Kentucky Strategic Plan for Economic Development

1999 Annual Report
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The Honorable Paul E. Patton, Chairman
Governor
Commonwealth of Kentucky

Luther Deaton Jr., Vice Chairman
President and CEO
Central Bank & Trust Company

Secretary James E. Bickford
Natural Resources and Environmental Protection Cabinet

Darrell R. Gilliam
Executive Director
Capital Community Economic/Industrial Development Authority

Sheila R. Hammons
Director of Finance
Cincinnati/Northern Kentucky International Airport

William J. Jones
President and CEO
Firstar Bank

Secretary Ann R. Latta
Tourism Development Cabinet

Secretary John P. McCarty
Finance and Administration Cabinet

Katherine G. Peden
President
Peden and Associates Inc.

William R. Sprague
Secretary Marvin E. Strong Jr.
Cabinet for Economic Development

Ernest R. Thompson
Director
United Steel Workers of America

Jean Wells
Vice President
Wells Health Systems
Dear Citizens,

Kentucky’s economy has never been stronger. New industries and new jobs have been brought to all areas of the state. Since 1995, industrial investments have totaled over $13 billion, creating over 131,000 new jobs with unemployment rates the lowest in 22 years. Industrial investments in 1999 totaled $2.5 billion and were responsible for the creation of almost 29,000 new jobs. Companies have found that our central location, quality workforce and positive business climate make Kentucky a desirable place to locate.

We’ve made great strides in our goal to improve the standard of living for the citizens of Kentucky, and we must work even harder in the coming year to ensure that we continue to bring prosperity to the state. Providing our families with good jobs, early childhood programs to ensure our children get a healthy start, and strong educational opportunities at all levels to maintain a skilled and competitive workforce are all-important factors in creating a successful economy.

I commend the Kentucky Cabinet for Economic Development for its excellent work during the past year, and I look forward to working with the Cabinet and other state agencies to achieve economic success for all Kentuckians.

Sincerely,

Paul E. Patton
Governor

Highlights Of This Year

A Total non-farm employment grew 2.4 percent from the previous year to over 1.79 million. Manufacturing employment reached an all-time high of almost 321,000.

B High technology and Internet related service and support industries played an increasingly important role in the state’s economy. Major announcements included distribution centers for Amazon.com in Lexington and Campbellsville, and the Internet-based pharmacy DrugEmporium.com in Louisville.

C The Kentucky Community Technical College System provided industry training for 94,074 students representing 2,404 companies. The system developed and implemented training programs for such major employers as UPS, SHPS and Bell South.
Kentucky closed out the decade of the 1990s on a continuing trend of low unemployment, numerous company announcements/expansions and a record number of net new jobs created. We believe Kentucky is on firm footing for growth and progress in the 21st century.

Last year Kentucky garnered excellent rankings in several categories that measure economic development activity nationwide. The Commonwealth ranked first in the U.S. for new jobs created per one million population for 1997-99, up from third, according to Site Selection Magazine’s annual expansion scoreboard. Kentucky also ranked sixth for new and expanded facilities and seventh for capital investment per one million residents for the same period. For the first time, Kentucky entered the top ten for the number of new and expanded global facilities coming in tenth.

These rankings show that Kentucky continues aggressively to pursue economic opportunities for its citizens. And, the Kentucky Strategic Plan for Economic Development continues to guide the Cabinet’s efforts throughout the Commonwealth.

Kentucky is a viable contender in the global economic development arena and has a strong track record in partnering with businesses. We could not accomplish this without the cooperation of the private sector, local and state government, the Kentucky General Assembly, and our many economic development partners throughout the Commonwealth.

I look forward to working with all of you as we build upon our success over the last decade.

Sincerely,

Marvin E. Strong Jr. Secretary
The Commonwealth of Kentucky is experiencing an era of extraordinary economic growth and stability. The 1990s have presented Kentucky with an economic environment of technological innovation, generationally low inflation, and subdued interest rates. This prosperous era has enhanced Kentucky’s economy in virtually every measure of economic performance. Kentucky’s gross state product expanded by 5.5% in 1998.

In 1999, 26,660 net new jobs were announced for Kentucky, with an investment of more than $2.4 billion. The total net new jobs announced in 1999 represents an all-time high for Kentucky.

Sixty-eight new manufacturing firms located in Kentucky in 1999, creating 5,675 new jobs and an investment of $565.7 million. Thirty-eight new supportive/service companies located in Kentucky in 1999 creating 7,703 new jobs with an investment of $198.3 million. Forty-three supportive/service firms announced expansions, creating 7,655 new jobs and an investment of $313.4 million. Manufacturing firms created 7,723 new jobs through expansion with more than $1.4 billion of total investment.

### Jobs Created in Kentucky 1982 To 1999

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<td>Total Jobs Created</td>
<td>11,599</td>
<td>11,370</td>
<td>22,009</td>
<td>23,334</td>
<td>21,177</td>
<td>26,329</td>
<td>23,606</td>
<td>17,131</td>
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<td>Net Jobs Created</td>
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<td>4,960</td>
<td>18,251</td>
<td>19,384</td>
<td>17,142</td>
<td>23,065</td>
<td>19,150</td>
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<tr>
<td>Total Jobs Created</td>
<td>8,058</td>
<td>18,705</td>
<td>17,422</td>
<td>26,329</td>
<td>21,628</td>
<td>21,704</td>
<td>21,145</td>
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<td>Net Jobs Created</td>
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<td>14,522</td>
<td>13,931</td>
<td>23,917</td>
<td>17,906</td>
<td>18,098</td>
<td>17,322</td>
<td>25,602</td>
<td>26,660</td>
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</tbody>
</table>
Major Expansions 1999

Ford Motor Company

Ford's Kentucky Truck Plant in Louisville announced a new investment of $174 million. The facility employs more than 4,000 in the production of medium and commercial light trucks. The expansion will result in a significant increase in production capacity, 800 new jobs, and the addition of a new version of a current vehicle to the company's product line.

Aisin Automotive Casting

Aisin Automotive Casting will expand its Laurel County facility with an investment of $47 million in new building and equipment, and create 183 new jobs. Aisin produces aluminum die cast components for the automotive industry.

Guardian Automotive

Guardian Automotive in Morehead announced an expansion of operations in 1999. The company manufactures exterior automotive components. Guardian Automotive will invest $24 million in the project, creating 150 new jobs.

Huish Detergents

Huish Detergents announced a $60 million expansion of its facility in Warren County. The expansion will create 200 new jobs. Huish makes laundry and dish detergents, fabric softeners, and other household cleaning products.

Lexmark International

Lexmark International, a world leader in laser and inkjet printer technology, will add 700 new jobs in an expanded research and development function at its Lexington headquarters. The company will invest $70 million in new construction to accommodate the expansion.

Product exceeded $100 billion for the first time in 1997. One quarter of a million more Kentuckians are currently employed in the Commonwealth compared to the beginning of the decade. Furthermore, annual unemployment rates in Kentucky have declined to their lowest levels since 1973. These virtues enjoyed during Kentucky's long economic expansion are projected to continue well into the future. The University of Kentucky Center for Business and Economic Research projects Kentucky's gross state product to grow between 2.5 percent and 2.6 percent annually during 2000 to 2002.
Amazon.com, a leading online retailer acquired two distribution facilities in Campbellsville and Lexington. The company’s Kentucky distribution centers will enhance the company’s effort to develop a significant distribution infrastructure to provide customers nationwide and around the world with fast, reliable shipping directly from the company. The company’s investment is over $75 million and total combined jobs could reach as many as 1,500 employees.

Harman-Motive

Harman-Motive, a subsidiary of Harman International, announced a $7.5 million investment to build a manufacturing facility in Franklin, Kentucky. The company is a leading global producer of branded automotive sound systems under the brands of JBL, Infinity, Harman Kardon, and Becker. The Franklin operation is projected to employ 170 persons and will make premium branded speakers.

LINPAC Materials Handling

LINPAC Materials Handling, the manufacturer of molded plastic ROPAK reusable container systems, will locate a facility in Bardstown employing 85 people initially and investing $38.2 million. The Bardstown plant will mold, assemble and ship bulk collapsible containers worldwide.

Amfine Chemical

Amfine Chemical Corporation announced construction of a facility in Hopkinsville, employing 40 people upon completion. The company’s projected investment is $25 million. Amfine is a joint venture between Asahi Denka Kogyo K.K. and Mitsubishi Corporation. The Hopkinsville plant will be Amfine’s first production plant in the U.S. The plant will produce plastics additives used in the production of plastics for automotive, food and medical packaging, building and construction materials, furniture, and other consumer goods industries. The additives are used to make plastics more resilient and to inhibit the effects of UV light from the sun, which causes plastic to become brittle.

Applied Card Systems

Applied Card Systems will open a new customer service center in Russell, investing $37.5 million in the operation. The company services VISA and MasterCard customers primarily for Cross Country Bank, a leading national issuer. Total jobs at the Russell facility could number up to 800 over the next two years.

