



An AEP Company

BOUNDLESS ENERGY

Kentucky Power
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July 11, 2017

Tim Couch
State Representative
District 90
PO Box 710
Hyden, KY 41749

Brandon Smith
State Senate
District 30
702 Capitol Avenue
Annex Room 242
Frankfort, KY 40601

Dear Representative Couch and Senator Smith:

I wanted to respond to you concerning your July 7th letter to the Kentucky Public Service Commission about Kentucky Power. I was surprised to see the letter because of the apparent assertion that Kentucky Power is not acting as a partner in the economic development of eastern Kentucky. It appears that you may not be aware of the efforts of Kentucky Power to lead the way in eastern Kentucky on economic development. In fact, Kentucky Power has been a key player in many of the 2017 major economic development announcements that you allude to in your letter.

Just to be certain that you are aware of our involvement in the activity and investment in economic development in the region, I am attaching some information for your review. Please see attached the testimony of Brad Hall from the rate case. While this is not an exhaustive list of our activities, it should give you a view into the investment by Kentucky Power and the impact of that investment that continues to produce returns with new jobs and investment announcements. Eastern Kentucky is a major power player for manufacturing with a workforce that is second to none and Kentucky Power is using its national and international affiliations to spread that message.

I believe you are also aware of the Appalachian Sky initiative, spearheaded by Kentucky Power, to diversify the manufacturing industry and redefine eastern Kentucky as a major aerospace manufacturing hub. Economic development is at the core of our vision for a strong region and there should be no doubt as to our commitment and leadership in this area.

As far as the rate case is concerned, I appreciate that you directed your concerns to the Commission. The Commission is the appropriate forum to address issues on rates and to ensure reasonable rates are set. But reasonable rates also include rates that allow utilities to provide safe and reliable service. The Commission is charged with overseeing that balance. The company financials are before the Commission as part of this case and I am confident this review will show the hard work being done to manage the business and the reasonableness of the rates.



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As a side note, Kentucky Power continues to look for ways to lower the bill impact on our customers. In fact, we just successfully refinanced nearly \$325 million of debt at a substantially lower interest rate. That decrease in the interest rate was due to the strong and accurate management of our financial affairs. This successful refinance conveys Kentucky Power's responsible financial management as a benefit to customers, not an additional "burden." The company anticipated a beneficial outcome and asked for permission in its filing to reflect the interest savings in the rates that will result from the case. The lower interest rate will result in lowering the rates customers will pay for reliable electricity.

I agree that taking an aggressive, innovative approach to economic development and revitalization in our region is the only avenue to success. That is why we have been committed to economic development efforts for the past five years. We also agree that we have the responsibility to stand side by side and work together to improve eastern Kentucky. The region is primed for growth and I will ensure Kentucky Power continues to lead that charge and innovation to attract investment and create jobs in eastern Kentucky. We should be working together to provide a brighter future. We all owe that to everyone in our region.

Please contact me should you have any questions on these matters.

Cordially,

A handwritten signature in blue ink, appearing to read "M. Satterwhite". The signature is fluid and cursive, with a long horizontal line extending to the right.

Matthew J. Satterwhite
President and COO
Kentucky Power Company

cc: Governor Matt Bevin
Kentucky Public Service Commission

Attachment Included

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power)
Company For (1) A General Adjustment Of Its)
Rates For Electric Service; (2) An Order)
Approving Its 2017 Environmental Compliance)
Plan; (3) An Order Approving Its Tariffs And)
Riders; (4) An Order Approving Accounting)
Practices To Establish Regulatory Assets And)
Liabilities; And (5) An Order Granting All Other)
Required Approvals And Relief)

Case No. 2017-00179

DIRECT TESTIMONY OF
BRAD N. HALL
ON BEHALF OF KENTUCKY POWER COMPANY

**DIRECT TESTIMONY OF
BRAD N. HALL, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

CASE NO. 2017-00179

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**DIRECT TESTIMONY OF
BRAD N. HALL, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

2 A. My name is Brad N. Hall, and I am the Manager, External Affairs, for Kentucky
3 Power Company (“Kentucky Power” or “Company”). My business address is 855
4 Central Avenue, Suite 200, Ashland, Kentucky 41101.

II. BACKGROUND

5 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
6 **BACKGROUND.**

7 A. I was born and raised in Floyd County, within the Company’s service territory,
8 and I graduated from Wheelwright High School in Wheelwright, Kentucky. I
9 hold a Master’s Degree in Business Administration from Morehead State
10 University and a Bachelors of Business Administration with a double emphasis in
11 Accounting and Computer Science from the University of Pikeville. I am also a
12 graduate of the University of Oklahoma’s Economic Development Institute and
13 the U.S. Chamber of Commerce’s Institute for Non-Profit Management.

14 I have over twenty years of economic development and management
15 experience. Prior to joining Kentucky Power, I served two years as the President
16 & Chief Executive Officer (“CEO”) of the Southeast Kentucky Chamber of
17 Commerce, four years as the President & CEO of the Pike County Chamber of
18 Commerce, five years as the Director of Operations for Southeast Telephone

1 Company, five years as the Controller and Office Manager for Mountain Water
2 District, two years as Senior Accountant – Plant Assets for the University of
3 Kentucky, and three years as Accountant and Pager Department Manager for
4 Eastern Telephone Company. I joined Kentucky Power in my current role five
5 years ago.

6 **Q. WHAT ARE YOUR RESPONSIBILITIES AS MANAGER, EXTERNAL**
7 **AFFAIRS?**

8 A. I am responsible for the creation, implementation, and management of Kentucky
9 Power's economic development and government relations efforts for the
10 Company's twenty county service territory. I also serve as the Company's
11 environmental affairs manager.

12 With regard to economic development, I am responsible for the
13 administration of the Kentucky Power Economic Advancement Program
14 ("KEAP") and the Kentucky Power Economic Growth Grants ("K-PEGG")
15 program. I also serve as the Company's representative in regional economic
16 development activities including Shaping our Economic Region ("SOAR"), One
17 East Kentucky, and Ashland Alliance. I work with the economic development
18 organizations in the Company's service territory to identify and support projects
19 that will attract new businesses to and promote business expansion within the
20 region.

21 With regards to government relations, I am responsible for coordinating
22 the Company's relationships with federal, state, and local officials. In this role, I
23 keep Kentucky Power officials apprised of how proposed legislation and

1 regulations will affect the Company’s operations and provide elected officials
 2 with an understanding of how their proposed actions will affect the Company and
 3 its ability to provide safe, reliable, and low-cost electric service to its customers.

4 Finally, as environmental affairs manager, I am responsible for ensuring
 5 that the Company remains apprised of how environmental regulations affect its
 6 operations and that its operations comply with those regulations.

7 **Q. HAVE YOU PREVIOUSLY TESTIFIED FOR KENTUCKY POWER**
 8 **BEFORE THIS COMMISSION?**

A. Yes. I filed testimony in Case No. 2014-00336 in support of Kentucky Power’s
 Economic Development Rider tariff.

III. PURPOSE OF TESTIMONY

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
 10 **PROCEEDING?**

11 A. The purpose of my testimony is to describe Kentucky Power’s economic
 12 development efforts and successes within the Company’s service territory. In
 13 addition, my testimony covers the following specific topics:

- 14 • The development, operation, and status of the Company’s Kentucky
 15 Power Economic Growth Grants (“K-PEGG”) program.
- 16 • The Company’s proposal to revise the Kentucky Economic Development
 17 Surcharge (“KEDS”) Tariff and increase the KEDS rate by \$0.10 per
 18 customer per month with a corresponding Company match.
- 19 • The Company’s implementation of the Kentucky Power Economic
 20 Advancement Program (“KEAP”).

- 1 • American Electric Power Company, Inc.’s (“AEP”) investment in
2 economic development within the Company’s service territory.

3 Additionally, I will describe the potential economic development benefits of the
4 Company’s proposed changes to its Green Pricing Option Rider.

5 **Q. ARE YOU SPONSORING ANY EXHIBITS TO YOUR TESTIMONY?**

6 **A. Yes. I am sponsoring the following exhibits:**

- 7 • **EXHIBIT BNH-1** – InSite Consulting Regional Blueprint for Economic
8 Development report;
9 • **EXHIBIT BNH-2** – Detailed description of K-PEGG Program grant
10 recipients; and
11 • **EXHIBIT BNH-3** – Detailed description of KEAP grant recipients.

12 **Q. WERE THESE EXHIBITS PREPARED OR ASSEMBLED BY YOU OR**
13 **UNDER YOUR SUPERVISION?**

14 **A. Yes.**

IV. THE NEED FOR ECONOMIC DEVELOPMENT IN
THE COMPANY’S SERVICE TERRITORY

15 **Q. CAN YOU PLEASE DESCRIBE THE ECONOMIC TRENDS IN THE**
16 **COMPANY’S SERVICE TERRITORY?**

17 **A. The region the Company serves has seen a downturn in economic activity since**
18 **2008. This economic downturn is widespread, but has been primarily driven by a**
19 **decrease in coal and steel production in the region.**

20 **Q. CAN YOU QUANTIFY THE REDUCTION IN COAL PRODUCTION IN**
21 **THE REGION?**

1 A. Yes. According to the Kentucky Energy and Environment Cabinet’s fourth
 2 quarter 2016 Coal Report, the number of employed coal miners in Eastern
 3 Kentucky has dropped from an annual average of 14,373 in 2008 to 3,833 in the
 4 2016. Production has dropped even more steeply: from 91,045,224 tons in 2008
 5 to 16,689,541 tons in 2016.

6 **Q. HOW HAS A DECREASE IN STEEL PRODUCTION CONTRIBUTED TO**
 7 **THE ECONOMIC DOWNTURN?**

8 A. As prices for steel have decreased in the global market, steel producers in the
 9 region have reduced output. AK Steel idled its blast furnace and related steel-
 10 making operations in Ashland, Kentucky in December 2015. Idling the blast
 11 furnace resulted in the loss of over 600 jobs. Additionally, Kentucky Electric
 12 Steel has reduced its operations as the market has softened.

13 **Q. WHAT HAS BEEN THE IMPACT OF THIS DOWNWARD ECONOMIC**
 14 **TREND ON THE COMPANY?**

15 A. The primary impact of the downward economic trend is the loss of load and
 16 customers. Between 2008 and 2016, the Company lost 6,931 customers. During
 17 that same period, the Company has seen its total annual sales fall from
 18 approximately 7.24 GWh to 5.80 GWh. At the same time, population in the
 19 Company’s service territory has decreased by approximately 16,500 individuals.

20 **Q. ARE THERE ANY LESSONS TO BE LEARNED IN THIS DOWNWARD**
 21 **ECONOMIC TREND?**

22 A. Yes. The decrease in production from the coal and steel manufacturing sectors
 23 and its impact on the communities Kentucky Power serves show that the region

1 would benefit from diversifying its economic base. Greater economic diversity
2 will give the region a broader economic platform that in turn will allow it to better
3 weather downturns in specific industries. Greater diversity of industries based in
4 the region also provides increased opportunities for growth and would take
5 advantage of the myriad of talents found within the communities Kentucky Power
6 serves. Kentucky Power’s economic development efforts are focused on helping
7 communities within its service territory to attract and expand businesses to aid in
8 diversifying the region’s economic base.

V. KENTUCKY POWER ECONOMIC DEVELOPMENT HISTORY

9 **Q. WHY IS KENTUCKY POWER ENGAGED IN ECONOMIC**
10 **DEVELOPMENT?**

11 A. Since 2012 Kentucky Power has worked hard to attract new businesses to its
12 service territory while also working to retain and expand existing businesses.
13 New diversified economic activity in the Company’s service territory benefits
14 both customers and the Company. Increased economic activity means new jobs
15 and opportunity for the service territory, and new customers allow the Company
16 to spread its fixed costs more broadly.

17 **Q. PLEASE DESCRIBE KENTUCKY POWER’S RECENT ECONOMIC**
18 **DEVELOPMENT EFFORTS.**

19 A. I was hired in 2012 by Kentucky Power to reinitiate the Company’s economic
20 development efforts. Between 2001 and 2012, the Company lacked an employee
21 devoted to economic development efforts. As a first step after I was employed,
22 Kentucky Power commissioned InSite Consulting to perform a “gap analysis” of

1 economic development efforts in the Company’s service territory and to develop a
2 plan of action to close the gaps. Kentucky Power invested over \$175,000 in
3 shareholder funds for InSite’s services.

4 As I describe below, Kentucky Power in 2014 began the Kentucky Power
5 Economic Advancement Program (“KEAP”). It provides economic development
6 grant assistance to Lawrence County and its contiguous Kentucky counties. Also
7 in 2014, the Company partnered with several banks in the communities it served
8 to participate in its Local Bank Financing Program as part of a larger financing
9 note issuance. The Local Bank Financing Program capitalizes on substantial local
10 bank deposits and employs an otherwise under-utilized financial resource. The
11 program provides investment-grade lending opportunities for local banks in the
12 Company’s service territory and thereby aids in diversifying and strengthening
13 their loan portfolio. The Local Bank Financing Program also aids in the
14 economic development of the Company’s service territory by deploying local
15 capital to fund local infrastructure development.

16 In 2016, Kentucky Power implemented the K-PEGG program through
17 which the Company issued economic grants throughout its service territory. The
18 K-PEGG Program is funded by revenues collected by the Company through the
19 Kentucky Economic Development Surcharge and a dollar-for-dollar match of
20 those revenues by the Company from shareholder funds. The Company also in
21 2016 moved its corporate headquarters to Ashland, Kentucky within its service
22 territory. Finally, Kentucky Power recently hired Jacob Colley as another
23 external affairs manager. Prior to joining Kentucky Power, Mr. Colley served as

1 President and CEO of the Southeast Kentucky Chamber of Commerce. Mr.
2 Colley will be based in Pikeville and, as part of his job, will assist me to
3 implement the Company's economic development efforts.

4 **Q. PLEASE DESCRIBE THE COMPANY'S LOCAL BANK FINANCING**
5 **PROGRAM.**

6 A. As part of a \$200,000,000 financing package approved by the Commission in
7 Case No. 2014-00210, the Company entered into a four-year variable rate \$75
8 million loan facility with local Kentucky banks. The use of local bank financing
9 is an innovative opportunity for the Company to partner locally to fund Kentucky
10 Power spending with Kentucky capital. The program provided investment-grade
11 lending opportunities for local banks in the Company's service territory
12 diversifying and strengthening their loan portfolios. Twelve different banks
13 participated in the loan facility.

14 **VI. INSITE ECONOMIC DEVELOPMENT GAP ANALYSIS**

15 **Q. WHAT IS AN ECONOMIC DEVELOPMENT GAP ANALYSIS?**

16 A. An economic development gap analysis, like the one performed by InSite for
17 Kentucky Power, is a comprehensive review of the current state of economic
18 development efforts in a region. It evaluates the desired economic development
19 framework against the current state of economic development efforts and
20 identifies where gaps exist.

21 **Q. WHAT DID THE GAP ANALYSIS PERFORMED BY INSITE**
22 **CONSULTING SHOW?**

1 A. InSite’s analysis identified the following key gaps in economic development
2 efforts in the Company’s service territory:

- 3 • A lack of functional and properly trained local or regional economic
4 development organizations;
- 5 • Limited competitive and marketable industrial parks and buildings;
- 6 • Insufficient marketing infrastructure for available opportunities; and
- 7 • Insufficient workforce development and training.

8 A copy of the InSite gap analysis report is included as EXHIBIT BNH-1.

9 **Q. HOW DID THE RESULTS OF THE GAP ANALYSIS DRIVE KENTUCKY**
10 **POWER’S ECONOMIC DEVELOPMENT EFFORTS?**

11 A. The InSite gap analysis report provided Kentucky Power with a road map for its
12 economic development program, and the Company’s efforts are directed at
13 closing the gaps identified in the InSite Report. Closing these gaps provides the
14 region with the best chance of attracting new business opportunities and,
15 importantly, jobs. Kentucky Power’s program provides funding, through the K-
16 PEGG Program, KEAP grants, and economic development funds provided by
17 AEP, for economic development agencies to close the gaps identified by InSite.
18 The economic development projects funded by the Company are discussed in
19 more detail below. However, in general, these projects are smaller projects
20 designed to help regional economic development entities add incremental
21 capabilities or to improve properties to make them competitive for new or
22 expanded businesses.

1 **Q. WHAT TYPES OF PROJECTS ARE SUPPORTED BY KENTUCKY**
2 **POWER’S ECONOMIC DEVELOPMENT EFFORTS?**

3 A. There are four types of projects supported by Kentucky Power’s economic
4 development efforts:

5 (1) economic development agency support projects;

6 (2) workforce training projects;

7 (3) site development projects; and

8 (4) marketing and promotional projects.

9 These projects are designed to address the four key gaps identified in the InSite
10 report.

11 **Q. CAN YOU GENERALLY DESCRIBE THESE PROJECT CATEGORIES?**

12 A. Yes. Economic development agency support projects are those that are designed
13 to provide local economic agencies with resources necessary to best attract and
14 retain businesses in the area. These projects range from initial investments to help
15 economic development agencies get off the ground to on-going budgetary support
16 for those organizations. These projects also include funding for education
17 projects that provide key personnel within the economic development
18 organizations opportunities to receive the best training available. This training
19 equips economic development professionals in the region with the tools necessary
20 to maximize their communities’ economic development potential and attract new
21 businesses and jobs.

22 Workforce training programs are projects that allow local and regional
23 economic development organizations to provide advanced training to workers.

1 These projects provide valuable tools to workers in the region in industries that
2 have seen contraction. These tools allow workers to develop new skills that will
3 allow them to compete in the modern workforce.

4 Site development projects address a lack of adequate building stock and
5 industrial sites within the Company’s service territory. Projects addressing this
6 need help local economic development organizations make the necessary
7 infrastructure improvements in the region that will help them attract new
8 businesses to their communities. These projects also assist communities in their
9 efforts to obtain site certifications that will make the communities more
10 competitive in economic development efforts.

11 Finally, marketing and promotion projects provide assistance to economic
12 development organizations to allow them to promote their communities as viable
13 options and attract companies looking to relocate or expand. These types of
14 projects include targeted promotion of the sites and buildings that are ready for
15 development and support for key regional organizations with the responsibility for
16 economic development marketing in the service territory.

17 **Q. CAN YOU ASSESS THE SUCCESS OF KENTUCKY POWER’S**
18 **ECONOMIC DEVELOPMENT EFFORTS?**

19 **A.** It is still early and there is much work to be done, but economic development
20 momentum in the service territory is building. When Kentucky Power
21 commissioned the InSite study in 2012, there were zero active economic
22 development projects – defined as instances where communities were actively
23 involved in potential business relocation or expansion efforts – within the region.

1 Currently, there are 23 active economic development projects in the service
2 territory. Successful economic development projects have resulted in the creation
3 of approximately 830 full-time jobs in the service territory, including
4 approximately 550 full time (and 1,000 construction) jobs with Braidy Industries
5 in Greenup County, 115 jobs with Logan Corporation in Magoffin County, 75
6 jobs with RCL Chemical in Floyd and Pike Counties, 65 jobs with Steel Ventures
7 in Greenup County, 18 jobs with Quality Metal in Lawrence County, and 15 jobs
8 with Thoroughbred Aviation Maintenance in Martin County. This is great
9 progress, but much work remains. The Company's priority is to expand this
10 success throughout the region it serves.

VII. KENTUCKY POWER ECONOMIC GROWTH GRANT PROGRAM

11 **Q. PLEASE DESCRIBE THE KENTUCKY POWER ECONOMIC GROWTH**
12 **GRANT (“K-PEGG”) PROGRAM.**

13 A. The K-PEGG Program provides grant funding targeted specifically at projects
14 designed to enhance the economic development potential of the communities in
15 the Company's service territory. The program is focused on the four “gap-filling”
16 project types described earlier in my testimony: (1) economic development
17 agency support projects; (2) workforce training projects; (3) site development
18 projects; and (4) marketing and promotional projects.

19 **Q. HOW IS THE K-PEGG PROGRAM FUNDED?**

20 A The K-PEGG Program is a joint effort between Kentucky Power and its
21 customers. In Case No. 2014-00396, the Commission approved the Company's
22 Kentucky Economic Development Surcharge Tariff (“Tariff KEDS”) . Under

1 Tariff KEDS, the Company collects from each of its customers \$0.15 monthly to
2 support economic development activities within the service territory. The
3 Company matches, on a dollar-for-dollar basis, the amounts collected through
4 Tariff KEDS.

5 As of February 28, 2017, the Company had collected \$493,529.46 through
6 Tariff KEDS and had contributed a matching total of \$493,529.46. Since
7 inception, a total of \$987,058.92 has been deposited into the KEDS program
8 account. Kentucky Power maintains the KEDS program funds in a segregated
9 account.

10 Kentucky Power distributes the funds in the KEDS program account
11 through the K-PEGG Program. Through this program, Kentucky Power issues
12 grants to economic development entities in the Company's service territories. As
13 of May 13, 2017, the Company has approved 17 K-PEGG Program grants totaling
14 \$831,200.

15 **Q. WHO IS ELIGIBLE TO PARTICIPATE IN THE K-PEGG PROGRAM?**

16 A. The K-PEGG program is open to communities within the Company's service
17 territory and to non-profit community economic development organizations such
18 as chambers of commerce, area development districts, and broader regional
19 economic development organizations such as SOAR, One East Kentucky, and
20 Ashland Alliance. Kentucky Power does not issue grants directly to companies
21 because it prefers to rely on the expertise of local economic development agencies
22 to determine what projects and prospects are worth funding.

23 **Q. PLEASE DESCRIBE THE K-PEGG APPLICATION PROCESS.**

1 A. Kentucky Power reviews applications for grants under the K-PEGG Program
2 throughout the year. If there are funds available in the K-PEGG Program account
3 and the application is approved by the review team, Kentucky Power will issue a
4 grant.

5 Each review team member reviews each K-PEGG application
6 independently and then provides a “yes” or “no” vote supplemented by written
7 support for their vote. Once all votes are received, a conference call is held to
8 discuss any potential concerns, provide feedback, and issue a funding
9 recommendation for the project. This recommendation is then forwarded to the
10 Kentucky Power President & COO for final review and acknowledgement of the
11 team’s recommendation. If the Company President accepts the team’s
12 recommendation, I contact the applicant with the Company’s decision. If the
13 Company President rejects the recommendation, the application is returned to the
14 team for additional evaluation and a determination of whether additional support
15 is necessary for the application or if the application should be denied.

