

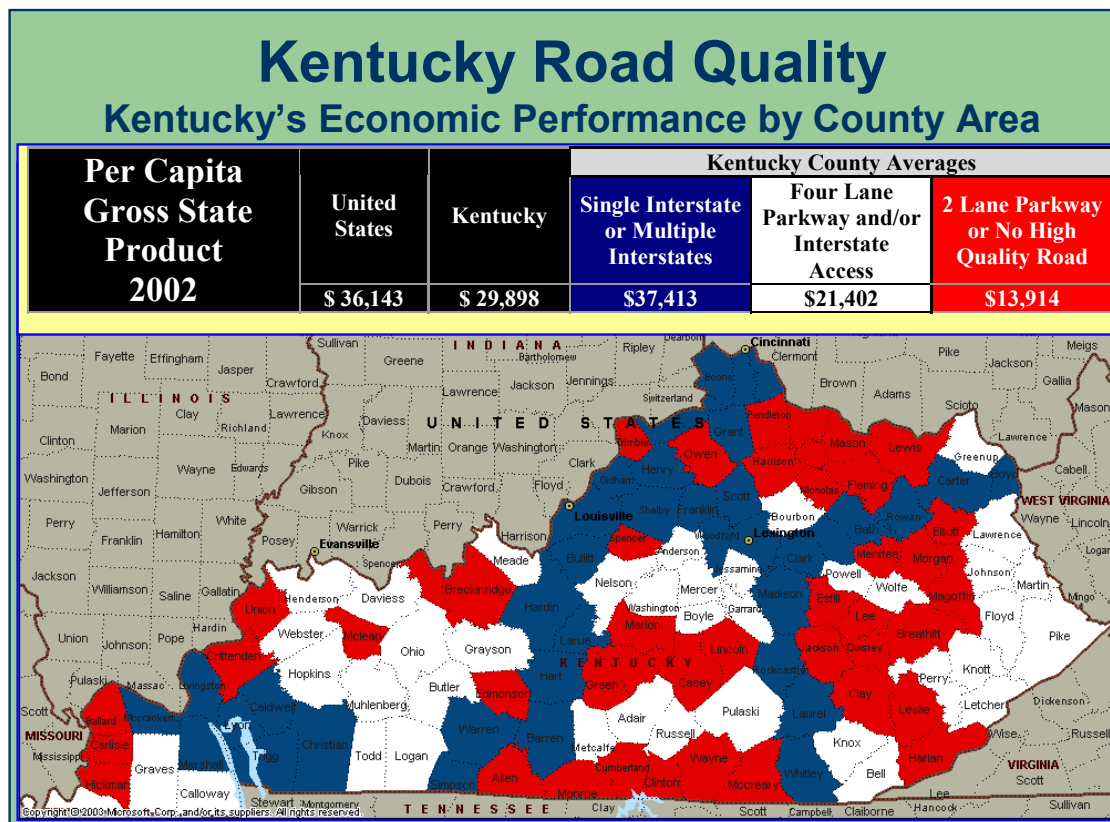
Highway Quality Determines Economic Performance

Studies by the Kentucky Cabinet for Economic Development show highways are a major factor in determining economic performance in Kentucky, according to J. R. Wilhite, Commissioner, Existing Business Development, Kentucky Cabinet for Economic Development. Wilhite presented the studies at the Annual Kentucky Transportation Conference in Frankfort, January 27, 2006.

“Highway accessibility is the most important factor in getting and keeping good jobs,” said Wilhite.

Charts prepared by the Kentucky Cabinet for Economic Development, show graphically exactly what good highways mean to Kentucky in terms of gross product, per capita personal income, and wages — and poverty rate. While there are a few exceptions, if a highway map is overlaid on these charts, it is clear that the Interstate corridors — I-24, I-65, I-75, I-64, and I-71 — are where the highest level of economic activity is, followed by the parkways and good 4-lane highways.

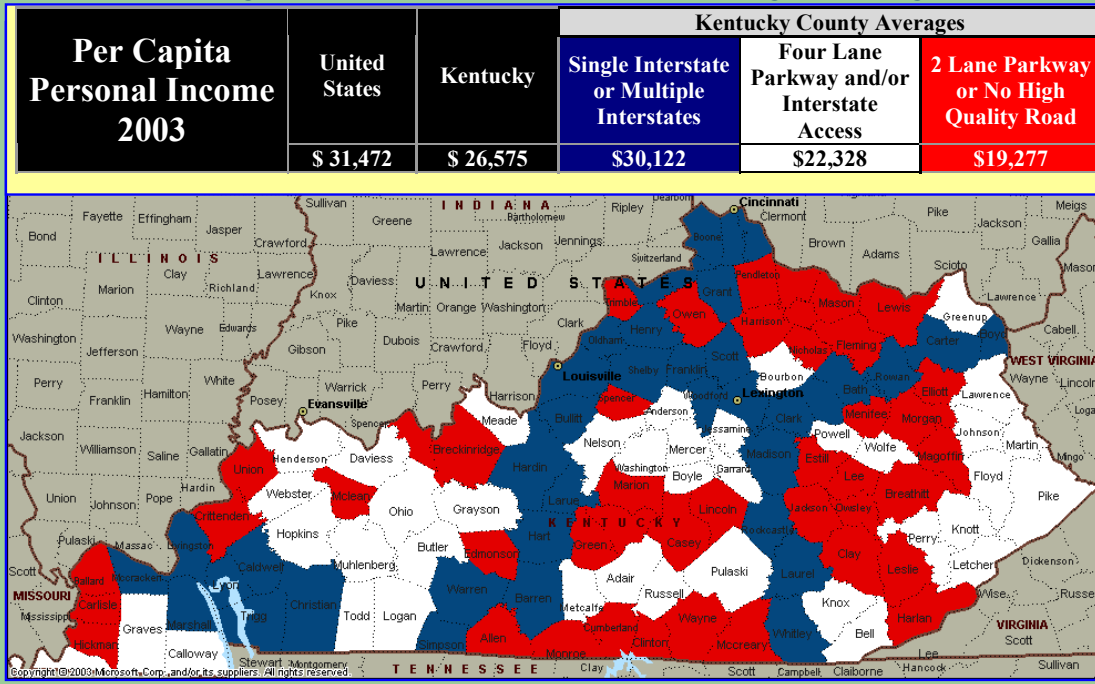
Per capita gross product for counties served by Interstate highways is nearly three times that of counties that do not have good four-lane highways, and per capita income is 56 percent higher.



