



Project Report for



Pennyryle Area Development District

Hopkins/Muhlenberg POWER

Economic Growth Plan

April 28, 2017

*****CONFIDENTIAL*****



Contact:

Sandra Dearden

Highroad Consulting, LTD
9011A Indianapolis Blvd.
Highland, IN 46322
(219) 838 - 3800

TABLE OF CONTENTS

	<u>Pages</u>
Project Background	5
Intro Workforce Development Project Research	6
PART I: Asset Inventory	6 - 31
Part I (A) Land, Facilities, and Infrastructure	
Part I (B) Housing	
Part I (C) Education/schools	
Part I (D) Regional Economy	
Part I (E) Incentive Programs	
Part I (F) Public and Economic Development Policies	
PART II: Assessment of Coal and Power Personnel Reduction Impact	31 - 33
Part II (A) Impact on Regional Economy	
Part II (B) Impact on Retail Industry	
Part II (C) Impact on Housing	
Part II (D) Impact on Schools	
Part II (E) Impact on Industry Suppliers	
PART III: Workforce Supply & Demand Analysis	33 - 38
Part IV: Workforce Development Analysis SWOT	39 - 45
Part V: Logistics Integration and Alternative Industries	45 - 54
Part V (A) Commodity Flow Research	
Part V (B) County Business Patterns	
Part V (C) Industry Field Research	
Part V (D) Recommendations	
Part VI: Logistics Integration and Alternative Industries SWOT	54 - 61
Part VI (A) Ag Terminal SWOT	
Part VI (B) Computer Coding SWOT	
Part VI (C) Municipal Waste SWOT	
Part VI (D) Truck Maintenance & Repair Shop SWOT	
Part VI (E) Parking/Drop Lot SWOT	
Part VI (F) Plastic Pellets SWOT	
Part VI (G) Distilleries SWOT	
Part VI (H) Truck Driver Training SWOT	
Part VII: Summary of Findings, Observations and Conclusions	61 - 64

	<u>Pages</u>
Part VIII: Regional Economic Development & Growth Strategy	65 - 68
Part VIII (A) Growth Initiatives	
Part VIII (B) Recommendations for Industrial Development Projects to Target	
Closing Remarks	68

INDEX OF TABLES AND FIGURES

Table 1 - Difference in occupational needs between 1000 coal mining extraction jobs and 1000 transportation equipment manufacturing sector jobs	14
Table 2 - Difference in knowledge element needs between 1000 coal mining extraction jobs and 1000 transportation equipment manufacturing jobs	15
Table 3 - Top sectors by total gross employment in Hopkins and Muhlenberg Counties Kentucky in 2013	23
Table 4 - Employment in Mining and Mining Support in Hopkins and Muhlenberg Counties, 2014	24
Table 5 - Top sectors by total gross employee compensation paid in Hopkins and Muhlenberg Counties in 2013	25
Table 6 - Top sectors by average wage by sector in Hopkins and Muhlenberg Counties in 2014	26
Table 7 - Top sectors by base employment in Hopkins and Muhlenberg Counties in 2014	39
Table 8 - Top sectors by base employee compensation in Hopkins and Muhlenberg Counties in 2014	40
Tables 9 - 12 SWOT Analysis	41 - 44
Table 13 - County Regional Breakdown	45
Tables 14 & 15 - Top Inbound & Outbound Commodities, Hopkins and Muhlenberg Counties	46
Tables 16 & 17 - Inbound and Outbound Modal Mix	47
Table 18 - Top Industries by employee and location count	48
Table 19 - Shippers and receivers as a percentage of state and region (by total locations)	48
Table 19 - Shippers and receivers as a percentage of state and region (by employee count)	48

	<u>Pages</u>
Figure 1 - Employment Trends 1910 to 2014, Hopkins and Muhlenberg Counties	22
Figure 2 - Wages in the Region Reported to the Highroad Team	33
Figure 3 - Labor Characteristics Reported by Employers to the Highroad Team	34
Figure 4 - Additional Labor Characteristics Reports by Employers to the Highroad Team	35

APPENDIX

Glossary of Terms

Appendix 1 - ESRI Demographics and Retail Market Reports

Appendix 2 - Population Trends by Age Group and Gender

Appendix 3 - Sample Inventory of Programs in Hopkins/Muhlenberg Counties

Appendix 4 - Farm Loan Programs

Appendix 5 - Available Skill Training, Small Business, Entrepreneurship and Other Incentive Programs

Appendix 6 - Gross and Base Employment and Wages

Appendix 7 - Hopkins/Muhlenberg 2012 Commodity Flow Breakdown 259 pages, included in Master Copy

Appendix 8 - Article, "The Next Blue Collar Job is Coding"

PROJECT BACKGROUND

The economy in Kentucky has been heavily reliant on coal. In 2013, Kentucky was the third highest coal producing state, and has remained the largest source of domestic energy production in the United States. More than 90% of Kentucky's energy portfolio is derived from coal.

Affordable electricity from coal has positioned Kentucky as a business leader sustaining industries such as bourbon and aluminum smelters, supporting a manufacturing sector that employs more than 200,000 people and produces billions in economic output. However, Kentucky's coal producing counties are among the poorest in the U.S.

As a result of declining gas prices and increased regulations in the coal and power industries, coal is a sunset industry and the demand for coal is shifting while renewable energy is more competitive. When the economy of a region is primarily focused on a single industry, these paradigm shifts can cause major disruptions and have a negative impact on economic stability.

This combination of heavy economic dependence on coal and high unemployment has left the coal producing counties, Hopkins and Muhlenberg Counties, in a vulnerable position, creating an urgent need to develop and implement a strategic plan to move Hopkins and Muhlenberg Counties to the next level of economic competitiveness.

For this reason, The Hopkins County Fiscal Court selected Highroad Consulting, Ltd. (Highroad) to assist in the Hopkins/Muhlenberg POWER Economic Growth/Diversification planning initiative. The scope of the project centers around six primary tasks:

1. Asset Inventory
2. Assessment of Coal and Power Personnel Reduction Impact
3. Workforce Supply and Demand Analysis
4. Logistics Integration and Exploring Alternative Markets
5. SWOT Analysis
6. Regional Economic Diversification and Growth Strategy

The objective of these tasks is to develop useful information for key regional stakeholders, assist Hopkins and Muhlenberg Counties in evaluating the region's current and anticipated employment needs, and to assist in identifying areas for business incubation, attraction and/or retention.

Highroad's team of consultants have gained, among other things, an understanding of the current state of Hopkins and Muhlenberg County's labor market, available resources, skills base, and logistics infrastructure as well as its needs and potential. This has been accomplished through in-depth research as well as from interviews with a large number of regional of industries and institutions.

This report will present a summary of the research collected for this project as well as the results of the field interviews conducted, and how they have been used to meet the objectives of the six primary tasks. The report will also feature the opportunities identified through the research and fieldwork, along with analysis and recommendations for each opportunity.

PART I: Asset Inventory

After gathering and analyzing regional data, trends, and policies, Highroad was able to identify and catalogue all available regional assets. These assets were then categorized into the following components:

- A. Land, Facilities, Infrastructure
- B. Housing
- C. Education/Schools
- D. Regional Economy
- E. Incentive Programs
- F. Public and Economic Development Policies

Each of these key components is examined in depth using a variety of sources, including:

- Local Economic Development Entities and Chambers of Commerce
- Local education institutions (e.g. Community and Technical Colleges)
- The Regional Economic Growth Strategy for the West Kentucky Workforce Board
- The Comprehensive Economic Development Strategies (C.E.D.S) Plan
- Recent Labor Shed Studies
- Interviews with employers, key workforce agencies and economic development staff
- Focus group meetings and facility tours
- An in-depth econometric analysis using IMPLAN

Part I (A): Land, Facilities, and Infrastructure

Industrial Parks, Sites and Buildings. Hopkins County has three business parks in Madisonville and Hanson. Muhlenberg County has two business parks in Greenville. Land is available in a variety of sizes with the ability to develop large sites of between 64 to 273 acres that would seem to be large enough for the largest 1 million square foot plus sized distribution and fulfillment centers. Sites can also be easily carved out for 50-100,000 square foot buildings that are more commonly developed for manufacturing and food processing. These business parks are served with water and sewer and with electric power, natural gas and telecom and fiber optic connectivity.

Industrial building capability has been demonstrated in the business and industrial parks with a reasonably competitive metal building product that is attractive and functional. Capacity for industrial buildings is necessary to facilitating growth and expansion of existing business as well as the attraction of new business.

A limitation that seems worth reviewing is that while large sites are available, the presence of looped water mains with high-pressure deluge type supply capability for large building sprinkler systems do not exist in all parks. Communities should identify potential grant programs for constructing public water towers with looped high- pressure water supply. Communities can also be competitive by working with the companies that would build on-site water storage facilities with booster pumps in order to accommodate the largest new logistics buildings that may periodically consider locations these industrial parks.

When industrial and business buildings are vacant, they are often a resource for attracting a new industry. Companies rarely plan far enough ahead to build new buildings, and having a supply of

existing adaptable industrial buildings offer the proactive community the opportunity to be competitive for a new employer that has a short time frame to expand production capacity.

Municipal infrastructure in terms of sewage treatment and water supply capacity appear to be adequate for a variety of industrial and logistics building and the supporting business in the trucking industry.

Local government highway load capacity connecting industrial businesses and key commercial shopping areas to the interstate highway network, rail and barge loading and unloading facilities should be capable of permitting 80,000-pound tractor trailer combinations at a minimum.

A site tour of the business parks was conducted March 3 - 5, 2017. After the tour, the consultants had a follow-up conversation with Jason Vincent of PADD to confirm our observations.

The team made the following observations:

Hanson - Hopkins County North Industry and Technology Park

This business park is located on the southeast corner of the interchange of I-69 and Eastlawn Road. The data sheet on the Think Kentucky sites web site shows the property as 273.5 available acres.

- Roads are stubbed into the business park from Eastlawn Road - just beyond the interchange, but there is no evidence of shovel ready sites with full sewer, water, electric gas and telecom utilities
- The location of Carhartt's distribution center, at the NE corner of the interchange, gives evidence of the ability to operate a full logistics or manufacturing facility
- Prominent signage with a proactive message should be installed.

Madisonville - Island Ford Industrial Park

This business park is located on the southeast corner of the interchange of I-69 and Island Park Drive. The data sheet shows that an 80-acre site is available and appears to be able to be served by a railroad siding. There is also a 65,000 sq. ft. speculative building that we believe is occupied by Berry Plastics.

- The existing buildings in the business park appear to be served by full utilities
- The available site has limited appearance of divisibility and utilities, but could probably secure both by virtue of the adjoining facilities
- A rail lead track is available for rail service

Madisonville - Greater Madisonville Industrial Park

This business park is located on the west side of Madisonville and has a large number of industrial and industrial service buildings and companies. The data sheet indicates 103 acres of sites available and the largest site of 64 acres. By the nature of the layout of streets and utilities, there appear to be ample capabilities of creating sites of 3-5 acres and larger, all capable of being served by rail, sewer, water, gas, electric and telecom.

- The existing industries and buildings give evidence of the industrial development opportunities
- Best example of a modern industrial park
- A rail lead track is available for rail service

Greenville - Paradise Regional Business Park

This business park is located on the southeast corner of the interchange of the Western Kentucky Parkway and County Highway 175. The data sheet on the Think Kentucky sites web site shows the property as 620 available acres. Commerce Drive has been constructed as initial access point into several sites just off the interchange.

- There is no evidence of shovel ready sites with full sewer, water, electric gas and telecom utilities
- The business park has good signage from the Parkway, but there is no evidence of even basic convenience services near the business park and interchange, and the site appears to be a mile or more outside of the City limits of Greenville and in a very rural setting
- Rail adjoins the business park, but a lead track would be required for service

Observations and Conclusions

- The Madisonville business parks are the only competitive sites for new industry, and they are not “shovel ready,” except the sites in the Greater Madisonville Industrial Park.
- Efforts need to be undertaken to attract industrial and distribution companies and even convenience stores and gas and diesel fuel stations to the Hanson and Greenville business parks and to establish that those parks have sewer, water, electric, gas and other necessities.
- The communities should consider soliciting a major industrial building contractor to help advertise and promote the sites; even for smaller industrial users and buildings.

Interstate & Road System. The Madisonville area serves as a key hub for limited access highways for the two counties. I-69 includes the Pennyrile Parkway and part of the Western Kentucky Parkway. Both road systems intersect in Hopkins County. As a result, Hopkins County lies on two major routes for interstate commerce. Additionally, I-69 will, when completed, connect between Canada and Mexico, providing a key link to international trade in Hopkins County. The remaining portion of the Pennyrile Parkway will connect with I-24 near the Kentucky/Tennessee border.

Eastward, the Wendell H. Ford Western Kentucky Parkway provides connections to the Louisville (I-65) and Lexington (I-75) commercial and industrial markets. The Western Kentucky Parkway also traverses Muhlenberg County, providing an attraction for development along the route within that county. These parkways meet or surpass federal interstate weight standards.

Southward, the Pennyrile (Edward T. Breathitt) Parkway provides access to I-24 with southern connections to Nashville and Chattanooga.

Rail Service: Hopkins and Muhlenberg Counties are served by two major rail lines, CSX (a Class I railroad) runs a general North/South route and Paducah and Louisville Railway Company (PAL) extends East/West between the namesake cities, providing service to both counties.

CSX is a major rail line that includes routes between Chicago and the southern ports of the Gulf of Mexico, with an average of 36 trains per day that travel through Hopkins County. CSX Headquarters is located in Jacksonville Florida.

PAL averages approximately seven trains that travel through Hopkins and Muhlenberg Counties daily. PAL also provides local service and is looking into taking an active part in industrial/economic development in the region.

PAL interchanges with CSX at Madisonville. They also have major connections at Paducah (BNSF, Union Pacific Railroad and Canadian National Railway Company) and Louisville (CSX, NS, Louisville & Indiana Railway Company).

River Service: There are three river ports within an hour's drive of Madisonville, all on the Ohio River:

- Henderson River Port - Ohio River
- Owensboro River Port - Ohio River
- Eddyville/Calvert City River Port - Cumberland/Tennessee River (Access to Port of Mobile Alabama via Tenn-Tom Waterway)
- The Green River, on eastern border of Muhlenberg County, is a navigable waterway that flows north to the Ohio River. Commercial use may be limited; however, recreational/tourism purposes could be exploited.

Air Service: Hopkins and Muhlenberg Counties are served by the following airports:

Local -- Madisonville Municipal Airport

- Airfield has runway dimensions of 6,050 feet by 100 feet.
- Aircraft operations - 3,500 planes per year serving corporate, charter and private traffic.
- Fixed base operator refueling operated by the City of Madisonville is available at the airport.
- Hangar space available.

Local -- Muhlenberg County Airport

- Airfield has runway dimensions of 5,000 feet by 75 feet.
- Aircraft operations - serves corporate, charter and private traffic.
- Fixed base operator is available at the airport.
- AirMed service available.

Regional -- Evansville Regional Airport

- Evansville Regional Airport provides over 24 daily departures to 6 national hub-airport locations throughout the United States.
- Evansville Regional Airport has 3 runways and is equipped with an Instrument Landing System (ILS), providing precision instrument approaches.
- The passenger terminal provides 140,000 square feet of space and 10 carrier gates.

Major Hub Airport -- Nashville International Airport

- Served by 16 airlines, operating 400 average daily flights to 89 markets and 49 non-stop markets.
- Terminal complex includes 820,000-square feet passenger terminal with 61 air carrier gates and up to 78 commuter aircraft parking positions.
- Airfield has four runways of up to 11,000 feet, including parallels for simultaneous landings/takeoffs.

Part I (B): Housing

Hopkins County and Muhlenberg County have approximately 30,000 housing units. Most of the housing supply is single family and manufactured housing - approximately 87% of the 18,622 units in Hopkins County and 92% of the units in Muhlenberg County. Single-family housing is available in both community and neighborhood settings and rural settings. Prices are modest by comparison to State and National prices, with a median value of \$89,500 in the 2015, according to the US Census American Factfinder. Median Hopkins County rent is \$592 per month. With nearly half the rental inventory as single-family detached units, the Hopkins County Comprehensive Plan reports that older houses dominate the rental market.

In Muhlenberg County, median home value is \$77,800; and median monthly rent is \$531.

Little data was available to verify new construction. The Census Bureau reports that 55 residential unit permits were issued in 2011, climbing to 77 in 2014, 71 in 2015 and 78 in 2016. No permits were reported for Muhlenberg County. To confirm the status of the existing residential market, Jason Vincent setup a conference call with the local Home Builders Association on February 22, 2017.

The Home Builders confirmed that the local market in Madisonville had 15 percent fewer home sales in 2016 than what has been considered a normal market. The City of Madisonville issued just 16 housing permits in 2016, and anticipates issuing the same number of permits in 2017.

The value of homes is also showing little or no appreciation, unlike the national market. One realtor on the conference call cited that nationally the market is appreciating by 2 to 3 percent. The group consensus is that the housing market is stagnant because of a lack of jobs.

Zillow indicates that there is a robust residential resale market with 290 homes for sale in Hopkins County and 218 for sale in Muhlenberg County. Since 2014, Hopkins County has experienced 1,689 home sales out of an inventory of 18,622 units. In Muhlenberg County, there have been 519 property sales out of an inventory of 11,539 units.

In terms of ESRI demographics, Hopkins County has a healthy median household income, higher than State and national averages in the five (5) and ten-mile (10) radius around Hanson. Household income drops slightly under national averages in the fifteen (15) mile radius. Population and housing growth rates are mildly positive, so that the loss of coal related jobs may be muted in the short term. (See Appendix 1.)

In Muhlenberg County, the five (5), ten (10) and fifteen (15) mile radius of the south side of Central City all show median household of about half to two-thirds of State and national household income. Any loss of spending power will likely have greater impact on the retail and service economy and on housing values. Finding new jobs or securing new employment from commuting will be important to holding the fabric of the community together.

Part I (C): Education and Schools

Interviews with career and training specialists at Madisonville Community College and elsewhere tell a similar story to those heard from the employers, and from across the country. The programs to train and help miners are in place. Funding for these programs is available. The greatest challenge appears to be changing the culture to attract miners and family members to consider entering new occupations. Occupations where their skills are transferrable, such as manufacturing, transportation, entrepreneurial endeavors, agribusiness, and other fields they may never have considered.

We can now offer several perspectives on the impact of the reduction of coal miner jobs upon education and schools, mostly insights from interviews. Hard data is difficult to come by, or just not available for just the impact of coal miner reduction. However, we were able to pull U. S. Census Data and projections, similar data that we use for a variety of other studies nationwide. This data also mirrors that provided by our economist Dr. Philip Watson.

What we have uncovered is very telling and, we believe, paints an accurate picture. Using data sets provided by the Kentucky State Data Center at the University of Louisville, Department of Public Affairs, College of Arts and Sciences, population projections enabled our team to put together a picture of children from the ages of 1 through 19 for the period of 2010 through 2040.

Another source we found that further corroborates the flat and declining population of the Pennyrile Region, which includes both Hopkins and Muhlenberg counties, is a study entitled *Kentucky Demographics: Present and Future* by Matt Ruther and Sarah Ehresman of the Department of Urban and Public Affairs, University of Louisville, Kentucky State Data Center. Their study presented data and projections on population change from 2010 - 2014. Their report shows 18 to 34 years old, those most likely having school-aged children, making up between 20.1 and 22 percent of the population in that period. Their demographic projections also show the overall population for the two counties declining from 2010 to 2025. Hopkins County is projected to have little or no growth, while Muhlenberg County will experience a decrease of 1.23 to zero percent.

Using the data sets provided by the Kentucky State Data Center, we focused upon the population age groups from birth through the age of 19. What the data shows is a consistent and declining population from 2010 through 2040, with occasional minor upswings in some populations. Figures 1 and 2 demonstrate the trends for both counties. (In Appendix 2 are tables that further detail the population trends by age group and by sex. Source file: Results from Data Table for School Age Children 1 - 19 years old by County. Table KY UL county-age-gender-v16.csv.)

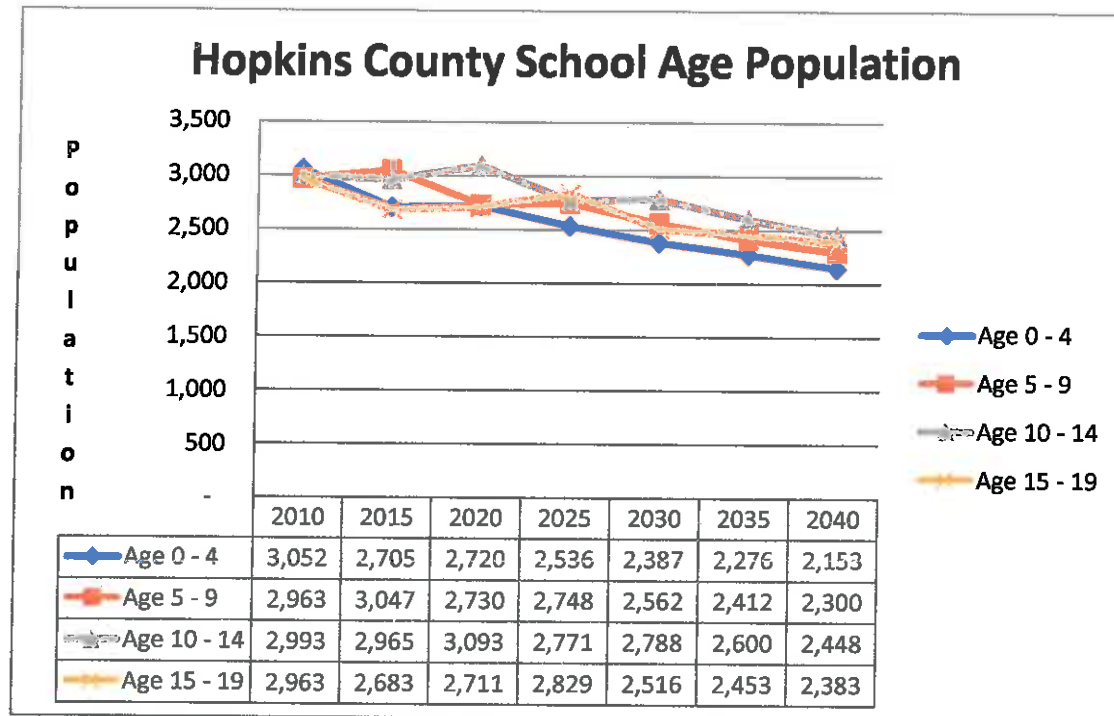


Figure 1

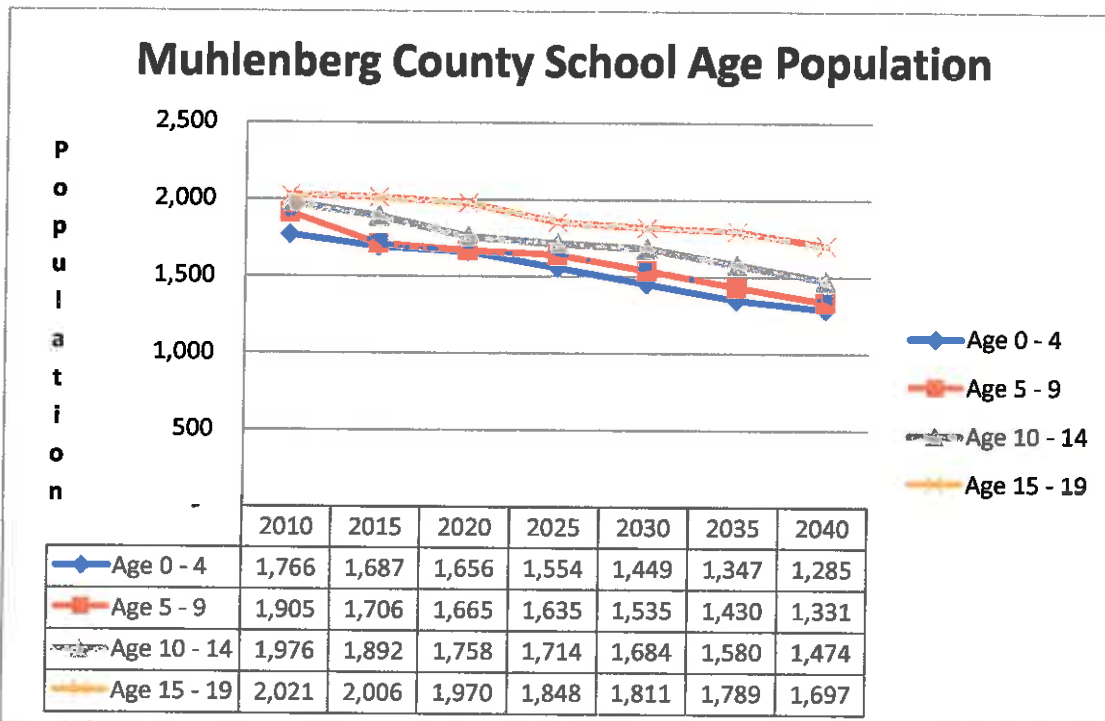


Figure 2

Decline in Enrollment

At our onsite meetings in November and January, two school officials expressed their concerns about the impact of lost jobs upon the school student population, and therefore, their revenue stream from taxes and grants. Hopkins County School District officials stated that in the past year he has lost 153 students, of which 45 moved out of state.

There is a similar story told in Muhlenberg County. Muhlenberg County School System officials said that the downturn in coalfield jobs is seriously affecting enrollment. One of their major funding sources is SEEK funds from the Kentucky Department of Education, which is about \$4,000 per student. In FY 2016, his county lost more than \$600,000 in SEEK funding from enrollment drop. Already in FY 2017, the school system has lost another \$300,000. These numbers translate into 150 students lost last school year, and another 75 students.

A third meeting with the Muhlenberg County Schools and Hopkins County Schools on March 3, 2017 reiterated the strong programs that are available, but also funding and other issues resulting from declining enrollment.

Additional details from this third meeting about available career and technical programs, as well as a further review of the counties' school report cards, continue to demonstrate the strong programs and facilities that are in place. To say the least, the schools are a key asset to the counties, and a part of the solution to improving job opportunities in the not too distant future.

The schools may be willing to make their facilities available to adults (specifically in that 18 to 34 age group), pending school board approval. The high schools have three complete shops, with Peterbilt and Caterpillar among the corporate sponsors.

For example, programs include Welding certifications and CNC machining. OJT and dislocated workers training could be taught in the evening at the high schools and tech centers. "Project Lead the Way" classes in "Nursing classes are bulging" according to the schools. Farming is another available career track. (Note: This career track is examined later in this report under "Translating Coal Mining Skills into Other Careers.")

Observations and Conclusions

- The declining or flat population growth will reflect in declining school populations, unless the trend can be reversed with finding alternative employment in other career clusters, which is the next section of this report, specifically manufacturing, transportation and logistics. Entrepreneurship and Agribusiness are other employment clusters worth considering.
- As described elsewhere in our study, the school superintendents pointed out the challenges of training adults for careers. We were told people are losing hope; turning to drugs, alcohol and embezzlement. Then there is the logistics of getting to school. Parents don't have reliable cars (there is no public transportation). And, of course, the general attitude of the general population's attitude toward vocational training: the public has had it in-grained into it that a college education is required to succeed.

Translating Coal Mining Skills into Other Careers

With these requests in mind from the school systems, our team explored what data is available to help determine how to offset this impact on education from existing data. What we found confirms the direction the career and technical education programs, described later in this section to transfer coal miner's skills into new professions and jobs.

Alternative Industries and Careers -

As often acknowledged in our interviews with employers, educators and workforce development staff, coal miners have a collection of knowledge, skills and abilities that can be useful to other sectors. Some retraining is likely needed, but they already have a lot of skills that are transferrable. Madisonville Community College (MCC) and the Kentucky Community and Technical College System (KCTCS) are well equipped to teach the skills required for manufacturing, transportation and the like; but there is actually very little manufacturing in either county. Most manufacturing and logistics jobs are located outside of the region.

Entrepreneurship has often been mentioned in conjunction with not only creating small businesses, specifically Agri-business in Muhlenberg County. Former miners will need training and assistance in writing business plans, but they have some knowledge, skills, and abilities that will transfer into being an entrepreneur.

Entrepreneurship programs are already in place, and the West Kentucky Workforce Board (WKWB) is encouraging dislocated miners to explore this option. Likewise, regarding Agri-business, the Madisonville-Hopkins County Economic Development Corporation is working hand-in-hand with County Extension agencies to determine what interest there is among miners. In fact, an Ag conference, "Roots to Riches" was conducted March 3 - 4, 2017. At the conference, a number of agribusiness paths were mentioned, including distilleries. (For discussion of distilleries and entrepreneurship, go to the section titled: Agri-Business as a Career Path for Coal Miners on page 18.)

The one strong growth sector for Hopkins County is **Healthcare**. Baptist Health employs more people (2,000, according to interviews) than the entire mining sector and it is growing. Sustaining healthcare employment may be dependent upon replacing the jobs and healthcare benefits supplied in the mining sector. To the extent this occurs, healthcare is a viable employment sector for young mining industry workers that have acquired emergency medical training. More specialized healthcare employment may also be available to local residents willing to commute to well-paying careers are outside of the two counties, but within the region.

Transportation Equipment has been identified as a reasonable career path for displaced miners. However, the transportation equipment sector of the economy has shrunk and is discussed in the Part IV Workforce Development SWOT Analysis as a "Weakness" sector do to the shrinkage of its Location Quotient from 2008 to 2013.

Since the Hopkins and Muhlenberg Counties are in the I-69 corridor, it still bodes well for marketing the region to attract, retain and expand transportation equipment companies and employment. Many auto, truck and other transportation and heavy equipment assembly plants are in the corridor, and suppliers of components and parts would be part of a strategy to attract new jobs.

All that said, the transportation equipment sector pays well but will still involve significant retraining requirements to fill the variety of occupations that exist in the industry. Tables 1 and 2 show the similarities between the job titles in the table and those found in the course listings at MCC, KCTCS and other programs.

The following tables illustrate the most significant retraining needs to fill jobs in transportation equipment employment opportunities. For example, there are essentially no "Team Assemblers" in the coal mining business, and this is the occupation with the most dis-similar jobs - nearly 10% of the jobs in transportation equipment will require the most significant retraining. The second most challenging occupations are Welders (et. al.), Machinists, and the list gets smaller. For retraining in the transportation equipment, and likely other manufacturing sectors, these tables illustrate the necessity for a strong retraining obligation that local workforce agencies and community colleges will face in the effort to place former coal mining workers in other jobs - whether manufacturing, or other occupations.

This list goes on until it identifies occupational differences for as few as single occupations, to fractional occupations until the total reaches 1,000.

There are also occupations that are positive for similarities between former miners and transportation equipment workers. These are not listed because they will allow an almost seamless transition from one occupation to another, and won't require retraining. Some local employers interviewed that have hired and retained former miners probably recognize those jobs that provide an easy transition. The positives will also exist in other industry sectors as well.

Table 1 - Difference in occupational needs between 1000 coal mining extraction jobs and 1000 transportation equipment manufacturing sector jobs

Rank	SOC Code	Title	Difference
1	51-2092	Team Assemblers	-105
2	51-4121	Welders, Cutters, Solders, and Brazers	-27
3	51-4041	Machinists	-27
4	51-2011	Aircraft Structure, Surfaces, Rigging, and Systems Assemblers	-26
5	17-2011	Aerospace Engineers	-23
6	17-2112	Industrial Engineers	-20
7	51-4011	Computer-Controlled Machine Tool Operators, Metal and Plastic	-18
8	51-4031	Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal	-18
9	51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	-17
10	17-2141	Mechanical Engineers	-17
11	49-3011	Aircraft Mechanics and Service Technicians	-16
12	51-4111	Tool and Die Makers	-13

Table 2 - Difference in knowledge element needs between 1000 coal mining extraction jobs and 1000 transportation equipment manufacturing jobs.

Rank	Title	Difference
1	Production and Processing	-26
2	Design	-17
3	Engineering and Technology	-7
4	English Language	-6
5	Customer and Personal Service	-3
6	Education and Training	-3
7	Mechanical Processing	-2

Forecasting & Identifying Trends

Interviews with WKWB and education staff are found under the asset mapping sections of this report for Workforce Supply and Demand Analysis. For this section of the report, these staff members provided us with an inventory of local providers of training services and the programs they provide, all coordinated by the WIB. Most of the programs are degreed; some offer a diploma for shorter training, such as Welding Technology, Truck Driving (CDL - Commercial Driver's License) and Lineman (Utilities). The largest single growth industry is the field of Healthcare, such as CNA (Certified Nurse Assistant) certificates that lead to more advanced nursing and EMT (Emergency Medical Technician) certifications.

In Hopkins and Muhlenberg counties, a sample inventory of programs from the Kentucky Career Center may be found in Appendix 3. Some of the coursework can be completed in less than a year, others requiring the completion of a two-year program that earns an Associate's Degree, including the training mentioned above. Other certificates range from Business Administration to Computer and Information Technology to Radiology.

KCTS-Trains is the "centerpiece" of the Kentucky workforce and economic development effort, part of the Kentucky Skills Network designed to provide training to employees to keep their skills competitive. Companies receive funding to assist with the cost of training current and potential employees. Companies receive a cash match of up to 50 percent.

Although there are ample locations to receive training at MCC, part of KCTS, many of the courses are online or at satellite locations. Further, many dislocated workers and adults, do not have access to computers or the skills to attend online classes. Nor do they necessarily have an interest in many of the career fields mentioned above. Mining training is still available through the Kentucky Coal Academy, including a Madisonville Campus. Murray State University is another key resource.

There are also programs for Adult Education, and new facilities focusing on training high school youth for technical careers. MCC offers a full adult education program called *Workforce Solutions*. Called ACE² (Adult Centers for Education Excellence), working adults, and those seeking work, can take advantage of numerous training programs. Services provided include assisting adults to complete high school, completing a GED, preparing to take the TABE Test (Test of Adult Basic Education) for employment and other educational programs.

For both youth and adults without a degree or specific certificate of training, these individuals' skills may be assessed with the ACT WorkKeys NCRC (National Career Readiness Certificate), which provides their baseline foundational skills in order to proceed for further training or coursework. There are three assessments in Applied Math, Reading for Information and Locating Information.

Another program for young adults (18 to 24) is the Kentucky FAME program (Federation for Advanced Manufacturing Education). Students attend weekly classes at the local community college and work an additional 24 hours at a sponsoring employer. The objective is to create the most competitive and advanced skilled manufacturing workforce available anywhere. (See the web link www.kyfame.com for program details.)

For youth, the counties have invested heavily in training facilities, such as the Hopkins County Career & Technology Center in Madisonville. On a tour of this facility, instructors were observed teaching a variety of technical and business courses directed at high school youth.

The WKWB staff is also working with the Muhlenberg High School East Campus, meeting with sophomores about FAME and other programs.

The Realities of Implementing Education Programs for Coal Miners

Overall, Kentucky has one of the most comprehensive education program strategies available, as can be seen from just our brief description. Implementation, though, can be challenging, as we found through our interviews with key staff at the WKWB and MCC.

Dislocated coal miners go through a process that is designed to help them find work, most likely outside of coal mining. Here is a general outline of the steps they may take:

- There are a variety of search tools readily available to the miners at the JobNet Career Center, located in Madisonville. Many of these search tools are online, which may be difficult to use for some.
- Friends and social networks are used in most any job searches.
- If miners do not have a degree or specialized certificate, then they take the NCRC assessment to get a baseline on their foundational skills. (From a recent Rapid Response survey of 137 miners that participated, more than 56 percent held a high school diploma or GED, and another 31 percent has some college. Another 12.6 percent had a college degree, most of them Associate's.)
- Short term, or "bridge" training is available. Popular certifications are CDL (truck driving) and lineman training, as well as welding. (Note: The survey also shows that the miners possess a wide-variety of skills: welders, heavy equipment operators, MET/EMTs, and human resources. Most all require additional training to be eligible for jobs in other industries.)
- Older workers, those older than 35, are less interested in retraining than younger workers. Older workers prefer to remain in mining. This is where the Kentucky Coal Academy may be an option.
- The WKWB staff works with the dislocated workers to take practice tests and provides tutoring. There are also satellite locations across the counties, including a shopping mall, where the workers can get help. Libraries are another location for assistance that the WKWB is encouraging.

- On the Job Training (OJT), such as KCTS-Trains, is available. WKWB is actively recruiting employers to participate, but the required minimum wage is \$12 per hour, which has greatly reduced the number of employers participating in the program.
- Dislocated miners are encouraged to enter growth industries, such as Healthcare or construction, truck driving or other trades.

More Rapid Response Survey Results

The survey results of miners that were part of recent layoffs or closures from various mines of Alliance Coal, Armstrong Coal, Dotiki Mine / Webster County Coal, LLC, Murray Energy / Ken American Resources, Inc., and the TVA - Tennessee Valley Authority, are telling. Additional insights into the complexity of helping former miners find new careers are gained from staff interviews at both MCC and WKWB.

- Of 150 miners, 137 participated in the survey.
 - About 22 percent of the miners live in Hopkins County
 - Another 6 percent live in Muhlenberg County
- As reported above, the miners are relatively well educated. More than 56 percent held a high school diploma or GED, and another 31 percent has some college. Another 12.6 percent has a college degree, most of them Associate degrees.
- 98 percent are males at an average age of 42.7.
- The average wage was \$27 per hour.
- Nearly 39 percent of the 137 that participated in the survey had worked in the mines more than 10 years. But 61 percent had 10 years or less time on the job as miners. The population of miners surveyed with more than 20 years on the job was just 12.5 percent.
- As miners, more than 31 percent had been in mining for more than 20 years. This may be more telling than time in the current job.
- Of the workers, more than 70 percent were hourly workers and 4 percent were salaried. Twenty-five percent chose not to respond.
- The skills possessed by the dislocated miners covered a wide variety of jobs, ranging from numerous mine operator jobs to specialized training as welders, MET / EMTs, heavy equipment operators and human resources. Some of these skills, such as welding and heavy equipment operators, are transferrable to other jobs outside of mining, but would require additional training.

Plans Post Layoff

- The miners identified no one category for their plans after the layoff. The one category receiving the most responses was 'unsure' of their plans at 29 percent. Another 20 percent wanted to find another mining job, locally or in another part of the country.
- Other categories receiving more than 10 percent of responses were:
 - Looking for another job away from mining
 - Go back to school for retraining in another career
 - Retire
 - 'Start my own business' received just 2.3 percent in responses.