16 **Q. WHO SERVES ON THE K-PEGG PROGRAM REVIEW TEAM?**

17 A. The K-PEGG application review team comprises nine members. Seven members
18 of the team are Kentucky Power employees and the remaining two are external
19 economic development professionals. The review team currently includes:

20 Kentucky Power Representatives

- 21 • Director, Customer Services
- 22 • Manager, Corporate Communications
- 23 • Manager, Reliability Services

- 1 • Manager, Distribution Services – Pikeville Area
- 2 • Director, Regulatory Services
- 3 • Managers, External Affairs

4 External Representatives

- 5 • Representative from the Kentucky Association of Economic Development
- 6 • Representative from the Kentucky Cabinet for Economic Development

7 **Q. PLEASE DESCRIBE THE PROJECTS THAT HAVE RECEIVED**
 8 **GRANTS UNDER THE K-PEGG PROGRAM.**

9 A. Since the launch of the K-PEGG program in January 2016, the Company has
 10 received a total of 23 grant requests. Of the 23 requests, the Company has
 11 approved 17 and denied 5. One of the applicants withdrew its K-PEGG
 12 application and submitted a similar request for a KEAP grant as described later in
 13 my testimony. The Company only distributes grant funding when sufficient funds
 14 are available in the K-PEGG Account.

15 Recipients of grants through the K-PEGG Program are listed below:

DATE	RECIPIENT	PROJECT DESCR.	PROJECT TYPE	AMT
2/23/16	One East KY	Support One East KY Budget Req'ts (2015/2016 budget)	EDA Support	\$10,000
2/23/16	One East KY	Support One East KY Budget Req'ts (2016/2017 budget)	EDA Support	\$50,000
2/17/16	Perry County Economic Dev. Board	Support PCEDB Budget Req'ts	EDA Support	\$25,000
2/28/16	City of Hazard	Sewer Upgrades at Coalfields Ind. Park.	Site Development	\$56,000
2/28/16	SOAR	Support SOAR Budget Req'ts	EDA Support	\$25,000

DATE	RECIPIENT	PROJECT DESCR.	PROJECT TYPE	AMT
4/29/16	City of Pikeville	City Broadband Project Engineering Design	Site Development	\$75,000
6/27/16	One East Kentucky	Aerospace Assessment & Marketing Plan	EDA Support; Mkting/Promotion	\$37,500
6/27/16	Big Sandy Regional Ind. Dev. Auth.	Acquisition of Ind. Prop. in Martin Co.	Site Development	\$100,000
7/20/16	Big Sandy Community & Technical College	Equipment for Advanced Technology Center	Workforce Training	\$75,000
7/20/16	Ashland Alliance	Aerospace Cert./ Marketing Plan	EDA Support; Mkting/Promotion	\$84,000
8/15/16	Floyd Co. Fiscal Ct.	Bridge funding for RCL Chemicals Gas to Liquids Project	Site Development	\$100,000
8/15/16	Ashland Alliance	Wurltand Riverport Ind. Park Infrastructure Improvement	Site Development	\$15,000
4/5/17	One East KY	Support One East KY Budget Req'ts (2017/2018 budget)	EDA Support	\$50,000
4/5/17	SOAR	Support SOAR Budget Req'ts	EDA Support	\$25,000
4/5/17	Hazard - Perry County Economic Dev. Alliance	Support HPCEDA Budget Req'ts	EDA Support	\$25,000
4/5/17	Southeast Kentucky Econ. Dev. Corp.	Consulting Services for Companies to receive ISO 9100 and/or AS 9100 certifications	Workforce Training	\$60,000
4/5/17	Pike Co. Fiscal Court	Creation of Teleworks Hubs	Workforce Training	\$18,700

1 Further details of the projects funded by Kentucky Power through the K-PEGG
2 Program are included in EXHIBIT BNH-2.

3 **Q. HAVE THERE BEEN ANY GRANT APPLICATIONS THAT HAVE BEEN**
4 **DENIED?**

1 A. Yes. The Company has denied five K-PEGG requests since the program's
2 inception in January 2016. All five were denied primarily for lack of detail as to
3 how the funds would be used. The Company provided feedback to the denied
4 applicants on how they could refine their applications to make them more
5 successful.

6 **Q. HOW DOES KENTUCKY POWER TRACK THE UTILIZATION OF K-
7 PEGG FUNDS?**

8 A. Every K-PEGG grant recipient is required to provide a quarterly progress report
9 to the Company until the project funded by the grant is complete. These reports
10 provide the Company with information that allows it to ensure that funds provided
11 are being used as planned. All of the money provided through the K-PEGG
12 Program must be directed towards the project identified in the application and not
13 for unrelated administrative expenses.

14 **Q. HAVE ANY OF THE PROJECTS FUNDED THROUGH THE K-PEGG
15 PROGRAM RESULTED IN NEW JOBS?**

16 A. Yes. Before describing these early success stories, it's important to recognize that
17 many of the projects funded through the K-PEGG Program are not designed to
18 result in direct job creation. Instead, those projects are designed to assist the local
19 economic development organizations create and maintain the institutional
20 infrastructure necessary for them to compete for businesses and jobs for the
21 service territory.

22 That said, there are four projects worth noting as early success stories.
23 First, Logan Corporation, a mining equipment manufacturer facing economic

1 difficulty as a result of the downturn in the coal mining industry, transitioned its
2 business to manufacturing dump truck beds. Logan’s facility in Martin County
3 was of insufficient size to meet the growing demand for its new product. Logan
4 identified an existing, vacant facility in Magoffin County that would meet its
5 needs, but needed someone to purchase its Martin County facility to make the
6 deal work economically. Kentucky Power issued a grant through the K-PEGG
7 Program to the Big Sandy Regional Industrial Development Authority
8 (“BSRIDA”) to allow it to purchase the Logan facility in Martin county. This
9 allowed Logan to purchase the larger facility in Magoffin County for its new
10 truck bed business. As a result of this investment, none of the 35 jobs at the
11 Martin County facility will leave the service territory, and Logan Corporation will
12 be adding an additional 80 jobs at the new facility in Magoffin County. In
13 addition, the BSRIDA now owns a facility it can market to prospective new
14 businesses.

15 Second, Kentucky Power provided a grant through the K-PEGG Program
16 to the Ashland Alliance to offset the costs of expanding a natural gas line in
17 Greenup County to support the development of a new galvanizing facility for
18 Steel Ventures, Inc. This new facility will result in 65 new jobs.

19 Third, Kentucky Power issued a grant to the Floyd County Fiscal Court to
20 support site development work necessary for RCL Chemical Conversion, LLC to
21 locate natural gas to liquids facilities in Floyd and Pike Counties. Once
22 constructed, the new facilities will result in 100 new jobs.

1 In each of these instances, the funds provided by Kentucky Power through
2 the K-PEGG Program allowed local economic development authorities to close
3 gaps in the packages they offered. Closing these gaps made it possible for the
4 new business prospects to locate within the service territory.

5 Finally, both Ashland Alliance and One East Kentucky utilized K-PEGG
6 funding to obtain “AEROready” certifications for the communities they serve.
7 These independent certifications will help the communities demonstrate to
8 aerospace-related companies that the region has the skilled workforce and assets
9 necessary to the aviation and aerospace industry. The organizations used K-
10 PEGG funding to complete the studies necessary to obtain the AEROready
11 certification. The AEROready certifications played a key role in attracting Braidy
12 Industries to Greenup County and Thoroughbred Aviation to Maintenance to
13 Martin County.

VIII. NEED TO EXPAND K-PEGG PROGRAM

14 **Q. IS KENTUCKY POWER PROPOSING TO EXPAND THE K-PEGG**
15 **PROGRAM?**

16 **A.** Yes. While the early results of the K-PEGG Program show promise, additional
17 work is necessary to make the region’s economic development efforts more
18 competitive. In order to expand the impact that the K-PEGG Program has on the
19 economic development efforts in the region, Kentucky Power is proposing to
20 expand the program by increasing the per customer surcharge from \$0.15 per
21 month to \$0.25 per month. The Company’s matching contribution will
22 correspondingly increase. The Company estimates that this increase will result in

1 adding approximately \$400,000 annually to the amount available for economic
2 development through the K-PEGG Program.

3 **Q. HOW WILL THE ADDITIONAL FUNDING FOR THE K-PEGG**
4 **PROGRAM IMPACT THE COMPANY'S ECONOMIC DEVELOPMENT**
5 **EFFORTS?**

6 A. Increasing the scope of the K-PEGG Program will allow the Company to better
7 fill the gaps identified in the InSite report. Expanded funding will allow the
8 Company to support more economic development projects and perhaps more
9 importantly, give the Company more flexibility to respond to economic
10 development opportunities as they arise.

11 As discussed above, the Company can only issue grants for economic
12 development projects if there are funds available in the segregated K-PEGG
13 account. In 2016 alone, Kentucky Power had to delay its review of two
14 applications because there were insufficient funds in the Company's K-PEGG
15 account. Increasing the funds available makes it less likely that funds will be
16 exhausted when economic development opportunities arise.

17 Also, additional funds in the K-PEGG account will also make it more
18 likely that the Company will have resources available to support larger economic
19 development projects in the region as they become available. Simply put,
20 increasing the amount of funds available in the K-PEGG Program will allow
21 Kentucky Power to capitalize on the momentum building in the region for
22 economic development.

IX. KENTUCKY POWER ECONOMIC ADVANCEMENT PROGRAM

1 **Q. PLEASE DESCRIBE THE KENTUCKY POWER ECONOMIC**
2 **ADVANCEMENT PROGRAM.**

3 A. The Kentucky Power Economic Advancement Program (“KEAP”) is an economic
4 development program through which the Company provides economic
5 development funding for Lawrence County and the six Kentucky counties
6 contiguous to Lawrence County – Boyd, Carter, Elliot, Johnson, Martin, and
7 Morgan Counties (the “KEAP Counties”). Through KEAP, the Company
8 provides \$233,000 per year in economic development funding to the seven
9 counties. KEAP originated in the Stipulation and Settlement Agreement relating
10 to the transfer of an undivided fifty-percent interest in the Mitchell Generating
11 Station to Kentucky Power approved by the Commission in Case No. 2012-00578
12 with certain modifications.

13 **Q. PLEASE DESCRIBE HOW THE COMPANY IMPLEMENTS THE KEAP**
14 **PROGRAM.**

15 A. Kentucky Power created KEAP to implement its economic development
16 obligations under the Stipulation and Settlement Agreement. Through KEAP,
17 Kentucky Power annually makes \$200,000 in grants to economic development
18 projects in the KEAP Counties. The Company also makes annual contributions of
19 \$16,500 each to Ashland Community and Technical College and to Big Sandy
20 Community and Technical College, the two community and technical colleges
21 that serve the KEAP program area, for job training. Prior to disbursing money,
22 the Company reviews each college’s planned job training programs to ensure they

1 meet the goals of the KEAP Program. The Company’s annual total contributions
 2 through the KEAP Program (in grants and in contributions to community and
 3 technical colleges) is \$233,000.

4 Unlike the K-PEGG Program, where applications are accepted year round,
 5 the Company issues KEAP grants based on applications received during a fixed
 6 application period. Since inception, the KEAP program has provided a total of
 7 \$931,150 in economic development funding for the KEAP Counties.

8 **Q. CAN YOU DESCRIBE THE TYPES OF PROJECTS THAT HAVE**
 9 **RECEIVED KEAP GRANTS?**

10 A. Like the projects funded through the K-PEGG Program, Kentucky Power has
 11 issued KEAP grants for projects that are consistent with filling the gaps identified
 12 in the InSite Report described above. Recipients of KEAP grant funding are
 13 listed below:

YEAR	RECIPIENT	PROJECT DESCR.	PROJECT TYPE	AMT
2014	Gateway, FIVCO, & Big Sandy Area Dev. Districts	Economic Development Training	EDA Support	\$8,000
2014	City of Paintsville	Improve parking at Teays Branch property	Site Development	\$100,000
2014	SE KY Chamber of Commerce (Louisa Chapter)	Upgrade existing building to support metal fabrication facility	Site Development	\$92,000
2015	NE KY Regional Ind. Authority	Prepare “build ready” site at EastPark Industrial Park	Site Development	\$100,000
2015	SE KY Chamber of Commerce (Louisa Chapter)	Upgrade industrial facility owned by Lawrence County	Site Development	\$90,300

YEAR	RECIPIENT	PROJECT DESCR.	PROJECT TYPE	AMT
2015	Gateway, FIVCO, & Big Sandy Area Dev. Districts	Economic Development Training	EDA Support	\$9,700
2016	Ashland Alliance & NE KY Regional Ind. Authority	Upgrade spec building at EastPark Industrial Park	Site Development	\$45,000
2016	Gateway, FIVCO, & Big Sandy Area Dev. Districts	Economic Development Training	EDA Support	\$10,400
2016	City of Olive Hill	Upgrade wastewater treatment facility to support additional users	Site Development	\$25,000
2016	FIVCO ADD	Marketing property in EastPark Industrial Park	Mkting/Promotion	\$4,000
2016	SE KY Chamber of Commerce (Louisa Chapter)	Upgrade equipment at facility used for metal manufacturing	Site Development	\$92,750
2017	East Kentucky Advanced Manufacturing Institute (eKAMI)	eKAMI startup funding	Site Development	\$50,000
2017	Ashland Alliance	Build Ready site certifications and marketing support	Site Development/Mkting/Promotion	\$17,500
2017	One East KY	MRO Aerospace Project	Site Development	\$88,200
2017	Ashland CTC	Equipment for Fiber Optic Technology Program	Workforce Training	\$25,000
2017	Paintsville-Johnson Co. Chamber of Commerce	AS/ISO Certifications for American Metal Works	Workforce Training/Site Development	\$20,000
2017	Gateway, FIVCO, & Big Sandy Area Dev. Districts	Economic Development Training and Certifications	EDA Support	\$3,300
2017	Lawrence County Fiscal Court	Teleworks Hubs	Workforce Training	\$18,000

- 1 Details of the projects funded by Kentucky Power through KEAP grants are
- 2 included in EXHIBIT BNH-3.

1 **Q. HAS THE COMPANY BEEN ABLE TO QUANTIFY ANY SUCCESSES**
2 **ASSOCIATED WITH THE KEAP PROGRAM?**

3 A. Yes. As with the K-PEGG Program grants, many of KEAP Program grants are
4 designed to bolster the economic development infrastructure in the region. For
5 example, through funding provided by Kentucky Power through the KEAP grants,
6 economic development professionals from three local economic development
7 agencies have received economic development training from the renowned
8 University of Oklahoma Economic Development Institute. Kentucky Power's
9 KEAP grants have also paved the way for Quality Metals to create 18 jobs in
10 Lawrence County and for Thoroughbred Aviation Maintenance to create a facility
11 in Martin County with 15 jobs.

12 Additionally, funding provided through KEAP grants have assisted
13 economic development agencies in the Ashland, Louisa, Olive Hill, and
14 Paintsville areas to improve infrastructure in those communities to attract new and
15 support expansion of existing business. After these infrastructure improvements,
16 economic development activity in these areas increase. In 2012, no sites in the
17 KEAP Counties were actively involved in the site selection process. In 2016, that
18 number had risen to four.

19 **Q. IN 2016, KENTUCKY POWER ONLY ISSUED GRANTS FOR \$177,150.**
20 **HOW DID THE COMPANY ADDRESS THIS SHORTFALL?**

21 A. In 2016, for the first time since the program was created, the Company only
22 received grant applications for \$177,500 and was unable to provide the full

1 \$200,000 in grants. In 2017, the Company issued a total of \$222,000 in KEAP
2 grants to make up for most of the 2016 shortfall.

3 **Q. WHEN IS THE KEAP SCHEDULED TO WIND DOWN?**

4 A. The Stipulation and Settlement Agreement requires Kentucky Power to provide
5 economic development support to the KEAP Counties for five years. Kentucky
6 Power made its first contributions under the KEAP in calendar year 2014.
7 Accordingly, KEAP will continue through the end of 2018.

8 **Q. IS KENTUCKY POWER PLANNING TO CONTINUE IMPLEMENTING
9 THE KEAP AFTER 2018?**

10 A. No. The Company plans to eliminate the KEAP after 2018 and transition all of its
11 economic development efforts to the expanded K-PEGG program. The K-PEGG
12 program is available to all economic development organizations within the
13 Company's service territory, not just the KEAP Counties. Combining the
14 Company's economic development efforts into a single program serving the entire
15 region will allow the Company to more efficiently utilize its economic
16 development resources throughout the service territory and to ensure the funds go
17 to address the most urgent needs. Economic development organizations in the
18 KEAP Counties will participate in the K-PEGG program, as they are able to
19 participate now.

20 **X. OTHER KENTUCKY POWER ECONOMIC
 DEVELOPMENT ACTIVITIES**

21 **Q. DOES KENTUCKY POWER ENGAGE IN ECONOMIC DEVELOPMENT
22 ACTIVITIES BEYOND THE K-PEGG PROGRAM AND KEAP?**

1 A. Yes. While the KEAP and K-PEGG Programs are Kentucky Power's primary
2 economic development vehicles, the Company also participates in economic
3 development activities through the use of corporate economic development funds.
4 Additionally, the Company is actively redeveloping a portion of the Big Sandy
5 Plant property for use as an economic development site. Finally, AEP has created
6 the Appalachian Sky Initiative to attract aerospace industry to the region.

7 **Q. CAN YOU DESCRIBE THE USE OF CORPORATE ECONOMIC**
8 **DEVELOPMENT FUNDS?**

9 A Yes. Every year Kentucky Power is allocated funds from AEP's Economic and
10 Business Development group for use within the service territory. These funds are
11 wholly shareholder-provided funds.

12 Between 2012 and 2016, the Company has received over \$300,000 from
13 AEP's Economic and Business Development Group. These funds have been used
14 for economic development training for local economic development agencies,
15 marketing of economic development opportunities in the region, and
16 memberships in statewide economic development agencies that allow the
17 Company to leverage its economic development efforts. Additionally, the
18 funding for the InSite Gap Analysis Report described above was provided through
19 AEP's Economic and Business Development Group.

20 **Q. HAS KENTUCKY POWER BEEN ALLOCATED ANY FUNDING FROM**
21 **AEP'S ECONOMIC AND BUSINESS DEVELOPMENT GROUP FOR**
22 **2017?**

1 A. Yes. AEP's Economic and Business Development Group has allocated \$54,000
2 to Kentucky Power for 2017. Kentucky Power will use this money to continue its
3 efforts in closing the gaps identified in the 2012 InSite report.

4 **Q. PLEASE DESCRIBE HOW THE COMPANY IS REDEVELOPING A**
5 **PORTION OF THE BIG SANDY PLANT PROPERTY AS SITE**
6 **AVAILABLE FOR ECONOMIC DEVELOPMENT.**

7 A. Kentucky Power retired Big Sandy Unit 2 in 2015 and converted Big Sandy Unit
8 1 to natural gas in 2016. As a result of the retirement and conversion, Kentucky
9 Power no longer requires the same amount of space to operate the Big Sandy
10 Plant. Because the property is flat, served by utilities, served by rail, and well-
11 located along US-23, the Company has begun redeveloping a portion of the
12 property as a potential economic development location. To facilitate this
13 redevelopment, the Company has advanced the timeline for demolition of Big
14 Sandy Unit 2 and reconditioning of the coal storage yard.

15 **Q. HAS THE BIG SANDY PROPERTY BEEN MARKETED TO ECONOMIC**
16 **DEVELOPMENT TARGETS?**

17 A. Yes. Kentucky Power is working with one of its regional economic development
18 partners, One East Kentucky, to market the site to companies interested in
19 relocating to the region. One East Kentucky has already submitted information
20 on the site to a large chemical manufacturing company looking to expand its
21 operations. The chemical manufacturing company has indicated that it plans to
22 create 100 jobs. The Big Sandy site has also been marketed by the Kentucky
23 Cabinet for Economic Development to a company interested in locating a facility

1 with rail access. The Cabinet indicated that the target company plans to create
2 1,000 jobs.

3 **Q. PLEASE DESCRIBE THE APPALACHIAN SKY INITIATIVE.**

4 A. Appalachian Sky is an initiative led by AEP to promote the Central Appalachian
5 region, including Kentucky Power's service territory, as a location for the
6 aerospace industry. Appalachian Sky leverages the regional workforce and the
7 skills necessary for the aerospace industry to diversify the economy of the region.
8 Additional information regarding the Appalachian Sky Initiative is included in the
9 testimony of Company Witness Satterwhite.

10 **XI. RENEWABLE POWER OPTION RIDER**

11 **Q. ARE YOU FAMILIAR WITH THE CHANGES TO THE GREEN
12 PRICING OPTION RIDER THE COMPANY IS PROPOSING IN THIS
13 CASE?**

14 A. Yes. The Company is proposing to amend to rename its current Green Pricing
15 Option Rider as the Renewable Power Option Rider and incorporate additional
16 options for customers wishing to obtain power from renewable sources.
17 Additional detail regarding the design and operation of the Renewable Power
18 Option Rider is provided in the testimony of Company Witness Vaughan.

19 **Q. WILL THE RENEWABLE POWER OPTION RIDER ASSIST IN THE
20 COMPANY'S ECONOMIC DEVELOPMENT EFFORTS?**

21 A. Yes. The rider provides an additional economic development tool. Importantly,
22 it does so at no costs to those customers who choose not to participate. Many
23 companies that might be a good fit for the Company's service territory have

1 established internal renewable energy requirements. This is especially true in
2 high-tech companies that require data centers to run their operations. These data
3 centers are large loads that would be attractive to the service territory. For
4 example, Google has recently announced that it will obtain all of its power from
5 renewable sources by the end of 2017. Other companies that have announced
6 their intention to source their energy solely from renewable resources include
7 Facebook, Bank of America, Microsoft, Philips Lighting, and Walmart. Without
8 the changes proposed in the Renewable Power Option Rider, the communities in
9 Kentucky Power's service territory cannot compete for these opportunities.

