

## CHAPTER THREE

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

This chapter of the comprehensive plan focuses upon Campbell County but also contains information on the Campbell County labor market for comparative purposes. The Campbell County labor market includes the six (6) Kentucky Counties of Boone, Campbell, Gallatin, Grant, Kenton, Pendleton, three (3) Ohio Counties of Butler, Clermont, and Hamilton, and Dearborn, IN.



## EMPLOYMENT BY INDUSTRY

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

Campbell County gained a total of 4,329 jobs, a 20.7% increase, from 1990 to 2001. As of 2001, the *Services* sector provided the largest number of jobs accounting for 37.5% of the jobs in the county covered by unemployment insurance. The sector providing the second largest number of jobs was *Utilities, Trade, and Transportation*. As the reporting method for these figures has been modified, it is difficult to attribute rising employment trends to one sector or another. In 1990 and 1995, categories included *Wholesale and Retail Trade* but did not include the *Information* sector. In 2001, the *Information* Sector was added and the *Wholesale and Retail Trade* sector jobs were broken into separate categories thus significantly increasing employment in the *Utilities, Trade, and Transportation* and *Services* sectors. Thus increased employment in a particular sector may not accurately reflect an actual gain in the number of jobs, but rather reflects the change in job categorization.

*Manufacturing* jobs are the highest paying with an average weekly wage of \$813.02. This is evident in Figure 3-2 which shows average weekly wages by industry for the period of 1990 to 2001. As stated in the previous paragraph, the industries that ranked first and second in terms of the number of jobs created in Campbell County were *Services* and *Utilities, Trade, and Transportation*. Unfortunately, jobs in both of these sectors pay the lowest wages. In 2001, the *Utilities, Trade, and Transportation* sector paid the second lowest wages (\$461.05). *Services* paid the third lowest wages (\$478.06) and depends upon the recirculation of local dollars rather than bringing new dollars into the local economy. Figure 3-2 also shows that the overall average weekly wages in Campbell County increased by 53% from 1990 to 2001. However, the overall average weekly wages (\$558.28) in the county are slightly lower than the average for the state overall (\$571.30).

## MANUFACTURING

According to the Kentucky Cabinet for Economic Development, *2004 Directory of Manufacturers* (released February 12, 2004), there were a total of fifty-four (54) manufacturing firms in Campbell County in 2004. Of this number, three (3) are located just south of Alexandria city limits and employ approximately 647 persons. Table 3-1 lists each major manufacturing firm, the date the local facility was established, the firm's primary products, and the average employment (note: dates vary between companies). As shown in Figure 3-1, the manufacturing sector of the economy had an increase of 252 jobs (19.5%) from 1990 to 2001 in Campbell County. Therefore, vitality of this sector of the local economy is important as it provides a large number of jobs and has the highest average weekly wages (\$813.02) of all jobs covered by unemployment insurance in Campbell County. Out of the Northern Kentucky Counties in the labor market area, Campbell County is ranked second in the amount of average weekly wages for the manufacturing sector of the economy. Kenton County had the highest average manufacturing wages at \$828.68 per week. Boone County ranked the lowest of the three (3) counties with average weekly wages of \$767.00 in the manufacturing sector of the economy.

## WHOLESALE AND RETAIL TRADE

The U.S. Department of Commerce periodically conducts a census of sales in the retail, service industry, manufacturing and wholesale trade sectors. The latest such census was conducted in 1997. A subsequent update was conducted 2002 but has not been published yet. It is important to note that the Census, prior to 1997, utilized SIC Codes to delineate business types. However, in 1997 the U.S. Census Bureau adopted the NAICS categorizations of businesses. The adoption of this new classification system breaks time series since the data collected using the new definitions and codes are not identical to those used in previous economic census'. While some categories under NAICS correlate to the previously used SIC codes, many have no direct correlation. Although, time series data needs to be maintained for comparability, the U.S. Census Bureau has determined that accurate comparisons cannot be made until previous census' are reclassified. As of the writing of the comprehensive plan, this reclassification has not occurred. Therefore, this section will discuss the 1987 and 1997 Census findings without directly comparing them or discussing them in terms of overall economic trends.



