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JUNE 2013

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## DHL IS IN FOR THE LONG HAUL AT CVG

International freight traffic helps  
Northern Kentucky's airport replace  
departed passenger business

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German-owned DHL Express operates one of its three global super hubs at the Cincinnati-Northern Kentucky International Airport. Since returning hub operations there in 2009, DHL has experienced dramatic growth and had three expansions and now employs more than 2,000.

DHL photo

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## PERSPECTIVE

### A TSUNAMI OF BUREAUCRACY

Americans will be shocked by  
details of Affordable Care Act

BY ED LANE

The Affordable Care Act expands America's healthcare system to provide guaranteed insurance coverage for all citizens, financially incentivizes and targets healthcare providers' services to improve the wellness of their patients, and makes healthcare's system of compensation based on wellness instead of fees for the treatment of sickness and disease. These are, philosophically, lofty ACA ideals on which almost everyone can agree.

While the concept of universal health insurance promoting wellness for all Americans is good, concerns about implementing the ACA in 2014 on a nationwide basis are these:

- In 2014, the U.S. population will approach 320 million.
- Approximately 50 million U.S. residents are uninsured – a large number of new clients to evaluate and enroll into healthcare insurance plans, as well as provide quality medical services.
- The U.S. healthcare market now services around 250 million persons. Sixteen percent of the U.S. Gross Domestic Product is expended for medical services. Delays and mismanagement could have a significant negative impact on the health of the U.S. economy.
- Over 40 federal government agencies are authorized by ACA legislation to promulgate regulations controlling the healthcare industry. Many of these regulations have not yet been released to the public – even though implementation of the ACA is supposed to commence around October 2013.
- To fund the ACA, every resident will be required to purchase healthcare insurance from a private insurer or from a healthcare insurance exchange operated in each state by either the U.S. government or a state healthcare agency. Healthcare exchanges in over 50 percent of the states have not yet been either announced or established.

The U.S. Supreme Court ruled (National Federation of Independent Businesses v. Sebelius, Secretary of Health and Human Services) that ACA legislation was constitutional and requiring persons not purchasing mandated health insurance to

pay a penalty to the U.S. government was a tax levied by Congress.

The ACA created a broad array of new taxes to help pay for the cost of universal healthcare insurance ([irs.gov/uac/Affordable-Care-Act-Tax-Provisions](http://irs.gov/uac/Affordable-Care-Act-Tax-Provisions)).

There are numerous new taxes detailed at the referenced IRS website. Here are a few examples:

- 3.8 percent net investment income tax on unearned individual income over \$200,000
- 0.9 percent additional Medicare tax
- 2.3 percent medical device excise tax
- Employer "shared responsibility" payment of \$2,000 per employee
- Health insurance company taxes – based on each insurer's market share
- Brand name prescription drug tax – based on drug maker's market share
- Individual "shared responsibility" payment – effective in 2014.

ACA legislation was enacted March 23, 2010, and contained about 2,000 pages ([healthcare.gov/law](http://healthcare.gov/law)). Agencies of the federal government, as authorized by the healthcare law, are in the process of writing and issuing ACA regulations and guidelines. The precise number of pages of ACA guidelines is unknown but healthcare attorneys estimate they could total 20,000 pages by 2014.

As earlier stated, the lofty ideals of the ACA are goals most Americans would support. The concerns relate on how to achieve these goals. Bureaucracies of the U.S. government are not competent to manage one-sixth of the U.S. economy. The power of a free-market economy and the competitive forces of millions of American consumers will be diminished. The few government officials making decisions on healthcare cannot be adequately informed about the medical needs of more than 300 million Americans.

Implementation of the ACA could morph into a financial disaster. The healthcare industry could be overwhelmed by massive paperwork, corporate overhead costs, unsustainable operating losses, a backlog of new patients, slow bureaucratic response to time-sensitive matters, and mass confusion by millions of Americans endeavoring to deal with thousands of pages of legislation and regulations.

Only time will tell if the federal government can responsibly regulate the U.S. healthcare system or if ACA legislation reaches too far and attempts to do too much. ■



Ed Lane ([edlane@lanereport.com](mailto:edlane@lanereport.com))  
is chief executive of Lane Consultants,  
Inc. and publisher of The Lane Report.



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# FAST LANE

A compilation of economic news from across Kentucky

## HENDERSON: CENTURY BUYS SEBREE SMELTER FOR \$61M, REACHES POWER DEAL AND WILL HIRE ANOTHER 500



Rio Tinto Alcan photo

*The Sebree smelter being acquired by Century Aluminum can produce up to 205,000 metric tons of primary aluminum. The plant employs more than 500 people.*

**C**ENTURY Aluminum Co. has entered into a definitive agreement to acquire the assets of the Sebree aluminum smelter in Henderson County from **Rio Tinto Alcan Inc.** for \$61 million in cash.

Century also owns a smelter in Hawesville, Ky., that is the company's largest facility and the only producer of high-purity aluminum in North America. The acquisition of the Sebree smelter means the addition of more than 500 employees and an annual production capacity of 205,000 metric tons of primary aluminum.

Century President and CEO Michael Bless said ownership of both the Hawesville and Sebree facilities would provide benefits for both operations through the sharing of best practices in safety, technical and operational practices and procedures.

The acquisition is the latest development in a situation that has been fraught with tension, primarily revolving around the cost of powering the massive smelter operations. Both Century and Rio Tinto Alcan have maintained that their electric rates were too high and in August 2012, Century notified **Big Rivers Electric Corp.** that it would terminate its electricity contract in August 2013, which would ultimately mean closing the Hawesville plant. Alcan's Sebree plant followed suit in January of this year.

On the same day Century unveiled the Sebree acquisition, it also announced it had reached a tentative agreement with Big Rivers and **Kenergy Corp.** on a plan that would provide market-priced power for the Hawesville smelter. Under the agreement, the electric cooperatives will purchase power on the open market and pass it through to Century at the market price – a deal that could keep the smelter open and protect its 650 jobs.

