky.htm#table2

***Census.gov (July 2019) (<https://www.census.gov/quickfacts/fact/table/franklincountykentucky/frankfortcitykentucky/PST045219>)

**** Taxrates.org (July 2021) <http://www.tax-rates.org/kentucky/property-tax>

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.

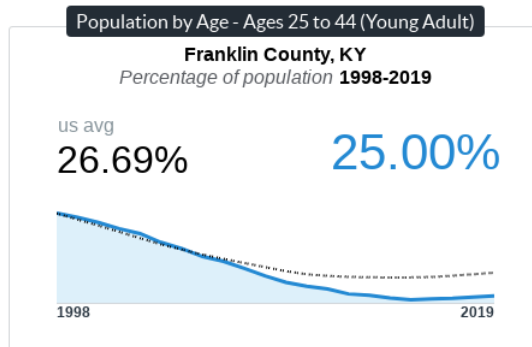
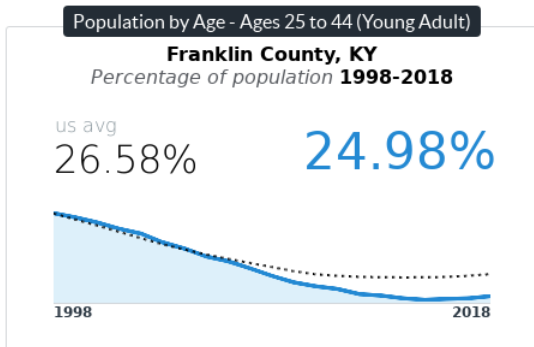
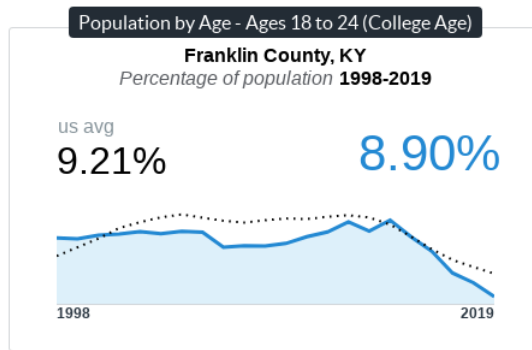
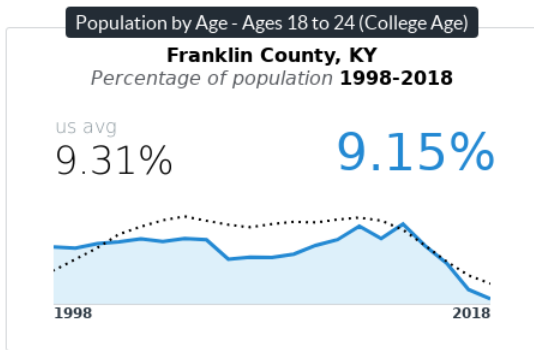
	Frankfort 2020-21	Franklin County 2020-21
Total Business Establishments	1,269	1,931
Total Employees*	26,103	34,592
Unemployment Rate*	5.3%	5.38%
Population	25,912	51,578
Median Age	37.91	40.3
Population Growth Since 2019-20	-1746	+981
Average Household Income	NA	\$75,247
Labor Force	13,628	24,107

Employed	13,127	23,611
Unemployed	477(3.5%)	1,343 (5.38%)
Not in Labor Force	7,675	17,305
Dwellings	12,452	23,426
Occupied	11,804(94.8%)	21,977 (93.81%)
Owner Occupied	6,093 (51.62%)	13,996 (63.68%)
Renter Occupied	5,711 (48.38%)	7,981 (36.32%)
Educational Attainment		
High School	5,025 (28.24%)	11,456 (31.51%)
Some College	4,086 (22.96%)	7,470 (20.55%)
Associate Degree	1,061 (5.96%)	2,461 (6.77%)
Bachelor's Degree	3,744 (21.04%)	6,990 (19.22%)
Graduate Degree	1,909 (10.73%)	4,251 (11.69%)

Kentucky Cabinet for Economic Development (2021) <http://www.selectkentucky.com/compare-communities.html>

All demographics data in the above chart pertains to people living in Frankfort/Franklin County, regardless of where they work. All workforce data* relates to people working in Frankfort/Franklin County, no matter where they live.

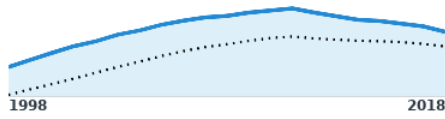
Population



Population by Age - Ages 45 to 64 (Older Adult)

Franklin County, KY
Percentage of population 1998-2018

us avg
25.65% **27.03%**



Population by Age - Ages 45 to 64 (Older Adult)

Franklin County, KY
Percentage of population 1998-2019

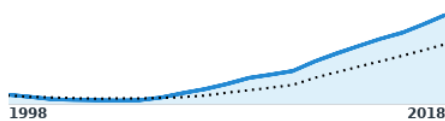
us avg
25.38% **26.95%**



Population by Age - Ages 65 and Older (Older Adult)

Franklin County, KY
Percentage of population 1998-2018

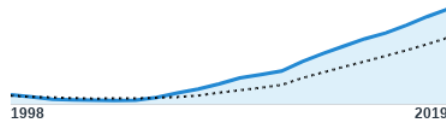
us avg
16.03% **18.00%**



Population by Age - Ages 65 and Older (Older Adult)

Franklin County, KY
Percentage of population 1998-2019

us avg
16.47% **18.40%**



Total Population Growth

Franklin County, KY
1998-2018

growth rate
0.39% **38 rank** **50,815**



Total Population Growth

Franklin County, KY
1998-2019

growth rate
0.39% **38 rank** **50,991**



Young Adult Population Growth

Franklin County, KY
1998-2018

growth rate
-0.69% **47 rank** **12,694**



Young Adult Population Growth

Franklin County, KY
1998-2019

growth rate
-0.64% **49 rank** **12,747**

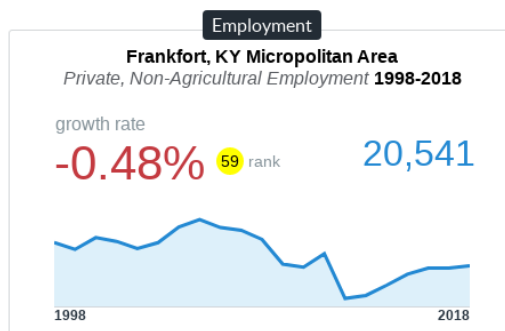
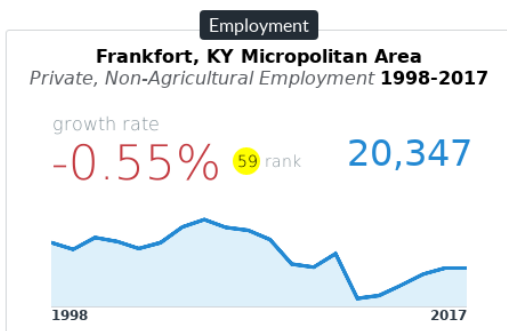
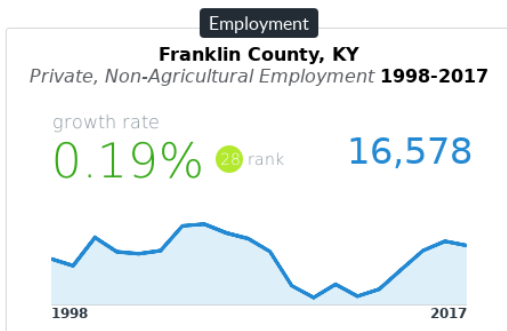


(Harvard School/U.S. Economic Development Administration – US Cluster Mapping Project’s Region Dashboard)

According to the data above, the age distribution of Franklin County reflects a larger portion of older adults age 65+ (18.40%) than the national average of 16.47%. Frankfort and Franklin County have older populations and they are getting older, with the portion of population 65 or older increasing annually. In addition, this data reflects the continued trend of slow/stagnant overall population growth (.39%) and the steady decline in the young adult population (-.64%) in Frankfort/Franklin County during the past 20 years.

The larger portions of older people negatively impact our economy as it results in a smaller population of working-age people and less production per worker (According to separate studies done by a team of researchers at the RAND Corporation and the International Monetary Fund, older workers are less productive.), as reflected in the continual decline of workforce-aged population (24-64 year olds). Fewer workers and less production means a loss of economic output, lower GDP and less tax revenue likely resulting in fewer services and/or tax rate increases.

