

CHAPTER THREE ECONOMIC DEVELOPMENT

INTRODUCTION

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 land 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.

EMPLOYMENT BY INDUSTRY

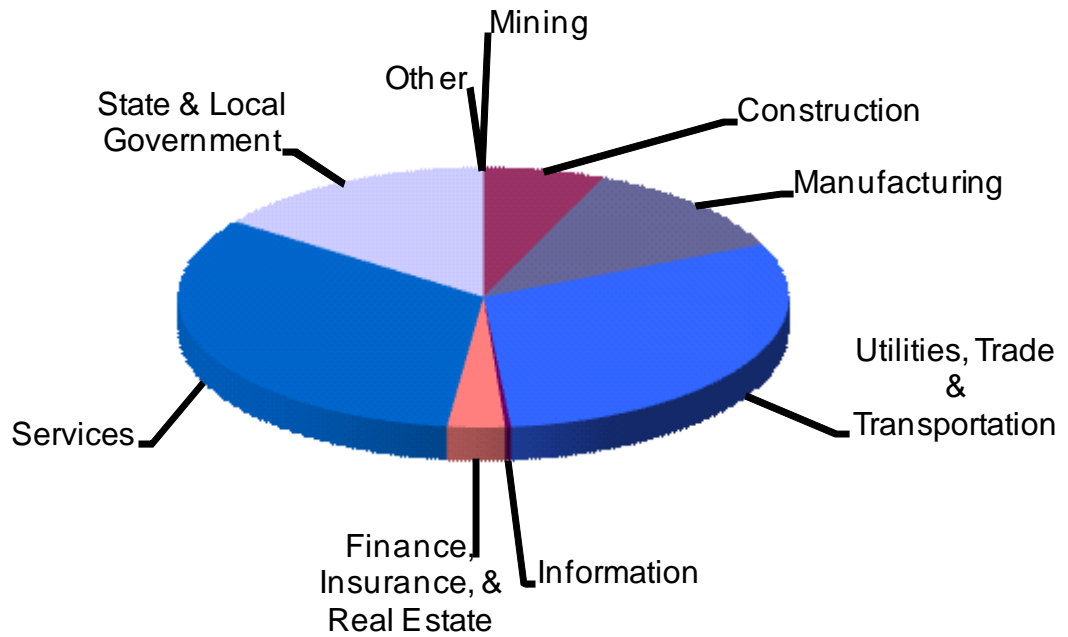
Employment information at the county level is available for industries covered by unemployment insurance. This generally includes all workers except self-employed individuals, unpaid family members, some student workers, agricultural workers, domestic workers, rail workers, employees of certain religious organizations, and certain government employees. A summary of employment in industries covered by unemployment insurance for 2007, 2009 & 2011 is shown in Figure 3-1.

Bullitt County had a net increase of 3,007 jobs from 2007 to 2011 (19.6%). This is a significant increase considering the state of Kentucky overall had a job loss rate of four percent for the same period due to the economic downturn following the collapse of the housing market in 2008. As of 2011, the services sector provided the largest number of jobs in Bullitt County accounting for 32.9% of the jobs in the county covered by unemployment insurance. The utilities, trade and transportation sector, which includes warehousing and trucking, had the second largest number of jobs at accounting for 30.1% of the total. Both of these sectors saw significant growth during the period and now account for 63 percent of the jobs in the county.

Bullitt County



**FIGURE 3-1
BULLITT CO 2011 EMPLOYMENT BY INDUSTRIES
COVERED BY UEMPLOYMENT INSURANCE BY NAICS
INDUSTRIAL DIVISION**



INDUSTRY	2007	2009	2011	% CHANGE
				2007-2011
Mining	-	-	-	
Construction	1,498	1,187	1,171	-21.83%
Manufacturing	2,755	2,439	2,181	-20.83%
Utilities, Trade & Transportation	3,716	4,005	5,521	48.57%
Information	82	39	55	-32.93%
Finance, Insurance, & Real Estate	409	446	555	35.70%
Services	4,032	4,920	6,022	49.36%
State & Local Government	2,749	2,823	2,765	0.58%
Other	-	-	-	
TOTAL	15,326	15,932	18,333	19.62%

Source: Ky Education & Workforce Dev. Cabinet, Dept. for Workforce Investment
 Note: A dash indicates data not disclosed due to privacy requirements.

