

Woodford County Comprehensive Plan, 2024

Economic Development

Economic Development is central to a county's quality of life. A robust economic environment contributes to creating job opportunities, supporting local businesses, and ensuring a higher quality of life for residents. This section of the comprehensive plan outlines both recent and past economic development activities and emphasizes the importance of a data-driven approach for making informed recommendations. Strategic possibilities also have been identified through the analysis of recent data and past successes in Woodford County, the region, and the state, positioning Woodford County for future growth.

A strategic approach to economic development utilizes recent data and proven strategies to guide recommendations. New business location requests and associated wage levels, both statewide and regionally, have been examined to understand the economic landscape and identify opportunities for future industrial use in Woodford County. This information can be helpful for comprehensive land use planning, including identifying suitable locations for industrial development and optimizing land resources.

Economic development offers benefits to a community, including:

- **The potential to enhance Fiscal Stability through Diversified Revenue Streams** by including a diverse range of commercial and industrial activities, reducing dependence on a single revenue source and bolstering fiscal resilience.
- **Job Creation:** Economic development projects play a crucial role in generating job opportunities for residents, which in turn helps to decrease unemployment rates and stimulate economic activity.
- **Broadening Tax Burdens through multiple revenue sources and** promoting a fairer distribution of the tax burden across the community.
- **Enhancing Infrastructure:** Development through increased tax revenue.
- **Long-Term Economic Stability:** A robust economy built on diverse industries and commercial activities fosters enduring economic stability for the community.

State-level Economic Development

Kentucky received notable recognition in economic development from Site Selection Magazine, ranking eighth nationally and first in the South Central region in 2023. In the subsequent year, the state maintained its strong performance, securing the second spot in the magazine's 2024 Prosperity Cup rankings. These achievements reflect Kentucky's consistent presence among the top contenders in economic growth, with the state holding a position in the top 10 for over five consecutive years. In 2023, Kentucky celebrated the announcement of 180 private-sector new-location and expansion projects, totaling \$4.6 billion in investments and creating nearly 8,600 jobs. The Prosperity Cup highlights the competitive edge of state-level economic development agencies and underscores Kentucky's success in attracting capital investment projects.

Notable economic growth has occurred across key sectors, including Manufacturing, Automotive-related industries, Food & Beverage, Bourbon & Spirits, and Distribution & Logistics. From 2020 to 2023, the state announced \$28.46 billion in new investments, resulting in the creation of 50,093 new jobs. During this period, average incentivized hourly wages increased from \$21.93 to \$26.67. The Manufacturing

sector led with \$24 billion in investments, followed by \$13 billion in Automotive-related projects. Note that sectors are categorized based on how companies identify according to the products they manufacture or supply. For instance, some automotive manufacturers and suppliers are classified under general manufacturing, but not all general manufacturers produce automotive products. In 2021 and 2022, Kentucky achieved record job announcements and investments, totaling \$21.7 billion and over 34,000 new jobs. By November 2023, the state had attracted nearly \$4 billion in new investments and 7,000 new jobs.

Manufacturing stands as a cornerstone of Kentucky's economic landscape. Projections indicate robust employment growth in key manufacturing sectors such as metals, plastics, rubber, and chemicals. Notably, the manufacturing sector's job multiplier effect is substantial, with each new job creating 2.3 additional indirect jobs, fortifying the state's economic resilience. With average annual wages reaching \$71,000, the manufacturing sector continues to attract a skilled workforce. Moreover, substantial foreign investment (\$28.1 billion between 2017 and 2022) underscores confidence in Kentucky's manufacturing growth potential. Embracing sustainability, automation, and supply chain resilience initiatives remains pivotal for navigating challenges and fostering innovation within the sector, ensuring sustained growth and competitiveness.

The automotive sector also plays a pivotal role in Kentucky's economy, constituting 3.0% of total employment with 60,900 jobs as of 2022. Its significance is underscored by a location quotient of 4.3 - a four times higher concentration relative to the national average. Foreign direct investment (FDI) in the automotive industry captured a 12.0% share from 2017 to 2022 and amounted to \$10.9 billion, further accentuating potential for expansion. With the industry increasingly pivoting towards electric vehicles (EVs), Kentucky has positioned itself to capitalize on this transition through strategic investments in EV technology, infrastructure upgrades, and workforce training. These initiatives are essential to ensuring sustained growth and enhancing competitiveness in the evolving automotive landscape.

Woodford County Economic Development

Woodford County, Kentucky, features a diverse economic landscape centered around key industries such as equine, bourbon distilling, agriculture, and manufacturing. The equine industry, renowned for its Thoroughbred horse farms, plays a pivotal role in the county's economy, alongside the bourbon distilling sector, which serves as a major employer and tourist attraction. Agriculture, excluding equestrian related components, remains integral to Woodford County's economic fabric, alongside a tourism sector fueled by historic sites, horse farms, and distilleries, which bolster hospitality and service industries. Furthermore, the county's expanding manufacturing sector produces a variety of goods and contributes to economic diversity in the region.

The county is home to world-renowned farms, including Coolmoore America & Ashford Stud, Lane's End, WinStar Farm, Stonewall Farm, Three Chimneys Farm, and Woodsprings Farm, which have produced numerous champion thoroughbred race horses and dressage horses.

