

LARUE COUNTY ASSESSMENT

JULY 2022

Conducted by

Community & Economic Development Initiative of Kentucky



Table of Contents

Introduction	1
Exploring LaRue County's Economic Competitiveness	2
Workforce and Employment	2
Labor Force Participation and Unemployment	3
Employment Growth	4
Workforce Commuting Patterns	6
Housing Availability	7
Recommendations Based on County Data	8
Economic Development Projects	10
Evaluation of Industrial Park	10
Prospecting Projects	10
Reasons Sites Were Not Selected	11
Projects Locating in the Area	11
Discussion & Recommendations	13
Interviews with Community Leaders	14
External Assessment of LaRue County	17
Economic Characteristics	17
Physical Characteristics	21
Social Characteristics	24
Assessor Recommendations	28
Comprehensive Recommendations	29

Introduction

LaRue County wants a “win.” By most in the economic development world, a win for a community is defined as a large industry selecting that place as its next home. LaRue County defies the norm in that the leadership acknowledges that, based on the desires of their residents, responsible development and controlled growth constitutes a “win,” which looks a bit different than recruiting a large business. As a result, the goal of this project was to understand the conditions that influence LaRue County’s ability to attract industry, as well as the infrastructure needed to support new and existing industry, especially with the incoming large growth of the neighboring county. Specifically, this project focused on two objectives:

1. To identify infrastructure upgrades that will increase viability for development.
2. To identify manageable strategies that should result in short-term small wins, setting the foundation for potential larger wins in the long-term.

We have organized this study into three sections. In the first section, we review LaRue County’s economic competitiveness by exploring data sets in LaRue and Kentucky. We dive deep into the workforce availability along with the labor force participation. There is an overview of firm location decisions in and around LaRue County. The objective was to compare characteristics of competitor counties that may influence where new businesses locate. To accomplish this, we worked with state and local economic development officials to identify a sample of firm location decisions in the LaRue region.

In the second section, we have highlighted themes that arose from the project team interviewing community and business leaders from the county. The interviews helped gauge the industry attraction efforts as well as more localized economic development strategies including identifying and understanding the county’s existing recruitment strategies, as well as the county’s effectiveness at supporting current business.

In the third section, we have summarized the findings from an external assessment. The assessment was conducted to determine the availability and access to aspects that contribute to the success of an existing business or the probability of attracting new industry. These factors include economic, infrastructure, and social components across the county. To accomplish this, we selected two experienced economic development professionals to visit the community as well as to explore the community’s online presence prior to their visit.

We have provided several recommendations within each section but we conclude with three themes that emerged from this project that we believe are essential to improve LaRue County’s economic competitiveness in the future.

The goal of this assessment was to understand the conditions that influence LaRue County’s ability to attract industry, as well as the infrastructure needed to support new and existing industry.

Exploring LaRue County's Economic Competitiveness

Workforce and Employment

LaRue County has a population of approximately 14,269. The county's population is slightly older in the 55-64 age range than the population of Kentucky as a whole. Over 16 percent of the county's residents are aged 55 to 64 compared to 13 percent for Kentucky. Those under the age of 25 and over 65 account for over 46 percent of LaRue County's population. This leaves the active workforce population to just over 53 percent for the entire county.

Table 1. Age Distribution

Age	LaRue County		Kentucky
	Estimate	Percent	
19 & Under	3,442	24%	25%
20 to 24	735	5%	7%
25 to 34	1,581	11%	13%
35 to 44	1,891	13%	12%
45 to 54	1,833	13%	13%
55 to 64	2,301	16%	13%
65 & Over	2,486	17%	16%
Total	14,269	100.0%	100.0%

Source: US Census Bureau, American Community Survey 2020 5-year Estimates.

LaRue County's population has higher formal education than the rest of the state. Of the county population ages 25 to 64, 15 percent have a Bachelor's degree or higher as opposed to the 9 percent in Kentucky as a whole. Residents in LaRue County are doing a great job encouraging youth to pursue postsecondary education. LaRue County's lower attainment rate in high school, Associates degree, and some college is likely due to those seeking additional education to obtain their Bachelor's degree or higher. Based on the educational attainment of the workforce, LaRue County is well positioned for recruiting higher wage jobs.

Table 2. Educational Attainment, Ages 25 – 64

	LaRue County	Kentucky
No High School	16%	12%
High School, Associates Degree, Some College	68%	79%
Bachelor's Degree or Higher	15%	9%

Source: US Census Bureau, American Community Survey 2020 5-year Estimates.

Labor Force Participation and Unemployment

Labor force participation and unemployment rates among different groups of residents provide insights into the types of employment barriers residents of LaRue County face. LaRue County has a similar labor force participation rate compared to the state. Labor force participation among the prime working age population (those ages 25 to 64), was 71 percent in LaRue County (Table 3). Kentucky’s rate for this age group is 72.5 percent. This means that of the LaRue County population that are of the prime age to work, 71 percent of that population is actively participating in the labor force.

Various factors can contribute to the labor force participation rate such as disability, educational attainment, and general economic conditions. Those who did not complete high school, or a high school equivalency, were much less likely to be in the labor force. As mentioned before, LaRue County has a high post-secondary education rate. Of those who are college educated and in the LaRue labor force, 91 percent of them are actively participating in the labor force (Table 4).

To build a strategy on increasing the labor force participation rate in LaRue County, exploring the reasons why will help determine strategies moving forward to increase the participation. Retirees leaving the workforce is one reason this rate can be lower. Another reason could be the high school graduation rate. By increasing the high school graduate rate, more individuals will be equipped to enter the workforce. Partnering with regional colleges or businesses to develop a feeder program for workforce is a great way for individuals to secure jobs after graduation. Also, evaluating the childcare facility

Table 3. Labor Force Participation Rate Ages 25 – 64

County	Rate
LaRue County	71%
Kentucky	72.5%

Source: US Census Bureau, American Community Survey 2020 5-year Estimates.

