

KANSAS CITY

Deconstructed

COMMERCE LEXINGTON INC.
2015 LEADERSHIP VISIT

ABOUT LEADERSHIP VISIT

Commerce Lexington's annual Leadership Visit has helped expose Central Kentucky's leaders to the best ideas of model communities throughout the United States, yielding valuable lessons that have been applied to the improvement of the Bluegrass Region. This three-day trip has become the most valuable opportunity to bring community leaders, decision makers and ideas together in order to make positive changes in our community. It's a very unique program

that includes the foremost business, education, government and community representatives of Central Kentucky.

On May 13-15, 2015, Commerce Lexington Inc. and many of its key community leaders and business professionals embarked on the organization's annual Leadership Visit presented by McBryer, McGinnis, Leslie & Kirkland, PLLC. About 175 people participated in this year's trip to Kansas City, Missouri.

Kansas City Leadership Visit Photos by Bill Straus Photography Unless Otherwise Noted.

KANSAS CITY INTRO SESSIONS

K.C.: MORE THAN JAZZ, BBQ & FOUNTAINS

The first speaker on opening day of the 2015 Leadership Visit to Kansas City was **George Guastello**, CEO of Union Station, one of the iconic structures in the city. He talked about the perceptions that people have of Kansas City, saying that the worst perception about any city that people could have was "nothing at all." He said that he hoped that the group would get a true picture of Kansas City over the three days of the trip. He went on to say that unity and collaboration are the driving forces in the community, and later gave the example of how a dilapidated Union Station was saved and renovated by people in two states who came together and recognized the importance of the structure to them. Just as Union Station was the center of transportation of the 20th Century, according to Guastello, it has become the icon for center of innovation, and science, and culture for the 21st Century. **Full video of Mr. Guastello's remarks at <https://youtu.be/nKG-bFKozaw>.**

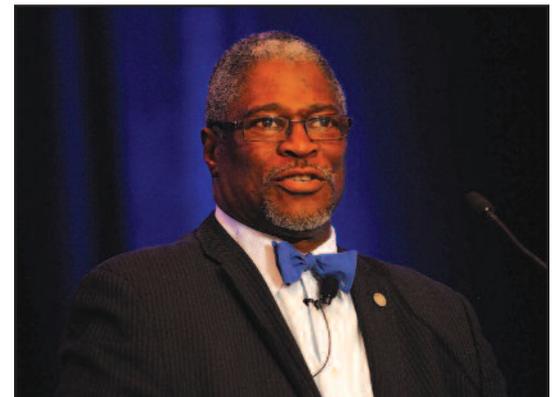


EMERGING TRENDS FOR AMERICA'S CITIES

Marita Wesely, trends expert at Hallmark Cards, Inc. not only searches for new and emerging trends, but she distinguishes a trend from a craze or a fad. Ms. Wesely mentioned that people are flocking to cities for the vitality and the possibilities for individuals that they provide. She said when she first moved to Kansas City in the 1970's, the downtown area was a place to avoid, but "now, it's absolutely fabulous." Another trend she mentioned was "localism," which is often associated with farmers' markets, "but it's so much more than that," she said. Being local also means knowing where the product, good or service you are using came from. "Everything is local to some place." She also went on to discuss diversity and inclusion, saying that all of the "-phobias" are based on not knowing enough about the other person or a group of people.

KANSAS CITY SUMMARIZED:

Kansas City **Mayor Sly James** gave the delegation an overview of Kansas City and what his administration has been focused on since he was elected on March 22, 2011, and sworn into office on May 1, 2011. Mayor James talked about his efforts to make Kansas City best in four areas: Education, Employment, Efficiency, and Enforcement. He said that the main reason that the city has been moving forward is because of its people. He went on to say that one of the most challenging things about Kansas City is its 15 school districts. Mayor James also said the city is making great progress in the area of public safety, with a reduction in the homicide rate for the first time in a while. In addition, he has worked to raise Kansas City's statewide and national profile by highlighting the myriad cultural and human capital resources. **Watch Mayor James' full remarks at <https://youtu.be/TZ7ZiEiZdMM>.**



CORE TOPIC: ENTREPRENEURISM AND EDUCATION

Leo Morton, Chancellor of the University of Missouri-Kansas City, began by talking about how the university got its start. He stressed that even in the 1930's during the heart of the Depression, the citizens recognized the importance of investing in education to becoming a great city, and the University of Kansas City was founded. In 1963, the university became part of the University of Missouri system.

