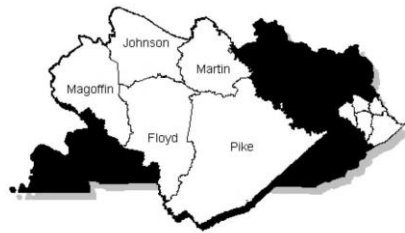


2018 Big Sandy Area CEDS Update

Comprehensive Economic Development Strategy



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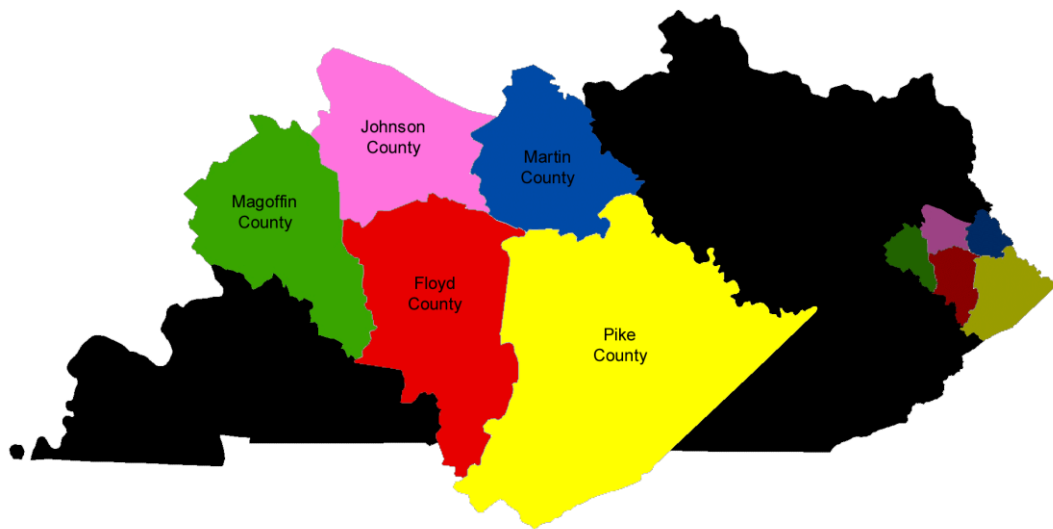
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Comprehensive Economic Development Strategy

2018

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Big Sandy Area Development District



Our Purpose

To provide those citizens of Kentucky living in Floyd, Johnson, Magoffin, Martin and Pike counties a regional leadership forum, responsible for area wide planning and coordination of service and development projects undertaken in cooperation with the Commonwealth of Kentucky and designated agencies of the federal government.

To serve the member jurisdictions, their subdivisions, and non-profit groups related thereto, as a legally constituted body capable of performing administrative services and implementing programs and projects which improve the quality of life in the region.

To support, assist, and promote private sector developmental and entrepreneurial efforts within the region so as to enhance employment opportunity and to bring about a greater diversification in the base elements of the region's economy.



I. Executive Summary

2018 CEDS

Big Sandy Comprehensive Economic Development Strategy

The 2018 Big Sandy Comprehensive Economic Development Strategy (CEDS) is a result of the gathering of information and the participation by various key stakeholders interested in community and economic development that include representatives from chambers of commerce, tourism organizations, industrial authorities, local elected officials, workforce development agencies, educational institutions, and citizenry. The process involves a look at current activities, stakeholder strategic plans, and current conditions that results in identifying future goals for the region and the strategic actions necessary to achieve those goals. It is intended to be a guide that will assist local leaders in decision making for achieving a better quality of life and unified objectives.

Primary goals are to 1) achieve job creation and retention, 2) workforce development of the region's employee base with relevant skill sets, and 3) quality of life improvements. Objectives that are identified in the following pages reflect the need to continue with many of the efforts identified in prior years that will result in diversification and stabilization of the region's economy. The desire remains and is that the region will be in a competitive position to attract businesses and retain residents with expanded opportunities for earning a good living in eastern Kentucky. Critical components for quality of life enhancements include infrastructure improvements, affordable housing, healthcare access, and recreation. Economic development focus areas are centered upon the region's primary and developing sectors: aerospace, healthcare, technology, and tourism as well as workforce development initiatives that will educate individuals in the knowledge and skills that are relevant to employers.

For continued community development and economic growth the region will need to build upon the strategies and actions that have been identified. Making adjustments along the pathway to success will be required as the region takes chances, tries new approaches, and rebuilds its economy. Local governments are responding to the challenges by implementing projects, making tough budget decisions, and considering generation of additional revenue in order to advance the region's economy. Many have undertaken or are in the process of community planning activities that incorporate larger regional and statewide objectives. Alignment of strategies and resources in a collaborative manner will create efficiencies as well as greater effectiveness of purpose. The introduction of POWER Initiative and AML Pilot Program funding has resulted in increased efforts to implement a more effective economic development strategy. The District continues to be actively engaged in projects and planning that are or have potential to utilize these federal funds.

The economic indicators and performance measures used to evaluate the District's progress demonstrate that it may be years before improvement is reflected in the statistics. The Shaping Our Appalachian Region (SOAR) Initiative has been the change agent needed to move the region forward. The District's CEDS is aligned with the focus areas identified by SOAR and the region.



