

# Kentucky's Urban Evolution

## State Policies Slow to Catch Up

by Joseph W. Coleman, KLC Research & Federal Relations Manager

Kentucky and bourbon. Kentucky and thoroughbreds.  
Kentucky and basketball. Kentucky and urban?

While Kentucky is known for a lot of things, the concept of Kentucky being an “urban” state likely results in more shrugs than nods in a crowd. States like California, New Jersey and Massachusetts typically come to mind. Indeed, each of those states ranks in the top five most urban states in the country, with more than 90 percent of their populations living in urban areas.

Kentucky is often considered a predominantly rural state. Our abundance of fertile farmland, the Appalachian Mountains, lush bluegrass and winding waterways starkly contrast busy city streets, mass transportation networks and high-rise buildings.

By many counts, Kentucky is still a rural state. In fact, more than 96 percent of the state's land area is considered rural, according to recent data released by the U.S. Census Bureau. That means more than 38,075 square miles of the state's

land area is rural (out of 39,486 total square miles of land). Kentucky ranks 27th among the states in rural land area, although we have a lot of company — more than 90 percent of the land area in four out of five states is rural.

Despite these facts, Kentucky has continued to grow as a more urbanized state. More than 58 percent of the state's residents — more than 2.5 million people — live in urban areas, as defined by the Census Bureau. Urban areas are densely developed residential, commercial and other nonresidential areas.

The Census Bureau defines two types of urban areas: “urbanized areas” of 50,000 or more people and “urban clusters” of at least 2,500 and fewer than 50,000 people. There are 486 urbanized areas and 3,087 urban clusters nationwide. Kentucky has nine urban areas and 72 urban clusters, although some of these cross state lines.

The Census Bureau's urban and rural classification provides an important baseline for analyzing changes in the distribution and characteristics of urban and rural populations. The Census Bureau's urban areas also form the cores of metropolitan and micropolitan statistical areas, as defined by the Office of Management and Budget, and are used in other agencies' and organizations' urban and rural classifications.

### The More

### Things Change...

In the late-1700s wilderness that would become

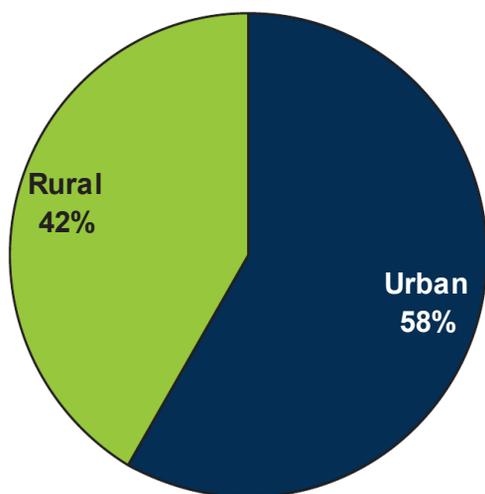
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Kentucky, the concept of community was a cave or a campfire. Survival was the order of the day, and the earliest communal structures were crude forts designed to keep out attacking Native Americans and wild animals. Migrants from the relatively crowded Eastern Seaboard had been lured across the Allegheny Mountains by stories from Daniel Boone and other early explorers about a land featuring rich soil, abundant water, plentiful game and towering trees.

In 1810, there were 35 towns either incorporated or established in Kentucky, and crude log forts were giving way to dirt streets lined with commercial and residential buildings. Despite the increasing number of social centers around the state, Kentucky's transportation network at the time consisted of rivers and the trails created by buffalo and Native Americans. When the construction of roads began, the work was handled by private companies that charged tolls for pedestrians and wagon passengers alike.

Only 22 percent of the state's population was considered urban by 1900, which was one of the first years that the U.S. Census Bureau started defining such

Proportion of Kentucky Population



Source: U.S. Census Bureau

**Cities continue to struggle with restrictions based on a century-old classification system that includes more than 400 laws that affect public safety, alcohol beverage control, revenue options and other city powers.**

areas. At that time, there were close to 250 incorporated cities, which constituted the state’s entire urban population, regardless of their size.

Since 1900, the state’s urban population has grown 442 percent, while the rural population has grown by only 7.5 percent. From 1950 to 2010, the state’s urban population increased 134 percent, while the rural population actually declined by 3 percent. As the country has evolved, so has the Census Bureau’s definition of “urban,” but these trends clearly show a significant growth in urbanization throughout the commonwealth.

Kentucky’s urban population continued the growth trend between 2000 and 2010,

when it grew by 11 percent. During that same time, the state’s rural population grew by only 1 percent. Nationwide, the urban population grew by 12 percent, while the rural population grew by 10 percent.