# Economic Conditions

In 1987, it was reported that there were sixty-five (65) wholesale establishments in Campbell County with sales of \$165,915,000. In 1997, the number of establishments categorized as “wholesale” were reported as eight (8) with a sales of \$21,993,000. The decrease in the number of establishments and sales in the wholesale sector can most likely be attributed to the change in the U.S. Census Bureau’s classification, and not a decline of this sector of the local economy.

In 1987, there were 423 retail trade establishments in Campbell County with total sales of \$374,773,000. This number decreased to 266 in 1997 with sales of \$644,097,000. Although it appears, due to the U.S. Census reclassification, that the number of establishments decreased, the amount of sales reported in 1997 is shown to have increased by approximately 71.86%.

Table 3-2 provides Census information for retail trade establishments by type for 1997. Again, it is important to note that 1987 and 1997 cannot accurately be compared due to the reclassification of businesses from SIC to NAICS.

**TABLE 3-2**  
**RETAIL ESTABLISHMENTS WITH PAYROLL-1997**

	<b>Number</b>	<b>Sales (\$000)</b>
Motor Vehicles & Parts	33	\$196,909
Furniture & Home Furnishings	12	\$ 15,282
Electronic & Appliance Stores	8	D*
Bldg, Mtls & Garden Equipment	27	\$ 39,759
Food & Beverage Stores	54	\$172,721
Health & Personal Care Stores	23	D*
Gasoline Stations	38	\$ 67,208
Clothing & Accessories	27	\$ 19,213
Sports Goods, Hobby, Book, Music	6	D*
General Merchandise	9	\$ 70,971
Miscellaneous Stores	21	D*
<b>TOTAL</b>	<b>266</b>	<b>\$644,097</b>

*Source: U.S. Bureau of Census, 1997 Economic Census*

\*\*It is important to note that the total sales/receipts for the service industry sector as a whole and some categories listed above cannot be reported as data is withheld on some services in order to avoid disclosing data for individual companies.

## SERVICE INDUSTRY

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

**TABLE 3-3**

**SERVICE INDUSTRY ESTABLISHMENTS WITH PAYROLL- 1997**

<b>CATEGORY</b>	<b>NUMBER</b>	<b>TOTAL SALES/RECEIPTS</b>
Accommodations (7) and Food Service (162)	169	D*
Arts, Entertainment and Recreation	23	D*
Health Care and Social Assistance	117	\$84,474,000
Professional, Scientific, and Technical Services	101	\$29,975,000
Administrative & Support, Waste Management and Remediation Services	52	\$43,892,000
Other (except public administration)	116	\$41,054,000
<b>TOTAL</b>	<b>578</b>	

Source: U.S. Bureau of Census, 1997 Economic Census

\*\*It is important to note that the total sales/receipts for the service industry sector as a whole and some categories listed above cannot be reported as data is withheld on some services in order to avoid disclosing data for individual companies.



# Economic Conditions

---

## AGRICULTURE

Table 3-4 presents agricultural statistics for Campbell County. According to the U.S. Department of Commerce's Census of Agriculture, the number of farms in Campbell County has steadily declined since 1982. In 1982, there were 545 farms containing 43,467 acres of farmland and 9,288 acres of harvested cropland. The number of farms decreased to 503 in 1997 (-7.7%) with the number of acres of farmland increasing to 45,108 (3.7%). The number of harvested land has also increased to 11,098 (19.5%). Table 3-3 also presents statistics on major crop and livestock production in the county for 2001-2002. It is important to note that Campbell County ranked 52nd out of 120 counties in terms of Alfalfa Hay production.

According to estimates of the Kentucky Workforce Development Cabinet, Department for Employment Services, an average of 191 persons, representing less than 1% of workers, were employed in the agricultural industry in Campbell County in the year 2000. This is a decrease of twenty-one (21) workers or 9.9% from 1990.