10 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

11 **A. Yes.**

SOUTHEAST KENTUCKY CHAMBER OF COMMERCE



**Southeast Kentucky
Chamber of Commerce**
— *The Power To Be Heard* —

REGIONAL BLUEPRINT FOR ECONOMIC DEVELOPMENT



A unit of American Electric Power



insite
August 2013

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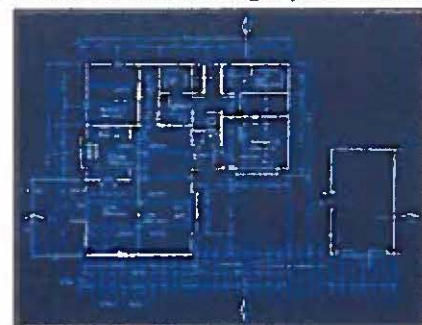
SECTION 1: PROJECT INTRODUCTION

Kentucky Power Company retained InSite Consulting, an economic development and site selection consulting firm based in Greer, South Carolina, to develop initiatives and execution items to assist the Southeast Kentucky Chamber of Commerce with forming a regional economic development program for the eight-county region. The eight counties are: Letcher, Lawrence, Floyd, Martin, Johnson, Knott, Pike and Magoffin. This effort included specific focus on the eight-county region "getting on the map" for manufacturing projects. The purpose of the project was to guide the efforts of a customized plan for the region and its stakeholders that determined the best of class strategies, initiatives, methods, and techniques to encourage capital investment, create jobs in desired sectors, and stimulate sustainable economic growth throughout the southeast Kentucky region. InSite's competitive assessment identifies specific economic development weaknesses and makes recommendations to mitigate those identified weaknesses. InSite's assessment is a true "gap analysis" with three layers of evaluation: baseline of what is desired in a location; what you have to offer as a location; and what the resulting "gaps" are. A customized implementation plan was developed for the region to mitigate the location-specific gaps. Results: region and organizations that is truly "client ready and desired". The scope of services included:

- Alignment meeting
- Extensive and exhaustive tour and inventory, to include: local and public officials focus group meeting; stakeholders focus group meeting; product evaluation; and quality of life tour completed for:
 - Letcher, Johnson, Lawrence, Floyd, Magoffin, Knott, Martin and Pike counties
- Stakeholder and existing company discussions:
 - Over 26 one-on-one meetings and 122 individuals
- Exhaustive desktop, program and statistical analysis
- Development of a spreadsheet containing economic data relevant to choosing a location:
 - Benchmarking the southeastern Kentucky regional data against Johnson City, TN; Florence, SC; Charleston, WV; and Clarksville, TN-KY
- Recommendations for economic development excellence to include a newly formed regional public / private organization

This is a "working plan" that houses a check-list / step-by-step guide of initiatives that can actually be implemented, along with a suggested prioritized approach. With the proper strategy, the unique assets of the Southeast Kentucky region can be leveraged to recruit quality jobs benefiting all stakeholders. The Southeast Chamber of Commerce must utilize the following working plan to push forward and enhance initiatives that have lain dormant in an incomplete state or have never been addressed. Based on our research, the consulting team's work experience, and community-level SWOT methodology, the following economic development initiatives will lead the region's future economic development efforts, beginning with a solid foundation and producing sustainable results. There are four (4) basic outcomes to ensure the successful development of a champion economic development organization:

- Asset inventory
- A client readiness assessment and gap to success analysis for each county
- Organizational development and execution model
- A Regional Organization Blueprint for the future outlining the organizational structure and strategic plan recommendations that takes into account each county's unique asset and potential liabilities



SECTION 2: EXECUTIVE SUMMARY

ORGANIZATIONAL STRATEGIES

It is imperative to first detail the baselines of a legitimate, functional economic development entity. The following are the critical elements that must exist to legitimize having tax-based funds dedicated to an economic development department whose sole purpose is to create jobs and investment for the county:

- Defined program of work for economic development
- Full staff at a minimum of two individuals to accommodate a professional, responsive, functioning economic development focused entity. This staff does not share responsibilities with any other county department and has only an economic development focus – estimated cost of at least \$200,000
- Ability to work projects from finish to end (RFI to site visit)
- All individuals proficient in Word, Excel and PowerPoint
- Up-to-date technology to support the efforts of a functioning, professional organization such as smartphones, laptops, and the latest versions of Microsoft Office
- Business retention and expansion program
- Small business and entrepreneurial program
- Product databases, development and management
- Marketing materials for the community and industrial park to include a fully assembled and producible prospect package
- Proactive recruitment plan
- Internal or external communication plans
- Formalized future product development plan to include enhancing the existing and developing new
- Stand-alone economic development website / presence for economic development
- Ability to track business successes and losses
- Formalized incentive package

When inventorying each county and the region as a whole, it is important to note that none of the above is being executed at the local or regional level. So in essence, the counties / region are "out of business". There is no economic development program in place with a formalized business plan to be the resource and Champion for economic development in Southeast Kentucky. We are not advocating that any of the above elements be executed at the local level. What we are saying is imperative is that the local leaders strongly commit to regional economic development efforts for the eight county southeast Kentucky region (Letcher, Lawrence, Floyd, Martin, Johnson, Knott, Pike and Magoffin) in both resource allocation and plan execution to reach short- and long-term goals. The following recommended strategies provide a best of class plan for the successful implementation of a Southeast Kentucky regional economic development effort to be called One East Kentucky (OEK):

REGIONAL STRUCTURE

A new regional public / private economic development organization must be created (One East Kentucky) within the Southeast Kentucky Chamber of Commerce for the eight county region to execute as a functioning economic development entity. Proposed funding from the private sector would come directly from existing chamber membership and targeted new investors under a new President's Club for economic development with three funding levels.

FUNDING / BUDGET DEVELOPMENT

InSite recommends funding from local communities come directly from a county \$0.20 per capita rate, multi-county coal severance monies annually and private sector contributions of at least fifty (50) percent of total contributions. Based on our benchmarking of best practices for economic development programs, the One East Kentucky (OEK) Regional Economic Development Program should have an annual budget in the range of \$700,000 to \$900,000.

SECTION 2: EXECUTIVE SUMMARY

PERSONNEL

To successfully implement a quality regional economic development program, there are four main priorities with regard to personnel: President of Economic Development; Vice President of Research; Vice President, Business Retention and Expansion; and Vice President, Project Management.

PROCESS RECOMMENDATIONS

InSite recommends comprehensive procedures be incorporated into project response and execution models for project management including Request For Information (a Request For Information / RFI is a community questionnaire issued by a consultant to a region on behalf of prospective companies to gather critical location information) team training, client visit team training and local company involvement.

REGIONAL BRAND

One East Kentucky must develop a new business brand highlighting the region's business assets such as highway access, trainable workforce, proximity to markets, UPIKE, healthcare facilities, etc.

PROFESSIONAL DEVELOPMENT

InSite recommends hiring an outside site selection consultant to conduct basic economic development training for community stakeholders including but not limited to OEK personnel, OEK board members, county officials, city officials, utilities, business leaders, etc.

PROGRAM OF WORK STRATEGIES

BUSINESS RETENTION AND EXPANSION PROGRAM (BRE)

One East Kentucky must develop a formalized business retention and expansion program (BRE) staffed by a full-time BRE Vice President. The BRE program will include incentive grants facilitation, industry appreciation event, publication of industry directories, visitation program, milestone achievement awards, creation of a manufacturing managers association, a human resources managers association, a dedicated project management website tab for local companies and adding a vertical marketing element to the program.

PRODUCT AND INFRASTRUCTURE STRATEGIES

Our team evaluated the region's product from the perspective of a site selection consultant conducting a client site evaluation. The consulting team's review of the region's product development offerings reveals an inadequate inventory of viable sites and buildings within the region. Information on most sites and buildings was not readily available, and when information was available, it was inaccurate. There are currently no viable (at least 24 ft. clear height; a infrastructure in place with excess capacity; no interior walls; no existing structures; no pits; not a special use; in an industrial park – all are examples of viability), available industrial buildings in the eight-county region listed on the ThinkKentucky.com website. Presently, there is no local or regional mechanism for providing prospective companies with online product information. The lack of product information is at a critical, emergency level. Without viable, fully infrastructured (water in excess, sewer in excess, natural gas, electric, and fiber) product in a community, an economic development program will not attract quality companies.

During our analysis, the consulting team discovered several properties throughout the region that may be viable product development offerings in the future with proper due diligence by the respective landowner. Our team recommends regional inventory and evaluation for available sites, parks and buildings that could be marketed to prospective companies. These efforts are currently underway through Kentucky Power's Regional Product Development Program. This program will identify, evaluate and prioritize marketable properties in the region.



SECTION 2: EXECUTIVE SUMMARY

Please note for several business parks in the region, InSite has recommended changing the name of the park for marketing purposes. Due to the large percentage of companies utilizing web searches to identify potential locations, it is crucial that these business parks present a national or global presence in order to maximize internet search results. In addition, clients prefer the park name, their "home", to have a global location impact – an indicator to their suppliers, customers, etc., as to where they are in the world. The following recommendations for the respective landowners focus on a select group of properties within the region:

GATEWAY REGIONAL BUSINESS PARK

This is a 200 acre regional business park located on Hwy. 23 in Letcher County. This site has all utilities and is owned by the Appalachian Industrial Authority. The state site flyer indicates a negative 15,000 gallons in excess sewer capacity which would contribute to the park not being short listed in a competitive site search. InSite recommends: rename the park, increase excess sewer capacity, create new park website, develop comprehensive incentive package for the park, and provide all park information on the website.

HONEY BRANCH REGIONAL BUSINESS PARK

Consisting of approximately 300 acres, this regional business park, located in Martin County, has all utilities on site. Excess sewer capacity is listed at only 37,000 gallons per day which is a significant weakness in a competitive site selection search. The park is adjacent to the Big Sandy Federal Prison, a high security penitentiary housing approximately 1,400 inmates. Our recommendations with regard to making this site marketable: be cognizant that the adjacent prison limits the marketability of the site, so prioritize efforts listed respectively; improve 37,000 gallons per day excess sewer capacity; change the name of the park - create a global, recognizable identity; develop a master plan for the park; develop at least one pad ready site in the park; complete InSite's Site Questionnaire; market as a Permitted Business Ready Park; develop a new marketing piece for the site; and develop a comprehensive incentive package for the park.

STONE CREST SITE

Owned by the City of Prestonsburg and with all utilities on site, this 30 acre site sits adjacent to the Stone Crest golf course. This is a unique site as road access is not great but, if marketed properly, could be positioned as a headquarters location, to include outdoor or sporting equipment companies. Our recommendations with regard to making this site marketable: needs to be master planned; rename it to Southeast Kentucky Vista Corporate Park - create a global, recognizable identity; conduct a site evaluation process to validate marketability; complete InSite's Site Questionnaire; market as a Permitted Business Ready Park; develop a master plan for the park; create protective covenants for the park; develop a marketing piece for the site; develop a comprehensive incentive package for the park; create a forgivable loan / grant program for the land.

MARION'S BRANCH SITE

Marion's Branch consists of 1,000 acres (400 acres developable) owned by the City of Pikeville. Water and natural gas service are available on site with plans to extend sewer and telecommunications service within twelve months. Rail accessibility is provided by an off loading site adjacent to the Marion's Branch Park. Currently, road access to the site is a weakness. The current access road goes through a residential area and would not meet industrial standards. Plans have been completed for the construction of a new road served directly by Hwy. 23. Presently, Marion's Branch would not compete favorably in a competitive site selection search due to access. However, considering the early developmental stages of the site and planned infrastructure improvements, this site has the potential to become a significant job creation tool for the entire region. The following represents some of our recommendations with regard to marketing initiatives for the Marion's Branch Site: complete InSite's Site Questionnaire; construct new entrance road as soon as possible; develop an entrance sign for the park; create protective covenants for the park; create a name for the park - create a global, recognizable identity; provide the most competitive telecommunications infrastructure possible; change the master plan for the park by eliminating residential development; include provisions to ensure the park is pedestrian friendly; and market as a Permitted Business Ready Park.

SECTION 2: EXECUTIVE SUMMARY

SCOTT FORK SITE

This is a 78 acre site owned by Pike County with frontage on Highway 119. Scott Fork has natural gas, water and fiber on site but does not have sewer service available. There are two pad ready sites in the park with the largest contiguous parcel of 20 acres. Scott Fork, due to lack of sewer service, would not be viable in a competitive site selection search. The site is not listed on ThinkKentucky.com and the county does not have an economic development website. The following represents some of our recommendations with regard to marketing initiatives for the Scott Fork site: extend sewer service to the park as soon as possible; change the name of the park (Kentucky Energy Business Park) - create a global, recognizable identity; complete InSite's Site Questionnaire; market as a Permitted Business Ready Park; develop a master plan for the park; create protective covenants for the park; and develop an entrance sign for the park.

HOLLAND SITE

The Holland site is a privately owned 850 acre tract located in Paintsville. All utilities (water, sewer, natural gas, fiber) are on site. There is a 40,000 SF building (formerly MidWay College) at the entrance to the Holland site. Information regarding excess capacities and topography was limited at the time of our team's visit. Information obtained included excess water capacity of 3 MGD and excess sewer capacity of 400,000 GPD, which are tremendous assets. The site is not actively being marketed at this time and is not listed with the Kentucky Cabinet for Economic Development. Our team did not conduct an exhaustive review of the 850 acre site but recommends further site due diligence be conducted to determine the viability of developing it as a new business park. If this is a site the community desires to market, the following lists some of items that must be addressed before attempting to market to prospective companies: determine from the landowner the property's availability and willingness to enter into a marketing agreement; site due diligence – must be completed before any other steps are taken; work with One East Kentucky to identify competitors' business parks within and outside of the region and develop a superior product offering for expanding and relocating companies; name the park based upon a nationally recognized brand.

COAL FIELDS REGIONAL INDUSTRIAL PARK

Consisting of approximately 385 acres, this regional business park, located in Perry County, has ample excess water and sewer capacity (1.4 MGD) on site. However, the lack of natural gas service in the park is a significant weakness in a competitive site selection search. Coal Fields currently has four tenants in the park and one available industrial building (300,000 SF Woodmark Facility). Some of our recommendations with regard to making this industrial park marketable: extend natural gas service to the park; change the name of the park - create a global, recognizable identity; develop a master plan for the park; and develop at least one pad ready site in the park.

EASTPARK REGIONAL BUSINESS PARK

This is an 800 acre regional business park located in Ashland. This site has all utilities and is owned by the Northeast Kentucky Regional Industrial Authority. The state site flyer indicates an N/A in excess sewer capacity which could contribute to the park not being short listed in a competitive site search. Some of our recommendations with regard to making this park marketable include: develop a new website for the park; leverage the excess water capacity of 13 MGD; and develop at least one pad ready site in the park.

CHESTNUT MOUNTAIN

Knott County owns the 65,000 SF Sportsplex and related baseball and soccer fields, located within the 650 acre Chestnut Mountain development. Chestnut Mountain is owned by a private development company. Currently the site is being marketed as a commercial and residential development. Other than the Knott County recreation complex (Since 2007), there have been no business or residential development in Chestnut Mountain. Chestnut Mountain possesses four lane highway frontage on Hwy. 80. Limited information on natural gas availability and excess water and sewer capacity is a significant weakness. Our team did not conduct an exhaustive review of the 650 acre site but recommends further site due diligence be conducted to determine the viability of developing it as a new business park. If this is a site the community desires to market, the following lists some of items that must be addressed before attempting to market to prospective companies: determine from the landowner the property's availability as an industrial park and willingness to enter into a marketing agreement; site due diligence – must be completed before any other steps are taken; work with One East Kentucky to identify competitors' business parks within and outside of the region and develop a superior product offering for expanding and relocating companies; name the park based upon a nationally recognized brand.

SECTION 2: EXECUTIVE SUMMARY

MAGOFFIN COUNTY SITE (GIFFORD SITE)

Magoffin County owns 200 acres (80 useable acres) located on the Mountain Parkway. At the time of our site visit, there was limited access to the site, no natural gas service and limited water and sewer service information. However, this site possesses Mountain Parkway frontage with a planned interchange and improvements of the parkway from two lanes to a four lane highway at the site's entrance. Magoffin County also owns the site's mineral rights and may have the opportunity to provide low cost natural gas to potential companies. For this site to be viable, the following list of items must be addressed before attempting to market to prospective companies; site due diligence – must be completed before any other steps are taken; master plan the site; create a forgivable loan/grant program for the land; develop protective covenants for the park; market the availability of inexpensive natural gas; develop a comprehensive incentive package for the park.

SMALL BUSINESS AND ENTREPRENEUR PROGRAM (SBE)

Empowering and supporting small business and entrepreneurial efforts should be a critical element of the region's sustainable economic development goals. Small businesses and entrepreneurs are primary mobilizers of resources for the local economy and are stabilizing factors in society as a whole. They are a source of innovation in services, products and technologies. These entities provide a tremendous employment base for all thriving communities. One East Kentucky should serve as a clearinghouse of information for small business. Small Business program of work recommendations include providing a dedicated entrepreneur / small business tab on the OEK website, and developing a database of all available commercial and retail buildings in the region.

MARKETING AND COMMUNICATIONS

A region's identity and "marketing toolbox" is critical to the success of any economic development program. These key items that will assist in the communication of the location assets of the region:

WEBSITE

Currently, there is no dedicated economic development website for the region. Therefore, our consulting team recommends developing a stand – alone One East Kentucky website that features existing companies, new buildings and sites database, incentives tab, a BRE tab, and a workforce tab, etc.

SALES MESSAGE

InSite recommends utilizing "talking points" (see Asset Section) as a consistent economic development message in all written and verbal communication, including the region sound bite.

SALES MATERIALS

Incorporate new regional identity in all marketing materials including the development of site / building brochures; a profile of taxes and incentives; an existing industry testimonial piece; and a comprehensive prospect notebook.

INTERNAL AND EXTERNAL COMMUNICATION PLANS

A communication plan for internal and external audiences was developed that includes the development of an email blast template, a sequencing of communications to all established internal and external databases / targets on a consistent basis, company visitations and permission-based marketing campaign.

OTHER AREA PROGRAM RECOMMENDATIONS

FLOYD, JOHNSON, KNOTT, LAWRENCE, LETCHER, MAGOFFIN, MARTIN AND PIKE COUNTIES

InSite recommends local communities assume the roles and responsibilities for the following program of work elements to include but not limited to: developing local incentive packages; compiling product information; providing RFI and prospect visit support; supporting regional airport initiative; developing fully infrastructured industrial parks; promoting tourism, etc.

SECTION 3: ASSET INVENTORY

REGIONAL ASSET INVENTORY

A critical element of InSite's methodology was to inventory the locational asset of the region. Leveraging these assets will be important in the implementation of the organizational recommendations, creating a quantifiable marketing approach to recruit jobs and investment to the area. The following are some of the key business assets discovered:

- Gateway Regional and Honey Branch Business Parks – fully infrastructured industrial parks
- Potential product examples: Marion's Branch; Holland site; Stonecrest Site; Scott Fork; Chestnut Mountain; East-Park; Coal Fields; Thunder Ridge; Gifford Site; RJ Property; and West Property Group
- Highway transportation - Great four-lane transportation access; quality access to West Virginia and Virginia
- Midway College building
- Brown Foods building
- Woodmark building
- Potential excess water capacity
- Potential excess sewer capacity
- Big Sandy Community and Technical College system
- Available, trainable labor force
- Southeast Kentucky Economic Development Corporation
- Access to higher education
- Access to technical colleges and vocational schools
- Apprentice program in development
- General aviation
- Rail access in limited locales
- Proximity to commercial airports (Huntington, WVA; Charleston, WVA; Lexington, KY; Blountville, TN)
- Southeast Kentucky Chamber of Commerce regional approach
- Renewed focus on economic development from Kentucky Power
- Competitive electric rates
- Eastern Kentucky Concentrated Employment Program, Inc. (EKCEP)
- H.O.M.E. Program
- Governor Patton
- Strong existing industry like Kellogg, Joy Mining, Booth Energy
- UPIKE
- Big Sandy Area Development District
- Kentucky River Area Development District
- Access to Federal and State political resources – Mitch McConnell, Senate Minority Leader; Hal Rogers, Chairman of House Appropriations Committee; Greg Stumbo, Speaker, Kentucky House of Representatives; Robert Stivers, President of the Kentucky Senate
- Hospital / access to medical care

SECTION 3: ASSET INVENTORY

- Pikeville Medical Center – Affiliate of Mayo Clinic Healthcare Network
- Access to recreational facilities (golf, trails, lakes, natural resources)
- Low cost of living
- Equine center
- Low crime rates



A unit of American Electric Power

SECTION 4: IDENTIFIED GAPS

IDENTIFIED GAPS

InSite's process and assessment identified specific economic development strengths within each organization with regard to attracting and retaining investment and jobs. We identified weaknesses and made recommendations to mitigate those identified weaknesses. InSite's assessment, in cooperation with property owners and local governments, is a true "gap analysis" with three (3) layers of evaluation: baseline of what is desired in a location; what each county has to offer as a location; and what the resulting "gaps" are. In addition, we developed a customized implementation plan for the Southeast Chamber of Commerce's new economic development department to mitigate location-specific gaps and become the target of companies that are looking for the region's location-specific assets. Results: in cooperation with owners and local government, a region of communities that is truly "client ready and desired". The following is a comprehensive listing of the existing gaps at the local and regional level to successful economic development efforts for the southeastern region. The recommendations to bridge these gaps follow the identified gaps.