Source: Kentucky Cabinet for Economic Development

Kentucky Road Quality

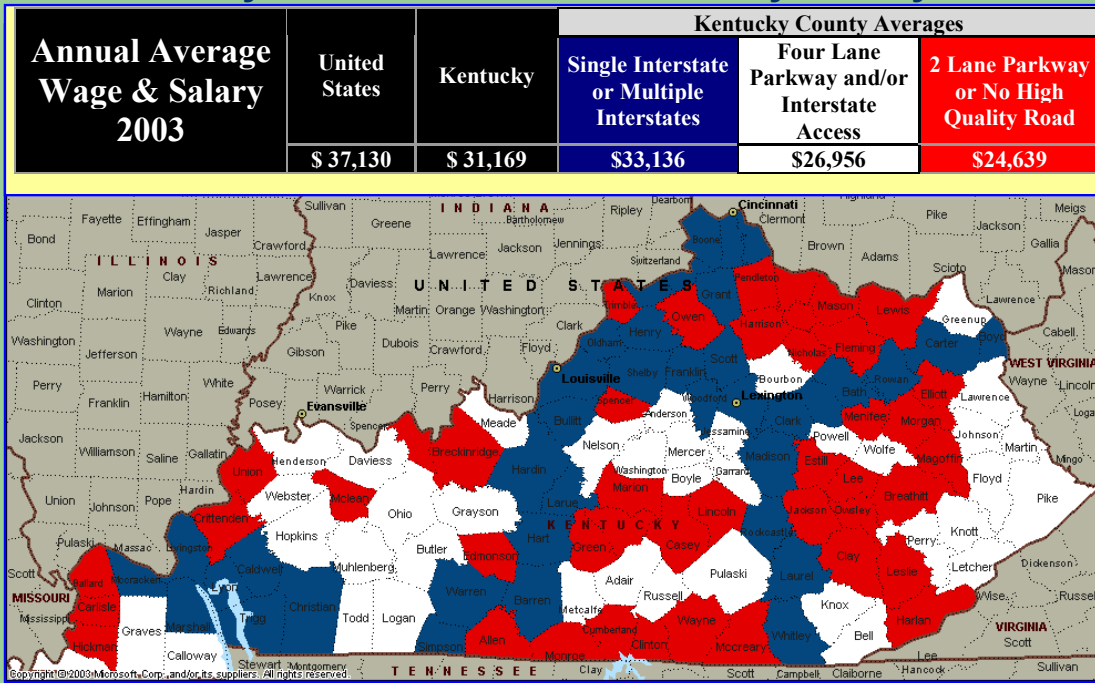
Kentucky's Economic Performance by County Area



Source: Kentucky Cabinet for Economic Development

Kentucky Road Quality

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Wilhite quoted The 20th Annual Corporate Survey, *Area Development*, December 2005, showing when industrial site selection factors are combined, highway accessibility is the #1 factor with a 91.4% ranking of “important” and “very important” responses by those who determine plant locations.

Combined Ratings* of 2005 Factors

Site Selection Factors	2004	2005
Ranking		
1. Highway accessibility	90.2	91.4
2. Labor costs	96.4	87.9
3. Availability of skilled labor	89.1	87.2
4. State and local incentives	87.5	86.0
5. Availability of high-speed Internet access	80.7	85.7
6. Corporate tax rate	84.4	85.0
7. Occupancy or construction costs	83.6	83.7
8. Tax exemptions	83.3	83.6
9. Proximity to major markets	72.7	83.2
10. Energy availability and costs	85.8	82.8
11. Availability of telecommunications services	82.3	79.8
12. Cost of land	76.6	79.1
13. Low union profile	75.5	77.0
14. Availability of land	75.7	75.0
15. Environmental regulations	80.7	71.1
16. Right-to-work state	69.5	69.7
17. Proximity to suppliers	62.4	66.7
18. Raw materials availability	64.9	62.3
19. Training programs	50.4	59.6
20. Availability of long-term financing	63.0	56.5
21. Availability of unskilled labor	59.4	50.6
22. Accessibility to major airport	53.8	50.0
23. Proximity to technical university	32.4	30.2
24. Railroad service	26.9	28.9
25. Waterway or oceanport accessibility	21.1	20.2

Quality-of-Life Factors

Ranking			
1.	Low crime rate	80.2	67.8
2.	Health facilities	72.2	62.1
3.	Housing costs	64.5	60.0
4.	Housing availability	65.8	59.3
5.	Ratings of public schools	66.7	56.8
6.	Cultural opportunities	51.9	48.8
7.	Climate	50.5	46.5
8.	Colleges and universities in area	58.1	46.0
9.	Recreational opportunities	50.5	44.8

*All figures are percentages and are the total of “very important” and “important” ratings of the Area Development Corporate Survey and are rounded to the nearest tenth of a percent.