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‘Good things going on in many sectors’

Coldstream land swap with the city, new projects add to burgeoning local economy



Courtesy of LFUCG

BY LORIE HAILEY

A new residential village and high-tech laboratory space at the University of Kentucky Coldstream Research Campus in North Lexington are just the first in a series of developments designed to create a live-work-play-learn environment that is highly desired by today's high-tech workforce.

The campus is currently home to over 50 organizations in various sectors—biotech, pharmaceutical, equine health and others—and regional headquarters for companies like Tempur Sealy, A&W Restaurants, Piramal Pharma and more. But Coldstream officials have an even bigger vision for the 735-acre park.

“The goal at many research parks nationwide is to create a dynamic live-work-play-innovate environment, and this residential development helps us accomplish this at Coldstream,” said George Ward, Coldstream's executive director. “I like to use the term ‘social

infrastructure’ to describe the amenities necessary to attract young professionals and an innovative workforce. This development will activate Coldstream 24/7 and make it an even more attractive location for high-tech organizations.”

Office, laboratory, residential and hospitality developments are planned at Coldstream, all designed to create a community within the community, where employees at Coldstream facilities can mingle and potentially collaborate.

The campus has been established as a mixed-use tax increment financing

▲ FUTURE DEVELOPMENT Leaders of Lexington-Fayette Urban County Government are developing a master plan to prepare a 200-acre site in the UK Coldstream Research Campus for future development. The land will be divided into 10-acre plots to make it as flexible as possible and to maximize its usage. This rendering shows how the area might look once it is developed.

(TIF) district, which will give UK the opportunity to recover state and local taxes that are produced in the area, said Ward. The development plan calls for \$33 million in infrastructure needs, including roads, sidewalks, expansion

► HIGH-TECH HUB Representatives from the University of Kentucky, the Woodbury Corp. and state and local officials break ground on a new \$15 million facility on the Coldstream Research Campus that will become a home for early-stage, high-tech companies.



University of Kentucky photo

of utility lines, and shared public areas, including meeting spaces, pedestrian trails and parks, some of which can be financed with incremental tax proceeds.

UK also worked with city officials to redefine its zoning to allow for larger buildings and pedestrian-friendly developments.

FIFTEEN51 Apartments, a new residential village, is expected to start welcoming residents in the spring of 2022. Construction of the 260-unit, multifamily complex is expected to be fully complete by late 2022.

“FIFTEEN51 will create a new, workforce-friendly environment in the Lexington community. We remain focused on creating environments like this to support the research enterprise, economic opportunities and our community,” said UK President Eli Capilouto. “The Coldstream Research Campus is a product of that effort. It’s another way we earn our way forward, partner for success and ultimately serve as the university for Kentucky.”

Indianapolis-based Cityscape Residential will serve as the facility’s ground lessee, constructing and operating the 13-acre complex.

UK Office of Technology Commercialization by the numbers

Research awards for FY 2021

- Research awards (grants and contracts) to UK totaled a record **\$468 million**, an increase of **\$38.8 million** from FY 2020 (**9%** increase)
- Federal agencies awarded UK **\$281.2 million**, including National Institutes of Health (NIH) grants that totaled **\$176.4 million**, and National Science Foundation (NSF) grants that totaled **\$26.6 million**
- State agencies awarded **\$108 million** to UK
- Industries awarded \$28.6 million to UK

IP development, patents, licenses in FY 2020

- **99** invention disclosures
- **157** patents filed
- **22** new patents issued
- **822** worldwide patent assets
- **27** licenses and options executed

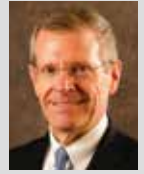
- **\$2.65 million** royalty income
- **6** new startups

Coldstream Research Campus

- **735** acres
- **50** organizations
- **2,250** employees
- **22** buildings totaling 1.37 million s.f.
- **344,000** new square feet under development
- **93.7%** occupancy

ASTeCC Campus Incubator

- **20** companies located on-site
- **65** private company employees
- **10** faculty R&D labs
- **4** university centers
- **64** graduate companies since 1994



George Ward, Executive Director, Coldstream Research Campus, University of Kentucky

Ward said the complex will offer employees at the 50-plus high-tech companies already at Coldstream—and future companies—the ability to live, work, play and innovate all within the area.

