

CHAPTER THREE

An analysis of the structure and vitality of a community's economy is fundamental to develop a strategic plan for economic development and for future land use planning. Studies of the structure of the existing local economy identify the important economic activities within the community. The extent of economic activity and the population supported by such activity influences future economic development. The health and growth of the local economy is a key determinant of how rapidly land will be converted to various uses and can be gauged by its stability and balance. Stability is the ability to withstand fluctuations in the regional and national economies. Balance is the degree to which diversification allows the local economy to withstand fluctuations in a particular sector of the economy.

This chapter of the comprehensive plan focuses upon Mercer County but also contains information on the Mercer County labor market for comparative purposes. The Mercer County labor market includes the nine (9) Kentucky Counties of Anderson, Boyle, Fayette, Garrard, Jessamine, Lincoln, Mercer, Washington, and Woodford as shown below.



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EMPLOYMENT BY INDUSTRY

Employment information at the county level is available for industries covered by unemployment insurance. This generally includes all workers except self-employed individuals, unpaid family members, some student workers, agricultural workers, domestic workers, rail workers, employees of certain religious organizations and some government employees. A summary of employment in industries covered by unemployment insurance for Mercer County from 1990 to 2001 is shown in Figure 3-1.

Mercer County gained a total of 1,524 jobs, a 27.9% increase, from 1990 to 2001. This significant gain can be attributed to the additional number of jobs in the *Service* industry which increased by 999 workers during this time period. All other sectors increased in the number of jobs from 1990 to 2001 with the exception of those classified as *Information* and *Other*. The sector with the greatest percentage increase in jobs was *Utilities, Trade, & Transportation*. This sector of the economy increased by 669 jobs, an increase of 218.63%. The second largest percentage increase in jobs occurred in the *Service* industry which experienced an increase of 999 jobs (116.57%). This is also the industry with the greatest net increase in jobs. The third largest percentage increase was in the *Construction* sector which gained a total of 84 jobs or 39%.

Manufacturing jobs are the highest paying with an average weekly wage of \$779.91. This is evident in Figure 3-2 which shows average weekly wages by industry for the period of 1990 to 2001. As stated in the previous paragraph, the industries that ranked first and second in terms of the number of jobs created in Mercer County were the *Service Industry* and *Manufacturing*. Unfortunately, jobs in the *Service* sector pay the lowest wages (\$317.48) and depend upon the re-circulation of local dollars rather than bringing new dollars into the local economy. However, *Manufacturing* jobs are the highest paying (\$779.91) for all industries. Figure 3-2 also shows that the average weekly wages in Mercer County increased overall from 1990 to 2001 with an increase of 70%. However, the overall average weekly wages (\$563.69) in the county are slightly lower than the average for the state overall (\$571.30). Mercer County ranks third out of all of the counties in the labor market area in terms of average weekly wages. Fayette had the highest average weekly wages for all industries at \$610.09. The lowest average weekly wages (\$418.36) are paid in Lincoln County.

MANUFACTURING

According to the Kentucky Cabinet for Economic Development, Division of Research, there were twelve (12) major manufacturing firms in Mercer County in 2004, all of which are located in the City of Harrodsburg. Table 3-1 lists each major manufacturing firm, the date the local facility was established, the firm's primary products, and the average employment as of July 2004.

In Mercer County the manufacturing sector of the economy had the second largest increase in the number of jobs from 1990 to 2001. The vitality of this sector of the local economy is important as it employs the largest number of persons and accounts for 35% of all jobs covered by unemployment insurance. In addition, this sector is the highest paying with average weekly wages of \$779.91. In the labor market area, Mercer County is ranked second in the amount of average weekly wages for the manufacturing sector of the economy. Fayette County had the highest average manufacturing wages at \$899.63 per week. Garrard County ranked the lowest of the nine (9) counties in the labor market area with average weekly wages of \$367.67 in the manufacturing sector of the economy.

