

# **Madison County The Center of Southeast Kentucky**



**A Report by:  
The Madison County Economic Development  
Leadership Committee**

**Prepared with Assistance from the Southern Growth Policies Board  
March, 2014**

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## Executive Summary

Although Madison County has a strong economy and enjoys many assets that give it a competitive advantage over other places, every community in the United States felt the impact of the great recession and continues to experience economic change and increased competition for jobs, resources and talent. A group of community leaders came together to take a hard look at the threats and opportunities and develop a strategic action agenda for improvement.

Students greatly impact Madison County's population (Eastern Kentucky University: about 16,000 students. Berea College: about 1,500), but most students leave Madison County after graduation—a severe loss of intellectual capital. If the community could develop strategies to more fully capture these young, educated people, it would boost Madison County as an attractive location for the high-tech, arts, and entrepreneurial economies engendered by young adults.

The closings of the Blue Grass Chemical Agent-Destructive Pilot Plant and the Blue Grass Chemical Activity, organizations currently existing as tenants on Blue Grass Army Depot, represent a threat and an opportunity for the future of Madison County; an opportunity for private industries to partner with the Depot and take advantage of underutilized land, facilities, equipment and workforce skills; if not, a loss of thousands of direct and indirect jobs.

The skill requirement for employees to be successful continues to rise. Some local leaders believe the local workforce needs to improvement.

**Vision: Madison County and the cities of Richmond and Berea as the center of regional commerce, education, health and the arts, where opportunities draws money and jobs from surrounding areas, while keeping dollars from leaking away.**

## Themes for Economic Improvement

- **Collaborate:** The elements that make up Madison County's economy; businesses, the universities, the city and county governments, schools, and medical facilities, need to work better together to leverage assets for greater impact.
- **Nurture:** Jobs can be increased by improving the current innovation infrastructure to capitalize on the county's intellectual assets, especially in entrepreneurship support and technology commercialization.

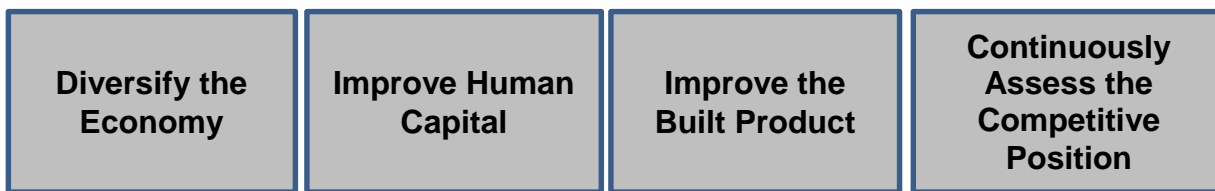
"Opportunity is missed by most people because it is dressed in overalls and looks like work."

Thomas A. Edison

- **Publicize:** Madison County should promote and brand itself, both to customers inside and outside the county, as a center for business and personal activities.
- **Engage:** The citizens of Madison County need to be more involved in activities and projects within the county that improve the economy.

## Recommendations

The four areas of focus and 12 specific actions below, identified through the work of the Economic Development Leadership Committee, aim to increase the wealth coming into Madison County. They directly and indirectly increase the money coming into, or slow the leaking of money from the community.



### Diversify the Economy

- 1) **Hire an agribusiness coordinator.**  
The goal: increase the economic value of the county's agricultural products'
- 2) **Create a "one-stop" shop for entrepreneurial services and information.**  
The goal: grow new businesses that create jobs, investments, and wealth, especially in traded industries.
- 3) **Inventory potential meeting space facilities and availability in order to attract additional meetings, conventions, and tourism to the area.**  
The goal: attract outside dollars through meeting space management.
- 4) **Market the region as an arts destination.**  
The goal: increase the dollars spent by cultural tourists.

### Improve the Human Capital

- 5) **Establish a KCTCS campus so that Vo-tech education/training can be offered.**  
The goal: meet the needs of employers
- 6) **Implement work-ready strategies.**  
The goal: provide workers with skills that businesses need in order to retain and attract companies.
- 7) **Develop and implement a substance abuse strategy to aid with manufacturing employment needs.**  
The goal: provide the healthy and productive workers businesses need.

### ***Improve the Built Product***

- 8) *Develop the downtowns with retail opportunities and upgrade of buildings bearing in mind the interests of college/university students, faculty, staff, and alumni.***

The goal: increase spending in local businesses, especially capitalizing on the discretionary spending power of college/university-related groups.

- 9) *Expand airport facilities.***

The goal: increase the financial impact of a critical local resource.

- 10) *Plan to maximize the potential of the Blue Grass Army Depot.***

The goal: retain and grow jobs.

### ***Continuously Assess the Competitive Position***

- 11) *Conduct technology assessment of the human and physical resources in the county.***

The goal: to be better able to market and develop resources inside and outside the county.

- 12) *Survey Chambers of Commerce members to gain insight into the business friendliness of the area's regulations, policies, and practices.***

The goal: improve the business environment for new and existing businesses.

In addition to the goals agreed upon by the leadership team, the Southern Growth Policy Board suggests that the Leadership Committee continue to operate and monitor progress and that the Committee act as the collaborative capacity for the implementation stage of this effort.

## Economic Development Leadership Committee

Jim Barnes  
Mayor  
City of Richmond

Michael T. Benson  
President  
Eastern Kentucky University

Ken Bicknell  
Principal  
B. Michael Caudill Middle School

Betsy Bohannon  
Executive Director  
EKU Student Rights and Responsibilities

Kent Clark  
Madison County Judge-Executive  
Madison County Fiscal Court

Steve Connelly  
Mayor  
City of Berea

Robert Farmer  
District Manager  
Blue Grass Energy

Cliff Feltham  
Statewide Media Relations Manager  
Kentucky Utilities Company

Elmer Thomas  
Superintendent  
Madison County Schools

Mendi Goble  
Executive Director  
Richmond Chamber of Commerce

Lt. Col. Chris Grice  
Commander, Blue Grass Chemical Activity  
Blue Grass Army Depot

Peter Hackbert  
Director, Entrepreneurship for the Public  
Good (EPG), Berea College,

Tim Houck  
Richmond Market President  
Community Trust Bank

Jimmy Howard  
City Manager  
City of Richmond

Todd Jones  
President  
Baptist Health Richmond

H.C. Kenney  
Energy Adviser  
Blue Grass Energy

Tom McCay  
Director of Business Development  
City of Berea

David McFaddin  
Executive Director, Government Relations  
Eastern Kentucky University

Ian Mooers  
Executive Director  
Center for Economic Development,  
Entrepreneurship and Technology  
College of Business and Technology  
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Chasity Pearson  
Public Affairs Specialist  
Blue Grass Chemical Activity

Randy Pepper  
Chief Academic Officer  
Madison County Schools

Lyle Roelofs  
President  
Berea College

Col. Brian Rogers  
Immediate Past Commander  
Blue Grass Army Depot

David Rowlette  
Executive Director  
Berea Chamber of Commerce

Dr. John Settimi,  
Chair, ECU Department of Agriculture

Derrick Singleton  
Associate Vice President for Operations and Sustainability  
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Senior Economic Development Specialist  
Kentucky Utilities Company

