



Economic Development Services

Kentucky Cabinet for Economic Development (502) 564-7670 – The Cabinet is the primary state agency in Kentucky responsible for creating new jobs and new investment in the state. Programs administered by the Cabinet are designed to support and promote economic development within the state, primarily by attracting new industries to the state, assisting in the development of existing industries, and assisting communities in preparing for economic development opportunities.

By statute, the Cabinet is governed by the **Kentucky Economic Development Partnership** (Partnership Board or Partnership). The Partnership is responsible for directing and overseeing the Cabinet for Economic Development and adopting a Strategic Plan. The **Kentucky Economic Development Finance Authority** (KEDFA) is a statutorily created committee under the authority of the Partnership Board. KEDFA is responsible for awarding most of the financial incentives offered by the Cabinet.

The Cabinet consists of:

- Office of the Secretary**
- Department of Commercialization and Innovation**
- Department for Business Development**
- Department of Financial Incentives**

Office of the Secretary (502) 564-7670 – Responsible for the development and administration of executive policies and for the overall management of the agency. Staff and administrative functions within the Office include communication services, legal services, information resources, personnel and administration, legislative initiatives and special projects. Attached to the Office of the Secretary are:

- Office of Legal Services** – Provides all legal services for the Cabinet.

- Office of Administrative Services** (502) 564-4300 – Provides Cabinet-wide services in areas of fiscal management, budgetary implementation, information technology, and personnel support. Services are provided through three divisions, the Division of Finance and Personnel, Division of Network Administration & Support, and Division of Database & Systems Development.

Department of Commercialization and Innovation (502) 564-1910 – Leads the state's technology-based economic development efforts. Responsible for developing and implementing a strategy to build and promote technology-driven and research-intensive industries with the goal of creating high-tech job opportunities and developing clusters of innovation throughout the state. Administers and recommends funding to facilitate recruiting, creating, and retaining high-tech companies and jobs, producing new products and services, and developing new and improved processes.

High-Tech Investment Pools – The Department of Commercialization and Innovation provides funds to help further the commercialization of a product or new and improved process. Incentives awarded are typically in the form of forgivable loans, with the amount of the loan primarily based on the applicant company’s projected high-tech job creation.

Kentucky New Energy Ventures Fund (KNEV) – Supports the development and commercialization of alternative fuel and renewable energy products, processes, and services in Kentucky. Companies must have a unique and competitive product, technology, or process that can be protected in the commercial marketplace. KNEV provides grants and equity investments. Companies must match the fund's investment on a one-to-one dollar ratio.

Commonwealth Seed Capital, LLC (CSC) – Is dedicated to creating high-tech jobs by providing needed seed capital for high-growth potential, high-tech companies. Businesses that receive investments from CSC are based on innovation, have a meaningful Kentucky presence, and are expected to generate significant profits for investors. CSC also invests in seed and venture capital funds that actively invest in these types of companies in Kentucky.

SBIR-STTR Matching Funds – Recipients must be Kentucky-based or relocate to Kentucky within 60 days of a matching award. Federal SBIR and STTR Phase 1 programs are normally matched up to \$150,000. Phase 2 federal awards can be matched up to \$500,000.

Innovation and Commercialization Center Network – DCI manages a statewide network of regional Innovation and Commercialization Centers (ICCs) and local Innovation Centers (ICs) to provide business-building services to Kentucky's entrepreneurial and scientific communities. ICCs and ICs link scientists and entrepreneurs to funding sources and help them convert good ideas into investment-ready enterprises.

Department for Business Development (502) 564-7140 – Coordinates the recruitment and attraction of companies to enhance the overall state economy. Responsible for assisting and encouraging job retention and creation by working with existing business. Department staff provides project management services, including out-of-state trips to recruit industry, information gathering for clients regarding their location requirements, traveling with client representatives to view properties and communities, and assisting with applicable financial incentives. The Department consists of the Division of International Trade, the Division of Small Business Services, the Commission on Small Business Advocacy, the Research Division and three regional offices located throughout the state. The Department also includes a **Far East Office** in Tokyo, Japan to aid in the recruitment of international companies to the Commonwealth.



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West Kentucky Office, Madisonville (270) 824-7053 or toll-free (800) 928-9200
Central Kentucky Office, Frankfort (502) 564-7140 or toll-free (800) 626-2930
East Kentucky Office, Prestonsburg (606) 889-1767 or toll-free (800) 928-0169

Division of International Trade (502) 564-7140 – Provides opportunities for increased export sales of Kentucky produced goods and services by Kentucky businesses that are either potential exporters willing to make a commitment to export sales to areas outside of the U.S., or existing exporters with the potential for increased sales in existing or new international markets.

The Division maintains contracts with international representatives in Guadalajara, Mexico and Beijing, China.

Kentucky Commercial and Agricultural Trade Office, Guadalajara, Mexico:
011-52-23-122-8105
silvia.alonso@kentucky.org.mx

Kentucky China Trade Center, Beijing, China:
(502) 498-8780 or 011-8610-6410-6047
dsnodgrass@kentuckychinatrade.com

Division of Small Business Services (502) 564-2064 or toll-free (800) 626-2250 – Provides counseling, training and programs to support entrepreneurship and small business development. Consists of three program areas – business information clearinghouse, procurement assistance, and small and minority business development.

