

The Perry County Economic Matrix Implementation Manual



Developed for:
The Perry County Fiscal Court
P.O. Drawer 210
Hazard, Kentucky 41702

by:
Bill A. McIntosh
Economic Matrix Coordinator
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Disclaimer

The author believes all data contained within this document to be accurate and the most current available, however, the author cannot guarantee that all data contained herein is accurate or complete. The author conducted direct interview, print, electronic media, and surveys to complete the Perry County Economic Matrix Implementation Manual. Please also note that survey data contained in this document are based on information self reported by interviewees and survey respondents, which were not factually verified by the author. Many references were used in the formulation of this document, and every attempt has been made to ensure references cited were credited.

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Abstract

The Perry County Economic Development Implementation Manual (the Manual) was designed with the cooperation of many partners, public and private. Through the direct interview, online survey, and public forum approaches, a great deal of data were compiled that hopefully represent the concerns of the citizens of Perry County as a whole, and not one specific group. Substantial information was provided and this plan represents the culmination of that information into a workable guide to create new businesses and jobs, and develop a positive, sustainable pattern of economic growth.

Perry County must invest in a new approach to economic development; one that uses a combination of community-based development and critical strategic planning. Perry County, along with other areas in Appalachia, have been dealt a fatal blow with the job losses associated with the coal mining industry. The coal mining industry has served Perry County well in good times, however, it is now evident that diversification must occur to solve the problems associated with the dependence of a single industry. The loss of coal jobs has resulted in people leaving the area to find good-paying jobs elsewhere. It stands to reason then, addressing the implications of a declining resident labor force present economic development challenges, as well as opportunities. It must be recognized that future prosperity requires strategies that build on the County's assets, needs and desires.

An economic development strategic plan, The Perry County Economic Development Implementation Manual, has been developed with the intent to move Perry County from its current economic position to an environment of positive economic growth, job creation, and the formation of new businesses. The Manual identifies key problems, as identified by public and private partners, and other stakeholders, that affect our county and lays out processes that can be implemented to reposition our economic development structure. The main objectives of the Manual are to generate positive and sustainable economic growth and provide a better quality of life for Perry County's citizens. The plan should be sustainable, in that a consistent long-term period of growth is experienced, and strategic, in that it utilizes its specific resources to meet the long-term objectives. Knowing where to invest economic development time and money is the key to addressing Perry County's economic development challenges and effectively leveraging assets and resources to create a stronger, more vibrant and sustainable economy.

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Introduction and Acknowledgments

The Perry County Economic Development Implementation Manual (the Manual) was designed with the cooperation of many partners, public and private. Through the direct interview, online survey, and public forum approaches, a great deal of data were compiled that hopefully represent the concerns of the citizens of Perry County as a whole, and not one specific group. Substantial information was provided and this plan represents the culmination of that information into a workable plan to create new businesses and jobs, and develop a positive, sustainable pattern of economic growth.

The following public and private partners gave invaluable suggestions, experience and forethought that lent to the formation of the Manual:

AEP/Kentucky Power Company – Michael Lasslo, Greg Sparkman, Brad Hall
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Community Trust Bank – Janice Brafford-King, President of Hazard Market Area
Eastern Kentucky Concentrated Employment Program (EKCEP) – Jeff Whitehead, Executive Director
Foundation for Appalachian Kentucky – Gerry Roll, Executive Director
Hazard Community and Technical College – Dr. Jennifer Lindon, President
Hazard Fire Department – Sam Stacy, Chief
Hazard Health and Rehabilitation Center – Charlotte Thornsberry, Administrator
Hazard-Perry County Chamber of Commerce – Betsy Clemons, Executive Director
Hazard-Perry County Community Ministries – Adrienne Bush, Director
Hazard-Perry County Economic Development Alliance – Tonita Goodwin, Executive Director
Hazard-Perry County Tourism – Tawny Hogg, Director
InVision Hazard – Les Roll, Director
Kentucky Appalachian Research and Defense Fund – Charnel Burton, Attorney
Kentucky Highlands Investment Corporation – Stephen Taylor, Development Director
Kentucky Promise Zone – Sandi Curd, Director
Kentucky River Area Development District (KRADD) – Mike Miller, Director
Mountain Association for Community Economic Development (MACED) – Les Roll, Project Specialist
Perry County Fiscal Court – Scott Alexander, County Judge-Executive, Magistrates: Keith Miller, Ronald Combs, and Kenny Cole, Benny Hamilton, Grant Writer
Perry County Public Library – Elaine Couch, Director
Primary Care Center – Barry Martin, CEO
Shaping Our Appalachian Region (SOAR) of Kentucky – Jared Arnett, Executive Director, Kevin Loux, Director of Strategic Partnerships

Through direct interviews, public forums and online surveys, Perry County, as well as any interested outside party, had the opportunity to contribute to the Manual. Their input reflected the “voice of the people”. The Manual could not have been completed and accurately reflect the “voice of the people” with the cooperation of the above-listed groups, individuals, and the citizens of Perry County.

In order to collect the statistics necessary to formulate strategic planning, there were many entities available in hard print, as well as electronic media. Among those most frequently used included:

Eastern Kentucky Concentrated Employment Program (EKCEP), *Regional Strategic Plan 2014-2017*
Kentucky Cabinet for Economic Development, ThinkKentucky
Kentucky Highlands Investment Corporation Promise Zone Program
Kentucky River Area Development District, *Economic Development Strategy 2015 Update*
United States Bureau of the Census, American Community Survey
United States Bureau of Labor Statistics
United States Economic Development Association

The author would especially like to thank those that proofread this document: Robin Brashear, Holly Caudill, Benny Hamilton, and Dr. Jennifer Lindon. Their input was greatly appreciated.

“We who live in free market societies believe that growth, prosperity and ultimately human fulfillment, are created from the bottom up, not the government down. Only when the human spirit is allowed to invent and create, only when individuals are given a personal stake in deciding economic policies and benefiting from their success -- only then can societies remain economically alive, dynamic, progressive, and free. Trust the people. This is the one irrefutable lesson of the entire postwar period contradicting the notion that rigid government controls are essential to economic development.” - Ronald Reagan

Executive Summary

Perry County must invest in a new approach to economic development; one that uses a combination of community-based development and critical strategic planning. Perry County, along with other areas in Appalachia, have been dealt a fatal blow with the job losses associated with the coal mining industry. The coal mining industry has served Perry County well in good times, however, it is now evident that diversification must occur to solve the problems associated with the dependence of a single industry. The loss of coal jobs has resulted in people leaving the area to find good-paying jobs elsewhere. It stands to reason then, addressing the implications of a declining resident labor force present economic development challenges, as well as opportunities. It must be recognized that future prosperity requires strategies that build on the County's assets, needs and desires.

An economic development strategic plan, The Perry County Economic Development Implementation Manual, has been developed with the intent to move Perry County from its current economic position to an environment of positive economic growth, job creation, and the formation of new businesses. The Manual identifies key problems, as identified by public and private partners, and other stakeholders, that affect our county and lays out processes that can be implemented to reposition our economic development structure. The main objectives of the Manual are to generate positive and sustainable economic growth and provide a better quality of life for Perry County's citizens. The plan should be sustainable, in that a consistent long-term period of growth is experienced, and strategic, in that the plan utilizes its specific resources to meet the long-term objectives. Knowing where to invest economic development time and money is the key to addressing Perry County's economic development challenges and effectively leveraging assets and resources to create a stronger, more vibrant and sustainable economy.

Success of the plan will depend on both internal and external participation. From an internal standpoint, an environment of optimism regarding the future of Perry County must be adopted, and all concerned should use a single brand or message when marketing Perry County's assets. From an external standpoint, a central board or commission (Economic Development Organization or EDO) should be the single point of contact for information about Perry County's economic development efforts, and all social media sites concerning Perry County economic development should link to a single site dedicated to marketing Perry County. The County currently maintains three authorized websites to provide information to the public: Perry County Fiscal Court (Facebook), a microsite on StateBook International, and Perry County (at perrycounty.ky.gov). As long as the websites remain complimentary, providing conflicting information to the public should be at a minimum. It is suggested a single website dedicated specifically, and only for the purpose of Perry County's economic development efforts be designed and published, and controlled by the EDO. Efforts should be made to take down any websites, or any other form of social media not authorized by the EDO or the Perry County Fiscal Court.

While there are several existing boards and committees, and it is believed they are well-intended, efforts regarding a positive and sustainable economic development effort must be coordinated. Economic development efforts would stand a much greater chance for success when the foundation is grounded in cooperation between the city, county, business community, education community, civic leaders and government officials. It is critical that communication between all concerned is maintained in order to achieve success. Further discussion regarding committees, boards, etc. has been provided in the 'Suggested Committees' section of this Manual.

"Coming together is a beginning. Keeping together is progress. Working together is success." - Henry Ford.

Various methodologies were used to develop the plan, which was based primarily on a SWOT (strengths, weaknesses, opportunities, and threats) situation analysis. Data collection was performed through the use of direct interviews of local economic development allies, local leaders, other concerned parties, online surveys, public forums, and the county's demographic and economic profile. The idea was to reach a consensus between the public and local leaders, agencies, committees, etc. to create a plan for Perry County's economic future. A firm belief is that success has a better chance of attainment with a shared vision between residents,

businesses, and leaders on what they value most in their community. The Manual also includes a target industry evaluation based on interview and survey responses, an existing business retention and expansion plan, a marketing plan, an implementation plan, and evaluation recommendations.

Structuring the Plan

In order to get a better understanding of the process, these questions must be asked:

- What is Perry County's current image and what can it be five years from now?
- What unique advantages does Perry County have regionally and nationally?
- What opportunities does Perry County have attracting new industries and businesses?
- What specific industries can Perry County effectively target?
- What threats or barriers might exist that will hinder Perry County from attracting new industries and how can they be overcome?

Through the direct interview, public forum and online survey processes, information was gathered for a SWOT situation analysis to determine what resources are available, what resources are lacking, how to best utilize the current resources, and what may hinder or prevent reaching set goals. Local and regional partners and/or partner entities associated with economic planning agencies, education, public utilities, small business employers, state agencies, and local government officials were interviewed directly. A questionnaire was also distributed to gather assessment components for the SWOT situation analysis of Perry County's present and future state regarding assets and resources. Responses to the questionnaire identified what resources they felt Perry County had to offer and the weaknesses that need to be improved.

Some of Perry County's advantages include:

- The availability of a quality education within an hour's drive. Perry County is home to the Hazard Community and Technical College and the Galen School of Nursing (coming soon). Eight four-year institutions are within an approximate 60-mile radius of Perry County.
- Average 2013 weekly wages of Perry County's workforce is a less than the national average by 25%.
- The majority age group of Perry County's workforce is 45-64, which consists of mature, experienced workers.
- Perry County is the "oasis" of southeast Kentucky, having a wide selection of dining and shopping venues.
- Perry County has and will continue to benefit from federal programs such as the Promise Zone and the USDA Rural Development, as well as various grant opportunities to provide funding to help develop a strong economic development base.
- Perry County is home to the Hazard Appalachian Regional Medical Center that currently employs approximately 20% of the workforce.

Perry County must find their niche, something about their uniqueness, that provides a competitive edge over other counties in the region, and other parts of the state. A specific plan needs to be developed bearing in mind that no two communities are the same, in that they do not face the same challenges, and they cannot recover from economic downturn by merely replicating efforts that have succeeded in other places. It is also evident that the line of thinking regarding economic development must be adjusted to recognize diversity in business will factor largely in establishing a sustainable economic future.

It should be recognized that people are always the most important resource and, by having limited resources, cannot afford to exclude anyone from planning or development efforts. People, as opposed to money or other resources, are the one absolutely necessary ingredient in the recipe for successful development.

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Vision Statement

It is the vision of the Perry County Fiscal Court to promote a diversified and healthy economy which will in turn develop strong communities, assist and support existing businesses, encourage entrepreneurship and new businesses, promote a better quality of life, and sustainable economic growth utilizing all the resources Perry County has to offer.

Mission Statement

It is the mission of the Perry County Fiscal Court to steer positive and sustainable economic development in Perry County using coordinated and implementable processes that involve the utilization of the county's strengths, assets and available resources to promote a clean and healthy environment, increase the quality of life, and provide opportunities for a trained and educated workforce to earn a decent living.

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Goals, Objectives. Actions and Strategies

A goal can be defined as the desired result of a committed effort within a certain timeframe. As an example, a goal may be set to support existing businesses in the county, and encourage the expansion and relocation of other targeted industries.

An objective is a more solid and specific sub-element of a goal, that provides measurable strategies. As an example, an objective may be defined to lower the rate of unemployment in the retail sector. After some period of time, the endeavor can be measured for evaluation.

An action can be defined as a specific task with the purpose of short-term implementation. As an example, the EDO could be charged with the task of conducting surveys of local businesses to determine what their needs are and how the the Fiscal Court can assist. Actions are also associated with parties responsible for carrying it out, sources of funding, and a timeframe determined to assure that it can be carried out successfully.

A strategy identifies the goals, objectives, and action necessary for achieving a desired outcome over a long period of time.

Sustainability

To develop an economic development strategic plan with a foundation of sustainability, it was important to define what is meant by the term. A good working definition of sustainability was developed by Stephen Viederman that states sustainability *“is a community’s control and prudent use of all forms of capital—nature’s capital, human capital, human-created capital, social capital, and cultural capital—to ensure, to the degree possible, that present and future generations can attain a high degree of economic security and achieve democracy while maintaining the integrity of the ecological systems upon which all life and all production depends.”*

The purpose in developing a sustainable economic development plan is to have a plan that is much more than just seeking economic activity that may have no relationship to the history and culture of the County and its own vision for the future. This plan is designed to take a rational approach toward the future and combine it with the desire to build in sustainability and resiliency for the County so that we can be more self-sufficient and be minimally affected by the risks generated by the global economy and other economic variables over which we have no control.

The one area the County does have control over is its own purchasing power and the ability to produce and buy local, the ability to grow food, generate local energy, and attract tourist dollars to buffer cyclical economic downturns. While many policies adopted as part of this Manual have a sustainable component, the Manual itself is a dynamic document that will adapt and change as circumstances dictate. This flexibility will allow it to be a dynamic tool to continually pursue the best policies that will help develop and sustain a clean, reliable, and culturally relevant economy in perpetuity.

Strategic Planning Process

Strategies can be developed using more than one path: the attraction and recruitment of specific target industries, the retention and expansion of existing businesses, and a combination of both.

In 2012, Pender, et al, wrote:

“Over time, all communities experience changes that affect the industries, technologies, and land use patterns that help form the foundation of their local economies. Economically resilient towns, cities, and regions adapt to changing conditions and even reinvent their economic bases if necessary. However, smaller

communities often have a more difficult time making significant adjustments. They are more likely to depend on a single economic sector, and they might not have the infrastructure, facilities, and human capital they need to tackle the complicated economic and social challenges they face.”

Strategy One consists of replacing a declining major industry by focusing economic development efforts on targeting and recruiting small, medium and large manufacturers and retailers. The SWOT analysis certainly validated this approach as the most popular industry to target was manufacturing. Manufacturers and retailers would certainly bring a lot of new jobs, if recruitment efforts were successful. However, the reality is that Perry County would be competing against every other county in the region, or even the state and the nation, in courting these large firms. Every county wants a large manufacturing sector. A real challenge exists between what Perry County can offer regarding land, tax incentives, infrastructure, logistics, and amenities versus Jefferson or Fayette counties, for example. Perry County does, however, have some advantages over most contiguous counties. Recruiting technology-based industries that provide a clean industrial environment and create higher paying opportunities will give our young people a reason to remain in Perry County and recruit others to relocate in Perry County.

Strategy Two consists of focusing efforts on retaining and expanding the County's current businesses. An economic development effort would not be complete without a Business Retention and Expansion (BRE) plan. Although it would be great to be able to attract a new business that could employ 100+ people, or a large manufacturer, the County must realize they are a small fish in a large pond, so to speak. In recognition of the fierce competition for factories and manufacturers, the County could find themselves in a “chasing smokestacks” scenario and neglecting the businesses that are already here. The County must realize that there are only a small number of projects available being chased by thousands of community economic development agencies. If a large employer is attracted to the County, that would be fantastic. On the flip side, all efforts expended with no results gains nothing. A properly designed and implemented BRE would bring about significant benefits to the County, and show others that may be considering locating here, Perry County is devoted to being unified in their economy, their community, and their workforce development initiatives.

Strategy Three consists of a combined effort between the first two strategies. When looking at new, smaller businesses, product diversification can be a key factor to the success of the County’s retail sector. Stores should look to a niche market. In other words, they should sell things that Wal-Mart and other larger retailers don’t sell. They have to sell things that will draw people to drive for at least one hour.

Strategy Three should be the desired strategy and is recommended, whereas efforts should be made in attracting small to medium manufacturers, but also providing the necessary support for existing businesses to grow and sustain so they do not feel they are being neglected and unappreciated.

Attracting new firms, fostering the growth of small business, and retaining existing businesses are three basic economic development strategies. Each one of these requires assembling a different set of local assets in order to be successful. In order to be successful, the County should be willing to take a hard look at the existing set of assets, resources and institutions in the County, then design an appropriate, “eyes wide open”, realistic approach in the form of a strategic plan with action steps to reach the desired goal.

Suggested Committees

Boards, committees, and commissions are advisory or regulatory groups that work with the County. A board is usually a formal group that has structure and specific duties established by an ordinance. Boards can be a regulatory group appointed to set licensing standards and professional requirements for members. A commission is similar, however, it often has a more administrative or advisory role. Advisory groups are appointed to provide guidance to the program or agency with which they are affiliated. A committee is advisory in nature usually appointed by the governing body. Members are usually unpaid volunteers.

The Court should consider these example groups to assist in matters affecting the future. Having a talented and diverse group of those residing in the County and directly affected by the Court's decisions is an

extremely important ingredient to the success of the County's initiatives. The listing that follows is not meant to imply that these should be the only ones to consider, rather they are only examples of groups that may be of assistance.

Agricultural Advisory Committee

Description: Advises County officials on issues affecting local agriculture. All members serve without compensation. Farmers serve three-year terms; non-farmers serve one-year terms.

Type of Positions: farmers and non-farmers (includes a farm economist and a conservationist)

Citizens Advisory Board

Description: Advises the County Judge Executive and the County Magistrates on issues and needs for the Perry County area and advocates for regional priorities. Members serve three-year terms without compensation.

Type of Positions: a cross-section of citizens living and working in Perry County

Community Action and Services Commission

Description: Develops and coordinates community action programs for people in need, works with various civic and community action groups, and serves as a liaison to the Perry County Fiscal Court. Members serve three-year terms without compensation.

Type of Positions: A compensated director, 1/3 represent low-income persons, 1/3 public officials; others include representatives from business, industry, labor, religious, private welfare, private education, minority, civic, and other major private organizations

Economic Development Board

Description: To advise and assist in promoting and advertising the County, recommend programs and changes in programs designed to achieve sound economic development in Perry County, works by the guidelines of the Perry County Economic Matrix Implementation Manual. Members serve three-year terms without compensation.

Types of Positions: A compensated director, 2 members from each County district and 3 citizen members

Land Use, Planning, Transportation, and Code Enforcement Board

Description: Maintains and recommends amendments to Zoning Ordinances and Regulations. Responsible for planning, plotting and zoning functions affecting Perry County. Prepares and adopts recommendations for the Perry County Fiscal Court. Reviews annual budget and submits recommendations. Administers park and recreation systems in Perry County. Members serve three-year terms without compensation.

Type of Positions: 1 compensated director and 5 public Perry County members

Perry County Merchants Associaton

Description: Provides useful and pertinent information to local businesses, acts to speak in a unified voice for Perry County merchants and businesses, create opportunities for businesses to better market their products and services, provides networking environment and exposure for business, promotes Perry County businesses as pro-community. Members serve three-year terms without compensation.

Type of Positions: business community owners, realtors, bankers, and interested residents

Public Works Board

Description: This Board's focus is to provide financial assistance to the County by overseeing the acquisition, construction, improvement, and remodeling of buildings, water, sewer, and other public facilities. Members serve three-year terms without compensation.

Types of Positions: 1 compensated director and 2 Perry County members from each district

Recreation Advisory Committee

Description: The advisory board works with the various communities to determine recreational and park opportunities and needs in the County and designated areas. Members serve three-year terms without compensation.

Type of Positions: general public

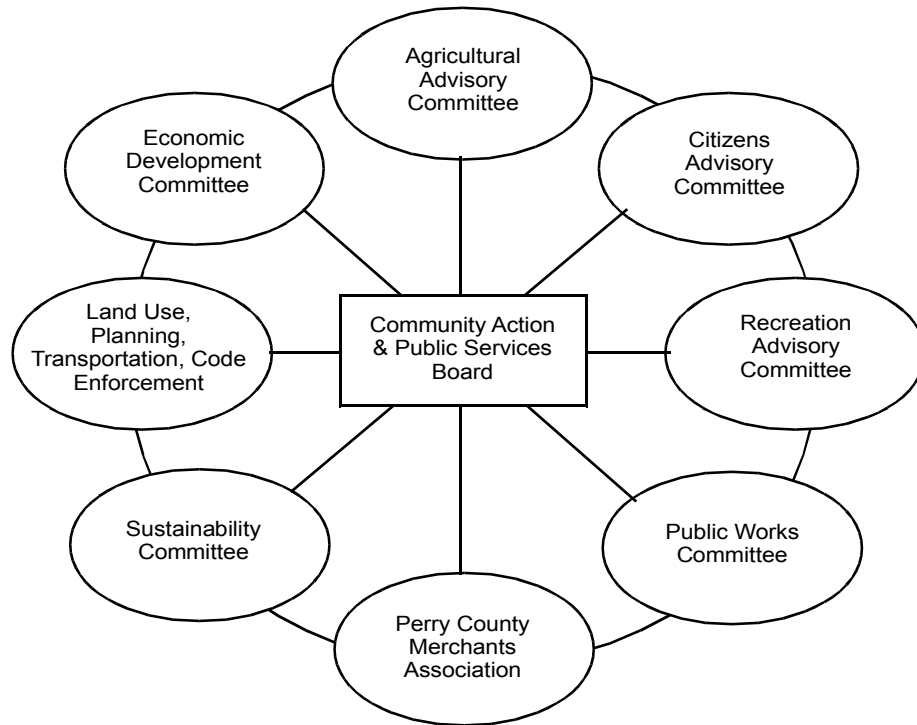
Sustainability Commission

Description: Promotes the improvement of air and water quality, habitat restoration, and economic vitality for County residents through sustainability framework and strategic action plan. Works with other groups to implement the BRE program and assists in recruitment of new businesses. Members serve three-year terms without compensation.

Type of Positions: business community, land development, building, energy distribution or supply firm representatives, persons with expertise in storm water management, clean energy, air quality, forest and habitat protection, members of County civic organizations, persons with scientific and academic expertise, communications and media representatives, and required public agencies.

The formation of groups for specific purposes is not intended to diminish the efforts of groups already established, or to not recognize them, whether associated with the Court or not. The intent is to have a unified effort of all concerned, community and government leaders and private citizens alike. Special effort is required to keep all concerned in-tune, onboard and engaged. Communication between all groups is essential. A proper channel of communication helps to: prevent duplicated effort; reduce human energy; reduce costs; allows the sharing of resources; and reach goals more efficiently and economically.

Perry County Boards & Committees Organizational Structure



The CAPS Board would consist of a compensated director appointed by the Court to act as the liaison between various community action groups and the Court. By having a central board, all groups would have an equal voice and duplication of effort could be eliminated. The CAPS Board is not intended to be a governing entity over the various groups, but a venue for idea exchange, brainstorming, etc. and to provide a cohesiveness for all interested groups to work together. Group projects will stand a better chance for success if resources are shared and an open channel of communication is maintained.

The group names shown in the chart are only intended to show the concept. Actual group names may vary. Also, sub-groups can be added according to area of interest.

Perry County Economic and Demographic Profile

It is important to know the economic and demographic trends of Perry County in order to formulate a strategic plan. It is also important to compare Perry County with the region, state and nation, where applicable, to see where it stands in relation to competitors. Perry County will be competing with surrounding counties in the region, therefore, what we have to offer versus others should stand out as strengths. These strengths will be used to market Perry County in targeting new and expanding businesses. An extended demographic profile in chart form has been provided in Appendix A.

Population Statistics

Perry County is located in the southeastern portion of Kentucky, bordered by Leslie, Letcher, Knott, Breathitt, Owsley, Clay and Harlan counties. From ACS 2014, it covers approximately 339.7 square miles and contains approximately 83.2 people per square mile. Using statistics from the Kentucky Cabinet for Economic Development and the Bureau of the Census, the 2015 population of Perry County was 27,565. Of that, approximately 96% were white, 2% African-American, 1% mixed race, and less than 1% Latino and/or Asian. The population in Perry County decreased approximately 4.1% from 2011 through 2015, from 28,730 to 27,565. The surrounding counties have also seen population decline.

2011-2015 Population Change			
County	2011	2015	Population Change
Breathitt	13,830	13,484	-2.5%
Clay	21,604	21,013	-2.7%
Harlan	29,163	27,703	-5.0%
Knott	16,281	15,693	-3.6%
Leslie	11,273	10,711	-5.0%
Letcher	24,419	23,123	-5.3%
Owsley	4,823	4,461	-7.5%
Perry	28,730	27,565	-4.1%

Source: U.S. Department of Commerce, Bureau of the Census, Annual Estimates

From the Kentucky State Data Center, University of Louisville, a continual decline is projected. From an estimated population of 28,137 in 2020 to an estimated population of 25,693 in 2035, an 8.7% decline in the population is projected. Efforts need to be made to stop the outward migration, in addition to promotion initiatives to attract people to want to move to and live in Perry County.

Using data from the 2014 ACS 5-year Estimates, Perry County's population was further broken down by specific age groups. The number of people eligible to enter the workforce was calculated to be approximately 78.27% (those over age 18). As in the past, the majority age group was 45-64.

Given estimates that Perry County will continue to see a decline in population, it appears the UofL study was somewhat askew from the Bureau of the Census estimates. The Bureau showed 27,565 in 2014, which is less than the UofL study shows in 2020.. In comparing the two estimates, the population grew before it declined.

2014 Perry County Population Breakout					
Group	Num	Pct	<18	>18	>21
<5	1,808	6.40%	1,808		
5-9	1,505	5.33%	1,505		
10-14	1,802	6.38%	1,802		
15-17	1,025	3.63%	1,025		
18-20	951	3.37%		951	
21-24	1,467	5.19%		1,467	1,467
25-34	3,523	12.47%		3,523	3,523
35-44	3,807	13.47%		3,807	3,807
45-54	4,377	15.49%		4,377	4,377
55-64	4,049	14.33%		4,049	4,049
>65	3,947	13.97%		3,947	3,947
	28,261	100.00%	6,140	22,121	21,170
			21.73%	78.27%	74.91%

Source: US Census Bureau; 2014 ACS 5-year Estimates

Regardless of the estimate or entity used, both have predicted Perry County's population will decrease in future years. Although many factors can contribute to this such as lack of opportunity, death rate greater than birth rate, outward migration, etc., efforts must be made to slow and, eventually, stop outward migration and continue to work to provide employment opportunities to hold workers here. Increase opportunities should also attract young professionals to stay home, or either return home if getting higher education elsewhere.

Income and Wage Information

The personal income in 2009 was \$31,312. Compared to Kentucky and the nation, Perry County was lower by -2.9% and -20.5% respectively. From 2009 to 2014, the personal income increased by 10.4%, however it was still lower than the state by -7.5% and the nation by -24.9%. Personal income increased in the state by 16.0% and the nation by 16.9%. Perry County was, however, at the highest in personal income for the Labor Market Region (for the purposes of the Manual, the Labor Market Region is defined as area within a 60 minute drive time from the center of Perry County). The surrounding counties have also seen an increase in personal income, with the exception of Letcher County, which decreased by less than one percent.

Per Capita Income			
Personal Income	2009	2014	Percent Change
Perry County	\$31,312.00	\$34,578.00	10.40%
Kentucky	\$32,251.00	\$37,396.00	16.00%
United States	\$39,376.00	\$46,049.00	16.90%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Change in Personal Income			
County	2009	2014	Percent Change
Breathitt	\$25,423.00	\$30,257.00	19.00%
Clay	\$21,594.00	\$25,090.00	16.20%
Harlan	\$26,124.00	\$27,425.00	5.00%
Knott	\$25,952.00	\$27,947.00	7.70%
Leslie	\$28,355.00	\$29,735.00	4.90%
Letcher	\$29,527.00	\$29,506.00	-0.10%
Owsley	\$22,851.00	\$27,274.00	19.40%
Perry	\$31,312.00	\$34,578.00	10.40%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

In 2014, the number of Perry County households totaled 11,005 with an average persons per household of 2.51, and a median household income of \$32,302. Perry County has the greatest number of households and highest median household income of all the counties contiguous to it.

Average Wages

Industry	NAICS	Perry County 2013	Calculated Annual Wage 2013	EKCEP Labor Market 2014	State 2013	U.S. 2013
All Industries	--	\$713	\$37,076	\$44,454	\$784	\$957
Agriculture, Forestry, Fishing & Hunting	11	\$0	\$0	\$27,064	\$631	\$568
Mining	21	\$0	\$0	\$81,498	\$1,318	\$1,888
Utilities	22	--	--	\$81,760	--	--
Construction	23	\$853	\$44,356	\$50,656	\$911	\$1,019
Manufacturing	31	\$600	\$31,200		\$1,030	\$1,176
Wholesale Trade	42	--	--	\$44,449	--	--
Trade, Transportation, & Utilities	44	\$574	\$29,848	\$0	\$722	\$817
Transportation & Warehousing	48	--	--	\$49,031	--	--
Information	51	\$810	\$42,120	\$53,422	\$853	\$1,616
Financial Activities	52	\$710	\$36,920	\$46,669	\$1,069	\$1,549
Real Estate, Rental & Leasing	53	--	--	\$38,081	--	--
Services	54	\$366	\$19,032	\$50,184	\$692	\$857
Public Administration	55	\$635	\$33,020	\$65,310	\$813	\$1,097

Other	99	\$928	\$48,256	\$29,132	\$1,109	\$987
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Source: U.S. Department of Labor, Bureau of Labor Statistics

As an update, EKCEP reports for their service area the following 2014 results:

Industry	NAICS	EKCEP 2014 Labor Market	U.S. Census 2013 Perry County
All Industries	--	\$44,454	\$37,076
Agriculture, Forestry, Fishing & Hunting	11	\$27,064	\$0
Mining	21	\$81,498	\$0
Utilities	22	\$81,760	--
Construction	23	\$50,656	\$44,356
Manufacturing	31	\$44,449	\$31,200
Wholesale Trade	42	\$53,697	--
Trade, Transportation, & Utilities	44	--	\$29,848
Transportation & Warehousing	48	\$49,031	--
Information	51	\$53,422	\$42,120
Financial Activities	52	\$46,669	\$36,920
Real Estate, Rental & Leasing	53	\$38,081	--
Services	54	\$50,184	\$19,032
Public Administration	55	\$65,310	\$33,020
Adm. Support, Waste Mgt. & Remed.	56	\$31,414	--
Educational Services (Private)	61	\$41,890	--
Health Care and Social Assistance	62	\$49,326	--
Arts, Entertainments, & Recreation	71	\$16,452	--
Accommodation & Food Services	72	\$15,212	--
Other Services (except Public Adm.)	81	\$29,132	--
Government	90	\$47,938	--
Other	99	\$47,968	\$48,256

Sources: U.S. Department of Labor, Bureau of Labor Statistics and EKCEP

Poverty

From the U.S. Census Bureau, the Perry County poverty rate was 27.5% in 2014, representing the number of people below the poverty line, which was about 1.86 times the national rate of 14.8%.

EKCEP reports that, out of a population of 28,241, Perry County has 10,841 (38.4%) on public assistance or Supplemental Nutrition Assistance Program (SNAP). That compares to a 36.1% average within the total population of EKCEP's 23 county service area.

Education

From the U.S. Census Bureau, the 2010-2014 national average for high school graduates and higher aged 25+ was 70.0% versus a national average of 86.3%. Those with a bachelor's degree or higher of the same age group during the same period was 13.0% versus a national average of 29.3%.

In an application to the Kentucky Workforce Investment Board dated August 29, 2014, to be certified as a "Work Ready" community, Dr. Jennifer Lindon, et al, reported that Perry County had the following benchmarks:

- Graduation Rate – 86.1%
- Working age population (18-64) holding the National Career Readiness Certificate – 15%
- Education Attainment – 25.0% of working age (25-64) without a high school diploma or GED

The current ratings, according to Dr. Lindon, as of August 2016, are:

- Graduation Rate – 92.5%
- NCRC Rate – 31.79%
- Educational Attainment – 23.2% (but still improving)

From this information, the number of students earning a high school diploma has improved by 6.4%, the number of those holding the NCRC has more than doubled, and the educational attainment rate has dropped by 1.8%.

The National Career Readiness Certificate (NCRC) is a nationally recognized certificate providing objective documentation of an individual's skills. It delivers assurance to employers that workers have the foundational skills needed to succeed in today's jobs. It also gives a tangible way to verify the skills needed to stand out to employers.

Perry County is served by two K-12 school districts:

- Hazard Independent Schools – Hazard Independent Schools consist of one elementary school, one middle school and one high school. For the 2014-2015 school year, Hazard High School (HHS) received an overall score of 84.2 (up from 80.0 for 2013-2014) and a 99 percentile in the state for accountability performance. These scores warranted a "distinguished" classification. For the 2014-2015 school year, HHS maintained a 92.4% attendance rate with a dropout rate of only 0.3%. Approximately 35% of the student body was in the "gifted and talented" program. Approximately 84% of HHS graduates enrolled in higher education. HHS had a 2014-2015 enrollment of 322 and 23 teachers for a 14:1 student-to-teacher ratio.
- Perry County Schools – Perry County Schools consist of eight elementary schools and two high schools. For the 2014-2015 school year, Perry County Central High School (PCCH) received an overall score of 74.0 (up from 64.6 for 2013-2014) and a 85 percentile in the state for accountability performance. These scores warranted a "proficient/progressing" classification. For the 2014-2015 school year, PCCH maintained a 91.5% attendance rate with a dropout rate of only 1.7%. Approximately 25% of the student body was in the "gifted and talented" program. Approximately 60% of PCCH graduates enrolled in higher education. PCCH had a 2014-2015 enrollment of 886 and 60 teachers for a 15:1 student-to-teacher ratio. For the 2014-2015 school year, Buckhorn High School (BHS) received an overall score of 72.5 (up from 55.0 for 2013-2014) and a 77 percentile in the state for accountability performance. These scores warranted a "proficient/progressing" classification. For the 2014-2015 school year, BHS maintained a 92.8% attendance rate with a dropout rate of only 0.4%. Approximately 22% of the student body was in the "gifted and talented" program. Approximately 56% of BHS graduates enrolled in higher education. BHS had a 2014-2015 enrollment of 352 and 23 teachers for a 15:1 student-to-teacher ratio.