Randy Stone  
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City of Berea

Jenny Tincher  
EQU PR Student/Project Intern

Debi White  
Executive Director  
Telford YMCA

Doug Whitlock  
Immediate Past President  
Eastern Kentucky University

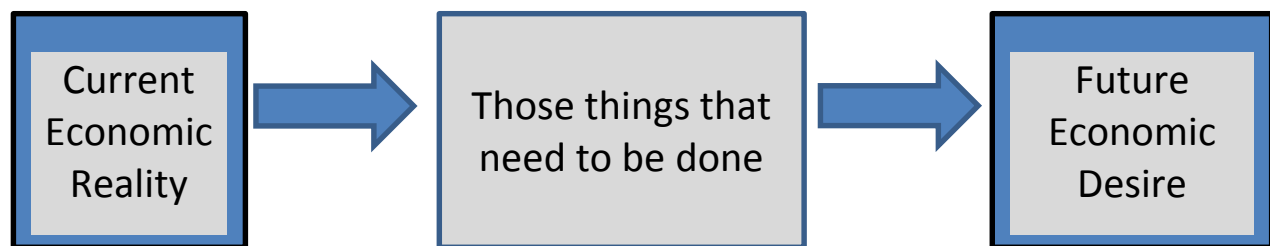
Marc Whitt  
Associate Vice President for Public Relations  
Eastern Kentucky University

## The Strategic Process

The Madison County Leadership Committee, supported by the staff of the Southern Growth Policies Board, has created a set of recommended actions to improve the competitiveness and performance of the Madison County Economy.

The process, consisting of five meetings, two surveys, and several presentations, aimed to distill the experience, knowledge, and hopes of the members of the Economic Development Leadership Committee into a set of both realistic and actionable recommendations.

The structure of the process was to first identify the current reality, second to determine the future desire for the County's economy and then to develop a series of 12 recommended actions that can improve the economy.



The main work to develop the recommendations was completed in the following Subcommittees:

- Agribusiness
- Arts & Culture
- Blue Grass Army Depot
- Entrepreneurial Education & Support
- Healthcare Services
- Hiking & Biking Trails
- Industrial Recruitment
- Madison Airport
- Retail Development
- Technology & Government Solutions
- Tourism Development
- Workforce Development

The leadership felt that collaboration among local governments, and between government, business and education, were particularly important factors in terms of the ultimate success of the planning effort. This belief remained a guiding principle throughout the project.



## Current Economic Reality

Since Daniel Boone founded Fort Boonesborough in 1775 as a hub for regional commerce, Madison County has served as an economic and cultural center for Southeast Kentucky.

Richmond, the county seat, is the largest city located along Interstate 75 between Lexington and Knoxville. Thousands have come from the region, state, and country (and internationally) to study and work in Madison's educational establishments. The Blue Grass Army Depot has been a magnet in its own right, employing over a thousand people. Cementing its status as a regional destination, Madison County has the relatively new 2,000-seat Center for the Arts which has attracted over 100,000 attendees since completion in 2011.



Madison County in some ways seems more national, more like the U.S., than like the rest of Kentucky. As later statistics demonstrate, Madison County's employment/industry composition, educational attainment, and unemployment percentages more nearly match the U.S. than Kentucky. A review of Madison County's population and business statistics can identify potential barriers and opportunities to economic advancement. The current review, described below, does not reveal any such barriers, and only emphasizes the community's strengths. Many statistics show a county of economic resiliency with low unemployment and enviable population growth. **Simply put, the current economic reality provides a foundation to build from rather than an economy that needs reinvention.**

**Madison County's recent population growth is enviable—almost twice the rate of Kentucky** and over a third higher than the national growth rate.

Population Growth	Madison Co.	KY	US
April 1, 2010 to July 1, 2012	2.30%	0.90%	1.70%

Madison County's population swells with the annual arrival of college students, skewing the county's demographic characteristics, especially in income measures. Most college towns have deceptively low income characteristics since the low earnings of college students are included in income calculations. Madison County reflects this trend. Only in family income (which includes households with married and related persons) does Madison County reach above Kentucky's average, with median family income of \$52,080 versus \$51,917.

### Race

In terms of self-identified race, according to Office of Management and Budget Standards, Madison County's citizens generally identified themselves as more white (92.1%) than Kentucky (88.6%) and the U.S. as a whole (77.9%). Black or African Americans make up only 4.5% of the population--much smaller than Kentucky's 8.1% and 13.1% in the U.S. Hispanics or Latinos were even fewer, with only 2.2%, versus 3.2% for Kentucky and 16.9% of the country.<sup>1</sup>

<sup>1</sup> Note that the percentages equal over 100% since respondents may identify themselves as in more than one racial category.

## Age

The large number of Madison County's college students drives the age characteristics towards the middle demographic. Less of the county's population is young<sup>2</sup> as percent of population, with 18% under 15 years of age, compared to 19.6% for Kentucky and 19.9% for the U.S. Madison County also has fewer people over 65 with 11% compared to 13.2% for Kentucky and the U.S. at 12.9%.

Kentucky's larger populations lie in the middle. As shown in the table below, Madison County has lower percentages than Kentucky and the U.S. in every age group except in the 15-19, 20-24, and 25-34 categories. In the 15-19 bracket, Madison County's percentage is 9% of total population, versus 6.9% for Kentucky and 7.2% nationally. In the 20-24 bracket, Madison County has 11.7% of its population, with Kentucky at 6.7% and 7% for the U.S. Madison County's numbers begin to normalize with the 25-34 bracket, with a still higher percentage of 13.7%, versus 13% for Kentucky and 13.30% for the U.S.

Demographic Data	Madison Co.	KY	US
Total population	82,363	4,316,040	306,603,772
Male	48.30%	49.10%	49.20%
Female	51.70%	50.90%	50.80%
Under 5 years	6.10%	6.50%	6.60%
5 to 9 years	6.50%	6.50%	6.60%
10 to 14 years	5.40%	6.60%	6.70%
<b>15 to 19 years</b>	<b>9.00%</b>	<b>6.90%</b>	<b>7.20%</b>
<b>20 to 24 years</b>	<b>11.70%</b>	<b>6.70%</b>	<b>7.00%</b>
<b>25 to 34 years</b>	<b>13.70%</b>	<b>13.00%</b>	<b>13.30%</b>
35 to 44 years	13.10%	13.60%	13.60%
45 to 54 years	12.70%	14.80%	14.50%
55 to 59 years	5.60%	6.60%	6.30%
60 to 64 years	5.20%	5.60%	5.30%
65 to 74 years	6.30%	7.40%	6.90%
75 to 84 years	3.50%	4.20%	4.30%
85 years and over	1.20%	1.60%	1.70%

DP05, 2007-2011 ACS 5-Year Estimates, American FactFinder, U.S.

Census Bureau.

## Education

Not surprisingly, Madison has a large percentage of citizens with advanced degrees, including bachelor's and graduate/professional degrees, 15.5% and 11.9% respectively. This can be a big asset to attract innovation based companies.

<b>Education Level</b>	<b>Madison</b>	<b>KY</b>	<b>US</b>
<i>High School Grad % Pop</i>	29.9	34.3	28.6
<i>Some College No Degree</i>	19.9	20.1	21
<i>Associate's Degree</i>	7	6.7	7.6
<i>Bachelor's Degree</i>	15.5	12.3	17.7
<i>Grad or Professional</i>	11.9	8.4	10.5
<i>% high school grad or higher</i>	84.2	81.7	85.4
<i>% bachelor's degree or higher</i>	27.4	20.6	28.2

<sup>2</sup> Under 5 years of age.