The construction, manufacturing and information sectors all experienced a loss of jobs from 2007 to 2011.

Figure 3-2 shows the average weekly wages in 2011 for industries in Bullitt County covered by unemployment insurance. Of the industries disclosed, the information sector paid the highest wages per week followed by manufacturing. Unfortunately there are very few information sector jobs in Bullitt County. In Kentucky, the mining sector pays the highest average weekly wages. Mining industry wages in Bullitt County are not disclosed due to the small number of businesses. The lowest average weekly wages in Bullitt County are service industry wages. The exact number is not disclosed to prevent calculation of mining industry wages. During the period from 2007 to 2011 there has been a trend of job loss in the higher paying industries such as construction and manufacturing and job increases in lower paying sectors such as services and utilities, trade and transportation. The average weekly wages for all industries in Bullitt County were only 81.8 % of the average for Kentucky overall.

MANUFACTURING & OTHER LARGE INDUSTRIAL EMPLOYERS

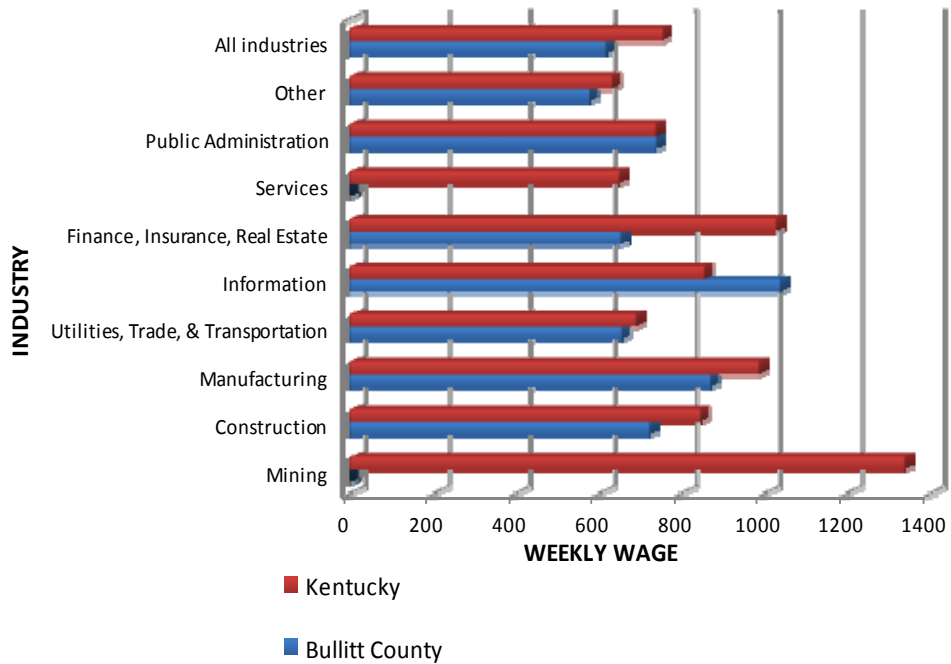
The Kentucky Cabinet for Economic Development publishes the Kentucky Directory of Manufacturers that list manufacturers by county and community. They also publish the Kentucky Directory of Business and Industry which includes other large industry employers in addition to manufacturers. These documents include facilities with ten or more employees that participate in Economic Development Cabinet programs. They do not include all industrial facilities in the county. It should also be noted that the number of employees are the average number of full time permanent employees and do not include part time, temporary or contractual workers. According to the directory, there are a total of 15 manufacturing firms in Bullitt County with a 2012 full time employment of 2,213.

Table 3-1 shows the impact of the warehousing and distribution industry on Bullitt County. There are 18 firms in the warehousing and distribution industry in Bullitt County with most established since 2002. The total employment for these 18 firms in 2012 was 5,337.

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**FIGURE 3-2
AVERAGE WEEKLY WAGES IN BULLITT COUNTY 2011**



INDUSTRY	Avg. Weekly Wage 2011	
	Bullitt County	Kentucky
Mining	-	\$1,340
Construction	\$721	\$847
Manufacturing	\$871	\$987
Utilities, Trade, & Transportation	\$654	\$689
Information	\$1,037	\$856
Finance, Insurance, Real Estate	\$652	\$1,028
Services	-	\$648
Public Administration	\$737	\$736
Other	\$578	\$631
All industries	\$616	\$753

Source: Ky Education & Workforce Dev. Cabinet, Dept. for Workforce Investment
 Note: A dash indicates data not disclosed due to privacy requirements.

