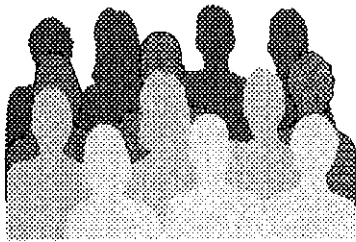




What We Envision:

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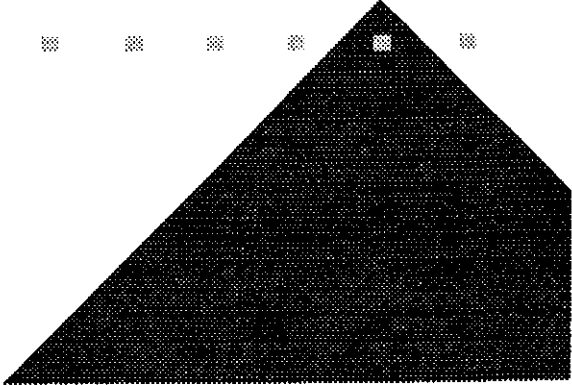
**A Strategic Plan
for Future
Development**



Jackson County, Kentucky

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*A Cooperative Project of the Jackson County
Development Association, USDA Forest Service,
Eastern Kentucky University Center for Economic
Development, and the Citizens of Jackson County*



What We Envision: A Strategic Plan for Future Development

Jackson County, Kentucky

A Cooperative Project of the
Jackson County Development Association
P.O. Box 455
McKee, Kentucky 40447

and the U.S. Forest Service
Berea Ranger District

Prepared by the Center for Economic Development
at Eastern Kentucky University

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May 1995

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EXECUTIVE SUMMARY

BACKGROUND

For over ten years, the Jackson County Development Association has been working to make Jackson County a better place to live and work. During that time Jackson County has had some notable successes, including completion of the Jackson County Regional Industrial Park in Annville, and establishment of Mid South Electrics which now employs approximately 700 people. Thanks to members of the Development Association and the Jackson County Industrial Authority, Specialty Plastics recently located in the McKee Industrial Park. They expect to employ up to 130 people when they reach full production. Major improvements to U.S. 421 at Big Hill, which links the northern half of Jackson County with the rest of the state and improvements to KY 30, linking the county with London and points south, are about to reach fruition through the continued efforts of the Development Association.

Recognizing that a successful community development strategy must go beyond traditional industrial recruitment and infrastructure development, in early 1994 the Development Association decided to look at ways to diversify the county's economy and maintain the quality of life. The Association applied to the USDA Forest Service for funding to assess the county's current situation and develop a strategic plan to guide future actions. The project was funded and the Association contracted with the Center for Economic Development at Eastern Kentucky University (EKU) to conduct the study. The assessment phase of the study was underway by August. Meanwhile, Jackson County fiscal court agreed to participate in a cooperative application with Clinton and Wayne Counties and the Kentucky Highlands Investment Corporation (KHIC) for federal designation as a rural Empowerment Zone. In December, the county learned the application was one of three approved nationwide. Along with this Empowerment Zone (EZ) designation, the county will receive approximately \$20 million in federal funds to implement a comprehensive community development strategy.

What We Envision: A Strategic Plan for Future Development is the result of an eight-month study of Jackson County's problems and opportunities. The plan sets forth both long-term and short-term goals, objectives, and strategies for addressing the county's problems and for taking advantage of opportunities such as the Empowerment Zone designation. Some of the plan's recommendations are drawn from the strategic plan developed by Kentucky Highlands as part of the EZ application. However, *What We Envision* looks more closely at where Jackson County has been and where the people of Jackson County want it to be in the future.

The first step in developing the plan involved soliciting county-wide citizen input concerning perceptions of the county's strengths and weaknesses, and what vision citizens have for the county's future. Several hundred citizens participated in two separate assessments (one conducted by KHIC for the Empowerment Zone and one by ECU's Center for Economic Development). The assessment included a field survey of people in various parts of the county conducted by students enrolled in a field study course at ECU. The Center for Economic Development gathered extensive data on Jackson County's economy, infrastructure, and quality of life. These data were analyzed to determine what problems and opportunities the county will face in the future. The Development Association sponsored a public hearing to present the findings to the community and get feedback. The authors utilized information and ideas gleaned from the field survey, extensive discussions with community leaders, and feedback from the public forum to develop a statement of the community's "vision and values" relating to the three primary areas of this plan: Economic Opportunities, Infrastructure, and Quality of Life. Working closely with the Development Association, the authors then developed a series of goals and objectives that will guide the county in realizing its vision for the future.

EXECUTIVE SUMMARY

COMMUNITY ASSESSMENT

Citizen Survey

When asked the question, "What do you consider to be the greatest strengths that this community has for future development?" half of the citizens responding to our field survey ranked "people" as the county's greatest asset. They described the people of Jackson County as good, friendly, caring, hard-working, and supportive. Jackson County's natural resources ranked next in importance. A quarter of those surveyed mentioned the county's forests, scenic views, farmland, clean air, and availability of land. Equal portions of those surveyed mentioned the county's small town atmosphere and the industrial park as key assets. Other positive comments were made regarding the lack of crime, the schools, and traditional values.

Respondents were also asked to comment on what they considered to be the major problems facing the county. About a third of those surveyed mentioned inadequate roads, especially U.S. 421 at Big Hill, as their top concern. Lack of jobs and the need for better-paying jobs was second in importance and politics came in third. Lack of a vocational school and the need for public services such as water, sewer, transportation, and a jail were mentioned by about eight percent of respondents. Other issues that were mentioned include lack of recreation and shopping facilities. Ten percent of those surveyed mentioned quality of life issues such as too much welfare, widespread poverty, social decline, loss of educated youngsters, moral decline, and apathy.

The survey also asked what citizens would like the county to accomplish in the future. Providing more job opportunities was the top priority for most residents with improved roads and improved education receiving the two next highest marks. More recreation and entertainment opportunities and better selection of goods and services were also mentioned. Other issues included reducing welfare, providing more parking, reducing out-migration, and restoring family values.

Economic Assessment

Unlike many neighboring counties in eastern Kentucky, the county's population is relatively stable and is expected to grow slightly between now and 2020. Many people are concerned about the out migration of young people. While the county has experienced a significant decrease in the percentage of people in the under 18 age group, it still has a higher than average percentage of young people due to historically higher birth rates. This means the county can expect to have an available work force to attract new employers.

Although there has been a significant influx of new jobs over the past few years, jobs are still limited in Jackson County and many are low-paying. The average weekly wage rate is 75 percent of the state average. Being a bedroom community to a regional economy means half of the county's resident workers commute to other counties in order to find employment. Many of the county's educated residents leave to find work elsewhere. The local economy relies heavily on primary economic activities such as farming and logging and on government transfer payments. The lack of value-added manufacturing and business establishments results in fewer tax revenues to support needed services.

Since much of the county's economic opportunity is related to the natural resource base, it is important to pay attention to sustaining those resources. Forestry surveys indicate that the quality of the county's timber resource is "fair" to "poor." Too much of the county's timber is being cut and shipped out of the county as logs with no value added. There is some concern that increased logging using improper logging methods is further degrading the quality of the forests, causing soil erosion, and harming water quality. Forest ecosystems provide economic opportunities beyond the wood industry. The county has not adequately explored these opportunities or the potential for ecology-based tourism or "eco-tourism."

Jackson County is one of 15 Kentucky counties considered at risk from a significant decline in tobacco quotas. Projections by the Kentucky Long-Term Policy Research Center suggest the county could lose over \$2 million dollars of tobacco income and the equivalent of 142 jobs over the next 10 years. Tobacco income accounts for 5.3 percent of the county's personal income. These losses could occur in fewer than 10 years, depending on how and when quotas are reduced.

Nearly 62 percent of county residents in 1990 had not graduated from high school. Almost 44 percent had less than a ninth-grade education. Only five percent had a bachelor's degree or higher. Many of the county's best-educated residents leave the county to find work elsewhere. There is a great need to increase the educational and skill level of the existing adult population, both workers and unemployed persons. Without a better-prepared work force, it will be difficult to convince businesses to locate in the county.

In 1993, Jackson County ranked 106 out of Kentucky's 120 counties in terms of tourism and travel expenditures. An estimated 20 people were employed in the tourism and travel sector at that time. Although the amount of tourism and travel expenditures increased by nearly 22 percent from 1992 to 1993, tourism and travel remains an underdeveloped sector with significant potential.

Infrastructure Assessment

Like many other local governments, Jackson County's resources are limited. Because there are not sufficient resources to accomplish everything at once, the county needs to develop a coordinated approach for funding infrastructure improvements based on priorities established by citizens.

Limited road access is partly responsible for some of the good things about Jackson County; its natural beauty and small town atmosphere. Nonetheless, limited access has also contributed to the county's economic woes causing many to leave the area to be closer to employment. Improving the county's transportation system will open the county up to more economic development and more visitors and make it quicker and safer for county residents who commute.

In 1990, 45 percent of the county's homes relied on wells, cisterns, or "other" water supply sources. According to the Kentucky Department for Health Services, 47 percent of the private wells tested by local health departments in Kentucky from 1993-94 revealed bacterial contamination from human or animal waste. Although public water systems are serving more people in the county, many rural areas are still not served. Future growth of some areas is likely to be inhibited by the lack of safe drinking water and hydrants for fire protection. According to a recent study, Beulah Lake and the seven-acre reservoir which supplies McKee are insufficient to meet the county's future water needs.

In 1990, 10 percent of the county's residents were served by McKee's public sewer system; 74 percent were using septic tanks or cesspools; and 17 percent of the homes in Jackson County had no septic system at all. Proper operation of septic tanks is limited by clay, bedrock, and high water tables. The lack of public sewer services creates an opportunity for pollution of surface and groundwater from improperly functioning septic systems and from homes that have "other means" of sewage disposal, such as piping it to a nearby creek. The potential for an outbreak of hepatitis-A or other serious waterborne diseases is increased where households rely on groundwater and do not have adequate sewage disposal.

Although the county has four volunteer fire departments, fire protection in rural parts of the county is limited by the lack of hydrants.

Sixteen percent of the county's housing units do not have complete plumbing and 12 percent have incomplete kitchen facilities. Poverty prevents many home owners and renters from renovating their homes to meet generally accepted standards.

The county could use several new or renovated spaces to serve a variety of public functions. The county's jail was recently closed because it did not meet state and federal criteria. The county is spending much more than budgeted to transport and house prisoners at facilities in nearby counties and cannot afford to continue this approach. The City of Annville needs a government/community center to house public offices, records, and documents and to provide public meeting space.

Quality of Life Assessment

Jackson County has a problem which many other communities share: a relatively small percentage of its citizens participate in community affairs. Many people complain about the county's problems. They blame things on politicians, greed, and the good-ol-boy system. Some are cynical about the ability of local governments to solve local problems and many are distrustful of elected officials. Citizens are involved in

EXECUTIVE SUMMARY

church activities, social organizations, charitable organizations, and sports activities but this activism has seldom carried over into the political/government arena.

Access to emergency medical services in Jackson County is severely limited. Because the county is not likely to be capable of supporting a hospital or emergency room any time in the near future, other alternatives should be explored.

Arts and cultural activities in the county are limited and historic resources are under developed as an economic tool.

Lack of affordable child care and lack of transportation are frequently cited by poor people and people on welfare as barriers to full employment. Fourteen percent of the county's households have no vehicle. Single-parents, especially women, often feel they are better off not working because the cost of child care is more than they can handle on low-wage jobs. Until these barriers are removed, a number of people, particularly women, will not become labor force participants.

Although Jackson County has vast natural resources and is home to several endangered species, there have been no attempts to inventory the county's environmental resources and to assess environmental quality. Without this basic information, it is difficult to pay more than lip service to the idea of protecting the environment.

Jackson County can be expected to grow as a result of the Empowerment Zone and implementation of this plan. There are two choices in addressing that growth. It can happen haphazardly or it can be carefully planned. Planned development requires some sort of formal working group which establishes criteria for making decisions about how and where growth occurs, based on the collective sense of the community. This group must be empowered by local government ordinance in order to have any authority as a planning body.

THE ACTION PLAN

Economic Goals

Vision and Values: *We envision an economy that equitably provides opportunities for satisfying livelihoods and a safe, healthy, high quality of life for current and future generations. We desire greater choices in the kinds of jobs for local residents so that our young and educated people do not have to leave the county to pursue careers. We need to make better use of our natural resources through value-added manufacturing and through promotion of tourism. We recognize the social and economic value of family farms and will work to preserve the county's farming community. We need an educated and literate work force and are committed to the concept of lifelong learning for residents of all ages. We want to protect the environment and alleviate poverty and dependence on welfare. These values should be taken into consideration when allocating public resources for development purposes.*

The following goals shall guide the county's overall economic development efforts with the intent of achieving the vision. Specific objectives and strategies for accomplishing these goals are included in the Action Plan.

Goal 1: Increase employment options within the county with an emphasis on jobs that pay higher wages.

Goal 2: Increase the value of and return on the county's forest resources.

Goal 3: Develop a diversified, sustainable agricultural base and reduce dependence on tobacco farming.

Goal 4: Develop a work force that is prepared for work in the 21st Century.

Goal 5: Increase tourism and travel expenditures and employment in Jackson County.

Infrastructure Goals

Vision and Values: *We envision an efficient and affordable physical system to support our economy and the development of tourism, and to improve the quality of life for all Jackson Countians. We believe decisions regarding expansion of infrastructure and utilities should be made equitably on the basis of health and safety, economy of service, and need and not on political considerations. We believe every citizen has a right to affordable, safe, and sanitary housing. We believe that infrastructure projects should be planned and implemented with a goal of protecting the environment. We believe citizens have a right and a duty to participate in decisions regarding infrastructure development.*

The following goals shall guide the county's infrastructure development efforts with the intent of achieving the vision. Specific objectives and strategies for accomplishing these goals are included in the Action Plan.

Goal 1: Coordinate infrastructure planning and development.

Goal 2: Improve the county's transportation system.

Goal 3: Provide safe drinking water and an adequate water supply to all residents and businesses of Jackson County.

Goal 4: Provide access to sanitary sewer service in all areas where it is economically feasible and access to alternative systems which protect the environment where sewer service is not feasible.

Goal 5: Provide fire protection throughout the county.

Goal 6: Provide access to decent and affordable housing for all county residents.

Goal 7: Provide public facilities to meet the legal and practical obligations of local governments.

Quality of Life Goals

Vision and Values: *We envision a citizenry that is engaged in civic affairs, shares a vision and unity of purpose, and works together toward the realization of the same. We believe access to quality health care is a fundamental right, regardless of income. We have pride in our community and region and believe in educating others about our rich cultural heritage. We will work to provide access to child care and transportation services in order to encourage employment and discourage dependence on welfare. We believe a clean environment is essential to maintaining our quality of life.*

The following goals shall guide the county's efforts to enhance the quality of life for all residents with the intent of achieving the vision. Specific objectives and strategies for accomplishing these goals are included in the Action Plan.

Goal 1: Build social capital by facilitating citizen involvement in government and community affairs.

Goal 2: Improve access to emergency medical care.

Goal 3: Increase understanding and appreciation of the arts, cultural heritage, and historic resources in order to promote the county's quality of life assets.

Goal 4: Provide affordable child care and access to transportation for working parents.

EXECUTIVE SUMMARY

Goal 5: Learn more about the quality of Jackson County's environment in order to maintain it as a quality of life asset.

Goal 6: Develop an on-going planning process to prepare for the future.

IMPLEMENTING THE ACTION PLAN

Jackson County is governed by a county judge/executive and three magistrates. McKee and Annville are each governed by a mayor and six council members. Neither the cities nor the county have established comprehensive planning as an on-going function of local government. Land use planning for the sake of managing growth and development has not been a major issue because the county is relatively unpopulated. However, the county continues to be one of the poorest in the nation and some believe only a serious and long-term planning effort can change things. The Development Association has taken a lead role by initiating this planning effort. The county judge/executive and the mayors of McKee and Annville serve on the Association's board and have participated fully in this effort. While the Association has served as the catalyst for developing this plan, it will be up to all three local governments and the citizens of Jackson County working cooperatively to turn this plan into reality.

Following are specific short-term strategies that are scheduled for implementation in the first three years. Other strategies have been identified for implementation over the long-term. The county's ability to implement this plan will depend, in large part, on the cooperation of local citizens and public and private organizations and on the availability of funding. Implementation strategies and schedules will be reviewed periodically and adjusted according to actual progress. If an ongoing planning process is implemented as recommended by this plan, then the various committees established under this plan will serve as a vehicle for reviewing and revising the plan to meet the county's changing needs. This plan is intended to set the overall framework for this planning process.

Phase 1 (to be completed in one year)

- Hire an Economic Development Director
- Prepare a promotional brochure
- Initiate an entrepreneurship training program
- Sponsor a public forum on forest-related industry opportunities
- Establish a committee to develop an infrastructure plan
- Identify potential sites for a regional airport
- Upgrade the package treatment plant at the industrial park
- Establish a committee to look at building code enforcement and subdivision regulations
- Form an environmental resources committee to conduct an environmental inventory

Phase 2 (to be completed in three years)

- Construct and market a speculative building in the Industrial Park in Annville
- Establish a Venture Capital Fund
- Develop a logger/landowner education plan to improve forests
- Attract a secondary wood manufacturer to the county
- Work with Kentucky Woodcrafts to help them expand
- Request funding for a sustainable agriculture demonstration farm
- Establish a \$1 million credit line for farmers
- Establish an Alternative Agriculture Venture Fund
- Establish a Job Readiness Training Program and a sheltered workshop for people with disabilities
- Start a mentor program for at-risk students
- Establish a college scholarship fund for low-income students
- Develop a Comprehensive Tourism Development Plan and promotional brochure
- Hold a public forum on the draft infrastructure plan
- Sponsor a public forum on codes enforcement and land use planning issues

- Construct or renovate a facility to serve as the county detention center
- Purchase radio equipment for county ambulances
- Organize an Arts Council
- Establish an on-going planning function for the county

BACKGROUND

Jackson County was established in 1858, with its 337 square miles of land area having been carved out of all the surrounding counties except Lee (Figure 1). It is a rural county consisting of small population clusters with an economy that has revolved primarily around farming and logging activities. Interaction between Jackson County and the outside world has been largely in one direction--outward. Young people have migrated to other destinations in search of employment. Many residents make the daily commute to work in surrounding counties. Raw materials, such as wood and coal, are extracted and processed outside the county.

There are formidable obstacles to successful community development in Jackson County. The county is isolated from the mainstream flow of activities on interstate highways. Two major highways traverse the county, U.S. 421 in a north-south direction, and Kentucky Highway 30 in an east-west direction, but they are two-lane roads that meander across the rolling landscape. Lying within the Appalachian Highlands, Jackson County's topography poses problems for development. Much of the county is either in steep slope or in flat, narrow bottom lands that are subject to periodic flooding. The county's traditional reliance on natural resource extraction and public assistance, along with the exportation of its labor supply, has caused it to struggle continuously to be economically successful.

With a population base of 12,000 and no single community with more than 1,000, the county is definitely rural. Although its small town atmosphere is what endears many people to Jackson County, size is also a limiting factor in that it places constraints on local government's ability to generate sufficient revenues to meet increasing demands for services. Small size also contributes to problems in the selection of goods and services. Not only are the population numbers low, but on the qualitative side, educational attainment lags behind the average for the state and the nation.

One of the most positive changes in the county in recent years has been the formation of the Jackson County Development Association in 1984. This broad-based grassroots citizen organization has undertaken the challenge to improve the quality of life by actively pursuing a number of specific programs and projects. Included among the Association's early efforts were proposals for a new reservoir, a new hospital, a golf course, airport, and other related projects.

The newly approved Empowerment Zone designation promises to bring significant changes to Jackson County. The total impact, in terms of EZ funds, other leveraged funds, and financial incentives, will amount to millions of dollars being spent on development efforts.

ORGANIZATION OF THE PLAN

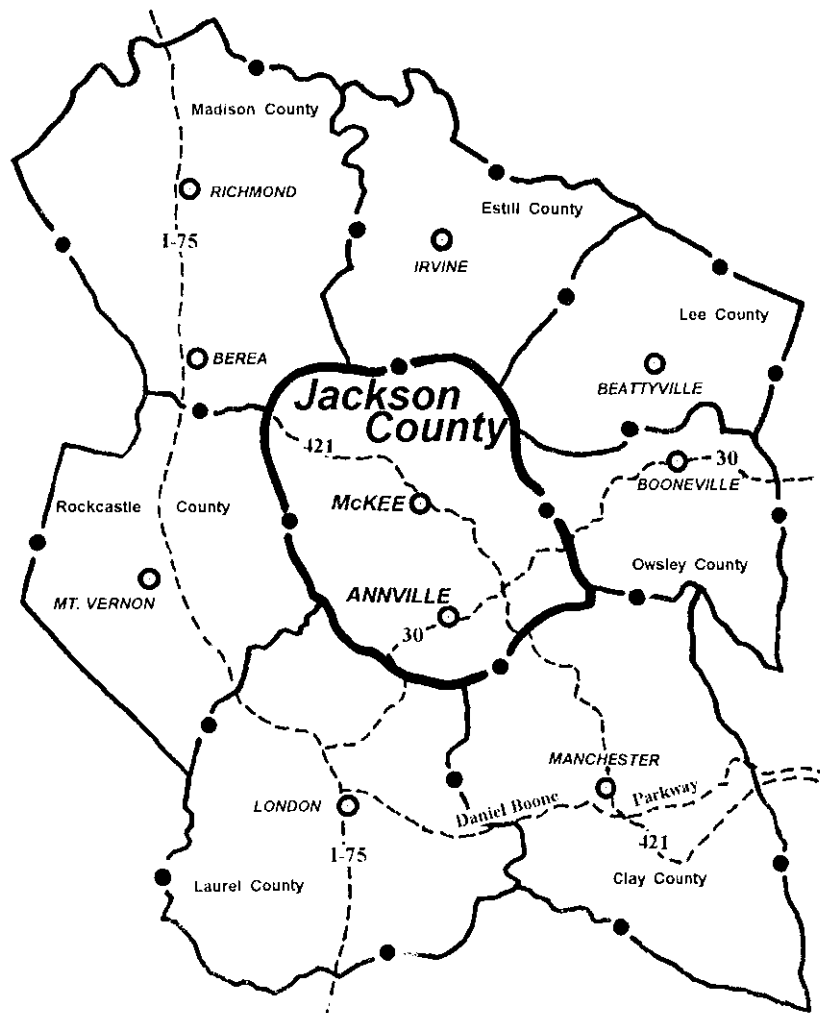
This plan follows the process associated with the rational model of community planning. Six steps, operating in a cyclical fashion, are incorporated in developing the county's action plan: 1) An assessment of the county to identify its strengths and weaknesses and an examination of trends that are projected for the future; 2) The establishment of general directions based on statements of goals and objectives; 3) The determination of more specific directions through the development of action strategies; 4) Selection of desirable strategies; 5) Implementation; and 6) Monitoring the process and changes to ensure that what the community set out to accomplish is actually becoming a reality. In essence, the process is both a planning and a development process. The functions of the individual steps and their relationship to each other are illustrated in Figure 2.

GUIDING PRINCIPLES

Community planning is a means of getting things done. It is a process that attempts to guide public decision-makers by looking ahead and anticipating expected and desirable changes. A community's success in planning depends upon a number of qualities that should be incorporated into the process: 1) The plan should be comprehensive--taking into consideration the entire area and total functions involved; 2) It should be a continuous process--a process without interruption due to political or related shifts; 3) It should be a

Jackson County Vicinity Map

Figure 1

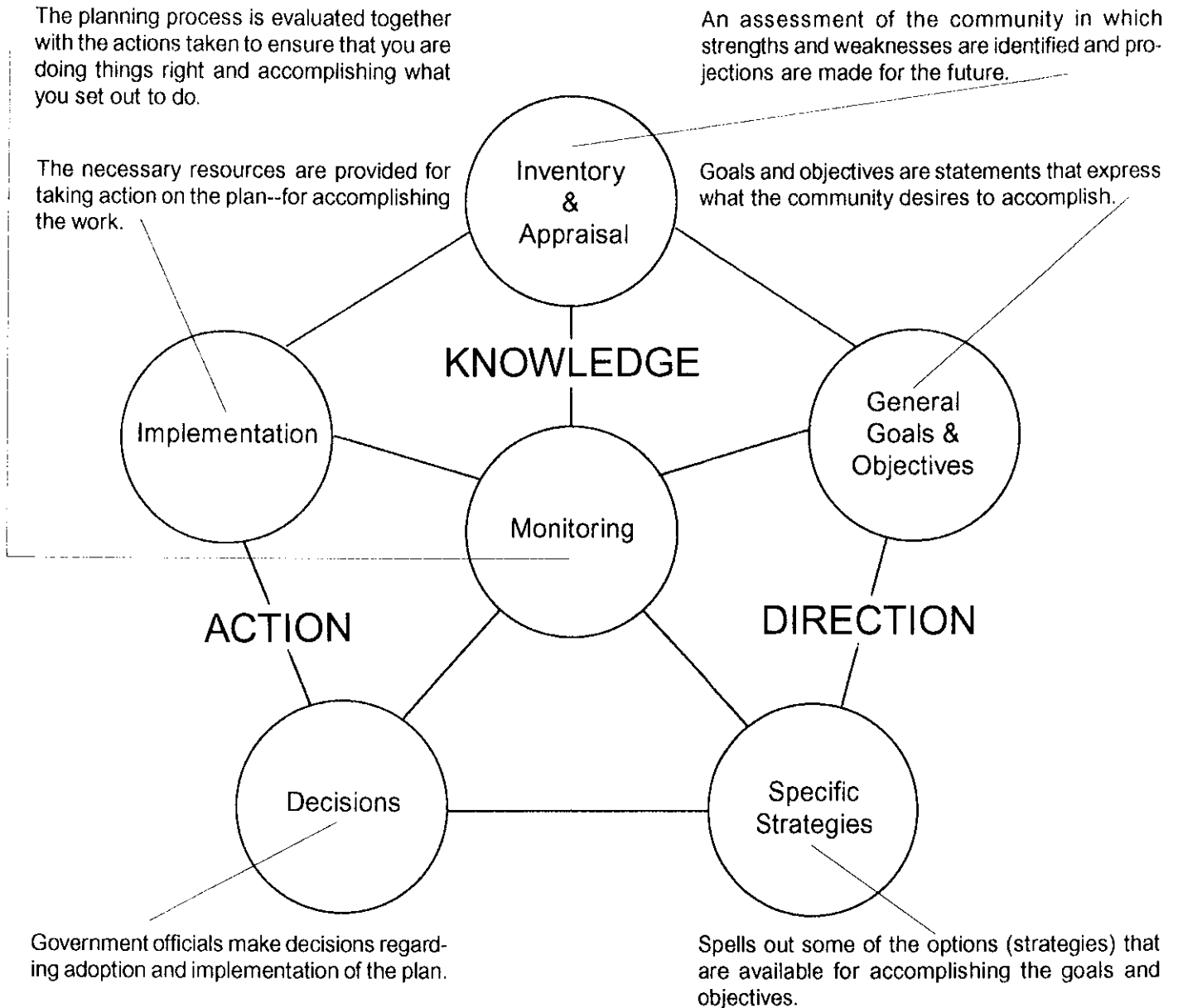


Legend

- County Boundaries
- - - Major Highways
- Cities

The Planning and Development Process

Figure 2



Source: Ronald L. Marionneaux, ECU Department of Geography and Planning.

coordinated effort--within the community, both private and public sectors; 4) It should be creative--willing to try new methods of dealing with long-standing problems; 5) It should be feasible--capable of being completed in a reasonable fashion; 6) It should address future needs in short-term, intermediate, and long-term time frames; and 7) It should be understood and supported by a majority of the citizens.

COMMUNITY ASSESSMENT

The first step in the development of the county's plan involved soliciting county-wide citizen input concerning perceptions of the county's strengths and weaknesses, and what the county should be like in the future. Several hundred citizens participated in the two separate assessments (one conducted by KHIC for the Empowerment Zone and one by ECU's Center for Economic Development), and the findings were quite similar. Additional information was obtained through interviews of key community officials/leaders, group meetings, field surveys, monitoring of the local newspaper, review of secondary sources, and public forums. A summary of ECU's citizen survey is included below.

A SURVEY OF CITIZEN PERCEPTIONS

1. *What do you consider to be the greatest strengths that this community has for future development? Respondents were asked to list several and then to rank them in importance.*

<u>Response</u>	<u>Percentage*</u>
The people (good, friendly, hard-working, supportive, caring)	51
The resources (scenery, forests, agriculture, availability of land, recreation, clean air)	23
Small town atmosphere (everybody knows everybody, not crowded, small size communities, small population, closeness)	9
The industrial park and Mid-South Electrics	9
Others (lack of crime/violence, schools, location, desire for growth, traditional values)	<u>8</u> 100

2. *What do you consider to be the major problems facing this community? Respondents were asked to list several and then to rank them in importance.*

Inadequate roads/access (Big Hill was mentioned specifically by many respondents.)	31
Lack of job opportunities (need for more jobs, better-paying jobs)	22
Politics (in general, in the schools, lack of involvement, not caring, not using money wisely)	11

COMMUNITY ASSESSMENT

Schools (no vocational school, lack of discipline)	8
Public Services (inadequate sewage disposal and water service, need for a hospital, better public transportation, jail)	8
Entertainment (lack of things to do in leisure time, need for choices in recreation)	6
Shopping (lack of selection in goods and services, need another grocery store, more eating places)	4
Other (too much welfare, widespread poverty, social decline, loss of educated youngsters, moral decline, apathy, location)	<u>10</u>
	100
3. What would you like the community to accomplish in the future?	
Provide more job opportunities	38
Improve the roads (U.S. 421 in particular)	19
Improve education	11
Provide more recreation and entertainment opportunities	10
Provide better selection of goods and services	9
Other (reduce welfare, provide more parking, reduce out-migration, restore family values)	<u>13</u>
	100

**Figures are rounded.*

The majority of people responding to the assessment ranked "people" as the most important asset in the county. Such terms as "good, friendly, caring, supportive, and hard-working" were repeatedly expressed. Much of the assessment confirms that Jackson County's greatest resource is its citizens.

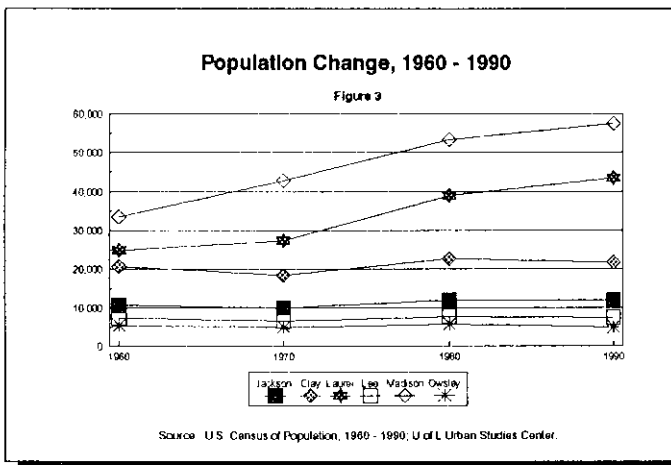
In addition to the citizen surveys, EKU's Center for Economic Development conducted an extensive review of primary data sources including 1990 Census reports and reports of state Cabinets, agencies, and organizations. The preliminary findings were presented to the Jackson County Development Association in one of their regular monthly meetings and to a public forum held at the county courthouse. Subsequently, the information has been screened further and the results are presented below. The format emphasizes the major findings of the study, and illustrates key points through use of graphics. Additional supporting data, some of which are referenced in the text, are included in Appendix A.

THE POPULATION BASE

Population is the key component of any community plan. The plan is designed to meet the needs of the citizens. In order to understand the community, we need to know something about the total number of people, their distribution, and selected characteristics (age composition, level of educational attainment, health status). Finally, we need to look at how these factors have changed in the past, and what we can expect in the future. A reliable estimate of projected numbers of people is vital to assessing other community needs such as the number of houses needed, jobs to be created, amount of water to be consumed, and solid waste to be disposed of.

Population

Jackson County's population has remained relatively steady over the years. There has been a slight increase since 1960, but the trend changed in the 1980s as the county experienced a slight decline from 12,006 to 11,965 (Figure 3). A natural increase of 568 (births over deaths) was offset by a net out-migration of 609 (Figure 4). Kentucky had the 49th lowest birth rate in the nation during the 1980s. Although birth rates are down, population projections for the next 25 years show an estimated increase of 530, or 4.4 percent (Figure 5). This estimate could be somewhat low based on the potential economic boost to the area resulting from Empowerment Zone efforts.



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Age Composition

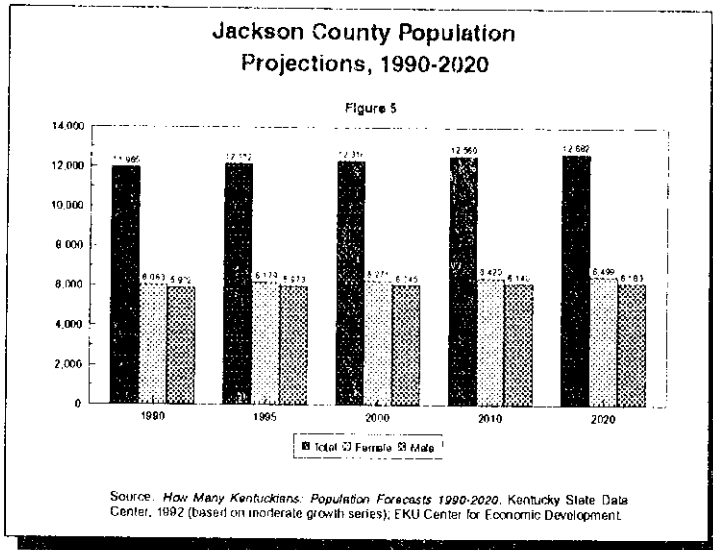
During the 1980s, only two states lost a greater percentage of young people than Kentucky. Nineteen Kentucky counties experienced a decrease of 20 percent or more in the number of persons under 18 years of age. Jackson County is one of 59 Kentucky counties

that experienced between 10 and 19.9 percent decrease in the under 18 age group (Appendix A, Figure 52). Although the number of young people in Jackson County is decreasing at a fast pace, the county still has a higher percentage of youth than many other counties in the state. Like several eastern Kentucky counties, Jackson County is now benefiting from historically higher birth rates.

Figures 6 and 7 illustrate that as the county loses young people, the percentage of elderly population to total population (13.1 percent in 1990) is increasing. This is part of a state-wide trend which is expected to continue through 2020 when persons 65 and over will account for 15.6 percent of the county's population and 16.7 percent of the state's population. As the baby boom generation ages, Kentucky is expected to be one of the first states in the nation to reach an "inverted pyramid" population model where the number of elderly people exceeds the number of working age people and young people comprise the smallest part of the total population. The increase in average age will heighten demand for elderly housing, health care, and other social services.