US 460 at Sookey's Creek by John Michael Johnson



II. Summary Background

2018 CEDS

Historically the region has experienced economic instability associated with fluctuations of extractive industries. The region is currently on a different trajectory that will result in diversification and a more stable economy. We are already witnessing the effects of collaborative efforts that are resulting in job creation in diversified sectors. Rebuilding the region's economic base, however, will take years due to the need to re-train the workforce, create new academic and vocational programs, and carry out a marketing strategy that tells our story in order to attract high quality jobs to the region. While these activities are underway, creating a cohesive brand and strategy that the region's population is aware of will take time. Previous investments in the region over time have resulted in improved infrastructure, educational systems, and capacity. Collaboration among key stakeholders to achieve like-minded goals and objectives are occurring and will continue to be vital in an era where local resources are limited. A renewed focus through recruitment of new industry, the expansion and retention of existing industry and the development of local entrepreneurial opportunities will continue to drive actions toward building the economy in eastern Kentucky. Furthermore, the changing demographics for the region, particularly population loss, present further challenges that are not easily overcome. The culture of the region including strong ties to family and loyalty to community can be leveraged to bring former residents back to the region when additional employment opportunities become available. Quality of life improvements will also assist in these efforts.

The region's long-range goals to build a more diverse, stable economy, with increasing employment opportunities, and a skilled workforce are reflected in the following pages through identified action plans. An improved quality of life for all residents is a goal for the region.

The guiding principles that frame the goals, objectives and strategies for future development have remained little changed and include actions by the District:

- Economic diversification.
- Developing and marketing the area as a good place to live and work.
- Assist organizations, local governments, development authorities and others in their development efforts.
- Building a foundation for progress by developing a trained workforce of educated individuals who can compete in the global markets.
- Public sector investment in infrastructure that supports an increasing level of economic development.
- Targeting and recruitment of new industry into the region in identified sectors.

- Assisting and supporting existing business/industry within the region.
- Developing and supporting new entrepreneurial activity within the region.
- Regional approaches as standard practice to maximize resources and impact.
- Continual strategic planning at the local level that builds upon investments.

The strategic focus categories are:

- Infrastructure that meets the region's demands.
- Workforce development, employer and educational alignment to meet current and future employer needs.
- Sector strategies.
- Develop an environment that promotes and nurtures entrepreneurial opportunities and small business development.
- Responsible resource utilization.
- Tourism development.
- Quality of life improvements.

The region has not yet seen full economic recovery from the Great Recession as compared to other areas of the Commonwealth and the nation. Lower income levels, higher unemployment rates, and population declines continue. While economic and workforce development agencies are attempting to create opportunities for employment, viable options in large enough numbers to retain skilled individuals are slow in materializing. Meanwhile, financial strains on families are resulting in residents relocating to other areas for employment. The region's Workforce Innovation Board, Eastern Kentucky Concentrated Employment Program (EKCEP) has been successful in securing funding to address some of these workforce challenges and is assisting former mining industry employees in re-training to other vocations. Additional workforce challenges include an aging population and the brain drain of students who are educated outside the region and never return.

The average annual unemployment rate for the District remains above both the state and national averages. Unemployment in the District was at 7.4% in July 2018 an increase from 2017 rates during the same time frame; meanwhile the national unemployment rate has remained steady at 4.1%. Magoffin County consistently remains at the top of the list with the highest unemployment rates among counties in the Commonwealth. As a result, poverty rates continue to remain high.

Tourism development continues as one of the emerging sectors in the region. Adventure tourism, specifically, continues to be the primary focus of the District's communities. ATV trail development planning in a multi-county initiative is underway and was greatly enhanced by the creation of the Kentucky Mountain Regional Recreation Authority and will support trail development that is similar in nature to West Virginia's and Virginia's efforts. Collaboration is occurring across state boundaries.

Healthcare continues to see growth in employment and private as well as public planned investments in facilities and services are further evidenced by growth at Pikeville Medical Center, the region's largest healthcare employer. The opening of the University of Pikeville – Kentucky College of Optometry within the last two years will also continue the significant economic impact of the healthcare sector. Opportunity for expanding the sector is seen as a realistic option with collaborations, networking, and research opportunities.

The potential for growth in primary jobs include sectors such as aerospace, advanced manufacturing, metal working, and technology. Economic development professionals are strategically seeking opportunities in these sectors and to capitalize upon the recent announcement by Braidy Industries, an aluminum producer that will complete construction of a plant north of the District over the next several months. The East Kentucky Concentrated Employment Program (EKCEP) WIB continues sector work in energy, healthcare, skilled trades, and business services, specifically technology. Teleworks USA has seen the employment of over 1,400 individuals since 2015 in home-based or tele-hub technology-related positions.



Kentucky College of Optometry at the University of Pikeville



Pikeville Medical Center



American Metal Works

Regional Weaknesses:

- educational programs do not match job availability
- educational attainment
- waste water management, service to outlying areas
- housing affordability
- cost to develop land
- work ethic of subset of workforce, entitlement attitude
- aging population
- drug abuse and resulting family effects
- lack of vision in leadership
- territorialism
- lack of public transportation
- under employed
- lack of development guidelines, zoning
- Mountain Parkway expansion, incomplete

strong with growth anticipated over time in these higher wage positions. Replacement of higher wage jobs for the average worker continues to be the focus. Projections for employment growth through 2024 show gains of 3.36% for the EKCEP workforce region with sales, office, and food prep having the greatest number of annual openings projected.

Diversification strategies include but are not limited to exploring alternatives in aerospace, IT, advanced manufacturing, tourism, and small business development. Multiple stakeholders are focused on a variety of pilot projects, recruitment efforts, planning activities, and key partnerships that are anticipated to result in positive outcomes for the region in job creation. In addition, the designation of Opportunity Zones in the District is anticipated to spur economic activity through private investments resulting in job creation. A map of the region's Opportunity Zones is included in the Appendix.