Table 4. Labor Force Participation by Educational Attainment

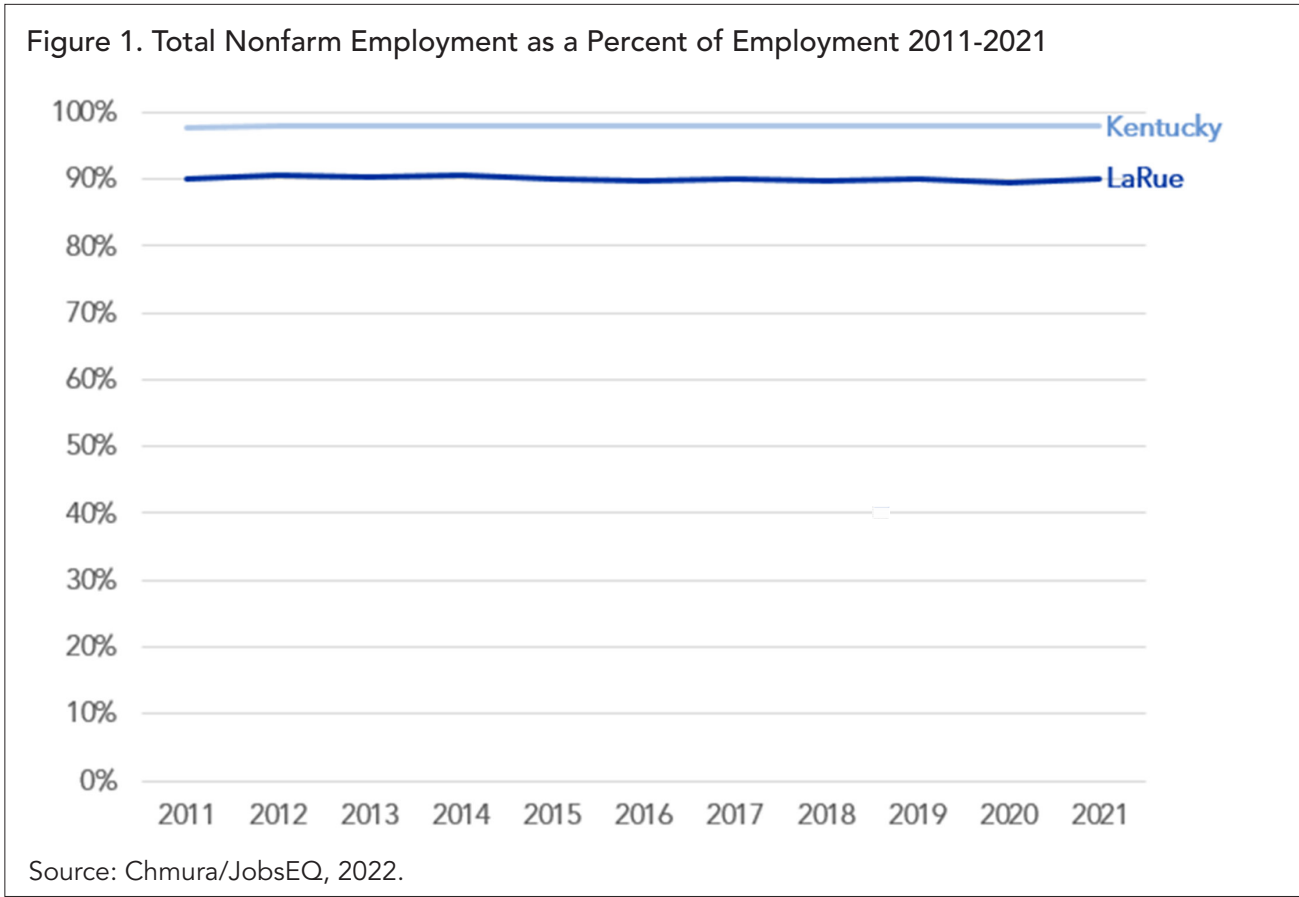
Educational Attainment	LaRue County	Kentucky
Less than High School Graduate	39%	44%
High School Graduate	72%	66%
Some College or Associate’s Degree	75%	77%
Bachelor’s Degree or Higher	91%	87%

Source: US Census Bureau, American Community Survey 2020 5-year Estimates.

capacity rates in the county will allow the county to ensure parents are able to contribute to the active labor force.

Employment Growth

LaRue County has experienced a slight increase in total nonfarm employment since 2011. Figure 1 shows how employment in Kentucky has generally remained the same sitting at 98 percent. As of 2021, LaRue County’s nonfarm employment remained steady over the last 10 years varying between 89 and 90 percent. The 10 percent difference between the state level of nonfarm participation and LaRue County’s level of nonfarm participation could be attributed to the type of land available throughout the county, the heavy grain and cattle industries, and the amount of labor force leaving the county each day for outside employment.



EXPLORING LARUE COUNTY'S ECONOMIC COMPETITIVENESS

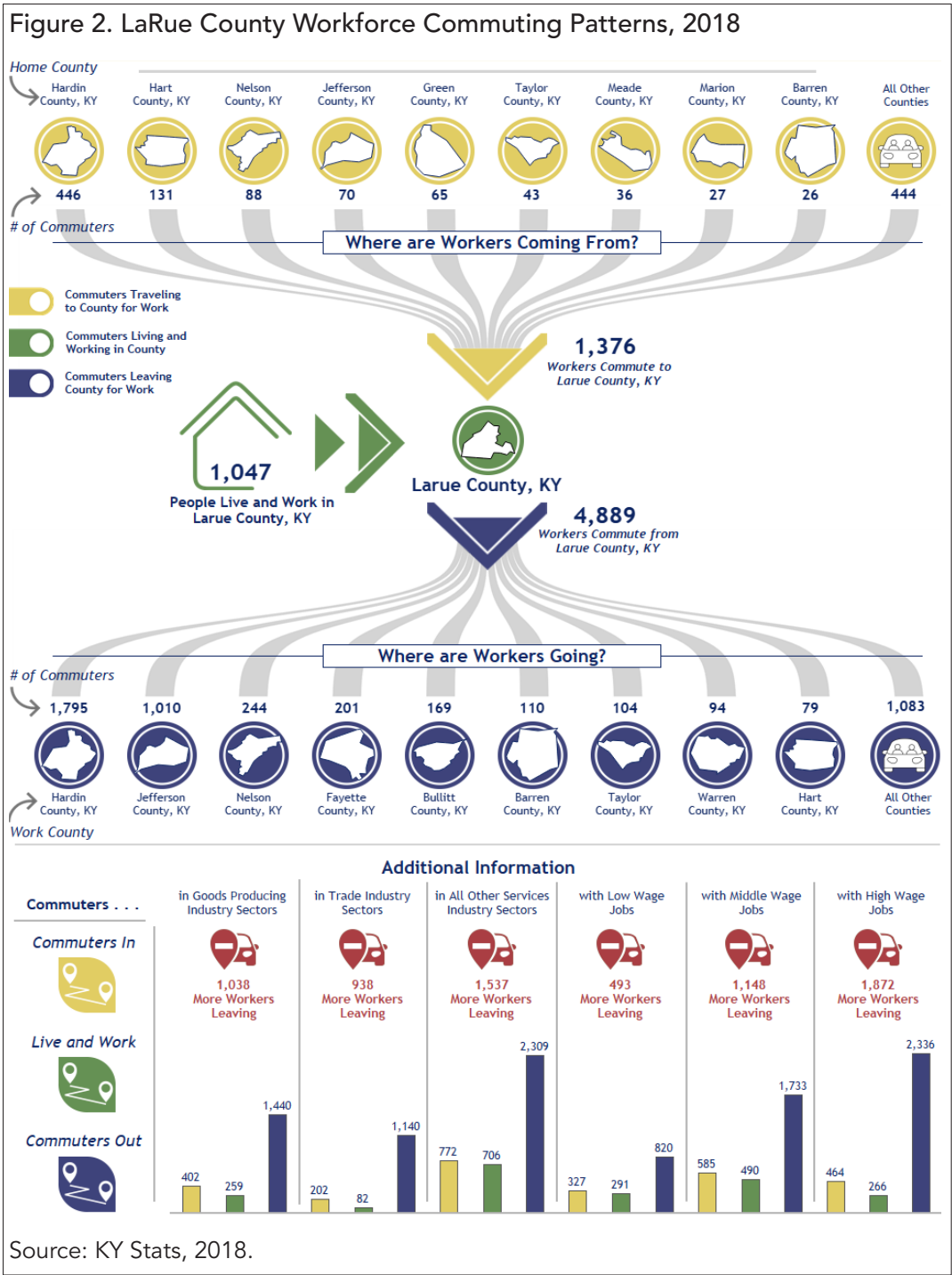
Table 5 shows employment for Kentucky and LaRue County by sector from 2016 to 2021. During this period, LaRue County's total nonfarm employment declined by 4 percent. Job losses in Health Care & Social Assistance, and Administrative, Support, and Waste Management & Remediation Services, and Manufacturing sectors accounted for 80 percent of lost employment over these five years. Only four job sectors in LaRue County grew by 20 or more jobs in the last five years: Finance & Insurance, Retail Trade, Public Administration, and Construction. For Kentucky, the most employment growth occurred in Transportation & Warehousing, Health Care & Social Assistance, and Professional, Scientific, & Technical Services.