**...The More They Stay the Same**

Even though three in five Kentucky residents (58.4 percent) currently live in an urban area, many state laws still favor rural areas or no longer meet the needs of our growing communities. Some of these are the result of the Kentucky Constitution, which was ratified in 1891, when only around one in five residents lived in an urban area. However, the General Assembly has favored rural interests over urban interests for decades.

For instance, cities continue to struggle with restrictions based on a century-old classification system that includes more than 400 laws that affect public safety, alcohol beverage control, revenue options and other city powers. The population-based classification system has proven inadequate because of variations within classes, including tax base, form of government and geography. Because of these challenges, one-third of all Kentucky cities are not in the designated classification based on population standards.

Kentucky voters approved a constitutional amendment in 1994 authorizing the General Assembly to create classifications of cities as it deems necessary based on population, tax base, form of government,



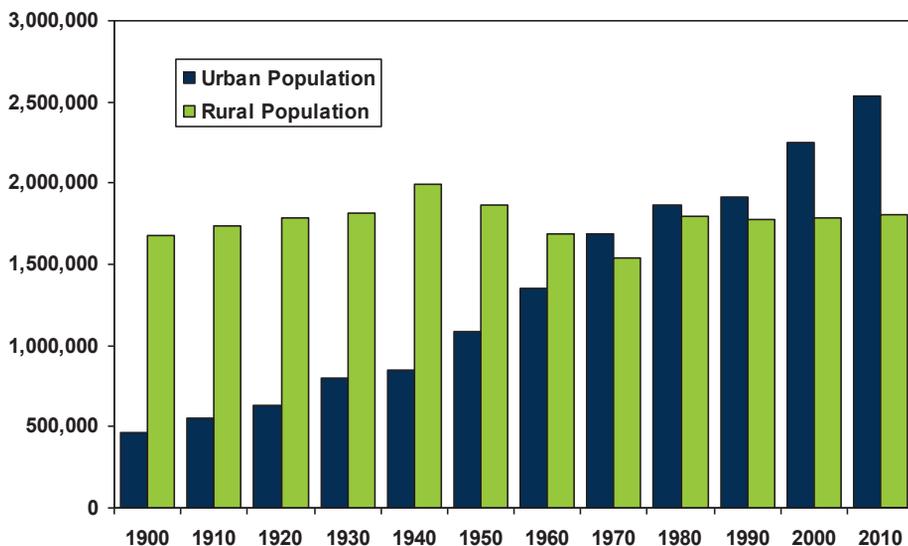
geography or any other reasonable basis. Unfortunately, the General Assembly has not yet acted to change the population-based classification system that has been in place for more than a century.

One of the most constraining issues with the classification system is the arbitrary nature of the revenue restrictions. The Kentucky Constitution and state statutes severely limit the revenue options available to city governments. Many people benefit from city infrastructure, amenities, proximity to jobs, and commercial and cultural resources, but the current taxing structure prohibits a city’s ability to fairly recoup costs.

The distribution of the state’s gas-tax revenue also puts cities and urban areas at a competitive disadvantage. The state’s motor fuels tax is projected to generate nearly \$1.5 billion in fiscal year 2013. Much of that will be shared with local governments for highway and bridge construction, reconstruction and maintenance. Of the amount shared with other entities, counties receive a total of 40.5 percent of the funds through the county road aid program and the rural secondary program (18.3 percent and 22.2 percent, respectively). The municipal road aid program receives 7.7 percent of the motor fuels tax revenues.

Both the county road aid and the rural secondary programs distribute their funds

**Kentucky’s Total Population: Urban vs. Rural**



Source: U.S. Census Bureau

using a “formula of fifths” that is heavily slanted toward rural counties. The formula was enacted in 1948 and has not changed in more than 60 years. According to the Census Bureau, only 30 percent of Kentucky’s population lived in urban areas in 1940. Since then, Kentucky’s urban population has more than doubled and now accounts for almost 60 percent of the total population.

None of the formulas — municipal road aid, county road aid or rural secondary — take into account lane miles, traffic counts or other measures related to use and/or maintenance need. The county and rural secondary formulas actually hurt counties that are growing rapidly, since more of their population is considered urban.

Despite a consistent rural mindset from many state leaders, Kentucky’s urban population is growing and shows no signs of stopping. People are moving to cities and their surrounding urbanized areas for the benefits that density and developed communities provide — improved access to jobs, education and the arts; better public safety; expanded parks and recreational opportunities; and more.



Only by embracing this urban evolution, while still respecting our rural heritage and resources, can Kentucky truly become an international center of commercial, cultural and educational opportunity in this century. **KYC**

*To view the list of Kentucky’s urbanized areas or learn more about the 2010 census, visit KLC’s Information Central page on “Population” at [www.klc.org](http://www.klc.org).*



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