The City of Versailles is home to major manufacturing companies such as Yokohama Industries Americas and NSG Pilkington North America, that contribute significantly to the local economy. Recent developments include land acquisitions for future industrial use and downtown revitalization initiatives. Notable developments involve the City of Versailles' purchase of 150-acres for industrial expansion, enhancements to downtown retail establishments, including new dining and event venues, and key

projects like the Rickhouse Hotel - Kentucky's inaugural hotel-distillery combination - and the Versailles Community Market Pavilion - a three-season market pavilion representing a \$3.6 million investment.

Midway has also seen notable growth, particularly following the sale of land within Midway Station and rezone of the remaining 15.34 acres unsold land in Midway Station from the B-5 classification (highway business zone) to I-1 (industrial zone) during summer 2022. With a latency of sales for many years at the B-5 zoning, and market demand for industrial land in the region, the request for rezone came with the intent to attract investment and consolidated industrial activity within the City. The property was approved for a rezone of the remaining 15.34 acres at Midway Station in 2022. The rezone changed the designation from B -5 (Highway Business) to I-1 (Light Industrial). The properties, located within the industrial park that is also home to Lakeshore Learning and American HOWA Kentucky, transacted with 18-months of the rezone. This strategic move allowed the community to fill local needs while centralizing industrial activities and promoting efficient economic development in Midway.

Primary Industries Assessment

Woodford County's largest industry sector is Manufacturing, employing 1,534 workers. The next-largest sectors in the region are Agriculture, Forestry, Fishing and Hunting (1,370 workers) and Accommodation and Food Services (1,032). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Agriculture, Forestry, Fishing and Hunting (LQ = 10.11), Wholesale Trade (1.88), and Manufacturing (1.75).

Equine Industry Sector^{1,2}

Woodford County, Kentucky, is home to 11,000 horses across 650 equine operations. The county ranks second in both equine value (Value=\$1,279,968,000) and equine operation income, and third in equine acres (44,000 acres), equine sales, and overall equine population. The economic impact of the equine industry in Woodford County is considerable, with assets valued at \$1.28 billion. The county's horse population includes primarily Thoroughbreds (7,500), Saddlebreds (650), and Warmbloods (600). Notably, the Saddlebreds alone contribute over \$1.2 billion in value.

The diverse use of horses in Woodford County underscores its role in the equine sector. Key uses include broodmares (3,300), young horses (2,800), racing, and showing. This diversity supports an equine service income of \$181.5 million and sales value of \$210 million. Woodford County's 44,000 equine acres contribute to its status as a leading county in equine operations within Kentucky, which has 31,000 equine operations and 900,000 equine-dedicated acres overall. This reflects a broader state trend, where the total value of equine and related assets is \$27.7 billion.

The Thoroughbred industry brings substantial economic benefits to the region, generating \$115 million in tax revenues for Kentucky annually, contributing \$1 billion to labor income, and having

¹ University of Kentucky College of Agriculture, Food and Environment. (2022). "2022 Kentucky Equine Survey." Retrieved from https://equine.ca.uky.edu/sites/equine.ca.uky.edu/files/2022%20Kentucky%20Equine%20Survey%20FOR%20ONLINE_2.pdf

² University of Kentucky College of Agriculture, Food and Environment. (2022). "2022 Woodford County Equine Fact Sheet." Retrieved from <https://equine.ca.uky.edu/sites/equine.ca.uky.edu/files/2022%20Woodford%20County%20Fact%20Sheet.pdf>

a \$2.7 billion impact on output. Specifically, Woodford County, home to Versailles, contributes around \$600 million to the local economy. This supports the local economy and creates over 24,000 jobs statewide, with many centered in and around Versailles, establishing the town as a key player in the global equine market.

Agriculture Industry Sector^{3,4}

Despite not being the largest in terms of employment, production agriculture holds the highest location quotient (LQ=15.4) in the county, indicating a concentration significantly higher than the national average. While employment associated with agriculture has historically been limited to production agriculture, the county hosts numerous service-based establishments in finance, veterinary, recreation, transportation, wholesale, and retail sectors, all dedicated to supporting the agricultural industry. When considering the broader agricultural cluster, nearly 3,000 jobs are attributed to this sector. Given the total employment in the county of approximately 10,000, these results suggest that roughly 1 out of every 3 jobs is directly or indirectly associated with the agricultural cluster.

According to the 2023 Kentucky Annual Bulletin⁵, the county produced 3,500 acres of corn yielding 150 bushels per acre, 2,800 acres of soybeans with an average yield of 48 bushels per acre, and 1,200 acres of hay averaging 2.5 tons per acre. The county also had a cattle population of 2,300 head. Although its corn and soybean yields are slightly below the state averages, Woodford County's focus on these crops underscores its importance in local agriculture. Additionally, its hay yield surpasses the state average, reflecting efficient production practices. Despite having fewer cattle compared to the state total, Woodford County's emphasis on quality cattle farming remains economically significant. Overall, Woodford County's competitive agricultural sector contributes significantly to its local economy and aligns with Kentucky's broader agricultural industry.

³ Davis, A., Balazs, S., Kercksmar, J., & Nall, M. (2017). *The Influence of the Agricultural Cluster to Woodford County's Economy*. Community and Economic Development Initiative of Kentucky, College of Agriculture, Food, and Environment, University of Kentucky. <https://elcr.org/wp-content/uploads/2017/05/Woodford-County-KY.pdf>

⁴ Chmura Economics & Analytics. *JobsEQ*. Retrieved May 2024.