## Income

According to the Census Bureau, university towns have lower income levels because college students are included in income calculations. This is the case with Madison County. The County's per capita income and household income, both mean and median, are lower than Kentucky and the U.S.

However, family income only tracks households with two or more persons related through blood, marriage or adoption. Madison County has a higher median family income than Kentucky, but is lower than the U.S. median, and is lower than both Kentucky and U.S. in family mean income.



Income 2011	Madison	KY	US
<b>Household</b>			
Less than \$10,000	14.50%	10.80%	7.80%
\$10,000 to \$14,999	7.30%	7.60%	5.80%
\$15,000 to \$24,999	12.90%	13.40%	11.40%
\$25,000 to \$34,999	8.80%	11.70%	10.60%
\$35,000 to \$49,999	17.00%	15.00%	13.90%
\$50,000 to \$74,999	19.10%	17.40%	18.00%
\$75,000 to \$99,999	9.00%	10.20%	11.70%
\$100,000 to \$149,999	6.80%	9.20%	12.10%
\$150,000 to \$199,999	2.70%	2.40%	4.40%
\$200,000 or more	2.00%	2.20%	4.30%
<b>Median household income</b>	<b>38,596</b>	<b>41,141</b>	<b>50,502</b>
<b>Mean household income</b>	<b>53,289</b>	<b>56,104</b>	<b>69,821</b>
<b>Median family income</b>	<b>52,080</b>	<b>51,917</b>	<b>61,455</b>
<b>Mean family income</b>	<b>65,894</b>	<b>66,779</b>	<b>81,375</b>
<b>Per capita income (dollars)</b>	<b>20,492</b>	<b>22,300</b>	<b>26,708</b>

## Occupation and Industry Employment

Madison County's status as a hub for education and health services is reflected in the employment by industry statistics. In some respects, Madison County seems more like the U.S. than the rest of Kentucky.

For example, manufacturing/transportation as percent of employment is 9.1%, more akin to the U.S.'s 12.1%. Both are dramatically lower than the 16.3% in heavily industrial Kentucky.

Similarly, Madison County's management occupations of 36.3% of employment nearly match the 36% of the U.S., while Kentucky's percentage is 3.4 percentage points lower.

In terms of industry employment, Madison County has almost half more working in education and health services than Kentucky or the U.S. Madison County has 33.1% of its employed working in this area, compared to 25% for Kentucky and 23.2% for the U.S. As seen previously, Madison County has a similar percentage working in manufacturing as the U.S., 9.5% and 10.4%. Kentucky has 13.4% of its workforce in manufacturing.

Occupation: 2011 Estimate	Madison	KY	U.S.
Percent of Workforce			
Management, business, science, and arts	36.30%	32.90%	36.00%
Service	23.50%	17.10%	18.30%
Sales and office	21.90%	24.00%	24.50%
Nat resources, construction, and maintenance	9.20%	9.70%	9.10%
Production, transportation, and material moving	9.10%	16.30%	12.10%



### Workforce

Many counties across the country would be envious of Madison County's economic position. **The county's main employers provide a stable workforce environment, particularly in healthcare and education.**

Madison County has a higher percentage of its population in the workforce than Kentucky as a whole, nearly matching the average for the U.S.<sup>3</sup>

**For the last ten years, Madison's unemployment rate has *always* been lower than Kentucky's.** During the same time frame, Madison has had a lower unemployment rate than the U.S. except in two years, 2006 and 2007.<sup>4</sup> The stability of its employment can be attributed to its educational jobs, which are less sensitive to macro-economic impacts. Madison County also has a higher percentage of professional employees than Kentucky, 33.5 percent versus Kentucky's 31.9%.<sup>5</sup>

INDUSTRY	Madison	KY	US
Agriculture, forestry, fishing, hunting and mining	1.40%	2.70%	1.90%
Construction	5.50%	5.70%	6.10%
Manufacturing	9.50%	13.40%	10.40%
Wholesale trade	2.30%	2.60%	2.80%
Retail trade	11.50%	11.60%	11.60%
Transportation, warehousing & utilities	2.20%	6.20%	5.00%
Information	1.50%	1.50%	2.10%
Finance, insurance, & real estate	3.00%	5.50%	6.60%
Professional, scientific, and management	6.10%	7.70%	10.70%
Educational services, health care & social assistance	33.10%	25.00%	23.20%
Arts, entertainment, and recreation accommodation and food services	9.80%	8.60%	9.40%
Other services, except public administration	6.20%	4.80%	5.00%
Public administration	7.90%	4.70%	5.10%
<b>CLASS OF WORKER</b>			
Private wage and salary workers	73.10%	78.40%	78.60%
Government workers	21.20%	15.90%	15.00%
Self-employed	5.40%	5.50%	6.20%

<sup>3</sup> American Community Survey, 5 Year Estimates, DP03, 2011.

<sup>4</sup> Labor Force Statistics, Bureau of Labor Statistics. Current Population Survey

<sup>5</sup> American Community Survey.



As a shopping hub, Madison County has a larger percentage of people employed in retail than Kentucky or the U.S.: 12.4 percent versus 11.8 for Kentucky, and 11.5 for the U.S. A larger percentage of Madison workers are employed in arts/recreation/hotels/food, with 10.6 percent versus 8.2 for Kentucky and 9.0 for the U.S.

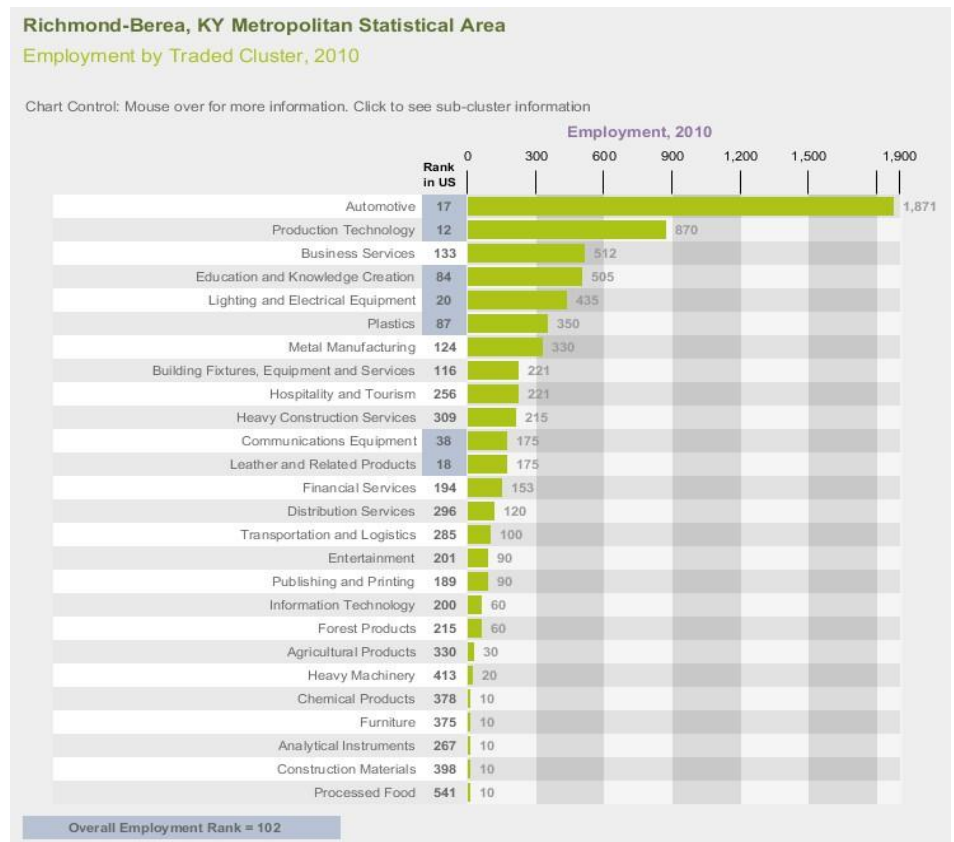
Not surprisingly, Madison County has a high percentage of employment in education/health/and social assistance, 29.9 percent, versus 23.7 for Kentucky and 22.5 for the U.S