Bless added that the tentative agreement could serve as a first step toward securing rates that will also help keep the Sebree smelter in operation.

The power agreement is subject to negotiations and approvals from various third parties, including the Kentucky Public Service Commission. The current power contract with Big Rivers expires on Aug. 20.

## PIKEVILLE: HIGH RIDGE MINING TO DEVELOP 7 DEEP MINES IN PIKE COUNTY, HIRE 250 TO EXPORT KY COAL TO CHINA

**H**IGH Ridge Mining has announced plans to develop seven deep mines in Pike County, creating more than 250 new jobs.

High Ridge is a Kentucky corporation owned by long-time coal operator Bill Smith, a former vice president with **Sidney Coal**. Smith said he plans to begin hiring miners in the coming months, with the process being administered by the Office of Employment and Training in Pikeville. Each of the seven mines will initially employ 36 miners.

"Since some 4,500 miners are now unemployed in Eastern Kentucky, working in connection with the office of Employment and Training is a necessary step to quickly and effectively begin the hiring process," Smith said.

Smith said he plans to mine 1 million tons a year and has already found a buyer: Most of the coal will be exported to China.

"Mr. Smith is ahead of the curve in creating this connection to the Asian and European markets," said Pike County Judge-Executive Wayne T. Rutherford. "Coal has become out of fashion domestically due to unnecessary intense restrictions and regulations imposed on the coal industry by the federal government. The short-term economic outlook for coal seems dismal, but due to the growth taking place in Asia, coal is needed to sustain it, making the long-term outlook for Eastern Kentucky coal rather bright."



## LOUISVILLE: A&R LOGISTICS MOVING ITS HEADQUARTERS AND 50 JOBS TO LOUISVILLE

**A**&R Logistics Inc., a leading provider of dry bulk transportation and logistics solutions, has announced plans to move its corporate headquarters to Louisville.

The company, which serves the plastics, chemicals, agricultural and food industries in North America, is currently headquartered in Illinois. The company is investing more than \$3 million in the move, which will bring 50 new jobs to the Louisville area.

"Louisville offers tremendous advantages to our company with its location, workforce and its commitment to growth in the logistics area," said A&R Logistics President Richard Mitchell. "We believe there is no better city to provide such a compelling life-style environment for our employees who will relocate here. We also believe strongly that Louisville will serve as an excellent source of new talent to bring into our organization."

Founded in 1969, A&R has grown from having only a few trucks to a company that has a fleet of 700-plus trucks, 1,100 trailers and a staff of more than 1,000 located across the country. The company also has a network of strategically located packaging and warehouse facilities, with more than 1.4 million s.f. of warehouse space.

The company is leasing 5,500 s.f. of office space on the **University of Louisville's** Shelby Campus.

To encourage the investment and job creation, the Kentucky Economic Development Finance Authority preliminarily approved the company for tax incentives up to \$1.5 million through the Kentucky Business Investment program.



### Submissions Welcome

To submit news and photographs for publication in Fast Lane, please mail information to: The Lane Report, 201 East Main Street, 14th Floor, Lexington, KY 40507-2003 or send via e-mail to [editorial@lanereport.com](mailto:editorial@lanereport.com).

Color photographs are preferred, either in standard form or digital. For digital photographs, a resolution of 300 dpi is required, formatted in either jpeg or tif.



## STATE: TOURISM IMPACT IN 2012 UP 4.4% TO \$12.2B, ACCOUNTS FOR 174,000 JOBS

NEW figures released by the state last month show that tourism in Kentucky had an economic impact of in \$12.2 billion in 2012, a 4.4 percent increase over the previous year.

Tourism was responsible for 174,006 jobs in Kentucky in 2012 – an increase of 4,078 jobs from the previous year. The jobs generated more than \$2.7 billion in wages for Kentucky workers, an increase of nearly \$117 million from the previous year.

### Tourism's Impact in Kentucky

REGION	2011 DIRECT EXPENDITURES	2012 DIRECT EXPENDITURES	CHANGE 2011-12
State – total	\$7,439,533,379	\$7,765,118,435	4.4%
Western Waterlands	472,071,01	497,897,70	5.5%
Bluegrass, Blues & Barbecue	295,687,881	309,880,899	4.4%
Caves, Lakes & Corvettes	339,415,689	358,083,552	5.5%
Bourbon, Horses & History	2,205,119,016	2,344,041,514	6.3%
Kentucky's Southern Shoreline	185,317,782	191,247,951	3.2%
Northern Kentucky River	1,620,488,942	1,669,788,779	2.9%
Bluegrass, Horses, Bourbon & Boone	1,657,417,434	1,704,584,148	2.8%
Kentucky Appalachians	365,664,274	384,678,816	5.2%
Daniel Boone Country	298,351,346	304,915,076	2.2%

All nine tourism regions showed gains for 2012 and in total, tourism generated \$1.227 billion in tax revenues for local and state governments in 2012, up from \$1.223 billion in 2011.

Kentucky's Tourism, Arts and Heritage Cabinet cited the growth of the **Kentucky Bourbon Trail** as one of the year's major successes: The trail reported a record 509,292 visitors in 2012, an increase of 15 percent from 2011. The Bourbon Trail highlights Kentucky distilleries and allows visitors the opportunity to see how bourbon is made.

## WALTON: LYONS MAGNUS LAUNCHES \$5M EXPANSION, PLANS TO ADD 50 NEW JOBS

**LYONS Magnus**, a company that develops and markets products for the food industry, has announced a \$5 million expansion of its plant in Walton.

The California-based company has had a presence in the Northern Kentucky area since 1983 and has continued to expand since then. The company currently has 120 employees at its 260,000-s.f. Walton plant and plans to add another 50 jobs to support the upcoming expansion, which will involve building a 40,000-s.f. facility for food processing, warehousing space and shipping. The expansion will also include the addition of a new production line at its existing plant.

Robert Smittcamp, chairman and CEO of Lyons Magnus, said the Northern Kentucky location has been an "ideal" fit for the company, noting that "65 percent of America lives within 600 miles" of the area.