**TABLE 3-1
Bullitt County Employment of more than 5% by Major Industry 2012**

	Persons Employed	% Total of Employment
All Industries	20,290	100.0
Construction	1,063	5.2
Manufacturing	2,579	12.7
Trade, Transportation & Utilities	5,678	28.0
Services	6,370	33.2

Other Industries attributing for less than 5% of employment include Agriculture, Financial Activities, Fishing & Hunting, Forestry, Information, Mining, Public Administration and Others.
 Source: U.S. Dept. of Labor, Bureau of Labor Statistics

U. S. ECONOMIC CENSUS

The U.S. Department of Commerce conducts an Economic Census every five years to provide a detailed portrait of the U. S. economy from the national to the local level. The Economic Census covers nearly all of the U.S. economy in its basic collection of establishment statistics. Censuses of agriculture and governments are conducted at the same time.

The latest available Economic Census was conducted in 2007. An Economic Census is currently being conducted for the year ending December 2012, however that data will not be available in time to include it in this document. Data for economic sectors with few establishments in Bullitt County is not available at the county level as publication of the data could reveal the identity or activity of an individual or business.

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AGRICULTURE

Table 3-2 presents agricultural statistics for Bullitt County. According to the U.S. Census of Agriculture, there were 488 farms in Bullitt County in 2012, a decrease of 6% since 2007. In the five years from 2007 to 2012, the number of farm acres 46,149 decreased by 10%. The predominant crops are corn and soybeans. The market value of products sold from crop sales are \$4,619,000 (60%) and from Live-stock, \$3,127,000 (40%) for a total value of \$7,746,000, the average per farm equals \$15, 873. These numbers are up 23% from the 2007 census for total sales and up 31% per farm. The 2012 Census of Agriculture reports that the average size of a farm in Bullitt County is 95 acres with the median size 41 acres. The average estimated value of all land and buildings per farm was \$344,716 with an estimated market value of \$3,645 per acre. The estimated average value of all machinery and equipment was \$48,629 per farm. Tables 3-3 shows Bullitt County farms by farm size. Table 3-4 shows the number of farms by the value of sales.

**TABLE 3-2
BULLITT COUNTY AGRICULTURAL INFORMATION**

YEAR	# OF FARMS	# OF FARM ACRES	HARVESTED CROPLAND
2012	488	46,149	16,502
2007	519	51,148	17,153
2002	616	61,342	19,097
1997	654	61,667	18,272

**TABLE 3-3
BULLITT CO. FARMS BY SIZE IN 2012**

ACREAGE	NUMBER
1-9	41
10-49	225
50-179	147
180-499	66
500-999	7
1,000 +	2

Source: Census of Agriculture

**TABLE 3-4
FARMS BY VALUE OF SALES IN 2012**

VALUE	NUMBER
< \$2,500	260
\$2,500 - \$4,999	73
\$5,000 - \$9,999	50
\$10,000 - \$24,999	43
\$25,000 - \$49,999	30
\$50,000 - \$99,999	19
\$100,000 <	13

Overall, agriculture represents a relatively small portion of the Bullitt County economy. Opportunities for growth in agriculture include agritourism such as the Wine & Bourbon Tour of Bullitt County. This tour includes the Brooks Hill, Millanova, Wight-Meyer and Forest Edge Wineries and the Jim Beam Bourbon Distillery in Clearmont. There is also a farmer's market that operates in Mt. Washington from June to September each year. According to the 2007 Census of Agriculture the total income from agritourism and recreational services was \$6,000 and there were only 25 acres of harvested vegetable acres.