PROGRAM / PRESENCE / OPERATIONS

- No functional, local or regional economic development programs
- No Champion or vision for economic development, locally or regionally
- There is no entity within the Southeast Region representing the interests of economic development in assisting with job growth and capital investment. There is no entity quantifiably working for the best interest of the unemployed in the Southeast Region
- No local or regional economic development programs of work (adequate staff; Business Retention and Expansion; Small Business and Entrepreneurs; proactive marketing; Economic Development website presence; research capability; process execution; product development, etc.)
- No one-source contact person for economic development
- No unified plan to bring all entities together with a common vision
- No local commercial airport
- Dependency on mining
- Lack of globally recognized brand / Identity
- Minimal use of "war horses" (UPIKE and Pikeville Medical Center) for economic development efforts
- Inability to work projects from finish to end (Request for Information (RFI) to site visit)
- Lack of leadership's understanding of what economic development means
- No entity is tracking business wins and losses in the region

PRODUCT

- Limited competitive, marketable industrial parks
- Limited competitive, marketable existing buildings
- No future product development plans / program of work
- Gateway Regional Business Park deficiencies: lack of excess capacity; lack of fiber; lack of critical information available
- Honey Branch Regional Business Park deficiencies: lack of excess capacities; incompatible surrounding use; lack of critical information available
- Lack of information on all product: Marion's Branch; 850 acres in Johnson County (Holland Property); 40,000 SF former Midway College facility in Paintsville / Johnson County; 650 acres (Chestnut Mountain) in Knott County; 200 acre Gifford Site in Magoffin County; Stonecrest site owned by Prestonsburg; 100 acre Thunder Ridge site in Floyd County; Letcher-County rail served site; 86,000 SF Brown Foods building located in Louisa and Lawrence County; Louisa owned 9 acre site

SECTION 4: IDENTIFIED GAPS

- Consistent theme of lots of "property" but no information which translates to not viable or marketable
- Minimal sewer capacity to key regional product
- Lack of diverse industrial base
- No comprehensive database of available product in the region

MARKETING

- No proactive recruitment plans
- Misperception of great highway system in eastern Kentucky. Several individuals expressed that transportation was a challenge. As site selection experts, we see the transportation system of interstate quality highway systems to be a great asset.
- Billboards cast negative impression on the community. Limit the number of billboards as they distract from the natural and professional integrity of the area
- No dominant economic development web presence
- No internal or external communication plans at the local or regional level
- No marketing materials at the local or regional level for clients
- No formalized prospect packages

WORKFORCE DEVELOPMENT / TRAINING

- Perception of lack of skilled trade workers
- Upgrade the unemployed minors' skills base
- Need more employer involvement with the community college
- Inability to breakdown the unemployed miner population by type and number of and workers

BUSINESS CLIMATE

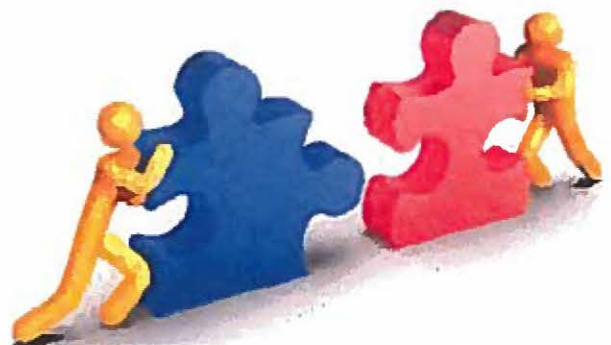
- Dependency on mining
- Loss of hope

INCENTIVES

- Lack of formalized incentive programs with documentation at the local level

POLITICAL CLIMATE

- Lack of harnessed political clout that resides at the state level to make things happen at the local level
- Local political system is a monumental gap; county entities work against one another – lack of consensus
- Too dependent on coal severance tax revenue



SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

The southeastern Kentucky region is in great need of an organization that creates an economic development presence in the United States. Currently, there is no Champion or vision for economic development locally or regionally. There is no vehicle to develop or execute a plan that brings all the entities touching economic development in the region together with a common vision. There is no arena for the economic development pillars such as UPIKE, Pikeville Medical Center, Appalachian Wireless, Kellogg, Joy Mining and Booth Energy to collaborate and be a force for business expansion and recruitment efforts, both within their own companies and new companies. There is an inability within the region for any entity to work an economic development project / prospect from start to finish – from the request for information (RFI) to the client visit.

InSite is recommending through the following strategies that the Southeast Kentucky Chamber develop an operating division, One East Kentucky (OEK), dedicated solely to the efforts of economic development for the region. The following strategies based upon our evaluation of the region and consulting experience, provide a vehicle for the assets of the entire region to be leveraged, the gaps to success to be addressed and the voice of southeast Kentucky to be heard through the new organization (OEK). These recommendations take into account each county's capabilities and do not duplicate any efforts that are currently being executed. It provides each county with a team to leverage and support their efforts and a vehicle to not only create a national presence, but also one to recruit new industry and grow existing companies. The following recommendations provide an economic development blueprint for creating jobs and capital investment in the region for OEK to follow, step-by-step, in order to successfully win projects.

ORGANIZATIONAL STRATEGIES

When inventorying each county and the region as a whole, it is important to note that none of the above is being executed at the local or regional level. So in essence, the counties / region are "out of business". There is no economic development program in place with a formalized business plan to be the resource and Champion for economic development in Southeast Kentucky. We are not advocating that any of the above elements be executed at the local level. What we are saying is imperative is that the local leaders strongly commit to regional economic development efforts for the eight county southeast Kentucky region (Letcher, Lawrence, Floyd, Martin, Johnson, Knott, Pike and Magoffin) in both resource allocation and plan execution to reach short- and long-term goals. The following recommended strategies provide a best of class plan for the successful implementation of a Southeast Kentucky regional economic development effort to be called One East Kentucky (OEK):

REGIONAL STRUCTURE

A new regional Champion, public / private organization, for economic development must be created, beginning with a new regional economic development entity (One East Kentucky) within the Southeast Kentucky Chamber of Commerce for the eight-county region. This organization must have a plan and provide a blueprint for proactive regional economic development. This public / private partnership will be funded from existing chamber members to include local industry and communities.

Proposed funding from the private sector would come directly from existing chamber membership and targeted new investors under a new President's Club for economic development with three funding levels ranging from \$5,000 to \$15,000 annually, with contributions equaling at least (50) percent of total contributions. Please note that all regional economic development supporters must be current members of the Southeast Kentucky Chamber or a local chamber. The regional economic development advisory board would be separate from the Chamber board and consist of chosen President level contributors (who must be members of the Chamber or a local chamber) and the Immediate past Chairman of the Southeast Kentucky Chamber. The Immediate past chairman of the Southeast Kentucky Chamber would become the chairman of the new One East Kentucky regional economic development organization. This board would consist of no more than nine members and would meet on a quarterly basis. All monies raised for economic development would be separate from normal Chamber dues. Key steps in this process include:

- Create a new, professional organization with a qualified plan, to include governing bylaws, that will appeal to investor communities and companies
- Develop a target list of key, potential investors
- Present the region's new economic development program of work to the target group of key, potential investors individually (entities most likely to contribute first)

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

- Once two or three champions have committed, have them present the economic development vision to a large group of potential investors (including communities) and explain how they can help diversify and grow the local economy. Utilize the new champions to deliver the message
- Develop the governing board of eleven members. These members must contribute at the President level and be directly involved in existing business and industry throughout the eight-county region
- After gaining local community and private sector financial support, meet with county judges and state legislative delegation for commitment of multi-county coal severance monies annually to assist in funding the regional economic development program

FUNDING / BUDGET DEVELOPMENT

Proposed funding, which should be at least fifty-five percent, from the private sector would come directly from existing chamber membership and targeted new investors under a new President's Club for economic development with three funding levels ranging from \$5,000 to \$15,000 annually. Proposed funding from local communities would come directly from a \$0.20 per capita rate, multi-county coal severance monies of \$500,000 annually and occupational tax. Any communities joining after OEK's first organizational year may join the regional effort at a \$0.40 per capita rate. All monies raised for economic development would be dedicated to business expansion / recruitment efforts and remain as a separate accounting function from normal Chamber dues / financial operations. Based on our benchmarking of best practices for economic development programs, the One East Kentucky (OEK) Regional Economic Development Program should have an annual budget in the range of \$700,000 to \$900,000. Possible economic development budget items may include but not be limited to salaries, FICA, insurance fringe, retirement fringe, workers compensation, vehicle allowance, marketing, office supplies, postage, dues/publications, printing, travel, training, telephone, and professional services.

PERSONNEL

There are several priorities with regard to staffing that need to be addressed by the new economic development operating unit (OEK). The first three staffing priorities are immediate needs:

- The number one priority is to hire a President of Economic Development to focus solely on retention and attraction of companies to the region. Professional qualifications would include but not be limited to; a Bachelor's degree in business, economics, marketing, finance, or closely related field, with an advanced degree preferred. The ideal candidate will have a proven track record of executive or senior leadership experience and may come from a variety of backgrounds such as: top executive within a progressive and comparably-sized economic development-focused organization; experience as a No. 2 or senior-level executive at a larger like enterprise as described above.
- The second priority is to hire a research person whose main function is to maintain the sites and building database respond to RFI's, update and manage website content and coordinate directly with the counties and Area Development Districts to meet various project needs.
- The third priority for a new staff position must be the addition of a business retention Vice President. The Business Retention and Expansion (BRE) VP's responsibility will be the implementation of the new BRE program (as outlined further in this document) and assisting with project RFI's and business attraction projects.
- The fourth priority for a new staff position would be the addition of a Project Manager whose responsibility would be to manage prospect leads and new projects.
- Utilize existing chamber communications manager for economic development marketing.
- Create and fund a formalized, consistent year-round internship program with the University of Pikeville and local Community / Technical Colleges to conduct research and assist with maintaining and updating the economic development website, available site and buildings database, target company database, research and other functions as necessary.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

PROCESS RECOMMENDATIONS

InSite recommends the following process recommendations be incorporated into project response and execution models for project management:

- Develop relationships locally to extract key data / information
- Develop relationships at the ADD level
- Develop and train a Request for Information (RFI) Team:
 - Most RFIs request consistent information, so make sure individuals proficient and knowledgeable in specific areas are not only educated about the RFI process, but are always mobilized to submit information
 - Content and team includes but not limited to: utilities (water, sewer, electric, natural gas, and fiber – have them calculate the rates); rail; building or site owner; environmental; permitting; taxes; and incentives
 - Sit down with the RFI Team and go over their portion of the RFI to explain the necessary content. Supply them with an overview of the project details and timeline (no matter how brief or short)
 - Communicate the talking points detailed in the Marketing Section for their training purposes
- Develop and train a Consultant / Client Visit Team:
 - Any participant in the visit process should have first had professional economic development training.
 - Each time a consultant and or client visits, the following entities should be represented at all times: local company executives (1 – 2 individuals); new economic development organization professionals; electric utility provider representative; community college; land and / or building owner; all entities directly involved in the incentive decision making process; and only one state project manager.
 - Sit down before the visit with the Visit Team and go over in detail the project description, timeline and completed RFI. Highlight their specific role and purpose in the discussions. Communicate the talking points detailed in the Marketing Section for their training purposes. Discuss in detail what to say and what not to say.
 - Conduct a pre-visit trial run for logistic purposes.
 - Begin all community visits at a local manufacturing company's facility (Kellogg, Joy Mining, Booth Energy, etc.) as logistics allow. Always have a senior-level company executive conduct the community welcome. Perform the entire community orientation (focus on location orientation, transportation routes, regional labor force statistics, and incentives) and overview at the company's offices, to include PowerPoint presentation and refreshments. In addition, produce an electronic overview of the site/building clearly delineating all utilities and roads; provide all documents in hard copy and on a flash drive; make all documents accessible via password on a protected project website which will allow prospects real time access to information.
 - Minimize local government and maximize private business exposure to clients / prospects.
 - Have a tent (if possible) and table(s) on the actual, proposed site and or in the building to review the site and park and or building layouts. Include bottled water as refreshment.

REGIONAL BRAND

InSite suggests One East Kentucky focus on an updated brand for the region to assist with website development, a new tag line, marketing materials, site and building brochures, etc.

- Develop a comprehensive and cohesive regional brand for business:
 - The brand should be concise and based upon the region's business assets such as highway access, trainable work force, proximity to markets, University of Pikeville, etc.
- Retain an economic development-focused marketing firm to assist with finalizing the brand for production and communication purposes (brochures, website, etc.) to include focused marketing message, tagline and website.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

PROFESSIONAL DEVELOPMENT

InSite recommends hiring an outside site selection consultant immediately to train the following entities and individuals on basic economic development concepts and the business assets of the region:

- One East Kentucky (OEK) personnel
- OEK board members
- County officials
- City officials
- EKCEP
- Utilities
- Stakeholders
- Any participant in client / prospect visits

InSite recommends a site selection visit simulation with the new economic development team. This will assist with the efforts of training and mobilizing response and visit teams, as detailed in the Process Recommendations of this document.

PROGRAM OF WORK STRATEGIES

Southeast Kentucky's regional economic development success depends on executing a focused program of work. The following regional program of work concentrates on four primary areas: Business Retention and Expansion Services; Product Development Services; Entrepreneurial & Small Business Services; and Marketing and Communication Services.

BUSINESS RETENTION AND EXPANSION PROGRAM

In discussing the importance of a dedicated, formalized business retention and expansion program (BRE), the following should be emphasized: there must be an organization and staff who maintains ownership of the program; competing states are targeting the region's existing companies; a large percentage of closures arise from mergers and acquisition, consolidations, restructuring, and planned relocations - some of which can be minimized with a solid BRE plan; and a true program legitimizes the commitment to local companies. Considering the fact that, nationally, roughly 80 percent of all new jobs and capital investment are created by existing companies, InSite recommends the following strategies for One East Kentucky (OEK) for a dedicated business retention and expansion program. The strategies and program language include expanding existing chamber efforts:

COMMITTEES AND ASSOCIATIONS

Existing Industry Committee: The Existing Industry Committee, comprised of local companies, is a committee dedicated to the retention and expansion of existing industry in the Southeast Kentucky eight county region. This committee:

- Meets throughout the year (quarterly) to refine and improve current programs, develop new programs, and discuss new ideas and opportunities pertaining to existing industry and the business retention program.
- Serves as a rapid response team that assists existing companies with small and large emergencies.
- Will be capable of addressing everything from regulatory issues to a potential facility closing.

Manufacturing Managers Association (MMA): OEK manages all operations of the Manufacturing Managers Association (MMA). Members must be comprised of only the top management (General Management) of private sector business and industry (including large commercial and distribution operations) in the region. The MMA will provide these leaders with the opportunity to foster working relationships between and among industry and at the same time work together to better the community. The MMA should meet on an every-other month schedule. During these lunch meetings, members will discuss industrial issues ranging from labor relations, to incentive legislation to facility planning.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

Human Resource Managers Association (SHRM): OEK should utilize the existing Society for Human Resource Management group (SHRM). Members must be comprised of only the top management (Human Resources) of private sector business and industry (including large commercial and distribution operations) in the region. The SHRM will provide these leaders with the opportunity to foster working relationships between and among industry and at the same time work together to better the region. The SHRM should continue to meet on their regular schedule. During these lunch meetings, members will discuss industrial issues ranging from ergonomics to OSHA regulations to labor needs and availability.

SERVICES AND PROGRAMS

Incentive Grants Facilitation: One East Kentucky (OEK) is to coordinate and assist with all state and federal grant applications pertaining to facilitation of local funds to existing companies within the region. OEK will facilitate with the Area Development Districts and others to walk through the federal and state grant process from beginning to end. Beginning with assistance filling out the application to presenting the grant request to the appropriate governing bodies, OEK's role will be to there to make the process smooth and simple for existing industry. There should be no limit to the services provided to existing companies. OEK will utilize the numerous allies that collectively work together to make eastern Kentucky the natural place for industry to thrive. From the Employment Security Commission to the Community College, to the city and county, to utility companies and many more, OEK will mobilize the abundance of resources to aid in assisting the industrial base. Examples of assistance to local companies:

- Fast track permitting – develop permitting process upfront
- Provide information on local apprenticeship programs
- Employment issues
- Procurement information
- Utility issues
- Liaison to local officials and departments
- Provide information and contacts to the cities and county
- Provide information and contacts to state and federal departments
- Community grants and / or incentives
- Public hearing presentations
- Prepare press releases and communication assistance.

Existing Industry Directories: OEK will maintain and provide an online Manufacturers and Distributors Directory, Top 25 Employer Directory and Recent Announcements Summary for the region.

Existing Industry Recognition Event: OEK will host an annual existing industry appreciation event. A suggestion for an inclusive and up-to-date type of event is a family day for executives and their families (potential to coincide with an existing community festival or event). This type of event is considered a best practice for industry appreciation events. The day may include cookout, games, mobile recreational units, water sports, etc.

Expand Visitation Program: Expand annual visits and tours of the region's industrial facilities to provide an opportunity for the staff to establish and maintain rapport and solid working relationships with existing businesses. It further fosters a better understanding of businesses and their products. The insight and information received during company visits can be used to identify supplier linkages, create new inter-county business relationships and increase OEK's understanding of the local business community. Most important, it provides the company with the opportunity to learn more about the region's commitment to retaining and assisting local companies. Through the annual visitation program, OEK will give special attention to any management change within the industry and include contacting headquarters of existing companies to schedule a visit when traveling near their location.

Communication Program: OEK will communicate with regional companies via email blast on a bi-monthly basis. Email blast topics range from legislative updates, to new announcements, to available buildings within the region. This consistent communication helps maintain a close business relationship with local companies.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

Expand Milestone Achievement Awards: OEK will present Milestone Achievement Awards each year to manufacturers and distributors as well as significant office operations located in the eight county region. The purpose of the award is to recognize and thank local industry for their past, present and future commitment to the community. Manufacturers and industries operating in the region are eligible for the award. Awards will be presented to companies on their fifth year anniversaries (5, 10, 15, 20, etc.). Milestone Achievement Awards will be presented during an annual luncheon in honor of the recipients.

SUPPORTING BRE EFFORTS AND PROGRAMS

- Develop a comprehensive business resource guide accessible online and in printed format to distribute to all local companies / industries. The guide may include:
 - Brief description of the Business Retention Program and its mission
 - Contact information for regional economic development office
 - Introduction to and explanation of the new existing business website tab
 - Pre-employment training programs
 - Overview of available incentives
- Develop a public relations strategy around getting the word out about local company / industry successes such as contract awards, safety achievements, new employees hired, capital investment spent, etc. This strategy would include local, regional, state and national exposure.
- Create a dedicated website tab for local companies to access important information about incentives, permitting, training and available site and building information.
- Concentrate on a vertical marketing element of the BRE program. Call on existing company executives / management to assist with lead development for target businesses. Solicit and mine leads from these organizations housing suggestions for suppliers, etc. that could potentially relocate to service their market or even other divisions of their company.
- Provide a brief introduction of the region's BRE program during the project management phase of recruiting new companies to the area.

PRODUCT DEVELOPMENT STRATEGIES

The new regional economic development team will market all viable properties in the eight-county region. In light of the fact that the region does not own any property, the execution of the recommendations for the product to be viable and marketable, lies in the hands of the landowner. Therefore, it is the landowners' responsibility to provide viable, marketable sites and buildings. It will be the region's responsibility to market the product. The region's role in product strategies revolves around: inventory; marketing; and guidance and counsel on future product development to include speculative buildings, pad-ready sites, rail sites, and infrastructure development.

Product development initiatives do not happen by chance. All successful rural communities throughout the country made a deliberate decision, at some point in their history, to invest in themselves and not wait on other organizations. Those communities have utilized local sales tax, TIF financing, public bonds, and a dedicated economic development property tax; just to name a few, to fund long-term product development initiatives.

The consulting team's review of the region's product development offerings reveals an inadequate inventory of viable sites and buildings within the region. Information on most sites and buildings was not readily available, and when information was available, it was inaccurate. There are currently no viable (at least 24 ft. clear height; a infrastructure in place with excess capacity; no interior walls; no existing structures; no pits; not a special use; in an industrial park – all are examples of viability), available industrial buildings in the eight-county region listed on the ThinkKentucky.com website. Presently, there is no local or regional mechanism for providing prospective companies with online product information. The lack of product information is at a critical, emergency level. Without fully infrastructure (water in excess, sewer in excess, natural gas, electric, and fiber) product in a community, an economic development program will not attract quality companies.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

Having available product and enhancing a community's physical attributes assures the ability to attract new business and provide options for existing industry to expand. Our team evaluated southeast Kentucky's product from the perspective of a site selection consultant conducting a site evaluation and found most of the product to be in an "incomplete" state, negatively impacting marketability. From a viable building standpoint, there were numerous buildings (Browns Food, Midway College, Woodmark, Hobbs, East Park Shell, Martin County Business Center) within the region ranging in size from 7,500 SF to 300,000 SF, but lack of readily available building information at the local level severely restricts the competitiveness of those buildings in a national site search, in addition to our ability to determine marketability.

During our analysis, the consulting team discovered several properties throughout the region that may be viable product development offerings in the future with proper due diligence by the respective landowner. Our team recommends regional inventory and evaluation for available sites, parks and buildings that could be marketed to prospective companies. These efforts are currently underway through Kentucky Power's Regional Product Development Program. This program will identify, evaluate and prioritize marketable properties in the region. The following recommendations for the respective landowners focus on a select group of properties within the region:

GATEWAY REGIONAL BUSINESS PARK

This is a 200 acre regional business park located on Hwy. 23 in Letcher County. This site has all utilities and is owned by the Appalachian Industrial Authority. The state site flyer indicates a negative 15,000 gallons in excess sewer capacity which would contribute to the park not being short-listed in a competitive site search. Our observations include:

- Has potential to be a tremendous asset
- Adjacent Letcher County-owned land must incorporate same protective covenants as the Gateway Park
- Lack of information with regard to the park is a weakness
- The excess water capacity is stated to be 373,000 GPD which is acceptable
- The excess sewer capacity is stated to be a negative 15,000 GPD, which is a fatal flaw, eliminating consideration for future projects
- Lack of fiber as stated is a fatal flaw, eliminating consideration for most future projects
- Presence of natural gas is an asset
- Access to the park is good
- The location of the future speculative building needs to be moved
- Flat acreage / pad ready sites are an asset
- Grass should be constantly maintained
- Highway visibility is excellent (50 acres)
- Existing tenants are a strength
- No marketing materials and plan for the industrial park is a weakness
- Location within the city limits is a weakness due to perception of higher taxes
- Surrounding uses are incompatible (industrial prefers to be near other industrial, not kid and pedestrian inhabited areas for safety purposes) with the DeVita Dialysis Center going in at the entrance of the industrial park
- Covenants in place are a strength
- Signage is good
- Lack of web-presence is a weakness
- Childers Oil Company presents the capability for automated fueling for trucks

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

Our recommendations with regard to making this site marketable:

- Develop a new website for the park (do not use the name Appalachian Industrial Authority).
- Change the name of the park. Create a global, recognizable identity.
- Develop a master plan for the park.
- Develop a park conceptual to include the layout of the park and sites.
- Develop at least one pad ready site in the park. A pad ready site has been graded by the community to accelerate a company's construction schedule.
- Complete the InSite's Site Questionnaire.
- Market as a Permitted Business Ready Park.
- Develop a new marketing piece for the site. Make this marketing piece accessible on the website.
- Develop a comprehensive incentive package for the park.