In an interview, Michael Porter—the father of cluster analysis and founder of Harvard’s Institute for Strategy and Competitiveness, which compiled the data below—said that regions should be concentrating on “traded sectors”—businesses which import money and jobs into an area:

*“Any economy is an interesting combination of what we call “traded businesses”—like manufacturing, sophisticated services, and tourism that are exposed to international competition—and local ones. For any large population there are a lot of local needs—food, housing, utilities—but ultimately the vitality of an economy is heavily determined by the traded part. That’s where we find the opportunities for much higher productivity that can support high wages. You want to grow those areas where you can be highly productive and serve the world market. Where you can’t be productive, you need to import. You want local needs to be met efficiently, but the ultimate wealth that feeds the local economy derives heavily from the traded economy.”<sup>66</sup>*

How does Madison County measure in traded businesses? It has about the same employment mix of traded businesses, local businesses (catering to local population) and natural resources (such as mining) as Kentucky and the U.S. Worrisome is that the percentage of traded businesses dropped from 2000 to 2010, 25.41% in 2010 versus 35.15% in 2000. Also, the average wage in Madison County’s traded sector dropped in the same time frame, \$35,703 to \$33,954.

In terms of cluster segments, automotive employs the most in the Richmond-Berea Metropolitan Statistical Area, ranking 17<sup>th</sup> in the country for concentration. However, automotive also lost second to the most jobs from 1998-2010 (the most was



<sup>66</sup> “The Strategic Context,” *Harvard Magazine*, September-October 2012, <http://harvardmagazine.com/2012/09/the-strategic-context>

analytical instruments). The education cluster also lost employment during this time, with business services having the most jobs growth.

### **Retail Hub**

Again emphasizing Madison County's retail strengths, the retail sales per capita is higher than the Kentucky average, \$12,008 versus \$11,843 for Kentucky.<sup>7</sup> In 2007, its' accommodation and food service sales of \$1,566 per capita is also higher than Kentucky's \$1,498.<sup>8</sup>

A 2005 study of Richmond Shopping Centre states that **Richmond's location creates a regional hub with the natural trade area extending significantly to the south and east.** It notes that Richmond and Madison are the business, healthcare and educational centers for "...parts of an eight-county area and has a trade area in excess of 221,000 people...total retail sales grew almost 70 percent for the decade ending in 2005. A recent study found that as much as 59% of retail shoppers and restaurant patrons come from outside of Madison County.

The report identifies many site location advantages: "easy interstate access, proximity to Lexington, low cost of housing, good employment base, large university, and cultural and education opportunities."

The deliberations of the present economic development leadership group re-enforce these characteristics. In the initial survey of leadership group members, highway accessibility was the top competitive strength of Madison County, followed by energy availability/cost, quality of K-12 education, available buildings and sites, and labor costs.

To compete for new and better jobs Madison County has to compete with national and international places. The locational factors that influence site location have been evolving in recent years. Some of these changes are benefitting Madison County while others are creating challenges. For different types of companies different factors are more important. With intense national and global competition for jobs, investment, and talent the bar to be successful continues to rise.

There are dozens of community characteristics that any locale needs to be competitive. The top factors are a combination of costs, labor, infrastructure, location and regulation.

Below are the top 10 locational factors that were rated by businesses executives and site selection consultants in two recent national studies:

### **Factors Identified as Most Important for New Investment by *Area Development Magazine* Survey of Site Selection Consultants in 2011:**

1. Highway accessibility
2. Labor cost
3. Available skilled labor
4. Corporate tax rate
5. Occupancy costs
6. State and local incentives
7. Energy availability and cost
8. Tax exemptions
9. Proximity to markets

<sup>7</sup> Kentucky QuickFacts from the U.S. Census Bureau.

<sup>8</sup> Calculated from Census Bureau data.

## 10. Low Union Profile

### **What Matters Most in Site Selection as Determined By a *Site Selection Magazine* Survey of Business Executives in 2012:**

1. State & local tax scheme
2. Transportation infrastructure
3. Utility infrastructure
4. Land/building prices & supply
5. Ease of permitting and regulatory process
6. Existing workforce skills
7. Local economic development strategy
8. Legal climate
9. Availability of incentives
10. State economic development strategy

The Economic Development Leadership Committee and the subcommittees worked hard to understand and evaluate the strengths, weaknesses, opportunities and threats of the current economic reality.

Highway accessibility was identified as a “big competitive strength” along with energy availability and costs. The availability of skilled labor was viewed as one of the area’s least competitive features.

The group identified the following opportunities:

- Reduce outmigration of dollars
- Consolidate services for efficiency
- Identify soft skills needed for employment
- Public-private partnerships
- ECU Center for the Arts could be significant
- Madison Airport
- Regional tourism
- Entrepreneurship
- Capitalize on downtown architecture and ambiance.
- Future changes at Army Depot are an opportunity (as well as a threat).

## *Future Desire for Madison County’s Economy*

When visualizing Madison County’s economic future, it must be done through the lens of rapid change. Many of the global trends shaping regional competitiveness are impacting the region.

**The United States and the Madison County economy are changing.** The recent “great recession” has amplified every community’s challenges. Innovation has destroyed stability of many industries and businesses, but has also created

“Good leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.”

Jack Welch



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new opportunities. Automation and efficiencies have eliminated the need for many workers in many sectors.

**Urbanization is a global trend** where both businesses and the best and brightest young workers are disproportionately moving to large cities. The quality of downtowns and the amenities for attracting talent contribute to local business competitiveness.

**Workforce demographics are changing.** Having citizens with the right skills is the best way for most places to successfully compete and we need to better understand the needs of business. Long-predicted demographic trends have arrived and today's workplace is populated with more women, more ethnic and cultural diversity and more generations than seemed possible just a few years back. The ability to attract and keep young works differentiates places.

**The talent bar is rising.** The talent bar – what is needed to be successful at any job – is rising. The types of skills needed and the types of jobs being created are different than they were in the past and they will be different in the future. Skill mismatches are growing. Just two generations ago a high school diploma provided the skills for life-long success. Today, skills must be enhanced on a continuous basis and every credential needs to be quantified. The rewards for greater skills are increasing and for lesser skills, shrinking.

In the coming years, a successful Madison County will be a place where the following themes describe the economy..

- **Collaboration across all sectors and organizations to deliver more efficient and effective outcomes:** The elements that make up Madison County's economy, businesses, the universities, the city and county governments, schools, and medical facilities will work better together to leverage assets for greater impact.
- **Nurturing the existing assets to increase the economic impact on the community:** Jobs will be increased by improving the current innovation infrastructure to capitalize on the county's intellectual assets, especially in entrepreneurship support and technology commercialization.
- **Better publicizing the existing opportunities and assets to both internal and external audiences:** Madison County will promote itself, brand itself, both to customers inside and outside the county, as a center for business and personal activities.
- **Engaging more people in the economic development process and align their engagement to maximize the results:** All the citizens of Madison County will be more involved in activities and projects within the county that improve the economy.