Table 5. 2021 Employment in LaRue County and Kentucky and Five Year Change

	LaRue County			Kentucky		
	Employment 2021	Change Since 2016		Employment 2021	Change Since 2016	
		Jobs	Percent Change		Jobs	Percent Change
Total Nonfarm	2,962	-118	-4.0%	1,978,354	-2,761	-0.14%
Mining, Quarrying, & Oil & Gas Extraction	0	0	0.0%	7,593	-2,927	-27.8%
Utilities	36	-15	-29.9%	12,511	-99	-0.8%
Construction	307	20	6.9%	104,233	3,102	3.1%
Manufacturing	504	-43	-7.8%	245,432	-5,615	-2.2%
Wholesale Trade	15	-5	-25.2%	75,432	-1,686	-2.2%
Retail Trade	278	40	17.0%	217,864	-7,096	-3.2%
Transportation & Warehousing	112	4	3.7%	139,576	25,093	21.9%
Information	24	0	-0.7%	24,533	-2,111	-7.9%
Finance & Insurance	183	51	38.8%	77,769	839	1.1%
Real Estate & Rental & Leasing	26	-4	-12.8%	26,266	1,103	4.4%
Professional, Scientific, & Technical Services	72	11	18.5%	91,614	6,378	7.5%
Management of Companies & Enterprises	0	n/a	n/a	20,505	-384	-1.8%
Administrative, Support & Waste Management & Remediation Services	133	-41	-23.5%	130,544	-1,704	-1.3%
Educational Services	321	6	1.9%	157,823	-9,269	-5.5%
Health Care & Social Assistance	356	-132	-27.1%	289,954	13,163	4.8%
Arts, Entertainment, & Recreation	37	-8	-18.3%	27,222	-1,148	-4.0%
Accommodation & Food Services	204	-10	-4.9%	162,436	-11,518	-6.6%
Other Services (except Public Admin)	191	-13	-6.4%	79,018	-6,047	-7.1%
Public Administration	163	21	14.9%	88,029	-2,835	-3.1%

Source: Chmura/JobsEQ, 2022

Workforce Commuting Patterns



Evaluating LaRue County’s commuting patterns can highlight what is drawing workforce to and away from the county. Out of LaRue County’s 14,269 population, only 1,047 people live and work in LaRue County. As previously mentioned, LaRue’s workforce is

highly educated. The lack of middle and high wage jobs along with a lack of goods producing and service industry business sectors contribute to the disparity of workforce leaving the county each day. The largest portion of LaRue residents leave the county to work in high and middle wage jobs in surrounding counties, and thirdly to work in service industry sector jobs.

Housing Availability

While LaRue County is a rural county, home occupancy rates are similar to that of the metropolitan U.S. LaRue's high occupancy rate has remained essentially the same from 2010-2020, and total housing units available has increased by 6.8 percent (Table 6). In this same 10-year period, Kentucky's vacant housing units have decreased by 5.2 percent.

High occupancy rates can create issues for employers and employees interested in moving to LaRue County. According to the US Census Bureau, the population of LaRue County has increased by less than 1 percent over the last 10 years, while the overall population of Kentucky has grown by 3.4 percent in the same time frame. Job availability and available affordable housing are two significant contributors to the growth or decline of a county's population. With LaRue's current occupied housing units sitting at 90.8 percent, available housing could be another contributor for the minuscule growth in population within the county.

Table 6. Total Housing Units by Occupation Status, 2010-2020

	2010			2020			Percent Change, 2010-2020	
	LaRue County #	Kentucky %		LaRue County #	Kentucky %		LaRue County	Kentucky
Total Housing Units	6,172	-	-	6,474	-	-	4.9%	3.5%
Occupied	5,615	91.0%	89.2%	5,879	90.8%	90.2%	4.7%	4.5%
Vacant	557	9.0%	10.8%	595	9.2%	9.8%	6.8%	-5.2%

Source: US Census Bureau, Decennial Census 2010 & 2020.

Recommendations Based on Population, Workforce, Housing and Commuter Data

A location quotient (LQ) is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit (usually the nation). An LQ is computed as an industry's share of a regional total for some economic statistics (earnings, GDP by metropolitan area, employment, etc.) divided by the industry's share of the national total for the same statistic. For example: an LQ of 1.0 in farming means that LaRue and the nation are equally specialized in farming; while an LQ of 1.8 means that LaRue has a higher concentration in farming than the nation.

While developing recommendations based on LaRue's population, workforce, housing, and commuter data, we also evaluated the LQ to report on the industries that LaRue is the strongest in and what areas have the highest growth potential. High location quotients indicate sectors in which a region has high concentrations of employment compared to the national average. Aside from Agriculture, the sectors with the largest LQs in LaRue County are Utilities (2.11) and Manufacturing (1.89).

Over the next 5 years, employment in LaRue County, Kentucky is projected to stay approximately the same (i.e. expand by 26 jobs). The fastest growing sector in the region is expected to be Arts, Entertainment, and Recreation, followed by Health Care and Social Assistance, and Accommodation and Food Services.

A high priority recommendation is to improve the infrastructure for high-speed internet and broadband. In doing so, the county will be a more viable option for teleworking employees along with recruitment for middle and high wage job companies as typically this is a top three necessity for businesses. Improving and marketing the internet / broadband capabilities to locals would allow for more opportunities to keep those leaving for high to mid paying jobs the ability to work from home. This would also allow the county to target recruitment efforts of higher wage jobs where employees can telework capitalizing on the fact that there is limited building space available in the county.

Another high priority recommendation is to utilize available building space within LaRue County to create additional housing. Single family units such as apartments are great opportunities for multi-use buildings where store front businesses are located on the ground level, and second floors are converted into living spaces. The creation of additional housing units can be done by connecting developers with building owners and/or business owners. Creating a platform or event to bring these individuals together to work together to solve the housing problem would best be done at the county level and potentially with the help from a financial institution.

Recommendations Based on Population, Workforce, Housing and Commuter Data continued

In preparation for the upcoming business growth in neighboring counties, we recommend conducting a housing study. This will help solidify developers within the county by providing data backed information on considering the housing needs of both the existing population as well as new families, retirees, etc. The results predict future housing demand, resident preferences for housing size, price, and location as well as additional neighborhood and community-level investments that would support both new housing developments as well as existing neighborhoods. CEDIK can provide this study if desired.