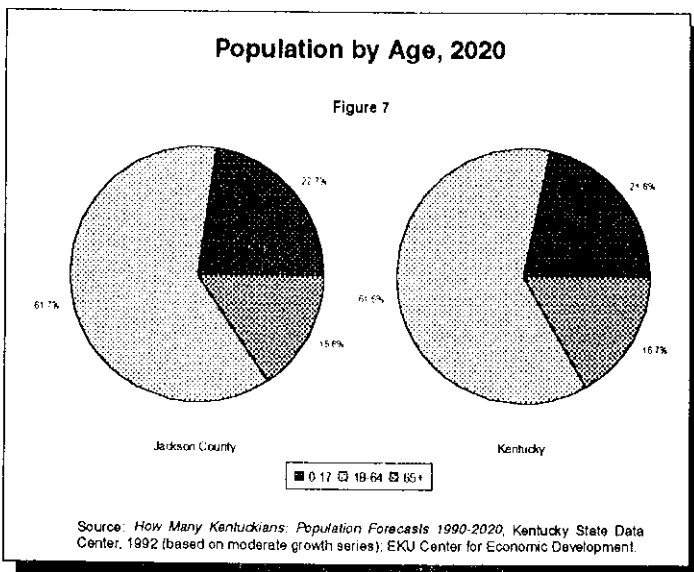
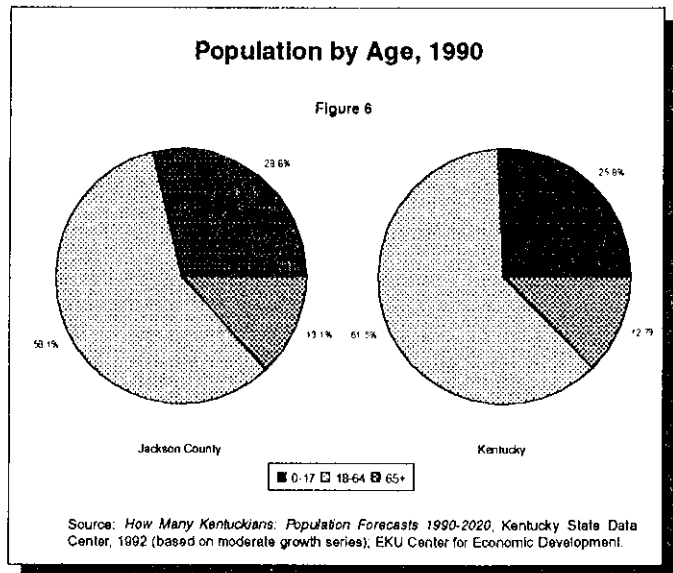
Selected Areas	Change	Percent	Natural Incr.	Net Migration	Percent
Jackson County	-41	-0.3	568	-609	-5.1
Clay County	-1,006	-4.4	2,026	-3,032	-13.3
Laurel County	4,456	11.4	2,626	1,830	4.7
Lee County	-332	-4.3	249	-581	-7.5
Madison County	4,156	7.8	3,014	1,142	2.1
Owsley County	-673	-11.8	189	-862	-14.7
CVADD	-4,533	-2.0	12,745	17,368	-7.6
Kentucky	24,986	0.7	167,106	-171,678	-4.7

Source: 1994 Kentucky Deskbook of Economic Statistics, EKU Center for Economic Development



Jackson County's population is expected to reach 12,682 by the year 2020, an increase of 530 people.

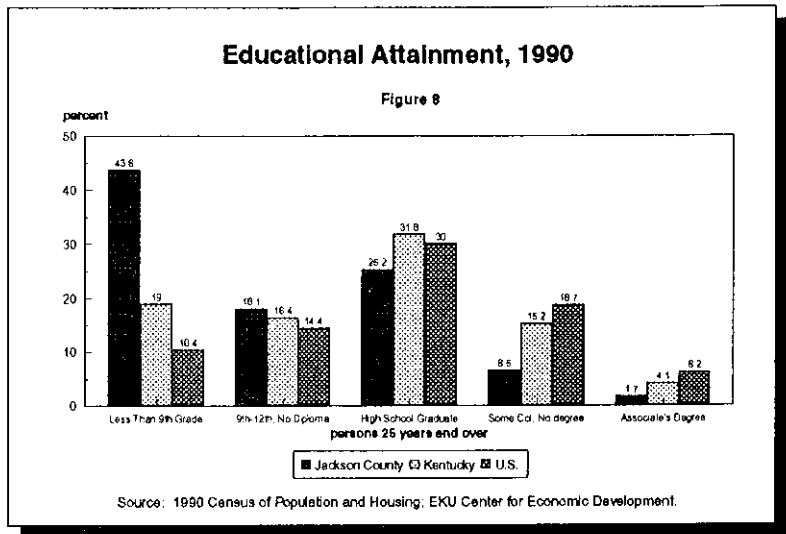
Jackson County is one of 59 Kentucky Counties that experienced between 10 and 19.9 percent decrease in the under 18 age group.



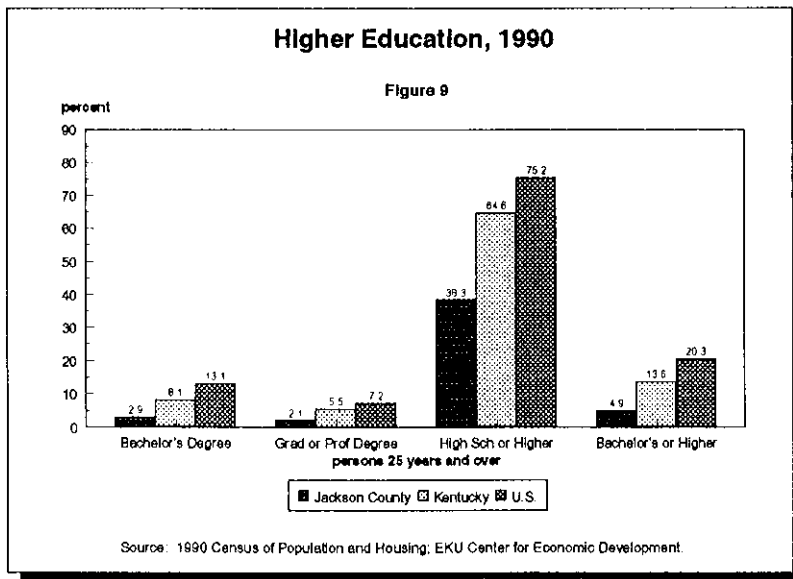
Although the number of young people in Jackson County is decreasing at a fast pace, the county still has a higher percentage of youth than many other counties in the state.

Educational Attainment

Jackson County's educational attainment levels are quite low. In 1990, 61.7 percent of the population had not graduated from high school (Figure 8). Almost 44 percent had less than a ninth-grade education, far below the state and national figures. Only 4.9 percent of the population had attained a bachelor's degree or higher (Figure 9). Part of the reason for the apparent low educational attainment of county residents is that many of Jackson County's best and brightest leave the county in search of higher degrees or employment. Some of these people have returned upon retirement. The availability of low-paying jobs which require no education beyond high school may actually discourage some people from pursuing additional training.



A recent report indicated substantial improvements for some of the county's schools in KIRIS test results. Additionally, according to the *Kentucky Kids Count 1993 County Data Book*, the percent of students graduating from high schools increased from 54.2 percent in 1982 to 57.3 in 1992. In spite of this gain, the county still ranked 114th out of 120 in this measure. The implications of educational lag are severe in terms of solving some of the other problems Jackson County is facing.



THE ECONOMY

Much of the interest in Jackson County's planning centered on the economic situation. The need for more job opportunities, more diversification of the economy, a desire for better-paying jobs, expanded use of resources, and development of a sustainable economy were given as desirable outcomes of the planning process.

The economy is the key sector of the community in that it provides revenues needed by other sectors. Most people desire a good job, one

that pays well, and one that will open some of the doors to a better quality of life. Local citizens recognize that their natural environment is of paramount importance in any long-term effort to improve the economy and they desire to see it used wisely and efficiently.

Jackson County's economic base has centered around activities in the primary sector (farming, logging, and mining or quarrying) to a large degree. Manufacturing (the secondary sector) has comprised a small fraction of the total work force, while trade and services (tertiary sector) has increased in importance in recent years. The status of the economy is described and illustrated in the following summary.

Agriculture

Farming is still an important part of the county's economy, accounting for almost nine percent of mean household income (compared to nine percent in Kentucky, and 11 percent in the U.S.). The market value of farm products sold in 1992 was \$10.5 million, up from \$9.1 million in 1982 (Figure 10). In 1992 there were 789 farms, down from 946 in 1982. These farms covered 80,692 acres, down from 90,299 in 1982 (Figure 11). Most of the farms were relatively small in size with almost 85 percent being less than 180 acres, and the average size being 102 acres. The number of full-time farmers is declining (Figure 12) and the average age of farmers is going up.

Tobacco is by far the leading crop, accounting for approximately 87 percent of the total market value of all crops in 1992 (Figure 13). Jackson County is one of 15 Kentucky counties considered "at risk" should tobacco quotas experience a major decline. Projections by the Kentucky Long-Term Policy Research Center suggest the county could lose over \$2 million of tobacco income and the equivalent of 142 jobs over the next 10 years. Tobacco income accounts for 5.3 percent of the county's personal income. These losses could occur in fewer than 10 years, depending on how and when quotas are reduced (Figure 14). Although there have been some efforts to diversify agriculture (Figures 13 and 15), there is considerable potential for further diversification.

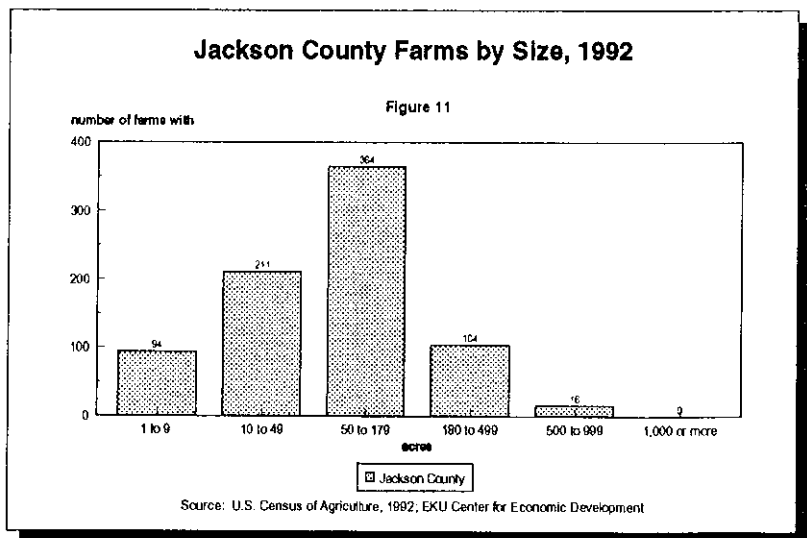
Jackson County Farm Statistics, 1982 vs 1992

Figure 10

	1982	1992
Number of Farms	946	789
Land in Farms (acres)	90,299	80,692
Average Size of Farm (acres)	95	102
Average Value of Farms	\$60,000	\$82,994
Average Value per Acre	\$653	\$739
Average Age of Operator	48.6	51.7
Market Value of Farm Products Sold	\$9,094,000	\$10,495,000
Average Value of Products per Farm	\$9,613	\$13,301
Farm Receipts from Crops	\$5,849,000	\$6,508,000
Farm Receipts from Livestock and Poultry	\$3,245,000	\$3,986,000
# Farms with Sales Less than \$2,500	235	184
# Farms with Sales \$2,500 - \$4,999	278	179
# Farms with Sales \$5,000 - \$9,999	195	186
# Farms with Sales \$10,000 and 99,999	231	231
# Farms with Sales \$100,000 and over	5	9
Total Woodland Farms	678	564
Woodland Farm Acreage	39,214	32,057
Percent of Woodland Acres Not Pastured	77.9%	70.1%

Source: U.S. Census of Agriculture, 1982 and 1992; EKU Center for Economic Development.

The number of farms in Jackson County is decreasing as is the total farm acreage. As more small farms disappear, the average size of farms has increased from 95 to 102 acres.



Changes In Agriculture, 1982-1992

Figure 12

	Jackson County 1982	Jackson County 1992	Kentucky 1982	Kentucky 1992
Number of Farms	946	789	101,642	90,281
Acres in Farms	90,299	80,692	14,179,284	13,665,798
Farmers whose Principal Occupation is Farming	45.0%	39.4%	48.3%	44.5%
Farm Receipts from Crops	64.3%	62.0%	57.1%	54.4%
Farm Receipts from Livestock and Poultry	35.7%	38.0%	42.9%	45.6%
Acres of Harvested Cropland	11,678	12,290	4,835,631	4,417,651

Source: U.S. Census of Agriculture, 1982 and 1992; EKV Center for Economic Development.

Burn down your cities and leave our farms and the cities will spring up again as if by magic. But burn down the farms and the grass will grow in the streets of every city of this nation.

***--William Jennings Bryan
(Populist candidate for president, 1896)***

Market Value of Crops, 1982 - 1992

Figure 13

Commodity Group	Number of Farms		Sales	
	1982	1992	1982	1992
Grains	82	41	184,000	110,000
Tobacco	837	861	5,387,000	5,456,000
Hay, Silage, and Field Seeds	88	110	207,000	280,000
Vegetables, Sweet Corn, and Melons	11	2	14,000	*
Fruits, Nuts, and Berries	2	1	*	*
Nursery and Greenhouse Products	2	2	*	*
Other Crops	7	12	2,000	58,000
Total	852	894	5,849,000	6,508,000

Note: *Withheld to avoid disclosing data for individual farms; Data are included in totals.

Source: 1982 and 1992 Census of Agriculture; EKV Center for Economic Development.

Tobacco is by far the leading crop in Jackson County, accounting for 87 percent of the total market value of all crops in 1992.

Impact of Future Tobacco Quotas and Excise Tax "Rebates" on Jackson County

Figure 14

Basic Quota, 1993	2,983,605
Estimated Basic Quota, 2003	1,756,810
Tobacco Income Lost	\$2,208,581
Equivalent Job Losses	(142)
Potential Tobacco Rebate Funds	\$4,627,805
Equivalent Job Gains	297
Equivalent Net Job Difference	155
Total Personal Income, 1990 Residence Adjusted	\$100,384,000
Tobacco's Share of Total Personal Income (est.)	5.3%
Poverty Rate	38.2%

Note: The data included here reflect a scenario that assumes a 41 percent reduction in the basic tobacco quota by 2003. The data also assume that some portion of a federal excise tax on tobacco will come back to tobacco-growing communities in ratio to the amount of tobacco grown. Job losses and gains are full-time jobs; they are job equivalents used to illustrate the magnitude of the potential lost income and potential tax rebates. For a complete explanation of projections and assumptions see source.

Source: *The Future of Burley Tobacco: Likely Outcomes, Points of Average and Policy Recommendations* (Draft Report), Kentucky Long-Term Policy Research Center, June 1994.

Projections by the Kentucky Long-Term Policy Research Center suggest the county could lose over \$2 million of tobacco income and the equivalent of 142 jobs over the next 10 years. These losses could occur in fewer than 10 years, depending on how and when quotas are reduced.

Market Value of Livestock and Poultry, 1982 - 1992

Figure 15

Commodity	Number of Farms		Sales	
	1982	1992	1982	1992
Poultry and Poultry Products	24	12	1,000	4,000
Dairy Products	46	27	1,793,000	1,636,000
Cattle and Calves	387	328	1,152,000	2,168,000
Hogs and Pigs	64	21	*	169,000
Sheep, Lambs, and Wool	1	3	*	2,000
Other Livestock and Livestock Products	19	24	8,000	11,000
Total	406	346	3,245,000	3,986,000

Note: *Withheld to avoid disclosing data for individual farms. Data are included in totals.
Source: 1982 and 1992 Census of Agriculture, EKV Center for Economic Development

Forestry

Jackson County is heavily-forested and the forestry sector presents many opportunities. Figure 16 summarizes the primary characteristics of the county's forest industry. Of the total forest land, 56 thousand acres are part of the Daniel Boone National Forest, managed by the U.S. Forest Service. The remaining 120 thousand acres is privately-owned, mostly by small landowners. However, knowing the number of acres of forest is not very helpful without additional information about their condition and productivity. According to the University of Kentucky Department of Forestry, the greatest proportion (81 percent) of the forest in Jackson County is oak-hickory type, 50 percent of which is ranked as "poor" in productivity, producing only 20-49 cuft/acre/yr. The rest is ranked as "fair" and "good", with none in

the "very good" category. Although Jackson County's productivity class is about average for eastern Kentucky, other information (Figure 17) shows that a very high percentage (87.7) of the county's timber is in the "sawtimber" class, which means trees of 11 inches or greater in diameter at breast height, suitable for harvest for lumber. Almost the same percentage applies to the counties adjacent to Jackson, and the six counties together have over 2.7 billion board feet of sawtimber in their forests.

It is clear from Figure 17 that there is an abundant timber resource in Jackson and surrounding counties. A question of concern to many is, how much is being harvested? This is one of the most difficult questions to answer, because logging is carried out by a great many small operators, on hundreds of tracts of private land, and there is no systematic method of tracking the sales.

Overview of Jackson County's Wood Industry

Figure 16

- 80% of county's land area is forested
- 81% of forest is oak-hickory type
- Quality is not very good: 50% is ranked Poor; the rest is Fair and Good; None is ranked Very Good
- 68% is privately owned; remainder is in Daniel Boone National Forest
- 88% of total volume of timber is "sawtimber" (11 inches or greater)
- Sale of timber on public lands is decreasing
- Presumably sales on private lands are increasing
- Most wood leaves the county as logs and goes to mills in Barbourville, Hyden, Lancaster, London, and Ravenna
- The secondary industry in Jackson County employs 64 people

Net Volume of Sawtimber, 1988

(millions of board feet)
Figure 17

County	Sawtimber	Poletimber	Sapling & Seedling	All Classes
Clay	789.7	96.7	53.4	939.8
Estill	278.0	48.5	15.2	341.7
Jackson	485.2	49.4	18.5	553.0
Lee & Owsley	558.9	103.6	43.5	704.0
Rockcastle	617.6	92.6	3.4	713.8
Totals	2,727.4	390.8	134.0	3,252.1

Source: Forest Statistics for Kentucky-1975 and 1988, USDA Forest Service, Northeast Forest Experiment Station, 1990.

Since 32 percent of the forest land in Jackson County is national forest, there are records of harvest for that segment. Some extrapolations may be made from those figures. Figure 18 shows the sales and cuts of timber on national forest land in Jackson County from 1989 to 1994. The average cut for the four complete years, 1991 to 1994, was 2,683,000 board feet per year, which is less than two percent of the volume of sawtimber on national forest land.

Note that the figures for "sold" and "cut" for a given year do not match, because buyers of timber have five years from the time of sale to cut the timber. If (and this is a big "if") timber is cut on private lands at the same rate

as on federal land, then the average harvest in Jackson County for the four years mentioned above would have been 8,248,400 board feet per year. As Figure 18 shows, the sales of timber on federal land for 1993 and 1994 were greatly reduced, due to challenges

Timber Sales and Cuts on Daniel Boone Forest Land in Jackson County
(thousands of board feet)
Figure 18

Fiscal Year	Timber Sold	Timber Cut
1989	2,082	---
1990	2,378	---
1991	2,076	1,920
1992	4,290	3,018
1993	984	3,226
1994	261	2,569

Source: USDA Forest Service, Berea, Kentucky, 1994.

by environmental groups. The amount cut has been declining since 1993, but the full impact of the reductions won't be felt until 1996 and 1997. This situation was partially responsible for the closure of Jackson County Lumber Company, the largest sawmill in the county. Also, if challenges to cutting in other parts of the national forest cause similar reductions in harvests, there will eventually be commensurate reductions in the revenue returned to Jackson County from the sale of timber in the national forest. The system currently used by the Forest Service and the state to distribute the revenue spreads the benefits (or declines) among all counties in which the national forest is located. Although there is no way to document it, it is likely that harvests on private

land in Jackson County have increased to compensate for this reduction on federal land.

If over eight million board feet of timber per year is being cut, and we assume that these logs are worth \$100 - \$300 (an average of \$200) per 1,000 board feet, then logging is contributing about \$1,600,000 to the local economy each year. This is the equivalent of 100 full-time jobs. Where does the eight million board feet of timber go? Kentucky Division of Forestry data (Figure 19) show that in 1990, slightly over four million board feet of lumber was sawn in Jackson County, which means that about half went elsewhere. However, since that time, Jackson County Lumber has gone out of business, so the total lumber sawn in the county appears to be less than one million feet per year.

If harvest rates have increased, there could be as much as eight to ten million feet of logs leaving the county each year. Finding out where they go outside the county is not easy, but the Forest Service indicates that the most frequent log buyers from public lands are Forest Products in Barbourville, Feldman Lumber in Lancaster, Isaac's Lumber in Ravenna, and Begley Lumber in Hyden and London. This can be partially confirmed by the data in Figure 19, which shows that both Laurel County and Leslie County produced several times as much lumber as Jackson or surrounding counties. Begley Lumber has large mills in both counties, and buys logs from a wide area.

Sawn Lumber Production, 1990
(board feet)
Figure 19

County	Lumber Sawn
Clay	2,083,000
Estill	2,374,700
Jackson	4,124,000
Lee	305,000
Madison	30,000
Owsley	190,000
Rockcastle	4,105,500
Subtotal*	13,212,200
Laurel	10,692,500
Leslie	19,862,000
Total	43,766,700

*Jackson and contiguous counties.
Source: Kentucky Division of Forestry.

The Wood Industry

Industries based on the forest seem logical for Jackson County because of the abundance of hardwood forests--176 thousand acres of forest land, constituting over 80 percent of the land area in the county. Since there is very little existing wood processing industry in the county, it is obvious to most residents that a great deal of this valuable resource is being cut and shipped elsewhere, with practically no value being added. If more value-added, or secondary wood processing companies could be established, some of the wood could be brought back to the county, providing more jobs and stimulating the economy. A board foot of wood in the form of a log may be worth only 10-30 cents, but when processed into a finished product

COMMUNITY ASSESSMENT

such as furniture or cabinets, the same board foot would be worth three dollars or more. The potential is obvious. For example, if even half of the logs cut in an average year were processed into secondary products, the economic return would be over \$12 million, the equivalent of 768 jobs (based on 1992 average wage rates).

Existing Wood Industries

Compared to surrounding counties, Jackson County has very little wood industry activity (Figure 20). A survey conducted as part of this assessment found only two operating sawmills in Jackson County in October of 1994. One is Melvin Marks' sawmill, producing about 600,000 board feet of lumber per year, mostly barn patterns and custom orders. The other is Ed Johnson's sawmill, which operates on an intermittent basis, and probably produces less than Marks' mill. As indicated above, Jackson County Lumber was the largest sawmill in the county, but closed due to difficulty obtaining logs and high worker's compensation costs.

One other primary operation is the McQueen Brothers' post mill at Bond. It employs only three people, and the owners indicate that expansion of their business is limited by the supply of pine timber from which the posts are made. A list of primary wood industries located in Jackson and surrounding counties is included in Appendix C.

Secondary wood manufacturing is also rather limited. The largest operation is Kentucky Woodcrafts, which employs 55 people, making plaques, frames, and other award items, mainly from black walnut. While this company has no immediate plans to add employees, they do need to expand their plant space because they are operating almost at capacity. If their markets continue to improve, they may expand the work force as well as the facilities. Kentucky Woodcrafts buys part of its lumber from Kentucky suppliers and would be willing to buy more if it were available. They have not found a dependable, competitive source in the state.

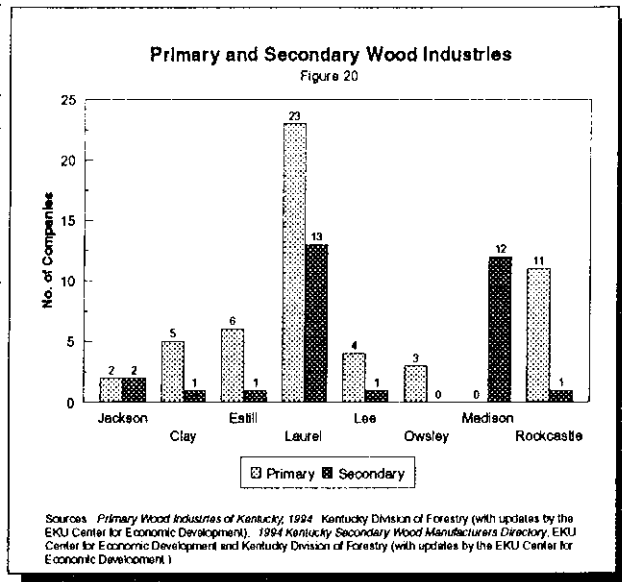
Brewer Truss is a new operation at Clover Bottom, manufacturing roof trusses for buildings. Eight people are currently employed, and there is potential for additional growth. The down side of this company is that the lumber used is southern pine and is bought from one of several states south of Kentucky. While some southern pine is sawed in Kentucky, there are no mills which kiln-dry and grade it for structural purposes.

John Heyer of Heyer Contracting builds kitchen cabinets in a shop at his home, but only on a part-time basis. His main source of income is his contracting work.

Doyle Williams teaches at Jackson County High School but in years past has operated a cabinet shop. The cabinet shop is currently closed, but he is interested in starting another wood manufacturing operation in the Sand Gap area. He recommends that an industrial park be developed in that part of the county, which will be much more accessible when the Big Hill project is complete. A list of secondary wood manufacturing companies located in Jackson and surrounding counties is included in Appendix D.

Future Wood Industry Development

Secondary wood industry development may proceed along one or more of three paths: recruitment of companies from outside, expansion of existing companies, and start-ups by local entrepreneurs. Recruiting out-of-state companies is a daunting task for most eastern Kentucky counties, because there are not enough selling points to make a good case for a given community. However, since Jackson County has a well-developed industrial park and is near the supply of hardwoods, a pro-active recruiting effort may be



worthwhile. The project would involve preparation of printed promotional materials targeting secondary wood manufacturing companies, preparing a mailing list of prospects, mailing the materials, and follow-up.

It is generally agreed that expansion of existing industry produces more jobs in the long run than recruitment of outside companies. In the case of Jackson County, that must be tempered by the scarcity of existing wood manufacturers in the county. While expansion may not offer great opportunities, there are some possibilities, as follows.

Since Kentucky Woodcrafts is the largest wood manufacturer in the county, community leaders should maintain close contact with them to offer encouragement and support for their efforts. The company has the experience, much of the equipment, and personnel to improve their market share. What is lacking at present is additional modern equipment, space for finished product storage and shipping, and capital for expansion. The company has recently leased a new computer-controlled machine, and improvements in productivity are already being realized.

Having more and better sawmill and kiln-drying facilities in Jackson County would be a definite plus for secondary industry development, but starting such operations would be difficult. Competition for logs is very keen and small mills are finding it difficult to bid against large operations. One possibility for in-county commerce would be for one of the sawmills to saw yellow-poplar 2 x 4's and 2 x 6's for use in the truss operation at Clover Bottom. However, after some investigation, the price differential between yellow poplar and yellow pine is not large enough to justify the change to poplar at this point in time.

Manufacturing

Manufacturing is limited in Jackson County. In 1992 there were 10 establishments classified as manufacturers, employing a total of 216 people. Since that time Mid-South Electric has expanded its operation to employ approximately 700 people. In addition to Mid South, other industries include Kentucky Woodcrafts, M.A. Walker Company (crushed limestone), Carpenter Construction Company, Phillips Diversified Industries (mechanical assembly and plastic-injection molding), and Brockman Weavers. McKee Manufacturing, which once employed 100 people, shut down its garment plant in 1994. The Jackson County Industrial Authority and the City of McKee recently announced that a Pennsylvania-based cut and sew operation has located in the former McKee Manufacturing building. The company expects to employ about 130 people.

**Nonagricultural Employment
by Place of Work, 1992**
Figure 21

Employment Sector	Jackson County Employees	Percent of Non-Ag Employment
Mining and Quarrying	-	..
Contract Construction	62	4.0
Manufacturing	216	13.9
Transportation, Communications, and Public Utilities	242	15.6
Wholesale and Retail Trade	202	13.0
Finance, Insurance, and Real Estate	-	..
Services	241	15.6
State and Local Government	481	31.1
Other	40	2.6
Total	1,549	100.0

Source: 1994 Kentucky Deskbook of Economic Statistics; EKV Center for Economic Development.

**Business Establishments
in Jackson County, 1991**
Figure 22

Economic Classification	Number of Businesses	Percent of Total Businesses
Agribusiness, Forestry, and Fisheries	2	2.0
Mining	1	1.0
Contract Construction	10	10.2
Manufacturing	10	10.2
Transportation, Communications, and Public Utilities	8	8.2
Wholesale Trade	7	7.2
Retail Trade	30	30.8
Finance, Insurance, and Real Estate	7	7.2
Services	21	21.4
Other	2	2.0
Total	98	100.0

Source: 1994 Kentucky Deskbook of Economic Statistics; EKV Center for Economic Development.

Manufacturing jobs in the county have traditionally been low-paying branch plant jobs. The 1992 average weekly wage for manufacturing was approximately \$217 (about 40 percent of the state average). Improvements in the Jackson County Industrial Park in Annville, together with the hiring of an economic development director should stimulate additional growth in manufacturing. However, it seems clear that due to its history as a low-wage sector in the county, manufacturing is not a panacea for economic development if the goal of development is to raise average income levels.

Contract construction is included in the secondary sector and accounted for 62 employees in 1992.

Trade and Services

The trade and services sector is the leading sector of Jackson County's economy. Of the total 1,549 employees in nonagricultural jobs, 1,166 (75 percent) were in trade and services (Figure 21). The Transportation, Communication, and Utilities group, with the Rural Electric Co-op (RECC) as a major employer, had a total of 242 employees. In 1991 there were 98 businesses employing approximately 1,068 people. Added to employment in private sector businesses are the 481 people who work in local and state government (Figures 21 and 22).

Tourism and Travel Employment, 1992-1993
Figure 23

Location	1992 Employment	1993 Employment
EASTERN HIGHLANDS-SOUTH TOURISM REGION	6,158	6,283
Bell	1,002	1,062
Breathitt	93	97
Clay	60	55
Estill	51	31
Harlan	284	308
Jackson	17	20
Knott	21	33
Knock	18	27
Laurel	1,867	1,880
Lee	40	41
Leslie	56	52
Leitcher	104	75
Owsley	19	20
Perry	486	408
Powell	137	148
Rockcastle	554	558
Whitley	1,284	1,286
Wolfe	62	91

Source: Economic Impact of Kentucky's Tourism and Travel Industry: 1992 and 1993, Kentucky Department of Travel Development, June 1994.

Tourism

Tourism and travel-related activities are relatively undeveloped in the county. In 1993, the Kentucky Tourism Cabinet estimated 20 people were employed in travel and tourism businesses (Figure 23) which accounted for \$690,362 in expenditures. This represents a 21.6 percent increase in tourism and travel expenditures between 1992 and 1993, compared to an increase of 9.4 percent for the state overall (adjusted for inflation). Jackson County ranked 106th out of Kentucky's 120 counties in terms of expenditures (Figure 24). An examination of the various counties and their total travel/tourism expenditures indicates the importance of accessibility. Counties located on I-75 fare better than counties that are not contiguous to the interstate. Counties located on the Daniel Boone Parkway do much better than

those located off the parkway. The combination of improved accessibility and the county's natural resource assets should continue to increase tourism activities. Travelers will be in easy reach of pristine forests not far off the beaten path.

Commuting Patterns

The number of Jackson County residents commuting out of the county to work in 1990 (1,737) was almost equal to the number of residents working in the county (1,800). Madison County was the leading source of external employment (545), followed by Fayette County (352) and Laurel County (297). Figure 25 shows the destinations of county residents commuting to other locations. A field survey conducted by EKU's Center for Economic Development in October of 1994 showed that the majority of people commuting from McKee and the northern portions of the county were commuting to Berea, Richmond, and Lexington. A majority of the people in the Annville area and southern parts of the county were commuting to London and the Corbin area.

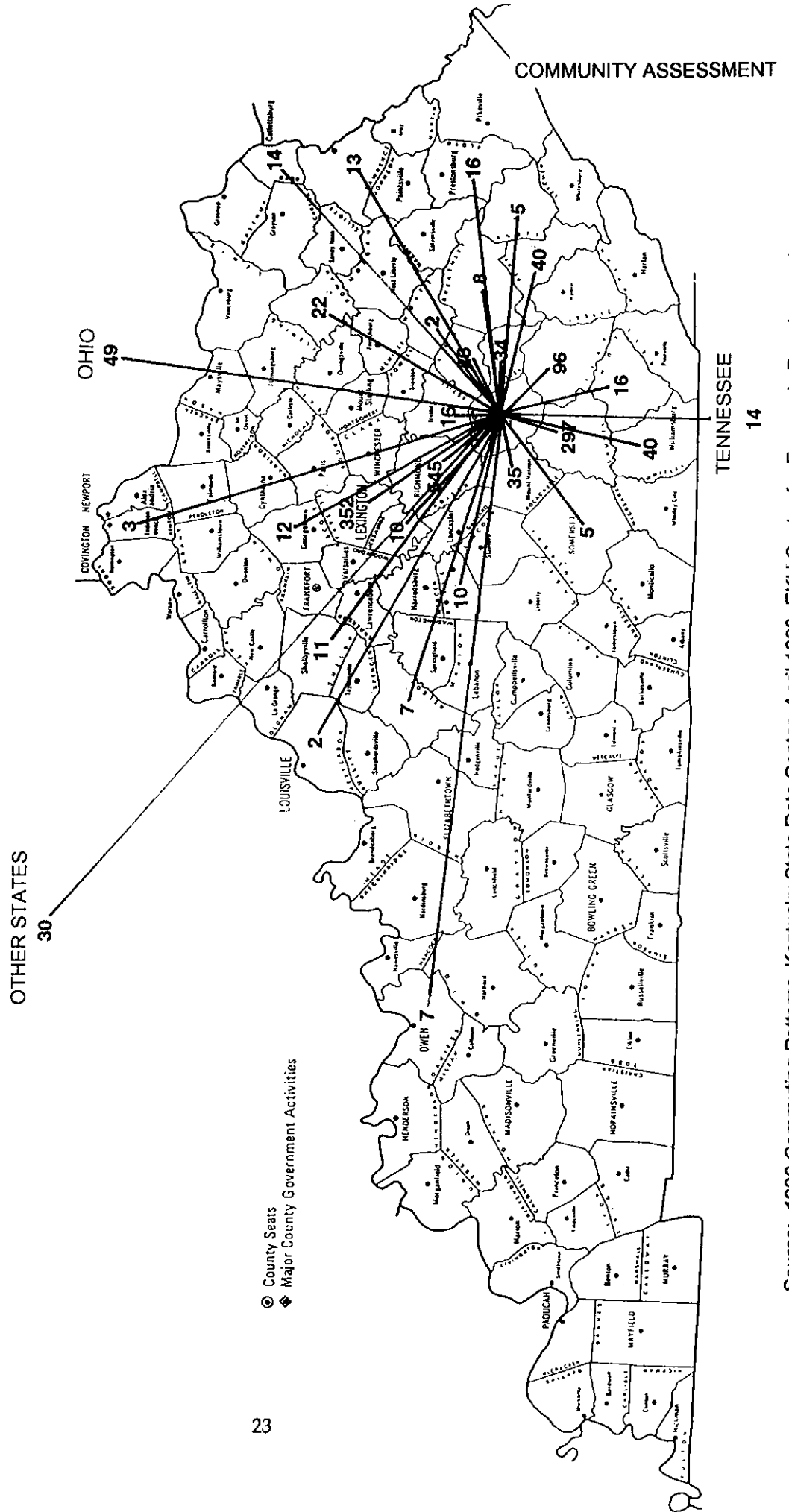
Travel Expenditures, 1992-1993
Figure 24

Location	1992 Expenditures	1993 Expenditures	Change 1992-1993*	1993 State-wide Rank Expenditures
EASTERN HIGHLANDS-SOUTH TOURISM REGION	\$197,309,967	\$216,214,756	6.8%	
Bell	32,090,594	36,880,617	12.1	25
Breathitt	2,969,490	3,120,631	2.4	78
Clay	1,910,512	1,892,544	-3.5	88
Estill	1,622,454	1,053,094	-36.8	99
Harlan	9,112,047	10,811,145	15.6	55
Jackson	552,975	600,362	21.6	106
Knott	682,613	1,146,116	63.5	86
Knock	584,703	916,164	58.2	104
Laurel	59,835,519	65,040,028	6.0	12
Lee	1,285,125	1,409,379	6.8	84
Leslie	1,798,062	1,798,311	-2.7	91
Leitcher	3,334,587	2,582,280	-24.6	80
Owsley	621,479	677,818	6.3	107
Perry	15,627,447	17,145,251	7.0	47
Powell	4,392,026	5,070,349	12.9	69
Rockcastle	17,758,896	18,872,808	3.5	45
Whitley	41,150,700	43,984,840	4.1	20
Wolfe	1,899,838	3,172,810	53.1	77

Source: Economic Impact of Kentucky's Tourism and Travel Industry: 1992 and 1993, Kentucky Department of Travel Development, June 1994.