**TABLE 3-1
MERCER COUNTY MANUFACTURING FIRMS-JUNE 2004**

FIRM, PRODUCT & DATE ESTABLISHED	EMPLOYMENT
Harrodsburg	
<i>Bay West Paper Corporation</i> Paper towels, toilet paper, facial tissue & sanitary paper products (1990)	480
<i>Bill McGlones Custom Cabinet</i> Wood & laminated cabinets & countertops (1989)	2
<i>CDR Manufacturing Inc.</i> Electronic Circuit Boards	60
<i>Corning Inc.</i> AMLCD Glass Substrate (1952)	391
<i>Harrodsburg Herald</i> Newspaper publishing; offset & letterpress printing; spiral, side & saddle stitch binding, commercial printing (1884)	20



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<i>Hitachi Automotive Products USA</i>	820
Automobile electric & electronic components (1986)	
<i>Mercer Stone Company</i>	14
Crushed & agricultural limestone (1966)	
<i>Mercer Tool & Die Inc.</i>	3
Tools, dies, jigs & fixtures; machine shop; general machining, drilling, boring, cutting, honning, grinding, electric welding, mill & lathe work (1989)	
<i>Modine Climate Sysytems, Inc.</i>	190
Automobile & truck air conditioning equipment (1982)	
<i>Trim Masters, Inc.</i>	147
Automotive Seat Covers & Trim (1992)	
<i>Trim Masters, Inc.</i>	434
Automotive seat covers (1998)	
<i>Troyboy's Inc..</i>	3
Custom powder coating service (1996)	

TOTAL 2,564

Source: Kentucky Cabinet for Economic Development (7/02/04)

WHOLESALE AND RETAIL TRADE

The U.S. Department of Commerce periodically conducts a census of sales in the retail, service industry and manufacturing and wholesale trade sectors. The latest such census was conducted in 1997. The next update was conducted 2002 but has not been published yet. It is important to note that the Census, prior to 1997, utilized SIC Codes to delineate business types. However, in 1997 the U.S. Census Bureau adopted the NAICS categorizations of businesses for the census. The adoption of this new classification system breaks time series since the data collected

using the new definitions and codes are not identical to those used in previous economic census'. While some categories under NAICS correlate to the previously used SIC codes, many have no direct correlation. Although, time series data needs to be maintained for comparability, the U.S. Census Bureau has determined that accurate comparisons cannot be made until previous census' are reclassified. As of the writing of the comprehensive plan, this reclassification has not occurred. Therefore, this section will discuss the 1987 and 1997 Census findings without directly comparing them or discussing them in terms of overall economic trends. In 1987, it was reported that there were twenty-three (23) wholesale trade establishments in Mercer County with sales of \$27,325,000. In 1997, the number of wholesale trade establishments were reported as eighteen (18) with sales of \$23,732,000. The decrease in the number of establishments and sales in the wholesale sector can most likely be attributed to the change in the U.S. Census Bureau's classification, and not a decline of this sector of the local economy.

In 1987 there were 103 retail establishments in Mercer County with total sales of \$67,361,000. This number was reported as 84 in 1997 with sales of \$125,579,000. Although it appears, due to the U.S. Census reclassification, that the number of establishments decreased, the amount of sales reported in 1997 is shown to have increased by approximately 86.4%.

Table 3-2 provides Census information for retail trade establishments by type for 1997. Again, it is important to note that 1987 and 1997 cannot accurately be compared due to the reclassification of businesses from SIC to NAICS. It is important to note that the total sales/receipts for the service industry sector as a whole and some categories listed above cannot be reported as data is withheld on some establishments in order to avoid disclosing data for individual companies. This are marked as "D*" below.

TABLE 3-2

RETAIL ESTABLISHMENTS WITH PAYROLL - 1997

	Number	Sales (\$000)
Motor Vehicles & Parts	16	\$32,608
Furniture & Home Furnishings	4	1,318
Electronics & Appliance Stores	1	D*



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Building Materials & Garden Equipment	10	14,124
Food & Beverage Stores	10	D*
Health & Personal Care Stores	2	D*
Gasoline Stations	16	13,816
Clothing & Accessories	6	1,467
Sports, Goods, Hobby, Books, Music	5	D*
General Merchandise	4	D*
Miscellaneous Stores	8	D*
TOTAL	82	\$125,579

*Source: U.S. Department of Commerce,
Bureau of the Census, 1997 Economic Census -Retail Trade*

SERVICE INDUSTRY

In terms of employment, the service industry is one of the fastest growing sectors of the national economy. It is also the most difficult sector to analyze since services are not generally taxed and the majority are classified as small businesses. Until recently, the Department of Commerce conducted a Census of the Service Industry as a whole with several category listings using SIC codes. In 1997, this sector of the economy was broken into separate categories (NAICS codes) as shown below. This change makes it difficult to compare with earlier 1987 or 1992 data. The following is a list of service industries located in Mercer County, the number of establishments, and total sales or receipts for each.