After describing the various colleges and programs within the university, Chancellor Morton highlighted the Bloch School of Management, which is focused on entrepreneurship. "We believe that it's important for all of our students to get exposure to entrepreneurship," said Mr. Morton, because it teaches students, no matter what their discipline, to learn how they can make money with their talents.

Entrepreneur Matt Condon said he had no intention of staying in Kansas City once he finished his law degree. He did not want to practice law, but found himself interested in health care and health care law. He said, "This place became my home, because it really embraced what I was trying to accomplish."

Condon mentioned that Kansas City has a strong entrepreneurial eco-system in place that nurtures up and coming entrepreneurs. Condon found Kansas City corporate leaders to be accessible and helpful when he asked questions or sought guidance. Condon also said that he's been able to bring in large numbers of people from outside of Kansas City to work at his companies, because of the city's strong support of entrepreneurs.

The six focus areas that the Kansas City Chamber's Entrepreneurism



Big 5 initiative is focused on include: Access for entrepreneurs; Workforce and talent development; Marketing; Funding; Public Policy; and Education.

Chancellor Morton said that Kansas City is extremely lucky, because it benefits greatly from people who are social entrepreneurs who continue to give back to the community to make it better. Condon added, "We have to celebrate our successes and successful people, and get young entrepreneurs to see that people like Henry Bloch who wasn't satisfied making a lot of money and knew he had to give back to our community."

Watch Full Video of the Entrepreneurism and Education Session On-line at:

<https://youtu.be/q-wzYajPoQ8>

REFLECTIONS:

During the final day's Takeaway Session entitled "Thinking from Inside a New Box," participants were asked to reflect on the Entrepreneurism and Education session, thinking about what could help Central Kentucky better support its entrepreneurial environment. What are the barriers to Lexington becoming the "Most Entrepreneurial City" in America, and how can we better prepare our workforce to meet the needs of business?

COMMON THEMES:

- An entrepreneurial ecosystem is essential. It must be refined, coordinated and connected.
- Must bring business and education leaders together in a specific forum. We've got to create synergy to identify and answer needs.
- Celebrate existing successes, and market them accordingly.
- Engage leadership to mentor, lift up, and promote new opportunities.
- Find ways to generate capital.

The group overwhelmingly felt there is a great need to address the achievement gap in Lexington, and perhaps the most effective way to do that initially is to start by focusing all resources available on one or two schools. Across most of our core topics for the trip, there was the mention of the need for more mentoring programs to assist young people. Among some of the suggestions and comments included the following:

- Closing achievement gap-working with Bryan Station and inner city elementary schools Crawford and Winburn.
- "Solve" school issues (Superintendent and redistricting).

- Eliminate youth illiteracy.
- Education-mentoring programs that are housed in our universities (UK, Transy, BCTC).
- KY certified-free technical college training for low income people.
- A priority on early childhood prep and kindergarten readiness.
- Have to find a way to start education process at a young age.
- Retaining the brightest students from UK, Transy, Centre, EKU, in central KY to create a young workforce that can help Lexington grow for years to come.
- Create a structure/team focus on talent recruiting new young professionals interns-offer mentorship.

CORE TOPIC: BIG 5 CONCEPT

Kansas City's Big 5 concept was about aligning goals for the region and establishing a focus, so that real change could happen. **Greg Graves**, President & CEO of Burns & McDonnell, who Chaired the Board of the Greater Kansas City Chamber of Commerce in 2011 when the concept took flight, and Kansas City Chamber CEO **Jim Heeter** talked about the process of involving numerous segments of the community in developing the initial list of goals, whittling them down to a manageable list, and ultimately settling on five key goals for the region.

