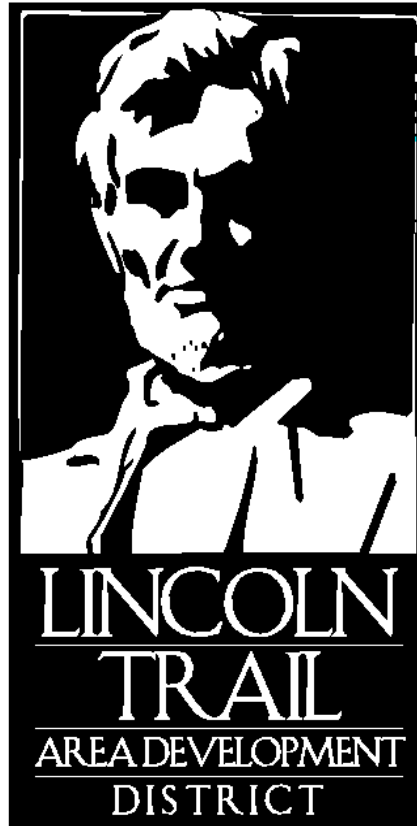


COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY UPDATE 2011



LINCOLN TRAIL AREA DEVELOPMENT DISTRICT
613 COLLEGE STREET ROAD
P.O. Box 604
ELIZABETHTOWN, KENTUCKY 42702-0604
PHONE: 270.769.2393
FAX: 270.769.2993
EMAIL: INFO@LTADD.ORG
WEB: [HTTP://WWW.LTADD.ORG](http://WWW.LTADD.ORG)

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT 2011
COMPREHENSIVE ECONOMIC DEVELOPMENT
STRATEGY UPDATE (CEDS)

The following information has been amended or added for inclusion in the 2011 CEDS Update and is available for public review and comment. For further information regarding the CEDS program and/or the Lincoln Trail Area Development District, please contact us at 270-769-2393 or online at www.ltadd.org.

Table of Contents

- I. Executive Summary *Update*
 - A. Organization & management / Area Scan *Update*
 - B. Methodology for cooperating & integrating State priorities *Update*

- II. Analysis of Economic Problems and Opportunities *Update*
 - A. Cluster analysis *Update*
 - B. Past, present, & future investments *Update*
 - C. New investments *Update*
 - D. Other relevant material from appropriate agencies and plans
 - 1. Ft. Knox Joint Land Use Study and Army Compatible Use Buffer

- III. Background / Relevant Area Information Update
 - A. Economy *Update*
 - B. Education / Workforce *Update*
 - C. Environment *Update*
 - D. Safety/ Public Protection *Update*
 - E. Transportation *Update*
 - F. Infrastructure *Update*

- IV. Other Important Area Information
 - A. One Knox Information
 - B. Education / Workforce Information
 - C. *Population Data (2010 Census Updates)*

- V. Plan of Action
 - A. Goals & objectives
 - B. Performance measures *Update (updated measured outcomes)*
 - C. *Prioritization of projects to meet needs and improve performance (updated / current lists).*

EXECUTIVE SUMMARY **UPDATE**

ORGANIZATION AND MANAGEMENT / AREA SCAN

As required by Economic Development Administration regulations contained in C.F.R. 13 part 303, a review of the data, information, and goals and objectives of the Lincoln Trail Area Development District 2007 to 2010 Comprehensive Economic Development Strategy (CEDS) has resulted in an update. Review and modification by staff and CEDS committees has resulted in a draft Update for 2011. It will be made available for public review and comment prior to submission to EDA.

The Lincoln Trail Area has not changed significantly in character or size from the previous year, although as the new Census data becomes available, some demographic shifts are becoming evident. Other individual component changes are reflected in various relevant updates.

METHODOLOGY FOR COOPERATING AND INTEGRATING WITH THE STATE'S ECONOMIC PRIORITIES

The Commonwealth of Kentucky's Governor (a new executive administration is elected every 4 years) was elected in 2008. The Governor has initiated the development of a new Statewide Economic Development Strategy

through the KY Cabinet for Economic Development. A national consulting firm (Boyette Strategic Advisors) was contracted to provide direction and guidance in development of adaptable and strategic policies and a vision for economic development in the state. Information about the Plan can be found at <http://www.KentuckysUnbridledFuture.com/>

A series of forums were planned across the state in summer 2011 to obtain input from the public and local community leaders. A rollout of the findings and the eventual "Plan" is scheduled for late October 2011. While the ADD's have been active participants in the process, it remains to be seen what role the Area Development Districts will play in the State's overall vision.

ANALYSIS OF ECONOMIC PROBLEMS AND OPPORTUNITIES UPDATE

CLUSTER ANALYSIS UPDATE

Automotive

National and local automotive related industries have seen some stabilization and growth in the past year, as some have hired back lost workers. The Lincoln Trail regional economy has been one of the few bright spots for the Commonwealth. While job growth has not reached sustainable levels, the regional economy has shown more positive growth and stability than most of the state and nation.

Military / Government Services

The Base Realignment and Closure (BRAC) program has continued in the past year with most of the primary mission modifications scheduled for completion in 2011. The U.S. Army Human Resources command has relocated to Ft. Knox, while the Armor Training Center is completing a move to Ft. Benning, GA. A more detailed update and discussion of the impact and how the local governments in the area managed the transition is provided in the "ONE KNOX" section.

Wood Products / Cabinetry

The industry has seen some declines as the home building and residential development sector continues to suffer nationally. A shift towards more re-development of existing units may mean more stability in the industry but short-term growth is slow at best.

