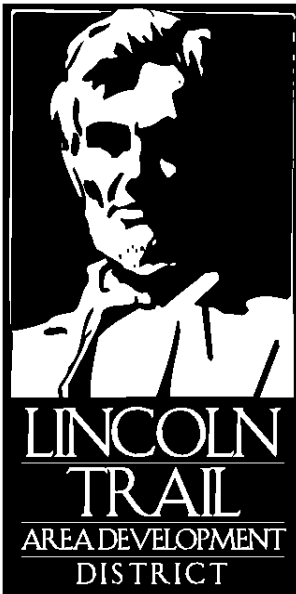


COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY UPDATE 2009

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT



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LINCOLN TRAIL AREA DEVELOPMENT DISTRICT 2009
COMPREHENSIVE ECONOMIC DEVELOPMENT
STRATEGY UPDATE (CEDS)

The following information has been amended or added for inclusion in the 2009 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.

Lincoln Trail Area Development District
2009 Comprehensive Economic Development Strategy
Update

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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 2008 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 2009. It will be made available for public review and comment for thirty days prior to submission to EDA.

The Lincoln Trail Area has not changed significantly in character or size from the previous year. Individual economic component changes are reflected in various relevant

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

The Commonwealth of Kentucky has a new Governor (a new executive administration is elected every 4 years). The Governor has outlined his administration's new Goals for the Commonwealth, however; the State Economic Development Cabinet has not officially updated its Goals and Objectives from its

previous 2007 edition. Recent mid-term legislation by the state has resulted in revised incentive programs for qualified businesses. A press release discussing the changes can be found at <http://www.thinkkentucky.com/newsroom/NewsPage.aspx?x=08122009EcoDoc.html> The current administration continues to increase the state's presence as an adventure tourism destination.

ANALYSIS OF ECONOMIC PROBLEMS AND OPPORTUNITIES UPDATE

CLUSTER ANALYSIS UPDATE Automotive

The automotive sector has continued to feel the brunt of the national economic slowdown. Several automotive related industries in the region have reduced employment. Over **600** automotive related manufacturing jobs have been lost among seven companies during the period.

Military / Government Services

The military is continuing to alter its presence in Ft. Knox. The Base Realignment and Closure (BRAC) program is continuing the relocation of the U.S. Army Human Resources command to Ft. Knox, while the Armor Training Center is slated to be moved to Ft. Benning, GA. A more detailed discussion of the impact and how the local governments in the area are preparing for the transition are provided in the "ONE KNOX" section.

Wood Products / Cabinetry

The industry continues to be relevant in the area; however, pressure for raw materials is continuing to increase from overseas. The resulting price fluctuation of raw materials has made it a more challenging environment for profitability in the industry.

Food / Beverage Production

Food and Beverage Production has remained steady in the region. Some pressure from increased transportation costs has reduced sales growth but trends remain steady for this sector in the region. A major poultry processing plant that had announced a new facility in Lebanon has decided to put the project on hold indefinitely. The project was anticipated to bring **250+** jobs to the area. This was clearly an indication of uncertainty in the economy and a loss to the community.

PAST, PRESENT, AND FUTURE INVESTMENT TRENDS

The previous document outlined the potential for agricultural / energy related production, particularly in bio-fuels. Alternative energy sources / production will continue to be a relevant topic. A consortium of several large manufacturers submitted a proposal for federal stimulus funding for a \$600 million battery research and production facility at the state's largest industrial site in Hardin County. The proposal was not selected for funding in the initial round of awarded projects. The project may still be viable for the future; however, without an initial

subsidy, opportunities may be limited.

The Base Realignment and Closure transition at Ft. Knox will continue to play 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

A revised list of new and expanding manufacturing a supportive service firms is attached at the end of this section. As the nationwide economy has faltered, very little new or expanding business and industry occurred in the region. As with most of the country, the area experienced a decline in most economic sectors. The updated list reflects

OTHER PLANS / MATERIALS

Attached is a new narrative section detailing the Ft. Knox Land Use Study and the Army's Compatible Use Buffer plan. The Lincoln Trail ADD is coordinating their implementation.

