

Regional Competitiveness Plan for Central Kentucky



**Regional Leadership
Council Meeting
March 29, 2023**

***Collaborating
for Success!***



What is the new Regional Economic Competitiveness Strategy?

Over the past two years, Commerce Lexington has facilitated development of a regional economic development competitiveness strategy with input and representation from the nine counties that comprise Central Kentucky.

KEY COMPONENTS:

Economic Development – working with economic development and utility partners in the region (currently known as the Bluegrass Alliance), Commerce Lexington and the Regional Economic Partners will lead efforts to retain existing industry and recruit new business to the nine-county region. This will include a comprehensive re-branding of the region, an elevated marketing strategy to site selection consultants and business targets and creation of a product development strategy. The Bluegrass Alliance generally meets monthly to review activities, compare notes, and prepare for major outreach initiatives.

Workforce Development – through partnerships between and among our robust secondary and higher education institutions, and regional business leaders, Commerce Lexington will focus on increasing the labor force in the region. This will include building a strong workforce development internship initiative to connect students and regional businesses, and concurrent with economic development, develop and implement a targeted talent recruitment/retention branding and marketing campaign. Work groups will be formed with regional leaders to provide input and guidance related to these major initiatives.

Leadership/Regionalism – by building strong coalitions of public and private sector leaders, increase the region's competitiveness by attracting state/federal resources to support product improvement – land, buildings, infrastructure, etc. This also includes advocating for tax and regulatory policy changes to improve the region's competitiveness for talent and jobs through the Central Kentucky Policy Group.

Funding – Commerce Lexington has managed a highly successful comprehensive economic development initiative, Full Stride, for many years. The regional strategy is designed to build on this strong foundation, leveraging private and public investment. The target budget is approximately \$1.2 - \$1.6 million per year over a five-year cycle (2023-2027).

How will we know the strategy is having the intended impact?

As part of the strategy development process, specific target goals have been recommended in each of the major pillars (GDP, jobs, median income, labor force). These, plus other measurement criteria under consideration, will be included in a comprehensive, easily accessible Regional Dashboard, to be developed in 2023. The Dashboard will be easily accessible on the Regional website and will serve as the primary tracking mechanism for determining progress, success and course corrections. Commerce Lexington will also provide regional leaders with an annual update through the Regional Summit to track progress to national indexes, such as peer cities, etc. **[SEE METRICS ON BACK PAGE OF THIS BOOKLET]**



Working Together for Regional Success | Who is in Charge?

Commerce Lexington is the lead entity responsible for plan implementation, securing investment to support the plan, and tracking metrics.

Commerce Lexington is the convener of the Regional Leadership Council & other working groups for oversight, guidance, accountability & transparency.

Commerce Lexington acts as the fiscal agent and provides administrative support of the initiatives as needed during the process.

STRATEGIC FUNCTIONS:

Regional Leadership Council

- Provides strategic leadership.
- Bi-annual meetings (Spring/Fall).
- Top investors, local officials, EDA's

FINANCIAL FUNCTIONS:

Fiduciary Oversight:

- Full Stride Board (private sector).
- Local governments contract with Commerce Lexington for regional plan services.
- Economic Development Authority contract (MOU) with Commerce Lexington.

ACTION ITEM WORKING GROUPS:

ECONOMIC DEVELOPMENT:

Bluegrass Alliance

Staff: Gina Greathouse & Katie Vandegrift

Action areas:

- Business/site selector marketing
- Product development
- Leadership education

WORKFORCE DEVELOPMENT:

Talent Marketing Working Group

Staff: Betsy Dexter

Action Areas:

- Talent retention
- Talent attraction
- Internship Initiative

REGIONAL POLICY:

Central Kentucky Policy Group

Staff: Andi Johnson

Action areas:

- Product development
- Infrastructure
- Tax / Regulatory

MORE INFORMATION:

For more information about the Regional Competitiveness Plan or to get involved, visit commercelexington.com/regionalplan.html or contact Andi Johnson, Chief Policy Officer & Director of Regional Engagement, at ajohnson@commercelexington.com



For the purposes of this plan, the region includes nine Kentucky counties: Bourbon, Clark, Fayette, Franklin, Jessamine, Madison, Montgomery, Scott, and Woodford. Faced with a rapidly changing competitive landscape, the organization brought together a group of key regional stakeholders, and the consulting team from Economic Leadership, to create actionable intelligence about the region’s current economy and actions to improve future competitiveness. The goal was not to create an extensive work plan with dozens of action items for all the organizations involved. It was to identify a limited number of new efforts that would be impactful, provide benefit to the whole region, be financially feasible, and have the broad support needed from key regional public and private leaders to be successfully implemented.

7 Takeaways for a More Competitive Region

#1

The regional economy needs to be more competitive.

Despite labor shortages, excellent educational attainment numbers and an outstanding quality of life, the regional growth in population, jobs, wages, and GDP lags many competitor communities and national averages. Aggressive actions and investments to improve the region’s competitiveness are needed. Without action the region will continue to lag.

#2

The regional labor force needs to grow.

The availability of skilled workers will be a critical factor in economic success in the coming years – probably the most important factor. The region’s labor force growth has been slow, and a better strategy for talent attraction and retention of younger workers is needed. Housing affordability is critical and Fayette County’s average home value has increased 57% between 2016–2021 and an additional 13% so far in 2022.

#3

More ready sites & buildings are needed.