Food / Beverage Production

The Food and Beverage industry in the region has remained strong. Economic uncertainty has not resulted in losses for the sector; however, growth may be slower and trending towards lower priced goods. One community in the region has even allocated certified industrial park space for food production industries as it has fielded interest from food industries.

PAST, PRESENT, AND FUTURE INVESTMENT TRENDS

Past investment trends for the region have been concentrated in semi-skilled manufacturing (especially auto related components). This will continue to be a strong sector for the

region; however, other emerging sectors may play a more significant role into the future.

The Base Realignment and Closure transition at Ft. Knox will continue to play a tremendous economic role in the region. As discussed in the new ONE KNOX narrative, the change from a more "blue collar" military employment base to a more "white collar" civilian base will be significant for the local economy. An entirely different skill set will be required from the workforce and a more stable civilian investment will result from the new workers on base.

This will pose both challenges and benefits to the region in terms of the need for improved infrastructure and education and an increase in residents with disposable income.

NEW INVESTMENTS UPDATE

An updated list of new and expanding manufacturing a supportive service firms is attached at the end of this section. The area has seen keen interest in new developments and expansions, however, slow movement on decisions and locations may mean market uncertainty lingers for many.

BACKGROUND / RELEVANT AREA INFORMATION

ECONOMY UPDATE

The slow national recovery has kept job growth in the region uneven. The Region's economy has steadied and the Hardin County area has enjoyed improved national rankings for business startups and income

growth relative to other communities of similar size. As discussed previously in the Cluster Analysis, employment and economic activity in the major economic sectors and particularly in the automotive related industry have seen steady returns. The base realignment of activities at Ft. Knox has insulated regional trade to some degree.

The national political climate has introduced a new level of uncertainty and poses new challenges to the region. As the region's economy and more importantly, its workforce continues a transition from semi-skilled trade work to more information based and technically skilled work, changes in national workforce training and unemployment strategies will impact the Lincoln Trail region.

It is worth mentioning the political dynamics at work nationally. Kentucky sits astride the conservative fence with the top traditional republican leadership and the newly influential "tea party" leadership in the Senate. Both continue to play important roles in how the government will shape and be shaped by its constituents. The need for changes in national budget priorities may impact Kentucky significantly since a high percentage of Kentuckians rely on government transfer payments as a primary source of income.

EDUCATION / WORKFORCE UPDATE

Potential changes to employment and workforce training programs at a national and state level, both in

terms of funding and program implementation, are a cause for both concern and optimism at the regional level. The Workforce Investment Act may experience significant alterations in both its budget and program activities. Kentucky and the Lincoln Trail region continue to face uphill challenges for educational improvement and job skill improvement for its workforce.

ENVIRONMENT

No significant changes have been noted in the data and information related to the regional environment. With the global tragedy experienced by Japan in the aftermath of a deadly quake and tsunami, and the devastating wildfires in Texas and California, we are reminded how fragile we may be in the face of nature and how preparedness can save lives and livelihoods.

COMMUNITY SAFETY AND PREPAREDNESS UPDATE

The Area Development District continues its work with the regional Citizens Corps and the Medical Reserve Corps. The ADD has also assisted several communities in developing projects for disaster mitigation.

TRANSPORTATION UPDATE

The Lincoln Trail Regional Transportation & Highway Safety Committee exists to identify, promote, and facilitate the completion of quality transportation projects and programs by analyzing appropriate data, evaluating current projects, and collaborating with stakeholders and decision-makers to

improve the level of sustainability in the region.

During the past year the Committee completed its FY 2011 Prioritization process. Twenty-five projects were evaluated in order to insure viability and achieve at least one of the Committee's goals. These goals focus on safety, economic development, accessibility, environmental preservation, and coordination. The 25 projects were first ranked in each cost tier (Tier 1-\$0-2 million; Tier 2-\$2-10 million; Tier 3-\$10+ million). Projects were then ranked in an overall top ten list for the region's priorities. These projects range from minor rehabilitation of highways to statewide projects such as the Heartland Parkway that will improve access and economic opportunities for Central Kentucky including Marion and Washington Counties in the Lincoln Trail Region.

The Committee continues to coordinate with the Kentucky Transportation Cabinet's local Highway District Office to improve the safety of the regional network as well as to improve the efficiency of the overall system. This past year several projects were completed by the KYTC Highway District Office that advanced this effort. Examples include the completion of the Washington County Bypass and ongoing planning for BRAC related projects in Meade and Hardin Counties. Additionally, the Lincoln Trail Regional Transportation & Highway Safety Committee and the Elizabethtown-Radcliff MPO continued supporting efforts for

safety improvements and widening on Interstate 65 from Hart County through Larue County and up to Hardin County.

Additionally, in FY 2010 there was an estimated \$118,780,000 in dedicated funding for 22 projects in Breckinridge, Grayson, Larue, Marion, Nelson, and Washington Counties in the State Highway Plan; many of which were identified through the Committee's planning process.

INFRASTRUCTURE UPDATE

Upgrades and improvements to existing facilities continues to be the major focus of water and wastewater utilities within the region. Highlighted changes in the past year include, Elizabethtown nearing completion of expansion of its wastewater plant to 14 mgd, and the City of Cloverport Water System connecting with the City of Hardinsburg, allowing wholesale finished water purchases. As a result, Cloverport has taken their water treatment plant out of service.