Jackson County Commuting Patterns, 1990

Figure 25



Source: 1990 Commuting Patterns, Kentucky State Data Center, April 1993; ECU Center for Economic Development.

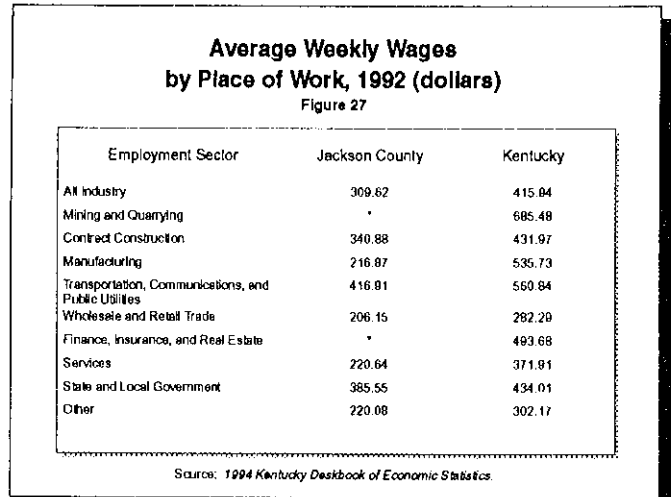
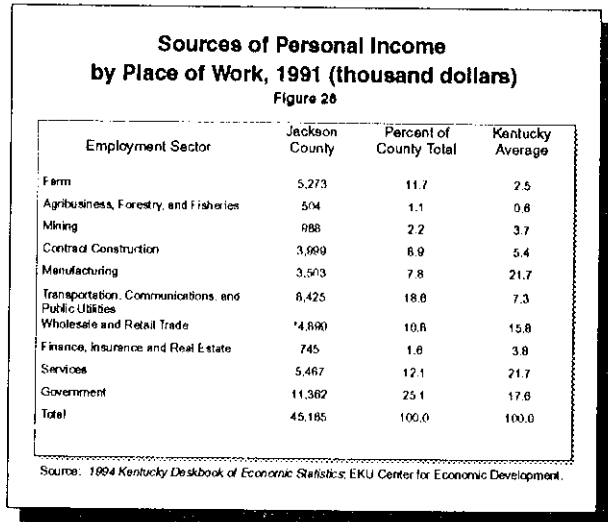
COMMUNITY ASSESSMENT

Income

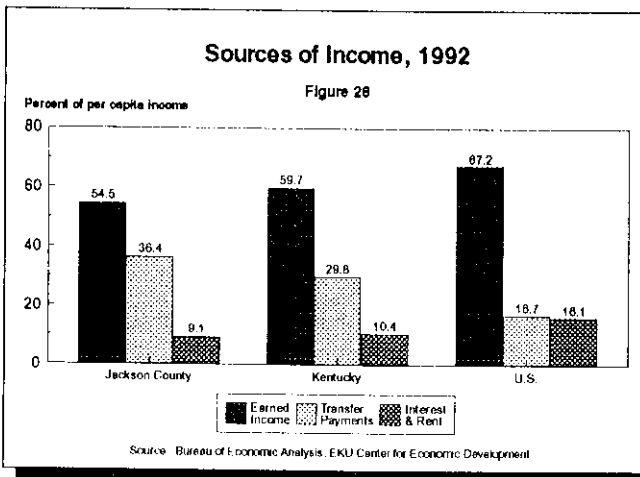
Income is one of the most important measures of how the economy is doing and a primary indicator of many quality of life factors. In Jackson County the leading source of personal income by place of work is Government which accounts for 25.1 percent of the total (Figure 26). Transportation, Communications, and Public Utilities is second with 18.6 percent, followed by Services (12.1 percent), Farming (11.7 percent), and Retail Trade (10.8 percent). Although manufacturing ranks seventh in importance, accounting for 7.8 percent of the total, these figures do not reflect recent increases in manufacturing employment as a result of Mid South Electrics and Specialty Plastics.

The Transportation, Communications, and Utilities sector pays the highest average weekly wages (\$417)

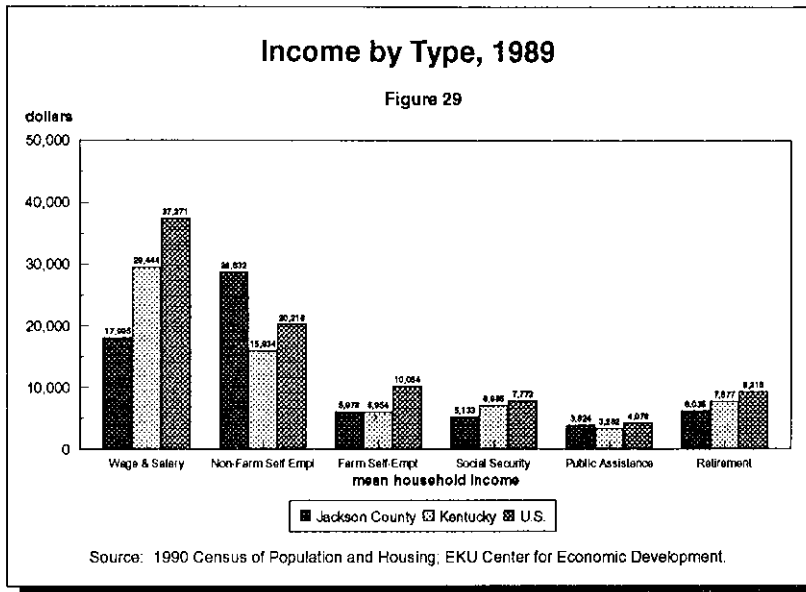
followed by local and state Government (\$386) and Contract Construction (\$341). Manufacturing pays an average weekly wage of \$217 compared with Retail Trade which comes in last at \$206 (Figure 27). These data are by "place of work" so they only show income for the half of Jackson County's work force which does not commute to other counties. Those working in Madison and Fayette counties would, on average, have higher incomes.



The average weekly wage in Jackson County is \$310, compared to the state average of \$416. The average weekly wage for manufacturing is even lower at \$217.



Income can be classified on the basis of whether or not it is derived from wages and salaries (earned), is a result of transfer payments (public assistance, social security, etc.), or is received as payments of rent or interest. In Jackson County 54.5 percent of the income is earned, compared with 59.7 percent in Kentucky, and 67.2 percent nationally. Transfer payments account for 36.4 percent of income in Jackson County, compared with 29.8 percent in Kentucky, and 16.7 percent in the U.S. Rent and interest income account for 9.1 percent of Jackson County income, compared with 10.4 percent in Kentucky, and 16.1 percent in the nation (Figure 28).

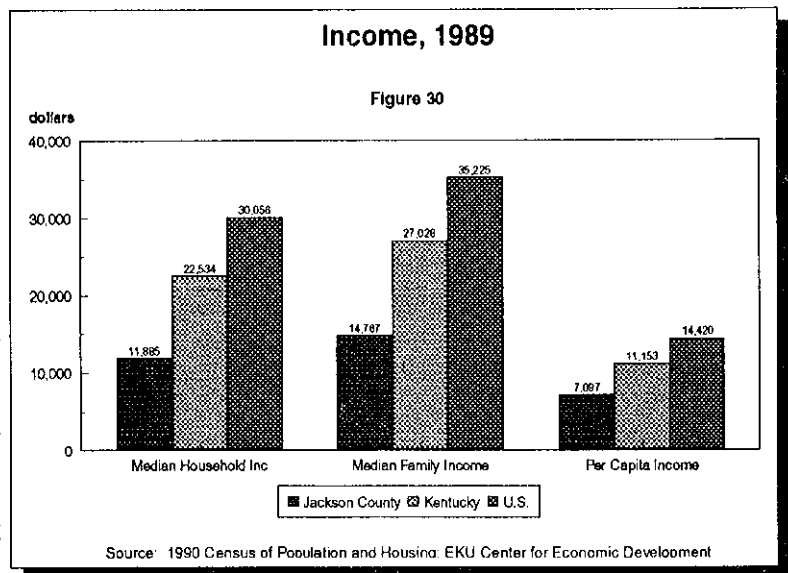


Non-farm, self-employment income is the primary source of average household income in Jackson County, followed by wage and salary income, retirement income, farm self-employment income, social security, and public assistance (Figure 29). Median household income in 1989 was \$11,885, slightly more than half the state average. Median family income was \$14,767, also slightly more than half the state average. Per capita income was \$7,097 or 64 percent of the state average (Figure 30).

Public policy analysts have noted recently that income statistics may be skewed by a cash-based "underground" economy which exists

alongside the official economy reported in Census surveys. There appears to be a significant "underground" economy in Jackson County and many other rural Kentucky counties. The underground economy has a

number of segments: some seemingly benign and some not so benign. Some sociologists believe underground business activities are necessary for survival in areas of high poverty because participants use underground cash to supplement welfare or low-wage incomes. Reporting the "underground" income might mean they would lose their welfare or health benefits. Underground activities range from growing and selling marijuana and other drugs to construction and farm labor and other cash-based activities such as providing child care. The underground economy in Jackson County also includes activities such as harvesting and selling ginseng, willow bark, and other herbs, and bootlegging. A recent article in *Kentucky Horizons* estimated the underground economy in the U.S. is equal to five to 16 percent of the GNP. There are no figures for Jackson County but one can generally presume that, of necessity, the county relies more heavily on the underground economy than do counties that are economically prosperous.



Jackson County Labor Surplus Estimates, 1989
Figure 31

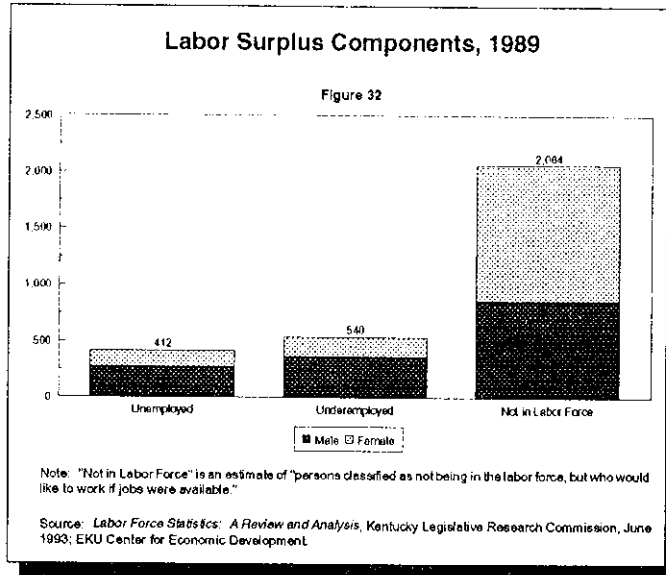
Female	1,540
Male	1,476
Total	3,016

Source: *Labor Force Statistics: A Review and Analysis*, Kentucky Legislative Research Commission, June 1993; EKU Center for Economic Development.

Labor Supply and Employment

Jackson County is included in the Corbin labor market area which includes Clay, Knox, Laurel, Rockcastle, and Whitley counties. In 1994 the county's labor force totaled 4,359, constituting a small portion of the 61,427 workers included in the larger

labor market area. The labor surplus estimate in 1989 totaled 3,016 with slightly more than half being females. Women also made up the majority of people not in the labor force (Figure 31). Figure 32 shows



that of the county's labor surplus, 14 percent were unemployed, 18 percent were under-employed, and 69 percent were "not in the labor force" which is an estimate of "persons classified as not being in the labor force, but who would like to work if jobs were available."

The county's "official" unemployment rate has increased in the past year from 9.1 percent in 1994 to 11.8 percent in February of 1995. In 1994 the civilian labor force in Jackson County totaled 4,359, with 3,963 of these people employed. The UK Appalachian Center estimated that the "real" unemployment rate in 1989 was 39 percent. This includes an estimate of people who are no longer looking for work who would re-enter the labor force if jobs were available (Appendix A, Figure 62). The official unemployment rate in the Corbin labor market area is 6.3 percent (Figure 33).

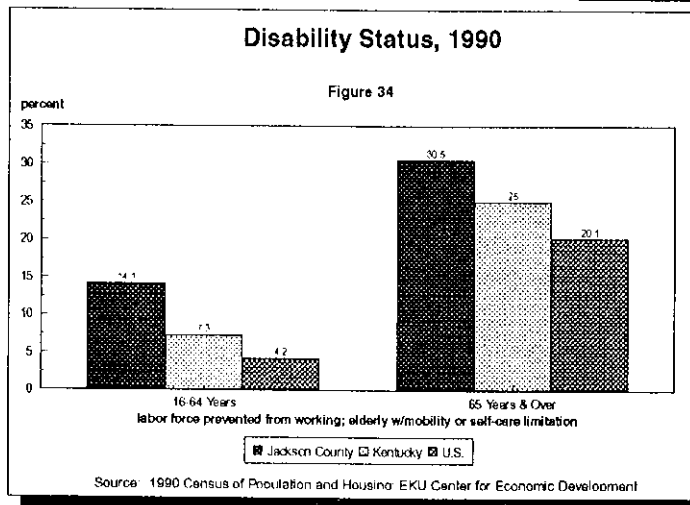
Jackson County with 14.1 percent of the labor force between the ages of 16 and 64 prevented from working due to disability (almost twice the state average and more than three times the national average). Of those 65 years and older, 30.5 percent have mobility or self-care limitations (Figure 34). This is a tremendous loss of resources.

The county's "official" unemployment rate has increased in the past year from 9.1 percent in 1994 to 11.8 percent in February of 1995. In 1994 the civilian labor force in Jackson County totaled 4,359, with 3,963 of these people employed.

Figure 33: Labor Force, 1994

	Jackson County	Corbin Labor Area	Kentucky
Civilian Labor Force	4,359	61,427	1,821,804
Employment	3,963	57,567	1,735,721
Unemployment	396	3,860	86,083
Unemployment Rate	9.1%	6.3%	4.7%

Note: The Corbin Labor Area includes Clay, Jackson, Knox, Laurel, Rockcastle, and Whitley Counties
Source: "Corbin Labor Force Profile," September 1994, Kentucky Cabinet for Human Resources, Department for Employment Services, Corbin local office



Disability is a major factor in the employment picture for Jackson County with 14.1 percent of the labor force between the ages of 16 and 64 prevented from working due to disability (almost twice the state average and more than three times the national average).

INFRASTRUCTURE

The infrastructure includes all of the capital improvements as well as services that provide the support base for community development. The county's infrastructure is in need of coordinated expansion and upgrading as indicated below.

Transportation

Jackson County is served by an extensive system of county roads, and state/federal highways, but is limited in major linkages to surrounding counties. The primary north-south highway is U.S. Hwy. 421, a two-lane road which connects the county with Berea and Richmond to the north, and Manchester to the south. Where U.S. 421 connects Jackson County with Madison County (in the Big Hill area) travel is very difficult because of the steep grades and winding route. Access to Irvine is available via Kentucky Hwy. 89. The major east-west connection is Kentucky Hwy. 30 which links the county with London to the west, and Booneville to the east. Accessibility is limited in the westernmost portions of the county (Figure 35).

Although the county has no general aviation airport, airports are readily accessible in the area. Airports are located just south of London in Laurel County, 36 miles from McKee, and in Madison County between Berea and Richmond, 31 miles from McKee. The county has no rail connections or navigable waterways.

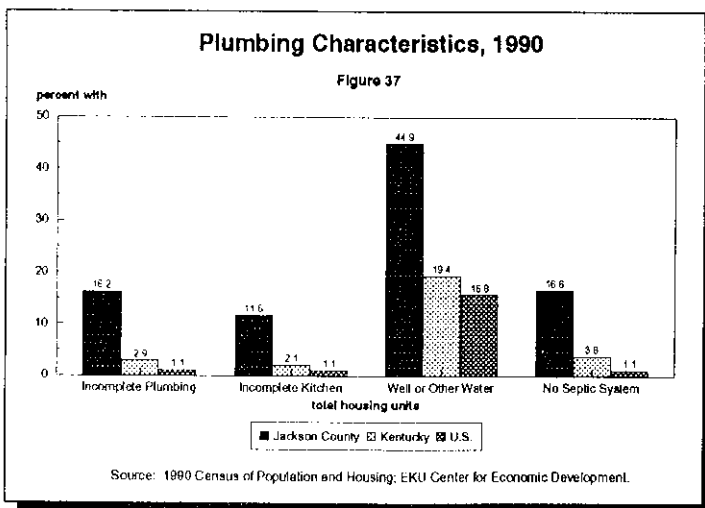
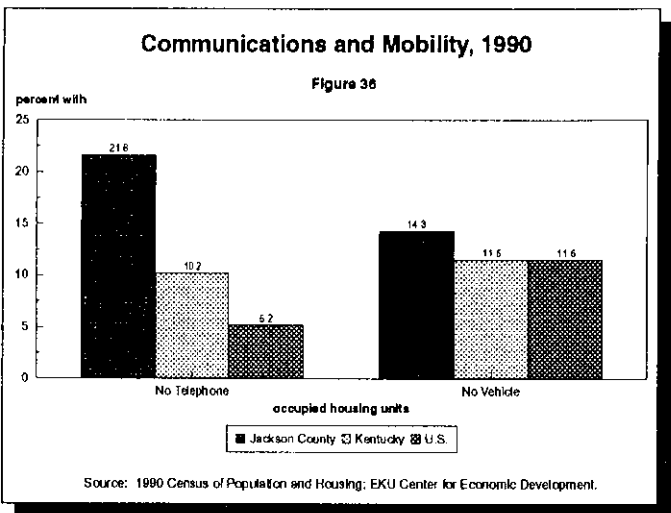
Approximately 14 percent of the people have no automobile, but the county has nine mini-vans which serve as its public transportation fleet.

Utilities

Seventy-eight percent of the homes in Jackson county have telephones (Figure 36). Fifty-five percent are served by public water systems. The other 45 percent rely upon wells, cisterns, or "other" water sources. According to the Kentucky Department for Health Services, 47 percent of the private wells tested by local health departments in the state from 1993-94 revealed bacterial contamination from human or animal waste. Although public water systems are serving more homes in the county, many rural areas are still not served. According to a recent study completed for the Jackson County

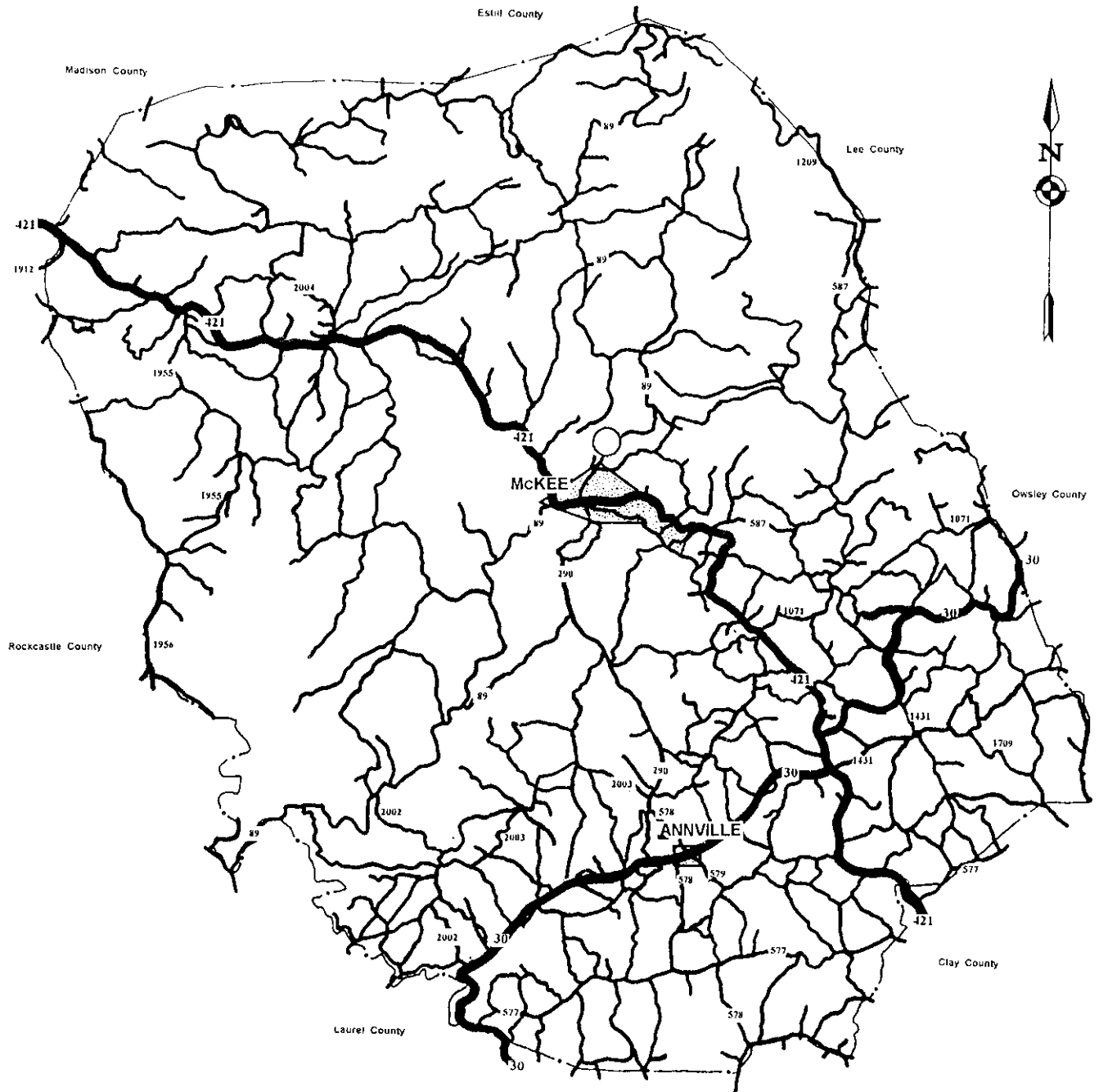
Water Association, Beulah Lake and the seven-acre reservoir which supplies McKee are insufficient to meet the county's future water needs. A new reservoir is being proposed as an additional water supply to accommodate future growth and development, and to improve recreation and tourism opportunities.

In 1990, 10 percent of the county's residents were served by McKee's public sewer system; 74 percent were using septic tanks or cesspools; and 17 percent of the homes in Jackson County had no septic system at all (Figure 37). Proper operation of septic tanks is limited by clay, bedrock, and high water tables. The lack of public sewer services







Jackson County Transportation Map

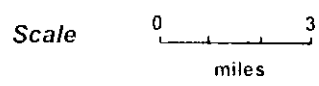
Figure 35



Legend

-  Primary U.S. / State Highway
-  Other Highways / Roads
-  Potential Airport Site
-  County Boundary

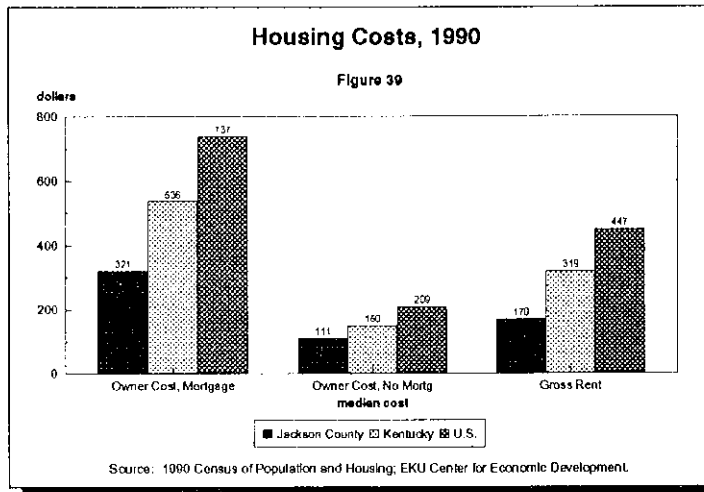
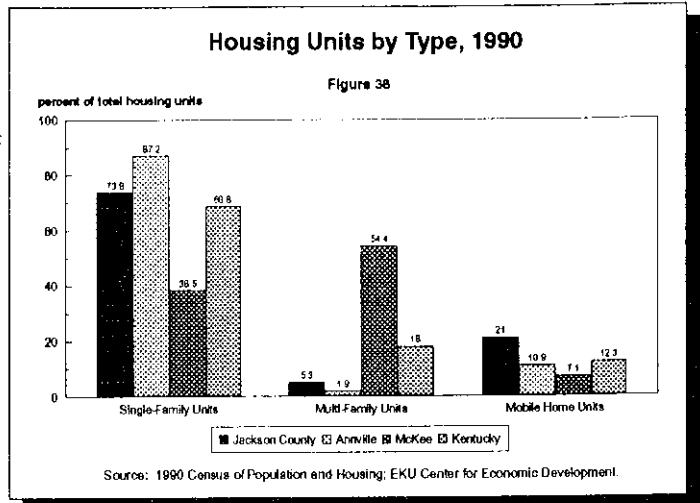
Jackson County Transportation



creates an opportunity for pollution of surface and groundwater from improperly functioning septic systems and from homes that have "other means" of sewage disposal, such as piping it to a nearby creek. The potential for an outbreak of hepatitis-A or other serious waterborne diseases is increased where households rely on groundwater without adequate sewage disposal.

Housing

Single-family, detached houses account for 73.8 percent of the county's housing units. Mobile homes make up 21 percent and multi-family units 5.3 percent of the county's housing stock (Figure 38). The majority of multi-family units are found in McKee, where they comprise 54 percent of the city's housing units. A survey of some citizens working in Annsville suggested a lack of suitable housing available for people in upper-middle and upper income brackets, requiring them to locate in adjacent counties. Land suitable for residential development is limited by topographic constraints.



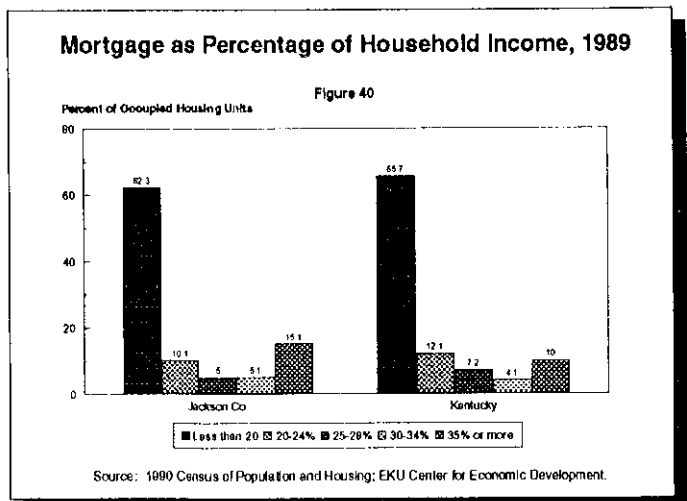
Low-income public housing is available both for the general populace and for senior citizens.

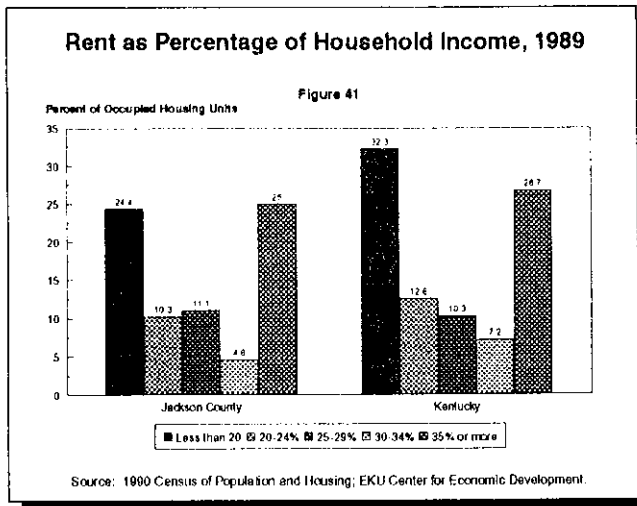
A majority of Jackson Countians own their own home. The median monthly mortgage payment in 1990 was \$321 (one-third of median household income), compared to \$536 in Kentucky, and \$737 in the U.S. In 1990, Jackson County renters paid a median gross rent of \$170 per month, compared to \$319 in Kentucky, and \$447 in the U.S. (Figure 39). Average mortgage and rent payments, viewed as a percentage of household income, are generally lower in Jackson County than Kentucky as a whole (Figures 40 and 41).

Approximately 16 percent of the housing

units in the county lack complete plumbing and 12 percent lack complete kitchen facilities, indicating the need for additional housing rehabilitation efforts (Figure 37).

The median monthly mortgage payment in Jackson County in 1990 was \$321 (one-third of median household income), compared to \$536 in Kentucky, and \$737 in the U.S. Average mortgage and rent payments, viewed as a percentage of household income, are generally lower in Jackson County than Kentucky as a whole.





Public Facilities

The county could use several new or renovated spaces to serve a variety of public functions. There is a need for an all-purpose community center in McKee. The library is interested in expanding. A new community resource center could provide space for an expanded library; offices for the new economic development director and tourism activities; space for Agricultural Extension activities; and space for head-start programs and a teen center.

In addition to a community center and expanded library, the county is currently without adequate facilities to detain and house prisoners. Prisoners are currently being transported and

housed at facilities in nearby counties at a huge cost to taxpayers. The old jail facility is not in use and could be renovated to a new use. Plans are underway for construction of a new facility and to renovate the old jail for office space.

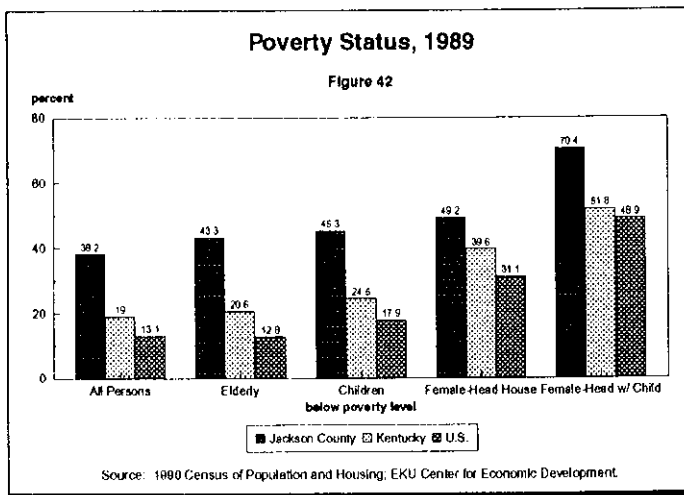
The City of Annville needs a government/community center to house public offices, records, and documents and to provide public meeting space.

QUALITY OF LIFE

Quality of life includes both tangible and intangible components that together make life in the community more rewarding. Some of the factors considered include the county's social capital or collective civic engagement; access to health/medical/emergency services; cultural and historic resources, including arts and crafts; poverty and welfare issues; access to child care and transportation; recreational programs and facilities; and a number of related activities.

Health and Welfare

Jackson County is poor, much poorer than the state or the nation. About 38.2 percent of all county residents were below the poverty level in 1990, with the figure reaching 70.4 percent for female-headed households with children. Nearly 44 percent of all elderly people and 45 percent of all children in the county are poor (Figure 42). In 1993, Jackson County was one of 14 counties in the state with more than 30 percent of its population receiving food stamps (Appendix A, Figure 63).



An interesting thing about Jackson County is that although it is one of the poorest counties in the nation, the health and welfare of Jackson Countians compared to other rural areas that are as poor as Jackson County is generally good. Jackson Countians have managed to do reasonably well with what they have.

As with the rest of Kentucky and the nation, the leading cause of death in Jackson County is heart disease, followed by cancer. However, the county has higher incidence rates than Kentucky and the

nation for both diseases (Appendix A, Figures 65 and 67). As is true for many eastern Kentucky counties, the incidence of breast cancer is higher than average in Jackson County. The overall death rate in Jackson County is 9.6 per 1,000 population which compares with the Cumberland Valley Area Development District rate of 9.7, and the state rate of 9.4 (Appendix A, Figure 66). According to the Whitehouse Clinic, the county's infant mortality rates are below state, district, and national levels.

A number of health problems in the county are related to personal lifestyle choices which include high tobacco usage, substance abuse, and poor nutrition. A recent survey by Health Help, Inc. showed 47 percent of local 10th graders smoke. There is also a high incidence of dental caries among children. Of the 991 people arrested for crimes in 1993, almost half (47.7 percent) were related to alcohol (Appendix A, Figure 70).

The county benefits from the aggressive approach to health care taken by Health Help, Inc. which operates the Whitehouse Clinic in McKee. The primary care clinic offers affordable access to quality health care and dental services and offers a sliding scale fee system for low-income residents. The clinic is currently constructing a new facility to address the space limitations of its existing location. The clinic's strategic plan includes the following among its goals: 1) Make prenatal and postpartum care more accessible (currently all prenatal care is by referral to out-of-county providers); 2) Improve dental health status and health habits of pediatric users; 3) Increase immunization rate of children 0-2 years of age and geriatric patients; 4) Reduce tobacco abuse among adolescents and adults; and 5) Increase use of mammograms among women age 40-65 and breast cancer screening for geriatric patients.

The clinic's professional medical staff includes a family practitioner; a general practitioner; a doctor of internal medicine; a dentist; two nurse practitioners; three LPNs and certified medical assistants; two lab/x-ray personnel; one mental health professional; and 21 administrative and support staff. In addition to the Whitehouse Clinic, Annville Medical Clinic and Dr. Raithatha are important health care resources.

For its size and rural setting, Jackson County has extremely good access to primary and preventative medical care. However, because there are no hospitals in the county and the current population cannot support the expense of a local hospital, the county does need better access to emergency medical services. The county currently refers acute care patients to Berea Hospital (25 miles from McKee), Marymount Medical Center in London (36 miles from McKee), or Manchester Memorial Hospital (29 miles from McKee). Construction of helipads would help to improve transport time to area hospitals during emergencies.

Jackson County experiences some of the same child welfare problems as other poor rural counties though it appears to be making progress in addressing some of those problems. According to the *Kentucky Kids Count 1993 County Data Book*, Jackson County ranked 108 out of Kentucky's 120 counties in terms of six indicators of child well-being: children in poverty, children in single-parent homes, infant mortality, births with early prenatal care, teen births (12-17 years), and high school graduation rates (Figure 43). Despite the low overall rank, Jackson County showed improvements in four of these areas. The two areas where county conditions have worsened over the past ten years are "percent of children in poverty" and "percent of children in single-parent families." National trends show increases in both of these populations.

The Kentucky Cabinet for Human Resources (CHR) substantiated abuse of 3.1 percent of the county's children, with 2.6 percent substantiated as sexually abused. CHR also received reports of neglect or dependency for 22.5 percent of the county's children, but only 7.1 percent of these were substantiated, meaning there was enough evidence to take action. Dependency cases are those in which the state must act to protect a child through no fault of the parent(s). For instance, if a parent is too sick to care for their children. Except for sexual abuse cases, the incidence of reported child abuse in Jackson County is lower than for Kentucky overall (Figure 44).

