

Jana Adams, Touchstone Energy

Mark Harrell, University of Louisville



THE MEGA TRANSFORMATION OF RURAL AMERICA

Since the end of the pandemic, the world has seen unprecedented shifts in this “new” normal. Most facets of life have changed, some in small ways, some in ways that would not have been imagined just a few years ago.

In the modern world of economic development, the word “mega” is being tossed around to describe everything from large greenfield industrial sites to multibillion-dollar industrial projects currently looking for a home. To economic developers, the cosmic shift has been in not only the sheer number of economic development projects but also the size and scale of projects. Companies seeking to construct massive structures (1 million-plus square feet or 100,000-plus square meters) that once were extraordinary are now commonplace. Industrial sites that can support projects and buildings of this magnitude are rare across the country, especially those with associated infrastructure, including water, sewer, natural gas, and logistics, as well as electricity. These so-called “megasites” are becoming more and more important in the recruiting game for states and communities.

Megasites are, by nature, typically found in rural areas across the country. The sites usually are located next to interstate roadways and have access to water, rail or both. They also typically need to be near utility infrastructure with massive capacities available to support not only the production

processes but also the influx of workforce throughout the production day. Most of the projects pursuing megasites will also have an interest in access to renewable energy and may want a solar array located near the facility. These megasites become like small towns themselves as their gravitational pull draws suppliers and support operations to locations close by, as well as affordable housing options for their workforce.

Since megasites are typically in rural parts of the country, most likely the companies locating at these sites will receive their electricity from a rural electric cooperative. Nearly 900 rural electric cooperatives in 45 states serve over 56% of the United States landmass. The electric cooperatives are not-for-profit entities, owned and operated for the benefit of their members at the end of the electric lines who are receiving power from cooperatives.

Jana Adams, is the Executive Director of Touchstone Energy, a national network of rural electric cooperatives that helps member cooperatives better engage and serve their 30 million member-owners every day. When asked about megasites and their impact on rural America, Adams said, “Touchstone Energy cooperatives serve the rural communities where these megasites are located. Our local electric cooperatives are central to pulling together the community to help companies locating in their service

territory. Co-ops not only support the projects from an electric supplier standpoint but also assist companies in connecting the dots to solve problems and issues they encounter as they are developing these massive projects.”

Adams also states, “Touchstone Energy cooperatives are actively engaged in making our communities better from Main Street to neighborhoods to classrooms to recruiting opportunities to benefit our members. We are proud of our rural communities and we use our nationwide organization to create solutions that help to attract and advance opportunities for our cooperative members.”

As an economic developer for Kentucky’s Touchstone Energy Cooperatives, I routinely work on projects seeking to locate at megasites. Kentucky’s Touchstone Energy Cooperatives are blessed to have some of the best megasite locations in the United States served by robust infrastructure as well as by rail and interstate highways. An example of one of the best megasites served by our cooperatives is the Begley Properties Site in Richmond, Kentucky. The Begley Site is the one of the last remaining top-tier megasites available in the Central United States, with access to population and a skilled workforce necessary to lure a megaproject. This property is easily accessible, highly visible and suited for a variety of needs. Most importantly, because the major utility

work and a favorable zoning climate exists, the land is ready for development.

Since January 2021, the Begley Site has seen interest from over ten different confidential economic development prospects, including site selectors and direct company contacts exploring the potential of locating a project on the site. The typical project looking at the site has investment projections in excess of \$2 billion, and aims to create over 3,000 jobs with electricity needs in excess of 250 megawatts. Projects looking at the site typically are related to the automotive industry, including EV batteries, aerospace, metals and food-processing industries.