The two largest water utilities in the region (Hardin County Water District's No. 1 & No. 2) are completing planning and design of major connections with Louisville Water Company as long-term supply solutions. Both are completing design of 10 mgd connections and will utilize funding assistance through state Economic Development Bond funding from the 2009 budget.

Major infrastructure upgrades started or completed in the previous year include:

Lincoln Trail Area Development District
Comprehensive Economic Development Strategy 2011 Update

- Cloverport / Hardinsburg tie-in
- Leitchfield Intake and Transmission (EDA funding obtained)
- Caneyville WWTP Upgrade (CDBG funding obtained)
- Hardin Co. Water District #2 Elizabethtown Loop
- Hodgenville North Water Tank
- Marion Co. Water District Loretto and ByPass Mains
- Meade Riverport Water & Sewer lines
- Muldraugh Sewer Rehab
- Elizabethtown Sports Park Complex

Continued from New Investments Update

New and Expanding Firms Update in LTADD 2010-2011 (Manufact. & Supportive Serv.)

<u>County</u>	<u>Company</u>	<u>Amount of Investment</u>	<u>Potential Job Impact</u>	<u>Product</u>
Grayson	Baille Lumber	\$275,000	3	kiln dried lumber
Grayson	Plastikon Indust.	\$6,350,000	100	plastic injection
Hardin	Alabama Wire Products, Inc.	\$305,000	20	drawn wire products
Hardin	Freedom Metals	\$500,000	5	scrap metal process
Hardin	W.L. Plastics	\$2,600,000	10	polyethylene pipe
Hardin	Cytech Prod.	\$475,000	2	mold release agents
Hardin	Fischback USA	\$8,685,000	--	plastic injection molding
Hardin	AGI Polymatrix	\$1,500,000	--	DVD packaging
Hardin	UFLEX, Ltd.	\$180,000,000	250	flexible packaging
Marion	Hendrickson Truck Suspension	\$500,000	3	heavy truck parts
Marion	RL Schreiber, Inc.	\$7,360,000	83	soup bases & spices
Marion	PDCI Automotive Distilleries, Inc.	\$1,640,000	40	automotive parts
Nelson	Heaven Hill	\$4,200,000	--	distilled spirits
Nelson	Blend Pak, Inc.	\$790,000	10	gluten free flour
Nelson	Nelson Co. Indus.	\$3,600,000	--	sheltered workshop

Major Closings: Galante Studios, Breckinridge Co. (22 jobs); Associated Tube USA, Hardin Co. (50 jobs); North American Pipe, Washington Co. (47 jobs). *Source: KY Cabinet for Economic Development, New & Expanding Industry Report 2011, www.thinkkentucky.com*

ONE KNOX

A cooperative, collaborative effort, One Knox is an initiative of Lincoln Trail Area Development District, the Cities of Elizabethtown, Radcliff, and Vine Grove along with Hardin and Meade Counties, that has resulted in efficient and effective use of public resources. Each participating unit of government will benefit from the One Knox research, and resulting comprehensive plan, without having to bear the burden of financing it individually. Each unit of government has representation on One Knox Policy Council, thus streamlining the number of personnel each jurisdiction must commit to the project. Each jurisdiction realizes monetary and personnel savings while reaping the full benefits of the program.

The 2005 round of Base Realignment and Closure (BRAC), was the impetus behind the One Knox Program. One Knox was created to address how the area surrounding Fort Knox, could work together to meet the challenges and opportunities resulting from the new goals and missions of Fort Knox.

The program has created synergy among the participating local units of government, and provided a regional strategy for economic development and quality of life issues affecting the region and its prominent neighbor, Fort Knox.

One Knox is the common denominator for the regional planning necessary to facilitate goal and mission changes at Fort Knox. Fort Knox is a key component in the area's economy and essential to its growth and wellbeing. Together, the Area Development District and these units of government can accomplish

more than any one of them could do on their own.

Much has been accomplished in the past twelve months! A One Knox website has been created to provide a line of communication and information to prospective residents and military personnel. A consultant has been hired to perform an area labor study. An update to the Joint Land Use Study has been completed and analyses of transportation, infrastructure, economic impact and the housing market were finished. One Knox has been the catalyst for upgrading infrastructure in the area; better planning for housing, schools, recreation, and community services and regional plans for transportation and commercial development. All of these factors impact regional quality of life and benefit every neighboring community.

The importance of Fort Knox to the economic health of this area is unparalleled. One Knox is a program designed to foster the region's ability to accommodate the goals and missions of Fort Knox and preserve the partnership between the installation and the surrounding area. The only adaptation necessary, for duplicating this effort elsewhere, is the desire to accomplish a common purpose in a cohesive, economical and effective manner. It can be used as a blueprint for any regional, cooperative economic development effort.

The people living around Fort Knox work diligently to maintain an excellent relationship with their military neighbor. Each round of BRAC presents a new set of challenges to the local units of government and, unerringly, they

Lincoln Trail Area Development District
Comprehensive Economic Development Strategy 2011 Update

respond with enthusiasm and determination.

The 2005 round of BRAC has presented new challenges and opportunities to the area. Faced

with the task of marketing our area as a desirable place to live for out-of-state transferees, five local units of government have formed a cooperative alliance to get the job done.