Tourism

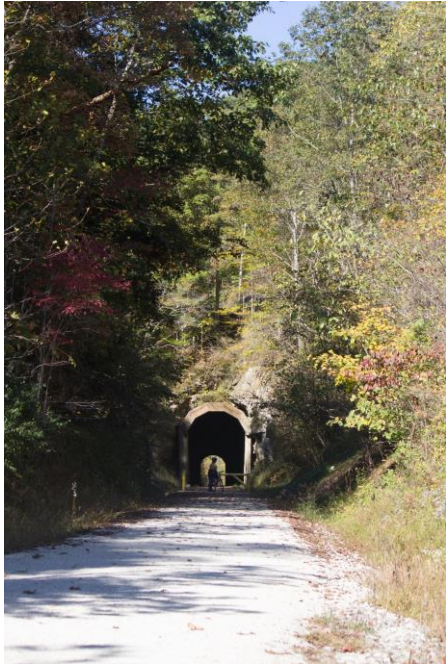
Tourism-related developments continued in 2016-17 that will result in positive and sustainable impact in the region's tourism traffic. Tourism expenditures in the region increased by 7.2% between 2016 and 2017. The addition of Alltech's Dueling Barrels Brewery and Distillery that opened in 2018 is expected to make significant impacts in coming years with its addition to the Kentucky Bourbon Trail. Total expenditures in the region were \$267,577,348 in 2017. Activity continues to be seen on the Big Sandy



Water Trail. The Commonwealth's tourism initiatives such as the Dawkins Rails-To-Trails project are showing positive impacts in the region. Eighteen miles of the Dawkins Rail-Trail project was completed in 2013 and sees regular use by local residents and tourists. Construction of phase II has stalled with a major hurdle in clearing and stabilization of a tunnel along the trail. The award of funding to complete a camping development in the Royalton community of Magoffin County will provide much-needed lodging spaces for trail users.

Additional trail development took place in Prestonsburg with the opening of multi-use Sugarcamp Mountain trails. Further, funding for the development of the David rail corridor was awarded to Prestonsburg in 2017 and has the potential for connecting to the Dawkins Line. Also, the Breaks Interstate Park opened a zipline in the fall of 2017 and initiated rock climbing this year. These assets serve to enhance the region making it a destination for tourists, particularly those interested in adventure and nature.

Mountain Homeplace



On a broader regional basis, tourism development is actively being planned with multiple pursuits from a variety of entities and local governments engaged in the process. ATV trail development along the lines of the West Virginia Hatfield & McCoy Trail System is actively being pursued in collaboration with Virginia and West Virginia. Creation and initiation of the Kentucky Mountain Regional Recreation Authority, a multi-county authority that will facilitate trail development including land access. Engagement with developers of ATV trails in Virginia and West Virginia has

included joint visits to communities throughout the multi-

state area by community leaders. This level of cooperation will result in trails that have long-term economic impacts for tourism.

Industrial Parks

Floyd County seeks prospects for occupancy of its Industrial Site located on US 23 just north of downtown Prestonsburg. The lack of available, developable land in Floyd County makes this site a prime location for commercial/industrial activity though site size will limit its use.

The Eastern Kentucky Business Park (formerly known as Honey Branch Regional Business Park) is a regional park located in Martin County near the Big Sandy Regional Airport. The park is governed by the multi-county Big Sandy Regional Industrial Development Authority with members from

Regional Opportunities:

- healthcare industry
- job availability in targeted areas, trades, etc.
- tourism and branding, collaboration
- joint marketing
- lodging, tourism infrastructure
- ATV trails
- US 23 Corridor
- East KY motorcycle tours
- entrepreneurial ventures
- growing university, higher education
- culture, arts, craftsmen, music are assets
- recreational opportunities, quality of life
- promotion of ourselves to locals and to visitors
- apprenticeship programs
- reclaimed mine sites, re-development
- energy industry, value added/transformational including by-products

each of the five BSADD counties. The Authority has purchased a building vacated by an expanding business in the region and is marketing the property to prospective tenants. Since the inventory of publicly owned buildings is limited, this acquisition is strategic for growth and diversification of the employer base.

The Martin County Economic Development Authority (MCEDA) manages industrial and economic development in Martin County. Fit-out of their speculative building was completed in 2012 with the opening of David Brown Gear Systems in the facility at Eastern Kentucky Business Park; the building is, however, currently unoccupied. The building is being actively marketed and is considered one of the most desirable industrial buildings available in the region. In addition, the MCEDA has remaining space that continues to be marketed in the Inez Business Center.



Pike County is exploring options and planning for industrial property development. Sites with the most promise for development include: Scott Fork, and multiple sites associated with the construction of US 460. The Scott Fork property includes one tenant, EQT that houses their regional offices. John Moore Branch is a site being created from the construction of US 460 in the County and will not be available for

development until completion of highway construction. Planning for providing water and wastewater infrastructure to the site is underway. Pikeville has been successful in developing and securing future tenants for the Kentucky Enterprise Industrial Park at Marion Branch, a formerly mined site that will provide industrial sites for occupancy. The first tenants committed to occupancy include AppHarvest, an agricultural producer using hi-tech greenhouses. A speculative building is also under construction that will house Silver Liner, a tanker truck manufacturing company. The most significant projects impacting the region's job creation involves the opening of Enerblu at the KEIP in Pikeville. Announced in late 2017, the project will reportedly result in private investment of \$372 million and create 875 full-time jobs. The company's corporate headquarters has already been relocated from California to central Kentucky; they will produce lithium-titanate batteries to power commercial and military vehicles and other equipment. Access to the site has been improved with bridge construction across the Levisa Fork of the Big Sandy River; an additional access roadway is being planned that will better accommodate truck traffic.