According to the Eastern Kentucky Concentrated Employment Program's *Regional Strategic Plan 2014-2019* report, statistics were gathered for their 23 county study area. Most of the information gathered described their entire study area, but some statistics were given for each county. They determined 2014 educational attainment percentages for their study area and high school graduation rates per county. Perry County was reported to have a high school graduation rate of 85.9% in 2014. As an update, Dr. Lindon has reported the value has been improved to 92.5% ending the 2016 school year.

2014 Educational Attainment	
Education	% of Pop.
High School Diploma	35.3%
9 th to 12 th Grade	22.2%
Some College	15.9%
Less than 9 th Grade	11.9%
Bachelor's Degree	5.1%
Associate's Degree	4.9%
Graduate Degree +	4.7%

Perry County HS Grad Rate 85.9%

Sources: EKCEP and EMSI

Post-secondary education is provided by Hazard Community and Technical College (HCTC), a part of the Kentucky Community and Technical College System, from five different area campus locations. HCTC provides associate's degrees, diplomas, certifications in technology and vocational programs, as well as transfer programs such as the Associate in Arts, Associate in Science, and Associate in Fine Arts. HCTC also partners with the University Center of the Mountains to provide baccalaureate degrees from seven four-year colleges and universities. HCTC has also established Health and Wellness Centers on its five campuses for student and employee use. The enrollment at HCTC for 2016 was 3,300 students. HCTC provides access to affordable, quality post-secondary education and training.

From Community College Review, "As a community and technical college, we exist to meet the educational, social and cultural needs of the citizens of the Kentucky River Valley of Eastern Kentucky. Hazard Community and Technical College is a multi-campus college offering unique opportunities at each campus. Our Hazard Campus houses the First Federal Center, The Clemons Center, and the UK Center for Rural Health Bailey-Stumbo building to house our many allied health programs.

The Challenger Learning Center of Kentucky, located [on] the Hazard Campus [of HCTC], provides a special learning center for area children. [The HCTC] Technical Campus offers training programs in everything from Auto Mechanics to Electronics to Welding. The Lees College Campus in Jackson offers a full residential life experience through residence hall living. Our Knott County Branch provides improved access to post-secondary education and training to citizens of that part of the region as well as our newest site in Hyden in Leslie County-the Leslie County Center. Kentucky Community and Technical College System comprises 16 colleges with over 65 campuses and other locations open or under construction. KCTCS colleges change lives by providing accessible and affordable education and training through academic and technical associate degrees; diploma and certificate programs in occupational fields; pre-baccalaureate education; adult, continuing and developmental education; customized training for business and industry; and distance learning."

Educational Institutions Within One Hour of Perry County

Four-year Colleges and Universities			
Miles	Institution	Location	Enrollment
21	Frontier School of Midwifery and Family Nursing	Hyden	1,478
29	Alice Lloyd College	Pippa Passes	657
42	E. KY University, Manchester Campus	Manchester	-
50	Morehead State University at Prestonsburg	Prestonsburg	-
69	University of Pikeville	Pikeville	2,458
68	Clear Creek Baptist Bible College	Pineville	156
67	Morehead State University at West Liberty	West Liberty	-
65	Union College	Barbourville	1,139

Two-year Colleges			
Miles	Institution	Location	Enrollment
-	Hazard Community & Technical College System ¹	Hazard	3,462
39	Southeast Community & Technical College System ²	Cumberland	3,660
50	Big Sandy Community & Technical College System ³	Prestonsburg	4,638

1 - HCTCS has campuses in Hazard, Hyden, Hindman, and Jackson

2 - SCTCS has campuses in Cumberland, Whitesburg, Harlan, Middlesboro, and Pleville

3 - BSCTCS has campuses in Prestonsburg, Pikeville, and Paintsville

Source: Kentucky Economic Development Cabinet; Mapquest

The University Center of the Mountains (UCM) is a dynamic consortium of postsecondary educational institutions bringing more bachelor's and master's degrees and educational opportunities close to home in

southeastern Kentucky. The partnership will add other universities and colleges to deliver more advanced degrees based on student, employer and community demand. Currently, UCM is partnered with Eastern Kentucky University (EKU), Hazard Community and Technical College (HCTC), Kentucky Community and Technical College System (KCTCS), Kentucky State Univeristy, Lindsey Wilson College (LWC), Midway University, Morehead State University (MSU), Northern Kentucky University (NKU), UK Center of Excellence in Rural Health, and University of the Cumberlands.

The UCM provides increased access to bachelor's and master's level degree attainments for both traditional and non-traditional students by overcoming several of the challenges (geographic and financial access) that have previously made it difficult for Eastern Kentuckians to earn a post-secondary education by bringing select bachelor's and master's degree programs closer to home. In addition, the UCM partnership provides efficient use of financial resources and human resources (while also avoiding duplication of services) during increasingly difficult economic times because of the shared use of administrative/staff resources and shared classroom, meeting, and office space provided within the UCM facility on the Hazard HWY 15 South campus of HCTC.

Other educational opportunities are available within an hour's drive through eight four-year institutions and two other community and technical college systems. These institutions provide a wide variety of degree, diploma, and certification programs to meet the needs of new and existing industries.

Employment Statistics

Using data compiled by the Bureau of the Census, Perry County's, as well as the Labor Market Area's, majority workforce lies within the 45-64 age group, with approximately 8,105 (29.4%) and 53,284 (29.1%) workers respectively.

Age Group	Perry County		Labor Market Area	
	Number	Percent	Number	Percent
Under 16	5,369	19.5	35,369	19.3
16-24	2,740	9.9	19,536	10.7
25-44	7,126	25.8	46,053	25.2
45-64	8,105	29.4	53,284	29.1
65-84	3,854	14.0	26,108	14.3
85 and older	403	1.5	2,751	1.5

Source: U.S. Department of Commerce, Bureau of the Census.

Civilian Labor Force

	Perry County		Labor Market Area	
	2015	May 2016	2015	May 2016
Civilian Labor Force	9,034	9,231	53,729	54,411
Employed	8,231	8,322	48,322	48,699
Unemployed	803	909	5,407	5,712
Unemployment Rate	8.9%	9.8%	10.1%	10.5%

Source: U.S. Department of Labor, Bureau of Labor Statistics

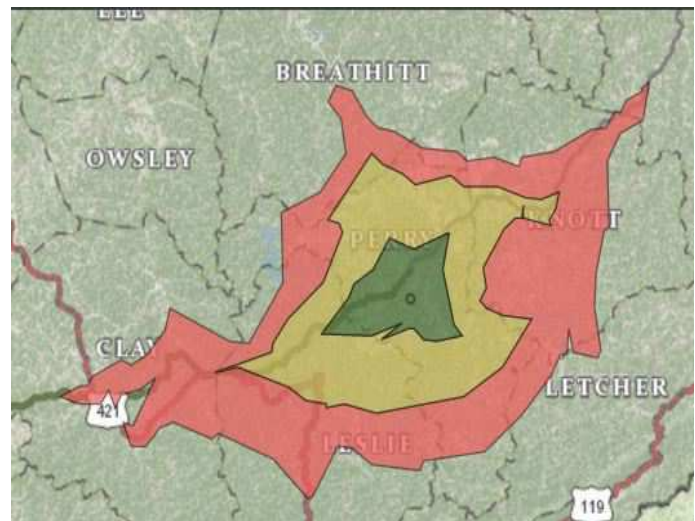
Perry County's Labor Market Area

One definition of a Labor Market Area is that it is composed of counties which significantly exist within a sixty (60) mile radius of the originating county's county seat (as a crow flies). A county will be included within the radius if the centroid point of a county (a point representing the center of the geographic area of a county) falls within the radius zone. Additionally, all contiguous counties will be classified as part of the labor market with the exception of non-Kentucky contiguous counties which have been excluded by the above mentioned 60-minute drive range and have a border with the Mississippi and/or Ohio Rivers.



The area covered by the Kentucky River Area Development District includes Wolfe, Lee, Breathitt, Owsley, Leslie, Perry, Letcher, and Knott Counties, all of which are within the sixty minute drive range of Perry County. (The map shown at right, generated from the Kentucky Economic Development Cabinet, is not to scale and only shown for illustrative purposes)

Another definition of a Labor Market Area is a certain drive time within a certain geographic area. The map shown at right, developed from the Kentucky Economic Development Cabinet website, indicates 15-, 30-, and 45-mile radii using Hazard as the center of the geographic area. (The map shown at right is not to scale)



Each method will yield a different value regarding the number of those within a Labor Market Area. A direct line radius will most likely identify more workers than radii that follow roadways and are restricted by actual road mileage. It would seem that accuracy in looking at commute times would favor the approach with actual mileage radii.

According to CEDIK, the top ten most common Perry County industries in 2012 were:

Industry Name (by 3-digit NAICS codes)	County Jobs
Mining (except Oil & Gas)	1,797
Local Government	1,355
State Government	1,126
Hospitals (Private)	1,044
Ambulatory Health Care Services	1,005
Food Services and Drinking Places	897
Administrative and Support Services	653
General Merchandise Stores	568

Nursing & Residential Care Facilities	450
Professional, Scientific & Technical Services	361
Total Top 10 Industries	9,256

Source: EMSI 2013

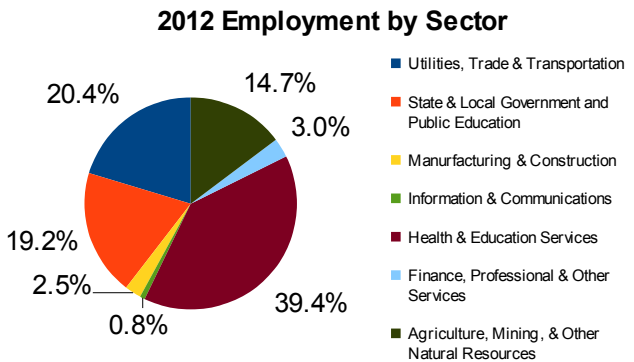
And the top five most common jobs (by 2-digit NAICS codes) in Perry County, the KRADD region, and the state in 2012 were:

Industry Sector (by 2-digit NAICS codes)	Perry County			KRADD Region		Kentucky	
	% Share of Total Jobs	2012 Jobs	2012 LQ*	2012 Jobs	2012 LQ*	2012 Jobs	2012 LQ*
Health Care & Social Assistance	20.9%	2,730	1.6	6,093	1.6	226,618	1.0
Public Adm. (Gov.)	20.1%	2,621	1.3	7,457	1.6	305,286	1.1
Mining, Quarrying, & Oil & Gas Extraction	14.5%	1,888	23.9	4,062	22.3	20,309	1.9
Retail Trade	13.9%	1,814	1.2	3,883	1.1	202,862	1.0
Accommodation & Food Services	7.6%	989	0.8	1,893	0.7	155,420	1.0
Manufacturing	0.7%	90	0.1	339	0.1	223,770	1.4

Source: EMSI 2013

*Location Quotient (LQ) is an indicator of how concentrated a particular industry is in the county, region, and/or state as compared with the nation. If the LQ is higher than 1.0, then employment in that industry is a larger share of total employment in the area than the national average. If the LQ is lower than 1.0, then employment in that industry is a smaller share of total employment in the area than the national average.

According to the Kentucky Center for Education and Workforce Statistics (KCEWS), the largest employment sector in 2012 was Health and Education Services, followed by Utilities, Trade and Transportation, State and Local Government and Public Education, then Agriculture, Mining, and Other Natural Resources. The percentages slightly differ from the EMSI data, but Health Care, Mining, Government, and Retail are the largest industry sectors identified. EMSI showed manufacturing as the fifth largest sector statewide, however, the sector ranked very low for Perry County and the KRADD service area.



In 2014, EKCEP targeted the Health Care, Energy, Business Services, and Skilled Trades within their labor market region. They reported the five largest employment sectors for 2014 in their 23 county service area are:

Industry Sector	NAICS	2014 Jobs
Government	90	27,641
Health Care & Social Assistance	62	20,499
Retail Trade	44	17,676

Mining, Quarrying, and Oil/Gas Extraction	21	9,220
Accommodation & Food Services	72	8,584

Source: EKCEP and EMSI

Chmura Economics & Analytics reported ending the second quarter of 2016:

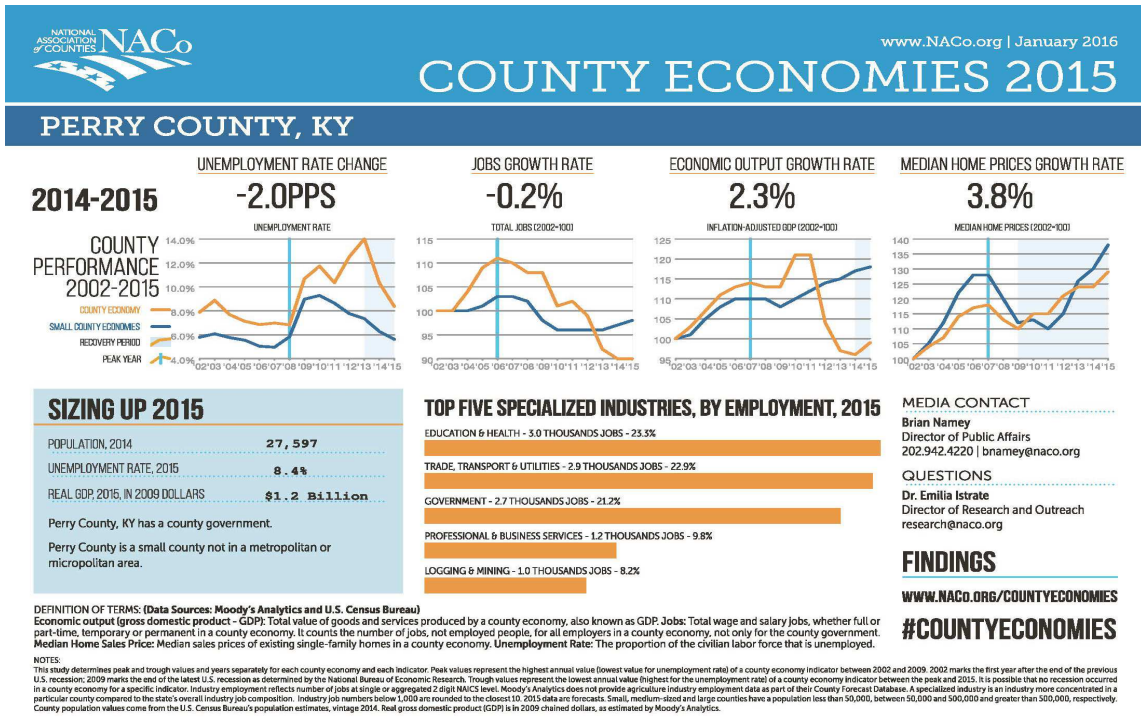
Perry County Industry Snapshot

		Current			Historical				Forecast		
		Four Quarters Ending with 2016q2			Total Change over the Last 5 Years	Average Annual % Change in Employment 2011q2-2016q2			Over the Next 10 Years		
NAICS	Industry	Empl	Avg Ann Wages	Loc Quot	Empl	PerryCo	Kentucky	USA	Total Approx Repl Demand	Total Growth Demand	Avg Ann Growth Percent
62	Health Care and Social Assistance	3,092	\$45,352	1.76	288	2.0%	1.0%	2.3%	604	159	0.5%
44	Retail Trade	1,867	\$25,895	1.38	4	0.0%	0.9%	1.5%	562	-87	-0.5%
61	Educational Services	1,477	\$27,044	1.43	-53	-0.7%	-0.2%	0.4%	303	-46	-0.3%
21	Mining, Quarrying, and Oil and Gas Extraction	1,210	\$81,560	21.29	-1,068	-11.9%	-11.3%	-0.4%	268	-194	-1.7%
72	Accommodation and Food Services	902	\$16,601	0.82	-94	-2.0%	2.3%	3.1%	301	-76	-0.9%
92	Public Administration	731	\$39,267	1.22	-15	-0.4%	-0.5%	-0.4%	165	-92	-1.3%
56	Administrative and Support and Waste Management and Remediation Services	637	\$21,356	0.79	193	7.5%	4.9%	2.9%	141	-9	-0.1%
48	Transportation & Warehousing	485	\$37,238	0.94	-74	-2.8%	2.4%	2.4%	116	-79	-1.8%
42	Wholesale Trade	376	\$55,778	0.76	-121	-5.4%	0.9%	1.4%	78	-38	-1.1%
81	Other Services (except Public Administration)	374	\$24,692	0.68	-85	-4.0%	-0.3%	-0.1%	90	-32	-0.9%
	Total – All Industries	12,477	\$37,431	1.00	-1,477	-2.2%	1.3%	1.7%	2,947	-621	-0.5%

Source: JobsEQ®

Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2015Q4 with preliminary estimates updated to 2016Q2. Forecast employment growth uses national projections adapted for regional growth patterns.

The National Assoc. of Counties, for 2015, reported Perry County's top five employers were Education & Health, Trade, Transport & Utilities, Government, Professional & Business Services, and Logging & Mining.



As the result of direct interview and those responding, Perry County's top ten employers are:

Employer	2-digit NAICS	Previous*	2016	Percent Change	Percentage of Labor Force
Appalachian Regional Medical Center	62	1392	1392	0.0%	14.7%
Perry County Board of Education	61	645	634	-1.7%	6.7%
State of Kentucky	92	522	561	7.5%	5.9%
Sykes	54	213	364	70.9%	3.8%
Walmart	44	332	361	8.7%	3.8%
Hazard Health & Rehab Center	62	375	265	-29.3%	2.8%
LKLP Community Action Council	56	314	244	-22.3%	2.6%
Hazard Community & Technical College	61	263	232	-11.8%	2.4%
Primary Care Center	62	145	201	38.6%	2.1%
Perry County Coal Corporation	21	636	192	-69.8%	2.0%
Top 10 Employers Totals		4837	4446	-8.1%	46.9%

Source: Direct contact with employer

*ARH: 2016; Perry Board of Education: 2011; State of Kentucky: 2011; Sykes: 2011; Walmart: 2013; Hazard Health & Rehab Center: 2013; LKLP Community Action Council: 2011; Hazard Community & Technical College: 2012; Primary Care Center: 2012; Perry County Coal Corporation: 2011

This chart is correct for those that responded. Unsuccessful attempts were made requesting data from other employers. The Percentage of Labor Force calculation used an employed Labor Force value of 9,484 employees from EKCEP Regional Strategic Plan 2014-2017.

When grouping by 2-digit NAICS industry sector limited to the data gathered, Perry County's current top five largest employment sectors are (62) Health Care and Social Assistance – 36.8%, (61) Educational Services – 19.1%, (90) Public Administration (Government) – 13.8%, (44) Retail Trade – 10.4%, (54) Professional, Scientific & Technical Service– 7.1%, which accounts for approximately 64.6% of all jobs in Perry County. A complete listing of employers participating in the employer survey has been shown in Appendix D.

By comparing data gathered by other sources, Health Care and Social Assistance is still the largest employment sector. Educational Services was found to be Perry County's second largest employment sector, however, only Chmura listed employment data for the sector. The employment number shown in the Mining Sector 21 for Perry County was very low due to unavailable data. Nevertheless, due to a sharp decrease in employment numbers in Mining, the sector is no longer a top ten industry in Perry County.

Industry Sector	% by Interview 2016	% by CEDIK 2012	% by EMSI 2013	% by NACo 2015	% by Chmura 2016
62	23.8%	27.0%	20.9%	23.3%	24.8%
61	12.3%	--	--		11.8%
92	10.1%	26.8%	20.1%	21.2%	5.9%
54	3.8%	3.9%	--	9.8	--
44	6.3%	15.8%	13.9%	--	15.0%
21*	2.0%	19.4%	14.5%	8.2%	9.7%
# Employed	9,484	9,256	--	--	12,477

*Industry Sector 21 is Mining, Quarrying, and Oil & Gas Extraction

Unemployment Statistics

What does the rate of unemployment mean? The rate of unemployment is the percentage of the available labor force that is currently unemployed and looking for employment. The rate of unemployment does not consider those whose unemployment benefits have expired, or those who have given up due to the lack of opportunities. The rate of unemployment provides an indicator for comparison with other counties, the state, or the nation, but should not be solely relied on when considering the state of a specific workforce.

As of January 2015 the following were unemployment rates as reported in the Kentucky River Area Development District (KRADD) region: Breathitt – 9.3%, Knott – 9.8%, Lee – 7.8%, Leslie – 9.9%, Letcher – 10.7%, Owsley – 8.9%, Perry – 8.4%, and Wolfe – 9.8%. The Kentucky unemployment rate during this same time was 5.3%. (KRADD CEDS, 2015)

Yearly Unemployment Rate (%)				
Year	Perry County	Labor Market Area	Kentucky	United States
2011	10.2	10.9	9.5	8.9
2012	12.0	12.3	8.2	8.1
2013	13.7	14.7	8.3	7.4
2014	10.3	11.5	6.5	6.2
2015	8.9	10.1	5.4	5.3

Source: U.S. Department of Labor, Bureau of Labor Statistics

The Kentucky Cabinet for Economic Development reports that, ending 2015, the unemployment rate stood at 8.9% versus a national rate of 5.3%. As a bright spot, however, Perry County had a lower rate of unemployment than that of their labor market area, which stood at 10.1%. From 2011 to 2013, the unemployment rate rose from 10.2% to 13.7%. A gradual reduction then occurred to finish 2015 at 8.9%. A slight difference was shown between KRADD's rate of unemployment and the Bureau of Labor Statistics, however, KRADD's rate was as of the first of 2015, and the Bureau's rate was ending 2015.

From Annual 2013, 2014, and December 2015 Labor Market Statistics, Kentucky Local Area Unemployment Statistics Program, Perry County's rate of unemployment declined from 14.0% in 2013 to 9.4% ending 2015.

Over the last several years, unemployment in Perry County has been tremendously impacted by layoffs in the coal mining industry. As the result of an national economic recession beginning in 2008, the unemployment rate continued to rise to a peak of 13.7% in 2013. Even though the rate of unemployment has been declining, the pace is much slower than the state and national rates. Since 2011, the unemployment rate has been above the state and national averages. According to WFPL, a NPR radio station in Louisville, Perry County had 5,623 (approximately 22% of the workforce) people employed in the coal mining industry. In 2014, the number employed fell to approximately 1900 (approximately 8.8% of the workforce), representing a 66.2% decrease in coal jobs.

Perry County has had a historical dependence and over-reliance on the coal industry. During good times, jobs were plentiful and paid a decent wage. And, as long as coal was being mined, Perry County received coal severance tax money from the state.

From the *Coal Facts Library*,

"Preliminary data indicate that Kentucky coal mines reduced on-site employment by 476 workers, or 6.9 percent of their workforce, during the second quarter of 2016. As of July 1, an estimated 6,465 persons were employed at Kentucky coal mines, which is the lowest level recorded since 1898 when there were an average of 6,399 coal miners.

During the second quarter of 2016, there were 3,764 persons employed at eastern Kentucky coal mines, a decrease of 6.1 percent from the first quarter of the year."

From the same report, Perry County lost 104 workers from the first quarter to the end of the second quarter, a decrease of approximately 16.7%. The net change for Kentucky was a loss of 476 workers, a 6.9% decrease. From 2002 through the fourth quarter of 2015, Perry County has a net loss of 630 coal mining jobs.

Due to the sharp decline in the coal industry, many other businesses have also suffered. Not necessarily businesses directly related to the coal industry, but also indirect businesses such as retail, dining, medical care, and many others that depended on coal mining wages.

This section began with stating the definition of "rate of unemployment". According to research by Kristen Lowry of *Kentucky Today*, the actual rate is much more dismal. She stated that, based on a report by the Kentucky Cabinet for Workforce Development of Census data, "*fewer than 40 percent of Knott County residents ages 16 and up had jobs between 2009 and 2013.*" It does not take a degree in mathematics to see the actual rate of unemployment in Knott County during that period was around 60 percent. By contrast, the Bureau of Labor Statistics shows the unemployment for Knott County ending 2013 was 13.1%. She went on to cite the report "*In more than half of Kentucky's counties...the number of people without jobs exceeded 50 percent.*"

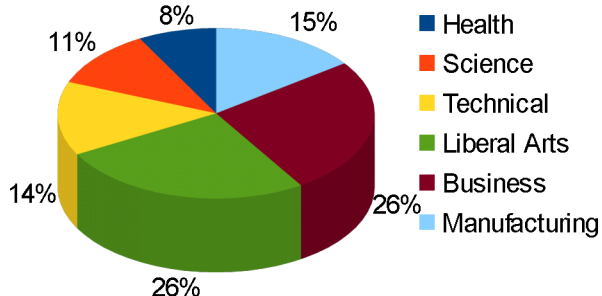
Regardless of which numbers one decides to use, it remains evident Perry County has a much higher rate of unemployment than advertised. It also serves to remind us that diversity is the answer. A historic allegiance and dependence on one industry must be dissolved and, in order to reduce the number of those without jobs, new and innovative businesses must be targeted for Perry County to continue to provide a quality of life its residents deserve.

Workforce Skills and Occupations

Perry County has a highly competent and dedicated workforce possessing skills desirable to new and relocating manufacturing, healthcare, and service industries.

According to CEDIK, *“The premise for knowledge distribution is that every occupation requires a certain mix of skills that are determined by worker experience, job requirements, and work attributes. To calculate the knowledge distribution, each occupation is ‘assigned’ to a certain skill set.”* The information shown in the pie chart at right was developed using information from EMSI 2014.

2012 Knowledge Distribution of Workforce Skills



Depending on the industry targeted, Perry County may not have enough qualified workers to fulfill that industry's needs by that industry's job title, however, those workers may be in similar occupations in another industry under a different job title that may have the skills required to perform in the targeted industry.

In order to understand Perry County's workforce knowledge distribution, the categories as defined by the O*NET Resource Center are:

- Business (26%) - Knowledge of principles and facts related to business administration and accounting, human and material resource management in organizations, sales and marketing, economics, and office information and organizing systems
- Liberal Arts (26%) - Knowledge of facts and principles related to the branches of learning concerned with human thought, language, and the arts
- Manufacturing (15%) - Knowledge of principles and facts related to the production, processing, storage, and distribution of manufactured and agricultural goods
- Technical (14%) - Knowledge of the design, development, and application of technology for specific purposes
- Science (11%) - Knowledge of the history, theories, methods, and applications of the physical, biological, social, mathematical, and geography
- Health (8%) - Knowledge of principles and facts regarding diagnosing, curing, and preventing disease, and improving and preserving physical and mental health and well-being

The order of the knowledge distribution of Perry County's workforce was shown to lie in business knowledge and liberal arts followed by manufacturing, technical, science and health. The higher percentages in business and liberal arts seem to indicate a significant number of workers are more oriented towards professional and business occupations. This is supported by the County's largest employers being in Healthcare, Education, Government, and Retail.

In an “occupation snapshot” of Perry County, Chmura reports the largest major occupation group is Office and Administrative Support employing 1,841 persons, followed by Sales and Related, employing 1,345 persons, then Healthcare Practitioners and Technical, employing 1,325. The occupation groups with the highest average wages per worker are Management (\$81,900), Architecture and Engineering (\$74,000), and Legal (\$73,100). Over the next 10 years, Chmura states the fastest growing occupation group is expected to be Community and Social Services. The strongest forecast by number of jobs is expected for Healthcare Practitioners and Technical and Healthcare Support. The highest replacement demand is expected in Sales and Related and Office and Administrative Support.

Occupation Snapshot in Perry County

SOC	Title	Current						Historical				Forecast			
		Four Quarters Ending with 2016q2			2016q2			Total Change over the Last 5 Years				Over the Next 10 Years			
		Empl	Avg Ann Wages ¹	LQ	Unempl	Unempl Rate	Empl	Perry Co	KY	USA	Cum Online Job Ads ²	Total Repl Demand	Total Growth Demand	Avg Ann Growth Percent	
43-0000	Office and Administrative Support Occupations	1,841	\$29,200	0.98	133	8.7%	-12	-0.1%	1.5%	1.6%	10	393	-132	-0.7%	
41-0000	Sales and Related Occupations	1,345	\$27,700	1.03	130	11.1%	-53	-0.8%	1.0%	1.4%	12	445	-71	-0.5%	
29-0000	Healthcare Practitioners and Technical Occupations	1,325	\$68,300	1.89	27	2.6%	172	2.8%	0.8%	1.5%	9	279	43	0.3%	
25-0000	Education, Training, and Library Occupations	1,035	\$47,600	1.46	43	5.6%	-36	-0.7%	-0.4%	0.5%	0	208	-21	-0.2%	
53-0000	Transportation and Material Moving Occupations	994	\$33,500	1.18	124	14.2%	-294	-5.0%	1.9%	2.3%	3	230	-107	-1.1%	
35-0000	Food Preparation and Serving Related Occupations	943	\$19,200	0.88	110	13.2%	-57	-1.2%	2.1%	3.0%	12	328	-73	-0.8%	
47-0000	Construction and Extraction Occupations	810	\$45,300	1.46	88	12.3%	-612	-10.6%	-0.2%	2.3%	0	132	-107	-1.4%	
31-0000	Healthcare Support Occupations	663	\$25,200	1.54	36	7.9%	84	3.3%	1.1%	2.3%	2	116	25	0.4%	
11-0000	Management Occupations	549	\$81,500	0.73	19	4.1%	-72	-2.4%	0.9%	1.5%	6	161	-33	-0.6%	
49-0000	Installation, Maintenance and Repair Occupations	520	\$40,000	1.09	36	8.2%	-206	-6.5%	1.0%	1.7%	0	123	-46	-0.9%	

Source: JobsEQ®

Data as of 2016Q2 unless noted otherwise.

Note: Figures may not sum due to rounding.

1. Occupations wages are as of 2015 and should be taken as the average for all Covered Employment.

2. Data represent found online ads active within the last thirty days in any zip code intersecting or within the selected region; data represents a sampling rather than the complete universe of postings; the listing search uses keywords that are similar to but not the equivalent of the SOC occupation definitions.

Occupation employment data are estimated via industry employment and the estimated industry/occupation mix. Industry employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and currently updated through 2015Q4, imputed where necessary with preliminary estimates updated to 2016Q2. Wages by occupation are as of 2015 provided by the BLS and imputed where necessary. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

As one would expect, Chmura shows a decline in Construction and Extraction Occupations that follows the trend of job loss in the coal mining industry. The chart shows a negative annual growth demand typically signaling that coal mining jobs will continue to decline. This portion of Perry County's labor force consisting of those that are highly skilled in operating machinery should find an easy transition to manufacturing occupations, if those jobs were available. Having a large portion of the workforce trained in mining-related activities would translate to those surveyed believing the answer to job creation would be the attraction of a large manufacturer.

Perry County is designated as a Work Ready Community in Progress. Kentucky's communities are stepping up to the plate when it comes to demonstrating the quality of their workforce. The state's Work Ready Communities program, the most rigorous workforce certification program in the nation, is inspiring meaningful dialogue and action by community, education, government and business leaders across the Commonwealth. With half of Kentucky's counties already certified as either Work Ready or Work Ready in Progress, and the remainder of the state's counties in some stage of the journey, Kentucky is proving workforce preparedness and it isn't just lip service. The Work Ready Communities program requires communities to meet criteria in six key areas that are critical to producing a productive workforce. Criteria include high school graduation rates, National Career Readiness Certificate holders, community commitment, educational attainment, soft skills and Internet availability.