Employment



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

Employment in all private sector, non-agricultural industries has risen .26% annually over the past two decades in Franklin County while it has decreased .48% in the Frankfort Micropolitan area (which includes Anderson County). And manufacturing jobs remain at just over 9% of all jobs in Franklin County, which is lower than in 1998, but much greater than it was a decade ago.

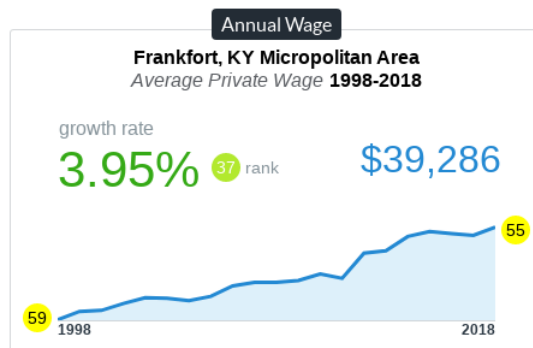
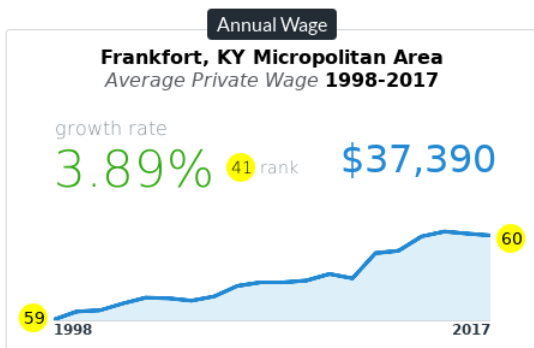
It is important to remember that “job creation” doesn’t precede economic improvement. First there must be a demand that occurs prior to the existence of the job itself. Once the demand exists, jobs are created as a result of good economic policies that ensure a prosperous working class and thus, economic 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.

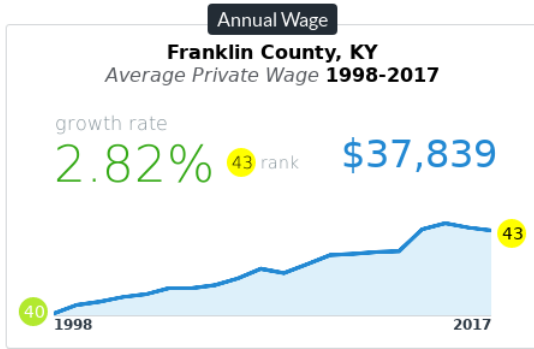
Community Health

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 helps accrue tax revenue for various community programs. This in turn reduces the need for social benefits.

Community revitalization due to an influx of well-employed and higher earning residents can lead to 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.

Wages





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

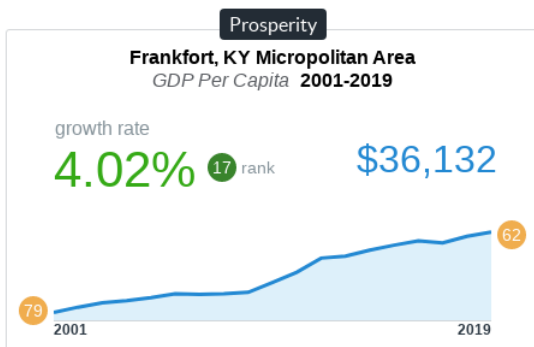
Since 1998, average private wages have risen in the Micropolitan Area, up 3.95% annually, from \$18,119 to \$39,286. In Franklin County private wages also have risen over the past two decades, but at a slower rate of 2.92%, from \$22,317 to \$39,664. However, both still remain well below the state average of \$49,036. When non-private wages are included in the average, the annual income is raised to \$44,720, 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 \$23,100 in Franklin County. This is 74.1% below the US Average of \$88,874 according to talent.com, the world’s third-largest source of job candidate traffic.

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. With the recent resurgence of the pandemic that recovery may be delayed further.

These recent job losses will likely drive up the average annual wage within our community over the next several years, but short term, have resulted in a massive shortage of workforce in every industry, which is evident from the limited operating hours being displayed in those industry sectors and more than 1,000 job openings that cannot be filled.

Gross Domestic Product (GDP)



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 4.02% since 2001, we saw similar results in Franklin County, growing 4.24% from 2001-2019.

However, we will likely see that number remain steady or decline as we continue to lose state government jobs and suffer from lack of land and building availability that promote other types of employment growth.

Long-term economic growth requires an increase in the long-run aggregate supply as well as the aggregate demand. To maintain a 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 (i.e., tax breaks, better roads, available land, 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

Franklin County

2020-21 - \$4,471,218
2019-20 - \$4,772,164
2018-19 - \$4,625,147
2017-18 - \$4,624,357
2016-17 - \$4,341,338
2015 – 16 - \$3,897,633
2014 - 15 – \$3,566,977
2013- 14 - \$3,441,376

City of Frankfort

2020-21 - \$18,882,911
2019-20 - \$20,739,737
2018-19 - \$20,325,877
2017-18- \$20,580,892
2016-17 - \$20,807,000
2015 – 16 - \$20,577,000
2014 - 15 - \$20,211,100
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 businesses closed during the economic crisis and the amount of occupational tax revenue generated from state government workers plummeted.

As seen below, this trend of private sector growth and government decline continued into 2021 as the pandemic loomed and teleworking continued to be encouraged by the Commonwealth. With 48.5% (13,958) of all jobs in Frankfort being included in the Government Sector, it will take a vast increase in private sector job creation to compensate for the loss in tax revenue.

City of Frankfort	State Gov't OT Revenue	Private OT Revenue
FY 2019-2020	\$7,750,007	\$12,989,730
FY 2020-21	<u>\$4,895,600</u>	<u>\$13,987,311</u>
	-\$2,854,407	\$997,581

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. Education and government spending is based on the fact that people and businesses prefer to locate in areas with quality 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 they might get elsewhere. However, during this time of jobs and tax revenue loss, adequate funding will come at a cost—in particular, a cost in the form of taxes.

But higher taxes reduces the amount of money consumers have to spend on other items, thus cutting business profits, limiting land usage, reducing retail sales, lowering the demand for goods and services, and decreasing the level of employment.

Occupational tax lost at both the local and state levels due to the pandemic 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.

These negative effects can be avoided by new job creation – replacing the jobs and tax revenue lost with new ones – and new jobs can only be created when communities provide a qualified workforce; adequate infrastructure; quality of life; available land and buildings; and reduced regulatory barriers.

SUCCESS STORIES

- Racetrac, a family-owned, Atlanta-based company, announced the Frankfort opening of its second travel center in Kentucky.
- Locals Food Hub and Pizza Pub received a \$200,000 KCDC Revolving Loan Fund Loan to open a facility at 863 Wilkinson Boulevard, where they feature Kentucky farm fresh and artisan foods and the area's only locally sourced wood-fired pizza menu and seven-day-a-week local grocery shopping experience.
- Tone Americas, Inc., an Atlanta-based company that manufactures a variety of advanced, full-featured hand and power torque tools announced a new location in Industrial Park #1.
- Topy America completed a \$38M renovation of its Frankfort facility which included a new state-of-the-art automated steel wheel assembly line, an additional painting line and two center-disc line enhancements, as well as lighting and climate control upgrades.
- Buffalo Trace Distillery has been busy on a number of fronts. In 2020-21, in addition to hosting more than 235,000 visitors amid a pandemic, they built a new still house; added eight fermenters and three barrel warehouses; broke ground on a \$40 million wastewater treatment facility; and began converting one of their oldest aging barrel warehouses to a new dry house, building two additional barrel warehouses, and adding a new cooling system. This is part of a \$1.2 billion investment the company began in 2019 that will allow them to double their production capacity.
- The Recon Group, an electronic equipment repair and services group, completed an expansion and creation of 90 new jobs at their facility.
- Montaplast, a German-based manufacturer of high-quality, automobile, plastic parts announced an expansion and creation of 100 new jobs at their facility located in Industrial Park #2.
- Bond/Anderson Developers announced the development of a vacation rental facility on the riverfront that will allow guests and locals to board their pets while visiting community venues.
- Local developers obtained approval to receive Ky Tourism Development Incentive Program funds to develop a bourbon-centric, boutique hotel, bar and restaurant in downtown Frankfort.

