

Cabinet for Economic Development Strategic Plan Progress

August 2018

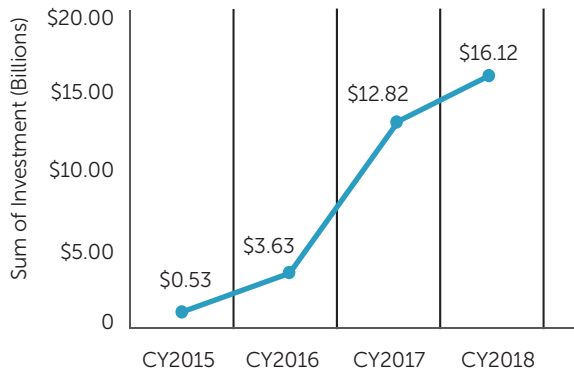
KEY METRICS

Year to Date Announcement Projects

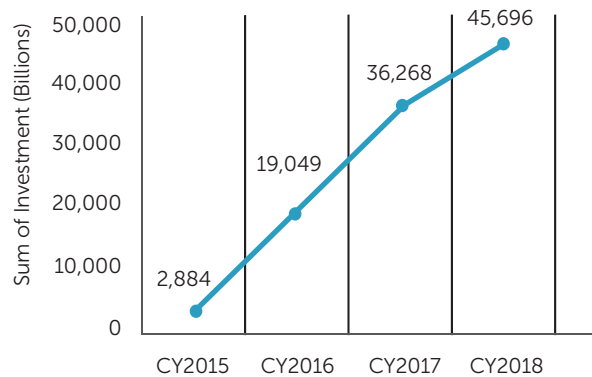
- 2018 Announced Investment: \$3.31 Billion
- 2018 Announced Jobs: 9,428

