



Bluegrass Region

The goal is to grow the economy, maintain adequate infrastructure, attract and create more and better jobs, educate and train the future workforce, and maintain both the affordability and the quality of life that citizens enjoy.

#1 The regional economy needs to be more competitive.

#2 The regional labor force needs to grow.

#3 More ready sites and buildings are needed.

#4 Regional wages need to rise.

#5 Opportunities abound.

#6 Data analytics are important, and mostly regional.

#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.



Strengths

Access to healthcare
Energy availability & cost
Highway accessibility
Quality of life amenities
Low crime rate
Labor costs
Ratings of public schools

Weaknesses

Shovel ready land
Available buildings
Housing availability
State/local regulations
Skilled labor
Development costs
Housing affordability

Targeted Industry Analysis for Lexington and the Bluegrass Alliance



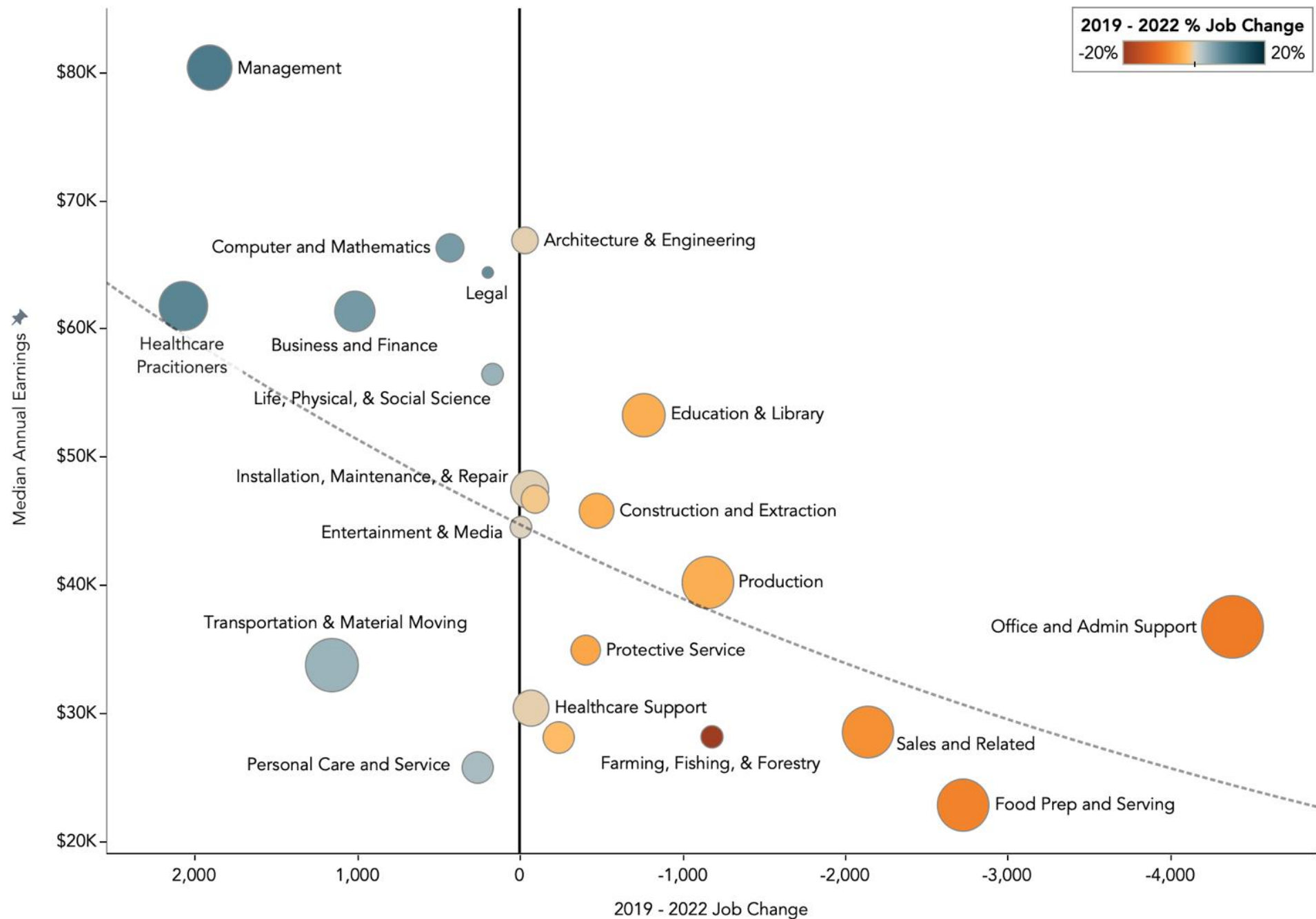
Researched and prepared by the team from Economic Leadership, May 2023 for Lexington/Fayette County and the Bluegrass Alliance



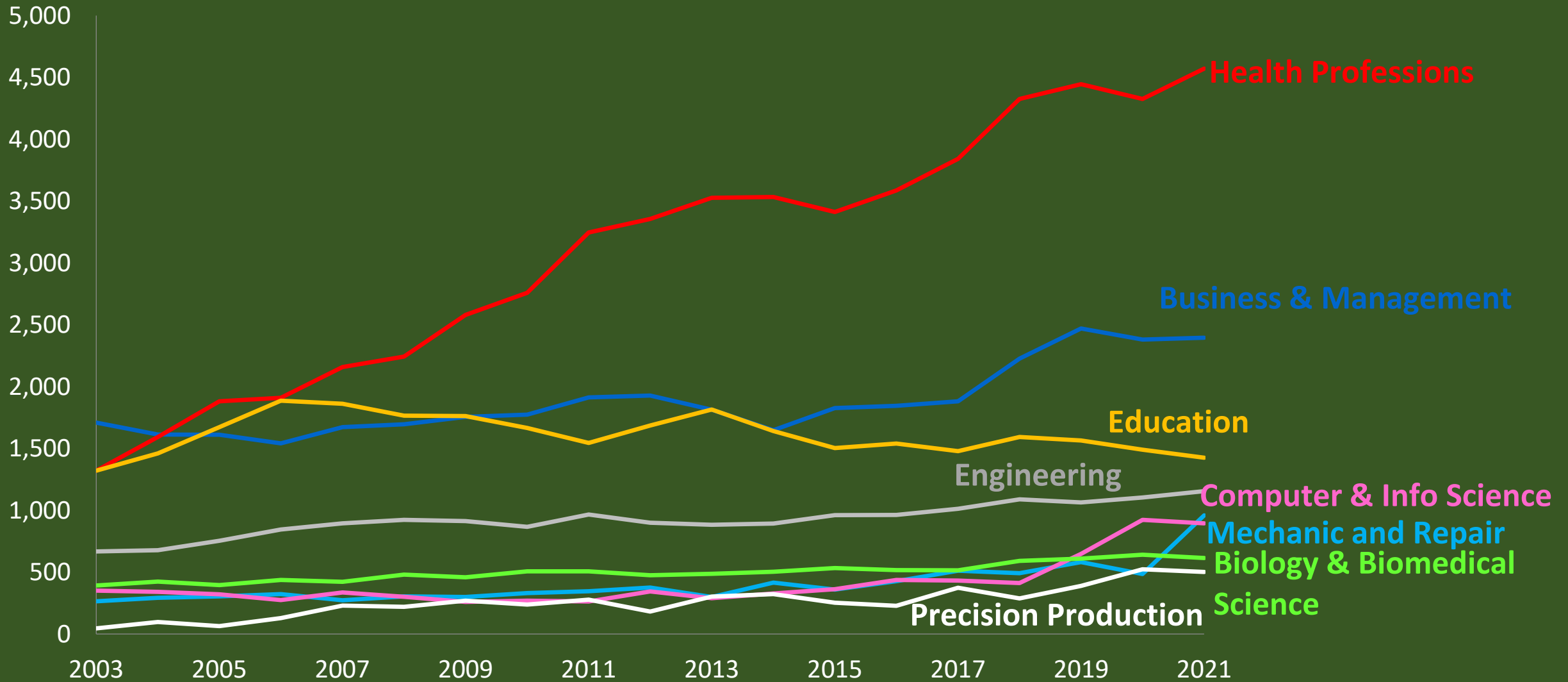
- ❖ An **industry cluster analysis** to identify strong, existing sectors that are important employers in the region, as well as emerging sectors that show promise.
- ❖ A report on **trends in the region's top targeted industry sectors**. This includes the size, impact, and growth of the industry, leading hubs (strong competitors) in the United States, and trends to watch for 2023 and beyond.
- ❖ A marketing strategies section that features a) **best practices in economic development marketing**; b) recommended strategies broadly, covering all industry sectors; and c) **recommended marketing strategies and resources that are specific to each of the five primary targeted sectors**.

Bluegrass Alliance Region Pandemic Job Change by Occupation

A deep dive
into regional
workforce
trends,
strengths and
weaknesses



Annual Postsecondary Completions by Selected Fields of Study in the Region, 2003-2021



A cluster is a geographic concentration of related companies, organizations, and institutions in a particular field that can be present in a region, state, or nation.

Cluster: a regional concentration of related industries



TRADED CLUSTERS

THE ENGINES OF REGIONAL ECONOMIES

- Serve markets in other regions or nations
- Concentrated in regions that afford specific competitive advantages
- Example industries: aircraft manufacturing, management consulting, iron ore mining

[LEARN MORE →](#)

LOCAL CLUSTERS

THE FOUNDATION OF LOCAL ECONOMIES

- Sell products and services primarily for the local market
- Located in every region
- Example industries: drug stores, physician offices, elementary schools, radio networks

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Traded vs. Local Share of the U.S. Economy



Economic Cluster

Economic Clusters are created when industries and institutions become linked with suppliers of specialized services, machinery, and infrastructure that are within close proximity, forming a supply chain. Key elements to a successful cluster include Policy Certainty, Workforce Development, Innovation Ecosystem, and Access to Capital.