- The Parcels B&C Project received TIF funding approval from the City and County for development of a \$86M mixed-use property in downtown Frankfort. The city is completing requirements of the transportation grant program that will provide funding for a parking/transportation facility that will be part of that development. Once that funding is acquired, development will begin.
- Ben and Melinda Hardin, developers from neighboring Shelby County, began renovation of the Mason-Hogue building that, when completed, will be a mixed-use retail/vacation rental operation.
- An Entertainment Destination Center, the MIX District, was established in downtown Frankfort that will strengthen existing businesses and attract new ones by allowing customers to take to-go alcoholic drinks from participating businesses to stroll the streets of downtown, visit other participating businesses and partake in outdoor events.
- The Frankfort Regional Medical Center was named top achiever in Healthgrades' 2021 Patient Safety Excellent Award, placing it among the top 10% nationwide.
- Crumbaugh Properties began renovation of the old Marcus Furniture Store and neighboring property into a future restaurant, bar and short-term vacation rentals.
- Owners of the Brick Alley, located on St. Clair St., have nearly completed construction of their addition, the Patio Pub, an indoor/outdoor patio offering 11 new beers and ciders on tap.
- Mortimer Bibbs Public House brought a taste of Ireland to downtown Frankfort with food to order and a large menu of Irish Whiskeys, Scotches, Kentucky Bourbons and Craft Beers.
- The Cooperage Bar, an upscale bar in the heart of downtown Frankfort, opened on Broadway, offering patrons a variety of beers, bourbons and specialty drinks as well as a place to play pool or throw darts.
- LSUS, an independent, locally-owned and operated retail chain of spirits, wine, beer and cigars contracted with KCDC for office space in Frankfort, as they prepare to open a retail store here. The company has been acquired by Gopuff, a national food and consumer products delivery service company, and they continue to make preparations to become a member of our business community.
- The Sower family began renovations on their property on Bridge Street which will soon be the home of professional office space as well as additional retail, commercial space.

- Bill Cull and Joe Johnson are renovating the Old Firehouse in downtown Frankfort where we continue to recruit a coffee shop or similar business that will indulge downtown visitors as well as guests at The Grande.
- Candleberry Candle Company was approved for Kentucky Enterprise Initiative Act (KEIA) funding of a \$3.4M expansion and is currently working with KCDC on land easements necessary for the project completion.
- Proclivity Senior Living announced a 26-acre, 120-unit senior living facility that will provide approximately 75 new jobs with an investment of nearly \$45M. They will break ground on this project in late 2021.
- Alpha Medical Properties, LLC announced the development of a \$10M juvenile residential treatment facility that will offer psychiatric, behavioral and substance abuse treatment services to its residents and create approximately 70 new jobs in Franklin County.
- Capital Escape and Axe Throwing opened on Myrtle Avenue, offering patrons an escape room experience along with four lanes for axe throwing.
- Jim Beam was busy this year, achieving a production milestone by filling 1 million barrels during the pandemic, despite disruptions and new protocols to protect employees. In addition they removed the Elkhorn Creek Dam, which was a safety hazard to canoers and kayakers. The removal will allow travelers expanded ability to boat Elkhorn Creek while supporting overall improvement to water quality and wildlife habitats.
- Craft distillery Castle & Key, which completed a \$6.5 million renovation of the property in 2019, launched its long-awaited Restoration Rye Whiskey. Batch 1&2 arrived on the shelves in Kentucky in time for Christmas 2020.
- Bluegrass State Skills Training Grants for nearly \$25,000 were approved through the Kentucky Economic Development Finance Authority (KEDFA) and leveraged by local businesses to train employees.
- Campbell Enterprise opened a new store in downtown Frankfort that offers a diverse range of items including CBD products, hemp and screen printing and tie-dye services.
- Rebecca Ruth Candies completed an expansion of new sewer and supply lines and began a building addition at their downtown Frankfort location, adding 5 new jobs. They will continue this expansion into the new fiscal year and add 5 additional jobs upon completion.

- KCDC was recognized as Most Outstanding Economic Development Agency in the Southeast United States as part of the 2021 Global Excellence Awards published by Acquisition International magazine.
- Walter Zausch, Ross and Heather Caldwell and Three Boys Farm Distillery were recognized by Senator Rand Paul and the U.S. Senate Committee on Small Business and Entrepreneurship as an outstanding Kentucky small business that exemplifies the American entrepreneurial spirit.

BUSINESS RECRUITMENT

Again in 2020-21, a wide range of manufacturing, professional services and food/beverage projects dominated the local economic development activities. During the fiscal year, KCDC staff actively worked 80 projects. Seventeen of those projects announced, while 23 are still active. Forty were closed during the same time – 22 because there were no available land or buildings.

Throughout 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.

We also began using a number of online tools to assist in lead generation and data analysis. Gazelle.ai software helps us generate and engage with more meaningful leads by leveraging 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. SizeUp Kentucky is an online tool designed to help potential or existing businesses grow by making smarter decisions using data analysis. It allows us to better serve our local businesses by providing highly specific data about revenues, salaries, health insurance costs, suppliers and competitors.

Lastly, due to lack of land and buildings, our strategy recognized the need to reutilize empty professional office buildings and supplement job recruitment with incubators and small business development programs to help new and emerging businesses. Through our Revolving Loan Fund, the Business Resiliency Loan Fund and partnership with the Small Business Development Center we promote entrepreneurship, small business growth, and the local economy by providing critical funding, assistance locating affordable start-up space, training on business fundamentals, training and coaching services, and networking opportunities. Through the city’s Brownfields Grant we have worked with consultants to identify empty buildings and determine ways to repurpose those properties.

WORKFORCE RECRUITMENT

As the job market began to try to recover, and as safety restrictions allowed, KCDC continued its 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 from any future crisis and the inadequate availability of land and buildings.

However, as recovery progressed we realized our marketing strategies were better focused on talent recruitment. As of the end of fiscal year 2021, the U.S. Department of Labor reported that there are 9.3 million jobs available. That is the highest total on record by over 2 million. At that same time, KCDC gathered a list of 1,079 open positions in Franklin County that employers were struggling to fill.

The lack of workforce is caused by a number of reasons: massive cuts in immigration, lack of child/elderly care, all-time low population and fertility rates, unemployment benefits that are greater than salaries and COVID-19 fears, thus there is no single remedy and no quick fix.

At a time when we are seeking a new approach to economic development that responds to the workforce shortage; changing markets; lack of available industrial land and buildings; 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 workforce recruitment.

By working with partners to support ongoing projects such as the development of Parcels B&C, the Downtown Development Strategy; City Transit Center and Parking Structure; Blanton's Landing, Simon Warehouse, the Old Marcus Building, Mason Hogue Building, 300 Washington Street, Glen Willis, the Community Arts Plan; the City and County Parks Plans; Convention Center Study and Meeting Space Strategy; wayfinding signage and public restrooms we can catalyze new investment, job creation and economic activity by creating attractive, functional and enjoyable spaces where people want to live.

In an added effort to recruit workforce we applied for a number of grants that would underwrite the Think Frankfort First initiative, which includes youth development programs, training and apprenticeship programs and an opportunity for residents of Frankfort and Franklin County of diverse background, ethnicity, industry, and interests to help ease new residents' transitions into our community. The program 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 strategy will attract qualified talent to fill existing 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 Franklin County.

As part of this program, KCDC began grant application for HVAC and Plumbing training/apprenticeship programs; Women in Non-Traditional Jobs Training and advanced to the second round for nearly \$475,000 in Appropriations Funding for cybersecurity and IT sectors training. These initiatives will support training low-income individuals, particularly minorities and women. The training and future employment of the participants will help the region and our community to alleviate poverty, build the middle class and overcome racial economic inequality.

We also applied for a \$15,000 grant to fund a community wide housing assessment. In preparation for that assessment, staff continued to gather housing and demographic data that will be used for the assessment and a subsequent Housing Development Strategy that can be used to successfully develop all levels of housing in the community to meet the determined demand.

In an effort to recruit a diverse group of educators in the Commonwealth, KCDC President/CEO serves on the Kentucky Educator Workforce and Diversity Committee. This committee, chaired by Lieutenant Governor Jacqueline Coleman, seeks to improve the classroom experiences of all students by recruiting a more diverse teacher and administrator workforce and providing them quality preparation for their success.