## TOURISM

The Kentucky Department of Travel Development analyzes the economic impact of Kentucky's tourism and travel industry. Two key areas analyzed at the county level are travel expenditures and tourism industry employment. Tourism and travel industry employment for Campbell County, the Northern Kentucky Region (13 county area), and Kentucky for the years 1991, 2001, and 2002 estimates are shown on Figure 3-3. Due to improvements to the Ohio riverfront and the development of Newport on the Levee, tourism and travel employment for Campbell County grew at a rate of 137.64% from 1991 to 2001. This increase in travel and tourism employment far exceeds the Northern Kentucky region which increased at a rate of 19.10% (mostly due to Campbell County), and the state overall where employment increased by 11.42%

Figure 3-4 shows travel expenditures for the same period. A huge increase (1,194.79%) in direct travel expenditures was experienced in Campbell County during the 1991 to 2002 time period. This dramatic increase caused Campbell County, which was ranked 57th out 120 counties in 1995, to be ranked 11th in terms of travel expenditures in 2002. Again, due to river front development, tourism expenditures far exceed that for the state and the Northern Kentucky region which increased 67.57% and 73.01%, respectively, during the same time period.

## CIVILIAN LABOR FORCE

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

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

The labor force characteristics of the State of Kentucky and North Kentucky Counties in the labor market area are shown on Table 3-5. In 2001, Campbell County had a total of 45,825 persons in the civilian labor force. Of this number 43,829 were employed and 1,996 unemployed. Comparatively, Kenton County had the largest civilian labor force (80,409) in the labor market area, while Boone County had the lowest unemployment rate (4.1%).

## UNEMPLOYMENT

In 2000, there were 45,176 residents in the Campbell County labor force with 1,746 residents being unemployed accounting for 3.9% of the civilian labor force. As can be seen in Table 3-5, Campbell County had a 3.8% annual average unemployment rate in 2002, a .1% decrease from the 2000 U.S. Census. For comparative purposes, the unemployment rates for Campbell County, Labor Market Area, Kentucky and the United States from 1998 to 2002 are shown in Figure 3-5. This figure shows that the unemployment rate in Campbell County has been consistently lower than the state of Kentucky and the United States but the same or slightly higher than the average unemployment rate for the Labor Market Area. Historically Kentucky’s unemployment rate has been higher than the national average. However, it is interesting to note that Kentucky’s unemployment rate was lower than the U.S. rate overall from 1992 until 1996.



# Economic Conditions

## EMPLOYMENT OF CAMPBELL COUNTY RESIDENTS

The civilian labor force of Campbell County is employed in a wide range of industries (Table 3-6). This information is obtained from the 2000 U.S. Census and does not reflect the location of employment. As of 2000, there were 43,371 employed persons 16 and over. At this time, the majority of the Campbell County residents were employed in *Educational, Health, and Social Services* (18.9%) , *Manufacturing* (13.3%), and *Retail Trade* (11.5%). The industry with the lowest percentage of employment (0.4%) was the *Agriculture, Forestry, Fishing and Hunting, Mining* sector.

Employment statistics for the City of Alexandria are similar to Campbell County. In 2000, the top three employment industries for the City of Alexandria were: *Educational, Health, and Social Services* (23.1%) , *Manufacturing* (12.6%), and *Retail Trade* (8.9%). The industry with the lowest percentage (0.1%) of employment was the *Agriculture, Forestry, Fishing and Hunting, Mining* sector.

## COMMUTING PATTERNS

Table 3-7 details the commuting patterns of Campbell County residents in 2000. At this time there were 42,820 workers who lived in Campbell County. Of this number, the majority (63.9%) of workers living in the county worked elsewhere. Of the 26,909 workers who work in the county, 61.7% commute into the county from other Kentucky Counties.