Policy Certainty

- Provides a clear market signal
- Reduces business risk
- Allows for long-term planning

Workforce Development

- Invests resources in people
- Bridges skills gap
- Develops training programs and industry partnerships

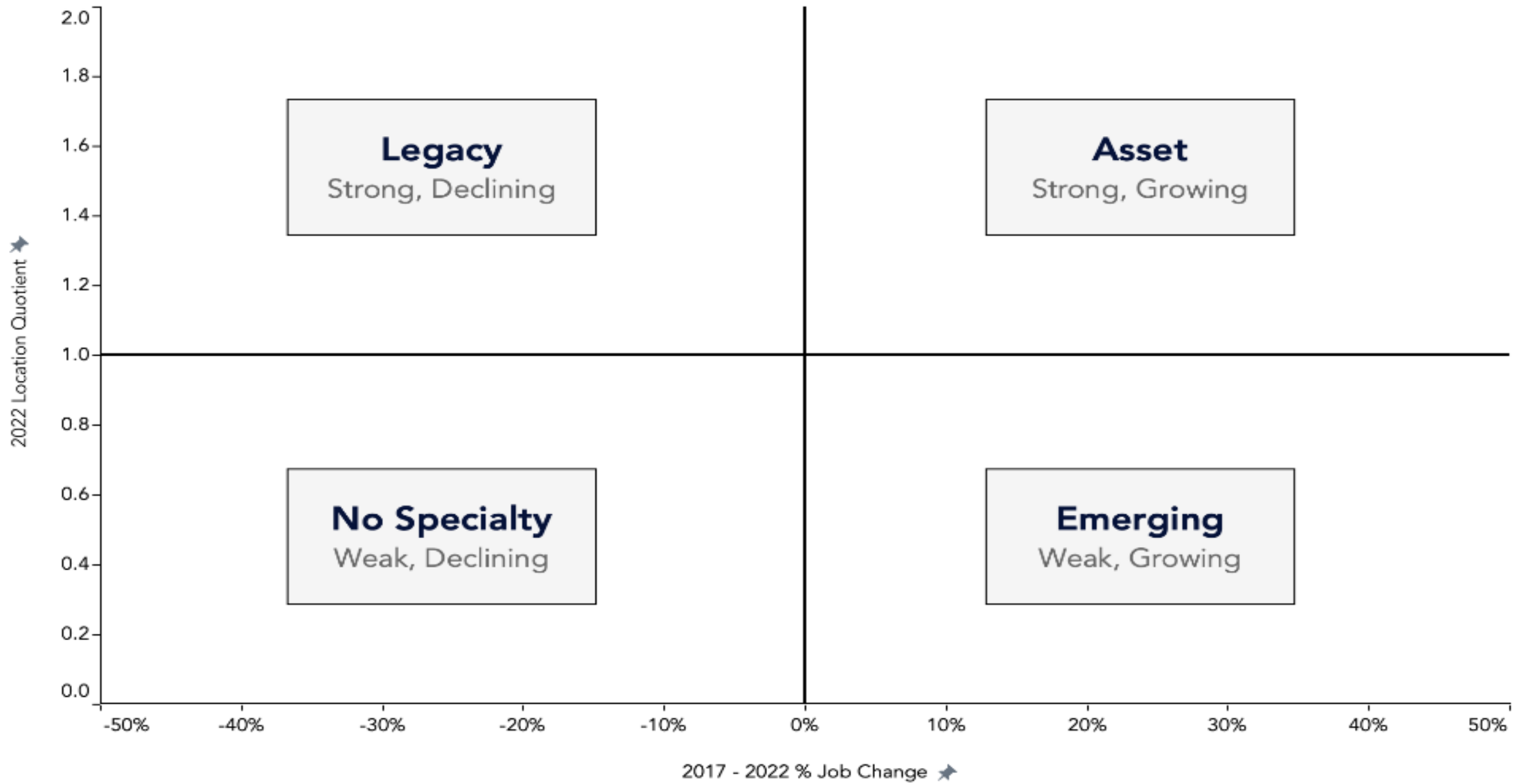
Innovation Ecosystem

- Promotes research and development
- Facilitates new technology to market
- Incubates early-stage businesses

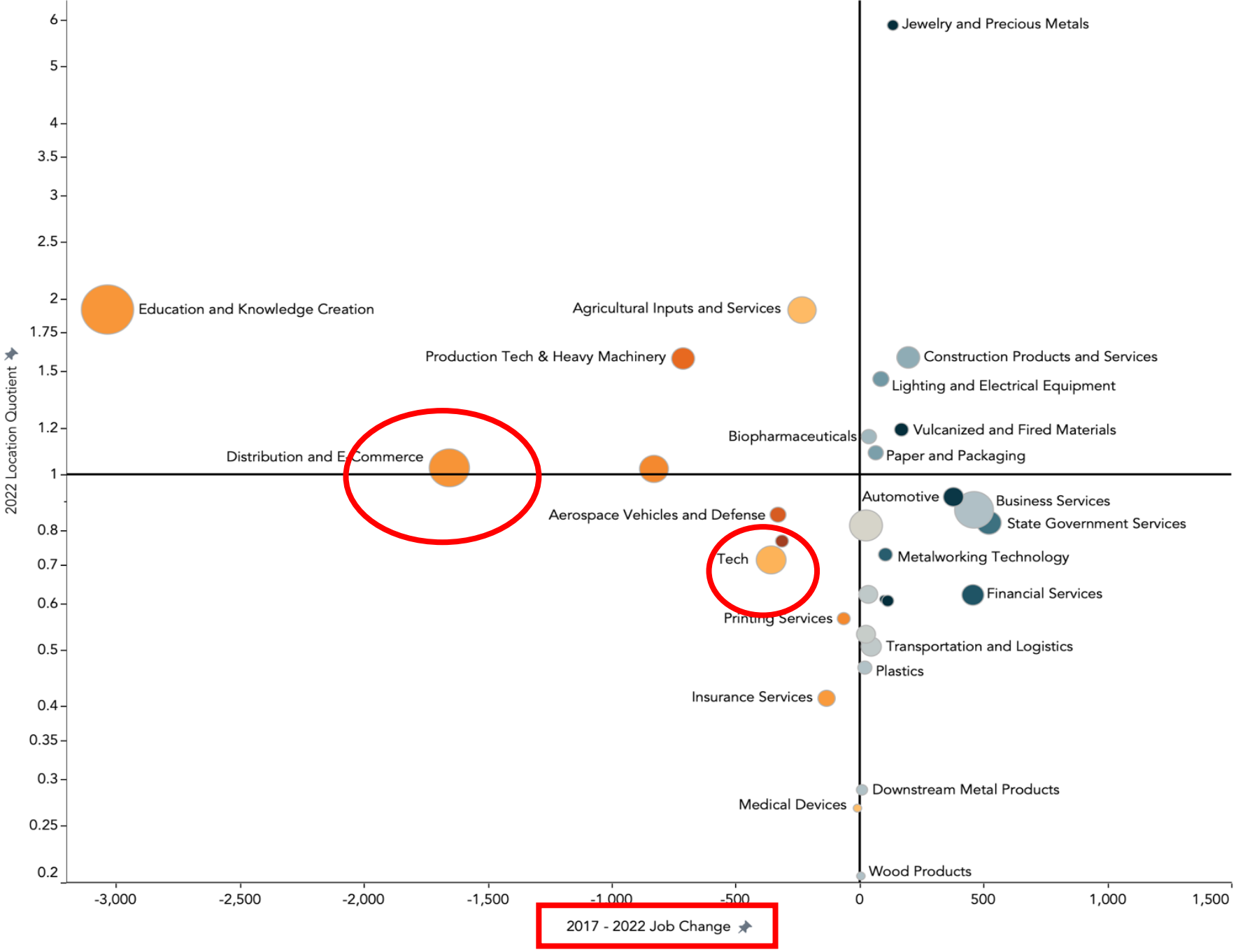
Access to Capital

- Provides funding for new and growing businesses
- Connects investors with market opportunities
- Attracts entrepreneurs