**Kentucky Business Guide**

An entrepreneur’s online guide to starting or expanding a business in Kentucky, the Business Guide covers the many components of starting a business from business plans to licensing and taxes. A comprehensive section on business financing has also been added to the Cabinet’s Web site.

**Electronic One-Stop Licensing Program**

The one-stop licensing program went online to help users streamline the state business license and permit process. The program allows users to instantly receive a complete listing of all licenses that could be required at the state level. The program is a cooperative effort between the Kentucky Secretary of State’s Office, EMPOWER Kentucky, and the Kentucky Cabinet for Economic Development with assistance from the Kentucky Community and Technical College System.

**Bluegrass State Skills Corporation (BSSC) Web Site**

BSSC’s new Web site provides easy access for companies to obtain online information on the Grant-in-Aid program and the Skills Training Investment Credit. The application process for the Grant-in-Aid program may be completed online. The site also contains an electronic training directory enabling companies to search and contact training providers in their area.

**The Kentucky Economic Development Information System (KY EDIS)**

The Kentucky Economic Development Information System (KY EDIS), a GIS-based comprehensive, interactive data and information system, has been designed, developed and implemented. The KY EDIS is designed to be fully accessible via the Web. The system gives Kentucky the ability to compete in attracting industry and jobs in an information age by providing site, building and community information online on the Internet.
Kentucky Manufacturing Skill Standards

A task force has worked to develop standards that address concerns in the areas of academic, employability and occupational skills. Representatives of a number of educational organizations, the Workforce Development Cabinet, and the Cabinet for Economic Development through the Bluegrass State Skills Corporation (BSSC) worked with manufacturers to facilitate this skill standards initiative. The BSSC Board of Directors approved a grant to fund 50 percent of the total cost of $199,700 for developing assessment instruments at the basic and advanced levels.

Bluegrass State Skills Corporation (BSSC) Training Projects

In 1999, BSSC awarded grants totaling more than $6.3 million to fund 284 projects to 277 Kentucky companies. Workers will receive entry level, skills upgrade or related skills training. BSSC funded 30 training consortia projects with more than $3.8 million. In 1999, 15 consortia were approved for funding totaling $13,095. BSSC approved $396,157 in skills upgrade training through the Skills Training Investment Credit program.

Kentucky Investment Fund Act

The Kentucky Investment Fund Act was adopted by the 1998 General Assembly and became effective July 1, 1999. The act allows for the establishment of privately operated venture capital funds in which investors are able to obtain credits against Kentucky personal and corporate income tax and corporate license fees. The Kentucky Economic Development Finance Authority has approved Kentucky Venture Fund, LLC as the program’s first investment fund and approved Venture Management Group Inc. as the fund’s manager.

Regional Business Park Program

Announced in 1999, the Southeast Regional Industrial Park was created from a five-county partnership of Knox, Bell, Clay, McCreary and Whitley counties. The Local Government Economic Assistance Program will fund an estimated $5.8 million in acquisition and improvement costs to the park, located in Knox County. The Office of Coal County Development administers the program, which now includes six parks.

Kentucky Procurement Assistance Program (KPAP)

KPAP is a business assistance program designed to help Kentucky businesses sell their products or services to federal, state and local governments. In 1999, KPAP’s total economic effect on Kentucky was an additional inflow of $92.2 million in government contract dollars.
Local Government Economic Development Fund
Regional Business Parks

Notes:
1. Denotes eligible counties
2. Bell, Breathitt, Floyd, Harlan, Knox, Letcher, McLean, Muhlenberg, Ohio, & Pike counties participated in more than one regional park application
3. Approximately 4,700 acres under development

Map Revised 5-11-00
<table>
<thead>
<tr>
<th>CITY</th>
<th>COMPANY</th>
<th>EMPLOYEE</th>
<th>INVESTMENT</th>
<th>PRODUCT</th>
</tr>
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<tbody>
<tr>
<td>Bardstown</td>
<td>Ropak (Linpac)</td>
<td>184</td>
<td>38,200,000</td>
<td>Collapsible containers</td>
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<tr>
<td>Benton</td>
<td>Miller's Country Hams Inc.</td>
<td>64</td>
<td>1,990,000</td>
<td>Hams</td>
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<td>Benton</td>
<td>Silk-Tree Factory</td>
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<td>3,000,000</td>
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<td>Bowling Green</td>
<td>S-R of Kentucky Inc.</td>
<td>300</td>
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<td>Plastic products</td>
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<td>Campbellsville</td>
<td>Campbellsville Apparel</td>
<td>200</td>
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<td>T-shirts</td>
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<td>Carrollton</td>
<td>Celotex</td>
<td>120</td>
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<td>Cincinnati</td>
<td>Parkway Knitting Inc.</td>
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<td>Socks</td>
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<td>206</td>
<td>40,350,000</td>
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<td>Flemingsburg</td>
<td>Bluegrass Housing</td>
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<td>-</td>
<td>Doublewide mobile home frames</td>
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<td>Frankfort</td>
<td>Kaysun Corp.</td>
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<td>504,000</td>
<td>Plastic products</td>
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<td>Franklin</td>
<td>Harman-Motive</td>
<td>170</td>
<td>7,571,000</td>
<td>Automotive Speakers</td>
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<td>Franklin</td>
<td>Novatape</td>
<td>24-150</td>
<td>-</td>
<td>Pressure tape</td>
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<td>Fulton</td>
<td>Letica Corp.</td>
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<td>13,000,000</td>
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<td>50</td>
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<td>Harrodsburg</td>
<td>CDR Mfg. Inc.</td>
<td>30-100</td>
<td>1,850,000</td>
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<td>Henderson</td>
<td>Hydro Aluminum Metal</td>
<td>50</td>
<td>33,000,000</td>
<td>Aluminum remelting products (Norsk Hydro)</td>
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<td>Hodgenville</td>
<td>Clayton Homes Inc.</td>
<td>200</td>
<td>-</td>
<td>Multi-section homes</td>
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<tr>
<td>CITY</td>
<td>COMPANY</td>
<td>EMPLOYEE</td>
<td>INVESTMENT ($)</td>
<td>PRODUCT</td>
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<tr>
<td>Hopkinsville</td>
<td>Amfine Chemical</td>
<td>100</td>
<td>25,000,000</td>
<td>Specialized chemicals</td>
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<td>FP International</td>
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<td>Toyo Radiator Co., Ltd.</td>
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<td>Appalachian Fresh Food</td>
<td>125-200</td>
<td>8,000,000</td>
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<td>Kito USA</td>
<td>15-55</td>
<td>3,450,000</td>
<td>Welding equipment</td>
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<td>Plastech Engineered Products</td>
<td>200-275</td>
<td>24,300,000</td>
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<td>Madisonville</td>
<td>Period Furniture</td>
<td>400</td>
<td>5,800,000</td>
<td>Furniture</td>
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<td>Mayfield</td>
<td>U.S. Ceramics Corp.</td>
<td>80</td>
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<td>Ceramic tile products</td>
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<td>Monticello</td>
<td>Blinds &amp; Designs</td>
<td>300</td>
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<td>Window coverings</td>
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<td>Paris</td>
<td>Prime Finish/Hamilton</td>
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<td>12,124,227</td>
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<td>Walton</td>
<td>Zotefoams</td>
<td>50-130</td>
<td>25,000,000</td>
<td>Block foams</td>
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**TOTALS:** 34 employees, $511,612,227
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<td>Bardstown</td>
<td>Bird Vinyl Products</td>
<td>90</td>
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<td>62</td>
<td>1,925,000</td>
<td>Structural stampings for automotive ind.</td>
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<td>Matsushita Electric Motor</td>
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<td>PRODUCT</td>
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<td>CoPar Inc.</td>
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<td>Douglas Autotech</td>
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<td>2,000,000</td>
<td>Steering columns</td>
</tr>
<tr>
<td>Hopkinsville</td>
<td>IG Autotrim</td>
<td>65</td>
<td>-</td>
<td>Auto headliners</td>
</tr>
<tr>
<td>Ledbetter</td>
<td>National Maintenance &amp; Repair</td>
<td>60</td>
<td>4,908,000</td>
<td>Barges</td>
</tr>
<tr>
<td>London</td>
<td>Aisin Automotive Casting</td>
<td>183</td>
<td>47,000,000</td>
<td>Automotive components</td>
</tr>
<tr>
<td>Louisville</td>
<td>Anson Ind., LLC</td>
<td>57</td>
<td>1,000,000</td>
<td>Precision machining</td>
</tr>
<tr>
<td>Louisville</td>
<td>Ford Motor Company</td>
<td>800</td>
<td>173,639,000</td>
<td>Trucks</td>
</tr>
<tr>
<td>Louisville</td>
<td>MedVenture Technology Corp.</td>
<td>200</td>
<td>4,000,000</td>
<td>Tool &amp; die</td>
</tr>
<tr>
<td>Louisville</td>
<td>Raytheon</td>
<td>70</td>
<td>-</td>
<td>Weapons</td>
</tr>
<tr>
<td>Louisville</td>
<td>Toyota Industries</td>
<td>50</td>
<td>4,320,000</td>
<td>Dry foods, bakery mixes</td>
</tr>
<tr>
<td>Louisville</td>
<td>Tube Turns</td>
<td>180</td>
<td>3,500,000</td>
<td>Axles, shafts</td>
</tr>
<tr>
<td>Ludlow</td>
<td>Duro Bag</td>
<td>120</td>
<td>4,000,000</td>
<td>Bags</td>
</tr>
<tr>
<td>Madisonville</td>
<td>Lear Midwest Automotive</td>
<td>70</td>
<td>9,474,868</td>
<td>Sub assemblies for Ford</td>
</tr>
<tr>
<td>Marion</td>
<td>Siemens</td>
<td>10-84</td>
<td>-</td>
<td>Modules for electronic devices</td>
</tr>
<tr>
<td>Mayfield</td>
<td>Seaboard Farms of Ky.</td>
<td>150</td>
<td>42,000,000</td>
<td>Poultry processing</td>
</tr>
<tr>
<td>Monticello</td>
<td>American Woodmark</td>
<td>135</td>
<td>3,400,000</td>
<td>Cabinets</td>
</tr>
<tr>
<td>Morehead</td>
<td>Guardian Automotive</td>
<td>150</td>
<td>24,000,000</td>
<td>Automotive - exterior components</td>
</tr>
<tr>
<td>Paducah</td>
<td>Trees N Trends</td>
<td>90</td>
<td>2,975,000</td>
<td>Home decor accessories</td>
</tr>
<tr>
<td>Russell Springs</td>
<td>Stephens Pipe &amp; Steel</td>
<td>100</td>
<td>6,150,000</td>
<td>Chain link fence</td>
</tr>
<tr>
<td>Somerset</td>
<td>Glen Oak Lumber &amp; Milling</td>
<td>70</td>
<td>1,500,000</td>
<td>Hardwood millwork products</td>
</tr>
<tr>
<td>Williamsburg</td>
<td>Firestone</td>
<td>25-50</td>
<td>12,000,000</td>
<td>Air springs</td>
</tr>
<tr>
<td>Williamsburg</td>
<td>TCA Inc.</td>
<td>65-75</td>
<td>1,100,000</td>
<td>Electro mechanical assembly</td>
</tr>
<tr>
<td>Winchester</td>
<td>Wintech</td>
<td>70</td>
<td>13,865,000</td>
<td>Electrical components</td>
</tr>
</tbody>
</table>