Type of Training to More Quickly Obtain Employment

- The largest responses were 'No Response' at 18.6 percent, and 'Not interested in ANY training at nearly 20 percent.' Another 11 percent wanted to remain in coal mining or heavy equipment and "don't want school". About the same combined percentage would consider additional training that led to a degree or certificate (14.1 percent) in a related skill, or a short-term certification or credential (11.5 percent). Another 10.9 percent would train for a new career path, and 11.5 percent for On the Job Training.
- When asked about hobbies or special talents, only 5 percent responded at all.
- More than 40 percent did not respond to taking skill assessments, such as the ACT NCRC. Only 22.6 percent said they would be willing to take assessments, and more than 37 percent said "no."
- Over a third responded that they are not interested in attending workshops for improving interviewing skills, preparing a resume, credit/budgeting counseling and several others. More than 28 percent would attend a job search workshop.

A Note about Unemployment Benefits and Unions

One question that came up was about what additional benefits are available to coal miners that had union jobs. We asked that question of a number of employers, as well as of the workforce staff. In years past, the union contracts, we were told, did provide some additional benefits. Today, though, most of the layoffs are from non-union shops. Even those union shops today do not have any real additional benefits. If a worker receives a pension, that pension is deducted from the unemployment benefit. (There are some other exceptions explained in the Unemployment Claims booklet given to each worker applying for unemployment benefits.) Benefits are for 26 weeks after a one-week waiting period.

Interview Insights into Helping Coal Miners

The staff interviews lent additional insights about the challenges of assisting dislocated miners into new careers. In many instances, staff helped miners obtain the additional required training to transfer their skills into manufacturing, transportation and healthcare.

The two key growth industries for the two county-area are Healthcare and Government (which includes the TVA). However, TVA is downsizing and plans another force reduction in May or June of this year. This is subject to change, depending upon the new administration in Washington, D.C.

There are a number of eligible training programs available from the community colleges that are less than one-year duration. Many of these programs focus upon high demand jobs:

- Healthcare - Radiology, CNA track and other Nursing programs.
- Equipment Repair (but in the larger metropolitan markets).
- Muhlenberg - Agri-businesses.

One comment that was made by all of the workforce and economic development staff is that manufacturing is not a major segment of the local economy, as many community leaders believe. There are only a handful of major manufacturers, already noted, in Hopkins County, and fewer in Muhlenberg County. Therefore, the workforce staff is focusing upon Healthcare, Transportation and Agri-business entrepreneurs.

Another insight from staff is that many of the careers that the schools are preparing students for, such as Radiology, are jobs that don't exist in the community. Students will have to move out of the counties or commute longer distances to find work in the larger metropolitan areas to find the more specialized careers. It appears that workers in general would rather commute than move out of the community.

Entrepreneurship is continuously mentioned as a growth industry. The downside is the culture of the miners (and in general) toward taking their enterprises to a commercial level. It is difficult for many of them to step out of their "comfort zone."

Challenges to Finding Youth Participants

There are perception issues for school career pathway programs. The perceptions mentioned are

- "Only for troubled kids."
- The programs don't fit into a normal curriculum. CTE (Career & Technical Education) takes a back seat to AP classes and normal (college prep) track.
- The majority of technical classes are at the MCC site.
- Most students are not prepared for online classes, and then there is the expense of driving to the classroom sites.

These perceptions impact all programs, including the often-mentioned Kentucky FAME program and those programs at the fine new technical education facilities we visited.

Agri-Business as a Career Path for Coal Miners

Throughout the site visits, interviews and focus groups, the importance of agricultural careers kept emerging. Initially, our study assumed that large production crops and food processing would figure into developing job alternatives for displaced coal miners. These jobs would be in transportation careers, such as trucking or factory jobs.

Upon reviewing interview notes, agriculture entrepreneurship has emerged. It makes sense for former coal miners that have lived in their communities for generations. They are hardworking, and, as we heard several times, "they like to get mud on their boots and carry a lunch pail." Makes sense to us, and it is not unusual. In studies across the country that we have conducted, entrepreneurial careers in an agricultural economy is a wise course. The local resources are already in place in both Hopkins and Muhlenberg County.

Let's begin by reviewing the programs available through the USDA. The program that follows was made available at the "Roots to Riches" Conference on March 3 - 4, 2017, sponsored by the University of Kentucky College of Agriculture, Food and Environment Cooperative Extension Service, and the Madisonville-Hopkins County Economic Development Corporation.

Our contacts for agriculture information are the Hopkins and Muhlenberg offices of the Cooperative Extension Service. For USDA information, it is the Farm Service Agency (FSA) with offices Madisonville and Greenville.

Agri-Business to Benefit Farmers, Create Jobs, and Promote Tourism

One of the presentations at the Roots to Riches conference was an entrepreneurial couple that owns and operates a distillery. They started their company after extensive training and planning and they now conduct training programs for people who want to start a distillery.

The distillery benefits the region in a number of ways. First of all, they require a specialty grade of corn for their bourbon so they contract with local farmers to grow corn for their production. They also attract tourists with tours of the distillery. In a conversation after the presentation, we confirmed this couple and their distillery would benefit if there were a string of distilleries in the region. Not unlike the winery tours in the California Napa Valley, promoters for a tour of the distilleries could brand the region as the Home of Kentucky Bourbon or something similar. There is a branded tour, the *Kentucky Bourbon Trail*, offering tours of large distilleries, including Jim Beam. The marketing niche to attract tourists that could be developed in the Pennyrile District would be the small distilleries with unique operations and events versus the large bourbon companies.

To launch this initiative, someone should contact the Kentucky Distillers Association, as people come to them for advice on how to start a distillery, and the best place to locate a distillery. The region already has a niche with the available crop production and a well-established distillery that can help start-ups. Once contact with the distillery association has been confirmed, we recommend that you invite representatives from the distillery association to come to your region for a *Select Tour*, which could include a physical tour of the region and the existing distillery, followed by a dinner with potential stakeholders, where this couple would give a presentation about their experience starting a distillery, and the benefits of locating in the Pennyrile District. That should place your region on the association's map for the ideal place to recommend as the place to locate a distillery.

Key USDA Farm Service Agency Programs

The programs that are of immediate value to the displaced coal miners focus upon loan programs for the beginning farmers and ranchers and small farm operations. A chart of farm loan programs is included in Appendix 4. In past studies, we have found the USDA programs more helpful to established farmers.

In general, the programs are patterned after those of the U.S. Small Business Administration's very successful guaranteed loan programs, such as the SBA 7 (a). In the case of the farm programs, the applicant needs to be a farmer with good credit history, and be a citizen of the United States. Like all commercial and government loans, it is imperative that you have the training, skills and experience to operate a farm. This means having a business plan, among other necessary documents for a loan. Also, like the SBA and similar state loan programs, the borrower must demonstrate that they cannot obtain credit elsewhere at a reasonable rate and term to meet their needs.

Another note is that the credit is supervised by the FSA to help the borrower. Benefits and services include re-amortization of loans, writing own debt, debt settlements on inability to repay loans and helping commercial lenders to make loans for up to 10 acres of land.

Types of Loans

The FSA farm loans target:

- Socially Disadvantaged
- Beginning Farmers
- Programs include
 - Down Payments
 - Youth Loans
 - Emergency Loans
 - Conservation Loans

Farm Service Agency Programs

Beyond lending, the FSA offers a wide-variety of programs involving grants for specific assistance. They include

- Mediation Services
- Risk Coverage and Price Loss Coverage
- Biomass Crop Assistance
- Conservation Programs
- Dairy Product Programs
- Special Programs for Veterans

UK Extension Programs

Both County Extension Offices are well integrated into the community and economic development efforts, as witnessed by the recent *Roots to Riches Conference*. Extension is promoting basic food programs, such as the Farmers Market and providing educational materials.

Kentucky Farm Business Management Program

One of the programs offered to all farmers through UK Extension. At the Roots to Riches Conference Curtis Dames, County Extension Agent for Agriculture and National Resources gave a presentation entitled "How Do I Learn to Farm?" Another program called "Farm Financials" covered basic record keeping through understanding financial ratios.

Other Resources for the Small Farmer and Food Networks

We have found The Wallace Center, Winrock International National Good Food Network to be an excellent source of information for farming and food entrepreneurs. The Wallace Center supports entrepreneurs and communities as they build a new 21st century food system that is healthier for people, the environment, and the economy located at 2121 Crystal Drive Suite 500, Arlington, VA 22202, <http://www.wallacecenter.org>.

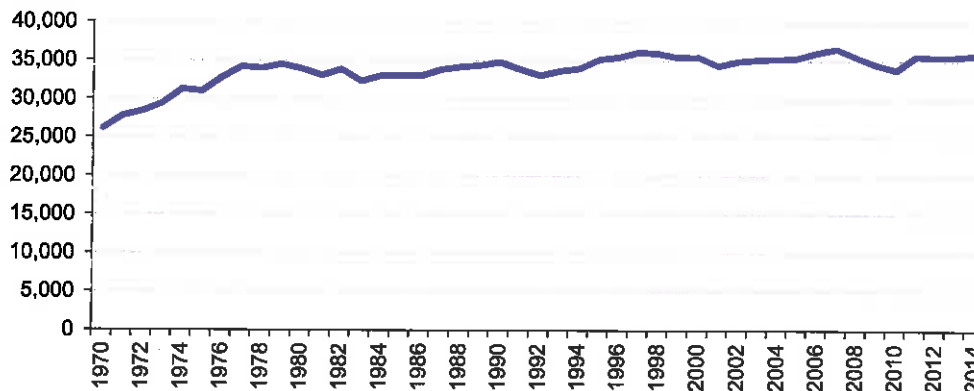
The Wallace Center is focused not only on assisting the entrepreneur, but also it also focuses on communities interested in growing local food, developing commercial kitchens for use by small growers, encouraging food hubs, co-ops, and other similar efforts.

For example, the Center is current running eight consecutive noon webinars, free of charge, to educate entrepreneurs on accounting systems for the small farmer.

Part I (D): Regional Economy

The primary drivers of Hopkins and Muhlenberg Counties in Western Kentucky are government enterprise such as education and prisons, as well as mining, livestock, and non-labor income (i.e. investment income, and transfer payments). According the BEA, the average earnings per job in these counties in 2014 was \$46,534. While this is below the national average of \$57,004, average earnings per worker have grown faster than the national average, increasing in the region by 12% from 2000 compared to a national increase of only 3.7%. Both total employment and population in the region has been very stable with employment growth of by just under 1% since 2000 and employment growth of just under 1% since 2000. This is far below the average U.S. growth rate of roughly 11% for both population and employment between 2000 and 2010. The region did see employment growth from 1970 to 1980, however that growth became almost non-existent from 1980 to 2014 (Figure 3). Total wage and salary as well as proprietor employment in the two-county region in 2014 was 35,590. However, the county did not see a marked deviation in employment in response to the Great Recession, indicating that the county does exhibit greater economic resilience than the nation as a whole.

Figure 1 - Employment Trends 1970 to 2014, Hopkins and Muhlenberg Counties
Source: Bureau of Economic Analysis Local Area Personal Income & Employment Table CA4



Non-labor income plays a larger role in the economy of Hopkins and Muhlenberg counties than it does nationwide. Non-labor income is defined by the BEA as income from dividends, interest, and rent (money earned from investments), and transfer payments (includes government retirement and disability insurance benefits, medical payments such as mainly Medicare and Medicaid, income maintenance benefits, unemployment insurance benefits, etc.). Non-labor income from retirement destination tourism should be targeted as it benefits retail, health care payments and brings in new consumption capacity. Non-labor income is reported by place of residence. Nationally, non-labor income comprises on average 35.8% of total personal income. In this region of Western Kentucky that number is 42.7%.

Jobs in Hopkins and Muhlenberg Counties are spread over a relatively diverse set of government, service, agricultural, and mining sectors. As is often the case in areas with large levels of commuting to work, government jobs (mostly primary and secondary education teachers and prison employees) comprise the largest single share (Table 3). Including proprietors and wage and salary employment, there were 35,590 total jobs in Hopkins and Muhlenberg Counties in 2014. The full list of employment by sector along with the associated NAICS sector is presented in the Appendix 4.

Table 3 - Top sectors by total gross employment in Hopkins and Muhlenberg Counties Kentucky in 2013

Source: IMPLAN Inc.

Rank	Sector	2013 Gross Employment	Percent of Total Gross Employment
1	Government enterprises (e.g. schools, prisons)	6,035	16.96%
2	Food services & drinking places	2,391	6.72%
3	Construction	2,204	6.19%
4	Hospitals	1,967	5.53%
5	Mining	1,533	4.31%
6	Ambulatory health care	1,398	3.93%
7	Admin support services	1,334	3.75%
8	Professional- scientific & tech. services	1,237	3.48%
9	Livestock	1,064	2.99%
10	General merchandise stores	962	2.70%
11	Nursing & residential care	952	2.67%
12	Warehousing & storage	736	2.07%
13	Repair & maintenance	730	2.05%
14	Real estate	711	2.00%
15	Wholesale Trade	575	1.62%

Mining is an especially noteworthy sector in the region. Employment in mining rose sharply from 2004 through 2012, rising from just over 1,000 jobs to over 1,500 jobs. Since 2012, however, employment in mining has leveled off. If mining support services are included, mining now accounts for over 1,600 jobs. Hopkins County accounts for a majority of the mining jobs in the region, however, Muhlenberg County also has substantial numbers of mining jobs (Table 4). The recent expansion, though, is now showing the decline of workers.

Construction jobs are an interesting mix, likely involving extensive commuting to and from the counties. Our interviews with the West Kentucky Workforce Board showed concern over construction workers commuting into the area, whereas the IMPLAN data is showing opportunities outside of the counties, where many of the coal miners' skills and experience would be transferrable.

The West Kentucky Workforce Board source, *Energy/Coal Closures and/or Major Coal Economy Layoff Announcements; The Regional Dislocations 1/20/17*, lists major coal and energy company layoffs and closures. As part of the WKWB's Rapid Response activities, 1,378 dislocated workers were notified of the services available to them at the time of the layoff or closure.

Actual layoffs were 344. Additional WARN notices were provided for workers in energy related companies, with 14 actual layoffs. The appendix detail the WARN notices and actual layoffs by company.

Table 4 - Employment in Mining and Mining Support in Hopkins and Muhlenberg Counties, 2014
Source: BEA

	Hopkins County, KY	Muhlenberg County, KY	Regional Total	U.S.
MINING AND MINING SUPPORT	1,044	561	1,605	758,971
OIL & GAS EXTRACTION	50	8	58	548,350
OIL & GAS EXTRACTION	10	3	13	137,839
DRILLING OIL & GAS WELLS	0	2	2	102,734
SUPPORT FOR OIL & GAS OPERATIONS	40	3	43	307,777
COAL MINING AND SUPPORT	992	531	1,523	82,946
COAL MINING	992	531	1,523	76,572
SUPPORT ACTIVITIES FOR COAL	0	0	0	6,374
MINING				
METAL ORE MINING	0	0	0	45,716
METAL ORE MINING	0	0	0	41,926
SUPPORT ACTIVITIES FOR METAL	0	0	0	3,790
MINING				
NONMETALLIC MINERALS MINING	2	30	32	81,959
NONMETALLIC MINERALS MINING	2	30	32	79,375
SUPPORT FOR NONMETAL MINERALS	0	0	0	2,584
MINING RELATED	13	28	41	226,754
OIL & GAS PIPELINE & RELATED CONST.	0	0	0	167,748
PIPELINE TRANSPORTATION	13	28	41	59,006

Total employee compensation (wages, salaries, and benefits) in the county (Table 5) tells a slightly different story than employment. Government is still the largest sector however; it is worth noting that government enterprises account for a larger share of the compensation in Hopkins and Muhlenberg Counties than it does for employment. This indicates that government pays a relatively higher wage than average in the region. Conversely, because it is a relatively low paying sector, food service is a large sector in terms of employment, but not in employee compensation. Mining also plays a larger role in employee compensation than it does in employment. While mining accounts for just over 4% of employment, it accounts for just over 9% of employee compensation. Again, this indicates that this sector pays above average wages for the region.

Table 5 - Top sectors by total gross employee compensation paid in Hopkins and Muhlenberg Counties in 2013.

Source: IMPLAN Inc.

Rank	Sector	2013 Gross Wages Paid	Percent of Total Gross Wages Paid
1	Government enterprises (i.e. schools and prisons)	\$358,370,891	23.22%
2	Mining	\$139,117,411	9.01%
3	Hospitals	\$130,205,139	8.44%
4	Construction	\$91,229,122	5.91%
5	Ambulatory health care	\$80,400,121	5.21%
6	Transportation equipment	\$38,782,432	2.51%
7	Food services & drinking places	\$35,956,700	2.33%
8	Professional- scientific & tech services	\$35,427,603	2.30%
9	Wholesale Trade	\$34,979,057	2.27%
10	Mining services	\$34,365,599	2.23%
11	Warehousing & storage	\$32,752,106	2.12%
12	Repair & maintenance	\$32,607,188	2.11%
13	Admin support services	\$29,946,526	1.94%
14	Nursing & residential care	\$27,398,369	1.78%
15	Machinery Manufacturing	\$26,827,280	1.74%

The average earnings per job in Hopkins and Muhlenberg Counties in 2014 was just over \$46,534. This is somewhat lower than the national average of \$57,000. The top 2 sectors in this region (government enterprises and mining) are relatively high paying sectors, however the government sector in these counties pays below the national average for government enterprises (\$72,051) while mining pays above the national average for that sector (just over \$72,000).

While the industry mix in Hopkins and Muhlenberg Counties is concentrated in sectors that nationally pay above average wages, the wages paid by individual sectors in the region are substantially below average the wages of comparable sectors nationally. In other words, if the county kept its same industry mix, but paid the U.S. average wage for those industries, the average wage in Western Kentucky would be 12% higher than the national average. Conversely, if Western Kentucky had the U.S. average industry mix but kept their current average wage by industry, then the overall average wage in the county would be 11% lower than the national average wage. It can therefore be said that these counties in Western Kentucky have more of a problem with low wages than a problem with low paying sectors. In fact, Hopkins and Muhlenberg Counties are relatively concentrated in sectors that are expected to pay above the national average wage, however the problem is that these sectors in this region just don't pay as well as the nation as a whole.

One factor that may mediate the effect of lower wages is the relatively low cost of living in the county. The Median rent in Hopkins County is \$565 and the median rent in Muhlenberg County is \$500 per month compared to a national average of \$890. The top sectors for average wages paid are presented in Table 5. (This data on compensation is inferred by interviews with both companies, workforce and education staff.)

Table 6 - Top sectors by average wage by sector in Hopkins and Muhlenberg Counties in 2014.
Source: IMPLAN Inc.

Rank	Sector	2014 Average Wage	2014 Gross Employment
1	Pipeline transportation	\$129,693	35
2	Utilities	\$121,633	199
3	Petroleum & coal production	\$111,184	77
4	Paper Manufacturing	\$100,581	126
5	Beverage & Tobacco	\$100,332	23
6	Transportation equipment	\$96,474	402
7	Primary metal manufacturing	\$94,292	93
8	Mining	\$90,748	1,533
9	Rail Transportation	\$86,021	142
10	Chemical manufacturing	\$76,713	243
11	Machinery manufacturing	\$75,783	354
12	Mining services	\$74,384	462
13	Telecommunications	\$72,657	121
14	Hospitals	\$66,195	1,967
15	Fabricated metal products	\$62,693	269

Part I (E): Incentive Programs

Kentucky has an extensive and wide-range of economic development assistance for employers, entrepreneurs, local governments and individuals. Details for these programs are found on the website for the Madisonville-Hopkins County Economic Development Corporation and Think Kentucky. The Madisonville-Hopkins County site lists 89 grants, loans, tax incentives and rebates. Ruthann Padgett at the EDC is available to provide details of the programs.

The Think Kentucky website offers detailed summaries of its key incentives and financial programs, as well as contact information for business development and "Quick Links" to a variety of related topics. These topics include business costs, available sites/buildings, community profiles and workforce overview.

These incentive programs are administered through the Kentucky Economic Development Finance Authority (KEDFA), is established within the Cabinet for Economic Development to encourage economic development, business expansion, and job creation, provides financial support through an array of financial assistance and tax credit programs. It is important to note that there appears to be significant coordination statewide of all state economic development and incentive programs. Our experience has found that such coordination is vital for success.

Appendix 5 provides details about available skill training, small business, entrepreneurship, agri-business and other incentive programs.

Other states use the same or similar skill and employee recruitment programs. Kentucky's programs appear to be uniform across the state. Again, interviews with local staff examine the opportunities and challenges of these and other programs.

During the focus groups and interviews, the Kentucky FAME Program was frequently mentioned as a policy success. FAME stands for The Kentucky Federation for Advanced Manufacturing Education. With the recruitment and expansion of automotive and aerospace manufacturing throughout the Ohio River Valley in recent decades, there is now a shortage of qualified workers. FAME is the resultant program to train that workforce, specifically younger workers to replace aging baby boomers.

Among the programs of note:

- Bluegrass State Skills Corporation Skills Training Investment Tax Credit
- Bluegrass State Skills Corporation Skills Grant Reimbursement Program
- Small Business Loan Program
- U.S. Small Business Administration loan programs, e.g. the SBA 7(a) and the SBA 504
- Angel Investment Tax Credit
- Direct Loan Program (KEDFA)
- Kentucky Agricultural Agri-business Incentive Fund
- Kentucky Agricultural Finance Corporation capital access programs

Part I (F): Public and Economic Development Policies

It is important to note that there appears to be significant coordination statewide of all state economic development and incentive programs. Our experience has found that such coordination is vital for success. In this section, we describe the Workforce public policy. The following public policies set the framework for our interviews and recommendations.

2016 Comprehensive Economic Development Strategy (CEDS)

A Comprehensive Economic Development Strategy (CEDS) is the result of a local planning process designed to guide the economic growth of an area. A CEDS process will help create jobs, foster more stable and diversified economies, and improve living conditions. It provides a mechanism for coordinating the efforts of individuals, organizations, local governments, and private industries concerned with economic development. Furthermore, a CEDS is required to qualify for Economic Development Administration (EDA) assistance under its public works, economic adjustment, and other planning programs, and a CEDS is a prerequisite for designation by EDA as an Economic Development District (EDD).

The Pennyrile Area Development District (PADD) is organized as a non-profit corporation and is one (1) of fifteen (15) such Development Districts in Kentucky. Geographically, the Pennyrile ADD includes Caldwell, Christian, Crittenden, Hopkins, Livingston, Lyon, Muhlenberg, Todd, and Trigg counties. The PADD Board of Directors is composed of a minimum of 51 percent elected officials with the remainder of the Board representing agriculture, commerce, industry, civic organizations, education, labor and minorities.

The 2016 CEDS has been rewritten and will be referred to as the Pennyrile Area Development District Comprehensive Economic Development Strategy 2016. As the Pennyrile Area Development District moves through the 21st Century, its mission will be a continuation of support to local governments for economic and community development. The ADD is committed to working with community leaders and their respective elected officials to provide a level of services and facilities beneficial to all residents of the Pennyrile.

The CEDS 2016 Plan (Comprehensive Economic Development Strategies) outlines the region's workforce development public policies.

The WKWB serves the seventeen western most counties of Kentucky through the implementation of the Workforce Innovation and Opportunity Act (WIOA) under the U.S. Department of Labor. The Board is composed of a majority of private sector/business representatives. The law envisions a strong role for local business-led boards under WIOA focusing on strategic planning, policy development and oversight of the local workforce investment system. By identifying local area workforce issues and concerns the WKWB brings together the necessary assets to facilitate solutions that foster prosperity for the region. All activities are performed in coordination with the chief elected officials - County Judge Executives and the Mayors of cities within the Western Kentucky Workforce Development Area.

Activities of the board include gathering and disseminating information about the area's labor market and businesses' employment needs; building a strong area-wide workforce development system; creating a local plan; convening brokering and leveraging resources of local stakeholders including businesses, training institutions, economic development and other community organizations to develop solutions to workforce development challenges; support and development of career pathways to high demand sectors; coordination with education and training providers, including adult education and literacy activities to ensure alignment with the local plan; and oversight of the local area's One-Stop Delivery System including procurement of operators, services, accessibility, performance negotiation and program oversight.

In addition to the business majority, the remaining membership of the WKWB is composed of labor organizations, adult education providers, educational entities, community organizations, economic development representatives, partner agencies, community and regional service agencies and training institutions. The Kentucky Education and Workforce Development Cabinet agencies, which are recognized as "Partners" under the One-Stop Career Center concept (America's Job Center) collaborate with regional groups to provide services under the WKWB's guidance to serve the needs of customers and meet the needs of the workforce. Services are provided both to businesses and individuals, including adults, dislocated workers and youth. Services assist the individual in attaining skills to be competitive in the workforce while creating a pipeline of talent for business.

Over \$5 million is invested each year in supporting high demand sectors, training and retraining workers for available jobs and business expansion as well as retention of a well-trained workforce in the region. Through OJT opportunities, businesses may be reimbursed up to 50% of the employee's salary during training, with Workforce funding offsetting the extraordinary costs associated with production time and quality during the training period. This program provides a significant incentive for employers to hire individuals who are unemployed, who are working in low-paying jobs, or who are working in low-skilled jobs. An average of twenty (20) businesses in the Pennyrile region participate in OJT programs with over 100 employees training and gaining full-time employment annually.

Additionally, the WKWB supports business and offers business services through its One-Stop Career Center system. Service centers located in Hopkinsville, Madisonville and Central City provide customized services to meet specific needs of business, regional sectors and area employers. These business services may include pre-screening services, assessments, referrals, job fairs, hiring events, retention services, soft skills training, apprenticeship support, on-the-job training and/or customized training. Special events are sponsored throughout the year to disseminate information to local employers about services available within the community.

Regional initiatives combining workforce and economic development strategies include:

1. Assistance with local communities to develop partnerships, improve and support regional workforce initiatives, complete applications and attainment of Work Ready Community status through state and national initiatives as well as support for WRSI.
2. Dislocation Support - In addition to support for the workers through Rapid Response, the WKWB offers Resource Roundtables for community solutions around major dislocations. This year as Coal Economy Dislocations and WARN Notices from Coal Companies continued to rise, so the WKWB met with economic development, local leadership, coal companies and community partners to look at solutions and employment sectors for retraining and employment opportunities. An Initiative (POWER) was started to address the impacts of coal and power industry reductions in Hopkins and Muhlenberg Counties and mitigate the impact of future reductions through emphasizing economic diversification in the region, through alignment and leveraging EDA and DOL funding.
3. Leveraging regional resources and providing support and programs to build and support small business and grow entrepreneurship in the region.
4. Partnership with Ft. Campbell to assist in training and retraining transitioning military that allows workers to develop skills required to succeed in high growth/high demand industries;
5. Facilitation of continuing funding opportunities for regional economic growth and strategic planning by aligning sectors with the West Kentucky Future and other regional studies and strategies as it relates to workforce development support, sector growth and providing solutions to workforce issues throughout the region. The WKWB, headquartered in Hopkinsville, is assisted through the staffs of the Pennyriple Area Development District, Hopkinsville and the Purchase Area Development District, Mayfield. The Kentucky Education and Workforce Development Cabinet, Department of Workforce Investment administers and distributes the Department of Labor funds for Workforce Innovation and Opportunity Act programs to the local areas and assists with employment and training opportunities, technical assistance and monitoring of those funds within the Commonwealth of Kentucky.

Blue Grass State Skills Corporation

The Blue Grass State Skills Corporation administers the skills programs described under the incentives section. Their purpose is to ensure that the Kentucky workforce is prepared to meet the hiring demands of employers. (These challenges are largely discussed in the before-mentioned Regional Economic Development Growth Strategy, prepared for the West Kentucky Workforce Board. Add citations from this report, findings and recommendations.) According to the Cabinet for Economic Development, its chief priority is to be sure that steps are being taken to provide with superior training and skills needed to compete. This is accomplished through partnerships. (We will provide information on the local partnerships under the Workforce Supply and Demand Analysis of our report.)

The partnership is called The Kentucky Skills Network, which provides:

- **Employment Recruitment:** This is an intelligent search engine that matches employer needs with qualified candidates, using Focus Talent. Likewise, there is a link into the jobs database for job seekers.
- **Training Incentives:** The training incentives discussed earlier are accessed here. These include OJT (On-the-Job-Training) grants and tax credits for training.
- **Skills Development:** The emphasis is placed on specific programs, such as FAME, MANUFACTURING CAREER CENTERS and WORKREADY COMMUNITIES.
 - The Kentucky Federation for Advanced Manufacturing Education (KY FAME) is a company-sponsored partnership of statewide employers who share the goal of creating highly skilled workers. Employers start training students while they are still in school. Students receive hands-on and classroom training that gives them access to high-paying advanced manufacturing jobs.
 - The KY Manufacturing Career Center is a one-stop resource in multiple counties in the Greater Louisville area that capitalizes on this reversal matches individuals with career ready credentials. The center provides career counseling and training to unemployed and underemployed people interested in the manufacturing field.
 - A Kentucky Work Ready Community certification is a measure of a county's workforce quality. It is an assurance to business and industry that the community is committed to providing the highly-skilled workforce required in today's competitive global economy.

Other states use the same or similar skill and employee recruitment programs. Kentucky's programs appear to be uniform across the state. Again, interviews with local staff examine the opportunities and challenges of these and other programs.

During the focus groups and interviews, the Kentucky FAME Program was frequently mentioned as a policy success. With the recruitment and expansion of automotive and aerospace manufacturing throughout the Ohio River Valley in recent decades, there is now a shortage of qualified workers. FAME is the resultant program to train that workforce, specifically younger workers to replace aging baby boomers.

PART II: Assessment of Coal and Power Personnel Reduction Impact

After interviewing key companies, agencies, and professionals, Highroad has been able to measure the impact of the coal and power industries on the following areas:

- A. Regional Economy
- B. Retail Industry
- C. Housing
- D. Schools
- E. Suppliers

Part II (A): Impact on Regional Economy

Coal Mining Skills Adaptable, but some Retraining Required

The WKWB and other interviews with economic development officials suggest that the schools are training students and dislocated workers for manufacturing jobs, when the manufacturing jobs are in small supply. Hopkins County has very few manufacturers and Muhlenberg County also has few manufacturers. Most all of the interviewees point to Healthcare and Government sectors as the growth employers. Entrepreneurship and small business development are other potential growth fields.

As noted in the discussion of occupational similarities and differences between mining occupations and transportation equipment manufacturing occupations, significant retraining will generally be necessary for transition to new occupations. Many of the training programs for common occupations in the region exist, and should be continued. More attention may need to be given to the specific retraining needs of the employers relative to the occupational requirement differences between mining jobs and the new industrial jobs. (see the discussion and tables in the section "Translating Coal Mining Skills into Other Careers" on page 12.)

In summary, the retraining programs are in place for displaced coal miners to make a transition to these other industries, including entrepreneurial endeavors. The key to making it all work is reversing these declining industries into growth industries.

Part II (B): Impact on Retail Industry

Given from the economic impact analysis of mining (9.01%) and mining services (2.23%) representing approximately 11.24% of total wages paid, a major drop in employment caused by closing would substantially drop local spending power especially on discretionary items. Consumer staples, like food, gasoline, restaurants and general merchandise would probably continue, but new cars, furniture, clothing and other items may be lower. Perhaps most of the impact in discretionary spending locally would fall on small local merchants. Both Counties show substantial retail leakage, so the other impacts would be felt at regional shopping malls 20 or more miles away. Due to high wages in the mining that are three times higher than the average wages in the two counties, the loss of mining discretionary spending may be the equivalent of losing three jobs in an average downsizing company.

Part II (C): Impact on Housing

Currently, there are few foreclosures in the two counties as the area has recovered from the past recession, according to Zillow. Loss of wages may lead to more foreclosures and added homes on the market. Due to the demographics, the greater impact may be among the older housing stock and greater transition of the older homes into rental properties.

In a conference call arranged by PADD and local housing experts on February 22, 2017:

- Housing sales are 15% below normal. Not many coal miner's homes are for sale. The Realtor on the line was not sure why, but that maybe the miners are finding jobs farther out and commuting.
- In Madisonville housing starts are about the same as last year. There were just 16 starts in 2016.
- There is no appreciation of home prices, as in other parts of the country.
- The market seems to be declining because the lack of job growth.

Part II (D): Impact on Schools

As we noted earlier in the report in Part I, The Asset Inventory under the discussion about Education and Schools on pages 9-11, funding availability to sustain elementary, secondary and career and technical education programs necessary to provide the education foundation for the community is at risk if school age populations and resident populations decline relative to the loss of coal mining jobs. In some fashion, the basic education obligations need to continue to be sustained, and particularly those that support the growth sectors of the local economy.

Of particular concern is the continuation of career and technical education for entrepreneurship, agribusiness, manufacturing, transportation, logistics, healthcare and government occupational preparation.

Part II (E): Impact on Industry Suppliers

Coal suppliers have wages more in line with the average wages paid across the industry average, and coal industry suppliers will generally go more completely out of business locally. Stronger suppliers that can expand their geographic reach to the remaining coal mines may survive as smaller suppliers. This sector will also likely shrink proportionately, along with the reduction of the mining sector. That adds to the ripple effect of the loss of coal mining jobs.

Observations and Conclusions

In addition to what is revealed from both market reports and the comments above from local housing, banking and government representatives, home values and housing starts are stagnant. On a March 4, 2017 site tour of both counties, our observations confirmed the lack of a housing market.

These trends fit the demographic projections mentioned elsewhere in this study - where the county populations will remain flat or decline slightly, unless more aggressive efforts are made to transition to other industries from coal.

PART III: Workforce Supply and Demand Analysis

The Workforce Development team completed a preliminary analysis of 40 employers and stakeholder interviews as part of the asset inventory. From the interviews, a snapshot of both the employers and their employees are emerging.

Employer Information

Of the 40 employers, not all chose to, or were able to, provide replies to all interview questions. Three did not respond to requests for interviews. Nevertheless, a profile of the local economy, employer concerns, and employee characteristics are emerging.

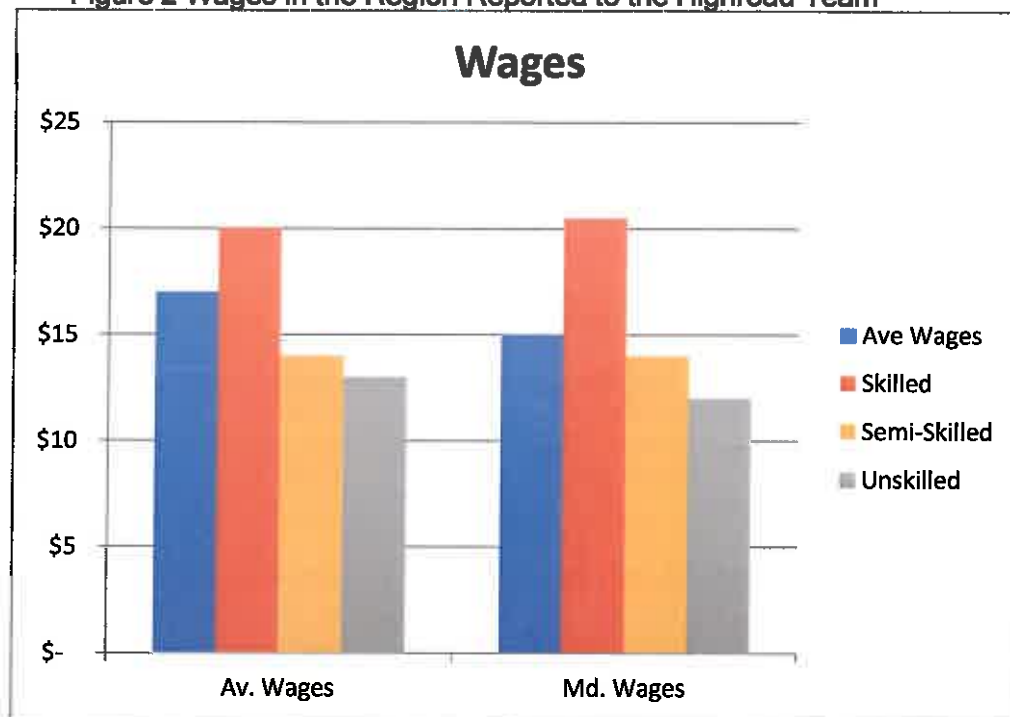
- Of the 40 employers interviewed, 54 percent were manufacturers and another 46 percent represented non-manufacturing sectors. These included health care, transportation, coal mining, retailers, biotechnology, food processing, and others.
- Of 24 employers responding, 18, or 75 percent, responded that their business is finding new customers or markets.
- Of those responding, 44 percent indicated that their businesses were expanding.

- The employers interviewed employed 2,423 salaried employees and 2,260 hourly employees.
- Twenty-five employers answered the question about recent layoffs, reporting 36 percent had layoffs.
- Only 8 percent of the employers had unions.
- Average wages were \$17.05 per hour; median wages were just \$15 per hour. Skilled wages averaged around \$20 per hour, \$14 per hour for semi-skilled and \$12 to \$13 per hour for unskilled workers.
- Most companies provide an annual review for wage increase.
- Fringe benefits averaged about 31 percent of wages, but there was a wide range: from just 13 percent up to 40 percent. On average, employees could expect average fringe benefits equaling 25 percent of their wages.

Wages

As Figure 4 demonstrates, there is a wide variation in average and median wages, and by industry. This line graph just depicts average wages. The median wage is significantly lower. Most all of the companies interviewed pay fringe benefits and provide raises, but there are significant variances.