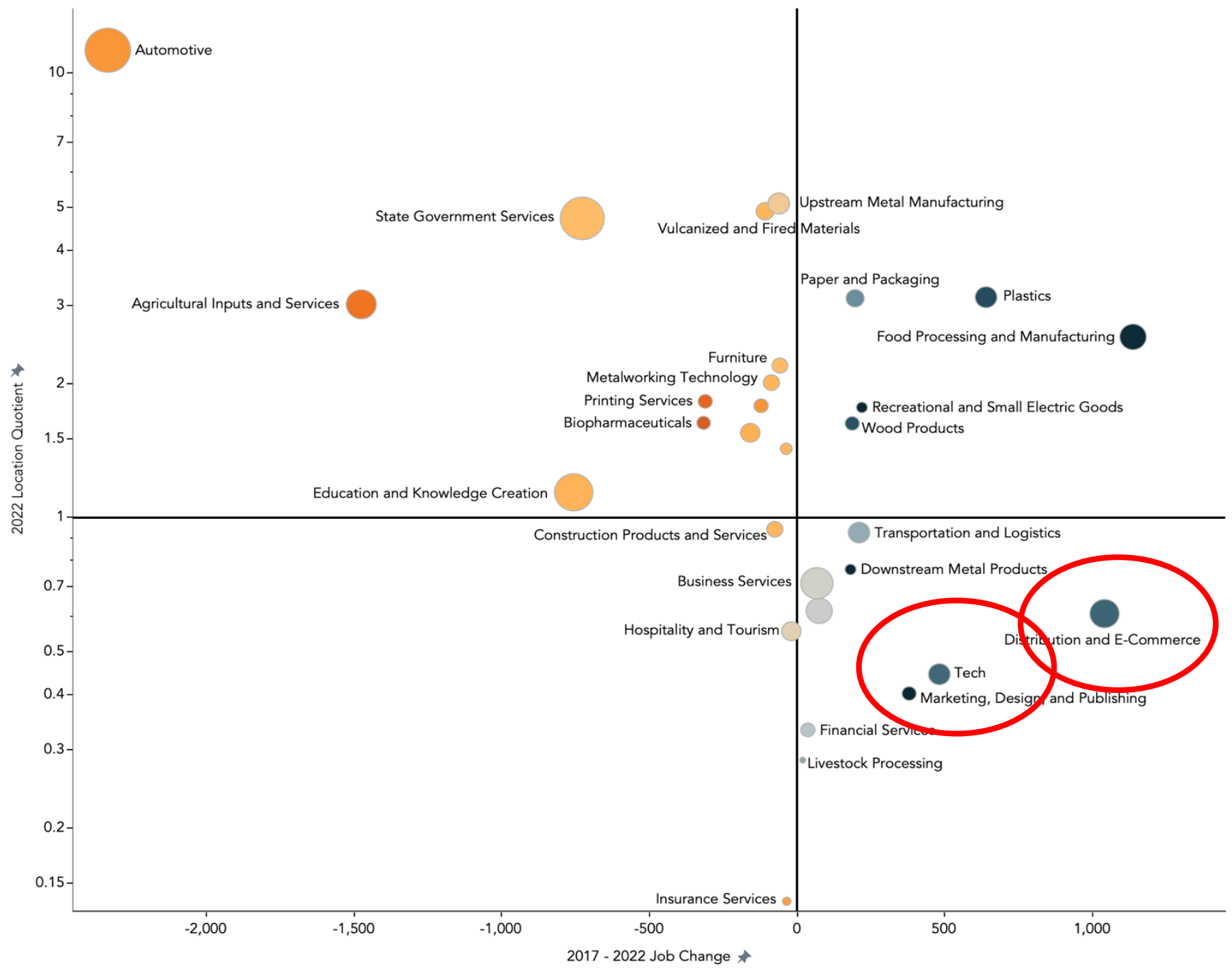
Image from the American Jobs Project



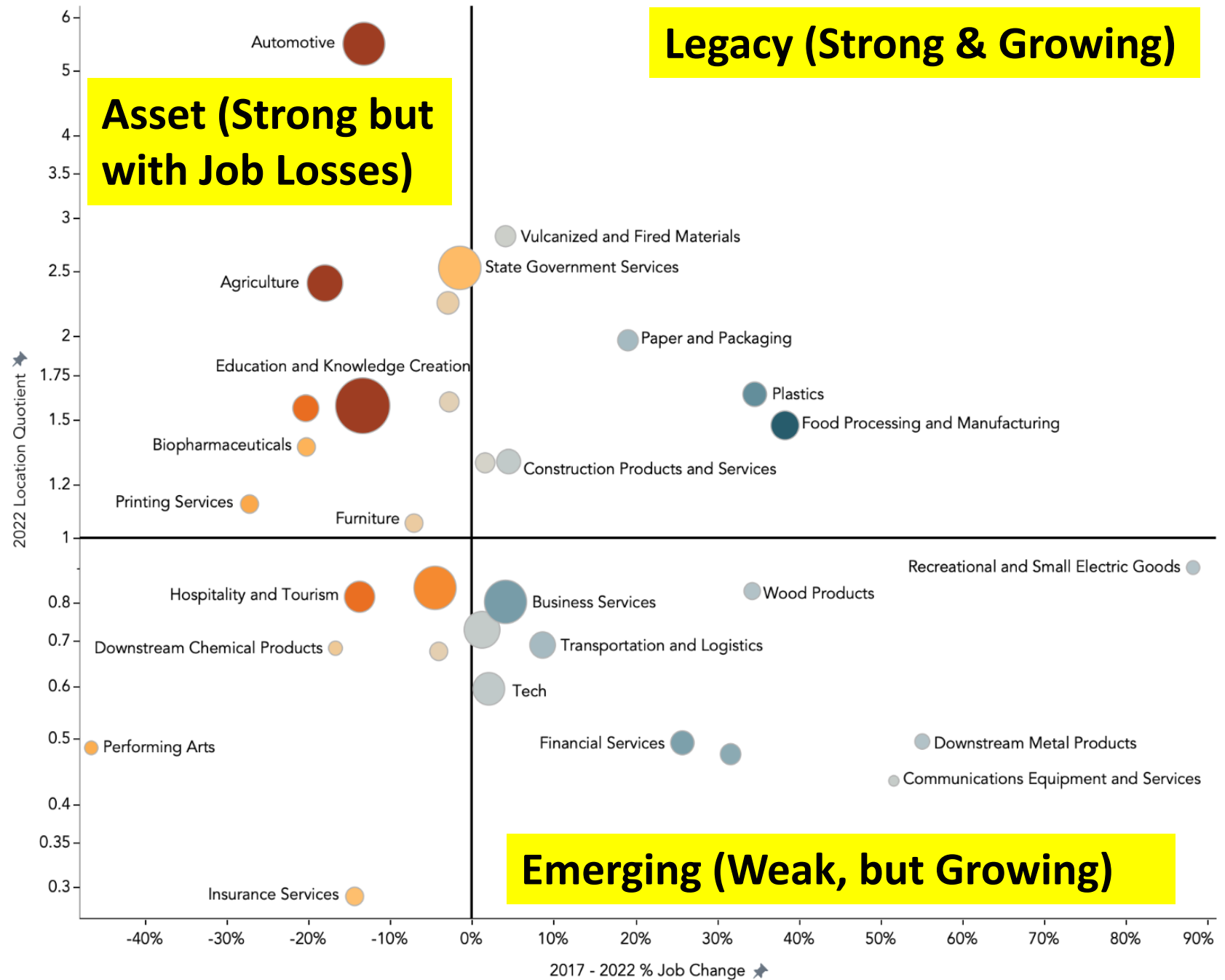
Fayette County Cluster Map



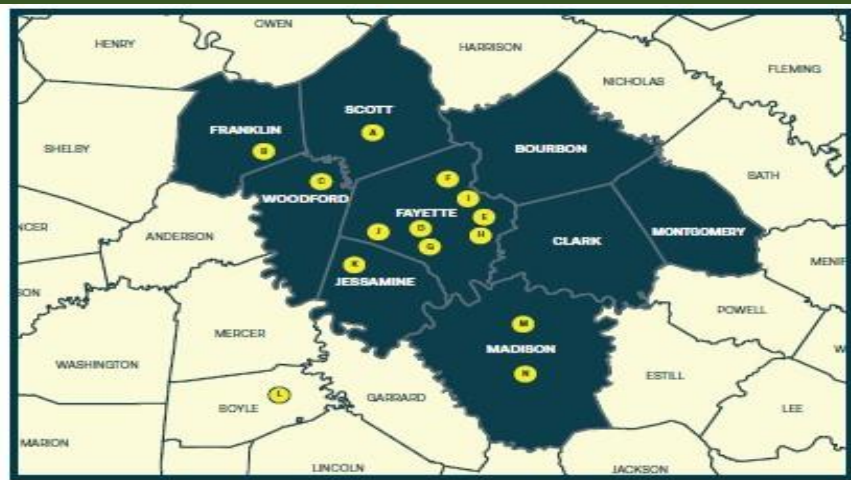
Remainder of Bluegrass Alliance Region Cluster Map (other 8 counties)



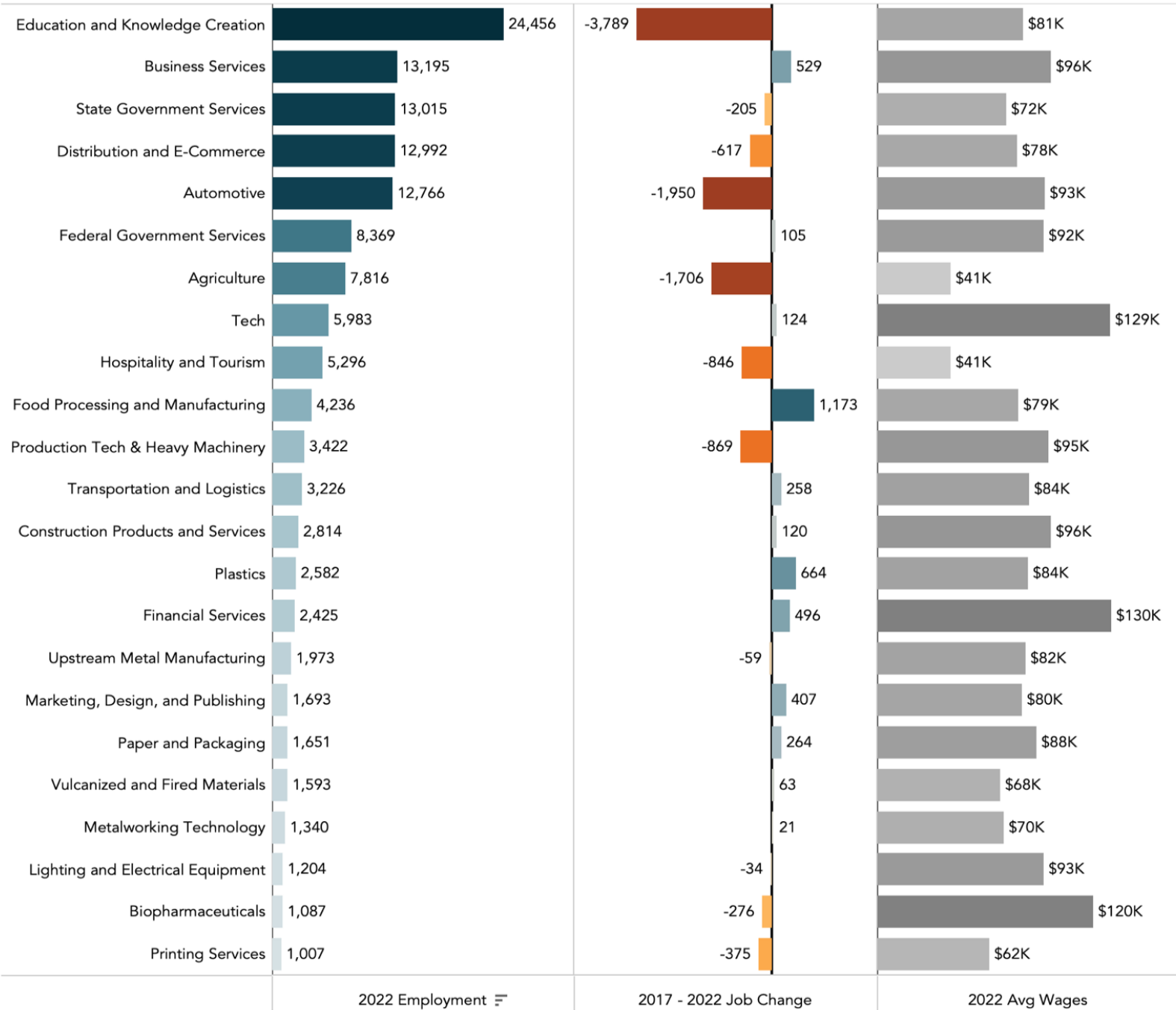
Bluegrass Alliance Region (Nine Counties) Cluster Map



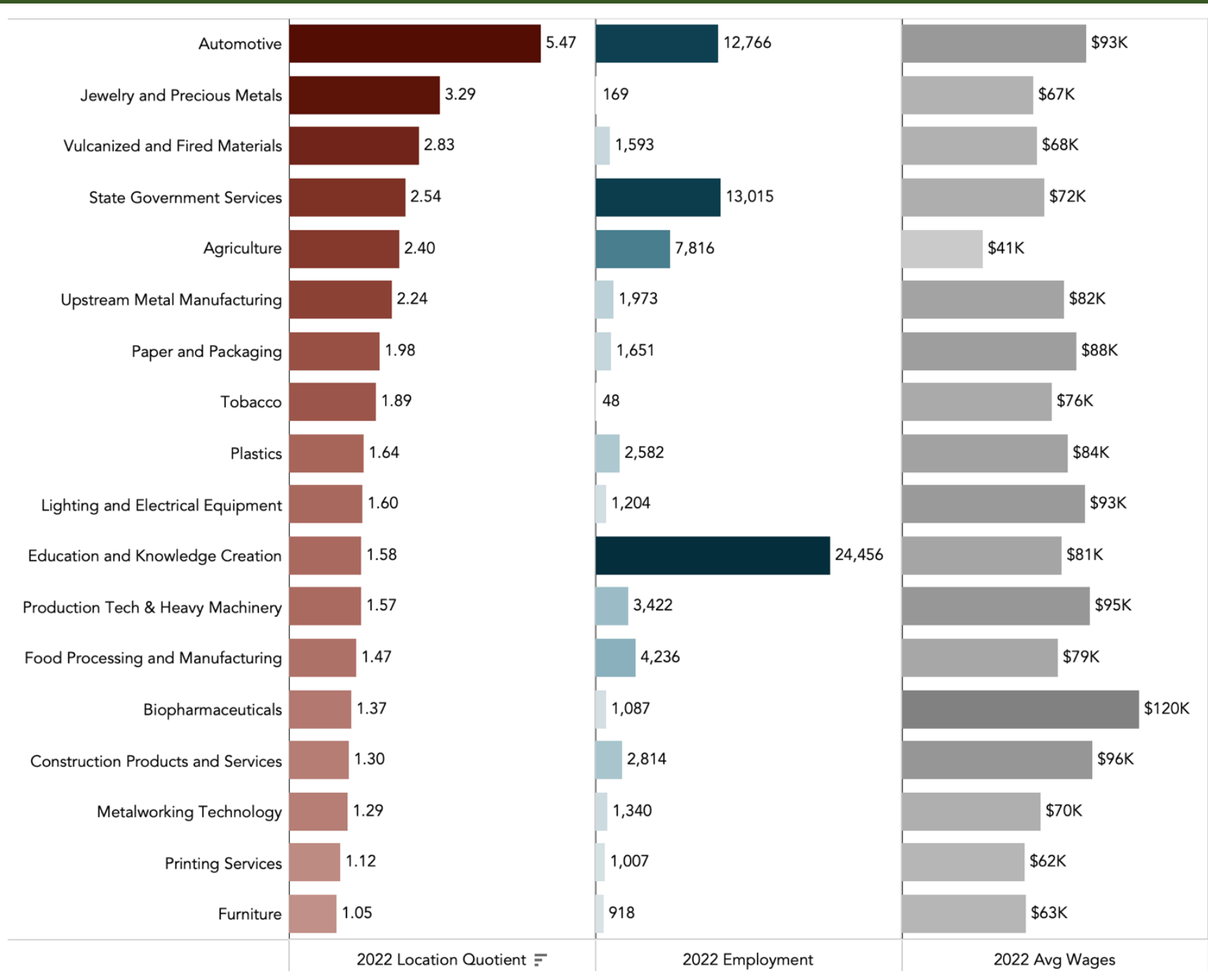
Top Traded Clusters by Employment in Bluegrass Alliance Region (Job Total)