Demographics Summary

The following bullet list summarizes Perry County's demographic profile:

- The Bureau of the Census shows a population decline from 2011 to 2015 of 4.1%
- From 2009 to 2014, personal income increased by 10.4%, but was still lower than the state by 7.5% and the nation by 24.9%
- The Bureau of Labor Statistics shows all industries in Perry County in 2013 had an average weekly wage of \$713 compared to the state at \$784 and the nation at \$957
- The U.S. Census Bureau reports the 2014 Perry County poverty rate as 27.5%, which equates to about 1.86 times higher than the national rate of 14.8%
- Perry County is served by two school districts and, as of August 2016, the graduation rate was 92.5%, the rate of those holding the National Career Readiness Certificate was 31.79%, and the educational attainment was 23.2%
- The enrollment at Hazard Community and Technical College for the fall of 2014 was 3,462 students
- The Bureau of Labor Statistics reports that as of May 2016 the Perry County civilian labor force was

9,231, with 8,322 employed and 909 unemployed, for an unemployment rate of 9.8%

- Due to extreme losses in the coal industry, the major employers in Perry County are healthcare-related employing approximately 25% on average of the civilian workforce
- **Research has found that Perry County has a highly competent and dedicated workforce possessing skills desirable to new and relocating manufacturing, healthcare and service industries**

Quality of Life Goals

- increase the graduation rates at secondary schools
- increase the enrollment and graduation rates at HCTC
- lower the poverty rate
- improve health issues
- lower the rate of unemployment

Intentionally Blank

SWOT Situation Analysis

A SWOT (strengths, weaknesses, opportunities, threats) situation analysis was used to expose Perry County's positive and negative characteristics according to its stakeholders. The main goal of a SWOT analysis is to reveal areas where the County can gain a competitive edge to exploit new opportunities to attract new industries. This analysis also provides what is controlled internally and externally. The positive attributes, and those that can be controlled internally, are Perry County's strengths, and those controlled externally are its opportunities. The negative attributes, and those that can be controlled internally, are its weaknesses, and those controlled externally, are its threats. The components of the analysis can be define as:

- Strengths – characteristics that gives Perry County an advantage over other counties or regions
- Weaknesses – characteristics that put Perry County at a disadvantage over other counties or regions
- Opportunities – characteristics that can promote and enhance positive growth
- Threats – characteristics that may hinder or prevent positive growth

There were 118 people representing public opinion and other interested groups that responded to an online survey requesting similar information as asked to partners. From the data gathered:

- Residency – 87.3% of respondents were Perry County residents and 12.7% were non-residents
- Age Group – 66.6% were Gen X, 29.7% were Gen Y, and 3.7% were Baby Boomers
- Employment Status – 76.1% were employed, 15.4% were unemployed, and 8.5% were retired
- Occupation – 23.3% in Education, 21.4% in Administration, 17.5% in Healthcare, 13.6% in Industrial, 6.8% in Government, and 17.4% in various other occupations
- Strengths – The respondents cited Perry County's top five strengths as natural beauty, a hard-working, dedicated workforce, educational opportunities, sites for industry, and medical care
- Weaknesses – The respondents cited Perry County's top five weaknesses as the negative stereotype of a poverty-stricken area, the rate of unemployment, lack of vision by leaders, lack of infrastructure, and lack of amenities
- Opportunities – The respondents cited Perry County's top five opportunities as having better regional infrastructure, promoting a county clean-up campaign, global/regional marketing, providing incentives to new businesses, and open-mindedness to new businesses
- Threats – The respondents cited Perry County's top five threats, as similar to those of other counties in our area, as the negative stereotype of poverty and drug abuse, the continued loss of infrastructure, political friction, improper use of resources, and low self-esteem of the work force

Responses given to a public survey have been tabulated as follows:

SWOT Analysis Components – Public Opinion	
<p><i>Strengths</i></p> <ul style="list-style-type: none"> Natural beauty – 23.8% Positive workforce – 20.0% Educational opportunities – 17.4% Sites for industry – 14.3% Healthcare – 6.4% Fossil fuels – 4.9% Vision of leadership – 3.8% Shopping/dining – 3.8% Infrastructure – 2.6% Accessibility – 1.9% Agriculture – 1.1% 	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> Negative stereotype – 20.7% Rate of unemployment – 17.0% Lack of vision by leaders – 11.3% Lack of infrastructure – 10.3% Lack of amenities – 8.7% Lack of activities for young people – 6.7% Low self-esteem of workforce – 6.3% Content with status quo – 4.3% Educational opportunities – 3.7% Lack of broadband – 3.7% Lack of marketing – 3.0% Lack of funding – 2.0% Affordable housing – 2.0%

	Sunday alcohol sales – 0.3%
Opportunities Better infrastructure – 18.3% Clean up the County – 14.5% Marketing – 13.7% New business incentives – 13.3% Open-mindedness to new business – 12.9% Industrial site availability – 7.9% Better education opportunities – 7.9% Cooperation between leaders – 6.6% Skilled workforce – 3.7% Sunday alcohol sales – 1.2%	Threats Negative stereotype – 30.2% Continued loss of infrastructure – 17.2% Political friction – 11.2% Improper use of resources – 9.3% Low self-esteem of workforce – 8.8% Outward migration – 7.4% Lack of sustainability – 6.0% Land affordability – 6.0% Uncooperative absentee owners – 2.8% Excess boards/committees – 0.9%

Source: Online Surveys

There were 33 local and regional partners and/or partner entities associated with economic planning agencies, education, public utilities, small business employers, state agencies, and local government officials that were interviewed directly. A brief questionnaire was distributed to gather assessment parameters for the SWOT analysis of Perry County's present and future state regarding our resources. There were 13 respondents to the questionnaire that identified what resources they felt Perry County had to offer and areas we need to improve.

- Industry Sector – 52 Commercial Bank (1); 54 Legal Services (1); 61 Education (1); 62 Healthcare (3); 71 Recreation (1); 81 Social Services (5); and 92 Fire Department (1)
- Strengths – The respondents cited Perry County's top five strengths as natural beauty, a hard-working, dedicated workforce, educational opportunities, medical care, and hospitality
- Weaknesses – The respondents cited Perry County's top five weaknesses as having no goals, lack of infrastructure, lack of amenities, the negative stereotype of a poverty-stricken area, and a tie between drug abuse, lack of educational opportunities and no cooperation by leaders
- Opportunities – The respondents cited Perry County's top five opportunities as growing existing businesses, educational facilities, diversification from coal, marketing, and industrial sites
- Threats – The respondents cited Perry County's top five threats as lack of communication, political friction, non-sharing of resources, and duplication of efforts

Responses given to a public survey have been tabulated as follows:

SWOT Analysis Components – Partner Responses	
Strengths Natural beauty – 18.5% Dedicated workforce – 16.7% Educational Opportunities – 16.7% Available medical care – 14.8% Hospitality – 7.4% Recreation/Tourism – 5.6% Accessibility – 5.6% Industrial sites – 5.6% Promise Zone – 3.7% Preservation of culture – 1.9% Media – 1.9% Broadband – 1.9%	Weaknesses No goals – 15.4% Lack of infrastructure – 15.4% Lack of amenities – 12.8% Negative stereotype – 10.3% Drug abuse – 7.7% Lack of education – 7.7% No cooperation – 7.7% Lack of marketing – 5.1% Outward migration – 5.1% Health problems – 5.1% Accessibility – 5.1% Lack of diversity – 2.6%
Opportunities Grow existing businesses – 23.8% Education facilities – 19.0%	Threats Lack of communication – 50.0% Political friction – 20.0%

Diversification from coal – 19.0%	Non-sharing of resources – 20.0%
Marketing – 14.3%	Duplication of efforts – 10.0%
Industrial sites – 14.3%	
Cooperation – 9.5%	

Source: Direct interview

Through the use of the methods aforementioned, a consensus has been reached regarding Perry County's strengths, weaknesses, opportunities, and threats. The time has come to move forward with implementation. The greatest strategic challenge facing Perry County is no longer a matter of establishing the correct goals and objectives. Rather, the attention of civic and private sector leaders must now focus on ensuring that the County has viable means to use its resources at hand, to develop additional resources, and to deploy them in a way that will make a tangible difference in the future performance of the Perry County economy. The consensus four components of the SWOT analysis (strengths, weaknesses, opportunities, and threats) are described in the following narrative based the data gathered from interviews and surveys.

The Top Strengths

“The way a team plays together as a whole determines its success. You may have the greatest bunch of individual stars in the world, but if they don't play together, the club won't be worth a dime.” - Babe Ruth

Natural Beauty – 23.8% of citizen respondents and 18.5% of partner respondents said natural beauty was Perry County's top strength. Perry County still has hundreds of acres of land that have been unspoiled by industry and urban sprawl. Perry County is home to Buckhorn Lake State Resort Park that offers boating, fishing, hiking, and other recreational activities. With the increasing trend in active lifestyles, the mountains, lakes and streams could offer an excellent opportunity to attract adventure tourism, hiking, biking, and other outdoor recreational activities.

Positive and Dedicated Workforce – 20.0% of citizens and 16.7% of partners feel that Perry County has a very able-bodied work force. Although the unemployment rate in Perry County is higher than the national average, it results primarily from layoffs and shutdowns in the coal mining industry. Since a big portion of the workforce was previously employed in mining, training for other skills within industrial settings would be a smooth transition. Despite the statistical appearance, Perry County's workforce remains dedicated, skilled, and ready for new challenges.

Educational Opportunities – 17.4% of citizens and 16.7% of partners felt Perry County has excellent educational opportunities. Perry County is home to the Hazard Community and Technical College (HCTC) that offers a variety of programs to retrain displaced workers. HCTC offers associate's degrees and certification programs, and partners with several 4-year institutions to provide bachelor's degrees. HCTC stands ready to plan and implement programs that are crucial to potential industrial needs.

Sites for Industry – 14.3% of citizens believed Perry County has ample sites for industrial expansion, while only 5.6% of partners saw this category as a strength. One particular site, the Coalfields Regional Industrial Site, is a shovel-ready site consisting of approximately 235 acres located approximately 10 miles from Hazard. The price per acre is more than competitively priced. Utilities in place include electricity, water, sewer, TV and broadband. Natural gas is available as requested. The site is ready to handle light to medium industry.

Healthcare – 6.4% of citizens saw healthcare as a strength as opposed to 14.8% of partners. Perry County has one of the most diverse and concentrated groups of healthcare facilities in Kentucky, if not the nation. The many services offered by the Hazard ARH Regional Medical Center, include: a general hospital, a psychiatric hospital, a University of Kentucky-based rural health care center and clinics for primary care, cancer, urology, cardiology, addiction and ear-nose-and throat problems. Perry County also contains several free and income-based clinics.

Other Strengths for Consideration

Hospitality – 7.4% of partners felt the hospitality of the people was a strength. The hospitable nature of the people is a major contributor to placemaking in economic development. Capitalizing on this trait lends well to enticing entrepreneurs, small businesses and corporations that see the value of a small community. Placemaking takes advantages of existing strengths to develop a stronger economy. Hospitality is also a key ingredient in the accommodations, dining, and retail sectors, as well as adventure tourism.

Recreation/Tourism – 5.6% of partners said recreation/tourism was a strength. There are many opportunities in Perry County for this sector. Perry County is typically characterized by natural beauty, wildlife, and wilderness habitat. Many counties have added recreation/tourism to their list of sectors to promote their areas and provide revenue for the county. With the natural enhancements and amenities Perry County has, this sector would be a good fit in the scheme of promotion and new businesses.

Accessibility – 1.9% of citizens and 5.6% of partners felt accessibility was a strength. The majority of highways leading in and out of Perry County are four-lane: KY 15, Hal Rogers Parkway and four-lane KY 80, I-75 interchange 66.5 miles west via KY 15 and Hal Rogers Parkway. The Tri-State Airport is located approximately 116 miles northeast and the Wendell Ford Airport is located within the county. Rail service exists provided by CSX railroad. The nearest river port is located on the Ohio River at Wurtland, Kentucky approximately 117 miles north.

Fossil Fuels – 4.9% of citizens stated fossil fuels were strengths. Typically, fossil fuels consist of petroleum, coal, and natural gas. According to Kentucky Coal Education, *“The Eastern Kentucky coal field covers 10,500 square miles and contains approximately 51.90 billion tons of remaining resources. (Part of this cannot be mined economically using today’s technology.)”* According to Smith and Brant (1980), Perry County originally had about 3.6 billion tons of coal, of which 593 million tons have been mined, 593 million tons have been lost, leaving approximately 2.4 billions tons remaining. Perry County does not have any known producing oil wells or refining facilities. According to the Kentucky Geological Survey, Perry County was the fifth largest producer of natural gas in the state, producing about 11 billion cubic feet in 2015.

Vision of Leadership – 3.8% of citizens felt vision of leadership was a strength. Conversely, 11.3% of citizens felt it was a weakness. There will always be those that feel the current administration is doing their best and those that feel the current administration is not.

Shopping and Dining – 3.8% of citizens stated shopping and dining was a strength. Hazard and Perry County have historically been an oasis in southeast Kentucky. A greater number and variety of dining and retail establishments are located in Perry County versus the KRADD service region.

Infrastructure – 2.6% of citizens saw infrastructure as a strength. The majority of Perry County is supplied by water from the Kentucky River, the sewage system is modern, natural gas is readily available, major roadways are in good condition, and the Wendell Ford Airport serves local aircraft. All utilities are reliable and rates are very competitive.

Promise Zone – 3.7% of partners said being a member of the Promise Zone was a strength. From Kentucky Promise Zone, *“Kentucky Highlands Investment Corporation, in partnership with eight counties in southeastern Kentucky, has been designated the first federal rural Promise Zone in the United States. The purpose of the project is to engage these communities in a collaborative, comprehensive process aimed at improving the overall quality of life in the region.”* Perry County, as well as Clay, Leslie, Whitley, Bell, Harlan, Knox, and Letcher are members of the Promise Zone.

Preservation of Culture – 1.9% of partners cited preservation of culture as a strength. By preserving culture, change will not occur. Looking at the weaknesses mentioned by citizens and partners, it appears a culture change will be necessary to see a move to the positive side of economic development.

Media – 1.9% of partners said media was a strength. Hazard and Perry County is home to five radio

stations, of which WSGS broadcasts at 100,000 watts, giving them a service area into central Kentucky as well as neighboring states. Hazard and Perry County is also home to WYMT television that has a service area that reaches several counties plus Virginia.

Broadband – 1.9% of partners said broadband was a strength. According to StateBook, 98.96% of Perry County had broadband technology ending 2014. Initiatives are currently underway via grants to see that 100% of Perry County businesses and residents have access to broadband and wireless technology.

Agriculture – Only 1.1% of citizens felt agriculture was a strength. Perry County has hundreds of acres that can be developed for agricultural uses. Agricultural operations can be developed to provide fresh produce for local, regional and global markets.

Consideration of Strengths Not Mentioned

Availability of Land – Hundreds of acres that can be zoned for industrial use currently exist in Perry County. Most areas are easily accessible to the routes mentioned in the 'Access' section. Surface mining has created much-needed level land in Perry County that can be developed for industrial, agricultural, or residential.

Quality of Life – Since nearly 30% of survey respondents believe there is a negative perception of Perry County, advanced learning systems may be implemented locally to change this perception. Perry County has an excellent network of modern healthcare facilities including hospitals, clinics, and nursing homes. Perry County is home to Buckhorn Lake State Resort Park that provides many outdoor recreational opportunities such as camping, boating, and lodge facilities overlooking picturesque Buckhorn Lake. Recreation activities are plentiful including hunting, fishing, and hiking, to name a few. These activities can form a base for adventure tourism development.

Boards and Committees – There are many boards and committees currently in Perry County dedicated to reducing unemployment, creating new opportunities, and bettering the quality of life. This can evolve into a strength given proper coordination, collaboration, and communication with the central entity in charge of the County's economic development efforts.

The Top Weaknesses

“Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time.” - Thomas Edison

The Negative Stereotype of a Poverty-Stricken Area – 20.7% of citizens and 10.3% of partners felt those living outside Perry County have a tainted view of the actual culture resulting from negative publicity. Unfortunately, most of southeastern Kentucky has an outside image of being poorly educated, unskilled, and living in poverty. There are still remnants of vacant, rundown buildings that need to be refurbished. Many improvements have occurred “downtown”, however, more improvements are needed. The entire county must be dedicated to the effort of telling a more accurate story to accentuate the positive aspects of Perry County. The image of blighted areas, empty and rundown buildings, and vacant lots reinforce the stereotype, so every effort must be made to renovate these areas in order to reverse the image and show an air of progress.

The Rate of Unemployment – 17.0% of citizens felt the current rate of unemployment was a weakness. The rate of unemployment in Perry County is directly related to the downturn in the coal mining industry. Coal extraction was one of the County's largest employers spanning several decades. Coupling the loss of mining and mining-related spin-off jobs with the recession, Perry County has been devastated. The rate of unemployment is beginning to decline, however, it remains at a slower pace than the state and national averages.

Lack of Vision by Leaders/No Goals – 11.3% of citizens surveyed claimed lack of vision as a weakness,

and supposedly a close relation, no goals, were cited by 15.4% of partners. Perry County has not improved in many areas primarily due to the lack of funds. With a limited budget, it becomes increasingly difficult to create a better quality of life. At this point, leaders must make tough decisions on where to best utilize available funds. By only being able to maintain what is existing may give an outside appearance of not wanting to move forward. Hopefully, this Manual will lay out goals, objectives, and strategies that may be implemented as funds and availability present themselves.

Lack of Infrastructure – 10.3% of citizens and 15.4% of partners stated a lack of infrastructure was a weakness. Efforts are ongoing in providing broadband to all of Perry County, however, that has not yet been completed. There are still some areas in Perry County lacking in municipal water, sewer and gas service. The lack of infrastructure could effectively constrict or prevent economic growth and increases the poverty rate to some extent.

Lack of Amenities – 8.7% of citizens and 12.8% of partners stated a lack of amenities is a weakness. Although Perry County has seen up and down trends in the establishment of “things to do”, people still travel out of Perry County for shopping and entertainment. Even though Perry County currently has several chain restaurants, motels, and shopping centers, more diverse cultural businesses are needed to attract outsiders to want to develop here.

Other Weaknesses for Consideration

Lack of Activities for Young People – 6.7% of citizens felt there were not enough activities available for young people. Currently, Perry County has one theater. Fugate's Entertainment Center, which had a multi-screen theater, bowling alley, water park, and skating rink, has burned and is now out of business. Only two public swimming pool currently exist: the Perry County Park and the Hazard Pavilion.

Low Self-esteem of the Workforce – 6.3% of citizens felt the unemployed portion of the workforce had low self-esteem due to being unable to find a good paying job. A big percentage of the unemployed previously held jobs in the coal mining industry. Skills learned in coal mining can be transitioned to other similar industries, however, other potential industries may require retraining. Depending on the industry, Perry County may not have a skilled workforce. Perry County's labor force should be seen as an asset, however, labor challenges exist. Not all eligible workers have taken advantage of available opportunities for retraining provided by EKCEP and others.

Content with Status Quo – 4.3% of citizens said change in Perry County would be difficult due to those with influence being satisfied with the current situation. Also too, as people age, they find themselves wondering where the “good ole days” went. Those days of shopping downtown, drive-in movies on Saturday night, real hamburger stands (not fast food), and a slower paced lifestyle. The feeling for nostalgia can become a threat to progress due to hoping the past will return and not willing to take a chance on the future.

Educational Opportunities – 3.7% of citizens and 7.7% of partners felt the educational opportunities in Perry County were insufficient. Although HCTC offers many programs leading to associate's and bachelor's degrees, as well as certification in specialized areas, the flexibility must remain to be able to provide specific training as needed for potential industries that may decide to develop in Perry County. Recent test scores show there is room for improvement to remain competitive with regional, state and national averages. Achieving test scores that exceed the state or national average would allow Perry County to be attractive to those that may be considering relocating here.

Drug Abuse – 7.7% of partners said the drug problem Perry County is experiencing would be a weakness. Many of those applying for jobs cannot pass a drug screen, therefore, those that may be able to perform certain jobs do not get employed. Some feel the drug problem is enhanced by other weaknesses that have been identified such as low self-esteem, lack of amenities, and low to no income.

No Cooperation – 7.7% of partners said the lack of cooperation between business leaders and local

officials made efforts to improve the County economy difficult. In order for the County economy to improve, all entities must be engaged, be willing to cooperate, and work together in a collaborative effort.

Lack of Broadband – 3.7% of citizens felt the lack of broadband to some parts of the County was a weakness. Initiatives are currently underway to provide every business and household with an available and inexpensive connect to broadband Internet. Having broadband availability will certainly increase the County's strengths in targeting new businesses.

Lack of Marketing – 3.0% of citizens and 5.1% of partners saw a lack of marketing as a weakness. Perry County does not currently have an aggressive marketing campaign informing the outside world of what they have to offer. By formulating a marketing strategy, those businesses and industry looking to relocate or expand can make a better determination on whether Perry County has what they desire.

Lack of Funding – 2.0% of citizens listed a lack of funding as a weakness. Perry County has less external funding presently due to a considerable loss in coal severance tax returning from state government. Operation of some programs depend on grants from state and federal government and other entities such as Abandoned Mine Lands and the Economic Development Administration, to name a couple.

Affordable Housing – 2.0% of citizens cited affordable housing needs to be made available. According to the American Community Survey 2010-2014, the median value of an owner-occupied home was \$69,200, which was 43% less than the state average, and 61% less than the national average. The median monthly owner costs with and without a mortgage were all considerably less than the state and national averages. Even though respondents felt this was a weakness for Perry County, actually it is a strength that can be marketed as compared to the state and nation.

Outward Migration – 5.1% of partners recognized the loss of young professionals as a weakness. A large portion of young professionals leave Perry County for better opportunities. Unless opportunities are provided to encourage them to stay in Perry County, this migration will continue. The establishment of career paths in junior high, a certification or degree from a local post-secondary institution, then available opportunities with local businesses would slow the rate of outward migration.

Health Problems – 5.1% of partners said health problems are weaknesses. According to statistics compiled by StateBook, the average life expectancy in Perry County is 72.4. Some of the health or health-related problems they discovered were 32.9% of the population smoke, 39.9% were obese, 10.4% were excessive drinkers, 14.5% had diabetes, and 38.5% were inactive.

Accessibility – 5.1% of partners said accessibility was a weakness. Conversely, 1.9% of public opinion and 5.6% of partners felt accessibility was a strength. While true all roadways in Perry County are not four-lane, major routes in and out of Perry County are, for the most part.

Lack of Diversity – 2.6% of partners said lack of diversity is a weakness. The broadness of this response does not specify if the diversity is associated with a variety of businesses or the inclusion of individuals representing more than one national origin, color, religion, socioeconomic stratum, sexual orientation, etc. Without knowing specifically, only assumptions can be made.

Sunday Alcohol Sales – Only 0.3% of public opinion respondents said Sunday alcohol sales was a weakness. The issue is a struggle between moral and economic. Valid arguments by both sides have been given. Other locations have passed ordinances to allow Sunday sales and have seen an increase in the economy. By not having Sunday sales, it is unknown what effect sales may have on the economy.

Consideration of Weaknesses Not Mentioned

Stagnant Tax Base – Due to the major decline in coal mining, Perry County is no longer receiving the coal severance tax dollars it once did. The sharp decrease in incoming funds puts a stranglehold on the creation

of new ventures, and severely constricts the amount of money that can be applied toward existing responsibilities.

The Top Opportunities

“A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty” - Winston Churchill

New Business Incentives/Grow Existing Businesses/Open-mindedness to New Business – 23.8% of partners felt support of and expanding existing businesses would be an opportunity. Similarly, 13.3% of citizens believed incentives would be an opportunity in attracting new businesses, and 12.9% of citizens thought open-mindedness to new business would be an opportunity. In order to attract new businesses, promote the retention of existing businesses, and/or assist in the expansion of existing businesses, the Perry Fiscal Court may be able to provide incentives such as tax credits, labor and workforce assistance, and expediting permits and licenses. A tiered tax credit allowance may be offered to encourage the revitalization of existing structures. A “guaranteed worker” program may be put in place with the cooperation of local education institutions. An initiative such as “The Expansion Zone” may be implemented to encourage existing business expansion, as well as attract new businesses. It is believed that the response of “open-mindedness to new business” is closely related, and the answer to “content with the status quo”.

Better Educational Opportunities – 19.0% of partners and 7.9% of citizens thought better educational opportunities would be an opportunity. HCTC has the capability and dedication to providing the training or retraining necessary to keep Perry County's workforce a competitive element for the attraction of new and expanded industries. Perry County's education system as a whole can be structured to provide more innovative curricula in partnership with HCTC. The opportunity to turn out a skilled workforce should be taken advantage of to meet the challenges of future industrial development.

Diversification from Coal – 19.0% of partners responded Perry County needs to diversify and escape the over-dependence of relying on the coal mining industry as the “go-to” industry for good paying jobs. In recent times, the coal mining industry has been all but shut down. Job losses in this sector are primarily the cause of the County's high rate of unemployment. By creating new opportunities in other sectors, the over-reliance on coal can be diminished, if not eliminated. Perry County needs new industries to take the place of the declining coal industry and local leaders and its citizens recognize that. Local government should be willing to work with potential business partners regarding zoning issues, tax exemptions, etc. to ease the path of establishing operations in Perry County. The workforce is ready, willing and able to work and retrain as needed.

Better Infrastructure – 18.3% of citizens thought better infrastructure was an opportunity. To attract new industries and businesses, basic elements such as clean drinking water, modern sewer and wastewater disposal, roads and sidewalks, and public facilities must be in good working order. The Perry County Fiscal Court maintains a constant effort to ensure all businesses and residents has clean drinking water and a dependable sewage system. A properly functioning and well-maintained infrastructure of travelways must be in place to allow optimal mobility for distribution businesses and the general public. As the budget allows, prompt consideration needs to be given to aging bridges, road repair work, roadside drainage devices, and deteriorating buildings. Besides functionality, aesthetic value is also important to attract new businesses.

Clean Up the County – 14.5% of citizens said cleaning up the county would be an opportunity. The Perry County Fiscal Court promotes “clean up campaigns” throughout Perry County by providing dump locations for residents to bring items not normally picked up by garbage pickup service. The #PerryProud movement is planned to provide multiple locations for this purpose.

Other Opportunities for Consideration

Marketing – 14.3% of partners and 13.7% of citizens said marketing would be an opportunity. Currently,

Perry County does not have an aggressive and effective marketing strategy. The pros of having a marketing strategy is that it allows the County to reach a greater potential customer base, inform potential customers of the advantages of doing business in the County, and increases the opportunity to attract new businesses. An effective marketing campaign must be cost-effective and have measurable objectives.

Industrial Site Availability – 14.3% of partners and 7.9% of citizens said the availability of industrial sites was an opportunity. As mentioned in the 'Strengths' section, this site is readily available for the creation of new businesses, recreational facilities, residential areas, etc. Many jobs can be created from the developments possible for this site. A bonafide industrial site by definition is currently available in Perry County and further described later under the heading Available Buildings and Land.

Cooperation Between Leaders – 9.5% of partners and 6.6% of citizens felt there was no cooperation between local leaders. There are currently several boards and committees dedicated to efforts that would create positive economic growth, provide additional opportunities, and improve the quality of life. Where several boards or committees committed to the same effort exist, a merger should be considered to allow a more centered approach and the coordination of resources. Perry County has a County Judge Executive with a board of three magistrates, the cities of Hazard, Buckhorn, and Vicco have mayors with commissioners. Cooperation, collaboration, and communication are keys to creating, implementing, and achieving a successful economic development effort.

Skilled Workforce – 3.7% of citizens believed the skilled workforce was an opportunity. As previously discussed in the Workforce Skills and Occupations section, the Perry County workforce has a knowledge distribution that will allow it to adapt quickly to new opportunities, as well as being a good fit to similar industries currently existing.

Sunday Alcohol Sales – Only 1.2% of citizens saw Sunday alcohol sales as an opportunity for improving the Perry County economy. Carrie Stambaugh, writing for *The Daily Independent* in Ashland, Kentucky, in an article titled *The economic impact of alcohol*, states, “*Locally, many opponents point to the city of Russell as proof there is no guaranteed alcohol sales will spur development. Russell approved liquor by the drink sales in restaurants back in 2008 but, to date, not a single business has applied for a license to sell it despite proponents claims it would make the city attractive to new restaurant development.*” However, she goes on to state, “[In 2012], the city of Danville finished the year with \$1.8 million in surplus funds, due in large part to expanded alcohol sales, officials there said. Three new police officers and two new code enforcement officers have also been hired because of alcohol proceeds, according to the Advocate Messenger in Danville.”

Consideration of Opportunities Not Mentioned

The Perry County Economic Development Implementation Manual – This strategic plan can be used as a guide to identify, plan, and meet the needs of Perry County regarding the formation of new businesses, the revitalization of existing businesses, and the creation of new jobs, all of which can be coordinated to provide opportunities and positive economic growth.

Recreation and Tourism – Activities in recreation and tourism have been popping up regionally, and Perry County has the opportunity to capitalize on this market using its rugged terrain (rock climbing, mountain biking, ATV trails, ziplines, etc.) and natural beauty (hiking, primitive camping, RV parks, etc.). Many areas surrounding Buckhorn Lake State Park can be used for this purpose. Increased flat or gently rolling land has been developed from surface coal mining activities yielding the way for a number of opportunities including golf courses, nature parks, resort-type businesses, etc. To date, no major focus has been placed on this industry, but opportunities exist to be a part of Perry County's economic development initiatives.

Partnerships – Opportunities promoting positive economic growth can be generated by partnering with local and regional allies such as area development districts, utility providers, education entities, governing bodies, chambers of commerce, and private organizations. These groups and others can provide an opportunistic path by the coordination of efforts, and the setting and attainment of goals beneficial to Perry

County.

Business Incubators – Business incubators can be the start-up some entrepreneurs need to get their ideas off the ground. This idea can also contribute to keeping young talent in the county. Rather than leaving the area to find opportunities and capital investments, the young entrepreneur, through the incubator system, can find access to office space, administrative support, mentoring, and other services that can provide guidance in creating a successful business. According to the National Business Incubator Association (NBIA), an incubator is "a business support process that accelerates the successful development of startup and fledgling companies by providing entrepreneurs with an array of targeted resources and services. These services are usually developed or orchestrated by incubator management and offered both in the business incubator and through its network of contacts."

Retention and Expansion of Existing Businesses – It will be most beneficial to assist existing businesses to remain and continue to grow. Survey respondents have placed an understandable focus on manufacturing and large employers as being the saving measure to the County's unemployment problem. Massive layoffs in the coal mining industry have forced economic development into an aggressive recruitment program. A comprehensive Business Retention and Expansion Program would offer an opportunity to focus on smaller companies and service businesses. Statistics show an overwhelming percentage of businesses are microenterprises that employ less than four people.

The Top Threats

"We cannot solve our problems with the same thinking we used when we created them." - Albert Einstein

Lack of Communication – 50.0% of partners believed lack of communication would be a threat to successful economic development. The category "Cooperation Between Leaders" in the Opportunities section provides discussion that also pertains to lack of communication.

Negative Stereotype – 30.2% of citizens said the negative stereotype describing Perry County is a threat. From the 2015 ARC *Annual Investment Strategy Statement*, *"The Drug Epidemic in Kentucky is one of the leading problems hindering economic progress in Appalachian Kentucky. The eastern Kentucky region in particular has been a primary source of marijuana cultivation. The high poverty rate throughout Appalachian Kentucky contributes to an acceptance of marijuana cultivation as a source of income. To impact the problem, the Kentucky Office of Drug Control Policy continues to work toward increased public education, increased access to treatment, and enhanced penalties for major traffickers."*

Political Friction – 20.0% of partners and 11.2% of citizens felt politics plays a major role in the way business is conducted within Perry County. Leadership is essential in positive economic development. Growth and improvements can only be gained through a consensual and coordinated effort between influential community leaders and the public.

Non-sharing of Resources/Improper Use of Resources – 20.0% of partners saw non-sharing of resources and 9.3% of citizens saw the improper use of resources as threats. By leveraging community resources and local partnerships, high-quality opportunities can be attained by expanding access to local expertise. Better alignment and utilization of these resources can help the Court identify and access low-cost services or facilities to support many opportunities. Pulling in local resources such as health and human services agencies, departments of public safety and parks and recreation, community colleges, businesses, community-based organizations, and other entities can effectively maximize opportunities for expansion of existing businesses as well as the attraction of new ones.

Continual Loss of Infrastructure – 17.2% of citizens said the continual loss of infrastructure was a threat. As the benefits from coal severance tax and general tax base dwindle, it becomes increasingly difficult to find the funds to maintain our roads, water/sewer distribution, and other services the Perry County Fiscal Court is responsible for. Hard priorities must be set, and, in most cases, this means some facility or service cannot be

continually maintained.

Other Threats for Consideration

Duplication of Efforts – 10.0% of partners said duplicating efforts could be a threat. This is interpreted as the same goals and strategies employed by several different groups, committees or boards. Without transparency and a proper channel of communication between various groups, collaboration is not established, resulting in wasted energy in trying to reach the same outcome. By establishing a network and communication between various groups, resources, energies, and talents may be shared to allow a common goal to be reached.

Continued Low Self-esteem of the Workforce – 8.8% of citizens felt the workforce has low self-esteem. According to the U.S. Department of Commerce, Bureau of the Census, the majority of Perry County's workforce, 29.4%, is in the age group 45-64, followed closely by the age group 25-44 at 25.8% dated 2014. Without the promise of opportunities, younger workers will continue to migrate out of Perry County, lessening the available workforce even further. Since the majority of the workforce is older than 45, the time it takes to retrain becomes a consideration. This concern furthers the need for quick access to certification programs in new industries.

Outward Migration – 7.4% of citizens have seen outward migration as a threat. A large portion of young professionals leave Perry County for better opportunities. Unless opportunities are provided to encourage them to stay in Perry County, this migration will continue. The establishment of career paths in junior high, a certification or degree from a local post-secondary institution, then available opportunities with local businesses would slow the rate of outward migration.

Lack of Sustainability – 6.0% of citizens said a lack of sustainability would be a threat. Since we live in a dynamic and ever-changing world, it is extremely difficult to predict events that may affect Perry County's economic development efforts. However, to achieve any level of sustainability, a high level of agreement between government policy makers, educators, business leaders, and the public needs to be established. Having a viable, realistic, and flexible plan with complete buy-in is the main recipe for successful efforts.

Land Affordability – 6.0% of citizens believe land costs are too high and can be a threat. The cost of land and housing in Perry County is considerably less than state and national averages, however, with success comes the threat of increased pricing.

Uncooperative Absentee Owners – 2.8% of citizens recognize that absentee owners can pose a threat to development efforts. Unfortunately, there are several vacant buildings and properties in Perry County that are owned by non-residents. Properties and buildings being unoccupied can result from many reasons. Efforts to encourage absentee owners to lease the premises may be limited, but ordinances can be created that could be an incentive. Other measures can also be evaluated including condemnation of dangerous, blighted, deteriorated structures that are considered health risks, and takeover by the County.

Excess Boards and Committees – 0.9% of citizens saw a threat in having too many boards and committees. A big part of the problem in trying to establish a focused economic development plan is a lack of clarity on what issues are a priority. While every committee and board may be well-intended, they think their issue is most important and you simply cannot have numerous priorities and get anything of substance accomplished. Ultimately, all may be working toward the same goal, but a lot of energy is lost in duplication of efforts. Participation should be appreciated, however, combining efforts and communication seems to be the key to reaching a common goal most efficiently.

Consideration of Threats Not Mentioned

The State and National Economies – Due to the economic impact from state and national industries, Perry County has lost a number of jobs in the coal mining industry. Coal mined and shipped from Perry County

fed power generation plants, steel making industries, and various other smaller industries that rely on coal or its by-products. The decline in demand has lessened Perry County's rate of employment and the amount of coal severance tax money coming in. A continued decline would further devastate Perry County without the introduction of new and expanded businesses.

State and Federal Environmental Regulations – Some have said coal mining is the most regulated industry in the world. State and federal regulations directly impact how coal can be mined, how much coal is mined and how it can be used. Increasing restrictions have choked the industry to a point it is extremely difficult to mine coal profitably. It is a fear by many that the coal mining industry is dead and will not be revived.