TABLE 3-3

SERVICE INDUSTRY ESTABLISHMENTS WITH PAYROLL- 1997

CATEGORY	NUMBER	TOTAL SALES/RECEIPTS
Accommodations (8) and Food Service(28)	36	\$13,985,000

Arts, Entertainment and Recreation	7	\$2,192,000
Health Care and Social Assistance	21	\$9,785,000
Professional, Scientific, and Technical Services	24	\$3,662,000
Administrative & Support, Waste Management and Remediation Services	13	\$2,567,000
Other (except public administration)	20	\$2,981,000
TOTAL	121	\$35,172,000

AGRICULTURE

According to estimates of the Kentucky Workforce Development Cabinet, Department for Employment Services, an average of 575 persons were employed in the agricultural industry in Mercer County in the year 2000. This represents approximately 8% of employed residents. Although agricultural activity in Mercer County has declined somewhat as the county becomes more urbanized, agriculture continues to be important to the county's economy and character. Figure 3-3 presents agricultural statistics for Mercer County.

According to the U.S. Department of Commerce's Census of Agriculture, the number of farms in Mercer County has steadily declined since 1982. In 1982, there were 1,209 farms containing 145,660 acres of farmland and 39,661 acres of harvested cropland. The number of farms decreased to 976 in 1997 (-19.2%) with the number of acres of farmland declining to 126,389, which is a loss of 19,271 acres or -13.2%. It is important to note that although the number of farms and farm acres decreased over this fifteen (15) year period, the number of harvested cropland has only slightly decreased from 39,661 to 38,053, a decrease 1,608 acres or 4%. Table 3-3 also presents statistics on major crop and livestock production in the county for 2001-2002. It is important to note that Mercer County ranks 14th in the state for Burley Tobacco and 10th for Alfalfa Hay.



TOURISM

The Kentucky Department of Travel Development analyzes the economic impact of Kentucky's tourism and travel industry. Two (2) key areas analyzed at the county level are travel expenditures and tourism industry employment. Tourism and travel industry employment for Mercer County, Bluegrass Region, and Kentucky for the years 1991, 2001, and 2002 estimates are shown on Figure 3-3. Mercer County lost 134 jobs in this sector from 1991 to 2002, a decrease of 13.7%. The Bluegrass Region which includes fifteen (15) counties in central Kentucky also experienced a loss in tourism employment during this time period while the State of Kentucky increased tourism industry employment by 8.32%.

Figure 3-4 shows travel expenditures for the same period. Although employment in the travel and tourism industry decreased, travel expenditures in Mercer County increased by 18.69% from 1991 to 2001. As of 2001, Mercer County ranked 34th out of 120 counties in terms of travel expenditures. Significant increases in travel expenditures were also experienced in the Bluegrass Region overall (31.47%) and the state of Kentucky (173.77%).

CIVILIAN LABOR FORCE

The civilian labor force is defined as the sum of both employed and unemployed persons sixteen (16) years of age and older, excluding armed forces personnel and persons in penal and mental institutions, sanitariums and homes for the aged, infirm and needy. Persons "not in the labor force" include those not classified as employed or unemployed and include:

- retired persons;
- persons engaged in their own housework;
- persons not working while attending school;
- persons unable to work because of a long term illness;
- persons discouraged from seeking work because of personal or job market factors; and
- persons who are voluntarily idle.

The labor force characteristics of each county in the labor market area are shown on Table 3-5. In 2001, Mercer County had a total of 10,962 persons in the civilian labor force. Of this number 10,385 were employed and 577 unemployed. Comparatively, Fayette County had the largest civilian labor force (144,218) in the labor market area. Washington County had the smallest civilian labor force at 6,134.

UNEMPLOYMENT

In 2000, there were 10,213 residents in the Mercer County labor force with an average of 371 residents being unemployed and an unemployment rate of 3.2%. As can be seen in Table 3-5, Mercer County had a 5.3% annual average unemployment rate in 2001, a 2.1% increase from the 2000 U.S. Census. In 2001, Mercer County had one of the highest unemployment rates in the labor market area. Fayette County had the lowest unemployment rate at 2.8%. Lincoln County had the highest at 6.5%. The average annual unemployment rate in the labor market area was 4.7% in 2001.

For comparative purposes, the unemployment rates for Mercer County, Kentucky and the United States from 1990 to 2001 are shown in Figure 3-6. This figure shows that the unemployment rate in Mercer County has been consistently lower than the state of Kentucky and the United States during this time period with the exception of the years 1990 and 2001. Historically Kentucky's unemployment rate has been higher than the national average. However, it is interesting to note that Kentucky's unemployment rate was lower than the U.S. rate overall from 1992 until 1996.