And as part of our workforce attraction efforts, we partnered with RoleCall, a revolutionary talent attraction consultant who helps us capture and convert our leads into new residents through pipeline management, lead nurturing, graduate retention programs and targeted talent attraction.

These initiatives 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.

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 FY2020-21 this program 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 – the largest being lack of workforce. Additionally, working with existing customers is ten times more cost effective than continuously cultivating new ones. This strategy continues to be successful in Franklin

County, as more than 80% of net new jobs and capital investment are generated by existing businesses.

The BR&E strategy is 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.

With reduced staff, the program targets are limited to at-risk businesses, living-wage businesses, medium- to large-sized businesses, businesses located in downtown Frankfort, and businesses in industries anticipating expansion or attraction. We recently engaged Blutot, a business retention platform that provides reporting, direct communication and analytics that empower business engagement, give residents and visitors a one-stop place to see what the community has to offer and incentivizes customers to shop at our local businesses. (Staff will begin training in August 2021). And we continued to provide free access and training to local businesses on SizeUp KY a business intelligence and market research tool that helps businesses increase customer engagement. By using these platforms we can better scale our impact and serve the thousands of businesses in our community.

In a normal environment, the business retention strategy involves regular meetings 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/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 continue virtual visits with target businesses. These virtual visits allowed 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 were sent to targeted businesses in the community and consisted of key questions that measure the company's health and happiness in Frankfort and surrounding Franklin County. The surveys served 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 has begun to create a repository of the numerous organizations within the state and region that provide startup, financial and technical assistance to businesses, including classes, one-to-one consulting, funding resources and plan preparation. This directory, 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 (requiring additional funding), the repository will also have an outreach function to market services and other business assistance organizations and host 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 daily social media posts, Paycheck Protection Program (PPP) loan and loan forgiveness assistance, Business Resiliency Fund Loans, and hosting virtual job fairs.

And while we recognize the importance of spending time and effort on all of these business assistance initiatives, we also believe strongly in thanking our local employers for the many benefits they provide to the community. The Frankfort: It Grows on You project provides daily posts acknowledging local businesses/industries and their contribution to Frankfort/Franklin County. And staff began planning, with partners at Independence Bank and the Bim Group, the Annual Employer Appreciation Event and Golf Scramble to be held in September 2021.

PUBLIC POLICY

With projects ranging from industry expansions, park plan development, public safety, infrastructure upgrades, downtown development, workforce training programs and downtown festival lighting, 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, the Chamber of Commerce, local businesses and KCDC, continued to help influence policies that impact Frankfort and Franklin County and seek funding to help leverage local resources. While unable to travel to Washington D.C. during the fiscal year, we remained active through emails, letter writing campaigns and virtual visits.

KCDC applied for numerous federal funding opportunities for workforce development programs, and with a referral from Congressman Barr, we continued to advance our request for approximately \$475,000 of appropriations funding for a technology/cybersecurity training initiative.

KCDC President/CEO continued to serve on the Central Kentucky Public Policy committee to work with regional businesses to prepare a list of Federal Priorities and COVID priorities that we presented to our Congressional Delegation.

Federal advocacy efforts include: Continue to support investment in transportation infrastructure; broadband access; Kentucky signature industries (bourbon, equine, tourism, hemp production); lowering cost of health insurance for employers and employees; curbing the drug epidemic through prevention, treatment and criminal justice reform; low-cost, reliable energy; Higher Education Act Reauthorization; regulatory reform; open trade policies; comprehensive immigration reform that modernizes the guest worker program; and continuation of the federal workforce investment programs.

COVID Specific efforts include: Continue to support legal liability protections for businesses, schools and local governments; small business relief programs; tying federal weekly enhanced unemployment benefit to encourage returning to work; federal aid for UI Trust Funds; investment in broadband access; aid for critical infrastructure recovery for airlines and other tourism related businesses; investment in public health; and investment in education and workforce development programs.

The President/CEO also continued to serve on the National Small Business Association (NSBA) Leadership Council which is a non-partisan, grassroots network that advocates Federal legislators concerning small business issues. This group has similar policy priorities which include: healthcare, tax reform, workforce, deficit reduction and entitlement reform, cybersecurity and financial protection, immigration reform, data privacy regulations, access to credit, and regulatory reform.

In an effort to address these issues she met with:

- Bharat Ramamurti, Deputy Director of the National Economic Council and Zach Butterworth, White House Director of Private Sector Engagement to discuss ways COVID recovery funds will assist small businesses in our community.
- Andy Slavitt, Senior Advisor to the White House COVID-19 Response Team and Tom West, Deputy Assistant Secretary for Domestic Business Tax and Helen Morrison, Deputy Benefits Tax Counsel, both of the U.S. Office of Tax Policy, concerning the new paid leave tax credit and the mechanics of how that will work for our local employers.
- Administrator Isabella Casillas Guzman of the U.S. Small Business Administration and Bharat Ramamurti, Deputy Director of the National Economic Council for an update on the state of the economy and to discuss the American Jobs Plan and the American Families Plan and what they mean for local businesses
- Congressman Peter Welch (VT) to discuss the rising costs of healthcare and how it is slowing small business growth. Reviewed a recent survey by Small Business for

America's Future, of small business owners regarding their opinions toward healthcare and prescription drugs for employees.

- Vice President Kamala Harris and U.S. Small Business Administrator Isabella Guzman to discuss new programs offered for business recovery (Community Navigator Pilot Program, Lender Match, Shutter Venue Operators Grant), recent policy announcements of the Biden-Harris Administration, and how local business agencies can be a vaccine leader in our community.

The President/CEO also serves on the NSBA taxation committee where they spent much discussion on the negative effects of the imposed capital gains tax within the American Jobs Act and what effects it would have on local businesses. They also began to advocate the removal of double taxing at the death of a small family-business owner to avoid the business from having to liquidate assets or lay off employees to cover the tax burden.

During the Kentucky Legislative Session, 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 local breweries to sell packaged liquor that is co-branded by them, without a package quota license. While we obtained sponsors for the bill during the 2021 legislative session, due to time restraints placed on the legislature because of the pandemic guidelines, the bill did not make it out of committee. We will work with State Senators Hornback, Schickel and Graham, to support that amendment in the 2022 session.

KCDC representatives also met with Senators Robert Stivers and Chris McDaniel and Representative David Osbourne to discuss business priorities for the 2021 session; Representative Sal Santori, to support Transportation Investment and Gas Tax; Representative Matt Koch, to discuss Historic Horseracing legislation; and Rocky Adkins, to discuss the Governor's plans related to job growth and business in the 2021 session. Staff also participated in the Frankfort/Franklin County Virtual Day at the Capitol and the Kentucky Chamber of Commerce Legislative Event.

Leadership staff of KCDC continued to serve on the Kentucky Association of Economic Development Public Policy Committee, Frankfort Area Chamber of Commerce Governmental Affairs Committee and Central Kentucky Public Policy Committee and to provide updates and host regular meetings with staff of senators McConnell and Paul and Congressman Andy Barr to ensure they are aware of all development projects, as well as federal funding requests we have made for those projects.

DOWNTOWN DEVELOPMENT

In downtown Frankfort, East Main Street construction was completed while the redevelopment of the Second Street Corridor, with the assistance of a Transportation Investment Generating Economic Recovery (TIGER) Grant, is in full swing.

Main Street was converted back to 2-way. The Blanton's Landing Feasibility Study and the Downtown Parking Study have been completed and will be presented to the Board of Commissioners later in 2021 and the Pinsky (Thorobred) Trail is scheduled to open in mid-September, connecting downtown to the KSU campus and East Main.

The Wayfinding Master Plan has been approved by the Commission and new signage has been funded by the Transportation Alternatives Program (TAP). 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.

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

KCDC arranged a visit to Mt. Sterling to meet with their Public Works director and Downtown Committee Chair to see and discuss their festival lighting; the logistics of purchasing and installation; and their ideas for funding our project.

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.

New Frankfort Development, LLC continued with their plans for a nearly \$86M development on 12 acres in the heart of downtown Frankfort. The proposal includes 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 (TIF), which is currently being negotiated to benefit both the project and the community.

The Mason-Hogue Building experienced a beautiful façade renovation which was followed by the restoration of the interior. Upon completion, the building will be a mixed-use project with high-end vacation rental properties on the two upper floors and commercial/retail space on street level. And the Old Simon Warehouse on Broadway is in the midst of renovation to house a boutique hotel, restaurant and bar.