"Our strategy is to grow or source the fruit products we use in California, ship those here and convert them to finished products, which can be transported throughout the Midwest and East Coast," Smittcamp told *The Cincinnati Enquirer*.

Lyons Magnus produces its own line of food products in addition to developing products for a wide range of food service customers. Approximately 60 percent of the company's 2,200 products are distributed from the Walton facility.

## BUSINESS BRIEFS

### COVINGTON

■ Restaurateur **Jeff Ruby** has announced that he will reopen his Waterfront restaurant in Covington, which was destroyed in 2011 when the Ohio River flooded and the restaurant was swept away by strong currents. Ruby has signed a 10-year lease with the city and told *The Cincinnati Enquirer* that he hopes to have the restored restaurant open by December, if all goes according to plan. According to *The Enquirer*, Ruby is investing upwards of \$1.5 million to add additional features to the restaurant.

Jeff Ruby Culinary Entertainment photo



### DAWSON SPRINGS

■ Dawson Springs has been designated as Kentucky's first "Trail Town," a program designed to guide travelers to trails, food, lodging, campgrounds, museums, entertainment and other services while helping communities add more tourism jobs and opportunities. Dawson Springs is situated near several areas with outdoor attractions, including **Pennyrile Forest State Resort Park**, **Pennyrile State Forest**, the **Tradewater River** and **Lake Beshear**. More than 30 communities have started the application process to become a Trail Town.

### ELKTON

■ A newly formed company that produces glass doors is establishing its manufacturing operations in Elkton, creating 110 new jobs. **Glass Door Solutions LLC** plans to lease a facility in Elkton, where it will produce doors for grocery and convenience store display cases, as well as components such as frame posts, LED lighting and shelving.

### HAWESVILLE

■ **Domtar Paper Co.** is investing \$20 million to upgrade and add equipment at its Hawesville facility, where it employs more than 450 people. The Hawesville plant produces approximately 80,000 tons of market hardwood pulp, which is used for paper production, and approximately 600,000 tons of printing-grade paper each year. As part of the upgrade, Domtar is constructing a new conveyor system, which will allow the company to transport its product directly between the plant and the nearby Ohio River, reducing operating expenses while also lowering greenhouse gases.



Frontier Airlines photo

### HEBRON

■ **Frontier Airlines**, the newest carrier at the **Cincinnati/Northern Kentucky International Airport**, has made changes to its reservations system that could result in extra fees for passengers.

Travelers purchasing a Frontier ticket on a third-party site rather than directly through FlyFrontier.com will be charged fees ranging from \$25 to \$100 for a carry-on bag, in addition to fees of \$20 to \$25 per checked bag. All tickets sold through FlyFrontier.com include a free carry-on bag with the fare. All customers, regardless of where their tickets were purchased, will be able to carry on one free personal item, as long as it measures no larger than 18" x 14" x 8" and fits under the seat. Frontier will also begin charging \$1.99 for coffee, tea, soda and juice, effective July 1.

■ Travelers passing through the **Cincinnati/Northern Kentucky International Airport** can now indulge their sweet tooth with one of the region's most iconic treats: **Graeter's** ice cream. "This really fits with our goal of making CVG a reflection of its community," said CVG CEO Candace McGraw. "Few things signify the Greater Cincinnati area as Graeter's." The Graeter's kiosk is located at Concourse A near Gate 12.



## BUSINESS BRIEFS

### HIGHLAND HEIGHTS

■ The **Northern Kentucky University Chase College of Law** has received a \$1 million gift from W. Bruce Lunsford to establish and support the W. Bruce Lunsford Academy for Law, Business and Technology. The university said the focus of the program will be to develop “renaissance lawyers” for the Information Age, equipping them with the technological, financial and professional skill sets needed to practice modern law. Lunsford is a 1974 graduate of Chase College of Law and currently serves as chairman and CEO of **Lunsford Capital LLC**, a Louisville-based private investment company.



### FLEMINGSBURG

■ Automotive parts supplier **ARaymond Tinnerman** has expanded its growth plans in Flemingsburg, nearly quadrupling its investment and almost doubling the number of new jobs from what was originally planned. In 2010, the company announced plans to invest \$515,000 to expand the Flemingsburg plant and add 28 full-time jobs. Since then, the scope of the project has grown to an investment of \$1.96 million and the addition of 52 jobs. The company's Flemingsburg plant currently produces window-channel guides, sunroof components and structural parts for the auto industry. With the expansion, the plant will add a new process of plastic moldings and assemblies.

### LEXINGTON

■ Restaurateur **Jeff Ruby** has confirmed that he plans to open a restaurant in downtown Lexington by May 2015. The new restaurant will be located in the proposed **CentrePoint** development.

■ **Tiffany & Co.** is investing \$2 million to expand its manufacturing operations in Lexington and plans to add 75 new jobs to support the expansion. Tiffany first broke ground on the 25,000-s.f. jewelry manufacturing facility in November 2010 and held a grand opening in September 2011. Located on four acres in the Blue Grass Business Park, the facility currently employs 125 people and produces a variety of jewelry pieces that are sold in Tiffany stores around the world.



Tiffany/Carton Davis photo

■ The **University of Kentucky** board of trustees has approved the purchase of the grounds and facilities of the **Lexington Theological Seminary** for \$13.5 million. The seminary, which is situated directly across from UK's campus, is transitioning to a curriculum in which students primarily handle their coursework online, thus requiring significantly less classroom space. For UK, the acquisition provides access to potential classroom space within the existing campus footprint at a time when it will be greatly needed due to planned renovations of existing facilities.



■ **Xerox** is adding 250 full-time customer service representatives, supervisors and quality analysts to provide support for five different clients that are in the process of expanding operations in Lexington. The news comes on the heels of Gov. Steve Beshear's April announcement that Xerox would be adding 100 new jobs to support a Kentucky-based call center for individuals seeking health insurance information through the **Kentucky Health Benefit Exchange**. Xerox currently employs more than 3,000 people in Lexington and nearly 5,000 statewide.