The Big 5 process began with several 'no bad ideas' meetings that yielded an initial list of 182 ideas. Then, in July 2011, about 100 business, civic, and elected leaders met to work on Big Ideas for "Big KC." After seven hours of discussion and voting, 20 Big Ideas were announced. Finally, in September 2011, the five Big Ideas emerged, including:

- Making Kansas City America's Most Entrepreneurial City.
- Growing Kansas City's Medical Research from Discovery to Cure.
- Revitalizing Kansas City's Urban Neighborhoods through the Urban Neighborhood Initiative.
- Moving UMKC's World Class Arts Programs to a New Downtown Location.
- Host the World's Symposium on Animal Health Science.

Mr. Graves said that when they started talking about a 'Big 5,' he felt that the process may actually be more important than the ideas themselves. Mr. Heeter mentioned that when they began, they knew they did not want to do a strategic plan, because "we've got some of those, sitting on shelves, gathering dust." He said they began by



asking one question – "What would you do if you were CEO of Greater Kansas City?"

Then, they employed some guiding principles for the process. They wanted it to be informal, open and transparent. Mr. Heeter said that two key lessons learned from the process included don't be afraid to think big, and don't be afraid to take some risks. They ended up having 24 'no bad ideas' meetings, including a call-in radio show, because so many people wanted to be included in the process.

In 2014, community leaders moved the idea of the World Symposium on Animal Health off the original Big 5 list, since it had been accomplished, and adopted a new Big 5 idea entitled "Building Kansas City's Workforce of Tomorrow through Kindergarten-Readiness."

Watch Full Video of The Big 5 session at:

https://youtu.be/8X_PYH8a4hs

REFLECTIONS:

During the final day's Takeaway Session entitled "Thinking from Inside a New Box," participants were asked to reflect on the Big 5 concept, considering how the process worked so well in Kansas City, what was different about it compared to what has been done before in Lexington, how could it be applied to Lexington projects/initiatives, and what would be a good first step to aligning community goals for Lexington.

COMMON THEMES:

- Refuse to let politics get in the way.
 - Focus on the solutions; make sure you have a "thing."
 - Be inclusive. Go to the people.
 - LEAD; Will require a high level of commitment.
 - Choose the right champions.
- Among the group, there was strong support for some sort of goal initiative similar to Kansas City's Big 5, but the group was split on what the number should be. Among some of the suggestions and comments included the following:
- Identify 3 activities that community can accomplish or do the no bad idea sessions/do something with what we've learned.
 - Focused action goals for the community as a whole and follow through.
 - Establish 3 doable goals.
 - Develop a Big 6 (2 or 3) regional ideas.
 - Determine community goals.
 - Creating a big three process.
 - Develop a process to identify big 5. Create a forum to support venture capital for entrepreneurs.
 - Define our Big X for clear messaging of actionable steps to better Lex.
 - A big five for Lexington.
 - Identify our "big 5."
 - Conduct a big 5 process- we have no process or big 5. Can't do anything until we have a big 5.
 - A similar effort to the big 5.
 - Start "big 5" type process.
 - What is "it" that we want to focus on? Big 5?
 - Go through a process like the big 5.

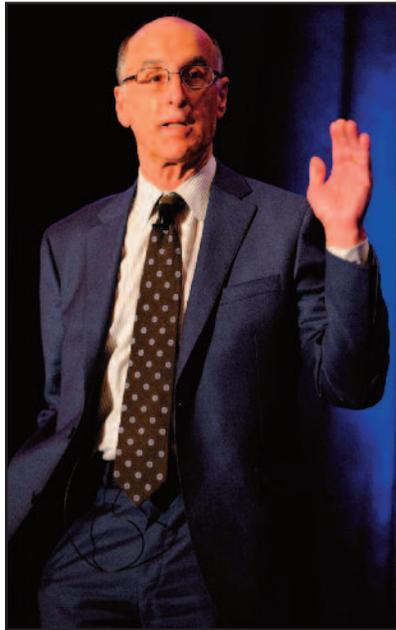
CORE TOPIC: REGIONALISM

David Warm of the Mid-America Regional Council talked about the context for regional affairs in Kansas City, some of the challenges, and the role that his organization plays in creating a stronger metropolitan togetherness. He said, “There isn’t any region in America that isn’t grappling with this issue. In my view, regionalism matters, but it is not a goal unto itself. Regionalism is a means, a mechanism, and a process by which we can come together and help get better outcomes for people, business, and communities.”