Unfunded Federal Mandates – Perry County has been hard hit by a major decline in the coal mining industry, the county's major industry, therefore, it does not have a diverse and improving business climate. Due to the critical decline in wages, less money is available for service industries such as fast-food restaurants, convenience stores, recreation, etc. A federal increase in minimum wage, for one example, could make the difference in whether these businesses survive or fail.

Aging Population – Perry County is not unlike most rural communities in southeast Kentucky in that the young working age groups often leave for brighter job opportunities. In addition to young professionals migrating for work, Perry County is also losing young professionals from its population base as workers move outside the County. As shown by statistics in the Employment Statistics section, Perry County's majority workforce is in the 45-64 years age group, representing approximately 29.4% of the total civilian labor force. The availability of good paying jobs is the draw to keep younger workers in the County.

SWOT Analysis Summary

Even though the SWOT analysis has found the basic strengths, weaknesses, opportunities and threats affecting the County, no single package of strategies will necessarily fit. There are virtually limitless menus of possible strategies. As previously mentioned, there is no magic bullet and there is no universally applicable formula for community development. It must be realized, then, that decisions about what to do and why to do it have to be based on local conditions, context and capacity.

Respondents from public surveys listed the top five components as:

- Strengths: natural beauty, positive workforce, educational opportunities, sites for industry, and healthcare
- Weaknesses: negative stereotype, rate of unemployment, lack of vision by leaders, lack of infrastructure, and lack of amenities
- Opportunities: better infrastructure, clean up the County, marketing, new business incentives, and open-mindedness to new businesses
- Threats: negative stereotype, continued loss of infrastructure, political friction, improper use of resources, and low self-esteem of the workforce

Respondents of direct interview listed the top five components as:

- Strengths: natural beauty, dedicated workforce, educational opportunities, available medical care, and hospitality
- Weaknesses: no goals, lack of infrastructure, lack of amenities, negative stereotype, and drug abuse
- Opportunities: grow existing businesses, education facilities, diversification from coal, marketing, and industrial sites
- Threats: lack of communication, political friction, non-sharing of resources, and duplication of efforts

Now that the components have been identified, strengths can help the County figure out what makes them different and what to highlight in messaging and marketing campaigns. Often, these strengths will end up in the brand messaging language or at least in a targeted ad campaign. By knowing what makes the County

great, it can be promoted to an advantage. This information will help answer the questions “What is Perry County’s current image and what can it be five years from now?” and “What unique advantages does Perry County have regionally and nationally?”

Although it can be unpleasant to confront weaknesses, identifying them can certainly make them feel less daunting when a plan is devised to overcome them. The next step is to prioritize them from what is most urgent or important and those easiest to change to those that will take considerable more effort. It would be preferable to tackle the most damaging and easiest to change issues first. This will result in the biggest improvement in the shortest amount of time. Knowing the weaknesses will help answer the question “What threats or barriers might exist that will hinder Perry County from attracting new industries and how can they be overcome?”

Opportunities provide the stage to dream big. Opportunities allow the setting of goals and a chance to create plans to push things forward. Once it has been decided where the County is headed, it can be put into action by the creation of an effective marketing plan for the next few years. A practical, working document, such as the Perry County Economic Development Implementation Manual will help make sure the County can arrive at the destination desired. Knowing what opportunities are possible will help answer the question “What opportunities does Perry County have attracting new industries and businesses?”

The threats portion of the SWOT analysis is the component that can prepare the County for potentially damaging situations in the immediate future or down the road. Most of the time, threats identify situations that cannot be controlled, such as external market factors, legal factors, competition or cultural shifts, as well as situations that might or might not occur. Knowing what the threats are can give the County the opportunity to monitor and prepare. For each threat identified, it must be determined if it’s definitely happening, highly likely to happen, unlikely or unsure. By knowing this information, threats can be prioritized. For the definite or highly likely threats, preparations to overcome them must be implemented as soon as possible. For the unlikely or unsure threats, an evaluation or monitoring plan can be designed to see if the likelihood or urgency is increasing or decreasing. It may be that the County may not be able to directly address a potential threat yet, but efforts can be made to better withstand possible threats. Recognizing possible threats will also help answer the question “What threats or barriers might exist that will hinder Perry County from attracting new industries and how can they be overcome?”

In summary, the SWOT situation analysis is about capitalizing on the strengths, overcoming the weaknesses, exploiting opportunities, and countering threats. Moreover, it is about identifying the most important issues, setting priorities, appraising the options, and taking action.

Intentionally Blank

Strategy One: Target Industry Evaluation

From the questionnaire, the question was asked, “What types of industries do you believe are a “best fit” for our region?” The responses given contributed to a target industry evaluation to determine what the stakeholders felt an economic development plan should focus on. The responses given should certainly not restrict the evaluation to those target industries only, but serves as a generalization in possible recruitment using limited resources. Also, these responses go to the question “What specific industries can Perry County effectively target?”

The most popular industries to target included: manufacturing, adventure tourism, hospitality and service, information technology, healthcare, and agriculture. Based on these general areas, a more detailed evaluation is provided in the “Specific Target Industry Evaluation” section of this Manual.

It is simple to respond to the question asking “what is a best-fit industry” for Perry County by answering “manufacturing” or “factories”. It will not be simple, however, to attract businesses and industries in such a broad sense. Naming specific manufacturing business or factories would be a more appropriate response. Perry County’s available resources must be a prime consideration when targeting industries, in a broad sense, and a key consideration when targeting specific industries. It must be taken into consideration that other communities, regions, and states are chasing the same big name manufacturers. Studies have been conducted that show the majority of local and sustainable economic growth results from the expansion of existing businesses and, in addition, small businesses grow at a faster rate than larger ones. The expansion and retention of existing businesses is further discussed in the “Retention and Expansion of Existing Businesses” section of this Manual.

Trickle-down, or top-down economic growth does not always benefit the poor or poverty-stricken. Given the rate of unemployment in Perry County, it may be best to consider community-based development to take full advantage of that portion of the population. Working within rural areas, different strategies must be employed due to geographic isolation and the distance between larger populated areas. Accordingly, rural areas have much fewer lending institutions, capital investors, and specialized workforce. By using the community-based development approach, that portion of the population can take a very active role in the development of their county and possibly see more benefit from positive economic growth. Community-based development promotes countywide participation. This is not, however, meant to be a substitute for the recruitment of large manufacturing entities, just another way to consider as much of the population as possible.

Employment opportunities can be derived from mid-size to large manufacturing, but more sustainable jobs can be created by smaller, more dynamic firms. The flow of information must use a bottom-up and interactive approach, no longer relying solely on the top-down method. A spirit of cooperation must be promoted between local government, businesses, economic development entities, and the public. Organizations dedicated to positive economic growth must be decentralized and become more fluid in the flow of ideas, innovation and creativity. Our workforce must be skilled, trained, and adaptive to new technologies. The entire community must be engaged and encouraged to participate in the process. This is what we must strive for in marketing Perry County, to achieve a strong and sustainable diversified economy that can compete, not only regionally, but globally.

Site Selection Criteria

According to *Area Development Online*, the ten critical site selection factors are:

1. Availability of skilled labor – critical for manufacturing companies (92.9%)
2. Highway access – highways need to be multi-lane with speeds of 55 mph or higher (88.0%)
3. Quality of life – amenities (87.6%)
4. Occupancy and construction costs – one of the biggest up-front costs (85.4%)
5. Available buildings – more important for companies looking to expand or relocate 83.7%)
6. Labor costs – more important for manufacturers (80.8%)

7. Corporate tax rate – these can vary from state to state (78.8%)
8. Proximity to major markets – important to distribution centers for next-day deliveries (76.3%)
9. State and local incentives – local incentives may be advantageous over contiguous counties (75.8%)
10. Energy availability and costs – important to large manufacturers (75.3%)

Sometimes, it may be difficult to determine which site selection factors are most important, based on the specific industry. There is a wide variation depending on the industry under discussion. Usually, labor quality and availability, local wage rates, housing, physical infrastructure, transportation and taxes are cited as important location factors. Labor cost is particularly important because it often makes up a large part of the company's expenses and varies a lot by region of the country. Many of these factors are out of the control of local communities. Looking at the ten critical site selection factors as listed above, parallels to Perry County will be drawn.

Availability of Skilled Labor

One positive outlook in the midst of massive layoffs in the coal mining industry is the fact that Perry County's workforce remains dedicated, productive, and ready to work. A highly productive workforce is paramount to a company wanting to compete in a global economy. Hazard Community and Technical College is working diligently to have the ability to offer expanded programs with specialized training in the event new training and/or certifications are required for locating or relocating new businesses. Approximately 55.2% of Perry County's workforce is in the age group 25-64. Of that, 29.4% is in the 45-64 age group.

According to One East Kentucky, within Perry County's labor market area, the availability of skilled labor is between 2 and 8 times the United States average. At either Hazard Community and Technical College, or other learning facilities within the region, certification programs are offered in welding technology, machine tool technology, engineering and electronics, computer-aided-drafting and design technology, manufacturing industrial technology, and manufacturing engineering technology to train and/or retrain Perry County's workforce.

Boyette Strategic Advisors, in an investigative study for EKCEP, reports, "Occupations that have compatible skill sets to key mining sector occupations are found in metal and equipment manufacturing, transportation equipment manufacturing, plastics product manufacturing, wood product manufacturing, and transportation and warehousing. The rail industry provides a particularly strong match from a skills perspective."

Highway Access

The majority of highways leading in and out of Perry County are four-lane. Sections of KY 15 are two-lane, but post a 55 mph speed limit. The Hal Rogers Parkway west to London and east to US 23 at Prestonsburg is all four-lane. The I-75 interchange at London is approximately 65 miles west via KY 15 and Hal Rogers Parkway. The nearest river port is located on the Ohio River at Wurtland, Kentucky approximately 117 miles north via KY 15 and US 23.

30-YEAR COMPARISON OF SITE SELECTION FACTORS Corporate Survey 2015							
	2015	2010	2005	2000	1995	1990	1986
Labor							
Availability of skilled labor	92.9	85.9	87.2	87.7	87.9	87.1	84.8
Availability of unskilled labor	47.8	45.4	50.6	65.5	64.9	73.6	54.4
Training programs	68.7	56.7	59.6	57.2	58.6	49.6	50.9
Labor costs	80.8	91.0	87.9	91.6	94.2	92.1	96.6
Low union profile	66.3	75.4	77.0	79.7	82.8	78.7	79.0
Right-to-work state	67.7	67.9	69.7	72.9	77.8	71.3	N/A
Transportation/Telecommunications							
Highway accessibility	88.0	97.3	91.4	95.9	93.6	92.3	91.3
Railroad service	32.4	36.0	28.9	29.8	29.7	32.2	25.8
Accessibility to major airport	58.6	50.0	50.0	53.2	59.5	55.5	61.0
Waterway or ocean port accessibility	24.0	21.9	20.2	21.0	20.0	16.2	15.3
Inbound/outbound shipping costs	64.6	84.0	N/A	N/A	N/A	N/A	N/A
Availability of telecommunications services	N/A	N/A	79.8	77.1	80.2	76.7	N/A
Availability of advanced ICT services	53.6	72.9	85.7	N/A	N/A	N/A	N/A
Finance							
Availability of long-term financing	67.7	58.5	56.5	58.4	65.5	75.4	55.2
Corporate tax rate	78.8	86.3	85.0	84.7	N/A	N/A	N/A
Tax exemptions	74.7	90.9	83.6	81.6	86.4	85.8	77.9
State and local incentives	75.8	89.3	86.0	83.6	87.8	88.7	79.6
Other							
Available buildings	83.7	81.0	N/A	N/A	N/A	N/A	N/A
Cost of land	N/A	N/A	79.1	75.8	83.2	84.0	N/A
Available land	73.9	73.4	75.0	75.5	83.7	82.3	N/A
Occupancy or construction costs	85.4	89.8	83.7	83.0	90.2	88.5	N/A
Expedited or fast-track permitting	74.2	68.2	N/A	N/A	N/A	N/A	N/A
Raw materials availability	52.6	61.5	62.3	56.1	64.9	64.1	49.1
Energy availability and costs	75.3	82.1	82.8	77.7	89.6	88.1	N/A
Environmental regulations	69.8	74.8	71.1	80.9	86.5	82.9	N/A
Proximity to major markets	76.3	66.4	83.2	76.8	74.5	74.9	84.8
Proximity to suppliers	64.3	63.6	66.7	63.8	66.5	65.1	N/A
Water availability	54.6	N/A	N/A	N/A	N/A	N/A	N/A
Quality of life**	87.6	62.1	54.7	58.8	70.4	70.6	60.4

(N/A) Data not available due to changes and additions to the survey

* All figures are percentages and are the total of "very important" and "important" ratings of the Area Development Corporate Survey.

** Quality-of-life rating for prior years' surveys is the average of rating of nine quality-of-life factors (climate, housing availability, housing costs, healthcare facilities, ratings of public schools, cultural opportunities, recreational opportunities, colleges and universities in area, and low crime rate).

Quality of Life

As compared to the labor market area, Perry County has a much larger variety regarding shopping, dining, accommodations, and entertainment. There are 10+ hotel/motels, 10+ national franchise and other restaurants, and 25+ national franchise retailers. Perry County is home to the Buckhorn Lake State Resort Park and Carr Fork Lake State Park is just beyond the county line in Knott County. Perry County experiences all four seasons with an average annual temperature of 58° F, and a normal annual precipitation of 41 inches. Perry County's two school districts rank as "proficient" or better in State rankings and is home to the Hazard Community and Technical College.

Occupancy and Construction Costs

From thinkkentucky.com, cities, counties and school districts may levy an occupational license tax on the net profits of businesses and/or on the salaries and wages of employees earned in the jurisdiction. Rates can vary between the two types of occupational license taxes. Occupational license taxes may be levied on businesses as either a flat rate schedule or as a percentage of apportioned net profits or gross receipts. Where both the city and county levy an occupational license tax, a credit may be given, at the option of the local governments, for the amount paid to the city against the occupational license tax of the county. The following chart shows the Perry County Local Occupational License Tax Schedule ending 2015.

Taxing Jurisdiction	Tax Rate on Salaries/Wages	Tax Rate on Net Profits/Receipts
Perry County	1.00%	1.00%
City of Buckhorn	No tax	No tax
City of Hazard	1.25% (0.5% over \$60,000, 1.25% under \$60,000 on net profits)	1.25% (0.5% over \$60,000, 1.25% under \$60,000 on net profits)
City of Vicco	No tax	No tax
Hazard Independent School District	No tax	No tax
Perry County School District	No tax	No tax

Source: Kentucky Society of Certified Public Accountants

Note: Perry County's occupational taxes goes into effect on January 1, 2017.

The following chart shows state property tax rates per \$100 valuation ending 2015.

Selected Class of Property	State Rate	Local Taxation Permitted
Real Estate	\$0.1220	Yes
Manufacturing Machinery	\$0.1500	No
Pollution Control Equipment	\$0.1500	No
Raw Materials Inventory	\$0.0500	No
Goods in Process Inventory	\$0.0500	No
Finished Goods Inventory	\$0.0500	Yes
Goods-in-Transit Inventory	Exempt	Limited
Motor Vehicles	\$0.4500	Yes
Other Tangible Personal Property	\$0.4500	Yes

Source: Kentucky Department of Revenue

The following chart shows the Perry County property tax rates per \$100 valuation, ending 2016.

Taxing Jurisdiction	Real Estate	Tangibles	Motor Vehicles
Perry County	\$0.3180	\$0.3180	\$0.2285
City of Buckhorn	\$0.3000	\$0.3000	\$0.2500
City of Hazard	\$0.3110	\$0.3110	\$0.2910
City of Vicco	\$0.0500	\$0.0500	\$0.0000
Hazard Independent School District	\$0.5720	\$0.5850	\$0.5090
Perry County School District	\$0.5480	\$0.5480	\$0.4970

Source: Perry County Sheriff; Perry County Court Clerk

From the Hazard, Kentucky website, the following chart shows the cost of utilities:

Utility or Service	Tap-on Fee	Deposit	Monthly Fee
Gas	1-1/4 in: \$1000+deposit	\$100+\$5 service fee	Usage
	2 in: \$2000+deposit		
Water	1 in: \$1000+deposit	\$100+\$5 service fee	Usage
	2 in: \$2000+deposit		
	Larger: negotiable		
Sewer	\$300+deposit (inside City)		
	\$600+deposit (outside City)		
Garbage			From \$55.06 to \$770.70

Perry County Water and Sewer serves customers outside the city limits mostly restricted to the former City of Vicco customer base. Their rates are as follows:

Utility or Service	Tap-on Fee	Deposit	Monthly Fee
Water	\$500+deposit	\$100+\$50 service fee	Usage
Sewer	\$200+deposit	\$100+\$50 service fee	

Available Buildings and Land

From thinkkentucky.com, The Coalfields Regional Industrial Site is a shovel-ready site consisting of approximately 235 acres located approximately 10 miles from Hazard. The largest single tract amounts to approximately 144 acres. The site is certified “shovel ready” and is able to handle light to medium industry. The price per acre is more than competitively priced at \$10,000 to \$20,000. Utilities in place include:

- Electricity – 69kV and 138kV with dual feed available from one substation supplied by Kentucky Power



Company (a subsidiary of American Electric Power)

- Water – 8-inch and 12-inch lines with a treatment capacity of 5 million gpd, average daily flow of 3,845,581 gpd, and excess capacity of 1,154,419 gpd
- Sewer – 8-inch and 10-inch gravity lines with a treatment capacity of 3 million gpd, average daily flow of 1,780,000 gpd, and excess capacity of 1,220,000 gpd
- Natural Gas – not currently installed, but readily available
- Television Service – United Cable, Spectrum
- Broadband – Windstream Corporation, TVS Cable, Thacker-Grigsby

Along with several tracts currently available, one site of approximately 32 acres contains a metal building on steel frame, measuring 320 feet x 595 feet. The building was previously used as a wood processing plant with massive kilns and boilers by American Woodmark.

Labor Costs

Boyette Strategic Advisors, in their *EKYWORKS Workforce Analysis*, report the average hourly earnings of those previously employed in the coal mining industry is \$17.53, compared to \$19.13 for the state, and \$22.57 for the nation.

Corporate Tax Rate

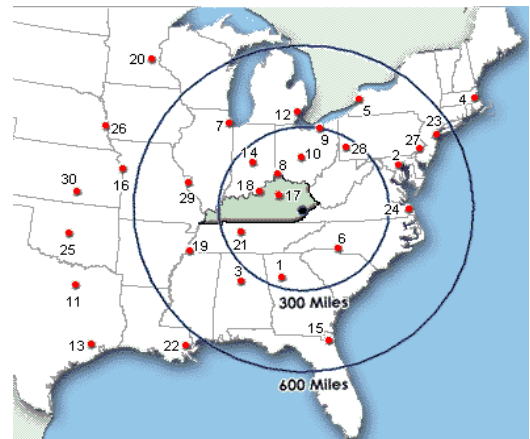
See “Occupancy and Construction Costs” section.

Proximity to Major Markets

According to the Kentucky Cabinet for Economic Development, Perry County lies within 600 miles of 50% of the U.S. population, 49% of the U.S. personal income level, 50% of U.S. retail sales, and 54% of the U.S. manufacturing employment market.

From selected markets, Perry County is approximately:

- 1. 365 miles to Atlanta
- 3. 410 miles to Birmingham
- 6. 266 miles to Charlotte
- 12. 478 miles to Detroit
- 22. 750 miles to New Orleans
- 24. 506 miles to Norfolk



State and Local Incentives

Incentives offered by the state can be offered by any county, however, local incentives can be offered as a benefit to potential businesses and industries. A list of possible incentives has been provided as Appendix C.

Energy Availability and Costs

Electricity is supplied by Kentucky Power Company, a subsidiary of American Electric Power. The industrial cost for electricity per KWH ending 2014 was \$0.0568 versus an average national rate of \$0.0710.

Spec and Virtual Buildings

Most expanding and/or relocating companies look for an existing building and areas without them find themselves at a disadvantage in attracting these companies. The concept of a “spec” (short for speculative) building can be used to attract companies and allow them to see how the building could be completed on the finished site. A spec building only has minimum finishing such as basic electricity, no floor, and four walls. The structure should be constructed with as little finishing as possible to allow maximum flexibility for the potential user. This concept can save companies a lot of time in their development timeline.

A virtual building is just as the name implies. It allows a visual representation without the expense of actual construction. A three-dimensional rendering can be created that outlines construction cost estimates, pre-permitting, lease information, and a walk-through of the building. It can also provide the blueprint for the spec building, or the actual finished building.

Establishing a Business in Perry County

Why should a company expand or relocate into Perry County? (The following list was adapted from the Kentucky Cabinet for Economic Development website)

1. **Central Location.** We're in the middle of everything. Within a day's drive of half of the U.S. population, Perry County is located near the center of a 34-state distribution area in the eastern United States. This advantage can facilitate the distribution of goods and materials to a massive industrial and consumer market. Perry County's borders are within 600 miles of over 50 percent of the nation's population, almost 49% of personal income level, and 54% of manufacturing business establishments.
2. **Logistics.** Perry County is approximately 132 miles from Lexington and 209 miles from Louisville. Kentucky ranks 3rd in the nation in total air cargo shipments. That is because Kentucky businesses are served by not one but three international airports (in Lexington, Louisville, and Greater Cincinnati), plus major shipping hubs, giving companies a leg up on getting products, papers and packages into the global stream of commerce. Kentucky offers the UPS World Port in Louisville, DHL Americas hub in Northern Kentucky and several large FedEx ground hubs throughout Kentucky. UPS and FedEx maintain distribution centers in Perry County. Due to this strong presence by the world's most prestigious logistics companies, products manufactured in Perry County can get anywhere in the world virtually overnight.
3. **Effective Networking.** Kentucky is well served by 19 interstates and major highways, major rail networks, barge traffic on the Ohio and Mississippi rivers, five commercial airports and dozens of regional airports. The majority of highways leading in and out of Perry County are four-lane. Sections of KY 15 are two-lane, but post a 55 mph speed limit. The Hal Rogers Parkway west to London and east to US 23 at Prestonsburg is all four-lane. The I-75 interchange at London is approximately 65 miles west via KY 15 and Hal Rogers Parkway. The nearest river port is located on the Ohio River at Wurtland, Kentucky approximately 117 miles north via KY 15 and US 23. Our ideal transportation network can move products easily and efficiently by air, rail, road and water to all points of the globe. Additionally, Perry County is in the midst of a broadband revolution – bringing high-speed internet to every business and resident in the county.
4. **Cost of Doing Business.** Kentucky ranks second lowest in the nation for cost of doing business according to CNBC. Kentucky's innovative and progressive tax incentive programs also provide the flexible financial assistance businesses need when locating, expanding or reinvesting in the state. Perry County currently has some of the lowest tax rates in the state.
5. **Electrifying Power Rates.** Among the more significant location factors having a direct influence on bottom line costs is the annual capital that must be committed to utility consumption. Perry County has the lowest cost of electricity in the industrial sector among states east of the Mississippi River and one of

the lowest in the U.S., coming in nearly 20 percent lower than the national average.

6. **We Create Workforce Solutions.** Not only are our labor costs below the national average, Perry County offers workforce recruiting and training assistance for new and existing employees at no charge. Numerous opportunities exist provided by the Eastern Kentucky Concentrated Employment Program, Leslie-Knott-Letcher-Perry Community Action Agency, and others. We can also offer a personalized approach to your workforce needs – you tell us what you need, and we can custom-design a solution, saving you time and money. Last year alone, Kentucky trained more than 80,000 people and supported more than 4,000 companies. Kentucky is a right-to-work state.
7. **Business-minded Educational Approach.** Kentucky colleges and universities are true partners in the development of the workforce of the future. They understand the needs of business. In fact, from innovative K-12 schools and apprentice-style training to cutting edge research universities and continuing education programs, education is a way of life in Kentucky. Hazard Community and Technical College provides associate's degrees, diplomas, and certifications in technology and vocational programs, and partners with the University Center of the Mountains to provide baccalaureate degrees from seven four-year colleges and universities. Other educational opportunities are available within an hour's drive through eight four-year institutions and two other community and technical college systems. These institutions provide a wide variety of degree, diploma, and certification programs to meet the needs of new and existing industries.
8. **Strong Support for Innovation and Entrepreneurship.** Kentucky's drive to encourage business innovation and small business startups is evident by the array of unique and effective programs offered for both entrepreneurs and investors. Our statewide Kentucky Innovation Network features 13 offices located throughout Kentucky that offer startup and capitalization assistance as well as mentoring to turn small businesses into larger ones. The Eastern Kentucky Concentrated Employment Program, Inc. (EKCEP) administers Workforce Innovation and Opportunity Act (WIOA) programs in 23 mountain counties and also manages the Kentucky Career Center JobSight network of workforce centers, which provide access to more than a dozen programs and services for jobseekers and employers under one roof.
9. **Unsurpassed Quality of Life.** With one of the lowest cost of living rates in the U.S., your dollars go further in Perry County! The cost of living is more than 10 percent lower than the U.S. average, and housing costs alone are up to 30 percent lower. Plus, life outside the office just couldn't be better than it is in Perry County. Our breathtaking countryside is home to Buckhorn Lake State Resort Park with various festivals and events throughout the year. Our bluegrass music, crafts and fine arts are known around the world, and our state parks are among the finest in the nation.
10. **Business-friendly Attitude.** Businesses want fast, efficient and personalized service, and Perry County can provide it. We listen to you, help identify your needs and then we work with you one-on-one to devise solutions that will maximize your success while lowering your cost of doing business in Perry County. Whether you are across the street or across the globe our team is eager to assist your business grow in Perry County.

According to the Kentucky Education and Workforce Development Cabinet:

- The Kentucky economy is expected to average about 84,060 jobs annually between 2014 and 2024.
- Between 2014 and 2024, total employment is projected to increase by 326,097 jobs, or 15.2 percent.
- Slightly less than a quarter (22.7 percent) of 2024 projected employment will be in two of the largest occupational groups: Office and Administrative Support Occupations and Sales and Related Occupations.
- While Office and Administrative Support Occupations and Sales and Related Occupations should be the two largest groups in terms of total employment in 2024, both occupational categories are expected to grow at a slower rate than the average for all occupations – 11.8 percent and 8.8 percent, respectively.
- Healthcare Support Occupations are projected to be the fastest growing occupational group with a 38.2 percent increase in employment; close behind are Healthcare Practitioners and Technical Occupations

- at 29.6 percent and Community and Social Service Occupations at 21.8 percent.
- At 17.9 percent, Personal Care and Service Occupations are projected to grow slightly more than the average rate for all occupations (15.2 percent).
- Healthcare-related occupations are expected to grow at such a high rate primarily because of Kentucky's aging population.
- Changes in technology, work processes, automation, the demand for products/services, and outsourcing are among the major causes of employment growth and decline within occupations.
- Occupations requiring at least some college or higher are projected to increase by 19.8 percent, while those requiring only a high school diploma or less will grow by only 12.8 percent.
- Obtaining a post-secondary degree offers more job opportunities, increased job security and greater potential for financial gain.
- Occupations that require a doctoral or professional degree are expected to grow by 22.8 percent as a group between 2014 and 2024. The occupations in this group are primarily comprised of post-secondary teachers and health diagnosing and treating practitioners.
- Occupations that require a master's degree are expected to grow by 25.4 percent between 2014 and 2024, which is the fastest growth rate among all groups.
- Occupations generally requiring a bachelor's degree will provide the largest number of annual job openings (13,972) for those seeking post-secondary education.
- Occupations requiring a high school diploma or equivalent provide the best opportunity for persons not considering college with over 30,383 annual job openings estimated through 2024. This group is projected to have nearly 1.3 times as many annual job openings as those occupations requiring less than a high school diploma or equivalent (19,561). Wages for occupations in this category are significantly lower than those in occupations that require at least some post-secondary education
- Occupations with higher education requirements will see the highest growth in 2024. Despite this growth, nearly two-thirds of jobs projected will only require a high school diploma, equivalent, or less than high school.

Attracting new industrial firms is a difficult task for any community. It is the most traditional form of economic development. Companies are enticed through the use of tax incentives or breaks and land availability (i.e. industrial parks), to build a new plant or factory in a community or move an existing facility to the community. Typically, this strategy is focused on manufacturing and warehousing firms. These firms serve customers in other parts of the state or other states and do not compete with existing local businesses. This is the most common focus of an export promotion strategy to attract basic industries to an area. However, in some cases, firms may be enticed to move to an area to supply an existing company and would then act as a non-basic company.

Specific Target Industry Evaluation

The consensus opinion of industry clusters to target included: manufacturing, adventure tourism, hospitality and service, information technology, and healthcare. An industry cluster, for the purposes of the Manual, is defined as a group of inter-related industry sectors within a geographic region. Industry clusters are vital to economic development in that spin-offs or other complementary businesses can be created. To illustrate, if Perry County were to attract a company specializing in the production of automobiles, other businesses would be required that would manufacture brake pads, electrical components, upholstery, and the like. The businesses would be separate, however, they would all be contained within the industry cluster. Any firm desiring to locate in Perry County and hire its resident workforce will be influenced by three factors: workforce skill, workforce productivity, and the wage that must be paid.

From the previous section on Perry County's Labor Market Area, the top five industry sectors were Health Care and Social Assistance, Educational Services, Public Administration, Professional, Scientific and Technical Service, and Retail Trade. From consensus opinion, only Health Care and Retail Trade were listed as target industries. Manufacturing, Adventure Tourism, and Information Technology are new sectors for Perry County.

Industry Cluster	Job Marketshare This industry employs at least 10% of the available workforce	Job Security Growth level increased in the last 5 years	Paid Wages Wage paid was equal to or greater than regional wage	Asset Utilization Industry utilizes resources unique to Perry County	Necessity Industry is necessary for positive economic growth & prosperity
Manufacturing				X	X
Adventure Tourism				X	X
Hospitality & Service	X*	X	X		X
Information Technology					X
Healthcare	X	X	X	X	X
Agriculture				X	X

*Hospitality & Service can be listed as Retail Sales and only represented 3.8% of the workforce, however, it was a top five industry.

Using components from the SWOT analysis, a 5x3 matrix has been developed to show each target industry's strengths and weaknesses.

Strength	Goal	Weakness
Positive workforce Sites for industry Reclaimed mine lands Taxes/zoning/permits incentives	Manufacturing	Untrained workforce Proximity to market area Accessibility Infrastructure
Natural beauty Potential for ATV trails Hospitality and friendly people	Adventure Tourism	No Adventure Tourism plan Lack of amenities Trash & litter Lack of marketing
Labor market area "Oasis" concept Available buildings	Hospitality, Service, Retail	Lack of dependable broadband
Hazard Community & Tech College Positive workforce	Information Technology	Untrained workforce Outward migration of youth

		Low educational attainment Lack of dependable broadband
Hazard Appalachian Regional Medical Center	Healthcare	Untrained workforce Outward migration of young professionals
Reclaimed mine lands Hazard Community & Tech College Farmer's markets	Agriculture	Proximity to market area Unappealing occupation

By assigning a value to the County's strengths relating to certain site selection factors and apply them to the targeted industries, a weighted score can be calculated to give an idea of "best fit". The following matrix lists desirable site selection factors, gives them a score based on 0-10, then shows a weighted average for best fit.

Best Fit Industry Matrix

How strong do these industries fit our resources?	Type of Industry (see Type Key below)					
	1	2	3	4	5	6
Available Skilled Labor	8	8	5	6	8	6
Highway Access	7	6	7	2	5	5
Quality of Life	8	9	7	8	8	6
Occupancy/Constr Costs	8	NA	5	2	5	5
Available Buildings	4	NA	4	7	5	8
Labor Costs	8	7	8	8	8	8
Corporate Tax Rate	5	NA	5	5	5	5
Proximity to Market	5	4	8	NA	8	8
State/local Incentives	7	8	7	5	7	7
Energy Availability/Costs	10	NA	7	10	7	7
Total Points	70	42	63	53	66	65
Best Fit Average Score	7.0	7.0	6.3	5.9	6.6	6.5

Industry Type	
1	Light- to Medium Manufacturing
2	Adventure Tourism
3	Hospitality and Service (Retail)
4	Information Technology
5	Healthcare
6	Agriculture

Key for Point Scores	
0	Not a Best Fit
10	Very Strong Fit
NA	Not Applicable to Industry Type

Given certain values, the matrix shows Perry County is best fitted for manufacturing and adventure tourism, followed by healthcare, agriculture, hospitality/service, then information technology. Further discussion could yield different values, which, of course, would arrive at a different determination. Once the County has determined the EDO, this matrix should be further evaluated.

Information found on the Kentucky Labor Market Information (KYLMI) website, based on the Bureau of Labor Statistics, states that the largest demand for workers lies in the Office and Administrative Support sector for the period 2010-2020. This was followed by Construction and Extraction Operations, Healthcare Practitioners and Technical Occupations, Transportation and Material Moving Occupations, and Education, Training, and Library Operations. Of course, these estimates were for the Kentucky River region as no breakout for Perry County specifically was given.

Occupational Employment Distribution of occupations in the Kentucky River Region (no data available for Perry County, Kentucky) for the 2010 - 2020 time period.

Rank	Occupation Group	2010 Estimated Employment	2020 Projected Employment
1	Office and Administrative Support Occupations	4,431	4,962
2	Construction and Extraction Occupations	3,626	3,937
3	Healthcare Practitioners and Technical Occupations	2,835	3,746
4	Transportation and Material Moving Occupations	3,231	3,625
5	Education, Training, and Library Occupations	2,863	3,186
6	Sales and Related Occupations	2,807	3,123
7	Food Preparation and Serving Related Occupations	2,769	2,955
8	Management Occupations	1,977	2,098
9	Community and Social Services Occupations	1,441	1,844
10	Installation, Maintenance, and Repair Occupations	1,643	1,802
11	Healthcare Support Occupations	1,247	1,579
12	Personal Care and Service Occupations	1,021	1,327
13	Building and Grounds Cleaning and Maintenance Occupations	1,139	1,277
14	Protective Service Occupations	1,016	1,134
15	Production Occupations	800	893
16	Business and Financial Operations Occupations	499	557
17	Farming, Fishing, and Forestry Occupations	352	344
18	Legal Occupations	243	263
19	Architecture and Engineering Occupations	236	249
20	Arts, Design, Entertainment, Sports, and Media Occupations	223	231
21	Life, Physical, and Social Science Occupations	193	212
22	Computer and Mathematical Occupations	143	166

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Manufacturing

Manufacturing (NAICS Codes 31-33) seems to be a good fit for Perry County since the deciding factors for the industry center around labor and workforce issues. By having a workforce with a strong work ethic, coupled with available training programs in place, those in manufacturing would have to take a strong look at our area. One of the few positive results of recent coal industry layoffs within the County is the availability of labor. In addition, the workforce was described as productive and loyal. This is extremely important for manufacturers in the U.S. since one of the best ways for businesses to compete in a global economy is to have a highly productive workforce. Other areas of major concern would include dependable energy, availability of utilities, and logistic costs.