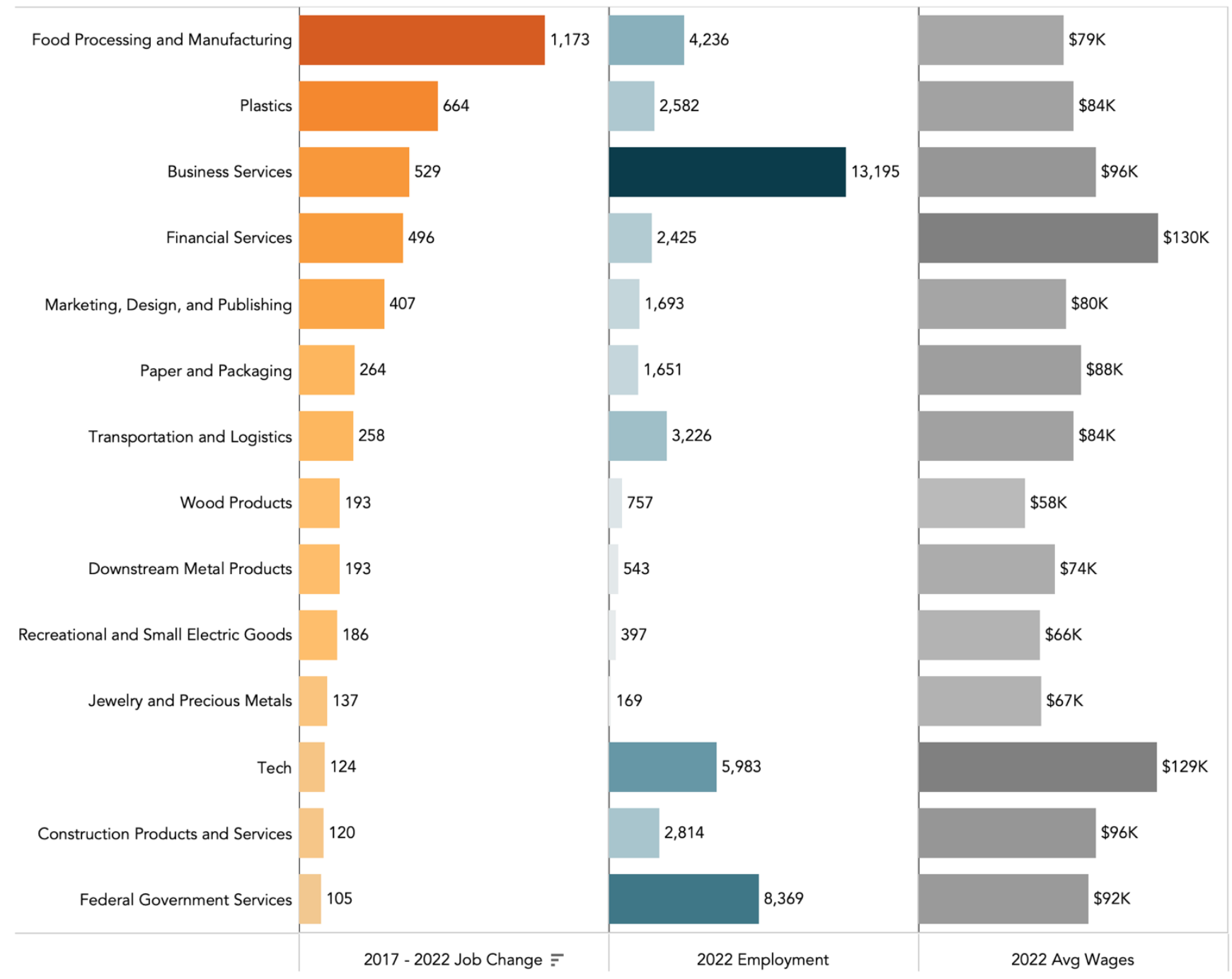
- A. Georgetown College
- B. Kentucky State University
- C. Midway University
- D. University of Kentucky
- E. National College of Business and Technology
- F. Transylvania University
- G. Bluegrass Community and Technical College
- H. Indiana Wesleyan University
- I. MedQuest College
- J. Sullivan University
- K. Asbury University
- L. Centre College
- M. Eastern Kentucky University
- N. Berea College



Clusters with the Highest Concentration in the Bluegrass Alliance Region



Fastest Growing Clusters in the Bluegrass Alliance Region

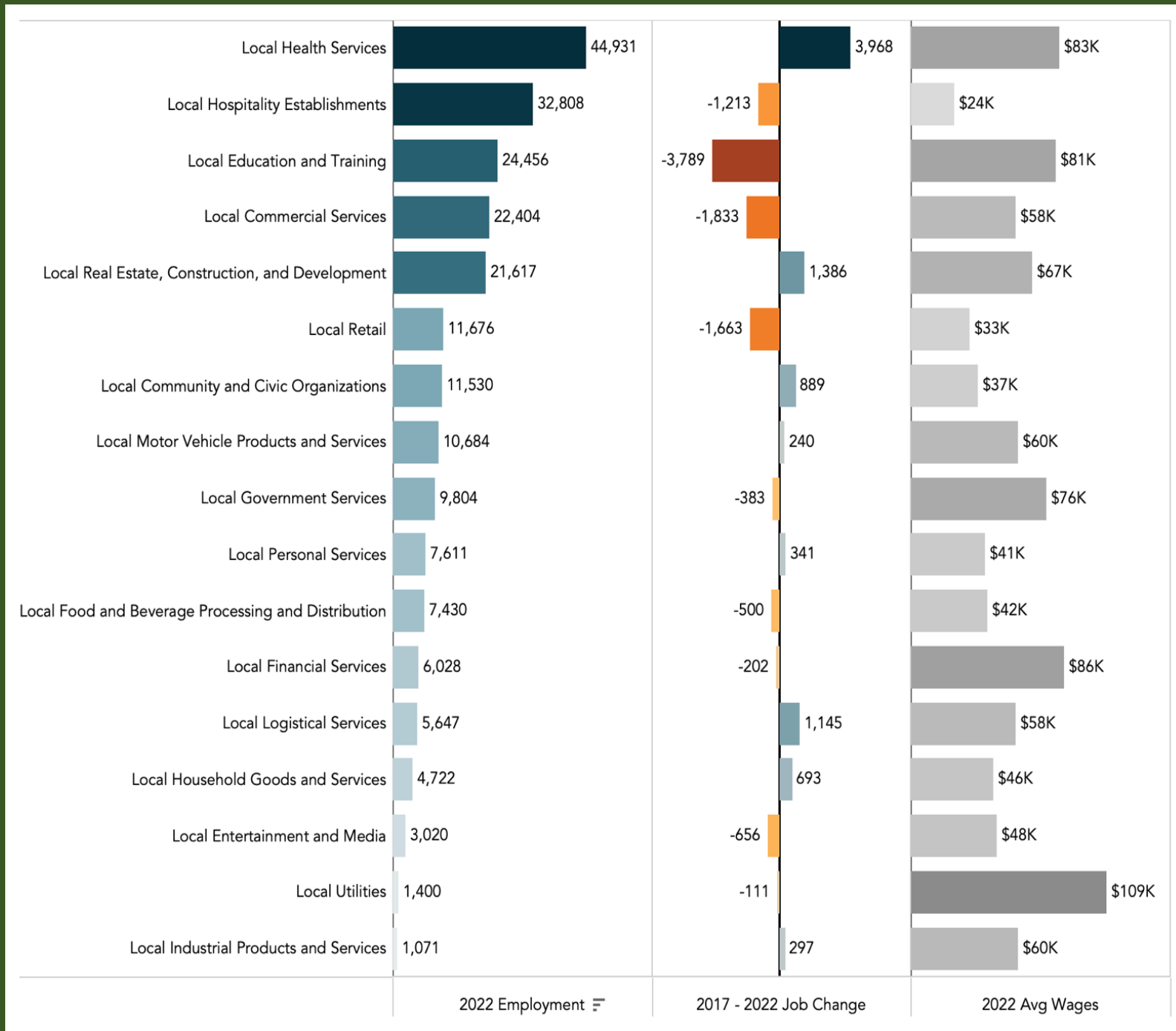


Predicted Employment Change in the Bluegrass Alliance Region



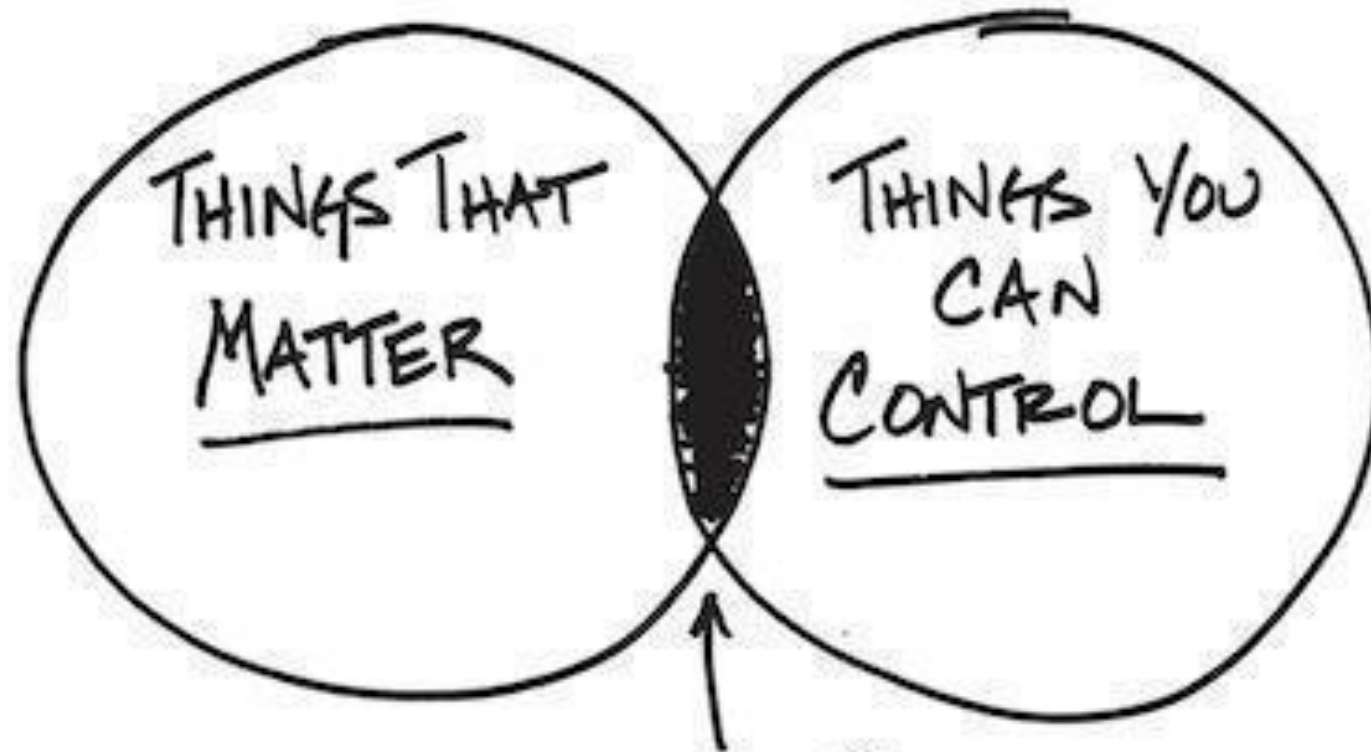
2022 - 2027 Job Change

Bluegrass Alliance Region Local Clusters





Why Have Targets?



WHAT YOU SHOULD FOCUS ON

BEHAVIORGAP.COM





Lexington Targets

Biopharma – a sector that already has a strong concentration in the region (LQ of 1.37) and is growing. It is one of the highest-paying industries as well (average of \$120,000). Also, this sector has very strong fundamentals nationally and globally.