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 completed their renovation and expansion of the

Patio Pub. Across the street owners completed the renovation of 330 St. Clair, which now houses Mortimer Bibb's Irish Pub; and just around the corner the Cooperage Bar opened for business.

In the heart of downtown, the 2020 Summer Concert Series was canceled due to pandemic restrictions, as was the annual Bourbon on the Banks festival. Both events are scheduled to resume during FY2021-22 and preparations are under way.

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 are abuzz with workers, residents, and visitors. And restaurants, concerts, street markets, and cultural events fill the streets again.

COVID-19 RESPONSE

KCDC continued to send regular updates to businesses concerning programs to assist with COVID-19 including grants; loans; technical assistance; local, state and federal programs; free webinars and other trainings. Staff attended training, and then assisted local small businesses with SBA Loan applications including: Economic Injury Disaster Loan (EIDL); Paycheck Protection Program (PPP); City and County Business Assistance Grants; and Main Street, Business Resiliency 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 the 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 to 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 ascertain. KCDC 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. We continued to work with the health department and local manufacturers to get COVID vaccines administered at the worksite; assisted Bluegrass ADD with a list of potential drive-through sites for the region and worked with the Commonwealth of KY, the City/County and a local developer to provide a temporary facility to host a regional vaccine site.

Staff also participated in a number of virtual training experiences addressing business issues during COVID 19 which included *New Workforce Normal After COVID-19; How to Boost Economic Recovery Through Entrepreneurship; How is COVID-19 Impacting Real Estate and Site Selection; Virtual Site Visit Training with GLS; Kentucky Economic Recovery and Resilience Project Internal Launch; The New Reality of Economic Development; Digital Marketing During COVID-19; Strategy for Survival: Using the New Bankruptcy Law to Save Your Business; Making the Most of Email and*

Digital Marketing; Marketing in a Post-COVID World; Marketing Your Community Pre & Post COVID; Workforce Sourcing Solutions to Attract & Retain Candidates During a Pandemic and Beyond; Economic Recovery & Resilience Project; How Economic Developers Can Assist in COVID Recovery; Eligible and Innovative Uses of the American Rescue Plan; and Business Attraction Strategies to Reboot Efforts Post-COVID.

KCDC representatives also attended numerous meetings to discuss potential federal COVID relief programs with Administrator Isabella Casillas Guzman of the U.S. Small Business Administration; Bharat Ramamurti, Deputy Director of the National Economic Council; Zach Butterworth, White House Director of Private Sector Engagement; Congressman Peter Welch (VT) and Vice President Harris. And they participated in the Small Business Administration (SBA) & Public Private Strategies Institute (PPSI) *Getting Back on Tract* training series.

OUTREACH

The Kentucky Capital Development Corporation highlights Franklin County through local and national events, activities and sponsorships. In FY2020/21, the KCDC staff:

Organized/Hosted Franklin County Industrial Development Authority meetings, meetings of local developers and realtors; downtown trash working group; downtown festival lighting working group; Community Concierge/Think Frankfort First planning group; local industry virtual meetings; meetings with local banks; EmpowHER Frankfort events; KY Utilities/LG&E; Tennessee Valley Authority; Gray Construction; SBDC leadership team; Bourbon on the Banks event meetings; Annual Employer Appreciation Event; and Proclivity Team monthly meeting

Partnered in/Served on community assessment team for Muhlenberg and Shelby counties; Central Kentucky State and Federal Legislative Strategy group; Bluegrass Alliance; Bluegrass Area Development Economic Development Advisory Committee; KCDC Board of Directors and Executive Committee; Kentucky Association of Economic Development (KAED) Foundation Board of Directors Executive Committee; National Small Business Association Leadership Council; City of Frankfort Marketing Action Committee; Downtown Frankfort Inc. (DFI) 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; Downtown Reinvestment Grant Committee; Bourbon Strategies Committee; Bourbon on the Banks Committee; KAED Scholarship Committee; Regional Development and Public Policy Summit Planning Committee; KAED Annual Awards Committee; Kentucky Educator Workforce and Diversity Committee, Regional Economic Plan Leadership Steering Committee, Frankfort HS Leadership Forum Development Team, Bluegrass Community & Technical College Regional Opportunity Council (ROC); Frankfort, KY – It Grows on You and Grow Green Committees; Entertainment Destination Center working group; Downtown Festival Lighting work group; Franklin County Small Business Grant Committee; EmpowHER Frankfort Committee; Frankfort Chamber of Commerce Education and Governmental

Affairs Committees; Frankfort Leads; Franklin County Industrial Development Authority Board of Directors; KAED Education Planning Committee; KAED Foundation Marketing and Membership Committee; KAED Public Policy Committee and NSBA Taxation Committee

Presented to the Commerce Lexington Regional Public Policy Committee; Frankfort Area Chamber of Commerce Board of Directors; Leadership Frankfort; Leadership Lexington; Central Kentucky Leadership Group; and Frankfort Area Chamber of Commerce Young Professionals

Participated in/Attended/ Met with Ajit Pai, Federal Communications Commission Chairman; Aldona Vallicenti, CIO LFUCG; Alicia Harnois; Amy Wickliffe, McCarthy Strategic Solutions; Andy Slavitt, Senior Advisor to the White House COVID-19 Response Team; Appalachian Regional Commission; Barry Alberts, The Weyland Group; Beer Distributors Association; Ben Gellig; Ben Hardin; Beth Carter; Beth Land, VP Site Selection Group; Bharat Ramamurti, Deputy Director of the National Economic Council; BJ, White, Kentucky Association of Counties; Blanton's Landing Stakeholders; Commerce Lexington; Bluegrass WIB; Bourbon on the Banks Board of Directors; Brent Renfroe, Sr, Advantage Kentucky Alliance; Briggs Cochran and Jamey Bennett, Bim Group;

City of Frankfort Board of Commission; City of Frankfort parks staff and consultants; City of Frankfort staff; Congressman Peter Welch; Congressmen Andy Barr and Brett Guthrie; Craig Blanton; Crystal Capps, Par 4 Plastics; Crystal Morphis, Creative Economic Development Consulting; David Harrod; David Stipes, Richmond IDA; Gabe Nickell, Department of Local Government; Dia Davidson, WLEX-TV; Diane Strong; Didi Caldwell, Tess Fay and Andrew Ratchford, Global Location Strategies; Downtown Merchants Association; Dr. Allison Davis, CEDIK; Ebonie Edwards, LG&E; Erin Hunt Ferguson, Hunt Pizza/PWL Inc; Farmer's Market; Francella Ochillo, Executive Director Next Century Cities; FrankArts;

Appalachian Regional Commission; Frankfort Plant Board; Senators McConnell and Paul; Frankfort/Franklin County Tourist Commission; Franklin County Fiscal Court; Franklin County Humane Society Executive Board; Gary Farmer, President Heritage Title Company of Austin, TX; Gina Greathouse, Cheryl Clever, Katie Vandergrift and Bob Quick, Commerce Lexington;

Gordon Wilson, Bourbon County IDA; Governor Andy Beshear; Governor's Office; Greg Miklavcic; Harper Smith and Sara Tracy, Kentucky Chamber of Commerce; Helen Morrison, Deputy Benefits Tax Counsel, U.S. Office of Tax Policy; Greg Burton, Independence Bank; Teresa Moore, 3 Peas in a Pod; Jason Keller, VP Charter Communications; Jason Rainey, Mt. Sterling Chamber and IDA; Jeff Taylor, Commissioner KCED; Jimmy Rogers; Jodi Meade, consultant with Avison Young; Joe Johnson, Bill Cull and Jen Williamson; Joe Sietz; John Bevington, Brad Sowden; Lisa Payne, Roxann Fry, and Darryl Smith, LG&E/KU; John Lyons, Kentucky Workforce Investment Board; Shane Hecker, Frankfort Independent Schools; John Wright, Owensboro Grain; Johnathon Webb, AppHarvest; Justin Landon, CEO Lexington-Bluegrass Association of Realtors; Justin Tuttle, DFI Board of Directors;

Kate Shanks, Kentucky Chamber of Commerce; Jay Robertson, LG&E/KU; KCTC Anderson County Campus Director; Kentucky Cabinet for Economic Development; Kentucky Career Center; Kentucky Community and Technical College Foundation; Kentucky Economic Development Finance Authority; Kentucky League of Cities; Kentucky State University; Kim Huston, Bardstown-Nelson County, IDA; Kimberly Rosetti, Northern KY Tri-Ed; Kristina Slattery and David Brock, Kentucky Cabinet for Economic Development; Kentucky Ag Development Board; Kentucky Association of Beverage Retailers; Kentucky Association of Manufacturers;