HONEY BRANCH REGIONAL BUSINESS PARK

Consisting of approximately 300 acres, this regional business park, located in Martin County, has all utilities on site. Excess sewer capacity is listed at only 37,000 gallons per day which is a significant weakness in a competitive site selection search. The park is adjacent to the Big Sandy Federal Prison, a high security penitentiary housing approximately 1,400 inmates. Our additional observations include:

- Fully infrastructured – a tremendous strength
- Great access
- Available, flat sites are an asset
- Tenants include Chesapeake Energy; David Brown; and Logan Steel – all assets
- Lack of information with regard to the park is a tremendous liability
- The excess capacity for sewer is stated to be 37,000, which is a fatal flaw, eliminating consideration for future projects
- The excess capacity for water is stated to be 150,000, which will limit the parks' consideration for future projects
- Adjacent to the airport is a strength
- Presence of fiber is an asset
- Presence of natural gas is an asset
- Existing tenants are a strength
- No marketing materials and plan for the industrial park is a weakness

Our recommendations with regard to making this site marketable:

- Be cognizant that the adjacent prison limits the marketability of the site, so prioritize efforts listed below respectively.
- Improve 37,000 gallons per day excess sewer capacity.
- Change the name of the park. Create a global, recognizable identity.
- Develop a master plan for marketing purposes.
- Develop a park conceptual to include the layout of the park and sites.
- Develop at least one pad ready site in the park. A pad ready site has been graded by the community to accelerate a company's construction schedule.
- Complete InSite's Site Questionnaire.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

- Market as a Permitted Business Ready Park.
- Develop a new marketing piece for the site. Make this marketing piece accessible on the website.
- Develop a comprehensive incentive package for the park.

STONE CREST SITE

Owned by the City of Prestonsburg and with all utilities on site, this 30 acre site sits adjacent to the Stone Crest golf course. This is a unique site as road access is not great, but if marketed properly, could be positioned as a headquarters location, to include outdoor or sporting equipment companies. Our additional observations include:

- City-owned is an asset
- Lack of information with regard to the park is a tremendous liability
- Excess sewer capacity of 741,000 gpd – excellent
- Excess water capacity of 1.6 mgd – excellent
- Excellent visibility
- Dual entrance is an asset
- Challenging terrain is a weakness
- Amenities on-site (golf course, lodge, residential, recreation) are an asset

Our recommendations with regard to making this site marketable:

- Rename it to Southeast Kentucky Vista Corporate Park; create a global, recognizable identity.
- A site evaluation process needs to occur to validate marketability; need to complete InSite's Site Questionnaire.
- Market as a Permitted Business Ready Park.
- Develop a master plan for the park.
- Develop a park conceptual to include the layout of the park and sites.
- Create protective covenants for the park.
- Develop a marketing piece for the site. Make this marketing piece accessible on the website.
- Develop a comprehensive incentive package for the park.
- Create a forgivable loan / grant program for the land. As new companies meet specific job creation and capital investment milestones, a portion of the land cost would be forgiven over a 3 – 5 year time frame.
- Post on the One East Kentucky website.

MARION'S BRANCH SITE

Marion's Branch consists of 1,000 acres (400 acres developable) owned by the City of Pikeville. Water and natural gas service are available on site with plans to extend sewer and telecommunications service within twelve months. Rail accessibility is provided by an off loading site adjacent to the Marion's Branch Park. Currently, road access to the site is a weakness. The current access road goes through a residential area and would not meet industrial standards. Plans have been completed for the construction of a new road served directly by Hwy. 23. Presently, Marion's Branch would not compete favorably in a competitive site selection search due to access. However, considering the early developmental stages of the site and planned infrastructure improvements, this site has the potential to become a significant job creation tool for the entire region. InSite recommends the following marketing initiatives for the Marion's Branch site:

- Complete InSite's Site Questionnaire.
- Construct new entrance road as soon as possible.
- Develop an entrance sign for the park.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

- Create protective covenants for the park.
- Create a name for the park. Create a global, recognizable identity.
- Provide the most competitive telecommunications infrastructure possible.
- Change the master plan for the park by eliminating residential development.
- Develop a park conceptual to include the layout of the park and sites
- Include provisions in the master plan to ensure the park utilizes a campus type atmosphere and is pedestrian friendly.
- Market as a Permitted Business Ready Park.
- Develop a new marketing piece for the site. Highlight rail access information, fully infrastructured and excess capacities on the site flyer. Make the marketing piece accessible via the website.
- Create a dedicated Marion's Branch website – the website should include a Google earth aerial view, detail excess capacities, illustrate regional workforce numbers, and provide all site certification documents via password.
- Invite all utility service providers, regional, and state officials individually for a comprehensive site and community overview.
- View site via helicopter with prospects / clients when possible.
- Develop a comprehensive incentive package for the park.
- Create a forgivable loan / grant program for the land. As new companies meet specific job creation and capital investment milestones, a portion of the land cost would be forgiven over a 3 – 5 year time frame.
- Partner with the county to develop a Shell building program for the park.
- Post on the City of Pikeville website when marketable.
- Post on the One East Kentucky website when marketable.
- Post on the ThinkKentucky.com website when marketable.

SCOTT FORK SITE

This is a 78 acre site owned by Pike County with frontage on Highway 119. Scott Fork has natural gas, water and fiber on site but does not have sewer service available. There are two pad ready sites in the park with the largest contiguous parcel of 20 acres. Scott Fork, due to lack of sewer service, would not be viable in a competitive site selection search. The site is not listed on ThinkKentucky.com and the county does not have an economic development website. InSite recommends the following marketing initiatives for the Scotts Fork site:

- Lack of information with regard to the park is a tremendous liability.
- Extend sewer service to the park as soon as possible.
- Change the name of the park (Kentucky Energy Business Park). Create a global, recognizable identity.
- Complete InSite's Site Questionnaire.
- Market as a Permitted Business Ready Park.
- Develop a master plan for the park.
- Develop a park conceptual to include the layout of the park and sites
- Create protective covenants for the park.
- Develop an entrance sign for the park.
- Develop a marketing piece for the site. Make this marketing piece accessible on the website.
- Create a forgivable loan / grant program for the land. As new companies meet specific job creation and capital investment milestones, a portion of the land cost would be forgiven over a 3 – 5 year time frame.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

- Develop a comprehensive incentive package for the park.
- Post on the One East Kentucky website.
- Post on the ThinkKentucky.com website.

HOLLAND SITE

The Holland site is a privately owned 850 acre tract located in Paintsville. All utilities (water, sewer, natural gas, electric and fiber) are on site. There is a 40,000 SF building (formerly Midway College Building) at the entrance to the Holland site (The Midway Building is not listed on the state or local economic development website). Information regarding excess capacities and topography was limited at the time of our team's visit. Information obtained included excess water capacity of 3 MGD and excess sewer capacity of 400,000 GPD, which are tremendous assets. Our team did not conduct an exhaustive review of the 850 acre site but recommends further site due diligence be conducted to determine the viability of developing it as a new business park. If this is a site the community desires to market, the following list of items must be addressed before attempting to market to prospective companies:

- Determine from the landowner the property's availability and willingness to enter into a marketing agreement.
- Site due diligence – must be completed before any other steps are taken: accessibility analysis; infrastructure evaluation; marketability study; Phase; wetlands delineation; archaeological study; endangered species analysis; and geotechnical study.
- Work with One East Kentucky to identify competitors' business parks within and outside of the region and develop a superior product offering for expanding and relocating companies.
- Name the park based upon a nationally recognized brand.
- Master plan the site to include existing companies located at the park entrance.
- Develop a park conceptual to include the layout of the park and sites.
- Leverage the park by aggressively marketing the former 40,000 SF Midway College Building to prospective private sector tenants.
- Complete InSite's Site Questionnaire.
- Develop "pad ready" sites in the new business park. A pad ready site has been graded by the community to accelerate a company's construction schedule.
- Develop a comprehensive incentive package for the park.
- Create a forgivable loan / grant program for the land. As new companies meet specific job creation and capital investment milestones, a portion of the land cost would be forgiven over a 3 – 5 year time frame.
- Develop protective covenants for the park.
- Develop a marketing piece for the site. Make this marketing piece accessible on the website.
- Market as a Permitted Business Ready Site.

COAL FIELDS REGIONAL INDUSTRIAL PARK

Consisting of approximately 385 acres, this regional business park, located in Perry County, has ample excess water and sewer capacity (1.4 MGD) on site. However, the lack of natural gas service in the park is a significant weakness in a competitive site selection search. Coal Fields currently has four tenants in the park and one available industrial building (300,000 SF Woodmark Facility). Our observations include:

- Poor road access
- Lack of natural gas to the park is a tremendous liability
- Tenants include Sykes; FedEx; Scott King Enterprises; and AODD Transport – excellent
- Excellent water and sewer capacity
- No marketing materials for the industrial park is a weakness

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

Our recommendations with regard to making this industrial park marketable:

- Extend natural gas service to the park.
- Change the name of the park. Create a global, recognizable identity.
- Develop a master plan for the park.
- Develop a park conceptual to include the layout of the park and sites.
- Develop at least one pad ready site in the park. A pad ready site has been graded by the community to accelerate a company's construction schedule.
- Complete InSite's Site Questionnaire.
- Market as a Permitted Business Ready Park.
- Develop a new marketing piece for the site. Make this marketing piece accessible on the website.
- Develop a comprehensive incentive package for the park.
- Develop new website for the park.

EASTPARK REGIONAL BUSINESS PARK

This is an 800 acre regional business park located in the city of Ashland. This site has all utilities and is owned by the Northeast Kentucky Regional Industrial Authority. The state site flyer indicates an N/A in excess sewer capacity which could contribute to the park not being short-listed in a competitive site search. Our observations include:

- Lack of information on sewer capacity is a major weakness
- Excess water capacity of 13 MGD is excellent
- Presence of a 110,000 SF Speculative Building is an asset
- Access to the park is good
- Flat acreage is an asset
- Ability to assemble large tracts is a strength
- 15 miles from Tri-State Airport is a strength
- Surrounding uses are compatible
- Covenants in place are a strength
- Signage is good
- Lack of a stand-alone quality web-presence is a weakness

Our recommendations with regard to making this park marketable:

- Develop a new website for the park.
- Leverage the excess water capacity of 13 MGD.
- Develop at least one pad ready site in the park. A pad ready site has been graded by the community to accelerate a company's construction schedule.
- Complete InSite's Site Questionnaire.
- Market as a Permitted Business Ready Park.
- Develop a new marketing piece for the site. Make this marketing piece accessible on the website.
- Develop a comprehensive incentive package for the park.
- Create a forgivable loan / grant program for the land. As new companies meet specific job creation and capital investment milestones, a portion of the land cost would be forgiven over a 3 – 5 year time frame.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

CHESTNUT MOUNTAIN

Knott County owns the 65,000 SF Sportsplex and related baseball and soccer fields, located within the 650 acre Chestnut Mountain development. Chestnut Mountain is owned by a private development company. Currently the site is being marketed as a commercial and residential development. Other than the Knott County recreation complex (Since 2007), there have been no businesses or residences locate in Chestnut Mountain. Chestnut Mountain possesses four lane highway frontage on Hwy. 80. Limited information on natural gas availability, excess water and sewer capacity is a significant weakness. Our team did not conduct an exhaustive review of the 650 acre site but recommends further site due diligence be conducted to determine the viability of developing it as a new business park. If this is a site the community desires to market, the following list of items must be addressed before attempting to market to prospective companies:

- Determine from the landowner the property's availability as an industrial park and willingness to enter into a marketing agreement.
- Site due diligence – must be completed before any other steps are taken: accessibility analysis; infrastructure evaluation; marketability study; Phase; wetlands delineation; archaeological study; endangered species analysis; and geotechnical study.
- Work with One East Kentucky to identify competitors' business parks within and outside of the region and develop a superior product offering for expanding and relocating companies.
- Name the park based upon a nationally recognized brand.
- Master plan the site to accommodate industrial users.
- Develop a park conceptual to include the layout of the park and sites.
- Complete InSite's Site Questionnaire.
- Create a forgivable loan / grant program for the land. As new companies meet specific job creation and capital investment milestones, a portion of the land cost would be forgiven over a 3 – 5 year time frame.
- Develop protective covenants for the park.
- Development a comprehensive incentive package for the park.
- Develop a marketing piece for the site. Make this marketing piece accessible on the website.
- Market as a Permitted Business Ready Site.

MAGOFFIN COUNTY SITE (GIFFORD SITE)

Magoffin County owns 200 acres (80 useable acres) located on the Mountain Parkway. At the time of our site visit, there was limited access to the site, no natural gas service and limited water and sewer service information. However, this site possesses Mountain Parkway frontage with a planned interchange and improvement of the parkway from two lanes to a four lane highway at the site's entrance. Magoffin County also owns the site's mineral rights and may have the opportunity to provide low cost natural gas to potential companies. If this is a site the community desires to market, the following list of items must be addressed before attempting to market to prospective companies:

- Site due diligence – must be completed before any other steps are taken: accessibility analysis; infrastructure evaluation; marketability study; Phase; wetlands delineation; archaeological study; endangered species analysis; and geotechnical study.

Work with One East Kentucky to identify competitors' business parks within and outside of the region and develop a superior product offering for expanding and relocating companies.

- Name the park based upon a nationally recognized brand.
- Master plan the site to show improved road access and future interchange.
- Develop a park conceptual to include the layout of the park and sites.
- Complete InSite's Site Questionnaire.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

- Highlight the availability of low cost natural gas.
- Create a forgivable loan / grant program for the land. As new companies meet specific job creation and capital investment milestones, a portion of the land cost would be forgiven over a 3 – 5 year time frame.
- Develop protective covenants for the park.
- Development a comprehensive incentive package for the park.
- Develop a marketing piece for the site. Make this marketing piece accessible on the website.
- Market as a Permitted Business Ready Site.

ENTREPRENEURIAL AND SMALL BUSINESS PROGRAM

Continue to empower and support small business and entrepreneurial efforts should be a critical element of the region's sustainable economic development goals through the Chamber of Commerce. Small businesses and entrepreneurs are primary mobilizers of resources for the local economy and are stabilizing factors in society as a whole. They are a source of innovation in services, products and technologies. These entities provide a tremendous employment base for all thriving communities. One East Kentucky should serve as a clearinghouse of information for small business. Small Business program of work recommendations are listed below:

- Provide an entrepreneur /small business tab on the One East Kentucky website including information on financing, small business development center, available commercial and retail buildings, etc.
- Provide a comprehensive listing of all available commercial and retail buildings on the OEK website.
- Develop and / or inventory office and retail space similar to the Martin County Business Center (7,500 SF office building in Inez) throughout the region. Promote as a location for Kentucky Teleworks.

MARKETING AND COMMUNICATIONS

A region's identity and "marketing toolbox" is critical to the success of any economic development program. These key items that will assist in the communication of the location assets of the region:

WEBSITE

Site selection consultants and prospective companies utilize web searches during the early phases of a site search. In a recent Corporate Executive's Survey conducted by DCI, corporations listed information on available incentives, workforce statistics / training, demographic information and a directory of available buildings and sites as the four most important areas for an economic development website. With those four categories in mind, our consulting team website recommendations follow:

- Develop a stand-alone One East Kentucky regional economic development website.
- Provide an overview of quality companies and business diversity in the region.
- Provide a Buildings and Sites listings and database by utilizing Kentucky Power's Location One (LOIS) system. Drop downs should include Available Buildings, Available Industrial / Business Parks, and Available Sites. Develop One East Kentucky building and sites information sheets.
- Provide an "Add my Building or Site" tab that allows owners or communities to list their property on the One East Kentucky database, with baseline parameters for inclusion.
- Profile Available Sites (industrial parks) and Buildings, Incentives and regional demographics links immediately on the homepage.
- Highlight a featured site and building on the home page – (Update every few months).
- Develop a Business Retention and Expansion (BRE) tab for existing companies. The dedicated business retention tab within the One East Kentucky website is designed to give companies an immediate mechanism to gain pertinent information on a variety of subjects. The section would also include comprehensive information on available incentives; pre-employment training; financial assistance; database of all programs offered to business and industry by your area colleges and universities; real estate assistance; and local contacts.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

- Under workforce tab, provide regional: population, labor force numbers, top ranking public schools, community colleges, University of Pikeville, medical school and training information. Provide information on innovative workforce programs (i.e. H.O.M.E., KY Teleworks, Work Keys and Apprenticeships) and quantify local skill sets.
- Provide an "Incentives" tab on the homepage. Include worker training information within this section.
- Under Incentives tab, provide detailed explanation of incentives. Highlight innovative regional incentive packages.
- Highlight Kentucky's pre-employment training programs under the "Incentives" and "Workforce" tabs.
- Add a location map highlighting highway access on the homepage.
- Under maps tab, provide regional and transportation maps.
- Provide information about all commercial airports serving the region. Provide number of flights and provide a location map.
- Develop a secure project management client login that is dedicated to new and expansion projects that allows the region to share critical information in real-time with prospective companies.

SALES MESSAGE

InSite recommends utilizing the following "talking points" (see Asset Section) as a consistent economic development message in all written and verbal communication, including the region sound bite:

- Fully infrastructured industrial parks and buildings
- Excess water and sewer capacity
- Excellent transportation routes
- Recognizable, strong, stable existing industry – examples Kellogg, Joy Mining, Booth Energy
- Available, trainable labor force; access to excellent Community College systems
- General aviation
- Rail access
- Proximity to commercial airports (Huntington, WVA; Charleston, WVA; Lexington, KY; Blountville, TN)
- Presence of University of Pikeville
- Promote the area as a region; market the region as a whole intensely

SALES MATERIALS

- Incorporate new regional identity in all marketing materials.
- Develop a flyer detailing regional services offered by OEK.
- Develop new marketing flyers for all regional available product (buildings and sites). All Information should be available on the website.
- Develop a one page, front and back profile of taxes and incentives per county.
- Develop a one page, front and back existing industry testimonial piece.

SECTION 5: REGION RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

INTERNAL AND EXTERNAL COMMUNICATION

- Meet with each town, county, Kentucky Cabinet for Economic Development, railroad providers, and electric utility providers to explain One East Kentucky's new program of work and key economic development selling points.
- Develop, maintain and update a database of entire internal / local and external audience (leadership, all government-related officials (to include school system), general public, universities and colleges, local and state media, etc.) and include them in the communication plan. Include all non-traditional targets, as identified above, in the local audience database.
- Develop a customized One East Kentucky email blast template for all communications and schedule monthly blasts to the database.
- Create a systemized economic development public relation strategy / internal communication schedule to create local buy-in and awareness. This schedule must include minimum monthly communication to your internal audience.
- Consistently communicate and promote: industry recruitment; existing industry initiatives and successes; entrepreneurial and small business developments; incentives; available product; etc.
- Develop and maintain a regional, state and national media contact list and publicize regional successes to those entities.
- Continual database management. Staff will update database as new contacts are added and deleted from the program.



SECTION 6: LOCAL RECOMMENDATIONS TO BRIDGE THE IDENTIFIED GAPS

LOCAL ECONOMIC DEVELOPMENT ORGANIZATIONS

Communities must focus on product development and local incentives. The number one responsibility for local communities is leading product development efforts and becoming the expert on all buildings and sites within your respective community. The importance of communities formalizing a local incentive package for expanding and newly locating companies cannot be overstated. A formalized (in writing and approved by the local government) incentive package sends a pro-business message to prospective companies and lets prospects know that your community is comfortable with the incentive process. Examples of local incentives may include reduced water and sewer rates, impact fee waivers, property tax abatements, discounted building permit fees, land grants, occupational tax abatements, temporary office or training space, reduced home mortgage rates, expedited construction permits, etc. The second priority is communicating product and local incentive information to the region. The local economic development organization will be the point person in working with the region on economic development initiatives. InSite recommends the local entities assume the roles and responsibilities for the following program of work elements:

- Develop local incentive packages
- Compile all necessary product information to assist in regional marketing efforts
- Project research support for RFIs and prospect visits
- Provide project support for prospect visits
- Create a mechanism to procure funds to develop, maintain and sustain industrial parks
- Develop fully infrastructured industrial parks – local counties must be in support of and proactive in developing viable, marketable industrial parks
- Construct speculative buildings with guidance and counsel from the One East Kentucky
- Inventory all local office and retail space. Be able to utilize LOIS to track properties
- Provide internal contacts (leadership, political, industry, stakeholders, and local officials) to the region for internal and external communication plan
- Identify potential location for Kentucky Teleworks Hub
- Identify additional location for a County Business Center
- Support regional airport initiative
- Tourism
- Main Street
- Retail
- Downtown



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

This section, Section 7, details first, the baselines of a legitimate, functional economic development entity. Then it dives into an inventory of each county for what exists, specifically, program- and product-specific and a gap analysis, all of which were utilized to determine the local recommendations detailed on Section 6.

As stated previously in the document, the following are the critical elements that must exist to legitimize having tax-based funds dedicated to an economic development department:

- Defined program of work for economic development
- Full staff at a minimum of two individuals to accommodate a professional, responsive, functioning economic development focused entity. This staff does not share responsibilities with any other county department and has only an economic development focus
- Ability to work projects from finish to end (RFI to site visit)
- All individuals proficient in Word, Excel and PowerPoint
- Up-to-date technology to support the efforts of a functioning, professional organization such as smartphones, laptops, and the latest versions of Microsoft Office
- Business retention and expansion program
- Small business and entrepreneurial program
- Product databases, development and management
- Marketing materials for the community and industrial park to include a fully assembled and producible prospect package
- Proactive recruitment plan
- Internal or external communication plans
- Formalized future product development plan to include enhancing the existing and developing new
- Stand-alone economic development website / presence for economic development
- Ability to track business successes and losses
- Formalized incentive package



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

The following is an inventory of each county for what exists, specifically, program- and product-specific and a gap analysis, all of which were utilized to determine the local recommendations detailed on Section 6.

LETCHER COUNTY

Letcher County is home to one of the few industrial parks in the region, the Gateway Regional Business Park, making it an attractive location for business and industry. The population for the area as of 2010 was 24,519, and the county seat is Whitesburg, population of 1,600. Based on desktop research and visits to the county, the following information is an inventory of the county's assets and liabilities:

ASSETS (other than those mentioned for the entire region which applies to each county)

- There is a sincere desire to support the regional effort
- Commitment to a speculative building
- Potential for a county-owned rail site on 40 acres
- Types of existing industries
- Kentucky River Area Development District
- Access to life support services (retail, restaurants, grocery, etc.)
- Strong and revitalized school system
- Recreation center
- Golf course
- Trail system
- Downtown Whitesburg
- The Cut Through is a tremendous, yet unknown asset.