AgBio and AgTech – agriculture is one of the region's strongest employment sectors (LQ of 2.40). Agriculture overall does not offer a compelling growth story or wages, but the AgBio and AgTech subsectors are rapidly growing in the U.S. and across the globe. To succeed in expanding these subsectors, it will be essential to coordinate closely with the University of Kentucky's College of Agriculture, Food and Environment and its Agricultural and Medical Biotechnology programs. It also will be important to align marketing efforts with those for the booming food and beverage processing field.



Lexington Targets

Business Services and Financial Services – these sectors have it all for the region: they are large, growing employers with high wages (nearly \$100,000 average in business services, even higher in financial services). They continued to grow during the COVID-19 pandemic and have the region’s largest five-year predicted employment gains. Business and financial services are also a good fit for Lexington’s lively, attractive downtown and available office space.

Marketing and Design Services – this service industry is small but growing in the Bluegrass region, exhibiting job gains during the pandemic. It also is a solid wage payer. Post-pandemic there are indications that the relative affordability of Lexington could be attractive to firms looking to relocate from large, high-cost metropolitan centers.



Lexington Targets

Medical Devices – this currently plays a small role in the regional economy, employing modest numbers. But this is a growing and lucrative sector in the United States, combining the critical fields of healthcare and technology. Any marketing campaign for medical devices needs to include close working relationships with major healthcare firms and medical centers in the region, nearby Louisville, and Cincinnati. Assets and research at the University of Kentucky will also be a critical factor.



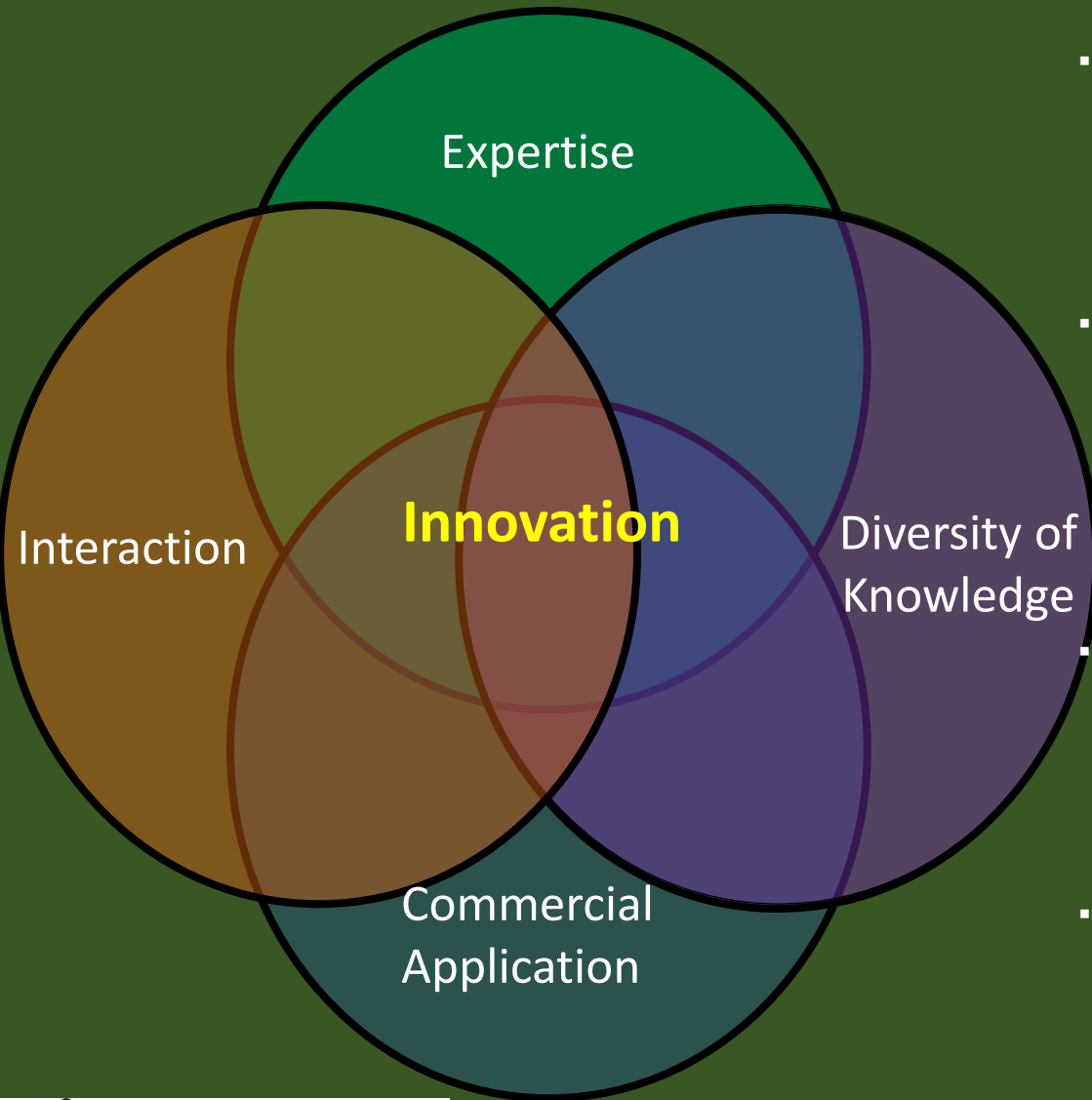
Additional Regional Targets

Automotive – this leading sector has a regional location quotient of nearly 5.5, a major employer that also offers high average wages. Commerce Lexington should pursue niche automotive opportunities; leading-edge technology, supply chain, and those that fit with existing companies.

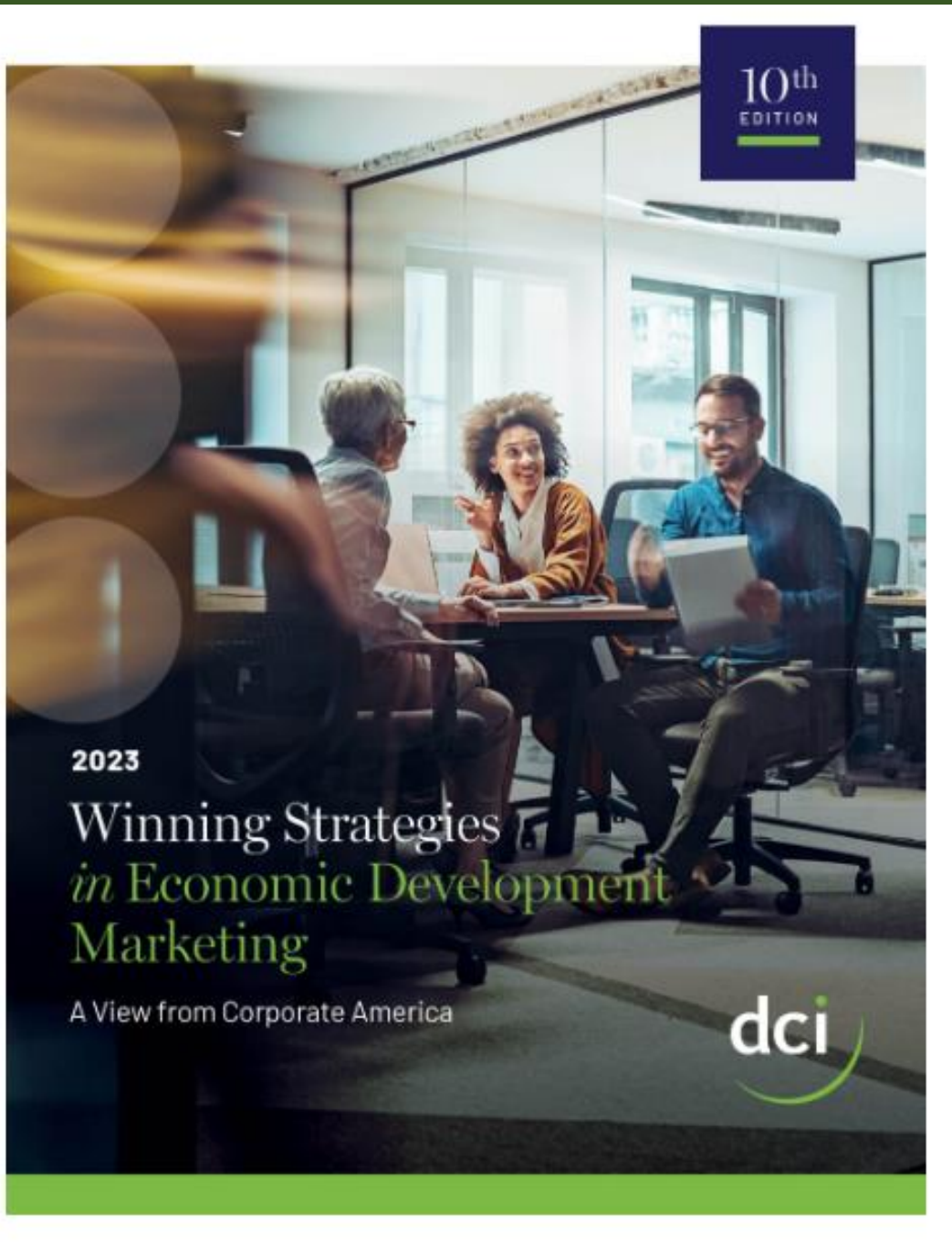
Food and Beverage Processing – this sector had the largest employment growth in the last five years, a strong concentration in the region (LQ of 1.47) and features good average wages. Food and beverage grew jobs during the pandemic and the industry is predicted to add more in the next five years. The industry is also a good complement to the agriculture strengths of the region.

Warehousing and Logistics – Another sector with good average wages in the region (\$84,000 in transportation and logistics), a track record of job growth, and one projected to maintain that growth over the next few years. The Bluegrass region's central location and enviable interstate connections make this sector a logical fit.

Building an Entrepreneurial/Innovation Ecosystem to Support Organic Tech Growth in Lexington and Fayette County



- Attract and grow knowledge expertise by building strong research capabilities and attracting and engaging world-class talent in targeted strategic areas.
- Cause interaction by ensuring collaboration among universities, research institutions, businesses, and others; build close, strong networks that have regular contact and that share research facilities, ideas, and contacts.
- Promote interchange between diverse knowledge experts and industry sectors with multidisciplinary organizations and opportunities for physical contact and idea exchange.
- Endorse the practical and commercial application of technology and research by designing systems that champion and reward achievement.



