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Chad Chancellor: Welcome to this week's episode of the Next Move Group We Are Jobs podcast. This is Chad Chancellor, co-founder of Next Move Group. I'm happy to have Matt Tackett with us today. He's the president and CEO of the Kentucky Association for Economic Development and Matt, you know Kentucky is important to Next Move Group. My business partner, Alex Metzger, grew up in Kentucky, graduated from Kentucky, so we do everything from the derby to the bourbon to the basketball. So, I'm so glad to have you here with us today.

Matt Tackett: No, thank you. We are honored to be here. I've been really enjoying this podcast. I know it's getting out all across the county, so thanks for having me and thanks for everything that you do in Kentucky and ready to get rolling.

Chad Chancellor: Yes. Tell us about some of the recent Kentucky Economic Development successes.

Matt Tackett: Well, Kentucky I think we are experiencing a lot of momentum right now and I think the world is becoming more familiar with what an iconic state that Kentucky is. We're known for the derby that I know you frequent. We've got a special signature drink, Kentucky Bourbon is important for us. We feel like-- on more simple things, we feel like we've got the best president that came from Kentucky, Abraham Lincoln. We feel like we've got the world's greatest athlete with Mohamed Ali that came from Kentucky and we know we have the world's greatest chef, Colonel Harland Sanders from Kentucky.

Chad Chancellor: I can attest to that.

Matt Tackett: So, Kentucky is an iconic state and there's been a lot of pro-growth, pro-business, legislative changes that have really amplified some of the momentum that we have in Kentucky. I think over the last three years, we've had \$20 billion of new investment in Kentucky.

Chad Chancellor: Wow! Over the last three years.

Matt Tackett: Yes. That's over 51,000 Kentuckians that have great paying jobs because of what is happening in economic development from governor's leadership through the execution of Kentucky's economic developers. It's an exciting time in Kentucky and we're not just sitting back and resting on that. I think, as we all know especially your audience we've got to continue prepping for the future in a lot of different ways. So, that's-- there's some exciting movement on that end.

Chad Chancellor: Yes. I saw on your social media you were in Canada last week taking the Kentucky story on the road. So, I know you guys are doing a lot when it comes to really marketing the state.

Matt Tackett: Yes, we do. So, Kentucky's state marketing initiative is layered in kind of a partnership with KAED, which I lead and also our cabinet for economic development through a

vehicle called Kentucky United. So, that's-- we'll go out, we'll sell the Kentucky story, we'll talk about the opportunities and advantages and we'll get into the weeds just as much as we can. We like to go to X market domestically or internationally and we'll seek out site consultants or business CEOs or decision-makers that make sense for us and we'll speak to all things Kentucky.

Currently, our program calendar this year is a seven-stop calendar. This is kind of an interim program where we're thinking bigger now and we may-- we're at least exploring and have funded a study of what an interdependent, integrated Kentucky marketing plan would look like that we can all deploy together going forward. So, we're researching that right now, but at least for now, we've got the Kentucky United interim campaign and we appreciate you paying attention to us in Canada earlier this week.

Chad Chancellor: Yes.

Matt Tackett: I guess last week now.

Chad Chancellor: I saw that and the thing I like about Kentucky there's no huge city. I am Louisville is a very big city, but it's a wide state with a lot of counties, but it's small enough you really get to know each other and I think that's a real competitive advantage unlike some places where everybody doesn't know each other. It seems like everybody in the economic development world in Kentucky knows each other and I think that's refreshing.

Matt Tackett: Yes, and we've heard that. We've heard that Kentucky's 4.5 million people were-- you're right were a long stay. By the time you traverse via road from end to another it will take you seven or eight hours, but we are a tight small state. We've heard from plenty of companies that have announced and plenty of site location consultants that you know your governor called me last night and I really appreciated that and he called me again the day before or he called me at 2 a.m. and we're always doing as much outreach and follow-up as we can. I feel like that is a competitive advantage for us and we certainly try and just leverage the fire out of that as much as we can.

Chad Chancellor: Talk about KAED. So, I know each state does things a little bit differently, so tell these folks really what KAED is and kind of what role you guys fill.