One Knox BRAC Update

The 2005 BRAC decision has changed the missions at Fort Knox and impacted the surrounding communities. According to data provided by One Knox, the table below lists the inbound organizations with their estimated time of arrival and expected number of personnel:

Organization	Estimated Arrival Timeframe	Approx. # of Personnel
F Company 3 rd SARG	Arrived in 2007	38
11 th Theater Aviation Command HQ	Arrived in 2007	75
Ohio Valley Vet Command	Arrived in 2006	57
AAA St. Louis	Arrived in 2006	3
19 th Engineer Battalion	Arrived in 2006	675
3 rd Expeditionary Sustainment Command	Arrived in 2007	260
70 th Division	Arrived in 2008	60
1/10 th Air Support (Air Force)	2008	28
100 th Division	2010-2011	60
9 th Engineer Battalion	2012	550*
502 nd Bridge Company	Arrived in 2008	210
Human Resource Command	2010-2011	3,100
3 rd Brigade, 1 st Infantry Division	Late 2009	3,400
84 th Army Reserve Region Training Center	2009-2011	500**

Lincoln Trail Area Development District
Comprehensive Economic Development Strategy 2011 Update

U.S. Army Accessions Command and U.S. Army Cadet Command	2009-2010	380
--	-----------	-----

- Part of *Grow the Army* Program
- Does not include Student load of 15,000 per year

Outbound Organizations

Organization	Estimated Departure Timeframe	Approx. # of Personnel
Unit of Action Maneuver Battle Lab	Departed 2007	190
Blood Bank	Departure in Progress	27
Regional Correction Facility	2009-2010	10
Army Research Institute	2010-2011	11
Armor Center and School	2010-2011	3,750*

*Does not include student load of 7,750

Population Data

Permanent Positions

Year	Military	Civilian	Contractor	Total	Family	
2005	8,472	3,569		3,844	15,885	21,674
2011	9,965	5,354		4,289	19,608	29,450

Growth Management Planning

- Thorough and ongoing study and analysis will help area effectively plan for growth
- One Knox and Lincoln Trail Area Development District have undertaken a series of studies
- Using input from studies, the One Knox has compiled a comprehensive listing of budget requirements for schools, job training, infrastructure, health care and transportation needs.

Completed Studies

Labor Study

- Identified gaps in regional workforce (1,400 potential high-skilled/high-wage job openings)

- Is being used to develop strategies for addressing economic and workforce supply and demand issues resulting from BRAC

Regional Economic Impact Analysis

- Developed projections of how the newly created job opportunities, including wages and benefits, will impact the regional economy:
 - 1) Wages – More than \$322 million in new payroll from new direct jobs, construction activities and spin off jobs.
 - 2) It is estimated that for every two new jobs on post, one will be created off post.
 - 3) A sustained 40% increase in State and local tax revenue.
 - 4) From 2007-2012, the total projected State Tax revenue generated from Fort Knox operations will exceed \$385 million. This represents an increase of more than \$96 million in new State tax revenue.
 - 5) The projected annual increase in State tax revenue is expected to be approximately \$75 million.

Housing Market Analysis

- Assessed the kinds of new housing that will be needed to support expected growth
- Single family housing stock in the region should be sufficient to meet the demands of relocating personnel and new home buyers to the region
- Region will need to accommodate 800-1,000 new renters by 2012

Other Studies and Activities

STUDY	DESCRIPTION
Joint Land Use Study (JLUS)	Conducted with Fort Knox and being Used to create a Master Plan for all Counties adjacent to the Installation
Transportation Analysis	Assessed current traffic conditions and made recommendations based on the expected impact BRAC growth will have on the road network surrounding Ft. Knox
Infrastructure Analysis	Assessing the anticipated water and wastewater facility needs based on projected new growth patterns
Public Information	Keeping the relocating workforce, their families and the local communities informed of ongoing actions. Includes media engagement, web-site, community tours and other efforts

Fort Knox Job Opportunities

- All Army vacancies are announced on the Vacancy Announcement Board
- Assistance is available with creating a resume through the four Lincoln Trail Career Centers
- One Knox and LTADD Workforce Investment Board (WIB) have held a series of federal hiring symposiums. More are scheduled for the future.

Many new initiatives will be implemented and the area continues to facilitate change at Fort Knox. Every effort will be made to accommodate the needs of the current and future workforce to ensure that workers have the skills and knowledge necessary to meet the challenges of this economically diverse area.

Fort Knox Construction 2006-2013

<u>Type</u>	<u>Amount Spent (in millions)</u>	<u>Larger Projects</u>
Military & BRAC	\$632	*HR Center of Excellence *Brigade Combat Team *3 rd Expeditionary Sustainment Command *19 th Engineer Battalion *Yano Range Upgrade *Physical Fitness Center *Zussman Training Center Expansion *Wilson Road Expansion
Medical	\$83	*Warrior Transition Unit Construction/Renovation *Jordan Dental Clinic Renovation *Ireland Hospital 5 th Floor Clinic Renovation *Margellis Dental Clinic Renovation
Other	\$248	*New High School *Geothermal HVAC *Residential Construction/Renovations *AAFES Main Exchange Update and Renovation
Total	\$963	

Other information about the transition and the region is available at the OneKnox website: <http://www.oneknox.com/index.php>

Education/Workforce

According to the U.S. Census Bureau's 2002 estimates of *Educational Attainment of the Population 25 Years and Over*, 85.5% of all U.S. adults have a high school education, and 26.4% have earned a bachelor's degree or more. The estimates for Kentucky show that 80.8% of Kentuckians, over the age of 25, have a high school education while 21.6% have a bachelor's degree or more. For the eight counties that comprise the Lincoln Trail Area Development District, the 2000 U. S. Census shows that an average of 72.65% of all adult residents, over the age of 25, have a high school education and 11.06% have earned a bachelor's degree or more.