A medium - high priority recommendation is to evaluate the current LaRue workforce to learn what types of high and middle wage they are leaving the county for each day. This will provide you with insight on what these employees need to work within LaRue County. The Kentucky Workforce and Development Cabinet or CEDIK can assist in this process. Possible outcomes are learning types of skill sets they have and benefits they need to assist in company recruitment. With Arts, Entertainment, and Recreation, followed by Health Care and Social Assistance, and Accommodation and Food Services as the projected fastest growing industries in the region over the next five years, identify ways to capitalize on this growth by developing public land marketing and engagement along with health care business recruitment – which typically supports middle to high wage jobs.

A medium priority recommendation is to assess the childcare facilities and capacity within the county. This creates a barrier for many families who have both parents in the workforce when there is not adequate childcare available in close proximity to their homes. As the housing development increases, the current childcare facilities need to be made aware of the planned growth so they can consider expansion or so new childcare facilities can be recruited.

A medium priority recommendation is to evaluate the need for an urgent care center based on the population and proximity to other medical services. As you are preparing for population growth, there is already a need for increased medical services which will only be heightened when the new Ford plant is built.

A low priority recommendation is to promote networking events for the unemployed within the area to simply build relationships. In addition, find ways to connect current residents with LaRue County businesses who are looking to expand or grow. With a large majority of the population leaving the county to work but a decent influx of individuals coming into the county to work, there is opportunity to recruit current residents to work closer to home.

Economic Development Projects

Firms that are considering locating a new facility in Kentucky often work with the Kentucky Cabinet for Economic Development to identify sites that can meet their needs. The Cabinet maintains a database of these projects, which includes each site that might meet the firms' needs, whether representatives of the firm visited the site, and the investment and employment anticipated. The database does not include companies' names or where they ultimately located.

LaRue County has two sites available for new business recruitment listed on the state's Zoom Prospector website: LaRue County Industrial Park (70 acres), and the 'Former Lincoln Tool Building' (5,300 sq ft). Economic development often takes time to land a project. Industrial parks must be up to date and have proper infrastructure in place to be considered as a viable option for businesses.

It should be noted that it is not unusual for counties to be listed as potential sites but not receive many visits. The lack of visits to LaRue County suggests that firms removed the county's sites from consideration relatively early during the evaluation process.

Evaluation of the Industrial Park

The **LaRue County Industrial Park** is currently the only available industrial site in the county. This park has been vacant and is in need of infrastructure to make it a truly viable option for company recruitment. The property needs a due diligence study completed and potentially a Phase 1 assessment completed depending on the direction the county wants to take with the property. The park also needs sewer, gas, and fiber. The proximity to an interstate makes the park a viable option for recruitment once the necessary infrastructure improvements are made.

Prospecting Projects

Kentucky has announced nearly 1,500 projects in the last 5 years. Of these projects, there have been 279 Food & Beverage announcements and 124 Agritech & Agribusiness announcements. Over the last 5 years, there has not been an announcement or site visit in LaRue County from the Cabinet for Economic Development. This is likely because there is only one site and one small building listed as available in the county.

In an evaluation of the top three target industry categories of announced projects in Kentucky completed by the Kentucky Cabinet for Economic Development were:

ECONOMIC DEVELOPMENT PROJECTS

1. Automotive-related
2. Food & Beverage*
3. Distribution & Logistics

**Note: Companies might have more than one industry group. For example, a Food & Beverage company might also be classified as Agritech.*

Reasons Sites Were Not Selected

When possible, the Cabinet notes the reasons firms did not select sites. Unfortunately, in most cases a reason was not provided.

The most often cited reasons for not selecting a location relates to the characteristics of the sites available. Projects appear to have very specific needs that determine which locations were feasible. Size of lots, building size, and access to water, sewer, natural gas, and electricity were frequent concerns.

Across the state, common reasons for not selecting a site included concerns over the sites' locations. Access to transportation infrastructure – roads, rail, airports, and other logistic resources – is often listed as an important consideration. Thankfully, the interstate proximity challenge is mitigated by I-65. Firms also frequently cited distance to neighborhoods and schools for workers and their families.

The reasons listed reflect significant barriers to attracting new firms that rural counties such as LaRue County might face. The LaRue County Industrial Park's proximity to I-65 is a huge benefit and will likely be highly sought after once the infrastructure is enhanced.

Projects Locating in the Area

Gazelle.AI is an industry database that tracks high-growth potential firms with revenues exceeding \$1 million. Based on historical tracking, while projects generally located in urban counties, some did choose to locate in more rural counties. These projects were generally small.

One project located in a rural county, but the county had good access to transportation infrastructure, which gave it comparatively good access to urban areas. These projects suggest rural counties can attract projects, but the projects are more likely to be small. As previously mentioned, the LaRue County Industrial Park is located on a major interstate, so the park has potential to be chosen by larger companies, where other available property within LaRue County is more likely to be selected by smaller companies.

ECONOMIC DEVELOPMENT PROJECTS

While the county is rural, the appeal for businesses looking to locate in LaRue is the proximity to a larger labor pool, proximity to the incoming battery plant for suppliers, and the industrial park's transportation infrastructure. LaRue County has an advantage over other rural counties as the larger population center in Elizabethtown is located within 17 minutes of Hodgenville, KY.

Since LaRue has not announced a state project in at least five years, comparing the surrounding counties project submissions is beneficial as it will provide insight for LaRue based on the amenities and properties that their surrounding communities have and provide inspiration as to what is possible when investments are made into property inventory. Here is a list of surrounding counties and data on the projects that they have submitted properties for:

- Hardin County:
 - 66 submitted properties since January 2017
 - Investment Range: \$12M - \$5B
 - New Jobs Range: 25 – 5,000

- Jefferson County:
 - 243 submitted properties since January 2017
 - Investment Range: \$100K - \$1.4B
 - New Jobs Range: 10 – 2,000
(excluded 50K, \$5 billion Amazon HQ2 project)

- Hart County:
 - 7 submitted properties since January 2017
 - Investment Range: \$15M - \$75M
 - New Jobs Range: 50 – 1,000

- Nelson County:
 - 23 submitted properties since January 2017
 - Investment Range: \$2M - \$500M
 - New Jobs Range: 20 – 2,000

Keep in mind that site submissions and site visits do not always transfer directly to announced projects. The more site submissions and site visits you have in your county, the more likely you are to be selected for a business expansion or location. The top six counties in Kentucky with the most site visits in the last 5 years are: Simpson, Warren, Henderson, Hardin, Jefferson, and Fayette. In comparison, the top six counties to land projects in the last 5 years are: Boone, Warren, Nelson, Kenton, Jefferson, and Fayette. Only 3 counties are on both lists.

Discussion and Recommendations

When looking specifically at LaRue County, this analysis suggests two important challenges to attracting firms to LaRue County. The first is location and infrastructure. With the southern portion of the county located on I-65, specifically the industrial park location, access to major transportation corridors does not appear to be a problem. The other roads within the county leading to the interstates are a bit small with minimal shoulder space. Depending on the commercial vehicle traffic of future business growth, upgrades may be required on heavily populated routes. The distance from other population centers and their workforces is only a nominal concern as a larger metropolitan area is less than 15 miles away, and 30 miles to the incoming plant. **We recommend** you conduct either a feasibility study or a Phase 1 on the industrial site to provide deeper insight into the infrastructure needs.