Economic Development remains a relationship-based industry

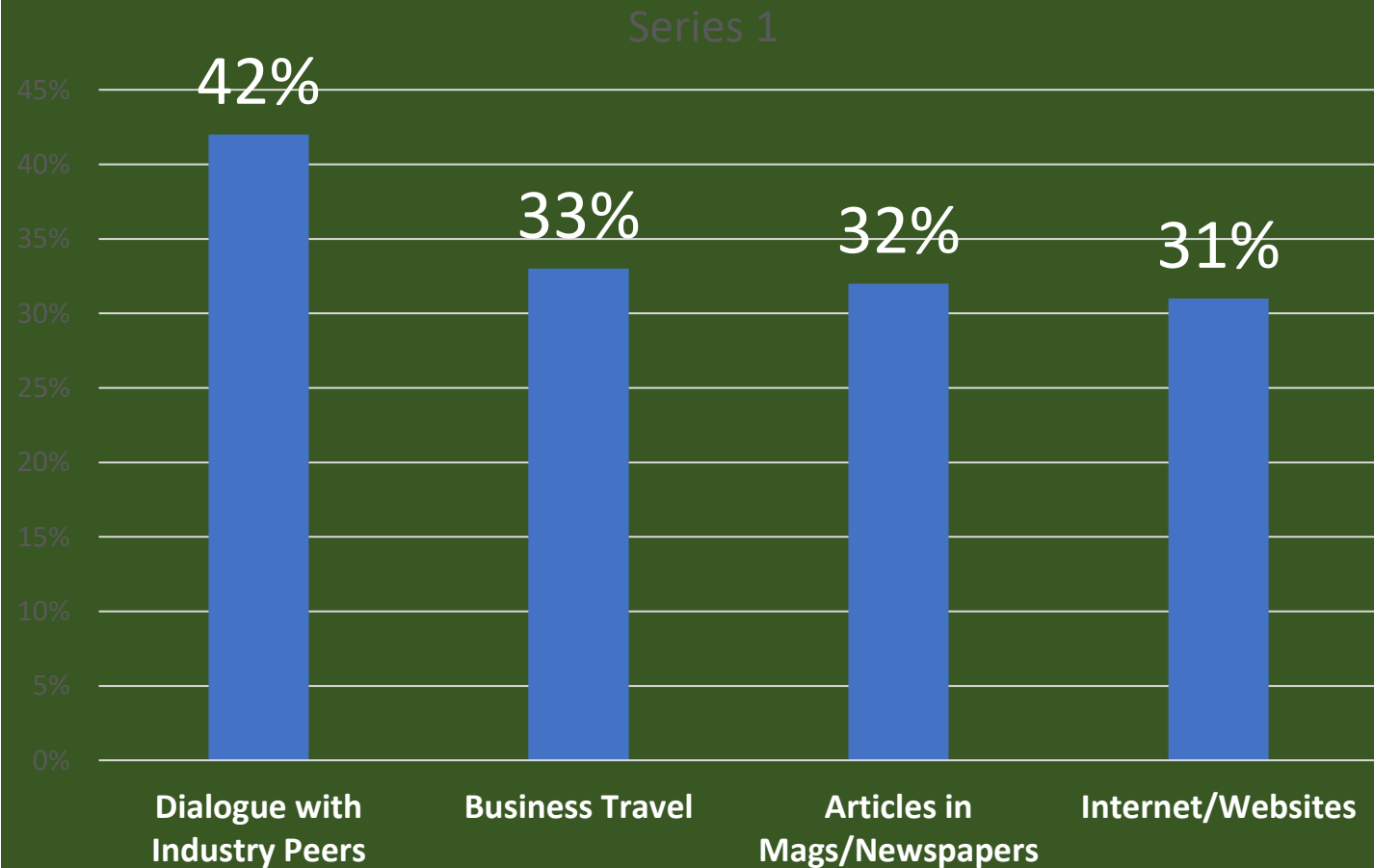
Social media continues to rise in influence

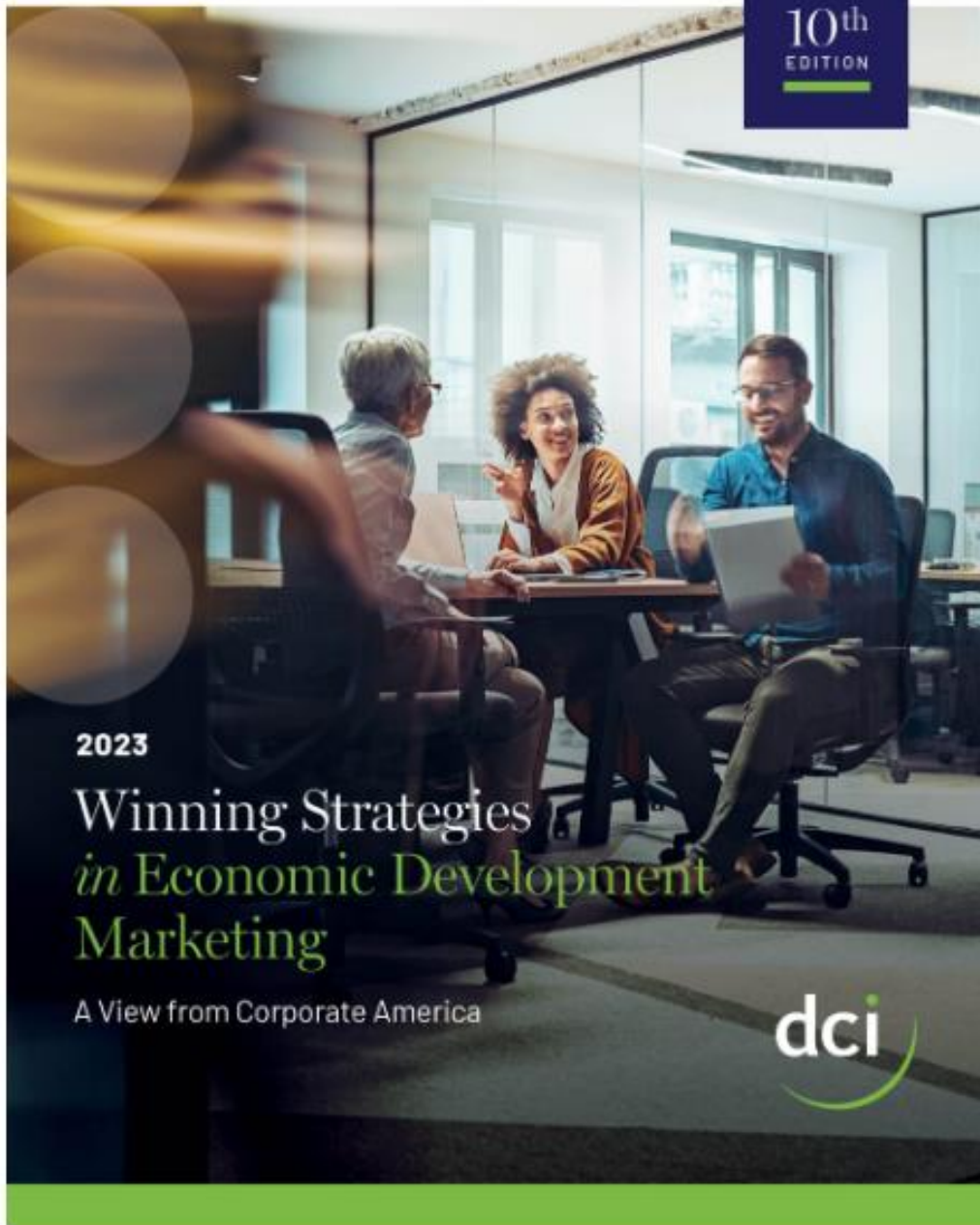
Your digital front door is important

Customized content is critical



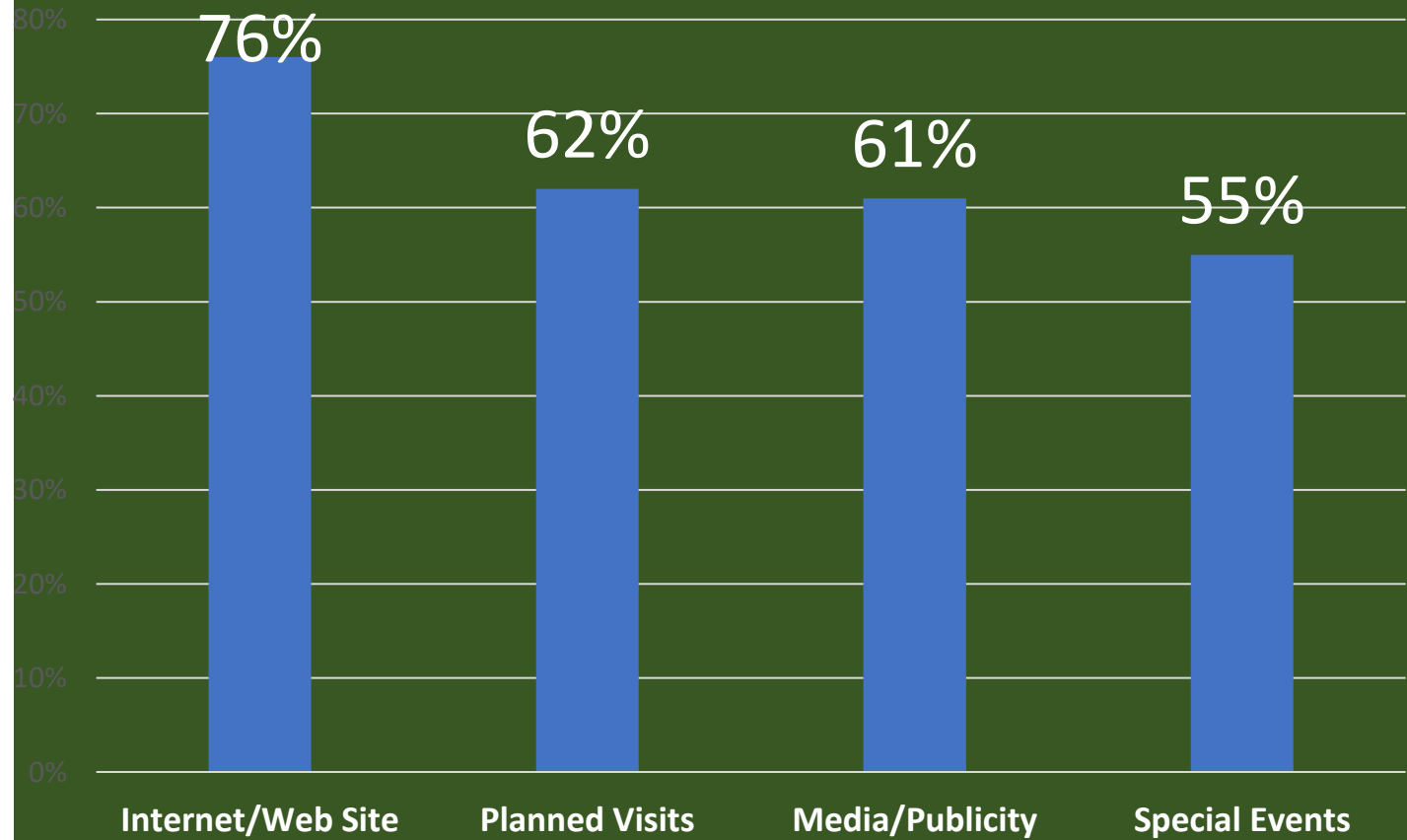
Leading Sources of Information Influencing Perceptions





