



THINK KENTUCKY

Cabinet for Economic Development

2015 ANNUAL REPORT

INTRODUCTION

- 6 Meet Governor Matt Bevin
- 8 Boards and Commissions

A RECORD-BREAKING YEAR

- 12 Top Moments of 2015
- 14 Business Activity Breaks a Record
- 17 2015 At a Glance
- 20 Announced Project List
- 24 Taking a World View
- 26 Exporting to the World



4

28



INDUSTRY HIGHLIGHTS

- 30 Automotive
- 32 Food and Beverage
- 33 Primary Metals
- 34 Distribution and Logistics

CONTENTS

BUILDING FOR TOMORROW

- 36 Sharpening Employee Skills
- 40 Shaping Kentucky's Labor Force
- 42 Preparing Kentucky's Communities



36

44



ENTREPRENEURSHIP

- 46 Spreading the Entrepreneurial Spirit
- 49 A New Generation of Businesses
- 50 The Best Way to Predict the Future is to Invent it
- 52 Boosting Small Businesses

IN CLOSING

- 54 Kentucky by the Numbers

INTRODUCTION

Businesses large and small look for the perfect place to locate and grow.

The Kentucky Cabinet for Economic Development works with those businesses to ensure their success.

MEET GOVERNOR MATT BEVIN

On December 8, 2015, Matthew G. Bevin became the 62nd governor of the Commonwealth of Kentucky and the leader of the state's economic development and job-growth efforts.

Gov. Bevin brings his background as a businessman, entrepreneur and manufacturer to the job. "I love people who work and make things for a living and sell products. I always have. That is where my heart is," he says. "Since I was a kid, I have always been an entrepreneur, and it is that same thinking that I plan to bring to Kentucky state government."

Gov. Bevin sees economic development from the perspective of a businessman. "They want to know, is government being responsive to my needs? Is the tax structure correct? Is the workforce what's needed for my business?"

As a manufacturer, Gov. Bevin has a message for businesses considering Kentucky for a new or expanded location. "If you want to make things in America, there is no better place than Kentucky. Some of the country's most popular products are made right here."

His immediate goal is to create a better, more effective, more efficient workforce development system. "Everything we aspire to is contingent on us having a workforce that is ready and able to enter into production and service on all these jobs," he says. "We are going to be the manufacturing hub of excellence in the U.S. The difference between where we want to go economically will be our investment in education and our investment in infrastructure."

Kentucky's new governor has many new ideas to take Kentucky's economy to a new level, but he is guided by a basic wish: "When people think of Kentucky, I want them to know that we make things here and that it is easy to do business here. I want this to be the first place people come. We are a place that blends all of the hospitality and charm of being Southern with all of the classic values of being Midwestern. That does not exist anywhere else in America."



BOARDS & COMMISSIONS

The Kentucky Cabinet for Economic Development appreciates the support of a group of Kentucky business men and women, representing both the public and private sectors, who serve in a variety of volunteer capacities, supporting the Cabinet in business development, workforce and small business oversight efforts.

KENTUCKY ECONOMIC DEVELOPMENT PARTNERSHIP

GOVERNOR MATTHEW G. BEVIN - Chair
Governor, Commonwealth of Kentucky

LUTHER DEATON, JR. - Vice Chair
President & CEO - Central Bank & Trust Company

SCOTT R. AUDAS
VP of Business Development
Farmers Bank & Trust Company

ERIK DUNNIGAN
Acting Secretary
Cabinet for Economic Development

TERRY E. FORCHT
Chairman & CEO
Forcht Group of Kentucky, Inc.

JEAN R. HALE
Chairman, President & CEO
Community Trust Bancorp, Inc.

M. MELINDA KARNS
CPA, Director
Blue & Company, LLC

WILLIAM M. LANDRUM, III
Secretary
Finance & Administration Cabinet

DON PARKINSON
Secretary
Tourism, Arts & Heritage Cabinet

WILLIAM T. (BILL) ROBINSON III
Member
Frost Brown Todd, LLC

CHARLES G. SNAVELY
Secretary
Energy & Environment Cabinet

WILLIAM E. SUMMERS IV
Former Deputy Mayor
Louisville Metro Government

JEAN WELLS
Vice President
Wells Health System

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

JEAN R. HALE - Board Chair
Chairman, President & CEO
Community Trust Bancorp, Inc.

AUBREY HAYDEN - Vice Chair
VP Business Services
Your Community Bank

MICHAEL T. VOGT - Secretary Treasurer
VP Human Resources & General Affairs
Mazak Corporation

DORSEY G. HALL - Assistant Secretary Treasurer
President & CEO, South Central Bank

TUCKER BALLINGER
President & CEO
Forcht Bank

JOE KELLY
Retired President
Columbia Gas of Kentucky

WILLIAM M. LANDRUM III
Secretary
Finance & Administration Cabinet

BLUEGRASS STATE SKILLS CORPORATION

RANDALL FOX - Board Chair
Senior Partner, Capstone HR Services, Inc.

WILLIAM "CARL" LAY - Vice-Chair
President, Human Resource Management Professionals
Retired-VP of Corporate Relations, Akebono Brake Corporation North America

RITA COMBS-STERRETT - Secretary
President, RCS Associates

DORIS MOODY - Treasurer
Human Resources Team Leader, Logan Aluminum Inc.

ESTON GLOVER - Executive Committee Member at Large
President/CEO, Pennyrite Rural Electric Coop.

DANIEL ATZINGER
Retired, Ford Motor Company

BRENDA BANKSTON
Director of Grants and Dev., Big Brothers Big Sisters of Kentuckiana

DR. JAY BOX
President, KCTCS

ERIK DUNNIGAN
Acting Secretary, Cabinet for Economic Development

HAL HEINER
Secretary, Education and Workforce Development Cabinet

ROBERT L. KING
President, Council on Postsecondary Education

BETH KUHN
Commissioner, Department of Workforce Investment

JOHN KUZUOKA
School Administrator, Sheet Metal Workers #110

TORSTEN LANGGUTH
Plant Manager, Dr. Schneider Automotive Systems, Inc.

TOM LUND
Economic Development Director, Marion County Economic Development

DERRICK RAMSEY
Secretary, Kentucky Labor Cabinet

JEFF WHITEHEAD
Executive Director, EKCEP, Inc.

KENTUCKY COMMISSION ON SMALL BUSINESS ADVOCACY

TYRONE TYRA - Chair
Vice President, Community & Minority Business Dev.

KERRI RICHARDSON - Vice Chair
Vice President, C2 Strategic Communications

NORMAND DESMARAIS
Executive Director, Tier 1 Performance

MICHAEL GOLDSTON
President, Brewco, Inc.

LAURA LEIGH GOINS
Director, Wesley Center Day School

EARL 'CHIP' HAMM, JR
Attorney, Hamm & Associates, PLLC

PATRICIA KRAUSMAN
Director, Elizabethtown SBDC

JASON FRANCIS LOOMAN
President, Steinert US, Inc.

JACK MCCANN
Dean, School of Business, Lincoln Memorial University

HERBERT L. MCKEE
Self-Employed

MALISSA SHELTON
Vice President, Hometown Bank

KRISTEL SMITH
Director, Kentucky Innovation Network at Eastern Kentucky University

SANDRA WILSON
Executive Director, Hart County Tourist Commission

A RECORD-BREAKING YEAR

Kentucky's success in attracting business continues to garner national attention.

Record investments and new jobs are strengthening Kentucky's economy.

Expansions by existing businesses lead the way.

TOP MOMENTS OF 2015

KYFAM

FIRST CHAPTERS OF KY FAME ARE CREATED AS PROGRAM GOES STATEWIDE.

IN THE KENTUCKY ANGEL INVESTMENT TAX CREDIT'S FIRST MONTH, **40 ANGEL INVESTORS ANNOUNCE PLANS TO INVEST MORE THAN \$2.8 MILLION** IN KENTUCKY BUSINESSES.



THE CABINET LEADS AN ECONOMIC DEVELOPMENT MISSION TO ASIA.



THE CABINET MARKETS KENTUCKY OPPORTUNITIES TO INTERNATIONAL INVESTORS AT THE SELECTUSA INVESTMENT SUMMIT IN WASHINGTON D.C.



THE KENTUCKY EXPORT INITIATIVE CONDUCTS A TRADE MISSION TO CANADA PROVIDING KENTUCKY SMALL BUSINESSES ACCESS TO NEW MARKETS.



KENTUCKY IS NAMED "STATE OF THE YEAR" BY SOUTHERN BUSINESS & DEVELOPMENT MAGAZINE.



THE THIRD ANNUAL GOVERNOR'S SCHOOL FOR ENTREPRENEURS IS HELD AT GEORGETOWN COLLEGE, EXPOSING HIGH SCHOOL STUDENTS TO AN INTENSIVE THREE-WEEK CURRICULUM ON ENTREPRENEURISM.



Kentucky Innovation Network

THE KENTUCKY INNOVATION NETWORK REPORTS IT HAS **HELPED COMPANIES RAISE \$1 BILLION** SINCE ITS INCEPTION.

THE CABINET SECURES AN ADDITIONAL **\$5.3 MILLION IN FEDERAL FUNDING** TO ENCOURAGE SMALL BUSINESS LENDING.



AutoVision Conference

THE CABINET PRESENTS THE INAUGURAL AUTOVISION CONFERENCE IN KENTUCKY, FOCUSING ON THE FUTURE OF THE AUTOMOTIVE INDUSTRY.

3RD
KENTUCKY PLACES **THIRD** NATIONALLY IN BUSINESS CLIMATE RANKING BY SITE SELECTION MAGAZINE.