The second is land availability. Since LaRue only has one industrial park, we **strongly recommend** using county, city, and/or Industrial Authority funding or applying for Product Development Initiative (PDI) funding from the Kentucky Association for Economic Development (KAED) to assist in making the necessary infrastructure improvements including but not limited to: high speed internet/broadband, sewer, gas, fiber, rail. Currently, there have been no projects located within the county in the recent past. The park, specifically compared to others within Western Kentucky, is extremely viable for growth but must have the amenities or at a minimum have upgrades in the works at the location to begin marketing the park. By actively participating in promotion and recruitment, LaRue has the opportunity to recruit middle to high wage jobs for their labor force that is leaving the County each day.

Since gas is needed at the LaRue County Industrial Park, **another recommendation** is to explore utilizing the Public Service Commission (PSC)'s pilot program for gas lines. This pilot program allows gas companies to provide funding for a new gas line to be paid off over an extended period of time. The gas companies are able to conduct one project at a time, which LaRue's industrial site has a lot of potential for future recruitment due to the incoming battery plant.

Interviews with Community Leaders

CEDIK Economic Development Specialist conducted interviews with individuals from LaRue County in June 2022. These individuals represented local elected leadership, the small business community, and economic development. The following questions were asked:

1. Please provide a brief introduction of who you are, who you represent, and your history working in LaRue County.
2. Has LaRue County participated in a strategic planning process over the last decade. Did you have an active role in this process?
3. How do you measure success in the county?
4. What has been the biggest success in the county?
5. What do you perceive are the most significant barriers towards progress in LaRue County? What solutions do you have for addressing these barriers?

In addition, certain individuals were asked one additional question based on their background. For example, small business owners were asked, "What is it like to do business in LaRue County?"

Below is a detailed description of the themes that emerged from the interviews.

Positives:

- Beginning the Vision LaRue process.
- The County is currently in the process of amending/rewriting the county's comprehensive plan.
- There is not a huge divide in political parties within the community. No hate between Republicans and Democratic. The politics haven't played heavily into decisions. The people are the biggest success of the county. If people aren't willing to help, they aren't fighting against the flow.
- The Chamber helps small businesses – kind of.
- The Chamber president currently sits on the Industrial Foundation's board.
- The downtown has developed life & grown more in the downtown square area.
- The City of Hodgenville went wet in 2019.
- The County has amended their subdivision regulations – they have densified their development.
- They don't have a lot of money or capital, but the City and County make it up by working extremely well together.
- LaRue has worked hard on strengthening the relationship between the city/county. They share employees at times. There is now trust between the two.

INTERVIEWS WITH COMMUNITY LEADERS

- A developer is looking at adding 200-300 homes in the city limits.
- Two National Parks in the county.
- Two lakes / two freshwater reservoirs with hiking and biking trails built around the properties.
- The school is trying to pass a new tax to help build a tech school. They addressed the barrier by having multiple community meetings to explain why it's needed and where the money is going to.
- One of the nicest downtown squares in the state!
- Working on becoming a trail town and adding more Kentucky Proud businesses.

Challenges:

- The Ag community is pushing back on development overall.
- The community has a lot of skepticism saying the County isn't preparing for the SK Battery & Glendale coming in to the surrounding counties.
- The county is divided - about 50% of the population wants to remain rural, regress, and be a bedroom community. The other 50% want to be progressive and wants more jobs in the county. They also want more commerce/restaurants. It is hard to do both to make both sides happy.
- The County wants a tech school but doesn't want the tax to make it happen. There is a vote at the end of July for a \$0.10 tax to support the schools.
- Unsuccessfully, the County gave money to school system to get students into an EMT path straight out of high school. There was interest but the school system couldn't find a teacher.
- New business ventures – clothing boutiques – they are ok, but they only have 1-2 employees and typically close within 6 months.
- LaRue has an identity crisis within the county – the people can't agree on what they want to be. 50/50 split on wanting growth and wanting the county/city to stay the same.
- Residents are hesitant for traffic that more residential housing and large businesses would bring.
- There is a lot of privately owned land.
- Resistance to change by citizens and leadership.

INTERVIEWS WITH COMMUNITY LEADERS

How is success defined?

Success is...

- More restaurants and food options in the county.
- Increasing the county's tax base at a level rate.
- Responsible development.
- Protecting the agricultural character of the community.
- Having an investor to come in and invest in property and business ventures.
- Controlled growth.
- Leadership that works well together.

Current County Successes:

- The County restricted any excavation regarding solar panels.
- Solar must use the topography
- Changed zoning ordinance to allow solar in any zone without requiring a zone change.
- The events that the City and County has going on.
- The current leadership works really well together.
- LaRue is involved in the 'Best in Kentucky' of Kentucky Magazine (they had 9 winners in 2021, 8 winners in 2020).
- We may be small, but we are mighty.

External Assessment of LaRue County

As part of the community assessment process, two experienced economic development professionals visited LaRue County and conducted a site visit. Both had limited knowledge of the county. This visit included interviews with the Judge Executive, Mayor, local business owners, school district representatives, and retired community members as well as a self-guided tour of the industrial parks, community parks and residential areas. In addition, the selected economic development professionals conducted an online assessment of the community prior to visiting. The following is a summary from this assessment that is organized by theme: economic environment, physical environment, and social environment.

Economic Environment

The assessors were asked to rate the following economic environment conditions on a scale of 1 to 5, with 5 as "excellent." The table below shows their average rating.

Table 7. Average Rating of Economic Environment Conditions

Highway access for vacant industrial land	4.5
Availability of tourism opportunities	4.5
Adequacy of tourism opportunities	4.5
Adequacy of communications (phone, Internet, cable television, newspapers, etc.) services	4
Availability of vacant industrially zoned lands	3.5
Suitability of vacant industrially zoned land	3
Availability of retail/commercial opportunities	3
Average wages compared to State average wages	2.5
Availability & quality of workforce training programs	2.5
Availability of finance for business start ups	2
Quality of local industrial recruitment efforts	2
Quality of business retention and expansion efforts	2
Availability of skilled labor	2
Ability to retain high school graduates for local industry	2
Adequacy of retail/commercial opportunities	2
Availability of small business technical assistance	1.5
Availability of vacant industrial buildings	1.5
Adequacy of hotel accommodations/lodging	1.5
Availability/adequacy of eating establishments	1.5
Suitability of vacant industrial buildings	1
Rail access for vacant industrial buildings	1
Availability of finance for business expansion	0.5

EXTERNAL ASSESSMENT OF LARUE COUNTY

The selected assessors were asked to answer the following questions:

Could this community adequately respond to an RFP from the Cabinet within 24 hours?

- Probably. It would be dependent on the County Judge Executive to gather the information that he could.
- I believe with the assistance of KU/LG&E and Lincoln Trail Area Development District they could obtain the information necessary to respond to an RFP. But currently, the information required is not on hand with their economic development board or team. The County Judge said he would be the one to complete any RFP now since they have no other paid staff and he feels confident he could get one completed.
- They expressed a good relationship with Lincoln Trail ADD who built the City's website for assistance in economic development.

Are the community's sites and buildings on Zoom Prospector?