Best Marketing Techniques From Customers

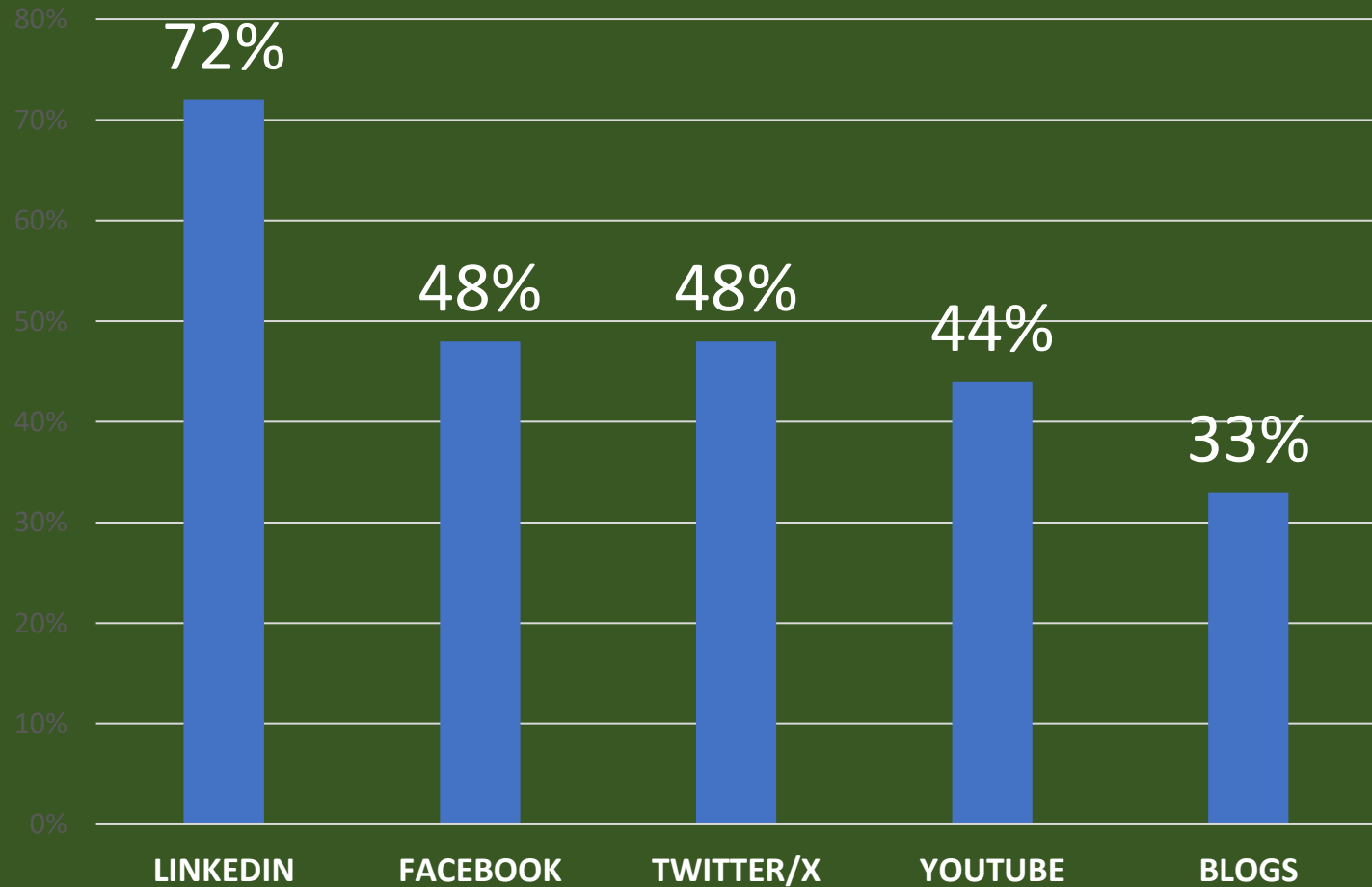
(Percent scoring 4 or 5)



73% Very Likely to Visit Web Site

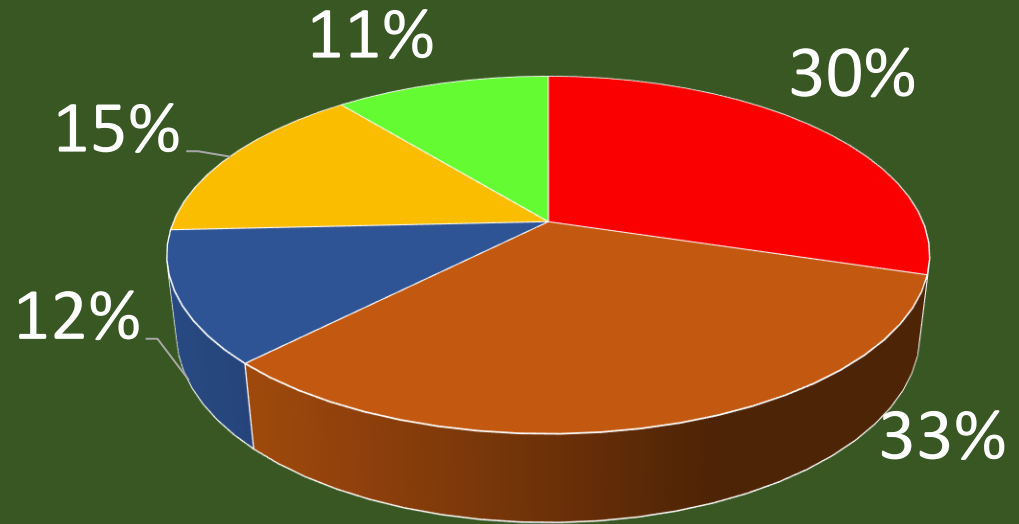


Digital Media Channels Used for Business





First Contact with Economic Development Groups



- During Initial Screening
- After Shortlist
- After Finalist
- After Location
- Not at All

Marketing and Industry Clusters

Successfully marketing a region to specific industry sectors is most effective when it is designed to clearly illustrate the region's understanding of three things:

1. The unique needs of the specific industry sectors;
2. The region's capacity to successfully meet those unique needs;
3. The most effective opportunities to deliver and support that messaging.

Recommended Marketing Strategies

Infrastructure Serving All Industry Sectors

Corporate location decisions are driven by data and influenced by consultant expertise and relationships. Marketing strategies should be built with that in mind.

Building relationships with site consultants, industry specific organizations, and investors is a critical component of targeted marketing strategies for economic development organizations. This is especially true for Lexington as it competes for attention with many larger regions that have existing, well-established industry cluster strengths. Providing timely, easy to access data and clarity of messaging are keys to those relationships.

Recommended Marketing Strategies

- Comprehensive Continuously Improving Website
- Site Location Consultant Engagement
- Industry Specific Events and Meetings
- Thought Leadership and Story Telling



Economic Development Strategy



Increased Marketing

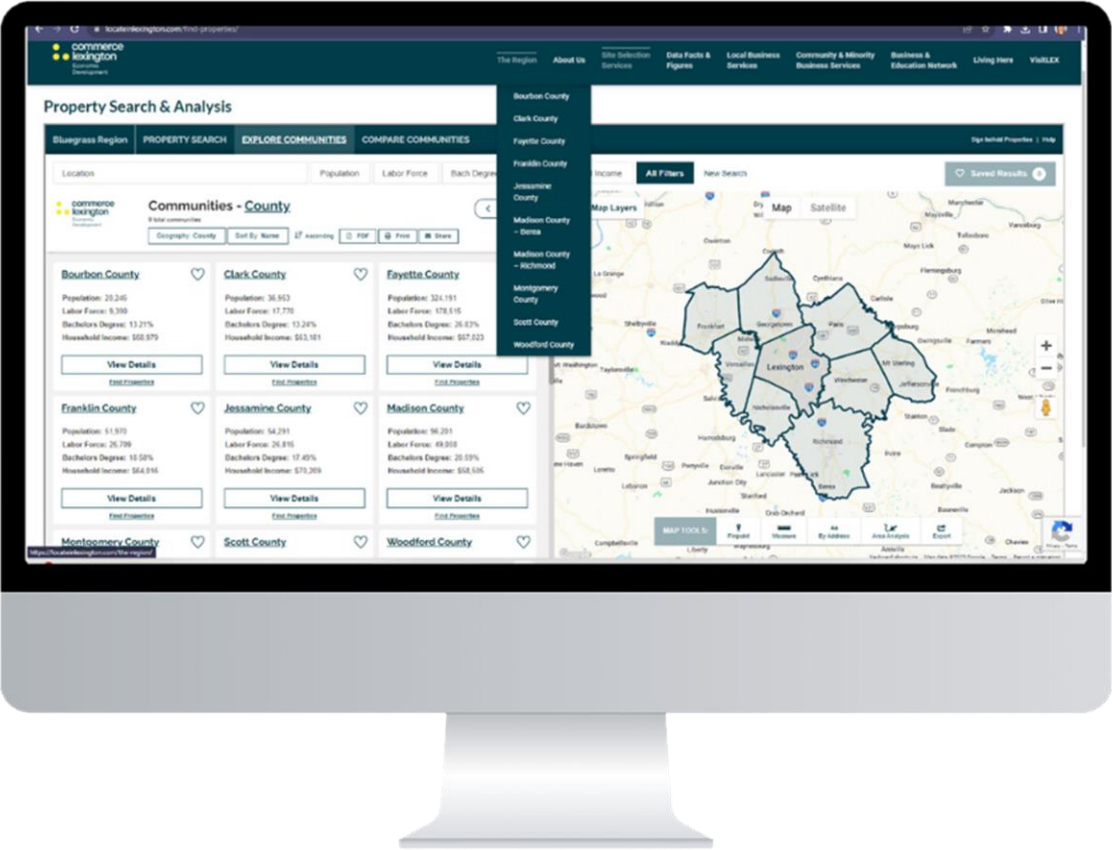
38% Increase in Public & Private Sector Investments

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Significant Increase in Marketing Budget from 2023 to 2024



Comprehensive Website



Consultant Engagement

2024 Proposed Marketing Events

Event	Purpose	City	Date
KAED Spring Conference	Conference for KAED ED professionals and site selection consultants	Somerset, KY	Not available
Area Development The Workshop Forum	Limited to 125 attendees, the interactive event will provide the opportunity to hear from and engage face-to-face with 18 leading site consultants and corporate real estate advisors, featuring multiple boardroom presentations and roundtable discussions.	Louisville, KY	March 18-20
Bluegrass Alliance Marketing Event	Bluegrass Alliance members host a gathering in a target city for site consultants.	TBD	TBD
Consultant Connect Destination Summit	Hosting 10 site selectors of our choice in Lexington for two immersive days.	Lexington, KY	April 17-19
BIO International Convention	Opportunity to represent Kentucky on a global stage and highlight the competitive advantages of the commonwealth to hundreds of biotech, life science, and medical device companies.	San Diego, CA	June 3-6
Economic Future Forum (IEDC BIO Event)	Networking and learning event.	Spokane, WA	June 16-18
Select USA	Investment summit for US and International investors and companies	Washington, DC	June 23-26
Medtech Conference	Exhibit hall and networking opportunities.	Toronto, ON	October 15-17
Economix	Conference for ED professionals and site selection consultants.	TBD	November