Kentucky ranks 41st of the 50 States in attainment of a high school education, by adults 25 years of age and older, and 43rd in the U.S. for attainment of a bachelor's degree or more. The eight counties that comprise the Lincoln Trail Area Development District lag behind the State as well as the Nation.

It is anticipated that utilization of sound economic and workforce management programs such as the Workforce Investment Act and the Bluegrass State Skills Corporation initiatives in conjunction with the State's Higher Education system will enable communities to combine resources and make higher education more readily attainable. These programs have proved effective in the past; Kentucky's high school attainment rate recently rose

from 74% to 80.8% and the number of adults, over the age of 25, with a bachelor degree rose from 17% to 21.6%.

The *2007 Development Report Card for the States* (DRC) grades States on their capacity to attract and retain economic development and improve quality of life. Kentucky was graded 'D' for human resources, in part, because of the lack of educational attainment by the adult populace. One of Kentucky's noted strengths was the improvement in high school attainment, while four of its weaknesses were lack of high school and college attainment, lack of PhD scientists and engineers, and lack of graduate students in science and engineering. Clearly, the Lincoln Trail Area Development District region, as well as the State as a whole, must work diligently to ensure that education is both readily available and attainable.

The Bureau of Labor Statistics (BLS) reports that during the decade from 2004-2014, employment is projected to increase by 18.9 million jobs. This projected growth will likely be concentrated in the service-providing sectors of the economy in the following areas:

Educational Services – 32.5%
Health Care and Social Service Assistance – 30.3%
Professional and Business Services – 27.8%

These areas will see growth at a rate of more than twice that of the overall economy.

The BLS acknowledges that attainment of higher education will be a necessary component for filling jobs of the 21st century. “Workers aged 18 and over with a bachelor’s degree today earn an average of \$51,206 a year, while those with a high school diploma earn \$27,915. Workers with an advanced degree make an average of \$74,602 and those without a high school diploma average \$18,734.”

BLS predicts that 90% of the fastest growing jobs in the United States will require some level of post-secondary education or training, and 63% of the 18.9 million jobs available in the period from 2004-2014 will require workers with at least a bachelor’s

Workforce Investment

The Lincoln Trail ADD administers several programs to improve the region’s social environment through enhancement of educational, supportive, and health services. The purpose of the Workforce Investment Act of 1998 (WIA) is to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants; and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation. WIA provides the framework for a unique national workforce preparation and employment system designed to meet the needs of the nation’s

degree. The number of adults aged 25 or over with a college education is far too low both in Kentucky and the United States.

In May 2011, the Education & Workforce Cabinet’s, Office of Employment and Training published an Occupational Outlook for the Lincoln Trail Area from 2008 to 2018. It details projected occupational openings and the fastest growing occupations. It can be found at the following link:

http://www.workforcekentucky.ky.gov/admin/uploadedPublications/1104_Linc_Trail_2018.pdf

businesses and the needs of job seekers and those who want to further their careers.

WIRED

The Workforce Innovation in Regional Economic Development (WIRED) program was launched in November 2005 to underscore the critical importance a talented workforce plays in developing effective regional economic development strategies. The U.S. Department of Labor states: “WIRED goes beyond traditional strategies for worker preparation by bringing together state, local and federal entities; academic institutions (including K-12, community colleges and universities); investment groups; foundations; and business and industry to address the challenges associated with building a globally

competitive and prepared workforce.”

The first generation of WIRED grants was announced in February 2006 and gave 13 regions in the United States \$15 million over three years to face the challenges of economic development and sustainability. The issues addressed with the grant were: remaining competitive in the globalized workforce; managing existing growth opportunities; and creating a more innovative economy by focusing on small business. In April, 2006 the Employment & Training Administration (ETA) added an additional 13 regions, gave the regions a \$100,000 planning grant, and invited them to participate in all WIRED activities. The additional 13 regions became the second generation regions in January, 2007; they received an immediate investment of \$500,000 to support the development of a comprehensive implementation plan. Once the regions complete an acceptable plan, they will receive an additional \$4.5 million over three years to invest in economic development.

On June 20, 2007 the ETA announced an expansion of the WIRED initiative and thirteen applications were selected to become the third generation of WIRED Regions. Each will receive a \$5 million investment over a three-year period. One of the third generation regions is the Central Kentucky Region. Identified as the I-65 Corridor, it is composed of 15 counties; the eight Lincoln Trail Area Development District Counties, Fort Knox, plus Shelby, Trimble, Bullitt,

Spencer, Henry, Oldham, and Jefferson Counties. The region holds promise for economic development because of its strategic geographic location, proximity to the Louisville Airport and UPS Distribution Hub, construction and renovation projects, new life science education and research facilities, growth in retail, hospitality and tourism, and the base realignment at Fort Knox. The Central Kentucky Regional leaders are planning to address five critical challenges to sustain economic growth:

- 1) Fill critical workforce gaps through an improved pipeline of secondary and postsecondary students.
- 2) Generate a culture that supports educational advancement and economic entrepreneurship through communication, networking, education and training programs.
- 3) Strengthen corridor-wide analysis and planning.
- 4) Increase innovation and entrepreneurship.
- 5) Link existing sub-regional partnerships and resources to support a comprehensive and sustainable foundation for regional collaboration.