EMPLOYMENT OF MERCER COUNTY RESIDENTS

The civilian labor force of Mercer County is employed in a wide range of industries (Table 3-6). This information is obtained from the 2000 U.S. Census and does not reflect the location of employment. As of 2000, there were 9,821 employed persons 16 and over. At this time, the majority of the Mercer County residents were employed in *Manufacturing* (26.13%), *Educational, Health, and Social Services* (17.01%), and *Retail Trade* (25.24%). The industry with the lowest percentage of



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employment was the *Information Sector* (10.07%). Employment statistics for the cities of Harrodsburg and Burgin are similar to Mercer County.

In 2000, the top three employment industries for Harrodsburg residents were: *Manufacturing* (29.0%) , *Educational, Health, and Social Services* (14.7%), and *Retail Trade* (12.2%). However, the industry with the lowest percentage of employment was the *Wholesale Trade* sector (1.7%) which differs from the county. The top three industries for Burgin residents in 2000 were: *Manufacturing* (32.2%), *Educational, Health, and Social Services* (22.2%), and *Retail Trade* (11.3%). The two industries with the lowest percentage of employment were the *Wholesale Trade Sector* (1.1%) and the *Educational, Health, and Social Services* sector (1.1%).

COMMUTING PATTERNS

Table 3-7 details the commuting patterns of Mercer County residents in 2000. At this time, the majority (54.4%) of Mercer County residents worked and lived in the county. Of the working residents that worked out of county, 44.6% worked within the State of Kentucky, while less than 1% commuted to other states for employment.

**TABLE 3-7
MERCER COUNTY WORKERS 16 AND OVER
BY PLACE OF WORK**

	#	%
Work and live in Mercer County	5,235	54.5%
Work in KY outside of Mercer County	4,283	44.5%
Work outside of KY	92	.95%
Total working residents	9,610	100%
Total commuting into Mercer County	2,964	36.2%
Total working and living in Mercer County	5,235	63.8%
Total workers in Mercer County	8,199	100%

Tables 3-8 examines the number of persons working in Mercer County. Only 36.2% percent of persons working in the county come from other areas with the

majority (63.8%) of workers being Mercer County residents.

As can be seen from reviewing this data, the majority of workers stay in the county to work. The following summarizes the commuting patterns of the Mercer County and those commuting into the county from other places.

**TABLE 3-8
PRIMARY AREAS THAT MERCER COUNTY RESIDENTS
COMMUTE TO:**

KENTUCKY	TOTAL 4,283
Fayette County	1,319 workers
Boyle County	1,291 workers
Anderson County	432 workers
Franklin County	389 workers
Woodford County	292 workers
Jessamine County	181 workers

OTHER STATES	TOTAL 92
Hamilton, OH	29 workers
Porter, IN	10 workers
Lincoln, MO	8 workers
Queens, NY	8 workers

**PRIMARY AREAS THAT MERCER COUNTY WORKERS
COMMUTE FROM:**

KENTUCKY	TOTAL 2,941
Boyle County	1,191 workers
Lincoln County	388 workers
Fayette County	248 workers
Washington County	213 workers
Garrard County	125 workers
Anderson County	108 workers

OTHER STATES	TOTAL 23
Warrick, IN	14 workers
Madison, IL	7 workers
Davidson, TN	2 workers

As reported by the 2000 U.S. Census for Mercer County, the preferred method of



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transportation to work is by car, truck or van with 7,861 residents (81.8%) driving to work alone and 1,269 residents (13.2%) carpooling. An additional 457 residents (4.7%) indicated that they walk to work or work at home. A total of 23 persons indicated that they use other means to get to work. No residents reported using public transportation. In 2000, the mean travel time to work was 24 minutes.

MONETARY INCOME

There are two methods of determining per capita income. The first is on the basis of monetary income alone. This is the method used by the U.S. Census Bureau. Total monetary income includes wages and salaries, net farm and non-farm self-employment, interest dividend, net rental income, social security and all other regularly received income such as pensions, unemployment compensation and alimony. Receipts not counted include various "lump sum" payments such as capital gains and inheritances. The total represents the amount of income received before deductions. Table 3-9 shows the per capita income and median household incomes for Kentucky, Mercer County and the labor market area according to the U.S. Census Bureau based on monetary income. According to the 2000 U.S. Census, the per capita income of Mercer County, Harrodsburg, and Burgin were lower than State of Kentucky overall and most of the labor market area. The median household incomes of Mercer County and Burgin exceeded that of the state; although the median household income for the Harrodsburg was considerably less than the state and was the lowest in the labor market area. The highest per capita income in the labor market was \$23,109 in Fayette County. Woodford County had the highest average median household income at \$49,491. Lincoln County had the lowest per capita income (\$13,602) and median household income (\$26,542) in the labor market area.