LIABILITIES

- There is no county-wide economic development program of work (as described above)
- Having only one person to accommodate economic development but is not solely dedicated to economic development
- The county only being in a position to react
- Lack of available, affordable housing



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

JOHNSON COUNTY

Johnson County is home to the Paintsville Chamber of Commerce who oversees the economic development efforts county-wide. Excess water capacity of 3 MGD and excess sewer capacity of 400,000 GPD are tremendous selling points for the Johnson County / Paintsville area. Coupled with a unique available building opportunity (former MidWay College facility) and the recently formed Paintsville / Johnson County Industrial Authority, the community is poised to successfully leverage a regional proactive approach to economic development. Based on desktop research and visits to the county, the following information is an inventory of the county's assets and liabilities:

ASSETS (other than those mentioned for the entire region which applies to each county)

- The chamber economic development program of work includes:
 - Downtown Paintsville has an economic development plan
 - Business retention and expansion
- Big Sandy Area Development District.
- Support for tourism
- Paintsville controls all utilities
- There is a sincere desire to support the regional effort
- Downtown
- Strong and revitalized school system is an asset; Two quality school districts.
- Access to life support services (retail, restaurants, grocery, etc.).
- Available, affordable housing
- Golf course
- Lakes
- Shopping hub

LIABILITIES

- There is no county-wide economic development program of work (as described above)
- Having only one person part-time to accommodate economic development but is not solely dedicated to economic development
- Lack of competitive, marketable industrial parks
- Lack of competitive, marketable existing buildings
- Lack of accessible information on available product
- No large private sector employers
- Limited manufacturing operations in the area
- The county only being in a position to react



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

FLOYD COUNTY

Floyd County, Kentucky is considered to be the home of the "Star City" where five major highways converge. It is home to the city of Prestonsburg, an area hosting economic development assets for the region. The locational attributes make Floyd County attractive for industrial development. Based on desktop research and visits to the county, the following information is an inventory of the county's assets and liabilities:

ASSETS (other than those mentioned for the entire region which applies to each county)

- City-owned infrastructure
- Big Sandy Area Development District
- Planetarium
- Home of natural outdoor assets (trails, parks, lake)
- The town of Prestonsburg has an economic development plan
- There is a sincere desire to support the regional effort
- Vibrant downtown
- Strong and revitalized school system
- Hospital / access to medical care
- Access to life support services (retail, restaurants, grocery, etc.)
- Golf course
- Lake
- Access to local cultural events
- Available space for business in the town of Prestonsburg

LIABILITIES

- There is no county-wide economic development program of work (as described above) to include zero staff
- Lack of competitive, marketable industrial parks
- Lack of competitive, marketable existing buildings
- Minimal municipal sewer capacity
- The county only being in a position to react
- Absentee landowners in downtown
- Cost to develop property is high
- Intense presence of billboards is a negative



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

LAWRENCE COUNTY

Lawrence County, Kentucky has many business climate assets (such as excess water and sewer capacity) to leverage in the promotion of the region. Its location and accessibility make it a viable location for manufacturing expansions. Based on desktop research and visits to the county, the following information is an inventory of the county's assets and liabilities:

ASSETS (other than those mentioned for the entire region which applies to each county)

- Excess water capacity of 1.6 MGD
- Excess sewer capacity of 700,000 gpd
- Quality transportation access: Highway 23 and proximity to I-64
- Proximity to commercial airport (Huntington, WVA)
- Attitude of staff toward regional economic development
- Nearby Riverport
- Access to life support services (retail, restaurants, grocery, etc.)
- Golf course
- Yatesville Lake and marina
- Downtown
- Potential rail site availability

LIABILITIES

- There is no county-wide economic development program of work nor any full-time professionals dedicated to the program
- Lack of a manufacturing presence in the county
- Lack of competitive, marketable industrial parks
- Lack of broadband capacity
- Low education attainment



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

MAGOFFIN COUNTY

Magoffin County is home to the well-known and successful company called Joy Mining. The presence of Joy Mining sends the message to other manufacturing / industrial prospects that they, too, can thrive in this area. As of 2010, the population was 13,333 and the county seat is Salyersville. Based on desktop research and visits to the county, the following information is an inventory of the county's assets and liabilities:

ASSETS (other than those mentioned for the entire region which applies to each county)

- Presence of Joy Mining and Mineral Labs (100 employees).
- Rails to trails project
- Access to fiber
- County owned Industrial site
- Civil War Project
- Big Sandy Area Development District

LIABILITIES

- There is no county-wide economic development program of work nor any full-time professionals dedicated to the program
- Lack of access to medical care facility / hospital
- Lack of infrastructure with excess capacity
- Lack of leadership on infrastructure planning



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

KNOTT COUNTY

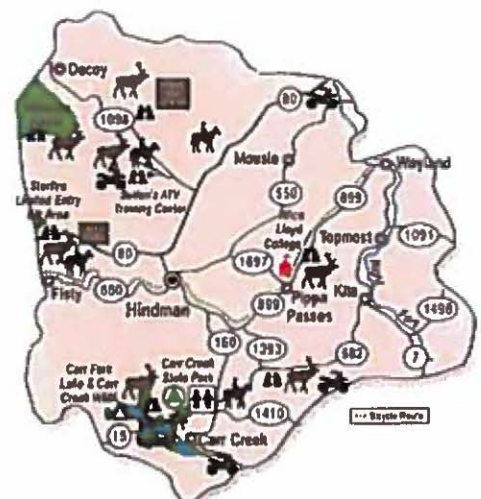
Knott County, Kentucky has many business climate assets to leverage in the promotion of the region. The community has displayed the willingness to work regionally as evidenced by Knott County's participation in the Coalfields Regional Industrial Park and possesses the region's largest available industrial building (311,000 SF Woodmark Building). Knott County is also the home of Alice Lloyd College, with a 1,000 student enrollment offering a pre-med program and unique work study requirement for all students. Based on desktop research and visits to the county, the following information is an inventory of the county's assets and liabilities:

ASSETS (other than those mentioned for the entire region which applies to each county)

- Alice Lloyd College is a strength – leverage their work study and internship programs and provide an incentive
- Kentucky River Area Development District
- Knott County Appalachian Artisan Center for tourism
- Hindman Settlement School
- Limited economic development website / presence on the knottcountyadventure.com website

LIABILITIES

- There is no county-wide economic development program of work nor any full-time professionals dedicated to the program
- Limited excess water and sewer capacities
- Historical political climate and lack of political leadership
- Lack of a manufacturing presence in the county
- Lack of life support services (lodging, restaurants, downtown, etc.)



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

MARTIN COUNTY

The Martin County / Inez area possesses one of the two regional industrial parks (Honey Branch Regional Industrial Park) in the eight county study region. The city and county have a successful history of working together on various projects. The community has redeveloped several properties within the county including the 35,000 SF Martin County Business Center located in downtown Inez. Based on desktop research and visit to the county, the following information is an inventory of the county's assets and liabilities:

ASSETS (other than those mentioned for the entire region which applies to each county)

- Big Sandy Area Development District
- Economic Development participants such as Jim Booth
- Attitude of staff toward regional economic development
- Access to trails and outdoor recreation

LIABILITIES

- There is no county-wide economic development program of work (as described above)
- Having only one person to accommodate economic development but is not solely dedicated to economic development
- Limited manufacturing presence in the community
- Culturally and economically isolated
- Low workforce participation
- Low self-esteem; feeling of lack of hope



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

PIKEVILLE / PIKE COUNTY

Serving as the region's business and retail hub, Pikeville / Pike County is home to UPIKE, Pikeville Medical Center and the third largest banking hub in Kentucky. A real opportunity exists for the city and county to work closer together and become a dynamic economic development leader for the southeast Kentucky region. Several ongoing product development initiatives within the community have the potential to transform the local economy. Based on desktop research and visit to the county, the following information is an inventory of the county's assets and liabilities:

ASSETS (other than those mentioned for the entire region which applies to each county)

- Presence of Kellogg
- Presence of University of Pikeville, Medical School
- City of Pikeville's presence and proactive approach to economic development
- City of Pikeville's willingness to be creative to create jobs and investment (i.e. Texas Roadhouse)
- City of Pikeville's commitment to comprehensive planning
- Big Sandy Area Development District
- Excess water and sewer capacity
- Natural gas availability
- Potential rail access
- Excellent schools – 4th highest test scores in Kentucky
- Fourth largest Banking community in Kentucky
- Access to life support services (retail, restaurants, grocery, etc.)
- Presence of EQT
- Access to local cultural events
- Presence of two high quality hotels downtown

LIABILITIES

- There is no county-wide economic development program of work (as described above)
- Having only one person to accommodate economic development but is not solely dedicated to economic development
- There is no county-wide economic development website presence with key information.
- UPIKE graduates leave region because limited job opportunities.
- Two hours to the nearest airport
- Lack of middle class housing
- Lack of public transportation
- Lack of funding for infrastructure development
- Pikeville and Pike County do not work together
- Without Pikeville's efforts, Pike County has nothing to offer new and expanding companies



SECTION 7: COUNTY AND EXISTING INDUSTRY INVENTORY

EXISTING INDUSTRY

Local industry has to work harder in the region to be successful due to the lack of a support system / program. The following is information as perceived by existing industry in the region:

- There is a lack of understanding about economic development in the general public.
- Need to leverage the existing companies in the region by utilizing them in the economic development process.
- Potential for multi-county incentive packages.
- Local regulations for construction are inhibitive.
- State regulations for construction are inhibitive.
- Need to lobby the state for more business-friendly regulations.
- People want to work – strong work ethic.
- The region seems to be in a reactionary mode for projects versus proactive.
- Needs to be a strong marketing effort on behalf of the region.
- Must to be a strong BRE effort on behalf of the region.
- Utilities are a strength - natural gas is an asset.
- Existing industries' needs have to be heard so they will expand in the area.
- Need assistance with rail companies for rail in and rail out.
- Transportation costs are a weakness.
- Negative perception of eastern Kentucky is a problem.
- Regional parks are weak – counties will not work together.
- Kentucky's largest domiciled bank holding company – HQ.
- Local protectionism is a weakness.
- Challenge to recruit skilled labor – electrical, mechanical.
- Turnover and absentee low.
- Lack of regional air service – weakness.
- Horrible local political systems – major weakness.
- Lack of vision for economic development.
- There is no understanding of the training program, its financial and education capabilities.
- There needs to be an education process for existing companies, through a strong BRE program, on the state and local incentives available to them.
- Local technical college needs to work closer with industry to offer quality, impactful training programs.
- There is no entity assisting with recruiting parts supplies or supply chain.
- Finding skilled labor is an issue.
- Lack of cell service in some areas is an issue.
- Great extended family and church network.

The Kellogg's logo is written in a red, cursive, script font with a white outline and a slight shadow effect, giving it a three-dimensional appearance.

**SECTION 8: SOUTHEAST KENTUCKY CHAMBER REGION / KENTUCKY POWER PROJECT
SNAPSHOT OF BENCHMARK AND ECONOMIC CONDITIONS**

	Fike County - No MSA		Huntington-Ashland		Johnson City, TN MSA		Florence SC, MSA		Charleston WV, MSA		Clarksville TN-K
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
SCHOOL ENROLLMENT											
Population 3 years and over enrolled in school	17,966	17.96%	68,526	68.52%	47,642	47.64%	51,774	51.77%	64,664	64.66%	74,245
Nursery school, preschool	705	3.0%	3,541	5.2%	2,173	4.6%	2,467	4.8%	3,723	5.8%	4,165
Kindergarten	804	5.8%	3,694	5.4%	1,903	4.0%	4,139	8.0%	3,871	6.0%	4,088
Elementary school (grades 1-8)	6,655	47.7%	27,728	40.5%	18,358	38.5%	22,220	42.9%	29,229	45.2%	31,247
High school (grades 9-12)	1,119	22.3%	14,507	21.2%	8,572	20.1%	17,355	33.3%	14,757	22.8%	14,741
College or graduate school	2,692	19.5%	19,056	27.8%	13,634	28.8%	10,700	20.7%	13,084	20.2%	20,004
EDUCATIONAL ATTAINMENT											
Population 25 years and over	45,366	45.36%	198,426	198.42%	135,509	135.50%	135,787	135.78%	215,484	215.48%	161,837
Less than 9th grade	6,087	13.4%	11,408	5.7%	10,320	7.6%	9,333	6.9%	12,720	5.9%	7,291
9th to 12th grade, no diploma	7,457	16.4%	22,180	11.2%	15,175	11.2%	17,029	12.5%	21,800	10.0%	12,742
High school graduate (includes equivalency)	16,244	36.1%	72,481	36.0%	45,204	33.4%	47,749	35.2%	62,464	29.1%	54,906
Some college, no degree	8,192	18.1%	40,619	20.5%	28,833	21.3%	29,822	21.9%	39,624	18.4%	42,241
Associate's degree	1,973	4.3%	14,413	7.3%	7,623	5.6%	10,411	7.7%	12,776	5.9%	13,167
Bachelor's degree	2,419	5.3%	20,146	10.2%	19,774	14.2%	16,814	12.4%	27,253	12.6%	20,819
Graduate or professional degree	2,874	6.3%	14,199	7.2%	11,200	8.3%	8,836	6.5%	18,156	8.4%	10,571
Percent high school graduate or higher		70.1%		83.1%		81.2%		80.6%		84.1%	
Percent bachelor's degree or higher		11.7%		17.3%		17.7%		18.9%		21.1%	
LABOR MARKET STATISTICS											
Population 16 years and over	52,106	52.10%	232,787	232.78%	160,188	160.18%	155,853	155.85%	246,472	246.47%	202,157
In labor force	23,131	44.4%	121,589	52.3%	93,384	58.3%	95,787	61.5%	142,882	58.0%	131,875
Civilian labor force	23,131	44.4%	122,847	53.2%	91,205	56.9%	95,603	61.3%	142,632	57.9%	133,540
Employed	20,527	40.2%	114,634	49.0%	86,436	54.0%	88,728	57.0%	121,780	51.5%	107,868
Unemployed	2,204	4.2%	9,813	4.2%	6,769	4.2%	8,875	5.7%	10,852	4.4%	12,072
Armed Forces	0	0.0%	142	0.1%	179	0.1%	184	0.1%	250	0.1%	17,535
Not in labor force	28,975	55.6%	108,798	46.7%	66,804	41.7%	60,066	38.5%	103,590	42.0%	70,182
Percent Unemployed		9.5%		7.9%		6.1%		9.3%		7.6%	
OCCUPATION											
Civilian employed population 16 years and over	20,977	20.97%	114,034	114.03%	86,436	86.43%	86,728	86.72%	131,780	131.78%	101,868
Management, professional, and related occupations	5,588	26.7%	36,172	31.7%	28,052	32.5%	28,396	30.4%	46,396	35.2%	30,192
Service occupations	3,665	17.5%	20,853	18.3%	18,827	21.7%	15,348	17.7%	24,004	18.2%	17,895
Sales and office occupations	5,117	24.5%	30,683	26.9%	22,506	26.0%	21,290	24.5%	34,019	25.8%	23,399
Natural resources, construction and maintenance occupations	3,797	18.1%	10,782	9.4%	7,997	9.2%	454	0.5%	13,945	10.6%	10,672
Production, transportation, and material moving occupations	2,750	13.1%	15,563	13.6%	12,547	14.5%	15,118	17.3%	13,416	10.2%	17,410

**SECTION 8: SOUTHEAST KENTUCKY CHAMBER REGION / KENTUCKY POWER PROJECT
SNAPSHOT OF BENCHMARK AND ECONOMIC CONDITIONS**

Industry	Pike County - No MSA		Huntington-Ashland		Johnson Cty, TN MSA		Florence SC, MSA		Charleston WV, MSA		Clarksville TN-K
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Civilian employed population 16 years and over	20,927	20.92%	114,034	114.03%	86,436	86.43%	86,728	86.72%	131,780	131.78%	101,868
Agriculture, forestry, fishing and hunting, and mining	3,226	15.4%	1,326	1.3%	551	0.6%	1,391	1.6%	6,300	4.8%	1,808
Construction	1,172	5.6%	7,232	6.3%	6,227	7.2%	4,852	5.6%	7,602	5.8%	6,888
Manufacturing	864	4.1%	10,942	9.6%	12,475	14.4%	14,629	16.8%	7,791	5.9%	14,252
Wholesale trade	251	1.2%	2,938	2.6%	2,170	2.5%	3,419	3.9%	4,046	3.1%	1,780
Retail trade	2,677	12.5%	16,069	14.1%	10,831	12.5%	10,518	12.2%	15,146	11.5%	13,817
Transportation and warehousing, and utilities	1,225	5.9%	6,658	5.8%	3,686	4.3%	4,221	4.9%	6,627	5.0%	4,978
Information	229	1.1%	2,514	2.2%	1,769	2.0%	1,428	1.6%	3,094	2.3%	1,620
Finance and insurance, and real estate and rental and leasing	764	3.7%	4,529	4.0%	4,629	5.4%	4,970	5.7%	8,108	6.2%	4,713
Professional, scientific, and management, and administrative and waste management services	1,433	6.8%	8,019	7.0%	6,265	7.2%	6,718	7.7%	11,693	8.9%	8,014
Educational services, and health care and social assistance	5,876	28.1%	33,157	29.1%	22,605	26.2%	21,139	24.4%	33,629	25.5%	22,615
Arts, entertainment, and recreation, and accommodation and food services	1,203	5.7%	10,444	9.2%	7,745	9.0%	6,105	7.0%	11,735	8.9%	9,091
Other services, except public administration	897	4.3%	5,618	4.9%	4,249	4.9%	4,930	5.7%	5,730	4.3%	4,077
Public administration	1,110	5.3%	4,388	3.8%	3,234	3.7%	3,308	3.8%	10,729	7.8%	8,253
CLASS OF WORKER											
Civilian employed population 16 years and over	20,927	20.92%	114,034	114.03%	86,436	86.43%	86,728	86.72%	131,780	131.78%	101,868
Private wage and salary workers	16,175	77.3%	90,541	79.4%	66,011	76.4%	69,140	79.7%	100,602	7603.0%	72,653
Government workers	3,835	18.3%	18,592	16.3%	13,527	15.7%	12,592	14.5%	24,875	18.9%	21,929
Self-employed in own not incorporated business workers	917	4.4%	4,825	4.2%	6,739	7.8%	4,907	5.7%	6,105	4.6%	7,017
Unpaid family workers	0	0.0%	76	0.1%	109	0.1%	89	0.1%	198	0.2%	269
INDICATORS											
Average manufacturing wage rate	\$15.35		\$17.91		\$17.91		\$17.91		\$17.93		\$16.27
SEX AND AGE											
Total population	65,055	65.05%	287,337	287.33%	195,735	195.73%	205,563	205.56%	304,124	304.12%	269,001
Under 5 years	3,903	6.0%	16,704	5.8%	10,533	5.4%	13,773	6.7%	17,639	5.8%	23,258
5 to 9 years	3,838	5.9%	17,099	6.0%	10,440	5.3%	13,567	6.6%	20,376	6.7%	20,367
10 to 14 years	4,164	6.4%	17,048	5.9%	12,211	6.2%	14,389	7.0%	17,943	5.9%	19,321
15 to 19 years	4,164	6.4%	19,321	6.7%	12,701	6.5%	14,389	7.0%	17,943	5.9%	18,921
20 to 24 years	3,643	5.6%	18,739	6.5%	14,341	7.3%	13,773	6.7%	16,119	5.3%	25,297
25 to 34 years	8,131	12.5%	35,437	12.3%	23,898	12.2%	24,873	12.1%	36,799	12.1%	48,073
35 to 44 years	8,913	13.7%	37,494	13.0%	26,728	13.7%	26,517	12.9%	39,232	12.9%	35,481
45 to 54 years	10,018	15.4%	41,370	14.4%	28,792	14.7%	29,190	14.2%	46,531	15.3%	32,875
55 to 59 years	4,749	7.3%	19,617	6.8%	13,552	6.9%	14,593	7.1%	24,938	8.2%	13,619
60 to 64 years	4,359	6.7%	18,158	6.3%	11,801	6.0%	12,745	6.2%	19,768	6.5%	11,114
65 to 74 years	5,259	8.1%	25,171	8.8%	17,127	8.8%	16,445	8.0%	26,459	8.7%	14,829
75 to 84 years	2,732	4.2%	15,886	5.5%	10,135	5.2%	8,223	4.0%	15,814	5.2%	7,845
85 years and over	1,105	1.7%	5,253	1.8%	3,476	1.8%	3,083	1.5%	6,082	2.0%	3,001
Median age (years)	40.4		40		40		38		42		42
18 years and over	50,613	77.8%	225,399	78.4%	155,628	79.5%	155,406	75.6%	238,737	78.5%	194,930
62 years and over	11,775	18.1%	56,202	19.6%	37,236	19.0%	35,317	17.2%	59,304	19.5%	32,383
65 years and over	9,043	13.9%	46,310	16.1%	30,738	15.7%	27,957	13.6%	48,660	16.0%	25,675

SECTION 9: SOUTHEAST KENTUCKY CHAMBER REGION / KENTUCKY POWER PROJECT IMPLEMENTATION SCHEDULE
JUNE 2013

√	Priority	Action Item	Months	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Organizational Strategies and Recommendations												
	2	Establish Structure	6									
	2	Budget and Fund Raising	6									
	4	Hire Personnel	10									
	1	Process	1									
	3	Updated Regional Brand	8									
	3	Professional Development (on-going, but initial development)	8									
Business Strategies and Recommendations												
	1	Business Acquisition and Expansion Program	6									
		Product and Infrastructure	24									
	1	Manon's Branch	12									
	2	Scott Fork Site	18									
	3	Holland Site	24									
	4	Gateway Regional Business Park	18									
	5	Honey Branch Regional Business Park	18									
	6	Coalfields Regional Industrial Park	24									
	7	Stone Crest Site	24									
	8	East Park Regional Business Park	6									
	2	Entrepreneurial and Small Business Program	4									
		Marketing and Communications	9									
	4	Website Development	7									
	1	Sales Message Development	4									
	2	Sales Materials Development	6									
	3	Develop Non-Traditional Targets for Communication	3									
	5	Internal and External Communication Development and Implementation	9									

PRIORITIZING OF SITES FOR SOUTHEAST KENTUCKY

InSite was contracted by Kentucky Power Company to inventory and prioritize sites and buildings throughout the Southeastern Kentucky Region. The majority of projects, whether lead by the company, a site selection team, or real estate entity, begin with an available site / building search and an RFI (request for information). The quickest way to get on the radar screen for a project is to have viable, available product in your community. If a community does not have a place for industry to locate, a site or building that is viable by industry standards, unfortunately your economic development program is not merely losing; it is not even in the game.