Based upon prior occupations of Perry County's workforce, a manufacturing setting would be an ideal fit. A major portion of those unemployed are a direct result of massive layoffs in the coal mining industry. These workers are accustomed to the levels of demand and productivity required by manufacturing. A lot of workers could go straight to work, while others may have to be retrained. By having programs currently in the offerings by Hazard Community and Technical College, workers could be available in short order. As outlined in an in-depth study by One East Kentucky, the most likely manufacturing industries to target include metalworking, wood products, and aerospace.

Boyette Strategic Advisors, in their *EKYWorks Workforce Analysis*, reports that those previously employed in the coal mining industry would be a good fit to certain compatible occupations:

- Welding, Soldering & Brazing Machine Setters, Operators & Tenders
- Welders, Cutters, Solderers & Brazers
- Molding, Coremaking & Casting Machine Setters, Operators & Tenders, Metal & Plastic
- Coating, Painting & Spraying Machine Setters, Operators & Tenders
- Industrial Truck & Tractor Operators
- Sawing Machine Setters, Operators & Tenders, Wood

The Kentucky Cabinet for Economic Development, in a October 13, 2016 news release states: *"The state is home to 4,460 manufacturers, which employ approximately 241,000 Kentuckians. As part of Kentucky's celebration of National Manufacturing Month, the Cabinet for Economic Development is highlighting some of the state's manufacturers, brands and products. Here are just a few:*

- *Charcoal briquettes – If you grill, you likely know the Kingsford and Cowboy brands of charcoal. With a Cowboy plant in Albany and Kingsford facilities in Burnside and Summer Shade, there's a good chance your charcoal came from Kentucky.*
- *Snuggle fabric softener – Thanks to the Sun Products plant in Bowling Green, Kentucky-made Snuggle has helped keep clothing and linen comfortable for more than two decades.*
- *White Castle frozen burgers – The miniature hamburgers made famous by the fast food chain are also available at your local grocery store. The frozen versions of the burger are produced at facilities in Covington and Louisville.*
- *Gorilla Glass – With the rise of mobile devices, the need for increasingly durable materials is clear. Gorilla Glass, used for mobile phone screens, is made at the Corning Inc. facility in Harrodsburg.*
- *Smucker's Uncrustables – The ready-to-eat peanut butter and jelly sandwiches popular in school cafeterias are produced at the J.M. Smucker Co. in Scottsville.*
- *Zero Turn pumps – If you own a Zero Turn lawnmower, its Zero Turn pump and hydrostatic transmission may have been produced at Hydro-Gear in Princeton.*
- *Commercial and military aircraft parts – GE Aviation produces jet engine parts at its facility in Madisonville. Meggitt, in Danville, and Safran, in Northern Kentucky, supply the industry with carbon brakes and assembled braking systems.*

- *DirecTV satellite dishes – The majority of DirecTV’s satellite dishes are produced at Highlands Diversified Services in London.*
- *Ragú – The well-known pasta sauce is produced at Mizkan Group in Owensboro.*
- *Duct tape – Berry Plastics’ facility in Franklin is the largest duct tape manufacturer in the U.S.*

Additional products will soon further strengthen the Commonwealth’s manufacturing presence. Through September 2016, there have been 79 new location or expansion announcements made by manufacturers, resulting in a projected 4,367 jobs and nearly \$1.5 billion in investments. Combined with the new jobs announced by service and technology-based businesses, and Kentucky has announced more than 10,500 new jobs in 2016.”

In a May 2011 report, Kentucky’s Target Industry Sectors, Maher & Maher reports: “The automobile and aircraft manufacturing industry has seen significant decline over the past several years, predominately from the automobile and auto parts manufacturing sectors. However, in the last year, a slight rebound in the industry can be seen. Overall projections for the industry show minimal growth, though the aircraft and other motor vehicle part manufacturing industries are projected to experience considerable growth.

Based on industry data, the sector is very export oriented, which means a strong proportion of the industry sector’s output is sent to areas outside the Commonwealth. This brings new money into the state, which is circulated to create larger ripple effects. Analysis of the Commonwealth’s workforce compatibility indicates that of the higher-skilled occupations in the sector, roughly one out of five workers’ skill sets is highly compatible with the industry’s high-skill needs.”

Motor Vehicle Related (MVR) Parts Manufacturing

The NAICS Code for this sector is 3363. According to the Kentucky Cabinet for Economic Development, Kentucky currently has four motor vehicle assembly plants: Bowling Green Assembly Plant (GM – Corvette) in Bowling Green, Kentucky Truck Assembly (Ford) in Louisville, Louisville Assembly Plant (Ford) in Louisville, and Toyota Motor Manufacturing Kentucky (Toyota) in Georgetown.

Auto manufacturers, along with their suppliers and dealers, provide a major driving force in the U.S. economy, and Kentucky is no exception. According to the U.S. Bureau of Economic Analysis, 1.6 percent of the state’s total employment in 2009 was in motor vehicles, bodies and trailers, and parts manufacturing. Moreover, in 2009, over 16.8 percent of the state’s workforce employed in manufacturing was employed in the motor vehicles, bodies and trailers, and parts manufacturing sector. Kentucky’s strength in the automotive industry can be attributed to many factors, including a productive workforce, central location, low cost of business, excellent workforce training programs and a pro-business government. Quick facts on Kentucky’s auto industry:

- Kentucky ranked 3rd in light vehicle production in 2009.
- Kentucky is home to more than 400 automotive-related facilities, including four major auto assembly plants.
- In 2009, Kentucky had the nation’s 3rd highest level of auto industry-related employment as a percent of total state employment in the United States.
- In 2008, Kentucky’s automobile industry represented 3 percent of the state’s gross domestic product.
- Kentucky’s automotive industry gross domestic product for 2008 was over \$4.6 billion.

Aerospace and Aircraft

The NAICS Code for this sector is 3364. According to the Kentucky Cabinet for Economic Development, *“The aerospace/aviation footprint is expanding in Kentucky in almost every sector from parts manufacturing to supply, from air freight service to education and workforce development. Plenty of factors contribute to the intense interest in Kentucky, chiefly a highly skilled and experienced workforce, excellent infrastructure and*

location.”

- 25 of 98 high schools in the country that teach aerospace and aviation skills are in the Commonwealth
- Kentucky has seen a 63% employee increase in private aerospace products and parts manufacturing industry since 2002
- Kentucky has 60 aerospace-related facilities that employ more than 15,000 people

According to American City Business Journals, *“The aerospace products and parts industry exported \$5 billion in products for the first 11 months of 2013, a 45 percent increase from the same period in 2012. For all of 2012, it exported \$3.83 billion in products, an 8.8 percent improvement from 2011, when it exported \$3.5 billion worth of products. With Kentucky’s aerospace products and parts exports exceeding \$5 billion through November of [2013], it was the highest export total for any individual industry sector in Kentucky’s history.”*

According to a September 26, 2016 news release from the Southeast Kentucky Chamber of Commerce, consultants from Common Sense Economic Development and Tucson Atlantic Consulting, announced that the nine counties of Floyd, Knott, Johnson, Lawrence, Letcher, Magoffin, Martin, **Perry** and Pike have been certified as an AEROREady Region.

“This region has much more to offer than I ever imagined,” said Tucson Roberts, President of Tucson Atlantic Consulting. *“The location to other regions and states with the Aerospace and Aviation industry, the density of highly skilled workers, the regional airports and the leadership in the private and public sectors are just outstanding.”*

The consultants used a combination of methods, resources and information sources to compile data, assess competitiveness, and develop strategies as well as recommendations. They combined this with one-on-one interviews with regional and utility economic development officials, administrators of three regional airports, airport board members, regional education institutions and the Kentucky Cabinet for Economic Development.

AEROREady is designed to help rural communities showcase advantages to aerospace related companies, prepare marketing for recruitment, and give assurance to private industry that an independent firm has verified the region can support them. *“Everything we have seen so far tells me that east Kentucky would be a great location for aerospace manufacturers, especially those who manufacture metal components and parts,”* added Robert Ingram, President of Common Sense Economic Development. *“The key is going to be getting out and talking to these companies across the country and at industry trade shows.”*

Drone Technology

The 2013 Economic Impact of Unmanned Aircraft Systems Integration economic report estimated that the use of drones for commercial purposes could generate \$82 billion in economic impact, create 34,000 manufacturing jobs, more than 100,000 total jobs and create more than \$482 million in tax revenue by the year 2025.

In this quickly evolving industry (NAICS Code 336411), Perry County has the opportunity to get in on the ground floor, connecting diverse industry sectors such as aviation, advanced manufacturing, high tech, software development, education and more. Presently, the use of UAS in Agriculture, Forestry, Firefighting, Mineral Exploration, Search and Rescue, Wildlife Conservation, Geophysical Research, Infrastructure Maintenance and Environmental Monitoring is being conducted. The wide range of applications and benefits of commercial drones (or UAS) is continually being discovered and explored.

With strict rules handed down by the Federal Aviation Administration, those wanting to test drones find it very cumbersome to test in the U.S. due to the regulations and high cost. The terrain in Perry County and somewhat remote location makes it an ideal target for drone testing. With only six testing facilities located in the U.S., Perry County has the opportunity to be among the first non-government controlled test sites in the nation. By undercutting the cost associated with the six current facilities, the demand for test time should be high.

By having a test facility in Perry County, the spinoffs would certainly be attracted to take a look at the County. Drone maintenance, retailers and wholesalers, and drone and drone parts manufacturing to name a few. This is a cutting edge industry and, by acting quickly, the opportunity exists to tap into a market that could provide the niche that is so essential in the business world.

HCTC has shown their commitment to drone technology and the County should certainly promote and partner with the college, as this seems to be the future. Unmanned Services, Inc., located in Lexington, Kentucky has expressed a bold interest in developing a Perry County test site. It is not intended to endorse Unmanned Services, Inc., but they have been in discussions about having a drone testing facility in Perry County. The land is here, training is foreseeable, and the interest has been shown.

Wood Pellet Manufacturing

The NAICS Code for this sector is 321. CBCL Limited, in a September 2008 report, describes pellet manufacturing: *“Pellet manufacturing is a fairly simple process, but does require considerable coordination. The process begins when materials such as sawdust and wood chips are delivered to a mill. Usually, the material is stored in piles, preferably protected from the elements, until it is transported via a front-end loader to an in-feed system. The in-feed system then separates chips from sawdust. Chips are then ground and recombined with the sawdust and transferred to a silo which is metered into a dryer. Air is fanned into the dryer to separate water vapor from material; the moist air is then exhausted. Fine and course sawdust are again separated, and the course saw dust travels through a hammer mill to pulverize the material to a uniform size. Fine sawdust is recombined with the pulverized and then sent through a pellet mill, where pellets are actually formed in various sizes depending on the die size used. The pellets are then cooled before being conveyed to a storage facility, where they await packaging and/or transport.”*

In March 2013, Qian and McDow, in *The Wood Pellet Value Chain*, stated, *“Wood pellet manufacturing and export is a young but fast growing industry in the United States. The production and export of wood pellet have proliferated over the past five years, particularly in the southeastern US. Additional large-scale plants are expected to come on line and continue to expand the market landscape in the coming years. Growth in wood pellet capacity has been driven by the high demand for biomass from European countries in response to their renewable energy policies and financial incentives.”*

From a September 9, 2014 article on *Area Development Online*, *“Wooden pellet manufacturer, Enviva, will invest more than \$214.2 million to develop new facilities in Richmond and Sampson counties, North Carolina. The projects would create a combined 160 jobs between the two facilities by the end of 2017. Enviva is one of the world’s largest producers of wood pellets made from a mix of low-grade wood resources, all of which are byproducts of the traditional sawtimber industry. Enviva wood pellets are high in density and have similar operational benefits to the coal they replace. With manufacturing facilities in North Carolina, Mississippi, and Virginia, Enviva has an annual production capacity of approximately 1.6 million metric tons. The company currently has 180 employees in North Carolina at plants in Hertford and Northampton counties and at a regional office in Raleigh.”*

From a May 2015 presentation, *The Outlook for Wood Pellets in International Markets*, forecast information was provided based on current and projected trends in the industry. Among those included:

- An excellent timing for looking at the wood pellet space with some very interesting recent developments taking place in the industry
- The U.S. has taken over the role as the leader in the production of wood pellets and has seen tremendous growth over the past few years. (From 2010, the growth has been 285%)
- Present plant expansions and new capacity can grow the U.S. nameplate capacity with another 2 million mt within a couple of years
- U.S. is now also the world’s largest exporter of wood pellets
- 2014 exports were up 41% from 2013

- Close to 75% of the export volumes go to the U.K.
- Dramatic shifts in the volumes imported by various European countries over the past few years

Transportation, Distribution and Logistics

The Transportation, Distribution and Logistics (TDL) industry (NAICS Code 48-49) focuses on the movement and storage of goods and support activities related to different modes of transportation. Specific modes of transportation include rail, road and air.

TDL experienced significant growth between 2003 and 2007, followed by moderate decline between 2008 and 2009. Between 2009–2010 this sector experienced a slight recovery and is projected to grow over the next several years, adding a significant number of jobs in trucking, warehousing/storage, courier services and logistics/freight arrangement.

Data indicate that a significant amount of additional demand still exists in many TDL industries, most notably the following: freight transportation arrangement; general freight trucking; other support activities for air transportation and refrigerated warehouse and storage. Evaluation of Kentucky’s workforce indicates that approximately one out of four mid- to high-skilled workers is highly compatible with the skilled workforce needs of the TDL sector.

Only a few manufacturing industries were discussed, however, it should not rule out the possibility of recruiting other manufacturers.

Strategic Goals and Objectives

Goal 1: Attract growing companies that improve regional supply chains in targeted sectors.

Objective 1.1: Recruit companies that can employ 100+ people

Action 1.1.1: Use an effective marketing campaign to reach potential targets

Action 1.1.2: Establish a relationship with state economic development organizations

Action 1.1.3: Attend trade shows and have a Perry County exhibit kiosk

Goal 2: Identify and attract high-growth “gazelle” companies

Objective 2.1: Recruit companies that have the capability to expand quickly

Action 2.1.1: Use an effective marketing campaign to reach potential targets

Action 2.1.2: Establish a relationship with state economic development organizations

Action 2.1.3: Attend trade shows and have a Perry County exhibit kiosk

Goal 3: Maintain available areas suitable for industrial development

Objective 3.1: Encourage use and re-use of available land and buildings for development

Action 3.1.1: Establish a database of available land and buildings

Action 3.1.2: Anticipate the future needs regarding infrastructure and utilities

Goal 4: Maintain a work-ready workforce to meet the needs of industries

Objective: 4.1: When industry comes calling, the workforce is ready

Action 4.1.1: Collaborate with Hazard Community & Technical College on training needs

Action 4.1.2: Collaborate with city and county secondary schools regarding STEM education

Action 4.1.3: Collaborate with other entities to offer training programs for emerging industries

Goal 5: Capture a significant share of regional growth within the targeted industries

Objective 5.1: Magnify Perry County’s oasis concept

Action 5.1.1: Establish a relationship with major firm representatives of target industries

Action 5.1.2: Create a business climate that meets or exceeds the needs of target industries

Recommendations

- Proactively market the region, nationally and globally, in collaboration with other economic development partners utilizing enhanced recruitment materials and website content
- Conduct recruiting missions and attend trade shows in collaboration with regional partners
- Host and foster business development opportunities
- Respond timely to requests for information from clients and partners
- Update and maintain market intelligence data, including demographics, employment, economic and real estate information, including top available sites for Perry County
- Partner with and promote HCTC, Kentucky Valley Education Cooperative (KVEC), and other interested institutions in a drone technology program
- Work with all partners to strive to be a premier drone technology hub

Manufacturing Matrix

Goal 1	Attract growing companies that improve regional supply chains in targeted sectors						
Objective 1.1	Recruit companies that can employ 100+ people						
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Use an effective marketing campaign to reach potential targets						
Action 1.1.2	Establish a relationship with state economic development organizations						
Action 1.1.3	Attend trade shows and have a Perry County kiosk						
Goal 2	Identify and attract high-growth “gazelle” companies						
Objective 2.1	Recruit companies that have the capability to expand quickly						
Action 2.1.1	Use an effective marketing campaign to reach potential targets						
Action 2.1.2	Establish a relationship with state economic development organizations						
Action 2.1.3	Attend trade shows and have a Perry County kiosk						
Goal 3	Maintain available areas suitable for industrial development						
Objective 3.1	Encourage use and re-use of available land and buildings for development						
Action 3.1.1	Establish a database of available land and buildings						
Action 3.1.2	Anticipate future needs regarding infrastructure and utilities						
Goal 4	Maintain a work-ready workforce to meet the needs of industries						
Objective 4.1	When industry comes calling, the workforce is ready						
Action 4.1.1	Collaborate with HCTC on training needs						
Action 4.1.2	Collaborate with city and county secondary schools regarding STEM education programs						
Action 4.1.3	Collaborate with other entities to offer training programs for emerging industries						
Goal 5	Capture a significant share of regional growth within the targeted industries						
Objective 5.1	Magnify Perry County's oasis concept						
Action 5.1.1	Establish a relationship with major firm representatives of						

	targeted industries						
Action 5.1.2	Create a business climate that meets or exceeds the needs of targeted industries						

Adventure Tourism and Recreation

The NAICS Code for this sector is 71. Citing from *Recreation, Tourism, and Rural Well-Being*, “The promotion of recreation and tourism has been both praised and criticized as a rural development strategy. The findings imply that recreation and tourism development contributes to rural well-being, increasing local employment, wage levels, and income, reducing poverty, and improving education and health. But recreation and tourism development is not without drawbacks, including higher housing costs.”

According to the *2016 Outdoor Participation Report*:

- More than 142 million Americans, or 48.4 percent of the US population, participated in an outdoor activity at least once in 2015.
- Walking for fitness was, by far, the most popular crossover activity. In 2015, half of all outdoor participants also walked
- The biggest motivator for outdoor participation was getting exercise, followed by the opportunity to spend time with friends and family, which highlights the family-friendly nature of many outdoor activities
- In the East South Central Region (which includes Kentucky), the participation rate was 45%, which is approximately 6% of the U.S. Population
- The most popular outdoor activities by participation rate were: (1) Running, Jogging and Trail Running (18% of Americans Ages 6+ / 51.5 million participants), (2) Freshwater, Saltwater and Fly Fishing (16% of Americans Ages 6+ / 45.7 million participants), (3) Road Biking, Mountain Biking and BMX (15% of Americans Ages 6+ / 43.1 million participants), (4) Car, Backyard, Backpacking and RV Camping (14% of Americans Ages 6+ / 40.0 million participants), and (5) Hiking (13% of Americans Ages 6+ / 37.2 million participants)

Tourism introduces money into a community in a variety of ways. A large benefit of this industry is that it can create a number of jobs, as many of the businesses that operate within it are small businesses and microenterprises. Every dollar generated by the industry is directly related to a boost in local spending. Perry County has the the potential to become a tourist destination, therefore, a huge range of benefits can results. It can also benefit individual travelers because, with a booming tourism industry, there will be a lot of activities to participate in and a larger variety of of places to stay, shop and dine.

Tourism brings jobs such as tour guides, hotel/motel staff, coach services, and restaurants. A well-coordinated tourism industry not only pay wages to their staff, but source goods and products locally, giving a boost to other local businesses. Money being earned locally from tourism will be spent in the local economy. From this, tourism revenues can have a multiplier effect, because a large percentage of every tourist dollar earned is reintroduced back into the local economy.

In addition to the revenue, tourism also has cultural advantages. Tourism can be a source of pride for local communities, and allows them to look at their history, and cultural heritage and develop their own community identity. This helps the local residents to maintain their traditions and culture, while also showcasing it for all the visitors. This advantage of tourism is what has saved many local heritage sites from destruction, in addition to giving tourists a wonderful insight into the local ways of life. Tourism can help to preserve the history of a region that may be at risk of being lost.

Perry County is in the Daniel Boone Country section of the Eastern Highlands South Tourism Region. As reported in *Economic Impact of Kentucky's Travel and Tourism Industry – 2014 and 2015*, Perry County received total expenditures of \$49.1 million in 2015. This amount was approximately 10% of the total expenditures in the Daniel Boone Country region. Ending 2015, there were 492 workers in the tourism industry, up from 488 in 2014. Those employed in the industry represent approximately 6% of the total in the Daniel Boone Country region.

A detailed examination of the expenditure, employment, and tax impacts generated by the Kentucky

tourism and travel industry, as well as the industry structure, has been conducted for the Kentucky Tourism, Arts & Heritage Cabinet. The major findings of the 2015 study follow:

- The tourism and travel industry contributed over \$13.7 billion to Kentucky's economy in 2015. Direct expenditures by tourists accounted for over \$8.7 billion of this total—an increase of 5.0 percent since 2014.
- The 2015 tourism industry generated over \$1.43 billion in tax revenues to government - \$1.25 billion to the state and nearly \$184.9 million locally. This is an increase from \$1.37 billion in tax revenues in 2014.
- All nine tourism regions showed gains in revenues between 2014 and 2015. The largest increase occurred in the Caves, Lakes & Corvettes Region for the second consecutive year. It increased by 6.9 percent between the two years.
- A total of 186,204 jobs in Kentucky resulted from the industry in 2015—up 6,241 jobs from 2014. Direct expenditures supported 130,313 of these jobs.
- The tourism-generated jobs provided nearly \$3.1 billion in wages to Kentucky workers—an increase of \$146 million from 2014 wages.

Strategic Goals and Objectives

Goal 1: Strengthen relations with the Hazard-Perry County Tourism Board

Objective 1.1: Increase the Board's ability to provide better marketing, programming, and communication

Action 1.1.1: Create a community relations plan to inform all stakeholders of the benefits of tourism to the development of the county

Action 1.1.2: Write and distribute to the Hazard Herald a tourism column on issues facing tourism in the county

Action 1.1.3: Design an e-newsletter to send to community leaders on the activities of the tourism board

Action 1.1.4: Design and sell Perry County postcards in regional souvenir shops and online

Action 1.1.5: Design and distribute a Perry County brochure

Goal 2: Work to provide year-round tourism activities

Objective 2.1: Transform the County into a year-round mecca for adventure tourism and recreation activities making it a premier destination

Action 2.1.1: Research to determine target audiences to showcase tourism destinations

Action 2.1.2: Promote short-trip packages from metro areas such as Louisville, Lexington, Owensboro, etc. to Buckhorn Lake State Park

Action 2.1.3: Evaluate the idea of more festivals throughout the year

Action 2.1.4: Continue to work with other counties and states on the adventure trail system

Action 2.1.5: Host quarterly meetings to engage in marketing strategies with hotels and visitor-related businesses

Action 2.1.6: Continue the efforts to label Perry County communities as “trail towns”

Goal 3: Promote the natural assets of the County

Objective 3.1: Capitalize on the natural assets of the County relating to historical and cultural aspects

Action 3.1.1: Create an historical fact sheet of Perry County for visitors

Action 3.1.2: Document the Perry County historical and cultural strengths

Action 3.1.3: Advertise with billboards on Mountain Parkway, I-75 and I-64, the Kentucky Tourism website, Kentucky travel guides, regional tourism websites, AAA travel publications, and other publications to market tourism

Action 3.1.4: Distribute the Perry County brochure to visitor centers and rest areas in Kentucky as well as other surrounding states

Goal 4: Recruit tourism-related amenities

Objective 4.1: Increase retail, restaurant, business, and accommodation amenities that support increased adventure tourism and recreation

Action 4.1.1: Develop a Tourism Economic Development Fact Sheet to send to potential visitor related businesses to locate in Perry County

Goal 5: Support entrepreneurship and new tourism businesses

Objective 5.1: Create opportunities for private operators to open businesses supporting adventure tourism and recreation

Action 5.1.1: Actively recruit visitor related businesses to Perry County

Action 5.1.2: Evaluate the creation of a railroad museum in the L&N yards

Goal 6: Reach out to regional tourism partners

Objective 6.1: Strengthen relations with contiguous counties for future trail systems and coordinated events

Action 6.1.1: Evaluate the idea of joining contiguous counties for a scenic railroad system

Action 6.1.2: Continue the efforts to create a multi-county, multi-state trail system for hiking, biking, ATV, and horseback riding

Action 6.1.3: Partner with regional tourism commissions for cross-promotion

Goal 7: Strengthen relations with the Buckhorn Lake State Resort Park

Objective 7.1: Work to increase the Park's visibility, amenities, and rate of visitation

Action 7.1.1: Coordinate special events and promotions

Action 7.1.2: Design a Perry County Reference Guide for front desk employees to assist visitors with inquiries

Goal 8: Strengthen relations with state and regional tourism commissions

Objective 8.1: Create/maintain relations with as many entities as possible to market Perry County

Action 8.1.1: Attend state and regional tourism meetings

Recommendations

- Maintain and strengthen region's position as a tourist destination
- Promote existing attractions
- Promote a variety of additional year-round tourist attractions
- Focus resources on future tourism initiatives, including those identified in the community visioning process
- Foster enhanced recreational access to local attractions as an economic development strategy
- Promote and encourage preservation of the region's historic assets
- Explore ways to increase State and Federal funding for historic preservation
- Explore ways to remove barriers to preservation
- Educate the public on the economic benefits of historic preservation

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Adventure Tourism and Recreation Matrix

Goal 1	Strengthen relations with Hazard-Perry County Tourism Board						
Objective 1.1	Increase the Board's ability to provide better marketing, programming, and communication						
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Create a community relations plan to inform all stakeholders of the benefits of tourism to the development of the County						
Action 1.1.2	Write and distribute to the Hazard Herald a tourism column on issues facing tourism in the County						
Action 1.1.3	Design an e-newsletter to send to community leaders on the activities of the tourism board						
Action 1.1.4	Design and sell Perry County postcards in regional souvenir shops and online						
Action 1.1.5	Design and distribute a Perry County brochure						
Goal 2	Work to provide year-round tourism activities						
Objective 2.1	Transform the County into a year-round mecca for adventure tourism and recreation						
Action 2.1.1	Research to determine target audiences to showcase tourism destinations						
Action 2.1.2	Promote short-trip packages from metro areas such as Lexington, Louisville, etc. to Buckhorn Lake State Park						
Action 2.1.3	Evaluate the idea of more festivals throughout the year						
Action 2.1.4	Continue to work with other counties and states on the adventure trail system						
Action 2.1.5	Host quarterly meetings to engage in marketing strategies with hotels and visitor-related businesses						
Action 2.1.6	Continue the efforts to label Perry County communities as "trail towns"						
Goal 3	Promote the natural assets of the County						
Objective 3.1	Capitalize on the natural assets of the County relating to historical and cultural aspects						
Action 3.1.1	Create a historical factsheet of						

	Perry County for visitors						
Action 3.1.2	Document the Perry County historical and cultural strengths						
Action 3.1.3	Advertise with billboards on Mountain Parkway, I-75 and I-64, the Kentucky Tourism website, Kentucky travel guides, regional tourism websites, AAA travel publications, and others to market tourism						
Action 3.1.4	Distribute the Perry County brochure to visitor centers and rest areas in Kentucky and surrounding states						
Goal 4	Recruit tourism-related amenities						
Objective 4.1	Increase retail, restaurant, business, and accommodation amenities that support increased adventure tourism and recreation						
Action 4.1.1	Develop a Tourism Economic Development Fact Sheet to send to potential visitor-related businesses to locate in Perry County						
Goal 5	Support entrepreneurship and new tourism businesses						
Objective 5.1	Create opportunities for private operators to open businesses supporting adventure tourism						
Action 5.1.1	Actively recruit visitor-related businesses to Perry County						
Action 5.1.2	Evaluate the creation of a railroad museum in the L & N yards						
Goal 6	Reach out to regional tourism partners						
Objective 6.1	Strengthen relations with contiguous counties for future trail systems and coordinated events						
Action 6.1.1	Evaluate the idea of joining contiguous counties for a scenic railroad system						
Action 6.1.2	Continue the efforts to create a multi-county, multi-state trail system for hiking, biking, ATV, and horseback riding						
Action 6.1.3	Partner with regional tourism commissions for cross-promotion						
Goal 7	Strengthen relations with the Buckhorn Lake State Resort Park						
Objective 7.1	Work to increase the Park's visibility, amenities, and rate of visitation						
Action 7.1.1	Coordinate special events and promotions						
Action 7.1.2	Design a Perry County Reference Guide for front desk						

	employees to assist visitors with inquiries						
Goal 8	Strengthen relations with state and regional tourism commissions						
Objective 8.1	Create/maintain relations with as many entities as possible to market Perry County						
Action 8.1.1	Attend state and regional tourism meetings						

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Hospitality and Service

Hospitality and Service industries fall under the NAICS Code 72. At either Hazard Community and Technical College, or other learning facilities within the region, certification programs are offered in food and beverage management, culinary arts, and others to train and/or retrain Perry County's workforce.

The KRADD CEDS reports, "*The retail/service industry is understandable a vital cluster in any region. Without these basic support services and retail establishments, other industry could not thrive. There are currently 318 retail/service establishments in the region. These establishments employed 7,275 people in 2010.*"

The business services and research and development sector has consistently grown over the last eight years and notably outperformed national growth. The recent economic downturn leveled off some of the growth, but the sector is projected to continue growing well into the next decade. As a whole, the sector pays well above family-sustaining wages and many of the sectors would be characterized as small and/or entrepreneurial, innovation-oriented businesses, such as engineering services; industrial design services; and research and development in biotechnology.

Industry-level data show that opportunities exist to fill demand gaps in several services areas (e.g., lawyers; certified public accountants, payroll services; engineering services; and research and development in biotechnology). Though the concentration of this sector is lower than the average concentration in the country, significant growth is projected to poise Kentucky in an increasingly competitive position. As a whole, the business services and research and development sector pays well above family-sustaining wages. Analysis of the workforce characteristics indicates that approximately one out of five workers is compatible with the critical skill requirements of the sector. (Note: Roughly 50 percent of the jobs in the sector have a skill level that requires some form of post-secondary training or significant on-the-job training. This is predominately driven by lawyers, title abstract/settlement offices, accountants, engineering services, industrial design services and computer related services.

This industry sector is very closely related to the tourism industry as one may very well be dependent upon the other. Discussions regarding the hospitality and service industry, therefore, can closely resemble discussions about tourism.

From *Economic Impact of Kentucky's Travel and Tourism Industry – 2014 and 2015*, a detailed examination of the expenditure, employment, and tax impacts generated by the Kentucky tourism and travel industry, as well as the industry structure, has been conducted for the Kentucky Tourism, Arts & Heritage Cabinet. The major findings of the 2015 study follow:

- The tourism and travel industry contributed over \$13.7 billion to Kentucky's economy in 2015. Direct expenditures by tourists accounted for over \$8.7 billion of this total—an increase of 5.0 percent since 2014.
- The 2015 tourism industry generated over \$1.43 billion in tax revenues to government - \$1.25 billion to the state and nearly \$184.9 million locally. This is an increase from \$1.37 billion in tax revenues in 2014.
- All nine tourism regions showed gains in revenues between 2014 and 2015. The largest increase occurred in the Caves, Lakes & Corvettes Region for the second consecutive year. It increased by 6.9 percent between the two years.
- A total of 186,204 jobs in Kentucky resulted from the industry in 2015—up 6,241 jobs from 2014. Direct expenditures supported 130,313 of these jobs.
- The tourism-generated jobs provided nearly \$3.1 billion in wages to Kentucky workers—an increase of \$146 million from 2014 wages.

Food and Beverage Industry

The Food and Beverage industry falls under the NAICS Code 722. The Kentucky Cabinet for Economic Development reports, *"From headquarters to food processing to an ever-expanding bourbon industry, food and beverage facilities are creating an economic boost across Kentucky. The state's proximity to massive consumer markets, combined with an abundance of natural resources and transportation networks, allows companies to produce and transport quality products cost effectively and efficiently."*

- 95% of the world's bourbon supply is made in Kentucky
- 14% of Kentucky's manufacturing jobs are in the food and beverage industry
- Kentucky is home to nearly 300 food and beverage facilities, employing close to 50,000 people

Accommodation Industry

The Accommodation industry is in NAICS Code 721. With the exception of Buckhorn Lake State Resort Park, Perry County does not currently have a facility that can accommodate large functions such as conferences, seminars, etc. And with that, even Buckhorn is limited as it only has 36 rooms and lower speed internet service.

From *The Lane Report*, dated January 13, 2016, "Tourism and travel sector growth is bringing hotel construction around the state. The world is becoming more aware of Kentucky, and interest will likely increase as portions of the project to install statewide gigabit Internet service begin reaching completion."

The lodging industry consists of more than 40,000 companies operating approximately 50,000 properties with combined annual revenue of about \$150 billion, according to research conducted by Hoovers.

Strategic Goals and Objectives

Goal 1: Position Perry County as the preferred visitor, group tour and meeting destination in the region

Objective 1.1: Aggressively market Perry County to target audiences

Action 1.1.1: Promote short-trip packages to Perry County in coordination with Buckhorn Lake State Park and other area motels

Action 1.1.2: Advertise Perry County along I-75, I-64, and Mountain Parkway

Action 1.1.3: Promote a "shop 'til you drop" package with local merchants

Action 1.1.4: Strengthen relations with local visitor-related businesses

Action 1.1.5: Strengthen relations with Eastern Highlands South Tourism Commission

Goal 2: Visitor-related business awareness of providing quality service

Objective 2.1: Improve the visitor experience by providing better customer service

Action 2.1.1: Educate motel desk clerks to assist visitors requesting information

Action 2.1.2: Stress the importance of visitors to the area and their impact on the economy

Action 2.1.3: Make monthly visits to motels to maintain the stock of County brochures

Goal 3: Attract a four-star or better hotel/convention center to Perry County

Objective 3.1: Recruit a hotel/convention center facility that can accommodate large functions

Action 3.1.1: Discuss expansion possibility with existing hotels/motels

Action 3.1.2: Target hoteliers that may be interested in locating in Perry County

Action 3.1.3: Attend trade shows and promote Perry County with a kiosk

Goal 4: Have a diverse eatery base to include international flavors

Objective 4.1: Provide residents and visitors more choices in dining out to maintain the oasis effect

Action 4.1.1: Target and recruit eateries offering international cuisine

Action 4.1.2: Create a relationship with state associations such as Kentucky Hotel & Lodging

Association, Kentucky Restaurant Association, etc.