TABLE 3-9
CENSUS INCOME DATA 1999

Jurisdiction	Per Capita Income	Median Household Income
Mercer County	\$17,972	\$35,555
Harrodsburg	\$15,327	\$27,500
Burgin	\$16,756	\$34,135

Anderson County	\$18,621	\$45,433
Boyle County	\$18,288	\$35,241
Fayette County	\$23,109	\$39,813
Garrard County	\$16,915	\$34,284
Jessamine County	\$18,842	\$40,096
Lincoln County	\$13,602	\$26,542
Washington County	\$15,722	\$33,136
Woodford County	\$22,839	\$49,491
Kentucky	\$18,093	\$33,672

Source: U.S. Census 2000

PERSONAL INCOME

The second method of calculating per capita income is more inclusive and is termed personal per capita income. Personal per capita income includes income received from all sources such as wages and salaries, other labor income (employer contributions to private pension funds, jury and witness fees, etc.) proprietor's income, rental income, dividend and interest earnings by individuals and transfer payments not for services rendered (such as food stamps and welfare payments). Personal contributions for social security are deducted. Personal per capita incomes for Mercer County, the labor market area, Kentucky and the United States from 1990 to 2000 are shown in Table 3-10.

**TABLE 3-10
PERSONAL PER CAPITA INCOME**

	1990	2000	% CHG
Mercer County	\$14,511	\$23,444	61.6%
Anderson County	\$15,568	\$23,851	53.2%
Boyle County	\$14,580	\$24,531	68.3%
Fayette County	\$21,065	\$31,218	48.1%
Garrard County	\$13,367	\$18,072	35.2%
Jessamine County	\$14,929	\$24,118	61.6%
Lincoln County	\$11,059	\$18,284	65.3%
Washington County	\$12,656	\$22,109	74.7%
Woodford County	\$21,807	\$34,448	58.0%
<i>Kentucky</i>	<i>\$15,484</i>	<i>\$24,085</i>	<i>55.5%</i>
<i>U.S.</i>	<i>\$19,584</i>	<i>\$29,469</i>	<i>50.5%</i>

Source: 2002 Kentucky Deskbook of Economic Statistics



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The Kentucky Deskbook for Economic Statistics estimates that the personal per capita income for Mercer County increased to \$23,444 in 2000. This is a 61.6% change from 1990. The Deskbook also estimates that the per capita income for the state overall increased to \$24,085 or 55.5% from 1990. Although Mercer County had a lower per capita income than most of the counties in the labor market in 1990, the county had one of the highest percentage of increase (61.6%) of all counties in the labor market area. In addition, this percentage increase exceeded that for Kentucky and the U.S. In the labor market area, Washington County had the highest percentage increase at 74.4% of personal per capita income.

POVERTY RATE

Poverty level is considered to be the minimum level of monetary income adequate for families of different sizes in consideration of American consumption patterns. These levels are determined by comparing individual or family income with annual income thresholds. The poverty levels are adjusted annually by the U.S. Government. The poverty rate is the percentage of individuals or families with incomes below the poverty level. Table 3-11 shows the poverty rates for Mercer County for 1989 and 1999 as compared to the rates for the Kentucky and the labor market area. The poverty rate in Mercer County is higher than the majority of counties in the labor market but lower than the state overall. In addition, the county's poverty rate decreased at a greater rate (-22.8%) than most counties in the labor market and Kentucky.