- Yes, the 70 acre site in Upton at I-65 is listed on the Kentucky Economic Development Zoom Prospector site.

Does the community have an economic development strategic plan?

- No, they do not have a strategic plan for economic development currently. They are working on Vision LaRue County, a vision plan to help set the future with various local agencies. They are in Phase Two and I really believe UK could help with this process.
- KU/LG&E and CSX officials have attended meetings to help the community.

Current Business Environment:

- The city/county needs to own property.
- The County needs all due diligence studies completed on 70 acre site in Upton and a community wage study along with workforce skills study.
- They need fiber in the area.
- A website is needed with community demographics, site information including all local links i.e. tourism, chamber, city, county, school system, etc.
- The City of Hodgenville has struggled to recruit new businesses to the community. The proximity to Elizabethtown and access

to shopping there has kept many of the retail chains from expressing interest. A new AutoZone, a new Baptist Health medical building and some fast-food restaurants are locating at the bypass which has become the growth area of the community.

- The City of Hodgenville has an excellent website with great resource information. It is new and up to date. The County's website is outdated, and some links are broken. The Chamber and Tourism websites are good but need some updates as well.
- Downtown Hodgenville is surprisingly a busy area due to the opening of a new coffee shop and the location of a couple of restaurants. Also, the Tourism Center is located on the Square. A new restaurant and bar is being proposed in the area as well. This will be the first alcohol serving restaurant in LaRue County.
- Leaders seem to be happy with the cable/internet options they have within the city. They have multiple options to choose from. They enjoy a good radio station and the LaRue County Herald News is still in operation after being purchased by Paxton Publishing. There is limited internet service in the county. The South-Central Telephone Company works with the county.
- The Economic Development Board is made up of volunteers and has no paid staff. Right now, the County Judge works with potential clients. They have plans to hire economic development staff once they have completed their Vision Plan.
- The County is updating some of the planning and zoning regulations to accommodate more housing options. They are lowering density levels to attract more affordable housing options for their younger talent.
- There are future plans to do some consolidation of schools to have a facility for technical training. Due to the lack of funds, there is no time frame on this.
- Most interviewed seemed pleased with their school system.

Development limitations:

- Land availability will be a major issue for most industrial projects. According to the CEDIK County Ag and Food Data Profile, 80 percent of the land in the county is utilized for farming. The County could look at redeveloping existing properties, both housing and commercial, to provide more opportunities for businesses to open.
- The County has to get very creative in discovering and building opportunities for business development. The product development is limited by resources.

EXTERNAL ASSESSMENT OF LARUE COUNTY

- Upton site needs – sewer, gas, and fiber.
- According to two interviewees, there is a no growth attitude in the City of Hodgenville. They say funds are limited to increase any of the infrastructure that new growth would need.
- Due to the lack of hotel rooms and no significant event center space, the opportunities for overnight stay and or conferences is very limited to local events. The one motel near the National Park fills up with the musicians who are performing at the Lincoln Jamboree not leaving rooms for visitors.
- Lack of affordable housing is preventing community growth.
- They are hoping to develop the industrial site in Upton, however the lack of infrastructure is standing in their way. A recent 'Vision LaRue' vision session with various utility companies concluded with many questions unanswered. (This is according to LG&E, CSX Railroad representatives in the Vision meeting.)
- Lack of funds has limited the City and County from upgrading public buildings and facilities.
- Currently, there are very few places to eat on Mondays and very few places to eat at night. Most residents drive to Hardin County for nice evening meals.
- There are very few vacant buildings. One of the vacant buildings is not available due to a long-term lease still being paid without any business operating there.
- Tourism has limited funds and would love to see a restaurant tax passed that could bring in approximately \$100,000 per year.

Development opportunities:

- Fiber is coming to LaRue County from SCRTC.
- LaRue is working on a regional collaboration for sewer.
- Regarding the site in Upton, they hope to develop: Glendale is closer to Hodgenville than it is to Elizabethtown. Leaders are wondering how the Ford project is going to affect their county. There is a once in a lifetime opportunity now to develop an industrial site and to build houses for the large number of workers they are expecting at the Ford plant.
- Local businesses need to support the Chamber of Commerce so it can become staffed full-time. They currently have a part-time Director, and their dues are down \$20,000. It almost shut down after COVID. The Chamber has a good website with its chamber members listed. It also is current on Facebook with excellent resources and community information. The Visit LaRue County page is also on this site and has excellent resources and visitor information.

EXTERNAL ASSESSMENT OF LARUE COUNTY

- Adding food trucks around the town square would allow for more food offerings for guests and visitors. They do this now for the First Friday events downtown.
- Hotel, Hotel, Hotel. This is necessary to keep visitors overnight, especially the thousands that come in for Lincoln Days.
- Hire a full-time economic development professional to work with industrial as well as small business and services companies wanting to locate in LaRue County.

Physical Environment

Table 8. Average Rating of Physical Environment Conditions

Condition of the streets & sidewalks	4
Dependability of electrical service	4
Broadband access for businesses	4
Availability of recycling program	4
Quality of water supply	3.5
Condition of water distribution system	3.5
Condition of wastewater collection system	3.5
Condition of wastewater treatment facilities	3.5
Condition of public buildings	3.5
Availability of local Internet access facilities	3.5
Appearances of entrances into target area	3.5
Cleanliness of target area	3.5
Availability of water rights	3
Condition of water treatment & storage facilities	3
Capacity of water treatment & storage facilities	3
Capacity of water distribution system	3
Condition of storm drainage system	3
Capacity of wastewater collection system	3
Capacity of wastewater treatment facilities	3
Availability of environmental conservation programs	3
Quality of environmental/conservation programs	3
Adequacy of public buildings	3
Condition of housing	3
Availability/adequacy of emergency shelter facilities	2.5
Capacity of storm drainage system	2
Availability of natural gas	2
Adequacy of housing	2
Adequacy of recreation facilities	2
Remaining landfill capacity	n/a

Infrastructure Comments

Current infrastructure systems in target area:

- The basic infrastructure system is there but in order to grow there are a lot of upgrades that need to be made.
- LaRue needs to continue working on plans to extend infrastructure to the Upton site.
- In speaking with the Mayor and the County Judge, there seems to be adequate water and sewer capacity for the current state of doing business in the city. There are no wastewater options in the county, only dry culverts. The city lost a KIA grant for a sewer plant expansion during COVID when a deadline was missed by a consultant hired to work with the city. There are various water sources, and the lack of large industry has allowed them to not have capacity issues.
- There is natural gas in the city but not the county. It's now important to bring natural gas out to new industrial developments areas and that has been a challenge.
- Both local leaders expressed that their electrical services (provided by KU in the city and Nolin RECC in the county) are in good shape and even with past bad weather, they reported very little outages. The City has a new automated meter reading system that makes reading more efficient.
- They have various internet services including Comcast and Windstream that mostly covers the city. According to the County Judge internet service is very limited in the county. The County Courthouse is on KY Wired, but that does not extend to the county. The Judge talked a lot about the South Central Rural Telephone service and how they work within the county.
- Natural gas is in the city but is very limited in the county which results in industrial development issues.