**TOTALS:** 47  5,085  $995,217,868
# New Supportive/Service Firms

<table>
<thead>
<tr>
<th>City</th>
<th>Company</th>
<th>Employee Range</th>
<th>Investment</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbourville</td>
<td>DataTrac Information</td>
<td>300</td>
<td>4,700,000</td>
<td>Inbound call center services</td>
</tr>
<tr>
<td>Campbellsville</td>
<td>Amazon.com</td>
<td>500-1,000</td>
<td>37,681,500</td>
<td>Distribute music, books</td>
</tr>
<tr>
<td>Campbellsville</td>
<td>Frost Arnett</td>
<td>75</td>
<td>2,000,000</td>
<td>Call center</td>
</tr>
<tr>
<td>Campbellsville</td>
<td>National Data Questing</td>
<td>100</td>
<td>500,000</td>
<td>Call center, data collection</td>
</tr>
<tr>
<td>Campbellsville</td>
<td>Rosenbluth Intl.</td>
<td>188</td>
<td>1,885,000</td>
<td>Travel service</td>
</tr>
<tr>
<td>Cedar Grove</td>
<td>Computer Service Express</td>
<td>100-200</td>
<td>-</td>
<td>Computer repair corp.</td>
</tr>
<tr>
<td>Corbin</td>
<td>CDG Management</td>
<td>200</td>
<td>-</td>
<td>Call center</td>
</tr>
<tr>
<td>Covington</td>
<td>Intelcare Inc.</td>
<td>80</td>
<td>925,000</td>
<td>Telemarketing/service ctr.</td>
</tr>
<tr>
<td>Harlan</td>
<td>CDG Management</td>
<td>100</td>
<td>2,000,000</td>
<td>Outbound call center</td>
</tr>
<tr>
<td>Hazard</td>
<td>Sykes Enterprises Inc.</td>
<td>430</td>
<td>-</td>
<td>Computer software tech. support ctr.</td>
</tr>
<tr>
<td>Hebron</td>
<td>GATX Logistics</td>
<td>80</td>
<td>1,600,000</td>
<td>Distribution</td>
</tr>
<tr>
<td>Lexington</td>
<td>Amazon.com (MGB Inc.)</td>
<td>200-500</td>
<td>37,500,000</td>
<td>Distribute music, books</td>
</tr>
<tr>
<td>Lexington</td>
<td>Ohio Casualty</td>
<td>113</td>
<td>2,500,000</td>
<td>Regional claims office</td>
</tr>
<tr>
<td>London</td>
<td>National Order Processing</td>
<td>350-400</td>
<td>1,625,000</td>
<td>Order fulfillment</td>
</tr>
<tr>
<td>Louisville</td>
<td>Customized Transportation</td>
<td>64</td>
<td>10,000,000</td>
<td>Distribution</td>
</tr>
<tr>
<td>Louisville</td>
<td>DrugEmporium.com</td>
<td>100</td>
<td>2,102,000</td>
<td>Internet pharmacy</td>
</tr>
<tr>
<td>Louisville</td>
<td>Federal Express</td>
<td>120</td>
<td>10,000,000</td>
<td>Service</td>
</tr>
<tr>
<td>Louisville</td>
<td>GATX Logistics</td>
<td>80</td>
<td>10,000,000</td>
<td>Distribution</td>
</tr>
<tr>
<td>Louisville</td>
<td>Guess? Inc.</td>
<td>300</td>
<td>34,000,000</td>
<td>Distribution center</td>
</tr>
<tr>
<td>Louisville</td>
<td>Master Lock Co./Fortune Brands</td>
<td>50-100</td>
<td>1,400,000</td>
<td>Distribution</td>
</tr>
<tr>
<td>Louisville</td>
<td>MSX International</td>
<td>200</td>
<td>50,000</td>
<td>Service</td>
</tr>
<tr>
<td>Louisville</td>
<td>Supply Chain Solutions</td>
<td>212</td>
<td>2,500,000</td>
<td>Distribution</td>
</tr>
<tr>
<td>Middlesboro</td>
<td>Civic Development Group</td>
<td>200</td>
<td>1,000,000</td>
<td>Call center</td>
</tr>
<tr>
<td>Morehead</td>
<td>Family Dollar Stores Inc.</td>
<td>500</td>
<td>-</td>
<td>Distribution center</td>
</tr>
<tr>
<td>Morganfield</td>
<td>Sykes Enterprises</td>
<td>432</td>
<td>-</td>
<td>Computer technical support</td>
</tr>
<tr>
<td>Pikeville</td>
<td>Sykes Enterprises Inc.</td>
<td>430</td>
<td>-</td>
<td>Computer software tech. support ctr.</td>
</tr>
<tr>
<td>Russell</td>
<td>Applied Card Systems</td>
<td>800</td>
<td>6,000,000</td>
<td>Customer service center</td>
</tr>
<tr>
<td>Russell Springs</td>
<td>Unlimited Security Marketing</td>
<td>166</td>
<td>1,018,970</td>
<td>Outbound call center</td>
</tr>
</tbody>
</table>