■ **Fan Outfitters**, a Lexington sports apparel chain that operates seven stores in Kentucky and Oklahoma, has been sold to Indianapolis-based **Lids Sports Group** for an undisclosed amount. The Fan Outfitters stores – located in Lexington; Louisville; Norman, Okla.; and Moore, Okla. – will retain all of their employees and will be branded as Fan Outfitters by Lids, with each store maintaining its local identity. Fan Outfitters co-founder Stephen Dawahare told *The Lexington Herald-Leader* that the business was doing well, but new regulations imposed by the Affordable Care Act were making it difficult to expand and that a larger company like Lids would be better positioned to grow the Fan Outfitters brand.

## LEXINGTON: KY SPIRIT HEALTH PLAN TO LAY OFF ITS ENTIRE 145-MEMBER STAFF

**A**FTER informing the Kentucky Cabinet of Health and Family Services last fall of its intent to terminate its **Medicaid** managed-care contract with the state, the **Kentucky Spirit Health Plan** will begin laying off its entire 145-member staff effective July 5.

Kentucky Spirit began providing Medicaid managed-care services for the state in November 2011, but less than a year later filed a lawsuit against the state, alleging it provided inaccurate cost information in its rush to privatize Medicaid management. The company says that as a result of the inaccuracies, it has encountered unsustainable financial losses, which were further compounded by new cabinet policies and initiatives.

As of last fall, Kentucky Spirit served 125,000 Medicaid recipients in 104 Kentucky counties. At that time, Health and Family Services Secretary Audrey Tayse Haynes said those enrolled in Kentucky Spirit would be moved to another managed-care organization.

## WINCHESTER: NEW \$8M TAICA PACKAGING MANUFACTURING PLANT WILL HIRE 30

**L**OCAL and state officials gathered on April 22 to celebrate the grand opening of **Taica Corp. of Japan's** new manufacturing facility in Winchester.

Taica Corp. is a 65-year-old company that manufactures shock-absorbing material and components, vibration-damping material and components, and heat-conductive materials, as well as a three-dimensional decoration technology called cubic printing and e-cubic, a process that uses specialized film to transfer printed patterns onto three-dimensional objects such as automotive parts, sports equipment and furniture.

Taica has invested more than \$8 million in the plant and plans to hire 30 full-time employees over the next several years.



Gov. Steve Beshear joined Taica Corp. President and COO Taito Suzuki and Elena Masterson of Taica Cubic Printing Kentucky for a ribbon-cutting ceremony to celebrate the Taica's new manufacturing facility in Winchester.

## STATE: NEW WEBSITE EXPLAINS HOW TO USE KY'S HEALTH BENEFIT EXCHANGE

**K**ENTUCKY has launched a website to provide information about the state's new health benefit exchange and help both individuals and small businesses determine if they are eligible for payment assistance or tax credits to help cover insurance costs.

Information on the newly formed health benefit exchange, called **Kentucky's Healthcare Connection**, can be accessed at [kynect.ky.gov](http://kynect.ky.gov).

Open enrollment for individuals seeking to purchase insurance through the exchange begins Oct. 1 and runs through March 31, 2014, with coverage beginning as soon as Jan. 1, 2014. Open enrollment for small businesses also begins Oct. 1, but businesses with fewer than 50 employees will be able to choose to enroll employees in plans offered through kynect at any point after that date.

Small businesses will be able to use **kynect** to enroll their employees in health plans, and businesses with fewer than 25 employees may qualify for tax credits by using kynect.



## PIKEVILLE: MEDICAL CENTER NOW MEMBER OF FAMED MAYO CLINIC CARE NETWORK



Mayo Clinic Southeast Medical Director Stephen Lange, M.D. (right) presents a special award to Pikeville Medical Center President and CEO Walter May at the press conference announcing that PMC would be joining the Mayo Clinic Care Network.

point-of-care information system and its electronic consulting process that connects physicians with Mayo Clinic specialists on questions of diagnosis, therapy or care management.

The network launched in 2011 and currently has member organizations in Arizona, Florida, Illinois, Kentucky, Michigan, Minnesota, Missouri, Montana, New Hampshire, North Dakota, Puerto Rico and Mexico.

PMC is currently undergoing a \$150 million expansion that will add an 11-story clinic and a 10-story parking facility. The 261-bed facility employs more than 2,300 people.

**T**HE Pikeville Medical Center (PMC) has become the newest member of the **Mayo Clinic Care Network**, an alliance that will enable patients in PMC's service area to gain the benefits of Mayo Clinic's knowledge and expertise without having the travel far from home.

As part of the network, PMC healthcare providers have access to Mayo Clinic resources, including its online

## BUSINESS BRIEFS

### LEXINGTON

■ Lexington-based **Fazoli's** has reached agreements with three new franchisees for six travel center units in Texas, Iowa and Colorado. In addition, two current operators plan to open travel center units in Indiana and Tennessee. Like the Lexington-based restaurant chains' two existing travel center units, the new ones will offer dine-in, carry-out and drive-through service and will carry the full menu of Italian entrée, sandwiches and salads. All of the new units are expected to open this year.

■ **Birtley**, Kentucky's first Chinese-owned manufacturing company, officially opened its new 67,500-s.f. facility in Lexington's Blue Grass Business Park in April. Birtley is a producer of coal equipment processing machinery used to refine coal into a cleaner and more efficient energy source. Birtley's parent company, Shandong Borun, has three manufacturing plants in China that produce machines used in coal preparation and mineral processing and devices used in the power, steel, cement and port industries. Birtley has invested approximately \$10 million in the Lexington project and plans to hire between 30 and 50 employees to staff the plant.

### LOUISVILLE

■ **Kindred Healthcare Inc.** has signed a definitive agreement to sell 17 healthcare facilities to **Vibra Healthcare LLC**, a Pennsylvania-based specialty hospital provider. The \$187 million transaction includes 15 transitional-care hospitals (licensed as long-term acute care hospitals), one inpatient rehabilitation facility and one skilled nursing facility, all of which are located outside of Louisville-based Kindred's 21 designated "integrated care markets." Kindred CEO Paul Diaz said the sale enables the company to sharpen its focus on the integrated care markets and provides further capital to expand the company's home health and hospice operations.