TRIBLUE ENGINEERING WINS THE STATEWIDE ENTREPRENEUR PITCH COMPETITION DURING THE ANNUAL ANGEL INVESTOR'S SUMMIT.

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

SEP

OCT

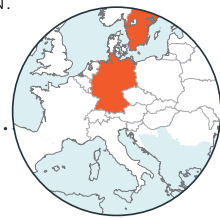
NOV

DEC



KENTUCKY WINS GOVERNOR'S CUP FOR THE NATION'S MOST NEW AND EXPANDING INDUSTRY ACTIVITY PER CAPITA IN 2014.

THE CABINET PURSUES ECONOMIC DEVELOPMENT OPPORTUNITIES IN GERMANY AND SWEDEN.



REGIONAL COMPETITIONS BEGIN FOR IDEA STATE U WITH NEARLY 35 TEAMS OF UNDERGRADUATE AND GRADUATE STUDENTS PARTICIPATING.

IDEA STATE U FINALS COMPETITION HELD IN LEXINGTON.

THE CABINET'S KENTUCKY INNOVATION NETWORK IS PRESENTED A **NATIONAL ACHIEVEMENT IN INNOVATION HUBS AWARD** BY BUSINESS FACILITIES MAGAZINE.



KENTUCKY WINS **SILVER SHOVEL AWARD** FOR SUCCESSFUL JOB CREATION AND INVESTMENTS.

KENTUCKY RECEIVES **\$400,000 STATE TRADE EXPANSION PROGRAM (STEP) GRANT** TO ENCOURAGE AND BOOST INTERNATIONAL TRADE AMONG KENTUCKY'S SMALL BUSINESSES.



IDEA FESTIVAL*

THE KENTUCKY INNOVATION NETWORK SERVES AS PRESENTING SPONSOR OF THE ANNUAL IDEAFESTIVAL, WORKING WITH ATTENDEES TO TURN THEIR GOOD IDEAS INTO BUSINESSES.

KENTUCKY RECOGNIZES **OCTOBER AS MANUFACTURING MONTH**, RECOGNIZING THE 2,400 FACILITIES AND 242,000 KENTUCKIANS WHO WORK IN THE INDUSTRY.



A SIXTH KENTUCKY SITE RECEIVES BUILD-READY CERTIFICATION, WITH SIX OTHERS IN PROGRESS.

KENTUCKY ONCE AGAIN BROKE AN EXPORT RECORD WITH **MORE THAN \$27.6 BILLION IN GOODS AND SERVICES** SOLD INTERNATIONALLY IN 2015.

A RECORD NUMBER OF KENTUCKY SMALL BUSINESSES TAKE ADVANTAGE OF SMALL BUSINESS TAX CREDITS, WHICH PUT \$1 MILLION BACK INTO THE STATE'S SMALL BUSINESS COMMUNITY.

BUSINESS ACTIVITY BREAKS A RECORD

Businesses - large and small - showed confidence in Kentucky's business climate in 2015. The Commonwealth's manufacturing, service and technology sectors announced more than 460 new location or expansion projects with total investment exceeding \$5.1 billion. That is the most business investment in the Commonwealth since record keeping began almost 30 years ago.

Existing Kentucky businesses made up the majority of the new growth, with more than 90 percent of Kentucky's new investment and more than 80 percent of new jobs coming from existing industries that chose to expand. Those companies plan to create more than 16,000 full-time jobs - the most announced jobs in the Commonwealth in almost a decade.

Kentucky also announced many new facility projects throughout the state. From automotive to primary metals to food and beverage to distribution and logistics, Kentucky's growth in 2015 crossed a wide variety of industries. International businesses also continued to come to Kentucky in substantial numbers to open new markets.

In 2015, Kentucky made headlines in many national business publications for its record growth. The accolades included "State of the Year" (Southern Business Development), Governor's Cup (Site Selection) and Silver Shovel Award (Area Development). Kentucky's growth in both new and existing businesses proves that doing business in the Commonwealth is a better prospect than ever.

Paris Machining LLC
PARIS
\$4.2M INVESTMENT
30 NEW JOBS

North American Stainless
GHENT
\$150M INVESTMENT
36 NEW JOBS

Catalent
WINCHESTER
\$61.8M INVESTMENT
300 NEW JOBS

Omni Materials Inc.
AUGUSTA
\$1M INVESTMENT
10 NEW JOBS

Progress Rail Raceland Corporation
WORTHINGTON
\$8M INVESTMENT
161 NEW JOBS

Belcan
LEXINGTON
\$1.3M INVESTMENT
100 NEW JOBS

Senture LLC
ANNVILLE/LONDON
\$6M INVESTMENT
440 NEW JOBS

General Motors
BOWLING GREEN
\$483M INVESTMENT
36 NEW JOBS

DHL Express
ERLANGER
\$108M INVESTMENT
81 NEW JOBS

Itron
OWENTON
\$1M INVESTMENT
51 NEW JOBS

Logan Aluminum
RUSSELLVILLE
\$240M INVESTMENT
190 NEW JOBS

TWB Company
GLASGOW
\$7.7M INVESTMENT
12 NEW JOBS

Bowling Green Metalforming
BOWLING GREEN
\$261.2M INVESTMENT
450 NEW JOBS

Itsuwa
BARDSTOWN
\$5.2M INVESTMENT
43 NEW JOBS

Kelley Beekeeping
CLARKSON
\$7.4M INVESTMENT
50 NEW JOBS

Robert Bosch Automotive Steering
FLORENCE
\$84.5M INVESTMENT
212 NEW JOBS

Dr. Schneider
RUSSELL SPRINGS
\$13.4M INVESTMENT
145 NEW JOBS

Ford Motor Company
LOUISVILLE
\$1.3B INVESTMENT
2,000 NEW JOBS

Dana Light Axle Manufacturing LLC
DRY RIDGE
\$20M INVESTMENT
120 NEW JOBS

Hydro Gear LP
PRINCETON
\$2.6M INVESTMENT
40 NEW JOBS

Douglas Autotech
HOPKINSVILLE
\$14.1M INVESTMENT
115 NEW JOBS

Country Boy Brewing
GEORGETOWN
\$4.3M INVESTMENT
20 NEW JOBS

Coalfield Lumber Company Inc
INEZ
\$2M INVESTMENT
10 NEW JOBS

Four Roses
LAWRENCEBURG/
COX CREEK
\$63.5M INVESTMENT
50 NEW JOBS

International Paper
MAYSVILLE
\$80M INVESTMENT

Grupo Antolin
LOUISVILLE
\$13.7M INVESTMENT
200 NEW JOBS

Specialty Foods Group (Field Packing Division)
OWENSBORO
\$6.1M INVESTMENT
95 NEW JOBS