This regional initiative is a collaborative effort with partners from state and local entities, workforce investment boards, education and training providers, businesses, and industry representatives. Key partners include: Kentucky Education Cabinet, KY Department of Commercialization and Innovation, Kentucky Community and Technical

College System, University of Kentucky, UPS, University of Louisville, General Electric (GE), and others. The effort will be led by a core resource team that will guide the process and encourage intelligent and collaborative growth.

WIRED 65

In order to proceed with the work of WIRED, the region engaged in a competitive bidding process to secure the services of an Austin, Texas based consulting firm, TIP Strategies and Next Generation Consulting, based in Madison Wisconsin. According to TIP strategies: “The preparation of the *Regional Competitiveness Strategy* was the first step in leveraging the \$5 million grant awarded to the 15-county Central Kentucky region through the U.S. Department of Labor’s Workforce Innovations in Regional Economic Development (WIRED) initiative. The WIRED initiative is designed to integrate economic and workforce development activities in or to demonstrate the role of talent in the transformation of regional economies. In order to better reflect economic ties, the region was expanded to include 26 counties – 19 in Kentucky and 7 in Indiana. The region encompasses the Louisville and Elizabethtown metropolitan areas and includes portions of 5 workforce investment boards.”

“The strategy uses a **three-phase** process to assess the region’s competitiveness in the marketplace. The **Regional Economic Positioning Analysis** will assess

the area’s unique economic strengths and weaknesses in the context of the global economy. Workforce issues uncovered in the first phase will be explored more fully in the **Human Capital Analysis**. This task will document the area’s occupational clusters, examine critical training and skills needs, and identify factors that influence talent retention and attraction in the region. The role of quality of place will be an important emphasis of this work.”

“Together, these two analyses will constitute an “asset map” of the amenities and economic opportunities in the region. They will also bring to light gaps in the region. They will also bring to light gaps in the realization of our economic goals now and into the future. The final product, the **Regional Competitiveness Strategy**, will synthesize the results from the prior analyses and provide strategies and implementation steps for training, attracting and retaining the talent that will be required to grow the regional economy in the future.”

“Work on the project began February 2008 and is expected to be concluded by the end of the year. Public engagement is an important component of the work. A variety of opportunities will be provided for input from key stakeholders and the public, including focus groups, personal interviews, and on-line surveys and discussion boards. Additional information will be provided via the news media and the jurisdictions and organization participating in the process.”

The Kentucky Education and Workforce Development Cabinet and Wired65 awarded more than \$853,000 in grants to ten organizations for projects that offer new ways to develop, retain and recruit the next generation of talent:

Project: Junior Achievement Career Planning for High School Students

Grantee: Junior Achievement of Kentuckiana

Description: Career planning programs will be delivered to 120 classrooms and 2,400 students in the 26-county area. Students will participate in a locally developed Junior Achievement program, JA Real Jobs, Real World. The program will inform students of career path opportunities, establish links between students and post-secondary education institutions and stress the importance of staying in school.

Project: Fix the Pipeline: Improving High School Transitions

Grantee: Greater Louisville Inc. and Louisville/Jefferson County Metro Government

Description: Three components will be implemented to increase the number of students who graduate high school, submit college applications and enroll in college. The components include a “Close the Deal” campaign to create a strong college-going culture by involving elected officials, holding regional workshops to increase college familiarity and implementing a “KnowHow2Go” marketing campaign to promote the tools

needed to enhance education transitions.

Project: Building the Regional Food Economy—Phase I Implementation

Grantee: Louisville/Jefferson County Metro Government, Economic Development Department

Description: This project will fund a Public Interest Broker to serve as a liaison between regional farmers and Louisville’s food market, such as restaurants, institutions, food distribution companies and emergency feeding organizations. The broker will implement strategies to grow the region’s food economy and educate farmers about marketing and sales opportunities.

Project: School At Work® “Building a Career Ladder in Healthcare”

Grantee: Catalyst Learning Company

Description: Forty adults employed in entry-level jobs at four hospitals in the Wired65 region will participate in School At Work (SAW) from September 2009 to June 2010. SAW has been successfully used by Norton Healthcare and Floyd Memorial since 2005 to advance employees. By refreshing essential skills and completing individual career plans, SAW helps employees prepare for local colleges and move up the career ladder.

Project: Inspiring Student Entrepreneurs to Spark Business Activity in Their Communities

Grantee: Kentucky Council on Economic Education

Description: A new high school entrepreneurship study designed for career and technical classes will be demonstrated to high schools in 15 counties of the Wired65 region. A teacher/leader will be designated to each county. Students will be pre- and post-tested and participate in a virtual entrepreneurship program.

Project: HIRE Education Forum Regional Internship Program

Grantee: The HIRE Education Forum

Description: This region-wide college internship program will employ college students as interns in an effort to fill workforce shortages and create a talented pool of individuals for future workforce needs. HIRE is a collaborative of 31 accredited colleges and universities spanning the 26-county region.

Project: Innovative Technology and Outreach Program

Grantee: Family Scholar House, Inc.

Description: The Family Scholar House is a residential program that provides support to single-parent students working toward a four-year college degree. Innovative technology and outreach support will maximize the Family Scholar House's new Academic Services Center. Funding will provide the new center with an outreach coordinator and technology for training.

Project: Invention Convention

Grantee: Western Kentucky Research Foundation, WKU

Description: Invention Fair is a regional event that will showcase the creative ideas and inventions of high school students. Winners of county

invention fairs will advance to participate in the 26-county "Invention Fair" in the spring of 2010, with potential feed into an existing college competition, "IdeaU."

Project: One-Stops as Talent Development Portal

Grantee: WorkOne—The Region 10 Workforce Board, Inc.