Mr. Warm mentioned that over the years, regionalism has become very complex and even more difficult, because of “the sheer competitive pressures that exist.” According to Mr. Warm, just about everything within an area is impacted in whole or in part on a regional level, such as traffic gridlock to air quality to public safety. “There has to be at least in part a regional strategy to solve these issues,” he said.

Even more difficulties exist, because of the increasing financial pressures that come from the federal government, creating more expectations at the local level. Fiscal challenges have created more opportunity for communities to work together.

Mr. Warm said that there are a lot of things that get in the way of effective regionalism, including structural barriers created by thousands of jurisdictions within the MSA, increasing numbers of societal challenges that make it harder to act on a shared sense of values or strategy about how to move a community forward, and the difficulty in navigat-



ing the regionalism process.

Warm cited one of the biggest problems with regionalism in Kansas City is the state line, in large part because the population is mostly evenly divided in the city between the two states. Neither side dominates the economic activity that is occurring, with much of the population travelling back and forth from one state to the other throughout their daily routine.

According to Warm, the biggest ‘state line’ problem more recently is “the degree to which it has fueled and exacerbated a long-standing dynamic around economic incentives for business location.” Some of the regional possibilities have been diminished, said Warm, because of the economic border war that has taken place over the last decade. Companies that locate in either state with only a few jobs can get virtually all of the state income tax paid by employees to the state back to the bottom line of the company.

In discussing what the region does well, Warm said there is a high level of cooperation, from inter-local agreements to cooperative initiatives. Secondly, he said Kansas City does a pretty good job of “collaborating civically,” bringing together the public and civic leadership. “This is an area of positive energy, with open-mindedness and the willingness of people to think of how they can work together.”

Watch Full Video of David Warm’s Remarks at:
<https://youtu.be/v53CWQaiX-I>

REFLECTIONS:

During the final day’s Takeaway Session entitled “Thinking from Inside a New Box,” participants were asked to reflect on what they learned during the Regionalism Matters session, looking at how the K.C. region has overcome competitive challenges in economic development, and discussing the greatest barriers to the creation and strengthening of regional alliances in the Bluegrass Region.

COMMON THEMES:

- Need to define and brand the region.
- Build trust...the essential ingredient.
- Need for a regional chamber of commerce.
- Need to overcome the Bluegrass ADD fiasco.
- Need to take politics out of it. We are more regionally connect “economically,” rather than “politically.”

The group stressed the need to continue building trust within the region, that collaboration and communication are improved, but we can always do better. Participants also felt there was a great need to brand the region. Among some of the suggestions and comments included the following:

- Develop a focus regional development process (all aspects).
- Branding who are we (regionally and locally).
- Define and implement regional collaboration process.

- Brand the big bg (big bluegrass).
- Regionalism-getting out there.
- Regional tourism and marketing.
- We should concentrate on mending regional fences.
- Reorganize area development district.
- Less centralized state government.
- Having one regional draw.

CORE TOPIC: DIVERSITY/INCLUSION

Daniel Silva, Director of Diversity and Inclusion for the Greater Kansas City Chamber of Commerce, facilitated a panel discussion that highlighted ongoing efforts, challenges, and opportunities for diversity and inclusion within the Greater KC region. Mr. Silva said the chamber uses four pillars in how it goes about promoting diversity and inclusion: integration across all chamber programs and events; execution of high impact, high quality events; implementation of substantive programs that support minority and women-owned businesses, providing higher level connections and access; and meaningful engagement of diverse communities and being an active partner of other entities that work toward a more diverse region.

Mr. Silva asked the panelists, “How are we doing in Kansas City when it comes to diversity and inclusion?”

Terry Bassham from KCP&L and Great Plains mentioned that his company is very focused on diversity. He said, “I wouldn’t crow about our accomplishments so far, but we are very aware of the need for work and focus. We’re not where we need to be, but we are focused on it, and our leaders are very focused on it.”