Appalachian Metal Prototypes
MIDDLESBORO
\$2.6M INVESTMENT
50 NEW JOBS

EOS CCA
SOMERSET
\$3.9M INVESTMENT
150 NEW JOBS

Gibbs Die Casting Corporation
HENDERSON
\$9.8M INVESTMENT
36 NEW JOBS

Kentucky Chrome Works
HORSE CAVE
\$707K INVESTMENT
63 NEW JOBS

Cend LLC
SHEPHERDSVILLE
\$17.2M INVESTMENT
350 NEW JOBS

American Howa Kentucky
MIDWAY
\$13.1M INVESTMENT
54 JOBS

Hendrickson
ELIZABETHTOWN
\$19.2M INVESTMENT
21 NEW JOBS

GE Aircraft Engine Division
MADISONVILLE
\$4M INVESTMENT
41 NEW JOBS

Marquette Transportation Company LLC
PADUCAH
\$20M INVESTMENT
15 NEW JOBS

Innovative Mattress
LEXINGTON
\$2.4M INVESTMENT
52 NEW JOBS

2015 AT A GLANCE

STATE OF THE YEAR
SOUTHERN BUSINESS & DEVELOPMENT

GOVERNOR'S CUP
2ND CONSECUTIVE YEAR
SITE SELECTION MAGAZINE

SILVER SHOVEL AWARD
AREA DEVELOPMENT

CiCi AWARD
TRADE & INDUSTRY DEVELOPMENT

INNOVATION HUB AWARD
BUSINESS FACILITIES

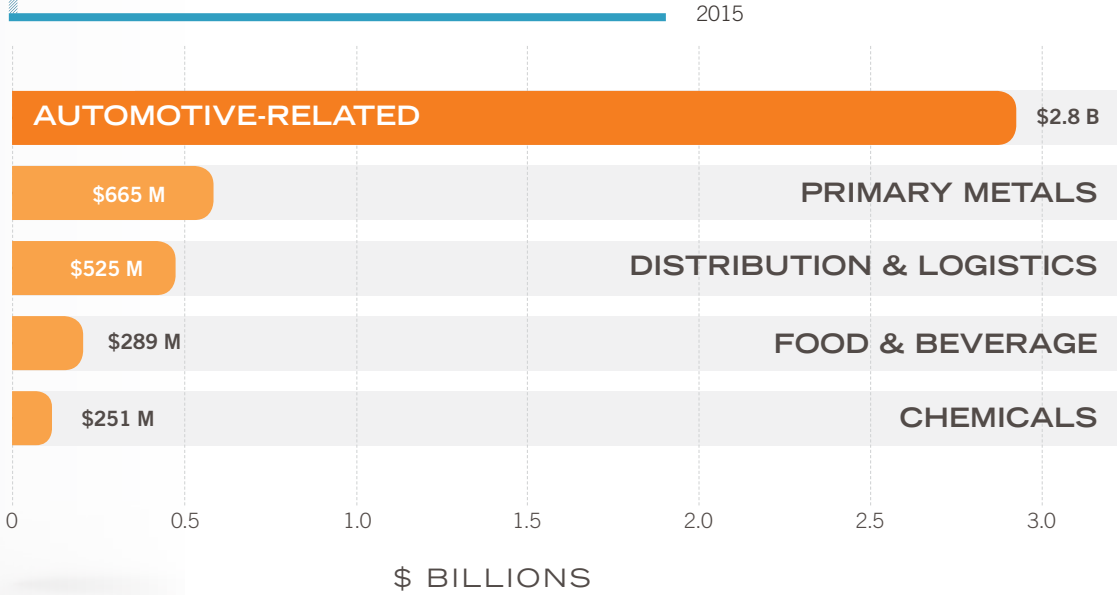
TOTAL 2015 NUMBERS

\$5.1B INVESTMENT

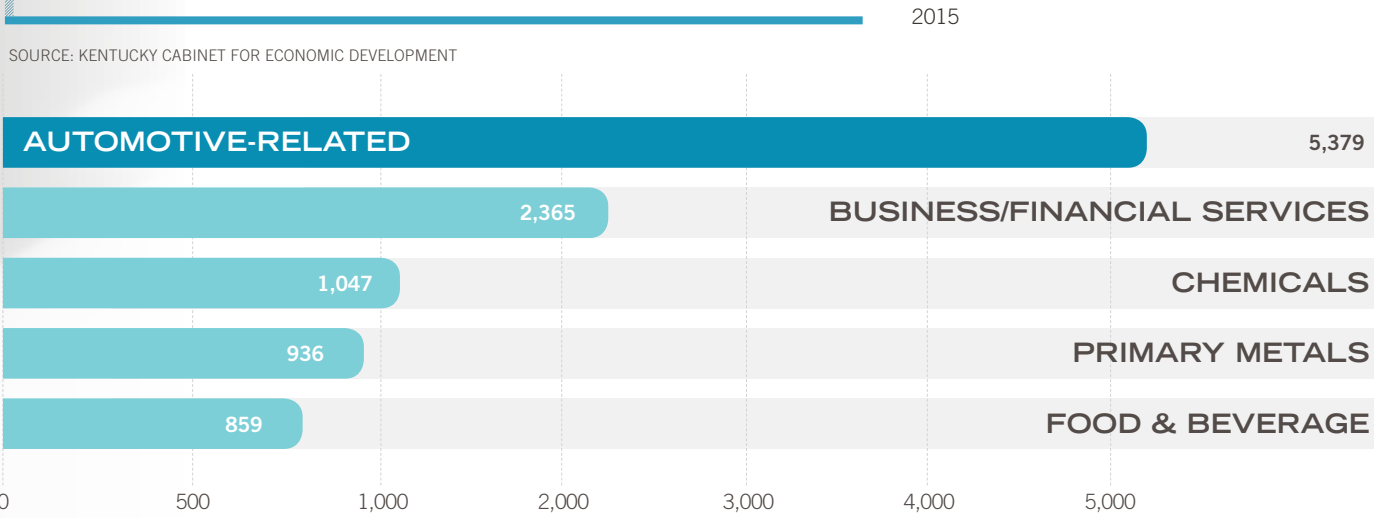
16,024 NEW JOBS



INVESTMENT TRENDS BY SECTOR

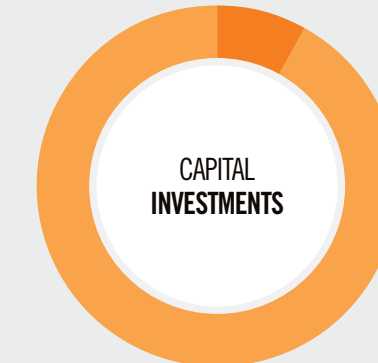
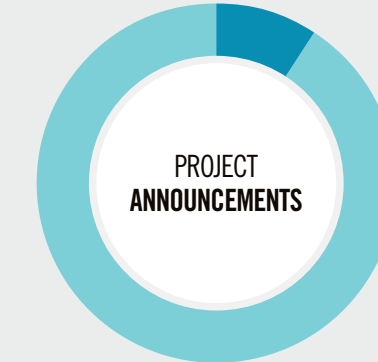


JOBS ANNOUNCEMENT TRENDS BY SECTOR

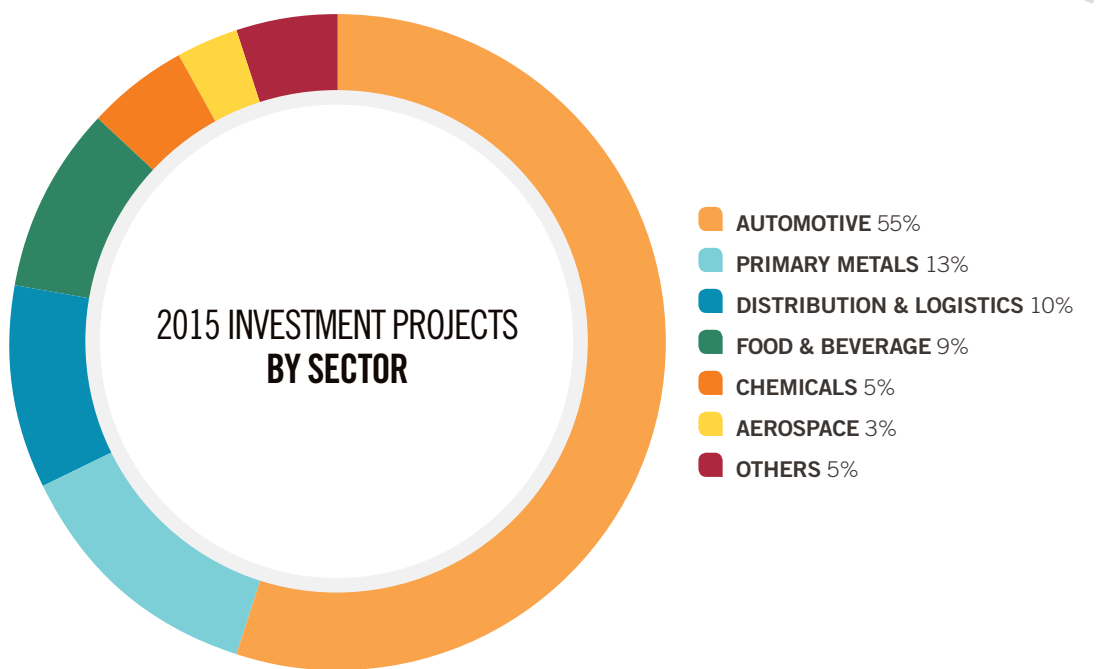
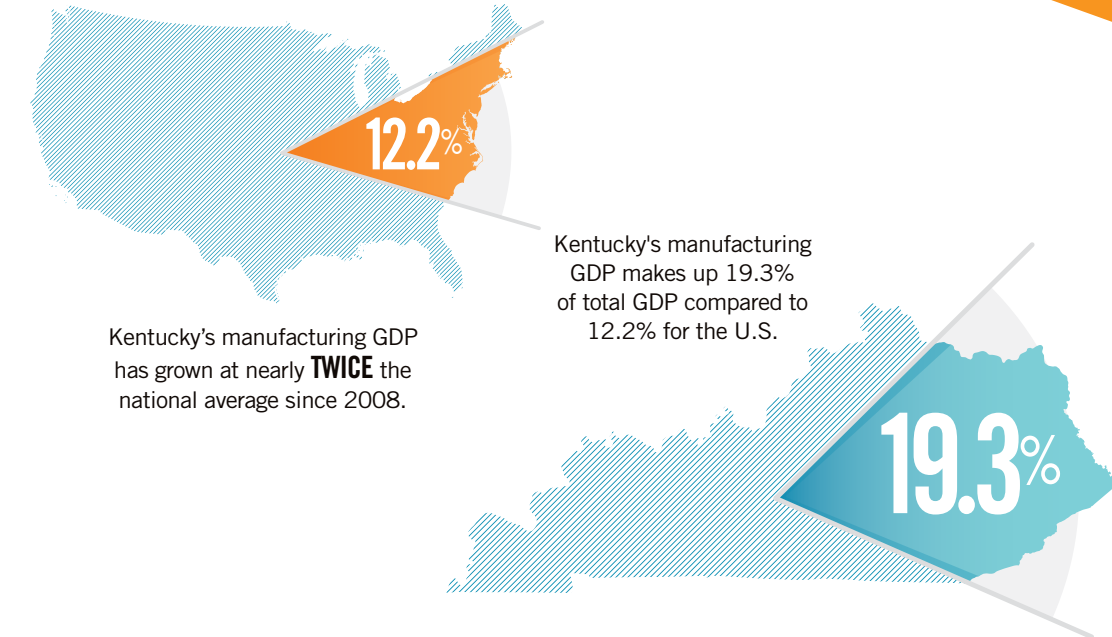


2015 PROJECTS BY JOBS AND INVESTMENT

JANUARY-DECEMBER 2015



2015 MANUFACTURING GDP



2015 ANNOUNCED PROJECT LIST

Business creation and expansion crossed most industry sectors in 2015 as companies, small and large, expressed confidence in the Commonwealth through increased investment. The following list of 2015 projects includes those creating at least 40 jobs or investing \$10 million or more in Kentucky.