BACKGROUND / RELEVANT AREA INFORMATION

ECONOMY UPDATE

The area's economy during the past year has been reflective of the state and nation as a whole. Local business, industry and consumers have been affected by the national recession. Overall, the local economy has faced an economic slowdown. As discussed previously in the Cluster Analysis, the area has lost employment and economic activity in the major economic sectors and particularly in the automotive related industry. Some of the recession has been buffered in the area as changes continue with the realignment of activities at Ft. Knox.

EDUCATION / WORKFORCE UPDATE

A revision of this section has been completed to reflect changes in various relevant information and data. The revised section is provided at the end of this update.

ENVIRONMENT

No significant changes have been noted in the data and information related to the environment.

COMMUNITY SAFETY AND PREPAREDNESS UPDATE

The LTADD continued to work with the 207 agencies that participated in the NIMCAST process and each county in the District continued to address the successive requirements for compliance.

The LTADD continued working with the Lincoln Trail District Health

Department to oversee the newly formed medical reserve corps.

Hazard Mitigation

In 2004, the LTADD received a contract through FEMA to coordinate the formation of a Regional Hazard Mitigation Council and development of a Regional Mitigation Plan. Through review of weather related data for the past 50 years, the Council, (representatives from each of the eight counties) identified hazards this area is most vulnerable too. Based on those identified hazards, goals and objectives were drafted. Officially approved by FEMA in September 2005, the regional plan has been the guide under which all mitigation projects have been written. In keeping with FEMA requirements, the LTADD is currently coordinating the comprehensive review and update of the original plan. Due to be completed in 2010, data from the past five years is being added and objectives that are very specific to each jurisdiction are being prioritized and included.

To maintain eligibility for FEMA grants such as Pre-Disaster Mitigation (PDM), Hazard Mitigation Grant Program (HMGP), Flood Mitigation Assistance (FMA) and Severe Repetitive Loss (SRL), a jurisdiction must participate in the plan update and adopt the plan when approved. The HMGP is a result of a disaster declaration. Kentucky now has an enhanced state mitigation plan. Therefore, the state is eligible to apply for mitigation projects up to 20% of the declaration

total. Since September 2008, Kentucky has received four disaster declarations, resulting in over \$60 million in grant funds available across the state. The LTADD disseminates information about these grants to all jurisdictions and often assists in varying degrees on all applications. Mapping and/or complete application development was provided on the following active projects.

- City of Hodgenville – Generators
- LaRue County – Generators
- Grayson County – Generators
- Breckinridge County – West Marks Ridge bridge construction
- Breckinridge County – Shot Pouch Creek bridge construction
- Grayson County – Bloomington bridge reconstruction
- Grayson County – Pine Knob bridge construction
- City of Muldraugh – Safe Room

The region was heavily impacted by natural disasters this year. Since September 2008, Kentucky has received four federal disaster declarations. Counties in the LTADD were among those declared in three of the four events. Remnants of Hurricane Ike blew through the area in September 2008, and resulted in declaration #1716. Washington, Meade and Grayson counties suffered the most damage as numerous trees were downed, power lost and school days missed. The end of 2008 also saw damage from prolonged drought conditions. Affected farmers were able to apply for much needed assistance through the USDA, which made its own farm disaster declaration.

The state and particularly the Lincoln Trail region suffered its worst natural disaster in the past 100 years on January 28, 2009. Federal disaster declaration #1818 included 103 of the state's 120 counties. A winter ice storm blanketed the state and the LTADD region for several days. Schools, businesses and roads were closed for multiple days in each county, those in the west the longest. One or more shelters were set up in each county as first responders aided by the National Guard went door-to-door checking on residents. Local resources were stretched due to the expansiveness of the disaster. A more primitive way of life was necessary for many as most residents waited for restoration of electricity and the opening of roadways. Some of the more remote areas were without power for two weeks or more.

County road departments and contract labor worked around the clock for the first few weeks clearing downed trees and reopening roads. Without financial assistance from FEMA as part of the declaration many counties would have been bankrupted by their disaster related costs. Two of the hardest hit counties in the LTADD, with the assistance of ADD staff, applied for Community Emergency Relief Fund (CERF) dollars to offset remaining expenses. In May, heavy rains came through the area and Grayson County was among declaration #1841. Some roads had to be closed temporarily in Grayson County but the damage and expense was minor compared to the ice storm.