## The Obama Administration, Congress and the Future of U.S. Political Parties

featuring Washington insider

# DAVID GERGEN



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# FAST LANE

## BUSINESS BRIEFS

### LOUISVILLE

■ **Heaven Hill Distilleries'** new **Evan Williams Bourbon Experience** in downtown Louisville has been designated as the eighth stop on the popular **Kentucky Bourbon Trail**. The Bourbon Experience is a multimillion-dollar artisanal distillery and immersive tourism experience that is scheduled to open this fall. It will be the first Louisville site to be included on the Bourbon Trail.



■ Louisville-based insurance company **Neace Lukens** has completed its acquisition of **Buckley & Co.**, an independent insurance agency headquartered in Lexington. Formed in 1896, Buckley provides commercial insurance for small businesses; personal insurance; and life, health and employee benefits insurance. Buckley will merge with the existing Neace Lukens office in Lexington, bringing the total number of employees there to 40. The acquisition is the third this year for Neace Lukens, which has expanded significantly since becoming part of Florida-based **AssuredPartners Inc.** in September 2011 and currently has more than 150 licensed agents and 700-plus employees operating in 30 offices across 13 states.

■ Louisville-based healthcare company **Humana Inc.** is adding 500 telesales positions nationally to help meet the demand of its upcoming annual **Medicare** open enrollment period, which runs from Oct. 15 through Dec. 7. The new jobs will be located in Wisconsin, Florida, Arizona and Texas. Humana currently employs nearly 49,000 people nationwide, including its subsidiary companies. In Louisville, the company has about 11,000 employees.

■ **Snap-on Inc.**, a global manufacturer and marketer of tools, equipment, diagnostics, repair information and systems solutions, has acquired Louisville-based **Challenger Lifts Inc.** for \$38 million in cash. Challenger, which had 2012 sales of approximately \$45 million, designs, manufactures and distributes vehicle lifts and accessories for the automotive repair sector. Snap-on said the Challenger product line complements and increases its existing undercar equipment offerings and broadens the company's ability to serve vehicle repair facilities.



■ **Ford Motor Co.**'s Kentucky Truck Plant is one of 20 Ford facilities that will reduce its traditional two-week summer shutdown to one week in order to help meet increased product demand. The company plans to produce 40,000 more vehicles as a result of the shortened down time.

### MAYFIELD

■ **ACE Compressor Parts and Services Inc.** is investing \$1.1 million to expand its operations in Mayfield, where it provides repair, replacement parts and service for air compressors. The company, which was established in Mayfield in 2009, is purchasing land and equipment to meet an increased demand for business, and will be adding 10 full-time jobs to its current 10-member staff. Plans call for a 12,000-s.f. facility to be built in a new industrial park on Highway 45 in Mayfield.

### PADUCAH

■ **LATA Environmental Services of Kentucky** has filed notice with the state of its plans to lay off approximately 145 workers at the **Paducah Gaseous Diffusion Plant**, citing uncertainties in federal funding. U.S. Sens. Mitch McConnell and Rand Paul and U.S. Rep. Ed Whitfield issued a statement on the matter, saying it was "time for the Department of Energy to come up with a long-term plan that will maximize job retention and growth for the foreseeable future. We refuse to stand idly by while DOE runs out the clock on potential private-sector job investment that would create jobs here in Paducah." They also noted that they would "refuse any proposal to move the depleted uranium tails out of state, which would only transfer economic development that may result." Mark Duff, medication contractor and project manager for LATA Kentucky, told *The Paducah Sun* that if funding isn't approved, the layoffs will go into effect July 2.

## STATE: KENTUCKY TO EXPAND MEDICAID PROGRAM, ADD COVERAGE FOR 308,000

**C**ALLING it "the single most important decision in our lifetime for improving the health of Kentuckians," Gov. Steve Beshear announced on May 9 that Kentucky would be expanding **Medicaid**, adding 308,000 more Kentuckians to the federal health insurance program.



Medicaid currently provides healthcare for low-income or disabled citizens. After the **U.S. Supreme Court** upheld the federal Affordable Care Act last year, states were given the option to expand Medicaid eligibility to individuals who earn up to 138 percent of the Federal Poverty Level (FPL), with the guarantee that the federal government will cover the entire cost for the first three years.

"Our poor health has contributed to us being a poor state," Beshear said. "Improved health will help improve our education levels and job opportunities."

Beshear said that several months of internal analysis, as well as outside studies conducted by the University of Louisville and PricewaterhouseCoopers, determined that the expansion was a good deal for both families in need of healthcare coverage and the taxpayers.

The state says the expansion will create 17,000 new jobs and will have a \$15.6 billion economic impact on the state between fiscal year 2014 and the full implementation in FY 2021.

However, an analysis of data by *The (Louisville) Courier-Journal* indicates that the expansion may be undercut by the state's shortage of physicians, noting that "Kentucky counties that will see the largest portion of nonelderly residents become eligible for Medicaid often have fewer primary-care doctors per capita."

## BOWLING GREEN: KOBE EXPANDING AGAIN, \$66M INVESTMENT WILL ADD 100 JOBS

**K**OBE Aluminum Automotive Products broke ground in May for a new 87,000-s.f. building in Bowling Green, the company's second expansion there in recent months.

The expansion will create 100 new full-time jobs and represents a capital investment of up to \$66 million.

Last November, Kobe officials announced that the company would invest \$11 million in Bowling Green for the construction of a new 39,000-s.f. building.

Kobe Aluminum is a joint venture between **Kobe Steel Ltd.**, **Mitsui & Co. Ltd.** and **Toyota Tsusho Corp.** The company currently has more than 270 full-time employees in Bowling Green and has invested more than \$100 million there since opening its doors in 2005.

There are 11 Kobe Steel subsidiaries in the United States, but the Bowling Green location is the only U.S. facility to forge aluminum suspension products for the automotive industry. The new addition makes room for new furnaces, casting machines, forging presses and advanced presses used to meet increasing demand for high-quality precision aluminum components for the automobile industry.