Matt Tackett: So, KAED is an economic development membership association. We are not unlike any association out there. We all try and seek to educate, advocate, and collaborate. KAED we have about 300 organizations which employ about 450 members. So, typically, I handle the lobbying efforts for the association, our education, which is something that we're excited about. We want to enhance the professional capacity within Kentucky as do other states and our competitors out there, but we're really working hard to make sure that all of our touchpoints in Kentucky from one end of the state are all equally capable, equally professional, we're all kind of singing from the same sheet of music. So, KAED we're deploying a professional education curriculum that will ultimately end in professional certification for our folks that we're excited about and our team will see that-- our state will see that deployed early next year.

Chad Chancellor: So, what's kind of the Kentucky pitch? When you go to Canada and you meet with these companies, what are you pitching them?

Matt Tackett: Well, we talk about a handful of things. First, we want them to know the momentum that exists and we'll talk about the increases in announced investments or announced jobs, where our labor force participation is or our GDP or median household income. We'll talk about all of that. We like to say-- we usually go in and talk about some of our national rankings. We all like to brag on ourselves and we're certainly no different in Kentucky, but we were judged the State of the Year for economic development recently. We're 2nd per capita and 7th nationally for corporate investment.

Chad Chancellor: Wow!

Matt Tackett: Yes. We're 3rd in the U.S. for best business climate, 7th in the U.S. for infrastructure and thanks to some of the really pro-growth advocacy we've jumped from 33rd to 18th in overall business tax climate and 27th to 22nd climb incorporate tax ranking attractiveness. So, that's a little bit of the points we'll talk about. We'll tell our international story and the companies that are successfully operating in the Commonwealth. We'll talk about our utility rates. We'll talk about our business environment.

We'll just-- we'll say some simple things that usually carry very well. We'll point out where Kentucky is on a map. We're right in the center of the eastern United States. We're within a day's drive of most of the United States population. We have three global air shipping hubs. We can get

anything you want anywhere in the world overnight. We'll talk about the predictable climate in Kentucky. We've got four seasons. We'll talk about the quality of life that exists there and we'll tell our workforce story as well.

Chad Chancellor: It's truly a beautiful state no matter really which part of the state you're in. Whether you want rivers or kind of rolling lands or whether you want mountains, you really got it all in Kentucky. I did not have a sense when I moved there of how much automotive was there. Of course, I knew Ford was there, Toyota. GM is also got a plant there, don't they, if I remember, but I don't think I had a sense of how probably nearly every county in that state has got some automotive supply. I'm sure not every county, but a lot of them have some type of automotive and it's really-- I think I saw stats-- it's been years ago, but it's like right there with Detroit for automotive power if you really think about it.

Matt Tackett: Yes, it's incredibly crucial to the Commonwealth. And you're right; people will come in and they'll ask about where is the automotive industry? Where are the suppliers, whatever and we'll just say throw a dart anywhere on that map and you'll be within a very close radius of the automotive industry. So, it's huge for us.

Chad Chancellor: Talk about the product development initiative you guys are doing. I know that you're doing some work with Site Selection Group, I think Josh Bays on product development. You know how much I think of him. I've told you that offline. I think that they do great work and I know Josh does. So, talk about what you all are doing there.

Matt Tackett: Josh Bays, a shout out to him and also his colleague Beth Land who are really taking on incredible leadership for us through what's called the Kentucky Product Development Initiative. So, for as excited as we are with the \$20 billion of new investment and the jobs that have created, as we look to kind of prep Kentucky for tomorrow, we realize that because of some of our success, a lot of our products, a lot of our sites and buildings have come off-market. So, what we have strategized within our cabinet for economic development is we've created a pool of \$6 million that we can deploy over the next two years that will be disseminated to communities for capital improvement, physical asset, projects, all the due diligence necessary for site prep.

So, we've engaged Site Selection Group. He's managing that in a really incredible way for us. We've had-- this is year one of our grant-making initiative to where communities are invited to

apply. We had 50. I believe we had 55 applications or 55 communities that submitted a letter of intent indicating that they would apply and we ultimately had 45 applications. So, we're doing a desktop analysis of those now, studying that in a myriad of ways the site selection folks like yourself use every day when you're evaluating a community.

When we have demonstrated that the application is aligned and it looks attractive, we'll go into the site visits just the same as you do when you're working on behalf of the company. So, we expect site visits to happen between August 26th and September 20th of this year and then ultimately, we're going to make some grant awards. Perhaps up to \$3 million this year and then three next year and we want to just keep it growing.