“Access to talent is the No.1 reason that a company locates at a research campus, and FIFTEEN51 will provide

housing for high-tech talent and young professionals in close proximity to where they work,” he said.

A new, \$15 million high-tech building currently under construction will provide office and laboratory space for early-stage, high-tech companies to develop and commercialize their products and services.

University of Kentucky's Coldstream Research Campus

the Gateway to Lexington's High-Tech, Higher Education Corridor

UK's Coldstream Research Campus is an increasingly critical piece of Lexington's economic development strategy and progress: a 735-acre hub of innovation and creativity with plans to grow jobs and opportunity for Lexington and Central Kentucky.

Coldstream is currently home to over 50 organizations with more than 2,250 employees working in biotechnology, pharmaceuticals, equine health, and a variety of other industry sectors.

UK Coldstream Research Campus

UKColdstream.com | 859-231-8324





Courtesy of Ford Motor Co.

Ford to invest \$5.8 billion in Central Kentucky battery plants

FORD Motor Co. and SK Innovation in September announced the single largest economic development project in the history of the commonwealth. The two companies will invest \$5.8 billion to build two electric battery plants in Hardin County, creating 5,000 jobs.

The plants will be built on the 1,551-acre economic development site near Interstate 65 in Glendale (Hardin County) and will generate 86 gigawatt hours of vehicle power annually, which commonwealth officials believe will make Kentucky the nation's largest producer of electric automotive batteries.

At the Glendale megasite, Kentucky and its partners will shift from the traditional automobile to the electric vehicle of the future. Ford expects at least 40% of its global sales to be electric vehicles by 2030, and the batteries made in Kentucky will help power that transition.

Named “The Core – Collaboration. Research. Entrepreneurship,” it is designed to be the first stop for companies looking to locate on the Coldstream campus. The project will add much-needed wet lab space in Central Kentucky, as well as working space near the interstates for companies and individuals that need to travel quickly to regional facilities, UK said in a press release. It is being developed by the Woodbury Corp.

“This space will create new opportunities for businesses to establish themselves here in Kentucky, create jobs and contribute to economic growth,” Capilouto said.

Kentucky Technology Inc. (KTI), a subsidiary of the UK Research Foundation, will master lease 20,000-s.f. of the building's estimated 40,000 s.f. KTI plans to sublease its space to appropriate high-tech companies. The facility will bring in startup companies being incubated at UK and other companies moving into the commonwealth.

► **LIVE, WORK, PLAY** FIFTEEN51 Apartments, the first residential village in UK's Coldstream Research Campus, is expected to start welcoming residents in the spring of 2022. The development will offer Coldstream's high-tech workforce the ability to live, work, play and innovate all within the research campus.

Courtesy of University of Kentucky



The building will fill a facilities gap between small labs leased to companies in UK's Advanced Science and Technology Commercialization Center (ASTeCC) building, and larger facilities used by established companies at Coldstream and other locations in the state, Ward said.

“Like other research parks that we partner with, we foresee continued growth and success at this campus that

◀ **TRANSFORMATIVE INVESTMENT** Ford Motor Co. and SK Innovation plan to build a dedicated battery manufacturing complex in Hardin County, Ky. The \$5.8 billion BlueOvalSK Battery Park (shown in this rendering) will create 5,000 jobs and place Kentucky at the forefront of the automotive industry's future.

will surely establish it as the premier location for technological innovation in the region,” said Rick Woodbury, chairman of Woodbury Corp.

Construction is expected to be completed in early 2022.

“Coldstream Research Campus is an important key to economic development and growth in Lexington,” said Lexington Mayor Linda Gorton. “The partnership we've built with the University of Kentucky to develop this area creates a live, work, play and innovative environment. Lexington will continue its growth as a hub for high-tech development, and The Core is going to be a critical part of our move forward.”

Historic land swap benefits university and the community

UK and the city of Lexington have exciting new projects on the horizon thanks to a historic land swap that is transforming both the university's campus and the city's economic development offerings.

The land swap involves UK giving the city of Lexington 250 acres in and near the Coldstream Research Campus in exchange for city-owned property near campus and the city turning over control of several roads on and around campus.



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The deal allows UK to preserve a key entryway into the campus and advances efforts by UK and Lexington to build a long-term plan to create and promote more commercial development along and near campus corridors, UK officials said.