As a result of the severe weather the region has experienced, residents, first responders and elected officials have begun to take a closer look at personal preparedness. We have seen that severe weather can happen at any time throughout the year. Generators for critical facilities have been purchased or applied for through grants, shelter plans have begun to be more defined and individuals have taken a closer look at their own resources and plan for severe weather better.

TRANSPORTATION UPDATE

The Regional Transportation & Highway Safety Committee recently completed the Prioritization and Ranking Process as established by the Kentucky Transportation Cabinet. This was a collaborative process that included locally elected officials, public works representatives, and the general public.

Projects currently under construction include the Widening of US 62 in Grayson County, Curve repair on US 31 E in Larue County, Extension of Industrial Drive in Marion County, Widening of KY 245 in Nelson County, and the Construction of the

Springfield Bypass in Washington County.

INFRASTRUCTURE UPDATE

Water and sewer utilities within the District continued to install water and sewer lines to unserved customers as well as upgrade and improve existing facilities. No major changes in local utility operations were noted for the past year.

The two largest water utilities in the region continue project planning for alternative sources for treated water. The current and anticipated growth in Hardin County has expanded water demand. Hardin County Water District's No. 1 and No. 2 are both designing connections with Louisville Water Company as long-term supply solutions.

Many water and wastewater projects allocated funding through House Bill 608 have begun design and construction. Approximately \$50 million in Economic Development Bond applications were approved for several infrastructure projects to meet needs associated with the changes anticipated with BRAC, including schools and water and sewer infrastructure in Hardin and Meade Counties.

Continued from New Investments Update

New and Expanding Firms Update in LTADD 2008-2009 (Manufact. & Supportive Serv.)

<u>County</u>	<u>Company</u>	<u>Amount of Investment</u>	<u>Job Impact</u>	<u>Product</u>
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No new investments or expansions were announced by the Economic Development Cabinet for the region for 2008-2009.

Source: KY Cabinet for Economic Development, New & Expanding Industry Report, 2008 & 2009

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

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	36
11 th Theater Aviation Command HQ	Arrived in 2007	166
Ohio Valley Vet Command	Arrived in 2006	57
AAA St. Louis	Arrived in 2006	3
19 th Engineer Battalion	Arrived in 2006	670
3 rd Expeditionary Sustainment Command	Arrived in 2007	260
70 th Division	Arrived in 2008	60
1/10 th Air Support (Air Force)	2008	25
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	3100
3 rd Brigade, 1 st Infantry Division	Late 2009	3400
84 th Army Reserve Region Training Center	2009-2011	500**
U.S. Army Accessions		

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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	100
Army Research Institute Armor Center and School	2010-2011 2010-2011	11 3750*

- 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 \$302 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 \$25 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

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- 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	<ul style="list-style-type: none"> *HR Center of Excellence *Brigade Combat Team *3rd Expeditionary Sustainment Command *19th Engineer Battalion *Yano Range Upgrade *Physical Fitness Center *Zussman Training Center Expansion *Wilson Road Expansion
Medical	\$83	<ul style="list-style-type: none"> *Warrior Transition Unit Construction/Renovation *Jordan Dental Clinic Renovation *Ireland Hospital 5th Floor Clinic Renovation *Margellis Dental Clinic Renovation
Other	\$248	<ul style="list-style-type: none"> *New High School *Geothermal HVAC *Residential Construction/Renovations *AAFES Main Exchange Update and Renovation

Fort Knox Joint Land Use Study (JLUS) **Army Compatible Use Buffer Proposal (ACUB)**

The Joint Land Use Study (JLUS) is a cooperative effort between the Fort Knox Army Installation and the communities that neighbor it. It is a proactive strategy to ensure that Fort Knox remains a critical component of this region's history, culture, economic development and welfare.

Fort Knox covers approximately 109,069 acres of land in Bullitt, Hardin and Meade Counties. When it was originally developed, it was located in a very rural area that has since realized tremendous growth and development. As the region surrounding Fort Knox expanded and the missions at Fort Knox increased in size and complexity, it became evident that an impact analysis was necessary. The need to determine how training missions at Fort Knox impacted neighboring communities was explored, as well as the affect of regional growth and development on the ability of Fort Knox to carry out training missions and remain a viable, competitive Army Installation.