Description: The project works to refocus the existing perception of One-Stops as an unemployment office and transition its market brand as a "talent development" portal. Funding would be used toward promoting the new identity to different business and industry sectors and assisting the incumbent workforce in improving their information and computer technology occupations.

Project: Regional Visioning and Leadership Development Campaign

Grantee: Regional Leadership Coalition

Description: This campaign will create a compelling, shared vision of the region's future that will speak to the community and sustain regional cooperation. It will also look toward regional economic aspirations in the global marketplace and each unique community. County chambers, young professionals, leadership organizations and educational institutions will participate in the campaign.

"The primary goal of the Regional Competitiveness Strategy and the ensuing visioning work that will follow it is to proactively position our regional economy to remain

competitive and sustainable over the next 10 to 20 years and beyond.”

Higher Education

The LTADD area is strategically located for easy access to many institutions of higher education. In addition, Kentucky has a number of programs designed to help the citizens of Kentucky obtain the training and education necessary to improve their quality of life and qualify for job and career opportunities.

Kentucky Programs

KHEAA - Kentucky Higher Education Assistance Authority (KHEAA), was created in 1966 to improve student access to higher education in Kentucky. To accomplish this, they administer several financial aid programs and disseminate information about higher education opportunities.

Adult Education – The Kentucky adult education services provides many services that facilitate the ability of adults to get the education and skills necessary to successfully enter the workforce and continue their education. The services include GED preparation, reading instruction, life and employability skills, and computer literacy.

ESL – English as a Second Language (ESL) is a program geared toward providing adults, who want to become more fluent in English, pass U.S. citizenship tests and improve job-seeking skills.

Family Literacy – The family literacy program promotes intergenerational involvement in childhood education. It involves the whole family in literacy activities that help prepare both adults and children for success in life and education.

Workforce Education – This program provides instruction and learning opportunities onsite at businesses. Employers gain more valuable and satisfied workers, and employees increase their skill levels and confidence.

Corrections Education – This is a collaborative program involving the Kentucky Department of Corrections, the Kentucky Community/Technical College System and federal funds provides adult educational opportunities in state prisons and local jails.

Kentucky Virtual Adult Education – An interactive distance learning program, this initiative enables eligible adults the opportunity to learn at their convenience anytime or anywhere.

Transitions to Postsecondary – This program is committed to moving GED graduates on to postsecondary education.

Institutions of Higher Education in the LTADD Area

Kentucky Community and Technical College System – The Kentucky Community and Technical College System (KCTCS) incorporates 50 campuses across the

Commonwealth, into one seamless system. With a mission to improve the quality of life and employability of the citizens of the Commonwealth, KCTCS provides certificate, diploma, technical degree, associate degree and transfer programs. In addition, it offers workforce training, remedial and continuing education, and short-term customized training for business and industry. A new campus will be constructed in the City of Springfield in Washington County; it is planned to open for classes in January of 2010.

Throughout the LTADD region, KCTCS has 10 campuses that are within an hour's drive.

Western Kentucky University – Western Kentucky University (WKU) is located in Bowling Green with a satellite campus in Elizabethtown and Radcliff. WKU prepares students to be leaders and to contribute to a global economy and society. It offers life long learning opportunities with associate, undergraduate, and graduate degree programs. A joint doctoral degree programs is offered with the University of Louisville.

University of Louisville – The University of Louisville (UL) is located in Louisville with many satellite campuses. It is a nationally recognized metropolitan research university that includes the School of Medicine, Speed Scientific School and Brandeis School of Law.

Bellarmino University – Bellarmine is an independent, private, Catholic university located in Louisville. It offers more than 50 majors, and

stresses academic excellence throughout its undergraduate studies and professional programs in business, education, nursing, and health sciences.

Brescia University – Brescia is located in Owensboro. It is a coeducational, Catholic school that offers certificate, associate, baccalaureate and master degree programs with a strong emphasis in liberal arts and preparation for careers in service to others.

Campbellsville University – Located in Campbellsville, this university is a comprehensive Christian school that offers 38 undergraduate degree majors as well as 9 master level degree programs.

Centre College – Centre is located in Danville and is known for its top international programs. Centre has the highest national *U.S. News* ranking of any institution in Kentucky.

Kentucky Wesleyan College – Kentucky Wesleyan, in partnership with the United Methodist Church, is located in Owensboro and fosters a liberal arts education. It is rated one of the best colleges in the Southwest by *The Princeton Review* and one of the best educational values in the South by *U.S. News and World Report*.

St. Catharine College – St. Catharine College is an independent Catholic college located in Springfield. The school offers degrees in a number of academic and professional programs.

Spalding University – Spalding University is located in Louisville and is a diverse, urban university. The school schedule is divided into seven six-week sessions instead of the traditional semesters. In addition, it offers a number of five-year combined bachelor’s and master’s programs.

Higher education opportunities abound in the LTADD region. In addition, the State of Kentucky supports attainment of education through a number of programs and initiatives.