Figure 2 Wages in the Region Reported to the Highroad Team

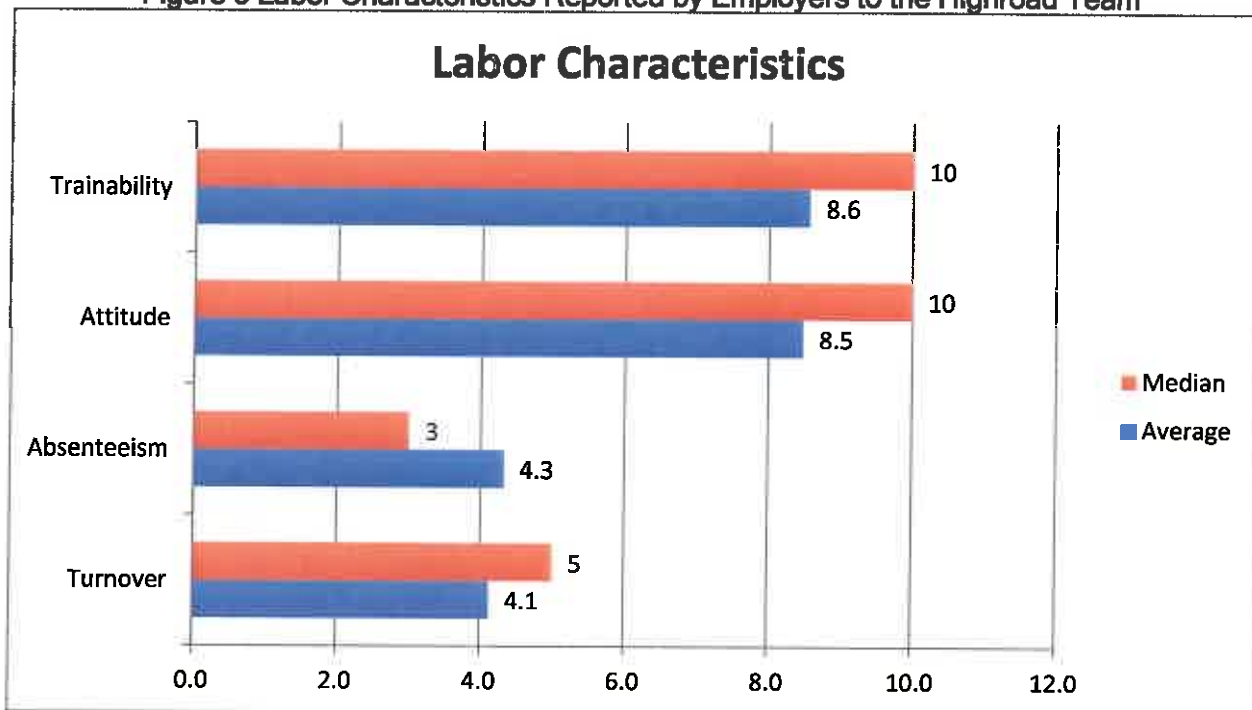


Labor Characteristics

From the interviews, the following labor characteristics were profiled. These characteristics were rated on a scale of 1 to 10, rating satisfaction from 'Low' to 'Excellent.' Again, we are measuring the characteristics not only by averaging each category, but also examining them by the median and range of the scores. Turnover, Absenteeism, Adaptability, Recruiting Shortage and Sufficient Capability received a wide range of scores, mostly low satisfaction with labor.

- Generally, employers gave employees high scores for trainability and attitude, but there are issues with absenteeism and turnover. Turnover had an average score of 4.1 and a median of 5.0, but scores ranged from a 1 (low satisfaction) to 10. See Figure 5.

Figure 3 Labor Characteristics Reported by Employers to the Highroad Team

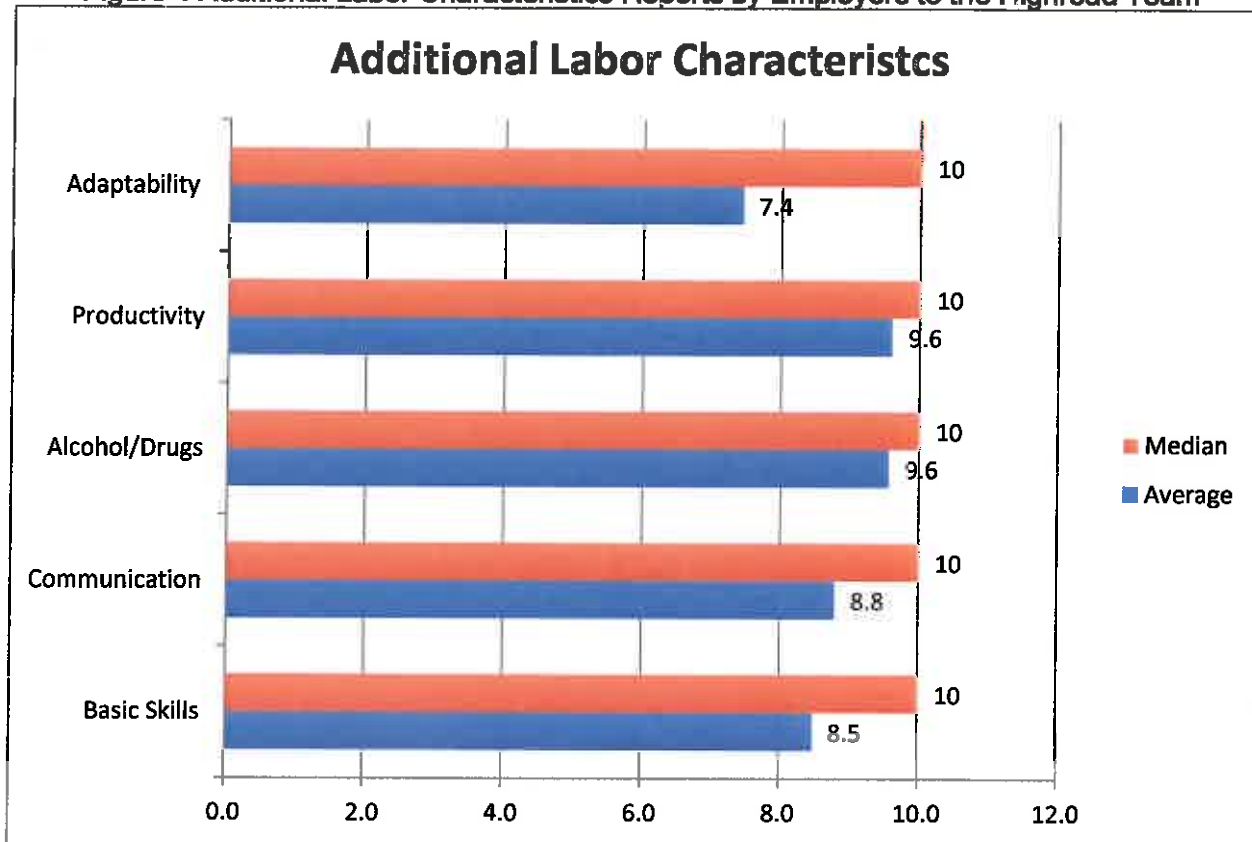


Also, shown in Figure 5:

- Absenteeism was similar, with an average score of 4.3, but a median of just 3, where scores ranged from a 1 (low satisfaction) to 10.
- Attitude satisfaction was very high, averaging 8.5 with a median of 10. The scores ranged from 5 to 10.
- Trainability also scored high with an 8.6 and 10. The scores ranged from 5 to 10.
- Basic Skills were similar to Trainability, with an 8.6 and 10. The scores ranged from 5 to 10.

What we generally call 'hard skills' employers generally scored their employees very high. When asked about the adaptability of miners, the scores varied considerably. Note the much lower median score. Figure 6 graphs the Labor Characteristics on a scale of 1 to 10.

Figure 4 Additional Labor Characteristics Reports by Employers to the Highroad Team



- Communication Skills were slightly higher than Basic Skills and Trainability, with an 8.8 and 10. The scores ranged from 4 to 10, indicating that some labor did not communicate as well as desired.
- Most employers have alcohol and drug testing in place at pre-hire and routine checks of employees. The average satisfaction score was a 9.6 with a median of 10.
- Productivity is very highly rated, too. The average satisfaction score was a 9.6 with a median of 10. The scores were also more closely grouped, ranging from 7 to 10.
- The adaptability of miners was very good: averaging 7.4 with a median satisfaction score of 10. However, the grouping ranged from 1 to 10. There are some sectors where miners just do not adapt very well.

Other Labor Characteristics

- Most employers had some serious troubles recruiting workers. Satisfaction scores were 1 to 2 out of 10.
- Overall, employers were generally satisfied with the job capability of workers. Averaging 5.8, but the median was a 9. Again, the range was from 1 to 10.
- Some indications of underemployment. E.g., where workers will take lower position just to stay employed.
- More than half used a staff agency, but with mixed results.
- Interviews with career services and training agencies provided very similar responses.
- Almost all employers gave high marks to assistance provided by Madisonville Community College.

Other findings from Highroad's analysis:

- Construction occupations were found from employment interviews and the data indicate that mining workers can transition into construction and construction equipment employment. This may be a useful occupation regionally, since construction employment is more extensive in denser populated urban areas that may be 35-100 miles away, such as Nashville, Evansville, Owensboro, Bowling Green and Paducah. However, local construction employment is anecdotally reported as being more property maintenance and "odd-job" residential and commercial work that is low to moderate wage relative to mining, and seasonal.
- Manufacturing may be a reasonable employment opportunity regionally and locally. The region is served by the I-24, I-69 and Western Kentucky Parkway system that has excellent east-west and north-south connections to the I-65 and I-75 interstate highway corridors that have become corridors for automobile parts and transportation equipment manufacturing - including construction equipment and aerospace. Machine operators are a primary skill for this industry.
- Further supporting the manufacturing corridors is the existence of a small but potentially growing segment of the food products and processed foods manufacturing. Due to good transportation, a strategically located processing facility can be well served by the transportation assets - especially time sensitive trucking services.
- For some people employed in mining, machine operator, repair and maintenance or administrative and financial professional skills may be useful in government, health care and financial services employment opportunities.

Following is a discussion of the trends observed in this report in recognition of the potential high wages and the number of job opportunities likely to materialize with expansion of the following sectors of the local economy. Strategies should be developed for the improvement of the transportation and workforce development infrastructure necessary to sustain those industries in the future.

- Coal Mining and coal mining services. These companies and employers can continue to supply competitive products in production of power plant energy and the production of materials (coke and other products). Those companies that terminate operations may require efforts to assure that the closed facilities are properly re-mediated and that they are successfully in a reasonably safe and properly functioning in whatever purpose can be made of the facilities. Those companies that survive, or facilities acquired by surviving operators may need state assisted tax, operating and environmental support to assure sustainability. Local subsidies may add to the burden and be unsustainable.
- Primary Metal Manufacturing offers the highest wages (\$94,292/year) of the industries in the region. While it only employs 93 in year 2014, it is an industry that can help replace lost mining employment and the jobs generate similar economic impact. It is also supported by the recommendations for the West Kentucky Future report of the West Kentucky Workforce Board, prepared by TIP Strategies and Avalanche Consulting.
- Fabricated Metal Products is an industry sector that has been declining in its location quotient in the local counties; it is listed as an emerging industry in the West Kentucky Future report.

- Transportation Equipment is an industry sector that has a high average wage (\$96,474/yr.) but has fallen in its location quotient in the two counties. With the location of the region within a short distance to major automotive and transportation equipment assembly plants, it is also another industry supported by the West Kentucky Future report.
- Transportation and Logistics is an industry sector that has modest wages compared with mining, but has a significant role in the region. This sector is also supported by the West Kentucky Future report.
- Plastics and Rubber Manufacturing is an industry sector that has relatively high wages compared to average wages in the counties and the region, with workers earning \$60,104/year on average. Employment is a respectable 367 in the counties and has grown in location quotient over the past 6 years by 84%. Efforts should be targeted to encourage expansion of these plants and attraction of new plants and employers, but creating the transportation and workforce development infrastructure.
- Food Products is an industry sector that employs 413 people and has wages more at the average level for the counties, earning \$46,628/year. Still, the geographic position of the counties makes this a viable business expansion target business sector. Efforts should be targeted to encourage expansion of these plants and attraction of new plants and employers, but creating the transportation and workforce development infrastructure.
- Wholesale Trade and Warehousing and Storage are industrial sectors that are lower paying due to low- to moderate skill requirements. The geographic location of the counties relative to trucking corridors serving major destinations of retail goods and assembly of components make the Hopkins and Muhlenberg Counties a natural location for these jobs. These sectors are strongly supported by the West Kentucky Future report, and efforts should be targeted to encourage expansion of these plants and attraction of new plants and employers, but creating the transportation and workforce development infrastructure.
- Hospitals, Nursing, Residential Care and Ambulatory Health Care are industry sectors that have some of the fastest growth in jobs. The skilled jobs in these sectors are very high paying and the low skill jobs in these sectors are in the lowest paying annual wages. Yet, this is a growing opportunity for a cross section of local residents and should be supported by the workforce development infrastructure. The success of this sector is dependent on the success of attracting the economic base employers identified among the growing industrial and logistics companies discussed in the preceding trends.
- Construction is a business sector pays well for commercial and institutional construction work, and below average wages for residential construction and maintenance work. Although cyclical in employment, this is an important economic sector, employing over 2,200 people in the counties economy. Workers in this sector can also seek employment over longer commuting distances that may be common for manufacturing or service sector employment for higher paying commercial and institutional jobs.
- Agribusiness is a specialty agriculture sector that is growing in importance in the local and regional economy. Creating a niche based on products that can be reasonably raised and sold in the local area and nearby region have a likelihood of being sustainable, as the products are a consumer staple. This sector is also supported by the West Kentucky Future report.

PART IV: Workforce Development SWOT Analysis

The employment and employee compensation data presented above are based on “gross” measures of economic activity. For the purposes of this report, the term “gross” refers to the observed measures of economic activity that is reported in secondary data sources (e.g. BEA, BLS, Census). For example, if you were to ask a restaurant how many people are on their payroll and they answer ten, then the gross employment of that restaurant is ten. However, just looking at gross employment can create a misleading picture of what drives economic production in a region. An alternative accounting framework that provides a different picture of what sectors are responsible for employment and income in a given region is an economic “base” analysis. Base analysis measures a sector’s ability through its exports to bring in new dollars to the region and how those dollars generate economic activity (i.e. jobs and income) in other sectors of the economy. Across all sectors of the Western Kentucky economy, the total jobs and employee compensation in the gross analysis will be the same total number as in the base analysis; they will simply be distributed differently. Gross analysis measures where people actually work and base analysis measure who brings money into the regional economy that then generates the jobs and income.

An example of a store selling a tire to a farmer clarifies the difference between these two measures. The gross metric would attribute the tire sale (and associated jobs and employee compensation) to the non-base retail tire store. The tire sale is possible only because the base industry (the farmer) brings the new dollars (exports) into the Western Kentucky economy; and the base analysis credits the tire sale to the farming industry. In summary, the base metric is propelled by exports and could be more accurately labeled as the “contribution of exports”. The base metric implies that the source of economic growth are exports, thus the base analysis is useful for developing policies that increase sales, jobs, and income, through exports.

When looking at base analysis, a different picture of what drives the Western Kentucky economy emerges. While service sectors such as food services and administrative services were large in the gross analysis, the largest sectors of the base analysis are government enterprises, mining, construction, livestock and, households. This provides a better metric of the importance of individual sectors in the region and quantifies just how much the sector contributes to income across the economy.

In an economic base analysis, mining, livestock and households become a major generator of jobs in the region because they bring in new money from outside the region which then generates jobs in other sectors. In the case of households, this does not mean that people are working in households directly; it means that non-labor income or commuter income brought into the county directly by local households is responsible for generating economic activity across the sectors of the local economy.

The explicit inclusion and quantification of the economic contribution that households have on the local economy is an important feature of the economic base methodology. For example, by including households in the analysis, one can trace the sources of income to households that help drive household spending. In Hopkins and Muhlenberg Counties, major sources of outside income to households include 1) commuter income 2) government transfers (Social Security, Medicare, social assistance, transfer payments, etc.), and 3) investment income.

All together outside income to households was responsible for supporting over 20% of the jobs in the region. Together, outside income to households, government, and mining account for over half of the employment base in Hopkins and Muhlenberg Counties (Table 7). Government enterprises, while a large sector in terms of gross employment, are even larger in terms of base employment. This is due to the fact that government enterprises are responsible for bringing in dollars to the region by means of state and federal appropriations.

These dollars then support other industries when government enterprises purchase inputs such and local labor. Local labor is then able to purchase local goods and services. In economic base analysis, the sector that was responsible for originally bringing in new dollars into the region is given credit for the associated jobs and economic activity as those dollars cycle through the regional economy.

Table 7 - Top sectors by base employment in Hopkins and Muhlenberg Counties in 2014
Source: Author calculations from IMPLAN Inc. data.

Rank	Sector	2014 Base Employment	Percent of Total Employment
1	Government enterprises	7,868	22.11%
2	Mining	3,486	9.80%
3	Construction	2,385	6.70%
4	Livestock	1,266	3.56%
5	Households 15-25k	1,223	3.44%
6	Households 50-75k	1,205	3.39%
7	Households 35-50k	1,142	3.21%
8	Households 25-35k	1,003	2.82%
9	Hospitals	981	2.76%
10	Wood Products	806	2.26%
11	Warehousing & storage	781	2.19%
12	Transportation equipment	718	2.02%
13	Food products	701	1.97%
14	Professional- scientific & tech services	680	1.91%
15	Households 75-100ke	646	1.81%

In terms of wages, again, government enterprises, mining, and households show up as the largest generator of employee compensation (Table 8). Government shows up as a base industry in the region because transfer payments from the federal or state government to Hopkins and Muhlenberg Counties are considered injections of dollars from the outside into the region.

Similarly, transfer payments, commuting income, and outside investment income that goes directly to households is a sizable portion of the region's economy. Together households are responsible for generating 16% of the wages in the county, which if aggregated, would represent the second biggest single sector of the economic base.

Table 8 - Top sectors by base employee compensation in Hopkins and Muhlenberg Counties in 2014

Source: Author calculations from IMPLAN Inc. data.

Rank	Sector	2014 Base Compensation Paid	Percent of Total Wages
1	Government enterprises	\$399,902,316	25.91%
2	Mining	\$215,094,867	13.93%
3	Construction	\$88,427,144	5.73%
4	Hospitals	\$53,393,574	3.46%
5	Transportation equipment	\$49,826,395	3.23%
6	Households 15-25k	\$42,632,037	2.76%
7	Households 50-75k	\$41,339,779	2.68%
8	Households 35-50k	\$39,550,664	2.56%
9	Mining services	\$38,024,086	2.46%
10	Households 25-35k	\$34,844,846	2.26%
11	Machinery manufacturing	\$34,027,083	2.20%
12	Warehousing & storage	\$32,440,373	2.10%
13	Plastics & rubber products	\$29,273,658	1.90%
14	Food products	\$28,436,360	1.84%
15	Chemical Manufacturing	\$27,985,910	1.81%

Competitive advantage is a fundamental concept to evaluate when developing an economic development plan. It is simply a measure of what a given region can produce better and more efficiently than other regions. Competitive advantage comes from natural factors such as location, climate, natural resources, natural amenities, and geography. It can also arise from historic investments in infrastructure, human capital, built amenities, and quality-of-life factors. From an economic development standpoint, the most successful strategies involve identifying current competitive advantages and continuing to expand on those, while targeting investments in infrastructure, physical capital, human capital, and amenities to cultivate new competitive advantages in desirable sectors.

One way to characterize the competitive advantages of a region is through a quantitative SWOT analysis, which uses a measure of relative concentration of a given sector across space and time to calculate the region's strengths, weaknesses, opportunities, and threats. The measure of relative concentration that we use here is called a location quotient (LQ), which is a ratio of the concentration of employment in a given sector in the region to the concentration of that industry in the U.S. as a whole. We also calculate the percent change in that LQ from 2008 to 2014 to indicate if the relative concentration is growing or shrinking over time. Together the current LQ and the percent change in LQ provide a nice picture of what sectors in Hopkins and Muhlenberg Counties represent current or emerging competitive advantages. All data for the competitive advantage analysis are author calculations based on IMPLAN Inc. data.

Strengths

These are sectors that are relatively concentrated in Hopkins and Muhlenberg Counties and that concentration has been growing over time. This indicates that there is a strong internal competitive advantage for these sectors in the region. It is also worth noting that many of these sectors have a relatively high average wage.

A successful economic development strategy should recognize, leverage, and build on these strength sectors. Hopkins and Muhlenberg Counties should continue to build on these sectors while leveraging these strengths to create new competitive advantages. The strongest strength sectors in the Hopkins and Muhlenberg Counties regional economy are as follows:

Table 9 SWOT Strengths

SECTOR	2014 LQ	% CHANGE IN LQ (2008 – 2014)	2014 EMPLOYMENT	AVERAGE WAGE
FORESTRY & LOGGING	8.4483	67.22%	227	\$14,040
MINING SERVICES	3.8826	513.07%	462	\$74,384
WAREHOUSING & STORAGE	4.0145	473.01%	736	\$44,500
WOOD PRODUCTS	6.1567	109.62%	516	\$35,477
PETROLEUM & COAL PROD	3.454	300.00%	77	\$111,184
PRIMARY METAL MFG	1.1492	434.26%	93	\$94,292
PIPELINE TRANSPORTATION	3.7467	44.53%	35	\$129,693
RAIL TRANSPORTATION	3.5951	23.73%	142	\$86,021
PLASTICS & RUBBER PROD	2.7277	83.72%	367	\$60,104
FOOD PRODUCTS	1.1771	117.66%	413	\$46,628

Weaknesses

Weaknesses are sectors where the county does not seem to have a current competitive advantage. These sectors are relatively less concentrated in Western Kentucky than would be expected and the concentration is actually decreasing. These would be sectors of the economy where Western Kentucky would seem to be at a disadvantage and trying to invest in these sectors would likely not be successful. The strongest weaknesses in Western Kentucky are as follows:

LEFT BLANK INTENTIONALLY

Table 10 SWOT Weaknesses

SECTOR	2014 LQ	% CHANGE IN LQ (2008 – 2014)	2014 EMPLOYMENT	AVERAGE WAGE
WASTE MGMT & REMEDIATION SVCS	0.6596	-72.71%	55	\$46,826
PRIVATE HOUSEHOLDS	0.6388	-68.76%	160	\$11,641
RELIGIOUS- GRANTMAKING- & SIMILAR ORGS	0.7059	-54.98%	255	\$15,935
FOOD SVCS & DRINKING PLACES	0.964	-7.44%	2391	\$15,038
AMBULATORY HEALTH CARE	0.8808	-11.90%	1398	\$57,511
FABRICATED METAL PROD	0.906	-9.00%	269	\$62,693
RENTAL & LEASING SVCS	0.8388	-4.95%	123	\$24,454
PERSONAL & LAUNDRY SVCS	0.5184	-33.40%	387	\$19,312
CLOTHING & ACCESSORIES STORES	0.4794	-31.75%	152	\$14,289
SOCIAL ASSISTANCE	0.6526	-12.33%	570	\$21,262

Opportunities

Opportunity sectors are where the current relative concentration is low, but has been growing over time. In other words, the county does not seem to currently have a competitive advantage in these sectors, however if the concentration continues to grow, the county may be able to develop a competitive advantage in these sectors. These sectors represent areas where targeted investments may be helpful in continuing to cultivate these emerging competitive advantages. The strongest opportunity sectors in Western Kentucky are as follows:

LEFT BLANK INTENTIONALLY

Table 11 SWOT Opportunities

SECTOR	2014 LQ	% CHANGE IN LQ (2008 – 2014)	2014 EMPLOYMENT	AVERAGE WAGE
INTERNET & DATA PROCESS SVCS	0.1957	502.15%	16	\$36,306
COURIERS & MESSENGERS	0.52	186.19%	89	\$42,412
PROFESSIONAL- SCIENTIFIC & TECH SVCS	0.4525	22.43%	1237	\$28,640
OIL & GAS EXTRACTION	0.9647	111.05%	137	\$23,163
SECURITIES & OTHER FINANCIAL	0.3376	157.91%	231	\$19,189
PERFORMING ARTS & SPECTATOR SPORTS	0.2691	144.86%	99	\$2,158
REAL ESTATE	0.5154	107.82%	711	\$4,918
PRINTING & RELATED	0.8959	68.78%	98	\$31,835
FUNDS- TRUSTS & OTHER FINAN	0.4243	89.17%	55	\$49,583
ADMIN SUPPORT SVCS	0.607	52.90%	1334	\$22,449

Threats

Threats are sectors where the county currently has a competitive advantage but its relative concentration in a sector is shrinking. These are sectors where the county currently has a competitive advantage, but that advantage is slipping. If the county continues in this trend, then these sectors will become weaknesses. If these sectors are deemed valuable sectors into the future, then Western Kentucky should also consider investing in infrastructure and policies, which will help these sectors stay competitive. The strongest threat sectors are as follows:

LEFT BLANK INTENTIONALLY

Table 12 SWOT Threats

SECTOR	2014 LQ	% CHANGE IN LQ (2008 – 2014)	2014 EMPLOYMENT	AVERAGE WAGE
MINING	28.6414	-19.15%	1533	\$90,748
LIVESTOCK	3.9301	-44.77%	1064	\$7,173
GASOLINE STATIONS	2.1047	-19.33%	387	\$20,664
PAPER MANUFACTURING	1.7006	-29.31%	126	\$100,581
TRANSPORTATION EQPMT	1.3103	-60.88%	402	\$96,474
GENERAL MERCH STORES	1.6018	-3.63%	962	\$26,878
NURSING & RESIDENTIAL CARE	1.415	-13.26%	952	\$28,780
REPAIR & MAINTENANCE	1.1808	-24.12%	730	\$44,667
TRUCK TRANSPORTATION	1.0413	-37.34%	417	\$47,016
CLOTHING AND ACCESSORIES	1.1798	-1.68%	37	\$54,376

PART V: Logistics Integration and Alternative Industries

In-depth research into the flow of commodities in and out of Hopkins and Muhlenberg Counties as well as acquiring knowledge of the current business landscape and logistics infrastructure is essential in targeting field studies and confirming the suitability of potential multi-modal terminals and alternative industries in the region. A number of sources were used in conducting this research, including public databases, industry association databases, and proprietary research models. In some cases, we compared Hopkins and Muhlenberg Counties to the rest of the state; in other cases we compared the counties to an eighteen-county cluster that represents the general market area in which the two counties reside, which is roughly 100 miles in diameter with Hopkins and Muhlenberg Counties at the center. This cluster, which we will refer to as the "18-County Region", is summarized in the following table:

LEFT BLANK INTENTIONALLY

Table 13

18-County Region Breakdown

County	Largest City	FIPS County Code	2014 Population
Vanderburgh	Evansville	163	181,918
Butler	Morgantown	31	12,879
Caldwell	Princeton	33	12,744
Christian	Hopkinsville	47	73,965
Crittenden	Marion	55	9,192
Daviess	Owensboro	59	98,336
Henderson	Henderson	101	46,432
Hopkins	Madisonville	107	46,304
Livingston	Ledbetter CDP	139	9,355
Logan	Russellville	141	26,882
Lyon	Eddyville	143	8,392
McLean	Livermore	149	9,451
Muhlenberg	Central City	177	31,243
Ohio	Beaver Dam	183	24,050
Todd	Elkton	219	12,522
Trigg	Cadiz	221	14,134
Union	Morganfield	225	15,154
Webster	Providence	233	13,220

The results of Highroad's field studies and analysis confirmed the validity of the initial research.

Part V (A): Commodity Flow Research

In order to gain a better understanding of the commodities moving in and out of the region, Highroad conducted research based on the Bureau of Transportation Statistics (BTS) 2012 Commodity Flow Survey. According to the BTS:

"The Commodity Flow Survey (CFS) is the primary source of national and state-level data on domestic freight shipments by American establishments in mining, manufacturing, wholesale, auxiliaries, and selected retail and services trade industries. Data are provided on the types, origins and destinations, values, weights, modes of transport, distance shipped, and ton-miles of commodities shipped. The CFS is a shipper-based survey and is conducted every five years as part of the Economic Census."

One issue with the CFS is that in its most basic form the survey can only be queried by state. In order to get the data required, the raw data from the CFS (over 4.5 million shipping records) was acquired and manually sorted beyond the state level (by using the regional coding in each shipping record) so that movements in and out of the region could be identified.

A summary of the regional inbound and outbound commodity flow data can be seen in the following tables, the commodities with the highest volumes are coal and automobiles/automotive parts, followed by a number of industrial commodities such as machinery, plastics, and metals, which typically move on rail.

Table 14

TOP 10 INBOUND COMMODITIES - Hopkins/Muhlenberg Counties

SCTG Description	% of Whole
Motorized and Other Vehicles (includes parts)	7.43%
Miscellaneous Manufactured Products	7.08%
Machinery	6.97%
Plastics and Rubber	6.69%
Base Metal in Forms and in Finished Basic Shapes	6.63%
Electrical Equipment and Office Equipment	5.94%
Textiles, Leather, and Articles of Textiles or Leather	5.37%
Articles of Base Metal	5.25%
Mixed Freight	5.17%
Non-Metallic Mineral Products	4.12%
All Other Commodities	39.36%

Table 15

TOP 10 OUTBOUND COMMODITIES - Hopkins/Muhlenberg Counties

SCTG Description	% of Whole
Coal	9.31%
Machinery	7.71%
Miscellaneous Manufactured Products	7.49%
Plastics and Rubber	7.17%
Motorized and Other Vehicles (includes parts)	7.06%
Electrical Equipment and Office Equipment	5.91%
Base Metal in Forms and in Finished Basic Shapes	5.66%
Textiles, Leather, and Articles of Textiles or Leather	5.00%
Wood Products	4.69%
Mixed Freight	3.64%
All Other Commodities	36.37%

The CFS information not only provided insight into the flow of commodities through the region, but also identified the highest-volume industries and transportation modes. A complete listing of the commodity flow by industry, volume, and mode can be found in the appendix under "Hopkins/Muhlenberg 2012 Commodity Flow Breakdown".

Regarding the modal mix in the region, according to the information from the 2012 BTS Commodity Flow Survey, 93.48% of freight volumes moved by truck with the remaining 6.52% split between rail, water, air, pipeline, and intermodal. See the following table for a complete breakdown of the inbound and outbound modal mix in the region:

Table 16

Inbound Modal Mix

Mode	Qty.	Percent
Truck	17443	94.86%
Rail	445	2.42%
Intermodal	248	1.35%
Air	207	1.13%
Water	45	0.24%
Pipeline	0	0.00%

Table 17

Outbound Modal Mix

Mode	Qty.	Percent
Truck	17876	92.18%
Rail	866	4.47%
Intermodal	299	1.54%
Air	201	1.04%
Water	122	0.63%
Pipeline	29	0.15%

Part V (B): County Business Patterns

In order to gain a better understanding of the mix of shippers in the region, Highroad conducted research based on the US Census Bureau's 2014 County Business Patterns Database. According to the USCB:

"County Business Patterns (CBP) is an annual series that provides subnational economic data by industry. This series includes the number of establishments, employment during the week of March 12, first quarter payroll, and annual payroll. This data is useful for studying the economic activity of small areas; analyzing economic changes over time; and as a benchmark for other statistical series, surveys, and databases between economic censuses."

A summary of the regional County Business Pattern data can be seen in the following tables. The largest shippers in each county appear to be retail, construction, and manufacturing.

Table 18

Top Industries (by employee and location count)

County	Rank	Industry Description
Hopkins	1	Retail Trade
Hopkins	2	Construction
Hopkins	3	Manufacturing
Hopkins	4	Wholesale Trade
Hopkins	5	Transportation & Warehousing
Muhlenberg	1	Retail Trade
Muhlenberg	2	Manufacturing
Muhlenberg	3	Construction
Muhlenberg	4	Transportation and Warehousing
Muhlenberg	5	Wholesale Trade

Table 19

Shippers/Receivers (by total locations) as Percentage of State and 18-County Region

County/Area	% of 18-County Region	% of State
18-County Region	100.0%	15.5%
Hopkins	6.8%	1.1%
Muhlenberg	3.6%	0.6%

Table 20

Shippers/Receivers (by total employee count) as Percentage of State and 18-County Region

County/Area	% of 18-County Region	% of State
18-County Region	100.0%	15.6%
Hopkins	4.2%	0.7%
Muhlenberg	3.0%	0.5%

Combined, the total of shipping and receiving locations in Hopkins and Muhlenberg Counties make up 1.7% of the state total and 10.4% of the 18-County Region total. The combined total of shippers and receivers by employee count are 1.2% of the state total and 7.2% of the 18-County Region total.

Part V (C): Industry Field Research

The most important part of the logistics market assessment was the field research, which made it possible to speak with local shippers face-to-face to learn about their businesses and needs. An industry database was created which consisted of Highroad's own independent research of business in the region confirmed by the regional economic development team. The goal was to set appointments with businesses that conformed to the industry and commodity profiles for the region so that the businesses would be in a position to benefit from a multi-modal facility. Of all the businesses targeted in the region, appointments were conducted with eighteen, including phone interviews upon the team's return from Kentucky.

The main goal of each field interview was to:

- Learn about the business, the commodities that shipped and received, and how it conducted its logistics operations in the region.
- Identify their logistics needs as well as any barriers or “pain points” in their shipping operations.
- Learn how they believe their company could benefit from additional transportation resources in the region such as multi-modal facilities.

In order to accomplish this, a questionnaire was developed to ensure that each interviewer acquired all necessary information to perform a market assessment of the region and to determine the potential location and suitability of a multi-modal facility. Below is a summary of some of the most frequent feedback provided from the field interviews.

Industry Feedback - Agriculture

On December 19, 2016, Highroad lead a focus group with representatives of the local agricultural industry, which included a local farmer, a representative from the Soybean Association, County agricultural extension agents, Muhlenberg Economic Development, PADD, and IEDC.

Highroad showed a Power Point presentation that summarized the process and objectives of the consulting project. Everyone was very interested and the representatives from the agricultural industry became engaged in the process, identifying opportunities to review logistical options that could benefit the local agricultural industry. They told us they face two challenges - the increasing costs of crop production, and the inability to penetrate the export market by loading containers of soybeans for export.

Fertilizer is a major component of the cost of crop production. Currently, fertilizer is trucked into the region from a warehouse distribution terminal in Owensboro, which is operated by a broker. One of the primary fertilizer products, Diammonium Phosphate (Dap), is shipped by barge from Central Florida via a circuitous route using various modes and numerous transfers to a distribution warehouse in Owensboro. Sandra Dearden explained that direct rail to a distribution terminal in Muhlenberg or Hopkins County should be a more efficient, lower cost option.

First of all, fertilizer warehouses are typically owned and operated by a fertilizer producer, which would remove a third party (the broker fees) from the equation.

Diammonium Phosphate (DAP) is produced in the “Bone Valley” which is in Central Florida, local on CSX. The move routed through the Port of New Orleans is:

1. From the quarries in the Bone Valley on 20-car trains to the port in Tampa where the DAP is transferred to a vessel. (Transfer #1)
2. Trans Gulf vessels to the Port of New Orleans where the DAP is transferred to barge. (Transfer #2)
3. North on the Mississippi River, up the Ohio River to Owensboro, where the DAP moves by conveyor into the warehouse. (Transfer #3)
4. The DAP is loaded into trucks to move from Owensboro south to retailers in western Kentucky. (Transfer #4).

Typically, the cost to transfer fertilizers is \$3.50 - \$4.00/ton and there is a 1% - 2% shrink with each transfer. Before we even consider the freight costs for the rail-vessel-barge-truck moves, the transfer costs alone total \$14.00 - \$16.00/ton, plus freight charges and product loss.

Industry Feedback - Other Industries

Logistics interviews were conducted with more than twenty companies in the two-county region. The companies were a diverse mix of industries that ship and receive a wide range of commodities including coal, retail goods, machinery, auto parts, consumer packaged goods, and lumber. Much feedback was gained from the interviews, and after recording the results of each meeting, reoccurring needs and themes could be identified.

- Four of the companies interviewed reported that it was extremely difficult to get carriers to send trucks/trailers to the region due to the relatively small amount of industry and lack of backhauls. Any trucks they can get in typically come at a premium.
- Four of the companies interviewed reported that it was difficult to find, hire, and retain qualified truck drivers.
- Two of the companies interviewed expressed the need for a local truck repair and maintenance shops. Currently most companies take their trucks and spotters to Evansville for repairs.
- Two of the companies interviewed expressed a need for additional warehousing space for both indoor and outdoor storage.

Part V (D): Recommendations

Agriculture

Since CSX serves the region, it should be more cost efficient to move the DAP CSX direct from the Bone Valley to a warehouse in Muhlenberg or Hopkins County for distribution to retailers in the region and surrounding areas by truck. Other fertilizer nutrients include potash (mined in Saskatchewan) and nitrogen fertilizers such as nitrogen fertilizer solution and urea, which are produced at various locations in the U.S.

The current inhibiting factor with loading the containers with soybeans for export is each of the retailers that have soybeans to load do not have the volumes needed to establish a transload operation; however, it is possible to consolidate those volumes at one location to make it viable. In addition to the need to access fertilizer consumption volumes, a plan will need to be developed to ensure a supply of empty containers for loading. It is important to have someone that understands railroad operations and intermodal operations to develop that plan.

Subsequent to this meeting, Sandra Dearden met with CSX fertilizer sales and marketing personnel and she presented this idea. They enthusiastically agreed and told her they have been trying to sell direct rail with no success. Sandra also met with a fertilizer producer at a conference in San Diego on February 1. While that producer recently sold their phosphate production, the reps told Sandra that they have tried to work with CSX on direct rail, but they failed to sell the competitive economics to the railroad.

To implement this plan, we need to confirm the competitive economics and work with the railroad and the potential tenant producer to develop a rail strategy that will be water competitive.

There are only a handful of fertilizer producers and they market all of the fertilizer nutrients. At the Roots to Riches conference, two potential funding resources for development of an agriculture terminal were identified which improves the likelihood of success for development of an Ag terminal. Meetings need to take place with the fertilizer producers and with railroads, including CSX, (for the potential export container shipments) to confirm the size of the opportunity, the acreage and the infrastructure requirements (docks or a building with bins, liquid tanks, etc.)

While there is a significant amount of groundwork to be done, it seems the opportunity to develop an Ag terminal to store and distribute fertilizers, and to load containers of grain for export is high. If this terminal is developed, it should be located strategically based on crop production and fertilizer consumption volumes. Also, the location selected should have space to grow into other commodities and services for transloading or additional warehousing.

Other Industries

Establish Local Trucking Operations. Some of the industries interviewed told us it is difficult to get trucks to load because of the shortage of truck drivers. Also, truckers originating loads from outside the region do not like to come to western Kentucky because of the low outbound volumes that would create backhauls. Of course, some of this traffic can be transloaded to rail but it is important to have a fluid transportation network into and out of the region.

We recommend development of some value added services to attract truckers into the region:

1. **Parking/Drop Lot.** The need for parking space and drop lots is a common issue. Drop lots can be located adjacent to a truck stop, increasing their revenues for parking space, gas, goods (tires), and services. Also, major corporations will lease space in drop lots. All that is needed is acreage, paved parking space and lights for security.
2. There is a need for a truck maintenance and repair shop. Currently local truckers are required to go to Evansville for this service. This shop, along with the drop lot presents the opportunity to change the perception on the part of the drivers, and they may even look for loads to the Pennyrile region.
3. Training displaced miners to be drivers or dispatchers creates jobs and it will benefit industries in the region. If/when the Ag terminal is developed trucks will be needed for local deliveries.
4. **Local/Regional moves.** With the development of multi-modal terminals, the truckers will be handling local and regional moves, so they can be at home with their families at night. In the process to develop the multi-modal facilities, the plan should include contacting trucking companies to engage them in the project as this will allow them to address quality of life issues with their drivers. There is a need for a truck maintenance and repair shop.