TOURISM

Information on the impact of tourism in Bullitt County can be found in a 2012 study prepared by Certec, Inc. for the Kentucky Tourism, Arts and Heritage Cabinet. The State of Kentucky is divided into nine tourism and travel regions. Bullitt County is part of the 15 county Bourbon, Horses & History Region. All nine tourism regions showed gains in revenues between 2011 and 2012. The largest increase occurred in the Bourbon, Horses, & History Region with a 6.3 percent increase between the two years. According to the study, total tourism and travel expenditures (both direct and indirect) in Bullitt County were \$115,374,615 in 2011 and \$123,360,845 in 2012, a 6.9 percent increase. The total tourism and travel expenditures for the Bourbon, Horses & History Region in 2012 were approximately 3.7 billion with 2.9 billion in Jefferson County. Bullitt County had the third highest total expenditures in the region after Jefferson and Hardin Counties. This indicates that the tourism industry is an important part of the county's economy. The Jim Beam American Stillhouse Visitor Center in Clermont, which opened in October 2012, had over 100,000 visitors in its first year of operation. This is an increase of some 20,000 visitors to the Jim Beam Distillery from the prior year.

Home to many of Bullitt County's popular tourist attractions, Highway 245 would be an excellent area to recognize a 200 foot wide strip that centers on Highway 245 as a tourism corridor overlay. This corridor should begin at Highway 61 and run the length of Highway 245 to the Bullitt/Nelson County line. This corridor would offer the Planning Commission and local government the opportunity to recommend or require tourism oriented guidelines to the property owners of new developments or

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requested zoning changes. These guidelines should maintain the aesthetics expected in a tourism area. This could be accomplished through the use of lowering sign impact, directional and/or low wattage lighting, evergreen hedges or trees, berms, natural or tourism themed building facades, move parking or high traffic areas to the rear of the business among other things. This overlay would simply identify the tourism area for future zoning purposes and as such no current zoning would be changed by the addition of this overlay.

CIVILIAN LABOR FORCE

The civilian labor force is defined as the sum of both employed and unemployed persons 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.

Table 3-5 compares the civilian labor force of Bullitt County with the labor market area. A labor market area includes counties which are substantially within a 60 minute drive of the originating county’s county seat. In addition to Bullitt County, the Bullitt County labor market area (Figure 3-3) includes Jefferson, Hardin, Hart, Larue, Meade, Nelson, Oldham, Spencer, and Shelby Counties in Kentucky as well as Clark, Floyd, Harrison and Scott Counties in Indiana.

In January of 2013 Bullitt County had a civilian labor force of 38,417 with an unemployment rate of 8.6%. This is slightly higher than the Bullitt County labor market area unemployment rate of 8.3%. Figure 3-4 shows the annual unemployment rates for the U.S., Kentucky, the Louisville-Jefferson County KY-IN Metropolitan Statistical Area (Louisville MSA), and Bullitt County over the past five years. Unemployment rates for Bullitt County have typically been slightly

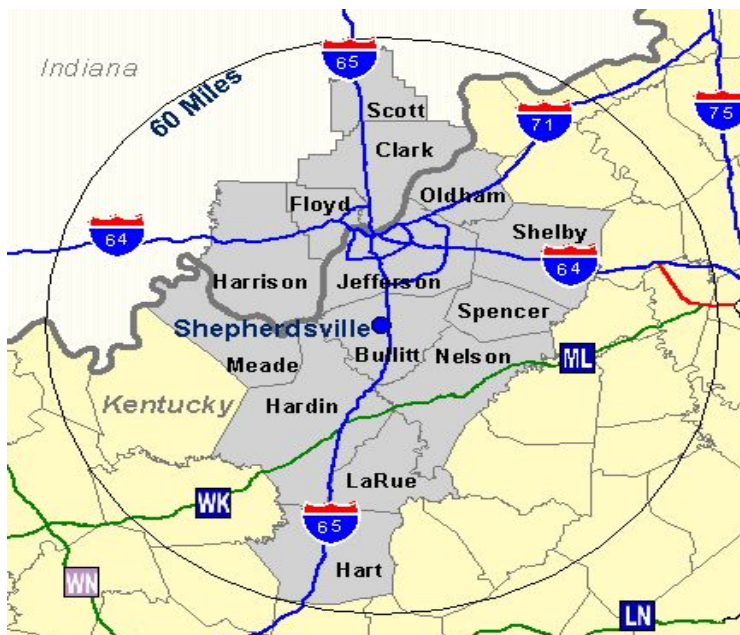
higher than the Louisville MSA and the State of Kentucky with the U.S. overall rate lower than local rates. The Louisville MSA is somewhat different than the Bullitt County Labor Market Area. It includes Jefferson, Bullitt, Henry, Meade, Nelson, Oldham, Shelby, Spencer and Trimble Counties in Kentucky as well as Clark, Floyd, Harrison and Washington Counties in Indiana.