One very impressive statistic shows Jackson County dramatically reduced its teen birth rate by 37.6 percent between 1982 and 1992 (Figure 44). However, there is still room for improvement since births to mothers under 18 represent 9.9 percent of all births (compared to 6.2 percent for Kentucky). Births to unmarried women represent 22.4 percent of all births which is lower than the state rate of 26.4 percent (Appendix A, Figure 66). However, because female-headed households are much more likely to live in poverty, the single motherhood figures are still disturbing.

A summary of the county's strengths and weaknesses is provided on page 34.

Jackson County Child Welfare Trends

Figure 43

Demographics

	1990	1992	Percent Change
Total Population	11,955	12,179	1.9%
Population Under 18	3,420	3,505	2.5%
Live Births	183	161	-12.0%

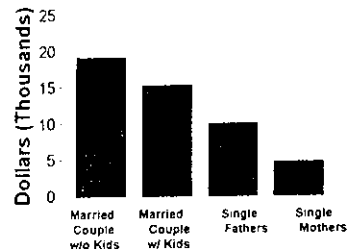
Children By Levels of Poverty



1990 Census Family Data

	Number	Percent
Families with Children Under 18:	1,827	100.0
Married Couple Families	1,525	83.5
Single Mother Families	226	12.4
Single Father Families	76	4.2
Poor Families with Children Under 18:	729	100.0
Married Couple Families	538	73.8
Single Mother Families	159	21.8
Single Father Families	32	4.4

Median Family Income



INDICATOR TRENDS

Overall Rank*
108

* Lowest Rank is 120

Indicators	Base Data	Percent of Change in Rate Worse 0 Better	Recent Data	Rank
Percent Children in Poverty	44.2 1979	-3.2	45.6 1989	110
Percent Children in Single Parent Families	10.8 1980	-59.3	17.2 1990	77
Infant Mortality Rate (deaths < 1 yr. per 1,000 live births)	10.0 1980 - 1982	24.0	7.6 1990 - 1992	53
Percent of Births with Early Prenatal Care	65.8 1980 - 1982	9.6	72.1 1990 - 1992	91
Teen Birth Rate (births per 1,000 females 12-17 yrs.)	42.0 1980 - 1982	37.6	26.2 1990 - 1992	99
Percent Graduating High School	54.2 1979/80 - 1981/82	5.6	57.3 1989/90 - 1991/92	114

■ County
□ Kentucky

Credit: *Kentucky Kids Count County Data Book 1993*, Kentucky Kids Consortium, 1993.

Jackson County Child Welfare Trends

Figure 44

1992 VITAL STATISTICS	COUNTY		STATE	
	NUMBER	RATE	NUMBER	RATE
Births <small>(rate per 1,000 women, 15-44 yrs.)</small>	161	59.3	53,655	61.9
Births to Unmarried Women <small>(percent of total births)</small>	36	22.4%	14,148	26.4%
Births to Mothers Under 18 <small>(percent of total births)</small>	16	9.9%	3,300	6.2%

1990 CENSUS EMPLOYMENT DATA	NUMBER	PERCENT	NUMBER	PERCENT
Women with Children in Married Couple Families:				
Employed	641	42.0	236,354	59.0
Not Employed	118	7.7	15,966	4.0
Not in Labor Force	768	50.3	148,006	37.0
Women with Children in Single Parent Families:				
Employed	54	26.0	49,891	57.8
Not Employed	25	12.0	7,336	8.5
Not in Labor Force	129	62.0	29,153	33.7

1992 ABUSE AND NEGLECT DATA	NUMBER	RATE	NUMBER	RATE
Children Reported Abused	27	7.7	16,821	17.3
Children Substantiated Abused	11	3.1	6,549	6.7
Children Reported Sexually Abused	18	5.1	5,730	5.9
Children Substantiated Sexually Abused	9	2.6	2,449	2.5
Children Reported Neglected or Dependent	79	22.5	40,945	42.2
Children Substantiated Neglected or Dependent	25	7.1	16,417	16.9

1992 POVERTY PROGRAMS DATA	NUMBER	PERCENT	NUMBER	PERCENT
Children on AFDC	902	22.5	121,771	10.7
Children on Food Stamps	1,813	51.7	260,378	26.8

1991-92 EDUCATION DATA	COUNTY		STATE	
Per Student Spending <small>(1992/93)</small>		\$4,700.53		\$5,037.84
Drop-Out Rate		3.4		3.0
Students on Free or Reduced Lunch		75.5%		43.3%
Students in Special Education Classes		394		80,224

Credit: *Kentucky Kids Count County Data Book 1993*, Kentucky Kids Consortium, 1993.

Jackson County Community Assessment Summary

STRENGTHS

Population

- Population numbers are relatively stable
- Teen birth rates are declining
- Above average percentage of young people

The Economy

- Marketable industrial park and sites
- Tourism & travel expenditures are up 22 percent
- Commitment of \$20 million EZ funds over 10 years
- Funding for economic development director

Human Resources

- High school graduation rate is improving
- Available work force
- Volunteer pool of retirees
- Committed community volunteers
- Active development and industrial authority

Natural Resources

- Abundant timber resources
- Daniel Boone National Forest
- Several natural areas and caves
- Availability of natural gas in Annville
- Prime farm land

Infrastructure

- Big Hill is scheduled for major improvements
- KY 30 is on state's Six-year plan
- Housing costs are low
- Land costs are low
- Water and sewer services are expanding
- Four volunteer fire departments

Community Facilities and Services

- Impressive health care leadership and facilities
- Several historic sites and structures
- Several outdoor parks and recreation areas
- Established GED and literacy programs

Quality of Life

- Strong sense of community
- Less hectic pace of life
- Clean environment (air and water)

WEAKNESSES

Population

- 65+ age group is growing (national trend)
- Percentage of young people is decreasing
- Increase in single-parent families (national trend)

The Economy

- Too few jobs
- Manufacturing jobs are low-wage
- 50 percent of work force commutes out
- Wood is being cut and shipped out
- National Forest decreases land tax base
- Too much reliance on tobacco crops
- Number of farms and farmers is decreasing
- Many people rely on public assistance payments

Human Resources

- High unemployment
- Too many people not in labor force
- High percentage of work-preventing disabilities
- Low educational attainment
- High poverty rates/low income
- Too many children at risk

Natural Resources

- Timber quality is "fair" to "poor"
- Increased timber cutting on private lands
- No land use planning

Infrastructure

- Limited road access
- Limited public transportation
- 45 percent of homes on wells or "other" water
- Water source considered limited
- 17 percent of homes have no septic system
- 22 percent of homes have no phone
- 16 percent of homes have incomplete plumbing
- 12 percent have incomplete kitchens
- County jail out of compliance with standards
- Downtown McKee in need of repair and sidewalks

Community Facilities and Services

- Limited emergency medical care
- No mandatory garbage collection
- Need to expand library
- Need for City Hall/community center in Annville
- Need for community center in McKee
- Will need additional elderly care in future

Quality of Life

- Strong government leadership appears lacking
- Poor health habits (alcohol, tobacco, obesity, etc.)
- Little citizen participation in government
- Limited arts and cultural activities
- Continuing litter problem

THE ACTION PLAN

Giving Directions for an Action Plan

The Action Plan consists of directions for effectively dealing with problems and opportunities identified during the Community Assessment. Recommendations for courses of action to be taken by the county will follow the sequence described below.

Vision and Values:	The community decides what things are important. What are the desirable qualities or principles that you want to sustain and enhance? These values serve as the focal points for developing a vision of the future.
Problem Statements:	Problem statements summarize areas of weakness identified in the Community Assessment that will be addressed in the Action Plan.
Goals:	The community determines what it wants to accomplish in a general sense. Goals are general statements of agreement about what is desired over the long-term.
Objectives:	The community determines how it is going to accomplish these goals in a more specific shorter-term statement.
Strategies:	The community identifies more specific directions for determining how the goals and objectives will be implemented. Strategies provide the details needed to move from discussion to action.

ECONOMIC OPPORTUNITIES

Vision and Values: *We envision an economy that equitably provides opportunities for satisfying livelihoods and a safe, healthy, high quality of life for current and future generations. We desire greater choices in the kinds of jobs for local residents so that our young and educated people do not have to leave the county to pursue careers. We need to make better use of our natural resources through value-added manufacturing and through promotion of tourism. We recognize the social and economic value of family farms and will work to preserve the county's farming community. We need an educated and literate work force and are committed to the concept of lifelong learning for residents of all ages. We want to protect the environment and alleviate poverty and dependence on welfare. These values should be taken into consideration when allocating public resources for development purposes.*

Problem Statement: Although there has been a significant influx of new jobs over the past few years, jobs are still limited in Jackson County and many are low-paying. The average weekly wage rate is 75 percent of the state average. Being a bedroom community to a regional economy means half of the county's resident workers commute to other counties in order to find employment. Many of the county's educated residents leave to find work elsewhere. The local economy relies heavily on primary economic activities such as farming and logging and on government transfer payments. The lack of value-added manufacturing and business establishments results in fewer tax revenues to support needed services.

Goal 1: *Increase employment options within the county with an emphasis on jobs that pay higher wages.*

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Objective 1: Promote Jackson County as a location for business and industry.

Strategies

1. Mandate the Jackson County EZ Community, Inc. to hire an Economic Development Director (EDD) to market the area as a business location. The EDD will conduct research or contract with a marketing professional to determine which businesses would be good targets.
2. Encourage the Jackson County Industrial Authority to prepare a promotional brochure to highlight the county's work force and quality of life attributes. The brochure will highlight major points of interest in the county, including tourism opportunities, and will be made available for distribution through state agencies and the EDD's office.
3. Market the debt-free industrial park by including information in the promotional brochure.
4. Construct a speculative building in the Jackson County Industrial Park using Empowerment Zone funds. The building could be tailored to manufacturing, telecommunications, or designed as an incubator for small business start-ups.
5. Aggressively market vacant buildings and sites.
6. Identify other possible industrial sites in the county and work to provide needed utilities and access roads.

Objective 2: Ensure that existing businesses are being adequately supported by local governments and the community.

Strategies

1. Ask the EDD to review existing models such as the Kentucky Economic Expansion Program (KEEP) and others and develop a Business Retention and Expansion program which provides tangible benefits for existing businesses. Benefits could include reduced worker training costs, better access to job training grants, joint purchasing agreements, and reduced health care costs.
2. Seek funding for joint business network projects through the Kentucky Economic Development Cabinet's networking initiative.
3. Consider having the Jackson County Industrial Authority or the Economic Development Director begin a series of informal visits to local businesses and industries to talk about problems and concerns.

Objective 3: Promote an environment in which entrepreneurial activity will thrive.

Strategies

1. Provide entrepreneurship training to Jackson Countians interested in going into business for themselves. As envisioned in the EZ Strategic Plan, the Jackson County EZ Community, Inc. will commission the EKU Center for Economic Development to design an entrepreneurship training program and provide start-up assistance. Local officials will identify any existing structures with the potential for being renovated into a community center where such programs could be offered. Such a center could also serve as a clearinghouse for information, materials, and additional services in support of entrepreneurs.

2. Ensure the first session of the entrepreneurship program is preceded by public workshops aimed at particular entrepreneurial opportunities (as applied to agriculture, tourism, and the wood industry). The coordinator of these workshops will identify specific opportunities (niches) that may exist in Jackson County, utilizing the list of *Likely Business Opportunities in Richmond Market Area by SIC Code* (Appendix A, Figure 73) or more current market research.
3. Provide greater access to capital for business start-ups and expansions by using EZ funds to establish a Venture Capital Fund for Jackson County and by encouraging local banks, state and regional lending sources, and others to be involved in business start-ups.
4. Support two entrepreneurial start-ups per year for ten years, creating between 20-25 jobs each year.
5. Establish an alliance with the University of Kentucky Robotics Center in order to develop emerging technologies into profit-making ventures.

Objective 4: Promote home-based businesses.

Strategies

1. Identify potential home-based businesses for the county.
2. Start 25 home-based businesses in the first three years of the program utilizing Empowerment Zone funds as seed money.
3. Follow-up on proposed agreements with Image Entry (included in the Empowerment Zone Strategic Plan) to develop and implement a training program for participants interested in home-based data entry and establish a financing program to help participants purchase computer workstations.
4. Follow-up on EZ Plan proposal to provide 100 multi-media workstations for low-income participants in the data entry home-based business program. These workstations could include CD-ROM for family educational purposes.

Objective 5: Take advantage of the expertise and goodwill of former residents.

Strategies

1. Increase viable employment and business opportunities for those who have migrated out of the area.
2. Encourage Jackson County natives now living outside the area who own their own business or have specialized training to return to their hometowns and start their own businesses, or to make an investment in Jackson County development.

Problem Statement: Since much of the county's economic opportunity is related to the natural resource base, it is important to pay attention to sustaining those resources. Forestry surveys indicate that the quality of the county's timber resource is "fair" to "poor." Too much of the county's timber is being cut and shipped out of the county as logs with no value added. There is some concern that increased logging using improper logging methods is further degrading the quality of the forests, causing soil erosion, and harming water quality. Forest ecosystems provide economic opportunities beyond the wood industry. The county has not adequately explored these opportunities or the potential for ecology-based tourism or "eco-tourism."

Goal 2: Increase the value of and return on the county's forest resources.

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Objective 1: Promote better management of Jackson County's forests.

Strategies

1. Develop a plan for working with schools in the county to incorporate information and activities about forests and forest products into appropriate classes. This would require some "educating of the educators," as well as assistance to them in identifying information and resources for teaching. The benefits of this would be long-term, but could be very important to the future of the community.
2. Develop a plan for logger/landowner education, with a view toward improving the forest resources of Jackson County. Experts from both the public and private sectors will be contacted to schedule workshops on forest resources. Topics could include the functions of forest resources, proper forest management and harvesting techniques, water quality and soil erosion issues, and incentives to private landowners for practicing good forest management. The Kentucky Forest Industries Association has a Master Logger training and certification program that could benefit local loggers.

Objective 2: Promote development of forest-based industries, including value-added wood industries.

Strategies

1. Increase awareness of forest industries and identify prospective local entrepreneurs by holding a community forum to explore opportunities for forest products-based enterprises. Several aspects of forest-related industries will be covered, including non-wood forest products. Sponsorship and assistance will be sought from the Extension Service, Kentucky Division of Forestry, the U.S. Forest Service, Eastern Kentucky University, Jackson County Development Association, and other local organizations.
2. Encourage the EDD, the Industrial Authority, and the Jackson County Development Association to consider a pro-active recruiting campaign aimed at attracting a secondary wood manufacturer to the county. Such an activity could be supported by both the East Kentucky Corporation and EKU's Center for Economic Development.
3. Encourage the Industrial Authority to work closely with Kentucky Woodcrafts to see what can be done to assist them in their efforts to grow.
4. Help the Industrial Authority become familiar with economic incentives available to forest-based businesses through the Empowerment Zone and other state and federal programs and make prospective businesses aware of these resources.
5. Encourage the County Agricultural Extension Office to assist local entrepreneurs in exploring the feasibility of forest-based microenterprises or full-scale businesses which utilize forest products other than wood. A listing of potential forest products with market potential is included in Appendix E.

Problem Statement: Jackson County is one of 15 Kentucky counties considered at risk from a significant decline in tobacco quotas. Projections by the Kentucky Long-Term Policy Research Center suggest the county could lose over \$2 million dollars of tobacco income and the equivalent of 142 jobs over the next 10 years. Tobacco income accounts for 5.3 percent of the county's personal income. These losses could occur in fewer than 10 years, depending on how and when quotas are reduced.

Goal 3: Develop a diversified, sustainable agricultural base and reduce dependence on tobacco farming.

Objective 1: Supplement tobacco production with alternative agricultural products.

Strategies

1. Investigate the production of crops to supplement tobacco and to serve as replacements if the need arises. Some of the possibilities include hay, sorghum, kenaf, herbs, vegetables, fruit, flowers, shrubs, trees, Christmas trees, grains, and ginseng. Agriculture Extension Agents will continue to assist farmers in determining return on investment when exploring some of the newer alternatives to tobacco to determine whether they are "real" alternatives from an economic standpoint.
2. Request funding through the EZ project to establish a sustainable agriculture demonstration farm in the county which would serve as a source of information for farmers considering new crops, aquaculture operations, or other alternatives to tobacco.
3. Expand the "Chain of Life" Association in Jackson County. This association consists of a group of low-income individuals, especially farmers who are given an animal (from goats to cows) and trained in the proper care of these animals. The animal owner is required to pass an animal off-spring to another low-income family and to teach them the proper care of their animal.
4. Investigate increasing beef cattle production and raising other livestock such as sheep, free range chickens, honeybees, emus/ostriches, horses, goats, and fish.

Objective 2: Coordinate production and marketing of alternative crops.

Strategies

1. Promote the local Farmer's Market as an outlet for local gardeners and farmers to sell their products.
2. Publicize the Eastern Kentucky Vegetable Producer's Association in Beattyville as another market for farm produce from May through November.
3. Form co-ops for alternative, "medicinal" or other crops not handled by the Cumberland Farm Co-op or other co-ops in the area. Alternative crop examples include ginseng, herbs, and straw flowers.
4. Investigate establishing a partnership with the Kentucky Organic Food Growers Association and encourage local goat farmers to join the Eastern Kentucky Goat Producer's Association, a new co-op based in Booneville.
5. Establish relationships with the Departments of Agriculture at the University of Kentucky, Eastern Kentucky University, and Berea College to help with market research and production problems.

Objective 3: Provide farmers with access to capital to develop alternative agricultural products.

Strategies

1. Encourage KHIC to establish a \$1 million credit line for farmers to help Cumberland Farm Products Co-op farmers, the Eastern Kentucky Vegetable Producer's Association members, and others, in accordance with the EZ Strategic Plan.

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2. Encourage KHIC to establish an Alternative Agriculture Venture Fund to promote raising alternative crops and livestock, in accordance with the EZ Strategic Plan.

Problem Statement: Nearly 62 percent of county residents in 1990 had not graduated from high school. Almost 44 percent had less than a ninth-grade education. Only five percent had a bachelor's degree or higher. Many of the county's best-educated residents leave the county to find work elsewhere. There is a great need to increase the educational and skill level of the existing adult population, both workers and unemployed persons. Without a better-prepared work force, it will be difficult to convince businesses to locate in the county.

Goal 4: Develop a work force that is prepared for work in the 21st Century.

Objective 1: Increase the basic skills, communication skills, and technical skills of local residents.

Strategies

1. Identify existing training programs available to business and industry through vocational education centers and regional universities to raise employee skill levels and productivity.
2. Determine the continuing education needs of management and production personnel and any customized training needs during meetings with local businesses and industries (conducted as part of the Business Retention and Expansion program). Arrange for joint training sessions if a number of companies or businesses have the same needs.
3. Identify sources of funding such as Bluegrass State Skills Corporation and assist local businesses in applying for training funds.
4. Encourage the EDD to serve as a liaison between training providers and local businesses to ensure delivery of training and follow-up.
5. Make local businesses aware of the availability of the Kentucky Training Team Mobile Lab (a joint project of ECU and the Kentucky River Foothills Development Council/Head Start Program) which is equipped with eight networked IBM computer work stations and many software applications.
6. Explore the possibility of electronically linking the proposed community center in Jackson County with educational facilities and programs at Eastern Kentucky University, Berea College, and the Rural Development Center in Somerset.

Objective 2: Increase access to 21st Century jobs, job training, and other educational opportunities for those whom access is currently difficult.

Strategies

1. Work with Growing in the Fifth Together (GIFT) to involve educators, business people, parents, and other concerned citizens in evaluating educational needs and opportunities for Jackson County.
2. Work with Appalachian Communities for Children, the Jackson County Board of Education, and others to determine whether existing literacy, GED, and regional vocational/technical programs are reaching those who need and want to participate.
3. Use established community networks to identify job opportunities for youth and unemployed individuals and to establish a Teen Job Network.

4. Establish a Job Readiness Training Program in the school system and work with KHIC to establish a sheltered workshop for people with disabilities, as recommended in the EZ Strategic Plan. Explore ways to make post secondary vocational-technical and advanced technical training more appealing to middle and senior high students.
5. Create opportunities for Jackson County to access the information superhighway for use in educational, medical, governmental, business, and private sectors.
6. Create a directory of educational enrichment activities or opportunities for students of all ages such as summer study programs, adult education programs, apprenticeships, and youth camps.

Objective 3: Develop a world class educational system and increase the high school graduation rate to 90 percent by 2005 (from 57.3 percent in 1992).

Strategies

1. Increase parental involvement in the education of children by expanding the Odyssey of the Mind Program. This is an academic program which involves a coach and team of seven students. The students from grades two through 12 are encouraged to use critical, creative thinking skills and spontaneous answers in academic competition. The coach can be a teacher or parent.
2. Establish connections between local educators and local businesses by starting a mentor program for at-risk students.
3. Strive for continuous evaluation and improvement of the "Tech Prep" program at local high schools.

Objective 4: Increase opportunities for access to higher education.

Strategies

1. Work with Eastern Kentucky University or community colleges to establish an electronic link for extension of academic programs to the county.
2. Explore potential funding to plan and implement a project linking classrooms and community facilities to institutions of higher education through the National Telecommunications Information Administration grant program.
3. Encourage local high schools to plan trips to institutions of higher education to help students become familiar with degree programs, campuses, and facilities.
4. Establish a college scholarship fund for low-income students funded by local businesses or former Jackson County residents.

Problem Statement: In 1993, Jackson County ranked 106 out of Kentucky's 120 counties in terms of tourism and travel expenditures. An estimated 20 people were employed in the tourism and travel sector at that time. Although the amount of tourism and travel expenditures increased by nearly 22 percent from 1992 to 1993, tourism and travel remains an underdeveloped sector with significant potential.

Goal 5: Increase tourism and travel expenditures and employment in Jackson County.

Objective 1: Coordinate tourism development and promotion efforts.

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Strategies

1. Develop a Comprehensive Tourism Development Plan for Jackson County that is designed to realize the county's potential in keeping with the priorities expressed in the vision statement. The plan will focus on 1) existing and potential attractions (both sites and events), 2) support facilities and services, 3) marketing, and 4) tourism linkages (Figure 45).

Objective 2: Improve tourist information services.

Strategies

1. Solicit design assistance from a professional advertising firm to prepare an advertising campaign including brochures, video tapes, and other promotional materials.
2. Establish a Tourist Information Center and a volunteer committee to operate it.

Objective 3: Develop additional natural areas within the county to attract tourists and to create jobs.

Strategies

1. Develop a Visitor Education Center at Horse Lick. Recommend that a representative of the Jackson County EZ Community, Inc. be appointed to serve on the U.S. Forest Service's Horse Lick Committee which is working to establish a Visitor Education Center.
2. Direct the EZ Tourism Committee and the Jackson County Recreation and Park Board to identify and develop additional trails within the Daniel Boone National Forest for various activities, keeping them well-separated, delineated, and marked. The committee will identify and develop 50 miles of trails for hikers; 50 miles of trails for horse riders; and 50 miles of trails for off-road vehicles. The committee will solicit help from the U.S. Forest Service and The Nature Conservancy to determine the best location for providing scenic views yet preserving, or not disturbing, endangered species or habitat. Figure 46 shows existing trails and recreation areas in the Daniel Boone National Forest.
3. Improve access to areas of natural beauty, such as natural arches, waterfalls, and caves which are not considered to be environmentally sensitive by working with landowners. Continue to conserve and protect natural areas that are sensitive to human impacts.

Objective 4: Expand recreational opportunities within the county for both residents and visitors.

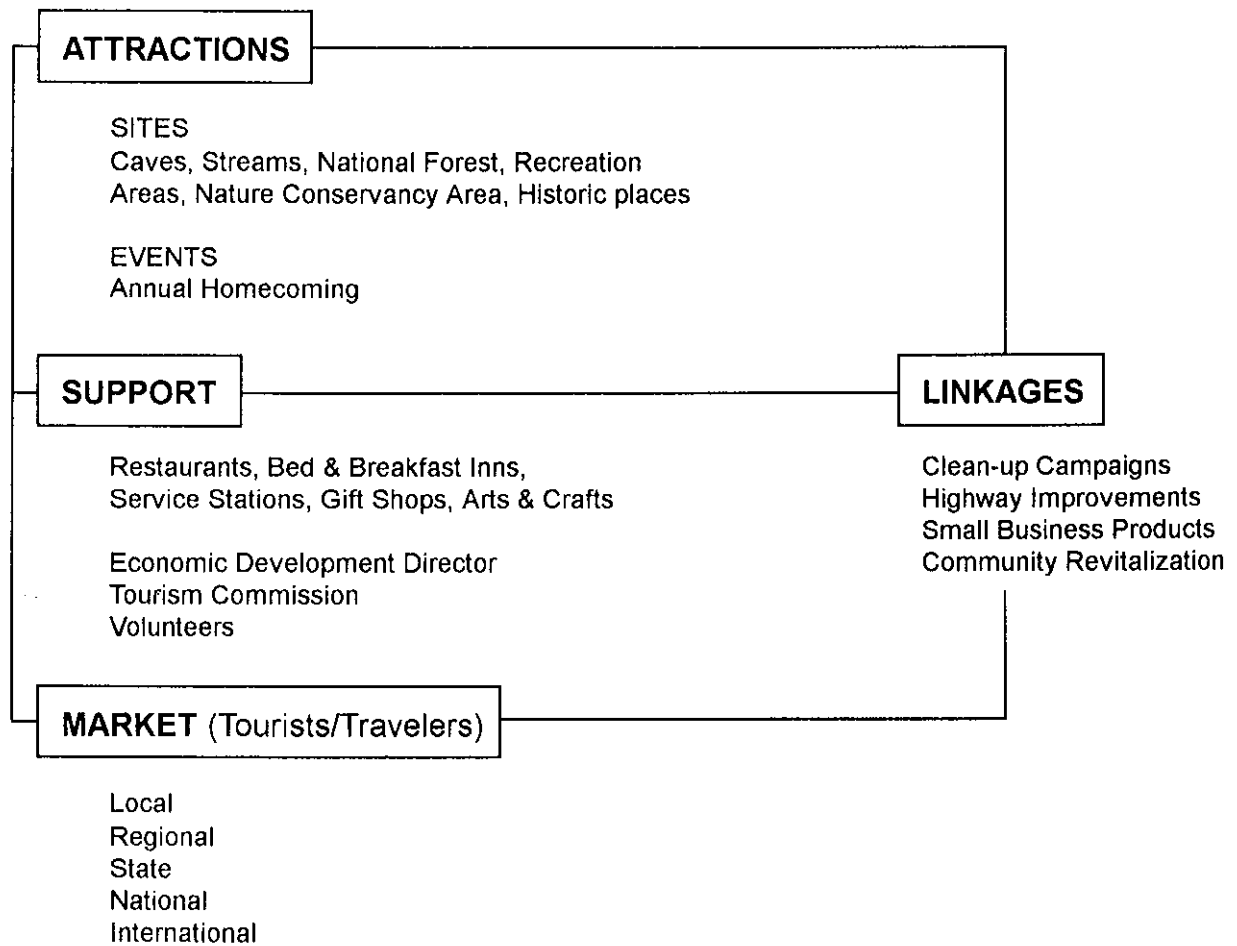
Strategies

1. The Jackson County Recreation and Park Board will explore the county's recreation needs by conducting a community survey (using an insert in the local paper or utility bills) to determine interest in various recreation facilities such as a swimming pool, an 18-hole golf course, a running/walking track, a skate board ramp, bike paths, a trail linking Gray Hawk Park to McGammon Falls, and playgrounds. The Board will use the survey to get a sense of how many would utilize the facilities, and how frequently, what they would be willing to pay, and other perceived recreation needs.
2. Conduct a feasibility study for the most popular project and assess whether public or private resources are sufficient to carry out the project.

Objective 5: Encourage and support new tourism-related businesses to serve residents and visitors.

Jackson County Tourism Plan Components

Figure 45



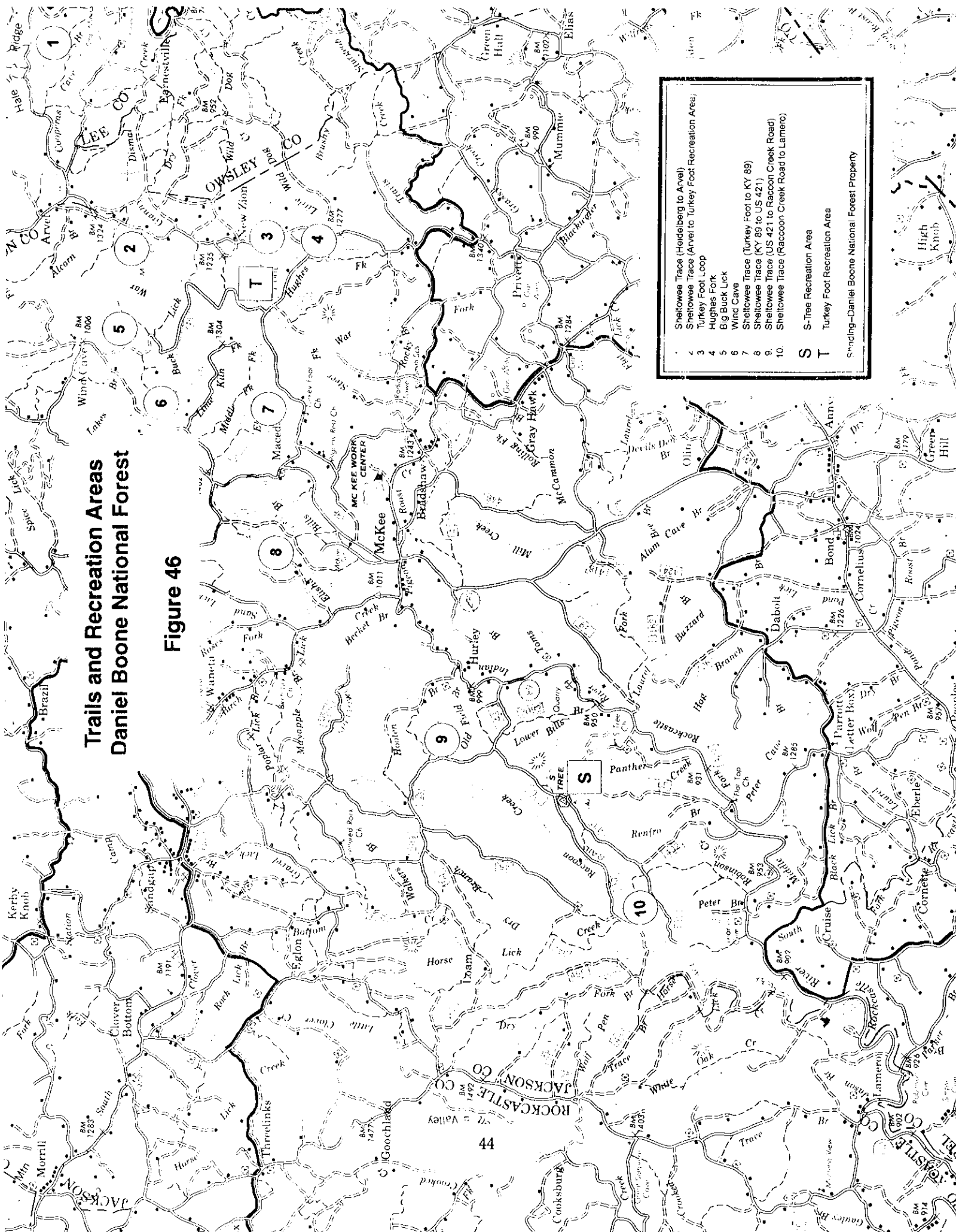
Trails and Recreation Areas Daniel Boone National Forest

Figure 46

1	Sheltowee Trace (Heidelberg to Arvel)
2	Sheltowee Trace (Arvel to Turkey Foot Recreation Area)
3	Turkey Foot Loop
4	Hughes Fork
5	Big Buck Lick
6	Wind Cave
7	Sheltowee Trace (Turkey Foot to KY 89)
8	Sheltowee Trace (KY 89 to US 421)
9	Sheltowee Trace (US 421 to Raccoon Creek Road)
10	Sheltowee Trace (Raccoon Creek Road to Lamero)

S	S-Tree Recreation Area
T	Turkey Foot Recreation Area

Shading—Daniel Boone National Forest Property



Strategies

1. Develop resource information for small businesses with the help of the Southcentral Small Business Development Center. Make it available at the library or economic development office and publicize its availability.
2. Project the number of visitors to Daniel Boone National Forest in Jackson County in order to determine potential market size.
3. Encourage the development of sites and events that have historic value.
4. Solicit funding from the Tourism Cabinet or other sources to conduct a study of the potential for expanding camps and campgrounds for civic, business, and religious groups, and arts and crafts activities.
5. Encourage and develop local funding sources for tourist-related small businesses and aggressively market KHIC/SBA Micro-Lending Program to tourism-related small businesses.

Objective 6: Make the communities and roadways of Jackson County more attractive.

Strategies

1. Use William F. Carman's *Downtown Improvement and Beautification Plan* (published in 1993) as the preliminary basis for a comprehensive plan to revitalize the downtown areas of McKee and Annville.
2. Expand the current roadside clean-up campaign to a semi-annual event. Concentrate efforts on major highways providing access to the county (U.S. 421 and KY 30).
3. Expand the Adopt-a-Road program with the goal of cleaning up more roadside dumps and establishing a monthly schedule for main road clean-ups.
4. Continue the environmental education program in the Jackson County school system.
5. Explore the possibility of mandatory garbage collection, including recycling, and aggressively enforce pollution and litter laws.

INFRASTRUCTURE

Vision and Values: *We envision an efficient and affordable physical system to support our economy and the development of tourism, and to improve the quality of life for all Jackson Countians. We believe decisions regarding expansion of infrastructure and utilities should be made equitably on the basis of health and safety, economy of service, and need and not on political considerations. We believe every citizen has a right to affordable, safe, and sanitary housing. We believe that infrastructure projects should be planned and implemented with a goal of protecting the environment. We believe citizens have a right and a duty to participate in decisions regarding infrastructure development.*

Problem Statement: Like many other local governments, Jackson County's resources are limited. Because there are not sufficient resources to accomplish everything at once, the county needs to develop a coordinated approach for funding infrastructure improvements based on priorities established by citizens.

Goal 1: Coordinate infrastructure planning and development.

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Objective 1: Develop an infrastructure improvement plan which prioritizes all infrastructure projects (including roads, access roads, spec buildings, telecommunications infrastructure, water, sewer, fire protection, public housing, and public utilities).

Strategies

1. Include responsibility for infrastructure planning as part of the job description of the new Economic Development Director (EDD).
2. Direct the EDD to work with a committee made up of representatives of the McKee Water and Sewer System, the Jackson County Water Association, the Jackson County Industrial Authority, Jackson County RECC, Annville Gas Transmission Company, and the Peoples Rural Telephone Cooperative Corp., Jackson County Fiscal Court, the City of McKee, and the City of Annville, and the Jackson County Development Association to coordinate and plan future infrastructure needs and improvements on a county-wide basis.
3. Direct the EDD to investigate the potential for developing telecommunications capacity through partnerships with local utilities and surrounding colleges and universities for business, medical, educational, and governmental services.
4. Review past studies and/or conduct new feasibility studies to determine appropriate sites for major capital improvements. Included in this category are sites for a new reservoir, a general aviation airport, an 18-hole golf course, swimming pool, etc. Studies have been conducted or are presently being initiated to identify potential locations for some of these improvements.
5. Create public awareness and stimulate public involvement in infrastructure planning by conducting a public hearing on the draft infrastructure improvement plan prior to final adoption.