As part of the land swap, UK will own two parcels of land along a block located on the southwest side of Winslow Street, bordered by South Limestone and South Upper streets. In exchange, the city gets a total of 250 acres of land near Coldstream, 50 of which are already being developed. In June 2022, the city will take ownership of 200 acres of

farmland that currently house a UK dairy research farm, and UK will receive formal control of more than 13.5 acres of roads, including Rose Street, Hilltop Avenue and part of Woodland Avenue.

The city will use the farmland for a much-needed 200-acre industrial park that officials estimated will cost between \$17.3 million and \$17.9 million. A master plan for the site is in the works, designed to help the city make sure the property is ready to market next summer.

The land swap is “potentially historic,” said Eric Monday, UK’s executive vice president for finance and administration.

“For the University of Kentucky, this move would, potentially, create internship and employment opportunities for our students, many of whom want to stay in Lexington post-graduation. This is increasingly important as we strengthen our role as the commonwealth’s workforce development partner,” Monday said. “Lexington and the University of Kentucky are inextricably tied together, both in proximity and, in many ways, in vision. Our expectation is that the land swap—like our many other partnerships—will create shared benefits and progress for our community.”

Economic activity flourishes across the region



Courtesy of Buc-ee's

◀ **MULTISTATE EXPANSION** Buc-ee’s, a huge travel plaza known for its expansive snack and meal options, is being built just off Interstate 75 in Richmond. It will occupy more than 53,300 s.f. at the Duncannon Lane exit.

on molded substrates for Tier 1 automotive suppliers, plans to expand its Clark County facility with a \$4.4 million investment expected to create 20 well-paying jobs.

Buc-ee’s coming to Richmond: Buc-ee’s, a Texas-based chain of travel centers, is constructing its first Kentucky location in Richmond at the Duncannon Lane exit off Interstate 75. The project, which broke ground in April, is part of the company’s multistate expansion across the South. It will occupy more than 53,300 s.f. and offer thousands of snack, meal and drink options for travelers, in addition to approximately 120 fueling stations.

Community Wellness investing in Danville: A provider of remote patient monitoring and clinical health coaching services for the health care industry, Community Wellness Technology, invested \$3 million in a new facility in Boyle County, and has plans to invest up to \$15 million. The project will create 445 jobs.

AppHarvest expanding operations: AppHarvest is constructing its second high-tech controlled environment agriculture facility in Madison County, Ky. The indoor facility will grow non-GMO, chemical pesticide-free fruits and vegetables to be distributed to U.S. grocers and restaurants. The company is also building an indoor farm in Somerset, Ky., where it will grow berries. Because of the company’s strategic location in Appalachia, AppHarvest can reach nearly 70% of Americans in just a day’s drive, reducing transportation costs by up to 80% compared to existing growers in Mexico and the southwestern U.S.

New manufacturing facility: Framebridge, a custom framing company, opened a new manufacturing facility in Lexington in October 2020. It also operates a state-of-the-art 100,000 s.f. manufacturing facility in Richmond. The expansion will help meet growing demand as Framebridge expands its retail operations.

DESPITE economic uncertainty because of the pandemic, the region has had much economic development activity.

Several projects are underway in Frankfort, said Terri Bradshaw, president and CEO of Kentucky Capital Development Corp., including the construction of a \$10 million juvenile residential treatment facility and a 120-unit senior living facility.

Some of the other projects include: a \$38 million renovation of Topy America’s Frankfort facility; the \$1.2 billion expansion of Buffalo Trace Distillery; the expansion of The Recon Group’s facility, creating 90 new jobs; the expansion and creation of 100 new jobs at auto parts manufacturer Montaplast; and a \$3.4 million expansion of the Candleberry Candle Co.

Local developers have invested more than \$100 million in downtown Frankfort renovation projects, Bradshaw said.

“... The area continues to grow in spite of a less-than-stellar economy caused by the pandemic,” she said. “The once empty sidewalks are abuzz with workers, residents and visitors. Restaurants, concerts, street markets, festivals and cultural events are beginning to fill the streets again.”

In Lexington, several projects are in the works. “It has been a very positive year,” said Kevin Atkins, LFUCG chief development officer.

He pointed to the new Amazon delivery station under construction at Newtown Pike and New Circle Road as one example. The

143,000-s.f. facility will employ up to 500 part-time and full-time workers. Another example is the expansion of Georgia Pacific’s Lexington facility, where Dixie cups are manufactured.