**TABLE 3-5
CIVILIAN LABOR FORCE ESTIMATES
BULLITT COUNTY LABOR MARKET
January 2013**

COUNTY	CIVILIAN LABOR FORCE	EMPLOYED	UNEMPLOYED	UNEMPLOYMENT RATE
Bullitt	38,417	35,114	3,303	8.6%
Labor Market Area Totals	683,502	626,754	56,748	8.3%

Source: U.S. Department of Labor, Bureau of Labor Statistics

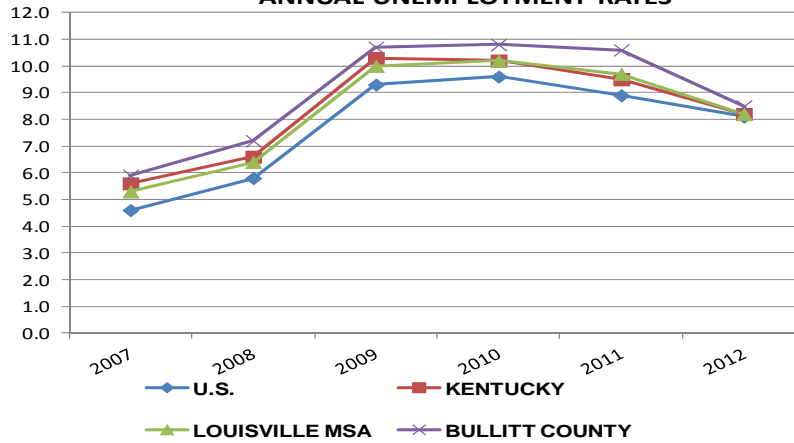
**FIGURE 3-3
BULLITT COUNTY LABOR MARKET AREA**



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**FIGURE 3-4
ANNUAL UNEMPLOYMENT RATES**



YEAR	U.S.	KENTUCKY	LOUISVILLE MSA	BULLITT COUNTY
2007	4.6	5.6	5.3	5.9
2008	5.8	6.6	6.4	7.2
2009	9.3	10.3	10.0	10.7
2010	9.6	10.2	10.2	10.8
2011	8.9	9.5	9.7	10.6
2012	8.1	8.2	8.2	8.5

Source: Labor Market Statistics, Local Area Unemployment Statistics Program

EDUCATION LEVELS

An important characteristic of the labor force is the level of education attained by the workforce. Table 3-6 shows education levels at the time of the 2011 American Community Survey. In Bullitt County, 85% of the population 25 years and over were high school graduates or higher. This compares to 83.1% for Kentucky and 85.9% for the United States overall. In 2010, 15% of Bullitt County's population 25 years and older had a Bachelor's degree or higher. These educational levels are lower than the State of Kentucky (21.1%) and the U. S. (28.5%).

**TABLE 3-6
EDUCATION LEVEL 2010**

	High School Graduates %	Bachelor's Degree or Above %
Bullitt County	85.0	15.0
Kentucky	83.1	21.1
USA	85.9	28.5

Source: 2011 American Community Survey

COMMUTING PATTERNS

Table 3-7 details the commuting patterns of Bullitt County residents according to the U.S. Census Bureau. As of 2010 there were 33,495 workers who lived in Bullitt County. Only 18.6% also work in Bullitt County with 81.4 % or 27,266 persons commuting out of the county to work. The majority of Bullitt County residents who commute travel to Jefferson County to work. Out of 120 Kentucky counties, Bullitt County was ranked seventh in percentage of its residents commuting out of the county to work. In 2010, there were 9,489 workers who commuted to Bullitt County to work representing 60.4% of the workers in Bullitt County. Such large numbers of commuters into and out of the county undoubtedly contribute to traffic congestion.