Recommendations

- Work with the Hazard-Perry County Tourism Commission to advertise Perry County
- Create/strengthen relations with visitor-related businesses in the County
- Strengthen partnerships with state tourism commissions to find hoteliers looking to expand
- Attend industry trade shows to find out which hotels, motels, and restaurants are expanding
- Evaluate a plan to construct a civic/conference center (Harlan and Morehead have done this)

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Hospitality and Service Matrix

Goal 1	Position Perry County as the preferred visitor, group tour and meeting destination in the region						
Objective 1.1	Aggressively market Perry County to target audiences						
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Promote short-trip packages to Perry County in coordination with Buckhorn Lake State Park and other area motels						
Action 1.1.2	Advertise Perry County along I-75, I-64, and Mountain Parkway						
Action 1.1.3	Promote a “shop 'til you drop” package with local merchants						
Action 1.1.4	Strengthen relations with local visitor-related businesses						
Action 1.1.5	Strengthen relations with Eastern Highlands South Tourism Commission						
Goal 2	Visitor-related business awareness of providing quality service						
Objective 2.1	Improve the visitor experience by providing better customer service						
Action 2.1.1	Educate motel desk clerks to assist visitors requesting information						
Action 2.1.2	Stress the importance of visitors to the area and their impact on the economy						
Action 2.1.3	Make monthly visits to motels to maintain the stock of County brochures						
Goal 3	Position Perry County as the preferred visitor, group tour and meeting destination in the region						
Objective 3.1	Aggressively market Perry County to target audiences						
Action 3.1.1	Discuss expansion possibility with existing hotels/motels						
Action 3.1.2	Target hoteliers that may be interested in locating in Perry County						
Action 3.1.3	Attend trade shows and promote Perry County with a kiosk						
Goal 4	Have a diverse eatery base to include international cuisine						
Objective 4.1	Provide residents and visitors more choices in dining out to maintain the oasis effect						
Action 4.1.1	Target and recruit eateries offering international cuisine						

Action 4.1.2	Create a relationship with state associations such as Kentucky Hotel & Lodging Association, Kentucky Restaurant Association, etc.						
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Information Technology

Information Technology is under NAICS Code 54. At either Hazard Community and Technical College, or other learning facilities within the region, certification programs are offered in computer and information technology, business administration, medical information technology, visual communications, and others to train and/or retrain Perry County's workforce.

Business categories that fall under the information technology umbrella include Internet service providers, data processing and hosting services, custom computer programming services and design services, as well as computer facilities management services.

Other businesses that could fit within the Information Technology sector could include Life Sciences/Medical Technologies and Optics and Photonics. The Life Sciences and Medical Technologies industry covers everything from designing and building new medical equipment to tracking dangerous diseases in a high tech laboratory. This sector could include a blend of biotech, pharmaceutical and medical device companies, along with an extensive network of hospitals and clinics. The Optics and Photonics industry includes companies of all kinds that make, service or utilize products that use light. The term 'optics and photonics' refers to products and technologies based upon the generation, transmission, detection, and manipulation of light and defines a class of high tech devices and systems that includes sensors, lasers, displays, precision optics (e.g., mirrors and lenses), fiber optics and other telecommunications components, as well as many other complex devices and systems. Optics and photonics are found in almost every application area, including medicine, manufacturing, defense, aerospace, energy, communications, information recording and storage, security, and many others.

Information Technology also presents a unique opportunity for Perry County, as geographic location, hard infrastructure, and limited customer base is thrown out the window. With reliable broadband and strategic logistics, Perry County businesses can compete on a global basis. The majority of the population uses the Internet to purchase products. The Internet opens that customer base to businesses that use eCommerce. The development of the Internet has been the main force behind the growth in eCommerce, enabling transactions to be completed quickly, reliably, and securely.

The more successful communities will be the ones that are "online". This technology is most important since Perry County's geographic location is rural and somewhat remote as compared to larger metropolitan areas. In order to close the gap and have the ability to compete statewide, and even globally, Perry County must be technologically advanced.

According to the Bureau of Labor Statistics, employment of computer and information technology occupations is projected to grow 12 percent from 2014 to 2024, faster than the average for all occupations. These occupations are expected to add about 488,500 new jobs, from about 3.9 million jobs to about 4.4 million jobs from 2014 to 2024, in part due to a greater emphasis on cloud computing, the collection and storage of big data, more everyday items becoming connected to the Internet in what is commonly referred to as the "Internet of things," and the continued demand for mobile computing. The median annual wage for computer and information technology occupations was \$81,430 in May 2015, which was higher than the median annual wage for all occupations of \$36,200. Also, software developers are predicted to enjoy a 30% increase in jobs, while Network and Computer Systems Administrators are expected to see a 28% growth in jobs. There is also a predicted 22% growth in jobs for Computer System Analysts, Computer Network Architects, and Web Developers. With the rise in demand for the latest database management software, ecommerce software, smart phone applications, and other networking tools, the demand for jobs in these areas is growing exponentially.

Information technology companies provide services such as software support, computer systems design, and data processing facilities management – helping clients use computers, software and communications systems more efficiently. The US information technology (IT) services industry includes about 100,000 companies with combined annual revenue of about \$330 billion. Key drivers of growth include a heightened focus on data security and the proliferation of wireless devices, according to Hoovers First Research. Also, according to Hoovers, the output of US computer and data processing services is forecast to grow at an annual

compound rate of 4 percent between 2016 and 2020.

The global economy is entering the “Age of Hyperconnectivity” that will radically transform how businesses and consumers interact and function together. Powered by innovation and advances in the Information, Communications, and Technology Sector (ICT), new technologies are becoming embedded and non-intrusive, while providing instantaneous, anticipatory, and intelligent communications across interconnected devices, processes, and people. At present, we can only communicate with a small portion of our personal and global environment, but in the very near-term, the ability to communicate with exponentially more people and devices will dramatically increase.

Access to reliable, high-speed internet is essential for economic growth. It provides local businesses across all industry sectors the ability to compete in global markets through access to new consumers and effective targeted marketing and communications campaigns. This is a critical element for the County's leading industry sectors. For example, many local businesses have difficulty keeping their websites and social media up to date as it can take several minutes to upload a single picture. Small business owners simply cannot afford the time to work over extremely slow internet connections and are not able to maintain a robust web-presence like their competitors located in other areas. Additionally, tourists expect the ability to share vacation photos, and videos immediately – on the spot. Buckhorn Lake State Park is especially lacking in this area.

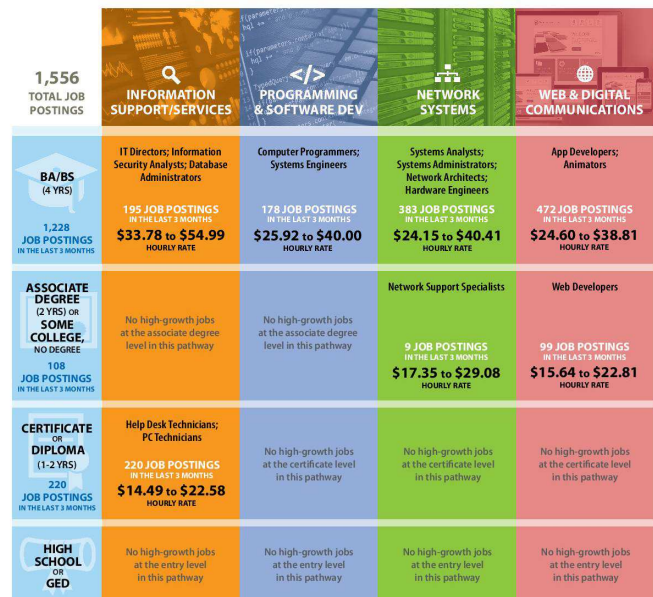
Connectivity is not only a business development issue; it is a safety and quality of life issue. Living, working, and visiting the more remote areas of Perry County involves a greater interaction with nature that most people never experience. However, with that interaction comes a greater element of risk. The lack of reliable cellular coverage is a safety concern that directly affects tourism, recreation, the few mining companies remaining, and the healthcare industry. While the sense of being “off the grid” is attractive to some, the lack of adequate telecommunications infrastructure largely inhibits business attraction and population growth in the region.

Technology is changing the national and global economy at an increasing rate. The longer Perry County does not have widespread reliable broadband and mobile wireless access, the farther it will fall behind and the more difficult it will be to catch up. According to Kentuckiana Works, “Information Technology focuses on the development, maintenance and use of computer systems, applications and networks for the processing and distribution of data for businesses. It is a rapidly growing field with many well-paying jobs that employ more than 14,000 people in the Louisville area, including Web design, technical support, systems engineering, network support and computer programming.” For information technology a chart was developed for the Louisville Metropolitan Statistical Area, January – March 2016.

With the highly advanced and sophisticated programs, databases, softwares, etc., it is essential for job prospects to stay well versed in current trends as well as master standard programming and encrypting languages. This technical expertise is what ultimately lets an IT professional succeed in their field. The hottest technology skills abounding in the market today are cloud computing, virtualization, JavaScript, and

Information Technology Career Pathways

Louisville Metropolitan Statistical Area - July - September 2015



SOURCE: Job-postings data comes from Burning Glass Labor/Insight job postings 7/1/15 through 9/30/15, discounted by 20 percent to account for possible duplication. All other data is from EMSI Analyst from 2013-2014. Numbers are not guarantees of job placement.

Top 10 Software and Programming Skills in the Louisville MSA

(Based on employer preferences in online job postings)

1. SQL
2. SAP
3. Oracle
4. .NET Programming
5. Microsoft C#
6. SQL Server
7. Enterprise Resource Planning (ERP)
8. JavaScript
9. AutoCAD
10. C++

KentuckianaWorks is the Greater Louisville Workforce Investment Board that serves Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer and Versailles counties and is a partner of the Kentucky Career Center. Funding is provided by the U.S. Department of Labor, through the Ky. Education and Workforce Development Cabinet, and administered by KentuckianaWorks – an agency of Louisville Metro Government, Equal Service, Education and Employment Opportunities. METUV



CSS. Individuals who have mastered these skills in addition to other skills are set up for a successful career in IT.

Back Office/Call Centers

The back office/call center/IT sector (NAICS Code 5614) continues to grow at a rapid pace nation-wide because the sector crosses virtually all industry types (every business has an administrative and IT components). Companies continue to seek ways to reduce costs. They therefore either outsource administrative functions to a third party provider or find a lower cost location outside corporate headquarters.

The largest and fastest growing administrative back office segment is call centers. Studies show there has been rapid volume growth in this industry. Generally, the call center industry is broken into three primary groups:

- Outbound telemarketing centers consisting of outbound sales, insurance, fundraising, polling, credit card acquisition, and related functions
- Inbound call centers consisting of customer service, order fulfillment, insurance, credit card authorization, and the like
- Technical support centers at the high end of the industry, and often called technical help desks, offering computer software/hardware or financial support

Business Services and Research & Development Industries

Business Services and Research and Development (NAICS Code 54) consists of industries that specialize in performing professional, and scientific and technical services for businesses and individuals, including research and development.

Industry-level data show that opportunities exist to fill demand gaps in several services areas (e.g., lawyers; certified public accountants, payroll services; engineering services; and research and development in biotechnology). Though the concentration of this sector is lower than the average concentration in the country, significant growth is projected to poise the State in an increasingly competitive position. As a whole, the business services and research and development sector pays well above family-sustaining wages. Analysis of the workforce characteristics indicates that approximately one out of five workers is compatible with the critical skill requirements of the sector. (Note: Roughly 50 percent of the jobs in the sector have a skill level that requires some form of post-secondary training or significant on-the-job training. This is predominately driven by lawyers, title abstract/settlement offices, accountants, engineering services, industrial design services and computer related services.

Business Services and Research & Development Industry Summary Table for Kentucky

NAICS Code	Description	Average Wage	2002 Jobs	2010 Jobs	Change	2010 National LQ	2010-2018 Projected Change	Jobs Mult	Earnings Mult	Total Req's (K)	Imports (K)	Exports per job (K)	2009 Estab	Shift Share
541110	Offices of Lawyers	\$25.57	13,368	13,802	434	0.75	2,948	2.1	1.6	\$2,479,998	\$965,064	\$6	2130	174
541191	Title Abstract and Settlement Offices	\$25.74	486	682	196	0.71	244	1.8	1.6	\$88,867	\$29,364	\$7	112	160
541211	Offices of Certified Public Accountants	\$19.42	4,112	4,490	378	0.73	977	2.0	1.6	\$675,215	\$237,504	\$7	634	315
541213	Tax Preparation Services	\$15.44	2,560	3,024	464	0.95	665	1.3	1.6	\$95,550	\$8,694	\$3	331	(184)
541214	Payroll Services	\$19.48	833	859	26	0.40	(5)	1.6	1.6	\$176,306	\$120,088	\$6	122	(134)
541219	Other Accounting Services	\$16.76	8,508	8,540	32	1.16	1,159	1.7	1.6	\$383,627	\$19,181	\$36	559	(542)
541330	Engineering Services	\$24.88	7,874	8,535	661	0.65	2,888	2.4	1.7	\$2,075,661	\$1,450,266	\$81	737	45
541420	Industrial Design Services	\$15.83	53	134	81	0.37	73	2.0	1.6	\$29,291	\$18,974	\$25	28	61
541511	Custom Computer Programming Services	\$25.08	3,917	4,668	751	0.41	758	1.8	1.4	\$1,133,548	\$736,806	\$4	606	(61)
541512	Computer Systems Design Services	\$25.41	4,007	6,297	2,290	0.55	2,432	1.7	1.4	\$1,344,310	\$867,479	\$4	899	786
541513	Computer Facilities Management Services	\$27.90	1,595	2,274	679	2.51	926	1.9	1.5	\$101,098	\$5,055	\$72	46	829
541519	Other Computer Related Services	\$27.03	1,010	2,911	1,901	1.56	1,891	1.6	1.5	\$207,303	\$10,365	\$6	133	2,136
541611	Administrative Management and General Management Consulting Services	\$19.73	3,367	6,277	2,910	0.60	4,020	1.9	1.6	\$1,006,999	\$714,762	\$56	567	1,199
541612	Human Resources Consulting Services	\$18.34	616	784	168	0.55	243	1.8	1.6	\$169,397	\$150,466	\$63	92	266
541613	Marketing Consulting Services	\$19.97	827	2,524	1,697	0.58	2,111	1.6	1.6	\$310,447	\$249,408	\$42	224	1,077

541614	Process, Physical Distribution, and Logistics Consulting Services	\$21.68	675	2,352	1,677	1.33	2,535	1.7	1.6	\$149,243	\$93,570	\$58	193	1,419
541620	Environmental Consulting Services	\$20.80	1,114	1,494	380	0.83	903	1.8	1.6	\$164,057	\$50,598	\$12	119	8
541690	Other Scientific & Technical Consulting Services	\$19.85	1,449	2,774	1,325	0.64	2,066	1.9	1.6	\$400,264	\$144,527	\$5	264	(766)
541711	Research and Development in Biotechnology	\$24.92	421	431	10	0.21	109	2.5	1.8	\$555,567	\$492,016	\$8	46	(76)
541712	Research & Development in the Physical, Engineering, & Life Sciences (except Biotechnology)	\$24.55	1,035	1,131	96	0.18	284	2.6	1.8	\$1,497,810	\$1,326,349	\$8	90	(135)
541720	Research and Development in the Social Sciences and Humanities	\$22.01	303	292	(11)	0.32	38	2.4	1.8	\$163,170	\$121,379	\$8	35	27
541840	Media Representatives	\$18.43	315	422	107	0.81	89	2.2	1.7	\$67,107	\$22,073	\$26	38	141
541850	Display Advertising	\$19.60	333	1,103	770	1.69	641	1.7	1.7	\$52,480	\$12,801	\$35	65	704
541930	Translation and Interpretation Services	\$16.59	318	604	286	0.55	202	1.3	1.5	\$31,747	\$15,607	\$8	21	27
541940	Veterinary Services	\$17.22	3,825	4,881	1,056	1.11	1,510	1.7	1.7	\$338,314	\$16,915	\$30	465	83
541990	All Other Professional, Scientific, and Technical Services	\$16.62	7,704	10,220	2,516	0.68	1,563	1.5	1.5	\$968,230	\$385,814	\$7	251	696
551114	Corporate, Subsidiary, and Regional Managing Offices	\$24.34	13,783	19,615	5,832	0.79	944	2.6	1.7	\$4,701,004	\$1,103,444	\$18	590	4,781
Total		\$21.95	84,408	111,120	26,712	0.71	32,214	2.0	--	\$19,366,612	\$9,368,568	--	9,397	13,034

Source: EMSI Complete Data - 3rd Quarter 2010

Strategic Goals and Objectives

Goal 1: All residents and businesses in Perry County have access to broadband technology

Objective 1.1:

Action 1.1.1: Work with local providers to extend broadband Internet access to the entire county

Action 1.1.2: Increase capacity and support to existing businesses and “grow” new businesses that utilize technology to support their operations

Goal 2: Identify and attract potential eCommerce businesses

Objective 2.1: Assist technology start-ups that may be the next generation of business and entrepreneurs

Action 2.1.1: Use an effective marketing campaign to reach potential targets

Action 2.1.2: Establish a relationship with other strategic partners to form group training workshops for entrepreneurs and start-ups

Action 2.1.3: Attend trade shows and have a Perry County exhibit kiosk

Action 2.1.4: Work with HCTC to identify potential businesses through their IT program

Action 2.1.5: Evaluate the business incubator concept for start-ups and entrepreneurs

Action 2.1.6: Increase access to affordable shared spaces to assist entrepreneurs

Goal 3: Perry County is a regional center for innovation and technology

Objective 3.1: Work with education providers to create training programs using technology

Action 3.1.1: Enhance access to the Internet for teachers, students, and businesses

Action 3.1.2: Provide training programs for businesses in Internet marketing

Action 3.1.3: Work with EKCEP to assist them in implementation of their strategic plan

Goal 4: Perry Countians can be treated by the use of telemedicine

Objective 4.1: Work with HCTC and ARH to use telemedicine for patient care

Recommendations

- Extend broadband Internet to all residents of Perry County and have available for potential tech businesses
- Use broadband availability to recruit potential tech businesses
- Building on the Sykes concept, recruit additional call center and back office operations
- Recruit businesses whose management holds quality of life and rural setting as a priority
- Research grant opportunities for existing tech business expansion
- Explore the capability of attracting telemedicine opportunities in coordination with HCTC

Information Technology Matrix

Goal 1	All residents and businesses in Perry County have access to broadband technology						
Objective 1.1							
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Work with local providers to extend broadband Internet access to the entire county						
Action 1.1.2	Increase capacity and support to existing businesses and “grow” new businesses that utilize technology to support their operations						
Goal 2	Identify and attract potential eCommerce businesses						
Objective 2.1	Assist technology start-ups that may be the next generation of business and entrepreneurs						
Action 2.1.1	Use an effective marketing campaign to reach potential targets						
Action 2.1.2	Establish a relationship with other strategic partners to form group training workshops for entrepreneurs and start-ups						
Action 2.1.3	Attend trade shows and have a Perry County exhibit kiosk						
Action 2.1.4	Work with HCTC to identify potential businesses through their IT programs						
Action 2.1.5	Evaluate the business incubator concept for start-ups and entrepreneurs						
Action 2.1.6	Increase access to affordable shared spaces to assist entrepreneurs						
Goal 3	Perry County is a regional center for innovation and technology						
Objective 3.1	Work with education providers to create training programs using technology						
Action 3.1.1	Enhance access to the Internet for teachers, students, and businesses						
Action 3.1.2	Provide training programs for businesses in Internet marketing						
Action 3.1.3	Work with EKCEP to assist them in implementation of their strategic plan						
Goal 4	Perry Countians can be treated by the use of telemedicine						
Objective 4.1	Introduce the use of telemedicine for patient care						
Action 4.1.1	Work with HCTC and ARH to use						

	telemedicine for patient care						
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Healthcare

From a regional outlook, the healthcare industry (NAICS Code 62) employs nearly 10,000 people. Perry County is home to Hazard Appalachian Regional Medical Center. (ARH) From humble beginnings, this facility has grown tremendously over the past several years becoming Perry County's largest single employer. Based on direct interview, ARH employs close to 15% of Perry County's workforce. By 2-digit NAICS code, Healthcare and Social Assistance accounted for approximately one-fourth of Perry County's workforce. Many cluster businesses have been developed providing jobs in clinics, pharmacies, rehabilitation centers, and many others.

At either Hazard Community and Technical College, or other learning facilities within the region, certification programs are offered in health information technology, medical information technology, medical laboratory technology, radiography, nursing, and many others to train and/or retrain Perry County's workforce. In the very near future, the Galen College of Nursing will be locating in Perry County, which will offer practical (LPN), registered (RN), bachelor's (BSN), and master's (MSN) level nursing programs.

The KRADD CEDS reports, *"In recent years, the healthcare industry has emerged as one of the strongest and fastest growing economic clusters in the KRADD region. There are currently 256 healthcare establishments in the eight county regions. As of 2010 there were 5,984 employees in the healthcare industry, with an annual payroll of \$172,659,000.*

In a May 2011 report, *Kentucky's Target Industry Sectors*, Maher & Maher reports: *"As seen across the U.S., the health care and social assistance sector has seen rapid growth over the last several years and is projected to continue this growth. Significant growth is projected for office of physicians; dentists; physical, occupational and speech therapists; freestanding ambulatory surgical and emergency centers; home health care; and nursing care facilities.*

The health care and social assistance sector is largely defined as a non-export oriented sector, which is demonstrated by the comparatively low level of imports. Inasmuch, some sectors show strong excess demand potential, such as offices of physicians, dentists, offices of mental health practitioners and HMO medical centers. Analysis of the workforce characteristics indicates that approximately one out of five workers is compatible with the critical skill requirements of the sector (Note: Roughly 50 percent of the jobs in the sector have a skill level that require some form of post-secondary training or significant on-the-job training).'

Healthcare Industry Summary Table for Kentucky

NAICS Code	Description	Avg Wage	2002 Jobs	2010 Jobs	Chg	2010 National LQ	2010-2018 Projected Change	Jobs Mult	Earnings Mult	Total Req's (K)	Imports (K)	Exports per job (K)	2009 Estab	Shift Share
621111	Offices of Physicians (except Mental Health Specialists)	\$28.17	31,415	35,471	4,056	1.05	6,349	2.3	1.6	\$4,492,475	\$224,627	\$26	2968	(1,278)
621210	Offices of Dentists	\$23.45	8,912	10,582	1,670	0.87	2,404	1.7	1.6	\$1,011,665	\$217,396	\$4	1554	276
621310	Offices of Chiropractors	\$20.81	1,583	2,165	582	1.00	627	1.6	1.6	\$141,932	\$8,649	\$3	519	342
621320	Offices of Optometrists	\$21.37	1,402	2,016	614	1.16	367	1.8	1.6	\$124,210	\$6,210	\$28	272	347
621330	Offices of Mental Health Practitioners (except Physicians)	\$20.45	1,307	1,512	205	0.51	274	1.6	1.5	\$231,188	\$128,564	\$4	122	(206)
621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists	\$23.59	3,859	6,119	2,260	1.18	2,080	1.7	1.6	\$326,171	\$16,308	\$26	384	61
621391	Offices of Podiatrists	\$22.59	325	380	55	0.69	50	1.7	1.6	\$46,313	\$14,603	\$4	65	22
621399	Offices of All Other Miscellaneous Health Practitioners	\$20.65	1,733	3,106	1,373	0.71	999	1.7	1.5	\$282,182	\$64,080	\$4	121	385
621420	Outpatient Mental Health and Substance Abuse Centers	\$19.50	4,452	4,423	(29)	1.89	79	1.9	1.8	\$194,236	\$9,712	\$54	210	(987)
621491	HMO Medical Centers	\$23.84	0	28	28	0.03	(13)	3.4	1.7	\$164,513	\$156,691	\$15	2	0
621492	Kidney Dialysis Centers	\$23.84	840	1,280	440	1.00	787	2.1	1.8	\$125,137	\$6,257	\$16	75	103
621493	Freestanding Ambulatory Surgical and Emergency Centers	\$23.84	578	2,224	1,646	1.72	1,994	2.2	1.8	\$152,417	\$7,621	\$52	47	1,295
621498	All Other Outpatient Care Centers	\$23.84	1,083	1,365	282	0.95	629	2.4	1.8	\$157,464	\$7,873	\$35	77	(350)
621511	Medical Laboratories	\$20.51	1,355	1,435	80	0.62	235	2.0	1.8	\$268,377	\$117,778	\$6	166	(254)
621512	Diagnostic Imaging Centers	\$20.28	583	669	86	0.58	219	2.3	1.8	\$157,041	\$69,206	\$7	93	(119)
621610	Home Health Care Services	\$16.53	10,120	11,367	1,247	0.59	3,103	1.6	1.5	\$698,104	\$34,905	\$4	275	(4,986)
621910	Ambulance Services	\$14.84	2,043	2,294	251	0.98	30	1.8	1.8	\$165,604	\$8,280	\$19	74	(482)
621991	Blood and Organ Banks	\$20.55	972	1,104	132	1.02	(10)	1.9	1.7	\$93,170	\$4,658	\$22	23	(157)
622110	General Medical and Surgical Hospitals	\$21.89	59,159	64,930	5,771	1.10	6,651	2.0	1.7	\$6,284,895	\$314,244	\$15	132	(1,374)
622210	Psychiatric and Substance Abuse Hospitals	\$21.89	2,852	3,409	557	2.52	467	1.7	1.7	\$111,293	\$5,565	\$54	22	174
622310	Specialty (except Psychiatric and Substance Abuse) Hospitals	\$21.89	2,978	3,847	869	1.43	864	2.0	1.7	\$256,530	\$12,827	\$45	18	(396)
623110	Nursing Care Facilities	\$14.26	27,680	29,859	2,179	1.33	5,197	1.5	1.6	\$1,166,160	\$58,303	\$19	323	769
623210	Residential Mental Retardation Facilities	\$13.52	2,190	4,350	2,160	0.78	616	1.7	1.6	\$243,639	\$12,182	\$25	92	1,838
623220	Residential Mental Health and Substance Abuse Facilities	\$15.11	1,544	1,821	277	0.68	(193)	1.6	1.6	\$139,439	\$22,700	\$3	56	(127)
623311	Continuing Care Retirement Com-	\$13.16	1,813	1,723	(90)	0.32	(33)	1.5	1.6	\$217,043	\$132,449	\$3	32	(1,283)

munities														
623312	Homes for the Elderly	\$13.14	1,756	2,978	1,222	0.59	1,023	1.4	1.6	\$201,764	\$70,995	\$2	104	934
623990	Other Residential Care Facilities	\$14.23	2,553	2,806	253	1.18	54	1.6	1.6	\$127,047	\$6,352	\$20	75	214
624110	Child and Youth Services	\$15.09	1,303	2,059	756	0.65	475	1.4	1.6	\$147,685	\$56,051	\$2	106	434

Source: KY Target Industry Sectors

According to the Kentucky Cabinet for Economic Development, *“Innovative research on such breakthroughs as artificial hearts and limbs, groundbreaking advances on transplants and the development of medical advances has strengthened Kentucky’s reputation as a healthcare leader. As a result, the number of healthcare-related facilities continues to grow quickly. A trained medical research workforce and advances by medical facilities have combined to make Kentucky an excellent location for healthcare-related businesses.”*

- More than 25,000 people work in one of Kentucky's healthcare-related businesses
- Kentucky has more than 110 healthcare-related facilities
- In just one year, more than 15 new or expanded facilities were announced with investments of more than \$60 million

The health care and social assistance sector is largely defined as a non-export oriented sector, which is demonstrated by the comparatively low level of imports. Inasmuch, some sectors show strong excess demand potential, such as offices of physicians, dentists, offices of mental health practitioners and HMO medical centers. Analysis of the workforce characteristics indicates that approximately one out of five workers is compatible with the critical skill requirements of the sector (Note: Roughly 50 percent of the jobs in the sector have a skill level that require some form of post-secondary training or significant on-the-job training).

From *Kentucky Occupational Outlook to 2024*, it is reported that Healthcare Support Occupations are projected to be the fastest growing occupational group with a 38.2 percent increase in employment; close behind are Healthcare Practitioners and Technical Occupations at 29.6 percent and Community and Social Service Occupations at 21.8 percent.

The healthcare sector is critical to rural areas; it is a major contributor to the employment base that provides jobs for residents. Access to good healthcare is also a quality of life issue and a region’s ability to offer accessible, quality health care is essential for attracting and keeping residents, businesses, and workers.

Strategic Goals and Objectives

Goal 1: Perry County is the regional leader for medical care and specialized treatment

Objective 1.1: Improve availability and delivery of specialized medical treatment

Action 1.1.1: Partner with ARH and Primary Care Center on expansion and upgrades

Action 1.1.2: Encourage local providers to utilize local facilities when possible

Action 1.1.3: Work with other entities to extend health care options in the County

Action 1.1.4: Promote convenience, availability, and quality of local medical services

Action 1.1.5: Promote the expansion of the range of medical and diagnostic services available locally

Goal 2: Perry County is on the forefront of innovation providing telemedicine options

Objective 2.1: Work with local providers and HCTC to implement a telemedicine initiative

Action 2.1.1: Expand technology for and implement a comprehensive telemedicine program

Action 2.1.2: Promote the telemedicine initiative to related entrepreneurs for opportunities

Action 2.1.3: Recruit cluster-related businesses

Goal 3: Perry County is the regional leader in medical-related training

Objective 3.1: Work with HCTC and Galen College to increase enrollment

Action 3.1.1: Promote HCTC and Galen College in County marketing campaigns

Action 3.1.2: Work with HCTC in providing additional medical-related training programs

Recommendations

- Work with ARH and Primary Care Center to promote their services and expansion efforts
- Recruit health care cluster businesses
- Work with HCTC and Galen College of Nursing to attract and increase student enrollment

Intentionally Blank

Healthcare Matrix

Goal 1	Perry County is the regional leader for medical care and specialized treatment						
Objective 1.1	Improve availability and delivery of specialized medical treatment						
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Partner with ARH and Primary Care Center on expansion and upgrades						
Action 1.1.2	Encourage local providers to utilize local facilities when possible						
Action 1.1.3	Work with other entities to extend health care options in the County						
Action 1.1.4	Promote convenience, availability, and quality of local medical services						
Action 1.1.5	Promote the expansion of the range of medical and diagnostic services available locally						
Goal 2	Perry County is on the forefront of innovation providing telemedicine options						
Objective 2.1	Work with local providers and HCTC to implement a telemedicine initiative						
Action 2.1.1	Expand technology for and implement a telemedicine initiative						
Action 2.1.2	Promote the telemedicine initiative to related entrepreneurs for opportunities						
Action 2.1.3	Recruit cluster-related businesses						
Goal 3	Perry County is the regional leader in medical-related training						
Objective 3.1	Work with HCTC and Galen College to increase enrollment						
Action 3.1.1	Promote HCTC and Galen College in County marketing campaigns						
Action 3.1.2	Work with HCTC in providing additional medical-related training programs						

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Agriculture

Agriculture (NAICS Code 11) presents an interesting opportunity in Perry County since commercial farming operations are not currently a large employer. According to CEDIK, in 2012, Perry County had 49 farm operations on 10,953 acres. That represented 5% of total county land. Compared to the state and the nation, Kentucky farm operations made up 51.6% of the state's total area, and U.S. farm operations made up 40.5% of the nation's total land area.

A healthy and dynamic agricultural sector is an important foundation of rural development, generating strong linkages to other economic sectors. Rural livelihoods are enhanced through effective participation of rural people and rural communities in the management of their own social, economic and environmental objectives by empowering people in rural areas, particularly women and youth, including through organizations such as local cooperatives and by applying the bottom-up approach. Close economic integration of rural areas with neighboring urban areas and the creation of rural off-farm employment can narrow rural-urban disparities, expand opportunities and encourage the retention of skilled people, including youth, in rural areas. There is considerable potential for rural job creation not only in farming, agri-processing and rural industry but also in building rural infrastructure, in the sustainable management of natural resources.

In an August 30, 2009 article in *The Lexington Herald Leader*, Bill Estep writes, *“Relatively little land is being managed to produce hay or provide pasture for domesticated animals, even though tens of thousands of acres have been reclaimed as hay or pasture land since the late 1970s, according to coal- and agricultural-production statistics.”* However, as a threat, Estep says in the same article, *“Some coal or land-holding companies don't want to lease sites for cattle or hay production; in other cases, mined sites have multiple owners and it's hard to get permission from all of them to use the site,”*

From statistics compiled by the U.S. Department of Agriculture, the number of Perry County farms has seen a tremendous decrease since 1909; there were 1,716 farms in 1909 falling to 57 farms in 2007. And, as previously stated by CEDIK, the number of farms has fell to 49 in 2012. It appears farm decline was associated with America's wars. From 1909 to 1919, the number of farms fell 23% (WWI 1917-1918). The number of farms then saw a tremendous 147% increase from 1919 to 1939, prior to WWII (1941-1945) and the Korean War (1950-1953). From 1939 to 1954, the number of farms again began decreasing by half. From 1954 to 2012, the number of farms has continually decreased from 1,625 to 49.