Magoffin County Fiscal Court has acquired and is making ready land for a 20-acre industrial park, the only one in that county. Roadway access has been provided through investment by the Commonwealth and done in conjunction with the Bert T. Combs Mountain Parkway widening project. Construction to provide the necessary wastewater infrastructure improvements to serve this property were to be completed in

Regional Threats:

- energy market fluctuations
- entitlement issues
- economic growth
- brain drain
- affordable education (4 year)
- political influences
- population shifts
- apathy, educational systems
- low educational system expectations placed on students
- addiction
- increased business costs due to drug-related criminal activity

2018. Water infrastructure improvements are also planned for the site and a funding application was submitted in 2018.

Teays Branch in Paintsville (Johnson County) holds promise for economic development. Under private ownership, the property is planned to support industrial development activity and will require additional roadway access directly to US 23 in order to maximize its development for this purpose. Teays Branch is the location of a new CNC workforce training facility that is expected to attract employers to the region based upon the high demand for this skillset. Recent infrastructure improvements serving the site will increase capacity for possible

economic development activity.

Education

The University of Pikeville – Kentucky College of Osteopathic Medicine opened its new expanded facility in 2012 increasing the number of physicians in Appalachia. The institution has continued expansion of healthcare programs with the construction of the Kentucky College of Optometry facility that opened in 2017; the first students entered the program in the Fall of 2016. Currently under construction is a regional telecommunications training facility for fiber optic cable construction and maintenance at the Big Sandy Community & Technical College campus in Pikeville. Educational attainment improvements continue throughout the District. Rises in high school graduation rates and degree attainment continue while those without a high school diploma or GED decline. Challenges with higher educational attainment include the affordability and lack of a 4-year public institution being located in the region.

Workforce Development

Workforce development continues to be a focus of several organizations throughout the District including Big Sandy Community & Technical College, Eastern Kentucky Concentrated Employment Program (EKCEP), Big Sandy Community Action Program, Regional Kentucky Works Program, local chambers of commerce and Big Sandy ADD. The Workforce Innovation & Opportunity Act continues to guide the work going forward and is enhanced by the existence of the Big Sandy Business Services Team (BST). The BST consists of traditional workforce development staff as well as economic development professionals and results in a more collaborative approach to addressing employer issues. One of the major efforts is centered on the Commonwealth's Work Ready Communities initiative. In the Big Sandy District, Floyd, Johnson, Magoffin and Martin Counties have achieved "Work Ready Community In Progress" certification; Pike

County has re-established its team with plans to move forward with an application for certification. Plans for achieving revised/updated thresholds in 2018 are being discussed among the county teams which include educational attainment, soft skills development, community commitment, high school graduation rates, Internet availability, and certifications/licensures. Additional workforce development initiatives include EKCEP's Hiring Our Miners Everyday Program (H.O.M.E.), a result of a DOL grant award that is focused on re-training those laid off from coal mining jobs and their spouses in order to allow them opportunities to re-enter the workforce. A second grant award to this program has allowed continuation and expansion of the training/assistance program.

Additional workforce development training opportunities are emerging through a telecommunications certification program at Big Sandy Community & Technical College that result in fiber optics installation and maintenance training. Alignment with the construction of the statewide Kentucky Wired project will provide employment opportunities for graduates. Two-year degreed programming is also being discussed.

A weakness identified during the SOAR Initiative included the fact that we did not have a detailed assessment of our region's workforce; a workforce analysis was completed in 2016 that is being utilized to market to prospective employers the workforce skillsets and attributes that will help a business achieve success by locating in the region. This effort was a public/private partnership with EKCEP, One East Kentucky, BSCTC, MSU and private industry that will benefit the region's economic development efforts in attracting a diversified employer base requiring skillsets of the existing, available workforce.

The national TechHire initiative is impacting the region through an award of funding to EKCEP. Work continues in this effort to train workers in IT fields while connecting them directly to employers needing the skillsets used by the industry. The ability to connect to high-capacity broadband will drive the success of this effort. Additional technology training efforts are being undertaken by BSCTC.

The initiation of a CNC machinist training program by the East Kentucky Advanced Manufacturing Institute in Paintsville in 2017 will provide a unique opportunity for unemployed individuals to receive advanced manufacturing training at home. This high-demand field will provide skillsets that result in employment in high-wage jobs in diversified industries. This program is well aligned with the expanding aerospace sector in Kentucky and specifically with the developing corridor in the region.

The current initiative promoting the utilization of apprenticeship programs has begun in the region. Led by EKCEP and partner agencies, promotion of apprenticeships has led to local employers engaging in the process and providing opportunities for training and employment.

Transportation

Roads – Interstate quality highways serve the District in both north-south and east-west major corridors with US 119, US 23, and Rt. 80. Continued improvements to the highway system serving the region are being addressed. The expansion of the Bert T. Combs Mountain Parkway is among the most significant and impactful improvements to be completed with significant work having occurred in the past year. With this long-term, planned investment, the region expects greater economic opportunities as a result of the expansion project. Prioritization of road projects by the Regional Transportation Committee is reflected in the Big Sandy District CEDS. Projects are identified in the Appendix.

Airports - The three airports in the area (Big Sandy, Pike County, and Combs) are not currently available for commercial use. These general aviation airports will play an important role in economic development strategies that include building an aerospace corridor in the region. While the lack of commercial service has been identified as a significant weakness to continued development of the region, the existence of the Pike County and the Big Sandy airports will be attractive to corporate executives considering expansion projects in the region. Runway improvements to the Pike County Airport have been planned with funding being pursued that will open a crosswind runway thereby improving access and capacity. Likewise, runway improvements in the planning stage at the Big Sandy Airport will result in extending the length and increasing capacity there.

Public Transportation – Public transportation is extremely limited in the area. Repeatedly identified as a need by multiple parties, options remain scarce. This weakness continues to undermine low-wage workers who are challenged by affordable transportation options and therefore inhibited in finding and maintaining employment.