Chad Chancellor: And is there an effort to make sure rural counties get some of that or is it just going to first come first serve or how do you I guess going to make sure that no matter if you're in a big city or rural county you got a shot at it?

Matt Tackett: It's totally ROI-marketability based, but now we're encouraged because of the geographic diversity that we've received from our applicants. We expect our rural communities to be incredibly competitive as do our urbans.

Chad Chancellor: Right. I like that you say ROI. That's a word I don't hear some association people say a lot. So, it's smart. That's a really smart answer. And I want to compliment you on your leadership. A lot of state associations they do great conferences and events, but I haven't seen a whole lot that are out there investing like that in their communities to up their product game. So, I know you've been there what, a couple of years now, so I know this is-- I just want to tip my hat to you. I think that's really an important step you all are making.

Matt Tackett: I appreciate that. I'll tell you what so this is going to come full circle. So, a lot of the growth that we are experiencing in KAED it's fantastic. It's cool that our membership is up and we're breaking records in our conferences. That's all fantastic, but what we're really here for is to amplify economic development in the state of Kentucky and I've learned a ton from Chuck Sexton, who is on our executive committee who was actually one of the leading voices in the hiring process as I came on to KAED and he was always referenced your time in the Commonwealth on the western end of the States, so learning a lot from the best in the business right now.

Chad Chancellor: Yes, Chuck's aggressive. We had him on our podcast a few weeks ago. It's been one of our most downloaded ones so far and he's aggressive. We've done two from Kentucky. You're our third. We did Mark Manning in Murray and I think a lot of Mark and his podcast was also highly downloaded, so we must have some Kentucky followers because they are listening to all of it.

Matt Tackett: Yes, I know. I listened to both of those a couple of times. Yes, we appreciate the opportunity to work with Mark. I tell you what. I enjoyed Mark's perspective on rural economic development as well.

Chad Chancellor: Yes. So, are you a Kentucky Wildcat guy or Louisville? Who's your team?

Matt Tackett: So, for disclosure here, Chad, has a Mississippi State pullover on.

Chad Chancellor: That's right. Proudly.

Matt Tackett: I'm a big Kentucky Wildcat fan, of course. It seems like Mississippi State is always kind of our bugaboo. When we come down here we just can't beat you all when we're on the road and that's usually one of the most important games for us, but--

Chad Chancellor: In football. You beat us in basketball, but you're right in football. You're the team that Mississippi State plays from the eastern division every year.

Matt Tackett: Whatever they call it. The historic rivals or whatever, which is probably a good thing better for you all, but a good thing for us as well.

Chad Chancellor: I was in Lexington two years ago. You're kicker made like a 56 yard to beat us at the buzzer.

Matt Tackett: I'll tell you what, when we kind of talk about that on our sports radio ecosystem in Kentucky how important that kick was to the entire trajectory from there to now of Kentucky because things were looking bleak there.

Chad Chancellor: Yes. You all were not having it. We were favored in the ball game and then it was Dan Mullen's last year and you all-- he kicked that ball and it was right down the middle. That kid kicked that football, but I like to do the deal for those of you listening who have not been to

Keeneland. It's sort of the old fashioned race track in Lexington. So, everybody here is about Churchill Downs and the Kentucky Derby. Keeneland is kind of where all the local folks I think prefer to go and they run twice a year; once in the spring, but they usually run is it in October?

Matt Tackett: October.

Chad Chancellor: And so sometimes Mississippi State will play up there when Keeneland is having the horse racing. So, what I'll do is I'll go up there and do the horse racing that morning and go to the ball game that night.

Matt Tackett: Yes, the Kentucky double or whatever-- Kentucky football will not play day games in the month of October because of Keeneland, but that's a big draw coming into Lexington for football games. A lot of fans they'll do that.

Chad Chancellor: Absolutely and so for any of you all out there, if your team ever plays in Kentucky in October do it. So, by the time that goes sailing through the air to break our hearts, it was like 10:30 at night and I have been in Keeneland and I might have had a bourbon or two, so I don't even know that I remember much about the football game.

Matt Tackett: They make for long days. I don't think I can do it anymore as I've gotten a little older and greyer and got two babies at home, but that used to be-- and that is one of the best ways to spend a Saturday in Kentucky.

Chad Chancellor: I just told some of my Georgia-- because Georgia plays you all usually in October. So, if you ever play Kentucky in October, do that. It is a lot of fun for everybody. Of course, your basketball speaks for itself. You won the last time in New Orleans. We got it coming up again in two or three years and maybe you all will be back.