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

	#	%
Work and live in Campbell County	15,474	36.1%
Work in KY outside of County	10,341	24.2%
Work outside of KY	17,005	39.7%
<b>Total working residents</b>	<b>42,820</b>	<b>100%</b>
Total commuting into Campbell County	11,435	42.5%
Total working and living in Campbell County	15,474	57.5%
<b>Total workers in Campbell County</b>	<b>26,909</b>	<b>100%</b>



Tables 3-8 examines the commuting patterns of workers residing in Campbell County. The majority of Campbell County residents commute into other Ohio Counties for employment. Of this number, 87.9% commute into Hamilton County to work.

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

<b>KENTUCKY</b>	<b>TOTAL 10,341</b>
Kenton County	5,782 workers
Boone County	4,062 workers
Pendleton County	208 workers
Mason County	50 workers
Fayette County	38 workers
<b>OTHER STATES</b>	<b>TOTAL 17,005</b>
Hamilton, OH	14,946 workers
Butler, OH	652 workers
Clermont, OH	579 workers
Montgomery, OH	82 workers
Warren, OH	322 workers

Table 3-9 shows the primary areas that Campbell County workers, not living in the county, commute from. The majority (61.7%) of Campbell County workers commute from other Kentucky Counties. The majority of those commuting from out of the state into Campbell County are from Hamilton County, OH.

**TABLE 3-9  
PRIMARY AREAS THAT CAMPBELL COUNTY WORKERS  
COMMUTE FROM:**

<b>KENTUCKY</b>	<b>TOTAL 7,061</b>
Kenton County	3,921 workers
Boone County	1,150 workers
Pendleton County	921 workers
Bracken County	567 workers
Grant County	191 workers
<b>OTHER STATES</b>	<b>TOTAL 4,374</b>
Hamilton, OH	2,739 workers
Clermont, OH	744 workers
Butler, OH	318 workers
Dearborn, IN	135 workers
Brown, OH	73 workers



# Economic Conditions

---

As reported by the 2000 U.S. Census for Campbell County, the preferred method of transportation to work is by car, truck or van with 33,870 residents (79.1%) driving to work alone and 4,872 residents (11.4%) carpooling. A total of 1,543 (3.6%) of Campbell County residents used public transportation. An additional 1,232 residents (2.9%) indicated that they walk to work. A total of 307 (.7%) persons indicated that they use other means to get to work. In 2000, the mean travel time to work was 23.9 minutes. Residents working at home accounted for 2.3% of workers.

Commuting statistics for residents of the City of Alexandria were similar to that of Campbell County. In Alexandria, the preferred method of transportation to work is by car, truck or van with 3,655 residents (85.1%) driving to work alone and 404 residents (9.4%) carpooling. A total of 62 (1.4%) of Alexandria residents used public transportation. An additional 62 residents (1.4%) indicated that they walk to work. A total of 7 (.2%) persons indicated that they use other means to get to work. In 2000, the mean travel time to work was 28.7 minutes. Residents working at home accounted for 2.4% of workers.

## **MONETARY INCOME**

There are two methods of determining per capita income. The first is on the basis of monetary income alone. This is the method used by the U.S. Census Bureau. Total monetary income includes wages and salaries, net farm and non-farm self-employment, interest dividend, net rental income, social security and all other regularly received income such as pensions, unemployment compensation and alimony. Receipts not counted include various “lump sum” payments such as capital gains and inheritances. The total represents the amount of income received before deductions. Table 3-10 shows the per capita income and median household incomes for Kentucky, Campbell County and the labor market area according to the U.S. Census Bureau based on monetary income. According to the 2000 U.S. Census, both the per capita and median household income in Campbell County were higher than the state overall but lower than other Northern Kentucky Counties and the City of Alexandria. Out of the counties, Boone County had the highest per capita and median household incomes. However, the City of Alexandria had the highest median household income of all the jurisdictions listed in Table 3-10.