**TOTALS:**

- **28** companies
- **7,470** employees
- **$170,987,470** investment
<table>
<thead>
<tr>
<th>CITY</th>
<th>COMPANY</th>
<th>EMPLOYEE</th>
<th>INVESTMENT</th>
<th>PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erlanger</td>
<td>Toyota</td>
<td>70</td>
<td>15,400,000</td>
<td>Headquarters</td>
</tr>
<tr>
<td>Florence</td>
<td>Shire Richwood</td>
<td>64</td>
<td>9,291,600</td>
<td>Headquarters-Pharmaceuticals</td>
</tr>
<tr>
<td>Glasgow</td>
<td>WIT Postal Logistics</td>
<td>90</td>
<td>2,385,000</td>
<td>Magazine finishing services</td>
</tr>
<tr>
<td>Hebron</td>
<td>AmeriServe Food Distr.</td>
<td>172</td>
<td>2,005,000</td>
<td>Distr. - food/paper prod.</td>
</tr>
<tr>
<td>Lexington</td>
<td>Lexmark</td>
<td>700</td>
<td>70,000,000</td>
<td>Printers - research &amp; development</td>
</tr>
<tr>
<td>Louisville</td>
<td>Agora Interactive</td>
<td>161</td>
<td>15,008,590</td>
<td>Communications systems</td>
</tr>
<tr>
<td>Louisville</td>
<td>Airline Reporting Corp.</td>
<td>55</td>
<td>2,600,000</td>
<td>Processing center</td>
</tr>
<tr>
<td>Louisville</td>
<td>APB Energy Inc.</td>
<td>80-100</td>
<td>2,417,940</td>
<td>Service</td>
</tr>
<tr>
<td>Louisville</td>
<td>Bank One Corp.</td>
<td>315</td>
<td>1,000,000</td>
<td>Payment processing</td>
</tr>
<tr>
<td>Louisville</td>
<td>BTBZone.com</td>
<td>280</td>
<td>5,500,000</td>
<td>Computer software</td>
</tr>
<tr>
<td>Louisville</td>
<td>Clarke American Checks</td>
<td>65</td>
<td>5,621,000</td>
<td>Administrative support center</td>
</tr>
<tr>
<td>Louisville</td>
<td>CSX Transportation</td>
<td>70</td>
<td>9,825,000</td>
<td>Corporate office</td>
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<tr>
<td>Louisville</td>
<td>Dairyland Computer &amp; Consulting</td>
<td>65</td>
<td>2,124,500</td>
<td>Medical services</td>
</tr>
<tr>
<td>Louisville</td>
<td>Darwin Networks</td>
<td>98</td>
<td>3,209,000</td>
<td>Internet services</td>
</tr>
<tr>
<td>Louisville</td>
<td>First Select Corp.</td>
<td>1,021</td>
<td>31,088,500</td>
<td>Service/support center</td>
</tr>
<tr>
<td>Louisville</td>
<td>Iron Max</td>
<td>60</td>
<td>2,164,000</td>
<td>Purchasing</td>
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<tr>
<td>Louisville</td>
<td>Nationwide Credit Inc.</td>
<td>200</td>
<td>6,523,412</td>
<td>Credit collection</td>
</tr>
<tr>
<td>Louisville</td>
<td>Tumbleweed</td>
<td>62</td>
<td>1,500,000</td>
<td>Headquarters, commissary</td>
</tr>
<tr>
<td>Louisville</td>
<td>Vine Co./Interactive Systems</td>
<td>80</td>
<td>1,166,900</td>
<td>Service industry</td>
</tr>
<tr>
<td>Owensboro</td>
<td>Williams-Texas Gas Co.</td>
<td>50-60</td>
<td>-</td>
<td>Headquarters, pipeline co.</td>
</tr>
<tr>
<td>Paducah</td>
<td>Duke &amp; Long Distributing Co.</td>
<td>101</td>
<td>2,020,000</td>
<td>Corporate headquarters</td>
</tr>
<tr>
<td>Paducah</td>
<td>Service Script Inc.</td>
<td>60</td>
<td>1,200,000</td>
<td>Hdq., distr. ctr. - medical supplies</td>
</tr>
<tr>
<td>Russell</td>
<td>Addington Enterprises</td>
<td>300</td>
<td>4,500,000</td>
<td>Corp. headquarters</td>
</tr>
</tbody>
</table>

**TOTALS:** 23 employees, $196,550,442 investment

**GRAND TOTALS:** 132 employees, $1,874,368,007 investment
The Partnership is composed of 13 members.

8 private sector members represent each of the state's congressional districts and various sectors of the state's economy.

The secretaries of 4 Cabinets - Economic Development, Finance and Administration, Natural Resources and Environmental Protection, and Tourism Development serve as public sector, ex-officio members.

The Governor serves as chairman of the Partnership.

From the start of the strategic planning process in 1994, the Partnership has sought broad-based input and participation of public and private individuals and organizations. Other agencies of state government are active with various tactics of the Plan as well. Public/private sector cooperation remains a driving force in realizing a common mission for improving Kentucky's economy.

THE VALUES ARE:

1. Openness and honesty
2. Respect for people as individuals
3. Being results oriented
4. Innovation and risk
5. A commitment to being the best
The mission statement adopted by the Partnership as part of the Strategic Plan is:

To Create More and Higher Quality Opportunities for All Kentuckians by Building an Expanding Sustainable Economy.

The Kentucky Strategic Plan for Economic Development provides a framework for “creating more and higher quality opportunities for all Kentuckians.” The Strategic Plan is organized under 5 major goals, which are subdivided into strategies, which in turn are subdivided into tactics. Completion of 37 tactics has been accomplished through the work of Kentuckians representing each geographic area of our diverse state, including 9 considered completed in 1999.

There are currently 62 tactics in the Plan, although many of these have completed their tasks and are considered finished. Tactic teams are composed of members from the public and private sectors, with a team leader from the private sector and a facilitator from the Cabinet assisting the team in its work.

**Five Major Goals:**

<table>
<thead>
<tr>
<th>GOAL</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Build and maintain consensus to implement the mission</td>
</tr>
<tr>
<td>2</td>
<td>Reduce unemployment and increase per capita income</td>
</tr>
<tr>
<td>3</td>
<td>Create a globally competitive business environment</td>
</tr>
<tr>
<td>4</td>
<td>Manage resources to maximize return on investment</td>
</tr>
<tr>
<td>5</td>
<td>Manage Kentucky’s natural resources and cultural assets to ensure long-term productivity and quality of life</td>
</tr>
</tbody>
</table>
The Kentucky Economic Development Partnership has created a series of benchmarks in conjunction with KRS 154.10-140 which are designed to provide information on whether Kentucky’s economy is keeping pace or falling behind compared to the Commonwealth’s competitor states and the nation. The partnership selected six economic indicators as benchmarks in 1997:

Each of these benchmarks has contributed to Kentucky’s historic economic expansion. Nevertheless, Kentucky’s strong economic expansion has generally been a reflection of the consequential economic expansion which has been achieved nationally. Regardless of Kentucky’s enduring economic performance, Kentucky is experiencing mixed results while attempting to reach the assigned economic benchmarks designated for the year 2000.
Gross State Product

Kentucky’s gross state product (GSP) has increased every year since 1991 (1992 constant dollars). The gross state product in the Commonwealth has increased by 54.5 percent from 1990 to 1997. Kentucky's per capita gross state product for 1997 was 87.3 percent of the national average. Kentucky’s benchmark goal for 2000 is to grow to 89 percent of the national average. In 1994, Kentucky contributed 1.253 percent of the nation’s gross domestic product. During 1997, Kentucky contributed 1.235 percent to the nation’s gross domestic product.

Annual Average Pay Per Employee

Salaries for Kentuckians have increased annually throughout the 1990s. However, the strong growth in wages nationally has increased at a faster rate than Kentucky’s. When compared to the United States, Kentucky’s annual pay per employee is 84 percent of the national average (1997). This percentage has declined slightly since 1994. Kentucky’s benchmark goal for 2000 is to grow to 87 percent of the national average.

Unemployment

Kentucky’s benchmark goal is to reduce unemployment to 16 percent below the national average for the year 2000. Kentucky’s annual unemployment rate for 1999 was 4.5 percent, placing Kentucky above the national unemployment rate of 4.2 percent. Kentucky’s competitor state average annual unemployment rate was 3.9 percent. While Kentucky’s urban areas (those with populations of 75,000 or more) are below the national average, Kentucky counties with populations below 50,000 are above the national unemployment rate. Kentucky counties with populations of 50,000-75,000 equal the national unemployment rate. Future employment growth is expected to be the highest for retail trades, business services, and health care services sectors during the 2000 to 2002 period.
Per Capita Income

The gap between Kentucky’s per capita incomes and the nation has remained relatively stable during recent years. However, Kentucky has experienced modest percentage gains in per capita incomes as compared to the national average from the baseline year of 1994 to 1998. During 1998 Kentucky’s per capita income increased to $21,551, as compared to $26,482 nationally and $23,638 for Kentucky’s competitor states. Kentucky’s 1998 per capita income was 81.4 percent of the national average. Kentucky’s benchmark goal for 2000 is to grow to 84.0 percent of the national average.

Manufacturing Share

Kentucky is significantly more heavily involved in the manufacturing sector of the economy than is the nation as a whole. Kentucky’s manufacturing share for 1997 was 126.5 percent of the national average. The benchmark established for Kentucky’s economy is 126 percent of the national average for the year 2000. Kentucky’s competitor states have experienced slight declines in their manufacturing share as compared to the nation since 1994. Kentucky’s competitor states held a 127.9 percent manufacturing share in 1997.

Poverty

Kentucky’s poverty level has proven to be a substantive cultural, economic and educational concern for the Commonwealth. In 1989, Kentucky’s poverty level was 45 percent above the national poverty rate. The state poverty rate declined in 1995 to 29.7 percent of the national rate. Reducing Kentucky poverty to 29 percent of the United States poverty level is the benchmark goal for 2000.
GOAL 1-BUILD AND MAINTAIN CONSENSUS TO IMPLEMENT THE MISSION

Strategy 1.1 Communicate the Economic Development Mission to the Citizens of the Commonwealth

Tactic 1.1.1 Maintain and market a current presentation package on Kentucky’s economic development efforts to be used by local organizations and the Economic Development Cabinet

Performance Milestones
- Annual-Number of presentations made
- Annual-Number of copies distributed

Team Facilitator: Pamela Trautner
Team Leader: Tom Harris

Summary of Activities
A video of economic development activities has been produced and sent to economic development offices around the state. The video will be used during speaking engagements by the local economic development leaders and Cabinet officials, and will be offered to various clubs and community organizations throughout the state.