**TABLE 3-11
POVERTY RATES**

	1989	1999	CHG
Mercer County	16.7%	12.9%	-22.8%
Anderson County	9.3%	7.5%	-19.4%
Boyle County	17.1%	11.9%	-30.4%
Fayette County	14.1%	12.9%	-8.5%
Garrard County	18.1%	14.7%	-18.8%
Jessamine County	13.2%	10.5%	-20.5%
Lincoln County	27.2%	21.1%	-22.4%
Washington County	18.8%	13.5%	-28.2%
Woodford County	7.9%	7.3%	-7.6%
<i>Kentucky</i>	<i>19.0%</i>	<i>15.8%</i>	<i>-16.8%</i>

CURRENT ECONOMIC DEVELOPMENT ACTIVITIES

MERCER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Prior to January 1989, Mercer County had a private, non-profit industrial foundation. However, in 1989 the Harrodsburg-Mercer County Industrial Development Authority was established as a government entity in accordance with KRS 154.50-301 to 154.50-346. The industrial development authority is governed by six (6) appointees. Three (3) people are appointed by the Mercer County Judge/Executive and three (3) are appointed by the Mayor of Harrodsburg. The industrial authority was formed for the purpose of acquiring property, developing land for industrial use, and recruiting new industries. For this reason, the Harrodsburg Mercer County Industrial Development Authority actively supports local and regional projects that promote the economic growth of Central Kentucky and the competitiveness of the State of Kentucky at the national and global level. In order to promote the healthy economic growth of Harrodsburg and Mercer County, the authority coordinates economic development programs and the development of incentive packages with the Kentucky Cabinet for Economic Development and the Kentucky Industrial Development Council.

The Harrodsburg Mercer County Industrial Authority owns the Gene C. Royalty Industrial Park located in the northwestern portion of the City of Harrodsburg which is served by a paved access road allowing convenient access to U.S. 127. Primary industries in the park are Bay West Paper, Trim Masters, and CDR Manufacturing. Major industries located on the exterior of the park include Modine Manufacturing, Hitachi Automotive Products, and Corning.

In Fall of 2001, the Harrodsburg/Mercer County Industrial Development Authority initiated the development of the *Quality of Life/Partners in Progress Plan* which outlines the authority's mission statement and strategic economic development plan. The plan addresses quality of life, goods, services and employee retention issues within the county. Important tasks for the Industrial Development Authority identified during the planning process, as contained in the plan, include:



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DEFINING OUR OBJECTIVES

- The authority learned about the client, Major Industry, and Community
- Hosted an interactive Business and Idea Exchange for Business and Industry.
- Hosted an interactive Industry Day in Concert with Mercer County Youth Leadership.
- Commenced an informative, educational publishing about today's industry to Major Industry and our Community.
- Commenced a quarterly, educational publishing through local media featuring Major Industry.
- Met individually with Major Industry, defining individual internal objectives.
- Met with State and Economic Cabinet members to establish ongoing, regulated contact.
- Created partnership, Partners In Progress, between Major Industry, Our Community, the Industrial Authority.
- Checked the "pulse" of our advanced educational community through Chance to Advance in cooperation with Lexington Community College.

TECHNICAL PREPARATION

- Completed building analysis and recommendations for area underutilized property, i.e. Createc, Keystone, Hallmack, Cricketeer.
- Land evaluation and market comps for available industrial property.
- Researched existing commercial business serving Major Industry, our Community.
- Researched individual growth patterns of existing major industry, i.e. structural, business employment patterns and processes.

IDENTIFIED THE MISSION/STRATEGIC PLAN-PARTNERS IN PROGRESS - QUALITY OF LIFE - PHASE I

- Established out Mission Statement focused upon retaining current and attracting new industry - Partners in Progress-Quality of Life-Phase I
- Reported our mission to the City and County Leadership, Major Industry, and out Community through public advertising and individual sessions.

ACTING UPON THE MISSION

Pioneered the first Employee Retention Summit with Major Industry encompassing:

- State Incentive Needs

- Structural Expansion
- Employee Growth
- Business Line/Product Growth
- Health Care/Health Care Consortium
- Training requirements, permanent and temporary to permanent
- Quality of Life - Goods and Services
- Communications - Broadband, Satellite
- Regular State and Industrial Authority contact - incentive updates and requirements from Major Industry.
- Direct Dialog/contact with U.S. Congressional Leaders and political representatives.
- Regionalism -- multi-county efforts to drive and meeting the business needs of our Community and Major Industry.

INSPIRED, INNOVATED PRODUCTS/SUCCESS OF OUR EMPLOYEE RETENTION SUMMIT

- Solid business relationships by and between Major Industry and the Industrial Authority.
- Independent interactive relationships by and between Major Industry Senior and Middle management.
- A mutual effort toward a Health Care Consortium at multi-county level.
- A premier, round-table session with Ephraim McDowell resulting in one primary contact to serve and assist our Major Industrial Portfolio, and a commitment to interact hospital services and programs.
- Development of a Technical Village, web based tool for advanced skilled, professional employees at a multi-county level.
- Connecting major industry to local real estate relocation services for their employees and families.
- Constant availability of the Industrial Authority to Major Industry addressing specific internal business needs.