Kansas City Star president and publisher Mi-Ai Parrish said that it needs to be done deliberately and doesn’t happen organically. “You need a lot of different tactics and strategies, and I think Kansas City is pretty good at that. We’re working in smaller pockets, working holistically, and it’s something that’s part of the conversation.” She also said that transparency is very important to success in a community. “We’re also doing better job of defining diversity more broadly,” she added, meaning the process of including as many different voices from as many different backgrounds and experiences as possible.

Gwendolyn Grant of the Urban League of Greater Kansas City mentioned that African-Americans and Latinos are not equitably represented within the regional workforce. According to Ms. Grant, the unemployment rate among African-Americans is 12.6-percent compared to 5.0-percent



for Caucasians, while that figure is 6.9-percent for Latinos. “Those numbers say that we have a lot more work to be done when it comes to connecting people with viable work opportunities,” added Grant. “We are seeing a lot of progress in civic leadership and engagement in Kansas City.”

Ms. Parrish mentioned the need for patience in diversity efforts, giving the example of both herself and Lexington Herald-Leader president and publisher Rufus Friday, who were ‘groomed’ by their companies over a number of years for the positions that they hold today.

All three panelists stressed the positive impact that supporting and helping minority businesses and professionals thrive can have on a community. Mr. Silva concluded by saying that Kansas City still had a long way to go in the area of diversity, but that the city is making progress.

Watch Full Video of the Diversity Panel at:

https://youtu.be/DA39IZ_ZV6E

REFLECTIONS:

During the final day’s Takeaway Session entitled “Thinking from Inside a New Box,” participants were asked to reflect on how Kansas City works to create a culture of inclusion in workplaces, schools, and the community, thinking about how those strategies and processes can be applied to help Lexington become a benchmark city in valuing diversity.

COMMON THEMES:

- Need to increase diversity within our city, Commerce Lexington Inc., and non-profit boards (better board development and selection of diverse candidates).
- Need a champion to connect people to resources and mobilize (CLX Director of Diversity).
- Educate kids young about the importance of diversity through coordination and recruitment.
- Intentionality of diversity efforts is essential.

Participants felt that we needed more focus on diversity across many segments of our community, and could make the most progress in this area through our educational system. Among some of the suggestions and comments included the following:

- Focus on diversity of our community (critical).
- Diversity, affordable housing.
- Mentor program for minority development.
- Engage the whole community.
- Diversity in our city by vision and diversity at the Fayette Co. Public School PTA level. Most opportunity for diversity is through the educational school systems.
- Position dedicated to diversity.
- Increase diversity among mid-level professionals.
- Embracing diversity, growing a diverse culture.
- Start with diversity training at the elementary education level: gender/color/religious.

KANSAS CITY DEFINED



BREAKOUT #1



BREAKOUT #2



BREAKOUT #3

BRANDING FOR A PURPOSE:
Bob Marcusse, President & CEO, K.C. Area Development Council, talked about how Greater Kansas City's branding campaigns of the mid-2000's created a unified sense of place for the region. Its "OneKC" campaign brought a renewed sense of regional cooperation at a time when companies across the nation shifted their focus to successful regions, rather than just cities.

THE BUILT ENVIRONMENT:
Bill Dietrich, President & CEO, Downtown Council of Kansas City, **Jon Copaken**, Copaken & Brooks, and **Kay Barnes**, Former Mayor, Kansas City, Missouri, discussed some of the changes that have taken place in downtown Kansas City, over the years and how the focus of what is built has shifted to how it impacts and attracts people.

ARTS & CULTURE:
 Moderated by **Nan Plummer**, President & CEO, LexArts, **Harlan Brownlee**, President & CEO, ART-SKC, and **Peter Witte**, Dean, UMKC Conservatory of Music & Dance discussed the Kansas City arts scene and how the city has embraced arts and culture as important aspects of business recruitment and retention within the region.

KANSAS CITY DISCOVERED

Participants experienced a variety of elective sessions on Thursday afternoon in Kansas City.



Tour of Kansas City Royals Kauffman Stadium



GenKC Emerging Leader Lunch



KC Rising: Arts, Culture and Philanthropy Tour



Power & Light District Tour



Urban Neighborhood Revitalization Tour

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