Rubicon establishing its global headquarters in downtown Lexington is another feather in the city’s cap, he said, as is the new headquarters for Longship Logistics in the Hamburg area and the expansion of Summit Biosciences in the Coldstream Research Park.

“We have good things going on in many sectors,” Atkins said.

Other developments

Electric vehicle motors: Hitachi Automotive Electric Motor Systems America is establishing a new, 200-job operation in Berea to manufacture motors for electric vehicles. Electric motor production could begin between April 2022 and March 2023. The operation currently employs about 20 people and is expected to grow to approximately 200 in 2023.

Chapin creates 200 jobs: Chapin International, a manufacturer of compressed air sprayers, plans to add 200 full-time jobs with an expansion of its recently opened Rockcastle County facility and a new location in Boyle County, two projects totaling nearly \$16.7 million in new investment.

\$4.4 million investment: Taica Cubic Printing Kentucky, which provides cubic printing, paint application and assembly services



▲SIGNIFICANT GROWTH Summit Biosciences, a Lexington-based pharmaceutical company focused on nasal spray medicines, expanded its operation at Coldstream in 2020 with a more than \$19 million investment. The expansion brings the company's footprint to 44,000 s.f. with increased manufacturing, laboratory and warehouse space.

The city is developing a Coldstream master plan, an infrastructure planning project to prepare the site for future development. In addition to building new roads and sidewalks and creating community space, the master plan also is seeking ways to protect and enhance the Cane Run Watershed, in which the 200-acre site is located.

The area will have bike pedways that run the perimeter of the park, and it will have access to the city's Legacy Trail.

The land will be divided into 10-acre plots to make it as flexible as possible and to maximize its usage, said Kevin Atkins, chief development officer with the Lexington-Fayette Urban County Government.

"We've already met with three or four companies who are interested in the 200-acre space," he said.

Land for economic development is somewhat limited in Fayette County, so the city's Coldstream project will open up some options for companies who want to locate here, said Gina Hampton

Greathouse, Commerce Lexington's executive vice president of economic development.

"Having that land come online in the next few years will bring new business attention back to Lexington. There are quite a few companies we've assisted in recent years that ended up locating in surrounding counties when they couldn't find suitable land options in Fayette County," she said. "This new economic development land option will most certainly spur more investment in Lexington proper."

Over the past two years, there have been several big economic development projects in Lexington, including investments by Amazon, Everburn Manufacturing, Summit Biosciences, Georgia-Pacific, Blue Equine Pharmaceuticals, Baptist Health and others.

In addition to recruiting more companies to Lexington, Commerce Lexington has played a key role in business development and has been helping existing businesses stay the course in the uncharted waters of COVID-19. It has issued guidance to members across the region, and it formed the Lexington Economic Partnership team, which offers businesses a high-level overview of services available to them and helps companies address any unique challenges they face.

KENTUCKY CAPITAL DEVELOPMENT CORP. (KCDC)

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Terri Bradshaw,
President
and CEO

KCDC provides opportunities for American and international businesses to move into the heart of the Bluegrass State while ensuring improvement in employment opportunities, private-sector capital investments and the local tax base. Located in the capital of Kentucky, KCDC promotes Frankfort by finding alternative sources of funding for various development projects; promoting quality of life and assisting company locations and expansions by providing current, comprehensive market and property information. Since its inception, KCDC has helped create thousands of jobs in Franklin County.

Commerce Lexington also administered the city's Small Business Economic Recovery Program, a COVID-19 relief program that provides funds to help area businesses stay open, sustain employment or even increase it.

"I'm excited to see our city come fully back to life, post pandemic," Gorton said. "Our employment has recovered to nearly pre-pandemic levels. COVID-19 is another challenge we have taken on together, and I'm very proud of our community response. I look forward to the completion of Baptist Health's new campus, that will produce as many as 600 new good-paying jobs; to the opening later this year of the new Amazon facility, bringing 500 full- and part-time jobs to the northside; and to new economic development at Coldstream Research Campus." ●

Courtesy of University of Kentucky



◀GATEWAY FOR STARTUPS The CoRE building, a \$15 million research lab being constructed at Coldstream, will offer office and lab space in an environment where companies can further develop and commercialize their products and services.