## Recommended Actions

After deliberations of the full group and the work of the subcommittees, the actions to move Madison County from its current competitive position to a better position in the future fell into 4 broad categories.

1. Diversify the Economy
2. Improve the Human Capital
3. Improve the Built Product
4. Continuously Assess the Competitive Position

The Madison County Economic Development Leadership Committee developed twelve recommendations for competitive improvement. The recommendations rose organically from the process. These actions are repeated below, and then described more fully in subsequent pages.



### **Diversify the Economy**

1. Hire an agribusiness coordinator.
2. Create a “one-stop” shop for entrepreneurial services and information.
3. Inventory potential meeting space facilities and availability in order to attract additional meetings, conventions, and tourism to the area
4. Market the region as an arts destination.

### **Improve the Human Capital**

5. Establish a KCTCS campus so that Vo-tech education/training can be offered.
6. Implement work-ready strategies.
7. Develop and implement a substance abuse strategy to aid with manufacturing employment needs.

### **Improve the Built Product**

8. Develop the downtowns with further retail opportunities and upgrade of buildings bearing in mind opportunities for and interests of college/university students, faculty, staff, and alumni.
9. Expand airport facilities.
10. Plan to maximize the potential of the Blue Grass Army Depot.

### **Continuously Assess the Competitive Position**

11. Conduct technology assessment of the human and physical resources in the county.
12. Survey Chambers of Commerce members to gain insight into the business friendliness of the area’s regulations, policies, and practices.

“What makes a plan capable of producing results is the commitment of key people to work on specific tasks.”

Peter F. Drucker

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The Southern Growth Policies Board staff has one additional recommendation:

**The Madison County Leadership Committee should meet quarterly for the first 2 years in order to assess progress, add necessary personnel, identify needed resources, and serve as coordinating council for the disparate groups active in implementing the recommendations.**

A constant refrain from the leadership committee, surveys, and meetings was the lack of coordination and unified action by relevant public and private entities in Madison County. A Madison County Leadership Committee will address this issue.



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## *Recommendation #1- Hire an Agribusiness Coordinator*

### **Rationale**

In fiscal year 2011, over \$25 million in cash receipts came from Madison County's crops and livestock. There is widespread belief that these agricultural products could be managed to increase their economic value to Madison County residents.

### **Timing**

In process.

### **Priority**

High

### **Responsibility**

John Settimi, Chairman, Agriculture Department, ECU

### **Level of Needed Resources**

Funding required for a full-time position and associated expenses.

### **Success Metric**

Hiring coordinator and establishing office.

### **Comment**

According to the agribusiness committee, the new hire will:

“.....coordinate functions and organizations (governmental, for profit/private, non-profit/volunteer, etc.) that exist today, but that are not optimally collaborating. The position would also provide leadership in seeking out and driving new strategies to grow economic development within the Agribusiness sector of Madison County through grant writing, recruitment of aggregators, etc., similar to an Industrial Development Coordinator. The position should provide synergy and strategy that maximizes effort, efficiency, and effectiveness by functioning as a “hub and spoke” connecting all Agribusiness initiatives in Madison County. Simply put, it would leverage existing strengths to improve them and be the point to attract and/or create new ones.”

Potential actions:

- Coordinating solutions for issues with the “Farm to School” program.
- Leading initiatives to better develop consistent business opportunities between local growers and the large County institutions (ECU, Berea College, Baptist & Berea Hospitals, Madison Co. Jail, etc.).
- Providing support in the development of business plans for the local Farmer's Market initiatives in Berea and Richmond.
- Establishing a shared-use kitchen to be located within Madison County that would provide local growers, entrepreneurs, caterers, bakers, etc., a fully equipped and licensed facility to use for processing and/or packaging.
- Establishing Madison County as a “Pollinator” community.

This recommendation could be coordinated with the recommendation on marketing the region as an arts destination: developing products to be sold through local retailers, visiting farms, developing

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culinary tourism, holding agriculture festivals. According to a national survey, approximately one-third of the U.S. population visits farms or farm-related sites annually.<sup>9</sup> Nearly one out of five Americans participated in culinary tourism experiences such as wine trails, farmers' markets and unique dining. Increasing numbers of "locavores"—people who use food from local farms—present additional opportunities to add economic value, thus keeping and attracting more money. Biofuels and bioenergy add another potential revenue source.

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<sup>9</sup> *Sowing the Seeds for Southtowns Agribusiness: An Assessment of Farms and a Plan for the Future*, Southtowns Community Enhancement Coalition/Regional Institute, March 2009.

## Recommendation #2- Create a "One-stop" Shop for Entrepreneurial Services and Information.

### Rationale

Creation of new companies is the lifeblood of the economy. New companies provide work for county residents, and attract money and workers from outside the county. A one-stop shop would increase the visibility, marketing ability, and resources available for entrepreneurship promotion as scattered resources are consolidated.

### Timing

Existing personnel (incubators, entrepreneurial centers, Chambers, and the Small Business Development Center) should meet within the next three months to develop a plan to combine resources.

### Priority

Medium

### Responsibility

Elmer Thomas, Superintendent of Madison County Schools

### Level of Needed Resources

No additional funds for planning. Additional funds might be required if the group decides to centralize locations.

### Success Metric

Increase in number of clients served and new companies established.

### Comment

Like so many other areas, Madison County has existing entrepreneurial resources but they are not well publicized or linked together for more impact. Existing assets include:

- ECU Incubator
- The Center for Economic Development, Entrepreneurship and Technology
- Small Business Development Center
- Berea College Entrepreneurship for the Public Good
- Madison County Business and Education Partnership
- Youth Leadership Madison County
- Chambers of Commerce
- High tech businesses
- Engineering, computer science, design, and business departments at the universities.

These groups should band together and form a new organization, Innovate Madison. Innovate Madison would sponsor the one-stop information resources, but also provide additional services.

- Mentoring programs
- Competitions for start-up plans



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- Capital access activities such as the development of angel networks.
  - Monthly networking/educational events.
  - Connections to the state-wide Startup America initiative

With the intellectual capital created by the county's higher education institutions, Innovate Madison should purposefully, although not exclusively, promote innovation-related businesses in the traded sector, such as gaming, app design, machinery, and information technology.

Jim Clifton, president of Gallup, and the author of *The Coming Job Wars* calls entrepreneurship, "the scarcest, rarest, hardest, energy and talent in the world to find."

Talk about this precious commodity dominates economic development circles. The hunt for the "big buffalo" company that will deliver a thousand jobs and about as many headlines will never go away. A big success means too much to any region. Nevertheless, finding, growing, and keeping entrepreneurial companies can also define your regional economy and become equally as important.

At its most simple, entrepreneurship is the act of turning ideas into enterprises. Different from small businesses, which can be about providing supplemental income or lifestyle choices, an entrepreneurial goal for Madison County should be to find and nurture entrepreneurs that can and want to grow. Entrepreneurs take an idea for a new or better product, service, or process and try to convert it into profits and jobs.

Many examples exist as templates.