Kentucky Procurement Assistance Branch – Assists Kentucky businesses in selling their goods or services to federal, state, and local government agencies. Primary services include market research/bid notification, one-on-one consulting, and group training programs on topics related to government contracting.

Small and Minority Business Branch – Fosters the development of small and micro businesses, including those owned by women, veterans, minorities, and individuals classified with disabilities. Offers training programs that address the needs of start up and existing business owners and provides assistance with small business funding programs such as the KEDFA Small Business Loan Program and the Kentucky Micro Enterprise Loan (KMEL) Program. Serves as the primary contact point for the Kentucky Small Business Investment Credit (KSBIC) Program and the Small Business Connection Program.

Business Information Clearinghouse – Provides assistance with the process of starting a business, including establishing a legal business structure, obtaining required tax numbers, business licenses and permits, and provides information regarding employer responsibilities. Helps link businesses with appropriate federal, state, and local resources. Publishes the *Kentucky Business Guide: A Handbook for Starting and Licensing a Business in Kentucky*.

Commission on Small Business Advocacy – (502) 564-4300 ext. 4271 or toll-free (800) 626-2250 – Assists the small business community in navigating the regulatory process and advocates on behalf of small businesses at the state and federal level. The CSBA represents the small business interest when regulatory implementation is overly burdensome and promotes cooperative and constructive relationships between state agencies and the small business community.

Division of Research – (502) 564-4886 – Consists of the General Research Branch and Site Evaluation Branch. The General Research Branch compiles data on taxes, transportation, education, labor force, industrial services, Kentucky companies, economic and demographic statistics, and community information. Maintains the Kentucky Business & Industry Information System (KBIS) statewide searchable database. The Site Evaluation staff visits and assembles data on sites and buildings across the Commonwealth for inclusion in a statewide property inventory.

Department of Financial Incentives (502) 564-4554 – Coordinates all financial assistance, tax credit, and related programs available to business and industry. The Department consists of the Programs Management Division, and the Programs Servicing Division, and the Bluegrass State Skills Corporation.

Programs Management Division (502) 564-4554 – Administers the financial assistance, tax credit and related economic development programs available to business, industry and communities.

Programs Servicing Division (502) 564-4554 – Performs auditing, monitoring, and compliance functions for the Department.

Bluegrass State Skills Corporation (BSSC) (502) 564-2021 – An independent, de jure corporation that brokers skills training for business and industry, from entry-level to advanced training, and from upgrading present employees to retraining experienced workers. Awards grants and tax credits for training. Works in partnership with other employment and job training resources and programs to package a program customized to meet the specific needs of a company. Awards are made by an independent board.

Incentive Programs

Industrial Revenue Bond Issue Program (IRB) – Bonds made available by state and local governments can be used to finance manufacturing projects and their warehousing areas, major transportation and communication facilities, most health care facilities, and mineral extraction and processing projects.

Kentucky Economic Development Finance Authority (KEDFA) Direct Loan Program – Provides financing for agribusiness, tourism, industrial ventures or the service industry (no retail), for fixed assets, in conjunction with private financing. Loan amounts may be up to \$500,000 and the interest rate is tied to the term of the loan.

Kentucky Economic Development Finance Authority (KEDFA) Small Business Loan Program – Is available to any for profit entity that engages in manufacturing, agribusiness, service, or technology (no retail) that employs 50 or fewer people. The maximum loan amount is \$100,000, the minimum is \$15,000, and proceeds may be used to purchase fixed assets, construct or improve facilities, purchase and install machinery and equipment and for working capital.

Kentucky Business Investment (KBI) Program – Provides income tax credits and wage assessments to new and existing agribusinesses, regional and national headquarters, manufacturing companies, and non-retail service or technology related companies that locate or expand operations in Kentucky.

Kentucky Enterprise Initiative Act (KEIA) – Provides refunds of sales and use tax paid by approved companies for building and construction materials permanently incorporated as an improvement to real property. It is also available for sales and use tax refunds for equipment used in research and development and data processing equipment.

Kentucky Reinvestment Act (KRA) – Provides tax credits to any existing Kentucky company engaged in manufacturing and related functions on a permanent basis for a reasonable period of time who will be investing eligible equipment and related costs of at least \$2,500,000.

Kentucky Environmental Stewardship Act (KESA) – Provides tax incentives to new or existing manufacturing companies that manufacture a new product or substantially improved existing manufactured product that has a less or reduced adverse effect on human health and the environment or provides for improvement to human health and the environment when compared with existing products or competing products that serve the same purpose.

Kentucky Industrial Revitalization Act (KIRA) – Provides tax incentives to existing manufacturers faced with imminent closure due to lack of productivity or profitability caused by outdated equipment.

Kentucky Investment Fund Act (KIFA) – Provides tax credits to investors in approved investment funds.

Incentives for Energy Independence Act (IEIA) – Provides tax credits, wage assessments, and sales and use tax refunds to qualifying companies. Advance disbursements also may be available. Eligible projects include alternative fuel or gasification facilities and renewable energy facilities.

Tax Increment Financing (TIF) – Allows local governments and agencies to finance redevelopment and other eligible projects through incremental increases in tax revenues. Qualifying local TIF development areas may be eligible for state tax increment financing programs.

July 2010