## HENDERSON: GIBBS DIE CASTING HQ WILL ADD 160 JOBS WITH \$22.8M EXPANSION

**G**IBBS Die Casting is expanding operations at its world headquarters in Henderson, adding 160 jobs and investing more than \$22.8 million.

Established in 1965 by Bob and Nick Gibbs, the company has been owned by **Koch Enterprises Inc.** since 1969 and has grown into one of the world's largest die-casting companies.

Gibbs operates seven factories for aluminum and magnesium casting, machining, assembly and die building, with a total of more than 1.2 million s.f. of floor space.

The company's Henderson campus has a staff of more than 560 and is home to three casting plants, housing a total of 25 presses. Its machining and tool and die division are also located in Henderson. In addition to current die-casting production, the expansion project includes new manufacturing lines for eight-speed transmission parts and rear axles for the automotive industry.

Gibbs also operates factories in Hungary, Brazil and China.

To encourage the investment and job growth in Henderson, the Kentucky Economic Development Finance Authority preliminarily approved the company for tax incentives up to \$3 million through the Kentucky Business Investment program. The performance-based incentive allows a company to keep a portion of its investment over the term of the agreement through corporate income tax credits and wage assessments by meeting job and investment targets.

## BUSINESS BRIEFS

### RICHMOND

■ **Battelle National Inc.**, one of the world's largest nonprofit research and development organizations, has been awarded a \$76 million contract to support the final phases of the **Blue Grass Chemical Agent – Destruction Pilot Plant** in Richmond, which is being built to handle the destruction of more than 500 tons of munitions containing blister agents and chemical nerve agents. Battelle has been part of similar demilitarization operations in Alabama, Colorado, Maryland and Utah. The only remaining stockpiles of chemical weapons in the U.S. inventory are located at the **Pueblo Chemical Army Depot** and **Blue Grass Army Depot**. The five-year contract at Blue Grass will create 150 jobs.

### SHELBYVILLE

■ Japanese-owned automotive supplier **Nifco America Corp.** has added 73,000 s.f. to its existing 115,000-s.f. facility in Shelbyville and purchased new state-of-the-art injection molding equipment to meet increased demand from its key customer, **Toyota Motor Corp.** The expansion will add 100 new jobs by the end of 2013, bringing the company's total Shelbyville employment to approximately 200.

### WARSAW

■ Automotive supplier **Dorman Products Inc.** is investing \$6.5 million to expand its facility in Warsaw to meet increased demand for the company's products. Dorman is a leading supplier of automotive replacement parts, hardware and brake products to the aftermarket and mass merchandise markets. The company currently employs a staff of 300 in Warsaw and anticipates adding 80 more jobs as a result of the expansion project.

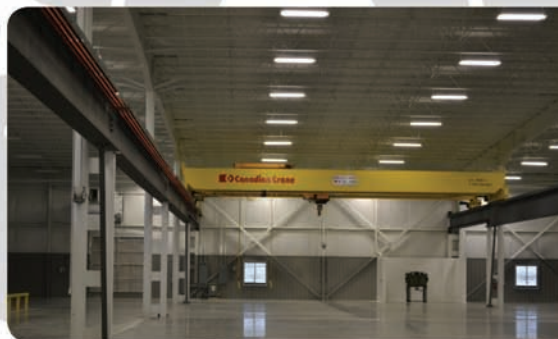


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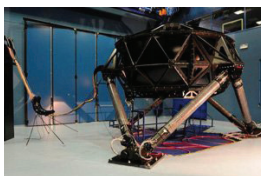
Contact Jim DeCesare at Alliance Corporation today for more information at **270.651.8848**.



# INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

## BUSINESS BRIEFS



Dallara photo

### INDIANA

■ The **Indiana Economic Development Corp.** is investing \$1.15 million in the motorsports engineering program at the **Purdue School of Engineering and Technology** at **Indiana University-Purdue University, Indianapolis** (IUPUI) to develop a partnership with

Italian chassis manufacturer **Dallara** to conduct basic and applied research involving dynamic vehicle simulation. State officials say the project will advance motorsports engineering techniques and motorsports-related economic development opportunities for Indiana.

■ Cloud-based phone service provider **Fathom Voice** is investing more than \$4 million to expand its Indianapolis headquarters. The expansion will create up to 183 new jobs by 2017.

### OHIO

■ **Western & Southern Life**, a Cincinnati company that dates back to 1888, has launched an aggressive recruiting initiative aimed at hiring more than 1,100 financial representatives this year. The company has 182 offices across the nation that offer life insurance, annuities, investments and retirement strategies. "This is one of the largest recruiting drives we've ever embarked on as a company," said **W&S Agency Group** President Anthony M. Garcia, who credits a new business model with creating the opportunity for increasing national growth. "We are definitely in growth mode and have the infrastructure in place to make this happen."

### TENNESSEE

■ **Mitsubishi Electric Power Products Inc.** has opened a \$200 million transformer factory on nearly 100 acres in Memphis. The 350,000-s.f. plant represents the company's largest single investment in the United States



and is capable of producing the largest power transformers in the world, with voltage levels exceeding 765 kV – the highest system voltage used in North America for efficiently transmitting electric power. The plant has started production with 65 new employees and is expected to reach approximately 275 at full production. At full capacity, Mitsubishi Electric's new factory will produce more than one large transformer each week.

■ **Goodman Manufacturing**, an air conditioning and heating equipment manufacturer, is expanding its plant in Dayton, Tenn., to meet an increased demand for its products. The \$2 million expansion will create 200 new jobs.



■ **Alcoa** has announced plans to expand its rolling mill in Alcoa, Tenn., to meet a growing demand for light, durable and recyclable aluminum sheet for automotive production. The expansion represents a \$275 million investment over the next three years and will add 200 permanent full-time jobs, as well as 400 jobs during the construction phase. When complete, the plant will be a key supplier to both the packaging and automotive markets, with much of the volume for the automotive expansion already secured under long-term supply agreements.