Objective 2: Seek funding to implement each phase of the infrastructure improvement plan in accordance with the priorities set forth in the plan.

Strategies

1. Encourage the EDD to become familiar with all available funding sources for public facility improvements.
2. Help the EDD, and directors of the county's water, sewer, and other utility commissions, to identify upcoming funding opportunities and develop proposals for grants and loans to fund top priority projects, in accordance with the infrastructure improvement plan. Alternatively, the county could hire a professional consultant to prepare funding proposals.

Problem Statement: Limited road access is partly responsible for some of the good things about Jackson County; its natural beauty and small town atmosphere. Nonetheless, limited access has also contributed to the county's economic woes causing many to leave the area to be closer to employment. Improving the county's transportation system will open the county up to more economic development and more visitors and make it quicker and safer for county residents who commute.

Goal 2: Improve the county's transportation system.

Objective 1: Develop safe, moderate-speed highways connecting the north and south ends of the county to Berea/Richmond and London.

Strategies

1. Encourage the Jackson County Development Association and other community leaders to continue to work with state and federal agencies on improvements and reconstruction of existing roadways which accommodate tourism and industry.
2. Continue to advocate for the U.S. 421 (Big Hill project) and Hwy. 30 from Annville to London. Get other segments of U.S. 421 and KY 30 in the state's 20-year Long-Range Plan, and push to have them added to the Six-Year Plan. Both the major north-south highway (U.S. 421) and the east-west highway (Hwy. 30) should be the focal point for improvements over the next 6-12 years, with other state/county roads being upgraded as funds become available.
3. Explore connections to the KY 90/U.S. 127 junction of the proposed Interstate 66.

Objective 2: Improve access by air for recreational and business visitors to the area.

Strategies

1. Study the demand and need for a small, safe general airport to facilitate passenger and business travel to and from Jackson County.
2. If the need is documented, conduct a study to identify potential sites for the airport.
3. Raise the balance of matching funds to leverage FAA funds.

Problem Statement: In 1990, 45 percent of the county's homes relied on wells, cisterns, or "other" water supply sources. According to the Kentucky Department for Health Services, 47 percent of the private wells tested by local health departments in Kentucky from 1993-94 revealed bacterial contamination from human or animal waste. Although public water systems are serving more people in the county, many rural areas are still not served. Future growth of some areas is likely to be inhibited by the lack of safe drinking water and hydrants for fire protection. According to a recent study, Beulah Lake and the seven-acre reservoir which supplies McKee are insufficient to meet the county's future water needs.

Goal 3: Provide safe drinking water and an adequate water supply for all residents and businesses of Jackson County.

Objective 1: Ensure that all residents and industries have a clean and safe water supply.

Strategies

1. Work with Jackson County Water Association and the McKee Water and Sewer System to develop a realistic long-term water service extension plan for the county.
2. Establish a timetable as part of the county's infrastructure improvement plan.
3. Encourage the local health department to conduct a campaign to educate private water supply users about the need for testing and treatment of their water and how to protect private water supplies from contamination.

Objective 2: Ensure the county's water supply resources are adequate to meet future needs.

Strategies

1. Ask Jackson County EZ Community, Inc. to re-examine the study *Prospects and Impacts of a Reservoir Location for Jackson County* (1988), and determine the preferred site for development of

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a new reservoir(s) to meet the future water supply needs of the county. The study investigated eight different sites in terms of physiographic and socio-cultural criteria to include, geology, soils, and infrastructure.

The eight sites were evaluated against these criteria for potential impacts. The study concluded that on the basis of the environment and economics, the Steer/War/Hughes Fork reservoir would be the top priority. The study recommends that additional detailed investigations by geologists, soil experts, and others would need to be conducted. Figure 47 provides an overview of the scope for the eight proposed reservoirs. Figure 48 includes a map of the proposed reservoir sites.

Proposed Reservoir Sites in Jackson County

Figure 47

Site	Elevation	Acres	Watershed	Volume (acre-ft)	Dam Height (ft)
Rock Lick	1,050	200	4,000	8,414	49
Station Camp	1,050	4,712	29,721	489,049	250
Steer/War/Hughes	1,050	600	7,279	34,703	51
Laurel (above 290)	1,060	228	11,196	10,679	60
Laurel (above Indian Creek)	1,060	925	16,022	46,806	100
Clover Bottom	1,000	202	11,383	2,099	20
Horse Lick (small)	1,025	203	11,700	5,041	44
Horse Lick (large)	1,200	5,227	23,924	533,175	250

Source: Prospects and Impacts of a Reservoir Location for Jackson County, 1988

2. Investigate the alternative of running a water line from Laurel Lake.
3. Utilizing EZ funds as match, apply for funding from FmHA, EDA, CDBG, and other sources to implement the preferred alternative.

Problem Statement: In 1990, 10 percent of the county's residents were served by McKee's public sewer system; 74 percent were using septic tanks or cesspools; and 17 percent of the homes in Jackson County had no septic system at all. Proper operation of septic tanks is limited by clay, bedrock, and high water tables. The lack of public sewer services creates an opportunity for pollution of surface and groundwater from improperly functioning septic systems and from homes that have "other means" of sewage disposal, such as piping it to a nearby creek. The potential for an outbreak of hepatitis-A or other serious waterborne diseases is increased where households rely on groundwater and do not have adequate sewage disposal.

Goal 4: Provide access to sanitary sewer service in all areas where it is economically feasible and access to alternative systems which protect the environment where sewer service is not feasible.

Objective 1: Work with the McKee Water and Sewer System, the Jackson County Industrial Authority, the City of Annville, and the fiscal court to conduct a feasibility study to determine which areas of the county can be economically served by public sewer systems.

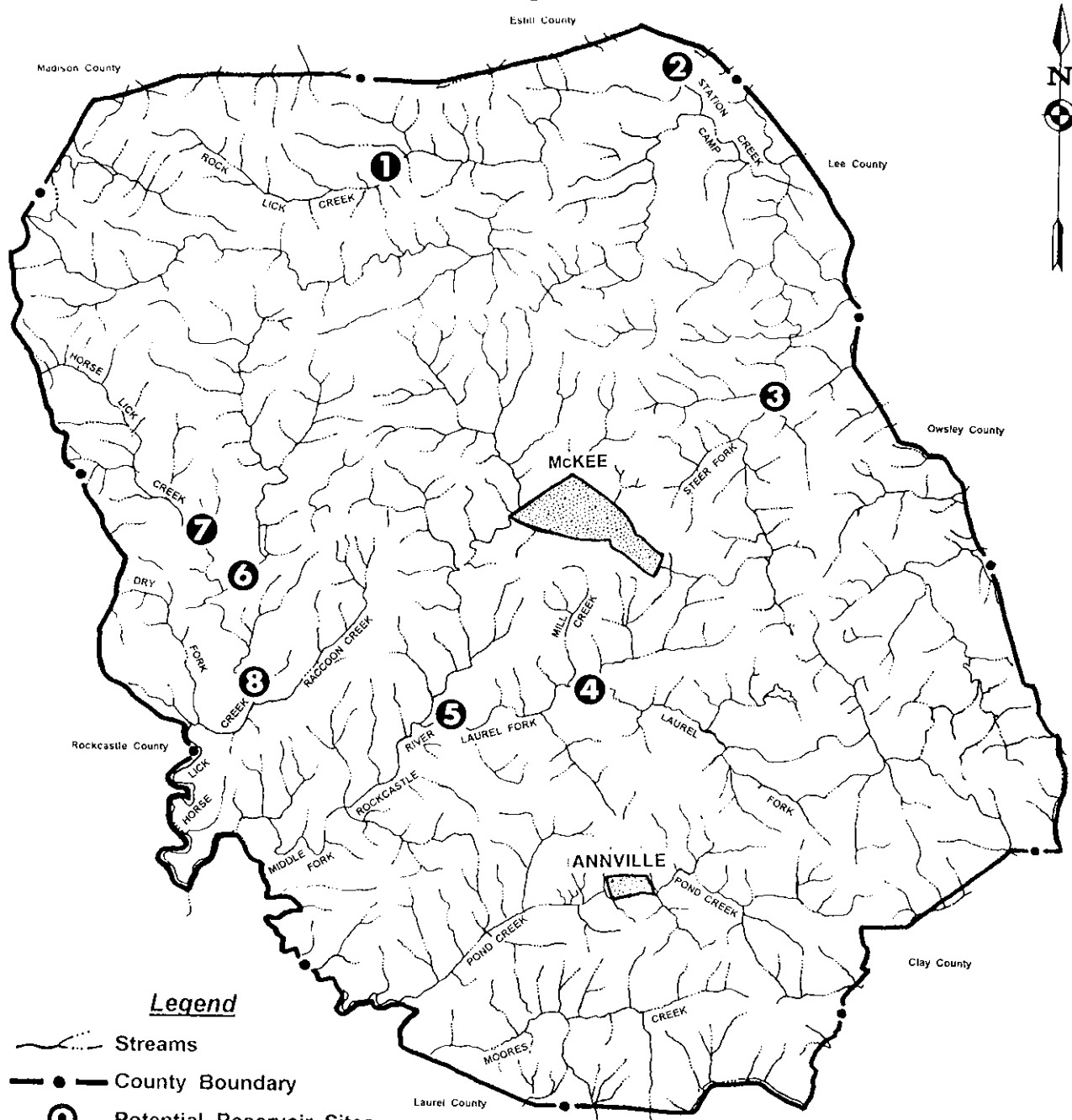
Strategies

1. Seek funding through state and federal programs to extend sewer services to those areas in accordance with each phase of priorities set forth in the infrastructure improvement plan. Attempt to coordinate water and sewer service expansions.
2. Upgrade the existing package treatment plant serving the Jackson County Industrial Park.




Objective 2: Work with the local health department to supply home builders/owners with up-to-date information on alternative waste systems that work where conventional septic tanks are environmentally unacceptable.

Jackson County Water Resources Map

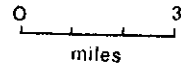
Figure 48



Legend

-  Streams
-  County Boundary
-  Potential Reservoir Sites
- 1** Rock Lick : 200 acres
- 2** Station Camp : 4,700 acres
- 3** Steer / War / Hughes : 600 acres
- 4** Laurel Fork : 200 acres
- 5** Laurel Fork : 900 acres
- 6** Clover Bottom : 200 acres
- 7** Horse Lick : 200 acres
- 8** Horse Lick : 5,200 acres

Jackson County Water Resources

Scale  0 3 miles

THE ACTION PLAN

Strategies

1. Contact the local health department environmentalist to determine what information is available on alternative systems. Get copies of this information and make them available through the public library.
2. Ask *The Jackson County Sun* to do a series of articles featuring alternative systems.
3. Explore whether there is funding available from traditional and non-traditional sources to implement an alternative system demonstration project somewhere in the county where the need is greatest.

Problem Statement: Although the county has four volunteer fire departments, fire protection in rural parts of the county is limited by the lack of hydrants.

Goal 5: Provide fire protection throughout the county.

Objective 1: Provide adequate equipment, capacity, and support for the four existing volunteer fire departments.

Strategies

1. Require installation of fire hydrants on all six-inch (or eight-inch) lines.
2. Extend six-inch lines to all unprotected areas, in accordance with the infrastructure improvement plan, stressing the "looping" of lines wherever possible.
3. Work with the Natural Resource Conservation Service (formerly the Soil Conservation Service) to expand the dry hydrant program to areas not served by water systems.

Problem Statement: Sixteen percent of the county's housing units do not have complete plumbing and 12 percent have incomplete kitchen facilities. Poverty prevents many home owners and renters from renovating their homes to meet generally accepted standards.

Goal 6: Provide access to decent and affordable housing for all county residents.

Objective 1: Rehabilitate existing housing stock to meet the "decent, safe, and sanitary" criteria established by HUD.

Strategies

1. Work in cooperation with Kentucky Mountain Housing Development Corporation in Manchester, the Federation of Appalachian Housing Enterprises in Berea, and Kentucky Housing Corporation in Frankfort to obtain funding from state and federal sources to rehabilitate sub-standard homes rented or owned by low-income people.
2. Pursue funding from FmHA, the HUD "Home" program, Kentucky Housing Corporation, and other sources for weatherization of existing homes and rehabilitation of homes housing low-income elderly.
3. Explore the possibility of establishing a Habitat for Humanity chapter in Jackson County through a network of local churches or working with the Berea College Habitat for Humanity chapter to build new homes for low-income families.

Objective 2: Develop a plan for concentrating new residential development in and around selected existing communities to promote more economical delivery of utility services.

Strategies

1. Extend water and sewer lines to selected communities so that they can serve as focal points for new growth.
2. Identify opportunities to in-fill vacant lots within selected communities to make additional flat land available for development.

Objective 3: Develop subdivision regulations and a code enforcement program to improve the quality of residential development throughout the county.

Strategies

1. Establish a committee (as part of the on-going planning process) to develop a list of goals to be met by a code enforcement program or subdivision regulations.
2. Request technical assistance from the Kentucky Department of Local Government or the Kentucky Chapter of the American Planning Association in gathering information about code enforcement/subdivision regulation programs in other communities.
3. Examine sample code enforcement programs and select several which meet the goals established by the committee.
4. Conduct a community forum to educate the public about proposed alternatives and to receive public response and input.
5. Ask the county attorney to draft an ordinance reflecting the consensus of the committee.

Problem Statement: The county could use several new or renovated spaces to serve a variety of public functions. The county's jail was recently closed because it did not meet state and federal criteria. The county is spending much more than budgeted to transport and house prisoners at facilities in nearby counties and cannot afford to continue this approach. The City of Annville needs a government/community center to house public offices, records, and documents and to provide public meeting space.

Goal 7: Provide public facilities to meet the legal and practical obligations of local governments.

Objective 1: Provide a public facility to meet the county's legal obligation of housing prisoners.

Strategies

1. Determine the most cost effective and reasonable solution to the county's jail problem.
2. Apply for matching funds to construct or renovate a facility to serve as the Jackson County Detention Center, using the proceeds from the new tax on insurance premiums as the local share.

Objective 2: Provide a public building to serve as a government/community center for the City of Annville.

THE ACTION PLAN

Strategies

1. Establish a committee comprised of citizens and Annville's elected officials to discuss long-term needs for space to house government offices and public records and to host public meetings and events.
2. Consult with an architect to assist in the design of a new facility or plans to renovate an existing structure to serve as Annville's government/community center.
3. Obtain cost estimates for the project and pursue sources of funding to construct and operate the center.

QUALITY OF LIFE

Vision and Values: We envision a citizenry that is engaged in civic affairs, shares a vision and unity of purpose, and works together toward the realization of the same. We believe access to quality health care is a fundamental right, regardless of income. We have pride in our community and region and believe in educating others about our rich cultural heritage. We will work to provide access to child care and transportation services in order to encourage employment and discourage dependence on welfare. We believe a clean environment is essential to maintaining our quality of life.

Problem Statement: Jackson County has a problem which many other communities share: a relatively small percentage of its citizens participate in community affairs. Many people complain about the county's problems. They blame things on politicians, greed, and the good-ol-boy system. Some are cynical about the ability of local governments to solve local problems and many are distrustful of elected officials. Citizens are involved in church activities, social organizations, charitable organizations, and sports activities but this activism has seldom carried over into the political/government arena.

Goal 1: Build social capital by facilitating citizen involvement in government and community affairs.

Objective 1: Develop a system or mechanism that provides an ongoing forum whereby people, representing a cross-section of the community at-large, may share their opinions and ideas and participate in the government decision-making process.

Strategies

1. Have the Jackson County Development Association conduct a series of forums on public policy issues. The purpose of the forums will be to educate local citizens and to elicit their opinions and ideas. If these forums are successful, the development Association will continue to sponsor them.
2. Consider organizing a non-partisan citizen's group to promote informed and active participation of citizens in government by educating and advocating for responsible public policies. The group would attend local government meetings and participate in the formulation of public policy. Possible models include the League of Women Voters, Kentuckians for the Commonwealth, Brushy Fork Institute Associates. Assistance could be sought from MACED's Local Governance Project.
3. Promote development of a Community Center to house public agency offices and provide a place for citizens to meet for civic, social, and educational purposes.

Problem Statement: Access to emergency medical services in Jackson County is severely limited. Because the county is not likely to be capable of supporting a hospital or emergency room any time in the near future, other alternatives should be explored.

Goal 2: Improve access to emergency medical care.

Objective 1: Improve and expand the emergency medical care and health capabilities and facilities in the county.

Strategies

1. Purchase radio equipment for county ambulances so they can maintain contact with hospital emergency room doctors located in other counties.
2. Work with the County Ambulance Board to establish specifications for needed equipment, obtain cost estimates, and seek funding for needed equipment.
3. Work with County Ambulance Board and other medical experts in the community to establish a tiered ambulance service and to seek sources of funding to hire a paramedic to be on 24-hour call during serious medical emergencies involving transport of patients to hospitals in surrounding counties.
4. Construct helipads in Annville, McKee, and Sandgap to facilitate emergency air ambulance service.
5. Support the leadership and efforts of Health Help Inc. (Whitehouse Clinic) to expand access to prenatal care and other health and preventative health care services in the county.

Problem Statement: Arts and cultural activities in the county are limited and historic resources are under developed as an economic tool.

Goal 3: Increase understanding and appreciation of the arts, cultural heritage, and historic resources in order to promote the county's quality of life assets.

Objective 1: Complete an assessment of the county's cultural and historic resources.

Strategies

1. Continue to identify cultural and historic resources and get them included in the University of Louisville's statewide database. The Kentucky Education, Arts, and Humanities Cabinet has launched a Cultural Economic Initiative as part of the Cabinet's implementation of the Kentucky Strategic Plan for Economic Development. The Cabinet has contracted with the University of Louisville's Center for Urban and Economic Research to create a database of the state's cultural and heritage resources and to identify success stories of communities that have incorporated the arts and cultural resources into their economic development structure. The current survey of historic buildings by the Development Association's Heritage Committee constitutes a first step in such an assessment.
2. Apply for a grant from the Education, Arts, and Humanities Cabinet to fund a pilot project developing a plan for incorporating cultural and historic resources into the county's economic development strategy. The Cabinet plans to support pilot initiatives in at least two communities. Target completion date for the plans is December 1995.

Objective 2: Expand access to arts programs for Jackson County residents.

Strategies

1. Organize an Arts Council to promote summer arts programs for youth and to sponsor art exhibits, artists in schools, and artistic performances.

THE ACTION PLAN

2. Encourage the Arts Council to explore the feasibility of sponsoring an arts and crafts fair as part of the annual Jackson County Homecoming Celebration.
3. Encourage Jackson County artists and crafts people to have their work juried by the Kentucky Crafts Marketing program so they can participate in the program's annual Kentucky Crafts Market in Louisville and qualify for business loans through the program.

Objective 3: Provide greater access to literature and learning resources.

Strategies

1. Expand the Jackson County Public Library in McKee.
2. Encourage the library to establish electronic links with the Berea College, EKV, and UK libraries, as well as the Library of Congress, and the Rural Development Center in Somerset.

Problem Statement: Lack of affordable child care and lack of transportation are frequently cited by poor people and people on welfare as barriers to full employment. Fourteen percent of the county's households have no vehicle. Single-parents, especially women, often feel they are better off not working because the cost of child care is more than they can handle on low-wage jobs. Until these barriers are removed, a number of people, particularly women, will not become labor force participants.

Goal 4: Provide affordable child care and access to transportation for working parents.

Objective 1: Ensure that anyone who wants to work is not prevented from doing so because they cannot afford child care or do not own a car.

Strategies

1. Work in cooperation with the Jackson County Intergenerational Care Center, other child care providers, and the Jackson County Public Transit system to conduct a survey of child care and work transportation needs.
2. Work with existing agencies to ensure needs are met or to devise a plan to meet them.

Problem Statement: Although Jackson County has vast natural resources and is home to several endangered species, there have been no attempts to inventory the county's environmental resources and to assess environmental quality. Without this basic information, it is difficult to pay more than lip service to the idea of protecting the environment.

Goal 5: Learn more about the quality of Jackson County's environment in order to maintain it as a quality of life asset.

Objective 1: Conduct a community environmental inventory.

Strategies

1. Form a committee of citizens, local agency employees, and others interested in the environment.
2. Utilize *Where We Live: A Citizen's Guide to Conducting a Community Environmental Inventory*, (Donald F. Harker and Elizabeth Ungar Natter, © 1995 by Mountain Association for Community Economic Development) to guide the group in conducting an inventory of environmental resources.

Objective 2: Develop recommendations to address existing environmental problems and a plan for protecting sensitive areas.

Strategies

1. Use environmental inventory report to identify environmental problems and sensitive areas.
2. Work with The Nature Conservancy and state and local agencies to develop a plan for addressing problems and protecting sensitive natural areas.

Problem Statement: Jackson County can be expected to grow as a result of the Empowerment Zone and implementation of this plan. There are two choices in addressing that growth. It can happen haphazardly or it can be carefully planned. Planned development requires some sort of formal working group which establishes criteria for making decisions about how and where growth occurs, based on the collective sense of the community. This group must be empowered by local government ordinance to act as a planning body.

Goal 6: Develop an on-going planning process to prepare for the future.

Objective 1: Coordinate efforts of various entities involved in planning for the county's future.

Strategies

1. Identify which group, committee, individual, or agency is to be the catalyst in establishing an on-going and continuous planning function for the county.
2. Determine which other entities or people must be involved to make the planning process comprehensive (who are the stake-holders?) and what role each will play in carrying out the plan.
3. Bring this group together to agree on proposed timelines and tasks, utilizing the Five-Year Implementation Schedule in Figure 51 as a working document.
4. Establish a regular meeting schedule to provide updates on progress in key areas.
5. Explore utilizing other planning tools such as subdivision regulations, land use planning or zoning, and tax policies, as a means of protecting the environment and directing growth into areas served by public infrastructure.

IMPLEMENTING THE ACTION PLAN

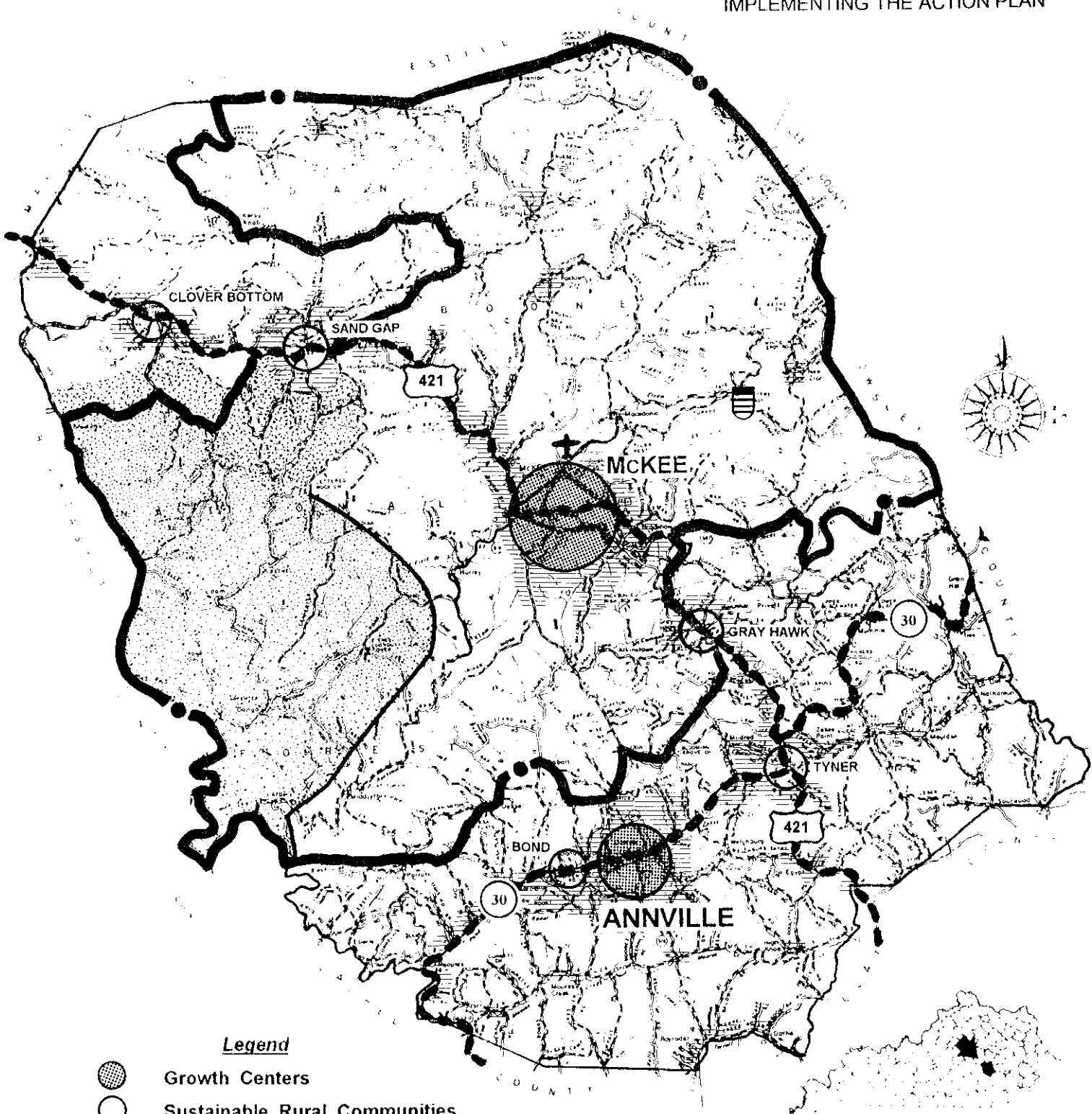
The best of plans is of no consequence if it is not converted from the written text and graphics to reality. Jackson County is not limited so much by its physical resource base as it is by the power of its ideas and a willingness to act upon those ideas. The ultimate success for the county will come from its own people, the primary asset identified in the assessment. The Empowerment Zone designation and its associated funding along with technical assistance from outside agencies will play a vital role in implementation of this plan. However, most of the actions to be taken will be taken by local officials, organizations, and individual citizens.

It is essential that there be overall agreement on a "comprehensive plan" that will guide Jackson County's future development. Figure 49 illustrates the general development plan proposed in this document as it affects the various parts of the county. There are not enough resources available in the county for different groups to be working counter to each other. Although the Empowerment Zone Strategic Plan and this plan propose a number of different actions, their commonality exceeds their differences. This plan has attempted to minimize the few differences while emphasizing the common elements of the two plans. The planning and development process should be flexible enough to accommodate different perspectives and actions to make adjustments as needed.

A primary focus of plan implementation should be placed upon organization of the various participating groups into a unified team. It is vital that all the key players know what their responsibilities are and what is expected of them in following through on the plan's many recommendations. The Empowerment Zone Plan calls for a team effort, with the county judge/executive playing a major role as the primary contact person for local government. Kentucky Highlands Investment Corporation will be responsible for overall administration of the Empowerment Zone program, and will have staff members in daily contact with county officials. The Economic Development Director will be the key local person actually responsible for carrying out the bulk of the work. The Jackson County EZ Community, Inc. board and its subcommittees will provide general guidance in the overall planning and development process. The Jackson County Development Association, with its long-standing record of involvement in community development, will be called upon to take the lead in implementing a number of the work elements. The Jackson County Industrial Authority will be concerned primarily with those strategies and actions that relate directly to industrial development. Numerous other groups will be called upon to provide assistance in one or more of the programs or projects proposed in the plan. Finally, a great deal of volunteer time will be needed to get the job done. Figure 50 illustrates the relationship between the various groups described above.

A work session (or sessions) involving all of the key players in the planning and development process should be scheduled in the near future. Such a meeting would insure participants willingness to be involved and would provide for matching group/individual strengths with strategies. It would also help to clarify some of the details of the plan, give team players guidance in their roles, and provide everyone with an opportunity to see how their role relates to the overall picture.

The major strategies being proposed together with recommended groups to be involved, and a time schedule for each activity are shown in Figure 51. A majority of the strategies call for initiation and implementation in the first three years (1995-1997). This time line may need to be pushed back several months, depending upon actual funding of the Empowerment Zone and the signal to proceed.




Legend

-  Growth Centers
-  Sustainable Rural Communities
-  Rural Development Areas
-  Environmental Conservation / Recreation Area
-  Potential Reservoir
-  Potential Airport Site
-  Daniel Boone National Forest Boundary
-  Major State Highway
-  Major Highway

**Jackson County
General Development Plan**

Figure 49

Scale  miles

Jackson County Planning and Development Participants

Figure 50

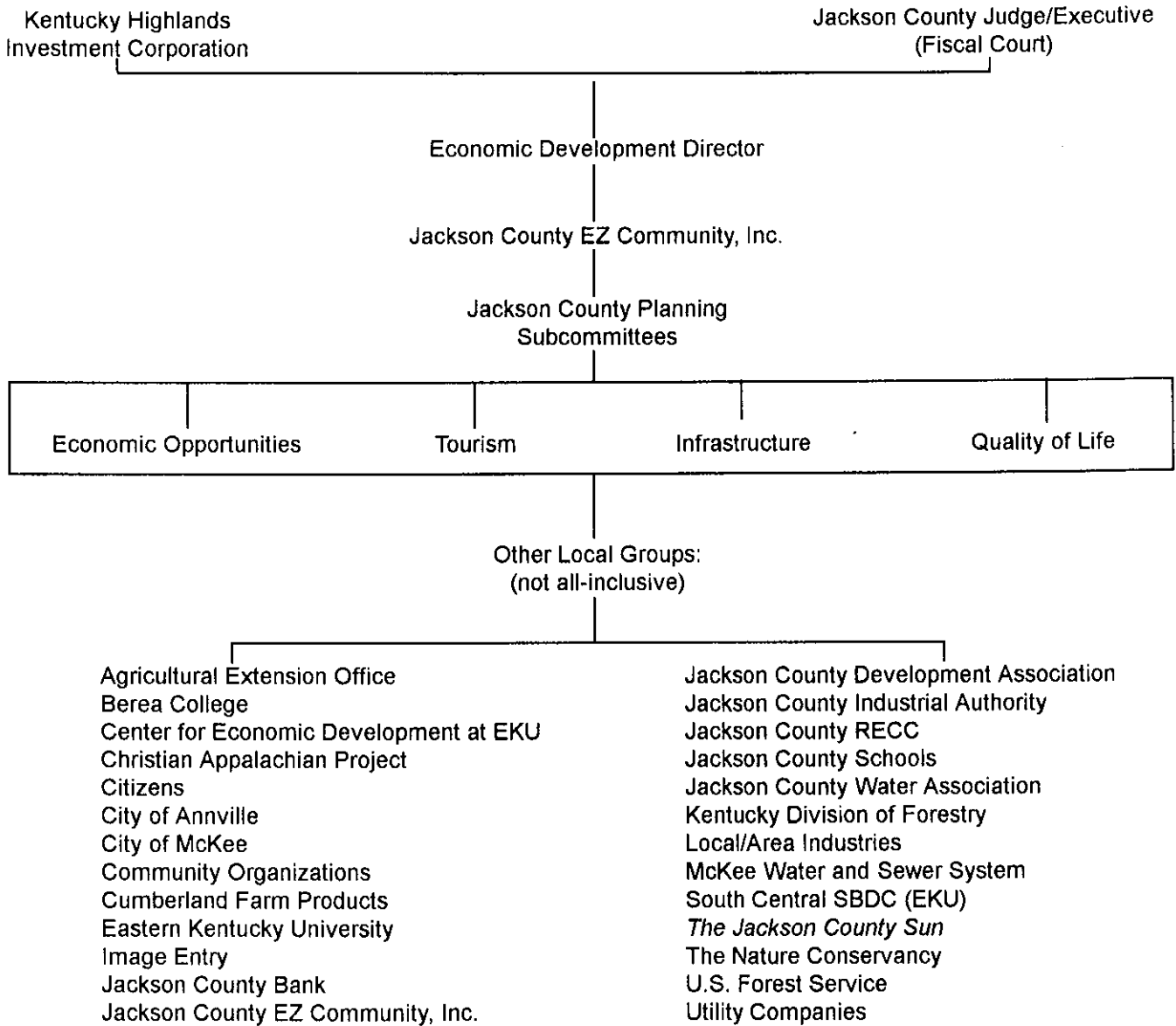


Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

ECONOMIC OPPORTUNITY	STRATEGY	RESPONSIBLE	COMPLETION	1	2	3	4	5	LOCAL	STATE & FEDERAL	COMMENTS
				1995	1996	1997	1998	1999			
	Hire an Economic Development Director	EZC, KHIC	Phase 1	↑						\$35,000	Objective has been met. EZ funds
	Prepare a promotional brochure	EDD, DA	Phase 1	↑							
	Market the debt-free industrial park	IA, EDD, LG	Phase 2	↑							
	Construct a speculative building in the Industrial Park in Annoille	EZC, KHIC	Phase 2	↑						\$150,000	EZ funds
	Market vacant sites and buildings	IA, EDD, LG	Phase 2	↑							
	Identify possible industrial sites	IA, EDD	Phase 2	↑		↑					
	Review Business Retention and Expansion programs	EDD, IA, DA	Phase 1	↑							
	Seek funding for business network projects	EDD, EKU	Phase 2	↑							
	Visit businesses to discuss problems and concerns	EDD, IA	Phase 2	↑							
	Initiate entrepreneurship training program	KHIC, EKU	Phase 1	↑						\$700,000	EZ funds 10 year training program
	Host public forums on tourism, agriculture, and other issues	DA, EDD, EKU, CEA	Ongoing	↑				↑			
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service	IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry								KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

ECONOMIC OPPORTUNITY	RESPONSIBLE	COMPLETION	1	2	3	4	5	LOCAL	STATE & FEDERAL	COMMENTS
			1995	1996	1997	1998	1999			
Establish a Venture Capital Fund for Jackson County	KHIC	Phase 2	↑						\$6,500,000	EZ funds
Support two entrepreneurial start-ups per year	KHIC, EDD, EKU	Phase 3	↑	↑	↑					Funding through SBA, local banks, and Venture Capital Fund
Develop emerging technologies into profit-making ventures	EDD, KHIC, UK	Ongoing	↑	↑	↑					
Start 25 home-based businesses	EDD, KHIC, EZC	Phase 2	↑	↑	↑					Using EZ funds as seed money
Follow-up on proposed agreements with Image Entry	EDD, KHIC, EZC	Phase 2	↑	↑	↑					
Provide 100 multi-media workstations for home-based businesses	EDD, KHIC, EZC	Phase 2	↑	↑	↑				\$350,000	EZ and SBA Micro-Loan funds
Increase employment and business opportunities for former residents	EDD, IA, DA	Phase 2	↑	↑	↑					
Encourage Jackson County natives to return or invest in the area	EDD, IA, DA	Ongoing	↑	↑	↑					
Develop curriculum about forests and forest products in local schools	KDE, FS, EKU	Phase 2	↑	↑	↑					
Develop a logger/landowner education plan to improve forests	EDD, KDF, FS, NC	Phase 2	↑	↑	↑					
Sponsor public forum on forest-related industry opportunities	DA, KDE, FS, EKL, CEO	Phase 1	↑							
CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry	KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies									