310 Tempering, Jefferson County, \$5,950,000 investment, 147 jobs

ABC Automotive Systems Inc, Laurel County, \$7,363,192 investment, 75 jobs

ADP Inc, Jefferson County, \$25,559,363 investment, 35 jobs

Algood Food Company, Jefferson County, \$15,000,000 investment

Allstate Tower Inc, Henderson County, \$1,000,000 investment, 50 jobs

Amazon, Boone County, 100 jobs

American Fuji Seal Inc, Nelson County, \$750,000 investment, 56 jobs

American Howa Kentucky Inc, Woodford County, \$13,108,804 investment, 54 jobs

American Synthetic Rubber Company, Jefferson County, \$21,000,000 investment

Appalachian Metal Prototypes, Bell County, \$2,641,000 investment, 50 jobs

Armstrong Wood Products, Pulaski County, \$2,521,037 investment, 79 jobs

Ashland Consumer Markets (Valvoline), Fayette County, \$35,000,000 investment

Beckman Coulter Inc, Boone County, \$10,412,000 investment, 44 jobs

Bekaert Corporation, Shelby County, \$13,420,000 investment, 25 jobs

Belcan - Lexington Design Center, Fayette County, \$1,307,340 investment, 100 jobs

Bilstein Cold Rolled Steel LP, Warren County, \$10,000,000 investment, 20 jobs

Bluegrass Supply Chain Services, Warren County, \$5,285,600 investment, 55 jobs

Bowling Green Metalforming LLC, Warren County, \$261,240,000 investment, 450 jobs

Brazeway Inc, Christian County, 49 jobs

Brown-Forman Corporation, Jefferson County, \$34,000,000 investment

Calgon Carbon Corporation, Boyd County, \$32,000,000 investment

Capture Higher Education, Jefferson County, \$1,760,000 investment, 180 jobs

Catalent Pharma Solutions, Clark County, \$61,760,250 investment, 300 jobs

Cend LLC, Bullitt County, \$17,213,589 investment, 350 jobs

Champion Petfood USA Inc, Logan County, \$37,705,033 investment

Chemours Company, Jefferson County, \$12,000,000 investment, 140 jobs

Citicorp Credit Services, Boone County, \$14,000,000 investment, 430 jobs

Clarcor Air Filtration Products, Taylor County, \$3,800,000 investment, 50 jobs

Cobb Vantress Inc, Wayne County, \$12,000,000 investment

Cotiviti Healthcare, Jefferson County, \$3,454,905 investment, 45 jobs

D & B Trucks and Equipment, Barren County, \$575,000 investment, 50 jobs

Dana Corporation, Boyle County, \$3,000,000 investment, 71 jobs

Dana Light Axle Manufacturing LLC, Grant County, \$20,000,000 investment, 100 jobs

Danafilms Inc, Simpson County, \$18,500,000 investment, 23 jobs

Dant Clayton Corporation, Jefferson County, \$1,650,000 investment, 65 jobs

DHL Express, Boone County, \$108,000,000 investment, 81 jobs

Diageo Americas Supply Inc, Jefferson County, \$10,500,000 investment, 12 jobs

Dorman Products, Gallatin County, \$849,436 investment, 200 jobs

Douglas Autotech Corporation, Christian County, \$14,134,000 investment, 115 jobs

Dr. Schneider Automotive Systems Inc, Russell County, \$13,370,000 investment, 145 jobs

DURO Bag (Novolex), Boone County, \$5,022,371 investment, 173 jobs

EDAC Composites LLC, Boone County, \$32,073,000 investment, 112 jobs

El Toro Internet Marketing, Jefferson County, \$2,150,000 investment, 60 jobs

Emerge Technologies LLC, Boone County, \$4,862,000 investment, 48 jobs

EOS CCA, Pulaski County, \$3,923,750 investment, 150 jobs

eTechCampus LLC, Fayette County, \$2,050,000 investment, 45 jobs

Ethos Laboratories, Campbell County, \$3,219,531 investment, 48 jobs

Florida Tile Inc, Anderson County, \$25,175,736 investment, 61 jobs

Ford Motor Company, Jefferson County, \$1,300,000,000 investment, 2,000 jobs

Forge Lumber, Kenton County, 52 jobs

Four Roses Distillery LLC, Anderson County, \$34,130,000 investment, 15 jobs

Four Roses Distillery LLC, Bullitt County, \$29,370,000 investment, 35 jobs

Fritz Winter, Simpson County, \$193,720,000 investment, 343 jobs

GameStop Inc, Bullitt County, \$22,571,310 investment, 172 jobs

GE Aircraft Engine Division, Hopkins County, \$4,000,000 investment, 41 jobs

General Cable, Anderson County, \$2,530,000 investment, 54 jobs

General Motors, Warren County, \$483,000,000 investment, 36 jobs

Genscape Inc, Jefferson County, \$3,000,000 investment, 100 jobs

Graham Packaging Company, Warren County, \$22,000,000 investment, 68 jobs

Great Lakes Minerals LLC, Greenup County, \$11,230,000 investment, 10 jobs

Greensky Trade Credit LLC, Kenton County, \$6,860,000 investment, 300 jobs

Grupo Antolin Kentucky Inc, Jefferson County, \$13,725,000 investment, 200 jobs

Healthcare National Marketing Inc, Letcher County, \$182,000 investment, 50 jobs

Heaven Hill Distilleries Inc, Jefferson County, \$16,200,012 investment, 16 jobs

Heaven Hill Distilleries Inc, Nelson County, \$13,200,000 investment, 10 jobs

Hendrickson USA LLC, Hardin County, \$19,200,000 investment, 21 jobs

Highlands Diversified Services Inc, Laurel County, \$3,000,000 investment, 140 jobs

Homecare Homebase LLC, Jefferson County, \$7,800,000 investment, 71 jobs

Houston-Johnson Inc, Jefferson County, \$3,600,000 investment, 117 jobs

Hydro-Gear LP, Caldwell County, \$2,550,000 investment, 40 jobs

Innovation Mattress Solutions, Fayette County, \$2,382,850 investment, 52 jobs

International Paper, Mason County, \$80,000,000 investment

ISCO Industries, Jefferson County, \$4,340,000 investment, 55 jobs

Itron, Owen County, \$1,000,000 investment, 51 jobs

Itsuwa Kentucky, Nelson County, \$5,167,820 investment, 43 jobs

Just Fabulous Inc, Jefferson County, \$22,291,840 investment, 310 jobs

Karbec LLC, LaRue County, \$1,040,000 investment, 48 jobs

Kelley Beekeeping Company, Grayson County, \$7,450,000 investment, 50 jobs

Kentucky Chrome Works LLC, Hart County, \$707,200 investment, 63 jobs

Kobe Aluminum Automotive Products LLC, Warren County, \$57,000,000 investment, 112 jobs

Koch Filter Corporation, Jefferson County, \$25,721,480 investment, 160 jobs

Korreck Optical, Jefferson County, \$2,559,902 investment, 61 jobs

L'Oreal USA, Kenton County, \$19,198,351 investment

LeanCor LLC, Boone County, \$1,441,946 investment, 60 jobs

Logan Aluminum Inc, Logan County, \$240,000,000 investment, 190 jobs

Louisville Packaging, Jefferson County, \$10,000,000 investment, 5 jobs

Louisville Plate Glass Company Inc, Jefferson County, \$4,050,000 investment, 90 jobs

Louisville Processing and Cold Storage, Jefferson County, \$4,200,000 investment, 96 jobs

Marquette Transportation Company LLC, McCracken County, \$20,000,000 investment, 15 jobs

Meggitt Aircraft Braking Systems Kentucky Corporation, Boyle County, \$9,343,060 investment, 66 jobs

Menzner Lumber & Supply, Pulaski County, \$5,615,000 investment, 90 jobs

National Office Furniture, Boyle County, \$530,000 investment, 40 jobs

National Office Furniture, Ohio County, \$318,015 investment, 42 jobs

New Mather Metals, Simpson County, \$20,219,400 investment, 40 jobs

NHK of America Suspension Components Inc, Warren County, \$15,164,000 investment, 20 jobs

NHK Spring Precision of America Inc, Jefferson County, 75 jobs

North American Stainless, Carroll County, \$150,000,000 investment, 36 jobs

NPR of America Inc, Nelson County, \$1,300,000 investment, 40 jobs

Onco360, Jefferson County, \$2,000,000 investment, 150 jobs

PARx Solutions Inc, Jefferson County, \$2,315,985 investment, 77 jobs

Perdue Farms Inc, Ohio County, \$2,400,519 investment, 50 jobs

ProCom, Warren County, \$19,249,838 investment, 37 jobs

Progress Rail Raceland Corporation, Greenup County, \$8,000,000 investment, 161 jobs

Rabbit Hole Spirits LLC, Jefferson County, \$14,217,500 investment, 31 jobs

Riken Elastomers Corporation, Christian County, \$22,400,000 investment, 27 jobs

River View Coal LLC, Union County, \$40,000,000 investment, 100 jobs

Robert Bosch Automotive Steering LLC, Boone County, \$84,506,776 investment, 212 jobs

Roller Die & Forming Company Inc, Franklin County, \$804,000 investment, 125 jobs

RxCrossroads, Jefferson County, \$1,173,750 investment, 168 jobs

SAIC, Pulaski County, 48 jobs

Santa Rosa Systems Inc., Jefferson County, \$5,850,000 investment, 61 jobs

Senture LLC, Laurel County, \$2,982,362 investment, 351 jobs

Senture LLC, Jackson County, \$2,998,630 investment, 89 jobs

Signature HealthCARE Inc, Jefferson County, \$229,250 investment, 63 jobs

Specialty Foods Group Inc aka Field Packaging Division, Daviess County, \$6,095,000 investment, 95 jobs

Stampede Oil Sands Inc, Logan County, \$10,000,000 investment, 28 jobs

Stephens Pipe & Supply, Russell County, \$10,000,000 investment, 50 jobs

Sumitomo Electric Wiring Systems Inc, Fayette County, \$16,610,670 investment, 10 jobs