Rail – Rail corridors serving the Big Sandy region have primarily been utilized for coal transport. The coal industry's decline has resulted in a reduction in CSX employment in the coal fields of eastern Kentucky. Meanwhile, the need for rail access to industrial sites throughout the region is crucial to maximize the industrial development opportunities that are anticipated from relocations and the potential for expanding employers.

Infrastructure

Provision of public water service has historically been the focus of local leaders. Now that much of the District has water service available, leaders are currently focusing their efforts in providing wastewater coverage.



Eastern Kentucky Business Park Spec Building

State funding is often utilized to leverage federal funds for infrastructure projects. Limited grant funding over the past few years for infrastructure projects throughout the Commonwealth have resulted in fewer projects being constructed in the Big Sandy District. However, the first phases of the Harold Sewer Project located along the US 23 corridor in Floyd County are being completed and results in ability to access a public wastewater system in this high traffic/high growth area. Each of these projects will impact hundreds of customers that have never had access to public wastewater systems resulting in a cleaner environment and the potential for further economic development. Infrastructure improvements are planned for Magoffin County that will provide service to a new industrial site allowing for economic development in a high-unemployment county.

Utility providers throughout the District continue to identify and plan for additional projects through the Big Sandy Water Management Council. Project prioritization for these infrastructure projects may be found in the Appendix.



Rehab of aging infrastructure is increasingly necessary to continue providing service to the region's population. Further, increased excess capacity is vital for economic development activity to occur at the region's development sites. Pikeville, Prestonsburg, Paintsville, Elkhorn City, and Martin County are working toward plant upgrades or new systems that will serve that purpose.

Magoffin County Industrial Park

Technology

EKCEP is currently promoting and recruiting participating companies for the Teleworks USA Program. The program seeks to match qualified job applicants to telecommuting opportunities in companies located throughout the world. A total of over 1,400 individuals throughout the EKCEP service region have secured positions working from home in technology/internet-based positions of various types since 2015. The Pike County Teleworks Hub, the only one within the District, that opened in 2016 resulted in 90 individuals securing employment within the first year.

In response to the demands of the existing telecommunications sector and the anticipated needs of the industry within the region when dark fiber infrastructure is put in place, the Big Sandy Community & Technical College is implementing a technical training facility for telecommunications jobs. The project is under development with construction scheduled to be complete in late 2018. The project will address diversification of the economy, of workforce skills, and meet the needs expressed by current employers who are challenged to find trained employees. The project aligns with the Kentucky Wired project currently under development by providing skill sets needed for the project's construction and maintenance.



Private sector partners are also engaged in technology training through BitSource. Utilizing former mining industry employees, BitSource has trained

unemployed mining industry individuals how to code. The Tech Hire Initiative is poised to address preparing the workforce for technology-related employment opportunities.

Assessment of the region's broadband use and local government e-services continues. Broadband service is widely available; however, certain geographic areas do not have adequate, affordable, high capacity access. Public accessibility to the internet for those impacted geographic areas is primarily obtained through public libraries and educational institutions. Communities actively engaged in capitalizing on the Kentucky Wired project include the cities of Pikeville and Prestonsburg who are completing feasibility studies to determine the best pathway to provide access to high speed broadband services. Completion of the Kentucky Wired backbone is currently slated for 2020 for counties in the Big Sandy District.



Environment

Protection of the region's natural

resources is of increasing interest to the general population. With the rise in interest for local food production, tourism, and water quality concerns, a balanced approach between industry leaders is needed. Extraction industries will continue to remain important to the region though they will have less of an economic impact going forward due to lower employment levels.

Dewey Dam

The natural beauty of the region drives much of the tourism industry in eastern Kentucky. Lakes, streams, mountainous terrain, and wildlife are the natural attractors for a strong tourism industry. Leaders recognize the need to better address solid waste and, as an example, community members lead efforts along the Dawkins Rail Trail to maintain its cleanliness. As a result, significant improvement has been achieved in environmental quality related to solid waste disposal. Recycling efforts continue with increasing participation by local governments.

Providing public wastewater service continues to be a focus area. However, the cost to construct collection lines in mountainous terrain and limited grant sources create challenges for local governments who already have strained budgets.



Breaks Interstate Park

Other Plans & Strategies

The Shaping Our Appalachian Region (SOAR) Initiative has resulted in a more focused approach to regional and collaborative economic development activities. Looking at the original ten areas of concern including agriculture, broadband, business recruitment,

business incubation, education and retraining, health, infrastructure, leadership development/youth engagement, regional collaboration/identity, and tourism, opportunities to partner among like-minded agencies and individuals have resulted in greater alignment in strategic projects. Specific, identified goals of SOAR have been defined and they include broadband availability, workforce development, small business creation and expansion, improvement of health status, industrial employment, local foods movement, and establishing the region as a tourism destination. The SOAR *Regional Blueprint For Economic Growth* can be found at <http://www.soar-ky.org/blueprint>.

The District will continue to work with the SOAR leadership and staff to assist in facilitating activities, providing information, and pursuing projects that are in alignment with the District's and the region's goals and objectives. District goals and objectives that align with SOAR include strategies related to job creation, industry recruitment, small business development, sector strategies, and workforce development.



While the SOAR Initiative continues to shape the work going forward, in addition, the District will consider other planning activities at the local, regional, state and federal levels that will guide growth strategies. The Big Sandy Area Development District continues to offer its expertise and assistance in planning efforts that improve the quality of life in communities within the District. Long-term planning continues to be a focus of local leaders. BSADD has been involved and will continue to assist communities in planning efforts related to community and economic development.