**TABLE 3-10  
CENSUS INCOME DATA 1999**

<b>Jurisdiction</b>	<b>Per Capita Income</b>	<b>Median Household Income</b>
<b>Campbell County</b>	<b>\$20,637</b>	<b>\$41,903</b>
<b>Alexandria</b>	<b>\$22,001</b>	<b>\$55,409</b>
Boone County	\$23,535	\$53,593
Kenton County	\$22,085	\$43,906
<b>Kentucky</b>	<b>\$18,093</b>	<b>\$33,672</b>

Source: U.S. Census 2000

## PERSONAL INCOME

The second method of calculating per capita income is more inclusive and is termed personal per capita income. Personal per capita income includes income received from all sources such as wages and salaries, other labor income (employer contributions to private pension funds, jury and witness fees, etc.) proprietor's income, rental income, dividend and interest earnings by individuals and transfer payments not for services rendered (such as food stamps and welfare payments). Personal contributions for social security are deducted. Personal per capita incomes for Kentucky and Northern Kentucky Counties from 1991 to 2000 are shown in Table 3-11.

**TABLE 3-11  
PERSONAL PER CAPITA  
INCOME**

	<b>1991</b>	<b>2000</b>	<b>% CHG</b>
<b>Campbell County</b>	<b>\$17,025</b>	<b>\$25,047</b>	<b>47.1%</b>
Boone County	\$18,389	\$28,776	56.5%
Kenton County	\$18,532	\$28,086	51.6%
<i>Kentucky</i>	<i>\$16,207</i>	<i>\$24,085</i>	<i>48.6%</i>

Source: 2002 Kentucky Deskbook of Economic Statistics



# Economic Conditions

The Kentucky Deskbook for Economic Statistics estimates that the personal per capita income for Campbell County increased to \$25,047 in 2000. This is a 47.1% change from 1991. The Deskbook also estimates that the per capita income for the state overall increased to \$24,085 or 48.6% from 1991. As can be seen from the table, Boone County had the highest per capita income in 2000 and experienced the highest percentage increase from 1991 to 2000.

## POVERTY RATE

Poverty level is considered to be the minimum level of monetary income adequate for families of different sizes in consideration of American consumption patterns. These levels are determined by comparing individual or family income with annual income thresholds. The poverty levels are adjusted annually by the U.S. Government. The poverty rate is the percentage of individuals or families with incomes below the poverty level. Table 3-12 shows the poverty rates for Campbell County in 1989 and 1999 as compared to the rates for the Kentucky and other Northern Kentucky Counties. The poverty rate in Campbell County is higher than Boone or Kenton Counties but is significantly lower than the state overall. Boone County had the lowest poverty rate of 5.6% in 1999. It is important to note that the poverty of the City of Alexandria was only 4% in 1999, which is significantly lower than the poverty rate of the state and other Northern Kentucky Counties.

**TABLE 3-12  
POVERTY RATES**

	<b>1989</b>	<b>1999</b>	<b>CHG</b>
<b>Campbell County</b>	<b>11.0%</b>	<b>9.3%</b>	<b>-15.5%</b>
Boone County	7.4%	5.6%	-24.3%
Kenton County	9.9%	9.0%	-9.1%
<i>Kentucky</i>	<i>19.0%</i>	<i>15.8%</i>	<i>-16.8%</i>

*Source: Kentucky Deskbook of Economic Statistics, 2002 (2000 U.S. Census Data)*

## LOCAL ECONOMIC DEVELOPMENT ACTIVITIES

### *Northern Kentucky Tri-Ed.*

The Tri-County Economic Development Corporation (Northern Kentucky Tri-Ed) was created as a nonprofit corporation in 1987 under the auspices of the Fiscal Courts in Boone, Kenton, and Campbell Counties and the Northern Kentucky Chamber of Commerce. Northern Kentucky Tri-Ed is the primary economic development marketing agency and primary entity for the retention and expansion of existing industries in the three (3) Northern Kentucky Counties of Boone, Kenton, and Campbell. The organization is governed by a fourteen (14) member board that consists of the three (3) judge executives, two (2) appointees of each county, the Secretary-Treasurer of Tri-Ed, one appointee from Forward Quest, Inc, current and immediate-past chairperson of the Northern Kentucky Chamber of Commerce, and one (1) appointee from the Tri-County Economic Development Foundation. Northern Kentucky Tri-Ed markets and promotes the three (3) Northern Kentucky Counties on a national and international basis, as a location for new or expanding manufacturing projects, office projects, warehouse/distribution projects, and large commercial and service projects. In addition, Northern Kentucky Tri-Ed provides assistance to local companies that are expanding their operations while also working with local communities to develop the resources and infrastructure to support its economic development program. Three primary goals of the organization are:

- the creation of new, diversified job opportunities in Northern Kentucky;
- the creation of new revenue opportunities for local governments;
- the general growth and expansion of the area economy.

### *Campbell County Enterprise Zone*

The Campbell County Enterprise Zone (EZ) is an area that offers an exemption from state sales and use taxes, as well as regulatory relief to encourage new and expanding businesses. The intent of the EZ is to stimulate business growth that will increase the area's economic base and create new job opportunities. On November 11, 1986, the Kentucky Enterprise Zone Authority designated the new Enterprise Zone in Campbell County for a period of twenty (20) years with benefits from this program expiring on December 31, 2007.



# Economic Conditions

---

Figure 3-6 shows the location of the EZ which is administered by the Campbell County Fiscal Court Planning and Zoning Office located in Newport. Participating jurisdictions include Bellevue, Dayton, Ft. Thomas, Highland Heights, Silver Grove, Newport, Southgate, Wilder, and areas of unincorporated Campbell County. In order to receive enterprise zone benefits, a business must be located within the EZ area and be certified by the Kentucky Enterprise Zone Authority. To become certified businesses must meet the following criteria:

1. The business must have 50% of its employees performing substantially all of their services within the EZ area.
2. To qualify as a new business, a business must have begun operating within the zone after November 11, 1986, when the zone was designated. Twenty-five percent (25%) of the business' employees working twenty (20) or more hours per week, at the business location, must meet the targeted workforce criteria and be maintained throughout certification.
3. To qualify as an existing business, a business must have begun operation in the zone prior to November 11, 1986. The business has the option of (a) increasing its capital investment, less depreciation, by 20% within eighteen (18) months after application; or (b) increasing its total workforce by 20%, of which 25% of the new employees must meet the targeted workforce criteria.

*\*\*Targeted workforce means a Kentucky resident, who has resided in the Commonwealth for at least 90 days and (a) resides within the boundaries of the Campbell County Enterprise Zone; or (b) was unemployed 90 days prior to being employed by the business. The local Department of Employment Services must certify any employee who meets the targeted workforce criteria. A qualified business will be monitored annually to ensure compliance.*

Businesses that qualify for EZ benefits will receive financial and non-financial incentives. Commercial businesses receive issuance of a city real estate property tax assessment moratorium on rehabilitated structures twenty-five (25) years or older, for a period not to exceed five (5) years or until the program expires. New industrial businesses receive a city real estate property tax abatement for five (5) years or until the program expires. For new construction and restoration of structures, the city building permit fees are waived for enterprise zone qualified businesses, although a building permit is required to insure proper compliance with building codes. It is important to note that priority assistance will be provided to enterprise zone qualified businesses that expand or locate in the enterprise zone. This will ensure expedited compliance with building codes, zoning requirements, signage, and other required permits. In addition, businesses will be provided with a security analysis by local police and fire departments and Northern Kentucky University will

provide educational assistance and expertise through its various institutes.

Enterprise Zone Qualified Businesses are also eligible to receive the following state tax incentives:

-Building materials used in remodeling, rehabilitation, or new construction are exempt from sales and use tax.

-An exemption from Kentucky sales tax on equipment and machinery used to conduct business in the EZ.

-An exemption from Kentucky motor vehicle usage tax (limited value for automobiles) on vehicles used to conduct business in the EZ.

-A Kentucky income tax credit up to \$1,500 per employee equal to 10% of the wage of each employee who was unemployed or received public assistance for 90 days prior to employment.