Tactic 1.1.2 Publish quarterly newsletter and create other media opportunities to inform the general public, business leaders and government officials about Kentucky’s economic development progress

Performance Milestones
- Annual-Number of newsletters distributed

Team Facilitator: Pamela Trautner
Team Leader: Tom Harris

Summary of Activities
Circulation of the Cabinet’s quarterly newsletter is approximately 8,000 in the state. A fax-on-demand system provides informational fact sheets on doing business in Kentucky.

Tactic 1.1.3 Create systemized approach for Cabinet officials to conduct interviews with local, state and national news media to communicate Kentucky’s economic development efforts

Performance Milestones
- Annual-Number of news releases issued
- Annual-Number of media outlets contacted

Team Facilitator: Pamela Trautner
Team Leader: Tom Harris

Summary of Activities
Approximately 250 state, regional and national media outlets are routinely contacted through news releases issued by the Cabinet. All press releases are posted on our new Web site, including archived press releases from the past. Secretary Strong wrote an op ed letter that was published in the Lexington Herald-Leader.

Tactic 1.1.4 Communicate the economic development mission to the citizens of the Commonwealth

Performance Milestones
- Annual-Number of existing industry ads
- Annual-Number of news releases issued

Team Facilitator: Pamela Trautner
Team Leader: Tom Harris

Summary of Activities
The Cabinet developed a 12-page insert focused on services to Kentucky’s existing businesses. The insert ran in The Lane Report and Kentucky Business Viewpoint. Expansions of existing industries continue to be featured in the Cabinet newsletter and are communicated to the news media. The role of existing industry expansions is also featured in the Cabinet video.

Tactic 1.2.1 Involve economic development groups and business leaders in the Cabinet's economic development efforts, including the Strategic Plan

Performance Milestones
- Annual: Number of groups or business leaders involved in economic development efforts
- Team Facilitator: Terri Wellman
- Team Leader: Sandy Napper

Summary of Activities
- The Cabinet is included in planning KIDC quarterly meetings and provides a 15-30 minute Cabinet update at each meeting. Cabinet staff are involved with several Kentucky Chamber of Commerce Board committees, Renaissance Kentucky, numerous welfare reform efforts, the Commission on Human Services Collaboration, and several other initiatives.

Tactic 1.2.2 Present an economic development progress report at the annual Labor/Management Conference and other annual statewide conferences sponsored by agencies affected by the Strategic Plan including Natural Resources, Agriculture and Tourism

Performance Milestones
- Annual: Number of presentations made at statewide conferences
- Team Facilitator: Janet Williamson
- Team Leader: Gary Moberly

Summary of Activities
- The annual Labor/Management Conference was held September 14-16, 1999, at Kentucky Dam Village State Resort Park. Attendance was the largest to date with 948 registered participants.

Tactic 1.2.3 Recognize the efforts of tactic team leaders and members and others involved in economic development efforts in Kentucky

Performance Milestones
- Annual: Number of recognition efforts
- Team Facilitator: René True
- Team Leader: Darrell Gilliam

Summary of Activities
- The Governor’s Economic Development Leadership Summit recognizes outstanding leadership efforts in economic development. Tactic team leaders are recognized in the Annual Report.

Strategy 1.3 Ensure Continuing Involvement of All State Government Agencies and the Kentucky Legislature

Tactic 1.3.1 Conduct an annual briefing for the Governor, other elected officials and Cabinet secretaries on the progress of the state’s economic development efforts, including the Strategic Plan

Performance Milestones
- Annual: Number of briefings
- Team Facilitator: Gene Strong
- Team Leader: Gene Strong

Summary of Activities
- Strategic Plan progress is communicated at the staff meetings.
Tactic 1.3.2  
**Meet with each Cabinet and relevant state agencies to develop specific actions to support the state’s economic development efforts, including the Strategic Plan**

**Performance Milestones**  
Annual-Number of agencies involved  
Team Facilitator: René True  
Team Leader: Gene Strong

**Summary of Activities**  
The Natural Resources & Environmental Protection Cabinet, Department of Agriculture, the Education, Arts & Humanities Cabinet, and the Tourism Development Cabinet are involved with Goal 5 in the Strategic Plan, while the Workforce Development Cabinet is involved with Goal 4. The Cabinet is participating with the Workforce Development Cabinet on the Workforce Investment Act and assisted the Secretary of State’s Office in developing the Web-based One-Stop Business Licensing Program.

Tactic 1.3.3  
**Report annually to the Interim Joint Committee on Economic Development**

**Performance Milestones**  
Annual-Committee response  
Team Facilitator: Gene Strong  
Team Leader: Gene Fuqua

**Summary of Activities**  
The Committee usually requests a presentation from the Cabinet for Economic Development annually, where Strategic Plan progress is communicated.

**GOAL 2 - REDUCE UNEMPLOYMENT AND INCREASE PER CAPITA INCOME**

**Strategy 2.1**  
Pursue Existing and New Business Development

**Tactic 2.1.1**  
**Review and improve as necessary existing incentive programs**

**Performance Milestones**  
Fall 1999-Suggest needed legislative changes  
Team Facilitator: Gordon Duke  
Team Leader: Gordon Duke

**Summary of Activities**  
Suggested changes were incorporated into the Cabinet’s legislative proposals for the 2000 General Assembly.

**Tactic 2.1.2**  
**Increase access to industry-specific worker training and skills upgrade**

**Performance Milestones**  
Annual-Increase in training by new, expanding and existing industries  
Team Facilitator: Ken Carroll  
Team Leader: Tom Kelly

**Summary of Activities**  
Bluegrass State Skills Corporation (BSSC) is developing an electronic training and employment services directory. BSSC developed a Web-site that allows for online application processing.
<table>
<thead>
<tr>
<th>Tactic 2.1.3</th>
<th>Monitor state recruiting and establish a formal state marketing plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Milestones</td>
<td>Annual-Implementation of new marketing strategies</td>
</tr>
<tr>
<td>Team Facilitator: Pamela Trautner</td>
<td>Team Leader: Dan Tobergte</td>
</tr>
<tr>
<td>Summary of Activities</td>
<td>The Kentucky Marketing Oversight Committee meets quarterly to review Cabinet marketing activities and to make recommendations on new initiatives. A new advertising campaign was developed featuring testimonials from companies operating successfully in Kentucky.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tactic 2.1.4</th>
<th>Develop a fully automated state industrial site and buildings database using GIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Milestones</td>
<td>Fall 2001-Number of times used to support recruiting or expansion</td>
</tr>
<tr>
<td>Team Facilitator: Brenda Workman</td>
<td>Team Leader: Susan Lambert</td>
</tr>
<tr>
<td>Summary of Activities</td>
<td>Installed GIS server, workstation and software. Established a test work group and agreed on data structure. Sites and Buildings GIS Information Management System was completed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tactic 2.1.5</th>
<th>Emphasize the advantages of rural Kentucky in recruiting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Milestones</td>
<td>Annual-Number of new and expanding industry in rural areas</td>
</tr>
<tr>
<td>Team Facilitator: Drew Dennis</td>
<td>Team Leader: Darrell Gilliam</td>
</tr>
<tr>
<td>Summary of Activities</td>
<td>The team implemented numerous suggestions regarding a “rural theme” in various marketing activities including: advertising, trade shows, recruiting trips and direct mail efforts.</td>
</tr>
</tbody>
</table>

**Strategy 2.2**

Promote Entrepreneurial Activities

<table>
<thead>
<tr>
<th>Tactic 2.2.1</th>
<th>Fund and implement the Commonwealth Venture Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Milestones</td>
<td>Annual-Number of venture capital firms established</td>
</tr>
<tr>
<td>Team Facilitator: David Bratcher</td>
<td>Team Leader: Jerry Rickett</td>
</tr>
<tr>
<td>Summary of Activities</td>
<td>One fund approved under the Kentucky Investment Fund Act during 1999.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tactic 2.2.2</th>
<th>Include entrepreneurial assistance in training programs for economic developers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Milestones</td>
<td>Annual-Number of seminars on entrepreneurship for economic development professionals</td>
</tr>
<tr>
<td>Team Facilitator: Patti Kirk</td>
<td>Team Leader: Wayne Foster</td>
</tr>
<tr>
<td>Summary of Activities</td>
<td>Entrepreneurship training for economic development professionals will be part of the Kentucky Small Business Development Center’s business technical assistance providers’ conference in the Summer of 2000.</td>
</tr>
</tbody>
</table>
**Tactic 2.2.3** Identify ways to assist entrepreneurs

Performance Milestones

Annual-Projects implemented to assist entrepreneurs

Team Facilitator: Jane Dirr  
Team Leader: Jane Dirr

Summary of Activities

Final recommendations of the tactic team are:
1) Develop a database of programs available that assist entrepreneurs; 2) Encourage the development of a “Career Awareness Program” at the high school level, and encourage schools to promote interaction with entrepreneur-type businesses through work/study programs designed to introduce students to all facets of a business; tours of business operations in varied industries; seminars by business owners at schools; and open discussion forums between students, guidance counselors and business owners; and 3) Draft legislation to require economics be part of the high school curriculum.