IMMEDIATE PRIORITY – VIABLE NOW

PRIORITY 1: EASTPARK (ASHLAND / BOYD) INDUSTRIAL PARK

This industrial park is competitive in a global / national search and should be a marketing priority for southeast Kentucky. Our recommendations with regard to making this site more marketable:

- Change the name of the park. Create a global, recognizable identity.
- Conduct a wetlands delineation on the park
- Develop new signage at the existing entrance. The park needs to look like a destination.

Items to highlight in the marketing process:

- Existence of an available 110,000 sf speculative building
- Acreage
- Ability to be subdivided
- Available water, sewer, electric, natural gas and fiber
- Excess water and sewer capacity
- Flat terrain
- Surrounding uses
- Completion of Phase 1, geotechnical, archeological and endangered species studies

PRIORITY 1: EASTPARK (ASHLAND / BOYD) SPECULATIVE BUILDING

This speculative building is competitive in a global / national search and should be a marketing priority for southeast Kentucky. Our recommendations with regard to making this facility more marketable:

- Pour 6 inch reinforced floor
- Pave parking area (minimal, but enough to make a more impactful first impression)
- Reduce the sales price
- Develop and advertise an aggressive incentive package for the building
- Change the name of the building. Create a global, recognizable identity.

Items to highlight in the marketing process:

- Size of facility
- Expansion capability
- Available water, sewer, electric, natural gas and fiber
- Excess water and sewer capacity
- Clear height
- Presence in an existing industrial park

- Surrounding uses
- Column spacing
- 10 percent office space
- Completion of Phase 1, geotechnical, archeological and endangered species studies

Path Forward:

- This is a viable, marketable park and building that could compete on a national level for global projects if the above items are completed
- Invest time, develop resources for funding, and allocate such funding for the above recommendations
- Input site and building information into LOIS
- Present both products to targeted audiences who generate projects (state, region, electric utility, consultants, etc.)

PRIORITIZING OF SITES FOR SOUTHEAST KENTUCKY

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SHORT-TERM: CURRENTLY NOT VIABLE

The following sites / parks are not currently competitive in a global / national search and should be prioritized based upon money and time to improve their competitiveness.

PRIORITY 2: COALFIELDS INDUSTRIAL PARK (PERRY) - (fatal flaws - natural gas, incentives, maintenance, marketing materials)

The following must be executed to make Coalfields Industrial Park marketable:

- Conduct a Phase 1 and all site due diligence (geotechnical, wetlands delineation, archeological and endangered species)
- Extend natural gas to the site
 - Cost
 - Schedule
 - Feasibility
- Verify excess water and sewer capacities
- Formalize an aggressive incentive package for the park
- Change the name of the park. Create a global, recognizable identity.
- Develop new marketing materials and website
- Cut the grass
- Identify and hold accountable a responsible champion for the park

PRIORITY 2: AMERICAN WOODMARK BUILDING (PERRY) - (fatal flaws - sales price, natural gas)

The following must be executed to make the American Woodmark building marketable:

- Reduce purchase and lease cost
- Extend natural gas to the building
 - Cost
 - Schedule
 - Feasibility
- Verify excess water and sewer capacities
- Verify column spacing
- Change the name of the building. Create a global, recognizable identity.

PRIORITIZING OF SITES FOR SOUTHEAST KENTUCKY

InSite was contracted by Kentucky Power Company to inventory and prioritize sites and buildings throughout the Southeastern Kentucky Region. The majority of projects, whether lead by the company, a site selection team, or real estate entity, begin with an available site / building search and an RFI (request for information). The quickest way to get on the radar screen for a project is to have viable, available product in your community. If a community does not have a place for industry to locate, a site or building that is viable by industry standards, unfortunately your economic development program is not merely losing; it is not even in the game.

SHORT-TERM: CURRENTLY NOT VIABLE

This following sites / parks are not currently competitive in a global / national search and should be prioritized based upon money and time to improve their competitiveness.

PRIORITY 3: MARIONS BRANCH (PIKE) - (fatal flaws - road / entrance, zoning, site due diligence, excess sewer capacity, fiber)

The following must be executed to make Marions Branch marketable:

- Conduct a Phase 1 / site due diligence (geotechnical, wetlands delineation, archeological and endangered species)
- Increase excess sewer capacity from 20,000 gpd to a minimum of 500,000 gpd
 - Cost
 - Schedule
 - Feasibility
- Extend fiber to the park
 - Cost
 - Schedule
 - Feasibility
- Construct new entrance road
 - Cost
 - Schedule
 - Feasibility
- Eliminate residential from the master plan
- Zone industrial with protective covenants
- Grade a building pad that meets load bearing requirements
- Change the name of the park. Create a global, recognizable identity.
- Develop aggressive incentive package including cost offsets for site work required

Path Forward:

- This can be a viable, marketable park that could compete on a national level for global projects if the above items are completed
- Invest time, develop resources for funding, and allocate such funding for the above recommendations
- Input site information into LOIS
- Feature on the regional website
- Present both products to targeted audiences who generate projects (state, region, electric utility, consultants, etc.)

PRIORITIZING OF SITES FOR SOUTHEAST KENTUCKY

InSite was contracted by Kentucky Power Company to inventory and prioritize sites and buildings throughout the Southeastern Kentucky Region. The majority of projects, whether lead by the company, a site selection team, or real estate entity, begin with an available site / building search and an RFI (request for information). The quickest way to get on the radar screen for a project is to have viable, available product in your community. If a community does not have a place for industry to locate, a site or building that is viable by industry standards, unfortunately your economic development program is not merely losing; it is not even in the game.

SHORT-TERM: CURRENTLY NOT VIABLE

PRIORITY 4: DEVELOP AN INDUSTRIAL PARK

The following must be executed to develop an additional industrial park without fatal flaws:

- Find at least 300 acres in a county with good access, in an industrial setting with access to water, sewer, electric, natural gas and fiber, along with having at least 500,000 gpd excess water and sewer capacity.

PRIORITIZING OF SITES FOR SOUTHEAST KENTUCKY

InSite was contracted by Kentucky Power Company to inventory and prioritize sites and buildings throughout the Southeastern Kentucky Region. The majority of projects, whether lead by the company, a site selection team, or real estate entity, begin with an available site / building search and an RFI (request for information). The quickest way to get on the radar screen for a project is to have viable, available product in your community. If a community does not have a place for industry to locate, a site or building that is viable by industry standards, unfortunately your economic development program is not merely losing; it is not even in the game.

NOT A PRIORITY FOR REGIONAL INVESTMENT IN MONEY AND RESOURCES

HOLLAND SITE (JOHNSON) - (fatal flaws - availability, price, excess sewer capacity, site due diligence)

The following must be executed to make the Holland Site marketable:

- Determine owners willingness to market, which means must have a price to be available
- Determine industrial price per acre and develop a marketing agreement with the landowner
- Conduct a Phase 1 and due diligence (geotechnical, wetlands delineation, archeological and endangered species studies)
- Increase excess sewer capacity from 100,000 gpd to 500,000 gpd
 - Cost
 - Schedule
 - Feasibility
- Incorporate into an industrial park; develop a master plan showing developable acreage
- Change the name of the park. Create a global, recognizable identity.

Path Forward:

- This currently is not a viable, marketable park that could compete on a national level for global projects based upon the noted fatal flaws in red
- Based upon the extent of the recommendations above, this would not be a priority for the region to develop / promote as an industrial park - do not invest time, nor develop resources for funding for the above recommendations
- This park can compete for local / regional projects looking for a place to expand or have a specific need for local resources
- Input site information into LOIS
- Realize this is a long-term project

PRIORITIZING OF SITES FOR SOUTHEAST KENTUCKY

InSite was contracted by Kentucky Power Company to inventory and prioritize sites and buildings throughout the Southeastern Kentucky Region. The majority of projects, whether lead by the company, a site selection team, or real estate entity, begin with an available site / building search and an RFI (request for information). The quickest way to get on the radar screen for a project is to have viable, available product in your community. If a community does not have a place for industry to locate, a site or building that is viable by industry standards, unfortunately your economic development program is not merely losing; it is not even in the game.

NOT A PRIORITY FOR REGIONAL INVESTMENT IN MONEY AND RESOURCES

CHESTNUT MOUNTAIN (KNOTT) - (fatal flaws - zoning, availability, asking price per acre, excess sewer capacity, current recreation use)

The following must be executed to make Chestnut Mountain marketable:

- Determine leaderships' willingness to change the use of the park from recreation to industrial
- Conduct a Phase 1
- Zone industrial
- Determine industrial cost per acre – existing price is not marketable
- Increase the line size of natural gas to accommodate future industrial use
- Incorporate into an industrial park
- Consider redeveloping the 68,000 SF Sportsplex as an available industrial building and relocate the existing use
- Change the name of the park. Create a global, recognizable identity.
- Develop a marketing agreement with the landowner

Path Forward:

- This currently is not a viable, marketable park that could compete on a national level for global projects based upon the noted fatal flaws in red
- Based upon the extent of the recommendations above, this would not be a priority for the region to develop / promote as an industrial park - do not invest time, nor develop resources for funding for the above recommendations
- Input site information into LOIS

PRIORITIZING OF SITES FOR SOUTHEAST KENTUCKY

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NOT A PRIORITY FOR REGIONAL INVESTMENT IN MONEY AND RESOURCES

GATEWAY (LETCHER) - (fatal flaws - dialysis center at entrance, excess sewer capacity, maintenance)

The following must be executed to make the Gateway Business Park marketable:

- Increase excess sewer capacity from 0 gpd to 500,000 gpd
 - Cost
 - Schedule
 - feasibility
- Relocate dialysis center to another location outside of the park
 - Cost
 - Schedule
 - feasibility
- Or divert the entrance
 - Cost
 - Schedule
 - feasibility
- Change the name of the park. Create a global, recognizable identity
- Develop new marketing materials and website
- Cut the grass on shoulder of road

Path Forward:

- This currently is not a viable, marketable park that could compete on a national level for global projects based upon the noted fatal flaws in red
- Based upon the extent of the recommendations above, this would not be a priority for the region to develop / promote as an industrial park - do not invest time, nor develop resources for funding for the above recommendations
- This park can compete for local / regional projects looking for a place to expand or have a specific need for local resources
- Input site information into LOIS

PRIORITIZING OF SITES FOR SOUTHEAST KENTUCKY

InSite was contracted by Kentucky Power Company to inventory and prioritize sites and buildings throughout the Southeastern Kentucky Region. The majority of projects, whether lead by the company, a site selection team, or real estate entity, begin with an available site / building search and an RFI (request for information). The quickest way to get on the radar screen for a project is to have viable, available product in your community. If a community does not have a place for industry to locate, a site or building that is viable by industry standards, unfortunately your economic development program is not merely losing; it is not even in the game.

NOT A PRIORITY FOR REGIONAL INVESTMENT IN MONEY AND RESOURCES

HONEY BRANCH (MARTIN) - (fatal flaws - endangered species, excess water capacity, surrounding use of a prison, mineral rights)

The following must be executed to make Honey Branch marketable:

- Engage the EPA with regard to steps to mitigate the endangered species designation
- Conduct a Phase 1 and additional due diligence (wetlands delineation)
- Control mineral rights
- Increase excess water capacity from 78,000 gpd to 250,000 gpd
 - Cost
 - Schedule
 - Feasibility
- Change the name of the park. Create a global, recognizable identity
- Develop new marketing materials and website
- Develop an aggressive incentive package for the park

Path Forward:

- This currently is not a viable, marketable park that could compete on a national level for global projects based upon the noted fatal flaws in red
- Based upon the extent of the recommendations above, this would not be a priority for the region to develop as an industrial park - do not invest time, nor develop resources for funding for the above recommendations
- This park can compete for local / regional projects looking for a place to expand or have a specific need for local resources
- Input site information into LOIS

PROPERTIES FOR SITE EVALUATIONS

KPC / AEP

	REVISED STATUS	Sent Bill	Sent Reminder	Received Correspondence	Info. Complete	Info. Partial	No. Response	Access to Adequate Data	Zoned Industrial	Surrounding Users	Building Size 20,000+ sq. ft. and ability to expand	Site Size 20+ acres	Floodplain
David County													
EastPark	1	yes	yes	yes	yes			yes	yes	Industrial		400	no
EastPark Ashland Building	1	yes	yes	yes	yes			yes	yes	Industrial	120,000	57	no
DeWitt County													
Wartland Riverport	no data	yes	yes	yes	yes	yes		yes	yes	Industrial		130	no
Lawrence County													
Brown's Food	no response	yes	yes	no	no	no	no	no	no				
Wayd County													
Stanley Allen (local marketability)	no	yes	yes	no	no	no	no	no	no			8	
Stone Crest	no response	yes	yes	no	no	no	no	no	no				
Walen Farm (local marketability)	no	yes	yes	no	no	no	no	no	no			5	
Thunder Ridge	no response	yes	yes	no	no	no	no	no	no			200	
Waynes County													
Clarity (local marketability)	no data	yes	yes	no	no	no	no	no	no		42,400		
Pointsville Wal-Mart (local marketability)	calling to check	yes	yes	no	no	no	no	no	no		70,317		
Ward Building (local marketability)	no	yes	yes	no	no	no	no	no	no				
Holland Site	no	yes	yes	yes	yes	yes	yes	yes	yes	com/ind		671	no
Midway Building (Building Availability on Hold)	hold on hold	yes	yes	yes	yes	yes	yes	yes	yes				
Yamhill County													
Chestnut Mountain Sportsplex	not a building	yes	yes	yes	yes	yes	yes	yes	yes	Industrial	60,000		no
Chestnut Mountain	no	yes	yes	yes	yes	yes	yes	yes	yes	Industrial		200	no
Lincoln County													
Food World (local marketability)	no	yes	yes	no	no	no	no	no	no		13,500		
Gateway	no	yes	yes	yes	yes	yes	yes	yes	yes	Industrial		140	no
Rail Site Old Tipple	no	yes	yes	yes	yes	yes	yes	yes	yes	com/ind		52	no
RC Property	no	yes	yes	no	no	no	no	no	no		15,000		
Marion County													
Don Bailey Building	no response	yes	yes	no	no	no	no	no	no				
Industrial Site Old Fall Booth	no response	yes	yes	no	no	no	no	no	no				
Martin County													
Honey Branch (local marketability)	no data	yes	yes	yes	yes	yes	yes	yes	yes	Industrial		180	no
Martin Co Business Center (local marketability)	no	yes	yes	yes	yes	yes	yes	yes	yes	Industrial	30,000 / 25,000 sq. ft.	3	no
MidCon Building / Honey Branch (local marketability)	no data	yes	yes	yes	yes	yes	yes	yes	yes	Industrial	34,000	21	no
Polk County													
American Woodmark	no	yes	yes	yes	yes	yes	yes	yes	yes	Industrial	111,000	32	no
Coalfields Industrial Park	no	yes	yes	yes	yes	yes	yes	yes	yes	Industrial		330	no
Polk County													
ACS	no response	yes	yes	no	no	no	no	no	no		4,000		
Hobbs Warehouse (local marketability)	pending lease	yes	yes	no	no	no	no	no	no		50,000		
Marions Branch (Pikeville)	no	yes	yes	yes	yes	yes	yes	yes	yes	Industrial		170	no
Scott Park	no response	yes	yes	no	no	no	no	no	no				
John Moore Branch	no response	yes	yes	no	no	no	no	no	no				
Steep Constr. Site on a Creek (local marketability)	no	yes	yes	no	no	no	no	no	no				

PROPERTIES FOR SITE EVALUATIONS

KPC / AEP	Original Status	REVISED STATUS	Industrial Park Setting	One mile+ Residential	One mile+ Schools	One mile+ Public Parks	Electric to the Site	Water to the Site	Excess Water Capacity	Sewer to the Site	Excess Sewer Capacity	Natural Gas to the Site	Fiber to the Site	Phase 1	Clean Phase 1	Decontam. Status
Boyd County																
EastPark			yes	yes	yes	yes	yes	yes	1.3 mgd	yes	1.1 mgd	yes	yes	yes	yes	yes
EastPark Ashland Bldg			yes	yes	yes	yes	yes	yes	1.2 mgd	yes	1.1 mgd	yes	yes	yes	yes	yes
Christian County																
Wartland Riverport		no data	no	no	no	no	yes	yes	no data	yes	no data	yes	yes	yes	yes	yes
Letcher County																
Brewers Food		no response														
Putnam County																
Stanley Allen (local marketability)		no														
Stone Crest		no response														
Warren Farm (local marketability)		no														
Thunder Ridge		no response														
Rockwell County																
Colerity (local marketability)		local an														
Paintsville Wal-Mart (local marketability)		being bought														
Wald Building (local marketability)		site														
Holland Site			yes	yes	yes	yes	yes	yes	0 mgd	yes	100,000 gpd	yes	yes	yes	yes	no
Midway Building (Building Availability on Hold)		blog on hold														
Scott County																
Chestnut Mountain Sportsplex		no available	yes	yes	yes	yes	yes	yes	250,000 gpd	yes	180,000 gpd	yes	yes	yes	yes	yes
Chestnut Mountain		no available	yes	yes	yes	yes	yes	yes	250,000 gpd	yes	180,000 gpd	yes	yes	yes	yes	yes
Sevier County																
Food World (local marketability)		no														
Gateway			yes	yes	yes	yes	yes	yes	407,500 gpd	yes	300,000 gpd	yes	yes	yes	yes	yes
Rail Site Old Tipton		no data	no	yes	yes	yes	yes	yes	100,000 gpd	yes	100,000 gpd	yes	yes	yes	yes	no
RC Property		no														
Washington County																
Don Bailey Building		no response														
Industrial Site Old Toll Booth		no response														
Wayne County																
Honey Branch (local marketability)		no data	yes	yes	yes	yes	yes	yes	10,000 gpd	yes	400,000 gpd	yes	yes	yes	yes	yes
Martin Co Business Center (local marketability)		no	no	yes	yes	yes	yes	yes	1 mgd	yes	110,000 gpd	yes	yes	yes	yes	unknown
MicCon Building / Honey Branch (local marketability)		no data	yes	yes	yes	yes	yes	yes	2 mgd	yes	100,000 gpd	yes	yes	yes	yes	yes
Yancy County																
American Woodmark			yes	yes	yes	yes	yes	yes	544,000 gpd	yes	1.0 mgd	yes	yes	yes	yes	no
Coalfields Industrial Park			yes	yes	yes	yes	yes	yes	1.0 mgd	yes	1.2 mgd	yes	yes	yes	yes	unknown
Yates County																
ACS		no response														
Hobbs Warehouse (local marketability)		send me more														
Marions Branch (Pikeville)			yes	yes	yes	yes	yes	yes	1 mgd	no	100,000 gpd	yes	yes	yes	yes	yes
Scott Fork		no response														
John Moore Branch		no response														
Stepp Constr. Sookeys Creek (local marketability)		no														

PROPERTIES FOR SITE EVALUATIONS

KPC / AEP

	REVISED STATES	Cont. Use	Revised State	Water	Waste	W. Park	W. Park	Access to	Zoned	Surrounding	Building Size	Site Size	Number of	Willingness	
		Use	Use	Use	Use	Use	Use	Use	Use	Use	Use	Use	Use	Use	
Wayne County															
East Park		yes	yes	yes	yes			yes	yes	Industrial		50	no	1	yes
East Park Outland Building		yes	yes	yes	yes			yes	yes	Industrial	1,100,000	50	no	1	yes
Johnson County															
Holland Site		yes	yes	yes	no	yes		yes	yes	Commercial		600	no	1	yes
Wayne County															
Chestnut Meadows		yes	yes	yes	yes			yes	yes	Industrial		100	no	2	yes
Johnson County															
Clatsop		yes	yes	yes	no	yes		yes	yes	Industrial		200	no	1	yes
Wayne County															
American Warehouse		yes	yes	yes	yes			yes	yes	Industrial	1,100,000	50	no	1	yes
Cothran's Industrial Park		yes	yes	yes	yes			yes	yes	Industrial		40	no	1	yes
Wayne County															
Alameda Business (Plexville)		yes	yes	yes	yes			yes	yes	Industrial		100	no	1	yes
Wayne County															
Harold French (Industrial)		yes	yes	yes	yes			yes	yes	Industrial		100	no	1	yes

PROPERTIES FOR SITE EVALUATIONS

KPC / AEP

KPC / AEP	STATUS	One mile	One half	Feet	Water	Leach	Sewer	Excess	Natural Gas	Fiber	Clear	Geographic	Wetland	Clear for	Archaeological	Env
		pk	pk	to the site	to the site	within Property	lines	within Capacity	lines	lines	lines	lines	lines	lines	lines	lines
Boyd County																
EastPark Ashland Building		yes	yes	yes	yes	1.5 mgpd	yes	1.5 mgpd	yes	yes	yes	no	no	yes	no	no
Franklin County																
Holland Site		yes	yes	yes	yes	1 mgpd	yes	100,000 gpd	yes	yes	no	no	no	unknown	no	no
Franklin County																
Chestnut Mountain		yes	yes	yes	yes	250,000 gpd	yes	180,000 gpd	yes	yes	no	no	no	no	no	no
Franklin County																
American Woodmark		yes	yes	yes	yes	100,000 gpd	yes	1.5 mgpd	yes	yes	yes	no	no	unknown	no	no
Franklin County																
Eastpark Industrial Park		yes	yes	yes	yes	2.5 mgpd	yes	2.5 mgpd	yes	yes	unknown	no	no	no	no	no
Franklin County																
Marion's Branch (Fayetteville)		yes	yes	yes	yes	1 mgpd	yes	1 mgpd	yes	yes	no	no	no	no	no	no
Franklin County																
Honey Branch (local marketability)		yes	yes	yes	yes	1 mgpd	yes	1 mgpd	yes	yes	no	no	no	no	no	no