The investment decision process has accelerated in recent years. For most clients, the immediate availability of shovel-ready sites, or ready-to-occupy buildings that meet their needs, is a determining factor. Due to infrastructure needs, zoning decisions, and the lack of speculative building the region’s real estate product is limited. Actions to expand and improve the available buildings and sites are needed to successfully compete for the opportunities that the region gets.

#4

Regional wages need to rise.

The region’s current industry mix creates too few high paying jobs. Actions are needed to focus marketing and business support efforts on industries that raise the average wages across the region.

#5

Opportunities abound.

As the impacts of the pandemic wane, reshoring expands and innovation surges, most businesses report a need for new facilities and more workers. In addition, federal stimulus funding is available to cities and counties to invest in infrastructure, product development and worker training. Kentucky and our region have opportunities to grow the advanced manufacturing, business services, and technology sectors, if they can meet business needs.

#6

Data analytics are important, and mostly regional.

Counties in the region are working to grow and improve, and these efforts are important. Detailed data is easily accessible to any potential investor today and “regional” is the geography most often used for comparison. Labor sheds, housing availability, cost of doing business and many other factors are aggregated at the regional level by site selectors and compared to other regions across the country. Regional assessment, collaboration and alignment is imperative to success.

#7

Regional collaboration can be hard, but it is necessary for success.

Branding, economic development marketing, talent attraction and retention, product development, and business support are all activities where working together can improve efficiency and effectiveness.



Recommendations for Action: 2022 - 2027

Economic Development Strategy

Increase the regional job, wage, and GDP growth rates to the national average

Lead Responsibility: Bluegrass Alliance

Budget Annual: Total - \$1.1million

Budget – Five Years: \$5,500,000

STRATEGIC ACTIONS:

1. Increase investment in regional branding and site selector awareness with a focus on quality of life and affordability.
2. Create a detailed multi-jurisdictional product development strategy to secure more shovel-ready land and buildings, including developing a strategy and advocacy plan for the creation of a regional business park.
 - Seek grants or low-interest loans as seed funding for a speculative building program, or cover carrying costs to incent private sector development of speculative buildings.
 - Examine the potential to create a competitive economic development megasite of at least 1,000 contiguous acres with multi-modal transportation and robust utility capacity.
3. Develop a proactive program to educate key leaders in the region about economic development/site development needs and post-pandemic competitive realities.

Workforce/Talent Strategy

Increase the regional labor force by 1,500 per year

Lead Responsibility: Business and Education Network

Budget Annual: \$200,000 personnel plus \$275,000 programmatic

Budget – Five Years: \$2,375,000

STRATEGIC ACTIONS:

4. Develop a regional talent recruitment/attraction marketing campaign with messages aligned with the economic development branding effort.
5. Initiate Intern Connect - Create a work experience platform to connect business with students in the region for internships, etc. to increase the stickiness of young adults.

Leadership/Regionalism Strategy

Increase the competitiveness of the state and region by attracting state & federal funding and advocating for policy improvements

Lead Responsibility: Regional Public Policy Group

Budget: \$200,000 annually

Budget – Five Years: \$1,000,000

STRATEGIC ACTIONS:

6. Coordinate advocacy for federal and state infrastructure and product development funding.
7. Advocate for improved tax/regulatory policies that will improve the region's competitiveness.

9-COUNTY ECONOMIC DEVELOPMENT REGION



2023 Regional Plan Timeline



Brand/Talent Focus Groups

Regional Leadership Council Meeting



COLLABORATION CONFERENCE
KENTUCKY ASSOCIATION FOR ECONOMIC DEVELOPMENT

KAED Economic Development Educational & Site Selector Meeting

Site Selector Engagement Summit



May 1-4
SELECTUSA INVESTMENT SUMMIT



Strategic Target Trade Show Convention



Washington D.C. Fly-In



Bluegrass Alliance Site Selector Key Market Trip (ATL)

March April May June July

○ ————— ○
Fundraising/Budget Finalized

○ —————
Talent Strategy/ Regional Brand Recommendations

○ —————

○ —————



2023 Regional Plan Timeline

		 <p>WOMEN <i>in</i> ECONOMIC DEVELOPMENT FORUM</p>	 <p>ECONOMIX 2023 ATLANTA, GA NOVEMBER 28 - 30</p>	
		Educational Conference & Site Selector Engagement	Educational Conference & Site Selector Engagement	
	 <p>IEDC 2023 ANNUAL CONFERENCE SEPT. 11 - 20 DALLAS</p>	 <p>Kentucky United</p>		
Regional Leadership Council Meeting	Educational Conference & Site Selector Engagement	KentuckyUnited Site Selector Key Market Trip (CHI)	The Regional Summit	State Legislative Briefing

August	September	October	November	December
---------------	------------------	----------------	-----------------	-----------------





Metrics for Measuring Regional Success

Economic Development Strategy

Increase the regional job, wage & GDP growth rates to the national average.

Key Metrics:

- Prospects
- Total jobs & investment from projects assisted
- Net new jobs in new targets (technology and business & professionals services)
- Average wages of new jobs
- Regional average wage growth above inflation
- Growth in new speculative buildings
- Leaders participating in educational meetings



Workforce / Talent Strategy

Increase the regional labor force by 1,500 per year.

Key Metrics:

- Growth in regional labor force
- Contacts/interest from marketing efforts
- Interns active in the program
- Interns taking jobs locally



Leadership / Regionalism Strategy

Increase the competitiveness of the state and region by attracting state & federal funding and advocating for policy improvements.

Key Metrics:

- State & federal funding for regional jurisdiction & projects
- Demonstrated increase in infrastructure capacity
- Ranking of the state & region in third party comparisons