Municipal Waste. There are two landfills in Hopkins (White Plains, KY) and Muhlenberg (Graham, KY) counties. The opportunity is to strategically locate a terminal to compress and bale municipal waste for deliveries to the landfills. In addition to creating jobs, it reduces the disposal costs since the waste takes less space in the landfill. This type of operation is of interest to environmentalists at the state level, so it is possible funding assistance is available for development. A potential partner in this initiative is Waste Management. They would be a good resource to identify the market reach as other cities outside the region could be interested in the concept.

Plastic Pellets. Considering plastic manufacturers in the region and the close proximity of the auto parts and automobile manufacturers, plastic pellets is a good opportunity to explore. Plastic pellets are manufactured in the Houston, TX area. Typically the pellets move by rail for two reasons: (1) it is a bulk commodity and transportation costs by rail are lower vs. truck; and (2) there are numerous grades of plastic pellets so the covered hoppers are stored on lease tracks and the specialty grades are delivered by truck.

It was interesting to note that even though industries told us truckers do not want to come into the region, more than 90% of shipments into and out of the region move by truck, including plastic pellets. We assume these are relatively low volumes for short orders needed on short notice. Also another potential explanation for the high percentage is low total volumes which will skew the percentage number.

The opportunity is to construct a small yard with track to store the covered hoppers. The facility needs to be designed so the space for the trucks to park for the transload is at grade with the rail. Equipment required can be as simple as a small portable conveyor. That would be a dynamic facility that would benefit the auto and auto parts manufacturers, it would create jobs to operate the transload terminal, including moving and switching cars, trucking to the manufacturing plants, and it will likely benefit the plastic pellet producers.

The Class railroads are not interested in continuing lease track agreements in their rail yards, which escalates the opportunity for private operations to provide these services. In order to confirm the level of opportunity, the plastic products, auto, and auto parts manufacturers need to be interviewed to determine who their vendors are. The next step would be to meet with the plastic pellet producers in Houston to confirm their interest.

Exploring Alternative Industries

It is well known that the coal industry in the US has been in decline. There are a number of reasons for this that have developed over time: resistance to its negative environmental impacts, the sharp increase in supply (and decrease in cost) of natural gas, and the fact that renewable energy sources are becoming more competitive as their industries grow. It's also important to realize that regardless of changes in political or environmental policy, industries, including those in China, have converted to gas markets for coal will continue to decline. While there always will be a coal industry (since coal is used for more than an energy source) the supply is more likely to come from low sulfur western coal.

The solution to finding employment for so many ex-miners must involve more than generic re-training programs that are created based on the facilities of the local community college. Even the most sophisticated retraining programs won't work unless there is actual demand for labor in the region. If the industry required to absorb the labor from closed coal mines is not present, then economic development agencies should consider developing and attracting new industries to the region.

Computer Coding

Regardless of where you live in the US, it is becoming increasingly apparent that technology is not only drastically changing how things are done both at work and at home, but also that it has become an enormous part of our nation's economy. What is noteworthy is that research confirms that the growth of technology in our country, and its share of the economy, will continue to grow at a substantial rate.

A large part of the “tech revolution” involves computer coding, so as the tech field continues to grow, so will demand for coders. What makes coding an appealing vocation is that, contrary to popular belief, a computer-science degree isn't necessary to get a job in programming.

As Christopher Mims from the Wall Street Journal said, *“Computer programming has become a trade. Like nursing or welding, it's something in which a person can develop at least a basic proficiency within weeks or months. And once budding coders learn enough to get their first jobs, they get onto the same path to upward mobility offered to their in-demand, highly paid peers.”*¹

Our field research has yielded skills assessments that show that miners could easily transition to computer coding. This has been confirmed by third-party findings, such as the success of Bit Source in Pikeville, KY, a well-known success story involving a new coding company staffed by ex-miners. While Bit Source is a small company, they have already achieved profitability, plus the model can be scaled up to attract more ex-miners and offer them another job that pays well and doesn't require relocation. As tech journalist Lauren Smiley says, “Silicon Valley has shown that the digital economy doesn't have to be created in the same place that it's consumed. It can happen two hours from the nearest airport, in a place where building a new road requires sawing a mountain in half, by people who have different politics, accents and hobbies than the end-users. And miners are already technical workers, machine operators, drafters, engineers.”² (Underscore for emphasis).

Unfortunately, the current demand for computer coders is not a secret, and although the tech industry will continue to grow, it is important that any region looking to capitalize on the current demand for tech workers do so quickly while demand still exists.

The valuable opportunity to diversify a regional economy will go to those whom act first, which is why Hopkins and Muhlenberg Counties should follow Pike County's lead and make a major push to at least establish a small base of technology industry with plans for aggressive growth as demand for such services continues.

With less overhead than west-coast-based firms and a large, hard-working labor force, it's entirely possible that Kentucky (including Hopkins and Muhlenberg Counties) could start pulling coding projects eastward just as coal production has been pulled westward.

PART VI: Logistics Integration and Alternative Industries SWOT

Summarized below are the results of our SWOT analysis of the opportunities identified for the 2-County region, prioritized based on level of opportunity and ease of startup. It has been our experience that while the short term opportunities (also referred to as low hanging fruit) can be developed with relatively low investment and in a short time frame, that those opportunities that require more investment and a longer time frame have the greatest economic impact. That is the case here.

¹ Christopher Mims, “Computer Programming Is a Trade; Let's Act Like It”, Wall Street Journal, 08/03/14.

² Lauren Smily, “Canary in the Code Mine”, Backchannel, 11/18/15.

Part VI (A) - Ag Terminal SWOT

The Ag Terminal will be a multi-purpose terminal with storage for fertilizers, including dry storage in dome(s) or in a building with bins, and possibly tank storage for liquid fertilizers. A small building will be needed for an office; space, equipment and personnel will also be needed to load containers of grain for export. Infrastructure requirements include acreage, storage facilities, a truck scale, a conveyor system, or a portable conveyor, a rail siding (number of cars to be determined), and space for trucks to access fertilizer storage and at grade with the rail.

Strengths -

- Strong agricultural base with growth potential.
- Property available with existing rail infrastructure with unit train capacity.
- Proximity to markets in Tennessee.
- Proximity to existing intermodal terminals, including Louisville, KY; Memphis, Nashville, Chattanooga, and Collierville, TN
- Railroad (CSX) high interest.
- Fertilize producer interest.
- Farmer interest.
- Funding available.
- Highroad has established contacts with the fertilizer producers and with railroad marketing personnel.
- Highroad has experience facilitating rate agreements.

Weaknesses -

- CSX/fertilizer producer debate.
- Capital investment (rail, warehouse, conveyors, small office)
- Estimated 18-month startup.

Opportunities -

- Jobs.
- Lower crop production costs.
- Animal feed.
- Other commodities (transload and/or storage).
- Container/chassis storage.
- Additional warehousing.
- Potential funding assistance - state, investor, fertilizer producers).

Threats -

- Owensboro/River Transport may act to protect their business.
- Flow of empty containers.

Part VI (B) - Computer Coding SWOT

Even though this opportunity is outside Highroad's transportation and logistics expertise, we included it based on the success of a similar operation in Pikeville, KY, that employs displaced coal miners. The facility will need office space and computers. A better understanding of infrastructure and training needs should be developed when meeting with the officials in Pikeville.

Strengths -

- Large job opportunity.
- Will appeal to younger displaced miners.
- Concept successful with displaced miners in Pikeville, KY.
- Likely there are trainers in the region.
- Potential funding assistance.
- Potential corporate support.

Weaknesses -

- Cost of startup (computers, desks, building/lease).
- Startup est. 12 - 18 months.
- Need a marketing strategy.
- Need training program (managers and coders).

Opportunities -

- Increased tax revenues.
- Will likely attract workers to the region.
- Increased workers = increased need for housing.

Threats -

- Potential technology change.

Part VI (C) - Municipal Waste SWOT

The Municipal Waste opportunity involves receiving municipal waste by truck at a terminal where the waste will be compressed and baled. The bales are loaded into the empty trucks for delivery to the landfills. Waste Management has experience with this type of operation and can help to understand the amount of space and equipment required.

Strengths -

- 2 landfills; one in each county.
- Good for environment.
- Will reduce disposal costs.
- Existing partner in the region, Waste Management.
- Ease of startup.
- Probable funding assistance.

Weaknesses -

- Potential NIMBY (head off with good planning).
- Need business plan.
- Need equipment.
- Need training.

Opportunities -

- Potential truck backhauls (50%).
- Jobs (terminal and truck drivers).
- Easy career transition for miners.
- Entrepreneurial opportunity.
- Landfills outside the 2-county region.

Threats -

- Driver shortage.

Part VI (D) - Truck Maintenance and Repair Shop SWOT

The infrastructure and equipment requirements are fairly straight forward. Needed is a lift and flooring that will accommodate the weight of the large trucks.

Strengths -

- Strong need identified for local market.
- DOT forecast.
- Logical career transition for displaced miners.
- Startup could be an incubator project.
- State funding assistance.
- Easy startup (est. six months).
- Access to interstate highway system.
- Capacity at existing training facilities.

Weaknesses -

- Untrained workforce.
- Need training programs.
- Need startup capital for equipment and building (lease or buy).

Opportunities -

- Entrepreneurial opportunity.
- Jobs.
- Revenues, tax dollars.
- Potential corporate sponsors (for the shop and for the training facility(ies)).
- Potential synergy - business from proposed Parking/Drop Lot.
- Opportunity to attract truckers to stop and stay in the region vs. driving through the region to Evansville.
- Impact on hotels and restaurants.

Threats -

- Driver shortage.

Part VI (E) - Parking/Drop Lot SWOT

Industries (example Cargill) look for space to park loaded and empty trailers for later pick up. Drop lot space is normally leased by the month or longer. Also, truckers complain about the lack of space to park for sleeping. The primary opportunity is a drop lot; secondary is parking. The ideal location is adjacent to a truck stop/gas station, or this could be synergistic with the truck maintenance and repair shop.

Strengths -

- Access to interstate highway system.
- DOT forecast.
- Ease of startup (est. 9 mos.)

Weaknesses -

- Need to identify location.
- Will require upfront marketing.
- Some upfront capital (lot purchase, paving, lights, fence).
- No existing truck maintenance and repair shop in the 2-county region.

Opportunities -

- Entrepreneurial opportunity.
- Will attract trucks to the region.
- Could be adjacent to truck stop. Truck stop potential investor.
- Tax revenues, some jobs.
- Synergy, source of business for truck maintenance and repair shop.

Threats -

- Driver shortage.

Part VI (F) - Plastic Pellets SWOT

Plastic pellets are produced in the Houston, TX area and move to plastic product manufacturers, automobile and auto parts manufacturers. Typically, they move in covered hopper cars. The cars move to storage tracks/lease tracks where the pellets are transloaded to truck for delivery. Because of there are various grades of pellets, some cars will remain on the track for lengthy periods of time. In the past, the railroads leased track to the pellet producers but they are no longer willing to do so due to the lack of capacity in rail yards. This presents opportunities for entrepreneurs to construct a small rail yard for track storage and to run a small fleet of trucks to deliver the pellets.

LEFT BLANK INTENTIONALLY

Strengths -

- Easy market entry.
- CSX will support and will probably help to promote.
- Plastic producers in the region; adjacent to auto manufacturing and auto parts manufacturing.
- Good, trainable workforce.
- Interesting work for displaced miners.
- Probable funding assistance.
- Plastic pellets are not hazardous.
- Highroad has established contacts with plastic pellet producers.
- Highroad has contacts for training.

Weaknesses -

- Significant capital required (land purchase, small office building, track infrastructure, equipment).
- Training needed (transloading, switching, safety training).
- Estimated 18 month - 2 year startup.
- Need business plan and marketing strategy for Houston pellets producers.

Opportunities -

- Potential storage silos.
- Entrepreneurial opportunity.
- Logical career transition for displaced miners.
- Other commodities.
- Capturing new business that currently by-passes the 2-county region to auto plants and auto parts manufacturing outside the region.
- Additional jobs for drivers for local deliveries.

Threats -

- Lack of funding.

Part VI (G) - Distilleries SWOT

This was an opportunity developed at the Roots to Riches conference. There is an existing distillery in the region, owned and operated by a couple that also provides training to startup distilleries. A group of distilleries will attract tourists to the region.

Strengths -

- Grain production capacity.
- Established distillery in region with experience.
- Available training.
- Kentucky Distillery Association can refer potential developers.
- Trainable workforce.
- Adjacent to Tennessee to attract tourism.

Weaknesses -

- Cost of startup.
- Government regulations.
- Need more restaurants, hotels to support tourism. (Does PADD have a Tourism Department?)
- Slow, gradual development of 3 - 4 distilleries.

Opportunities -

- Will attract new business owners to region that will need housing.
- New market for farmers.
- Jobs (distilleries and support services).
- Events to attract tourism (distillery tours, annual events such as Bluegrass Festival, Dulcimer Festival, Rib Fest).
- Advertising - bill board and brochures in hotels.

Threats -

- Weather impact on crop production.
- Potential new government regulations.

Part VI (H) - Truck Driver Training SWOT

Truck driving training programs exist at some community colleges; they should be promoted and/or new training programs added. Driver training is typically funded by the State or trucking companies that train and hire drivers.

Strengths -

- DOT forecast.
- Existing training programs in Community Colleges.
- Logical transition for displaced miners.
- Increasing rate of pay.
- Financial assistance (trucking companies).
- No capital required.
- Regulatory changes increases need for truck drivers.

Weaknesses -

- Miner apathy.
- Perception of drivers' jobs.
- Pervasive drug use.

Opportunities -

- Jobs
- Truck drivers for multi-modal operations.
- Develop local/regional moves.
- Advertising, promotion to displaced miners educating them on the benefits and opportunities for local/regional moves.

Threats -

- Federal regulations.
- Although an unlikely threat, the potential impact of new technology is there.

PART VII: SUMMARY OF FINDINGS, OBSERVATIONS AND CONCLUSIONS

Following is a summary of the findings, observations and conclusions for in the forgoing study. This discussion summarizes the findings in an effort to help formulate the Growth Strategy that provides PADD with direction for implementation.

- Coal Mining and coal mining services. These companies and employers should be sustained to the full extent possible. Coal mining and coal mining services companies and employers supply competitive products in production of power plant energy and the production of materials (coke and other products). Those companies that terminate operations may require efforts to assure that the closed facilities are properly re-mediated and that they are successfully in a reasonably safe and properly functioning in whatever purpose can be made of the facilities. Those companies that survive, or facilities acquired by surviving operators may need funding assistance. Given the weakened competitive economic condition of the energy supply business, due to the price and supply of alternative fuel such as natural gas, the industry should seek State legislative support for a tax, regulatory and environmental environment that will enable it to be more sustainable and competitive. Local subsidies may be considered to the extent that those subsidies are sustainable. However, local subsidies may add to the burden and be unsustainable.

Surviving operators of the mining industry can be contributors to the economic health of the region while community leaders reach out for other companies and industries that can create a more balanced economic base that creates sustainable employment and wages to support the retail, service, government and healthcare sectors of the regional economy.

- Industrial Parks. Only the Greater Madisonville Industrial Park is "shovel ready" and all the other business parks in Hanson, Madisonville, and Greenville are not "shovel ready." Installation of infrastructure is necessary given the poor competitive results produced by these business sites. Companies will build facilities based on known conditions, and few will trust the political process and weather for completion of basic infrastructure construction. Efforts needs to be undertaken to attract even convenience stores and gas and diesel fuel stations/truck stops and repair facilities to the Hanson and Greenville business parks and to establish that those parks have sewer, water, electric, gas and other necessities for industry, transportation and logistics.
- Entrepreneurship. Reverse population decline with finding alternative employment in other career clusters, specifically manufacturing, transportation, logistics, and agribusiness are other employment clusters worth considering. Entrepreneurship in any of these industry clusters should be encourage and facilitated with government incentives and educational and career training support.
- The communities should consider soliciting a major industrial building contractor to help advertise and promote the industrial parks; even for smaller industrial users and buildings. Building contractors can include custom commercial construction or general contracting companies and pre-engineered metal and "pole" building construction contractors.

- Transportation and logistics is an industry sector that offers good wages compared with mining, and it has a significant role in the region. This sector is also supported by the West Kentucky Future report. Three secondary business and employment opportunities should be pursued for expansion and attraction of companies that would increase investment in the Counties, employment and help make the Counties more attractive to manufacturing and distribution business:
 - Logistics - identification of backhaul opportunities among manufacturing and logistics companies through coordination of destinations and deliveries originating in the Counties.
 - Logistics - improve the truck driver training and placement programs to produce a large number of CDL drivers available for local and regional employment.
 - Truck and trailer repair facilities and occupations - repair and maintenance of diesel tractor trailers is a defined need as demonstrated from employer interviews. Attraction of repair and maintenance facilities accessible by the trucking business is needed. Training should include vehicle servicing, repair, diesel engine repair, hydraulics repair and trailer and truck refrigeration repair and maintenance should be targeted capabilities for facilities and employment.
- Manufacturing is a reasonable employment opportunity regionally and locally. The region is served by the I-24, I-69 and Western Kentucky Parkway system that has excellent east-west and north-south connections to the I-65 and I-75 interstate highway corridors that have become corridors for automobile parts and transportation equipment manufacturing - including construction equipment and aerospace. Machine operators are a primary skill for this industry.
- Primary metal manufacturing offers the highest wages (\$94,292/year) of the industries in the region. While it only employs 93 in year 2014, it is an industry that can help replace lost mining employment and the jobs generate similar economic impact. It is also supported by the recommendations for the West Kentucky Future report of the West Kentucky Workforce Board.
- Transportation equipment is an industry sector that has a high average wage (\$96,474/yr.) but has fallen in its location quotient in the two counties. With the location of the region within a short distance to major automotive and transportation equipment assembly plants, it is also another industry supported by the West Kentucky Future report.
- Fabricated metal products - this industry has been declining in its location quotient in the local counties, but it is listed as an emerging industry in the West Kentucky Future report. This industry sector should be targeted for plant expansion and new plant and business attraction.
- Plastics and rubber manufacturing is an industry sector that has relatively high wages compared to average wages in the counties and the region, with workers earning \$60,104/year on average. Employment is a respectable 367 in the counties and has grown in location quotient over the past 6 years by 84%. Efforts should be targeted to encourage expansion of these plants and attraction of new plants and employers, but creating the transportation and workforce development infrastructure.

- Food products is an industry sector that employs 413 people and has wages more at the average level for the counties, earning \$46,628/year. Still, the geographic position of the counties makes this a viable business expansion target business sector. Efforts should be targeted to encourage expansion of these plants and attraction of new plants and employers, but creating a logistics and workforce development infrastructure.
- Further supporting the manufacturing corridors is the existence of a small but potentially growing segment of the food products and processed foods manufacturing. Due to good transportation, a processing facility can be well served by the transportation assets - especially time sensitive trucking services
- Wholesale trade and warehousing and storage are industrial sectors that are lower paying due to low- to moderate skill requirements. The geographic location of the counties relative to trucking corridors serving major destinations of retail goods and assembly of components make the Hopkins and Muhlenberg Counties a natural location for these jobs.

These sectors are strongly supported by the West Kentucky Future report, and efforts should be targeted to encourage expansion of these plants and attraction of new plants and employers, but creating the transportation and workforce development infrastructure.

- Hospitals, nursing, residential care and ambulatory healthcare are industry sectors that have some of the fastest growth in jobs. The skilled jobs in these sectors are very high paying and the low skill jobs in these sectors are in the lowest paying annual wages. Yet, this is a growing opportunity for a cross section of local residents and should be supported by the workforce development infrastructure. Quality health care is a major factor when developing a plan to attract new industries. The success of this sector is dependent on attracting and maintaining an economic base employers identified among the growing industrial and logistics companies discussed in the preceding trends.
- Computer coding is believed to be a viable business opportunity and transition occupation for displaced mining workers. With less overhead than west-coast-based firms and a large, hard-working labor force, it's entirely possible that Hopkins and Muhlenberg Counties could start pulling coding projects eastward just as coal production has been pulled westward.
- Construction is a business sector pays well for commercial and institutional construction work, and below average wages for residential construction and maintenance work. Although cyclical in employment, this is an important economic sector, employing over 2,200 people in the counties economy. Workers in this sector can also seek employment over longer commuting distances that may be common for manufacturing or service sector employment for higher paying commercial and institutional jobs. Based on employment interviews, mining workers can transition into construction and construction equipment employment. This may be a useful occupation regionally, since construction employment is more extensive in denser populated urban areas that may be 35-100 miles away, such as Nashville, Evansville, Owensboro, Bowling Green and Paducah.
- Agri-Business is a specialty agriculture sector that is growing in importance in the local and regional economy. Creating a niche based on products that can be reasonably raised and sold in the local area and nearby region have a likelihood of being sustainable, as the products are a consumer staple. This sector is also supported by the West Kentucky Future report.

- **Agri-Business and tourism and hospitality opportunities** were identified that could include the development of 3 or 4 additional craft bourbon distilleries in the two counties that would generate increased demand for a dedicated crop of custom corn production that would produce high quality craft bourbon. The existence of a number of facilities would improve the tourism opportunities that would enhance opportunities to attract restaurants and hotels, thus also adding local employment opportunities.
- **Hotels and Tourism.** There is a need to conduct a study to assess the potential need for additional hotels and restaurants to serve tourism and to attract new industries to the region.
- **Population and Housing.** In addition to what is revealed from both market reports and the comments above from local housing, banking and government representatives, home values and housing starts are stagnant. On a March 4, 2017 site tour of both counties, our observations confirmed the lack of a housing market.
 - These trends fit the demographic projections mentioned elsewhere in this study – where the county populations will remain flat or decline slightly, unless more aggressive efforts are made to transition to other industries from coal.
 - The declining or flat population growth will reflect in declining school populations, unless the trend can be reversed with finding alternative employment in other career clusters, which is the next section of this report, specifically manufacturing, transportation and logistics. Entrepreneurship and Agribusiness are other employment clusters worth considering.
 - As described elsewhere in our study, the school superintendents pointed out the challenges of training adults for careers. “People are losing hope; turning to drugs, alcohol and embezzlement.” Then there is the logistics of getting to school. Parents don’t have reliable cars (there is no public transportation). And, of course, the general attitude of the general population’s attitude toward vocational training: the public has had it in-grained into it that a college education is required to succeed.
- **Workforce Development & Training.** For some people employed in mining, machine operator, repair and maintenance or administrative and financial professional skills may be useful in government, health care and financial services employment opportunities.
 - Other industries that should be examined for potential development in the region would include hydraulic fracking – if there any underground natural gas or petroleum deposits by virtue of proximity to the underground coal resources.
 - Funding assistance is available for initiatives that will boost the economy and create jobs. Sources include State, private investors and, potentially, corporate sponsors.

PART VIII: Regional Economic Diversification and Growth Strategy

The recommendations that follow are a recognition of the potential high wages and the number of job opportunities likely to materialize with expansion of the following sectors of the local economy. The recommendations are based on the previous sections that identify the economic opportunities of the region, including the anecdotal input of the confidential interviews that were conducted with approximately 70 businesses in the two counties. Strategies should be developed for the improvement of the transportation and workforce development infrastructure necessary to sustain those industries in the future.

Part VIII (A) - Growth Initiatives

- Create "shovel ready" business and industrial sites in the major industrial parks of the Counties by securing funding to construct suitable streets (most exist), sewer, water, electric, gas and fiber optic/telecom served sites capable of supporting convenience stores, truck stops, truck repair and maintenance facilities, and a variety of manufacturing and logistics industrial facilities with adequate water pressure to support sprinkler system operation.
- Solicit one or more major industrial building contractors to help advertise and promote the industrial parks; even for smaller industrial users and buildings. More than one building contractor may be desirable, for example, some companies may prefer a contractor with a "Butler" or other pre-engineered building system. Smaller companies may be accommodated with a pre-engineered "pole" building system. Still other companies may seek pre-cast or tilt-up masonry type construction. Build to suit projects are common for specialized manufacturing and logistics operations. If a contractor or developer can be convinced to participate in a speculative building, that may also be a reasonable effort to attract new and expanding business.
- Computer coding companies and business start-ups should be encouraged, leveraging the lower cost of business operations in the rural areas of the Counties. Efforts should be undertaken to contact computer coding contract companies in high cost areas. Facilities with the telecom connectivity necessary should be identified as a resource.
- Create programs to promote the image of high wages and good working conditions in manufacturing, logistics and transportation. Adults and technical education students may need creative solutions to developing transportation to job training program sites. Specifically, promote existing truck driving training programs at Community Colleges and establish additional training programs as capacity demands. This will create jobs, and trucking is a critical component of all of the logistics initiatives presented in this report.
- Develop a brand for training programs to address the sensitivity of displaced miners who are not receptive to the training and re-training programs. Call them something else; be creative.
- Highlight the affordability of housing and reasonableness of the cost of living in an effort to attract new residents to the region.
- To avoid population decline, encourage residents to commute outside the region while efforts are undertaken to encourage business and job expansion and new company and new job attraction.

PART VIII (B): Recommendations for Industrial Development Projects to Target

1. AG Terminal to store and distribute fertilizers and to load containers of grain for export. Potentially, other commodities could be added; for example, animal feed.

Action Plan:

- Fertilizers. Gain an understanding of fertilizer consumption volumes within a 75 - 100 mile radius. Meet with the fertilizer producers to confirm interest and who the stakeholders will be. At this point, you will know the infrastructure required, i.e., large domes vs a building with bins, tanks for liquid fertilizers, conveyor system vs. portable conveyor, track capacity. For DAP from the Florida Bone Valley, confirm the Rail/Gulf/River/Truck economics and facilitate an agreement between CSX and the DAP producer.
 - Containers of Grain. Survey the farm retailers to gain an understanding of the potential volumes. Meet with CSX to introduce the concept and confirm there will be an adequate flow of empty containers for loading.
 - Work with the tenant companies to determine the best location.
 - It is possible that the producers will contract out management of the warehouse. A manager with experience will be needed; he will train the other workers.
2. Computer Coding presents the opportunity for a significant number of jobs. A coding company, located in Pikeville, KY has been successful, training and employing displaced miners as coders.

Action Plan:

- Tour the Pikeville operations, meet with their people and learn from their experience. Also, feel them out - they may be interested in locating a second facility in your region.
 - Develop a strategic business development plan.
3. Municipal Waste - the concept is to receive truckloads of municipal waste, and to compress the waste into bales, which take less space in the landfill.

Action Plan:

- Meet with Waste Management; they have experience with these operations. Gauge interest and develop a plan that will include space and equipment required, and any training programs that may be needed. It is possible they will own and operate the site. If so, they will train the workers.
- This is a concept that will be attractive to government officials for funding assistance due to the environmental benefits, and it will create jobs to operate the site in addition to efficient use of truck transportation. Potential concept: Truck loaded with waste inbound to site - truck is loaded with bales to land fill - empty to pick up the next load of waste. This equates to an approximate 50% backhaul.

4. **Truck Maintenance and Repair Shop** - to serve industries in the region, and to attract truckers driving through the region to Evansville;

Action Plan:

- This is a potential entrepreneurial initiative. Identify existing training programs in the State, so State funding assistance can be secured for equipment and infrastructure. Consider locating the shop adjacent to or near the Drop Lot.
5. **Parking/Drop Lot** - to park trailers and containers for subsequent pick up. Parking space for truckers' rest times.

Action Plan:

- Location, Location, Location! Ideally near a truck stop or service station. Also explore potential synergistic opportunities with the truck maintenance and repair shop. Determine space required. Property will need paving, fencing and lights for security.
6. **Plastic Pellet Track Storage** - storage and rail-to-truck transloading of plastic pellets.

Action Plan:

- Meet with plastic pellet producers in Houston to gauge interest. Also inquire about potential silo storage. Based on level of interest and number of cars to be stored, identify a site on CSX or PAL where track panels can be installed along with a small building for an office.
 - Develop a business plan and marketing strategy for this entrepreneurial project. Management will need to be trained to transload and handle the product. It is assumed they will train the workers. Some may need to be trained to perform switching and everyone will need rail safety training.
7. **Distilleries** - locating 3 - 4 distilleries to create jobs and to attract tourism to the region.

Action Plan:

- Contact the Kentucky Distillery Association to be added to their list of regions to recommend to those looking to establish new distilleries. Invite key personnel from the association for a tour of the region and schedule a well-planned dinner meeting with the representatives and local stakeholders.
8. **Coal Mining**. Sustain diminishing coal mining companies and employment by seeking local, state and federal government support for coal mines that generate sufficient production to remain in business.

Action Plan:

- Manage relations with coal companies and local, state and federal regulators to sustain a reasonable regulatory and property and business tax environment to allow continued operation of existing viable coal mining.
- For mines that are not viable, proactively work to develop a satisfactory closing and remediation process and look for opportunities to utilize facilities for adaptive uses, including rail facilities, alternative energy and manufacturing uses, and the environment for agricultural or tourism opportunities.

9. **Industrial Site Infrastructure and Marketing.** Create additional industrial park infrastructure. Develop marketing partnership to seek alliances with industrial park developers and promote the regions sites to new manufacturing companies in an aggressive fashion, targeting transportation equipment, food processing, plastics and related manufacturing businesses, and other manufacturers.

Action Plan:

- Develop and aggressive targeting marketing program in cooperation with the State of Kentucky and industrial real estate brokers and industrial construction companies that serve the area.
 - Focus on the manufacturing sector strengths and location quotient of the region, including automobile, heavy equipment, transportation equipment and aviation equipment, food processing, and other manufacturing compatible with the region.
10. **Entrepreneurship.** Startup businesses have been identified as an important element of the efforts to create new employment and business opportunities for dislocated miners. Focus should be on the occupations with the greatest need and that may likely succeed in the two Counties. Those businesses include transportation services, perhaps logistics companies that can organize back haul operations, trucking companies, truck repair and service facilities; agribusiness operations that may include the fertilizer businesses, and grain loading facilities; operating transload facilities; and undertaking agribusiness tourism opportunities for distilleries and specialty food and animal production.

Action Plan:

- Working with the local economic development agencies and chambers, the community colleges and area school systems, organize incubator facilities with support from mentors, financial institutions, transportation and agribusiness resources and workforce development agency facilities and services.
- The entrepreneurship program should target the business sectors identified for new business startups and provide the financial and professional support services at an incubator facility in each of the major communities of both Hopkins and Muhlenberg Counties.

CLOSING REMARKS

We appreciate the opportunity to perform this project. We were very impressed by the stakeholders and the professionalism of those involved in economic development. We are also enthused about the existing businesses in the region, the quality of health care, the schools and training facilities. This, along with the access to the interstate highway system is a compelling story to tell when promoting your region.

In this report, we have recommended some high level growth initiatives and some specific industrial development projects that, we believe, will help you to establish your goals and objectives. For the most part, you will be able to use these recommendations as the basis for your POWER Economic Growth Plan. However, you may conclude you need industry insight and contacts to succeed for projects such as the development of the Ag Terminal and the Plastic Pellets Terminal. Highroad is qualified and prepared to assist with those initiatives and to facilitate the initial meeting with Waste Management.

APPENDIX



ACE - Adult Centers for Education Excellence

ACT WorkKeys NCRC - American College Testing - National Career Readiness Certificate

AP - Advanced placement - classes and normal (college prep) track

Bridge Training - Short-term training programs through the WKWB or schools

CDL - Commercial Driver's License

CEDS - Comprehensive Economic Development Strategy (CEDS) is the result of a local planning process designed to guide the economic growth of an area.

CNA - Certified Nurse Assistant

CTE - Career & Technical Education

DOL - Department of Labor

EDA - Economic Development Administration (EDA)

EDD - Economic Development District (EDD)

EMT - Emergency Medical Technician

ESRI - a private geographic information services company that supplies estimates and forecasts of population and demographic data for specific locations.

FAME - Federation for Advanced Manufacturing Education

FIPS - Federal Information Processing Standards, a 5-digit code that identifies counties and county equivalents in the U.S.

FSA - Farm Service Agency

GED - General Education Degree

IMPLAN - a world leader in providing economic impact data and modeling to governments, universities, and public and private sector organizations for assessing the economic impacts of project decisions in all industry sectors.

KEDFA - Kentucky Economic Development Finance Authority is established within the Cabinet for Economic Development to encourage economic development, business expansion, and job creation, provides financial support through an array of financial assistance and tax credit programs.

MCC - Madisonville Community College

MET - Mining Emergency Technician

NAICS - North American Industrial Classification System - identifies codes for each type of business or organization, private, public, for profit and non-profit.

NCRC - National Career Readiness Certificate

OJT - On the Job Training, such as KCTS-Trains

PADD - Pennyriple Area Development District

POWER Grant - An Initiative (POWER) to address the impacts of coal and power industry reductions in Hopkins and Muhlenberg Counties and mitigate the impact of future reductions through emphasizing economic diversification in the region, through alignment and leveraging EDA and DOL funding.

SCTG - Standard Classification of Transported Goods

SBA - U.S. Small Business Administration also SBA guaranteed loan programs, such as the SBA 7 (a)

SEEK Funds - The Support Education Excellence in Kentucky (SEEK) funding program provides funds to local school districts.

SIC - Standard Industrial Classification - the business coding system that preceded NAICS

SOC - Standard Occupational Code, set by U.S. Department of Labor

TABE Test - Test of Adult Basic Education

TVA - Tennessee Valley Authority

UK - University of Kentucky

USDA - United States Department of Agriculture

WARN Notices - Worker Adjustment and Retraining Notification is required for employers that are closing and/or laying off 50 or more workers

WIB - Workforce Investment Board

WIOA - Workforce Innovation and Opportunity Act, a law under the U.S. Department of Labor that envisions a strong role for local business-led boards under WIOA focusing on strategic planning, policy development and oversight of the local workforce investment system.