⁵ "Kentucky Annual Bulletin 2023." Kentucky Department of Agriculture, 2023, https://www.nass.usda.gov/Statistics_by_State/Kentucky/Publications/Annual_Statistical_Bulletin/2023/2023%20KY%20Annual%20Bulletin.pdf



Figure: The Agricultural Cluster. The Influence of the Agricultural Cluster to Woodford County's Economy. Community and Economic Development Initiative of Kentucky, University of Kentucky

Bourbon Industry Sector^{6,7}

Multiple distilleries and storage providers are located within Woodford County, including Woodford Reserve Distillers (Brown-Forman), Castle & Key (Peristyle LLC), Bluegrass Distillers, and White Dog Trading & Storage, LLC.

The statewide average wage in the bourbon industry varies based on the specific role and level of experience. Across the Commonwealth, the annual wage for employees in the distilling sector is approximately \$70,650, as the industry supports 23,100 jobs with a total payroll of \$1.63 billion.⁸ For Woodford County, total wages and salaries for the 1,193 workers in the industry are equal to \$108 million.

The Bourbon & Spirits industry produced \$23.5 million in GDP for Woodford County in 2022. As of 2023Q4, distilleries in the county are estimated to make \$27.3 million in purchases from U.S. suppliers, with about 32% or \$8.9 million of these purchases coming from businesses located in Woodford County.

Barrel warehousing generates significant amount of revenue from the distilled spirits inventory taxes, as these operations pay taxes on the assessed value of its real estate, equipment, and inventory of aging barrels. In 2022, the following taxes were collected from Woodford County distillery employees and revenue from the annual aging barrel ad valorem tax.⁹ The Local Inventory Tax represents the "barrel tax", only. This amount is what the state reported as owed

⁶ Kentucky Distillers' Association. (2024). "Economic and Fiscal Impacts." Retrieved from <https://kybourbon.com/wp-content/uploads/2024/02/Economic-and-Fiscal-Impacts-FINAL-2-6-24.pdf>

⁷ Chmura Economics & Analytics. *JobsEQ*. Retrieved May 2024

⁸ Whiskey Reviewer. "Bourbon Industry Generates \$9 Billion For Kentucky Economy." January 2022. [Whiskey Reviewer](#)

⁹ Kentucky Distillers' Association. (2024) "The Economic Impact of Bourbon."

in 2022, based on barrel inventories at distilleries as of December 31, 2021. The Real and Tangible Taxes are for assessment bills paid in 2022. Other tax data was estimated using an IMPLAN mode based on 2022 data.

Employment: 1,193 Output: \$417,534,924 Labor Income: \$74,240,092 Wages & Salaries: \$108,222,174 Distilleries: 4 Local Inventory Tax: \$1,785,696	Local Real Estate Property Tax: \$77,545 Local Tangible Tax: \$55,786 State Income Tax: \$2,773,181 State Sales Tax: \$2,426,424 Occupational Tax: \$1,546,154
--	---

The 2023 General Assembly enacted a slow phase-out of the barrel tax, but it will still generate significant tax revenues for the next two decades. The community should consider being proactive in finding ways to replace the lost revenue from the barrel tax phase-out to maintain essential services and programs.

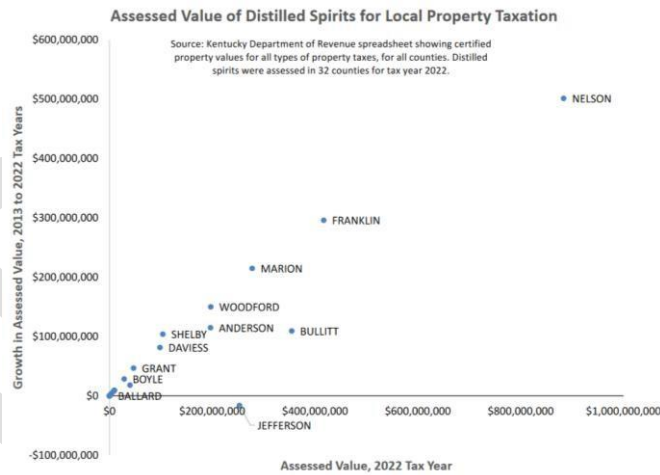


Figure: Assessed Value of Distilled Spirits for Local Property Taxation

Manufacturing Industry Sector^{10, 11}

As a top three sector in Woodford County, Manufacturing employs 1,452 employees, representing 15.2% of total employment, with an average wage of \$67,392 per worker as compared to \$50,016 average wage across all industries (CY2023). Approximately 46.5% of employees in this sector were engaged in production-related roles. As of 2023Q4, Manufacturing in Woodford County is estimated to make \$283.5 million in annual purchases from suppliers in the United States with about 12% or \$32.9 million of these purchases being made from businesses located in Woodford County, KY.

2-digit Supplier Industries	Purchases from In-Region (\$M)	Purchases from Out-of-Region (\$M)
-----------------------------	--------------------------------	------------------------------------

¹⁰ Chmura Economics & Analytics. *JobsEQ*. Retrieved May 2024.

¹¹ Kentucky Center for Statistics (2024). "Kentucky Labor Market Information - Quarterly Census of Employment and Wages, Employment & Wages by Industry" Retrieved from <https://kystats.ky.gov/KYLM/I/QCEWCoveredEmployment>

Manufacturing	\$20.6	\$135.1
Professional, Scientific, and Technical Services	\$2.2	\$16.9
Real Estate and Rental and Leasing	\$1.5	\$15.9
Finance and Insurance	\$0.7	\$12.2
Agriculture, Forestry, Fishing and Hunting	\$2.5	\$9.3
Remaining Supplier Industries	\$5.4	\$61.2
<i>Total</i>	\$32.9	\$250.6

Figure: Supply Chain: Top Suppliers (JobsEQ)

Recent Transactions of Vacant Land for Economic Development Initiatives¹²

The table below provides a comprehensive summary of recent real estate transactions related to economic development projects over the past decade. These entries specifically pertain to vacant land transactions within Woodford County intended for economic development initiatives. Please note that retail projects, the sale or lease of existing buildings, or anything in between has not been included in this list. For a complete record, please visit the Woodford County PVA.