Kentucky Association of Master Contractors; Kentucky Chamber of Commerce; Kentucky Retail Federation; Kentucky Small Business Development Center; Libby Adams, Shelby County IDA; Lindsey Ransdell, KEWDC Apprenticeship Services; Winona Dimeo-Ediger, Livability Magazine; local financial institutions; Lonnie Rhoades, CEO Big Ass Fans; Lt. Governor Jaqueline Coleman; Lt. Governor's Office; Lynn Faulkner and Anna Beth Bobbitt, Chamber of Commerce Education Committee; Mary Quinn Ramer, President VisitLEX; Mary Shelman, The Shelman Group;

Matt Gosnell, VP AppHarvest; Matt Tackett and Clay Snowden, Kentucky Association of Economic Development; Mayor-elect Layne Wilkerson; Melissa Bondurant; Michael Clark, Director at the Center for Business & Economic Research at UK Gatton College; Muhlenberg County EDA; Neil Bradley, US Chamber of Commerce; Penny Peavler, Blair Hecker, Rebecca Hall and Andy Seth, City of Frankfort; Ray Daniels, Equity Solutions Group; Rene Mitchell; Rene True, DFI; Rep. David Osbourne; Rep. Matt Koch; Rep. Sal Santori; Rex Fowler, Centria; Richard Kaglic, Federal Reserve Bank; Richie Sanders, Capital Link Consultants; Robert Hewitt; Rocky Adkins, Governor's Office; Rolando Thacker, Amy Glasscock and Tiffanee Reeves, Bluegrass ADD; Tim Carty, Role Call; Ryan Quarles, Ag Commissioner;

Sandy Romanesko, Mt. Sterling Chamber and IDA; Senator Chris McDaniel; Senator Paul's State Director, Rob Givens and Field Representative, Mica Sims; Senator Robert Stivers; Site Selectors Guild; Sonia Sanders, Kentucky State University; Spears Stiltz, Mike Feldman, and Zach Moore, Traditional Bank; Austin Horn and Chanda Veno, State Journal; Stephen Bolt, Proclivity; Susan Laurenson; Taylor Marshall; Ted Abernathy, Managing Partner with Economic Leaders LLC.; Teresa Barton; Hal Moss, The Lane Report; Jake Schirmer, The Walker Group; Thomas Bond and Wesley Anderson; Tim Gibb, Ashland Economic Development Agency; Todd Denham, Winchester IDA; Todd Johnson, EVP Building Industry Association of Central KY; Tom West, Deputy Assistant Secretary for Domestic Business Tax, U.S. Office of Tax Policy; Troy Williams;

Tyler Burke, Atmos Energy; U.S. Economic Development Authority Regional Staff; University of Kentucky, CEDIK; Wallace Barber, State Farm; Wells Bullard, CEO Bullard; Whitaker Bank Board of Directors; Wine & Spirits Wholesalers; Zach Butterworth, White House Director of Private Sector Engagement; Kentucky Association of Manufacturers business briefings; KSU Rufus B. Atwood Agricultural Research Center Ribbon Cutting; KAED fall and spring conference; Governor's 2-day Conference on Energy & Environment; Site Selectors Guild Projections for 2021 Webinar;

Burlington Condo Association meetings; Public Private Strategies Institute (PPSI) *Getting Back on Tract* training series; 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 our 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 continually 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 KCDC partners and staff promoted the agency, the community and a variety of events on these social media venues as limited staff time allowed. 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. Although funding cuts caused the elimination of the social media staff position, we did continue to post daily updates to social media as part of KCDC's Frankfort: It Grows on You initiative, a business growth and support project that makes the public aware of the many benefits that businesses and job growth provide to the community.

The President & CEO was recognized in the August issue of 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 and were recognized as the Most Outstanding Economic Development Agency in the Southeast as part of the 2021 Global Excellence Awards by Acquisition International Magazine.

We touted our message through multi-media news releases and interviews, email, print, TV and online campaigns and we continue to 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.

KCDC teamed with other Kentucky communities to host virtual consultant events. 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, Kentucky Association of Economic Development and Area Development Magazine conferences, 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 COVID recovery, workforce development, site selection and real estate preparation, diversity, marketing, and business attraction.

Staff also participated in the following trainings: *Small Business Workshop sponsored by USCM; Zoomprospector Site Selection Data Tool training; New Workforce Normal After COVID-19; How to Boost Economic Recovery Through Entrepreneurship; Understanding Kentucky's Automotive Industry Target Market; How is COVID-19 Impacting Real Estate and Site Selection; Virtual Site Visit Training with GLS; Kentucky Economic Recovery and Resilience Project Internal Launch; Appalachian Regional Commission Annual Meeting; Size Up Kentucky Training; Understanding Kentucky Target Markets – Metals; The New Reality of Economic Development; Digital Marketing During COVID-19; Strategy for Survival: Using the New Bankruptcy Law to Save Your Business; Making the Most of Email and Digital Marketing; Marketing in a Post-COVID World; Governor's 2-day Conference on Energy & Environment; Investment and Impact from AgTech Holler, Kentucky's Economic Development Capacity; Women & Economic Development; Diversity and Inclusion in the Commonwealth; Marketing Your Community Pre & Post COVID; Enhancing Educative Capacity to Accelerate Economic Development; Kentucky Cabinet for Economic Development Update; Workforce Sourcing Solutions to Attract & Retain Candidates During a Pandemic and Beyond; National and Kentucky Economic Outlook; Supply Chain Optimization and Risk Assessment; 2021 General Assembly Preview; LAED Marketing; A Pivot to Sustain Momentum; Building Capacity to Drive Growth; The Economic Recovery & Resilience Project; KAED 2-Day Fall Conference; Remote Ready Cities: How to Make Your City a Remote Worker Magnet; How Economic Developers Can Assist in COVID Recovery; Kentucky Cabinet for Economic Development Product Development Initiative Training; KAED Spring Conference; Zoomtowns are Boomtowns; RFI Submittal Training; Reshoring and the Future of Supply Chains; Strategies to Support Local Businesses; Creating an Economic Development Profile; Eligible and Innovative Uses of the American Rescue Plan; Grafting our Communities and Farms for Collaborative Development; Growing Your Community While Preserving Natural Charm; Building a Diverse Profession in the Commonwealth; Kentucky Legislative Session Review; Business Attraction Strategies to Reboot Efforts Post-COVID; Creating Major Tech*

Investment in the Commonwealth; Workforce Development Funding; How to Attract New Residents DIY; and the Labor Market Recovery Report.

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 Board, 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, Kentucky Workforce Development Cabinet, Kentucky Municipal Energy Agency, Kentucky Association of Manufacturers, Kentucky Association of Master Contractors, Kentucky Career Centers, Kentucky Community and Technical College System, the University of Kentucky, Murray State University, Community Economic Development Initiative of Kentucky (CEDIK), Kentucky Association of Economic Development, Kentucky United, Commerce Lexington and Bluegrass Alliance.

Bluegrass Alliance is a regional marketing effort that is a joint venture of economic developers from 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 and KU/LG&E. 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 virtual consultant visit and continues to plan hybrid meetings with national consultants in the coming fiscal year.

As the only Franklin County investor and participant in Bluegrass Alliance and Central Kentucky Economic Plan 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.

The Central Kentucky Regional Public Policy committee hosted leaders from communities in our 9-county region for THE COLLECTIVE 2020 Regional Summit, where local leaders began to craft a regional economic plan and develop action strategies that will allow the region to increase its competitiveness for jobs and a workforce. KCDC President/CEO serves on the Regional Economic Plan Leadership Steering Committee, which consists of private and public sector leaders from across the region that will help lead strategic aspects of the project. This partnership, with the guidance Ted Abernathy of Economic Leadership, will give us an opportunity to develop a strategy that would not be possible otherwise, due to financial restraints. And it will allow Frankfort/Franklin County to become more marketable by featuring all the region's assets within one strategy. With the lack of land and buildings available in Franklin County, this will provide our citizens an opportunity to benefit from added jobs in surrounding counties who have land available for development.

These partners 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 through the fiscal year 2020-2021.