Development limitations:

- Broadband in the county.
- Gas and Sewer are needed at the Upton site.
- While it seems that the city is in good shape, the infrastructure issues lie in the county where new housing or industrial development would occur.
- There are no rail lines in LaRue County. They are needed.

EXTERNAL ASSESSMENT OF LARUE COUNTY

Development opportunities:

- Adequate water within the county.
- LaRue County is located in a very popular region of Kentucky, close to some major cities and interstates. The leaders recently hosted a Vision LaRue planning session with various economic development officials in the state including KU/LG&E and CSX Railroad. However, to grow, the County will need to invest in infrastructure.
- The Upton site seems to be a priority for the County to develop and it is in an excellent location with great potential for future business to the Ford/Blue Oval project. There will be numerous suppliers looking for land near that facility.

Transportation Comments

Current transportation patterns in target area:

- They are working on KY-84 and US 31E improvements.
- There are various roadway systems in LaRue County and leading to Hodgenville, most importantly being the direct access they have to I-65 near Upton and Hwy 61 that leads to I-65 in Elizabethtown. Highway 31-E is a busy highway system, especially with truck and visitor traffic, since this highway goes past both Lincoln National Parks.
- Most roads are well-traveled yet no congestion and are in good shape.

Development limitations:

- Narrow roads into the county need improvements in places.
- Spruce up the roads and properties leading into the county and city.
- US 31E to Bardstown.
- There is no rail service in LaRue County. Most tracks have been removed. The only track that remains is used by the Kentucky Railway Museum in New Haven.
- There is no airfield in LaRue County. The Elizabethtown Airport is the closest.
- Lack of internet in the county is a large limitation as it hinders development. The courthouse has KY Wired, but nowhere else.

Development opportunities:

- Close to I-65 with the Lincoln Parkway access.
- The streetscapes are good.
- Interstate 65 is the best development opportunity for the Upton industrial site. There is going to be considerable interest in any piece of land within 30 miles of Ford's Glendale site. This is a prime option if the infrastructure can be constructed and ready for a client, meaning, water, sewer, gas, and broadband.

Social Environment

The assessors were asked to rate the following social environment conditions on a scale of 1 to 5, with 5 as "excellent." The table below shows their average rating.

Table 9. Average Rating of Social Environment Conditions

Availability/adequacy of libraries	5
Availability of ambulance services	4
Quality of ambulance services	4
Availability/adequacy of historic preservation	4
Availability/quality of police protection services	3.5
Availability/adequacy of community arts and cultural opportunities	3.5
Quality of secondary education	3
Quality of continuing education	3
Quality of life skills training	3
Availability of fire protection services	3
Quality of fire protection services	3
Availability of recreation programs/opportunities	3
Quality of recreation programs/opportunities	3
Quality of primary education	2.5
Availability of continuing education	2.5
Availability of life skills training	2.5
Quality of vocational/technical education	2
Quality of health care services	2
Availability/adequacy of community leadership and volunteer opportunities	2
Availability of vocational/technical education	1.5
Availability of mental health care services	1
Availability/quality of child care services	1
Quality of mental health care services	n/a

Current Human Services within Target Area:

- An Urgent Care Center is needed.
- Improvement is needed for the Parks and Recreation facilities and fairgrounds.
- Everyone I spoke with expressed the need for an Urgent Care facility in the County. They thought the Baptist Health Hospital system was going to open one, but it ended up being only a physicians medical building. Currently most travel to Elizabethtown for their immediate health needs.
- They have an excellent LaRue County EMS service with well trained staff.
- The Parks and Recreation system are lacking in quality facilities. Most are old and they operate on a small budget. They have no city pool. They have been able to develop various trails in the area and recruit out of county residents to hike in their county. They are applying to be an official Trail Town, and this would certainly increase outdoor adventure tourism opportunities.
- There are thoughts that agritourism can grow in LaRue County. There is a very popular farm with retail sales that brings in many out of county residents.
- There is a low tax rate which is beneficial to recruiting people to live in LaRue. There is talk about enacting a nickel tax that would help to fund some facility improvements in the LaRue County School system.

Development Limitations:

- There is a need for newer and larger schools.
- There is a need for ATC/Vocational technical education within the County.
- There is a need for a manned Fire Department.
- There is a need for additional childcare services.
- There is a need for additional housing.
- As with most communities, the lack of funding for Parks and Recreation is an issue.
- The County schools need an Area Technology Center on site for workforce and training purposes. They currently bus students to the Nelson County ATC for classes and training.
- There is no completed vision or plan for community leaders to operate with. Some sense a bit of a disconnect between city and county.

EXTERNAL ASSESSMENT OF LARUE COUNTY

- Two interviewees shared that the city has a “no growth” attitude about new business or industry coming to town.
- Lack of childcare services facilities have forced many parents to remain home rather than return to work.
- There are a few mental health care options in the city.
- Lack of family-oriented businesses, activities or recreational facilities.

Development Opportunities:

- With the new Ford plant locating nearby, they predict an influx of new residents to the county. Those who want a short commute to work. There is a definite need for affordable housing and hopefully local banks will realize this need and loan money to developers wanting to build more housing developments in LaRue County.
- With this increase in new residents, this is an opportunity for better healthcare options as well as better schools.
- A hotel/motel is desperately needed to be able to capture guests to stay overnight. If a hotel comes, the City/County should enact a lodging tax that directly goes to support tourism.
- The ‘Trail Town’ designation would be a win for tourism and change the demographic of people who come visit the county.
- There is a new library in town which helps promote learning and is a gathering place for families.
- The Chamber’s First Friday event downtown has the capability of growing into an even bigger event for families.

Additional Comments:

- LaRue needs to finalize the ‘Trail Town’ certification and connecting the trails.
- Leverage all of the local and nearby tourism opportunities to work regionally.
- Outdoor adventure tourism is big now - capitalize on this!
- Judge Durrett is a very motivated new County Judge. He has great insight as to what LaRue County needs and has a passion for wanting to make great things happen. He needs to surround himself with magistrates and other community leaders with that same goal to move LaRue County forward.
- The Industrial Development Corp needs to move forward with the ‘Vision LaRue’ plan & work to hire full-time staff.

EXTERNAL ASSESSMENT OF LARUE COUNTY

- The lack of services in the county will hinder growth including broadband and sewer. New zoning regulations are being developed to encourage new housing growth.
- Tourism still rules in LaRue County. With so many historical aspects of Lincoln history, the county should continue to spend money promoting this historical feature. No other Kentucky county has two National Park facilities in their county. Also continuing to go after a 'Trail Town' designation will help to promote outdoor adventure tourism, something that is now growing in popularity. They should consider a restaurant tax to help fund tourism.
- There seems to be new breath blown in with the new County Judge. He is smart, eager, and willing to do what ever he can to move LaRue County forward. Without a skilled economic development professional, it has been difficult to recruit any business to town whether it be retail, commercial or industrial. This has fallen on the County Judge's office since former economic development professional Bob Sims resigned many years ago.
- It seems that the Upton site is their priority right now, however the lack of infrastructure will slow that process down.
- The Judge said they are working on redoing the three-year-old Comprehensive Plan, and I think that is critical for the future of LaRue County.
- The City of Hodgenville is a nice and safe place to live with a beautiful downtown. However, the lack of retail, housing and recreational options for its residents are issues the mayor said need addressed. I hope the "no-growth" comment is not true.
- One major developer said the County needs to decide who it wants to be and have a vision to move forward. Are they going to focus on growing the tourism business or their industrial base? He said there is not continuity among local leaders. They suggested that with this assessment they hope UK would come in and help with the strategic planning process.

