



TARGETED BUSINESS SECTOR RECRUITING STRATEGY

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METALWORKING INDUSTRY EXCERPT

Prepared By:



Next Move Group
We Are Jobs



1. Metalworking

Our Metalworking Cluster

Our region is home to the following metalworking companies:

- AAA Mine Service- Machine Shop, surface grinding, arc welding, boring, cutting, lathe and mill work
- Drill Steel Service- Manufactures steel rods, overcast, mandors and other metal products.
- Johnson Industries- manufactures mining machinery & equipment, conveyor tail pieces, personnel carriers, coal auger sampling systems, probes and laser systems
- Hall Equipment and Supply- Rebuilding mining machinery
- Heritage Equipment- Remanufactures commercial truck components including diesel engines, transmissions, differentials
- Logan Corporation- Metals service center: steel cutting, slitting, shearing, burning, forming, steel & aluminum fabricating for dump truck bodies, and braking.
- NJN Machine Tool Company- machine shop
- Porter Steel and Fabrication- Develops and constructs specialized metal and steel structures, material handling products, and fabrication
- R&S Godwin Truck Body Company- Steel & aluminum fabricating for dump truck bodies and trailers
- Taylor Metal Roofing and Siding- Manufactures metal roofing, siding panels, related trim components, insulation, doors, sliding doors, track systems, garage doors
- Ultra Lok Fasteners- Manufactures self-threading bolt and fasteners
- Zebulon Machine Shop- machine shop, lathe and mill machining, welding, drilling, boring and cutting.



Since 2011, we have seen double digit growth in these two metalworking industries in our region:

- 65% growth in Motor Vehicle Body Manufacturing
- 15% growth in Sheet Metal Work Manufacturing

Skilled Labor

- Our region is home to the following amounts of skilled workers greater than the US average pertinent to the metalworking sector:
 - 8 times US average in Metal Plumbing Fixture Fitting and Trim Manufacturing
 - 6 times US average in Plant and Systems Operators
 - 5 times US average in Motor Vehicle Body Manufacturing
 - 4 times US average in Maintenance Workers, Machinery
 - 3 times US average in Metal Farm Machinery and Equipment Manufacturing
 - 2 times US average in Metal Motor and Generator Manufacturing
 - 2 times US average in Crushing, Grinding, and Polishing Machine Operators
 - 2 times US average in Heavy and Tractor-Trailer Truck Drivers
 - 2 times US average in Welders, Cutters, Solderers, and Brazers

- 2 times US average in Pipelayers



A NiSource Company

Proximity to Automotive OEMs

Our location provides quick access to virtually all of the nation's automotive OEMs.

- Kentucky ranks 2nd in light truck production in the US.
- Kentucky ranks 3rd in car production in the U.S.

Transferrable Labor

The following are the numbers of people currently employed in coal mining which are in jeopardy of losing their jobs which have skills which could easily transfer to metalworking:

- 354 employed in Roof Bolters, Mining
- 353 employed in Wellhead Pumpers
- 289 employed in Continuous Mining Machine Operators
- 250 employed in Loading Machine Operators, Underground Mining
- 241 employed in Excavating & Loading Machine & Dragline Operators
- 143 employed in Mine Cutting and Channeling Machine Operators
- 143 employed in Mine Shuttle Car Operators
- 100 employed in Pump Operators



Electric Power Provider

We are served by AEP Kentucky Power, a publicly traded investor-owned electric utility. AEP owns more of the nation's electricity transmission system than all the other U.S. transmission systems combined. AEP consistently ranks as a top-10 utility company for economic development by *Site Selection Magazine*.



Natural Gas

Natural Gas pipeline infrastructure is abundant in our region giving metalworking companies cheap access to natural gas.



Spectra Energy's Big Sandy Pipeline has a capacity of 0.2 Trillion British thermal units per day.

Columbia Gas Transmission is a natural gas pipeline that gathers gas in the Gulf of Mexico and transports it north through our region owned by NiSource. Columbia handles more than 3 billion cubic feet of natural gas per day.