The JLUS was organized by establishing an Executive Committee consisting of the chief elected official of each affected local unit of government, a representative of the Commanding General at Fort Knox, and the Executive Directors of the Kentuckiana Regional Planning and Development Agency (KIPDA) and the Lincoln Trail Area Development District (LTADD). In turn, this executive committee established a JLUS Technical Committee that was responsible for the planning, coordination, and technical review of the planning process. The technical

committee consists of planning commission representatives and the professional staff personnel of agencies and jurisdictions involved.

The Joint Land Use Study was published in January of 1994 as a collaborative land use planning effort between Fort Knox and its neighbors. The study evaluated the planning necessary to support and encourage compatible land use development surrounding the Installation, and to provide land use support that would sustain Fort Knox and give it the flexibility necessary to accomplish its training missions.

Three major tasks were incorporated in the original study:

1. Impact analysis-existing and proposed land use patterns as they pertain to:
 - a. drainage
 - b. mission encroachment (noise/vibrations)
 - c. transportation (existing and proposed routes)
 - d. ICUZ-Installation Compatible Use Zone (updated in June, 1992)
2. Land Use and Mission Compatibility
3. Implementation-actions and proposals to facilitate resolution of land use conflicts and work toward a compatible land use plan.

Beginning in August of 2007, an update of the Joint Land Use Study was begun. Demographic data, infrastructure information, utility providers, maps, charts, and goals and objectives have been updated to reflect the mission

changes at Fort Knox and the regional development that has occurred since 1994. The JLUS technical committee completed work on the document in May of 2008, and it was available for public review and comment during June of 2008. It was approved by the JLUS executive committee in July of 2008.

The 2008 JLUS update was designed to be a regional proactive effort to encourage compatible land use planning in the jurisdictions surrounding Fort Knox in order to facilitate mission changes at Fort Knox and sustain the Installation as a vital and competitive Army Base. Included in the JLUS update was the Army's Compatible Use Buffer (ACUB) proposal.

Army Compatible Land Use Proposal

As a result of the Base Realignment and Closure (BRAC) law, The Integrated Global Presence Basing Strategy (IGPBS), 2006-2011, and *Grow the Army* initiatives Fort Knox will receive several new missions over the next few years. Some of new and expanded missions at Fort Knox are as follows:

- Infantry Brigade Combat Team (IBCT)
- 19th Engineer Battalion
- 91st Horizontal Engineer Company
- 538th Concrete Section
- The Army Cadet Command
- The Army Human Resources Command
- Army Ohio Valley Veterinary Command
- 3rd Sustainment Command
- 11th Theater Aviation Command
- 70th Divisional Functional Training (USAR)
- Det 1/10th Air Support Operations Squadron (USAF)
- 502nd Multi-role Bridge Company

- 84th Training Command (USAR)
- Army Accessions Command
- 100th Division Institutional Training (USAR)

The new and expanded mission changes will incorporate some of the following:

- An increase in the Unmanned Aviation Vehicles (UAV) operations.
- Increased demand for airspace to accommodate fixed wing and rotary wing aircraft operations.
- Upgrading of existing range to accommodate increased attack helicopter firing.
- Operation of robotic vehicles and specialized robotic systems will be integrated into training.
- Combined arms training will be expanded.
- New and expanded training support for convoy training, night operations, IED situations, training in projective based environment, technical and tactical employment of less than lethal technologies, AAR facilities, RF jamming operations as well as numerous other oversight and support training operations.

These changes will result in an increase in personnel and training events, and maximize use of the current training landscape at Fort Knox. These mission changes are the impetus behind the *Army's new Army Compatible Use Buffer Proposal (ACUB)*.

The ACUB proposal would secure conservation easements on all land within a one-mile buffer of the current Fort Knox boundaries with neighboring

jurisdictions. It is an effort to not only protect the ability of Fort Knox to engage in successful training missions, but also to preserve green space and the habitats of endangered plant and animal species. The *Army Compatible Use Buffer Proposal* was prepared in anticipation of the goal and mission changes at Fort Knox as a result of BRAC 2005. The study Concludes: "Because of the increasing urbanization of the surrounding communities and counties, Fort Knox is concerned about the potential development of adjacent privately-owned lands that have historically served as noise and/or over-flight area buffers for the Installation. Local growth, especially along its eastern and southern boundaries, has greatly increased over the past 10-15 years. As a result, adjacent property owners and local developers are expressing greater interest in developing the privately owned farms and other undeveloped areas located between Fort Knox and the surrounding communities. If these areas are developed, it would result in high-density, residential subdivisions and 'light-intensive' commercial developments adjacent to Installation ranges, training areas, and airfield, which could adversely impact training, maneuver, and deployment capabilities."