Site	Transaction Year	Acres	Project
570 Big Sink Pike (multiple properties)	2016 – sold	114	Private transaction. Land purchased by Camco Properties, later sold to More Than A Bakery LLC
1214 Georgetown	2016 - sold	117.39	Private transaction. Purchased by Brown-Forman Corporation for bourbon barrel warehousing.
289 McKinney	2016 – sold	14.99	Public transaction. WCEDA sold property to American HOWA Kentucky Inc
547 McKinney	2017	41.98	Private transaction. Property sold to Lakeshore Warehouse East LLC (Lakeshore Learning)
741 McKinney	2018 – sold	1.74	Public transaction. WCEDA sold the property to Cooperin LLC (The Ranvier Group).
500 McKinney	2019 – sold	9.44	Public transaction. WCEDA sold the property to Journey Ministries for a future church and daycare location.
670 McKinney	2019 – sold	3.29	Public transaction. WCEDA sold the property to 670 McKinney Ave LLC (Crown Stair)
1050 Georgetown	2019 - sold	55.54	Private transaction. Two parcels purchased by Lakeshore Warehouse East LLC (Lakeshore Learning) for facility expansion project.
775 McKinney	2019 – sold		Public transaction. WCEDA sold the property to Imperial Asphalt LLC
167 McKinney	2020 – sold	22.12	Public transaction. WCEDA sold the property (3 tracts) to Big Dog Holdings LLC (White Dog Trading & Storage)
770 McKinney	2020 – sold	2.42	Public transaction. WCEDA sold to TRF Property Management LLC (Tobacco Rose Farm)
874, 875 & 878 Bradley	2020 – sold	5.8	Public transaction. WCEDA sold the property to Charles T Creech Inc
725 & 775 Fisher	2020 - sold	6.4	Public transaction. WCEDA sold the property to RD Holdings LLC (Dever, Inc.)
825 Bradley	2021- sold	2.5	Public transaction. WCEDA sold the property to Barhill Realty LLC (Barnhill Chimney)
540 McKinney	2021 – sold	4.59	Public transaction. WCEDA sold the property to Turbine Cowboys LLC (May Demolition)

¹² Woodford County PVA <https://woodfordkypva.com/>

930 McKinney	2021 - sold	3.67	Public transaction. WCEDA sold the property to Kamicho LLC (CSI)
Georgetown Road (Parcel 37-0000-006-00)	2021 – sold	103.99	Private transaction. Property sold to Kappy Boys LLC (Lakeshore Learning)
100 McKinney	2021 – sold	1.03	Public transaction. WCEDA sold the property to Big Dog Holdings LLC (White Dog) for expansion project.
100 & 170 Lacefield	2022 – sold	4.53	Public transaction. 2 lots totaling 4.53-acres. WCEDA sold to Tallest Warehouse LLC to spec industrial flex.
125 Lacefield	2022 – sold	4.33	Public transaction. 6 lots totaling 4.33-acres WCEDA sold the property to Tallest Warehouse LLC to spec industrial flex.
47 Lacefield	2022 – sold	3.12	Public transaction. Property was rezoned from B-5 to I-1. WCEDA sold the property to Vesico Properties LLC for new location project.
Edgewood Industrial Site – 118 Acres	2022 – purchased by City of Versailles 2023 – Under contract with buyer	118	Public transaction. The City of Versailles purchased 118-acres of properly zoned industrial land in 2022.
1132 Georgetown	2023 – sold	28.04	Private transaction. Property purchased by Schenley Distillers Inc.
275 Sharon	2023 – sold	3.37	Public transaction. 3 lots totaling 3.37-acres. WCEDA sold the property to Tallest Warehouse LLC to spec industrial flex.
Edgewood Industrial Site – 32 acres	2023 – purchased by City of Versailles 2024- Under contract with buyer	32	Public transaction. The City of Versailles purchased 32-acres of industrial land adjacent to the 118-acres.

Woodford County Major Employers

1. Woodford County Public Schools – 643 employees
2. Lakeshore Learning Materials – 425 employees
3. Sheridan – 247 employees
4. Yokohama Industries Americas Inc– 300 employees
5. Pilkington North America, Inc. – 298 employees
6. More Than a Bakery – 150 employees
7. Woodford Reserve Distillery – 121 employees
8. Clark Distributing Company – 129 employees
9. Midway University – 117 employees
10. Ruggles Sign Co – 114 employees
11. Castle & Key – 100 employees
12. American HOWA Kentucky Inc – 45 employees

Recent Announcements¹³

The announcements below are results of projects facilitated by the Kentucky Cabinet for Economic Development. These projects have met specific criteria, including hiring at least 10 new employees and making a capital investment exceeding \$100,000.

This is not an exhaustive list of recent community announcements. Retail, restaurant, and other commercial activities, as well as residential developments, are not included. This list specifically focuses on projects with economic development initiatives that align with the goals of the state of Kentucky and the community regarding job creation.