Tamarlane Industries Inc, Ohio County, 50 jobs

TCO LLC, Knox County, 50 jobs

Texas Roadhouse Inc, Jefferson County, \$13,400,000 investment, 150 jobs

TG Automotive Sealing Kentucky, Christian County, 100 jobs

The Rawlings Group, Oldham County, \$14,500,000 investment

Thortons Inc, Jefferson County, \$27,782,000 investment, 110 jobs

Toyota Motor Manufacturing, Kentucky, Scott County, \$124,000,000 investment, 50 jobs

Toyotetsu America Inc, Pulaski County, \$20,612,252 investment, 28 jobs

Trace Die Cast Inc, Warren County, \$25,000,000 investment, 30 jobs

Trilogy Health Services LLC, Jefferson County, \$1,247,500 investment, 100 jobs

Trover Solutions Inc, Jefferson County, 75 jobs

Tyson Foods Inc, Henderson County, \$8,245,498 investment, 91 jobs

Universal Woods Inc, Jefferson County, \$14,950,000 investment, 156 jobs

UPS, Jefferson County, \$309,734,119 investment, 12 jobs

Verst Group Logistics, Anderson County, \$17,465,735 investment, 18 jobs

Waddington North America Inc, Kenton County, 41 jobs

Westport Global, Jefferson County, \$4,200,000 investment, 60 jobs

YFAI, Jefferson County, 81 jobs

ZirMed Inc, Jefferson County, 40 jobs



TAKING A WORLD VIEW

FOREIGN DIRECT INVESTMENT (FDI)

Companies from around the world are locating and growing in Kentucky, a trend gaining momentum for years.

In 2015 alone, companies from 20 countries announced more than 90 new location or expansion projects in Kentucky, with anticipated investments of nearly \$1.6 billion. Nearly a quarter – 22 percent – of all new full-time jobs announced in Kentucky in 2015 came from internationally owned enterprises.

These foreign corporate partners inject life into Kentucky's economy by providing jobs and investment and introducing the state to new industries and untapped international markets. The Commonwealth strives to develop these connections while continuing to build the state's international footprint.



Four Roses barrels at the distillery in Lawrenceburg.

TOP 5 ANNOUNCEMENTS BY JOBS

Company	City	Jobs	Country
Bowling Green Metalforming LLC	Bowling Green	450	Canada
Cend LLC	Shepherdsville	350	United Kingdom
Fritz Winter	Franklin	343	Germany
Robert Bosch Automotive Steering LLC	Florence	212	Germany
Grupo Antolin Kentucky Inc	Louisville	200	Spain

TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment	Country
Bowling Green Metalforming LLC	Bowling Green	\$261,240,000	Canada
Logan Aluminum Inc	Russellville	\$240,000,000	Japan, India
Fritz Winter	Franklin	\$193,720,000	Germany
North American Stainless	Ghent	\$150,000,000	Spain
Toyota Motor Manufacturing Kentucky	Georgetown	\$124,000,000	Japan

TAKING KENTUCKY AROUND THE GLOBE

Kentucky continued to build relationships with the international business community as the Cabinet actively sought out new economic development opportunities during trips in 2015 to Germany, Sweden, Belgium, Switzerland, Japan, Taiwan, Singapore and Canada. These trips provided an opportunity for Kentucky's economic development leaders to meet with numerous companies and business organizations to showcase what makes the Commonwealth an ideal partner for international business.

- U.S. Ambassador to Japan Caroline Kennedy
- addresses Cabinet officials, representatives
- from the Kentucky Chamber of Commerce and
- members of the Japanese business community
- during a Cabinet economic development
- mission to Asia.



EXPORTING TO THE WORLD



AEROSPACE
remains Kentucky's top export with more than \$8.7 billion in goods.

Over **\$27.6B**
in Kentucky exports in 2015.

198
Kentucky exported to 198 countries.

Kentucky ranked **Top 10**
nationally in the percentage increase in exports.

EXPANDING GLOBAL MARKETS

Kentucky set a new export record in 2015 with \$27.6 billion in goods and services sold abroad, edging out the prior year's record. That achievement provides further evidence that the state builds, distills, provides, engineers and assembles quality products known the world over. By exporting their goods and services, Kentucky businesses grow stronger, support more jobs and gain international exposure for the state and its workforce.

Kentucky's positive numbers stand in contrast to a 7.2 percent exporting decline nationally during 2015. The state placed ninth nationally by percentage increase and 17th by dollar amount.

The Commonwealth sent goods and services across the borders of 198 nations, with Canada, the United Kingdom, Mexico, China and France holding status as the state's top five trade partners. Kentucky sold more than \$7.2 billion in products and services to Canada last year, nearly three times as much as the next largest destination, the U.K.

Aerospace products and parts led Kentucky's export categories with more than \$8.7 billion in goods sold abroad, an increase of more than 12 percent over 2014.

Kentucky's automotive industry – with parts, bodies, trailers and whole vehicles combined – exported more than \$5.3 billion in products throughout 2015. Of that, motor vehicles came in

second among categories with \$3.5 billion exported, ranking the Commonwealth fifth nationally. Other top industry categories include third-place pharmaceuticals and medicines (\$1.7 billion), resin and synthetic rubber, artificial and synthetic fibers and filament (\$1.2 billion) and basic chemicals (\$987 million).

STEP GRANTS

Small businesses can often increase their success by exporting their products abroad. However, learning how to get started is often a major problem. The Cabinet helps those small businesses learn the basics of exporting, using funds provided by the State Trade Expansion Program (STEP).

The U.S. Small Business Administration awarded the Cabinet a \$400,000 STEP grant to lower the cost for small businesses wanting to participate in international trade missions, sales trips and subscription services provided by the U.S. Department of Commerce. Additionally, the funds assisted companies with international marketing campaigns, export trade show exhibits, training workshops or other export initiatives that are in line with the objectives of the program.

Thanks to the program, some 60 Kentucky companies received grants in 2015 to enhance their exporting efforts.

To find out more, visit www.kyexports.com

It was so beneficial to be able to meet and speak firsthand to people who could instruct us on how to get our products into the Canadian market.

Stacey Beeler
Founder, SnapDolls

KEI TRADE MISSION

The Cabinet, through its Kentucky Export Initiative (KEI), conducted a trade mission to Canada in 2015 to match Kentucky small businesses with potential customers.

During the trade mission, the delegation stopped in Ottawa, Montreal and Toronto, where Kentucky company representatives met with perspective business partners. Some two dozen Kentucky companies and trading partners were able to conduct one-on-one meetings with Canadian businesses interested in Kentucky products. The trade mission also included a reception to celebrate and build business relationships between Kentucky and Canadian companies.

As a result of the 2015 mission, many of the participating companies were able to start the processes that will bring more Kentucky-made products to Canada.



SnapDolls founder Stacey Beeler displays one of her company's creations. Beeler participated in the 2015 KEI Trade Mission to Canada.



INDUSTRY HIGHLIGHTS

Kentucky makes what
the world wants.

In 2015, that led to strong growth
in our signature industries.

AUTOMOTIVE

Momentum among the state's automotive manufacturing plants and supplier companies surged forward throughout 2015 as facilities across the state announced \$2.8 billion in investments and nearly 5,400 new jobs.

Each of the three automakers with assembly plants in Kentucky – Ford Motor Co., Toyota Motor Manufacturing Kentucky and General Motors Corp. – made major announcements last year. GM announced a total of \$483 million in projects for its Bowling Green Assembly Plant, home of the Chevrolet Corvette.

In October, Toyota Motor Manufacturing Kentucky became the first-ever U.S. production site for the Lexus ES 350, the world's top-selling Lexus sedan. The project, along with additional facility upgrades, entails a \$360 million investment and the creation of 750 new jobs.

In December, Ford announced it will invest \$1.3 billion at its Kentucky Truck Plant in Louisville and add 2,000 new workers to produce the all-new, aluminum-bodied 2017 Super Duty and chassis cab trucks.

Automotive suppliers also announced substantial growth in 2015, with more than 60 expansion or new location projects reported. Those projects will create nearly 3,000 new jobs and bring a total investment into Kentucky of \$1.4 billion.

Expansions were geographically diverse throughout Kentucky and included such projects as Robert Bosch Automotive Steering LLC in Northern Kentucky, Riken Elastomers Corporation in the west, Sumitomo in central Kentucky, Bowling Green Metalforming in southcentral Kentucky, Highlands Diversified Services in the east and Dr. Schneider Automotive Systems in the southern part of the state.

TOP 5 ANNOUNCEMENTS BY JOBS

Company	City	Jobs
Ford Motor Co	Louisville	2,000
Bowling Green Metalforming LLC	Bowling Green	350
Fritz Winter	Franklin	343
Robert Bosch Automotive Steering LLC	Florence	212
Grupo Antolin Kentucky Inc	Louisville	200

TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment
Ford Motor Co	Louisville	\$1,300,000,000
General Motors Corp	Bowling Green	\$483,000,000
Bowling Green Metalforming LLC	Bowling Green	\$261,240,000
Fritz Winter	Franklin	\$193,720,000
North American Stainless	Ghent	\$150,000,000



ECONOMIC IMPACT

As one of the state's signature and largest industries, the automotive sector directly employs about 90,000 people. According to a study by the Kentucky Automotive Industry Association (KAIA) and the University of Louisville released last year, the industry in total supports 136,500 direct and indirect jobs.