WKWB - Western Kentucky Workforce Board

WRC - Work Ready Community status through state and national initiatives as well as support for WRSI

WRSI - Work Ready Skills Initiative



Demographic and Income Comparison Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Rings: 5, 10, 15 mile radii

Latitude: 37.4200
Longitude: -87.4757

Appendix 1

	5 mile	10 mile	15 mile
Census 2010 Summary			
Population	8,902	33,054	48,440
Households	3,464	13,482	19,388
Families	2,586	9,177	13,397
Average Household Size	2.51	2.38	2.43
Owner Occupied Housing Units	2,769	9,294	13,912
Renter Occupied Housing Units	695	4,188	5,476
Median Age	42.9	40.4	40.5
2016 Summary			
Population	9,121	33,326	48,971
Households	3,601	13,717	19,750
Families	2,654	9,216	13,473
Average Household Size	2.47	2.36	2.41
Owner Occupied Housing Units	2,785	9,035	13,568
Renter Occupied Housing Units	816	4,681	6,181
Median Age	44.2	41.5	41.5
Median Household Income	\$57,583	\$42,589	\$41,410
Average Household Income	\$72,005	\$56,082	\$54,143
2021 Summary			
Population	9,203	33,335	49,039
Households	3,658	13,783	19,853
Families	2,679	9,205	13,463
Average Household Size	2.46	2.35	2.40
Owner Occupied Housing Units	2,834	9,113	13,657
Renter Occupied Housing Units	824	4,671	6,196
Median Age	45.4	42.5	42.7
Median Household Income	\$66,949	\$47,545	\$45,567
Average Household Income	\$80,154	\$61,780	\$59,400
Trends: 2016-2021 Annual Rate			
Population	0.18%	0.01%	0.03%
Households	0.31%	0.10%	0.10%
Families	0.19%	-0.02%	-0.01%
Owner Households	0.35%	0.17%	0.13%
Median Household Income	3.06%	2.23%	1.93%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



Demographic and Income Comparison Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Rings: 5, 10, 15 mile radii

Latitude: 37.4200
Longitude: -87.4757

2016 Households by Income	5 mile		10 mile		15 mile	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	307	8.5%	2,055	15.0%	3,247	16.4%
\$15,000 - \$24,999	395	11.0%	1,993	14.5%	2,843	14.4%
\$25,000 - \$34,999	281	7.8%	1,453	10.6%	2,123	10.7%
\$35,000 - \$49,999	567	15.7%	2,298	16.8%	3,243	16.4%
\$50,000 - \$74,999	640	17.8%	2,454	17.9%	3,673	18.6%
\$75,000 - \$99,999	573	15.9%	1,578	11.5%	2,130	10.8%
\$100,000 - \$149,999	591	16.4%	1,363	9.9%	1,827	9.3%
\$150,000 - \$199,999	159	4.4%	347	2.5%	438	2.2%
\$200,000+	88	2.4%	175	1.3%	227	1.1%
Median Household Income	\$57,583		\$42,589		\$41,410	
Average Household Income	\$72,005		\$56,082		\$54,143	
Per Capita Income	\$29,140		\$23,476		\$22,332	
2021 Households by Income	5 mile		10 mile		15 mile	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	300	8.2%	2,135	15.5%	3,379	17.0%
\$15,000 - \$24,999	325	8.9%	1,733	12.6%	2,504	12.6%
\$25,000 - \$34,999	191	5.2%	1,074	7.8%	1,720	8.7%
\$35,000 - \$49,999	529	14.5%	2,226	16.2%	3,031	15.3%
\$50,000 - \$74,999	643	17.6%	2,518	18.3%	3,726	18.8%
\$75,000 - \$99,999	658	18.0%	1,835	13.3%	2,487	12.5%
\$100,000 - \$149,999	709	19.4%	1,616	11.7%	2,178	11.0%
\$150,000 - \$199,999	206	5.6%	456	3.3%	576	2.9%
\$200,000+	96	2.6%	190	1.4%	251	1.3%
Median Household Income	\$66,949		\$47,545		\$45,567	
Average Household Income	\$80,154		\$61,780		\$59,400	
Per Capita Income	\$32,614		\$25,929		\$24,550	

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



Demographic and Income Comparison Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Rings: 5, 10, 15 mile radii

Latitude: 37.4200
Longitude: -87.4757

2010 Population by Age	5 mile		10 mile		15 mile	
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	562	6.3%	2,176	6.6%	3,133	6.5%
Age 5 - 9	566	6.4%	2,057	6.2%	3,005	6.2%
Age 10 - 14	578	6.5%	2,021	6.1%	3,036	6.3%
Age 15 - 19	530	6.0%	2,016	6.1%	3,039	6.3%
Age 20 - 24	370	4.2%	1,866	5.6%	2,708	5.6%
Age 25 - 34	997	11.2%	4,148	12.5%	5,961	12.3%
Age 35 - 44	1,094	12.3%	4,186	12.7%	6,202	12.8%
Age 45 - 54	1,456	16.4%	4,970	15.0%	7,333	15.1%
Age 55 - 64	1,335	15.0%	4,434	13.4%	6,432	13.3%
Age 65 - 74	793	8.9%	2,830	8.6%	4,218	8.7%
Age 75 - 84	423	4.8%	1,653	5.0%	2,373	4.9%
Age 85+	197	2.2%	696	2.1%	1,001	2.1%
2016 Population by Age						
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	530	5.8%	2,056	6.2%	2,978	6.1%
Age 5 - 9	548	6.0%	2,066	6.2%	3,042	6.2%
Age 10 - 14	561	6.2%	2,002	6.0%	2,963	6.1%
Age 15 - 19	523	5.7%	1,839	5.5%	2,722	5.6%
Age 20 - 24	400	4.4%	1,776	5.3%	2,672	5.5%
Age 25 - 34	964	10.6%	4,240	12.7%	6,114	12.5%
Age 35 - 44	1,121	12.3%	4,177	12.5%	6,169	12.6%
Age 45 - 54	1,244	13.6%	4,380	13.1%	6,523	13.3%
Age 55 - 64	1,512	16.6%	4,838	14.5%	7,116	14.5%
Age 65 - 74	998	10.9%	3,425	10.3%	5,057	10.3%
Age 75 - 84	506	5.5%	1,804	5.4%	2,587	5.3%
Age 85+	214	2.3%	723	2.2%	1,029	2.1%
2021 Population by Age						
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	516	5.6%	1,969	5.9%	2,842	5.8%
Age 5 - 9	530	5.8%	2,014	6.0%	2,941	6.0%
Age 10 - 14	569	6.2%	2,110	6.3%	3,156	6.4%
Age 15 - 19	532	5.8%	1,923	5.8%	2,849	5.8%
Age 20 - 24	386	4.2%	1,611	4.8%	2,358	4.8%
Age 25 - 34	899	9.8%	3,854	11.6%	5,588	11.4%
Age 35 - 44	1,120	12.2%	4,222	12.7%	6,193	12.6%
Age 45 - 54	1,170	12.7%	4,140	12.4%	6,160	12.6%
Age 55 - 64	1,417	15.4%	4,608	13.8%	6,903	14.1%
Age 65 - 74	1,220	13.3%	4,036	12.1%	5,934	12.1%
Age 75 - 84	609	6.6%	2,089	6.3%	3,041	6.2%
Age 85+	236	2.6%	757	2.3%	1,074	2.2%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



Demographic and Income Comparison Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Rings: 5, 10, 15 mile radii

Latitude: 37.4200
Longitude: -87.4757

	5 mile		10 mile		15 mile	
2010 Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	8,286	93.1%	29,161	88.2%	43,352	89.5%
Black Alone	340	3.8%	2,652	8.0%	3,316	6.8%
American Indian Alone	14	0.2%	43	0.1%	72	0.1%
Asian Alone	82	0.9%	229	0.7%	260	0.5%
Pacific Islander Alone	2	0.0%	23	0.1%	49	0.1%
Some Other Race Alone	36	0.4%	257	0.8%	495	1.0%
Two or More Races	143	1.6%	689	2.1%	895	1.8%
Hispanic Origin (Any Race)	106	1.2%	621	1.9%	1,084	2.2%
2016 Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	8,416	92.3%	29,064	87.2%	43,344	88.5%
Black Alone	365	4.0%	2,770	8.3%	3,481	7.1%
American Indian Alone	22	0.2%	63	0.2%	101	0.2%
Asian Alone	96	1.1%	259	0.8%	300	0.6%
Pacific Islander Alone	4	0.0%	35	0.1%	71	0.1%
Some Other Race Alone	50	0.5%	335	1.0%	619	1.3%
Two or More Races	167	1.8%	799	2.4%	1,055	2.2%
Hispanic Origin (Any Race)	142	1.6%	801	2.4%	1,350	2.8%
2021 Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	8,412	91.4%	28,715	86.1%	42,904	87.5%
Black Alone	382	4.2%	2,845	8.5%	3,586	7.3%
American Indian Alone	28	0.3%	76	0.2%	123	0.3%
Asian Alone	109	1.2%	292	0.9%	341	0.7%
Pacific Islander Alone	6	0.1%	43	0.1%	90	0.2%
Some Other Race Alone	66	0.7%	422	1.3%	745	1.5%
Two or More Races	199	2.2%	942	2.8%	1,251	2.6%
Hispanic Origin (Any Race)	182	2.0%	980	2.9%	1,607	3.3%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



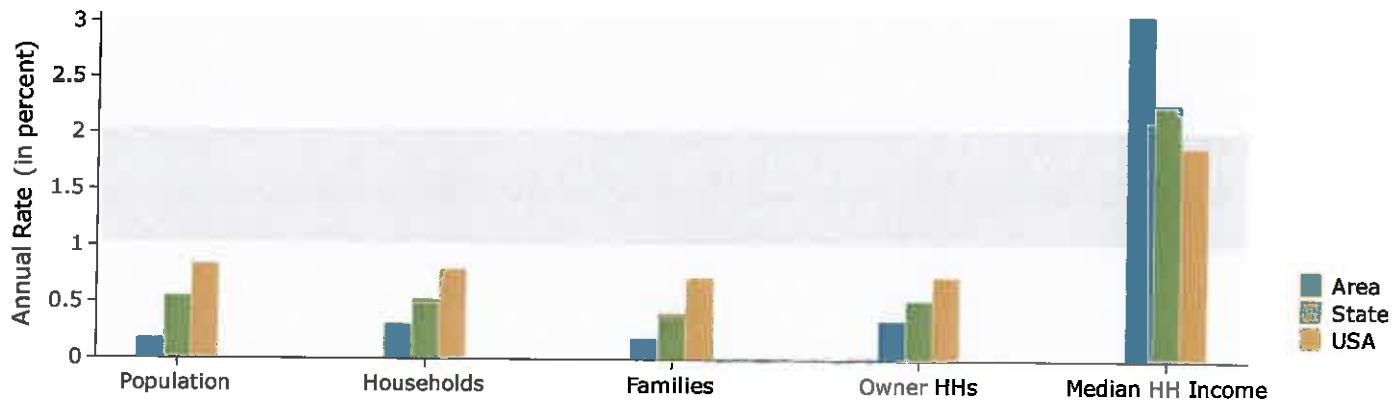
Demographic and Income Comparison Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Rings: 5, 10, 15 mile radii

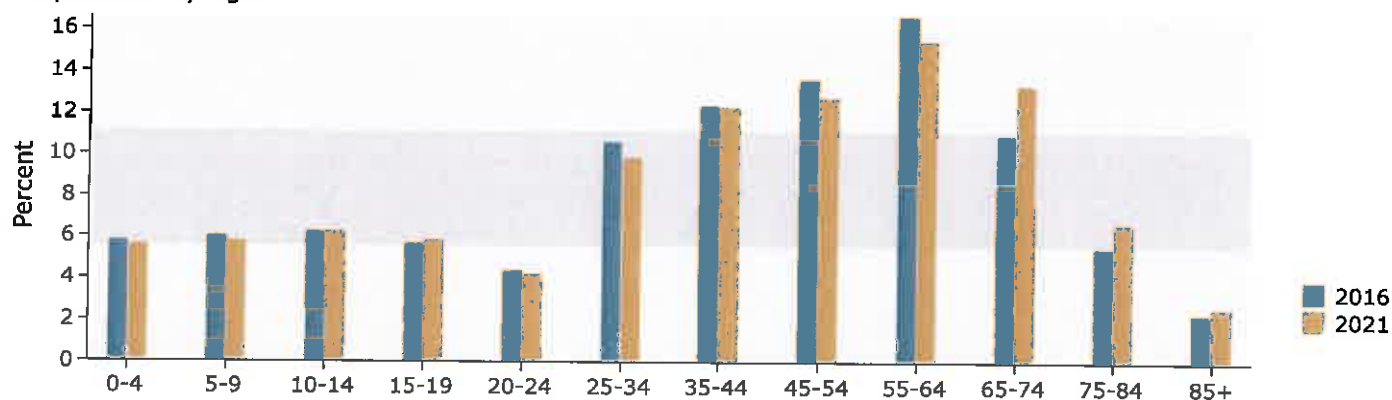
Latitude: 37.4200
Longitude: -87.4757

5 mile

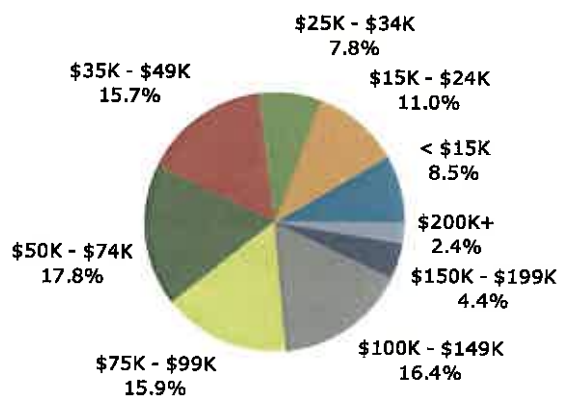
Trends 2016-2021



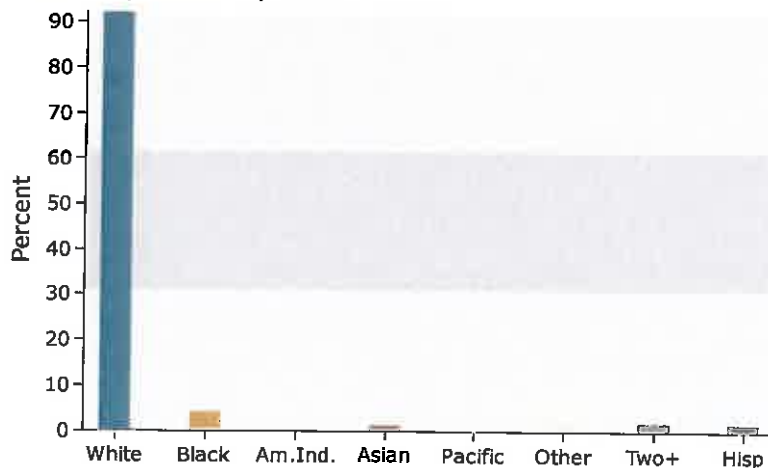
Population by Age



2016 Household Income



2016 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



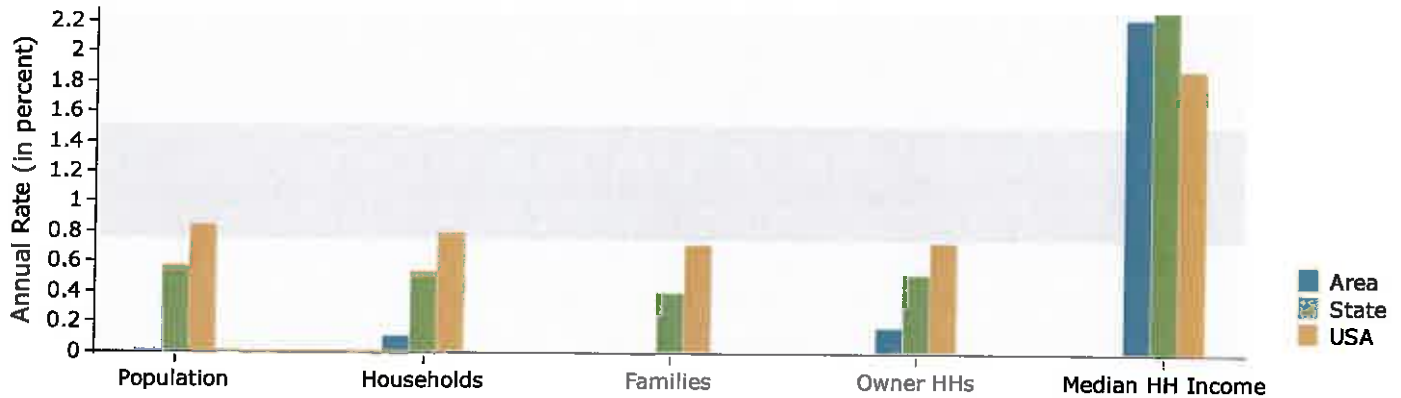
Demographic and Income Comparison Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Rings: 5, 10, 15 mile radii

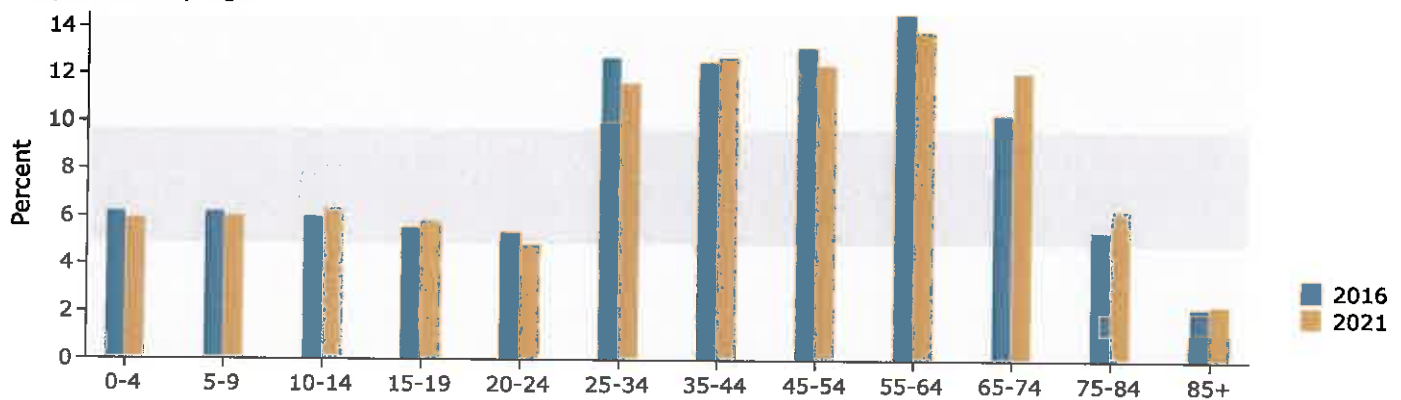
Latitude: 37.4200
Longitude: -87.4757

10 mile

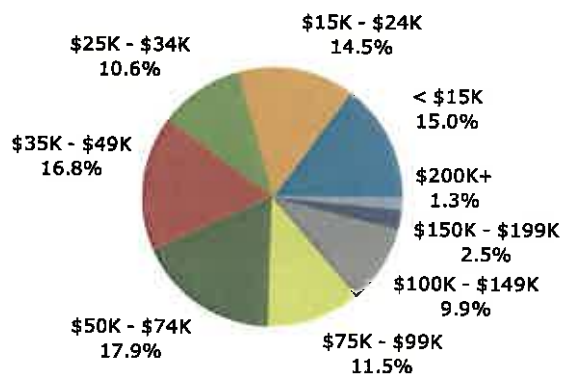
Trends 2016-2021



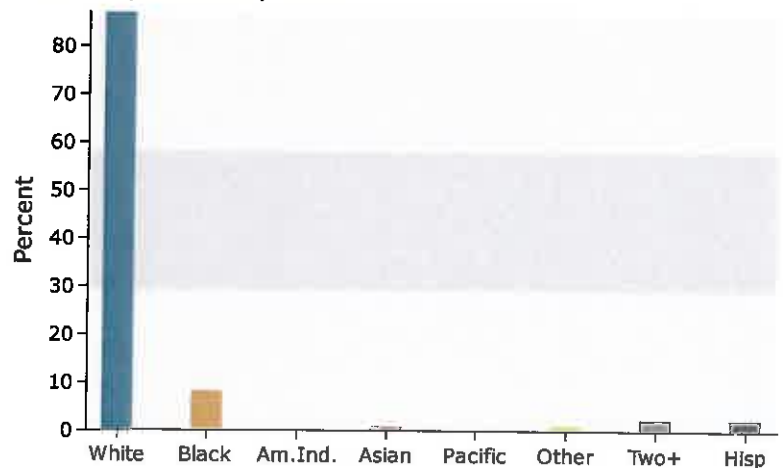
Population by Age



2016 Household Income



2016 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



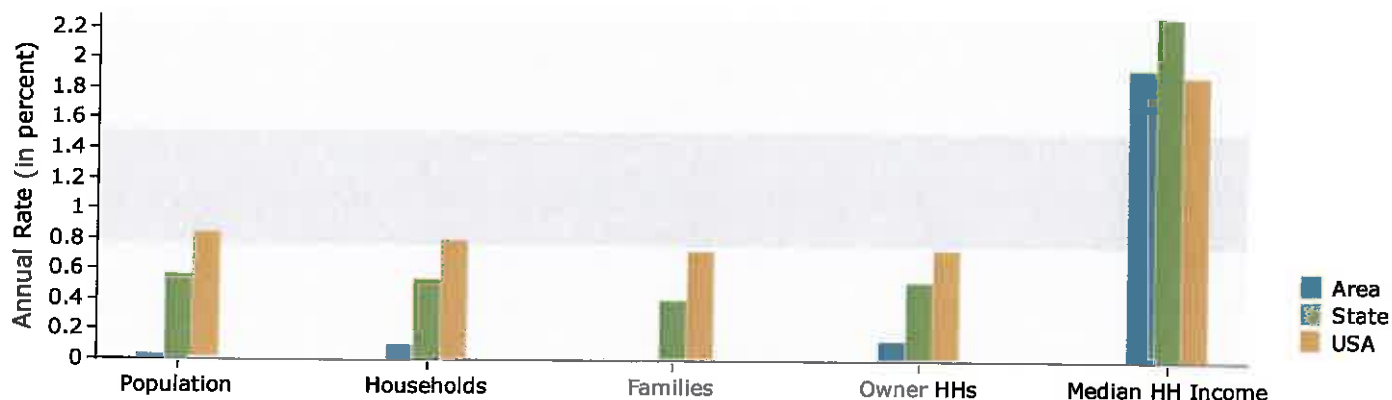
Demographic and Income Comparison Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Rings: 5, 10, 15 mile radii

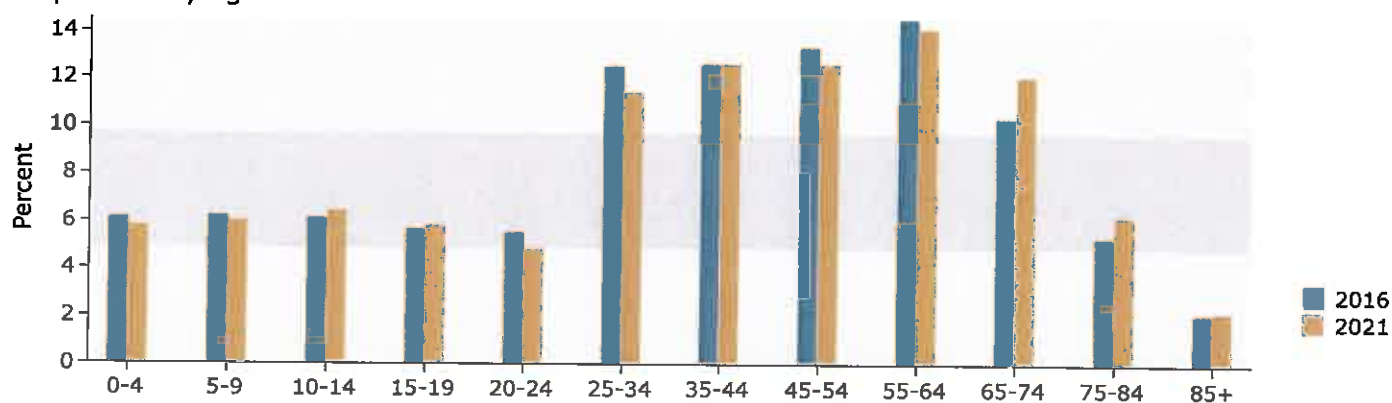
Latitude: 37.4200
Longitude: -87.4757

15 mile

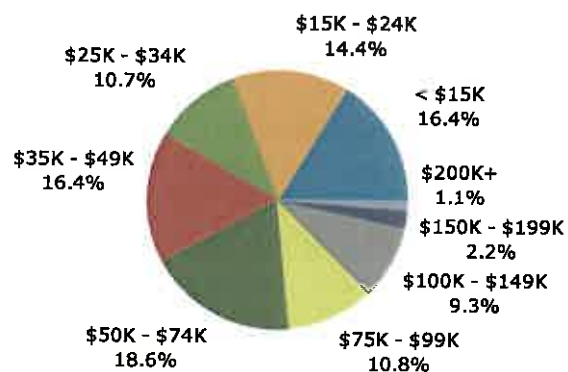
Trends 2016-2021



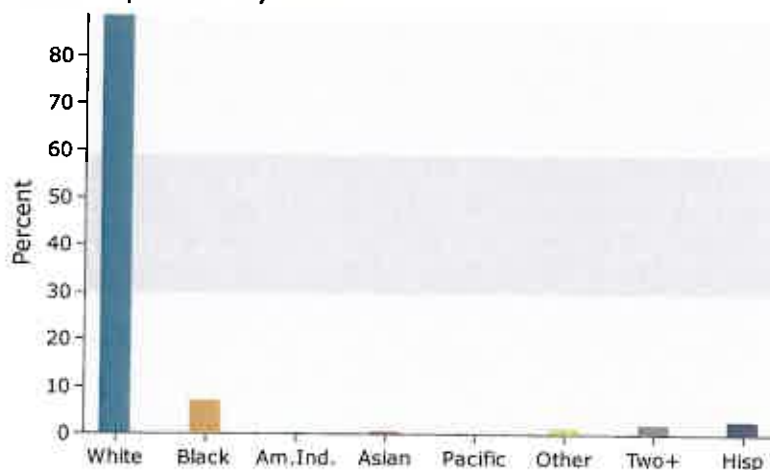
Population by Age



2016 Household Income



2016 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



Demographic and Income Comparison Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Rings: 5, 10, 15 mile radii

Latitude: 37.2720
Longitude: -87.1428

	5 mile	10 mile	15 mile
Census 2010 Summary			
Population	12,202	27,686	38,821
Households	4,440	10,563	14,935
Families	3,048	7,446	10,741
Average Household Size	2.40	2.44	2.47
Owner Occupied Housing Units	3,242	8,160	11,808
Renter Occupied Housing Units	1,198	2,403	3,127
Median Age	40.6	40.7	40.7
2016 Summary			
Population	12,237	28,517	40,135
Households	4,342	10,690	15,223
Families	2,937	7,443	10,824
Average Household Size	2.44	2.47	2.50
Owner Occupied Housing Units	3,001	7,894	11,555
Renter Occupied Housing Units	1,341	2,796	3,667
Median Age	41.5	41.7	41.8
Median Household Income	\$37,217	\$36,953	\$37,715
Average Household Income	\$47,449	\$47,521	\$48,325
2021 Summary			
Population	12,234	28,945	40,871
Households	4,309	10,786	15,424
Families	2,894	7,463	10,904
Average Household Size	2.46	2.49	2.51
Owner Occupied Housing Units	2,963	7,965	11,704
Renter Occupied Housing Units	1,346	2,821	3,719
Median Age	42.6	43.0	43.2
Median Household Income	\$39,381	\$38,956	\$39,686
Average Household Income	\$51,270	\$51,596	\$52,545
Trends: 2016-2021 Annual Rate			
Population	0.00%	0.30%	0.36%
Households	-0.15%	0.18%	0.26%
Families	-0.29%	0.05%	0.15%
Owner Households	-0.25%	0.18%	0.26%
Median Household Income	1.14%	1.06%	1.02%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



Demographic and Income Comparison Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Rings: 5, 10, 15 mile radii

Latitude: 37.2720
Longitude: -87.1428

2016 Households by Income	5 mile		10 mile		15 mile	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	868	20.0%	2,181	20.4%	2,925	19.2%
\$15,000 - \$24,999	696	16.0%	1,672	15.6%	2,343	15.4%
\$25,000 - \$34,999	450	10.4%	1,155	10.8%	1,701	11.2%
\$35,000 - \$49,999	776	17.9%	1,877	17.6%	2,648	17.4%
\$50,000 - \$74,999	767	17.7%	1,934	18.1%	2,841	18.7%
\$75,000 - \$99,999	415	9.6%	908	8.5%	1,367	9.0%
\$100,000 - \$149,999	292	6.7%	733	6.9%	1,073	7.0%
\$150,000 - \$199,999	43	1.0%	141	1.3%	208	1.4%
\$200,000+	35	0.8%	88	0.8%	117	0.8%
Median Household Income	\$37,217		\$36,953		\$37,715	
Average Household Income	\$47,449		\$47,521		\$48,325	
Per Capita Income	\$18,849		\$18,899		\$19,073	
2021 Households by Income	5 mile		10 mile		15 mile	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	849	19.7%	2,202	20.4%	2,972	19.3%
\$15,000 - \$24,999	566	13.1%	1,430	13.3%	2,050	13.3%
\$25,000 - \$34,999	416	9.7%	1,121	10.4%	1,712	11.1%
\$35,000 - \$49,999	856	19.9%	1,879	17.4%	2,498	16.2%
\$50,000 - \$74,999	736	17.1%	1,945	18.0%	2,883	18.7%
\$75,000 - \$99,999	461	10.7%	1,052	9.8%	1,597	10.4%
\$100,000 - \$149,999	332	7.7%	874	8.1%	1,304	8.5%
\$150,000 - \$199,999	57	1.3%	185	1.7%	277	1.8%
\$200,000+	37	0.9%	97	0.9%	131	0.8%
Median Household Income	\$39,381		\$38,956		\$39,686	
Average Household Income	\$51,270		\$51,596		\$52,545	
Per Capita Income	\$20,095		\$20,300		\$20,560	

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



Demographic and Income Comparison Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Rings: 5, 10, 15 mile radii

Latitude: 37.2720
Longitude: -87.1428

2010 Population by Age	5 mile		10 mile		15 mile	
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	633	5.2%	1,549	5.6%	2,217	5.7%
Age 5 - 9	669	5.5%	1,653	6.0%	2,405	6.2%
Age 10 - 14	670	5.5%	1,720	6.2%	2,501	6.4%
Age 15 - 19	807	6.6%	1,790	6.5%	2,538	6.5%
Age 20 - 24	841	6.9%	1,712	6.2%	2,254	5.8%
Age 25 - 34	1,588	13.0%	3,375	12.2%	4,587	11.8%
Age 35 - 44	1,570	12.9%	3,630	13.1%	5,159	13.3%
Age 45 - 54	1,777	14.6%	4,090	14.8%	5,718	14.7%
Age 55 - 64	1,593	13.1%	3,667	13.2%	5,195	13.4%
Age 65 - 74	1,074	8.8%	2,514	9.1%	3,564	9.2%
Age 75 - 84	692	5.7%	1,459	5.3%	1,980	5.1%
Age 85+	285	2.3%	528	1.9%	702	1.8%
2016 Population by Age						
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	586	4.8%	1,493	5.2%	2,158	5.4%
Age 5 - 9	615	5.0%	1,626	5.7%	2,345	5.8%
Age 10 - 14	641	5.2%	1,684	5.9%	2,453	6.1%
Age 15 - 19	751	6.1%	1,678	5.9%	2,365	5.9%
Age 20 - 24	887	7.2%	1,792	6.3%	2,412	6.0%
Age 25 - 34	1,605	13.1%	3,535	12.4%	4,860	12.1%
Age 35 - 44	1,587	13.0%	3,651	12.8%	5,105	12.7%
Age 45 - 54	1,615	13.2%	3,859	13.5%	5,473	13.6%
Age 55 - 64	1,663	13.6%	3,998	14.0%	5,655	14.1%
Age 65 - 74	1,274	10.4%	3,083	10.8%	4,446	11.1%
Age 75 - 84	697	5.7%	1,518	5.3%	2,086	5.2%
Age 85+	317	2.6%	602	2.1%	779	1.9%
2021 Population by Age						
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	569	4.7%	1,439	5.0%	2,075	5.1%
Age 5 - 9	584	4.8%	1,557	5.4%	2,263	5.5%
Age 10 - 14	639	5.2%	1,758	6.1%	2,551	6.2%
Age 15 - 19	762	6.2%	1,759	6.1%	2,503	6.1%
Age 20 - 24	840	6.9%	1,660	5.7%	2,212	5.4%
Age 25 - 34	1,544	12.6%	3,362	11.6%	4,609	11.3%
Age 35 - 44	1,564	12.8%	3,692	12.8%	5,122	12.5%
Age 45 - 54	1,503	12.3%	3,642	12.6%	5,249	12.8%
Age 55 - 64	1,670	13.6%	4,104	14.2%	5,851	14.3%
Age 65 - 74	1,442	11.8%	3,533	12.2%	5,055	12.4%
Age 75 - 84	795	6.5%	1,808	6.2%	2,549	6.2%
Age 85+	324	2.6%	631	2.2%	832	2.0%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



Demographic and Income Comparison Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Rings: 5, 10, 15 mile radii

Latitude: 37.2720
Longitude: -87.1428

2010 Race and Ethnicity	5 mile		10 mile		15 mile	
	Number	Percent	Number	Percent	Number	Percent
White Alone	11,050	90.6%	25,785	93.1%	36,655	94.4%
Black Alone	886	7.3%	1,398	5.0%	1,497	3.9%
American Indian Alone	17	0.1%	37	0.1%	55	0.1%
Asian Alone	20	0.2%	41	0.1%	56	0.1%
Pacific Islander Alone	2	0.0%	5	0.0%	5	0.0%
Some Other Race Alone	69	0.6%	104	0.4%	150	0.4%
Two or More Races	158	1.3%	317	1.1%	402	1.0%
Hispanic Origin (Any Race)	197	1.6%	327	1.2%	442	1.1%
2016 Race and Ethnicity						
	Number	Percent	Number	Percent	Number	Percent
White Alone	10,967	89.6%	26,379	92.5%	37,651	93.8%
Black Alone	949	7.8%	1,519	5.3%	1,652	4.1%
American Indian Alone	23	0.2%	52	0.2%	74	0.2%
Asian Alone	20	0.2%	41	0.1%	58	0.1%
Pacific Islander Alone	3	0.0%	6	0.0%	6	0.0%
Some Other Race Alone	91	0.7%	139	0.5%	195	0.5%
Two or More Races	184	1.5%	382	1.3%	499	1.2%
Hispanic Origin (Any Race)	255	2.1%	432	1.5%	575	1.4%
2021 Race and Ethnicity						
	Number	Percent	Number	Percent	Number	Percent
White Alone	10,875	88.9%	26,619	92.0%	38,118	93.3%
Black Alone	981	8.0%	1,590	5.5%	1,755	4.3%
American Indian Alone	28	0.2%	66	0.2%	92	0.2%
Asian Alone	20	0.2%	41	0.1%	62	0.2%
Pacific Islander Alone	3	0.0%	6	0.0%	7	0.0%
Some Other Race Alone	115	0.9%	175	0.6%	243	0.6%
Two or More Races	212	1.7%	448	1.5%	595	1.5%
Hispanic Origin (Any Race)	314	2.6%	538	1.9%	709	1.7%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



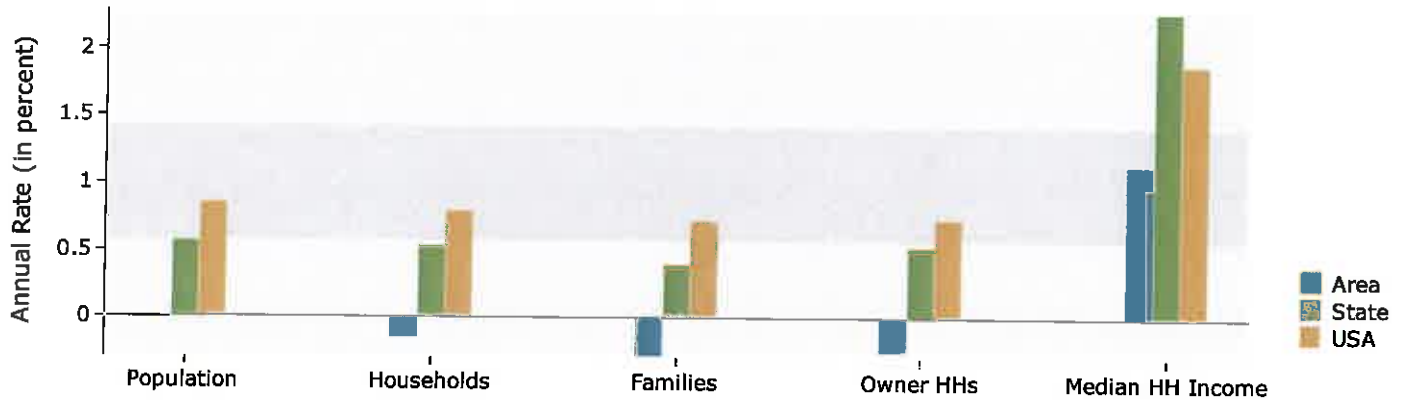
Demographic and Income Comparison Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Rings: 5, 10, 15 mile radii

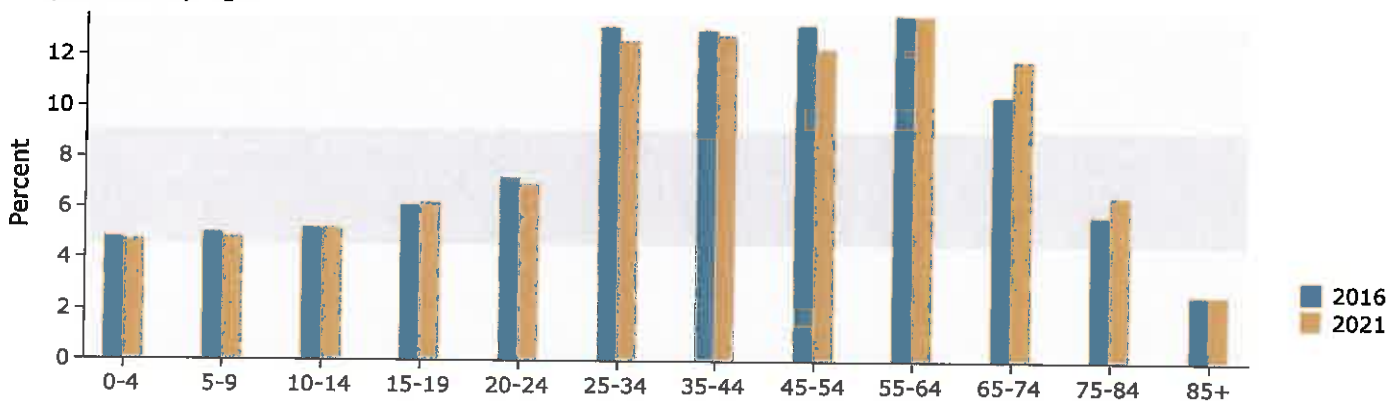
Latitude: 37.2720
Longitude: -87.1428

5 mile

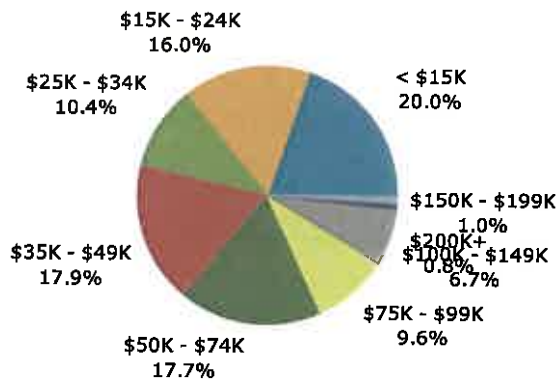
Trends 2016-2021



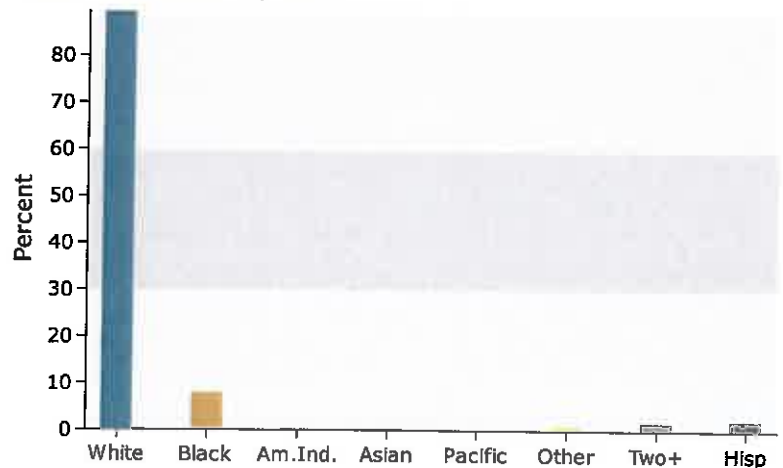
Population by Age



2016 Household Income



2016 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



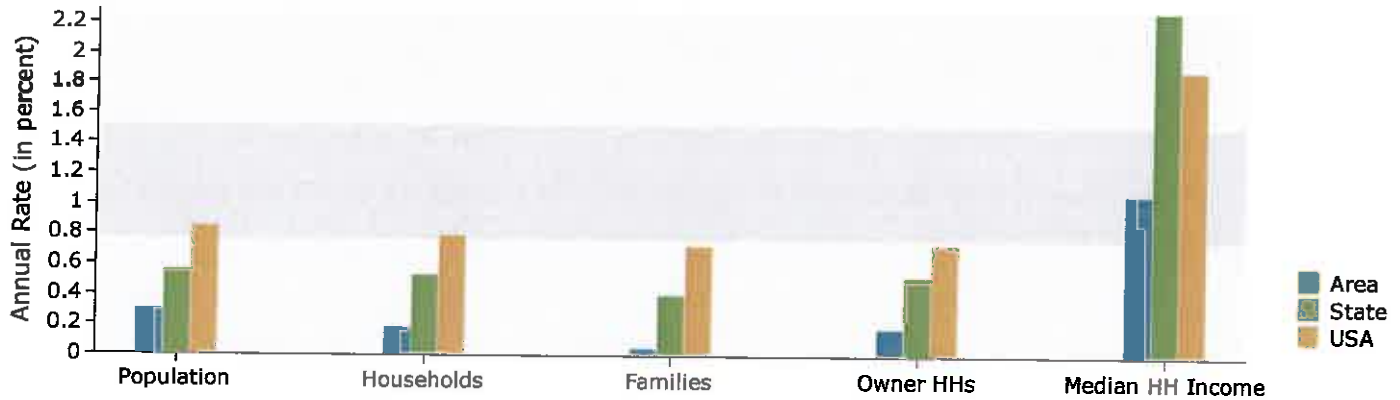
Demographic and Income Comparison Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Rings: 5, 10, 15 mile radii