Year Announced	Company	Location Type	Facility Type	Average Hourly Wage	Project Cost	Initial Jobs	New Jobs
2024	Pilkington North America, Inc.	Existing	Manufacturing	\$22.40	\$31,759,731	298	30
2023	TKC Distilling Co INC	New	Manufacturing - Bourbon & Spirits	\$33.25	\$57,119,975	0	43
2022	Lakeshore Learning	Existing	Non-Retail Service or Technology	\$18.00	\$27,326,700	338	40
2022	Lakeshore Learning	Existing	Service & Technology	\$17.00	\$28,175,357	262	100
2021	Peristyle, LLC d.b.a Castle & Key Distillery	Existing	Manufacturing – Bourbon & Spirits	\$17.95	\$2,255,000	100	20
2020	Bluegrass Distillers, LLC	New	Agribusiness	\$34.50	\$3,100,000	7	17
2020	Lakeshore Learning	New	Service & Technology	\$16.50	\$47,440,579	0	262
2019	Rick and Still, LLC	New	Tourism		\$5,250,000	0	13
2019	More Than A Bakery 360, Inc.	New	Manufacturing	\$18.10	\$32,250,000	0	345
2018	Peristyle, LLC	New	Manufacturing	\$18.00	\$36,320,000	0	100
2017	Yokohama Industries Americas Inc.	Existing	Manufacturing	\$16.86	\$5,438,407	307	144

Other Noteworthy Economic Development Projects (2022-2024)

- The City of Versailles has recently achieved notable progress in economic development. This includes the acquisition of a 118-acre parcel and a 32-acre parcel, both zoned for industrial use and currently under contract.
- The City of Versailles has recently acquired a 134-acre parcel, zoned for agricultural use. The city intends to keep the zoning, which is aligned with the community's values and history as an ag community, and is working to secure a long-term land lease with a group aiming to establish a state-of-the-art standardbred training facility.
- Additionally, significant improvements have been made to downtown Versailles retail businesses, with the addition of new restaurants and event spaces. Noteworthy among these is the Rickhouse Hotel, Kentucky's inaugural hotel-distillery combination, a \$5 million venture that has breathed new life into the former home of the historic Woodford Bank & Trust Company. Other initiatives include the rejuvenation of Big Spring Park and the establishment of the

¹³ Kentucky Cabinet for Economic Development. "Financial Incentives Database." Accessed May 2024. <https://fisearch.ced.ky.gov/>.

Versailles Community Market Pavilion, a three-season market pavilion representing a \$3.6 million investment.

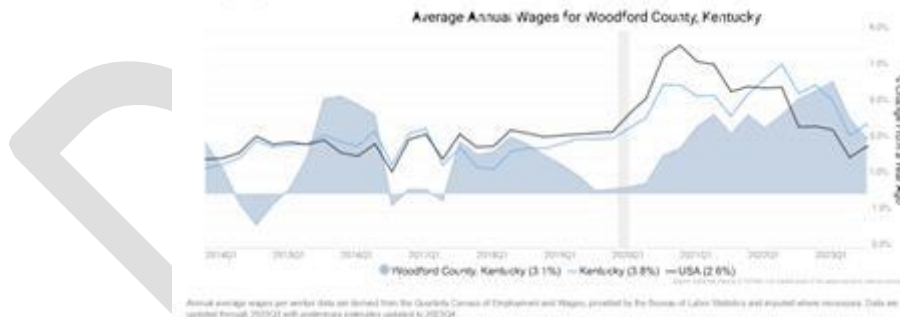
- The City of Midway has also experienced recent economic growth, notably with the sale of land in Midway Station. While the land had previously remained undeveloped for over 20 years, it has now all been sold to companies or developers seeking industrial or flex industrial spaces. This development signifies a positive shift in Midway's economic landscape, offering opportunities for both large-scale industrial ventures and smaller-scale projects.

Woodford County Workforce

The demographics and workforce data of Woodford County includes the City of Midway and the City of Versailles.

Employment Trends & Wage Trends¹⁴

As of the fourth quarter of 2023, Woodford County, Kentucky, recorded a total employment count of 10,946, calculated based on a four-quarter moving average. Notably, employment in the region experienced a 2.5% increase over the year ending in the fourth quarter of 2023. The unemployment rate for Woodford County stood at 3.7% as of March 2024, notably lower than the national rate of 3.9%. Comparatively, one year earlier, in March 2023, the unemployment rate in Woodford County was slightly lower at 3.2%. Workers in Woodford County earned an average annual wage of \$50,239 as of the fourth quarter of 2023, reflecting a commendable 3.1% increase over the preceding four quarters. For context, the national average annual wage stood at \$69,861 during the same period (93.9% cost of living index (Base US) US Purchasing Power: \$53,523).



Leading Industries and Industry Clusters¹⁵

Location quotient is a measurement of concentration in comparison to the nation. High location quotients (LQs) indicate occupation groups in which a region has high concentrations of employment compared to the national average. An LQ of 1.00 indicates a region has the same concentration of an industry (or occupation) as the nation. An LQ of 2.00 would mean the region has twice the expected employment compared to the nation and an LQ of 0.50 would mean the region has half the expected employment in comparison to the nation.

¹⁴ Chmura Economics & Analytics. *JobsEQ*. Retrieved May 2024.

¹⁵ Chmura Economics & Analytics. *JobsEQ*. Retrieved May 2024.

A cluster is a geographic concentration of interrelated industries or occupations. If a regional cluster has a location quotient of 1.25 or greater, the region is considered to possess a competitive advantage in that cluster. The industry cluster in Woodford County, Kentucky with the highest relative concentration is Agricultural with a location quotient of 9.95. This cluster employs 1,422 workers in the region with an average wage of \$55,768. The second largest industry cluster falls under Chemical (LQ=5.22) followed by Food Manufacturing (LQ=3.11). Other industries with a competitive advantage include Wholesale Trade (LQ=1.88) and Manufacturing (LQ=1.75).