Collaborative efforts continue with various entities aligning goals, strategies, and action items toward implementing projects. Examples of these partners and collaborations follow:

- ADDs – Statewide & ARC ADDs
- EKCEP
- EKyTAP
- MSU SBDC
- One East Kentucky
- Kentucky Secretary of State

- SOAR
- West Virginia's Region I Planning & Development Council
- Work Ready Communities In Progress Teams
 - Floyd County
 - Johnson County
 - Martin County
 - Magoffin County
 - Pike County
- Chambers of Commerce
 - Floyd County Chamber of Commerce
 - Johnson County Chamber of Commerce
 - Southeast Kentucky Chamber of Commerce

Floyd County, Paintsville-Johnson County and Southeast Kentucky Chambers of Commerce – BSADD supports economic development activities of the Chambers.

EKCEP – BSADD staff are engaged with EKCEP in their Business Services Team efforts for the 23-county EKCEP service region.

EKyTAP – BSADD staff are engaged with the East Kentucky Technical Assistance Providers, a network of small business service providers whose goal is to provide the highest quality assistance to small businesses in the region.

MSU SBDC – BSADD staff assist the Morehead State University Small Business Development Center in planning their annual Women's Business Symposium.

One East Kentucky – BSADD ED staff assist OEK in economic development initiatives, projects and activities throughout the region.

SOAR – BSADD staff assisted in the 2018 annual Summit held in the District.

West Virginia – Region I Planning & Development Council – A cluster mapping project has been funded thru ARC and EDA for a multi-state region of the Central Appalachian coal fields. ARC funding will be utilized for the ADD's in east Kentucky to participate in the GIS project.

Work Ready Communities In Progress County Partners – BSADD staff are assisting Work Ready Community county teams in Floyd, Johnson, Martin, Magoffin and Pike to achieve Work Ready status and prepare applications to the Kentucky Workforce Innovation Board seeking certification.

The Big Sandy Area Development District continues to align the region's planning efforts with state and federal initiatives related to economic development, tourism, small businesses, and workforce development. Relevant plans that impact the region include:

- *ARC – Appalachian Development Plan*
- *2011 Kentucky’s Unbridled Future – Strategic Economic Development Plan*
- *2011 Workforce Innovation Board – Sector Strategies*
- *Kentucky WIB – Work Ready Communities*
- *SOAR Regional Blueprint For Economic Growth*

Integration of State’s Economic Priorities

The integration of the state’s economic priorities as related to Kentucky’s Unbridled Future – Strategic Economic Development Plan (2012) includes priorities to continue to create a More Competitive Business Climate, Attract, Develop and Retain Business, Create and Market a Powerful Kentucky Brand, Work Toward Sustainability, Foster Innovation and Technology Support, Create an Entrepreneurial Culture. The five targeted categories include: advanced manufacturing, sustainable manufacturing, technology, transportation, and healthcare. Additional state initiatives surrounding Kentucky becoming the lead nationwide in manufacturing, and employing the population’s most challenged individuals such as disabled, formerly incarcerated, and veteran populations are supported by the District.

The Big Sandy Area Development District CEDS corresponds with the Commonwealth of Kentucky’s priorities for economic development through a number of goals, objectives and strategies found in the Action Plan (Section 5) under the following areas:

- Job Creation
- Workforce Development
- Quality of Life Improvements

Further, the District supports statewide focus areas that include apprenticeships, Work Ready Communities, red-tape reduction efforts, tourism, and promotion of agriculture. Sector strategies within the District include continuing to focus on healthcare as a growth area. The opening of the Kentucky College of Optometry at the University of Pikeville advances the healthcare sector in the region. Advanced manufacturing will be supported by the East Kentucky Advanced Manufacturing Institute’s CNC training program. Furthermore, aerospace certification of sites in the region, including the Eastern Kentucky Business Park, will benefit the area and the development of an aerospace corridor in eastern Kentucky. In addition, broadband deployment and technology training programs at the secondary and postsecondary levels along with the TechHire initiative, Teleworks, and BitSource are the beginning of what is hoped will become a technology focused region.

These efforts in targeted sectors are expected to attract new employers to locate in the region, offer job opportunities, and create a more diversified economy that can withstand market shifts and industry fluctuations.

Disaster Mitigation & Resiliency

Due to its topography, the region suffers from frequent flooding disasters and particularly flash flooding. Considered a threat to the region, the frequency of these events places local governments in the position oftentimes of not fully recovering from damages before another event occurs. As a result, significant resources are expended to make repairs to infrastructure and reliance on federal agencies for eligible reimbursements results in strains on cash flow. The result is that local governments find it difficult to focus on long-term economic development projects. Additional attention has been given to shelters, generators, communications equipment, and maintaining local long-term recovery groups to manage the multiple issues and agencies that affected residents encounter throughout the recovery process.

The Big Sandy Area Development District Multi-Jurisdictional Hazard Mitigation Plan, originally adopted in 2006, and updated in 2011 and 2016, provides risk assessment data and mitigation strategy information to provide a basis for dealing with risks to life and property from various hazards; severe storm events and flooding are occurring with the greatest frequency in the District.

In addition to updates to the information in the Big Sandy District's Multi-Jurisdictional Hazard Mitigation Plan, pre-disaster planning and disaster response will become a greater focus area for the region. Recovery resources, business continuity planning, shelter identification, communication plans, and recovery activities that are immediate, short-term, and long term will be a focus for addressing resiliency from disasters. Addressing the special needs and the most vulnerable populations will also need to be included. Identifying first responder needs continues to be a focus of the District so that lack of preparedness is not a hindrance when events occur. BSADD staff regularly assist first responder agencies with funding applications as opportunities become available to seek equipment in support of their operations.