- The Council for Entrepreneurial Development (CED) in Research Triangle Park, NC

Cited as a national model, CED holds an annual Tech Venture Conference—two days of presentations and networking for:

- **Entrepreneurs:** early stage to IPO, find opportunities to discuss their companies and meet partners, customers, and investors.
- **Investors:** angels, venture capitalists, and private equity professionals looking to connect with the best and brightest new entrepreneurs'
- **Corporations:** looking for business development and technology acquisition.
- **Service Professionals:** those who support the technology industry.
- **Media.**

CED sponsors FastTrack, the Kauffman entrepreneurial learning program. It also provides a venture mentoring service, and hosts PitchScrub which provides feedback on investor pitches.

CED focuses on high tech, high growth companies. It is a public nonprofit, but through its' board, is related to the area's universities, state and local government, venture services, and most of all, existing successful companies.

- The Danville Boyle County Chamber of Commerce administers the Young Entrepreneurs Academy, where the schools work with the chamber for an immersive educational program that takes students through the steps of starting a business. The nine-month program provides mentors and support on all stages of company development, from idea, to funding, to branding.



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- SEEDS Business Resource Center, Valdosta, Georgia

SEEDS stands for Sowing Entrepreneur and Economic Development Success. It is a stand-alone entrepreneur resource center specializing in customized research and data. SEEDS is a source of up-to-date information for aspiring entrepreneurs, start-up businesses, existing businesses or individuals searching for custom market data, industry profiles, demographic reports, competitor information, targeted sales leads and other information. Located in the local Chamber of Commerce, SEEDS also supports two networking groups. It is funded by a state entrepreneurial initiative.



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## *Recommendation #3- Inventory Potential Meeting Space Facilities and Availability in order to Attract Additional Meetings, Conventions, and Tourism to the Area.*

### **Rationale**

PM has the potential to attract more meeting and conference spending, especially if aligned with its arts, entertainment, and educational assets. To maximize this potential, PM needs to inventory its available meeting resources. The inventory will provide data on which to base marketing strategies.

### **Timing**

The space inventory could be accomplished within the year, depending on the responsible parties. At some point, this inventory should intersect with current arts inventories for further marketing the region.

### **Priority**

Medium

### **Responsibility**

To Be Determined.

### **Level of Needed Resources**

Few funds are needed for the survey.

### **Success Metric**

A report that describes available meeting and convention space and other relevant resources.

### **Comment**

PM is smart to attract money through promotion of meetings and conventions. As a hub of Southeast Kentucky along I75, PM has a logistical advantage over other areas, with competitive costs compared to larger cities. Meetings and conventions are big business. According to a Convention Industry Council study, the U.S. meetings industry directly supports 1.7 million jobs, \$263 billion in spending, a \$106 billion contribution to Gross Domestic Product, \$60 billion in labor revenue, \$14.3 billion in federal tax revenue, and \$11.3 billion in state and local tax revenue.

Collaboration is paramount for the future of Madison County. Collaboration is defined as “the act of joining together to make possible that which cannot be accomplished alone.”

When we strongly recommend a focus on collaboration for Madison County, we are talking about people or groups working together to achieve a specific, narrowly defined common goal, guided by an agreed-upon plan, each doing their part. There is a clear advantage to synchronous collaboration, where people work together, share ideas and innovate. Across America, in places that are competing for the same jobs, the same students and the same investments groups are more competitive by being more collaborative.

To successfully build a strong local economy, educational organizations, business support groups, recruitment efforts, and those improving quality of life and business regulation need to work together.

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## *Recommendation #4- Market the Region as an Arts Destination*

### **Rationale**

People already visit many arts and tourism sites in Madison County. These existing assets can be linked, packaged and publicized to generate additional revenues. They need to be part of a coordinated marketing strategy. This recommendation relates to the other recommendations on agribusiness coordinator and meeting space inventory.

### **Timing**

Convene arts and tourism committee in the next three months.

### **Priority**

High

### **Responsibility**

Marc Whitt, Associate Vice President for Public Relations, ECU

### **Level of Needed Resources**

Committee operation costs can probably be managed within present activities. Additional funds are required to market inside and outside the county.

### **Success Metric**

In the short term, a plan by the arts/tourism committee. In the long term, increased tourism dollars flowing into the county, with a metric of the number of coordinated tour packages available from the county.

### **Comment**

A new committee should be created from tourism and arts groups in Richmond and Berea, representatives from ECU and Berea College, and Madison County government. In this way, arts assets like ECU's theater and Berea College's crafts can be leveraged with other activities such as dining and hotel. A problem revealed by the surveys was the resource scarcity of art and tourism entities, and the need for additional communication about activities inside and outside the county. The combining of relevant organizations – perhaps even the creation of a permanent county arts/tourism organization – leverages scarce marketing dollars for larger impact.

Activities of the committee could include:

- Developing a complete plan for tour packages for arts, historical sites, retail, dining, and lodging.
- Creating a publicity strategy to market the packages.
- Incorporating special activities for students and their visitors, targeting events like student move days, parent visits, and other cultural activities.
- Adding natural resource recreation opportunities.

Investments in arts/tourism assets and subsequent marketing have high returns. Efforts should continue cataloging the county's assets. Advertising could be placed along the area's highways.

The American Planning Association says that arts and culture catalyzes economic vitality through several ways:

- Economic development is enhanced by concentrating creativity...through locating firms, artists, and cultural facilities together, a multiplier effect can result.

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- The recognition of a community's arts and culture assets (and the marketing of them) is an important element of economic development since they can attract a strong workforce and successful firms, as well as help sustain a positive quality of life.
  - Increasing the number of visitors as well as enhancing resident participation helps build economic and social capital.
  - Planners can make deliberate connections between the arts/culture sector and other sectors such as tourism and manufacturing, to improve economic outcomes by capitalizing on local assets.

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## Recommendation # 5- Establish a KCTCS Campus so that Vo-tech Education/Training Can Be Offered.

### Rationale

During the planning process, nearly all participants agreed that many potential employees did not have the skills needed by business. The Kentucky Community and Technical College System (KCTCS) specializes in providing such applied educational skills.

### Timing

A new satellite campus of KCTCS would require several years of work. A first step might be the approach of the KCTCS system by officials from Madison County District School.

### Priority

Medium

### Responsibility

Tonita Goodwin, Executive Director, Richmond Industrial Development Corporation  
Tom McCay, Director of Business Development, City of Berea

### Level of Needed Resources

No additional funds for initiating discussions with KCTCS. Large investments if discussions achieve success.

### Success Metric

At least initially, the success metric should be the holding of meetings between Madison County officials and KCTCS over the next six months.

### Comment

The leadership committee's desire for a more skilled workforce drove the inclusion of this recommendation. Public two-year college certificates and associate degrees provide a boost to employment, with 83.2% of certificate holders and 88.5% of associate degree holders attaining jobs.<sup>10</sup>

***Re-imagining Workforce Development***, the Southern Growth Policies Board 2013 Report on the Future of the South, discussed the value of community college education:

Research shows an increasing demand for workers not only with bachelor's degrees, but also with other post-secondary credentials, including associate's degrees, post-secondary certificates and industry-based certifications. A 2012 report from Georgetown University's Center on Education and the Workforce finds that there are currently 29 million jobs that pay middle-wages but don't require a four-year degree. And, while most studies conclude that the attainment of a bachelor's degree continues to be worth it over the long-term, it is important to note that about one in four people with associate's degrees—as well as those with some college but no degree—earn more than the median for someone with a bachelor's degree, showing the value of what are often more occupation-specific credentials in high-demand fields.

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<sup>10</sup> *A Sound Investment: The Community College Dividend*, American Association of Community Colleges, March 7, 2011.