Commuting Patterns for Woodford County¹⁶

Inbound Commuters

- A large number of workers commute into Woodford County from neighboring counties (5,944 workers). This influx is primarily from Fayette County, which is a major employment hub due to its proximity and economic opportunities.
- Other notable counties workers commute from include Franklin, Jessamine, Scott, and Anderson counties. These neighboring regions have residents who find employment opportunities in Woodford County's industries, including manufacturing, agriculture and services.

Outbound Commuters

- A substantial portion of Woodford County residents commute out to work (8,706 workers) in other counties, with the highest number traveling to Fayette County. Lexington's diverse job market, encompassing sectors such as education, healthcare, and corporate offices, attract many workers from Woodford County.
- Other destinations for outbound commuters include Franklin County (Frankfort), which offers government-related employment opportunities, and Jefferson County (Louisville), known for its extensive job market across various sectors.

Within County Commuters

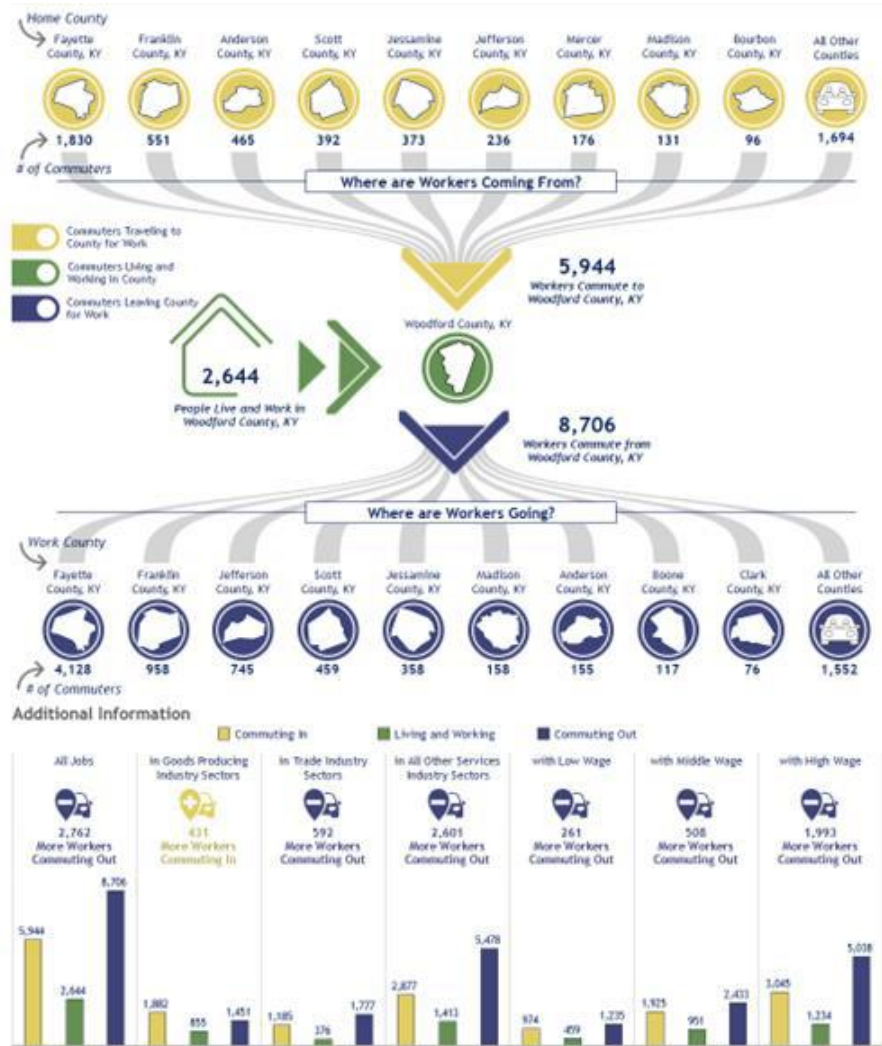
- A portion of the workforce lives and works within Woodford County, benefitting from local employment opportunities and reducing the need for longer commutes. This intra-county commuting supports the local economy and contributes to a balanced workforce distribution.

Opportunities for Local Workforce Development

- The substantial outbound commuting to counties like Fayette and Franklin suggests that many Woodford County residents seek employment opportunities elsewhere. This indicates that while Woodford County has jobs available, they may not meet the needs of the local workforce.
- Investing in local workforce development programs can help bridge this gap. By providing training and education tailored to high-demand industries, Woodford County can equip its residents with the skills needed to fill higher-paying and more diverse roles locally. This can reduce the need for residents to seek employment outside the county and help retain talent within the community.

¹⁶ Kentucky Center for Statistics. (n.d.). *Kentucky Commuting Patterns Report*. Retrieved from <https://kystats.ky.gov/Latest/KCPR>

- Enhancing local workforce capabilities can attract new businesses looking for a skilled labor force, thereby stimulating strategic economic growth and creating more job opportunities within the county.
- Note that the data does not indicate whether out-of-county commuters are working outside of Woodford County due to lack of opportunity or due to better opportunity.