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:

Local leaders continue to work with our Congressional delegation to determine best opportunities for funding 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.

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 the latest OZ regulations and pairs local financial advisors

with experts in OZ funding and proposed projects within the zone. There are currently three downtown projects benefiting from these special tax incentives.

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 administering loans to West Sixth Brewery who is using CDBG Revolving Loan Funds for infrastructure costs involved with the development of West Sixth Farm; Sig Luscher Brewery who is funding revolving inventory and Locals Food Hub and Pizza Pub who is covering building and development costs 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:

KCDC is working with a commercial real estate company from Illinois who is in negotiation to purchase land to build an industrial park on the west side of Frankfort. This project will be contingent upon zone change approval. We are also working with a local property owner to improve and market industrial property within the City of Frankfort. Lot 4G in Industrial Park #3 was sold. An Option to Purchase has been issued on lots 4F, owned by KCDC and 4H, privately owned, within Industrial Park #3. The closing is planned for October. There is currently no available build-ready industrial property in Franklin County, except two small (less than 2 acres) lots that are being offered as part of a probate sale. Owners of all land zoned IG have been notified of minimum requirements for development consideration but none have committed to making the improvements (utilities, roads, studies) necessary to bring the property to build-ready standards.

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 the President/CEO serves on the City Brownfield Grant Committee. Through the Brownfield Grant we continued to work

with a consultant, local developers, realtors and property owners to determine best practices for marketing or reutilizing the more than one million square feet of empty commercial property in the county. We are also working with property owners in both the city and county to provide them the land improvement, permitting and testing requirements necessary to make their properties marketable.

Actions:

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

Actions Completed:

KCDC continues to update and distribute the Opportunity Zone(OZ) prospectus for Census Tract 712 and participates in regular meetings with EIG and national and local financial advisors to determine best practices for using Opportunity Zone funding for downtown projects. There are three active OZ projects as of June 30, 2021.

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. The city recently secured additional Brownfield Planning Grant Funds to be used for assistance to conduct reuse planning activities and Phase 1 Assessments. KCDC and city staff continue to work with consultants to identify appropriate properties.

Actions:

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

Actions Completed:

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:

Frankfort Plant Board (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.

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 and KCDC staff continue to meet with Columbia Gas, AT&T, KU/LG&E and FPB concerning Kentucky Municipal Energy Agency (KYMEA) improvements, water supply and internet/fiber improvements.

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 promote this program, there have been no property owners who have chosen to participate. KCDC attempted to implement a Grow Green Initiative as part of the Frankfort – It Grows on You program. However, no businesses applied for participation. We will attempt again after the restrictions of the pandemic are lifted. All KCDC staff regularly attends the Governor’s Conference on Energy & Environment and continued to work with partners to determine energy saving practices for local businesses and individuals, such as seeking funding for electric charging stations in coordination with select projects within the community.

GOAL TWO

Provide a vibrant labor force for the 21st 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 numerous workforce development grants to fund a variety of training/apprenticeship programs for local employers. If funded KCDC will use a portion of the funding to create a repository of the numerous organizations within the region that provide startup and technical assistance, certification, degrees, and training classes and provide it to local employers.

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 did not reapply for certification in 2021.

Actions:

Increase entrepreneurial opportunities

Actions Completed:

Through KCDC and the Kentucky Association of Economic Development local businesses have access to and training for SizeUp KY, a business intelligence and market research tool that helps businesses increase engagement. KSU has partnered with the Small Business Development Center to provide an office in Frankfort with whom we work to supply 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.

Actions:

Find ways to increase school officials’ and teachers’ understanding of the knowledge and skills required to be a work ready employee in a 21st-century economy and how academic content translates into work ready skills

Actions Completed:

Industry tours for elected officials were planned for fall 2020 but were cancelled due to the pandemic as part of the Chamber of Commerce Education Committee IMPACT program, which is designed to create a pipeline of well-trained, informed and talented workforce. The Chamber continues 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 and by local businesses and jobs that are available within them.

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. KCDC also continues to seek funding possibilities for the Think Frankfort First initiative which has a youth leadership and recruitment component as well as training and apprenticeship programs for women and minorities. KCDC staff serves on the Frankfort High School (FHS) Leadership Forum Development Team, Frankfort Leads, that instills leadership skills within the youth of the City of Frankfort. One hundred FHS students convened in May 2021 at The Elizabeth in downtown Frankfort for two days of leadership building. The students at the helm throughout this 6-month preparation process were two phenomenal young ladies -Ella Abney and Lilia Saxena-Smithson. They will be invited guests, along with other young women leaders in the community, to a special EmpowHER meeting to recognize their leadership. KCDC hosted a meeting with Ky Cabinet for Economic Development, Ky Workforce Development Cabinet; Kentucky Career Centers; Ky Workforce Investment Board, Kentucky Chamber of Commerce Workforce Director; Frankfort Area Chamber of Commerce and Bluegrass Workforce Investment Board to gather suggestions for the new workforce program proposed at Frankfort Independent School (FIS) and to build a network for that initiative in the coming years. KCDC representative serves on the Kentucky Educator Workforce and Diversity Comm., Co-chaired by the Lt. Governor, to determine ways to recruit and support a diverse group of teachers in the Commonwealth.

Actions:

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

Actions Completed:

KCDC has hosted numerous job fairs 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 and social distancing.

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 Association of Economic Development, Kentucky Association of Economic Development Foundation Board of Directors, 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 also represents Frankfort on the newly formed Regional Economic Plan Leadership Steering Committee which consists of private and public sector leaders from across the region that will help the region become more marketable by featuring all the region's assets within one strategy and will focus on creative strategies to grow our workforce.

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:

KCDC continues to apply for funding to create a repository of the numerous organizations within the region that provide startup and technical assistance, certification, degrees and training classes. They meet regularly with local businesses as well as representatives of the University of Kentucky, KCTCS, Eastern Kentucky University and Council on Post-Secondary Education to share workforce issues and potential solutions provided by post-secondary education.

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 Bluegrass Community and Technical College, Kentucky FAME and Kentucky Association of Master Contractors on projects to promote technical skills occupations and has outstanding grant applications for training/apprenticeship programs in Plumbing, HVAC and IT/Cybersecurity. Chamber of Commerce Education Committee is sponsoring videos that feature local businesses and what jobs they have available as part of the IMPACT program.

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:

KCDC continues to gather appropriate data and seek funding opportunities to perform a housing assessment and a housing development strategy that can be used to successfully develop all levels of housing in the community to meet the demand determined by the assessment. We provided that data to Economic Leadership, LLC, the economic development consultant we are working with to perform a housing study.

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 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 continues to work with developers to cultivate mixed-use properties that connect the Central Business District to neighbors in the Historic District as well as South Frankfort, Taylor Avenue, Wilkerson Blvd., and Holmes Street.

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 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, is updated regularly and presented to the city and county leadership. KCDC conducts periodic online surveys and on-site visits to better understand the current and projected needs of businesses.

KCDC staff formed a committee to research barriers to downtown trash collection and storage for businesses and worked with the Franklin County Health Department to establish consistent policy regarding the use of air curtains with garage door openings in establishments that serve food/drink to the public. We continue to work with local property owners and the PVA to seek re-assessments for the numerous properties zoned Professional Office that have been empty for an extended amount of time and are not generating income.

KCDC President serves on the Central Kentucky Public Policy committee where she meets with regional businesses and state legislators; to discuss barriers for business success and how those can be addressed through legislative advocacy efforts. Policies being promoted include: business liability protections, healthcare costs, business recovery programs, broadband infrastructure, public health investments, unemployment compensation and Trust Fund support, aid to state and local governments and workforce development.

KCDC met with Senators McConnell and Paul and Congressmen Barr and Guthrie and promoted and provided assistance in letter writing campaigns to these Congressional delegates advocating for federal policies that include:

Federal Legislation: Continue to support investment in transportation infrastructure; broadband access; Kentucky signature industries (bourbon, equine, tourism, hemp production); lowering cost of health insurance for employers and employees; curbing the drug epidemic through prevention, treatment and criminal justice reform; low-cost, reliable energy; Higher Education Act Reauthorization; regulatory reform; open trade policies; comprehensive immigration reform that modernizes the guest worker program; and continuation of the federal workforce investment programs.