■ **NHK Seating of America Inc.** has launched a \$6.8 million expansion of its manufacturing plant in Murfreesboro, Tenn., that will add a robotic weld cell using robots to produce automotive seat structures. The expansion will create 94 new jobs, more than doubling the plant's existing workforce.

■ **The Oreck Corp.**, a Nashville-based manufacturer and marketer of vacuum cleaners and air purification products, has announced that it is consolidating its assets and restructuring its financing under Chapter 11 of the bankruptcy code in order to accommodate a sale as an ongoing business. Oreck officials said the move would enable the privately owned company to sell the business while continuing day-to-day operations without interruption. The company employs 70 people at its Nashville headquarters and approximately 250 at its manufacturing facility and call center in Cookeville, Tenn.

## INDIANA: SUBARU INVESTING \$400M TO EXPAND PRODUCTION OF IMPREZA

**S**UBARU of Indiana Automotive (SIA) is investing upwards of \$400 million to expand its operations in Lafayette, Ind., to accommodate production of the Subaru **Impreza**.

The expansion will create up to 900 new jobs by the end of 2016. The SIA plant currently employs more than 3,600 at the Lafayette campus, 600 of whom have been added in the last four years.

The project will involve expanding the plant's production capacity by approximately 100,000 vehicles annually and adding more than 500,000 s.f. to the company's existing plant. The project will also include the installation of new equipment, primarily in the paint and body assembly sections, as well as changes to improve overall process flow. Construction is slated to begin this fall and is expected to be complete by the end of 2016.

The expansion marks SIA's second major expansion in Lafayette in less than a year. In May 2012, the company announced plans to invest \$75 million to increase SIA's Subaru capacity from 156,000 to 180,000 units annually with no overtime, creating up to 100 new jobs by 2014. As part of that expansion, the company is in the midst of adding 52,000 s.f. to SIA's body-assembly section.

Subaru models currently being produced at the Lafayette plant include the **Outback**, **Legacy** and **Tribeca**. The **Impreza** is currently built only in Japan.



The Subaru Impreza is currently produced only in Japan. Adding production of the Impreza at the company's Indiana plant will create 900 new jobs.

## OHIO: ACURA BUILDING \$70 MILLION PLANT TO PRODUCE NX'S 'SUPER CAR'



Marysville, Ohio, has been selected as the site for a new advanced manufacturing plant that will produce the Acura NSX.

**A**CURA has announced that its all-new **NSX** "super car" will be produced at a new \$70 million "performance manufacturing center" in Marysville, Ohio.

The site for the 184,000-s.f. advanced production facility, which will be **Honda's** third auto plant in Ohio, is only a few miles from the **Honda R&D Americas Inc. Ohio Center** that is engineering the NSX for production and adjacent to **Honda of America**

**Manufacturing's** Marysville Auto Plant.

Honda currently produces Honda **Accords**, **CR-Vs** and **Crosstours**, as well as Acura **TL** sedans and **RDX** SUVs in Ohio and employs more than 13,000 workers in the Buckeye State.

The new performance manufacturing center will also be close to **Honda Engineering North America Inc.**, the center for the development of new production technologies, and will employ approximately 100 highly skilled manufacturing associates drawn from within Honda's existing operations in Ohio.

Associates at Honda's engine plant in Anna, Ohio, will assemble the NSX powertrain.

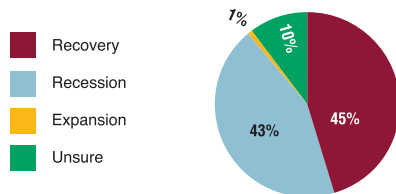


## RECOVERY OR LINGERING RECESSION?

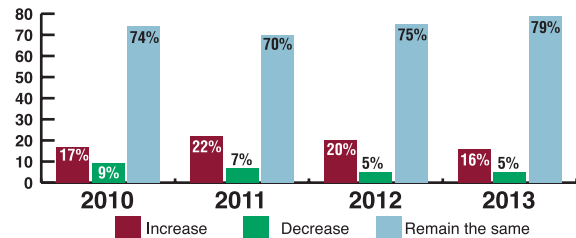
### Small-business owners mixed on state of 2013 economy

Small-business owners – generally considered the backbone of the U.S. economy – are divided about whether the nation remains mired in a drawn-out recession or is on the road to recovery. The 2013 U.S. Bank Small Business Annual Survey polled 3,210 small businesses in 25 states with \$10 million or less in annual revenue and asked the following questions:

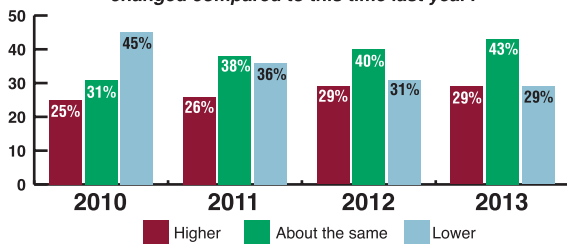
Do you believe the U.S. economy is in a...



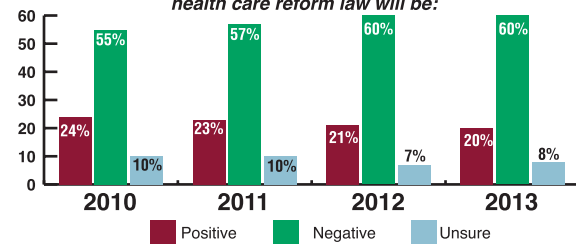
Over the next 12 months, do you expect to increase or decrease the total number of people working for you?



How has revenue for your business changed compared to this time last year?