Source: Kentucky Center for Statistics, Kentucky Commuting Patterns Report

BLUEPRINT FOR THE COMMONWEALTH

The Kentucky Cabinet for Economic Development (CED) and the Kentucky Association for Economic Development (KAED) recently partnered with McKinsey & Company to create a strategic economic development blueprint for the next five years. This blueprint outlines ten key priorities: five sectors and five enablers essential for driving growth. It serves as a guide for economic developers and stakeholders to align efforts and foster development across the Commonwealth. The blueprint emphasizes the unique contributions of Kentucky's diverse communities and aims to enhance collaboration at local, regional, and state levels, ultimately advancing the state's prosperity.

The *Blueprint* identifies ten shared priorities for the Commonwealth






5 priority sectors

Where Kentucky could focus


-  **Priority sector 1. Automotive**
Win the automotive future
-  **Priority sector 2. Manufacturing**
Be a leader in the U.S. manufacturing renaissance
-  **Priority sector 3. Natural assets**
Capitalize on what makes Kentucky unique, including supporting distribution and logistics and hospitality and tourism
-  **Priority sector 4. Business, financial, and professional services**
Capture Kentucky's fair share of tomorrow's jobs across the Commonwealth, including through remote work
-  **Priority sector 5. Investing in high-potential opportunities**
Make intelligent moves to cultivate industry clusters, including aerospace, agritech, and life sciences

5 priority enablers

What Kentucky could do to win in priority sectors

-  **Priority enabler 1. Competitive products**
Invest to compete in strategic sectors
-  **Priority enabler 2. Workforce**
Partner to develop, energize, and support the workforce of the future
-  **Priority enabler 3. Entrepreneurism and innovation**
Catalyze ecosystems to build Kentucky's reputation as a "make and ideate," "launch-ready state"
-  **Priority enabler 4. Infrastructure**
Coordinate across Kentucky to accelerate growth
-  **Priority enabler 5. Placemaking**
Synchronize community and business efforts to build welcoming, inclusive, and diverse communities that enhance quality of life

How Kentucky could achieve success

-  Multi-level collaboration across economic developers
Build winning capabilities and accelerate collaboration across the local, regional, and state-level

Woodford County can utilize this blueprint as a foundation for establishing clear goals and objectives to guide future economic growth and community development initiatives. By making strategic and informed decisions on growth, the county can effectively identify and pursue specific opportunities that align with state, regional, and local priorities. This entails crafting targeted strategies for site development and resource allocation to maximize the county's potential for economic advancement.

Market Data

National market trends provide insights into broader economic shifts and industry trends, while state-wide data highlights regional strengths and challenges. Local market data offers specific insights into Woodford County's unique economic landscape, including demographic trends and industry dynamics. By integrating these sources of information, planners can make informed decisions, identify growth opportunities, and address community needs effectively, ensuring that the comprehensive plan aligns with the county's long-term vision and promotes sustainable economic development.

National Industrial Real Estate Activity^{17 18}

The demand for industrial space remains high across the country, but supply is finally beginning to catch up as industrial construction projects finalize. In the past two years, one billion square feet of new industrial space was delivered in the U.S, a number that has historically taken four years to reach. Over the past year, the total U.S. industrial supply increased by 2.8%, which is almost three times higher than the pre-pandemic 20-year average. This dramatic increase in supply comes from a growing emphasis on

¹⁷ Newmark. (2024). "1Q24 Newmark U.S. Industrial Conditions and Trends." Retrieved from <https://www.nmrk.com/storage-nmrk/uploads/documents/1Q24-Newmark-U.S.-Industrial-Conditions-and-Trends> External.pdf

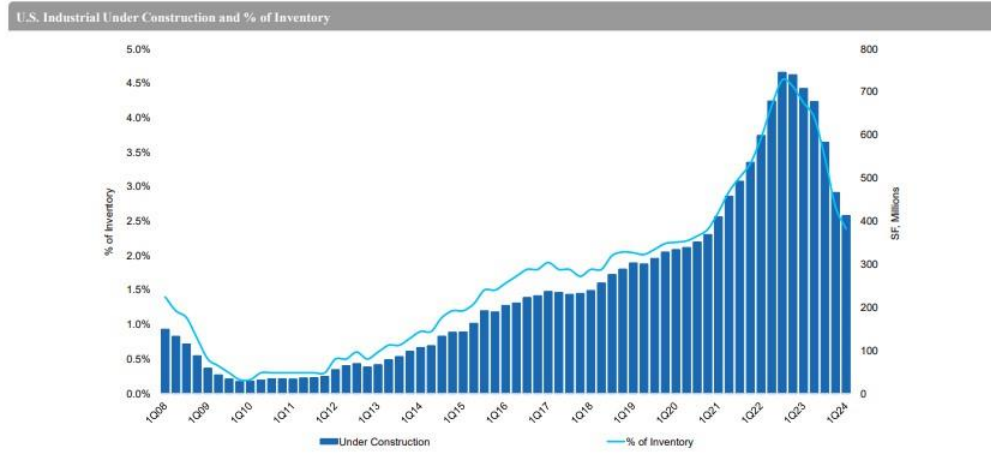
¹⁸ Plante Moran. (2024). "2024 Industrial Market Report - 2024Q1." Retrieved from https://go.plantemoran.com/rs/946-CTY-601/images/WP-PMR-2024-Industrial_Market_Report_2024Q1.pdf?version=0

building resilient supply chains as companies have made it a priority to mitigate potential supply chain disruptions like we saw during the pandemic.

The construction pipeline is decreasing as industrial developments begin to come to completion but remain higher than pre-pandemic numbers with 413 million square feet of industrial projects still under construction.