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Furthermore, a satellite campus would add to the intellectual capital of Madison County and provide additional pathways to the county's higher education institutions.

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## Recommendation #6- Implement Work-Ready Strategies.

### **Rationale**

Students are not developing the skills and knowledge that lead to employment or college success. Businesses want assurances of minimum qualifications for new hires from PM's schools. The Work Ready Program addresses both these issues.

### **Timing**

PM has applied for the Work Ready Community designation to the state of Kentucky. The Middle School College and Career Ready Certificate is already active. The high school courses that all freshmen must take are under development. The Work Ethic Seal Program, which helps guarantee behaviors such as leadership, academic achievement, discipline, and attendance is being finalized.

### **Priority**

High

### **Responsibility**

Elmer Thomas, Madison County Schools Superintended, and Richmond and Berea Chambers of Commerce

### **Level of Needed Resources**

The program is nearly complete.

### **Success Metric**

High school graduates with work ready credentials; business acceptance of the credentials as meaningful prerequisites for employment.

### **Comment**

The planning committee strongly believes that Madison County should embrace the Work Ready Community Program. The program, already well underway, addresses many of the soft skill deficiencies and other issues catalogued by leadership committee members. The biggest task now is business acceptance—making the Work Ethic Seal (which appears on the high school diploma) a credential desired by business and respected by students. The Chambers are working on accomplishing this.

Soft skills training and education certificates are becoming more important in employment, as described below in SGPB's *Re-imagining Workforce* report:

<sup>11</sup>*In his 2008 book *The Global Achievement Gap*, Tony Wagner of Harvard University identified seven key "survival skills" needed for success in the 21<sup>st</sup> century workforce—a list developed through a review of studies about business needs and well as interviews with top business leaders:*

- *Critical thinking and problem solving*
- *Collaboration across networks and leading by influence*
- *Agility and adaptability*
- *Initiative and entrepreneurship*
- *Effective oral and written communication*

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<sup>11</sup> The following is an excerpt from *Re-imagining Workforce Development*: Southern Growth Policies Board 2013 Report on the Future of the South.

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- *Accessing and analyzing information*
  - *Curiosity and imagination*

*Wagner says that “What matters today...is not how much our students know, but what they can do. Other employer surveys confirm the importance of many of the “soft skills” identified by Wagner.*

*According to the Job Outlook 2013 report, published by the National Association of Colleges and Employers (NACE), “What makes a new graduate stand out from equally qualified competitors is evidence of the ‘soft skills’ needed in the workplace. Employers prize skills such as communication skills, the ability to work in a team, and problem-solving skills.”*

*Many business leaders believe that the education system isn’t producing job candidates with the needed skills, including:*

- *A global mindset.*
- *Systematic thinkers with problem solving skills and higher order analytical and collaborative skills.*
- *An appreciation for lifelong learning*

*The Manufacturing Institute’s 2011 report Boiling Point? The Skills Gap in U.S. Manufacturing is among the recent studies that speak to the gap between workers’ skills and business needs. Problem solving skills are highlighted as the number one skills deficiency<sup>31</sup>—something critical to businesses as they are forced to adapt to constantly changing market demands in order to remain competitive.*

A critical soft skill identified by employers at the county’s community forum was the need for financial literacy. The understanding of how businesses work in micro- and macro-economies helps employees understand their roles in company success.

This recommendation relates to the recommendation about KCTCS. Refer to that recommendation description for more information on education certificates.

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## *Recommendation #7- Develop and Implement a Substance Abuse Strategy to Aid with Manufacturing Employment Needs.*

### **Rationale**

Employee substance abuse obviously affects employer competitiveness, but it also impacts crime, family dysfunction and trauma, and social services support. The issue requires a coordinated, county-wide attack, with employer participation.

### **Timing**

The healthcare committee should continue meeting and create the substance abuse strategy.

### **Priority**

Medium

### **Responsibility**

To Be Determined

(possibly representatives from Baptist Health, Madison County Health Department, St. Joseph Hospital, and Telford YMCA)

### **Level of Needed Resources**

The development of the plan requires few resources, although implementation requires substantial sums.

### **Success Metric**

Decrease in arrests, injury, and absences due to substance abuses.

### **Comment**

The development of a county-wide substance abuse plan is the most obvious action from an integrated health services initiative. Madison County should develop local health services to draw patients from other counties and Lexington. With the creation of the healthcare committee, participants in the county health environment should discuss meaningful coordination.

The committee identified three possible initiatives:

- Mental Health/Substance Abuse – Consider a collaborative arrangement to provide a model for mental health and substance abuse services with Kentucky One and Baptist Health.
- Wellness – Support YMCA Healthy Communities initiatives focused on environmental and policy changes that promote Wellness.
- Access – Explore alternatives to support mission-based providers of free/reduced care in community.



## *Recommendation #8- Develop the Downtowns with Further Retail Opportunities and Upgrade of Buildings bearing in mind opportunities for and interests of college/university students, faculty, staff, and alumni*

### **Rationale**

In Madison County, the retail goal is to retain and attract dollars: keeping shopping dollars at home while attracting additional shoppers. In particular, Madison County should target local shopper dollars being spent in Lexington. At this time, little is being done to specifically promote retail in a comprehensive way.

### **Timing**

The retail committee should meet again within the next several months.

### **Priority**

Medium

### **Responsibility**

Mayors and Chambers of Richmond and Berea.

### **Level of Needed Resources**

No additional funds are needed for planning. However, future funds might be necessary for enhancing streets, buildings, and other infrastructure to make shopping more pleasant. Marketing funds are also necessary, and may be tied in to the arts promotion recommendation.

### **Success Metric**

The addition of new retailers to the downtowns of Berea and Richmond and an increase in retail sales.

### **Comment**

Although the Chambers provide many services, the retail committee found that no specific, coordinated efforts exist to build retail. Pockets of activity exist, but are not coordinated with other resources. Despite this, retail is one of PM's financial strengths. PM's retail sales per capita is higher than the Kentucky average, \$12,008 versus \$11,843.

Some assets already exist. The Downtown Richmond Association is "...dedicated to enhance downtown Richmond economic growth, the quality of life in our community by protecting, preserving and promoting historic Downtown Richmond as a great place to live, work and visit." It has six sub-committees which could offer leverage on a county basis: Marketing/Social Media, Finance, Business Development, Events, Partnerships, and Beautification.

The Berea Tourist and Convention Commission manages downtown promotion efforts, with emphasis



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on arts and culture. Its website has extensive shopping and tourism information, highlighting specific businesses.

The Retail Committee wants to expand its membership to include representatives from these two organizations, along with real estate developers, economic developers, and staff from ECU and Berea College. Retail efforts should fold into the marketing activities described in the arts destination recommendation.

## Recommendation #9- Expand Airport Facilities.

### Rationale

The local airport is an important asset for existing and potential businesses, and a potential source of local revenue.

### Timing

The current Madison Airport (I39) Capital Improvement Plan was completed in 2012 with changes in priority made in 2013. The airport board continually seeks funding sources for the proposed improvements. Most funding comes from the Federal Aviation Administration, but negotiations are ongoing for other funding sources such as state and local governments.



### Priority

Medium

### Responsibility

Wilma (Willi) Walker, Chair, Madison County Airport Board

### Level of Needed Resources

The airport plan identifies an estimated \$4.98 million in funding priorities.