THE SUCCESS OF COMBINED EXPERTISE - MAJOR INDUSTRY, THE INDUSTRIAL AUTHORITY, AREA PROFESSIONALS

- Industrial Authority submitted substantive research and information working with our Community in the UK Study for Comprehensive Planning
- The Industrial Authority submitted to major industry market analysis, infrastructure study and recommendations directly impacting a once pending decision to relocate substantial square footage/employees to an alternate facility beyond our State Line.
- Partnered with City Commissioner Kevin Perkins in a comprehensive study of City Public Works, including building, employee, and space analysis driven to improve a suitable central working environment and structure for City Employees.



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-Provided building analysis, structural improvement, demolition estimates and recommendations for redevelopment of the underutilized Cricketeer site to the City of Harrodsburg

-Achieved full contribution and unanimous support from our Fiscal Court in Mercer County toward our continued success with our Partner in Progress/Quality of Life Mission.

-Providing expertise in building structure and space analysis to the Harrodsburg Technical Center.

-Participation in steering sessions toward program expansion and physical expansion of the Harrodsburg Technical Center.

-Partnering with privately owned industrial land owners and the Economic Cabinet to effectively market viable industrial land.

-Participation in the Regional Program “The Heartland Coalition”, Charming Marketing and Promotion of economic unity, growth among 19 Central Kentucky locations.

-Expertise in building analysis, research in refurbishment, redevelopment, structural improvements, secured interior/exterior improvement, demolition and commercial redevelopment recommendations for underutilized property and acreage.

TASKS AT HAND

-Driving the Health Care Consortium to multi-county, State, and Federal level.

-Facilitating individual industry expansion and retention needs.

-Developing a five (5) year proforma, collective, and by individual industry addressing communication and infrastructure needs.

-Completing and implementing the development strategy for privately owned and authority owned industrial land.

-Sustaining consistent availability to address each and every issue, concern and business requirement of major industries in Harrodsburg/Mercer County.

-Pursuing State and Federal funding allowing for independent, daily, cost effective business operation of the Industrial Authority and related projects.

-Facilitating the creation of the Technical Village/Advanced Skilled Professionals web based site.

-All projects and innovations evolving from ongoing Employee Retention Summits.

-Developing an inter-park professional employee development and training center serving Harrodsburg/Mercer County’s collective billion dollar industrial portfolio.

- Improving the communication with the state regarding industrial prospects.
- Providing expertise and assistance in the development of goods and services serving major industry and the Mercer County School System.

HARRODSBURG/MERCER COUNTY TOURISM COMMISSION

In 1979, the Harrodsburg City Commission and the Mercer County Fiscal Court established the Harrodsburg/Mercer County Tourist Commission pursuant to KRS 91A.350. A three percent (3%) transient room tax solely funds the operations of the commission. There are currently eight (8) hotels/motels/inns, four (4) bed and breakfasts, three (3) lake rentals and one (1) river cottage in Harrodsburg and Mercer County, which provide a total of approximately 417 lodging rooms.

The Tourist Commission Board of Directors is comprised of seven (7) members, five (5) of which are appointed by the County Judge Executive, based on recommendations by the Harrodsburg Hotel/Motel Association, the Harrodsburg Restaurant Association, and the Mercer Chamber of Commerce. The Judge Executive also appoints one (1) individual to serve as the Mercer County representative; and the Harrodsburg Mayor appoints one (1) person to serve as the City of Harrodsburg representative. The Harrodsburg/Mercer County Tourist Commission office serves as the Visitor Information Center and is located at 124 South Main Street in the downtown historic district.

Since 1979, the Harrodsburg/Mercer County Tourist Commission's primary goal has been to enhance the city and county's economy through tourism development - to promote and sell Harrodsburg as a destination for leisure, group and business travel. The collection of transient room tax provides the resources to promote the area to the best of the agency's financial ability. An extensive marketing plan promotes "Historic Harrodsburg" as Kentucky's First Settlement and entices travelers to visit the variety of historic attractions offered. Due to the Commission's marketing efforts for over twenty (20) years, the tourist attractions of Mercer County are well known throughout the state and national tourism industry.