"After evaluating several other alternatives, Fort Knox believes that the only long-term solution to prevent incompatible development on these lands is through the acquisition of real estate interests by the Army or some other entity (with similar interests). Given this fact, the ACUB program is viewed as a viable option to protect installation training capabilities from urban encroachment and also preserve the natural character of the surrounding areas, but without the time, controversy or ongoing maintenance requirements of fee-simple Army acquisition."

Lincoln Trail Area Development District is partnering with Fort Knox and the Department of Defense to implement the ACUB proposal in this area. The partnership includes KIPDA and numerous natural conservation agencies throughout the Commonwealth.

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.”

25 or over with a college education is far too low both in Kentucky and the United States. The national 2004 unemployment rate for individuals without a high school education was 8.5%, while the rate for persons with a four-year degree or higher was 2.7%. In the LTADD region, the 2006 unemployment rate was 6.0%. The rate for 2007 was 6.2%; an increase of 0.2% over the previous year.

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 degree. The number of adults aged

In September of 2007, the Education Cabinet’s, Office of Employment and Training published a list of fast-growing occupations in the Lincoln Trail Area from actual 2004 employment statistics to data projected to 2014. The top ten are as follows:

Fast-Growing Lincoln Trail Area Occupations

Occupation Title	Employment		Change 2004-2014	
	Actual 2004	Projected 2014	Number	Percent
Medical Assistants	173	270	97	56.1%
Cost Estimator	93	142	49	52.7%
Pipelayer, Fitter, Plumber Steamfitter--Helpers	64	97	33	51.6%
Concrete Finishers & Cement Masons	238	359	121	50.8%
Heating/A.C. & Refrig. Mechanics & Installers	127	191	64	50.4%
Brick, Block, Stone & Tile Setters--Helpers	30	45	15	50.0%
Carpenters—Helpers	253	375	122	48.2%

Roofers	71	105	34	47.9%
Glaziers	79	116	37	46.8%
Structural Iron & Steel Workers	75	110	35	46.7%

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 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 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 – Bellarmino 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 2008, the LTADD region had a combined labor force of 124,436. Of that number, 115,605 were employed and 8,831 were unemployed, for an unemployment rate of 7.1%. The statewide unemployment rate for the same period was 6.4%, and the U.S. rate was 5.8%. 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:

Unit of Government	2007 Avg.	2008 Avg.
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

Average weekly wages for workers in the LTADD area are less than those of the State at large.

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.

REVIEWED PERFORMANCE MEASURES FOR 2008

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 which 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

2008 Measurements

- Reduce the regional unemployment average to 100% of the state average and 110% of the national average by 2009.
- **OUTCOMES:** The LTADD fared worse than much of the nation and some areas of the state relative to unemployment. The national recession impacted local industries (automotive related) heavily and resulted in higher unemployment in the region.
- Increase the regional average Personal Per Capita Income to 95% of the state average and 75% of the national average by 2008.
- **OUTCOMES:** The LTADD region dipped slightly, but maintained income relative to the state and nation in this area as per capita personal income met targets at 93% of the state average and 74% of the national average (LTADD \$28,653; KY \$30,824; US \$38,615; based upon 2007 Data from U.S. Bureau of Economic Analysis).

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

2008 Measurements

- Increase private investments through new company locations and existing company expansions by 5% over 2008 figures (as calculated from the KY Economic Development Cabinet's New and Expanded Industries Report).

- **OUTCOMES:** The LTADD experienced little new growth as the national economic downturn slowed all business growth including existing companies. Many industries have contracted operations during the past year.
- Increase the number of new jobs in the region by 1,000 over 2007 figures.
- **OUTCOMES:** Job growth has suffered dramatically in the region during the past year. The national economic slowdown has contributed to a net job loss of 971 jobs. Major manufacturers have seen over 600 layoffs and/or job losses from plant shutdowns in the region.

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

2008 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. Future Census data should provide more comprehensive and comparable measurements for this performance measure.

A new list of suggested projects for the region designed to help meet and address local needs and improve measurements can be found at the LTADD website under Community Development – Transportation Planning and Water & Wastewater Planning (www.ltadd.org).