In addition to assistance provided to first responders, District staff, in 2018, introduced and assisted in planning efforts for the Community Rating System. A floodplain management plan for the city of Paintsville resulted from these efforts that, once reviewed and approved, will hopefully result in reduced National Flood Insurance Program rates for residents of the community. Furthermore, in 2018 flood protection projects were announced by the U. S. Army Corps of Engineers that will impact the town of Martin in Floyd County and the city of Paintsville. District staff also continue to assist in pursuing FEMA funding to address repetitive loss structures through applications to the Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program.

The economic status of the region has also resulted in increased focus on economic resiliency with discussion in economic development strategy sessions that introduce these concepts for small businesses. In addition to preparedness for natural disasters, economic resiliency discussions include conservation and efficiency measures, insurance protections, floodplain management, and market expansion/diversification.

An increased effort to support small businesses in the region has been undertaken with the support of EDA funding and has resulted in increased contact with the business community through trainings, events, partnerships, and referrals to the loan fund.

Diversification strategies are being undertaken by multiple entities to better prepare the region's economy to withstand economic changes. SOAR, One East Kentucky, Eastern Kentucky Concentrated Employment Program, East Kentucky Advanced Manufacturing Institute, Big Sandy Community and Technical College, and UPIKE are among the entities that are actively pursuing projects and strategies in industry sectors including healthcare, technology, aerospace, and advanced manufacturing as well as broadband infrastructure. These efforts will broaden the economic base for the region and, therefore, assist in deflecting the negative impacts of downturns in any one of those influences upon the economy.

List of Past and Present Economic Development Projects

Please refer to the Appendix for a list of current and proposed projects in various stages of planning and development within the District that are priorities for each of the respective communities. In addition, private investments in the region have included construction of new educational facilities, commercial activity and healthcare services. Facility investments by public bodies include those made in the industrial parks, the Recycling Authority members, tourism developments and public infrastructure.

Continued focus on basic infrastructure has resulted in significant investments that have been made by each of the five counties comprising the Big Sandy Area Development District. In addition, several public and nonprofit investments in facilities have and continue to impact the region in a positive manner. Significant prior projects have included the following:

- Honey Branch Regional Business Park Infrastructure
- Martin County Economic Development Authority Speculative Building
- Warfield Sewer Project
- Marion Branch Industrial Site
- Harold Sewer Project
- Magoffin County Health Department
- Magoffin County Industrial Development Site
- Mountain Arts Center
- University of Pikeville – Kentucky College of Osteopathic Medicine
- Pikeville Medical Center Expansion projects
- Highlands Health Systems Expansion
- Paintsville Water Treatment Plant
- Various Utility Providers – Water/Wastewater Line Extensions
- East Kentucky Science Center
- Regional Recycling
- Martin Redevelopment Project
- Martin Sewer Rehab Project

➤ Stone Crest Industrial Site Infrastructure

Planning and technical assistance projects that have occurred or that have continued over the past year include the SOAR, Work Ready Communities Initiatives, Trail Town certification planning, East Kentucky Advanced Manufacturing Institute, industrial site developments, broadband infrastructure, and continued trail developments.

See the Appendix for available updates to specific demographic data from the District.



Dewey Lake



Alltech



2018 CEDS

IV. Action Plan

Action plan Goals, Objectives, and Strategies from the 2017 document remain in place for the 2018 Big Sandy Comprehensive Economic Development Strategy for Job Creation and Retention, Workforce Development, and Quality of Life Improvements. Some exceptions and additions to the strategies are outlined below.

Goal: Job Creation and Retention

Objective 1: Industry Recruitment and Retention

Support and promote the region's designated Opportunity Zones for potential investment and development.

Objective3: Small Business Development and Growth:

The District has determined the best course of action due to changes in the EDA-funded Revolving Loan Program is to terminate the program for convenience.

Support pursuit of a manufacturing incubator space.

Goal: Quality of Life Improvements

Objective 3: Housing stock that meets the demands of the population

Support efforts to address the needs of homeless populations.

Objective 5: Capitalize on the region's environment and natural resources

Encourage a refocus on beautification education and participation, litter abatement, and protection of the natural environment to support continued tourism development.

Educational Attainment

High school graduation rates are above the goals set for the Work Ready Community certification program in each of the five counties in the District and range from 93% in Martin County, 96% in Floyd and Pike counties to 97% in Johnson and Magoffin counties.

The percentage of individuals aged 25-64 with an Associate Degree or higher continues to climb throughout the District; however, falls short of the state and national averages. Degree attainment ranges between 14% in Martin County, 16% in Magoffin County, 19% in Floyd County to 20% in Johnson County and Pike counties.

The percentage of the population with less than a high school diploma or GED continues to show improvement with declines in each of the counties in the District. The percentage ranges from 25% in Magoffin County to 18% in Johnson County.

Bank Deposits

Bank deposits totaled \$2,206,234,000 in 2017 which represents a decline of over \$31,000,000 since 2016. (2018 deposits data was unavailable as of this writing.)

(Source: FDIC)

Broadband Availability

Construction of the Kentucky Wired project in eastern Kentucky has been initiated with completion expected in 2020 in the District. Approaches to addressing last mile service are being planned by at least four communities within the District. Capitalizing on the availability of high-speed, high-capacity broadband via fiber optic cable is important to advance technology as a growth sector in the region.