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

ECONOMIC OPPORTUNITY	STRATEGY	RESPONSIBLE	COMPLETION	1 1995	2 1996	3 1997	4 1998	5 1999	LOCAL	STATE & FEDERAL	COMMENTS
	Attract a secondary wood manufacturer to the county	IA, EDD	Phase 2		↑	↑					
	Work with Kentucky Woodcrafts to help them expand	EDD, IA, EKV	Phase 2		↑	↑					
	Become familiar with financial incentives for businesses	EDD	Phase 1		↑						
	Explore the feasibility of forest-based microenterprises	EDD, CEO	Phase 1		↑						
	Investigate the alternative crops to supplement tobacco	CEO, CFP farmers	Ongoing		↑	↑	↑	↑			
	Request funding for a sustainable agriculture demonstration farm	CEO, CFP farmers	Phase 2		↑						
	Expand the "Chain of Life" Association	farmers	Ongoing		↑	↑	↑	↑			
	Support increased beef and livestock production	CEO, farmers	Ongoing		↑	↑	↑	↑			
	Promote the local Farmer's Market	CEO, farmers	Ongoing		↑	↑	↑	↑			
	Publicize the Eastern Kentucky Vegetable Producer's Assoc.	CEO, CFP farmers	Phase 1		↑						
	Form co-ops for alternative, "medicinal" and other crops	farmers	Phase 3		↑	↑	↑	↑			
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EKC: Jackson County EZ Community, Inc. FS: U.S. Forest Service		IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry						KHIC: Ky. Highlands Investment Corporation LG: Local Governments NIC: The Nature Conservancy UC: Utility Companies	

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

ECONOMIC OPPORTUNITY		1	2	3	4	5	LOCAL	STATE & FEDERAL	COMMENTS
STRATEGY	RESPONSIBLE	1995	1996	1997	1998	1999			
Establish relationships with colleges to conduct market research	EDD, CEO, CFP	↑	↑						Berea College Dept. of Agriculture EKU Dept. of Agriculture UK Dept. of Agriculture
Establish a \$1 million credit line for farmers	KHIC, EZC	↑	↑						
Establish an Alternative Agriculture Venture Fund	KHIC, EZC	↑	↑				\$150,000	\$150,000	EZ funds
Identify existing business and vocational training programs	EDD, JCS	↑							Workforce Development Cabinet Kentucky TECH Program
Determine continuing education needs of local businesses	EDD, IA, DA	↑	↑						Using Business Retention and Expansion Program
Identify sources of training funds to assist local businesses	EDD	↑							Bluegrass State Skills Corp. ITPA
Ensure delivery of training and follow-up	EDD					↑			
Make businesses aware of the Ky. Training Team Mobile Lab at EKU	EDD	↑							Available through EKU Division of Special Programs
Electronically link the community center to learning centers	LG-County				↑				Rural Development Center in Somerset and Others
Evaluate county's educational needs and opportunities	GIFT, JCS	↑	↑						Growing in the Fifth Together and Prichard Committee
Ensure literacy and GED training needs are being met	LG-County, GIFT, JCS, CO	↑	↑						Appalachian Communities for Children
CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service	IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry							KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

ECONOMIC OPPORTUNITY	STRATEGY	RESPONSIBLE	COMPLETION	1 1995	2 1996	3 1997	4 1998	5 1999	LOCAL	STATE & FEDERAL	COMMENTS
	<i>Establish a Teen Job Network for unemployed youth</i>	EDD, JCS	Phase 2	↑							
	<i>Establish a Job-Readiness Training Program and sheltered workshop</i>	EDD, JCS, EZC	Phase 2	↑							
	<i>Help business and education access the information superhighway</i>	EDD, DA	Ongoing	↑	↑	↑	↑	↑			
	<i>Create directory of educational enrichment programs</i>	CEO, JCS	Phase 2	↑							
	<i>Expand the Odyssey of the Mind program</i>	JCS	Phase 2	↑							
	<i>Start a mentor program for at-risk students</i>	JCS	Phase 2	↑							
	<i>Establish an electronic link for extension of academic programs</i>	EDD	Phase 3	↑	↑	↑	↑	↑			Rural Development Center in Somerset, EKL, and others
	<i>Implement a project linking classrooms and community facilities</i>	LG, JCS	Phase 3	↑	↑	↑	↑	↑			
	<i>Plan trips to institutions of higher education</i>	JCS	Phase 2	↑							
	<i>Establish a college scholarship fund for low-income students</i>	JCS, GIFT, CO, Local businesses	Phase 2	↑							
	<i>Develop a Comprehensive Tourism Development Plan</i>	EDD, DA, LG	Phase 2	↑					DA--\$2,000	FS--\$8,000	
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKL: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service		IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry							KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

ECONOMIC OPPORTUNITY	RESPONSIBLE	COMPLETION	1	2	3	4	5	LOCAL	STATE & FEDERAL	COMMENTS
			1995	1996	1997	1998	1999			
Prepare an advertising campaign for tourism	EDD, DA, LG	Phase 2		↑						
Establish a Tourist Information Center	EDD, DA, EZC	Phase 3		↑						
Develop a Visitor's Education Center at Horse Lick	NC, FS, EDD	Phase 3		↑					\$400,000	ISTEA grant funds
Develop additional trails within the Daniel Boone National Forest	FS, NC, CO	Phase 3		↑					\$25,000	Forest Service funds
Improve access to areas of natural beauty	NC, FS	Phase 3		↑						
Explore the county's recreational needs	LG, DA, Parks Committee	Phase 2		↑						
Conduct feasibility study on implementing recreation projects	LG, DA, Parks Committee	Phase 2		↑						
Develop resource information for tourism-related businesses	EDD, KHIC, EKV	Phase 2		↑						
GEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service									IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry
										KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

INFRASTRUCTURE	STRATEGY	RESPONSIBLE	COMPLETION	1 1995	2 1996	3 1997	4 1998	5 1999	LOCAL	STATE & FEDERAL	COMMENTS
	Include infrastructure planning in the EDD's job description	EZC	Phase 1	↑							Objective has been met.
	Establish committee to develop infrastructure plan	LG, DA	Phase 1	↑							
	Investigate potential for developing telecommunications capacity	EDD, UC	Phase 2		↑						
	Review past studies to determine sites for capital improvements	LG, EDD, DA	Phase 2		↑						
	Hold a public forum on draft infrastructure plan	LG, DA	Phase 2		↑						
	Become familiar with infrastructure funding sources	EDD, UC	Phase 1	↑							
	Identify funding opportunities and application deadlines	EDD	Phase 2		↑						
	Work with relevant agencies to improve existing roadways	LG, EZC, DA	Ongoing					↑			
	Continue to advocate for the US 421 and KY 30 projects	LG, EZC, DA	Ongoing					↑			
	Determine the most feasible route to link county with proposed I-66	EZC, DA	Phase 2		↑						
	Study the need for a small, safe general airport	EDD, EZC	Phase 2		↑						
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service	IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry								KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

INFRASTRUCTURE	RESPONSIBLE	COMPLETION	1 1995	2 1996	3 1997	4 1998	5 1999	LOCAL	STATE & FEDERAL	COMMENTS
STRATEGY										
Identify potential sites for a regional airport	LG-Local Airport Board, EZC	Phase 1	↑							
Leverage FAA funds for airport construction	LG-Local Airport Board, EZC	Phase 2	↑							
Develop a long-term water service extension plan	LG, UC	Phase 2	↑						\$1.5 mil \$360,000	CDBG/FmHA funds EZ funds
Establish priorities and a timetable for water service extensions	LG, UC	Phase 2	↑							
Conduct a campaign to educate private water supply users	County Health Department	Ongoing		↑		↑				
Ask Jackson Co. EZ Community, Inc. to re-examine reservoir study	EZC Committee	Phase 2	↑						\$5 mil	EZ funds
Investigate running a water line from Laurel Lake	EZC Committee	Phase 2	↑							
Apply for funding to implement the water supply plan	EDD, LG, UC	Ongoing		↑		↑				
Seek funding to extend sewer services	EDD, LG, UC	Ongoing		↑		↑				
Upgrade existing package treatment plant at the industrial park	IA, LG-Annoville, EZC	Phase 1	↑							Part of \$150,000 EZ funds for Jackson County Industrial Park
Make information available on alternative sewer systems	County Health Department	Phase 2		↑						
CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service		IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry							KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

INFRASTRUCTURE	STRATEGY	RESPONSIBLE	COMPLETION	1 1995	2 1996	3 1997	4 1998	5 1999	LOCAL	STATE & FEDERAL	COMMENTS
	Ask the newspaper to feature articles on alternative sewer systems	County Health Department, CEO	Phase 2		↑						
	Implement a pilot project featuring alternative sewer systems	County Health Department, CEO	Phase 2		↑						
	Require installation of fire hydrants on all six-inch and eight-inch lines	UC	Ongoing		↑	↑	↑	↑			
	Extend water lines or install dry hydrants to provide fire protection	LG, UC, Fire Departments	Ongoing		↑	↑	↑	↑			In cooperation with the Natural Resource Conservation Service
	Obtain funding to rehabilitate sub-standard homes	LG, CO	Ongoing		↑	↑	↑	↑			
	Pursue funding for weatherization of existing sub-standard homes	LG, CO	Ongoing		↑	↑	↑	↑			
	Establish a Habitat for Humanity chapter in Jackson County	Local churches	Phase 2		↑						
	Extend water and sewer lines to identified "growth areas"	LG, UC	Ongoing		↑	↑	↑	↑			\$360,000 EZ funds; and \$1,500,000 FmHA and CDBG for water lines
	Identify opportunities for filling in lots to provide development space	EDD, IA	Phase 2		↑						
	Establish a committee to look at code enforcement and subdivision regs.	LG, DA	Phase 1		↑						
	Develop goals to be met by code enforcement and subdivision regs.	LG, DA, CO	Phase 1		↑						
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service		IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry							KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51
FIVE YEAR SCHEDULE FOR IMPLEMENTATION

INFRASTRUCTURE	STRATEGY	RESPONSIBLE	COMPLETION	1 1995	2 1996	3 1997	4 1998	5 1999	LOCAL	STATE & FEDERAL	COMMENTS
	Examine code enforcement, planning, and subdivision programs	DA, LG	Phase 2	↑	↑						
	Sponsor a public forum on codes enforcement and land use planning	DA, LG	Phase 2	↑	↑						
	Draft an ordinance pertaining to land use planning/subdivision regs.	LG-County	Phase 2	↑	↑	↑					
	Construct or renovate a facility to serve as a detention center	LG-County	Phase 2	↑	↑			\$1.1 mil			
	Discuss long-term needs to house government offices in Annoille	LG-Annoille	Phase 1	↑							
	Consult with a architect to assist in the design of a new City Hall	LG-Annoille	Phase 2	↑	↑						
	Obtain cost estimates/pursue funds for government center in Annoille	LG-Annoille	Phase 2	↑	↑						
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry	EA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry									KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51
FIVE YEAR SCHEDULE FOR IMPLEMENTATION

QUALITY OF LIFE	STRATEGY	COMPLETION	1 1995	2 1996	3 1997	4 1998	5 1999	LOCAL	STATE & FEDERAL	COMMENTS
	Conduct a series of forums on public policy issues	Phase 2		↑	↑	↑				
	Build a community center to house public agencies and resources	Phase 3		↑	↑	↑		\$55,000 \$450,000		EZ funds CDBG funds
	Establish specifications for needed ambulance equipment	Phase 2		↑						
	Purchase radio equipment for county ambulances	Phase 2		↑				\$100,000		EZ funds
	Establish a tired ambulance service	Phase 2		↑						
	Construct helipads	Phase 3		↑	↑	↑				
	Support the leadership and efforts of Health Help, Inc.	Ongoing		↑	↑	↑				
	Conduct a survey of the county's cultural and historic resources	Phase 2		↑						
	Apply for a grant to incorporate cultural resources in ED planning	Phase 1		↑						Ky Education, Arts, and Humanities Cabinet Cultural Economic Initiative
	Organize an Arts Council	Phase 2		↑						
	Sponsor an arts and crafts fair	Phase 2		↑						
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service	LA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry							KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

QUALITY OF LIFE	STRATEGY	RESPONSIBLE	COMPLETION	1 1995	2 1996	3 1997	4 1998	5 1999	LOCAL	STATE & FEDERAL	COMMENTS
	<i>Encourage artists to participate in the Kentucky Crafts Marketing Program</i>	EDD, DA Arts Council	Phase 2		↑						
	<i>Expand the Jackson County Public Library</i>	LG-County, CO	Phase 3				↑				
	<i>Establish electronic links from county library to learning centers</i>	LG-County, CO	Phase 2		↑						
	<i>Conduct a survey of child care and work transportation needs</i>	Intergeneration Ctr, LG-Public Transit	Phase 2		↑						
	<i>Ensure child care and transportation needs are met</i>	Intergeneration Ctr, LG-Public Transit	Phase 3				↑				
	<i>Form an environmental resources committee</i>	DA, NC, CEO, CO	Phase 1		↑						
	<i>Conduct an inventory of the county's environmental resources</i>	Environmental Res. Committee	Phase 2		↑						
	<i>Identify environmental problems and sensitive areas</i>	Environmental Res. Committee	Phase 2		↑						
	<i>Develop a plan for protecting sensitive natural areas</i>	Environmental Res. Committee	Phase 3				↑				
	<i>Establish an on-going planning function for the county</i>	LG, DA, EZC	Phase 2		↑						
	<i>Determine entities to make the planning process comprehensive</i>	LG, DA, EZC	Phase 2		↑						
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service		IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry							KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies

Figure 51

FIVE YEAR SCHEDULE FOR IMPLEMENTATION

QUALITY OF LIFE	STRATEGY	RESPONSIBLE	COMPLETION	1	2	3	4	5	LOCAL	STATE & FEDERAL	COMMENTS
				1995	1996	1997	1998	1999			
	<i>Agree on proposed planning functions, timelines, and tasks</i>	LG, EZC	Phase 2		↑						
	<i>Establish a regular planning meeting schedule</i>	LG, EZC	Phase 1	↑							
	<i>Adopt planning, subdivision, and codes enforcement programs</i>	LG, EZC	Phase 3				↑				
	CEO: County Extension Office CFP: Cumberland Farm Products, Inc. CO: Community Organizations DA: Development Association	EDD: Economic Development Director EKU: Eastern Kentucky University EZC: Jackson County EZ Community, Inc. FS: U.S. Forest Service		IA: Industrial Authority IE: Image Entry JCS: Jackson County Schools KDF: Kentucky Division of Forestry						KHIC: Ky. Highlands Investment Corporation LG: Local Governments NC: The Nature Conservancy UC: Utility Companies	

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APPENDIX A

**SUPPLEMENTARY ECONOMIC
ASSESSMENT DATA**

Counties at Risk from Tobacco Decline

Figure 54

County	Tobacco's Portion of Total Personal Income	Poverty Rate
Bath	9.9%	27.3%
Casey	7.0%	29.4%
Clinton	4.9%	38.1%
Cumberland	6.5%	31.6%
Elliott	7.1%	38.0%
Fleming	9.2%	25.4%
Hart	9.3%	27.1%
Jackson	5.3%	38.2%
Lewis	5.9%	30.7%
Lincoln	5.5%	27.2%
Menifee	6.1%	35.0%
Metcalfe	10%	27.9%
Morgan	6.1%	38.8%
Owsley	7.5%	52.1%
Wolfe	6.1%	44.3%

Source: *The Future of Burley Tobacco: Likely Outcomes, Points of Leverage and Policy Recommendations* (Draft Report), Kentucky Long-Term Policy Research Center, June 1994.

Retail Trade Establishments Jackson County, 1987

Figure 55

Establishment Group	Number	Sales (thousands)
Building Materials & Garden Supplies	2	*
General Merchandise	5	1,540
Food Stores	9	4,176
Auto Dealers and Service Stations	5	*
Furniture and Home Furnishings	1	*
Eating and Drinking Places	8	410
Drug and Proprietary	2	*
Total	33	12,054

*Withheld to avoid disclosing data for individual companies; Data are included in totals.

Source: 1994 Kentucky Deskbook of Economic Statistics.

Service Industry Establishments Jackson County, 1987

Figure 56

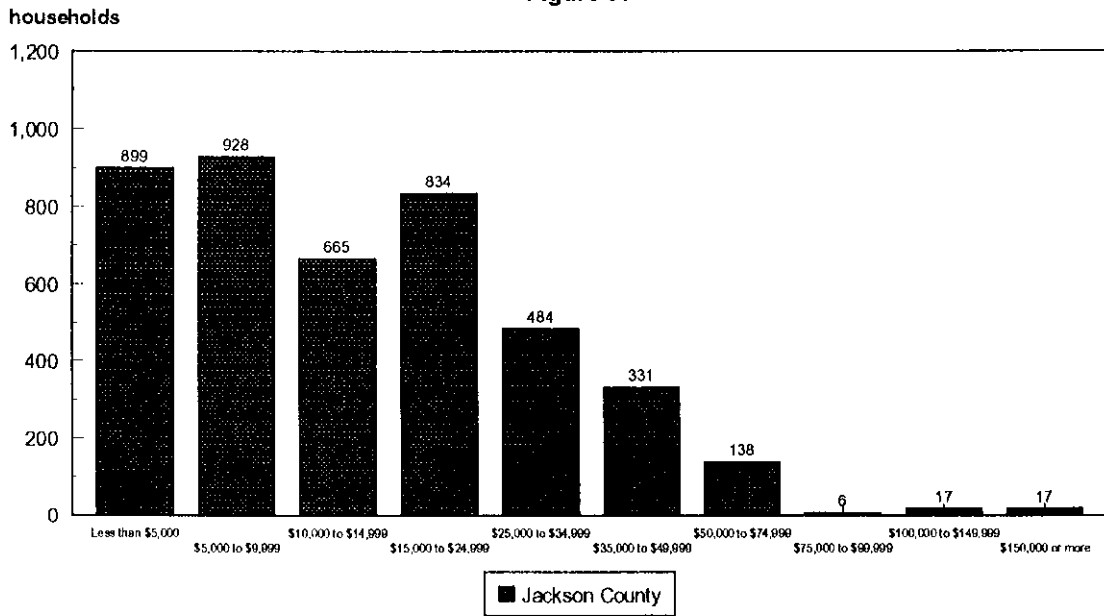
Business Type	Number	Receipts (thousands)
Hotels, Motels, and Other Lodging	0**	0
Personal Services	2	*
Business Services	1	*
Auto Repair, Services	1	*
Amusement, Recreation	0	0
Health Services, Excluding Hospitals	3	795
Engineering, Research, Accounting	0	0
Other	2	*
Total	9	1,319

*Withheld to avoid disclosing data for individual companies; Data are included in totals.
**The county now has one motel located in McKee.

Source: 1994 Kentucky Deskbook of Economic Statistics.

Household Income, 1990

Figure 57



Source: 1990 Census of Population and Housing; ECU Center for Economic Development.

Social Security Recipients in Jackson County, 1993

Figure 58

Social Security Recipients (paid-in):		
Retired Workers		960
Spouses of Retired Workers	271	
Children of Retired Workers	40	
Widows and Widowers		450
Surviving Children		165
Disabled Workers		408
Wives of Disabled Workers	66	
Children of Disabled Workers	211	
Total (paid-in) Recipients:		2,571
Supplemental Security Income Recipients:		1,310
Total Social Security Recipients:		3,881

Source: Social Security Administration, Richmond Office.

Average Placement Wages, 1994 Jackson County Labor Market Area

Figure 59

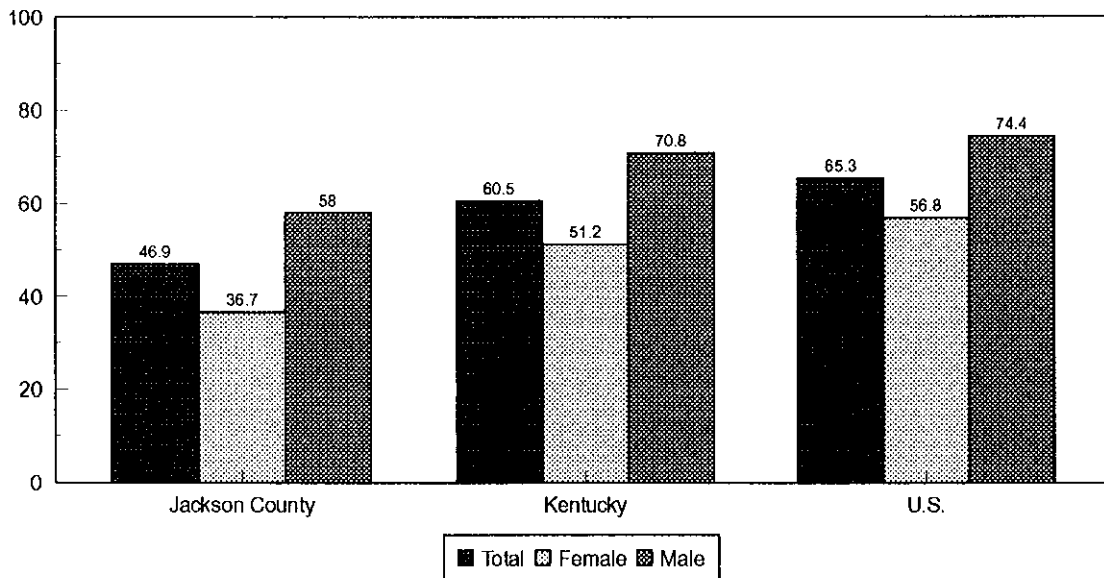
Occupational Category	Number of Openings	Number of Placements	Average Wage (dollars)
All Occupations	4,226	3,675	4.49
Prof. Tech. Mgr.	83	61	4.75
Clerical	925	723	4.29
Sales	256	192	4.30
Domestic Services	12	7	4.25
Other Services	891	733	4.17
Agricultural, Fishery, Forestry, etc.	24	20	4.49
Processing	81	78	6.88
Machine Trades	53	18	5.44
Bench Work	1,215	1,336	4.36
Structural	374	292	4.93
Motor Freight/ Transportation	144	87	4.92
Packaging and Materials Handling	135	111	6.21
Other	33	17	6.14

Source: Kentucky Cabinet for Human Resources, Department for Employment Services, Corbin local office. Note: Figures are for the period ending June 30, 1994. The Corbin local office also serves Clay, Knox, Laurel, Rockcastle, and Whitley Counties.

Labor Force Participation Rates, 1990

Figure 60

Percent of Labor Force



Source: *Labor Force Statistics: A Review and Analysis*, Donna Cantrell, Kentucky Legislative Research Commission, June 1993.

Labor Market Statistics

Figure 61

Population

	1970	1980	1990
Labor Market Area	135,269	169,013	176,522
Annville	N/A	371	470
McKee	255	759	870
Jackson County	10,005	11,996	11,955

Source: U.S. Department of Commerce, Bureau of the Census, 1991.

Population Projections

	2000	2010	2020	2030
Labor Market Area	198,170	209,090	216,180	218,420
Jackson County	14,350	15,470	16,330	16,850

Source: *How Many Kentuckians: Population Forecasts 1990-2020*, Kentucky State Data Center, 1992 (based on moderate growth series); ECU Center for Economic Development.

Estimated Labor Supply

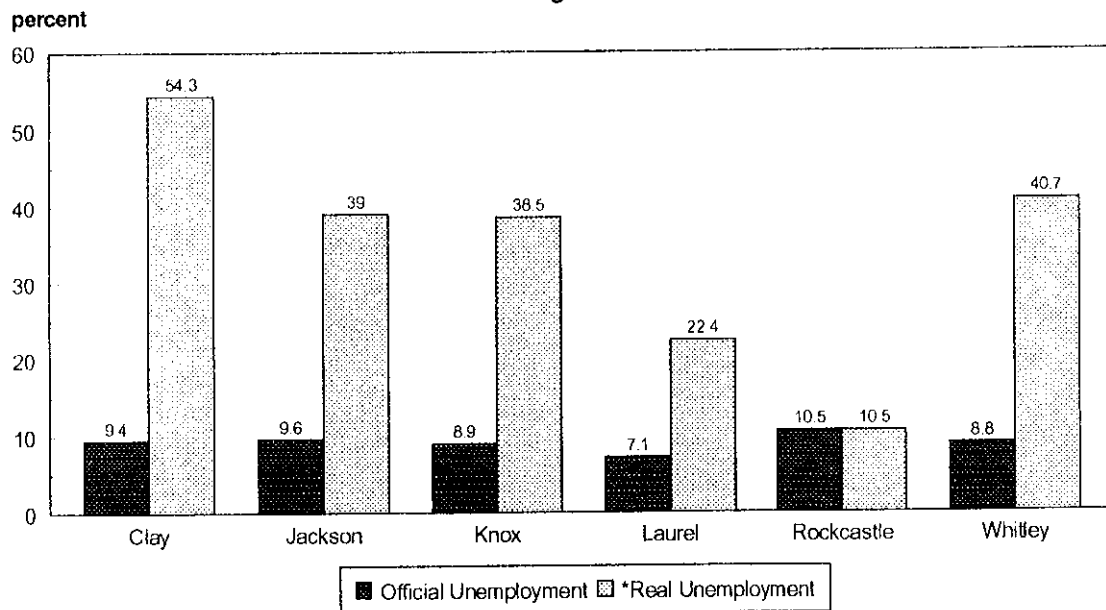
	Total	Unemployed	Employed Part-time	Not in Labor Force	Becoming 18 years old 1990 - 1994
Labor Market Area	30,587	5,027	9,658	15,902	13,269
Jackson County	3,016	412	540	2,064	1,048

Note: The Labor Market Area includes Jackson County, and the adjoining counties of Clay, Estill, Laurel, Lee, Madison, Owsley, and Rockcastle. Unemployed means persons unemployed and actively seeking work; "Employed Part-time" means persons employed but working only 14 to 26 weeks per year; "Not in Labor Force" represents the number of persons who would enter the labor force if suitable employment were available (based on the assumption that persons in Kentucky would like to participate in the labor force in the same proportion that they do nationally).

Source: Kentucky Cabinet for Human Resources, *Kentucky Labor Supply Estimates by County, 1989*. Kentucky Cabinet for Economic Development, *Future Labor Supply Becoming 18 Years of Age, 1992-1996*.

Official vs "Real" Unemployment, 1989

Figure 62



Source: *Kentucky's Distressed Communities: A Report on Poverty in Appalachia*, UK Appalachian Center, 1994; *Includes an estimate of people not looking for work who would re-enter the labor force if jobs were available.

Kentucky Counties Receiving Most Aid, 1993

Figure 64

Medicaid	
County	Percent on assistance
1. Owsley	46
2. Wolfe	38
3. Breathitt	38
4. Clay	37
5. McCreary	36
6. Magoffin	33
7. Martin	33
8. Lee	31
9. Knox	31
10. Jackson	30

AFDC Aid to Families with Dependent Children	
County	Percent on assistance
1. Owsley	20
2. Martin	16
3. Clay	15
4. Breathitt	15
5. Wolfe	14.5
6. McCreary	14.5
7. Knox	14
8. Knott	14
9. Magoffin	14
10. Lee	13

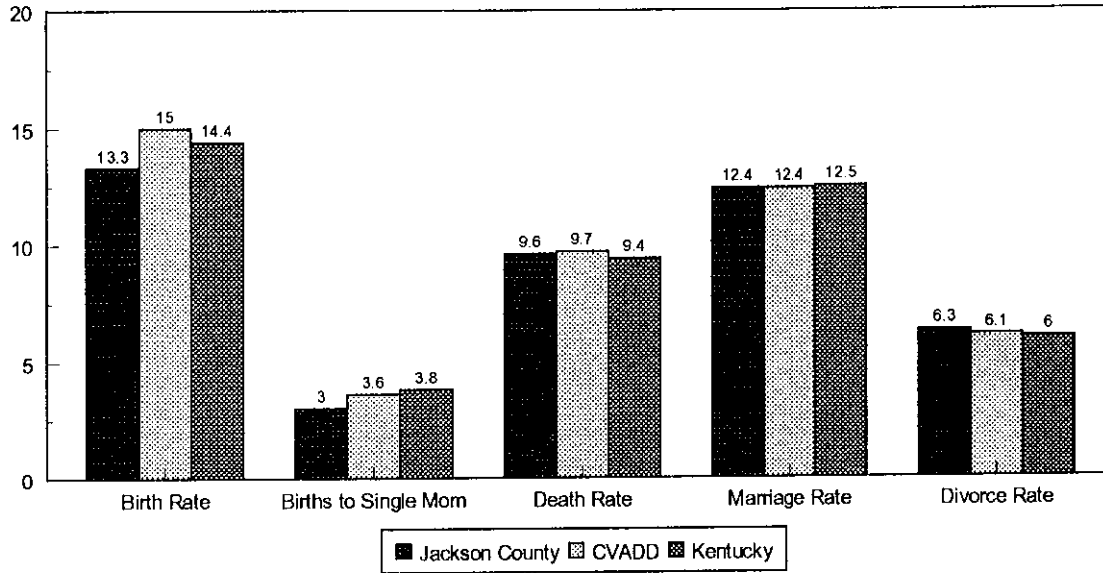
Unemployment	
County	Percent Unemployed
1. Magoffin	12.9
2. Elliot	12.8
3. Harlan	10.8
4. Lewis	10.5
5. Carter	10.4
6. Letcher	10.2
7. Jackson	9.1
8. Lawrence	9
9. Morgan	8.6
10. Pike	8.5

Source: Kentucky Cabinet for Human Resources; EKV Center for Economic Development.

Vital Statistics, 1992

Figure 66

per 1,000 total population

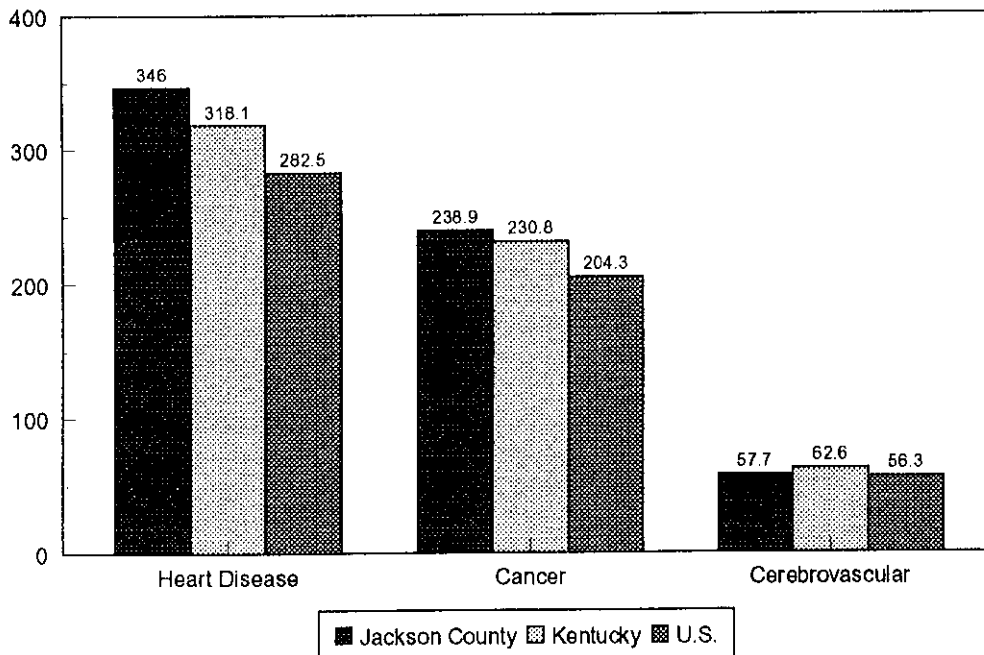


Source: *Kentucky Annual Vital Statistics Report, 1992*; EKU Center for Economic Development.

Leading Causes of Death, 1992

Figure 67

deaths per 100,000 population (not age adjusted)



Source: *Kentucky Annual Vital Statistics Report, 1992*; EKU Center for Economic Development.

Jackson County Crime by Agency Response, 1993

Figure 69

Agency Response	Murder	Rape	Robbery	Aggravated Assault	Burglary	Larceny	Vehicle Theft	TOTAL CRIME
County Total	0	1	1	7	17	31	15	72
State Police	0	1	1	6	17	26	7	58
County Sheriff	0	0	0	1	0	4	8	13
All other Agencies	0	0	0	0	0	1	0	1

Source: *Crime in Kentucky*, Kentucky State Police, 1993 edition.

Jackson County Total Arrests, 1993

Figure 70

PART I CRIMES	Adult	Juvenile	TOTAL
Murder & Non-Negligent Manslaughter	0	0	0
Forcible Rape	0	1	1
Robbery	0	0	0
Aggravated Assault	34	3	37
Burglary	6	4	10
Larceny-Theft	9	0	9
Auto Theft	3	1	4
Sub Total for PART I CRIMES	52	9	61
PART II CRIMES			
Manslaughter by Negligence	0	0	0
Other Assaults	57	0	57
Arson	0	0	0
Forgery & Counterfeiting	1	0	1
Fraud	5	0	5
Embezzlement	2	0	2
Stolen Property: (Buying/Receiving/Possession)	9	0	9
Vandalism	18	0	18
Weapons: (Carrying, Possession, etc.)	6	0	6
Prostitution & Commercialized Vice	0	0	0
Sex Offenses (Except Rape & Prostitution)	2	1	3
Narcotic Drug Laws	33	1	34
Gambling	0	0	0
Offenses Against Family	32	0	32
Driving Under the Influence	169	1	170
Liquor Laws	12	0	12
Drunkenness	237	4	241
Disorderly Conduct	52	2	54
All Other Offenses (Except Traffic)	280	6	286
Curfew & Loitering Law Violations	0	0	0
Runaways	0	0	0
Subtotal for PART II CRIMES	915	15	930
GRAND TOTAL	967	24	991

Source: *Crime in Kentucky*, Kentucky State Police, 1993 edition.

Jackson County Drug Arrests by Type of Drug, 1992/1993

Figure 71

Jackson County	1992	1993
Total Drug Arrests	65	34
Opium or Cocaine & Their Derivatives	3	0
Marijuana	54	32
Synthetic Narcotics which can cause Drug Addiction	0	0
Other Dangerous Non-Narcotic Drugs	8	2

Source: *Crime in Kentucky*, Kentucky State Police, 1992 and 1993 editions.

Jackson County DUI Arrests by Age and Sex, 1992/1993

Figure 72

	1992/1993 Adults	1992/1993 Juveniles	1992/1993 Males	1992/1993 Females
County Total	172/169	3/1	162/154	13/16
State Police	46/61	0/1	44/55	2/7
County Sheriff	111/98	3/0	105/89	9/9
McKee	14/10	0/0	13/10	1/0
Jackson	1/0	0/0	0/0	1/0

Source: *Crime in Kentucky*, Kentucky State Police, 1992 and 1993 editions.

Likely Business Opportunities in Richmond Market Area by SIC Code

Figure 73

1730	Electrical Work
1742	Plastering, Drywall, and Insulation
1780	Water Well Drilling
1790	Miscellaneous Special Trade Contractors
5250	Hardware Stores
5260	Retail Nurseries and Garden Stores
5460	Retail Bakeries
5520	Used Car Dealers
5550	Boat Dealers
5570	Motorcycle Dealers
5640	Children's and Infants' Wear Stores
5650	Family Clothing Stores
5660	Shoe Stores
5713	Floor Covering Stores
5719	Miscellaneous Home Furnishings Stores
5733	Musical Instrument Stores
5941	Sporting Goods and Bicycle Shops
5942	Book Stores
5980	Fuel and Ice Dealers
7220	Photographic Studios, Portrait
7320	Credit Reporting and Collection
7510	Automotive Rentals, Without Drivers
7539	Automotive Repair Shops, N.E.C.
7542	Car Washes
7629	Electrical Repair Shops, N.E.C.
7690	Miscellaneous Repair Shops

Note: Richmond market area includes Estill, Jackson, Madison, and Rockcastle Counties.

Source: *Business Opportunities in Market Areas of Appalachian Kentucky*, Center for Business and Economic Research, University of Kentucky, 1988.