**GOAL 3 - CREATE A GLOBALLY COMPETITIVE BUSINESS ENVIRONMENT**

**Strategy 2.3** Encourage the Establishment of Business Networks

**Tactic 2.3.1** Seek funding for Kentucky First Program

Performance Milestones

Annual-Number of matches made and dollar amounts of matches

Team Facilitator: Jim Kurz  
Team Leader: Larry Shindeldecker

Summary of Activities

The tactic team proposed a Kentucky First Program to help Kentucky firms make supplier connections to keep more business in Kentucky.

**Tactic 2.3.2** Identify industry sectors which are appropriate for networks and establish networks

Performance Milestones

Annual-Number of firms in networks  
Annual-Number of networks established

Team Facilitator: Rodney Brown  
Team Leader: Rodney Henson

Summary of Activities

Four major initiatives have been undertaken and/or supported by the Cabinet Network Staff including the Kentucky Auto/Truck Industry Council, the Kentucky Wood Alliance, the United Sourcing Alliance, LLC., and the Advanced Alliance Assistance.

**Strategy 3.1** Pursue the Infrastructure Necessary for Kentucky Communities and Businesses to be Competitive in the World Economy

**Tactic 3.1.1** Develop and maintain the electronic infrastructure necessary to implement an effective information strategy

Performance Milestones

June 1996-Infrastructure established

Team Facilitator: René True  
Team Leader: Doug Robinson

Summary of Activities

The infrastructure for the Kentucky Information Highway is completed with connections to all courthouses, school districts, colleges and universities.
**Tactic 3.1.2**

**Performance Milestones**
- July 1998-Priority list completed

**Team Facilitator:** Drew Dennis  
**Team Leader:** Drew Dennis

**Summary of Activities**
- This tactic is to be revised or deleted.

**Tactic 3.1.3**

**Create and propose a set of funding guidelines and priorities for use by state agencies in allocating resources for public utility construction important to the economic development of the Commonwealth**

**Performance Milestones**
- July 1998-Develop funding guidelines and priority funding list

**Team Facilitator:** David Bratcher  
**Team Leader:** David Bratcher

**Summary of Activities**
- The Kentucky Infrastructure Authority and the Division of Water have established priorities for public infrastructure projects in the state.

**Tactic 3.1.4**

**Establish an effective and formal system for coordinating efforts with the state's private for-profit utility providers to improve the economic development of the Commonwealth**

**Performance Milestones**
- Annual-Report success of utility network

**Team Facilitator:** Dick Cirre  
**Team Leader:** Gene Strong

**Summary of Activities**
- HJR 95 created an Electricity Restructuring Task Force, which recommended no legislative changes for the 2000 General Assembly.

**Strategy 3.2**

**Increase Kentuckians’ Awareness of the Importance of the International Economy and Provide Knowledge on How To Participate**

**Tactic 3.2.1**

**Develop, plan and offer informational opportunities to Kentuckians on issues related to the international economy**

**Performance Milestones**
- Annual-Number of presentations on international awareness

**Team Facilitator:** Peggy Pauley  
**Team Leader:** Campbell Barnum

**Summary of Activities**
- Six ideas were developed to increase Kentuckians’ awareness of the international economy, including: 1) Develop school curriculum to support international awareness; 2) Educate legislators as to the importance of the international economy; 3) Increase awareness of available international resources; 4) Increase the multipliers around the state; 5) Develop non-traditional marketing activities such as Web sites and electronic catalogs; and 6) Increase foreign language skills earlier in schools.

**Tactic 3.2.2**

**Work with the Department of Education and the Council on Postsecondary Education to make economic development lesson plans and classes a part of the state's educational curricula**

**Performance Milestones**
- Annual-Number of primary, secondary and post-secondary schools using curricula

**Team Facilitator:** Jim Kurz  
**Team Leader:** Joanne Lange

**Summary of Activities**
- Recommendations were not funded.
**Tactic 3.2.3**

*Use economic development professionals to educate students, business and civic leaders, and government officials on economic development and global issues*

<table>
<thead>
<tr>
<th>Performance Milestones</th>
<th>Annual-Number of programs related to economic development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Facilitator</td>
<td>Jim Kurz</td>
</tr>
<tr>
<td>Team Leader</td>
<td>Louis Adams-Rogers</td>
</tr>
</tbody>
</table>

**Summary of Activities**

Recommendations were made, but funding not approved.

---

**Strategy 3.3**

*Develop Legislative Initiatives and Policy Changes Reflective of a Positive Business Attitude*

**Tactic 3.3.1**

*Implement procedures and actions that result in the Cabinet for Economic Development working closely with all agencies that develop regulatory policies that affect Kentucky’s globally competitive position*

<table>
<thead>
<tr>
<th>Performance Milestones</th>
<th>Annual-Number of regulations developed jointly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Facilitator</td>
<td>Jerry Tolliver</td>
</tr>
<tr>
<td>Team Leader</td>
<td>Valerie Hudson</td>
</tr>
</tbody>
</table>

**Summary of Activities**

Implementing procedures and actions that affect regulatory policies and create a more globally competitive position for Kentucky is better served by the Empower Kentucky program.

**Tactic 3.3.2**

*Formulate policies and practices that enhance the Commonwealth’s international business potential by studying and analyzing political and economic conditions to ensure an accurate knowledge of Kentucky’s global competition*

<table>
<thead>
<tr>
<th>Performance Milestones</th>
<th>Annual-Number of policies or programs implemented to enhance global competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Facilitator</td>
<td>Kelly McWilliams</td>
</tr>
<tr>
<td>Team Leader</td>
<td>Holly Groshek</td>
</tr>
</tbody>
</table>

**Summary of Activities**

A survey of non-exporting manufacturing firms will be conducted.

**Tactic 3.3.3**

*Develop a process to evaluate the adequacy of the state’s current governmental policy to help Kentucky to be globally competitive*

<table>
<thead>
<tr>
<th>Performance Milestones</th>
<th>Number of strategies implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Facilitator</td>
<td>René True</td>
</tr>
<tr>
<td>Team Leader</td>
<td>Joe Walters</td>
</tr>
</tbody>
</table>

**Summary of Activities**

Combined with tactic 3.3.2.
Strategy 3.4  Provide Assistance to Kentucky Companies in Assuming a Greater Role in the World Economy

Tactic 3.4.1  Implement strategies to increase the export of Kentucky products and services, and encourage and support industry based consortia for export development

Performance Milestones
Annual-Number of export consortia
Annual-Number of strategies implement to increase exports

Team Facilitator: Mary Beth Cordy  
Team Leader: Margaret Graves

Summary of Activities
The work to develop industry networks and consortia continues with three industries. The environmental technology network participated in two trade missions - Munich, Germany and Mexico City, Mexico. A brochure was designed for the secondary wood products network discussing the benefits of trade. Two seminars were held in the Fall of 1999 in Bowling Green and Louisville to educate the wood industry on exporting. The Appalachian Regional Commission is undertaking a project to offer opportunities for the secondary wood products industry in Europe. The food and kindred products network is developing, with existing networks already in place. The Cabinet's Mexico Office develops programs and opportunities for the food and kindred products industry in Mexico.

Tactic 3.4.2  Develop strategies to transfer technology to Kentucky businesses

Performance Milestones
Annual-Number of strategies implemented

Team Facilitator: René True  
Team Leader: Joe Walters

Summary of Activities
Kentucky's Science and Technology Strategy was developed under the leadership of the Kentucky Science and Technology Corporation.

GOAL 4 - MANAGE RESOURCES TO MAXIMIZE RETURN ON INVESTMENT

Strategy 4.1  Create an Effective Statewide Economic Development Organization Structure

Tactic 4.1.1  Prepare a detailed analysis of the existing economic development organizational structure and service delivery system

Performance Milestones
January 1999-Complete inventory and profile

Team Facilitator: Terri Wellman  
Team Leader: Darrell Gilliam

Summary of Activities
The Cabinet is represented on a committee reviewing economic development programs with the Kentucky Chamber of Commerce.

Tactic 4.1.2  Create a model of Kentucky's "ideal" economic development service delivery system

Performance Milestones
Fall 1999-Create model

Team Facilitator: Terri Wellman  
Team Leader: Darrell Gilliam

Summary of Activities
See Tactic 4.1.1 report.
Tactic 4.1.3  Compare the current structure with the “ideal” model and its criteria and standards. Based on this comparison, develop and implement a more efficient and effective organizational structure

Performance Milestones  Fall 1999-Implement new organizational structure
Team Facilitator: Terri Wellman  Team Leader: Darrell Gilliam
Summary of Activities  See tactic 4.1.1 report.

Tactic 4.1.4  Establish programs which encourage and reward regional cooperation in economic development

Performance Milestones  Annual-Number of economic development programs that encourage and reward regional cooperation
Team Facilitator: Kim Logsdon  Team Leader: Sim Davenport
Summary of Activities  The tactic team decided to promote regional economic development by building it from the ground up, by assessing an area’s infrastructure potential and bringing stakeholders to the table to share resources and ideas. Goals, objectives and strategies were identified to implement regional cooperation.