LTADD Workforce

According to annual estimates released by the Kentucky Office of

Employment & Training for 2010, the LTADD region had a combined labor force of 127,339. Of that number, 113,207 were employed and 14,132 were unemployed, for an unemployment rate of 11.1%. The statewide unemployment rate for the same period was 10.5%, and the U.S. rate was 9.6%. Average weekly wages for workers in the LTADD area are less than those of the State at large. Average weekly wages, of workers covered by the Kentucky Unemployment Insurance Law, for the State and eight Lincoln Trail ADD Counties, reported by the Education Cabinet’s Office of Employment and Training for the calendar years of 2007 and 2008, are compared below:

<u>Unit of Government</u>	<u>2007 Avg.</u>	<u>2008 Avg.</u>
Kentucky	\$694.39	\$711.86
Breckinridge Co.	\$516.69	\$541.69
Grayson Co.	\$495.41	\$511.24
Hardin Co.	\$609.31	\$622.59
LaRue Co.	\$485.81	\$503.47
Marion Co.	\$576.76	\$590.64
Meade Co.	\$557.12	\$581.55
Nelson Co.	\$635.18	\$650.48
Washington Co.	\$601.61	\$620.51
LTADD Average	\$538.43	\$666.75

Source: KY Deskbook of Economic Statistics, KY Economic Development Cabinet, 2009

Lincoln Trail Career Centers

The four Lincoln Trail Career Centers service the eight counties of

the Lincoln Trail ADD with offices in Bardstown, Elizabethtown, Lebanon, and Leitchfield. They provide a wide range of services for employees and employers alike. Staff professionals

have access to the most recent labor market information, training opportunities, and other employment-related assistance.

Recent employment trends show a decrease in low-skill manufacturing jobs and an increase in opportunities for employees skilled in advanced manufacturing. Most jobs in advanced manufacturing require at least two years of education or training beyond high school. A worker's level of education is the single most important measure of human capital and an important predictor of the likelihood of employment in a low-skill career track.

Additional demographic data from the 2010 Census will be released through 2013. Implications from new demographic patterns will emerge during the next two years. Changes in policy and funding will likely result and are worth monitoring. Additional Census data may be found at the Kentucky State Data Center:

<http://ksdc.louisville.edu/1census.htm>

Population Changes

Population information from the 2010 Census has begun to be released for major geographic areas down to block level data. The total population for the Lincoln Trail ADD grew by a significant amount from 2000 to 2010 (25,915 persons added for a total population of 269,117). This represented 10.7% growth for the period, appreciably better than the state rate of 7.4%. Other areas of high growth in the state included the Barren River Region (11.4%); the Bluegrass Region (12.3%); Northern KY region (12.1%); and Kentuckiana Region (10.3%). This growth pattern indicates a shift in population from the more outlying rural areas to the center of the State, especially adjacent to the major interstates (I-65 & I-75). This demographic shift may dramatically change legislative districts and representation at the local, state and national level.

REVIEWED PERFORMANCE MEASURES FOR 2011

Outcomes are important in deciding whether strategies have been helpful and successful in achieving stated goals. Judging the effectiveness of many strategies is difficult due to the lack of available, reliable, or quantifiable measurements or data. While the local and regional governments identified in this document have a tremendous impact on the economic vitality of the region, external factors likely play an equal role. With this in mind, the Lincoln Trail Area Development District has reviewed some measurable identifiers that may provide a basis for discerning levels of achievement of the region's primary goals.

Primary Performance Measures

Achievement Goal: Improve employment opportunities and wages

2010 Measurements

- Reduce the regional unemployment average to 100% of the state average and 110% of the national average by 2011.
- **OUTCOMES: The LTADD region is still lagging behind both state and national averages in sheer percentage; however, the past year has seen the region with a more positive change (1.1% reduction) compared to both the state (-0.2%) and U.S. (0.3% rise).**
- Increase the regional average Personal Per Capita Income to 95% of the state average and 75% of the national average by 2011.
- **OUTCOMES: The LTADD region outpaced income growth relative to the state and nation, as per capita personal income exceeded targets at 97% of the state average and 79% of the national average (LTADD \$31,356; KY \$32,258; US \$39,635; based upon 2009 Data from U.S. Bureau of Economic Analysis).**

Achievement Goal: Develop diversified employment base and expanded investments in business and industry.

2010 Measurements

- Increase private investments through new company locations and existing company expansions by 5% over 2009 figures (as calculated from the KY Economic Development Cabinet's New and Expanded Industries Report).

- **OUTCOMES:** The LTADD experienced small to moderate growth as the national economic picture continued to show slow business growth including existing companies. Investments, new locations, and expansion announcements far exceeded 2009-2010 levels (+\$148 million and +266 expected jobs over 2009/2010 figures – KY Econ. Development Cabinet).
- Increase the number of new jobs in the region by 1,000 over 2010 figures.
- **OUTCOMES:** Job growth has improved significantly over 2009-2010 levels. While not back to 2008 levels, the regional economy added over 2,400 jobs and over 1,100 into the labor force (KY Educ. & Workforce Cabinet).

Achievement Goal: Improve the socio-economic environment through enhancement of educational / training services.

2010 Measurements

- Increase the educational attainment of adults over 25 years of age, with at least 75% of adults having a high school degree or greater attainment.
- **OUTCOMES:** New figures have not been published yet. Estimates from the Kentucky Economic Development Cabinet and the KY State Data Center indicate that over 80% of adults 25 or older now have a high school degree or greater. This measurement is significantly better than the 2000 Census figures for the region. There are positive correlations between increasing workforce education levels and income growth. Census data should provide more comprehensive and comparable measurements for this performance measure in late 2011 / early 2012.

A current list of prioritized water and wastewater projects for the region designed to help meet and address local needs and improve measurements can be found at:

<http://wris.ky.gov/portal/Reports.aspx>

A current list of prioritized transportation projects can be found at:

<http://www.ltadd.org/transportation/proposedprojects.shtml>