PROPERTIES FOR SITE EVALUATIONS

KPC / AEP	Status and Priority	Marketing Status	Site ID	Sent Rem notice	Received Correspondence	In-Site RF Complete	In-Site RF Partial	No Response	Access to Adequate Data	Zoning Industrial	Surrounding Uses	Building Size 20,000+ sq ft and ability to expand	Site Size 30+ acres	Floodplain
David County														
EastPark	1	Visible Now		yes	yes	yes	-	-	yes	yes	Industrial		495	no
EastPark Ashland Building	1			yes	yes	yes			yes	yes	Industrial	110,000	53	no
Polk County														
American Woodmark	2	Short-Term, Currently Not Viable		yes	yes	yes			yes	yes	Industrial	333,000	32	no
Coalfields Industrial Park			yes	yes	yes	yes		yes	yes	Industrial		339	no	
Taunton County														
Watkins Branch (Pikeville)	3	Short-Term, Currently Not Viable		yes	yes	yes			yes				370	no
Johnson County														
Holland Site		Not viable in a competitive national client search		yes	yes	yes		yes	yes	yes	Commercial		653	no
Lincoln County														
Gateway (local marketability)		Not viable in a competitive national client search		yes	yes	yes		yes	yes				260	no
Marion County														
Honey Branch (local marketability)		Not viable in a competitive national client search		yes	yes	yes		yes					180	no
West County														
Chestnut Mountain (not available)		Not viable in a competitive national client search		yes	yes	yes		yes					200	no

PROPERTIES FOR SITE EVALUATIONS

KPC/AEP	Status and Priority	Marketing Status	Industrial Park Setting	One mile Residential	One mile Schools	One mile Public Parks	Electric to the Site	Water to the Site	Excess Water Capacity	Sewer to the Site	Excess Sewer Capacity	Natural Gas to the Site	Fiber to the Site	Clean Phase 1	Geotechnical Study
City County	1	Viable Now	yes	yes	yes	yes	yes	yes	1.2 mgd	yes	1.2 mgd	yes	yes	yes	yes
EastPark Ashland Building	1		yes	yes	yes	yes	yes	yes	1.3 mgd	yes	1.3 mgd	yes	yes	yes	yes
Henry County															
American Woodmark	2	Short-Term, Currently Not Viable	yes	yes	yes	yes	yes	yes	544,000 gpd	yes	1.8 mgd		yes	yes	no
Coalfields Industrial Park	2		yes	yes	yes	yes	yes	yes	1.4 mgd	yes	1.7 mgd		yes	yes	unknown
Ohio County															
Marions Branch (Pikeville)	3	Short-Term, Currently Not Viable	yes	yes	yes	yes	yes	yes	1 mgd	yes	1.2 mgd		yes	yes	no
Johnson County															
Holland Site	-	Not viable in a competitive, national client search		yes	yes	yes	yes	yes	3 mgd	yes	100,000 gpd		yes	yes	no
Webster County															
Gateway (local marketability)	-	Not viable in a competitive, national client search	yes	yes	yes	yes	yes	yes	437,000 gpd	yes	1.2 mgd		yes	yes	yes
Marion County															
Horseshoe Branch (local marketability)	-	Not viable in a competitive, national client search	yes	yes	yes	yes	yes	yes	200,000 gpd	yes	174,000 gpd		yes	yes	no
Knott County															
Chestnut Mountain (not available)	-	Not viable in a competitive, national client search		yes	yes	yes	yes	yes	250,000 gpd	yes	180,000 gpd		yes	yes	yes

K-PEGG PROGRAM

GRANT RECIPIENT SUMMARIES

- **Recipient:** One East Kentucky
Date of Grant: February 23, 2016
Amount: \$10,000
Counties Served: Floyd, Johnson, Knott, Lawrence, Letcher, Magoffin, Martin, Perry, and Pike
Project Description: Kentucky Power issued a K-PEGG grant to One East Kentucky to support the organization's budget requirements for the 2015-2016 budget year. One East Kentucky used these funds to help cover costs incurred to meet with potential new employers, necessary travel, attend economic development conferences, and market the region. One East Kentucky is one of Kentucky Power's key regional economic development partners.
- **Recipient:** One East Kentucky
Date of Grant: February 23, 2016
Amount: \$50,000
Counties Served: Floyd, Johnson, Knott, Lawrence, Letcher, Magoffin, Martin, Perry, and Pike
Project Description: Kentucky Power issued a K-PEGG grant to One East Kentucky to support the organization's budget requirements for the 2016-2017 budget year. As with the grant issued for the 2015-2016 budget year, One East Kentucky used or will use these funds to help cover costs incurred to meet with potential new employers, necessary travel, attend economic development conferences, and market the region. One East Kentucky is one of Kentucky Power's key regional economic development partners.
- **Recipient:** Perry County Economic Development Board
Date of Grant: February 17, 2016
Amount: \$25,000
Counties Served: Perry
Project Description: Kentucky Power issued a K-PEGG grant to the Perry County Economic Development Board to support the development of a Perry County economic development organization. The funds were used to create a strategic plan and provide

budgeting support for the organization whose mission is to attract, develop, and expand a diversified business base in the counties.

- Recipient: City of Hazard

Date of Grant: February 28, 2016

Amount: \$56,000

Counties Served: Perry, Harlan, Leslie, Letcher, and Breathitt

Project Description: Kentucky Power issued a K-PEGG grant to the City of Hazard to fund improvements to the sanitary sewer system that serves the Coalfields Regional Industrial Park. The industrial park is a partnership among Perry, Knott, Leslie, Harlan, and Breathitt Counties. The funds were used to replace impellers in lift station pumps that increased the capacity of the sanitary sewer system. Replacing the impellers and increasing the capacity of the sanitary sewer system addressed specifically one of the infrastructure gaps identified in the InSite gap analysis report. Increasing the sewer capacity to 260,000 gallons per day at the Coalfields Industrial Park makes that site more attractive to businesses looking to relocate to the area.

- Recipient: Shaping Our Appalachian Region, Inc. (“SOAR”)

Date of Grant: February 28, 2016

Amount: \$25,000

Counties Served: Entire Kentucky Power service territory

Project Description: Kentucky Power issued a K-PEGG grant to SOAR to help SOAR fulfill its mission of expanding job creation, enhancing regional opportunity, innovation, and identity, improving the quality of life, and supporting all those working to achieve these goals in Appalachian Kentucky. The funds provided by Kentucky Power allowed SOAR to cover a portion of its operational expenses, support regional projects, and develop and on-line community. SOAR is one of Kentucky Power’s key regional economic development partners.

- Recipient: City of Pikeville

Date of Grant: April 29, 2016

Amount: \$75,000

Counties Served: Pike

Project Description: Kentucky Power issued a K-PEGG grant to the City of Pikeville to provide the City with the funding necessary to hire engineers to design the “last mile” portion of the broadband infrastructure provided through the KentuckyWired project.

The KentuckyWired project only provides the broadband infrastructure backbone or the “middle mile.” The City’s project provided the engineering design necessary to extend broadband service from backbone to individual customers. The access to high-quality broadband service is intended to assist the City of Pikeville to attract new businesses to the area.

- Recipient: One East Kentucky

Date of Grant: June 27, 2016

Amount: \$37,500

Counties Served: Floyd, Johnson, Knott, Lawrence, Letcher, Magoffin, Martin, Perry, and Pike

Project Description: Kentucky Power issued a K-PEGG grant to One East Kentucky to complete an Aerospace Assessment and Marketing Plan for the region. One East Kentucky used the funds to hire an outside consultant to perform the assessment and planning. As a result of the assessment and marketing plan, communities served by One East Kentucky received the AEROREady designation. This designation helps One East Kentucky give assurances to private aerospace and aviation companies that an independent firm has verified that the workforce and assets of the region can support their facilities.

- Recipient: Big Sandy Regional Industrial Development Authority

Date of Grant: June 27, 2016

Amount: \$100,000

Counties Served: Martin and Magoffin

Project Description: Kentucky Power issued a K-PEGG grant to the Big Sandy Regional Industrial Development Authority (“BSRIDA”) to provide the final funding necessary for BSRIDA to purchase Logan Corporation’s facility in Martin County. Logan Corporation sought to sell the property so that it would be able to purchase a larger facility in Magoffin County to expand its business. The facility in Martin County was insufficiently sized to support Logan’s operations as it transitioned from manufacturing mining equipment to dump truck beds. BSRIDA’s purchase of Logan’s facility in Martin County made the move to Magoffin County practical. As a result, none of the 35 jobs at Logan’s facility will be lost from the region and Logan will eventually create 80 new jobs at its Magoffin County facility. In addition, the BSRIDA now owns an industrial facility it can market to potential new businesses.

- Recipient: Big Sandy Community and Technical College

Date of Grant: July 20, 2016

Amount: \$75,000

Counties Served: Floyd, Johnson, Magoffin, Martin, and Pike

Project Description: Kentucky Power issued a K-PEGG grant to Big Sandy Community and Technical College (“BSCTC”) to purchase equipment for the college’s new Advanced Technology Center at its Pikeville campus. This equipment helps students in BSCTC’s Fiber Optics Technician training program develop the skills necessary to serve as certified technicians for the new broadband infrastructure to be installed in the region through the KentuckyWired and other related projects.

- Recipient: Ashland Alliance

Date of Grant: July 20, 2016

Amount: \$84,000

Counties Served: Boyd and Greenup

Project Description: Kentucky Power issued a K-PEGG grant to Ashland Alliance for two projects: (1) to obtain an “AEROREady certification” for Greenup and Boyd Counties and (2) to hire an outside consultant to assist with the region’s marketing and branding efforts. As a result of the funds provided through the K-PEGG grant, Ashland Alliance obtained the AEROREady certification. This designation helps Ashland Alliance give assurances to private aerospace and aviation companies that an independent firm has verified that the workforce and assets of the region can support their facilities. Additionally, Ashland Alliance obtained a marketing and branding plan that will assist Ashland Alliance in marketing the region to interested companies.

- Recipient: Floyd County Fiscal Court

Date of Grant: August 15, 2016

Amount: \$100,000

Counties Served: Floyd

Project Description: Kentucky Power issued a K-PEGG grant to the Floyd County Fiscal Court to allow it to provide bridge funding for the RCC Big Shoal, LLC gas-to-liquids project. The bridge funding provided by this grant allowed RCC Big Shoal to complete pre-construction project development activities including site evaluation and engineering. RCC Big Shoal’s facility will be located on a reclaimed coal mine and will provide the equivalent of 500-600 jobs during construction. Once complete, the project is anticipated to result in 50 to 75 full-time jobs.

- Recipient: Ashland Alliance

Date of Grant: August 15, 2016

Amount: \$15,000

Counties Served: Boyd/Greenup

Project Description: Kentucky Power issued a K-PEGG grant to Ashland Alliance to offset a portion of the cost of upgrading an existing natural gas line at the Wurtland Riverport Industrial Park. The natural gas line upgrade was necessary to attract Steel Ventures, a West Virginia based company, to construct a steel galvanizing and distribution facility at the industrial park. Steel Ventures began construction on the new facility and anticipates it becoming operational in the summer of 2017. Steel Venture's new facility will eventually employ 65 personnel.

- Recipient: One East Kentucky

Date of Grant: April 5, 2017

Amount: \$50,000

Counties Served: Floyd, Johnson, Knott, Lawrence, Letcher, Magoffin, Martin, Perry, and Pike

Project Description: Kentucky Power issued a K-PEGG grant to One East Kentucky to support the organization's budget requirements for the 2017-2018 budget year. As with the grants issued in previous years, One East Kentucky used or will use these funds to help cover costs incurred to meet with potential new employers, necessary travel, attend economic development conferences, and market the region. One East Kentucky is one of Kentucky Power's key regional economic development partners.

- Recipient: Shaping Our Appalachian Region, Inc. ("SOAR")

Date of Grant: April 5, 2017

Amount: \$25,000

Counties Served: Entire Kentucky Power service territory

Project Description: Kentucky Power issued a K-PEGG grant to SOAR to help SOAR fulfill its mission of expanding job creation, enhancing regional opportunity, innovation, and identity, improving the quality of life, and supporting all those working to achieve these goals in Appalachian Kentucky. Like the grant issued in 2016, the funds provided by Kentucky Power will allow SOAR to cover a portion of its operational expenses, support regional projects, and develop and on-line community. SOAR is one of Kentucky Power's key regional economic development partners.

- Recipient: Hazard-Perry County Economic Development Alliance

Date of Grant: April 5, 2017

Amount: \$25,000

Counties Served: Perry

Project Description: Kentucky Power issued a K-PEGG grant to the Hazard-Perry County Economic Development Alliance to provide budgetary support for the organization whose mission is to attract, develop, and expand a diversified business base in the counties. The Alliance's primary focus is marketing the Coal Fields Regional Industrial Park as an economic development site.

- Recipient: Southeast Kentucky Economic Development Corporation

Date of Grant: April 5, 2017

Amount: \$60,000

Counties Served: Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Johnson, Knott, Lawrence, Leslie, Letcher, Magoffin, Martin, Morgan, Owsley, Perry, and Pike

Project Description: Kentucky Power issued a K-PEGG grant to the Southeast Kentucky Economic Development Corporation to provide funds necessary to assist four companies in the Company's service territory obtain quality control certifications necessary to compete for subcontracting work to major military and government contractors.

- Recipient: Pike County Fiscal Court

Date of Grant: April 5, 2017

Amount: \$18,700

Counties Served: Pike

Project Description: Kentucky Power issued a K-PEGG grant to the Pike County Fiscal Court to provide funds necessary to market the activities at the Pike County Teleworks Hub including job training and placement services.

KEAP PROGRAM

GRANT RECIPIENT SUMMARIES

- Recipient: Gateway Area Development District, Big Sandy Gateway Area Development District, and FIVCO Area Development District

Grant Year: 2014

Amount: \$8,000

Counties Served: Boyd, Carter, Elliott, Lawrence, Johnson, Martin, and Morgan

Project Description: Kentucky Power issued a KEAP grant to the Big Sandy, FIVCO, and Gateway Area Development Districts to support economic development training for members of each organization. With the funding provided in the grant, one member of staff from each organization was able to attend the annual University of Oklahoma Economic Development Institute (EDI) training session. The Oklahoma EDI is a premier economic development training course that allowed the staff members from each organization to develop the economic development skills necessary to make their communities competitive. This was the first of three years of training necessary for obtaining the Oklahoma EDI certification.

- Recipient: City of Paintsville

Grant Year: 2014

Amount: \$100,000

Counties Served: Johnson

Project Description: Kentucky Power issued a KEAP grant to the City of Paintsville to support its work to upgrade the then-vacant Teays Branch site. Specifically, the funding provided by the Company allowed the City to improve the parking at the facility to make it more attractive to new businesses. The work on the parking facilities is now complete, and the site is now the home of the Eastern Kentucky Advanced Manufacturing Institute.

- Recipient: Southeast Kentucky Chamber of Commerce – Louisa Chapter

Grant Year: 2014

Amount: \$92,000

Counties Served: Lawrence

Project Description: Kentucky Power issued a KEAP grant to the Louisa Chapter of the Southeast Kentucky Chamber of Commerce to provide a portion of the start-up funding

for Quality Metal Roofing, a sheet metal and roofing manufacturing facility, to locate in Louisa. Quality Metal Roofing's facility has been constructed, and the Company currently employs eleven individuals full-time.

- Recipient: Northeast Kentucky Regional Industrial Park Authority

Grant Year: 2015

Amount: \$100,000

Counties Served: Boyd, Lawrence, Carter, Greenup, and Elliott

Project Description: Kentucky Power issued a KEAP grant to the Northeast Kentucky Regional Industrial Park Authority for site development work at the Authority's East Park Industrial Park in Boyd County. Specifically, the funding was used for soil compaction on a 150,000 building pad within the park. Soil compaction is necessary because the entire industrial park is built on a reclaimed surface mine. The soil compaction work on this project is complete.

- Recipient: Southeast Kentucky Chamber of Commerce – Louisa Chapter

Grant Year: 2015

Amount: \$90,300

Counties Served: Lawrence

Project Description: Kentucky Power issued a KEAP grant to the Louisa Chapter of the Southeast Kentucky Chamber of Commerce to provide funding to update an industrial facility in Louisa and make it marketable as "site ready" for new businesses. The renovation work was completed in 2016.

- Recipient: Gateway Area Development District, Big Sandy Gateway Area Development District, and FIVCO Area Development District

Grant Year: 2015

Amount: \$9,700

Counties Served: Boyd, Carter, Elliott, Lawrence, Johnson, Martin, and Morgan

Project Description: Kentucky Power issued a KEAP grant to the Big Sandy, FIVCO, and Gateway Area Development Districts to support continued economic development training for members of each organization. With the funding provided in the grant, one member of staff from each organization was able to attend the annual University of Oklahoma Economic Development Institute (EDI) training session. This was the second of three years of training necessary for obtaining the Oklahoma EDI certification.

- Recipient: Ashland Alliance and Northeast Kentucky Regional Industrial Park Authority
Grant Year: 2016
Amount: \$45,000
Counties Served: Boyd, Lawrence, Carter, Greenup, and Elliott
Project Description: Kentucky Power issued a KEAP grant to Ashland Alliance and the Northeast Kentucky Regional Industrial Park Authority to fund improvements to the EastPark Industrial Park. These improvements were necessary to make the park more attractive to potential new businesses. This project included work to update signage at the site and to improve the spec building at the park. This project was completed in early 2017.
- Recipient: Gateway Area Development District, Big Sandy Gateway Area Development District, and FIVCO Area Development District
Grant Year: 2016
Amount: \$10,400
Counties Served: Boyd, Carter, Elliott, Lawrence, Johnson, Martin, and Morgan
Project Description: Kentucky Power issued a KEAP grant to the Big Sandy, FIVCO, and Gateway Area Development Districts to support economic development training for members of each organization. With the funding provided in the grant, one member of staff from each organization was able to attend the annual University of Oklahoma Economic Development Institute (EDI) training session. This was the final of three years of training with the Oklahoma EDI. All three participants received their certification from the EDI and are assisting their communities with economic development efforts.
- Recipient: City of Olive Hill
Grant Year: 2016
Amount: \$25,000
Counties Served: Carter
Project Description: Kentucky Power issued a KEAP grant to the City of Olive Hill to fund preliminary engineering services to support a capital project to upgrade the city's wastewater treatment facility. Preliminary engineering services funded by this grant included surveying, measurements of existing treatment capacities, and preliminary layout and design for system upgrades. The City is upgrading its wastewater treatment facility by 25% to allow for additional residential and industrial use. This expansion will make the City more attractive to new business and industry.

- **Recipient:** FIVCO Area Development District

Grant Year: 2016

Amount: \$4,000

Counties Served: Boyd, Lawrence, Carter, Greenup, and Elliott

Project Description: Kentucky Power issued a KEAP grant to the FIVCO Area Development District to support marketing efforts for the EastPark Industrial Park. These marketing funds were used to install signs identifying available space in the park as well as to participate in marketing efforts with commercial realtors to increase their awareness and understanding of the available parcels within the park.

- **Recipient:** Southeast Kentucky Chamber of Commerce – Louisa Chapter

Grant Year: 2016

Amount: \$92,750

Counties Served: Lawrence

Project Description: Kentucky Power issued a KEAP grant to the Louisa Chapter of the Southeast Kentucky Chamber of Commerce to allow it to provide funding for the expansion of Quality Metal Roofing, a business created with the support of a KEAP grant in 2014. The business has thrived and the funding provided through this second KEAP grant allowed Quality Metal Roofing to add a new product line and create up to seven new jobs in Louisa.

- **Recipient:** Eastern Kentucky Advanced Manufacturing Institute (eKAMI)

Grant Year: 2017

Amount: \$50,000

Counties Served: Johnson

Project Description: Kentucky Power issued a KEAP grant to eKAMI to support the repurposing of its facility in Paintsville into an education center. The eKAMI education center will focus on re-training out-of-work coal miners in skills necessary for advanced manufacturing.

- **Recipient:** Ashland Alliance

Grant Year: 2017

Amount: \$17,500

Counties Served: Boyd, Carter, Elliott, Greenup, and Lawrence

Project Description: Kentucky Power issued a KEAP grant to the Ashland Alliance to support the EastPark industrial park. Specifically, this grant would be used to obtain a build ready certification from the state and to fund recruitment and marketing efforts for the site.

- Recipient: One East Kentucky

Grant Year: 2017

Amount: \$88,200

Counties Served: Martin

Project Description: Kentucky Power issued a KEAP grant to One East Kentucky to provide funding to Thoroughbred Aviation Maintenance to support the development of a helicopter painting facility at the Big Sandy Regional Airport in Martin County. Once constructed, the Thoroughbred facility will be the only helicopter paint facility within 400 miles.

- Recipient: Ashland Community and Technical College

Grant Year: 2017

Amount: \$25,000

Counties Served: Boyd, Carter, Elliott, Greenup, and Lawrence

Project Description: Kentucky Power issued a KEAP grant to the Ashland Community and Technical College to purchase equipment for its new fiber optics training program. The goal of the training program is to develop a workforce capable of supporting installation and maintenance requirements associated with the planned increased investment in fiber optics infrastructure in the region.

- Recipient: Paintsville-Johnson County Chamber of Commerce

Grant Year: 2017

Amount: \$20,000

Counties Served: Johnson

Project Description: Kentucky Power issued a KEAP grant to the Paintsville-Johnson County Chamber of Commerce to support American Metal Works in obtaining ISO 9001 and AS 9100 certifications. These quality assurance certifications will allow American Metal Works to compete more effectively for military and aerospace industry contracts.

- Recipient: Gateway Area Development District, Big Sandy Gateway Area Development District, and FIVCO Area Development District

Grant Year: 2017

Amount: \$3,300

Counties Served: Boyd, Carter, Elliott, Lawrence, Johnson, Martin, and Morgan

Project Description: Kentucky Power issued a KEAP grant to the Big Sandy, FIVCO, and Gateway Area Development Districts to support economic development certification testing for members of each organization. This funding will allow representatives from each organization to sit for the Certified Economic Developer examination.

- Recipient: Lawrence County Fiscal Court

Grant Year: 2017

Amount: \$18,000

Counties Served: Lawrence

Project Description: Kentucky Power issued a KEAP grant to the Lawrence County Fiscal Court to purchase equipment for a new Teleworks hub in the county. The Teleworks hub will include both work spaces for those engaged in the Teleworks program and training facilities for new employees.