**Census of Agriculture
Farms: Number, Acres, Value and Land Use, 1919-2007¹**

Year	Number of Farms	Land in Farms, acres	Avg. Size of Farm	Avg. Value of Land & Buildings per Acre, \$	Land Use						
					Cropland			Other Pasture ² , acres	Other Land	Woodland	
					Harvested	Not Harvested Not Pasture	Pasture ²			Pasture	Other
1909	1,716	174,794	102	9	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1919	1,322	138,251	105	21	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1924	1,993	124,663	63	24	18,181	17,221	10,904	1,262	1,865	11,604	63,626
1929	2,087	135,491	65	24	22,871	14,642	16,393	3,023	7,041	14,769	56,752
1934	3,086	132,563	43	14	24,011	13,123	16,230	3,131	9,431	13,482	53,155
1939	3,268	131,711	40	20	27,024	15,113	19,856	n/a	n/a	n/a	n/a
1944	3,145	134,933	43	26	16,239	10,980	21,478	15,971	4,368	5,175	60,722
1949	1,821	98,139	54	54	10,366	11,454	16,939	5,914	6,150	9,346	37,970
1954	1,625	81,164	50	45	7,190	16,136	7,739	1,044	2,454	12,700	33,901
1959	763	56,162	74	47	3,772	3,093	3,755	2,063	1,766	3,512	38,201
1964	394	33,260	84	68	1,432	3,206	1,300	1,017	3,000	2,964	20,337
1969	137	11,123	81	155	565	960	1,164	n/a	2,933 ³	n/a	5,501 ⁴
1974	58	5,773	100	391	442	303	999	n/a	1,022 ³	n/a	3,007 ⁴
1978	35	4,028	115	585	403	439	362	197	480	845	1,302
1982	42	4,570	109	935	829	125	773	375	547	407	1,514
1987	45	3,271	73	846	358	372	493	475	344	206	1,023
1992	43	4,469	104	844	382	118	977	819	268	435	1,470
1997 ⁵	34	7,229	213	1,020	608	280	2,028	n/a	n/a	n/a	n/a
2002 ⁵	44	7,064	161	1,137	1,174	107	1,862	669	166	269	2,817
2007 ⁵	57	10,661	187	1,218	860	274	1,260	1,825	329	1,167	4,946

1 – Due to changes in the definition of a farm, Farm Numbers and Land in Farms are not always comparable from Census to Census. 2 – Due to changes in definition and wording of question, figures for Cropland Pasture and Other Pasture are not always comparable from Census to Census. 3 – Includes Other Pasture. 4 – Includes Woodland Pasture. 5 – 1997-2002 data adjusted for coverage. n/a – Data Not Available.

Source: USDA, NSS, Kentucky Field Office, *Perry County Kentucky Agricultural Statistics, 1909-2007*, Published June 2009

From the *Kentucky Annual Economic Report 2015*, it was stated that while Kentucky’s farm traditions have long yielded significant economic benefits to the state, the development of more refined, downstream products that use these raw materials holds the promise of even greater returns. In 2011 valued-added food production in Kentucky was \$5.1 billion (in constant 2014 \$s), representing a marked increase from \$3.34 billion in 1993. There are any number of value-added food products—from honey to wine to jerky to jam—that provide opportunities to enrich individuals as well as communities and generate new economic opportunities that help sustain Kentucky’s rural areas.

The purposes of looking into a plan that would promote sustainable economic development growth in agriculture are:

- to provide the availability of local foods to schools, institutions, and area restaurants
- to provide the availability of fresh, healthy foods to combat the obesity problem
- to take advantage of reclaimed mine lands
- to provide jobs

The definition of local for the purposes of this plan is Perry County and its surrounding counties. Perry County’s agricultural economy should capitalize on its strengths by placing a strong focus on products that are grown, processed and sold within its borders, and it should also be able to take advantage of the benefits provided by partnering with surrounding counties. A number of counties and cities across the state utilize their agricultural economy as an economic driver. For obvious reasons, Perry County must cultivate its local food system in order to drive sustainable economic development. A campaign such as “Perry County Is Growing” is recommended to strengthen the county’s food system so that it creates jobs and strengthens the economy for generations to come.

Some of the current programs being conducted include:

- Perry County Schools – Farm-to-School Program
- Community Farm Alliance – Northfork Local Food
- Kentucky Center for Agriculture and Rural Development – Grants
- US Department of Agriculture – Perry County Extension Office

- Perry County Farmers Market

Some of the benefits that can result of a sustainable agricultural program include:

- Fresh, healthy food without significant costs of transportation
- Positive fiscal impact of land use on local tax base
- Profits stay in the local economy
- Aesthetic value of farmland to tourists maintaining the rural image

Food Processing

The Food Processing industry is normally within NAICS Code 31, but has been shown under the Agriculture sector because it would blend well with a concentrated agriculture program. With a successful crop production program, spinoffs in food processing can be developed. Food processing can be a viable sector if there is direct access to an abundance of raw food materials and access to large consumer market areas. Major project types included baked foods, candy, dairy products, cereals, corn/soybean processing, snack foods, water bottling, fruit/vegetable packaging, microwave meals and meat processing. In the past, LKLP has operated a cannery, but it is no longer in operation.

Strategic Goals and Objectives

Goal 1: Increase the market for locally grown foods

- Objective 1.1: Make the public aware of the benefits of locally grown foods
 - Action 1.1.1: Encourage schools and institutions to use locally grown foods in their cafeterias
 - Action 1.1.2: Encourage local restaurants to use locally grown foods
 - Action 1.1.3: Encourage local grocers and wholesalers to sell locally grown foods

Goal 2: Increase the demand for locally grown foods

- Objective 2.1: Develop programs to increase the County's access to local foods
 - Action 2.1.1: Develop a partnership with schools and institutions to use local foods
 - Action 2.1.2: Develop more opportunities for farmer's markets
 - Action 2.1.3: Ensure that the price of local foods is affordable to all citizens

Goal 3: Increase the supply of locally grown foods

- Objective 3.1: Improve connections between producers, processors, and distributors
 - Action 3.1.1: Create a database of businesses that can promote local foods
 - Action 3.1.2: Encourage businesses to support production, processing, and sales of local foods
 - Action 3.1.3: Evaluate the regulatory system to decrease any barriers restricting production

Goal 4: Preservation of the County's farmland

- Objective 4.1: Provide opportunities to preserve the available farmland
 - Action 4.1.1: Evaluate incentives to promote agricultural use
 - Action 4.1.2: Develop programs to assist farmers to meet the demands of the County
 - Action 4.1.3: Develop programs to educate the public on the benefits of local foods
 - Action 4.1.4: Develop a partnership with schools to promote agriculture education programs

Recommendations

- Create/strengthen alliance with Perry County Schools Farm-to-School Program
- Create/strengthen alliance with HCTC agriculture programs
- Promotion of additional farmer's markets
- Establish a partnership with local institutions to utilize locally grown foods

- Evaluate the forming of a local food council
- Evaluate a financial assistance program to encourage local farmers

Agriculture Matrix

Goal 1	Increase the market for locally grown foods						
Objective 1.1	Make the public aware of the benefits of locally grown foods						
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Encourage schools and institutions to use locally grown foods in their cafeterias						
Action 1.1.2	Encourage local restaurants to use locally grown foods						
Action 1.1.3	Encourage local grocers and wholesalers to sell locally grown foods						
Goal 2	Increase the demand for locally grown foods						
Objective 2.1	Develop programs to increase the County's access to local foods						
Action 2.1.1	Develop a partnership with schools and institutions to use local foods						
Action 2.1.2	Develop more opportunities for farmer's markets						
Action 2.1.3	Ensure that the price of local foods is affordable to all citizens						
Goal 3	Increase the supply of locally grown foods						
Objective 3.1	Improve connections between producers, processors, and distributors						
Action 3.1.1	Create a database of businesses that can promote local foods						
Action 3.1.2	Encourage businesses to support production, processing, and sales of local foods						
Action 3.1.3	Evaluate the regulatory system to decrease any barriers restricting production						
Goal 4	Preservation of the County's farmland						
Objective 4.1	Provide opportunities to preserve the available farmland						
Action 4.1.1	Evaluate incentives to promote agricultural use						
Action 4.1.2	Develop programs to assist farmers to meet the demands of the County						
Action 4.1.3	Develop programs to educate the public on benefits of local foods						
Action 4.1.4	Develop a partnership with schools to promote agriculture						

	education programs						
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Strategy Two: Utilization of Local and Existing Resources

A report was prepared by the U.S. Environmental Protection Agency's (EPA) Office of Sustainable Communities with the assistance of CH2M Hill and Smart Growth America titled *How Small Towns and Cities Can Use Local Assets to Rebuild Their Economies: Lessons from Successful Places* dated May 2015.

The report states: "While no magic bullet or set process will work everywhere, these case studies illustrate several successful tactics that other communities can use:

- Identify and build on existing assets. Identify the assets that offer the best opportunities for growth and develop strategies to support them. Assets might include natural beauty and outdoor recreation, historic downtowns, or arts and cultural institutions.
- Engage all members of the community to plan for the future. Engage residents, business owners, and other stakeholders to develop a vision for the community's future. Stakeholder engagement helps ensure plans reflect the community's desires, needs, and goals and generates public support that can maintain momentum for implementing changes through election cycles and city staff turnover.
- Take advantage of outside funding. Even a small amount of outside funding applied strategically to support a community's vision and plans can help increase local interest and commitment in the area and spur private investment.
- Create incentives for redevelopment, and encourage investment in the community. Make it easier for interested businesses and developers to invest in the community in ways that support the community's long-term priorities.
- Encourage cooperation within the community and across the region. Cooperation to achieve jointly established priorities helps leverage the assets that each party can bring to the table to make the most of the region's resources.
- Support a clean and healthy environment. Invest in natural assets by protecting natural resources and cleaning up and redeveloping polluted properties, which makes productive use of existing transportation, water, and utility infrastructure; increases the tax base and employment opportunities; removes environmental contamination; and helps spur investment in surrounding properties."

An economic development strategy that uses smart growth relies on three components: support of existing businesses, support of the existing workforce, and support the quality of life.

Supporting and expanding existing businesses and attracting new businesses contribute to economic development in several key ways, including helping businesses create jobs, encouraging entrepreneurship, enhancing fiscal sustainability by expanding and diversifying the tax base, and improving quality of life with new services and amenities.

Workforce development is important to ensuring that residents can successfully compete for employment opportunities and that all residents have the opportunity to benefit from economic prosperity. The availability of a workforce with a wide range of skills and education levels can help local businesses grow and attract new businesses.

Residents and businesses both value a community with a good quality of life. A variety of factors can improve quality of life, such as a thriving downtown or commercial district with neighborhood-serving shops and restaurants; green and open space; a variety of transportation choices, including options for walking, biking, driving, and public transit; artistic, cultural, and community resources such as museums, public art, community centers, religious institutions, and other community gathering spaces; and medical, technical, and academic institutions.

Continuation of smart growth principles involve the training and educational aspect relating to workforce development and K-12 education. Providing workers with an opportunity to educate themselves and train for more skilled jobs helps them compete for jobs in the community now and in the future. A workforce with the right

mix of skills and education is an important asset for existing businesses, as well as attracting new industries.

The foundation of a good education begins at a young age; therefore, having a high-quality public school district is an important component to building a skilled workforce. Specific goals could also be set to ensure that students receive appropriate training, such as establishing science, technology, engineering, and math (STEM) programs, which help young people compete for jobs and advanced education in fields that use these skills.

An economic development effort would not be complete without a Business Retention and Expansion (BRE) plan. Although it would be great to be able to attract a new business that could employ 100+ people, or a large manufacturer, the County must realize they are a small fish in a large pond, so to speak. In recognition of the fierce competition for factories and manufacturers, the County could find themselves in a “chasing smokestacks” scenario and neglecting the businesses that are already here. The County must realize that there are only a small number of projects available being chased by thousands of community economic development agencies. If a large employer is attracted to the County, that would be fantastic. On the flipside, all efforts expended with no results gains nothing. A properly designed and implemented BRE would bring about significant benefits to the County, and show others that may be considering locating here, Perry County is devoted to being unified in their economy, their community, and their workforce development initiatives.

In some cases, a community can attempt to change the local landscape to fit as best they can. A community may purchase land using proceeds from an industrial revenue bond. A speculative building may be constructed for a potential industrial client. Land sales or building leases provide the revenue to pay back the bonds. Industrial facilities lead to the creation of new jobs and income and the collection of taxes such as occupational tax and property tax that can be used to enhance community services. This process is usually overseen by the county industrial or economic development authority.

Existing Business Retention and Expansion (BRE)

Although it is desirable to attract new and innovative businesses and industry, the retention and expansion of businesses currently operating in Perry County should not be ignored. The economic development initiatives should serve to partner with existing businesses and foster an environment of support. Existing businesses should be inventoried to collect certain information that can be used to determine at-risk status, change in employment statistics, and change in needs, to name a few. Dr. David Birch, in his 1979 study, *The Job Generation Process*, states that “...up to 80% of job growth in any community is generated by the businesses already located there, not by business attraction efforts.”

In the past, a “downtown merchant's association” existed in Hazard, where the merchants met, socialized, coordinated special events, set seasonal shopping hours, and worked together to promote the total shopping experience. A Perry County merchants association should be created to allow the business owners a venue to share ideas.

Businesses currently existing in Perry County need to feel just as welcome, wanted and appreciated as new businesses attracted to the area. Existing business development and expansion offers tremendous potential for job and investment growth. Typically, the growth of existing businesses can constitute a major percent of an area's overall employment and investment growth. Local economic development programs, through business assistance and incentive programs, can play a critical role in the retention and growth of local businesses. Perry County's economic development efforts need to be very active in its efforts to assist existing business retention and expansion.

As a point of consideration, existing businesses can do quite a bit in cutting into the unemployment rate. Research conducted by Jerry Rickett of Kentucky Highlands Investment Corporation, of U.S. Census Bureau statistics shows Perry County had approximately 326 microenterprises in 2011. According to Rickett, a microenterprise is a business with less than five employees, requires less than \$35,000 in start-up capital, and does not have access to traditional commercial banking. If each of those 326 microenterprises could hire one employee, the advertised unemployment rate would drop by 3.5%. Obviously, this is unlikely and represents an extremely optimistic scenario, but has been mentioned to illustrate how important microenterprises are and what effect they can have on positive economic growth in Perry County. (Note: the calculation above used the Civilian Labor Force of 9,231, the number or unemployed of 909, and a rate of unemployment of 9.8% shown previously in the “Employment Statistics” section)

From the same research, Rickett also discovered microenterprise employment was 18.4% of the total employed in Perry County (2,311 workers), and, out of 2,070 Perry County businesses, approximately 82.9% were classified as microenterprises (1,716 businesses).

It should be noted that placing more emphasis on new business attraction than retention of existing businesses could create an atmosphere of resentment with existing business owners. With this in mind, the development of a strong and effective BRE program should be considered.

“Small business is the backbone of the free enterprise system and small business owners embody the American dream.” - George W. Bush

Retaining existing businesses is a very important economic development strategy. These businesses are often in need of a different set of services. At the top of the list, workforce development and workforce availability is often a key concern of existing employers. In some cases, it may be possible to work with Hazard Community and Technical College to provide a specific training program. Other concerns of existing businesses are often related to community infrastructure such as solid waste management, recycling availability or public safety. A strong existing business community may be one the most important aspects in attracting new firms to the region. This tool may be used for export promotion or import substitution. In some cases, a basic industry may be threatening to leave and the community must find a way to rally to save jobs.

The Historically Underutilized Business Zones (HUBZone) program was enacted into law as part of the Small Business Reauthorization Act of 1997. The program falls under the auspices of the U.S. Small Business Administration. The program encourages economic development in historically underutilized business zones - "HUBZones" - through the establishment of preferences.

SBA's HUBZone program is in line with the efforts of both the Administration and Congress to promote economic development and employment growth in distressed areas by providing access to more federal contracting opportunities. The program allows small firms located in many urban or rural areas to qualify for sole-source and other types of federal contract benefits. The underlying purpose of the program is to encourage economic development and increase employment opportunities.

Since Perry County is currently designated, some businesses could qualify for this program. To qualify for the HUBZone program, a business must meet four requirements:

- It must be a small business.
- It must be owned and controlled only by U.S. citizens.
- The principal office of the business must be located in a "historically underutilized business zone."
- At least 35 percent of its employees must reside in a HUBZone.

Strategic Goals and Objectives

Goal 1: The County will have a comprehensive BRE Program

Objective 1.1: Develop a comprehensive BRE program

Action 1.1.1: Assess how each business is performing

Action 1.1.2: Identify business and workforce trends

Action 1.1.3: Create a relationship to show the existing business that the County is interested in them and appreciates their contribution to the economy

Action 1.1.4: Build a strong working relationship in helping the business to succeed and possibly expand

Goal 2: The County will have a strong relationship with existing business owners

Objective 2.1: Establish a working relationship with existing business owners

Action 2.1.1: Discuss issues relating to confidentiality and explain the goals of the BRE program

Action 2.1.2: Support current businesses to create a strong foundation on which to attract new businesses, residents, and employment

Goal 3: The County will conduct visits to existing businesses

Objective 3.1: Maintain a database to keep track of business activity

Action 3.1.1: Make visitations at least once every six months to reinforce interest in their success

Action 3.1.2: Gather information regarding their performance

Action 3.1.3: Find ways the County may be able to help in problem areas

Goal 4: The County will be a strong partner for entrepreneurs

Objective 4.1: The County should support and promote entrepreneurship

Action 4.1.1: Encourage entrepreneurs to start businesses by providing incentives

Action 4.1.2: Evaluate the creation of a business incubator system

Goal 5: Perry County is the major retail center in the labor market region

Objective 5.1: Maintain and strengthen Perry County's position as a major retail center

Action 5.1.1: Implement initiatives to concentrate on retaining and expanding existing local businesses

Action 5.1.2: Assist local firms in finding appropriate development sites for expansion

Action 5.1.3: Retain and expand the base of service industry employment

Action 5.1.4: Encourage downtown revitalization and neighborhood business development

Action 5.1.5: Encourage diversified retail shopping

Goal 6: *Perry County continues to excel and maintain the region's local health care market*

Objective 6.1: Maintain and expand the local health care industry's share of the regional market.

Action 6.1.1: Work to recruit cluster businesses to complement ARH and Primary Care Center

Action 6.1.2: Participate in health fairs showing the County's commitment to the industry

Recommendations

- Survey existing business owners to understand needs and concerns
- Establish a relationship with existing business owners that shows support
- Evaluate a recruitment plan for cluster businesses to compliment existing businesses

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Business Retention and Expansion Matrix

Goal 1	The County will have a comprehensive BRE program						
Objective 1.1	Develop a comprehensive BRE program						
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Assess how each business is performing						
Action 1.1.2	Identify business and workforce trends						
Action 1.1.3	Create a relationship to show the existing businesses that the County is interested in them and appreciate their contribution to the economy						
Action 1.1.4	Build a strong working relationship in helping the business to succeed and possibly expand						
Goal 2	The County will have a strong relationship with existing business owners						
Objective 2.1	Establish a working relationship with existing business owners						
Action 2.1.1	Discuss issues relating to confidentiality and explain the goals of the BRE program						
Action 2.1.2	Support current businesses to create a strong foundation on which to attract new businesses, residents, and employment						
Goal 3	The County will conduct visits to existing businesses						
Objective 3.1	Maintain a database to keep track of business activity						
Action 3.1.1	Make visitations at least once per six months to reinforce interest in their success						
Action 3.1.2	Gather information regarding their performance						
Action 3.1.3	Find ways the County may be able to help in problem areas						
Goal 4	The County will be a strong partner for entrepreneurs						
Objective 4.1	The County should support and promote entrepreneurship						
Action 4.1.1	Encourage entrepreneurs to start businesses by providing incentives						
Action 4.1.2	Evaluate the creation of a business incubator system						
Goal 5	Perry County is the major retail center in the labor market region						
Objective 5.1	Maintain and strengthen Perry County's position as a major retail center						

Action 5.1.1	Implement initiatives to concentrate on retaining and expanding existing local businesses						
Action 5.1.2	Assist local firms in finding appropriate development sites for expansion						
Action 5.1.3	Retain and expand the base of service industry employment						
Action 5.1.4	Encourage downtown revitalization and neighborhood business development						
Action 5.1.5	Encourage diversified retail shopping						
Goal 6	Perry County continues to excel and maintain the region's health care market						
Objective 6.1	Maintain and expand the local health care industry's share of the regional market						
Action 6.1.1	Work to recruit cluster businesses to complement ARH and Primary Care Center						
Action 6.1.2	Participate in health fairs showing the County's commitment to the industry						

Strategy Three: Combination of Strategies One and Two

In order to effectively pursue positive economic growth, the County must better manage its total economic process (business development, tourism development, community development and workforce development). A new emphasis on thinking and acting as a unified county, requiring better cooperation between the city, the County and the private sector.

The County's economic development efforts must refocus attention on programs to support existing business and existing job skills. Further economic diversification is also needed, through continued development of manufacturing, hospitality and service, health care, adventure tourism, agriculture, and knowledge-based commerce. This can be accomplished through aggressive, targeted business attraction programs and through expanded support for entrepreneurs and growth.

Consistent and effective leadership is paramount for planning, infrastructure investment and the delivery of other public services to support economic development. There must be cooperation among all stakeholders. Growth must accommodate the protection and enhancement of the natural and manmade resource base that defines the community's existing quality of life.

No specific goals, objectives or matrix has been developed for this strategy. The goals, objectives, and matrices have been shown in previous strategies.

Education and Economic Development

When looking at economic development, education in every sense is one of the fundamental factors in achieving growth and sustainable development. Sustainable economic development cannot be achieved without a substantial investment in human capital. Education increases people's understanding of themselves. It can improve their quality of life and can lead to many varied social benefits for themselves, as well as society. It raises their productivity and creativity and can lead them to better jobs, entrepreneurship and advances in technology. Education also plays a very crucial role in promoting social and economic progress and evening the playing field regarding income distribution.

As a region, the value of a good education was less considered due to plentiful job opportunities in the coal mining industry. The education required mainly consisted of knowing how to operate equipment. Today, however, due to a leaps-and-bounds improvement in technology, coupled with the significant losses in mining jobs, a new focus on education is imminent. As a county hit hard by mining job losses, a new and bold emphasis must be placed on education. This is an excellent opportunity for the County to partner with and strengthen their relationship with Hazard Community and Technical College (HCTC) and other workforce training entities in providing the training and education necessary to attract and hold new industries.

HCTC has developed their own strategic plan, *Strategic Vision 2016-2022*, to be implemented over the next six years. They have described their mission as "...a comprehensive, public community and technical college that empowers diverse learners, building self-confidence and leadership capacity for lifelong personal success and community enhancement." Their vision is to "...strive to be a world-class learning institution that inspires hope and transforms lives through progressive, learner-focused opportunities."

As previously laid out in the "Establishing a Business in Perry County" section of this Manual, the County should be committed to Items 6 (We Create Workforce Solutions) and 7 (Business-minded Educational Approach) regarding education and workforce training. The idea must be stressed – positive and sustainable economic development cannot occur without a considerable investment in human capital.

Specifically, HCTC, from their strategic plan, has committed to "...align programs and curricula with needs of employers that enhance the employability, job placement, and career development of HCTC graduates." Their priority initiatives (or action steps) are:

- Offer new non-credit classes on all campus locations with an emphasis on feeder classes to HCTC programs
- Increase job placement assistance to students
- Promote awareness of wage and salary ranges in various occupations regionally

In matrix form, their goal would appear as:

Goal	Align programs and curricula with needs of employers						
Objective	Enhance the employability, job placement, and career development of graduates						
	Action	2017	2018	2019	2020	2021	2022
Action 1	Offer new non-credit classes on all campus locations with an emphasis on feeder classes to HCTC programs						
Action 2	Increase job placement assistance to students						
Action 3	Promote awareness of wage and salary ranges in various occupations regionally						

Recommendations

- Pursue positive economic growth by following the recommendations of the three strategies
- Strengthen relationships with HCTC, EKCEP, SOAR and associated entities regarding education and workforce training

Marketing Plan

Due to the loss of coal severance tax funds and a declining tax base, the budget for a marketing plan will be limited. Therefore, the marketing plan must pinpoint specific industry targets. An effective marketing plan will magnify Perry County's strengths, but remains aware of its weaknesses and how they can be overcome. Internal marketing should be geared toward existing businesses, local governing bodies, economic development allies, and other stakeholders to keep existing businesses in place and in an active stage of positive growth. External marketing efforts should only begin after the specific targets are known, how they decide on choosing an area to locate or expand into, and how their needs compare with the resources Perry County has to offer.

The main goal of an effective marketing plan should be to recruit, attract, and acquire new businesses and industries, as well as new residents to Perry County.

From 33 partners engaging in direct interview, and 118 respondents to online surveys and public forums, 151 responses were gathered describing what Perry County's strengths are, and what industries should be targeted to locate in Perry County. The partners consisted of economic development allies, education professionals, business leaders, government officials, and others. The online surveys and public forums were responded to by the citizens of Perry County. A question on the survey asked for their occupation and, from the responses given, a representative cross-section of the population was captured.

From the *Winning Strategies* survey conducted by DCI, the most effective marketing tools were:

- Internet/website – 67%
- Planned visits to corporate executives – 64%
- Media relations/publicity – 48%
- Hosting special events – 46%
- Trade shows – 38%
- Advertising – 17%
- Direct mail – 14%
- Telemarketing – 6%

Using the listing of most effective forms of marketing approaches, the suggested marketing format will follow the first three most popular: internet/website, planned visits to corporate executives, and media relations/publicity.

The Perry County Economic Development Authority should be the single organization responsible for the marketing of Perry County's economic development strategy. By having one organization in the lead, a single point of contact is created that can provide prospective businesses and industries the information they require in deciding whether or not to locate in Perry County.

A fully consensual issue by those supplying data was the negative stereotype associated with Perry County regarding drug abuse, poverty, low educational attainment, dilapidated buildings, and trash. Efforts should be made to change the perception of Perry County. Accentuating the positive should be the main focus of all activities. In order to engage the younger population, establish: school programs to educate them on Perry County's history, a mentoring program with local government and businesses, and programs involving them in civic organizations.

First, the internet. A key component of a successful industry recruitment and/or promotion of tourism will be Perry County's website. Most industry site selectors, business prospects, and visiting tourists start their research on the internet. In order for Perry County to be found and selected, there must be web presence. Perry County's website will more than likely be the first opportunity to make a good impression on a potential industry, business, or tourist. When doing research for possible consideration of locating in an area, one of the most critical elements will be the current demographics of the area and its labor market area. Therefore, all marketing information contained on the website should highlight Perry County's strengths, and showcase all it

has to offer. Since stiff competition exists for possibly the same businesses and industries, Perry County must have an aggressive marketing strategy.

All information should be easy to find, up-to-date and thorough. Search engine optimization (SEO) is commonly overlooked when designing a website. By having a website that has been optimized for search engine accessibility, chances are greatly increased for notice ability since the website is easily searchable. It is extremely important for potential investors to be able to find the information they require when considering an area for location.

Second, planned visits to corporate executives. Once a potential business or industrial company has been identified, do the necessary due diligence to find out as much as possible about the company. Find out how they can compliment existing businesses in the County. Once sufficient information has been gathered, make an appointment to discuss the County's strengths and why they would be a good fit. The personal approach may be the difference in an expanding or relocating company selecting Perry County over other locations. Interpersonal relationships over fancy, over-priced advertising campaigns is recommended. A good first impression will include a well-informed discussion on the company's needs and how Perry County can attend to those needs. Whether those needs may be site, building, available workforce, etc., Perry County has the answer.

Third, media relations and publicity. A strong partnership should be developed between WSGS, the local radio station, WYMT, the local television station, and The Hazard Herald, the local newspaper. These forms of media have a very broad service area reaching several surrounding counties and other states. Web presence can be established with a no-nonsense website outlining Perry County's strengths and dispelling the negative stereotype others outside of the County may have. Every opportunity to highlight the positive aspects of the County should be capitalized upon. Strengthening Perry County's positives will raise the profile among target audiences, which can, in turn, catch the eye of those considering business ventures. A shrewd use of available media can override negative perceptions by giving those outside the County a clearer picture. There has been a lot of negativity by media in the past, so all positive events happening within the County should be publicized. Countless examples could be cited to show public perception being swayed by the media. Just as negative publicity has formed outside opinion, positive publicity can go to its reversal. City and County leaders should work hard to keep local media informed about various economic development projects and publicize even the most modest success. The idea is to replace rumors and gossip with accurate information about what the County is trying to accomplish.

As shown by respondents to the public survey, some feel there is lost hope and complacency. There will be some argue that Perry County would be waging a losing battle in trying to attract new business and industry, however, the attitude should be developed that to do nothing will only ensure the continual decline in quality of life. An effective and strategic marketing plan will portray Perry County as an attractive place for industries to be in business and for people to live. It will help generate leads, which will create jobs and employment opportunities, producing income tax revenue, which contributes to the county's general fund. Being successful in creating new job opportunities, the dependence on public assistance can be greatly reduced.

From the SWOT analysis, the top five consensus strengths and were identified as natural beauty, positive workforce, educational opportunities, sites for industry, and available health care. From the surveys, the top five target industries were manufacturing, adventure tourism, hospitality and service, information technology, and healthcare. These strengths should be accentuated in an aggressive marketing campaign targeted toward the top five industries.

Strategic Goals and Objectives

Goal 1: Establish the Perry County Economic Development Authority

Objective 1.1: Establish a single point of contact regarding Perry County's economic development

Action 1.1.1: Appoint/elect officers, priorities, etc.

Goal 2: Develop the Perry County brand/image

Objective 2.1: Develop a brand/image and encourage all stakeholders to speak in one voice

Action 2.1.1: Develop and adopt the brand/image

Goal 3: Encourage buy-in with existing businesses and economic development entities

Objective 3.1: Strengthen/maintain relationships with local businesses

Action 3.1.1: Attend scheduled meetings

Action 3.1.2: Create business roundtables

Action 3.1.3: Conduct periodic surveys on business needs

Goal 4: Develop a "Welcome to Perry County" brochure

Objective 4.1: Showcase Perry County's strengths, amenities and attractions

Action 4.1.1: Seek bids on the design and printing of the brochure

Action 4.1.2: Evaluate rack service providers for brochure distribution

Action 4.1.3: Distribute brochure to local hotels/motels, restaurants, and parks

Goal 5: Establish/enhance Perry County's economic development website

Objective 5.1: Develop a single website dedicated to the County's economic development efforts

Action 5.1.1: Work with HCTC IT department to design an interactive website

Action 5.1.2: Develop databases of available land and buildings to feature

Action 5.1.3: Work with local realtors to promote available business sites

Goal 6: Develop a Perry County's visitor's packet

Objective 6.1: Have a visitor's packet that promotes the County and dispels negative stereotype

Action 6.1.1: Work with the tourism commission to develop the packet

Action 6.1.2: Work with local tourism-related businesses to promote the packet

Goal 7: Develop a Perry County press packet

Objective 7.1: Have a packet available for non-local media

Action 7.1.1: Work with the tourism commission to develop the packet

Goal 8: Advertise in local, regional and state travel-related publications

Objective 8.1: Use travel-related publications to target tourism

Action 8.1.1: Work with the tourism commission to develop a targeted advertisement

Recommendations

- Develop county brand and logo and use it in all communications regarding the county
- Encourage buy-in with all entities associated with the county's economic development
- Develop a brochure
- Establish/enhance a single website dedicated to the county's economic development
- Develop visitor's packet, and press packet to promote the county
- Advertise, starting regionally, but eventually expanding state- and even nationwide
- Focus on business retention to show support and interest in their success

Intentionally Blank

Marketing Matrix

Goal 1	Establish the Perry County Economic Development Authority						
Objective 1.1	Establish a single point of contact regarding Perry County's economic development						
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Elect officers, priorities, etc.						
Goal 2	Develop the Perry County brand/image						
Objective 2.1	Develop a brand/image and encourage all stakeholder to speak in one voice						
Action 2.1.1	Develop and adopt the brand/image						
Goal 3	Encourage buy-in with existing businesses and economic development entities						
Objective 3.1	Strengthen/maintain relationships with local businesses						
Action 3.1.1	Attend scheduled meetings						
Action 3.1.2	Create business roundtables						
Action 3.1.3	Conduct periodic surveys on business' needs						
Goal 4	Develop a "Welcome to Perry County" brochure						
Objective 4.1	Showcase Perry County's strengths, amenities, and attractions						
Action 4.1.1	Seek bids on the design and printing of the brochure						
Action 4.1.2	Evaluate rack service providers for brochure distribution						
Action 4.1.3	Distribute brochure to local hotels/motels, restaurants and parks						
Goal 5	Establish/enhance Perry County's economic development website						
Objective 5.1	Develop a single website dedicated to the County's economic development efforts						
Action 5.1.1	Work with HCTC's IT department to design an interactive website						
Action 5.1.2	Develop databases of available land and buildings to feature						
Action 5.1.3	Work with local realtors to promote available business sites						
Goal 6	Develop a Perry County visitor's packet						
Objective 6.1	Have a visitor's packet that promotes the County and dispells negative stereotype						
Action 6.1.1	Work with the tourism commission to develop the packet						
Action 6.1.2	Work with local tourism-related businesses to promote the packet						
Goal 7	Develop a Perry County press packet						
Objection 7.1	Have a packet available for non-local media						

Action 7.1.1	Work with the tourism commission to develop the packet						
Goal 8	Advertise in local, regional and state travel-related publications						
Objective 8.1	Use travel-related publications to target tourism						
Action 8.1.1	Work with the tourism commission to develop a targeted advertisement						

*Lead: PFC = Perry Fiscal Court; EDA = Economic Development Authority

Implementation Plan

The Manual has been put together to identify major areas that can be improved to instill positive economic growth. The time frame for implementation is spread over a five-year period. This period was selected to allow adjustments to changes that may be recommended, which will be critical in attaining set goals. It should be noted, however, that some goals may take longer to reach than the set implementation period. Goals that are not reached within the period should not be given up on, rather, continued since some level of consistency has been established. Establishing consistency over the implementation period is the vital component to a successful strategy. During the implementation period, periodic evaluation must be performed to ensure action steps are being followed according to the Manual. Time between evaluations should not exceed one year to allow a full review of the action steps that have been and are being performed.

Implementation will consist of “action steps” which identify the who, what, where, when and how initiatives of the Manual are carried out to meet the objectives or goals. Action steps basically detail the methodology to be used to get to where we want to go. In lay terms, the implementation plan clarifies what must be done, the date by which it will be done by, and who is responsible for completing the task.