Other findings include:

- The industry contributes \$14.3 billion to Kentucky's gross state product.
- Roughly \$1 out of every \$13 in the state's economy ties to the automotive industry.
- Kentucky's automotive manufacturers and suppliers contribute \$6.1 billion to payrolls annually.
- On average, an automotive manufacturing employee earns \$58,280 annually.
- In the past five years, motor vehicle-related investments of \$5 billion have been announced and nearly 20,000 new jobs reported.



Center: Wil James, president of Toyota Motor Manufacturing Kentucky, displays the first Lexus ES 350 produced in Georgetown.
 Right Top: Sheryl Connelly, Manager, Global Consumer Trends & Futuring, Ford Motor Co, discusses the industry's future at the AutoVision Conference in Louisville.
 Right Bottom: Victor Mendez, U.S. Deputy Secretary of Transportation, discusses safety issues at the AutoVision Conference in Louisville.

AUTOVISION

To stimulate conversation about the impact of the state's vehicle-and-parts-production industry and its future, KAIA hosted a premier, national automotive conference, AutoVision, in Louisville in September. The Cabinet served as presenting sponsor of the conference, which included presentations from Victor Mendez, U.S. Deputy Secretary of Transportation and executives from Ford, Toyota and General Motors. The conference, in its inaugural year, sold out and received highly positive feedback. A 2016 AutoVision conference is being planned.



FOOD AND BEVERAGE

From pork chops to Dippin' Dots, Kentucky bakes, brews, raises, grows and processes products that feed the world's appetite. The state's food and beverage industry saw 44 announcements of new locations, plant expansions and reinvestments in 2015 totaling nearly \$290 million. Those are projected to create more than 850 new, full-time jobs.

Those new investments included expansions at such companies as Specialty Foods Group in Owensboro, Tyson Chicken in Robards, Land O'Frost in Madisonville and Perdue Farms in Beaver Dam. Texas Roadhouse in Louisville was among the companies announcing a new headquarters, and Diageo Americas is moving forward with a warehousing operation in Shelbyville.

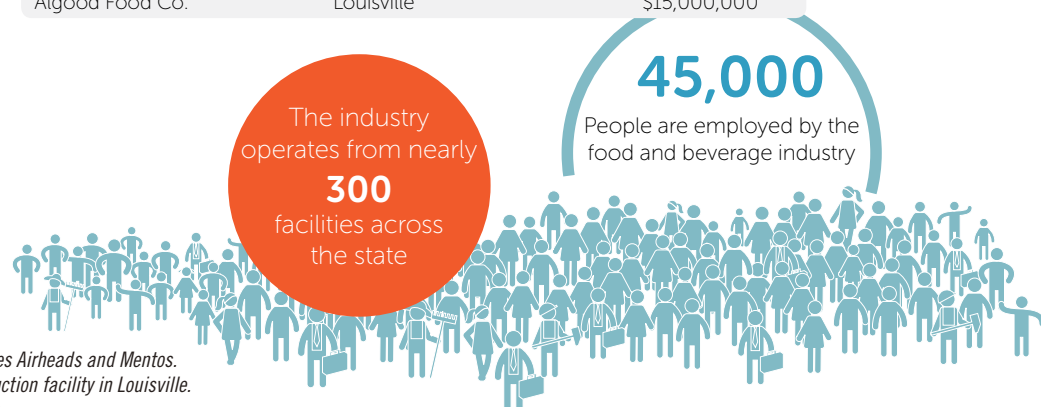
The spirits industry enjoyed a phenomenal year of growth with investments by Four Roses Distillery, Wilderness Trail Distillery, Beam Suntory, Alltech Lexington Brewing, West Sixth Brewing, Brown-Forman and Woodford Reserve, plus a variety of craft distilleries, wineries and microbreweries throughout the state.

TOP 5 ANNOUNCEMENTS BY JOBS

Company	City	Jobs
Texas Roadhouse Inc	Louisville	150
Louisville Processing and Cold Storage	Louisville	96
Specialty Foods Group/Field Packing Division	Owensboro	95
Tyson Foods Inc	Henderson	91
Perdue Farms	Beaver Dam	50

TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment
Four Roses Distillery LLC	Lawrenceburg & Shepherdsville	\$63,500,000
Champion Petfoods USA Inc	Russellville	\$37,705,033
Brown-Forman Corp	Louisville	\$34,000,000
Heaven Hill Distilleries Inc	Bardstown & Louisville	\$29,400,012
Algood Food Co.	Louisville	\$15,000,000



Left: A production employee packages candy at Perfetti Van Melle USA in Erlanger. The company makes Airheads and Mentos. Center: Tim Koons-McGee, co-owner of Comfy Cow, speaks at the July opening of the company's production facility in Louisville. Right: Bourbon whiskey spends years in the aging process at Woodford Reserve Distillery in Versailles.

PRIMARY METALS

The Commonwealth continued to roll out high-quality metals in 2015, supplying a substantial portion of the nation's iron, steel, aluminum and stainless. The state's primary metals industry announced \$665 million in projects last year, creating an estimated 936 jobs, which brought the industry's projected total employment to nearly 19,000 Kentuckians.

Aluminum-related facilities alone announced more than \$379 million in investments and the creation of more than 640 jobs in 2015. That includes a 190-job, \$240 million expansion project at Logan Aluminum near Russellville, thanks to demand in the automotive industry for lightweight material.

Fritz Winter, a German company, announced it would build an iron-casting foundry in Simpson County. The \$194 million project is expected to employ about 340 people and will allow the company to supply automotive companies with cast brake rotors.

North American Stainless announced a \$150 million expansion at its mill in Carroll County in 2015, a project expected to bring 36 jobs. These projects and more than a dozen others position the state to continue in its vanguard role in the primary metals industry.

TOP 5 ANNOUNCEMENTS BY JOBS

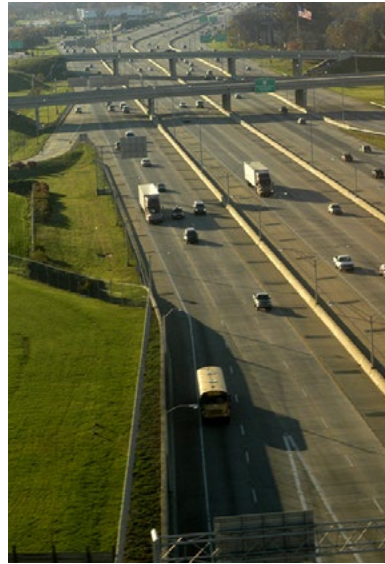
Company	City	Jobs
Fritz Winter	Franklin	343
Logan Aluminum Inc	Russellville	190
Roller Die & Forming Co Inc	Frankfort	125
General Cable Industries	Lawrenceburg	54
Stephens Pipe & Supply	Russell Springs	50

TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment
Logan Aluminum Inc	Russellville	\$240,000,000
Fritz Winter	Franklin	\$193,720,000
North American Stainless	Ghent	\$150,000,000
Trace Die Cast Inc	Bowling Green	\$25,000,000
Bekaert Corporation	Shelbyville	\$13,420,000

Top: Aleris continues the \$350 million expansion of its Lewisport facility. The company produces wide aluminum auto body sheet for the automotive industry. Center: Tom Harned, Logan Economic Alliance for Development, celebrates Logan Aluminum's \$240 million expansion in Russellville. Bottom: In March 2015, North American Stainless announced a \$150 million expansion of its Ghent facility.





DISTRIBUTION AND LOGISTICS

With more than a half-billion dollars in new projects announced in 2015, Kentucky powered forward as a top choice for companies relying on timely shipping.

In May 2015, executives with DHL Express announced plans to invest \$108 million to expand its hub at the Cincinnati/Northern Kentucky International Airport, a project that added an estimated 81 new jobs. Since establishing the hub in 2009, DHL has invested \$280 million in a series of expansions.

UPS announced in October 2015 that it will invest nearly \$310 million to roughly double package-sorting capacity at its Centennial ground hub in Louisville. The company also operates the Worldport international air hub in Louisville.

Kentucky offers companies 20 interstates and major highways, rail networks, barge traffic on the Ohio and Mississippi rivers, five commercial airports and dozens of regional airports. The state's transportation network can move products easily and efficiently by air, rail, road and water to all points globally.

DISTRIBUTION GROWTH

Among distributors, Amazon hired 100 employees at its Boone County facility, Groupon added warehouse capacity with a \$9.6 million project in Hebron, and pharmaceutical packager and distributor APACE KY invested \$8.3 million in Monroe County.

These, and many other companies, continue to use Kentucky's position at the intersection of key U.S. markets – the Midwest, South, Northeast and Atlantic Seaboard – to their competitive advantage.

- \$526 million in distribution and logistics-related projects announced in 2015
- Nearly 850 new jobs expected
- 34 total announced projects



Top row, from left to right: Package shipping through UPS and DHL in Kentucky is responsible for thousands of jobs.; The Ohio River is a major carrier of barge freight; Interstate 264 in Louisville is one of 20 Interstates and major highways in Kentucky; The Commonwealth offers nearly 3,200 miles of track, including 2,300 miles of Class I track.
Bottom: UPS announced a \$310 million expansion project in 2015.

TOP 5 ANNOUNCEMENTS BY JOBS

Company	City	Jobs
Just Fabulous Inc	Louisville	310
Houston-Johnson Inc	Louisville	117
Amazon	Hebron	100
DHL Express	Erlanger	81
Bluegrass Supply Chain Services	Bowling Green	55

TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment
UPS	Louisville	\$309,734,119
DHL Express	Erlanger	\$108,000,000
Just Fabulous Inc	Louisville	\$22,291,840
Marquette Transportation Company LLC	Paducah	\$20,000,000
Beckman Coulter Inc	Hebron	\$10,012,000

BUILDING FOR TOMORROW

Kentucky is taking action
to ensure its future
outshines even its bright past.