Appendix B

Glossary of Terms

Titles and terms in this publication are defined as below, unless indicated otherwise. For more detailed definitions and the methodology used to prepare the data, the original sources for the data should be consulted. Users should exercise caution in comparing data for recent years with those of earlier years, as definitions are periodically revised by data generating agencies.

BUSINESS ESTABLISHMENTS: As defined by the U.S. Department of Commerce's *County Business Patterns* series, an establishment is a single physical location at which business is conducted or where services or industrial operations are performed. It is not necessarily identical with a company or enterprise, which may consist of one establishment or more.

CIVILIAN LABOR FORCE: The sum of both employed and unemployed persons 16 years of age and older, excluding armed forces personnel and persons in penal and mental institutions, sanitariums, and homes for the aged, infirmed and needy. Persons "not in the labor force" are those not classified as employed or unemployed and include persons retired, those engaged in their own housework, those not working while attending school, those unable to work because of long-term illness, those discouraged from seeking work because of personal or job market factors, and those who are voluntarily idle.

COVERED EMPLOYMENT: The numbers of persons employed in industries covered by state unemployment insurance. Generally, all workers are included except self-employed individuals, unpaid family members, some student workers, agricultural workers, domestic workers, railroad workers, employees of certain religious organizations, certain government employees, and some others.

EMPLOYMENT, BY PLACE OF RESIDENCE: The number of employed persons whose usual place of residence is within the area designated, whether they work within the area or commute to jobs outside the area. This type of job information is usually gathered by surveys at the workers' homes, as in the U.S. Census of Population.

EMPLOYMENT, BY PLACE OF WORK: The number of persons working at places within the area designated, whether they reside within the area or commute to their jobs from residences outside of the area. This type of job information is usually tabulated from reports made by individual employers, as with quarterly unemployment insurance reports to state government.

FAMILY: A group of two or more persons living in the same household who are related by birth, marriage, or adoption. Excluded are single-person households and households composed of groups of unrelated individuals.

HOUSEHOLD: All persons who occupy an individual housing unit. Occupants of a household may be one person living alone, a single family, two or more families, or any group of related or unrelated individuals.

HOUSING UNIT: A house, apartment, group of rooms, or single room where occupants live and eat separately from other persons in the building and have direct access from outside the building or from a common hall.

INDUSTRIES: Classifications of private and public establishments by type of economic activity (establishments are economic units at single physical locations where business is conducted, or where services or industrial operations are performed). Except where indicated, the groupings of industries in this publication are based upon the classifications published by the U.S. Office of Management and Budget in the "1987 Standard Industrial Classification Manual."

MEAN: The calculated average of a series of numbers, obtained by dividing the sum of all observations in the series by the number of observations.

MEDIAN: The value which divides a series of numbers "arranged in order of magnitude," so that one-half of all observations lie below it and one-half lie above it.

MIGRATION: The permanent change of a person's place of residence from one area to another. Net migration, as reported by the U.S. Bureau of the Census and cooperating state population centers, is the residual of migration both into and out of an area during a specified period. It is derived by subtracting the natural increase (births, minus deaths) during the period from the change in the total population numbers during the same period.

MONEY INCOME: As defined by the U.S. Bureau of the Census, total money income includes wages and salaries, net farm and nonfarm self-employment, interest dividends, net rental income, Social Security, and all other regularly received income such as pensions, unemployment compensation and alimony. Receipts not counted include various "lump sum" payments such as capital gains or inheritances. Also excluded are non-cash benefits such as food stamps, health benefits, and housing subsidies. The total represents the amount of income received before deduction for personal income taxes, Social Security, bond purchases, union dues, medicare deductions, etc.

Money income as collected by the Current Population Survey is reported for households, various household types and unrelated individuals. Only the amount received by all family members 15 years old and over is counted, excluding income received by household members not related to the householder.

PER CAPITA INCOME: The mean income computed for every man, woman, and child in a particular group. It is derived by dividing the total income of a particular group by the total population.

PERSONAL INCOME: As defined by the U.S. Bureau of Economic Analysis, income received by "individuals" in an area. It includes income received from all sources, such as wages and salaries, other labor income (employer contributions to private pension funds, jury and witness fees, etc.), proprietor's income, rental income, dividend and interest earnings of individuals, transfer payments (primarily from government) not for services rendered, minus personal contributions for social insurance.

Personal income tabulations by industry group sources show income received by "individuals" from enterprises within industry groups and should not be construed as a measure of output for the industries.

Most components of personal income data are gathered on a place of work basis from employers or other sources. Final tabulations of total personal income, however, are adjusted to show the total personal income and personal income per capita for residents of state and local areas.

See definition of Money Income, above.

POVERTY LEVEL: The minimum level of money income adequate for families of different sizes, in keeping with American consumption patterns. These levels are determined by comparing individual or family income with annual income thresholds. The poverty thresholds are adjusted annually by the U.S. government on the basis of an index originated at the U.S. Social Security Administration in 1964 and revised by federal interagency committees in 1969 and 1980. The poverty rate is the percent of individuals or families with incomes below the poverty income thresholds.

RESIDENCE: The place where a person lives and sleeps most of the time. This place is not necessarily the same as the person's legal residence or voting residence.

UNEMPLOYMENT: A measure of those persons who are out of work and actively seeking a job. Unemployment is measured both in numbers of persons and as a percentage of the labor force.

Unemployment figures do not include those persons who are classified as discouraged workers (out of work and no longer seeking work) and who are no longer counted as being in the labor force.

Appendix C

Primary Wood Industries in Jackson and Contiguous Counties

COUNTY	NAME AND ADDRESS	SPECIES	METHOD	CAPACITY	PRODUCTS
JACKSON	*Peeled Post Producer* McQueen Brothers Wood Products Bond, KY 40487 Bill McQueen 606-364-5605	SLP	Logs Delivered Posts Delivered Seasoning: Green	0-100m Pieces	Treated posts Untreated posts Treated lumber
	Commercial Sawmill Melvin Marks Sawmill 677 SR 89N McKee, KY 40440 Melvin Marks 606-287-7644	HEM SLP ASH BEE HIC HMA SMA RDO WHO SWG BAS	Standing Timber Seasoning: Green	501-1M MBF	Standard lumber Pallet cants Timbers Slabs
Clay	*Commercial Sawmill* Bowling's Logging & Lumber Co. P.O. Box 710 Manchester, KY 40962 Darrell Bowling 606-598-5961	ASH WHO RDO YPO BAS BEE HIC HMA SMA HEM SLP	Standing Timber Seasoning: Green	1M+ -3M MBF	Standard lumber Pallet cants Crossties
	Commercial Sawmill C&S Lumber Co. P.O. Box 414 Manchester, KY 40962 Charles Keith 606-598-2566	MSH	 Seasoning: Green	0-100m MBF	Pallet cants
	Pallet and Container C&S Lumber Co. P.O. Box 414 Manchester, KY 40962 Charles Keith 606-598-2566	MSH	Own Production	0-100m	Pallets
	Commercial Sawmill Robert Hacker Lumber Co. Route 5, Box 629 Manchester, KY 40962 Bob Hacker 606-598-2517	ASH ELM SMA YPO BAS BLG SYC HEM BEE HIC WHO SYP	Standing Timber Seasoning: Green	101-500m MBF	Standard lumber

	Commercial Sawmill Wade Hacker Sawmill Route 3, Box 101A Manchester, KY 40962 Wade Hacker 606-598-6404	HEM BAS HMA WHO YPO	SYP BEE SMA SYC	ASH HIC RDO WAL	Logs Delivered Seasoning: Green	501-1M MBF	Standard lumber Pallet cants Hardwood const. dimension Mine timbers Custom sawing Bark mulch Chips Charcoal fuel (dust, bark & slabs)
Estill	*Commercial Sawmill* Estill Wood Products Route 1, Highway 52 Ravenna, KY 40472 Randy Ballard 606-824-5406 J.B. Fowler 606-824-5366	ASH RDO WHO	BEE HIC SYP	BLG SMA	Logs Delivered Seasoning: Air Dry	1M+-3M	Rough lumber Pallet cants Pallet parts Hardwood chips from mill residue
	Pallet and Container Estill Wood Products Route 1, Highway 52 Ravenna, KY 40472 Randy Ballard 606-824-5406 J.B. Fowler 606-824-5366	MSH			Own Production	3M+-5M MBF	Pallets
	Commercial Sawmill Isaacs Lumber Co. P.O. Box 234 Ravenna, KY 40472 Bobby Isaacs 606-723-5323 Ronnie Isaacs 606-723-3487	ASH RDO HMA WHO	BAS CHR SMA YPO	BEE HIC SYC	Standing Timber Logs Delivered Seasoning: Green	3M+-5M MBF	Rough lumber Hardwood const. dimension Tobacco sticks Bark mulch Hardwood chips from mill residue
	Pallet and Container Isaacs, Jesse 1600 Trotting Ridge Rd. Irvine, KY 40336 Jesse Isaacs 606-723-3121	MSH			Own Production	1M+-3M MBF	Pallet parts
	Custom Sawmill Kelly, Jerry R Star Route, Box 101 Irvine, KY 40336 Jerry R. Kelly 606-723-5428	MSH			Logs Delivered Seasoning: Green	1M+-3M MBF	Custom sawing Sawlogs

Laurel

<p>*Commercial Sawmill* Smyth Lumber Co. Highway 52, Box 252 Ravenna, KY 40472 Myron Smyth 606-723-2153</p>	<p>YPO WHO ASH RDO HIC HMA SMA WPI SYP ERC</p>	<p>Logs Delivered Pickup Seasoning: Kiln Dry</p>	<p>1M+-3M MBF</p>	<p>Rough lumber Tobacco sticks Hardwood const. dimension Dressed hardwood lumber Natural cedar posts Natural locust posts Shavings Custom sawing Fencing lumber Kiln dried hardwood lumber</p>
<p>*Commercial Sawmill* 4-Way Lumber Co. Route 8, Box 516 London, KY 40741 606-864-9089</p>	<p>ASH BAS BEE BLG HIC HMA SMA RDO WHO YPO SYC HEM SLP</p>	<p>Standing timber Seasoning: Green</p>	<p>1M+-3M MBF</p>	<p>Rough lumber Hardwood const. dimension Crossties Dressd hardwood lumber Chips Bark mulch</p>
<p>*Peeled Post Producer* 4-Way Lumber Co. Route 8, Box 516 London, KY 40741 606-864-9089</p>	<p>SLP</p>	<p>Standing Timber Seasoning: Green</p>	<p>101-500m Pieces</p>	<p>Untreated posts</p>
<p>*Commercial Sawmill* Begley Lumber Co. P.O. Box 856 Hyden, KY 41749 James Begley 606-877-1228</p>	<p>ASH BAS BEE HIC HMA YPO RDO WHO MSH HEM SLP</p>	<p>Standing Timber Logs Delivered Seasoning: Green</p>	<p>10 M+ MBF</p>	<p>Rough lumber Pallet cants Chips Industrial fuel (dust & bark Bagged mulch</p>
<p>*Commercial Sawmill* Binder & Wilson Lumber Co. Route 2, Box 188A London, KY 40741 Gerald Binder 606-878-8292 Hank Wilson 606-878-6583</p>	<p>HEM SLP HIC RDO WHO YPO</p>	<p>Logs Delivered Standing Timber Seasoning: Green</p>	<p>1M+-3M MBF</p>	<p>Standard lumber Hardwood const. dimension Crossties Timbers Mine timbers</p>
<p>*Log and Bolt (NEC)* Bruner Ivory Handle Co. 412 W. Laurel Road London, KY 40741 R. C. Davis 606-878-9430</p>	<p>ASH</p>	<p>Delivered Seasoning: Green</p>	<p>501-1M MBF</p>	<p>Handle blanks</p>

Dry Kiln	MSH			Delivered	101-500m Capacity	Custom drying services
Chaney Lumber Co. P.O. Box 909 London, KY 40743 Glen Chaney 606-864-7375				Seasoning: Kiln Dry		
Commercial Sawmill	BAS	BEE	BLG	Logs Delivered	501-1M	Standard lumber
Clell Turner Lumber Co. Route 2, Box 235 London, KY 40741 Clell Turner 606-878-7279	ASH	WHO	HIC	Pickup	MBF	Dressed hardwood lumber
	RDO	HMA	SYC	Seasoning: Green		Hardwood const. dimension
	YPO	HEM	SLP			
Veneer and Plywood Mills	HIC	HMA	SMA	Logs Delivered	1M+-3M	Rotary sliced veneer
Cumberland Forest Products 78 Levy Road London, KY 40741 Louis Hagadron 606-864-2772	SYC	YPO	ROA	Seasoning: Dry	MBF	
Commercial Sawmill	MSH			Logs Delivered	501-1M	Standard lumber
Hibbard Lumber Co. Route 2, Box 352-D London, KY 40741 Bobby Hibbard 606-864-5542				Seasoning: Green	MBF	Mine props Pallet cants Crossties
Pallet and Container	MSH			Own Production	MBF	Pallets
Hibbard Lumber Co. Route 2, Box 352-D London, KY 40741 Bobby Hibbard 606-864-5542				Seasoning: Green		
Peeled Post Producer	SLP			Pickup	101-500m Pieces	Untreated posts
Kentucky Forest Products Route 1, Box 252 East Bernstadt, KY 40729 Ted Carpenter 606-843-6922				Seasoning: Green		
Concentration Yard	ASH	BAS	BEE	Logs Delivered	501-1M	Sawlogs
Ky. Hardwood Lumber Co. Highway 80E London, KY 40741 Ronnie Luttrell 606-877-1510	HMA	SMA	HIC	Seasoning: Green	MBF	
	RDO	WHO	YPO			
	MSC					

Pulp Chip Producer Patterson Chip Co., Inc. Box 647 Barbourville, KY 40906 Harold Patterson 606-523-9480	MSH	MPI	HEM	Slabwood Delivered Roundwood Delivered	11-50m Tons	Chips
				Seasoning: Green		
Commercial Sawmill Pioneer Pallet Co. Box 163A East Bernstadt, KY 40729 Dave McGowan 606-843-2811	MSH				1M+-3M MBF	Pallet lumber Pallet cants
				Seasoning: Green		
Pallet and Container Pioneer Pallet Co. Box 163A East Bernstadt, KY 40729 Dave McGowan 606-843-2811	MSH			Own Production	1M+-3M MBF	Pallets
				Seasoning: Green		
Commercial Sawmill Richard Vaughn Lumber Co. London, KY 40741 Richard Vaughn	RDO HMA SLP	WHO SMA MSH	YPO ASH		1M+-3M MBF	Standard lumber Cants
				Seasoning: Green		
Commercial Sawmill Robinson Stave Co. Route 2, Box 299 East Bernstadt, KY 40729 Ronnie Robinson 606-843-2710	ASH WHO SMA HEM	BAS RDO YPO	BEE HMA HIC	Logs Delivered Standing Timber	501-1M MBF	Standard lumber Crossties Bark mulch Chips
				Seasoning: Kiln Dry		
Dry Kiln Robinson Stave Co. Route 2, Box 299 East Bernstadt, KY 40729 Ronnie Robinson 606-843-2710	ASH RDO YPO	BAS HMA	WHO SMA	Own Production	51-100m Capacity	Kiln dried lumber
				Seasoning: Kiln Dry		
Stave and Heading Mill Robinson Stave Co. Route 2, Box 299 East Bernstadt, KY 40729 Ronnie Robinson 606-843-2710	WHO			Logs Delivered Standing Timber	501-1M MBF	Tight cooperage staves
				Seasoning: Green		
Commercial Sawmill Sailfish Pallets London, KY 40741 Elmo Vaught 606-878-9763	MSH			Logs Delivered	MBF	Pallet lumber Pallet cants
				Seasoning: Green		

Lee	<p>*Pallet and Container*</p> <p>Sailfish Pallets London, KY 40741 Elmo Vaught 606-878-9763</p>	MSH	MPI	HEM	Own Production Delivered	101-500m MBF	Pallets
	<p>*Pulp Chip Producer*</p> <p>Stanford Timber Products Route 1, Box 423 East Bernstadt, KY 40729 606-843-6122</p>	MSH	WPI	SLP	Logs Delivered	0-100m Tons	Chips
	<p>*Peeled Post Producer*</p> <p>Tri-County Wood Preserving Route 3, Box 529 Corbin, KY 40701 Grady Rogers 606-528-2514</p>	SLP			Posts Delivered Standing Timber	101-500m Pieces	Untreated posts
	<p>*Commercial Sawmill*</p> <p>King, Gary Box 34 Zoe, KY 41397 Gary King</p>				Seasoning: Green	MBF	
	<p>*Commercial Sawmill*</p> <p>McIntosh, Bedford Route 2, Box 269 Beattyville, KY 41311 Bedford McIntosh 606-464-3052</p>	ASH	MPI		Standing Timber Logs Delivered	MBF	Rough lumber Crossties Switchties
	<p>*Commercial Sawmill*</p> <p>Moore, L.C. Star Route 36, Box 64-14 Beattyville, KY 41311 L. C. Moore 606-464-3121</p>	MSH	MSP	ERC	Standing Timber Logs Delivered Pickup	0-100m MBF	Rough lumber Crossties Pallet cants Sawlogs
	<p>*Peeled Post Producer*</p> <p>T & T Post P.O. Box 38 Zoe, KY 41397 James Bentley 606-464-3900</p>	SYP					Posts
Owsley	<p>*Custom Sawmill*</p> <p>Roberts, Charles P.O. Box 114 Booneville, KY 41314 Charles Roberts 606-593-5344</p>	MSH	MPI		Logs Delivered Standing Timber Pickup	0-100m MBF	Custom sawing Rough lumber Crossties Switchties

Rockcastle

Custom Sawmill	RDO	BEE	WHO	Standing Timber	0-100m	Custom sawing
Thomas Sawmill	HMA	SYP	YPO		MBF	Rough lumber
Route 2	ASH			Seasoning: Green		Composite board products
Booneville, KY 41314						Firewood
Lowell Thomas						
(no phone)						
Custom Sawmill	MSH	MPI		Logs Delivered	0-100m	Custom sawing
Wilson, Jerry				Pickup	MBF	Rough lumber
Route 1						
Booneville, KY 41314				Seasoning: Green		
Jerry Wilson						
606-593-5204						
Custom Sawmill	MSH			Logs Delivered	0-100m	Custom sawing
Doug Burdette					MBF	Rough lumber
Box 63				Seasoning: Green		Kindling
Wildie, KY 40492						
Doug Burdette						
606-256-4587						
Custom Sawmill	RDO	WHO	SMA	Logs Delivered	1-100m	Custom sawing
Evert Overbay	YPO	SLP		Standing Timber	MBF	Rough lumber
Livingston, KY 40445						Mine timbers
Evert Overbay				Seasoning: Green		Kindling
Pallet and Container	MSH				101-500m	Untreated posts
Hudson Wood Products					Pieces	
Route 1				Seasoning: Green		
Orlando, KY 40460						
Jim Hudson						
606-256-3271						
Peeled Post Producer	SLP			Posts Delivered	101-500m	Untreated posts
Hudson Wood Products					Pieces	
Route 1				Seasoning: Green		
Orlando, KY 40460						
Jim Hudson						
606-256-3271						
Custom Sawmill	MSH			Logs Delivered	0-100m	Custom sawing
Marvin Ponder Sawmill					MBF	Rough lumber
Route 3				Seasoning: Green		Kindling
Mt. Vernon, KY 40456						
Marvin Ponder						
606-256-4587						
Commercial Sawmill	ASH	BAS	BEE	Standing Timber	101-500m	Standard lumber
Mink Brothers Lumber Co.	RDO	WHO	CHR	Logs Delivered	MBF	Dressed hardwood
Route 1, Box 379	ELM	HIC	HMA	Pickup		lumber
Mt. Vernon, KY 40456	SMA	SYC	YPO			Crossties
Leo Mink	SLP			Seasoning: Green		Untreated timbers
606-256-4063						Custom sawing

Commercial Sawmill	WHO	RDO	YPO	Logs Delivered	1M+-3M	Standard lumber
Mt. Vernon Hardwoods	ASH	HMA	SMA	Standing Timber	MBF	Pallet cants
Route 5, Box 310	BAS	WAL	CHR			
Mt. Vernon, KY 40456				Seasoning: Green		
Mark Bastin						
606-256-4556						
Russell Bastin						
606-379-6713						
Pallet and Container	MSH			Delivered	101-500m	Pallets
Paul Cummins					MBF	Pallet parts
P.O. Box 85				Seasoning: Green		
Mt. Vernon, KY 40456						
Paul Cummins						
606-256-2326						
Custom Sawmill	MSH			Logs Delivered	0-100m	Custom sawing
Phillip C. Backus Sawmill					MBF	Rough lumber
Route 3, Box 127-B				Seasoning: Green		Kindling
Mt. Vernon, KY 40456						
Phillip Backus						
606-256-5084						
Custom Sawmill	MSH	SLP		Logs Delivered	0-100m	Custom sawing
Richard Rucker Sawmill					MBF	
Route 3				Seasoning: Green		
Berea, KY 40403						
Richard Rucker						
Commercial Sawmill	ASH	BEE	SMA	Logs Delivered	501-1M	Rough lumber
Roscoe Himes Sawmill	RDO	WHO	BLG		MBF	Pallet cants
Route 1	SYC	YPO	SLP	Seasoning: Green		Crossties
Orlando, KY 40460						Kindling
Roscoe Himes						
606-256-5473						

Appendix D Secondary Wood Industries in Jackson and Contiguous Counties

COUNTY	NAME AND ADDRESS	EMPLOYMENT	SIC CODES	PRODUCTS
JACKSON	Heyer Contracting 271 Mildred Road McKee, KY 40447 John Heyer, Owner 606-364-3610	1	2434	Cabinets
	Kentucky Woodcrafts Company, Inc. P.O. Box 220 McKee Industrial Park McKee, KY 40447 Scott Roaden, President/General Manager 606-287-8345	55	2499	Plaques Desk accessories Solid wood boxes Frames
	Brewer Truss P.O. Box 37 Sand Gap, KY 40481 Terry and Sally Brewer, Owners	8	2439	Trusses
Clay	Retail Outfitters P.O. Box 280 Manchester, KY 40962 Steve Meng, President 606-598-7923	75	2541	Retail store fixtures
Estill	Smyth Lumber Company Kentucky 52 Ravenna, KY 40472 Myron Smith, Manager 606-723-2153	6	2426	Flooring Moulding Kiln drying Planing Truck flats
Laurel	Bruner Ivory Handle Company 412 West Laurel Road London, KY 40741 R.C. Davis, Manager 606-878-9430	8	2426	Wood dowels
	Chaney Lumber Company P.O. Box 909 U.S. 25 South London, KY 40743-0909 Glen Chaney, President 606-864-7375	40	2431	Custom moulding Hardwood kiln drying
	Cumberland Forest Products 78 Levi Road London, KY 40741 Mark Hagedom, Supervisor 606-864-2772	20	2435	Plywood Veneer

<p>Custom Woodworks, Inc. 5686 Slatelick Road London, KY 40741 Michael Casteel, President 606-878-0048</p>	4	2511 2431	<p>Custom furniture Moulding Mantels Bookshelves Doors</p>
<p>Hacker Upholstery 3029 North U.S. Highway 25 East Bernstadt, KY 40729 Kenneth Hacker, Owner 606-843-7517</p>	3	2512	<p>Upholstered furniture Window treatments Custom-built furniture</p>
<p>Kentucky Forest Products, Inc. Route 1, Box 252 East Bernstadt, KY 40729 Ted Carpenter, President 606-843-6922</p>	4	2491	Treated wood posts
<p>Laminated Timbers, Inc. P.O. Box 788 London, KY 40743-0788 Ed Jones, C.E.O. 606-864-5134</p>	45	2439	<p>Laminated wood beams Timber decking</p>
<p>London Church Furniture, Inc. P.O. Box 281 Highway 80 West London, KY 40741 David Abbott, Vice President 606-864-2230</p>	26	2531	<p>Pews Pulpits Railing Screens Benches Other church furniture</p>
<p>Northside Supply and Trusses, Inc. P.O. Box 440 London Highway Corbin, KY 40701 Link Pennington, Jr., Owner 606-528-7518</p>	4	2439	Roof trusses
<p>Prestige Marble Route 3, Box 547-H Corbin, KY 40701 Don Mills, Owner 606-523-9186</p>	5	2434	<p>Vanity bases Kitchen cabinets</p>
<p>Robinson Stave Company Route 2, Box 290 East Bernstadt, KY 40729 Ronnie Robinson, Owner 606-843-2740</p>	40	2441	Barrels
<p>Tri-County Wood Preserving Route 3, Box 529 Highway 1223-Hopewell Road Corbin, KY 40701 Bill Brock, Partner 606-528-9729</p>	6	2491	<p>Treated wood Fence posts Fence boards</p>

	Ulrich Cabinets and Woodworking Route 2358, Box 279M East Bernstadt, KY 40729 James Ulrich, Owner 606-843-9433	3	2499 2434	Trim Cabinets Doors
Lee	Aardvark Woodworks 5580 Highway 2017 Beattyville, KY 41311 Jerry Hollon, Owner 606-464-8428	1	2511 2499	Custom furniture Wood toys
Madison	Berea College Crafts CPO 2320 Highway 595, Berea College Berea, KY 40404 John C. Powell, Manager	10	2511 2499	Furniture Wood games
	Brian Boggs, Chairmaker 114 Elm Street Berea, KY 40403 Brian Boggs, Owner 606-986-9188	1	2511 2499	Wooden chairs Hickory bark splints Spokeshaves (tools)
	Bud York's Kitchen Cabinets 3305 Irvine Road Richmond, KY 40475 Bud York, Owner 606-369-2226	3	2511 2434	Desks Kitchen cabinets Vanities
	Doug Haley Workshop & Showroom 119 North Broadway Berea, KY 40403 Doug Haley, Owner 606-986-7243	3	2499 2511	Bowls Custom furniture
	J&D Cabinets 204 South Broadway Berea, KY 40403 Jim Mink, Owner 606-986-8005	5	2434 2511	Kitchen cabinets Custom furniture
	May, Warren A. 114 Main Street Berea, KY 40403 Warren May, Owner 606-986-9293	3	2499 2511	Dulcimers Custom furniture
	Mehler, Kelly 325 Chestnut Street Berea, KY 40403 Kelly Mehler, Owner 606-986-2142	1	2511	Custom furniture

	Miller Oak Reproductions 109 Peacock Road Richmond, KY 40475 Bill Miller, Owner 606-624-9389	1	2511	Custom furniture
	Moore Cabinets 1124 McKee Road Highway 421 Berea, KY 40403 Allen E. Moore, Owner 606-986-5553	1	2434	Kitchen cabinets Vanities Entertainment centers
	New Harmony Woodworks 503 Prospect Street Berea, KY 40403 Dave Wright, Owner 606-986-7692	1	2511	Windsor chairs Custom furniture
	Simple Gifts 128 North Broadway Berea, KY 40403 Charles Harvey, Owner 606-986-1653	2	2499 2511	Shaker oval boxes Shaker furniture
	Sugar Hill Studio 118 Holly Street Berea, KY 40403 George Oberst 606-986-2193	1	2499	Wood utensils Wood hairpins Wood christmas ornaments Spoons Salad servers Butter knives
Rockcastle	Rustic Willow Furniture Company 2970 Negro Creek Road Brodhead, KY 40409 Phillip Payne, Owner 606-758-8587	1	2499 2511	Baskets Chairs Trunks & Chests End & Coffee tables Dining room tables

Appendix E

Income Opportunities in Special Forest Products

1. Aromatics
 - a. Cedar leaf oil
-room sprays, talcs, insecticides
 - b. Balsam fir oil (fragrance formulation)
-detergents, room fresheners, household cleaners, disinfectants
 - c. Hemlock oil and spruce oil
-detergents, soaps
 - d. Cedarwood oil Virginiana
-soaps, air fresheners
 - e. Cedarwood oil Texas
-cedrol isolation and subsequent acetylation
 - f. Sweet birch oil
-flavoring chewing gum, dentifrice products, and baked goods
 - g. Wintergreen (flavoring)
-flavoring chewing gum, other confections, soft drinks, dentifrice products,
fragrance, over-the-counter pharmaceuticals, and personal care products
2. Berries and Wild Fruits - baked goods, preserves, marmalade, syrup, some medicinal use, juice, salad dressing, sauce, candy, wine, cider and beer
3. Charcoal - charcoal briquettes (cooking), heating, air and water filtration, chlorine, gasoline, and pesticides
4. Chips, Shavings and Excelsior, Sawdust, Bark, and Pine Straw - animal bedding and liter products, soil conditioners, amendments, mulches, and secondary wood products
5. Cones and Seeds
 - A. Decorative cones
-floral, wreath, potpourri, fragrance, ornaments, table decorations, jewelry, and bird feeders
 - B. Seed cones
-timber harvest levels, general forest health, and special reforestation projects
6. Cooking Wood, Smoke Wood, and Flavor Wood - Mesquite

7. Decorative Wood - musical instruments, jewelry boxes, wood turning materials for artists, tabletops, gun stocks, table and floor lamps, table legs, candleholders, ashtrays, bowls, platters, cutting boards, vases, plaques, centerpieces, planters, birdhouses, carved animals, et. al.
8. Forest Botanicals as Flavorings, Medicinals, and Pharmaceuticals
9. Greenery, Transplants, and Floral Products
10. Honey (and beeswax)
11. Mushrooms
12. Nuts
 - a. Nuts
-candies, baked goods, and ice cream
 - b. Shell
-cleaning abrasives, glues, paints, explosives, plywood fiber
13. Recreation and Wildlife Recreational Enterprises - camping, horseback riding, cross-country skiing, touring historic or archeological sites, rafting, hunting, fishing, and wildlife observation
14. Syrup
15. Weaving and Dyeing Materials
16. Specialty Wood Products
 - a. Secondary wood products
-from bat boxes to yard sticks
 - b. Primary wood products
-cants, posts, ties, lumber, and panel products

Sources: *Seeing the Forest Instead of the Trees--Forest-Based Microenterprise Ideas* (vols. 1-15), Midwest Research Institute, Kansas City, MO, January 1992; *Income Opportunities in Special Forest Products: Self-Help Suggestions for Rural Entrepreneurs*, United States Department of Agriculture, Forest Service, Washington, D.C., May 1993.

Appendix F

Selected Funding Sources for Community Development Projects

COMMERCIAL BANK LOANS

A bank should be the first contact for any individual firm seeking financial assistance. Although the financing for an individual project usually comes from several sources, the bank plays an important role in any financial package.

Kentucky's 324 commercial banks provide a wide variety of financial services, business loans, and assistance in loan-related transactions. Many of the state's banks are owned by major U.S. banking companies, and others maintain correspondent relationships with major banks at U.S. and foreign financial centers. Several Kentucky banks offer international banking services and foreign currency transactions. Three Japanese banks have offices in Kentucky.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY (KEDFA)

The Kentucky Economic Development Finance Authority (KEDFA) offers a mortgage loan program to work in conjunction with private financing. The program is designed to allow businesses to obtain the long-term financing needed to encourage growth.

Projects financed must be agribusiness, tourism, industrial ventures, or service industry. No retail projects are eligible.

KEDFA may participate up to 25 percent of project fixed-asset costs, but KEDFA's amount of participation will be based on the number of jobs created. The maximum loan amount is \$500,000; the minimum loan amount is \$25,000. KEDFA will not lend more than the private lending institution (i.e. bank) toward the fixed assets. The project owners must inject a minimum of 10 percent toward the fixed assets. For projects \$100,000 and under, KEDFA may participate up to 45 percent of project fixed asset costs, if enough jobs are created.

KEDFA financing may be combined with a Community Development Block Grant, however, in no case will the total involvement from both exceed 33 percent of the project cost. KEDFA financing may also be combine with CSBDC/SBA 504 financing.

Projects must create new jobs or have a significant impact on the economic growth of a community. Only fixed assets (land, building, and equipment) may be financed. No refinancing will be undertaken.

Term and repayments are based on that of the private lending institution. Personal guarantees are required of the company's owners who control at least 20 percent of the stock of the company.

The borrower must provide KEDFA proof that the project is underway (invoices, etc.) within four months of the approval date, or the commitment will expire. KEDFA funds are not disbursed until the entire project, as outlined in the application, is complete.

For further information or assistance, contact:

Kentucky Economic Development Finance Authority
24th Floor, Capital Plaza Tower
Frankfort, Kentucky 40601
(502) 564-4554

INDUSTRIAL REVENUE BOND FINANCING

Industrial Revenue Bonds (IRBs) issued by the state and local governments can be used to finance manufacturing projects and their warehousing areas, major transportation and communications facilities, most health care facilities, and minerals extraction and processing projects. Bond funds may be used to finance the total project costs including engineering, site preparation, land, buildings, machinery and equipment, and bond issuance costs.

Terms of bond issues typically run from seven to 15 years. The interest rate is determined primarily by the financial strength and credit standing of the company leasing the facility and by bond market conditions. Banks usually do not purchase the bonds, but they often issue letters of credit to secure the purchase by private investors.

For more information, contact:

Kentucky Department of Financial Incentives
24th Floor, Capital Plaza Tower
Frankfort, Kentucky 40601
(502) 564-4554

COMMUNITY DEVELOPMENT BLOCK GRANT LOANS

Businesses in Kentucky can obtain low-interest loans through the federally-funded Community Development Block Grant (CDBG) system. Cities and counties lend the grant funds to businesses for the creation or retention of jobs. The preferred use of the loan funds is for fixed-asset financing.

Terms of the loans are based upon the financial analysis of the borrower. Interest rates usually are below the market rate and usually are fixed for the life of the loans. Security for CDBG loans can be subordinate to that of other lenders.

Federal regulations require that at least 51 percent of those hired by companies receiving CDBG loans be low- and moderate-income individuals. The use of federal funds for construction activities will trigger the payment of prevailing wages under the provisions of the Davis-Bacon Act, and borrowers must comply with federal procurement and environmental review requirements.

Loans for projects in small cities and counties are approved by Kentucky state government. The U.S. Department of Housing and Urban Development (HUD) approves CDBG loans for the direct entitlement areas of Ashland, Covington, Henderson, Hopkinsville, Owensboro, Lexington-Fayette Urban County, Louisville, and other cities in Jefferson County.

CDBG funds are granted by HUD for local community improvements. The local areas in turn loan the funds for projects to create jobs. The borrowing business firms repay the loans to the local government which in turn re-lends the money for other projects. Individual small cities and counties in Kentucky are limited to \$1,000,000 of CDBG business loans annually, because of the limited funds available. Projects submitted for state approval compete against all other projects in eligible areas of Kentucky for the state pool of CDBG funds.

For further information, contact:

Kentucky Department of Local Government
Division of Community Programs
1024 Capital Center Drive

Frankfort, Kentucky 40601
(502) 564-2382

TAX INCREMENT FINANCING

Some businesses in Kentucky may qualify for tax incentives financing assistance through state and local governments.

The Kentucky Economic Development Cabinet can provide tax-increment financing to assist large industrial projects approved by the governor and state legislators. State revenue bonds can be issued to finance the projects, with the new state tax increments generated by the projects (excluding school taxes) set aside to retire the bonds. Bond funds can be used to purchase the site and to pay for site preparation, construction of buildings and worker training facilities, extension and installation of utilities, and other site improvements. The property can be either leased or transferred to the private corporation. If the industrial corporation discontinues operations at the project or sells the property, then it must pay to the state amounts to cover the shortfall in incremental taxes needed to retire the bonds.

Cities of the first and second class and their counties, along with urban counties, can use tax increment financing for redevelopment of industrial and commercial projects in designated development areas. The new increments of property taxes and occupational license taxes (excluding school taxes) generated by the privately-owned or publicly-owned, leased facilities are set aside to retire the public revenue bonds used to finance their development.