Strategy 4.2  Develop Leadership and Leadership Vision, Capacity and Tools, Particularly at the Community Level

Tactic 4.2.1  Establish and implement an effective economic development leadership development program which improves the depth and quality of the leadership base at the local and regional levels, and which focuses community preparedness efforts on the development of local leadership

Performance Milestones  Annual-Number of participants in training programs  Annual-Number of training programs
Team Facilitator: Janet Williamson  Team Leader: Darrell Gilliam
Summary of Activities  The Fourth Annual Governor’s Economic Development Leadership Awards Banquet was held in conjunction with KIDC’s Annual Meeting November 3-5, 1999 in Louisville. The conference featured recognition of 41 Centennial Businesses, 19 Founders Award winners, 2 Gray Award winners, and 4 people receiving the Governor’s Economic Development Leadership Award.

Tactic 4.2.2  Assist and encourage all communities to prepare a comprehensive development plan and related economic development strategy

Performance Milestones  Annual-Number of comprehensive community plans developed
Team Facilitator: Patti Kirk  Team Leader: Darrell Gilliam
Summary of Activities  A draft revision to the team’s Community Inventory Questionnaire Handbook is currently being edited. Completion is scheduled for 2000.
Tactic 4.2.3  **KEEP - sponsor training seminars in existing business support for economic developers and local leaders**

Performance Milestones

Annual-Number of KEEP programs implemented

Team Facilitator: Patti Kirk  
Team Leader: Joe Mefford

Summary of Activities

The KEEP Program is ongoing, including the partnership between BellSouth, UK, and the Cabinet for Economic Development.

---

Strategy 4.3  **Make the Economic Development Cabinet’s Programs and Activities Effective and Accessible**

Tactic 4.3.1  **Develop an evaluation process for current economic development programs and tactic teams using Cabinet staff**

Performance Milestones

Annual-Number of programs evaluated

Team Facilitator: René True  
Team Leader: Ernest Yanarella

Summary of Activities

Recommend contracting for program evaluation services using the tactic team’s report as a guideline.

---

Tactic 4.3.2  **Ensure that available information on each community is up-to-date and reliable, resulting in a strengthening of the relationship between the Cabinet and communities**

Performance Milestones

December 1998-Implement changes to community brochures

Team Facilitator: Becke McGaughey  
Team Leader: Lisa Mills

Summary of Activities

The Cabinet has implemented recommendations of the team into their community brochure publications. Community brochures updated annually rather than every two years.

---

Tactic 4.3.3  **Identify, or create, and make available online appropriate economic development related databases of direct and immediate value to economic development professionals, community leaders and businesses**

Performance Milestones

Annual-Number of visits to Web site  
Annual-Number of requests for employee screening and testing

Team Facilitator: René True  
Team Leader: Joe Mefford

March 1999-Redesign of web site completed

Summary of Activities

Web site redesigned in 1999. Calendar of events and staff contact information added to Web site. “Where to find financing” section was enhanced.

---

Strategy 4.4  **Develop a Coherent and Integrated Workforce Training Delivery System**

Tactic 4.4.1  **Evaluate training activities funded by or designed to serve economic development by creating a working level task force with broad authority**

Performance Milestones

Annual-Number of requests for employee screening and testing  
Annual-Business response to new training organization

Team Facilitator: Ken Carroll  
Team Leader: Allen Rose

Summary of Activities

Governor Patton appointed the Kentucky Workforce Investment Board charged with leading Kentucky’s efforts to establish a workforce development system that is easy to use, customer driven, focused on results and continually improving. The Board approved a five-year strategic plan and established four committees to concentrate efforts on funding, business and industry, accountability, and legislative issues.
**Tactic 4.4.2**

Create a state-level training information and services clearinghouse

**Performance Milestones**
- Annual-Number of customer using clearinghouse
- Spring 2000-Develop clearinghouse

**Team Facilitator:** Glenna Glass  
**Team Leader:** Steve Allen

**Summary of Activities**
The Workforce Investment Act (WIA) Implementation Team was established to develop an inclusive, collaborative approach for system design. The Team meets every two months to discuss issues associated with the local and statewide implementation of WIA. Final recommendations are scheduled for January 2000.

---

**Strategy 4.5**

Revise and Improve the Regulatory Processes

**Tactic 4.5.1**

Maintain a Regulatory Expediting Center within the Economic Development Cabinet that includes coordination of a Single Point of Contact Program

**Performance Milestones**
- Annual-Number of agencies which establish single point of contact

**Team Facilitator:** Jerry Tolliver  
**Team Leader:** Valerie Hudson

**Summary of Activities**
Empower Kentucky is addressing the issues of this tactic.

**Tactic 4.5.2**

Have the Economic Development Cabinet work closely with the Natural Resources Cabinet in the development of environmental regulations which affect business

**Performance Milestones**
- Annual-Number of regulations developed cooperatively

**Team Facilitator:** Jerry Tolliver  
**Team Leader:** Valerie Hudson

**Summary of Activities**
Tactic merged with Tactic 3.3.1.

---

**GOAL 5—MANAGE KENTUCKY’S NATURAL RESOURCES AND CULTURAL ASSETS TO ENSURE LONG-TERM PRODUCTIVITY AND QUALITY OF LIFE**

**Strategy 5.1**

Promote Sustainable Management of Kentucky’s Environmental Assets

**Tactic 5.1.1**

Provide environmental asset and secondary wood industry training to economic development professionals

**Performance Milestones**
- Annual-Number of training sessions held

**Team Facilitator:** Bill Morris  
**Team Leader:** Steve Kull

**Summary of Activities**
Staff of the Department of Natural Resources presented the report and recommendations prepared on this tactic. Funding has not been secured, but options are being investigated.
Tactic 5.1.2  Support the efforts of the Kentucky Forest Stewardship Act
Performance Milestones  Spring 1998-Favorable action by legislation
Team Facilitator: Bill Morris  Team Leader: Steve Kull
Summary of Activities  The Kentucky Forest Conservation Act passed the 1998 General Assembly.

Tactic 5.1.3  Promote incentives for development of the secondary wood industry
Performance Milestones  Annual-Number of secondary wood industry facilities expanding or locating in Kentucky
Team Facilitator: Bill Morris  Team Leader: Mark Kaser
Summary of Activities  A pilot project is being prepared to equip a selected community with the tools needed for the application/location/expansion process in the secondary wood manufacturing industry, as a means of boosting a specific location’s development potential.

Tactic 5.1.4  Support the efforts of the Department for Surface Mining Reclamation and Enforcement to promote development of post-mine land uses for long-term economic growth
Performance Milestones  Annual-Number of post-mine land sites developed for economic growth
Team Facilitator: Bob Fouts  Team Leader: Paul Hall
Summary of Activities  The tactic team set the goal of obtaining funds from the Abandoned Mined Land Funds for economic development purposes. The team is gathering information on the use of funds in other states, types of projects these funds could finance, and ways of administering the funds.

Tactic 5.1.5  Promote development of business recruitment and tourism with a focus on minimizing harmful waste management practices
Performance Milestones  Annual-Number of industry and tourism projects that minimize harmful waste management practices
Team Facilitator: Dick Cirre
Summary of Activities  No recommendations to report.

Strategy 5.2  Promote Expanded Opportunities for Value-Added Agri-Business, Enhanced Marketing Efforts and State Financing Programs
Tactic 5.2.1  Monitor and support the efforts of the Ag Marketing Advisory Board and Ag 2000
Performance Milestones  Annual-Progress of the Ag Marketing Advisory Board and Ag 2000
Team Facilitator: Smith Mitchell  Team Leader: Gene Strong
Summary of Activities  The Cabinet is represented at Ag Marketing Advisory Board meetings, and activities are reported to Secretary Strong.
**Tactic 5.2.2**  
Implement commodity marketing projects  
**Performance Milestones**  
Annual-Number of commodity marketing projects implemented  
Team Facilitator: Don Goodin/David Bratcher  
Team Leader: Jim Mansfield  
**Summary of Activities**  
Cabinet for Economic Development staff assisted the Kentucky Department of Agriculture in reviewing grant applications for commodity marketing projects and other assistance programs for agricultural producers. Funds were awarded by the Department of Agriculture twice during 1999.

**Tactic 5.2.3**  
Promote incentive programs for value-added agri-business  
**Performance Milestones**  
Annual-Number of value-added agri-businesses expanding or locating in Kentucky  
Team Facilitator: Don Goodin/David Bratcher  
Team Leader: Todd Barlow  
**Summary of Activities**  
See report for Tactic 5.2.2.

**Tactic 5.2.4**  
Evaluate and recommend financial assistance programs for agricultural producers  
**Performance Milestones**  
Annual-Number of enhancements to financial assistance programs  
Team Facilitator: Don Goodin/David Bratcher  
Team Leader: Vertress Warner  
**Summary of Activities**  
See report for Tactic 5.2.2.