**TABLE 3-7
BULLITT COUNTY COMMUTING PATTERNS**

	2010	Percent
Residents of Bullitt County:		
Working and Residing in County	6,229	18.6
Commuting Out of County	27,266	81.4
Total Residents	33,495	100
Employees of Bullitt County		
Working and Residing in County	6,229	39.6
Commuting Into County	9,489	60.4
Total Employees	15,718	100

Source: US Census Bureau, Journey-to-Work & Migration Statistics Branch

PERSONAL AND HOUSEHOLD INCOME

The U.S. Dept. of Commerce, Bureau of Economic Analysis provides annual estimates of 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. Table 3-8 shows that the 2011 personal per capita income for Bullitt County is lower than that for Kentucky, the U.S. and Louisville MSA. It has increased at a faster rate than the U.S. and Louisville MSA between 2007 and 2011, but slower than the state overall.

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**TABLE 3-8
PERSONAL PER CAPITA INCOME**

	PER CAPITA INCOME		
	2007	2011	% Change
Bullitt County	\$28,758	\$30,533	6.2%
Louisville MSA	\$37,095	\$39,037	5.2%
Kentucky	\$31,175	\$33,989	9.0%
United States	\$39,506	\$41,560	5.2%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis

The U.S. Census Bureau provides annual estimates of median household income. When median household income is considered, Bullitt County income levels fare better as shown in Table 3-9. While median household income for the U.S. overall declined slightly between 2007 and 2011, in Bullitt County it increased at twice the Kentucky state rate. In 2011 the median household income for Bullitt County was three percent higher than the U.S. overall and 26.5% higher than the average for Kentucky.

**TABLE 3-9
MEDIAN HOUSEHOLD INCOME**

	MEDIAN HOUSHOLD INCOME		
	2007	2011	% Change
Bullitt County	\$49,861	\$52,033	4.4%
Kentucky	\$40,299	\$41,141	2.1%
United States	\$50,740	\$50,502	-0.5%

Source: US Census Bureau, Small Area Income & Poverty Estimates

LOCAL COMMUNITY ECONOMIC DEVELOPMENT ACTIVITIES

A component to the overall economic condition of an area or region is the extent to which the community engages in economic development activities in order to promote the area and maintain a diversified economy. The following organizations are dedicated to assisting Bullitt County in local economic development activities.

BULLITT COUNTY ECONOMIC DEVELOPMENT AUTHORITY

The Bullitt County Economic Development Authority works towards recruiting new industries and assisting existing industries to expand. It is important that a county have a diverse mixture of industrial and commercial facilities to allow for growth. Continued growth of a balanced mix allows an economy to grow and support expanding populations. The Economic Development Authority is the lead agency in Bullitt County in support of the needs of small industries and distributors and to support new industrial developments. The creation of a positive business climate will assist in the expansion of existing industry and attraction of new industries. In addition, due to a growing need for commercial growth, the Authority needs to assist in locations of service industries to provide for the growing population.

Currently there are seven industrial sites and four industrial buildings listed as available in Bullitt County on the Kentucky Cabinet for Economic Development web site as shown on Table 3-10 and 3-11. Sites listed by the Cabinet must be shovel ready sites of at least 15 acres and meet other criteria. Buildings must be at least 10,000 square feet and ready for occupancy by an industry, corporate office or support services. There may be other available industrial sites or buildings in Bullitt County that do not meet the Cabinet's listing criteria.

TABLE 3-10
Bullitt County Available Industrial Sites

Site ID	Site Name	Total Ac.	Largest Possible Tract	Rail	Min. Distance To	
					Inter-state/ Parkway	Airport
029-009	Lebanon Junction	143	143	Possible	0.1	26
029-026	Bourbon Trail Industrial Park	221.7	126.9	Possible	1.7	22
029-022	Shepherdsville - Cedar Grove Business Park Phase 3	134.8	99	No	1.75	14
029-005	Shepherdsville Business Center	133	89	No	0.2	14
029-001	Mt. Washington Business Centre	91.1	75.6	No	6.5	19
029-025	The I-65 Overlook	36	36	No	1.6	29
029-006	Shepherdsville - Settlers Point	56.6	35.9	Possible	0.09	14

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Comprehensive Plan

TABLE 3-11
Bullitt County Available Industrial Buildings

Bldg. ID	Building Name	Square Feet	Ac.	Min. Ceiling Ht.	Rail
029-014	100 W. Thomas P. Echols Lane	624,000	52	32.0' minimum	No
029-009	Crossdock-Cedar Grove	257,998	52	36.0' minimum	No
029-018	Former Integrity Manufacturing	103,000	10.6	17.5' minimum	No
029-016	Medline Industries	90,000	33	35.0' minimum	No