That includes world-class
worker training programs and
active community involvement.

SHARPENING EMPLOYEE SKILLS

Ask any company in the Commonwealth of Kentucky that employs multiple people and they'll agree; workforce matters.

A strong workforce offers a combination of knowledge, training, skills and experience that forms the backbone of a successful economy.

Kentucky is undergoing a workforce training revolution. As a result, businesses throughout the state that rely on a well-trained workforce are coming to recognize and reap the benefits of the innovative and effective training options offered by the state and its partner organizations.

Kentucky's efforts were recognized in 2015 by Site Selection magazine, which cited Kentucky's workforce development programs as the best in the southcentral region, which includes Alabama, Tennessee, Arkansas, Texas, Louisiana, Oklahoma and Mississippi.

KENTUCKY SKILLS NETWORK

For many companies, the availability of a well-trained employee base plays a critical role in whether the business succeeds, grows and adds locations. To ensure Kentucky offers its business community a supply of workers ready to do the jobs required, the Kentucky Skills Network offers companies resources to help hire and train the right people.

The Kentucky Skills Network provides workforce development options to businesses through a variety of programs and partners. These resources include employee recruitment, customized training assistance, training incentives and skills development. By helping companies identify their specific needs, the Kentucky Skills Network customizes recruitment and training services and thereby meets the individual needs of each particular business.

Throughout 2015, the Kentucky Skills Network provided training to more than 84,000 employees and more than 5,600 Kentucky companies from a variety of industry sectors.

Services offered by the Kentucky Skills Network are available to new and existing businesses across the state. Those services include low or no cost recruitment and training services as well as job training grants and services.

BLUEGRASS STATE SKILLS CORPORATION

The Cabinet for Economic Development plays a significant role in keeping Kentucky's business and industry competitive in the global economy by helping secure the necessary training for their workforce. This assistance comes through the Bluegrass State Skills Corporation (BSSC), which provides incentives to help new and existing employers in Kentucky keep their workers competitive through flexible, employer-driven skills-upgrade training.

In fiscal 2015, the BSSC Board of Directors approved Grant-In-Aid applications for 104 companies, training consortia to train approximately 17,000 Kentucky-resident employees and tax credit applications for 39 companies to train over 10,500 Kentucky-resident employees.

Employers benefited from Grants-In-Aid throughout the year as well as tax credits. Through that assistance, members of the state's workforce received customized, flexible skills-training that continues to keep Kentucky's employers and workers nationally and internationally competitive.

• Page 37: Duane Stewart operates Universal Woods' fiberglass reinforced plastic (FRP) router and produces materials for their distributors. Photo courtesy of Universal Woods.

• Current Page: An employee at Integrated Manufacturing & Assembly, Louisville, works to produce seats for the Chevrolet Corvette. The company produces seats for the GM Bowling Green Assembly Plant and seating assemblies for several Mercedes Benz models.



SHAPING KENTUCKY'S LABOR FORCE



KY FAME

In 2015, the Kentucky Federation for Advanced Manufacturing Education (KY FAME) grew statewide and enrolled nearly 150 students and 125 employers in its innovative apprentice program.

Through KY FAME, an industry-led, public-private partnership, manufacturers, education providers and government leaders work together to create a pipeline of highly skilled employees.

Students enrolled in KY FAME receive paid, on-the-job training at a private-sector manufacturing company three days a week while attending a local Kentucky Community & Technical College two days a week. After five semesters, students graduate with an associate degree as an advanced manufacturing technician (AMT).

While AMT graduates often receive job offers from the manufacturer where they trained – typically earning starting salaries of \$35,000 - \$45,000 as full-time employees – KY FAME also provides a solid experience base for students to transition to bachelor's degree programs for business or engineering.

Based on a successful existing model in central Kentucky, KY FAME incorporated in January 2015 with four chapters. Throughout the year, that expanded to eight across the state with others being considered.

By providing students with relevant career experience, education toward a degree and full-time employment opportunities upon graduation, KY FAME directly addresses a need among manufacturing companies for skilled employees and is building a stronger economy for Kentucky.

For its innovative approach, KY FAME was cited among the top 10 economic development programs in the south by Southern Business & Development magazine.

- Far left: KY FAME students attended the groundbreaking of a new state-of-the-art Advanced Manufacturing KCTCS Bluegrass facility.
- Upper right: Christina Parton, KY FAME graduate who works at Toyota, speaks with a supervisor.
- Lower right: KY FAME student Shane Daniel, participates in the Advanced Manufacturing Technician training program.

PREPARING KENTUCKY'S COMMUNITIES

Kentucky communities are pro-actively working to increase their attractiveness to prospective businesses. Two particular initiatives provide distinct advantages while marketing to corporate site selectors.



Through the Commonwealth's Work Ready Communities program, counties must meet six criteria to become certified. They include high school graduation rates, National Career Readiness Certificate holders, demonstrated community commitment, educational attainment, soft-skills development and digital literacy.

By the end of 2015, more than half of Kentucky counties had achieved Work Ready or Work Ready-in-Progress status. Also, every other Kentucky county has started the certification process toward becoming Work Ready.

Earning the Work Ready Community status gives counties a competitive edge when recruiting industry because certification means the local workforce has the talent and skills necessary to staff existing jobs and to master the innovative technologies new jobs will provide.



BUILD-READY

In addition to an available and qualified workforce, having the ability to begin construction quickly can be a deciding factor in a company's decision to locate in a community. A growing number of Kentucky communities constructed Build-Ready sites to attract those companies. In 2015, six Kentucky communities touted Build-Ready sites and more than a half-dozen others began the process.

Build-Ready fast tracks industrial development by working with developers to prepare surveys, permits, studies and building renderings on particular sites. Certification also requires utilities including electric, water, sewer and roadway to extend to the edge of the site. With those in place, companies searching for new sites can slice months off their pre-construction timelines, allowing them to rapidly locate, build and begin operations.

The Build-Ready sites made available in 2015 include the Highland Glen Industrial Park in Barren County, the Bluegrass Crossings Regional Business Centre in Ohio County, the 4-Star Regional Industrial Park in Henderson, the Shelton Industrial Park in Logan County, Graves County's Hickory Industrial Park and Bowling Green's Kentucky Transpark. Of the communities with completed Build-Ready sites, the Bowling Green and Henderson communities are certified Work Ready, Russellville, Beaver Dam and Glasgow are Work Ready-in-Progress and Mayfield has signed a letter of intent to become Work Ready.

Corporate site visits increased dramatically after the Build-Ready certification, demonstrating the interest in, and need for, this unique new option. More information on the Build-Ready program is available at BuildReadyKY.com.

With a Build-Ready site, buyers have access to land ready for development, as well as concepts for buildings to speed construction. Some of these Build-Ready sites include:

Upper left – Sheldon Lane Industrial Park, Russellville

Upper right – Hickory Industrial Park, Mayfield

Middle left – Bluegrass Crossings, Beaver Dam

Middle right – Kentucky Transpark, Bowling Green

Bottom left – A Work Ready Community sign at the entrance to the Kentucky Transpark in Bowling Green.

Bottom middle – 4-Star Regional Industrial Park, Henderson

Bottom right – Highland Glen Industrial Park, Glasgow



ENTREPRENEURSHIP

Innovation has driven Kentucky's entrepreneurs for 200 years. That same spirit thrives today.

The Cabinet fosters that spirit while helping Kentuckians of all ages create the businesses of tomorrow.

THE BEST WAY TO PREDICT THE FUTURE IS TO INVENT IT



"IT'S AMAZING THAT, AT THEIR AGE, THEY'RE LEARNING TO THINK CRITICALLY AND UNDERSTANDING HOW BUSINESSES WORK."

RANDALL STEVENS, owner of ArchVision in Lexington and presentation day judge for the Governor's School for Entrepreneurs

There's no age requirement to be an entrepreneur, and young people with great new ideas are learning how to create the businesses of the future. The Cabinet for Economic Development works not only to encourage young entrepreneurs, but also to give them the tools for success.

GOVERNOR'S SCHOOL FOR ENTREPRENEURS

Companies of the future may include such names as Walk Easy, Slice Slide, Cord Keeper, Loco Locs and Varsity Exchange. If so, those companies got their start in summer 2015 when a group of Kentucky high school students conceived and demonstrated the ideas.

The company ideas came out of the Governor's School for Entrepreneurs (GSE), which provides students with an opportunity to showcase their entrepreneurial thinking, public speaking and team-building skills.

In 2015, GSE saw 16 teams participate in the three-week intensive course at Georgetown College. Students took in the campus life while working together to create and market groundbreaking business ideas. They also worked closely with, and received feedback from, successful entrepreneurs and business leaders in the region.

IDEA STATE U

As young entrepreneurs make their way through college for their next great challenge, they also look to further test their business prowess. Idea State U is an annual business plan competition that hosts students from colleges and universities who develop business models and plans to compete for a share of \$100,000 in prizes.