**Strategy 5.3**  
Promote and Develop Kentucky’s Cultural and Historical Assets as Tools for Economic and Tourism Development  

**Tactic 5.3.1**  
Develop and implement a plan to maximize the use of state, federal and private funds for programs to increase the economic and tourism development impact of local and regional, cultural, historical and natural assets  
**Performance Milestones**  
Fall 1999-Completion of heritage/cultural development guide  
Team Facilitator: Brenda Rice  
Team Leader: Lou DeLuca  
**Summary of Activities**  
A tactic implementation committee, made up of Education, Arts & Humanities and Tourism Development Cabinet staff to implement Tactic 5.3.1, will coordinate with the regional tourism planning being done under Tactic 5.4.3. The committee plans to compile a sourcebook of technical assistance available, listing all state, federal and private programs and fund sources which impact heritage, cultural or tourism development.
<table>
<thead>
<tr>
<th>Tactic 5.3.2</th>
<th><strong>Emphasize cultural, historical and natural asset quality of life in economic and tourism development marketing and publications</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Milestones</td>
<td>Annual - Amount of space devoted to cultural and natural assets in Economic Development marketing</td>
</tr>
<tr>
<td>Team Facilitator: Pamela Trautner</td>
<td>Team Leader: Alan Fowler</td>
</tr>
<tr>
<td>Summary of Activities</td>
<td>Tactic 5.3.2 is incorporated into Tactic 2.1.3. The following steps are included in the revised state industrial marketing plan: 1) Encourage local economic development agencies to identify natural and cultural assets in their areas; 2) Include summaries of natural and cultural assets in the Cabinet's community brochures and other informational packets as deemed appropriate; and 3) Work with the Tourism Development Cabinet to establish a “Quality of Life” brochure.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tactic 5.3.3</th>
<th><strong>Include cultural, heritage and tourism leaders in economic development planning and leadership training; and provide incentives and technical assistance to communities for the inclusion of cultural/heritage/tourism planning in community development plans</strong></th>
</tr>
</thead>
</table>
| Performance Milestones | Annual - Number of community comprehensive development plans including cultural, heritage and tourism issues  
Annual - Number of training sessions held |
| Team Facilitator: Craig Kelly | Team Leader: David Morgan/Gerri Combs |
| Summary of Activities | Tactic 5.3.3 is working toward achieving the following actions: 1) Add cultural/heritage/tourism representation to tactic teams 4.2.1 & 4.2.2; 2) Add cultural/heritage/tourism issues to the Community Planning and Development Handbook distributed by the Cabinet; 3) Create a team of cultural, heritage and tourism leaders to offer expertise to communities; 4) Add cultural, heritage and tourism issues in the economic development training offered by the Cabinet; 5) Include cultural, heritage and tourism leaders in economic development training; and 6) Establish a training course, offered by cultural, heritage and tourism leaders, for economic development professionals and community leaders. |

<table>
<thead>
<tr>
<th>Tactic 5.3.4</th>
<th><strong>Expand local, regional, national and international markets for Kentucky crafts and cultural, historical and agricultural products, including a strong emphasis on these products in state facilities</strong></th>
</tr>
</thead>
</table>
| Performance Milestones | Annual - Total sales and exports of Kentucky crafts  
Fall 1998 - Develop catalog of Kentucky produced crafts and products |
| Team Facilitator: Sara Bell | Team Leader: Fran Redmon |
| Summary of Activities | Work on a master plan for Kentucky’s crafts and cultural and historical assets is underway. A two-day “product development” workshop was held Sept 28 & 29, 1999, at the Kentucky History Center. |
**Strategy 5.4**

**Promote and Develop the Tourism Industry**

**Tactic 5.4.1**  
**Implement the master plan for tourism development, which ties it to the overall economic development strategy**  
Performance Milestones:  
Report of master plan progress  
Team Facilitator: Jane Sullivan  
Team Leader: Ann Latta  
Summary of Activities:  
The Tourism Development Cabinet now publishes county profiles of tourism industry resources. These profiles will enable potential entrepreneurs in the tourism industry to assess each county’s tourism environment. The Tourism Development Cabinet continues to implement the Tourism Development Master Plan.

**Tactic 5.4.2**  
**Actively seek tourism projects with significant economic impact**  
Performance Milestones:  
Number of tourism projects approved under Kentucky Tourism Development Act  
Team Facilitator: Tom Hoehner  
Team Leader: David Lovelace  
Summary of Activities:  
The Tourism Development Cabinet is developing a marketing piece on the Kentucky Tourism Development Act (KTDA) for mailing to tourism developers, preparing an ad on KTDA for tourism periodicals, and promoting KTDA in magazine and newspaper editorials. Since KTDA was passed, three projects have been approved and a fourth project received preliminary approval. The Tourism Development Cabinet is also seeking interest from the private sector in building lodges at eight underdeveloped state parks.

**Tactic 5.4.3**  
**Develop and implement regional tourism development plans**  
Performance Milestones:  
Progress of regional plans  
Team Facilitator: Melissa Wheeler-Scott  
Team Leader: Debbie Giannini  
Summary of Activities:  
The Tourism regional development plans for nine regions covering the state are final and have been submitted to each region for implementation.
<table>
<thead>
<tr>
<th>Tactix Team Leaders</th>
<th>Department/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lois Adams-Rogers</td>
<td>Department of Education</td>
</tr>
<tr>
<td>Steve Allen</td>
<td>Empower Kentucky</td>
</tr>
<tr>
<td>Todd Barlow</td>
<td>Corn Growers Association</td>
</tr>
<tr>
<td>Campbell Barnum</td>
<td>D.D. Williamson Company</td>
</tr>
<tr>
<td>Gerri Combs</td>
<td>Education, Arts and Humanities Cabinet</td>
</tr>
<tr>
<td>Sim Davenport</td>
<td>BellSouth</td>
</tr>
<tr>
<td>Lou DeLuca</td>
<td>Education, Arts and Humanities Cabinet</td>
</tr>
<tr>
<td>Jane Dirr</td>
<td>Specialty Film and Associates Inc.</td>
</tr>
<tr>
<td>Gordon Duke</td>
<td>Cabinet for Economic Development</td>
</tr>
<tr>
<td>Wayne Foster</td>
<td>Commonwealth Research Inc.</td>
</tr>
<tr>
<td>Alan Fowler</td>
<td>James N. Gray Company</td>
</tr>
<tr>
<td>Gene Fuqua</td>
<td>Cabinet for Economic Development</td>
</tr>
<tr>
<td>Debbie Giannini</td>
<td>Tourism Development Cabinet</td>
</tr>
<tr>
<td>Darrell Gilliam</td>
<td>Capital Community Economic-Industrial Development Authority</td>
</tr>
<tr>
<td>Margaret Graves</td>
<td>Bluegrass Conservancy</td>
</tr>
<tr>
<td>Holly Groshek</td>
<td>Kentucky World Trade Center</td>
</tr>
<tr>
<td>Paul Hall</td>
<td>Kentucky River Area Development District</td>
</tr>
<tr>
<td>Tom Harris</td>
<td>Toyota Motor Manufacturing, Kentucky, Inc.</td>
</tr>
<tr>
<td>Rodney Henson</td>
<td>Sachs Automotive of America</td>
</tr>
<tr>
<td>Valerie Hudson</td>
<td>Gallatin Steel Company</td>
</tr>
<tr>
<td>Mark Kaser</td>
<td>Kentucky Wood Products</td>
</tr>
<tr>
<td>Tom Kelly</td>
<td>Publishers Printing</td>
</tr>
<tr>
<td>Steve Kull</td>
<td>Cabinet for Natural Resources and Environmental Protection</td>
</tr>
<tr>
<td>Susan Lambert</td>
<td>Office of Geographic Information Systems</td>
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<td>Joanne Lange</td>
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<td>Ann Latta</td>
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<td>Jim Mansfield</td>
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<td>Joe Mefford</td>
<td>BellSouth</td>
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<td>Lisa Mills</td>
<td>Greater Louisville Inc.</td>
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<td>David Morgan</td>
<td>Kentucky Heritage Council</td>
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<td>Sandy Napper</td>
<td>Mount Sterling-Montgomery County Industrial Authority</td>
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<td>Fran Redmon</td>
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<td>Jerry Rickett</td>
<td>Kentucky Highlands Investment Corporation</td>
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<td>Doug Robinson</td>
<td>Kentucky Information Resource Management</td>
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<td>Allen Rose</td>
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<td>Larry Shindeldecker</td>
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<td>Marvin E. (Gene) Strong, Jr.</td>
<td>Cabinet for Economic Development</td>
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<tr>
<td>Dan Tobergte</td>
<td>Tri-County Economic Development Corporation</td>
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<tr>
<td>Joe Walters</td>
<td>Kentucky Technology Service</td>
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<td>Vertress Warner</td>
<td>Kentucky Agricultural Finance Corporation</td>
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<tr>
<td>Ernest Yanarella</td>
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</tr>
</tbody>
</table>
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