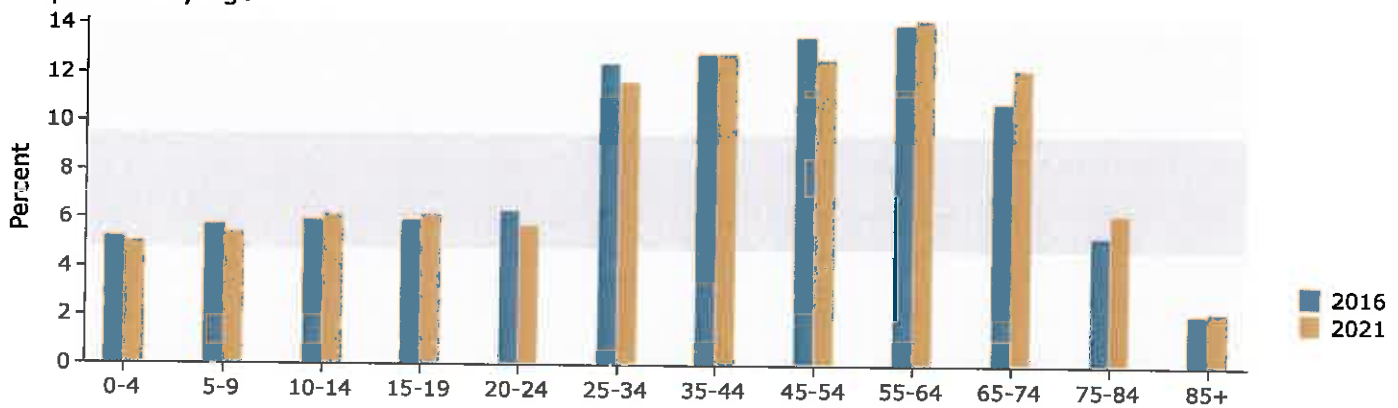
Latitude: 37.2720
Longitude: -87.1428

10 mile

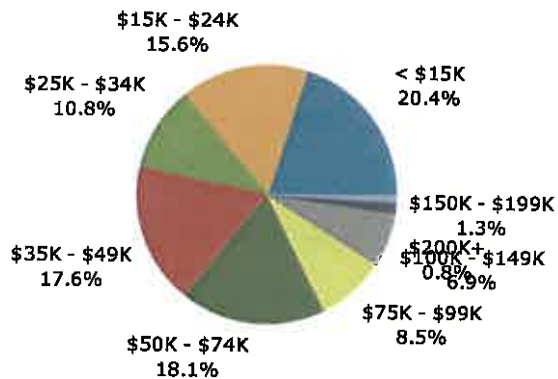
Trends 2016-2021



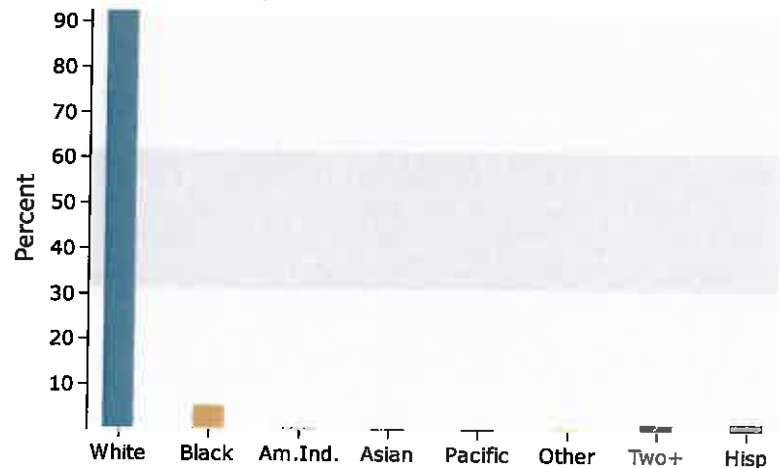
Population by Age



2016 Household Income



2016 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



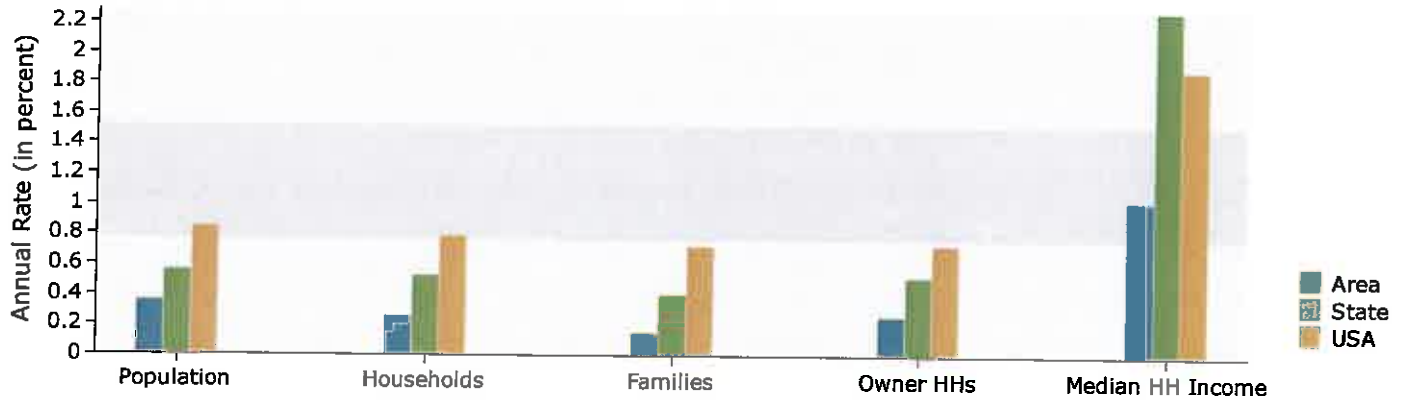
Demographic and Income Comparison Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Rings: 5, 10, 15 mile radii

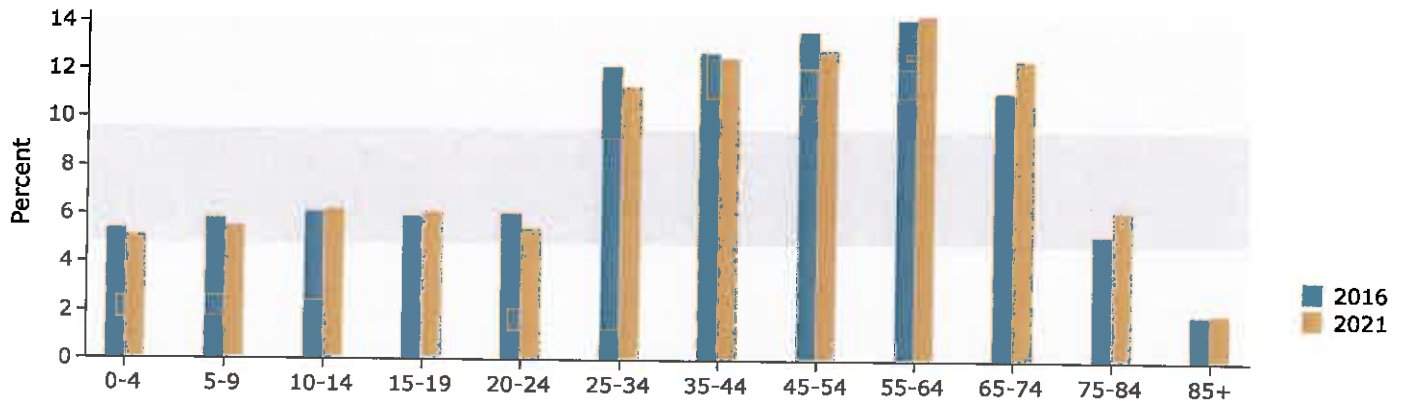
Latitude: 37.2720
Longitude: -87.1428

15 mile

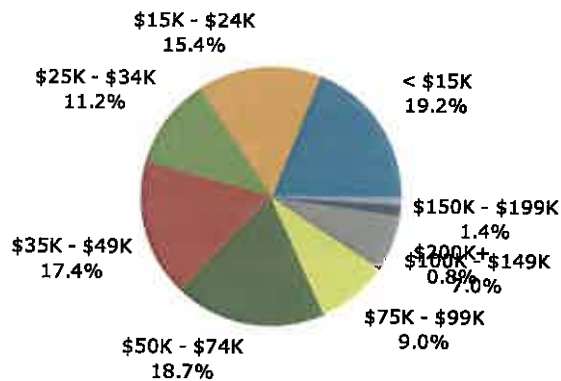
Trends 2016-2021



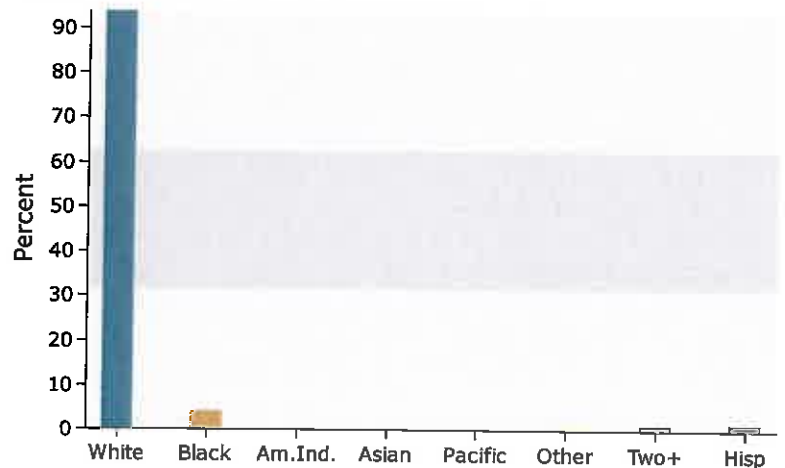
Population by Age



2016 Household Income



2016 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

January 31, 2017



Retail MarketPlace Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Ring: 5 mile radius

Latitude: 37.4200
Longitude: -87.4757

Summary Demographics

2016 Population	9,121
2016 Households	3,601
2016 Median Disposable Income	\$47,806
2016 Per Capita Income	\$29,140

Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$140,887,368	\$88,040,806	\$52,846,562	23.1	34
Total Retail Trade	44-45	\$128,071,306	\$85,604,457	\$42,466,849	19.9	26
Total Food & Drink	722	\$12,816,062	\$2,436,350	\$10,379,712	68.1	7

Industry Group

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$30,303,797	\$59,907,860	-\$29,604,063	-32.8	3
Automobile Dealers	4411	\$24,896,107	\$43,149,726	-\$18,253,619	-26.8	3
Other Motor Vehicle Dealers	4412	\$3,105,772	\$0	\$3,105,772	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$2,301,919	\$0	\$2,301,919	100.0	0
Furniture & Home Furnishings Stores	442	\$3,475,296	\$0	\$3,475,296	100.0	0
Furniture Stores	4421	\$2,164,618	\$0	\$2,164,618	100.0	0
Home Furnishings Stores	4422	\$1,310,678	\$0	\$1,310,678	100.0	0
Electronics & Appliance Stores	443	\$4,627,741	\$0	\$4,627,741	100.0	0
Bldg Materials, Garden Equip. & Supply Stores	444	\$8,354,098	\$3,492,530	\$4,861,568	41.0	3
Bldg Material & Supplies Dealers	4441	\$7,900,773	\$3,492,530	\$4,408,243	38.7	3
Lawn & Garden Equip & Supply Stores	4442	\$453,325	\$0	\$453,325	100.0	0
Food & Beverage Stores	445	\$23,331,262	\$2,463,011	\$20,868,251	80.9	2
Grocery Stores	4451	\$20,537,319	\$0	\$20,537,319	100.0	0
Specialty Food Stores	4452	\$1,051,374	\$0	\$1,051,374	100.0	0
Beer, Wine & Liquor Stores	4453	\$1,742,569	\$1,742,329	\$240	0.0	2
Health & Personal Care Stores	446,4461	\$7,870,364	\$4,279,603	\$3,590,761	29.6	3
Gasoline Stations	447,4471	\$9,606,565	\$1,887,605	\$7,718,960	67.2	1
Clothing & Clothing Accessories Stores	448	\$4,884,758	\$2,578,794	\$2,305,964	30.9	4
Clothing Stores	4481	\$3,113,875	\$1,348,476	\$1,765,399	39.6	3
Shoe Stores	4482	\$869,785	\$683,935	\$185,850	12.0	1
Jewelry, Luggage & Leather Goods Stores	4483	\$901,098	\$0	\$901,098	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	\$2,595,673	\$670,000	\$1,925,673	59.0	1
Sporting Goods/Hobby/Musical Instr Stores	4511	\$2,011,988	\$0	\$2,011,988	100.0	0
Book, Periodical & Music Stores	4512	\$583,685	\$122,856	\$460,829	65.2	1
General Merchandise Stores	452	\$25,083,872	\$2,138,564	\$22,945,308	84.3	2
Department Stores Excluding Leased Depts.	4521	\$19,257,186	\$0	\$19,257,186	100.0	0
Other General Merchandise Stores	4529	\$5,826,685	\$2,138,564	\$3,688,121	46.3	2
Miscellaneous Store Retailers	453	\$6,013,273	\$7,829,487	-\$1,816,214	-13.1	6
Florists	4531	\$210,085	\$0	\$210,085	100.0	0
Office Supplies, Stationery & Gift Stores	4532	\$871,393	\$0	\$871,393	100.0	0
Used Merchandise Stores	4533	\$497,796	\$73,987	\$423,809	74.1	1
Other Miscellaneous Store Retailers	4539	\$4,434,000	\$7,739,977	-\$3,305,977	-27.2	5
Nonstore Retailers	454	\$1,924,607	\$357,003	\$1,567,604	68.7	1
Electronic Shopping & Mail-Order Houses	4541	\$776,491	\$0	\$776,491	100.0	0
Vending Machine Operators	4542	\$254,321	\$0	\$254,321	100.0	0
Direct Selling Establishments	4543	\$893,795	\$357,003	\$536,792	42.9	1
Food Services & Drinking Places	722	\$12,816,062	\$2,436,350	\$10,379,712	68.1	7
Special Food Services	7223	\$367,400	\$0	\$367,400	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$267,661	\$0	\$267,661	100.0	0
Restaurants/Other Eating Places	7225	\$12,181,001	2,312,626	9,868,375	68	7

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
<http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

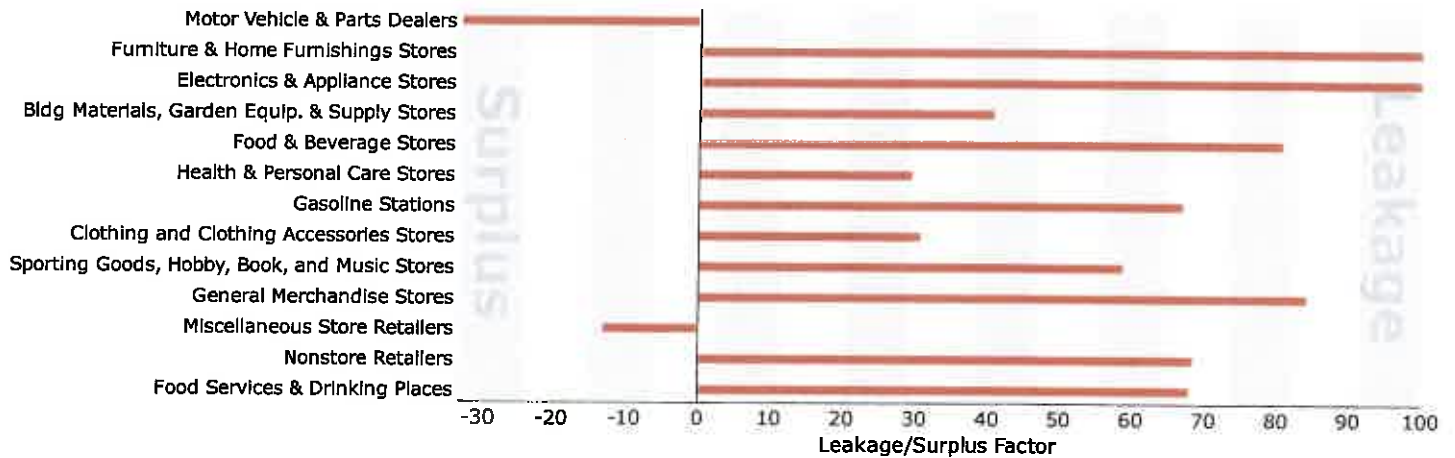
January 31, 2017



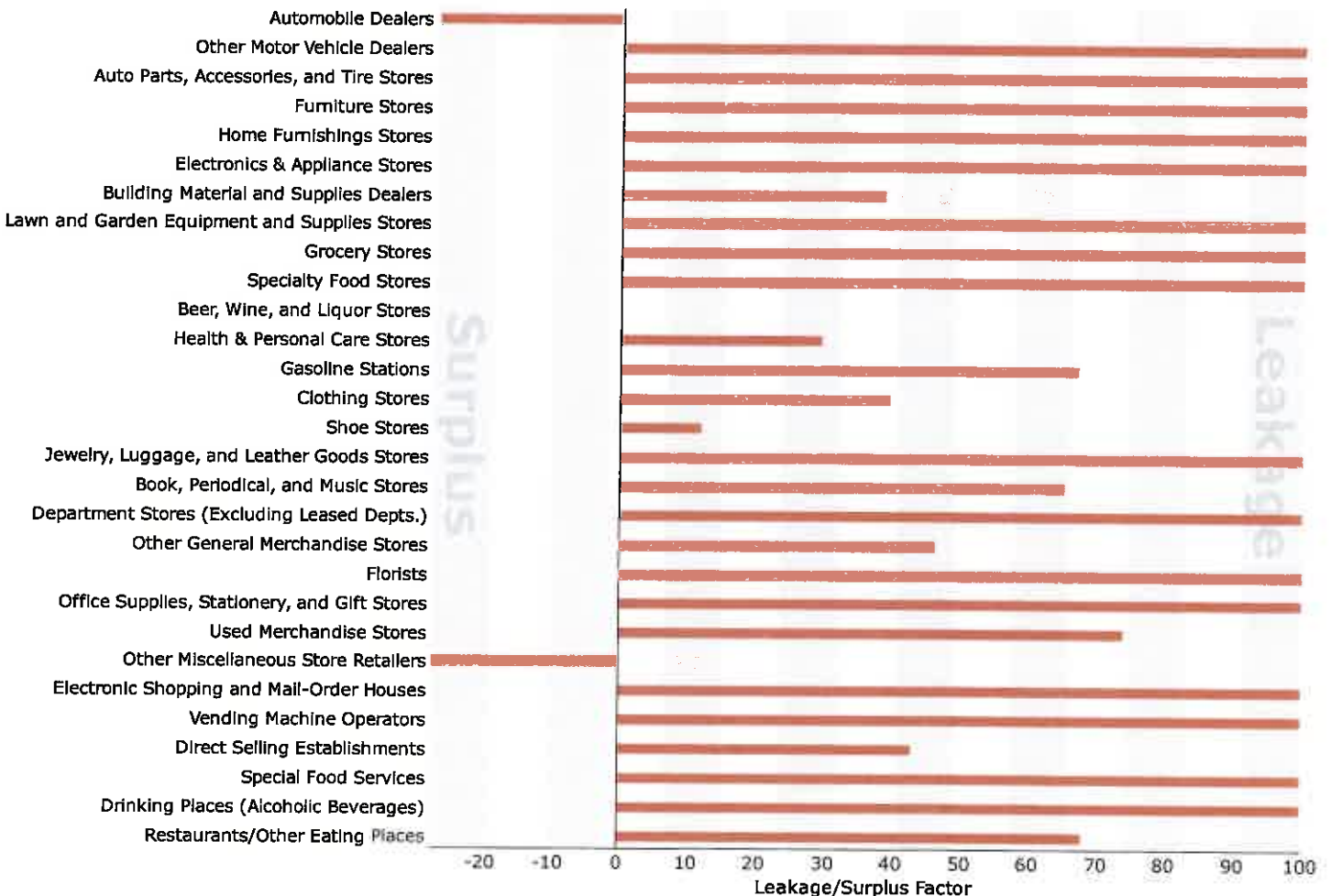
Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Ring: 5 mile radius

Latitude: 37.4200
Longitude: -87.4757

Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group





Retail MarketPlace Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Ring: 10 mile radius

Latitude: 37.4200
Longitude: -87.4757

Summary Demographics

2016 Population	33,326
2016 Households	13,717
2016 Median Disposable Income	\$35,688
2016 Per Capita Income	\$23,476

Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$435,264,144	\$571,299,542	-\$136,035,398	-13.5	260
Total Retail Trade	44-45	\$396,779,008	\$529,131,770	-\$132,352,762	-14.3	196
Total Food & Drink	722	\$38,485,137	\$42,167,772	-\$3,682,635	-4.6	65

Industry Group

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$95,054,206	\$135,618,821	-\$40,564,615	-17.6	24
Automobile Dealers	4411	\$78,247,870	\$74,936,998	\$3,310,872	2.2	10
Other Motor Vehicle Dealers	4412	\$9,735,871	\$913,591	\$8,822,280	82.8	1
Auto Parts, Accessories & Tire Stores	4413	\$7,070,464	\$59,768,232	-\$52,697,768	-78.8	13
Furniture & Home Furnishings Stores	442	\$10,353,285	\$14,243,216	-\$3,889,931	-15.8	10
Furniture Stores	4421	\$6,480,906	\$13,146,553	-\$6,665,647	-34.0	7
Home Furnishings Stores	4422	\$3,872,379	\$1,096,663	\$2,775,716	55.9	3
Electronics & Appliance Stores	443	\$13,756,978	\$2,226,849	\$11,530,129	72.1	3
Bldg Materials, Garden Equip. & Supply Stores	444	\$25,308,015	\$45,267,750	-\$19,959,735	-28.3	18
Bldg Material & Supplies Dealers	4441	\$23,870,902	\$44,992,381	-\$21,121,479	-30.7	17
Lawn & Garden Equip & Supply Stores	4442	\$1,437,113	\$275,369	\$1,161,744	67.8	1
Food & Beverage Stores	445	\$72,472,133	\$78,197,927	-\$5,725,794	-3.8	18
Grocery Stores	4451	\$63,971,118	\$69,525,130	-\$5,554,012	-4.2	8
Specialty Food Stores	4452	\$3,281,490	\$657,269	\$2,624,221	66.6	1
Beer, Wine & Liquor Stores	4453	\$5,219,525	\$8,015,529	-\$2,796,004	-21.1	8
Health & Personal Care Stores	446,4461	\$24,603,723	\$49,100,702	-\$24,496,979	-33.2	21
Gasoline Stations	447,4471	\$30,715,041	\$52,940,787	-\$22,225,746	-26.6	16
Clothing & Clothing Accessories Stores	448	\$14,600,715	\$11,636,381	\$2,964,334	11.3	17
Clothing Stores	4481	\$9,358,078	\$5,328,609	\$4,029,469	27.4	9
Shoe Stores	4482	\$2,629,521	\$2,735,739	-\$106,218	-2.0	3
Jewelry, Luggage & Leather Goods Stores	4483	\$2,613,116	\$3,572,033	-\$958,917	-15.5	5
Sporting Goods, Hobby, Book & Music Stores	451	\$7,838,364	\$4,084,718	\$3,753,646	31.5	7
Sporting Goods/Hobby/Musical Instr Stores	4511	\$6,067,877	\$2,732,354	\$3,335,523	37.9	5
Book, Periodical & Music Stores	4512	\$1,770,487	\$1,352,364	\$418,123	13.4	2
General Merchandise Stores	452	\$76,646,151	\$99,558,333	-\$22,912,182	-13.0	17
Department Stores Excluding Leased Depts.	4521	\$58,558,083	\$83,692,778	-\$25,134,695	-17.7	3
Other General Merchandise Stores	4529	\$18,088,069	\$15,865,555	\$2,222,514	6.5	14
Miscellaneous Store Retailers	453	\$19,450,538	\$34,329,840	-\$14,879,302	-27.7	43
Florists	4531	\$641,683	\$964,303	-\$322,620	-20.1	5
Office Supplies, Stationery & Gift Stores	4532	\$2,606,194	\$7,038,375	-\$4,432,181	-46.0	7
Used Merchandise Stores	4533	\$1,494,976	\$2,367,584	-\$872,608	-22.6	9
Other Miscellaneous Store Retailers	4539	\$14,707,685	\$23,959,578	-\$9,251,893	-23.9	22
Nonstore Retailers	454	\$5,979,859	\$1,926,445	\$4,053,414	51.3	2
Electronic Shopping & Mail-Order Houses	4541	\$2,387,990	\$0	\$2,387,990	100.0	0
Vending Machine Operators	4542	\$789,875	\$0	\$789,875	100.0	0
Direct Selling Establishments	4543	\$2,801,995	\$1,926,445	\$875,550	18.5	2
Food Services & Drinking Places	722	\$38,485,137	\$42,167,772	-\$3,682,635	-4.6	65
Special Food Services	7223	\$1,081,971	\$278,378	\$803,593	59.1	1
Drinking Places - Alcoholic Beverages	7224	\$775,007	\$0	\$775,007	100.0	0
Restaurants/Other Eating Places	7225	\$36,628,159	41,889,394	-\$5,261,235	-7	64

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
<http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017

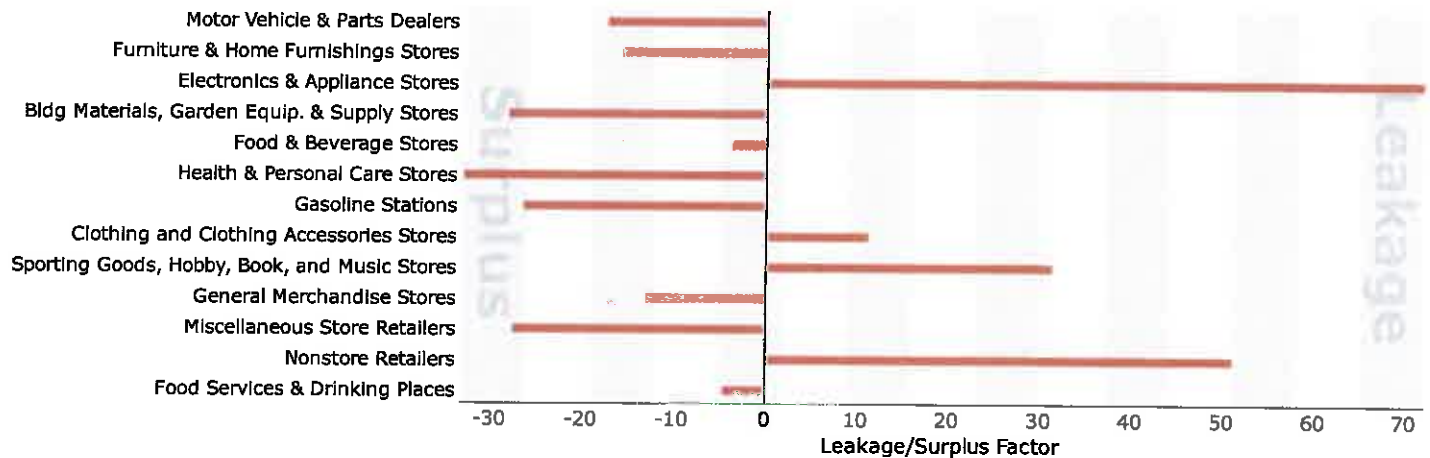


Retail MarketPlace Profile

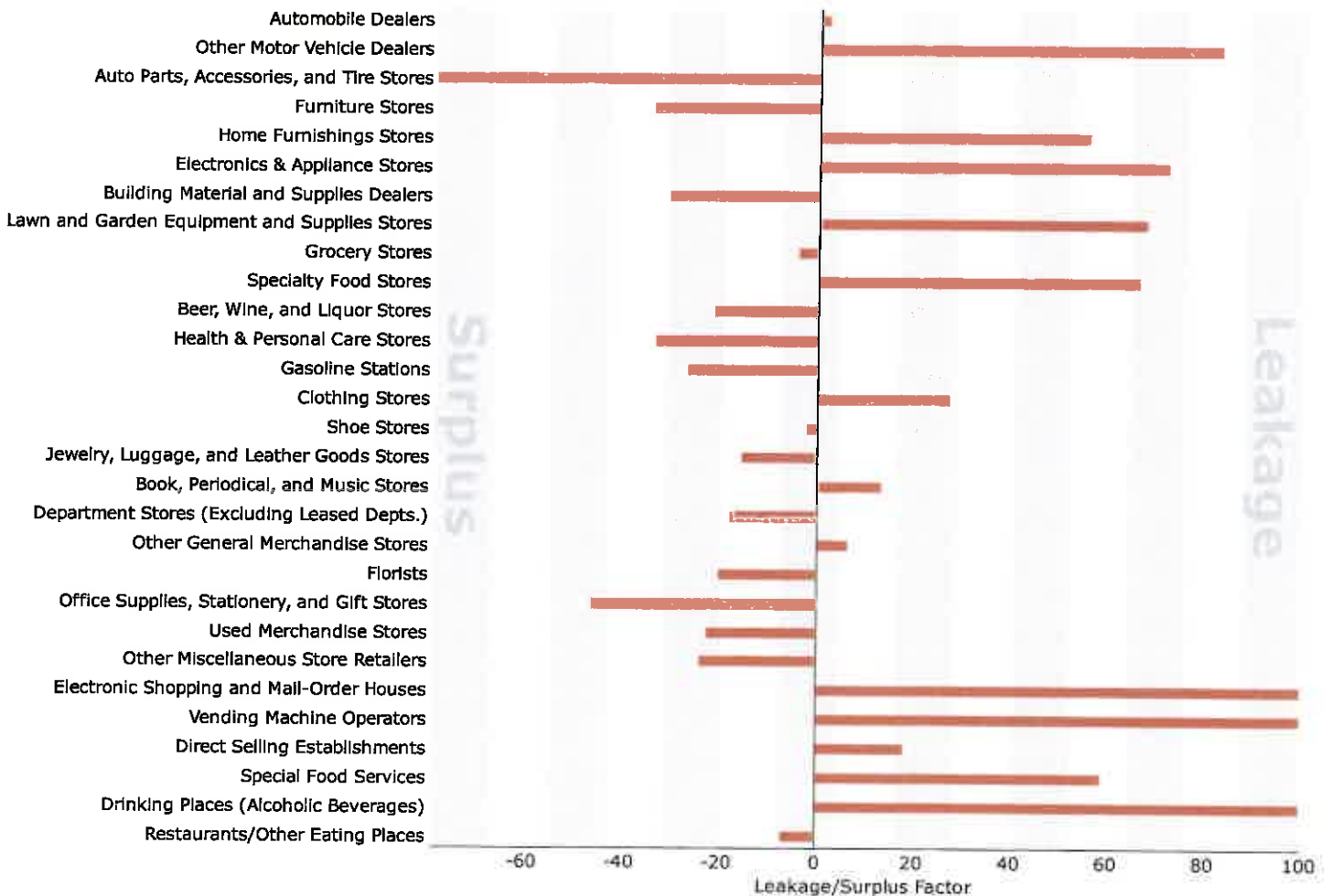
Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Ring: 10 mile radius

Latitude: 37.4200
Longitude: -87.4757

Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group



Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017



Retail MarketPlace Profile

Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Ring: 15 mile radius

Latitude: 37.4200
Longitude: -87.4757

Summary Demographics

2016 Population	48,971
2016 Households	19,750
2016 Median Disposable Income	\$34,813
2016 Per Capita Income	\$22,332

Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$616,352,171	\$700,763,295	-\$84,411,124	-6.4	343
Total Retail Trade	44-45	\$562,625,618	\$648,559,565	-\$85,933,947	-7.1	254
Total Food & Drink	722	\$53,726,553	\$52,203,730	\$1,522,823	1.4	89
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$135,604,331	\$141,641,628	-\$6,037,297	-2.2	35
Automobile Dealers	4411	\$111,665,968	\$78,527,300	\$33,138,668	17.4	14
Other Motor Vehicle Dealers	4412	\$13,963,757	\$913,591	\$13,050,166	87.7	1
Auto Parts, Accessories & Tire Stores	4413	\$9,974,607	\$62,200,737	-\$52,226,130	-72.4	20
Furniture & Home Furnishings Stores	442	\$14,413,844	\$14,744,612	-\$330,768	-1.1	11
Furniture Stores	4421	\$8,999,268	\$13,636,405	-\$4,637,137	-20.5	8
Home Furnishings Stores	4422	\$5,414,576	\$1,108,207	\$4,306,369	66.0	3
Electronics & Appliance Stores	443	\$18,939,279	\$2,298,105	\$16,641,174	78.4	3
Bldg Materials, Garden Equip. & Supply Stores	444	\$35,910,709	\$63,933,508	-\$28,022,799	-28.1	21
Bldg Material & Supplies Dealers	4441	\$33,826,612	\$62,825,146	-\$28,998,534	-30.0	19
Lawn & Garden Equip & Supply Stores	4442	\$2,084,098	\$1,108,362	\$975,736	30.6	2
Food & Beverage Stores	445	\$102,537,388	\$109,455,297	-\$6,917,909	-3.3	31
Grocery Stores	4451	\$90,628,669	\$99,802,131	-\$9,173,462	-4.8	20
Specialty Food Stores	4452	\$4,646,147	\$1,637,637	\$3,008,510	47.9	3
Beer, Wine & Liquor Stores	4453	\$7,262,572	\$8,015,529	-\$752,957	-4.9	8
Health & Personal Care Stores	446,4461	\$35,241,339	\$51,659,281	-\$16,417,942	-18.9	23
Gasoline Stations	447,4471	\$44,192,591	\$96,480,139	-\$52,287,548	-37.2	25
Clothing & Clothing Accessories Stores	448	\$20,353,203	\$12,479,317	\$7,873,886	24.0	19
Clothing Stores	4481	\$13,104,995	\$6,161,663	\$6,943,332	36.0	11
Shoe Stores	4482	\$3,682,833	\$2,735,739	\$947,094	14.8	3
Jewelry, Luggage & Leather Goods Stores	4483	\$3,565,375	\$3,581,915	-\$16,540	-0.2	5
Sporting Goods, Hobby, Book & Music Stores	451	\$10,953,743	\$4,454,466	\$6,499,277	42.2	9
Sporting Goods/Hobby/Musical Instr Stores	4511	\$8,500,946	\$3,102,102	\$5,398,844	46.5	7
Book, Periodical & Music Stores	4512	\$2,452,797	\$1,352,364	\$1,100,433	28.9	2
General Merchandise Stores	452	\$107,891,851	\$112,515,930	-\$4,624,079	-2.1	23
Department Stores Excluding Leased Depts.	4521	\$82,291,942	\$91,482,409	-\$9,190,467	-5.3	3
Other General Merchandise Stores	4529	\$25,599,909	\$21,033,521	\$4,566,388	9.8	20
Miscellaneous Store Retailers	453	\$28,090,807	\$36,970,837	-\$8,880,030	-13.6	52
Florists	4531	\$916,612	\$1,469,932	-\$553,320	-23.2	10
Office Supplies, Stationery & Gift Stores	4532	\$3,616,820	\$7,167,318	-\$3,550,498	-32.9	7
Used Merchandise Stores	4533	\$2,068,211	\$2,663,532	-\$595,321	-12.6	10
Other Miscellaneous Store Retailers	4539	\$21,489,164	\$25,670,055	-\$4,180,891	-8.9	25
Nonstore Retailers	454	\$8,496,531	\$1,926,445	\$6,570,086	63.0	2
Electronic Shopping & Mail-Order Houses	4541	\$3,371,425	\$0	\$3,371,425	100.0	0
Vending Machine Operators	4542	\$1,116,339	\$0	\$1,116,339	100.0	0
Direct Selling Establishments	4543	\$4,008,766	\$1,926,445	\$2,082,321	35.1	2
Food Services & Drinking Places	722	\$53,726,553	\$52,203,730	\$1,522,823	1.4	89
Special Food Services	7223	\$1,494,932	\$278,378	\$1,216,554	68.6	1
Drinking Places - Alcoholic Beverages	7224	\$1,046,331	\$0	\$1,046,331	100.0	0
Restaurants/Other Eating Places	7225	\$51,185,290	\$51,925,352	-\$740,062	-1	88

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
<http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017