Matt Tackett: Well hopefully, we can be there. We feel like we're going to be good this year. Thanks for mentioning the Keeneland too. I think it's probably the prettiest track in the nation. I hear that Del Mar in California is very nice as well.

Chad Chancellor: And did they not have lights for years because it was kind of old fashioned or had an old fashioned scoreboard or something. There was something kind of-- It's kind of like the Augusta National of horseracing.

Matt Tackett: It's beautiful. That's a really good comparison. I think Churchill Downs recently has installed some lights, but Keeneland, you don't mess with that tradition, that architecture, just kind of the perfection that exists there, but it's fantastic.

Chad Chancellor: Was there anything I didn't ask you about Kentucky or the Association you wish I had?

Matt Tackett: No, I'll probably think of something later. I just appreciate the opportunity. At KAED we're going to continue growing in membership and continue breaking our conference records and we appreciate you coming to our annual meeting last year.

Chad Chancellor: Yes, that was fun, yes.

Matt Tackett: For the listeners out there, that was the number one session that we had. So, it was fantastic.

Chad Chancellor: Oh really. He didn't tell me that until right now. Here we go.

Matt Tackett: Yes, I was in another session doing something, but everyone came out just laughing and kind of going wild and telling stories from your session, so I wish I had it recorded for our folks.

Chad Chancellor: We'll get it back out and record it for you. People laugh at my accent. I can't get rid of it.

Matt Tackett: Well, you sound like me. I'm from eastern Kentucky, but we'll keep charging at KAED. I appreciate the chance to talk about that. When we talk about conferences, not that registration-- you know registration isn't the primary concern. What we want to do is there's so much intellectual capital that can be captured at events. You come to any state association and economic development association. Within those halls are the people responsible for billions and billions of dollars of deals incredibly sophisticated.

In Kentucky, we don't want them to just sit there and listen to speakers throughout the day. We want to really kind of leverage that opportunity, put them to work. So, we've identified a handful of verticals, talent, international product development, marketing and branding to where we can

bring in the stakeholders, form this Team Kentucky kind of ecosystem and really strategize on what the state needs to do to move forward.

Now the product development initiative, as we spoke on a few minutes ago, came from those Team Kentucky strategic sessions that we just deployed last year. So, it's an incredible opportunity in front of us just by bringing the people together and saying what can we do? What do you need us to do? And we'll put some energy and be intentional about executing on whatever the deliverables happen to be.

We just so happen to have a multi-million dollar product development initiative because of that strategy and we're exploring a state-wide integrated marketing plan from that-- which arose from the marketing branding strategic committee as well.

Chad Chancellor: Sure. I can't compliment you enough on that. You got to have something to sell if you're going to be out selling and I know you all are on the road doing stuff with Kentucky United. So, that product development initiative is good and then also I think you all picked a good group to do that with Site Selection Group and Josh Bays and the team. I've seen some places it maybe just pick an engineering firm or some places kind of do it-- they just say the cabinet for economic development and you really I think having a site location firm like that that looks nationwide is just going to up the final product. So, I think that was really smart of you all.

Matt Tackett: You know what's probably the coolest thing about the product development initiative is there's going to be communities out there that get awards up to 500K which I didn't mention we require a local match. So, you're talking \$1 million of capital influx, but every applicant who does not receive a site visit or does not receive the ultimate financial award will get an incredibly detailed educative report that they can use to better inform their round two.

Chad Chancellor: Like a competitive analysis that shows them here's how you stack up even if you didn't get-- that's very smart.

Matt Tackett: That will help them on round two, but more importantly, it will just help them in their everyday practice. This for us, while it is a grant-making initiative, we house this within our KAED foundation, which is solely responsible for education. So, this is very much an educational initiative for us and I think that's really where the long term awesome value is.

Chad Chancellor: Well, Mark, thank you for being with us here today. We really appreciate it and talking a little bit about your old Kentucky home.

Matt Tackett: Yes. I appreciate this. I look forward to listening to the next one as it's dropped and just really congratulate you for what you're doing. We've got to be more creative with how we disseminate and always be looking and mindful of how people kind of receive content. I think these podcasts are really the way of the future and you're right on the cutting edge and really proud of it.

Chad Chancellor: Thank you. I appreciate it very much.

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