The Perry County Economic Development Implementation Manual has tried to define what the Perry Fiscal Court should pursue in order to achieve its economic development goals and objectives, so the implementation plan is meant to serve as the roadmap. Implementation considerations will include the goals, objectives, measurement criteria, identification of potential lead partners, and supporting partners. Potential costs and funding sources, as well as detailed measurable matrices or alternative action steps can be defined in an annual implementation work plan.

To develop a successful implementation plan, all those concerned must subscribe to the following central tenets:

1. Be realistic about the timeline to achieve goals. The Manual has been designed to be implemented over five years, however, the transition from the current status to a more robust and proactive economic development structure will not happen overnight and will likely require multiple budget cycles to implement.
2. Private sector trust must be earned. The Court must become a reliable and respected player in the real estate and development process. The Court must continue to solicit the involvement of its private sector partners in the implementation of the economic development vision.
3. All delegates of the Court should be given the ability to work within the confines of set policy. The Court will set policy and measure progress toward development goals.
4. All parties must rededicate themselves to better communication. This includes internal communication between County departments, municipalities within the County, private partners, developers, elected leadership and outside investors.
5. If expectations are for the Court to become “proactive” rather than “reactive” in its economic development pursuits, there will need to be significant and sustained investments of funding and political will. Along with this concept comes embracing change and assuming risk.

However, before the Manual is implemented, all features of the marketing plan must be in-place and evident. Targeted businesses and industries must have the confidence that Perry County is committed and fully engaged in programs that will promote and sustain positive economic growth. Implementation will consist of “action steps” which identify the who, what, where, when and how initiatives of the Manual will be carried out.

“Without continual growth and progress, such words as improvement, achievement, and success have no meaning.” - Benjamin Franklin

Strategic Goals and Objectives

Goal 1: Tell the Perry County Story

- Objective 1.1: Project a positive image for Perry County
 - Action 1.1.1: Develop a consistent theme and image to speak in “one voice”
 - Action 1.1.2: Improve the image of Perry County
 - Action 1.1.3: Develop an effective marketing campaign for region, state, global

Goal 2: Retention of Existing Businesses

- Objective 2.1: Pursue partnerships and alliances to promote a robust entrepreneurial culture
 - Action 2.1.1: Create business progress charts
 - Action 2.1.2: Create and strengthen public & private partnerships
 - Action 2.1.3: Increased tourism

Goal 3: Grow Perry County's Workforce

- Objective 3.1: Educate, train, re-train and attract a top-notch employment base
 - Action 3.1.1: Broaden workforce skills
 - Action 3.1.2: Create/strengthen educational partnerships
 - Action 3.1.3: Attract workforce talent

Goal 4: Increase Perry County's Quality of Life

- Objective 4.1: Create/maintain a high standard in education, recreation, and cultural resources
 - Action 4.1.1: Increase tourism opportunities
 - Action 4.1.2: Maintain high education standards
 - Action 4.1.3: Promote a “safe community”
 - Action 4.1.4: Create cultural and fine arts opportunities
 - Action 4.1.5: Enact and enforce blighted property issues

Goal 5: Clean up Perry County

- Objective 5.1: Enact/enforce regulations to improve the County's aesthetic value
 - Action 5.1.1: Create an inventory of all vacant structures that are commercially zoned
 - Action 5.1.2: Develop and/or enforce codes relating to vacant commercial structures
 - Action 5.1.3: Create an inventory of all vacant residences
 - Action 5.1.4: Develop and/or enforce codes relating to vacant residences

Goal 6: Planting the Seeds

- Objective 6.1: Make an effort to develop local entrepreneurs
 - Action 6.1.1: Work with HCTC to identify potential entrepreneurs
 - Action 6.1.2: Evaluate and implement a business incubator
 - Action 6.1.3: Use the BRE program to show potential businesses the County cares

Goal 7: Recruitment of New Businesses

- Objective 7.1: Attract new businesses and industries to the County
 - Action 7.1.1: Make a list of desired businesses/industries and do your homework on them
 - Action 7.1.2: Make appointments and go talk to them, the personal touch
 - Action 7.1.3: Ask for referrals from existing business owners
 - Action 7.1.4: Don't waste time and effort on non-compatible businesses

Goal 8: Electronic Infrastructure

- Objective 8.1: Make the effort to ensure broadband is available to all businesses and citizens
 - Action 8.1.1: Work with the various agencies and ISP's to extend broadband availability

Goal 9: Hard Infrastructure

Objective 9.1: Ensure that buildings, sites, utilities, and other services can handle growth
Action 9.1.1: Develop a database to document current condition of marketable properties

Goal 10: Planning, Implementation, and Evaluation

Objective 10.1: Develop action plan, implement, and evaluate progress

Action 10.1.1: Recognize trends and adapt accordingly

Action 10.1.2: After evaluation, revise plans or drop ineffective effort

Recommendations

- Keep the public and private sectors aware of economic development initiatives
- Establish a positive vision for the County
- In carrying out economic development initiatives, maintain the flexibility to adapt and modify, if necessary
- Through the evaluation plan, maintain awareness for possible threats to the intended outcome
- Develop a set of “early warning” signals to identify ineffectiveness to prevent waste of resources
- Be proactive, not reactive

Implementation Matrix

Goal 1	Tell the Perry County story						
Objective 1.1	Project a positive image for Perry County						
	Action	Lead	2017	2018	2019	2020	2021
Action 1.1.1	Develop a consistent theme and brand to speak in "one voice"						
Action 1.1.2	Improve the image of Perry Co.						
Action 1.1.3	Develop an effective marketing campaign for region, state, global						
Goal 2	Grow businesses						
Objective 2.1	Pursue new partnerships and alliances to promote a robust entrepreneurial culture						
Action 2.1.1	Create business progress charts						
Action 2.1.2	Create and strengthen public & private partnerships						
Action 2.1.3	Increased tourism						
Goal 3	Grow Perry County's workforce						
Objective 3.1	Educate, train, re-train and attract a top-notch employment base						
Action 3.1.1	Broaden workforce skills						
Action 3.1.2	Create/strengthen educational partnerships						
Action 3.1.3	Attract workforce talent						
Goal 4	Increase Perry County's Quality of Life						
Objective 4.1	Create/maintain a high standard in education, recreation, and cultural resources						
Action 4.1.1	Increase tourism opportunities						
Action 4.1.2	Maintain high education standards						
Action 4.1.3	Promote a "safe community"						
Action 4.1.4	Create cultural and fine arts opportunities						
Action 4.1.5	Enact and enforce blighted property issues						
Goal 5	Clean up Perry County						
Objective 5.1	Enact/enforce regulations to improve the County's aesthetic value						
Action 5.1.1	Create an inventory of all vacant structures that are commercially zoned						
Action 5.1.2	Develop and/or enforce codes relating to vacant commercial structures						

Action 5.1.3	Create an inventory of all vacant residences						
Action 5.1.4	Develop and/or enforce codes relating to vacant residences						
Goal 6	Planting the seeds						
Objective 6.1	Make an effort to develop local entrepreneurs						
Action 6.1.1	Work with HCTC to identify potential entrepreneurs						
Action 6.1.2	Evaluate and implement a business incubator						
Action 6.1.3	Use the BRE program to show potential businesses the County cares						
Goal 7	Recruitment of new Businesses						
Objective 7.1	Attract new businesses and industries to Perry County						
Action 7.1.1	Make a list of desired businesses/ industries and do your homework on them						
Action 7.1.2	Make appointments and go talk to them, the personal touch						
Action 7.1.3	Ask for referrals from existing business owners						
Action 7.1.4	Don't waste time and effort on non-compatible businesses						
Goal 8	Electronic Infrastructure						
Objective 8.1	Make the effort to ensure broadband is available to all businesses and citizens						
Action 8.1.1	Work with various agencies and ISP's to expand broadband availability						
Goal 9	Hard Infrastructure						
Objective 9.1	Ensure that buildings, sites, utilities, and other services can handle growth						
Action 9.1.1	Develop a database to document current condition of marketable properties						
Goal 10	Planning, implementation, and evaluation						
Objective 10.1	Develop action plan, implement and evaluate progress						
Action 10.1.1	Recognize trends and adapt accordingly						
Action 10.1.2	After evaluation, revise plans or drop ineffective effort						

Evaluation Plan

In order to evaluate economic development efforts, metrics need to be developed that can show what impact those efforts are having. Evaluation serves a dual function as providing a basis for improving the quality of policy and programs, and a means to verify achievements against intended results. Having evaluation metrics in place would serve to:

- show how effective the efforts are in the attraction of new businesses and opportunities
- show any interested party how the efforts affect the unemployment rate, poverty rate, and increase in quality of life
- have a means of comparison with other counties, the state and the nation

An effective evaluation plan will require a “baseline” for interpretation within the evaluation framework if it is to show the “distance traveled” from the inception of the plan. The baseline is an analytical description of the situation prior to intervention; a point in time from which progress will be assessed and comparisons made. At this starting point, multiple baselines should ideally be recorded for all the econometric information at the outset of the plan, and on which the plan has been founded, such as the post-secondary school graduation rate now versus the rate at some point in the future. This will present a profile position against which future effects will be assessed.

Listed below are a set of key macro indicators of a thriving community. The Manual recommends that these indicators be the core of a set of community level data collected and made available to government and business leaders in order to help businesses, governmental agencies, and nonprofits plan more effectively. These indicators could be monitored in order to help gauge the need for shifts in a range of strategies, including those in this Manual as well as potentially in other institutions’ plans. Note: these are not evaluation measures for the Manual itself; the activities of the Manual itself are only likely to have limited impact on any these. However, if these indicators do not move in the desired direction, someone should ask the question, ‘why’? And if that answer shows the need for changes in strategies or activities, then adjustments can be made.

Evaluation Key Indicators

Education

- Student/teacher ratios
- Secondary school graduation rate
- School test scores
- Educational attainment percentage
- Post-secondary enrollment
- Post-secondary graduation rate
- Available programs at post-secondary schools

Technology

- Percentage of availability in homes, schools, and businesses
- Speed and capacity of data transfer
- Affordability of service

Adventure Tourism and Recreation

- Retail sales vs. funding spent on tourism
- Average length of stay
- Activities available

- Customer satisfaction
- Repeat customers
- Restaurant tax collected
- Transient tax collected (if enacted)

Healthcare

- Number and type of medical services available
- Increase in revenues
- Leakage
- Options available for extended and assisted care

New and Existing Businesses

- Unemployment rates
- New businesses established
- Retail sales
- Per capita and household income
- Existing businesses retained
- Commercial store front vacancy time
- Number of businesses in the targeted industry sectors
- Cluster businesses established
- Total revenues from County businesses

Demographics

- Number or percentage of people with health insurance
- Crime rates
- Reduction in poverty rate
- Reduction in negative health issues
- Decrease in outward migration
- Population growth

The indicators used must be susceptible to measurement, or qualitative judgment, or both at reasonable cost. A quantitative indicator is anything that can be expressed as a number and a qualitative indicator cannot be expressed as a number, rather as gender, socioeconomic status, etc. In some cases proxy assessments may be more appropriate. All assumptions on the use and relevance of the indicator should be stated at various stages, such as an example of an employment initiative intervention, covering the value of investment, the number of interviews, the number gaining employment, and the percentage employed. Such indicators need to be chosen carefully, to be relevant to the intervention, sensitive to its scope, readily measured and as much as possible, attributable to the intervention.

A key issue for success in use of the matrix is practicality and efficiency. The matrix must remain manageable if it is to be practical. A single indicator may provide meaningful demonstration of progress for more than one plan objective.

“It is time for us all to stand and cheer for the doer, the achiever – the one who recognizes the challenges and does something about it.” - Vince Lombardi

Recommendations

- Publicize all successful gains from economic development activity

- Keep the public, private and business sectors aware of progress revealed by evaluation
- Maintain records to show the results of economic development initiatives
- Through evaluation, modify initiatives when and where necessary to maintain effectiveness

Evaluation Matrix

Key Indicators							
	Education	2016	2017	2018	2019	2020	2021
Indicator	Student/teacher ratios						
Indicator	Secondary school graduation rate						
Indicator	School test scores						
Indicator	Educational attainment percent						
Indicator	Post-secondary enrollment						
Indicator	Post-secondary graduation rate						
Indicator	Available programs at post-secondary schools						
	Technology	2016	2017	2018	2019	2020	2021
Indicator	Percentage of availability in homes, schools and businesses						
Indicator	Speed and capacity of data transfer						
Indicator	Affordability of service						
	Adventure Tourism and Recreation	2016	2017	2018	2019	2020	2021
Indicator	Retail sales vs. funding spent on tourism						
Indicator	Average length of stay						
Indicator	Activities available						
Indicator	Customer satisfaction						
Indicator	Repeat customers						
Indicator	Restaurant tax collected						
Indicator	Transient tax collected (if enacted)						
	Healthcare	2016	2017	2018	2019	2020	2021
Indicator	Number and type of medical services available						
Indicator	Increase in revenues						
Indicator	Leakage						
Indicator	Options available for extended and assisted care						
	New and Existing Businesses	2016	2017	2018	2019	2020	2021
Indicator	Unemployment rates						
Indicator	New businesses established						

Indicator	Retail sales						
Indicator	Per capita and household income						
Indicator	Existing businesses retained						
Indicator	Commercial store front vacancy time						
Indicator	Number of businesses in the target industry sector						
Indicator	Cluster businesses established						
Indicator	Total revenues from County businesses						
	Demographics	2016	2017	2018	2019	2020	2021
Indicator	Number or percentage of people with health insurance						
Indicator	Crime rate						
Indicator	Reduction in poverty rate						
Indicator	Reduction in negative health issues						
Indicator	Decrease in outward migration						
Indicator	Population growth						

Summary of Recommendations

Manufacturing

- Proactively market the region, nationally and globally, in collaboration with other economic development partners utilizing enhanced recruitment materials and website content
- Conduct recruiting missions and attend trade shows in collaboration with regional partners
- Host and foster business development opportunities
- Respond timely to requests for information from clients and partners
- Update and maintain market intelligence data, including demographics, employment, economic and real estate information, including top available sites for Perry County
- Partner with and promote HCTC in a drone technology program
- Work with all partners to strive to be a premier drone technology hub

Adventure Tourism and Recreation

- Maintain and strengthen region's position as a tourist destination
- Promote existing attractions
- Promote a variety of additional year-round tourist attractions
- Focus resources on future tourism initiatives, including those identified in the community visioning process
- Foster enhanced recreational access to local attractions as an economic development strategy
- Promote and encourage preservation of the region's historic assets
- Explore ways to increase State and Federal funding for historic preservation
- Explore ways to remove barriers to preservation
- Educate the public on the economic benefits of historic preservation

Hospitality and Service

- Work with the Hazard-Perry County Tourism Commission to advertise Perry County
- Create/strengthen relations with visitor-related businesses in the County
- Strengthen partnerships with state tourism commissions to find hoteliers looking to expand
- Attend industry trade shows to find out which hotels, motels, and restaurants are expanding
- Evaluate a plan to construct a civic/conference center (Harlan and Morehead have done this)

Information Technology

- Extend broadband Internet to all residents of Perry County and have available for potential tech businesses
- Use broadband availability to recruit potential tech businesses
- Building on the Sykes concept, recruit additional call center and back office operations
- Recruit businesses whose management holds quality of life and rural setting as a priority
- Research grant opportunities for existing tech business expansion
- Explore the capability of attracting telemedicine opportunities in coordination with HCTC

Healthcare

- Work with ARH and Primary Care Center to promote their services and expansion efforts
- Recruit health care cluster businesses
- Work with HCTC and Galen College of Nursing to attract and increase student enrollment

Agriculture

- Create/strengthen alliance with Perry Count Schools Farm-to-School Program
- Create/strengthen alliance with HCTC agriculture programs
- Promotion of additional farmer's markets
- Establish a partnership with local institutions to utilize locally grown foods
- Evaluate the forming of a local food council
- Evaluate a financial assistance program to encourage local farmers

Existing Business Retention and Expansion

- Survey existing business owners to understand needs and concerns
- Establish a relationship with existing business owners that shows support
- Evaluate a recruitment plan for cluster businesses to compliment existing businesses

Education and Economic Development

- Pursue positive economic growth by following the recommendations of the three strategies
- Strengthen relationships with HCTC, EKCEP, SOAR and associated entities regarding education and workforce training

Marketing Plan

- Develop county brand and logo and use it in all communications regarding the county
- Encourage buy-in with all entities associated with the county's economic development
- Develop a brochure
- Establish/enhance a single website dedicated to the county's economic development
- Develop visitor's packet, and press packet to promote the county
- Advertise, starting regionally, but eventually expanding state- and even nationwide
- Focus on business retention to show support and interest in their success

Implementation Plan

- Keep the public and private sectors aware of economic development initiatives
- Establish a positive vision for the County
- In carrying out economic development initiatives, maintain the flexibility to adapt and modify, if necessary
- Through the evaluation plan, maintain awareness for possible threats to the intended outcome
- Develop a set of "early warning" signals to identify ineffectiveness to prevent waste of resources
- Be proactive, not reactive

Evaluation Plan

- Publicize all successful gains from economic development activity
- Keep the public, private and business sectors aware of progress revealed by evaluation
- Maintain records to show the results of economic development initiatives
- Through evaluation, modify initiatives when and where necessary to maintain effectiveness

Appendix A

Expanded Demographic Profile

Summary ¹						
	Percent			Numerical Value		
	Perry Co	Kentucky	USA	Perry Co	Kentucky	USA
Demographics						
Population ²	--	--	--	27,565	4,425,092	321,418,820
Population Annual Avg. Growth ²	-0.5%	0.6%	0.8%	-129	24,235	2,590,222
Median Age ³	--	--	--	40.2	38.1	37.2
Under 18 Years	21.7%	23.6%	24.0%	6,244	1,023,371	74,181,467
25 to 34 Years	12.6%	13.0%	13.3%	3,625	566,216	41,063,948
35 to 44 Years	14.0%	13.3%	13.3%	4,030	576,662	41,070,606
45 to 54 Years	15.7%	14.8%	14.6%	4,518	643,097	45,006,716
55 to 64 Years	13.8%	12.4%	11.8%	3,970	538,993	36,482,729
65 to 74 Years	8.0%	7.5%	7.0%	2,305	325,314	21,713,429
75 Years and Older	5.4%	5.8%	6.0%	1,540	252,913	18,554,555
Race: White	96.5%	87.8%	72.4%	27,706	3,809,537	223,553,265
Race: Black or African American	1.5%	7.8%	12.6%	435	337,520	38,929,319
Race: Am. Indian or Alaska Native	0.1%	0.2%	0.9%	37	10,120	2,932,248
Race: Asian	0.5%	1.1%	4.8%	148	48,930	14,674,252
Race: Native Hawaiian and Other Pac. Islander	0.0%	0.1%	0.2%	4	2,501	540,013
Race: Some Other Race	0.3%	1.3%	6.2%	92	55,551	19,107,368
Race: Two or More Races	1.0%	1.7%	2.9%	290	75,208	9,009,073
Hispanic or Latino (of any race)	0.6%	3.1%	16.3%	185	132,836	50,477,594
Economic						
Labor Force Participation Rate and Size (civilian population 16 years and over) ⁴	48.4%	59.4%	63.5%	11,061	2,063,756	157,940,014
Armed Forces Labor Force ⁴	0.0%	0.4%	0.4%	0	15,502	1,025,497
Veterans, Age 18-64 ⁴	3.8%	6.4%	5.8%	689	175,899	11,371,344
Median Household Income ^{3,4}	--	--	--	\$32,302	\$43,342	\$53,482
Per Capita Income ^{3,4}	--	--	--	\$18,606	\$23,741	\$28,555
Poverty Level (of all people) ⁴	26.6%	18.9%	15.6%	7,306	803,866	47,755,606
Households Receiving Food Stamps ⁴	32.0%	17.3%	13.0%	3,520	294,172	15,089,358
Mean Commute Time (minutes) ⁴	--	--	--	21.5	22.8	25.7
Commute via Public Transportation ⁴	0.3%	1.1%	5.1%	23	19,839	7,157,671
Union Membership ⁵	11.2%	10.6%	11.1%	--	--	--
Educational Attainment, Age 25-64						
No High School Diploma ⁴	24.9%	13.1%	12.0%	3,929	305,746	19,939,890
High School Graduate ⁴	34.1%	33.2%	26.5%	5,370	772,264	44,000,387
Some College, No Degree ⁴	17.8%	21.9%	21.9%	2,807	508,991	36,270,359
Associate's Degree ⁴	9.8%	8.3%	8.7%	1,537	193,998	14,487,486

Bachelor's Degree ⁴	6.9%	14.2%	19.7%	1,090	330,399	32,646,533
Postgraduate Degree ⁴	6.5%	9.2%	11.2%	1,023	213,815	18,533,513
Housing						
Total Housing Units ⁴	--	--	--	12,801	1,938,836	132,741,033
Median House Value (of owner-occupied units) ^{3,4}	--	--	--	\$69,200	\$121,600	\$175,700
Homeowner Vacancy ⁴	2.6%	2.2%	2.1%	210	25,814	1,591,421
Rental Vacancy ⁴	6.4%	6.6%	6.9%	215	39,625	3,105,361
Renter-Occupied Housing Units (% of Occupied Units) ⁴	28.2%	32.3%	35.6%	3,103	550,223	41,423,632
Occupied Housing Units with No Vehicle Available (% of Occupied Units) ⁴	12.5%	7.9%	9.1%	1,373	133,688	10,594,153
Social						
Enrolled in Grade 12 (% of total population) ⁴	1.1%	1.3%	1.4%	300	56,130	4,443,768
Disconnected Youth ^{4,6}	5.5%	3.6%	3.3%	74	8,251	572,277
Children in Single Parent Families (% of all children) ⁴	37.0%	35.5%	34.7%	1,935	335,779	24,388,185
Disabled, Age 18-64 ⁴	26.1%	15.6%	10.2%	4,679	420,765	19,703,061
Disable, Age 18-64, Labor Force Participation Rate and Size ⁴	24.2%	32.5%	41.2%	1,134	136,662	8,119,295
Foreign Born ⁴	0.6%	3.4%	13.1%	170	147,809	41,056,885
Speak English Less Than Very Well (population 5 years and over) ⁴	0.3%	2.1%	8.6%	69	87,157	25,305,202

Source: JobsEQ®

1. Census 2010, unless noted otherwise.
2. Census 2015, annual average growth rate since 2005.
3. Median values for certain aggregate regions (such as MSAs) may be estimated as the weighted averages of the median values from the composing counties.
4. ACS, 2010-2014.
5. 2014; Current Population Survey, unionstats.com, and Chmura; county- and zip-level data are best estimates based upon industry-, MSA-, and state-level data.
6. Disconnected Youth are 16-19 year olds who are (1) not in school, (2) not high school graduates, and (3) neither unemployed or not in the labor force.
7. Census 2010, unless noted otherwise.
8. Census 2015, annual average growth rate since 2005.
9. Median values for certain aggregate regions (such as MSAs) may be estimated as the weighted averages of the median values from the composing counties.
10. ACS, 2010-2014.
11. 2014; Current Population Survey, unionstats.com, and Chmura; county- and zip-level data are best estimates based upon industry-, MSA-, and state-level data.
12. Disconnected Youth are 16-19 year olds who are (1) not in school, (2) not high school graduates, and (3) neither unemployed or not in the labor force.

Appendix B

Tax Revenues

Restaurant Tax

Currently, Perry County has a hotel/motel, or transient room tax in place. In addition to the three percent (3%) transient room tax authorized by KRS 91A.390, the city legislative body in an authorized city may levy an additional restaurant tax not to exceed three percent (3%) of the retail sales by all restaurants doing business in the city. All moneys collected from the tax authorized by this section shall be turned over to the tourist and convention commission established in that city as provided by KRS 91A.350 to 91A.390. From the Kentucky League of Cities:

- Cities of the previous fourth and fifth class are authorized by KRS 91A.400 to levy a tax on restaurant sales to fund local tourism commissions. All money received from a restaurant tax must be turned over to the community's tourism and convention commission. A consolidated local government is authorized by KRS 153.460 to impose a restaurant tax to fund the operating costs of a multipurpose arena.
- Only around 16 percent of cities allowed to levy a restaurant tax have chosen to do so. Although restaurant taxes accounted for only one percent of total tax collection, they provided \$11.2 million in revenue in FY 2011.

According to the Kentucky League of Cities, neighboring cities that levy a restaurant tax:

City	County	ADD	Class	2010 Pop	Tax Rate
Cumberland	Harlan	Cumb. Valley	4	2,237	3.0%
Evarts	Harlan	Cumb. Valley	5	962	3.0%
Harlan	Harlan	Cumb. Valley	4	1,745	3.0%
Jackson	Breathitt	KY River	4	2,231	3.0%
Morehead	Rowan	Gateway	4	6,845	3.0%
Paintsville	Johnson	Big Sandy	4	3,459	3.0%
Pikeville	Pike	Big Sandy	4	6,903	2.0%
Pineville	Bell	Cumb. Valley	4	1,732	3.0%
Prestonsburg	Floyd	Big Sandy	4	3,255	3.0%
Salyersville	Magoffin	Big Sandy	4	1,883	2.5%

There are, as of June 30, 2015, forty-five cities that levy a restaurant tax. The average city size is 4,545 and the average tax levied is 2.6%.

Vacant Property Tax

Not just in our county and downtown, but many communities experience the problem of too many vacant and/or blighted properties. Why are they vacant?

In some cases, the land may not be worth much. It could be that construction may not be physically feasible, or the surrounding area is so dilapidated that an individual property owner has no hope of getting a tenant even if the property is improved. In other cases, vacant blighted properties sit on land that is valuable, so

why are those properties still vacant?

It could be that these properties stay vacant because a reasonable price cannot be agreed upon between land/building owners and potential tenants. It could be that land/building owners are expecting far higher prices than potential tenants can afford to pay. The land/building owners can afford to hold out because the county and/or city's tax system either does not have, or does not enforce a vacancy tax.

City/county government could ask vacant land/building owners to consider accepting lower rent to allow start-ups and other businesses to occupy the property. If this is unsuccessful, one solution to this problem would be to enact a land value tax. The land value tax would provide vacant property owners an incentive to find additional money to pay the higher tax bill if they continued to leave the property vacant. This measure would introduce strong pressure to accept lower rent or continue to pay the additional tax.

Another solution could be a vacant property tax. The language of the statute could state: "a property that is vacant for a period of time exceeding 6 months will be taxed an additional 1.5 percent of assessed value tax, in addition to the normal assessed value tax on the property." This additional tax could give owners of vacant property a strong incentive to lower prices in order to get the property occupied.

The administration of the tax should be simple. Properties already have an assessed value in the Property Valuation Administrator's office, so no additional work would be required from those imposing the tax. Commercial or rental property owners will have to show an income from the property or pay the tax. If they choose to lie about a vacancy, they will end up paying tax on income they are not receiving. Payment of the tax would be made to the Sheriff's office just as regular property tax is paid. Liens against non-payment would follow the same procedures as regular property tax. It is imperative to keep administration, enforcement, collection, etc. on the county level.

This will have a hugely positive economic effect. Rent typically accounts for 30-40 percent of the consumption basket of ordinary workers and often more than 50 percent for low-income workers. If this tax could lower average rents by 10 percent, it would effectively raise real wages by 3-4 percent. This would make the process of internal devaluation far more palatable to workers. Falling rents on commercial properties should also be a boon to business.

While many of the people who will be hit by falling land prices are not wealthy, property owners as a whole are certainly much better off than those without property. And the people who will pay the most tax will be holders of highly valued vacant properties.

Appendix C

Financial Incentives

In order to attract new businesses and assist in the expansion of existing businesses, there are financial incentives can provide a mutually beneficial deal with the goal of reducing a company's initial investment to capitalize on profitability in the short-term. Below are summaries of the most utilized local and state incentives. Further details about Kentucky State Incentives and Programs can be found at ThinkKentucky.

Payroll Grant

Kentucky Business Investment (KBI) Program

This grant provides 5 percent of gross wages for up to 15 years for qualifying projects (10-plus new jobs, capital investment of at least \$100,000, average wage of at least \$9.06/hour plus benefits of an additional 15 percent)

Corporate Tax Rebate

Kentucky Business Investment (KBI) Program

This credit can provide up to 100 percent of corporate income or limited liability entity tax arising from a project. The company may collect up to 100 percent of initial investment over a 15 year period of time as a credit against state corporate taxes.

Sales & Use Tax Refund

Kentucky Enterprise Initiative Act (KEIA)

For new or expanding projects, KEIA provides a refund of Kentucky sales and use tax paid by approved companies for building and construction materials permanently incorporated as an improvement to real property. KEIA is also available for Kentucky sales and use tax refunds for eligible equipment.

Free & Reduced Property

Real Estate Grants

We understand the need for your project to reduce start-up costs and are open to working on a mutually beneficial deal to get your project running and profitable as quickly as possible. Local Government entities will consider low-cost or free lease/sale transactions on property, existing buildings and/or build-to-suit for qualifying projects based on the number of jobs, wages and total investment dollars. These incentives are negotiable with Regional Industrial Development Authorities and Local Municipalities on publicly owned properties and are considered on a project-by-project basis.

Workforce/Cost of Labor Incentives

Workforce Training Incentives

By utilizing Kentucky's College System, new industry may qualify for up to 100% of eligible training costs associated with the hiring of new employees. The KCTCS-Trains program offers customizable workforce and industry training to relocating or expanding companies. Additional workforce incentives and grants are available through the Bluegrass State Skills Corporation. Other potential lending sources at or below market rates can be applied for through Mountain Association for Community Economic Development (MACED), Kentucky Highlands Investment Corporation (KHIC), Southeast Kentucky Economic Development (SKED), US Small Business Administration (SBA), and others.

OJT Funding

Through our regional group, Eastern Kentucky Concentrated Employment Program (EKCEP), federal On-The-Job Training Funds may be used to cover up to 50% of new employee wages for a period of up to six months. This program provides significant payroll savings while putting our highly skilled laborers back into the workforce. This program is considered on a case-by-case basis and is not guaranteed.

Loans & Bonds

Direct Loan Program

The Kentucky Economic Development Finance Authority (KEDFA) encourages expansion and job creation by providing business loans to supplement other financing. The Direct Loan Program provides loans at below-market interest rates for fixed asset financing for agribusiness, tourism, industrial ventures, or the service industry.

Industrial Revenue Bonds

IRBs issued by state and local governments in Kentucky can be used to finance manufacturing projects and their warehousing areas, major transportation and communication facilities, most health care facilities, and mineral extraction/processing projects.

Appendix D

Perry County Employer Data

2014 Total Civ Labor Force (CLF)

10,645 (From EKCEP Regional Strategic Plan 2014-2017)

2014 Employed Labor Force

9,484 (From EKCEP Regional Strategic Plan 2014-2017)

Employer	Period	Prev	2016	Chg	% Chg	2016 % of CLF	NAICS
Ad East, Inc.	2011-2016	5	6	1	20.0%	0.1%	44
Appalachian Reg Med Center (1)			1392			14.7%	62
Asplundh	2015-2016	95	95	0	0.0%	1.0%	56
Buckhorn Lake State Park	2011-2016	50	39	-11	-22.0%	0.4%	72
Chris Gooch, CPA	2016-2016	8	8	0	0.0%	0.1%	52
City of Hazard	2011-2016	160	160	0	0.0%	1.7%	90
Community Trust Bank	2011-2016	33	28	-5	-15.2%	0.3%	52
Eastern KY Veterans Center	2012-2016	168	170	2	1.2%	1.8%	62
Federal Express	2011-2016	25	30	5	20.0%	0.3%	54
Hazard Comm & Tech College (8)	2012-2016	263	232	-31	-11.8%	2.4%	61
Hazard Health & Rehab Center (6)	2013-2016	375	265	-110	-29.3%	2.8%	62
Hazard Independent Schools	2010-2016	139	132	-7	-5.0%	1.4%	61
Hazard-Perry Co Comm Ministries	2011-2016	45	26	-19	-42.2%	0.3%	62
Hospice of the Bluegrass	2011-2016	120	94	-26	-21.7%	1.0%	62
JC Penney	2016-2016	42	42	0	0.0%	0.4%	44
Kentucky River Area Dev District	2011-2016	13	21	8	61.5%	0.2%	56
Kentucky State Police	2015-2016	72	72	0	0.0%	0.8%	92
LKLP Comm Action Council (7)	2011-2015	314	244	-70	-22.3%	2.6%	56
LKLP Head Start	2011-2015	181	149	-32	-17.7%	1.6%	61
Lowe's Home Improvement	2011-2016	143	157	14	9.8%	1.7%	44
Perry County Bd of Education (2)	2011-2016	645	634	-11	-1.7%	6.7%	61
Perry County Coal Corporation (10)	2011-2016	636	192	-444	-69.8%	2.0%	21
Perry County Government	2011-2016	109	127	18	16.5%	1.3%	90
Perry County Public Library	2011-2016	17	23	6	35.3%	0.2%	61
Premier Integrity Solutions	2016-2016	2	2	0	0.0%	0.0%	62
Primary Care Center (9)	2012-2016	145	201	56	38.6%	2.1%	62
State of Kentucky (3)	2011-2016	522	561	39	7.5%	5.9%	90
Sykes (4)	2011-2016	213	364	151	70.9%	3.8%	54
TVS Cable	2016-2016	3	3	0	0.0%	0.0%	51
UK Center for Rural Health	2011-2016	126	104	-22	-17.5%	1.1%	62
UPS	2016-2016	35	40	5	14.3%	0.4%	54
Walmart (5)	2013-2016	332	361	29	8.7%	3.8%	44
Wellcare Health Plans, Inc.	2016-2016	30	30	0	0.0%	0.3%	52
Whayne Supply	2011-2016	150	70	-80	-53.3%	0.7%	44
WYMT Television	2011-2016	47	54	7	14.9%	0.6%	51
Totals		5263	6128	-527	-10.0%	64.61%	

Top 5 Industry Sectors

Health Care and Social Assistance		2254				36.8%	62
Educational Services		1170				19.1%	61
Government		848				13.8%	90
Trade, Transportation, Utilities		636				10.4%	44
Services		434				7.1%	54

Source: Direct Interview

Note: This chart reflects only those willing to participate in the survey. Others were asked, but did not supply data.

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