Recommendations from Assessors

1. Promote the growth of new housing opportunities for the influx of new residents expected from the Ford plant.
2. There is a need for vision with the County – Complete the Vision LaRue plan.
 - a. A road map and strategic plan need to be established.
 - b. Everyone within City/County/Tourism need to be working together towards the vision.
 - c. Bringing the right team together is crucial in working on the same page.
 - d. Have some guidance on how to work together to work the plan.
3. Tourism - A tourism commission is needed.
 - a. There is a need for a hotel.
 - b. Use Occupancy Tax and Restaurant Tax to support tourism.
 - c. The fairgrounds need to be improved.
 - d. Expand all tourism opportunities into the County.
 - e. Enhance marketing in promoting the two National Parks.
4. Hire an Economic Development professional.
5. Create cohesion between the pockets and islands of engaged people/businesses within the community.

Comprehensive Recommendations

Three key themes emerged throughout the study that need to be addressed in order for LaRue County to be able to improve its competitive advantage.

1. Develop a strategic plan.

LaRue County needs a strategic plan to guide its economic development efforts. In that planning process, LaRue must do a great deal of self-assessment and determine who it wants to be and what industries it wants to target. Then the County needs to identify the steps it needs to take to get there. The LaRue County Industrial Foundation must be involved in this process to create cohesion within the county on development work.

Hiring and training an Economic Development lead and an active board is crucial as it is proven that areas with focused economic development work see more direct growth than those without an Economic Developer. We strongly recommend that at least one individual go through the Kentucky Institute for Economic Development (KIED) program which is managed by the Kentucky Association for Economic Development (KAED). This will ensure that the County is equipped to respond to an RFI (Request for information) and that the participant can participate in the county at minimum in a part time capacity as a Coordinator or Director of Economic Development.

There is also a huge need for creating cohesion and enhancing the response times among those involved in development and growth. Within the strategic planning process, identifying a lead contact will ensure that development question calls get returned in a timely manner. The Economic Development Lead should also provide a highly needed “Welcome to the Community” training for all local leadership and business owners with the do’s and don’ts of how to greet potential businesses and leaders on site visits to the county to ensure the best foot is being put forward.

Since the County is heavily populated with Agribusiness, a great place to start on identifying businesses to recruit would be to explore who are the suppliers of current businesses, is there combined buying power, and would it be beneficial to recruit existing suppliers to relocate to LaRue County.

2. Conduct housing and supply chain analyses.

The County has a need for new housing based on the incoming Ford plant. As a large portion of LaRue’s current population leaves the county each day for work, there will be more individuals looking to live in LaRue and work in at the plant. Conducting an in-depth

COMPREHENSIVE RECOMMENDATIONS

housing study will highlight the types of housing development needed.

We also strongly recommend completing a supply chain study, which will help support the strategic plan. This study identifies LaRue's gaps in the industry by evaluating what is business there and what is not. This will prove extremely helpful in also identifying suppliers for the Ford plant which should drive LaRue's business recruitment efforts. A targeted recruitment approach is proven more efficient than a non-proactive, haphazard approach to development.

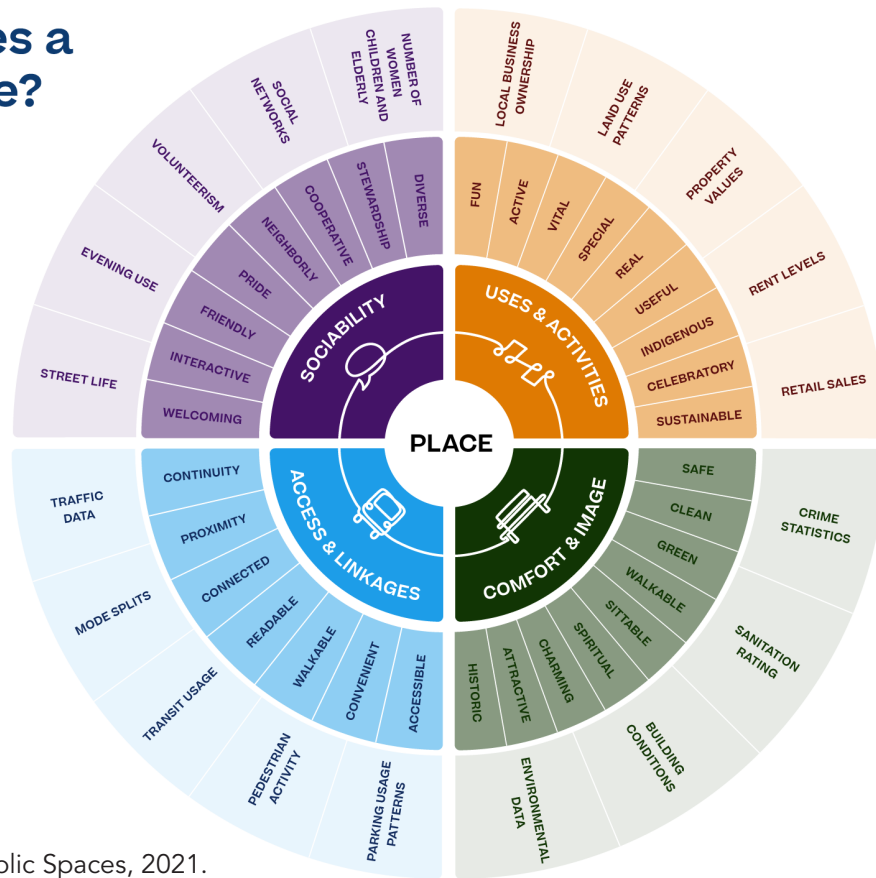
3. Invest in tourism development and placemaking.

The location of LaRue County along with the two National Parks, Lincoln's birthplace, looming 'Trail Town' designation, and agribusiness uniquely positions the County for tourism growth. The existing industry lends itself to strong outdoor tourism opportunities. There needs to be investment in wayfinding signage to locations the County wants to highlight and develop.

LaRue is in need of tourist lodging. The current market could support a hotel. By completing some of the other recommended studies, LaRue's bid for a hotel will have additional supporting data making their desire stronger. As LaRue increases marketing for the tourism industry, the need for lodging will increase as well. Increasing the Airbnb or VRBO options in LaRue is a lower cost option to meet the demand in the short-term. The long-term solution is obtaining a hotel commitment.

The walkability of the downtown areas need to be improved. The sidewalk conditions and crosswalks need to be evaluated. A fun way to see exactly where changes need to be upgraded is to have local government spend a half day pushing a stroller or using a wheelchair to test the viability of the focus area. The parks should be utilized for events and the National Parks should be capitalized on for growth and development. Please note the graphic (next page) with things to keep in mind while developing placemaking plans. We highly recommend creating a placemaking plan with your tourism, chamber, and Lead Economic Development Agent. CEDIK has many free resources available on their website to assist with local placemaking efforts.

What Makes a Great Place?



Source: Project for Public Spaces, 2021.