1.0 BSF Delivered in the Past Two Years, with More to Come (in the Short Term)

Totalling 413 msf in the first quarter of 2024, the pipeline is still approximately 26% higher than measures at year-end 2019 but will likely fall below that level by the end of the year as fewer projects enter the pipeline to backfill.

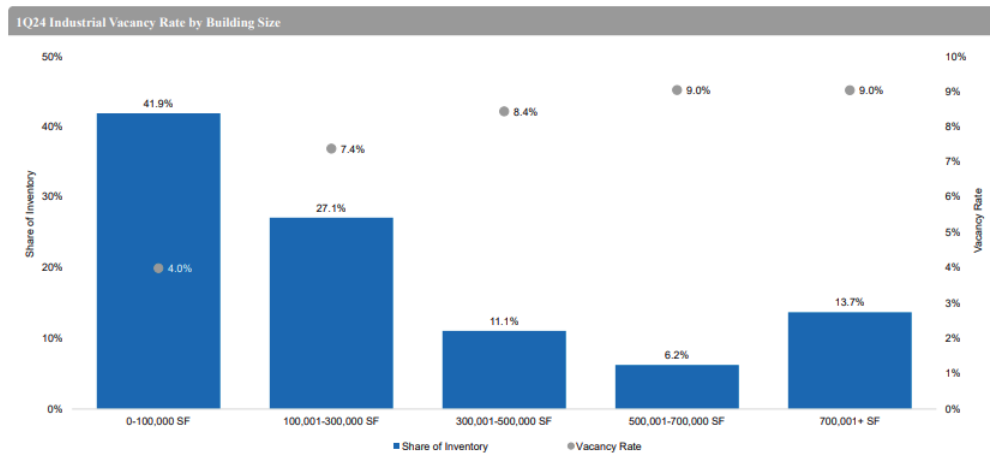


Source: Newmark Research, April 2024

NEWMARK 32

As this influx of supply reaches the market, industrial vacancies nationwide have begun to creep upwards. Although industrial vacancies remain low compared to other real estate sectors, national vacancies reached 6.2% in Q2 2024, which was the first time it cracked 6% in nearly a decade. This increase in supply has also caused rent growth to slow, which is a trend that is likely to continue as industrial developments continue to be completed.

Vacancy rates differ across different industrial building footprints. Industrial buildings ranging from 0-100,000 square feet make up almost 42% of the nationwide supply, but they have the lowest vacancy rate among all footprint ranges at 4.0%.



Source: CoStar, Newmark Research, April 2024

Despite having the largest market share of inventory and lowest vacancy rate, the 0-100,000 SF range of industrial inventory is the slowest growing segment. Most buildings that fall in this range were built before 2000 - rising construction costs and economies of scale have resulted in the growth of larger industrial developments.

Absorption rates across the country have slowed dramatically over the past six months as well. The industrial absorption rate in Q4 2023 was down 75% from levels in 2021 and 2022. However, rural markets have benefited from increased industrial supply and demand. Of the 27.9 million square feet of industrial space absorbed in Q1 2024, 92% was absorbed in secondary and tertiary markets. This can be attributed to lower lease rates and acquisition costs, as well as access to cheaper workforces for companies locating there.

Statewide Insights on Industrial Property Requests for New Location Projects

The table below provides the average requested square footage for prospective clients requesting an existing building and the average requested acreage for projects requesting a greenfield site, categorized by target industry. This data encompasses all projects handled by the Kentucky Cabinet for Economic Development from January 2020 to October 2022. Outlier projects with atypical requests (500+ acres) have been excluded. Traditionally, companies or consultants provide a range of parameters for their projects during the request and initial site search phase. It is important to note that while the initial requests often indicate significant size, particularly in average requested acreage, the projects that were ultimately announced and landed through the Kentucky Cabinet for Economic Development averaged between 35 and 60 acres.

Industry	Average Requested Square Footage	Average Requested Acreage
Aerospace	362,600	100
Agribusiness / Agritech	199,140	67
Automotive	469,258	190
Business/Financial Services	57,490	14
Chemicals	101,173	40
Distribution & Logistics	288,758	64
Food & Beverage	232,544	85
Healthcare	116,083	20
Manufacturing	246,686	146
Metals	193,957	119
Plastics & Rubber	240,096	62

Regional Insights on Industrial Property Requests for New Location Projects

Commerce Lexington Inc. is an organization in Lexington, Kentucky, focused on economic development and business advocacy. A core function of their work includes new location and expansion projects in the City of Lexington and the Bluegrass Alliance region, which includes Fayette, Jessamine, Madison, Clark, Bourbon, Scott, Woodford, Franklin, and Montgomery counties.

Over the last two years, Commerce Lexington's project activity for new location projects in the industrial properties/manufacturing sector included the following average requests. It is important to note that

these averages align with state data on the range of average acres requested and average square footage requested for those needing existing buildings.

2022 Project Activity

- Average acreage request for greenfield site: 61 acres
- Average square feet request for existing building: 185,000 square-feet

2023 Project Activity

- Average acreage request for greenfield site: 57 acres
- Average square feet request for existing building: 150,000 square-feet

Conclusion:

The background and contextual information presented in this chapter is intended to aid in best practices for community decision making regarding economic development and land use planning as stated in the Plan's Goals and Objectives. This includes the requirement to realize the need to identify suitable land for Economic Development, to be strategic about taking advantage of cutting edge development opportunities such as new grant opportunities and alternative ownership models, and to be ever-vigilant regarding the changing economic landscape, such as the impending arrival to the post-barrel tax world.