

Letter from the Mayor:
Berea Citizen
Beth Meyers, Editor
P.O. Box 207
Berea, Ky 40403

Dear Editor:

As you have previously reported, Michael Shuman of cutting Edge Capital was hired by the City on August 2, 2011 to facilitate a community discussion on Economic Development Strategies. Our last discussion occurred following World War II when city leaders devised and implemented a strategy of recruiting industries to Berea. This strategy was successfully implemented, allowing Berea to build a strong economic base over the past sixty years which now generates over 3,200 manufacturing jobs with more anticipated after the recent announcement of Hitachi's expansion.

But Berea has also lost several of its' industries over the past decade. With the changing nature of the world economy and the recent prolonged recession, the Berea council and administration are committed to reviewing our economic development strategies with the goal of developing a consensus on the best ways to create more jobs, build a bigger economy, and exploit opportunities offered by the global economy while maximizing the power of local ownership and spending.

Mr. Shuman visited Berea September 12-14 and began his preliminary research for a public meeting to be held in the Community Room of the Berea Baptist Church on October 20, 2011 from 6:00 to 9:00pm.

This public meeting will start a six-month process that will include three public meetings and a score of separate meetings of individual work teams evaluating particular strategies and action plans. On October 20, after a briefing by Mr. Shuman on the overall plan and the preliminary results of his early research, he will lead a SWOT analysis of Berea's economy. For the purpose of a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats),

STRENGTHS are issues or characteristics of a town that local leaders can use to advance economic growth. Citizens might list some of the following as strengths:

- Central geographic location on I-75 located near many US population centers;
- Strong manufacturing presence creating over 3,200 jobs;
- Varied, high quality educational opportunities;
- Available work force;
- Sound city finances;
- City-owned water, electric and sewer utilities;
- Good infrastructure;
- Reputation and presence of Berea College;
- Working studio-artists community;
- Presence of Artisan Center at Berea;
- Designation as Folk Arts and Crafts Capital of Kentucky;
- Well-coordinated tourism effort with adequate funding;
- Access to a broad range of quality health care;
- Internet accessibility;

- Scenic beauty;
- Proximity of Madison County Airport;
- Low Crime rate;
- Low property tax rate (9.9 cents per \$100 valuation compared to state average of 22 cents);
- Recreational facilities including pool, athletic fields, golf course, and Handicapped-accessible play ground;
- Presence of Madison County Public library and public access to Berea College library;
- Mutual aid agreements with other governments;
- Adequate and varied banking services;
- Vibrant non-profit organizations;

WEAKNESSES are issues or characteristics that, if not addressed effectively, could limit economic growth. Citizens might list some of the following as weaknesses:

- A manufacturing base very dependent on the automotive sector;
- Community skepticism of the economic value of tourism;
- Limited start-up capital generally available;
- Out-migration of youth;
- A workforce that often lacks basic job skills (balance checkbook; arrive on time);
- Lack of community meeting or conference space;
- Aging artisan population;
- Lack of adequate parking in some retail areas;
- Proximity to nerve gas storage;
- One entrance to hospital;

OPPORTUNITIES are assets, events, or trends that offer Berea the potential for economic growth. Citizens might list some of the following as opportunities:

- Land available for industry in Berea's industrial park and for business throughout town;
- Located in I-75 growth-corridor;
- Hitachi's contract to produce parts for an electric engine for General motors starting in 2012;
- Existing state-funded infra-structure improvement projects already and budgeted;
- Ongoing discussions among local leaders for a Vocational School;
- Possible partnerships with ECU and Berea College for worker-retraining programs;
- Opportunity to implement life-skill programs for unemployed workers;
- Opportunity to create and entrepreneurship program to support new business start-ups;
- Early steps to expand the definition of tourism to include local scenery, sports tournaments, recreational activities such as bike trails, music and dance, local history and culture, examples of sustainable living, as well as presence of folk arts and crafts;
- Chance to stress the presence of the Artisan Center in Berea;
- Evolving plans to expand the working studio-artist tours;

Implementation of the workshop-festival concept starting 2011;
Continued support of the arts-in-the-curriculum program for school children;
Chestnut Street connector proposal as a way to fill empty lease space between the Old Town and College Square arts districts with galleries and working-artist studios;
Keeping the Arts Council in one of Berea's arts districts;
Developing a small conference center in Berea;
Evaluating whether the agriculture sector offers opportunities for economic growth through local foods, farmer' markets, or vineyards;
Enhancing the economic potential of the Madison County Airport;
Promoting the economic development potential of the Bluegrass Army Depot;
Encouraging the interest of United Church Homes in establishing a retirement community in Berea to augment existing skilled-nursing and long-term care facilities;
Creating a consensus about the vision for economic development in Berea;
Improved regional cooperation in seizing economic development opportunities;
Improving retention of youth through local business opportunities;

THREATS are obstacles, events, or trends that, if not addressed effectively, could diminish Berea's potential and its ability to create jobs. Citizens might list some of the following as threats:

Possibility that the Berea bypass could divert traffic from downtown areas;
Aging population;
Loss of small town character through unplanned growth and development;
Continued off-shoring of manufacturing jobs;
Duncannon Road Commercial Development;
Lack of regional cooperation in economic development and promotion;
Enlargement of FEMA flood area could limit development;
Lack of choices for consumers in local business and retail offerings;
Kentucky tax structure that inhibits regional cooperation on economic development;
Divisions within our community over building a Convention Center and the serving of alcohol-by-the-drink in restaurants;
Dependence of city government on payroll tax;
Reluctance of outside corporations to invest in Berea;
Declining state and federal funding for projects.

All meetings are open to the public. Please plan to participate. If you attend the public meeting on October 20, 2011, bring your SWOT list and help build a better economy in Berea.

Yours truly,

Steven Connelly