Administration to Date Announced Projects

Bevin Administration Announced Investment

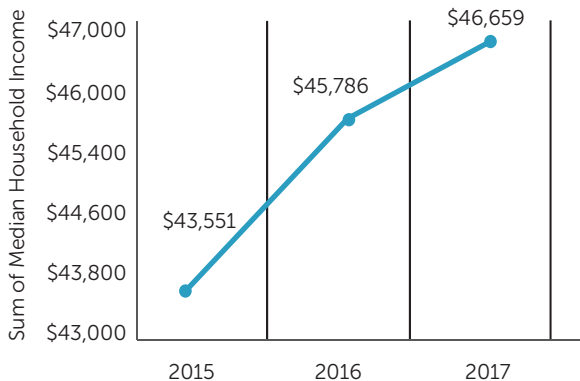


Bevin Administration Announced Jobs

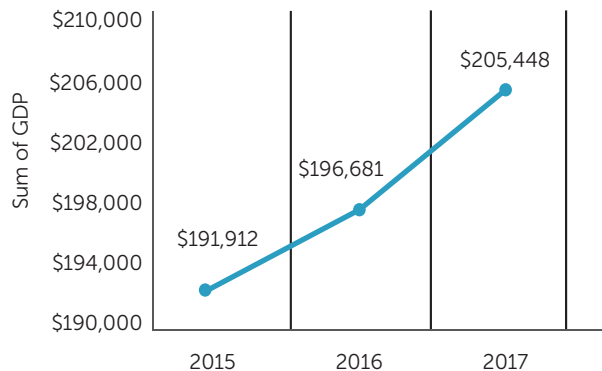


Administration to Date Economic Metrics

Median Household Income Growth

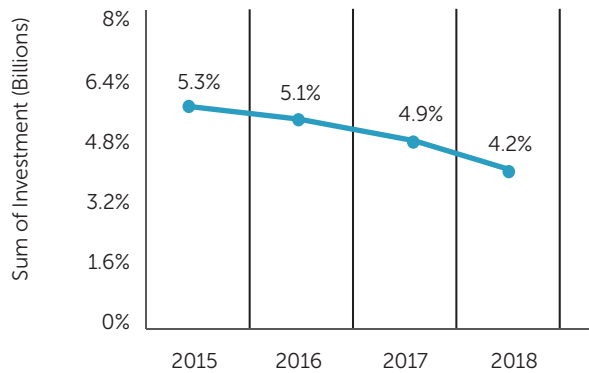


GDP Growth

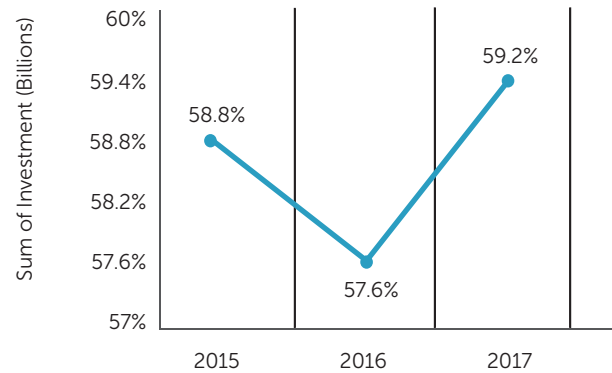


Administration to Date Economic Metrics Continued

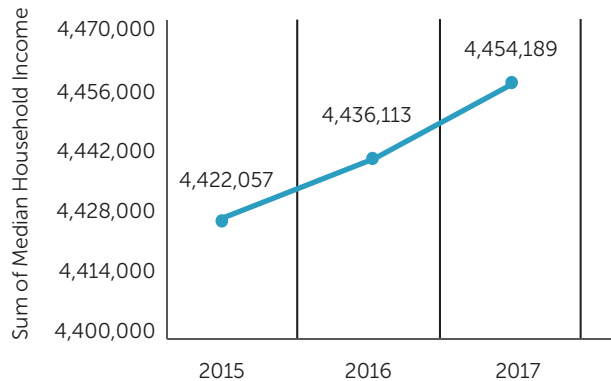
Unemployment Rate



Labor Participation Rate



Population Growth



STRATEGIC PLAN/GOALS

The Kentucky Cabinet for Economic Development has set the following goals:

Goal 1

Surpass the jobs and investment records of any previous administration.

Goal 2

Fully implement the rollout of KY Innovation to empower startups, small businesses, entrepreneurs and investors to create new and retain existing companies and jobs in Kentucky.

Goal 3

Implement strategies that address existing inventory shortages, incentive updates and workforce realignment.

Goal 4

Collaborate with other cabinets to maximize P3 initiatives to drive economic development.

Key Accomplishments

The following achievements have been realized during the Bevin Administration, all contributing to a more business-friendly approach and contributing to the Cabinet's success:

- Surpassed \$16 billion in new investment and 45,000 new announced jobs in less than three years - breaking the previous investment records of any previous four-year term
- Raising the Labor Force Participation Rate to a near record level, thus adding 100,000 people to the workforce in the Commonwealth
- Implementing the Red Tape Reduction Initiative to reduce red tape and cut costs for businesses
- Right to Work Protections for all workers, which has encouraged more companies to consider Kentucky as a destination for new/expanded businesses
- Repeal of Prevailing Wage, which has lowered business costs and spurred growth
- Paycheck Protection for Employees, freeing employees to invest their funds into causes of their choice
- P3 (Public/Private Partnership) Legislation was passed, opening the door for an influx of private funds for investment into state projects, thus freeing state money to address other issues
- Workers' Compensation Reform, modernizing the state's system and reducing the restrictive requirements on business
- Tort Reform Legislation, providing fairness for all sides and restricting the use of frivolous lawsuits
- Increase in recruiting efforts by Kentucky companies for military personnel leaving Ft. Knox and Fort Campbell, which provides employers in Kentucky with as many as 5,000 new qualified employees each month
- Reduction of under-utilized incentive programs, saving time and expense, and allowing existing programs to be used more effectively
- Improving business friendliness rankings:
 - Ranked 2nd nationally per capita and 7th overall in corporate investment - Site Selection magazine, 2017 and 2018
 - Ranked 8th nationally in business climate – Site Selection magazine, 2017
 - Ranked 10th nationally in cost of doing business – CNBC, 2018
 - Ranked 7th nationally in infrastructure – CNBC, 2018
 - Gold Shovel awards for 2016 and 2017 for outstanding economic development efforts – Area Development magazine
 - 2018 State of the Year award for 2017 performance among Southern states – Southern Business and Development magazine
- Received certification of 144 Opportunity Zones across Kentucky (among the first states to receive certification) and working to be at the forefront of opportunity
- As of July 2018, the Commonwealth provided \$2,915 of KBI incentives per new job reported based on total actual incentives claimed to date and actual jobs reported in 2016.
- Since inception of the KBI program, approximately 39% of incentives earned have actually been claimed (data as of July 2018).
- Achieved a 50% increase in federal funding (FY19-\$797,000.00) for small businesses engaged in exporting through the State Trade Expansion Program (STEP)
- Launched KY Innovation – reimagined leadership for high growth entrepreneurship
- Vertically integrated “Innovation Act” initiatives saving approximately \$1.6m overhead annually
- Received a federal grant of \$125,000 to support small business innovation, becoming one of only two states to receive a grant
- Investing in research commercialization capacity for all state universities through a centralized shared services model
- Established regular CEO Roundtable meetings in Frankfort where Gov. Bevin meets with top leaders of Kentucky companies

Key Accomplishments Continued

- Made major headway in enhancing and streamlining Cabinet processes with Salesforce and Dun & Bradstreet
- Created and spearheading the Kentucky Product Development Initiative to leverage funding and local resources to identify and advance industrial properties throughout Kentucky
 - By offering more Grade-A industrial sites, Kentucky will be better positioned to compete for top-flight projects
 - The initiative is a joint effort of the Cabinet and the Kentucky Association Economic Development
- Completed and integrated a Cabinet-wide reorganization and established an office to promote and attract foreign direct investment.
- Established goals and strategic focus for the Cabinet including the recruitment and retention of top talent.

“We plan to locate ... in the US, and Kentucky has appeal based on the business-friendly environment that has been created...”

-Comment from International CEO evaluating sites for a new location in the United States