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Tourist attractions promoted include: Shaker Village of Pleasant Hill, Dixie Belle Riverboat, Daniel Boone outdoor drama, Old Fort Harrod State Park, and Olde Towne Tours. Points of interest promoted include: Beaumont Inn, Downtown Historic District, Historic Harrodsburg Walking/Driving Tour, Morgan Row (Harrodsburg Historical Society headquarters), and Olde Towne Park. Recreational amenities marketed include: Anderson/Dean Community Park, Big Red Stables, Bright Leaf Golf Resort, Herrington Lake and Kentucky River (camping, boating, fishing), Pin Oak Driving Range, Hiking and Horseback Trails at Shaker Village. The tourism commission also publicizes the area's entertainment venues (Ragged Edge Community Theater, Summer Entertainment Series, etc.), restaurants, antique, craft and retail shops.

A variety of activities and promotional efforts are carried out by the Commission in order to stimulate the tourism market on a local, regional, state and national level. The Commission interfaces with the tourism industry through professional affiliations, consumer travel shows, group motorcoach marketplaces, direct mail, Internet and personal contact.

In addition to encouraging visitors to the area, the Harrodsburg/Mercer County Tourist Commission works to fulfill customer needs and enhance their satisfaction with the community's tourism products and services. Through cooperative efforts with city and county governments, trade and civic organizations, hotels, motels, bed and breakfasts, restaurants, and area attractions, the Commission works to increase the appeal of Harrodsburg and Mercer County to tourists.

Visitation rates are only available for Old Fort Harrod State Park and Shaker Village. Separate numbers are kept for the *Legend of Daniel Boone* outdoor drama at Fort Harrod and visitations to the park. Similarly, separate visitation numbers are kept for Shaker Village and the Dixie Belle Sternwheeler ride on the Kentucky River which leaves from Shaker Landing. Table 3-12, located on the following page, compares visitation rates in 1991 to those in 2001.

TABLE 3-12
ANNUAL ATTRACTION VISITATION RATES

	1991	2001	% CHG
D. Boone Drama	19,200	10,969	-41.5%
Old Fort Harrod	40,000	29,913	-25.2%
Shaker Village	144,000	97,573**	-66.8%
Dixie Belle	49,703		

** Shaker Village recently combined the visitation rates for the Dixie Belle steamwheeler with Shaker Village overall.

HARRODSBURG AS A RENAISSANCE KENTUCKY CITY

In the fall of 1996, Governor Paul Patton appointed a 26-member Renaissance Kentucky committee to study Kentucky's downtowns and submit recommendations to assist cities with downtown revitalization efforts. This program became known as the Renaissance Kentucky Program which was created to recognize and honor cities that have maintained and restored their central downtown areas as safe, vibrant, efficient, and functional cores of the community. Projects funded through Renaissance Kentucky include facade restorations, downtown lighting, streetscape enhancements, renovation of abandoned historic buildings, infrastructure improvements, and increased housing options. The program is administered by a seven (7) agency alliance that includes the Kentucky Housing Corporation, Federal Home Loan Bank of Cincinnati, Fannie Mae, Kentucky Heritage Council, Kentucky League of Cities, Kentucky Department for Local Government, and Kentucky Transportation Cabinet. The three (3) levels of Renaissance Kentucky are Bronze, Silver, and Gold. In order to attain these designations, cities must meet the criteria for each level.

Since Harrodsburg's inception into the Renaissance Kentucky Program as a gold level city in 1998 just over \$2 million has been invested in downtown revitalization. These monies have assisted the city to create a cohesive plan for revitalizing the downtown Harrodsburg central business district including the facade restoration of many buildings along its Victorian streetscape, creation of new sidewalks, and installation of historic streetlights. In addition, these physical enhancements have



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increased the city's economic vitality by increasing awareness of local attractions to tourists. Examples of the various uses of Renaissance Kentucky funding taken advantage of by Harrodsburg include but are not limited to the following:

\$155,000 in Facade Grants (50-50 matching- \$310,000 spent on downtown building improvements).

\$382,800 on streetscape improvements including historic lighting, crosswalks and sidewalk improvements.

\$7,000 for a housing market study.

\$150,000 Direct Appropriation (Renovation of City Hall; Lions, Young, Old Towne, and West Lane Parks; Hanging Flower Baskets for Historic Light Poles; Christmas Rooftop Lighting).

\$250,000 in Community Development Block Grant Water and Sewer Assistance.

\$1,000,000 for Major Revitalization of Diamond Point (\$500,000 in Renaissance, and \$500,000 TEA).