For more information, contact:

Kentucky Department of Financial Incentives
24th Floor, Capital Plaza Tower
Frankfort, Kentucky 40601
(502) 564-4554

LOANS GUARANTEED BY THE FARMERS HOME ADMINISTRATION

Business and industrial loans made by private lenders in rural areas of Kentucky can be guaranteed by the Farmers Home Administration (FmHA), a federal agency. The FmHA designates the eligible rural areas, which exclude cities of 50,000 population or more and their adjacent urban areas. Priority is given to applications for loan guarantees in open country, rural communities, and cities of 25,000 or fewer.

FmHA can guarantee portions of the principal and interest on a loan, making the loan more attractive to private lenders. The guarantee can cover up to 90 percent on amounts under \$2 million, 80 percent on amounts between \$2 million and \$5 million, and 70 percent on amounts above \$5 million. Additionally, lenders serving rural areas can make business loans beyond their normal lending limits by the use of FmHA guarantees.

The guaranteed loans can be used to purchase land, building, machinery, equipment, furniture and fixtures; to finance construction, expansion or modernization of buildings; and to provide start-up and working capital. Loan proceeds also can be used for refinancing debts, when it is determined by the FmHA and the lender that it is necessary for saving existing jobs.

Projects that cannot be given FmHA loan guarantees are those that:

1. relocate a business or employment from one area to another;
2. produce goods or services for which there is insufficient demand;
3. transfer ownership, unless this will save the business or jobs or create new jobs;
4. make loan payments to owners, partners, or shareholders that own the business; or
5. are not owned and controlled by U.S. citizens.

Maximum maturities for loans guaranteed by FmHA can be 30 years for land, buildings, and permanent fixtures; 15 years for machinery and equipment (depending on the useful life of the equipment); and seven years for working capital. Interest rates are negotiated between the borrower and the lender and can be fixed, variable, or multiple. Normally, monthly payments are made on principal and interest, except for seasonal enterprises.

For existing businesses, FmHA requires the borrower to provide at least a 10 percent equity share in the venture. At least 20 percent equity is required for new businesses, for energy-related businesses, and for businesses when the applicant cannot offer a limited or full personal or corporate guarantee. Guarantee fees of one percent are charged by FmHA.

For more information, contact:

Farmers Home Administration
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477
(606) 224-7336

LOANS GUARANTEED BY THE ECONOMIC DEVELOPMENT ADMINISTRATION

Businesses in the City of Louisville, and in all but about one dozen Kentucky counties, may be eligible for loans guaranteed by the U.S. Economic Development Administration (EDA). The guaranteed loans can be used to finance both fixed assets and working capital. No assistance can be given for relocations, for lines of credit, to refinance debt, or for real estate for investment or speculation.

EDA can guarantee up to 80 percent of the loan made by a private lender. Priority is given to guarantees of 75 percent or less. Generally, EDA loan guarantees are for larger firms and range from about \$500,000 to \$10,000,000. Priority is given to projects that are labor intensive, with assistance usually limited to no more than \$20,000 per permanent job created or saved.

A minimum borrower equity of 15 percent is required for either fixed assets or working capital guarantees. Personal and/or corporate guarantees are required of borrowers. Collateral for guaranteed loans can be land, building, equipment, inventories, accounts receivable, and personal assets. Liens on collateral securing an EDA-guaranteed loan cannot be in a subordinated position.

Terms for guaranteed loans for fixed assets cannot exceed the weighted average economic life of the project's fixed assets. For working capital, terms ordinarily may not exceed five years. Interest rates are set by the lender, within limits set by EDA. Guarantee fees of about one percent are charged by EDA.

For more information, contact:

Economic Development Administration
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477
(606) 233-2596

SMALL BUSINESS LOANS GUARANTEED BY THE SBA

Small Businesses that are unable to obtain financing on reasonable terms from private lenders may qualify for loans or loan guarantees by the U.S. Small Business Administration (SBA). Loans made by private lending institutions can be guaranteed by the SBA for up to 90 percent of the loan. The maximum SBA guarantee is \$750,000.

SBA can make direct loans of up to \$150,000 to small businesses owned by disadvantaged persons that participate through SBA in non-competitive government contracts for supplies and services.

To be eligible for an SBA loan guarantee, a small business must be independently owned and operated, have sufficient equity, have adequate collateral, and have a repayment ability. Additionally, the business must not be able to obtain the funds from commercial lending institutions on reasonable terms nor be able to provide personal funds for the project without undue financial hardship.

Proceeds from the loans can be used for working capital; to construct, expand or convert facilities; and to purchase machinery, equipment, and supplies. SBA loan guarantees are not made for speculation, for broadcast or print media, for lending or investment, or for purchases of real property for sale or investment.

Maximum maturities for these business loans are 25 years for land and buildings, 10 years for equipment, and seven years for working capital. Interest rates are negotiated between the lender and the small business.

For more information, contact:

Small Business Administration
Federal Building, Room 188
600 Dr. Martin Luther King, Jr. Place
Louisville, Kentucky 40202
(502) 582-5973

STATE LOANS FOR SMALL BUSINESSES (SBA 504 LOANS)

Loans for up to 40 percent of the costs of expansions by qualifying Kentucky small businesses are available through the Commonwealth Small Business Development Corporation (CSBDC), a non-profit corporation operated by the Kentucky Economic Development Cabinet. The loans assist qualified businesses in obtaining long-term fixed interest rate financing.

CSBDC loans generally are made to well-established businesses for projects that will have significant impacts on the economic growth of their communities. Businesses using CSBDC loan funds must occupy the premises. This loan program is not for developers or speculators.

The maximum loans is \$750,000. Fixed assets eligible for financing include land and/or building purchases, building construction and/or rehabilitation, and machinery and equipment purchases (must have life expectancy of at least 10 years).

A business applying for a CSBDC loan must obtain private financing for 50 percent of total project costs, and at least 10 percent must be provided as equity by the business. The Kentucky Economic Development Finance Authority may participate by providing a portion of the private lending institution's funds.

Security for CSBDC loans is provided by mortgages on land and buildings and liens on machinery, equipment, and fixtures. Lease assignments and personal guarantees also may be required. The private lender usually receives a first mortgage on the fixed assets, with CSBDC taking a subordinate position.

Terms for CSBDC loans are for 10 or 20 years. A term of at least seven years must be given by the private lending institution for a 10-year CSBDC loan and 10 years for a 20-year CSBDC loan.

Interest rates are fixed for the full term of the loans. Rates are based on the market rate at the date of sale, but the rate has been running approximately 1.84 percent above the five- and ten-year Treasury rate. This 1.84 percent includes servicing fees and is adjusted downward every five years. Closing fees of 2.88 percent are added to the total loan amount.

Since CSBDC loan funds are disbursed at the completion of the project, the small business must obtain interim financing. The CSBDC loan commitment will assist in securing the interim financing.

For more information, contact:

Commonwealth Small Business Development Corporation
24th Floor, Capital Plaza Tower
Frankfort, Kentucky 40601
(502) 564-4554

PRIVATE LOANS FOR APPALACHIAN COUNTIES

Loans and financial planning assistance are available to qualifying new and expanding manufacturing and service businesses in the 49 Appalachian counties of Kentucky through the Mountain Association for Community Economic Development (MACED), a private lending agency.

Loans range from \$50,000 to \$150,000. Loan proceeds can be used for working capital or to finance fixed assets. Loan terms of up to 10 years are available, with interest rates negotiated at near market rates, or below.

Technical assistance is offered to potential borrowers in evaluating the business proposal, in preparing a business plan, in finding additional sources of financing, and in solving operating problems in areas such as accounting, production, marketing, and management. Special assistance is available to wood products industries.

For more information, contact:

MACED
433 Chestnut Street
Berea, Kentucky 40403
(606) 986-2373

BUSINESS LOANS BY LOCAL GOVERNMENTS

Loans for local business start-ups and expansion are available through several Kentucky city and county governments and area development districts (multi-county government services planning agencies), subject to the availability of funds. Loans generally are restricted to \$500,000 or less, or to a specified amount per job created or saved. The balance of financing for a project must come from owner equity or from other private or public lenders.

Terms and interest rates are set by the local government lending agencies. Interest rates typically are at or below market rates.

Local governments offering business loans are listed below. Service areas are as noted by the names of the agencies.

Barren River Area Development District
740 East 10th Street
Bowling Green, KY 42102-9005
(502) 781-2381

Kentucky River Area Development District
381 Perry County Park Road
Hazard, KY 41701
(606) 436-3158

Big Sandy Area Development District
Municipal Bldg., 31 North Lake Drive
Prestonsburg, KY 41653
(606) 886-2374

Lake Cumberland Area Development District
Lakeway Drive
Russell Springs, KY 42642
(502) 866-4200

Bluegrass Area Development District
699 Perimeter Drive
Lexington, KY 40517
(606) 269-8021

Lincoln Trail Area Development District
702 College Street Road
Elizabethtown, KY 42702
(502) 769-2392

Buffalo Trace Area Development District
327 West Second Street
Maysville, KY 41056
(606) 546-6894

Louisville-Jefferson County Office of
Economic Development
402 South Fourth Ave., Suite 200
Louisville, KY 40202-3470
(502) 625-3051

Cumberland Valley Area Development District
342 Old Whitley Road
London, KY 40743-1740
(606) 864-7391

Northern Kentucky Area Development District
7505 Sussex Drive
Florence, KY 41042
(606) 283-1885

FIVCO Area Development District
3000 Louisa Street
Catlettsburg, KY 41129
(606) 739-5191

Pennyrile Area Development District
300 Hammond Drive
Hopkinsville, KY 42240
(502) 886-9484

Gateway Area Development District
Main and Slate Streets
Owingsville, KY 40360
(606) 674-6355

Purchase Area Development District
U.S. Highway 45 North
Mayfield, KY 42066
(502) 247-7171

Green River Area Development District
3860 U.S. Highway 60 West
Owensboro, KY 42301
(502) 926-4433

Urban County Division of Community
Development
200 East Main Street
Lexington, KY 40507
(606) 258-3131

ECONOMICALLY OR SOCIALLY DISADVANTAGED INDIVIDUALS

Three financing programs provide specific assistance to businesses owned by economically or socially disadvantaged individuals in Kentucky.

Kentucky Small Businesses owned by individuals who are members of minority groups, who are economically disadvantaged, who have physical disabilities, or who are Vietnam War veterans qualify for equity investments or long-term loans from Equal Opportunity Finance, Inc., in Louisville. The equity investments or loans serve as "seed money" to attract conventional financing.

The loans can be used for start-ups, buy-outs, or expansion projects for most types of businesses. They cannot be used, however, by businesses engaged in real estate speculation, re-lending or reinvesting, or for agricultural activities.

The maximum loan or investment to any one company is \$300,000. Interest rates are variable on a calendar quarterly basis at one percent over the prime rate, with a floor of 10 percent and a ceiling of 15 percent. A one percent commitment fee is charged at the closing.

For more information, contact:

Equal Opportunity Finance, Inc.
420 South Hurstbourne Parkway
Louisville, KY 40222
(502) 423-1943

Small businesses owned by persons with handicaps or by low-income individuals may qualify for long-term SBA loans and loan guarantees. The SBA can guarantee up to 90 percent of the loan of a private lender for up to 25 years, with a maximum guarantee of \$750,000. Maximum direct SBA loans are \$150,000. Qualifying individuals include those with permanent physical, mental, or emotional disabilities and low-income persons in areas with persistent high unemployment or high proportions of low-income individuals.

For more information, contact:

Small Business Administration
Federal Building, Room 188
600 Dr. Martin Luther King, Jr. Place
Louisville, Kentucky 40202
(502) 582-5973

MINORITY-CONTROLLED FIRMS

Small businesses located within the City of Louisville and controlled by minority individuals or women may qualify for loans from the Metropolitan Business Development Corporation (METCO), a non-profit corporation operating on behalf of the City. Loans are made to qualifying businesses for real estate,

equipment and working capital. Priority is given to projects with maximum job creation and to those hiring individuals from low- to moderate-income families.

Loans are made for up to 50 percent of project costs, with a maximum loan of \$100,000 and a minimum of \$5,000.

Maturities of METCO loans range up to 10 years for real estate, five to 10 years for equipment, and three to five years for working capital. The interest rate can be as low as five percent and remains fixed for the term of the loan.

Loans are secured by lines on fixed assets and on personal assets such as marketable securities, certificates of deposit, and life insurance cash surrender values. Personal guarantees are required for each owner of 20 percent or more of the business.

For more information, contact:

Louisville-Jefferson County Office of
Economic Development
600 West Main Street, Suite 400
Louisville, Kentucky 40202-4266
(502) 574-3051

RURAL ECONOMIC DEVELOPMENT LOANS

Interest-free loans are available to qualifying businesses that create jobs in rural areas served by four Kentucky rural electric cooperatives and two rural telephone cooperatives. Eligible projects include new and expanding manufacturing, industrial buildings, agricultural processing, telemarketing, recycling operations, water and sewer extensions, and feasibility studies.

Loans range from \$10,000 up to a maximum of \$400,000. Terms are limited to 10 years, and the first principal repayment can be deferred for up to two years until the project generates enough cash to begin repaying the loan. The borrower must provide security for the loans.

Applications for these rural electrification (REA) funded loans are ranked for consideration on a point system, with selection factors including economic need in the project area, jobs to be created, and the probability of the long-term success of the project. Loan processing time can range from 120 to 180 days.

The following cooperatives participate in the REA business loan program in their service areas.

Meade County RECC
Hwy. 79 at Hwy. 1051
P.O. Box 489
Brandenburg, KY 40108
(502) 422-2162

West Kentucky RECC
1218 W. Broadway
P.O. Box 589
Mayfield, KY 42066
(502) 247-1321

South Kentucky RECC
925 N. Main Street
P.O. Box 910
Somerset, KY 42502
(606) 678-4121

Duo County Telephone Cooperative
Highway 127 South
P.O. Box 80
Jamestown, KY 42629
(502) 343-3131

Warren RECC
951 Fairview Avenue
P.O. Box 1118
Bowling Green, KY 42102
(502) 842-6541

West Kentucky Rural Telephone Cooperative
237 N. Eighth Street
P.O. Box 649
Mayfield, KY 42066
(502) 247-4350

THE KENTUCKY INVESTMENT CAPITAL NETWORK

The Kentucky Investment Capital Network (ICN) matches Kentucky entrepreneurs with potential investors and venture capital companies interested in start-up and early-stage financing. ICN is a confidential computerized service that makes introductions that can assist new business and industries when they are not able to do so because of the lack of equity capital. ICN can be a valuable resource for expanding firms that are unable to secure normal debt financing due to their high debt-to-equity ratios.

Kentucky ICN is a service managed by the Kentucky Cabinet for Economic Development's Division of Small and Minority Business. It is an affiliate of the national Venture Capital Network.

For more information, contact:

Kentucky Investment Capital Network
Kentucky Cabinet for Economic Development
23rd Floor, Capital Plaza Tower
500 Mero Street
Frankfort, Kentucky 40601
(502) 564-7140

VENTURE CAPITAL LOANS IN SOUTHEASTERN KENTUCKY

Kentucky Highlands Investment Corporation (KHIC), a small business investment company licensed by the SBA, and its subsidiaries provide both short and long-term financing assistance to small businesses in southeastern Kentucky.

Venture capital loans and equity capital investments for higher-risk projects are available from KHIC for start-ups, expansions, and relocations of manufacturing, distribution, and service firms. KHIC's participation usually ranges from \$50,000 to \$500,000. It also participates with banks and state and federal lenders, and it provides management assistance to insure the success of ventures. Terms and interest rates for KHIC loans are negotiated.

For more information, contact:

Kentucky Highlands Investment Corporation
362 Old Whitley Road
P.O. Box 1738
London, Kentucky 40743
(606) 864-5175

LINE OF CREDIT GUARANTEES

Small businesses may qualify for SBA-guaranteed revolving lines of credit from private lenders. The lines of credit can be used to finance seasonal credit needs, contracts, exports, accounts receivable, inventories, and labor and materials for small general contractor operations.

Guarantees for this SBA "green line" program can cover up to 90 percent of a line of credit, with a maximum guarantee of \$750,000. The maximum term is 60 months.

For more information, contact:

Small Business Administration
Federal Building, Room 188
600 Dr. Martin Luther King, Jr. Place
Louisville, Kentucky 40202
(502) 582-5973

INTERNATIONAL TRADE LOANS

Small business can obtain SBA guaranteed long-term loans through private lenders to develop or expand export markets, or to recover from the effects of import competition. The maximum SBA guarantee is \$1,000,000 for fixed assets and an additional \$250,000 for working capital.

Loan proceeds can be used for land, buildings, equipment, and working capital. Loans for fixed assets must be secured by a first lien position.

For more information, contact:

Small Business Administration
Federal Building, Room 188
600 Dr. Martin Luther King, Jr. Place
Louisville, Kentucky 40202
(502) 582-5973

POLLUTION CONTROL LOANS

Long-term SBA guaranteed loans can be made by private lenders to small businesses for design or installation or required pollution control measures. To qualify for the loan guarantees, a small business must be unable to adopt the pollution control measures without undue financial hardship. The maximum SBA guarantee is \$1,000,000, minus any current SBA financing with the business firm.

For more information contact:

Small Business Administration
Federal Building, Room 188
600 Dr. Martin Luther King, Jr. Place
Louisville, Kentucky 40202
(502) 582-5973

STATE GRANTS FOR INNOVATIVE RESEARCH

Kentucky businesses participating in Small Business Innovative Research (SBIR) contracts with federal agencies are eligible for state grants. The grants bridge the period between the completion of a company's award for the first phase of a federal research project and the second phase award. Grant funds help the company to continue operations and research and to retain professional staff members and consultants during this interim period.

The amount of a grant is negotiated with the Kentucky Office of Business and Technology. The maximum grant is 60 percent of the Phase I award, not to exceed \$30,000. The maximum funding period for a bridge grant is 12 months.

Bridge grant funds can be used for the personnel costs of research and for general and administrative costs (up to 10 percent of total direct costs). Up to one-third of the state grant can be used to subcontract for research or related services. No state grant funds are allowed for profit on direct costs, and grant funds cannot be used for travel, equipment, facilities, or related overhead.

For more information, contact:

Kentucky Cabinet for Economic Development
Business and Technology Branch
22nd Floor, Capital Plaza Tower
Frankfort, Kentucky 40601
(502) 564-7670

STATE GUARANTEED LOANS FOR CRAFTS BUSINESSES

Businesses producing craft items can obtain state guaranteed loans ranging from \$2,000 to \$20,000 from local banks. The loans can be used to finance inventories, working capital, and the purchase, repair, or renovation of fixed assets. To qualify for this special loan assistance, the crafts producer's product(s) must be juried by the Kentucky Craft Marketing Office, and a thorough business plan and loan application submitted through the Small and Minority Business Division of the Kentucky Cabinet for Economic Development. Collateral and personal guarantees are required.

Upon approval, loans are guaranteed by the Kentucky Economic Development Finance Authority. Terms of the loans are up to three years for fixed assets and up to one year for inventories and working capital. Interest rates can be no more than one percent above the prime rate. Qualifying applicants can receive up to three of these guaranteed loans.

For more information, contact:

Small and Minority Business Division
Kentucky Cabinet for Economic Development
23rd Floor, Capital Plaza Tower
Frankfort, Kentucky 40601
(502) 564-7140

BUSINESS LOANS TO EMPLOYEE TRUSTS

The SBA can guarantee up to \$750,000 of loans made to qualifying employee trusts (ESOP or ERISA) maintained by small businesses. The trusts then may loan the funds to the employer for expansions, purchases of equipment, or for working capital. The funds also can be used for employee buyouts that gain control of at least 51 percent of the company's voting stock.

The maturities of the guaranteed loans are limited to 25 years for real estate, 10 years for machinery and equipment, and seven years for working capital. Interest rates are negotiated, subject to SBA approval. Rates cannot exceed New York Prime by more than 2.75 percent for maturities of seven years or more.

For more information, contact:

Small Business Administration
Federal Building, Room 188
600 Dr. Martin Luther King, Jr. Place
Louisville, Kentucky 40202
(502) 582-5973

DISASTER RECOVERY LOANS

Small businesses located in federally designated areas, and suffering property damage or economic losses from the disaster, can obtain long-term recovery loans from the SBA at low interest rates. Property damage loans are limited to 85 percent of the verified damaged. Loans for economic losses are for operating capital to meet the business's obligations that could have been made had the disaster not occurred.

Property damage loans must be used for restoration of the real estate or personal property, and they cannot be used for upgrades or expansions. Economic injury loans cannot be used for expansions, acquisition of fixed assets, or for payments to owners, officers, or stockholders for any purpose other than for services provided for the business.

The maximum maturity for SBA disaster loans is 30 years, but the maturity is set for each qualifying business on an individual basis. Interest rates also are determined on a case-by-case basis.

For more information, contact:

Small Business Administration
Disaster Area Office
One Baltimore Place, Suite 800
Atlanta, Georgia 30308
(404) 347-3771

BLUEGRASS STATE SKILLS CORPORATION (BSSC)

The Bluegrass State Skills Corporation (BSSC) was established in 1984 by the General Assembly of the Commonwealth of Kentucky as an independent, de jure corporation to stimulate economic development through programs of skills training to meet the needs of business and industry.

The BSSC's basic purpose is to improve and promote employment opportunities for the citizens of the Commonwealth through grants for skills training programs submitted through educational institutions which link in partnership with business and industry which absorbs a share of program costs through contributions of finances, staff, equipment, materials, or other items of financial value. Therefore, an important facet of the program is the linkage between educational institutions and business and industry which together train people for jobs.

For more information, contact:

Bluegrass State Skills Corporation
Kentucky Cabinet for Economic Development
Capital Plaza Tower, 21st Floor
(502) 564-2021

KENTUCKY TOURISM REGIONAL MARKETING & MATCHING FUNDS PROGRAM

The mission of the Kentucky Tourism Regional Marketing & Matching Funds Program is to assist Kentucky's tourism industry in enhancing local, regional, and the Commonwealth's economies by promoting tourism opportunities. The program provides financial and marketing assistance to both regional and local non-profit organizations to promote tourism opportunities to markets outside their immediate areas. Funds administered through this program are restricted to promotional projects only.

For further information, contact:

Regional Marketing & Matching Funds Branch Manager
Kentucky Department of Travel Development
500 Mero Street, Suite 2200
Frankfort, Kentucky 40601
(502) 564-4930

KENTUCKY INDUSTRIAL DEVELOPMENT ACT (KIDA)

Companies that are eligible are corporations, partnerships, sole proprietorships, or business trusts that establish new manufacturing plants or expand existing manufacturing operations in Kentucky.

Land, buildings, and building fixtures for new and expanding manufacturing companies, together with storage, warehousing, and related office facilities are eligible for consideration. Eligible costs include expenditures for land acquisition, site development, utility extensions, architectural and engineering services, building construction or rehabilitation, and purchases of building fixtures including installation costs.

A KIDA approved company receives a 100 percent credit against the Kentucky income tax liability generated by the project, limited to the annual amount of debt service (principal and interest) paid to a lender in connection with the eligible project financing. The tax credit remains in place for the term of the financing or 10 years, whichever occurs first. Unused credits may be carried forward for the term of the KIDA agreement.

Since the benefits under the KIDA program are related to debt service payments, the company must incur debt for the project's fixed asset financing. The financing may be provided through any source, the most typical being banks or industrial revenue bonds. However, the approved company may not recover debt service paid in connection with financing from the Community Development Block Grant (CDBG) program.

The process involved includes the following steps:

1. The company makes application to KEDFA.
2. KEDFA provides preliminary approval of the applicant as an approved company, approves the project, and enters into a memorandum of agreement with the company.
3. The company provides KEDFA with the debt instruments to be used for the project financing.
4. A KIDA Financing Agreement is drafted by KEDFA based on the debt instruments.
5. The final KIDA Financing Agreement is approved by KEDFA.

Fees which the company may expect to incur as a result of the final approval of KEDFA include a fee equal to one-fourth of one percent of the KIDA principal amount as KEDFA's administrative fee; legal fees for preparation of the Financing Agreement; and a statutory mandated \$2,500 fee to be used for research activities by the Kentucky Science and Technology Council. All fees are payable only if the final Financing Agreement is executed.

For further information, contact:

Kentucky Cabinet for Economic Development
Department of Financial Incentives
2400 Capital Plaza Tower
Frankfort, Kentucky 40601
(502) 564-4554

KENTUCKY JOBS DEVELOPMENT ACT (KJDA)

Eligible companies are service- or technology-related companies such as data processing, research and development and other non-manufacturing, and non-retail "white collar" companies. These companies must provide more than 75 percent of their services to persons located outside the state. Additionally, the company must increase its employment of Kentucky residents by a minimum of 25 new, full-time jobs at the project.

Eligible approved costs are defined as 50 percent of the start-up costs, which are essentially the cost of furnishing and equipping the facility, and 50 percent of the annual rent costs.

The company receives a 100 percent credit against the state income tax arising from the project; and a wage assessment up to five percent of the increased gross payroll of the new employment resulting from the project. Total assessments and credits cannot exceed the approved costs, and cannot be taken beyond a 10-year period.

If the company uses the wage assessment, each employee is entitled to an income tax credit against their Kentucky income tax equal to four-fifths of the total wage assessment. In addition, the employee is entitled to credit against local occupational tax equal to one-fifth of the total wage assessment.

The process by which a company may apply for assistance includes the following steps:

1. Application submitted by company to the Kentucky Economic Development Finance Authority (KEDFA) and local jurisdiction.
2. Letter from local jurisdiction supporting the project.
3. Preliminary resolution by KEDFA approving the project and execution of a memorandum of agreement.
4. Final approval from local jurisdiction.
5. Public hearing.
6. Final approval and execution of service and technology agreement within one year of preliminary approval.
7. Company notifies KEDFA of activation date within one year of final approval.

8. Verification of start-up costs and rental payments.

(Note: The company must obtain preliminary approval from KEDFA prior to making commitment or entering into contracts.)

For further information, contact:

Kentucky Cabinet for Economic Development
Department of Financial Incentives
Capital Plaza Tower, 24th Floor
Frankfort, Kentucky 40601
(502) 564-4554

KENTUCKY RURAL ECONOMIC DEVELOPMENT ACT (KREDA)

Companies eligible include corporations, partnerships, sole proprietorships, or business trusts that establish new manufacturing plants or expand existing manufacturing operations in qualifying Kentucky counties.

Kentucky counties whose average annual unemployment rate has exceeded the state average annual unemployment rate in the five preceding calendar years are eligible. Once a company is operating under a KREDA agreement, the company maintains its KREDA benefits regardless of the county's KREDA status. Refer to the map on the last page for a list of KREDA-eligible counties.

Eligible projects include land, buildings, and fixtures and equipment for new and expanding manufacturing companies, together with storage, warehousing, and related office facilities. Eligible costs include expenditures for land acquisition, site development, utility extensions, architectural and engineering services, building construction, or rehabilitation, and purchase of equipment and fixtures, including installation costs.

A KREDA-approved company receives a 100 percent credit against the Kentucky income tax liability generated by the project, limited to the annual amount of debt service (principal and interest) paid to a lender in connection with the eligible project financing. The tax credit remains in place for the term of the financing or 15 years, whichever occurs first. Unused credits may be carried forward for the term of the KREDA agreement.

An approved company may also utilize the Job Development Assessment Fee (JDAF) in connection with the KREDA project. This entails a withholding from the employees hired as a result of the KREDA approved project for an amount of up to six percent of the employees' gross wages. The employees recoup the JDAF through a state income tax credit equal to two-thirds of the JDAF and a credit against local occupational tax equal to one-third of the JDAF, to the extent that local occupational taxes exist. As a convenience, the JDAF is offset against normal state and income tax and local occupational tax withholdings for each pay period. The employee receives credit on the W-2 statement as if the JDAF were withheld and remitted to the state and local governments as the applicable income tax.

Since the benefits under the KREDA program are related to debt-service payments, the company must incur debt for the project's fixed-asset financing. The financing may be provided through any source, the most typical being banks or industrial revenue bonds. However, the approved company may not recover debt service paid in connection with financing from the Community Development Block Grant (CDBG) program.

The process by which a company can pursue KREDA assistance includes the following steps:

1. The company makes application to KEDFA.
2. KEDFA provides preliminary approval of the applicant as an approved company, preliminary approval of the project, and enters into a memorandum of agreement with the company.
3. The company provides KEDFA with the debt instruments to be used for the project financing.
4. A Financing Agreement is drafted by KEDFA based on the debt instruments.
5. The final Financing Agreement is approved by KEDFA.

Fees which the company may expect to incur as a result of the final approval of KEDFA include a fee equal to one-fourth of one percent of the KREDA principal amount as KEDFA's administrative fee; legal fees for preparation of the Financing Agreement; and a statutory mandated \$2,500 fee to be used for research activities by the Kentucky Science and Technology Council. All fees are payable only if the final Financing Agreement is executed.

For further information, contact:

Kentucky Cabinet for Economic Development
Department of Financial Incentives
Capital Plaza Tower, 24th Floor
Frankfort, Kentucky 40601
(502) 564-4554

KENTUCKY INDUSTRIAL REVITALIZATION AUTHORITY

Eligible companies include existing manufacturing companies which employ 25 persons and are faced with an imminent closure due to lack of productivity or profitability caused by outdated equipment. Eligible projects are defined as activities such as building improvements, equipment purchases, or other elements which will seek to make the company profitable thereby allowing the company to remain in business.

The company receives a combination of a Kentucky income tax credit and the right to invoke an employee wage assessment equal to six percent of the gross payroll. These remain in place until the earlier of: 1) 50 percent of the approved costs have been recaptured or 2) 10 years.

The company's employees receive a tax credit against their Kentucky income tax equal to two-thirds of the annual assessment fee. In addition, the employees receive a credit against local occupational tax equal to one-sixth of the assessment fee. The employees must "give up" one percent of their income to the company.

For further information, contact:

Kentucky Cabinet for Economic Development
Department of Financial Incentives
Capital Plaza Tower, 24th Floor
Frankfort, Kentucky 40601
(502) 564-4554

KENTUCKY ENTERPRISE ZONE PROGRAM

Not to be confused with the federal Empowerment Zone program, Kentucky's Enterprise Zone program is an innovative effort to bring new or renewed development to distressed areas and to make business and industry in those areas more competitive. State and local tax incentives are offered to businesses locating in zones to make development opportunities in the area more attractive. A zone remains in effect for 20 years.

Kentucky has ten areas with enterprise zones. The state's four largest cities have enterprise zone areas: Louisville, Lexington, Owensboro, and Covington. The remaining six zones are located in Ashland, Knox and Whitley Counties, Hopkinsville, Paducah, Hickman, and Campbell County (a large multi-jurisdictional zone in Northern Kentucky).

Many enterprise zones have advantages beyond the financial or administrative benefits. Their location is often strategic in regard to transportation, suppliers and other businesses. Older buildings adaptable to modern needs are often available. Undeveloped land suitable for industry may be available.

State designated enterprise zones located throughout Kentucky offer several tax advantages to qualifying businesses for the 20-year life of a zone:

1. Building material used in remodeling, rehabilitation, or new construction within the zone area, and new and used equipment and machinery purchased by a qualified business for use in the zone are exempt from sales and use taxes.
2. Commercial vehicles purchased and used for a qualified business solely for business purposes are exempt from motor vehicle usage taxes.
3. Non-commercial vehicles purchase and used by a qualified business solely for business purposes are exempt from motor vehicle usage taxes on the first \$20,000 of the retail price of the vehicle.
4. A qualified business is allowed a credit against the tax levied equal to 10 percent of wages paid to each employee who has been unemployed for at least 90 days or who has received public assistance benefits, based on need and intended to alleviate poverty, for at least 90 days prior to employment with the qualified business, up to \$1,500 per employee. Any unused credit may be carried forward for up to five years.
5. City and county governments have the option to levy an ad valorem tax rate on qualified property within a zone of one-tenth of one cent (\$.001) upon each \$100 of value.

Businesses must meet the following criteria to qualify:

New Businesses

1. Fifty percent of employees must perform substantially all of their services within the zone.
2. Twenty-five percent of employees must be residents of the zone or individuals who have been unemployed for 90 days or individuals who have received public assistance benefits for 90 days.

Existing Businesses

1. The business must create a 20 percent increase in capital investment or increase its work force by 20 percent.

2. Businesses certified upon an increase in work force shall employ a minimum of 25 percent of the new employees from residents of the zone or individuals who have been unemployed for 90 days or individuals who have received public assistance benefits for 90 days.

For further information, contact:

Cabinet for Economic Development
Enterprise Zones
Capital Plaza Tower, 24th Floor
Frankfort, Kentucky 40601
(502) 564-7670

OTHER RESOURCES

THE EAST KENTUCKY CORPORATION

The East Kentucky Corporation was formed in 1990 by the Kentucky General Assembly to create jobs in 43 counties of Appalachian Kentucky. The focus of the organization is on industry attraction, industrial expansion, and industry retention. Local economic development professionals work in conjunction with the Corporation to represent Eastern Kentucky at trade shows and other events. The group jointly seeks out manufacturing companies in expansion modes or those looking for a better business environment and works to convince them to locate in Eastern Kentucky.

East Kentucky Corporation also has an economic development loan fund, supported by private contributions, which is used to help create or retain badly-needed jobs in the service area. Projects financed must be in the industrial, commercial, or tourism business sector. The funded project must either contribute a minimum of five new jobs or be instrumental in the retention of at least five jobs that would otherwise be lost. The money provided by the fund may be used for fixed-asset and working-capital financing. If a project is eligible, an application must be submitted to East Kentucky Corporation for staff review and preliminary approval before submission to the Project Advisory and Executive Committees, for final approval.

For further information, contact:

East Kentucky Corporation
Post Office Drawer 7190
Hazard, Kentucky 41702
(606) 439-0291

KENTUCKY CHAPTER OF THE AMERICAN PLANNING ASSOCIATION

The Kentucky Chapter of the American Planning Association (A.P.A.) provides assistance to cities and counties in regard to comprehensive planning, subdivision regulations, zoning, land use, and other aspects of planning.

For information, call (606) 331-8980.

KENTUCKY CABINET FOR ECONOMIC DEVELOPMENT REGIONAL OFFICES

The Kentucky Cabinet for Economic Development has regional offices staffed with individuals available to assist communities with their planning efforts.

For further information, contact:

East Kentucky Office
Kentucky Cabinet for Economic Development
P.O. Box 389
Prestonsburg, Kentucky 41653
(606) 886-0169

KENTUCKY ECONOMIC EXPANSION PROGRAM (KEEP)

The Kentucky Economic Expansion Program (KEEP) is a partnership between South Central Bell, the Kentucky Cabinet for Economic Development, and the University of Kentucky to promote an Existing Business Retention and Expansion Program for Kentucky communities. KEEP is funded by cash contributions and in-kind support through the partnership.

Additional sponsors and participants include regional state universities, utility companies across the state, and participating communities.

The KEEP Partnership commits to:

- Providing a structured program for use in local communities
- Providing publications, brochures, videos, and training materials
- Conducting community orientation of program and coordinator training
- Serving as consultants to the local program
- Funding computer analysis of survey data
- Compiling the final report and providing graphic presentation
- Printing the final report
- Providing support in developing follow-up efforts

Communities interested in participating should contact:

Kentucky Cabinet for Economic Development
Department of Community Development
2300 Capital Plaza Tower
500 Mero Street
Frankfort, Kentucky 40601
(502) 564-7140

Sources: Kentucky Cabinet for Economic Development, Frankfort, KY and Center for Economic Development at Eastern Kentucky University.