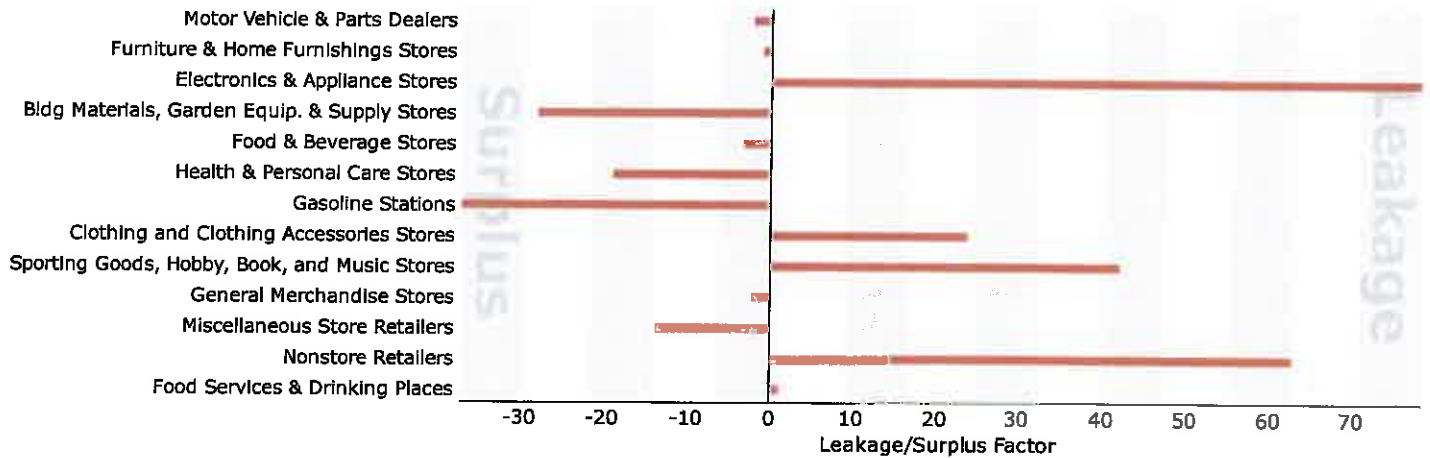


Retail MarketPlace Profile

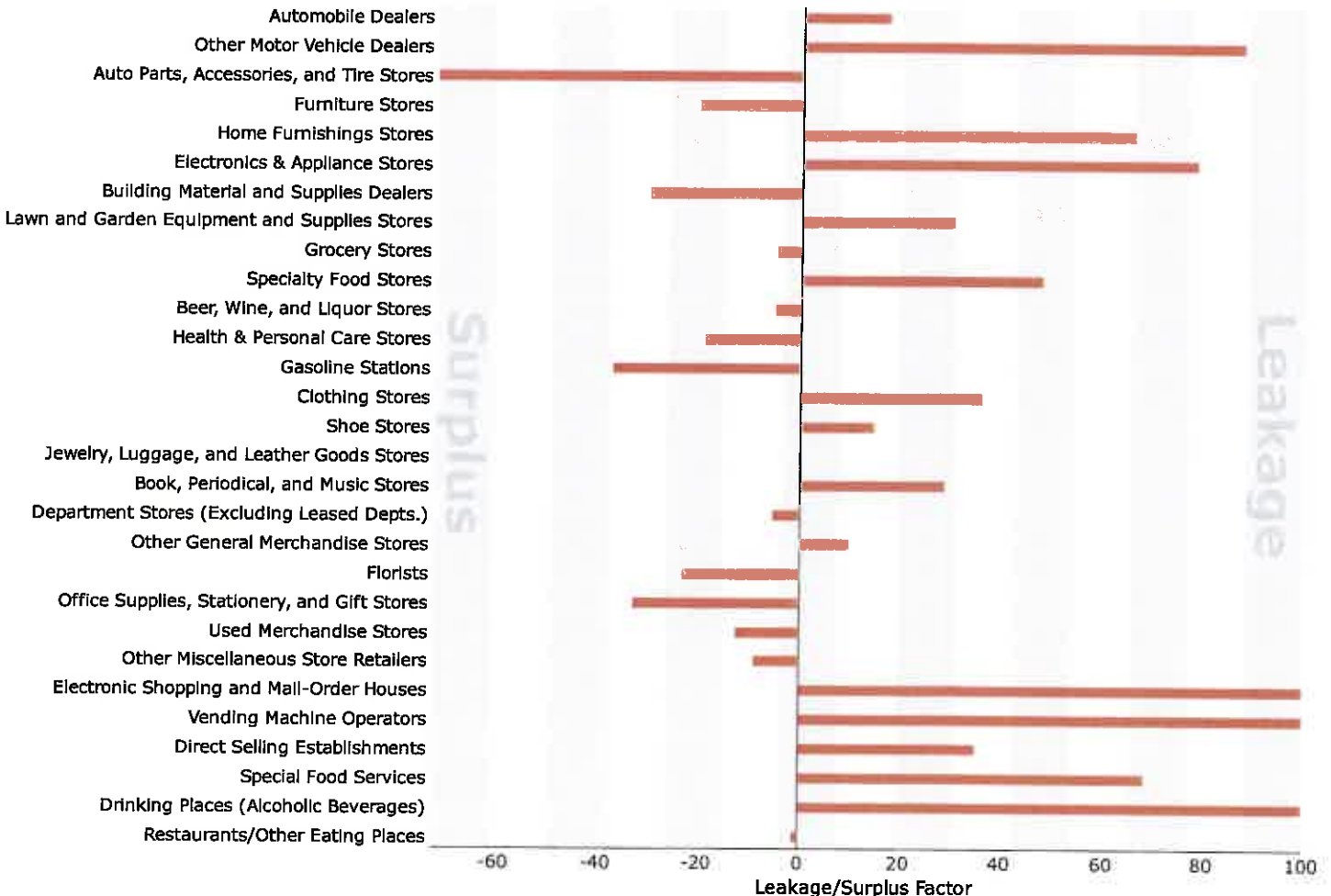
Hanson, Hopkins County, KY
420 Factory Outlet Road Hanson KY 42413
Ring: 15 mile radius

Latitude: 37.4200
Longitude: -87.4757

Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group



Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017



Retail MarketPlace Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Ring: 5 mile radius

Latitude: 37.2720
Longitude: -87.1428

Summary Demographics

2016 Population	12,237
2016 Households	4,342
2016 Median Disposable Income	\$30,107
2016 Per Capita Income	\$18,849

Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$124,756,856	\$279,295,397	-\$154,538,541	-38.2	151
Total Retail Trade	44-45	\$114,317,815	\$256,511,806	-\$142,193,991	-38.3	109
Total Food & Drink	722	\$10,439,040	\$22,783,591	-\$12,344,551	-37.2	42

Industry Group

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$27,914,315	\$57,631,047	-\$29,716,732	-34.7	29
Automobile Dealers	4411	\$23,009,616	\$50,733,294	-\$27,723,678	-37.6	16
Other Motor Vehicle Dealers	4412	\$2,884,731	\$1,312,564	\$1,572,167	37.5	4
Auto Parts, Accessories & Tire Stores	4413	\$2,019,968	\$5,585,188	-\$3,565,220	-46.9	9
Furniture & Home Furnishings Stores	442	\$2,772,744	\$5,481,376	-\$2,708,632	-32.8	5
Furniture Stores	4421	\$1,740,678	\$1,953,285	-\$212,607	-5.8	2
Home Furnishings Stores	4422	\$1,032,066	\$3,528,091	-\$2,496,025	-54.7	3
Electronics & Appliance Stores	443	\$3,618,760	\$361,809	\$3,256,951	81.8	1
Bldg Materials, Garden Equip. & Supply Stores	444	\$7,117,967	\$10,442,359	-\$3,324,392	-18.9	11
Bldg Material & Supplies Dealers	4441	\$6,675,631	\$8,369,655	-\$1,694,024	-11.3	7
Lawn & Garden Equip & Supply Stores	4442	\$442,337	\$2,072,704	-\$1,630,367	-64.8	4
Food & Beverage Stores	445	\$20,886,274	\$57,649,605	-\$36,763,331	-46.8	13
Grocery Stores	4451	\$18,509,348	\$49,738,232	-\$31,228,884	-45.8	9
Specialty Food Stores	4452	\$949,754	\$5,677,357	-\$4,727,603	-71.3	1
Beer, Wine & Liquor Stores	4453	\$1,427,172	\$2,234,016	-\$806,844	-22.0	3
Health & Personal Care Stores	446,4461	\$7,308,424	\$12,219,165	-\$4,910,741	-25.1	7
Gasoline Stations	447,4471	\$9,265,839	\$20,265,714	-\$10,999,875	-37.2	10
Clothing & Clothing Accessories Stores	448	\$3,950,251	\$2,866,392	\$1,083,859	15.9	8
Clothing Stores	4481	\$2,562,494	\$1,874,509	\$687,985	15.5	8
Shoe Stores	4482	\$721,874	\$0	\$721,874	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$665,883	\$0	\$665,883	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	\$2,156,471	\$1,409,093	\$747,378	21.0	3
Sporting Goods/Hobby/Musical Instr Stores	4511	\$1,673,878	\$1,409,093	\$264,785	8.6	3
Book, Periodical & Music Stores	4512	\$482,593	\$0	\$482,593	100.0	0
General Merchandise Stores	452	\$21,512,719	\$80,803,401	-\$59,290,682	-57.9	6
Department Stores Excluding Leased Depts.	4521	\$16,309,935	\$76,004,359	-\$59,694,424	-64.7	2
Other General Merchandise Stores	4529	\$5,202,784	\$4,799,042	\$403,742	4.0	4
Miscellaneous Store Retailers	453	\$6,049,677	\$7,381,845	-\$1,332,168	-9.9	17
Florists	4531	\$184,492	\$321,034	-\$136,542	-27.0	4
Office Supplies, Stationery & Gift Stores	4532	\$700,152	\$388,763	\$311,389	28.6	3
Used Merchandise Stores	4533	\$401,273	\$618,777	-\$217,504	-21.3	3
Other Miscellaneous Store Retailers	4539	\$4,763,760	\$6,053,270	-\$1,289,510	-11.9	7
Nonstore Retailers	454	\$1,764,376	\$0	\$1,764,376	100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$679,951	\$0	\$679,951	100.0	0
Vending Machine Operators	4542	\$226,705	\$0	\$226,705	100.0	0
Direct Selling Establishments	4543	\$857,720	\$0	\$857,720	100.0	0
Food Services & Drinking Places	722	\$10,439,040	\$22,783,591	-\$12,344,551	-37.2	42
Special Food Services	7223	\$280,708	\$183,393	\$97,315	21.0	1
Drinking Places - Alcoholic Beverages	7224	\$191,213	\$0	\$191,213	100.0	0
Restaurants/Other Eating Places	7225	\$9,967,119	22,600,198	-12,633,079	-39	41

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
<http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017

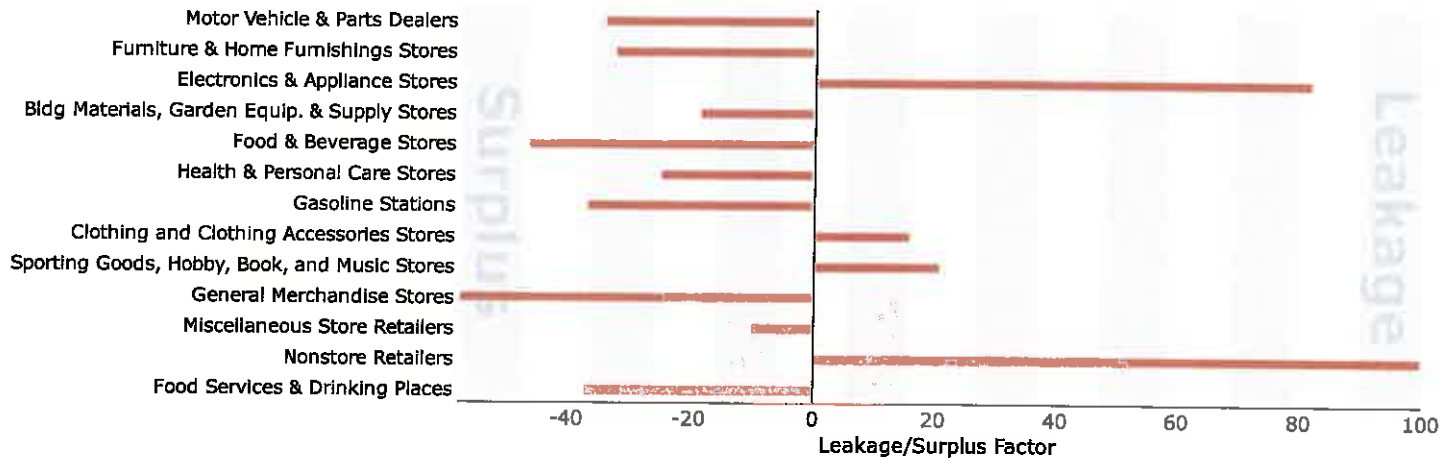


Retail MarketPlace Profile

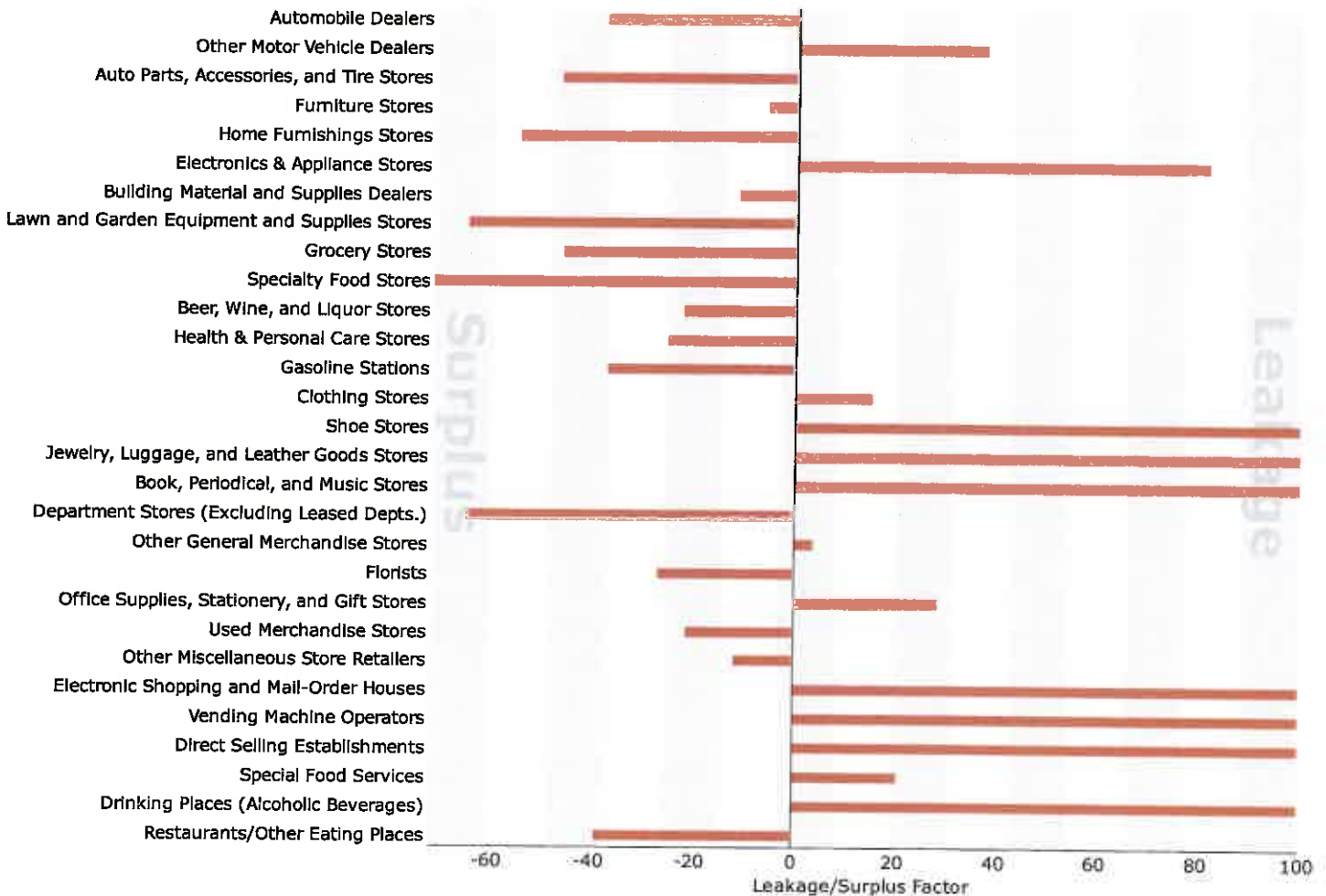
Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Ring: 5 mile radius

Latitude: 37.2720
Longitude: -87.1428

Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group



Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017



Retail MarketPlace Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Ring: 10 mile radius

Latitude: 37.2720
Longitude: -87.1428

Summary Demographics

2016 Population	28,517
2016 Households	10,690
2016 Median Disposable Income	\$29,917
2016 Per Capita Income	\$18,899

Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$308,965,696	\$325,674,804	-\$16,709,108	-2.6	206
Total Retail Trade	44-45	\$283,255,117	\$300,771,124	-\$17,516,007	-3.0	156
Total Food & Drink	722	\$25,710,579	\$24,903,680	\$806,899	1.6	49

Industry Group

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$69,381,031	\$64,952,287	\$4,428,744	3.3	40
Automobile Dealers	4411	\$57,160,944	\$55,847,596	\$1,313,348	1.2	21
Other Motor Vehicle Dealers	4412	\$7,233,274	\$1,922,627	\$5,310,647	58.0	5
Auto Parts, Accessories & Tire Stores	4413	\$4,986,813	\$7,182,064	-\$2,195,251	-18.0	13
Furniture & Home Furnishings Stores	442	\$6,831,197	\$5,849,783	\$981,414	7.7	6
Furniture Stores	4421	\$4,252,859	\$2,138,257	\$2,114,602	33.1	2
Home Furnishings Stores	4422	\$2,578,338	\$3,711,526	-\$1,133,188	-18.0	4
Electronics & Appliance Stores	443	\$8,762,732	\$514,109	\$8,248,623	88.9	2
Bldg Materials, Garden Equip. & Supply Stores	444	\$18,047,007	\$12,122,221	\$5,924,786	19.6	13
Bldg Material & Supplies Dealers	4441	\$16,916,695	\$10,049,517	\$6,867,178	25.5	9
Lawn & Garden Equip & Supply Stores	4442	\$1,130,313	\$2,072,704	-\$942,391	-29.4	4
Food & Beverage Stores	445	\$51,419,350	\$72,891,541	-\$21,472,191	-17.3	20
Grocery Stores	4451	\$45,598,966	\$64,279,834	-\$18,680,868	-17.0	15
Specialty Food Stores	4452	\$2,334,778	\$6,377,691	-\$4,042,913	-46.4	3
Beer, Wine & Liquor Stores	4453	\$3,485,606	\$2,234,016	\$1,251,590	21.9	3
Health & Personal Care Stores	446,4461	\$18,303,301	\$17,771,369	\$531,932	1.5	13
Gasoline Stations	447,4471	\$22,998,214	\$26,647,874	-\$3,649,660	-7.4	14
Clothing & Clothing Accessories Stores	448	\$9,698,407	\$4,830,502	\$4,867,905	33.5	10
Clothing Stores	4481	\$6,332,083	\$2,312,642	\$4,019,441	46.5	9
Shoe Stores	4482	\$1,775,306	\$0	\$1,775,306	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$1,591,017	\$2,517,860	-\$926,843	-22.6	1
Sporting Goods, Hobby, Book & Music Stores	451	\$5,305,711	\$1,798,274	\$3,507,437	49.4	5
Sporting Goods/Hobby/Musical Instr Stores	4511	\$4,139,139	\$1,798,274	\$2,340,865	39.4	5
Book, Periodical & Music Stores	4512	\$1,166,572	\$0	\$1,166,572	100.0	0
General Merchandise Stores	452	\$53,122,741	\$84,187,136	-\$31,064,395	-22.6	11
Department Stores Excluding Leased Depts.	4521	\$40,299,740	\$76,308,954	-\$36,009,214	-30.9	3
Other General Merchandise Stores	4529	\$12,823,000	\$7,878,183	\$4,944,817	23.9	8
Miscellaneous Store Retailers	453	\$14,992,071	\$9,206,029	\$5,786,042	23.9	23
Florists	4531	\$471,104	\$519,320	-\$48,216	-4.9	6
Office Supplies, Stationery & Gift Stores	4532	\$1,713,405	\$495,123	\$1,218,282	55.2	4
Used Merchandise Stores	4533	\$973,702	\$822,877	\$150,825	8.4	4
Other Miscellaneous Store Retailers	4539	\$11,833,860	\$7,368,708	\$4,465,152	23.3	9
Nonstore Retailers	454	\$4,393,355	\$0	\$4,393,355	100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$1,678,994	\$0	\$1,678,994	100.0	0
Vending Machine Operators	4542	\$557,333	\$0	\$557,333	100.0	0
Direct Selling Establishments	4543	\$2,157,027	\$0	\$2,157,027	100.0	0
Food Services & Drinking Places	722	\$25,710,579	\$24,903,680	\$806,899	1.6	49
Special Food Services	7223	\$687,169	\$183,393	\$503,776	57.9	1
Drinking Places - Alcoholic Beverages	7224	\$456,209	\$0	\$456,209	100.0	0
Restaurants/Other Eating Places	7225	\$24,567,201	\$24,720,287	-\$153,086	0	48

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
<http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017

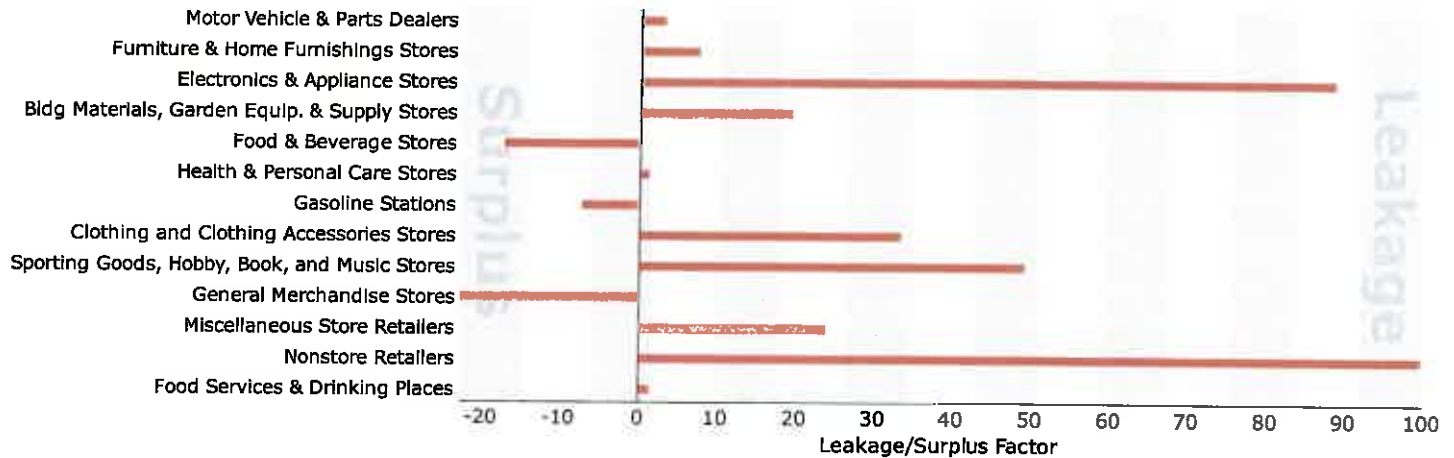


Retail MarketPlace Profile

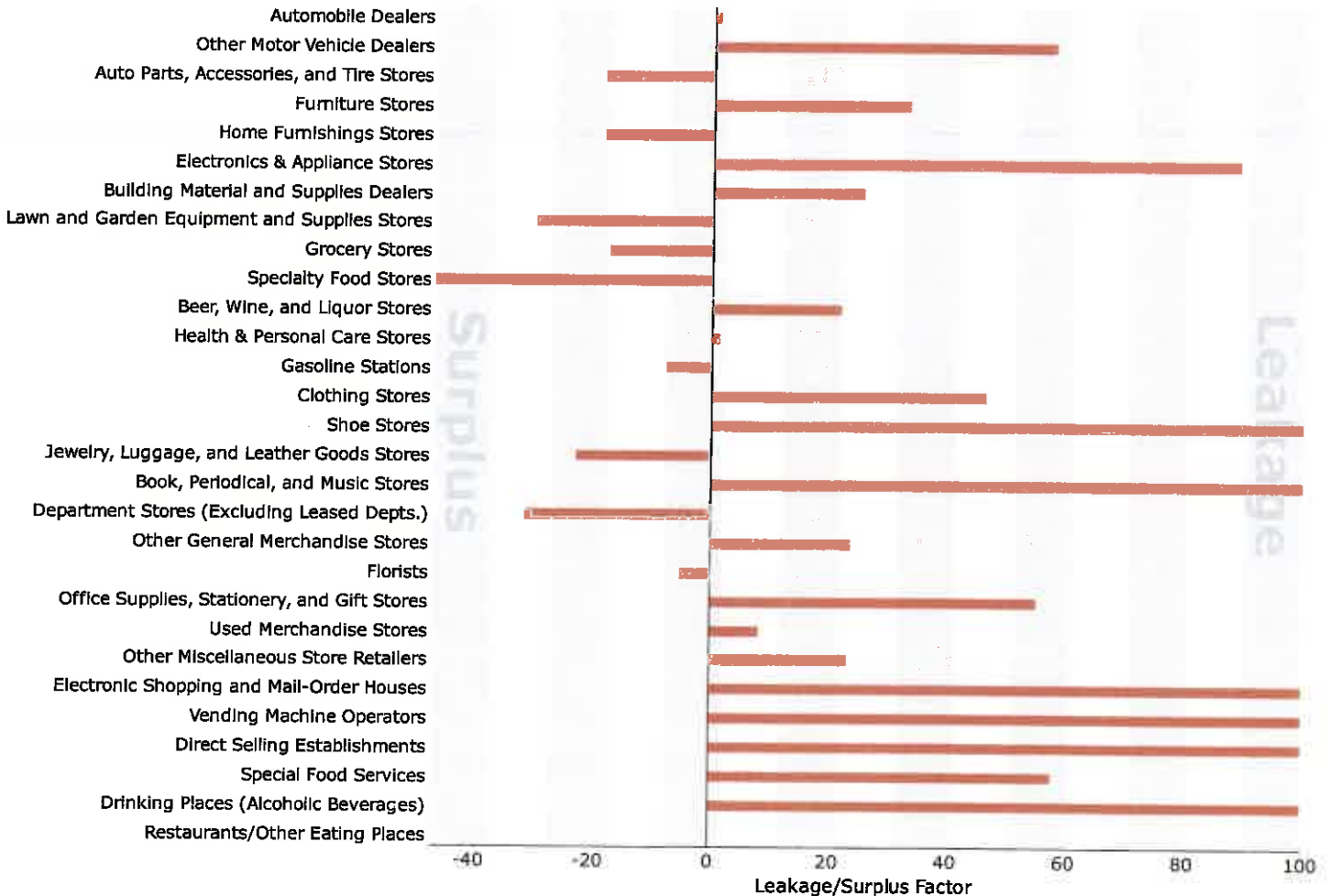
Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Ring: 10 mile radius

Latitude: 37.2720
Longitude: -87.1428

Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group



Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017



Retail MarketPlace Profile

Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Ring: 15 mile radius

Latitude: 37.2720
Longitude: -87.1428

Summary Demographics

2016 Population	40,135
2016 Households	15,223
2016 Median Disposable Income	\$30,822
2016 Per Capita Income	\$19,073

Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45	\$448,789,433	\$384,257,068	\$64,532,365	7.7	250
Total Retail Trade	44-45	\$411,523,838	\$356,510,571	\$55,013,267	7.2	192
Total Food & Drink	722	\$37,265,595	\$27,746,497	\$9,519,098	14.6	59

Industry Group

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$101,013,808	\$71,379,503	\$29,634,305	17.2	46
Automobile Dealers	4411	\$83,221,166	\$60,882,633	\$22,338,533	15.5	25
Other Motor Vehicle Dealers	4412	\$10,561,618	\$1,958,112	\$8,603,506	68.7	5
Auto Parts, Accessories & Tire Stores	4413	\$7,231,024	\$8,538,757	-\$1,307,733	-8.3	16
Furniture & Home Furnishings Stores	442	\$9,893,491	\$5,966,921	\$3,926,570	24.8	6
Furniture Stores	4421	\$6,141,682	\$2,255,395	\$3,886,287	46.3	2
Home Furnishings Stores	4422	\$3,751,810	\$3,711,526	\$40,284	0.5	4
Electronics & Appliance Stores	443	\$12,629,792	\$514,109	\$12,115,683	92.2	2
Bldg Materials, Garden Equip. & Supply Stores	444	\$26,392,134	\$14,221,875	\$12,170,259	30.0	15
Bldg Material & Supplies Dealers	4441	\$24,733,925	\$12,100,005	\$12,633,920	34.3	11
Lawn & Garden Equip & Supply Stores	4442	\$1,658,209	\$2,121,869	-\$463,660	-12.3	4
Food & Beverage Stores	445	\$74,536,394	\$82,085,944	-\$7,549,550	-4.8	27
Grocery Stores	4451	\$66,119,754	\$73,103,108	-\$6,983,354	-5.0	20
Specialty Food Stores	4452	\$3,383,467	\$6,748,820	-\$3,365,353	-33.2	4
Beer, Wine & Liquor Stores	4453	\$5,033,173	\$2,234,016	\$2,799,157	38.5	3
Health & Personal Care Stores	446,4461	\$26,649,272	\$21,169,945	\$5,479,327	11.5	16
Gasoline Stations	447,4471	\$33,463,113	\$42,036,372	-\$8,573,259	-11.4	19
Clothing & Clothing Accessories Stores	448	\$14,028,406	\$5,254,776	\$8,773,630	45.5	11
Clothing Stores	4481	\$9,176,028	\$2,736,916	\$6,439,112	54.1	10
Shoe Stores	4482	\$2,571,772	\$0	\$2,571,772	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$2,280,606	\$2,517,860	-\$237,254	-4.9	1
Sporting Goods, Hobby, Book & Music Stores	451	\$7,686,160	\$2,106,950	\$5,579,210	57.0	7
Sporting Goods/Hobby/Musical Instr Stores	4511	\$6,003,406	\$2,106,950	\$3,896,456	48.0	7
Book, Periodical & Music Stores	4512	\$1,682,753	\$0	\$1,682,753	100.0	0
General Merchandise Stores	452	\$77,054,428	\$99,596,840	-\$22,542,412	-12.8	13
Department Stores Excluding Leased Depts.	4521	\$58,453,733	\$90,468,619	-\$32,014,886	-21.5	3
Other General Merchandise Stores	4529	\$18,600,695	\$9,128,221	\$9,472,474	34.2	9
Miscellaneous Store Retailers	453	\$21,780,654	\$12,177,337	\$9,603,317	28.3	29
Florists	4531	\$690,252	\$616,022	\$74,230	5.7	7
Office Supplies, Stationery & Gift Stores	4532	\$2,477,007	\$731,518	\$1,745,489	54.4	4
Used Merchandise Stores	4533	\$1,405,640	\$925,173	\$480,467	20.6	5
Other Miscellaneous Store Retailers	4539	\$17,207,755	\$9,904,625	\$7,303,130	26.9	12
Nonstore Retailers	454	\$6,396,186	\$0	\$6,396,186	100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$2,435,526	\$0	\$2,435,526	100.0	0
Vending Machine Operators	4542	\$807,707	\$0	\$807,707	100.0	0
Direct Selling Establishments	4543	\$3,152,953	\$0	\$3,152,953	100.0	0
Food Services & Drinking Places	722	\$37,265,595	\$27,746,497	\$9,519,098	14.6	59
Special Food Services	7223	\$997,039	\$183,393	\$813,646	68.9	1
Drinking Places - Alcoholic Beverages	7224	\$654,133	\$0	\$654,133	100.0	0
Restaurants/Other Eating Places	7225	\$35,614,423	\$27,563,104	\$8,051,319	13	58

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
<http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017

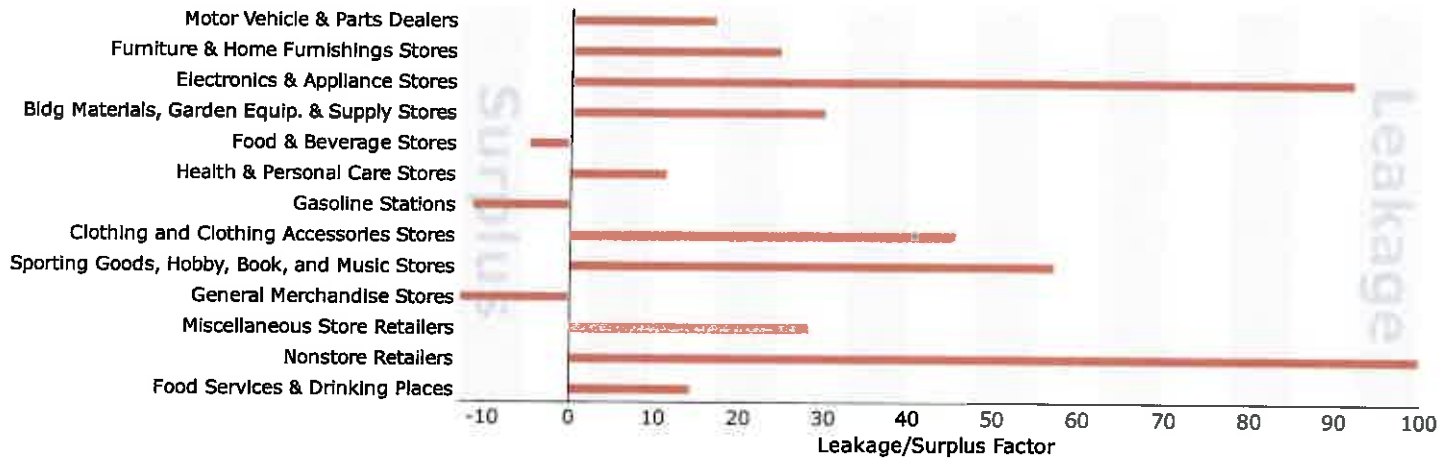


Retail MarketPlace Profile

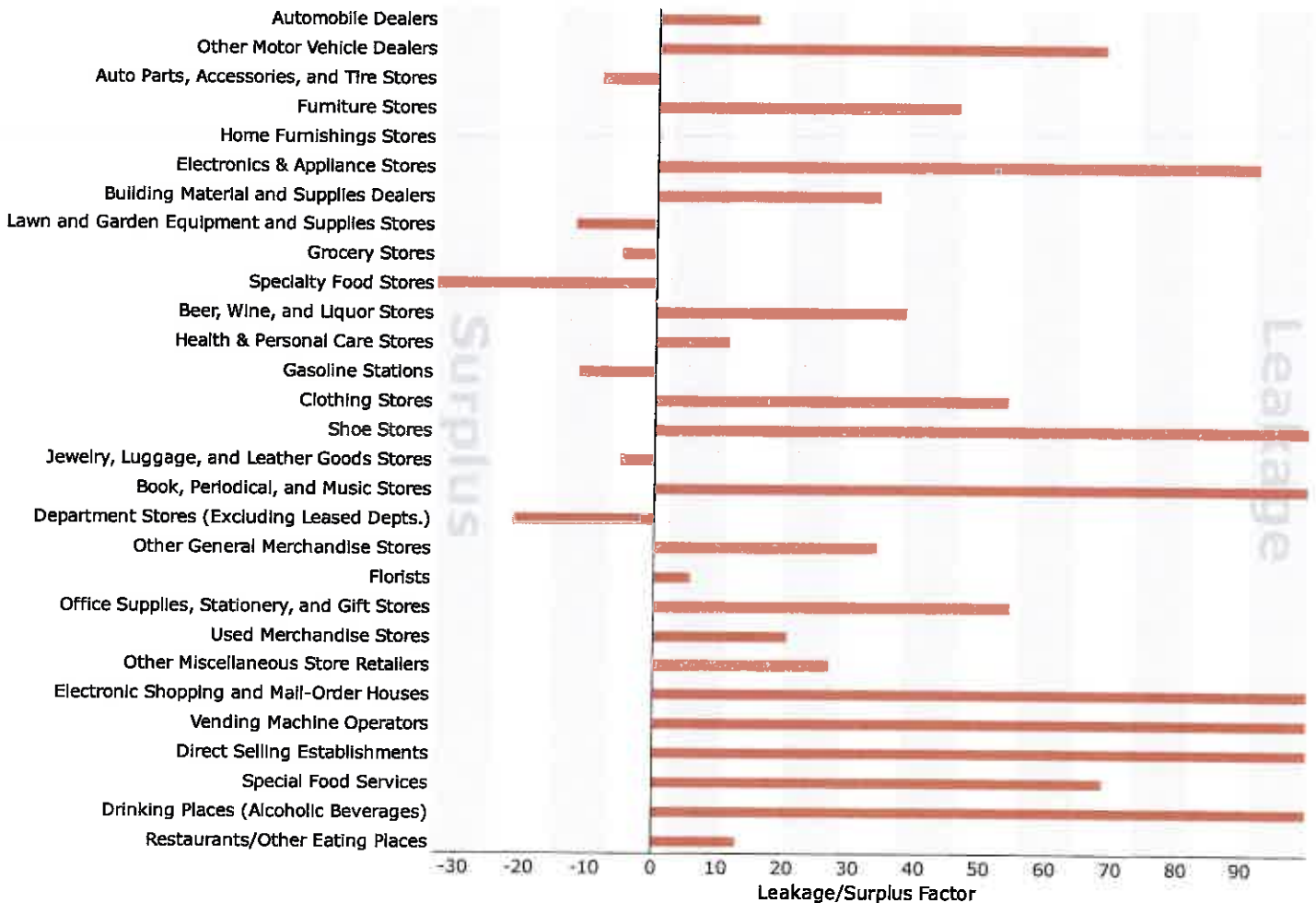
Central City, Muhlenberg County, KY
1725 West Everly Brothers Boulevard Central City KY 42330
Ring: 15 mile radius

Latitude: 37.2720
Longitude: -87.1428

Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group

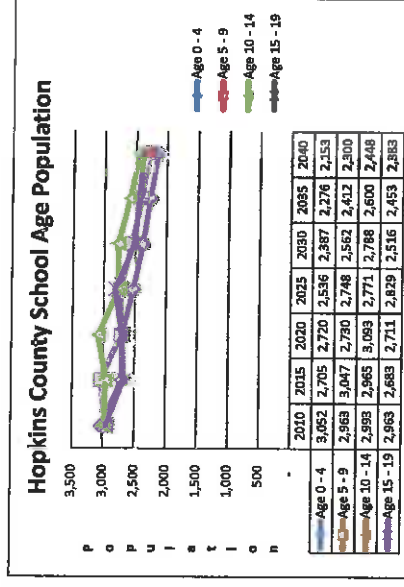


Source: Esri and Infogroup. Retail MarketPlace 2016 Release 2. Copyright 2016 Infogroup, Inc. All rights reserved.

January 31, 2017

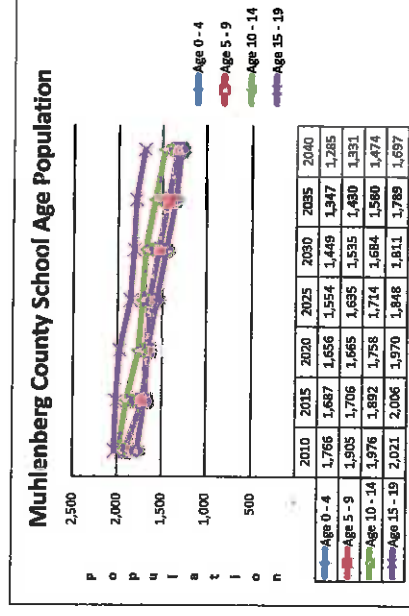
Hopkins County

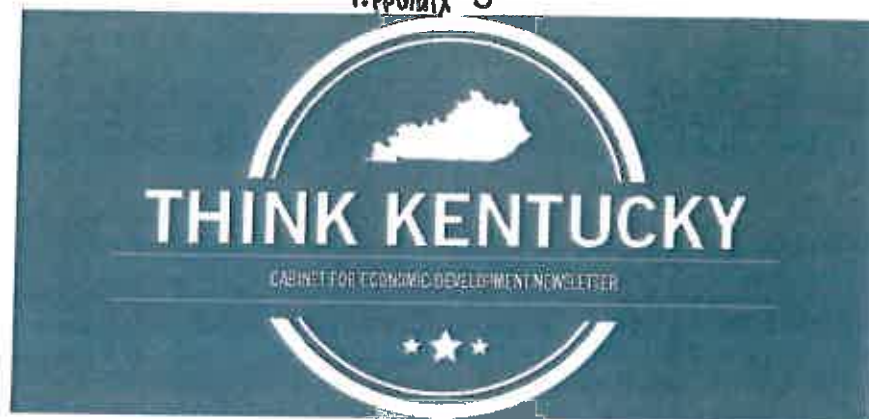
Age Group	2010	2015	2020	2025	2030	2035	2040
Age 0 - 4	3,052	2,705	2,720	2,536	2,387	2,276	2,153
Age 5 - 9	2,963	3,047	2,730	2,748	2,562	2,412	2,300
Age 10 - 14	2,993	2,965	3,093	2,771	2,788	2,600	2,448
Age 15 - 19	2,963	2,683	2,711	2,829	2,516	2,453	2,383
Female							
Age 0 - 4	1,490	1,349	1,327	1,237	1,164	1,110	1,050
Age 5 - 9	1,406	1,458	1,330	1,308	1,220	1,148	1,095
Age 10 - 14	1,512	1,417	1,490	1,359	1,336	1,246	1,172
Age 15 - 19	1,476	1,354	1,303	1,370	1,229	1,129	1,146
Male							
Age 0 - 4	1,562	1,356	1,393	1,299	1,223	1,166	1,103
Age 5 - 9	1,557	1,589	1,400	1,440	1,342	1,264	1,205
Age 10 - 14	1,481	1,548	1,603	1,412	1,452	1,354	1,276
Age 15 - 19	1,487	1,329	1,408	1,459	1,287	1,324	1,237



Muhlenberg County

Age Group	2010	2015	2020	2025	2030	2035	2040
Age 0 - 4	1,766	1,687	1,656	1,554	1,449	1,347	1,285
Age 5 - 9	1,905	1,706	1,665	1,635	1,595	1,480	1,331
Age 10 - 14	1,976	1,892	1,714	1,714	1,684	1,580	1,474
Age 15 - 19	2,021	2,006	1,970	1,848	1,811	1,789	1,697
Female							
Age 0 - 4	789	832	806	756	705	655	625
Age 5 - 9	927	783	835	810	760	708	659
Age 10 - 14	965	908	803	856	831	779	727
Age 15 - 19	967	999	917	820	870	850	804
Male							
Age 0 - 4	977	855	850	798	744	692	660
Age 5 - 9	978	923	830	825	775	722	672
Age 10 - 14	1,011	984	955	858	853	801	747
Age 15 - 19	1,054	1,067	1,053	1,028	941	939	863





KY FAME: Building Kentucky's Future Workforce

Imagine how great it would be if somehow you could discover a high-paying, interesting career while earning a degree - with no college debt when it's all over.