Community College Programs to Support the Metalworking Sector

More than 14,000 students are currently enrolled in technical and community college programs at three colleges in our region:

- Big Sandy Community & Technical College
- Hazard Community & Technical College
- Southeast Community & Technical College

The following programs are offered to support the Metalworking sector:

- Welding Technology
 - Certificates in:
 - ARC Cutter
 - ARC Welder
 - AWS National Skills Standard Level I
 - Gas Welder
 - Gas Metal Arc Welding
 - Gas Tungsten Arc Welding
 - Pipeline Welder
 - Production Line Welder
 - Shielded Metal Arc Welding
 - Tack Welder
 - Welder Helper

- Machine Tool Technology
 - Certificates in:
 - Exploratory Machining
 - Machine Tool Operator
 - CNC Operator
 - Tool & Die Apprentice
 - CNC Machining & Waterjet Technology

- Engineering & Electronics Technology
 - Certificates in:
 - Automation Technology
 - Computer Maintenance Technician
 - Electronics Technician
 - Electronics Tester
 - Industrial Electronics Technician
 - Instrumentation Technician
 - Maintenance Technician
 - Mechanical Technician
 - Robotics and Automation Technician

- Computer-Aided Draft and Design Technology
 - Certificates in:



- Computer Assisted Drafter
 - Detailer
 - Drafter Assistant
- Manufacturing Industrial Technology- Industrial Maintenance Technology
 - Certificates in:
 - Fluid Power Mechanic
 - Industrial Maintenance Machinists Mechanic
 - Industrial Maintenance Mechanic
 - Industrial Maintenance Electrical Mechanic
 - Manufacturing Engineering Technology- Electrical Technology
 - Certificates in:
 - Electrical Motor Control

4-Lane Highway Access

U.S. Highway 23 provides 4-laned access north and south throughout Eastern Kentucky.

The Bert T. Combs Mountain Parkway and Hal Rogers Parkway provides 4-laned access east and west throughout Eastern Kentucky.





Rail Access

We have access to 2 Class I Railroads: CSX and Norfolk Southern





Port Access

The Port of Huntington Tri-State is the largest inland port in the United States and is part of our region. The port averages an annual cargo tonnage of over 60 million tons per year and is the 15th largest port of any kind, inland or deep water, in the U.S.A.



State Ranked #1 in Economic Development 2 Years in a Row- Governor’s Cup

Kentucky ranked 1st in Site Selection magazine’s annual Governor’s Cup award, recognizing the highest number of qualifying industry locations and expansions per capita in 2014 and in 2015.

Taxes & Business Costs

CNBC ranked Kentucky the 2nd best state for the “Cost of Doing Business” in 2015.

Incentives

- Grants & Tax Credits
 - KBI Program
 - Wage Assessment- 4% of total payroll credit against state income taxes for 15 years
 - Income Tax Credit- up to 100% of corporate income or limited liability entity tax liability arising from the project for 15 years
 - KEIA Program
 - Sales/Use Tax Refund- Refund of sales & use tax paid for building & construction materials, research and development equipment, and electronic processing equipment.
- Bluegrass State Skills Workforce Training
 - Grant Reimbursement- up to 50% matching reimbursement for in-house training; educational institution and consultant training; instruction materials, texts, and supplies; train-the-trainer travel; trainee wages and registered

apprenticeship training-year one apprentices. The maximum funding for companies with 1-499 employees is \$25,000 and \$50,000 for companies with \$500+ employees.

- Tax Credit- up to 50% of training costs can be recovered as a state tax credit limited to \$500 per Kentucky employed residents, not to exceed \$100,000. Eligible costs include: in-house training; educational institution and consultant training; instruction materials, texts, and supplies; train-the-trainer travel; trainee wages and registered apprenticeship training-year two, three, and four apprentices.
- Kentucky Wins In-Kind Training
 - In-kind training through the local community colleges which provides recruiting, screening, and training assistance.
- Loan Programs
 - KEDFA- Click here to learn about this loan program: <https://www.thinkkentucky.com/kyedc/pdfs/kedfadcp.pdf>
 - IRBs- local financing mechanism for high impact projects. Additionally, a 5-year property tax abatement can be offered through this program.
 - CDBG- low interest loan financing for high impact projects.