### Success Metric

Within the next several years, the Madison Airport should have a ramp/apron expansion, a new commercial hanger, several 'T' hangars, and a new terminal plus completion of other construction and maintenance projects.

### Comment

Small airports have big economic impacts. According to an article published in *The Charlotte Observer*, for example, the ten publicly-owned general aviation airports near Charlotte have an annual economic impact of nearly half a billion dollars, generate almost \$17 million in tax revenue, and support more than 4,000 jobs—despite operating in the shadow of Charlotte Douglas Airport.

Madison County should further develop the airport as an alternative to crowded Bluegrass Airport (KLEX) and perhaps as a component of the future for Blue Grass Army Depot. Also, the value of air transport to existing and future businesses should not be minimized. The airport provides a competitive advantage for economic development investment over areas lacking such an asset.

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## Recommendation #10- Plan to Maximize the Potential of the Depot.

### **Rationale**

The winding down of Blue Grass Army Depot's (BGAD) chemical weapons based storage and demilitarization (destruction) operations in the next decade, potentially will place some 1,000 direct and indirect chemical weapons jobs at peril. The vast majority of those jobs will come from within two BGAD tenant organizations who have the missions to securely store and destroy the chemical weapons: Blue Grass Chemical Activity (BGCA) and Blue Grass Chemical Agent-destruction Pilot Plant (BGCAPP). The good news is that BGAD's primary mission as a conventional weapons depot will be unchanged for the foreseeable future. The Depot's conventional weapons workforce of approximately 600 to 700 will continue to receive, store, ship, maintain and renovate a vast range of conventional bombs and bullets stored in the installation's nearly 900 earth-covered bunkers. The Depot's other mission areas also will continue to operate as usual, including the chemical defense protective equipment warehouse and the industrial metal fabricating services.

### **Timing**

A new study was recently published: *Kentucky Chemical Weapons Disposal Project Layoff Aversion Study (Phase One)*. The June 2013 report was prepared by the Bluegrass Workforce Investment Board, the Chemical Destruction Community Advisory Board, and the Bluegrass Area Development District.

### **Priority**

High

### **Responsibility**

Craig Williams, Chairman, Chemical Destruction Community Advisory Board  
Kent Clark, Judge Executive, Madison County

### **Level of Needed Resources**

The groups working on the plans are also identifying funding for the plan's recommendations.

### **Success Metric**

Long term: Enduring multiple public and private industries partnerships with BGAD to take advantage of the installation's underutilized lands, facilities, equipment and manpower as cost-effective extensions of their business operations.

### **Comment**

The release of the new report is another milestone to ameliorating the depot reductions. PM should continue to support such efforts as much as possible.

## Recommendation #11- Conduct Technology Assessment of the Human and Physical Resources in the County.

### Rationale

Communities, institutions, businesses, families, and citizens not plugged into the innovation economy through telecommunications and information systems will miss future economic opportunities. The long term development of a community rests on its ability to uncover and build on the assets of its people, institutions, and informational organizations. A technology assessment of PM will provide data for assessing the current state of connection, and if warranted, provide basis for further actions.

### Timing

No current efforts are underway.

### Priority

Low (because no champions currently provide a launching pad for activity)

### Responsibility

To Be Determined.

### Level of Needed Resources

A good technology assessment requires a large investment by the public and private sectors.

### Success Metric

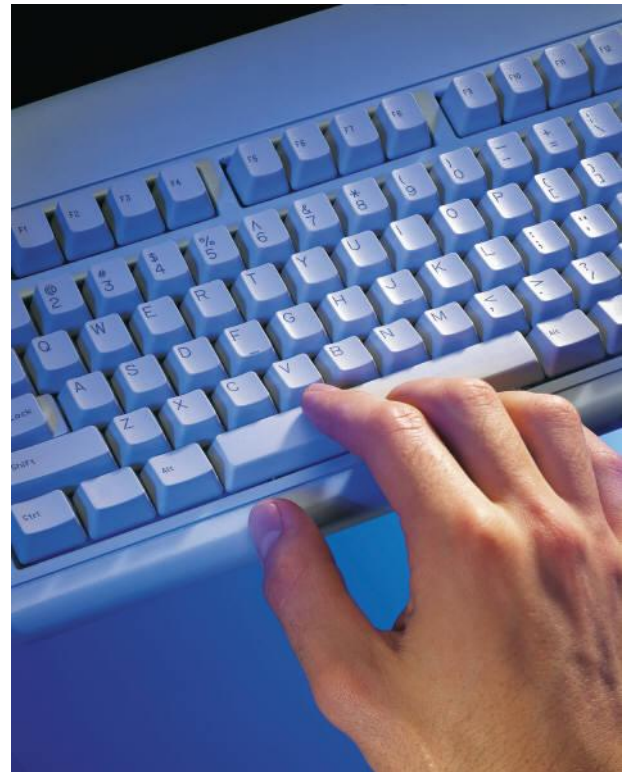
The delivery of a plan, including recommendations on addressing connection deficiencies.

### Comment

Although difficult to assess, many studies show a good return on community investment in broadband expansion, perhaps as high as 1:10. Many organizations exist to provide templates for assessments. The Blandin Foundation in Minnesota provides a comprehensive set of tools for a telecommunications initiative. Setting the background for such efforts, Blandin reports:

Every community includes a unique blend of telecommunications providers and customers. There is usually an incumbent telephone company and a cable television provider, both of which may provide triple play services. There might also be competitive providers offering services over their own network or that of the incumbent telephone company. Wireless providers, including cellular, fixed wireless, Wi-Fi, and satellite service providers complete the mix.

On the customer side, there are the large telecommunications users that include major employers, tech-oriented businesses, schools, governments and health care providers. Some of these may own their own network infrastructure. There are also many small businesses and residents, both within the city limits and in the more rural countryside.



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A quality community assessment provides an inventory and assessment of the telecommunications providers and of the customer base. The assessment can provide information about the quality of the providers and the sophistication of the customer base. This information will uncover long and short term opportunities for collaboration and improvements in services and market development. A well-done community technology assessment often serves as valuable input into a feasibility study; the process often serves as an education for community leaders and technology stakeholders and can provide a set of policies and strategies for next steps.

Blandin has a list of best practices in this area at <http://broadband.blandinfoundation.org/toolkit/community-networks-detail-resource.php?intResourceID=216&intCategoryID=367>.

The website also contains online survey tools.

<http://broadband.blandinfoundation.org/about/>

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## *Recommendation #12- Survey Chambers of Commerce Members to Gain Insight into the Business Friendliness of the Area's Regulations, Policies, and Practices.*

### **Rationale**

Anecdotal evidence indicates that the governmental operations for starting and running a business are less than optimal. A survey would test this hypothesis, and if found true, could identify solutions.

### **Timing**

Within the next year, according to the Chambers' time table.

### **Priority**

Medium

### **Responsibility**

Richmond and Berea Chambers of Commerce

### **Level of Needed Resources**

Few resources are necessary for the survey. Implementation of the recommendations from the survey, however, would most require substantial investments in training and process changes.

### **Success Metric**

A report suggesting changes in local government.

### **Comment**

Gathering data about governmental processes is nearly always productive since public and private sectors have different goals. Often, training and operational changes (not closing a regulatory office during lunch, for example) provide immediate boosts to businesses and long-term increase in economic competitiveness.

Many such surveys exist. The Kauffman Foundation has created a state and local business survey (<http://www.thumbtack.com/survey#2013/states>) that can serve as a PM template.