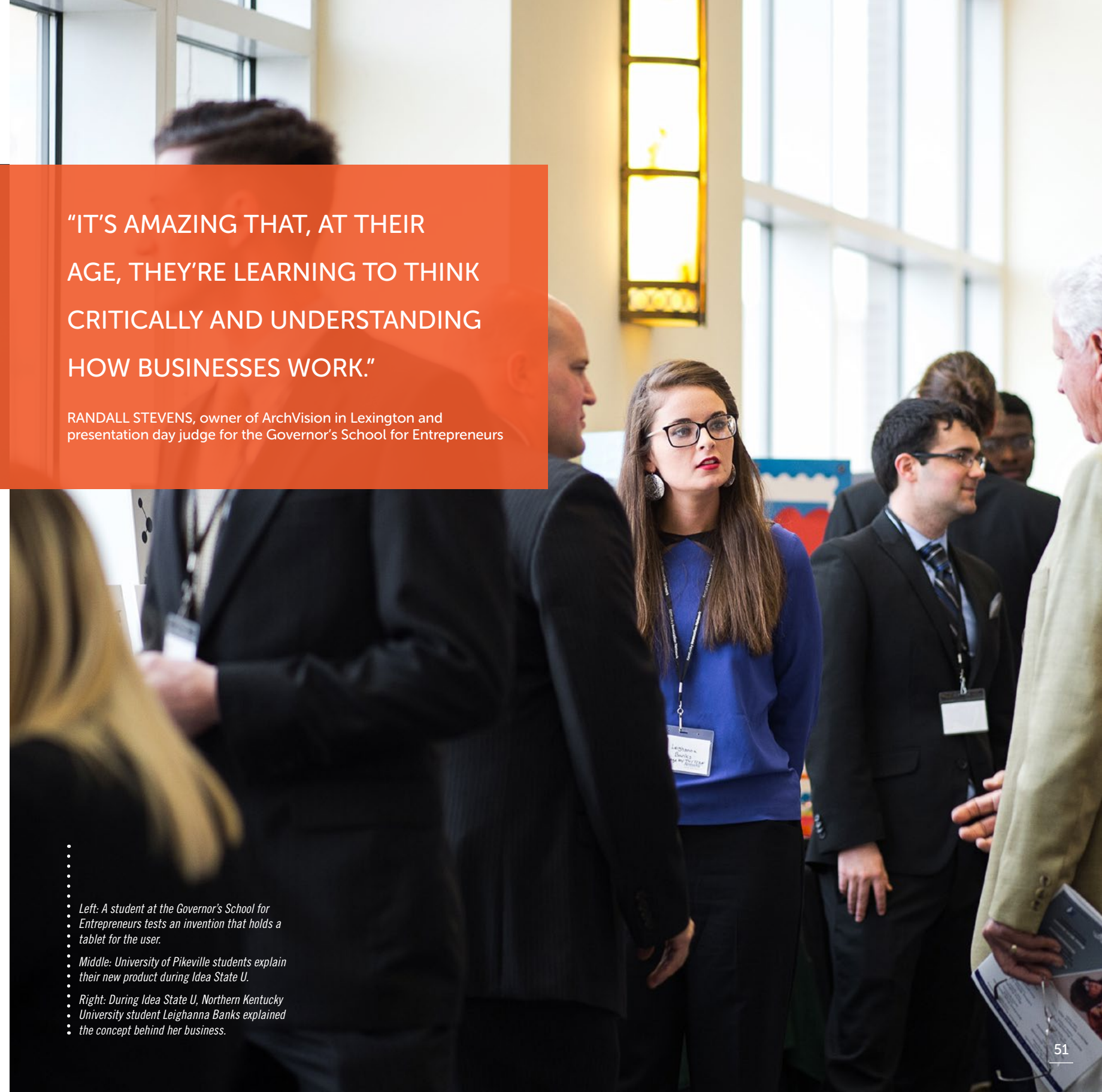
In 2015, Engagely, a team from the University of Louisville, won the business plan category, while RhizoFeed, a team from the University of Pikeville, took first place in the business model category. Engagely develops software that uses behavioral biometrics to provide website security and a new revenue source for web publishers. RhizoFeed is an herbal extraction company based in central Appalachia that serves the poultry feed additive market with whole rhizome extract from bloodroot harvested in eastern Kentucky. Other 2015 winners include:

- Homegrown Brewing Co., University of Louisville
- EasySync, Northern Kentucky University
- Red Natural, University of Kentucky
- Tree Huggie, Owensboro Community and Technical College
- Eco Clean, Berea College

Left: A student at the Governor's School for Entrepreneurs tests an invention that holds a tablet for the user.

Middle: University of Pikeville students explain their new product during Idea State U.

Right: During Idea State U, Northern Kentucky University student Leighanna Banks explained the concept behind her business.





The owners of West 6th Brewing, Ben Self, Brady Barlow, Joe Kuosman and Robin Sither, display some of their company's products. West 6th Brewing was one of hundreds of companies assisted in 2015 by the Kentucky Cabinet for Economic Development.

BOOSTING SMALL BUSINESSES

KENTUCKY SMALL BUSINESS TAX CREDIT

Hundreds of small businesses received tax credits for making new hires and investing in new equipment thanks to the Kentucky Small Business Tax Credit (KSBTC).

The program offers up to \$25,000 to eligible companies that create at least one qualified job and invest at least \$5,000 in qualifying technology or equipment.

In 2015, Kentucky small businesses received \$1.24 million through the KSBTC program, four times the amount approved during the previous year. On average, each business approved for tax credits received \$8,856.

SBIR-STTR MATCHING FUNDS PROGRAM

High-tech companies continue to be drawn to Kentucky by the state's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Funds program. The Commonwealth matches up to 100 percent of federal funds awarded to in-state companies and offers to do the same for any company committed to relocating to Kentucky. Kentucky's matching funds program is unparalleled, as it not only matches Phase I funding, but also is the only state to match Phase II awards.

In fiscal year 2015, Kentucky companies received a total of \$6.8 million in SBIR-STTR matching grants, leveraging \$12.4 million in federal funds.

KENTUCKY SMALL BUSINESS CREDIT INITIATIVE

Kentucky small businesses now have a better chance to succeed thanks to the Kentucky Small Business Credit Initiative (KSBCI). The program supports loans to allow banks throughout the state to accelerate lending to entrepreneurs and small business owners whose requests would otherwise fall outside the banks' normal lending criteria.

In 2015, KSBCI helped provide \$4.5 million in approved loan support. That assistance contributed to banks lending \$40 million to small businesses in Kentucky. That's \$2 million more in KSBCI approvals and more than three times as many loans issued by Kentucky banks in 2014.

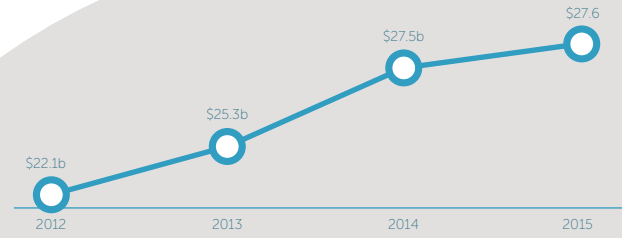
ANGEL INVESTMENT TAX CREDIT

Angel investors can receive a return on their investments in the form of tax credits while supporting Kentucky's small and startup companies.

Last year was the first since Kentucky lawmakers created the Kentucky Angel Investment Tax Credit, and it quickly proved to be successful. In 2015, qualified investors from 12 states injected \$7.4 million into Kentucky startups and small businesses with the opportunity to recover up to 50 percent of their individual investments. The 2016 program offers a total \$3 million in tax credits, available on a first-come, first-served basis.

BY THE NUMBERS

Kentucky celebrated numerous records and milestones throughout 2015. The accolades, awards and achievements gained during the year all add up to a vibrant economy promising more jobs and new investment announcements on the horizon.



For the fourth straight year, Kentucky broke its previous export record.

\$27.6 billion



198
Kentucky exported to 198 countries

Aerospace was the top export at 8.7 billion



61

Companies were approved for State Trade Export Promotion grants to assist with export efforts.



First in *Site Selection's* Governor's Cup rankings for most project activity per capita in 2014 and 2015

STATE OF THE YEAR

Southern Business & Development magazine

Area Development recognized Kentucky with a Silver Shovel Award for economic development projects



#3

Kentucky ranks 3rd in Business Climate in *Site Selection* magazine.

\$7 million in capital

Infused in Kentucky Small Businesses through Kentucky Angel Investment Tax Credits

350,000

Kentucky's 350,000 small businesses employ nearly three quarters of a million people statewide.

Nearly **92%** of new investments in Kentucky came from existing-business expansions.

70

Kentucky Angel Investor Network membership rose to 70 accredited investors.

\$8,856

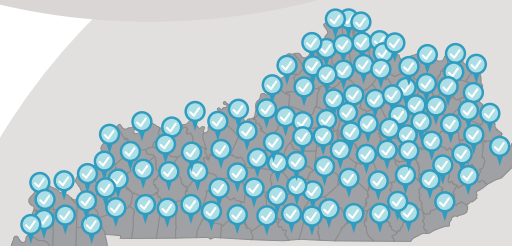
Kentucky small businesses that took advantage of the Kentucky Small Business Tax Credit program cut their state tax bills by an average of \$8,856 each.

>\$1 Million

Kentucky businesses were approved more than \$1 million in small business tax credits through the KSBTC program.

5%

Unemployment hit a record low of 5 percent in 2015.



120

Every Kentucky county has started the process toward becoming Work-Ready certified.



5,600 Kentucky companies received assistance for training.

KYFAME

150
students enrolled in KY fame in 2015.

84,000

More than 84,000 Kentuckians received free job training

Record-Breaking Year

\$5.1B

Total new investment in 2015, the state's highest ever

462

New locations and expansions announced or created

16,024

NEW JOBS ANNOUNCED



LOOKING TO 2016



Kentucky businesses of all sizes achieved success in 2015.

In 2016, the Cabinet is working to accelerate that growth, thanks to our unique business advantages, passionate workforce and unsurpassed quality of life.

making business strong.

making life exceptional.



THINK KENTUCKY

Cabinet for Economic Development

Old Capitol Annex • 300 W. Broadway
Frankfort, Kentucky 40601

(800) 626-2930 • ThinkKentucky.com