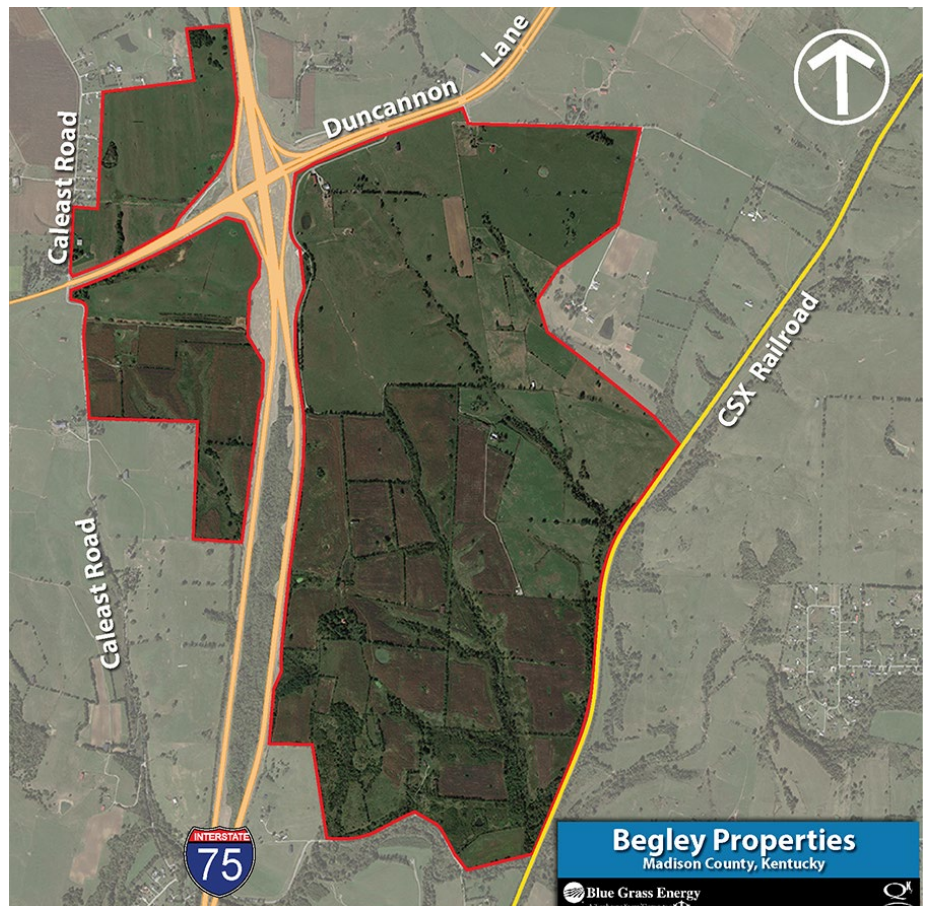
However, in addition to the amazing attributes of an industrial site like the Begley Site, our cooperatives believe the long-term success of megaprojects locating at these megasites is driven much more by the preparation of the community.

It has been said that preparation is the key to success. In the economic development world, preparation of the industrial site is a given. But where most communities struggle is in "quality-of-life" attributes of their community, including housing, recreation and education. Rural Kentucky communities stand out for their connection to outdoor recreational activities, including water sports like boating, along with hiking and rock climbing.

Affordable housing has become an issue plaguing most communities across the country. With housing costs rising, the rural communities have excelled in creating affordable options. When comparing the cost of home ownership, Kentucky's rural communities provided some of the most affordable locations, with houses costing significantly less than similar structures built in urban areas.

Having a skilled workforce is paramount for a company's success, especially when locating employees required for a megaproject. Understanding that the local educational institutions are crucial in the creation of a company's future workforce, our cooperatives are working with our state and local educational leaders to have industries and companies engaged in classrooms, designing curriculum focused on careers within the community.

Educators like Mark Harrell have been crucial in connecting curriculum with companies' needs through his role with Kentucky Department of Education and the University of Louisville. Harrell is also the head of the Kentucky Technology Student Association (KYTSA), which recently hosted their annual conference in Lexington, Ky. This year's conference featured over 900 participants from middle and high schools



across the state competing in engineering, coding, robotics and many other technical skill competitions over the three-day event.

Harrell stated, "Real-world skill development is the crucial step necessary to connect our students with careers. By working closely with employers in our rural communities, we are creating a tailored, skilled workforce that is ready for long-term success in the modern manufacturing world."

Kentucky is world-renowned for our skilled and dedicated manufacturing workforce. Through KYTSA and other education initiatives, our cooperatives are working with partners to develop our future workforce and train them

for a future career in the ever-evolving world of manufacturing.

In July of this year, I will join Mark Harrell and other educators in presenting at the STEM Leadership Alliance Annual Conference in Orlando, Florida, to discuss how we just do things differently in Kentucky when it comes to the creation of technical talent within the classrooms of our schools.

We look forward to telling the story of how we are creating "mega" opportunities and a brighter future for our Kentucky students, companies and communities across the rural landscape of our state.



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