

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 6th Meeting of the 2023 Interim November 9, 2023

Call to Order and Roll Call

The sixth meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on November 9, 2023, at 9:00 AM in Room 149 of the Capitol Annex. Representative Russell Webber, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise Co-Chair; Representative Russell Webber Co-Chair; Senators Shelley Funke Frommeyer, Rick Girdler, Denise Harper Angel, Robby Mills, Brandon J. Storm, and Phillip Wheeler; Representatives Shane Baker, Jared Bauman, Josh Branscum, Steve Bratcher, Al Gentry, Mark Hart, Thomas Huff, Kevin Jackson, Kim King, Matt Lockett, Phillip Pratt, Rachel Roarx, Scott Sharp, and Timmy Truett.

Guests: Jeff Gregory, Mayor, Elizabethtown; Carl Swope, Chairman, Elizabethtown Airport Board; Rick Games, President and Chief Operating Officer, Elizabethtown-Hardin County Industrial Foundation; Luke Schmidt, President, L.B. Schmidt & Associates, LLC; Erik Hubbard, Executive Director, Backroads of Appalachia; and Patrick Bowen, President, Bowen National Research.

LRC Staff: Janine Coy, Helen Hacker, Eric Rodenberg, Crystal Thompson, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes of the October 26, 2023, meeting was made by Senator Wise, seconded by Representative Bratcher, and approved by voice vote.

Elizabethtown Regional Airport Expansion

Jeff Gregory, Mayor of Elizabethtown; Carl Swope, Chairman of the Elizabethtown Airport Board; and Luke Schmidt, President of L.B. Schmidt & Associates, LLC, presented a plan for expansion of the Elizabethtown Regional Airport. Testimony was offered detailing major economic and infrastructure growth in the metro area to support this expansion, including BlueOval SK Battery Park and Fort Knox Army Base.

Answering questions from Senator Wheeler, Mr. Schmidt stated the airport expansion project in Elizabethtown is drastically different from a failed project in Pike County funded by the federal Civil Aviation Grant. In response to a follow up question, he said although there are other options for passenger services in other areas of the state, this expansion will open opportunities for Central Kentucky unique to that region.

Responding to Representative Sharp, Mr. Gregory confirmed that the military has requested for the new airport to have the capability to accommodate a C17 aircraft and believe the location is advantageous.

Addressing questions from Representative Roarx, Mr. Gregory said the property that is being considered for the project has several homes located parallel to the acreage but none that would be in the direct path of the new runway. He did point out there are several homes that would be located uncomfortably close to the airport. Negotiations with the landowner of the property are ongoing. In response to a follow up regarding sound mitigation programs, Mr. Swope stated he believes that it should not be an issue due to the small amount of existing residential development.

Replying to Senator Funke Frommeyer, Mr. Swope verified that projects of this magnitude usually require federal, state, and local funding. The airport expansion funding will be comprised of funds mostly from the Federal Aviation Administration, but there is a partnership being negotiated with Fort Knox that would bring Department of Defense funding. There would still be a need for a local match from the City of Elizabethtown, and there is a plan to request funding from the General Assembly.

Answering a question from Senator Wise, Rick Games, President and Chief Operating Officer for the Elizabethtown-Hardin County Industrial Foundation, stated the area's current energy infrastructure is adequate to support the project, and Kentucky Utilities and Louisville Gas and Electric concur.

Responding to Representative Bratcher, Mr. Gregory reiterated that the Federal Aviation Administration typically funds 90 percent of airport runway development.

Representative Webber commented that there was an attempt to schedule representatives from BlueOval SK to speak, but the representatives declined at this time. He confirmed representatives will brief the committee during the upcoming legislative session.

Moving Forward in Eastern Kentucky

Erik Hubbard, Executive Director of Backroads of Appalachia, presented an overview of the program, events offered, and the positive community and economic impact those events have in Eastern Kentucky. This motorsports program utilizes 53 trails and serves 44 Kentucky counties that connect with Ohio, Tennessee, West Virginia, and Virginia. The organization brings jobs to the counties it serves, helps to revitalize former coal towns, and supports small businesses. Backroads Appalachia has 90 planned events for 2024 and estimates a \$30 million economic impact for 2024 to 2025 with an estimate of 40,000 visitors in 2024. The organization plans to request \$500,000 from the General Assembly during the upcoming session.

Senator Wheeler attested he had participated in a Backroads Appalachia event and encouraged the members' support of organization.

Responding to Representative King, Mr. Hubbard said he does communicate with members of the General Assembly and spoke about the opportunity Backroads Appalachia can provide to individuals in transition.

Representative Jackson made remarks about Mr. Hubbard's demeanor and dedication, saying his attitude and enthusiasm are infectious.

Answering a question from Senator Wise, Mr. Hubbard said his organization has routine communication with Kentucky State Parks and utilizes some state parks for Backroads Appalachia events.

Representative Truett commented on his personal connection with Mr. Hubbard and commended him for his work with the organization.

Senator Funke Frommeyer made remarks about the opportunities the organization can bring to the state.

Representative Sharp echoed comments made by Representatives Truett and Jackson and said Eastern Kentucky is in dire need of new economic development opportunities after the shift in the coal industry.

Senator Storm thanked the co-chairs for allowing Mr. Hubbard to present to the committee and thanked him for his work.

Housing's Impact on Employers and Employees

Patrick Bowen, President of Bowen National Research, presented an overview of a county housing needs assessment in Kentucky. Market analysis was conducted in Daviess, Fayette, Kenton, Rowan, and Warren Counties. Studies revealed that over one-half of the employers who participated in the surveys stated that housing issues, including availability and affordability, adversely impacts their ability to attract and retain workers, as a large percentage of workers must travel more than 50 miles each day to their job.

Representative King reminded the committee of the General Assembly's Affordable Housing Caucus.

Answering a question, Mr. Bowen explained the definition of affordable housing used in his research which included the entire spectrum of affordable housing options.

In response to Senator Funke Frommeyer, he stated his research does not factor in certificate of need but expounded on senior care facilities.

Adjournment

There being no further business before the committee, the meeting adjourned at 10:42 a.m.