Regional Leadership Development

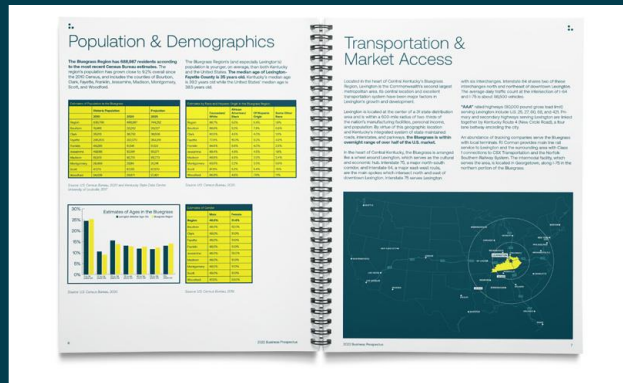


Key Sector Strategies



LocateInLexington.com

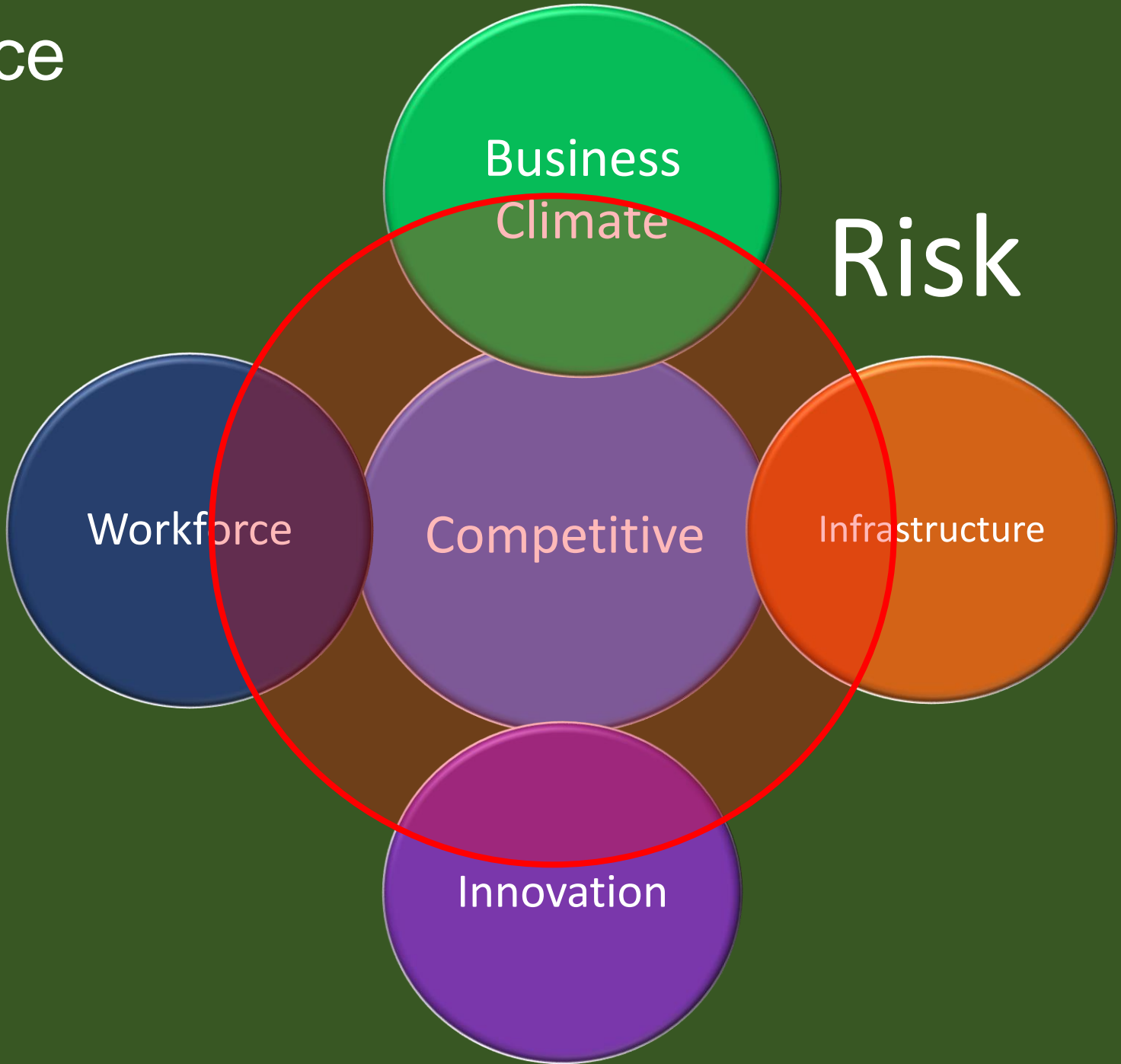
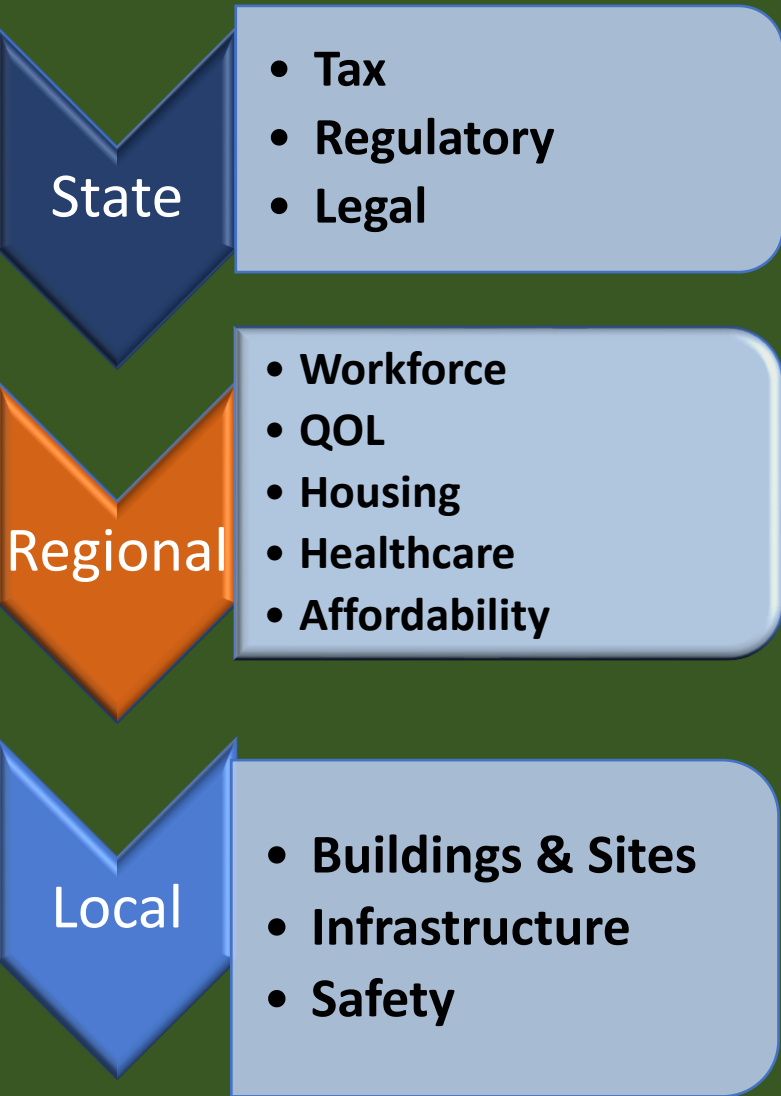
BIOTECH IS BOOMING IN THE BLUEGRASS



Data Analytics Rule the World



Components of Place Competitiveness



5 Indexes and an Overall Composite

- **Talent-** Measures of labor growth, labor force participation, educational attainment, cost of living, investments in education.
- **Cost & Climate-** Measures of business costs, taxation, regulation, legal environment, building energy and occupancy costs and crime.

5 Indexes and an Overall Composite

- **Momentum Index-** What is the metro's economic inertia, measuring gains in population, jobs, wages, GDP, productivity, advanced industry jobs and recent investments in talent.
- **Future Index-** What can you expect in the next decade. What are the economic projections, dependency ratios, how is the infrastructure, what does the talent pipeline look like and is there job growth in growing industries?
- **Quality of Place Index-** Affordability, convenience, inclusion, proximity to parks, safety, health accessibility.

June 2023

insights



What is Important to Your Decision?

- 1) Cost of Living
- 2) Housing Availability
- 3) Housing Cost
- 4) Safety/Crime Rates
- 5) Short Commutes to everything
- 6) Friendly
- 7) Quality healthcare
- 8) Climate
- 9) Outdoor recreation
- 10) Proximity to family

TALENT WARS

What People Look for
in Jobs and Locations

Things to Be Thinking About



Rapidly Changing Globalization

Emerging US Industrial Policy

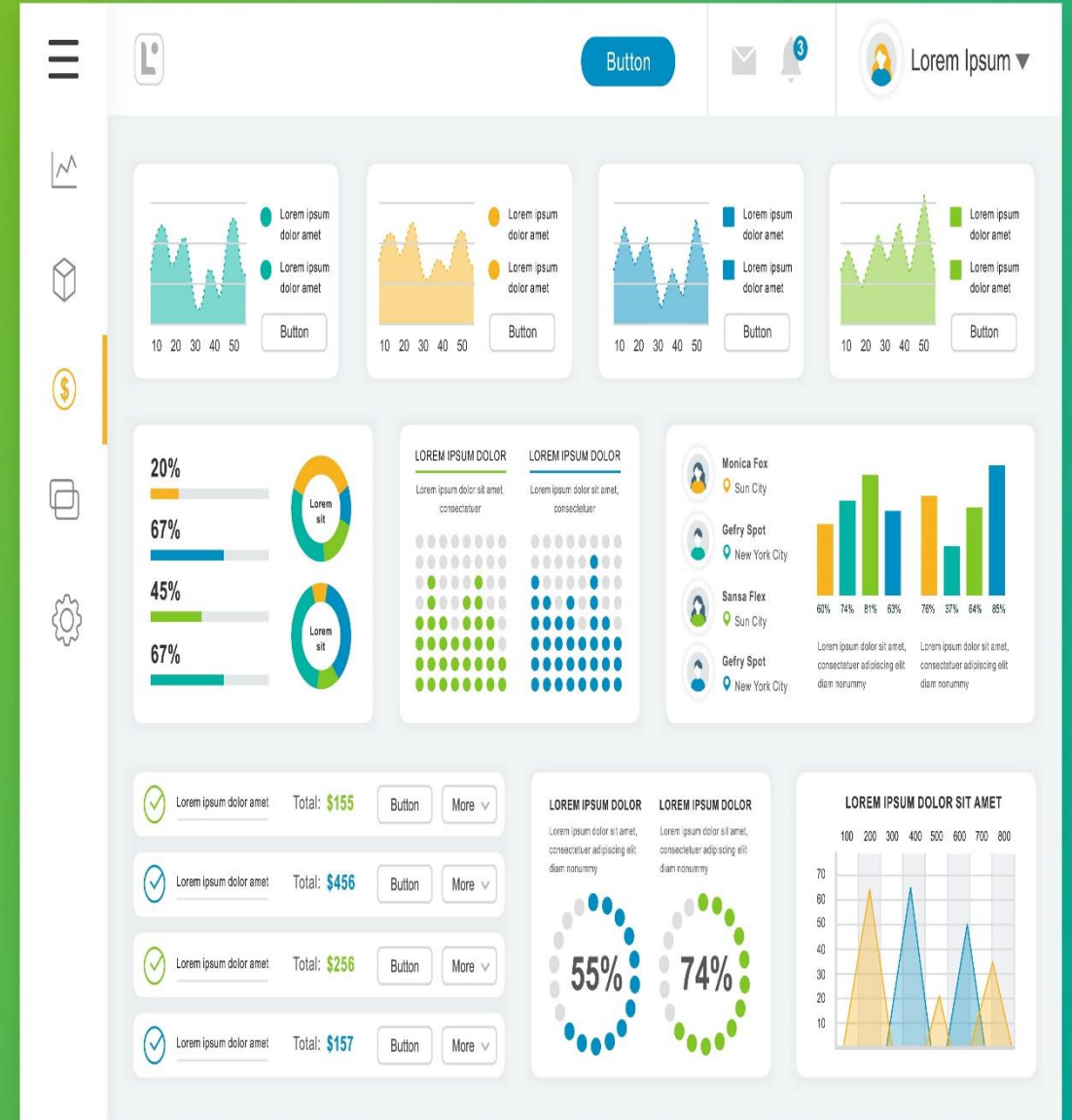
Post Pandemic New Normals

Economic Domestic Tribalizing

Top 8 items to improve the regional economy and business climate

1. Emphasis on strategies to increase **workforce participation**
2. Improve **availability & affordability of housing**
3. Develop new leaders & engage more people in regional collaboration
4. Provide more **shovel-ready sites**
5. Invest more in job training efforts
6. Emphasis on infrastructure
7. More **work experience for students**
8. Comprehensive tax reform-reduce business taxes

What Data Do You Want to Improve?



ANY
QUESTIONS
?