COVID Specific Legislation: Continue to support legal liability protections for businesses, schools and local governments; small business relief programs; tying federal weekly enhanced unemployment benefit to encourage returning to work; federal aid for UI Trust Funds; investment in broadband access; aid for critical infrastructure recovery for airlines and other tourism related businesses; investment in public health; and investment in education and workforce development programs,

KCDC President/CEO also serves on the National Small Business Association Leadership Council and Tax Relief Committee to promote support of similar issues as well as the removal of double taxing at the death of a small family-business owner to avoid the business from having to liquidate assets or lay off employees to cover the tax burden.

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. They continue to work with the Bluegrass Area Development District (BGADD), Bluegrass Workforce Investment Board (WIB) and Bluegrass State Skills Corporation to provide funding for training of adult workforce for manufacturers and individuals and with the Kentucky Cabinet for Economic Development and Kentucky FAME representatives to promote participation in the FAME program to our local manufacturers. They continue to work with Bluegrass Community and Technical College and Kentucky Association of Master Contractors on projects to promote technical skills occupations and grants to fund those trainings as well as the creation of 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. KCDC 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. KCDC President/CEO assisted Bluegrass ADD staff to develop Regional Economic Development Resiliency Plan and participated in the Regional Development and Public Policy Summit planning meeting with nine counties within the Bluegrass Alliance.

As part of the newly introduced Think Frankfort First initiative, which is a workforce recruitment effort, Phase I (Frankfort: It Grows on You) provides daily posts about local businesses and the jobs available within. Phase II (First New Friend) is a community on boarding initiative that allows us to leverage one of our greatest assets –our residents – to engage and secure new ones by providing an opportunity for potential and/or new residents to connect with people with whom they have things in common. Phase IV (Houses Make Homes) involves a housing assessment to determine the share of housing growth we should plan for and promote, including the quantity and type of

housing. The information obtained in this assessment will be used to develop a Housing Development Plan that will provide recommendations on how to achieve certain housing goals and potential housing policy initiatives that would benefit the local housing market and will gauge the best way to develop land for new housing or reuse existing structures. Phase V (Learn Here First) consists applications for funding of a variety of apprenticeship-to-work opportunities that will alleviate poverty, build the middle class, and overcome racial economic inequality.

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), consisting of staff from the Chamber, Tourism, KCDC and DFI, was formed to strategize ways to market activities and success stories about the community. DFI and the Chamber of Commerce use Constant Contact to communicate with community businesses to update them on happenings, events, road closures, TIGER project updates and other local news. DFI hosts monthly

merchant meetings to update businesses and listen to their concerns. Partners participated in numerous interviews for regional TV programs to promote Frankfort as a place to visit, work and live. In October 2020, KCDC began the Frankfort: It Grows on You initiative as part of the Think Frankfort First Campaign. Daily messages about local business and industry are posted on all social media venues and pushed out by a digital army of local business representatives.

Actions:

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

Actions Completed:

The MAC was formed to strategize ways to market and support positive projects in the community. As part of the initiative Frankfort: It Grows on You initiative, KCDC provides daily posts on new projects as well as existing businesses/industry in the community and the benefits they provide.

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 implement the redevelopment of the 2nd Street corridor and is currently requesting RAISE 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:

For several years the city sponsored the Neighborhood Revitalization Grant, Community Collaboration Program and Neighborhood Beautification Grants. The responsibilities of the Planning & Zoning Director were augmented to include a larger focus on community and neighborhood development. KCDC formed a Downtown Trash Committee to research ways to improve the storage and collections of business trash in downtown Frankfort.

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 program. During the pandemic these visits were done virtually. Most industry have representatives who actively serve on a variety of KCDC committees or workgroups and an industry representative serves on the KCDC Board of Directors. The FIRE (Frankfort Industry for Reliable Energy) group was reestablished. This group has representatives from all local industries who meet with KCDC and the Frankfort Plant Board to discuss energy needs. 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. KCDC President/CEO Worked with Bluegrass ADD staff to develop the Regional Economic Development Resiliency Plan to assist businesses and communities with their recovery from the pandemic. She, along with the Mayor and County Judge Executive and one city commissioner participated in the Regional Development and Public Policy Summit with hundreds of business representatives and community leaders from Central Kentucky. The President/CEO serves on the Regional Economic Plan Leadership Steering Committee, which was appointed as a result of the Summit and will serve as the team who guides the Regional Economic Development Strategy which will include a business retention component.

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 Kentucky 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 and these partner agencies are part of our Digital Army who help push out our daily

messages through social media. KCDC staff holds membership in the Kentucky Association for Economic Development and Bluegrass Alliance that host consultant visits throughout the United States to market our state and our region. We had to discontinue all print marketing promoting Frankfort as a place to do business (except in the Lane Report Market Review) and participation in Kentucky United, a program that markets the community to consultants, due to budget cuts. The Regional Economic Development Strategy, of which KCDC is participating, will have a regional marketing component.

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. Participation in Kentucky United was discontinued due to budget cuts.

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 Kentucky 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. Through membership in the Kentucky Association of Economic Development and partnership with Community Economic Development in Kentucky (CEDIK), KCDC obtained access to Gazelle ai, Bludot and Size-Up KY to offer data search and comparison opportunities for local economic development partners and businesses.

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. DFI published an article of educational, recreational and entertainment options in downtown Frankfort in the Newcomer’s Guide. Partners participate in numerous TV interviews promoting reasons to work, live and visit our community. KCDC and the Tourist Commission provide advertising and community information in the Annual Lane Report Market Review that is included in all prospect packets, distributed to any businesses who express an interest in doing business in Frankfort, along with consultants and partners.

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, Kentucky Transportation staff and R.J. Corman representatives to discuss future uses of the 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. The Bourbon on the Banks Committee was forced to cancel all festival events for 2020, due to the pandemic. But the committee has spent this year preparing to re-open the event in October 2021. The Bond Anderson Group began plans to develop a new short-term residential, visitor facility, with dog-boarding for guests, on the riverfront on Wilkinson Blvd, while Locals Food Hub and Pizza Pub opened just down the street. The city has hired consultants who are developing a strategy for Blanton’s Landing that will be presented to the City in the fall of 2021.

Actions:

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

Actions Completed:

The city is in the feasibility study process of the Blanton's Landing project 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 water recreation associated venues interested in locating on the river in Frankfort. KCDC representatives also meet with downtown developers frequently who are also recruiting businesses that will compliment their future developments.

Strategies:

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

Actions:

Redesign Broadway/Wilkinson intersection

Actions Completed:

Redesign of the Broadway/Wilkinson intersection is included in the Strategic Plan approved by the city and county. No action has been taken.

Actions:

Evaluate alternatives to one-way streets to improve downtown access

Actions Completed:

Main and Mero streets have been converted to 2-way. Ann and High Street were also suggested changes in the Strategic Plan; however, no action has been taken.

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. No action has been taken.

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. Pinsky (Thorbred) Trail is scheduled to open in September 2021, connecting downtown to the KSU campus and East Main.

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 (TAP). The city is revising the original plan to include two-way Main and Mero and obtaining engineers' estimates on the signage fabrication and installation. The Tourist Commission is preparing Phase 2 of the brown tourism signs on the Interstate that direct visitors from I-64 to downtown.

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. The City is the likely recipient of transportation funding that will provide partial funding for this parking facility and Transportation Center. A Downtown Parking Study has been completed and will be presented to the Board of Commissioners later in 2021.

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 2nd Street corridor and is currently requesting RAISE 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. For several years the 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 and downtown businesses to determine solutions for downtown trash receptacles and pick-up.

Actions:

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

Actions Completed:

A variety of potential incentives have 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, Opportunity Zone, 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. The Brownfield Grant provides Phase 1 Assessments for potential brownfield sites and is being used to incentivize the re-use of numerous unused buildings that were previously used as professional office space.

Actions:

Encourage/incentivize additional downtown housing

Actions Completed:

KCDC continues to gather data and pursue funding for a housing study and development strategy. The city/county continue to negotiate Tax Increment Financing for downtown development 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 and private donors. Bourbon on the Banks (BOTB), established in 2019, is an annual event sponsored by the BOTB committee that promotes the riverfront as well as the community's signature product - bourbon. While the festival was cancelled due to COVID in 2020, the committee continued to make plans to resume in October 2021. The Summer Concert Series was also cancelled in 2020, but resumed in downtown Frankfort in 2021.

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, even with 30% budget cuts by the city and county. We have obtained an LBAR grant, each of the last 4 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 under 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 and business needs are met in a timely manner. 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.