### *Emerging Technology Commercialization Corridor*

As part of the *New Economy Plan for Northern Kentucky*, released July 31, 2001, it was recommended that regional businesses and government leaders work to leverage the assets of Northern Kentucky University (NKU) and University of Cincinnati (UC) to attract technology-oriented businesses. As part of this economic development initiative, efforts will be focused upon recruiting the high tech divisions of major corporations and successfully incubated tech companies to areas near NKU; more specifically the corridor bounded by US 27, I-275, and the AA-Highway.

As part of the planning process, several strategies to foster the development of the “*emerging technology commercialization corridor*” were formulated. The first strategy was to create a technology business supportive land use plan surrounding the University. To accomplish this task, the City of Highland Heights prepared a comprehensive plan update that focuses its economic development efforts at the entrance to NKU (US 27/Nunn Drive) and at the existing Technology Park adjacent to NKU (I-275/3 Mile Road). Together these areas provide approximately seventeen (17) acres of available land for technology-oriented companies. Highland Height’s plan also calls for the development of a hotel and conference center at the entrance to the campus as well. It is important to note that other cities in close



# Economic Conditions

---

proximity to NKU are expected to adopt similar philosophies of economic development, focusing on professional office buildings that cater to high tech companies as they generate tax revenues, in the form of payroll, real estate and occupational license taxes.

Another strategy for the development of this corridor is to improve basic technology infrastructure including broadband fiber-optic wiring to NKU and surrounding areas. It is the goal of the plan to offer ready capacity of 100+MB. In addition, the plan states that it is essential to expand NKU's capabilities on campus to include Internet2. This higher bandwidth and Internet2 capabilities allows NKU, and the technology businesses that it will serve, the ability to conduct distributed computation, provide virtual laboratories, digital libraries, distributed learning capabilities, digital video and tele-immersion.

Other strategies to create this corridor include:

1. Establishing a center for Information Technology at NKU.
2. Improving advanced technology infrastructure in the project area.
3. Developing a Commonwealth of Kentucky Tech Business Incentive Program.
4. Seeking a developer/investor to build Spec Technology Facilities on NKU Foundation/NKU properties (adjacent to NKU).
5. Develop a Tech Corridor Marketing Plan in conjunction with the Campbell County Fiscal Court and other interested cities surrounding NKU.

## **SUMMARY**

While there are only three (3) manufacturing firms near the Alexandria Planning Area, manufacturing jobs are still an important sector of the economy to residents and the community overall as this sector supplies a large amount of jobs which are the highest paying. The service industry and retail sectors are growing rapidly in the local economy; however, they are the lowest paying. The tourism and travel industry has also become increasingly important to the local economy, due to the river front improvements and the development of Newport on the Levee.



These observations indicate that the City of Alexandria and Campbell County are in a period of economic change reflective of the changes in the economy of the United States overall. The county and the city are also being influenced by growth in the Northern Kentucky region. The majority of Campbell County residents choose to live in Campbell County but work in other areas of the state and Ohio. The increase in retail and service industries is due in large part to the increase in population, the development of services for a bedroom community, and the growth in tourism related businesses in the county.

In consideration of these factors, the City of Alexandria should develop an overall economic development plan to diversify the local economy and to offset some of the costs of residential development. Several recommendations are:

1. Develop programs to assist in the retention of existing businesses and industry. Coordinate economic development programs with Tri-Ed and participate, where possible, in the planning, implementation, and marketing of the “Emerging Technology Commercialization Corridor”.
2. Identify areas suitable for the development of office parks in order to house professional offices as an alternative to strip commercial development along the U.S. 27 corridor. Modify the city’s land use plan element to encourage the development of professional and high tech industries in this area.
3. Upgrade infrastructure (including basic and advanced technology infrastructure) to facilitate the development of professional offices and high tech businesses.
4. Study ways in which to benefit from the growth of the travel and tourism industry in Campbell County. Develop and implement a long range marketing plan to market Alexandria’s local resources.