Source *Ky Cabinet for Economic Development*

The best industrial sites require large parcels of land that are out of the floodplain, not too steep or have other environmental restrictions. They are near transportation facilities including major highways, airports and sometimes rail. Utilities are available including sanitary sewer service. Communication systems have become a vital portion of economic growth and must be considered for any available siting of a new industry. The sites must also not have a negative impact on other land uses especially residential areas. As sites meeting all of these requirements are difficult to locate, it is important to determine the best sites in the community for industrial use first when preparing future land use maps. These sites should be protected from other types of development in order to insure available land for industrial growth and to provide employment for the current and future residents of the community

The Bullitt County Economic Development Authority must continually monitor the business climate to determine how individual laws and regulations affect the local industries and new industries which might want to locate. This includes taxation, utility costs, land costs, education opportunities, health care facilities and other issues which fall under the general category of quality of life. These items are all important to facilitate jobs for the citizens and a healthy economy.

In addition to the need for sites for economic development, the greatest local economic development requirement is for a skilled work force. Kentucky communities can document to potential employers that they have a skilled work force by becoming a Kentucky Certified Work Ready County. This program, sponsored by the Kentucky Workforce Investment Board and the Kentucky Education and Workforce

Development Cabinet, certifies counties as being work ready by using established documented criteria such as high school graduation rates, the population's access to broadband internet service, community commitment, educational attainment, the number of National Career Readiness Certificate holders in the county and measurement of soft skills such as work ethic, attendance/punctuality, communication, teamwork, leadership and critical thinking. Bullitt County is starting the process to become a Kentucky Certified Work Ready county at the current time.

BULLITT COUNTY CHAMBER OF COMMERCE

The Bullitt County Chamber of Commerce is located at 295 N. Buckman Street in Shepherdsville. The Chamber of Commerce offers marketing, networking and educational opportunities to its members. This group of business leaders encourages and participates in quarterly chamber breaks and ribbon cuttings to welcome and develop members to be the business voice of the county. The Ambassador Group is consistently involved in recruiting and maintaining membership. The Woman's Council is instrumental in the organization of a monthly luncheon the membership is invited to attend. There are a variety of speakers that encourage not only entrepreneurial spirit but also philanthropic leadership. There are also committees that organize Kidsfest, Showcase Bullitt County, career fairs, the golf scramble health fair and annual dinner. Leadership Bullitt County is a monthly program that graduates outstanding new business leaders to set and carry out new goals to improve the community. Recently the Chamber has been directly involved in creating an evolving strategic plan for the county and is working to integrate and enhance the relationship of the business community with the city and county government.

As of May 2013 the Chamber has approximately 350 members and 15 Board members. All policies governing the activities and operation of the Chamber are set by the board of directors. Each member shares an equal vote and is encouraged to serve on committees. A full time director and professional staff manage the daily operation of the Chamber office.

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SHEPHERDSVILLE BULLITT COUNTY TOURIST & CONVENTION COMMISSION

The Shepherdsville Bullitt County Tourist & Convention Commission promotes tourism in Bullitt County and operates the Paroquet Springs Conference Centre at 395 Paroquet Springs Drive in Shepherdsville near I-65 Exit 117. There are separate directors and staff for tourism and the conference center. The Commission's source of funding is primarily a 2% restaurant tax and 4% transient room tax. The 2% restaurant tax and one percent of the hotel tax goes towards operation of the Conference Centre. The remaining three percent of the transient room tax provides approximately \$390,000 a year in funding for tourism development.

Tourism marketing activities include operation of a tourist information center at the Conference Centre. Local tourism is promoted through a tourism web site, online marketing, print ads, as well as television and radio advertisements. Tourism staff attend travel and trade shows to promote Bullitt County. Local events are highlighted as well as tourism related businesses. The tourism office provides administrative assistance for the Bullitt County Hospitality Association.

The Paroquet Springs Conference Centre attracts many meetings and events to the City of Shepherdsville. It has 40,000 square feet of banquet, meeting and exhibit space. The facilities are flexible and can accommodate groups up to 1500. There are break-out rooms for small meetings and 12,000 square feet of exhibition space for larger events. The Banquet Room can comfortably seat 200 to 300 persons. There are complete audio-visual capabilities throughout the Centre and full scale catering services in house.