For business owners, how much time, money and resources could you save if you always had a pool of highly skilled and motivated workers right at your fingertips?

Imagine no more. The Kentucky Federation for Advanced Manufacturing Education (KY FAME) is taking its successful apprenticeship-style training program and expanding into a statewide organization.

KY FAME is a partnership of manufacturers that have teamed up to address the shortage of technically skilled workers needed in advanced manufacturing. KY FAME offers an innovative education and helps Kentucky create one of the most highly skilled and effective advanced manufacturing workforces on the planet.

How does KY FAME work? Students attend classes two days per week at their local community college and work an additional 24 hours per week for a sponsoring employer. Upon completion of the program, students receive an associate degree in Applied Sciences, and, with the practical skills gained during their paid work experience, most begin full-time employment with the sponsor. Others decide to further their technical education to obtain an engineering degree.

Dalton Ballard is a KY FAME student at Toyota. He turned down a scholarship to a four-year university to participate in the program. "KY FAME is giving me the experience to go anywhere and work wherever I want to," he said. "I'll have the choice of getting a high-

paying job or continuing my education. That is what's so great about the program. It's also great that I'll graduate without any college debt. Not too many people can say that."

KY FAME began in 2010 as a company-sponsored partnership of regional employers in central Kentucky. The program has become so successful that it's expanding—adding three new chapters in Greater Louisville, Northern Kentucky and the Lincoln Trail regions. Chapters in eastern and western Kentucky also are in the works as the goal is to expand the program statewide.

"KY FAME will have a significant impact on northern Kentucky," said Mike Hirsch, vice president of operations at ZF Steering in Florence and president of the KY FAME Northern Kentucky Chapter. "I'm confident the program will provide real solutions to the workforce challenges facing our local manufacturers and provide a strong career path for our students."

Many of Kentucky's large, international companies, such as Toyota, 3M and Hitachi, have reaped the benefits of KY FAME, but the program is as equally beneficial for small companies. Danette Wilder, president and CEO of Lexington-based SealingLife Technology, has been using KY FAME for her small, minority-owned business for the past four years.

"KY FAME is a win for small businesses," said Wilder. "Many small businesses have limited budgets, and KY FAME gives me a hands-on labor force at a competitive cost. The program has really helped my company thrive in central Kentucky."

To help bring about the statewide expansion, KY FAME has created a board of directors composed of both private and public leaders from all parts of the state. The board's role will be to work with communities and companies to develop new KY FAME chapters and programming. It also will facilitate the sharing of best practices and oversee the expansion to make sure it stays focused on its goals.

Learn more about how KY FAME can help you at www.kyfame.com.

This article originally appeared in the January 2015 Think Kentucky eNewsletter. Read additional articles or subscribe to the bi-monthly eNewsletter [here](#).





Home >> Degrees & Training >> Workforce Training >> KCTCS-TRAINS

KCTCS-TRAINS

The centerpiece of the KCTCS workforce and economic development efforts is the KCTCS-TRAINS program. KCTCS-TRAINS is part of the Kentucky Skills Network, which is a partnership of workforce professionals from the Cabinet for Economic Development, Kentucky Career Center (Education & Workforce Development Cabinet), Labor Cabinet and KCTCS who are dedicated to providing solutions-based services for you. Through KCTCS-TRAINS, KCTCS colleges work with you to provide the training your employees need to keep your company competitive in today's global economy.

Through KCTCS-TRAINS, companies receive funding to assist with the cost of providing workforce training and assessment services to current, as well as, potential employees. KCTCS-TRAINS funds are distributed on a project basis and require a company cash match of 50%. The KCTCS Workforce Solutions staff will assist companies in developing training plans and applying for KCTCS-TRAINS funding.

Companies may apply individually or as a training network with other companies. The training networks meet common training needs of business and industry from various sectors of the economy. The network approach is successful because companies who only need one or two employees trained are able to join with other companies to obtain cost-effective and timely training. KCTCS Workforce Solutions staff will assist companies in developing the training networks.



For more information regarding partner organization services please visit the Kentucky Skills Network site.



Programs and Catalog

[Go2Transfer](#)

[Go2Work](#)

[KCTCS Online](#)

[Workforce Training](#)

[Corporate Training](#)

[KCTCS-TRAINS](#)

[FAQs](#)

[Regulatory Training](#)

[Workforce Assessment Centers](#)

[Staff Contacts](#)

[Community Education](#)

Credit for Prior Learning

KCTCS Initiatives

Gainful Employment Disclosure Information

Privacy and Terms

Kentucky Community and Technical College System

300 North Main Street, Versailles, KY 40383

Phone (859) 256-3100 ; Toll-Free (Kentucky only) (877) 528-2748

Emergency Notification

KCTCS is an equal educational and employment opportunity institution.

Questions About This Web Site

[Home](#)

Firenze

[Home](#) > [About ETPL](#)

Kentucky Eligible Training Provider List

[Login](#)[Providers](#)[Search Program](#)[Presentations](#)[F.A.Q](#)[Contact Us](#)

On July 22, 2014, President Barack Obama signed into effect the Workforce Innovation and Opportunity Act (WIOA) of 2014, thus replacing the Workforce Investment Act (WIA) of 1998. The Kentucky Eligible Training Provider List (ETPL) was created to establish compliance with the directive to provide customer-focused employment training for adults and dislocated workers.

With the passage and enactment of this legislation come many positive changes for job-seekers within the Commonwealth including the addition of Registered Apprenticeship programs and enhanced performance reporting for Training Providers. Additionally, many other requirements have been put in place to ensure the highest quality of services for job-seekers across Kentucky.

For more information, please contact Mike Riley at Mike.Riley@ky.gov.

ETPL Engine Version: 2.0.5875.27463

» **Eligible Training Provider List** «

[About](#) • [Privacy](#) • [Security](#) • [Disclaimer](#) • [Accessibility](#) • [F.A.Q.](#) • [Contact](#)

Copyright © 2015 Education Cabinet - OTS
All rights reserved.

[Home](#) >> **Workforce Solutions**
Workforce Solutions

Workforce Solutions provides training, education, organizational development and consulting services to help businesses and industries maximize their profit and productivity.

Community Education offerings can also be accessed through Workforce Solutions. Click on the icon to the right, "Non-Credit Courses", to access the current catalog of offerings.

Workforce Solutions Is Your Source For Specialized Training

- What You Want...
- When You Want It...(even weekends and evenings)
- Where You Want It...(at your facility or ours)

Mission Statement

The mission of the Workforce Solutions unit is to support regional economic development by providing customized training to develop the workforce of today and tomorrow by partnering with regional business and industry.

Vision Statement

WKCTC Workforce Solutions is the regional leader in responding to the changing needs of business, industry and individuals with innovative programs that create solutions and enhance their future. ***Higher Education Begins Here!***

Workforce Solutions

- Consults with companies to develop training plans for employees.
- Customizes courses to meet specific training and education needs.
- Coordinates all aspects of the training including location, equipment, curriculum, materials and instructors.
- Maintains a level of excellence in all training programs.
- Assists in identifying any funding that may be available for training.

KCTCS-TRAINS

In many cases, funding is available to offset the cost of some training. Our staff is available to provide free initial consultation upon request to ascertain need, scope, and location of all training services.

More Information: 270-534-3335

[See campus maps for directions.](#)

Mike Davenport, mike.davenport@kctcs.edu
 270-824-8661



UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

FARM LOANS

2014 FARM BILL
FACT SHEET

November 2014

Farm Loan Information Chart

The following chart summarizes FSA farm loan information. Additional details are available at local FSA offices and on FSA's website: www.fsa.usda.gov.

Program	Maximum Loan Amount	Rates and Terms	Use of Proceeds
Direct Farm Ownership (FO)	\$300,000	<ul style="list-style-type: none"> Rate based on agency borrowing costs Term up to 40 years 	<ul style="list-style-type: none"> Purchase farm Construct buildings or other capital improvements Soil and water conservation Pay closing costs
Direct Farm Ownership (FO) Participation	\$300,000	<ul style="list-style-type: none"> Rate is direct FO rate less 2% with a floor of 2.5% if at least 50% of loan amount provided by other lender Term up to 40 years 	Same as Direct FO
Direct Down Payment Farm Ownership Program	The lesser of: <ul style="list-style-type: none"> 45% of the purchase price, 45% of the appraised value, \$300,000 	<ul style="list-style-type: none"> Rate is direct FO rate less 4% with a floor of 1.5% Term of 20 years Down payment of at least 5% 	Purchase of farm by a beginning or socially disadvantaged farmer
Direct Operating (OL)	\$300,000	<ul style="list-style-type: none"> Rate based on agency borrowing cost Term from 1 to 7 years 	<ul style="list-style-type: none"> Purchase livestock, poultry, equipment, feed, seed, farm chemicals and supplies Soil and water conservation Refinance debts with certain limitations
Direct Operating Microloan (ML)	\$50,000	Same as Direct OL	Same as Direct OL
Direct Emergency	100% actual or physical losses \$500,000 maximum program indebtedness	<ul style="list-style-type: none"> Rate is based on the OL rate plus 1% Term from 1 to 7 years for non-real estate purposes Term up to 40 years for physical losses on real estate 	<ul style="list-style-type: none"> Restore or replace essential property Pay all or part of production costs associated with the disaster year Pay essential family living expenses Reorganize the farming operation Refinance debts with certain limitations
Guaranteed Operating	\$1,392,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> Rate determined by the lender Term from 1 to 7 years Loan guarantee fee is 1.5% 	Same as direct OL
Guaranteed Farm Ownership	\$1,392,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> Rate determined by the lender Term up to 40 years Loan guarantee fee is 1.5% 	Same as direct FO except loan may be used to refinance debts
Guaranteed Conservation Loan (CL)	\$1,392,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> Rate determined by the lender Term not to exceed 30 years, or shorter period, based on the life of the security Loan guarantee fee is 1.5% Eligibility requirements expanded to include large and financially strong operations 	<ul style="list-style-type: none"> Implement any conservation practice in an NRCS approved conservation plan May be used to refinance debts related to implementing an NRCS approved conservation plan
Land Contract (LC) Guarantee	The purchase price of the farm cannot exceed the lesser of: <ul style="list-style-type: none"> \$500,000 The current market value of property 	<ul style="list-style-type: none"> Rate cannot exceed the direct FO interest rate plus 3% Amortized over a minimum of 20 years with no balloon payments during the first 10 years of loan Down payment of at least 5% 	<ul style="list-style-type: none"> Sell real estate through a land contract to a beginning or socially disadvantaged farmer Guarantee is with the seller of the real estate

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.

Appendix 5

Program Details	Provider Name	Report Card	County Name	Program Name	Program Type
View Details	Madisonville Community College	View Details	HOPKINS	Advanced Integrated Technology	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Biomedical Technology Systems	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Business Administration Systems	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Computer and Information Technology	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Criminal Justice	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Emergency Medical Services - Paramedic	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Energy Management	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Health Science Technology	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Human Service	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Interdisciplinary Early Childhood Education	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Medical Information Technology	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Medical Laboratory Technician	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Mining Technology	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Nursing Integrated Program (PN)	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Nursing Integrated Program (RN)	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Occupational Therapy Assistant	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Paralegal Technology	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Physical Therapy Assistant	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Radiography	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Respiratory Care	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Surgical Technology	Training Program
View Details	Madisonville Community College	View Details	HOPKINS	Welding Technology	Training Program



- Site Selectors
 - Industrial Sites
 - Industrial Buildings Available
 - Madisonville Spec #2
 - York Building
 - Communications and Technology
- Business & Industry
 - Business & Industry Summaries
 - Major Employers
 - State & Local Taxes
 - Property & Occupational Taxes
 - Regulations and Permits
 - Transportation
 - Utilities
 - Full Community Profile (Printable)
- Start Up & Grow
 - Hopkins County Quick Facts
 - Entrepreneurs
 - Guide for Starting Business in Hopkins County PDF
 - Tax Incentives: Grants, Loans, Tax Incentives, Rebates
- Why Hopkins County?
 - Reasons to do business in Kentucky
 - Location
 - Demographics
 - Work Force
 - Education & Training
 - Local Schools
 - Workforce Training
 - KY Fame Student Application
 - Community Links
 - Health Care
 - Parks and Recreation

- [Arts and Entertainment](#)
- [About Us](#)
 - [News & Announcements](#)
 - [Board of Directors](#)
 - [Upcoming Events](#)
 - [Contact Us](#)

Grants, Loans, Tax Incentives & Rebates

Grants, Loans, Tax Incentives, Rebates

The Madisonville Hopkins County Economic Development Corporation has put together a list of 89 Grants, Loans, Tax Incentives and Rebates. Call Ruthann Padgett at the Madisonville Hopkins County Economic Development Corporation for more details on ways to finance your business or your expansion.

Angel Investors

Angel Investors

Agri Business

Agricultural Infrastructure Loan Program (AILP)

Agricultural Processing Loan Program (APLP)

Beginning Farmer Loan Program (BFLP)

Diversification through Entrepreneurship in Agribusiness Loan (DEAL) Program

Kentucky On-Farm Energy Efficiency Incentives Program 2015

Large Animal Veterinary Loan Program (Vet)

Small Business Innovation Research Program

Southern Sare Large Systems Research Grants

Southern Sare Community Innovation Grants

Southern Sare Graduate Student Grants

Southern Sare On Farm Research

Southern Sare Producer Grant

Southern Sare Sustainable Community Grants

Southern Sustainable Agriculture Research and Education

USDA Beginning Farmers and Ranchers

USDA Food Security, AFRI

USDA FSA Farm Service Agency Loans

USDA Small Business Innovation Research Program Phase II

Value Added Producer Grant

Atmos Energy

Atmos Energy

Big Rivers

CVC

Community Ventures

Energy and Enviroment

Incentives for Energy Independence Act IEIA

Kentucky Environmental Stewardship Act KESA

Kentucky Environmental Stewardship Act KESA

EDC

EDC HC Ventures

EDC Microloan Program

High Tech

Commonwealth Seed Capital LLC

Kentucky Enterprise Fund and Rural Innovation Fund

Kentucky SBIR-STTR Matching Funds Program

Job Retention
Kentucky Industrial Revitalization Act KIRA
Kentucky Reinvestment Act KRA
Kenergy
Kenergy Commercial Rebate Program
Kenergy Rural Utilities Service Zero Interest Loans
Kentucky Proud
Kentucky Proud 2015 Good Agricultural Practices Third Party Audit Cost-Share
Kentucky Proud Horticulture Cost Share Program
Kentucky Proud Horticulture Advertising and Market Development Grants
Kentucky Proud Promotional Grant
Kentucky Utilities
Kentucky Utilities
New & Expanding
Kentucky Business Investment KBI Program
Kentucky Enterprise Initiative Act KEIA
IRB
Minorities
MEDI Loans
PADD
PADD Revolving Loan Fund
SBA
SBA 504 Loans
SBA 7A Loans
SBA Cap Lines
SBA Community Advantage
SBA Export Express
SBA Express Working Capital
SBA International Trade
SBA Micro Loans
SBA Real Estate and Equipment Loans
SBA Veterans Advantage
Small Business
Angel Investment Tax Credit
Kentucky Capital Access Program
Kentucky Collateral Support Program
Kentucky Investment Act- KIFA
Kentucky Loan Participation Program
Kentucky Seed Capital LLC
Kentucky Small Business Credit Initiative KSBCI
Kentucky Small Business Loan Program- KEDFA
Kentucky Small Business Tax Credit- KSBTC
Kentucky Vencap
Small Business Innovation Research Program
Tax Increment Financing
Local Redevelopment TIF
Local Vacant Land TIF
Tax Increment Financing TIF
TIF Loan Support Program

Veterans

SBA Veterans Advantage

Workforce Training

Bluegrass State Skills Corporation Grant Reimbursement Program

Bluegrass State Skills Corporation Skills Training Investment Credit

WIA

Regional Economic Growth Strategy, West Kentucky Workforce Board, June 2016

<https://static1.squarespace.com/static/56fe95dd7c65e48a3486156c/t/5881591c59cc68b3a8b8ede1/1484871973150/2016-11-30+West+KY+Future+Plan+FINAL.pdf>

Pennyrile Area Economic Development District

<http://www.peadd.org/community-economic-development.htm>

Madisonville-Hopkins County EDC - Incentives

<http://westcentralky.com/tax-incentives-grants-loans-tax-incentives-rebates/>

Kentucky Career Center

<https://etpl.ky.gov/etpl/About.aspx>

<https://etpl.ky.gov/etpl/SearchProgram.aspx>

Think Kentucky: KY FAME: Building Kentucky's Future Workforce

http://thinkkentucky.com/newsroom/prbodies/domesticNewsletterArticles/KY_Fame.html

http://thinkkentucky.com/Locating_Expanding/kybizince.aspx

http://thinkkentucky.com/Workforce/Kentucky_Skills_Network.aspx

<http://thinkkentucky.com/Workforce/BSSC.aspx>

American Fact Finder (U.S. Census)

<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Madisonville Community College

http://madisonville.kctcs.edu/Academics/Adult_Education.aspx

Madisonville Community College – Workforce Solutions

http://www.madisonville.kctcs.edu/Workforce_Solutions

Felix Martin Jr. Foundation

<http://felixmartinfoundation.org/>

KCTCS – Trains

http://kctcs.edu/en/Degrees_Training/Workforce_Training/KCTCS_TRAINS.aspx

West Kentucky Community & Technical College

<https://westkentucky.kctcs.edu/About/>

Kentucky Coal Academy

<http://coalacademy.kctcs.edu/Colleges>

Kentucky Department of Education

<http://applications.education.ky.gov/SRC/CareerTechEducationByDistrict.aspx>

Kentucky Demographics: Present and Future

<http://www.ksdc.louisville.edu/wp-content/uploads/2015/08/kysu.pdf>

Kentucky State Data Center

<http://www.ksdc.louisville.edu/research/>

Hopkins County Cooperative Extension Center

<https://hopkins.ca.uky.edu/>

Rags to Riches Conference

<https://events.r20.constantcontact.com/register/eventReg?oeidk=a07edmbjpiw447b7de4>

Muhlenberg County Cooperative Extension Center

<https://muhlenberg.ca.uky.edu/>

USDA Farm Loans

https://www.fsa.usda.gov/Internet/FSA_File/farmlnchart_current.pdf

The RR (Rapid Response Team) Survey

Coal- Survey Results and
Demographics from RR Employer Data

137 Surveys/150 attendees

How long have you worked in your current job? (Number of years.)

28 0 Less than 5 years
56 0 5 - 10 years
31 0 11 - 15 years
5 0 16 - 20 years
7 0 21 - 25 years
3 0 26 - 30 years
3 0 31 - 35 years
2 0 36 - 40 years
2 0 More than 40 years

137

Please indicate which of the following categories apply to you:

6 0 Salaried Employee
101 0 Hourly Employee
36 no response

137

How long have you worked in mining? (Number of years.)

12 0 Less than 5 years
27 0 5 - 10 years
35 0 11 - 15 years
8 0 16 - 20 years
13 0 21 - 25 years
6 0 26 - 30 years
3 0 31 - 35 years
14 0 36 - 40 years
7 0 More than 40 years

12 no response

137

Please check the skills/experience you currently have. Check all that apply.

1 0 Administrative/Clerical
9 0 Compliance/OSHA
16 0 Electrical
7 0 Environmental/OSHA
6 0 Fluid Power
1 0 Human Resources
51 0 Laborer
21 0 Maintenance: Electrical
18 0 Maintenance: Instrument Mechanic
7 0 Management/Mine Foreman
7 0 MET
61 0 Operator:
1 0 Operator: injection molding and assembly
19 0 Operator: Lo Trac, Scoop, Mantrip
18 0 Operator: pinning
5 0 Other Belt
2 0 Other Brattice
6 0 Other EMT
26 0 Other Heavy equipment- Forklift, Tractor, Backhoe, Skid Steer, trencher, bulldozer
1 0 Other Pod Duster
17 0 Repair
38 0 Roof Pinning/Bolting
5 0 Safety
17 0 shuttle car operator
52 0 Welding

3-4 items checked per survey

Coal- Survey Results and
Demographics from RR Employer Data

Which of the following statements best describes your plans after layoff?

- 24 0 I will look for another job away from mining.
- 18 0 I will relocate to another area of the country in order to find employment.
- 21 0 I will go back to school/retrain for another career.
- 18 0 I will retire.
- 4 0 I will start my own business.
- 51 0 I am unsure of my plans after layoff.
- 7 0 I would like career counseling to better understand my career options
- 1 0 Other : Gods plan
- 19 0 Other : Underground Mining Job
- 12 no response

****Multiple items checked per survey**

Are you interested in any of these types of training to more quickly obtain employment?

- 3 0 Postsecondary education/training
- 22 0 Training RELATED to skills I have, but need to complete a degree/certificate
- 17 0 Training for a NEW career path
- 1 0 Entrepreneurial Training – help starting a small business
- 18 0 On the Job Training
- 18 0 Short term Certification/Credential
- 31 0 Not interested in ANY training.
- 17 0 Other: Coal Jobs, Heavy equipment, Quick, Don't want school
- 29 no response

****Multiple items checked per survey**

Do you have skills, hobbies, or special talents that you would like to develop into a small business or other business venture?

- 7 0 Yes
- 0 No (Mostly unanswered)

Would you be willing to take a skills assessment, such as the ACTs National Career Readiness Certificate, to prepare for a new job?

- 31 0 Yes
- 51 0 No
- 55 no response

Are you interested in attending workshops on any of the following topics? Check all topics that are interesting to you.

- 4 0 Interviewing Skills
- 17 0 Preparing a Resume
- 18 0 Credit Counseling / Budgeting
- 2 0 Starting My Own Business
- 0 Managing Stress
- 0 Understanding Social Networks for Job Search
- 43 0 Job Search/ Online Job Search Skills
- 51 0 I am not interested in attending workshops.
- 17 0 Other: Just need a Job, How to find a job.

Coal- Survey Results and
Demographics from RR Employer Data

General of Coal Layoffs - WK/GRADD Shared

Which county do you live in? - Based on RR employer data/ employer lists

1 0 Bell County, Kentucky
9 0 Caldwell County, Kentucky
1 0 Christian County, Kentucky
35 0 Crittenden County, Kentucky
4 0 Daviess County, Kentucky
2 0 Floyd County, Kentucky
1 0 Hardin County, Kentucky
8 0 Harlan County, Kentucky
1 0 Hazard County, Kentucky
51 0 Henderson County, Kentucky
144 0 Hopkins County, Kentucky
3 0 Jefferson County, Kentucky
2 0 Knott County, Kentucky
1 0 Lawrence County, Kentucky
3 0 Letcher County, Kentucky
4 0 Livingston County, Kentucky
1 0 Logan County, Kentucky
1 0 Lyon County, Kentucky
8 0 McLean County, Kentucky
37 0 Muhlenberg County, Kentucky
11 0 Ohio County, Kentucky
1 0 Pike County, Kentucky
3 0 Todd County, Kentucky
167 0 Union County, Kentucky
109 0 Webster County, Kentucky
21 0 Illinois
11 0 Indiana

640 5 mines

My highest level of educational attainment is:

0.2% 0 No High School Diploma or GED
56.6% 0 High School Diploma or GED
30.7% 0 Some College - Did not complete a degree
10.6% 0 Associates Degree
1.5% 0 Bachelor's Degree
0.46% 0 Master's Degree
0 Ph.D.
100.0%

What is your gender?

98% 0 Male
2% 0 Female

Average age 42.7

Average wage \$27/hr.

Regional Dislocations

The West Kentucky Workforce Board (WKWB) coordinates employment and training services for individuals affected by a mass layoff or business/industry closure within the west Kentucky region. Rapid Response activities are provided to inform dislocated workers of the services available to them at the time of the layoff/closure announcement. In addition, funds are utilized to provide needed training and supportive services to dislocated workers during their time of career transition. The WKWB is also proactive in securing adequate funds to meet the employment and training needs of dislocated workers within the region and works closely with local, state and federal representatives.

Energy/Coal Closures and/or Major Coal Economy Layoff Announcements

Company Name - Location	Date	WARN	Actual- As Notified by Company
Armstrong Coal- Parkway underground mine- Central City	1/16/2017		9
Webster Co. Coal, LLC - Dotiki Mine - Nebo <small>GRADD & WK Residents Affected</small>	11/01/2016	58	0
Ken American Resources, Inc. - Murray Energy - Central City	06/30/2016	217	0
Armstrong Coal- Parkway underground mine- Central City (closure)	4/29/2016	86	12
Armstrong Coal- Parkway Preparation Plant- Central City (closure)	4/29/2016	20	0
Alliance Coal- Warrior Coal- Madisonville <small>GRADD & WK Residents Affected</small>	02/05/2016	150	87
Alliance Coal- Hopkins Co Coal- Elk Creek- Madisonville (closure) <small>GRADD & WK Residents Affected</small>	02/05/2016	253	63
Alliance Coal- Riverview Mine- Henderson <small>GRADD & WK Residents Affected</small>	02/05/2016	45	28
TVA- Paradise - Drakesboro (closure) <small>** Originally notified 2013</small>	02/03/2016	150	0
Alliance Coal- Sebree Mining <small>GRADD & WK Residents Affected</small>	11/6/2015	141	118
Armstrong Coal - Parkway Mine and Prep Plant - Central City	11/2/2015	58	27
Alliance Coal - Elk Creek Mine- (Update - closure 1 st q 2016)	08/13/2015	200	0
TOTAL		1378	344
		Identified	

§ Numbers above do not include temporary layoffs or layoffs with callback dates

* Numbers from repetitive WARN notices are not duplicated in total

Energy Related Closures and/or Major Layoffs

Company Name - Location	Date	WARN	Actual
TVA- Paradise - Drakesboro <small>GRADD & WK Residents Affected</small>	06/10/2016	200	
2 of the 3 units with a combined capacity of 1,230 MW will be shut down in April-July 2017 - This will have a significant impact further reducing the regions need for coal			
Mega Power Inc.- Hickory (closure) <small>TVA related loss of business/bankruptcy</small>	06/13/2016	14	14
TOTAL		14	14

West Kentucky Workforce Board
Building Businesses and Careers for Kentucky

11/1/2016

Appendix 6 - Table - Gross and base employment and wages for Western Kentucky in 2014. Source: Dr. Philip Watson, Author calculations from IMPLAN Inc. data

NAICS	SECTOR	GROSS EMPLOYMENT	BASE EMPLOYMENT	GROSS WAGES	BASE WAGES
111	Crop Farming	421	578	\$2,170,177	\$6,723,847
112	Livestock	1,064	1,266	\$7,631,995	\$16,133,783
113	Forestry & Logging	227	135	\$0	\$13,025
114	Fishing- Hunting & Trapping	3	3	\$917,083	\$1,192,325
115	Ag & Forestry Svcs	90	2	\$754,807	\$16,036
211	Oil & gas extraction	137	29	\$3,173,327	\$809,328
212	Mining	1,533	3,486	\$139,117,411	\$215,094,867
213	Mining services	462	627	\$34,365,599	\$38,024,086
221	Utilities	199	224	\$24,204,869	\$15,215,047
230	Construction	2,204	2,385	\$91,229,122	\$88,427,144
311	Food products	413	701	\$19,257,510	\$28,436,360
312	Beverage & Tobacco	23	48	\$2,307,631	\$3,122,053
313	Textile Mills	16	22	\$638,992	\$849,390
315	Clothing and accessories	37	52	\$2,011,917	\$2,503,609
321	Wood Products	516	806	\$18,306,130	\$26,130,841
322	Paper Manufacturing	126	328	\$12,673,145	\$20,180,750
323	Printing & Related	98	118	\$3,119,867	\$3,729,132
324	Petroleum & coal prod	77	409	\$8,561,177	\$19,755,057
325	Chemical Manufacturing	243	493	\$18,641,281	\$27,985,910
326	Plastics & rubber prod	367	576	\$22,058,345	\$29,273,658
327	Nonmetal mineral prod	92	127	\$4,665,847	\$5,814,091
331	Primary metal mfg	93	296	\$8,769,190	\$17,635,873
332	Fabricated metal prod	269	402	\$16,864,528	\$21,450,166
333	Machinery Mfg	354	559	\$26,827,280	\$34,027,083
336	Transportation eqpmt	402	718	\$38,782,432	\$49,826,395
337	Furniture & related prod	2	3	\$91,846	\$113,424
339	Miscellaneous mfg	23	30	\$1,155,807	\$1,398,121
420	Wholesale Trade	575	216	\$34,979,057	\$10,775,531
441	Motor veh & parts dealers	332	59	\$14,275,665	\$2,377,829
442	Furniture & home furnishings	106	9	\$3,517,465	\$299,851
443	Electronics & appliances stores	65	7	\$2,018,254	\$212,362
444	Bldg materials & garden dealers	310	52	\$9,509,244	\$1,622,915
445	food & beverage stores	525	11	\$12,143,223	\$288,406
446	Health & personal care stores	336	69	\$12,457,802	\$2,519,063
447	Gasoline stations	387	173	\$7,996,850	\$3,995,899
448	Clothing & accessories stores	152	23	\$2,171,937	\$402,369
451	Sports- hobby- book & music stores	79	7	\$1,011,184	\$110,106
452	General merch stores	962	361	\$25,856,812	\$10,311,905
453	Misc retailers	352	39	\$3,528,039	\$485,977
454	Non-store retailers	380	78	\$6,736,164	\$1,667,720

Appendix 6 - Table - Gross and base employment and wages for Western Kentucky in 2014. Source: Dr. Philip Watson, Author calculations from IMPLAN Inc. data

481	Air transportation	4	2	\$0	\$36,117
482	Rail Transportation	142	46	\$12,214,913	\$2,865,049
484	Truck transportation	417	215	\$19,605,524	\$9,222,088
485	Transit & ground passengers	10	11	\$0	\$58,364
486	Pipeline transportation	35	39	\$4,539,249	\$3,051,702
487	Sightseeing transportation	32	4	\$1,903,831	\$188,216
492	Couriers & messengers	89	38	\$3,774,641	\$1,555,014
493	Warehousing & storage	736	781	\$32,752,106	\$32,440,373
511	Publishing industries	79	75	\$1,796,883	\$1,883,177
512	Motion picture & sound recording	23	15	\$159,372	\$160,795
515	Broadcasting	45	37	\$1,301,816	\$1,034,683
517	Telecommunications	121	41	\$8,791,513	\$1,971,943
518	Data processing, hosting and related	16	8	\$580,894	\$268,952
519	Information services	5	7	\$150,778	\$239,615
521	Monetary authorities	349	29	\$17,904,362	\$1,310,514
522	Credit intermediation & related	130	23	\$5,426,344	\$885,854
523	Securities & other financial	231	29	\$4,432,582	\$673,098
524	Insurance carriers & related	269	85	\$9,608,798	\$2,968,803
525	Funds- trusts & other finan	55	0	\$2,727,051	\$13,621
531	Real estate	711	73	\$3,496,637	\$1,447,363
532	Rental & leasing svcs	123	46	\$3,007,819	\$1,251,538
533	Lessor of nonfinance intang assets	11	16	\$173,734	\$425,383
541	Professional- scientific & tech svcs	1,237	680	\$35,427,603	\$19,786,391
551	Management of companies	37	7	\$1,846,932	\$303,507
561	Admin support svcs	1,334	184	\$29,946,526	\$4,424,029
562	Waste mgmt & remediation svcs	55	13	\$2,575,430	\$538,537
611	Educational svcs	89	4	\$1,368,922	\$76,662
621	Ambulatory health care	1,398	181	\$80,400,121	\$9,088,266
622	Hospitals	1,967	981	\$130,205,139	\$53,393,574
623	Nursing & residential care	952	325	\$27,398,369	\$9,525,922
624	Social assistance	570	159	\$12,119,574	\$3,637,636
711	Performing arts & spectator sports	99	12	\$213,683	\$47,640
712	Museums & similar	4	0	\$111,143	\$668
713	Amusement- gambling & recreation	106	1	\$1,180,079	\$15,275
721	Accommodations	99	118	\$1,587,690	\$2,289,044
722	Food svcs & drinking places	2,391	265	\$35,956,700	\$4,595,659
811	Repair & maintenance	730	356	\$1,862,493	\$10,532
812	Personal & laundry svcs	387	117	\$32,607,188	\$14,817,135
813	Religious, grantmaking, & similar	255	18	\$7,473,819	\$2,607,243

Appendix 6 - Table - Gross and base employment and wages for Western Kentucky in 2014. Source: Dr. Philip Watson, Author calculations from IMPLAN Inc. data

810	Private households	160	1	\$4,063,432	\$335,023
990	Government enterprises	6,035	7,868	\$358,370,891	\$399,902,316
	Employee Compensation	0	0	\$0	\$42,632,037
	Proprietor Income	0	0	\$0	\$41,339,779
	Other Property Type Income	0	0	\$0	\$39,550,664
	Tax on Production and Imports	0	0	\$0	\$34,844,846
	Households LT10k	0	636	\$0	\$21,879,094
	Households 10-15k	0	526	\$0	\$21,004,423
	Households 15-25k	0	1,223	\$0	\$18,301,326
	Households 25-35k	0	1,003	\$0	\$17,114,334
	Households 35-50k	0	1,142	\$0	\$8,598,275
	Households 50-75k	0	1,205	\$0	\$0
	Households 75-100k	0	646	\$0	\$0
	Households 100-150k	0	512	\$0	\$0
	Households 150k+	0	263	\$0	\$0

- AUTHOR: CLIVE THOMPSON.[CLIVE THOMPSON BUSINESS](#)
- DATE OF PUBLICATION: 02.08.17.02.08.17
- TIME OF PUBLICATION: 12:30 PM.12:30 PM

THE NEXT BIG BLUE-COLLAR JOB IS CODING



ZOHAR LAZAR

When I ask people to picture a coder, they usually imagine someone like Mark Zuckerberg: a hoodied college dropout who builds an app in a feverish 72-hour programming jag—with the goal of getting insanely rich and, as they say, “changing the world.”

But this Silicon Valley stereotype isn’t even geographically accurate. The Valley employs only 8 percent of the nation’s coders. All the other millions? They’re more like Devon, a programmer I met who helps maintain a security-software service in Portland, Oregon. He isn’t going to get fabulously rich, but his job is stable and rewarding: It’s 40 hours a week, well paid, and intellectually challenging. “My dad was a blue-collar guy,” he tells me—and in many ways, Devon is too.

Politicians routinely bemoan the loss of good blue-collar jobs. Work like that is correctly seen as a pillar of civil middle-class society. And it may yet be again. What if the next big blue-collar job category is already here—and it’s programming? What if we regarded code not as a high-stakes, sexy affair, but the equivalent of skilled work at a Chrysler plant?

Among other things, it would change training for programming jobs—and who gets encouraged to pursue them. As my friend [Anil Dash](#), a technology thinker and entrepreneur, notes, teachers and businesses would spend less time urging kids to do expensive four-year computer-science degrees and instead introduce more code at the vocational level in high school. You could learn how to do it at a community college; midcareer folks would attend intense months-long programs like [Dev Bootcamp](#). There’d be less focus on the wunderkinds and more on the proletariat.

These sorts of coders won’t have the deep knowledge to craft wild new algorithms for flash trading or neural networks. Why would they need to? That level of expertise is rarely necessary at a job. But any blue-collar coder will be plenty qualified to sling JavaScript for their local bank. That’s a solidly middle-class job, and middle-class jobs are growing: The national average salary for IT jobs is about \$81,000 (more than double the national average for all jobs), and the field is set to expand by 12 percent from 2014 to 2024, faster than most other occupations.

Across the country, people are seizing this opportunity, particularly in states hit hardest by deindustrialization. In Kentucky, mining veteran Rusty Justice decided that code could replace coal. He cofounded [Bit Source](#), a code shop that builds its workforce by retraining coal miners as programmers. Enthusiasm is sky high: Justice got 950 applications for his first 11 positions. Miners, it turns out, are accustomed to deep focus, team play, and working with complex engineering tech. “Coal miners are really technology workers who get dirty,” Justice says.

Meanwhile, the Tennessee nonprofit [CodeTN](#) is trying to nudge high school kids into coding programs at community colleges. Some students (and teachers) worry that the kids don't fit the Zuckerbergian cliché. That's a cultural albatross, CodeTN cofounder Caleb Fristoe says. "We need to get more employers saying, 'Yeah, we just need someone to manage the login page,'" he says. "You don't have to be a superstar." Now, to be sure, society does need some superstars! Serious innovators, at companies and in academia, are the ones who create new fields like machine learning. But that doesn't preclude a new mainstream vision of what most programming work actually is. For decades, pop culture (and, frankly, writers like me) have overpromoted the "lone genius" coder. We've cooed over the billionaire programmers of The Social Network and the Anonymized, emo, leather-clad hackers of Mr. Robot. But the real heroes are people who go to work every day and turn out good stuff—whether it's cars, coal, or code.

This article appears in the December 2016 issue.