Performance Report

The Big Sandy Area Development District staff have participated in various planning activities related to community and economic development within the region. Job creation and business investment will be directly affected by the following local projects that continue in planning and development over an extended timeframe:

County	Project	Description
Floyd	Industrial Development Site	Floyd County is marketing a site for industrial/commercial use purchased by the County and located on US 23 at Prestonsburg.
Magoffin	Industrial Development Site	Magoffin County is planning for the development of a future industrial site. Coal severance tax revenue has been allocated toward the project. Infrastructure

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		planning continues.
Pike	Marion Branch	The City of Pikeville is in the process of developing a formerly mined tract now designated for industrial use. Infrastructure is being constructed. The first prospects have committed to locating at the site. A newly funded 50K SF speculative building is under construction and is being occupied at completion.
Pike	Scott Fork Site	Pike County has plans in place for the development of a 50-acre site centered on its energy-focused initiatives. Infrastructure planning to serve the site continues.
Pike	US460 Sites	Pike County is undertaking planning of projects for the future development of a multiple sites near US460 upon completion of the road construction project.
Floyd	Wayland	Local leaders are planning for a Sports Hall of Fame that will impact this community's economic development; structural rehab of the existing gym is being completed in phases. Staff assisted with funding applications.
Pike	University of Pikeville College of Optometry	The University began construction of a new professional program of optometry to be located on the Pikeville campus. Staff assisted with funding applications. <i>The construction project is complete and outfitting of equipment continues.</i>
Pike	Big Sandy Community & Technical College	District staff are assisting in funding applications for a training facility for the telecommunications industry to be located at the BSCTC and in cooperation with the University of Pikeville. <i>Construction is underway and scheduled for completion in 2018.</i>
Regional	Work Ready Communities	District staff assist counties communities that are actively working toward Work Ready certification by the Kentucky Workforce Investment Board---Floyd, Johnson, Martin. Magoffin submitted an application to KWIB <i>and was approved as Work Ready In Progress.</i>
Regional	One East Kentucky	Staff continue to work with recently created economic development entity charged with marketing and prospect development for a nine-county area including all of the Big Sandy District.
Regional	Dawkins Trail	Staff continue to assist local leaders and work with state officials for enhancements associated with the region's first rail-trail project that opened for use in 2013.
Regional	Trail Towns	Staff continued work with local communities interested in becoming certified as Trail Towns, a state designation.
Regional	eKAMI	Staff are working with local nonprofit to plan and develop CNC workforce training program/facilities to be

		located in the region. <i>The first two classes have now completed their instruction and have been employed in the advanced manufacturing industry with a 100% placement rate.</i>
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In addition, Big Sandy Area Development District staff continued to provide assistance to the Big Sandy Regional Industrial Development Authority (BSRIDA) with its monthly meetings and in the project management of the Eastern Kentucky Business Park (formerly known as Honey Branch Regional Business Park). Staff also participate in Appalachian Industrial Authority and One East Kentucky meetings.

Additional planning efforts for community/economic development have continued and include:

- Floyd County Chamber of Commerce
- Paintsville-Johnson County Economic Development Authority
- East Kentucky Leadership Foundation – East Kentucky Initiative
- Big Sandy Economic Development Council – community/economic development
- Big Sandy Adventure Tourism – regional tourism planning
- Big Sandy Water Management Council – infrastructure planning
- One East Kentucky
- Regional Transportation Committee
- Big Sandy Regional Recycling Program – recycling efforts
- Eastern Kentucky Concentrated Employment Program – Business Services Team
- SOAR Initiative

Progress in achieving goals, objectives and strategies over the past year is listed below in a sample of some of the activities carried out:

- Continued administration of the Big Sandy Regional Industrial Development Authority.
- Participation in Appalachian Industrial Authority meetings.
- Continued planning efforts through the Big Sandy Regional Transportation Committee and the Big Sandy Water Management Council.
- Participation in East Kentucky Leadership Foundation.
- Support for the Foundation for Appalachian Kentucky activities in the District.
- Healthcare investments by UPIKE in equipping the Optometry College building.
- Healthcare investments by Pikeville Medical Center in facilities and equipment.
- Tourism initiatives in the District including collaborative branding/marketing efforts.
- Regional recycling continuation.
- Work Ready Community certification efforts continue.
- Promotion of small business opportunities, trainings, activities, and events to support the growth of small businesses in the region.
- CMH 23, Inc., a regional tourism promotional effort, in development and planning.

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- Planning for additional industrial park development in Pike County including infrastructure planning.
- The Big Sandy Business Services Team continues to develop a stronger network of partners and is planning the third annual Big Sandy Small Business Expo in September. Member agencies are participating in informing and providing assistance to small businesses throughout the region.
- Entrepreneurial and sector development networking continued thru the established ED Coordinator position filled in 2016.
- Participation in East Kentucky Technical Assistance Providers (EKyTAP), a regional small business service providers network.
- Promotion of small business-oriented events through the Big Sandy Economic Development Council and social media (SBDC, MACED, SKED, Chambers).
- Assisted in planning and funding pursuits for the East Kentucky Advanced Manufacturing Institute.
- Assisting in trail town developments in the region.
- Marketing and participation in SOAR initiatives.
- Assisting One East Kentucky in their scope of work.
- Supported Opportunity Zone application submission for the region.
- Planning of airport improvement projects in the District.
- Supporting efforts for a manufacturing business incubator.
- Supporting homeless shelter planning.
- Direct assistance for Community Rating System initiative in the District.
- Jenny Wiley Theatre amphitheater improvements made in 2018.
- Small business and tourism events including night markets, arts festivals, sister cities, etc.
- Arts Council planning for Prestonsburg.
- Establishment of a Floyd County Community Foundation affiliated with the Foundation for Appalachian Kentucky.
- Completion of the Prestonsburg Strategic Plan in 2018.
- Establishment and assistance provided for the Floyd County Tourism organization.
- Purchase of two local hospitals by Appalachian Regional Healthcare.

Impacts that will leave a gap include (1) closure of the Kentucky Innovation Network office in Pikeville and (2) discontinuation of the Big Sandy RLF Program.