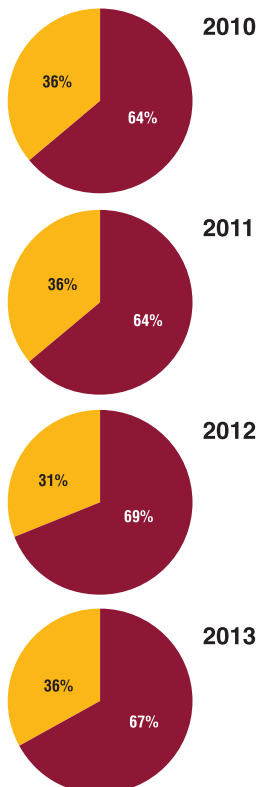


In the long run, do you believe the national health care reform law will be:



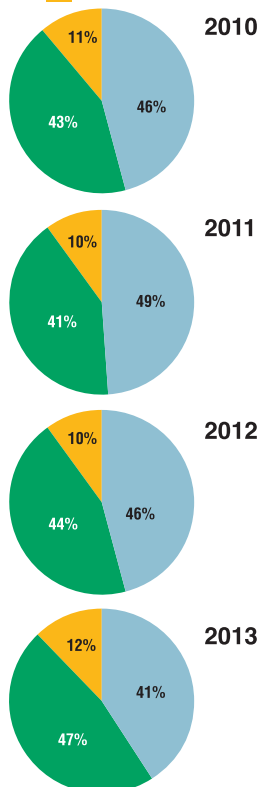
How would you describe the financial health of your business?

Good, Very Good or Excellent Recession  
Fair to poor



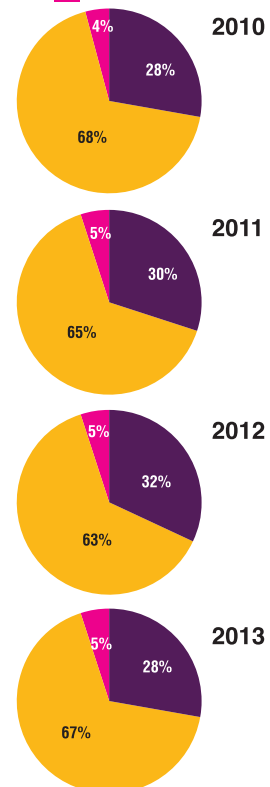
At this same time next year, do you expect your revenues to be...

Higher  
About the same  
Lower



How likely are you to make capital expenditures to expand your business in the next year?

Likely  
Unlikely  
Unsure



Source: U.S. Bancorp

# CORPORATE MOVES

*New leadership for Kentucky businesses*

## BANKING

■ **Joseph C. Seiler** has been named executive vice president and head of commercial banking for Louisville-based PBI Bank. Seiler comes to the position from PNC Bank, where he was executive vice president of the asset resolution team.

■ Community Trust Bancorp Inc. has named **Kevin J. Stumbo** as chief financial officer. **Penny Nichols** has been named senior vice president and controller for the Pikeville-based company.



*Kevin J. Stumbo*



*Penny Nichols*

■ **Mike Damron** has been promoted to market assistant vice president for Community Trust Bank Inc., a wholly owned subsidiary of Community Trust Bancorp Inc. **Donna Angel** has been promoted to vice president of the bank's Richmond market. **Deanna L. Wellman** has been promoted to assistant vice president for the Tug Valley market.



*Mike Damron*



*Deanna L. Wellman*

■ **Nikki Warford** has been named assistant vice president for Community Trust and Investment Co., a wholly owned subsidiary of Community Trust Bancorp Inc. **Ryan M. Gray** has been promoted to assistant vice president with the company.



*Nikki Warford*

■ **Clark Nyberg**, who recently retired as director of wealth management for Paris-based Kentucky Bank, will remain with the bank as director of portfolio management for the bank's trust department. **Jim Elliott** has been named president of the bank's Fayette market.



*Jim Elliott*

■ **Marnie Daniels** has joined PNC Wealth Management's Lexington office as assistant vice president and relationship manager.



*Marnie Daniels*

## EDUCATION

■ **Christine Riordan** has been appointed as provost at the University of Kentucky. Riordan comes to the position from the University of Denver, where she was dean of the Daniels College of Business.



*Christine Riordan*

■ **Toni M. Ganzel** has been named dean of the University of Louisville School of Medicine.



*Toni M. Ganzel*

■ **Urton Anderson** has been named director of the Von Allmen School of Accountancy, part of the University of Kentucky's Gatton College of Business and Economics.



*Urton Anderson*

■ **F. Lynn Moore** has been appointed president of Southeast Kentucky Community and Technical College. Moore has served as the vice president for student development at Umpqua Community College in Roseburg, Ore., since 2008.



*Patrick Lee Lucas*

■ **Patrick Lee Lucas** has been named director of the School of Interior Design at the University of Kentucky College of Design.

■ **David Armstrong** has been elected president of Thomas More College. Armstrong, who previously served as vice president and general counsel for Notre Dame College in Ohio, succeeds **Sister Margaret Stallmeyer**, who is retiring at the end of June.

■ **Laura Armesto** has been named vice president of academic affairs and provost for Midway College. Armesto most recently served as vice president for academic affairs and dean of the faculty at Chatham University in Pittsburgh.

■ **David Johns** has been named vice president for academic affairs for Union College. Johns comes to Union from Earlham School of Religion in Richmond, Ind., where he served as associate professor of theology.

■ **Joseph (Jay) Morgan** has been named to serve as provost at Murray State University.

## FOOD SERVICE/HOSPITALITY

■ **Marie Zhang** has been named chief food innovation officer for Long John Silver's, a Louisville-based quick-service seafood restaurant chain.

■ 21c Museum Hotels has appointed **Craig Pishotti** to the position of vice president of hotel operations.

## GOVERNMENT

■ **Zachary Combs Weinberg** has been appointed as Knott County judge-executive.

■ **Thomas G. Floyd** has been named to the newly created position of chief of staff at the Kentucky Department of Education. Floyd has served as superintendent of the Madison County school district since 2008.

■ **Bob Stewart** has been appointed as secretary of Kentucky's tourism, arts and heritage cabinet. Stewart succeeds **Marcheta Sparrow**, who retired on June 1.

## DEPARTURES

■ **Andrew R. Clark**, chief executive officer of the Hagyard Equine Medical Institute in Lexington, has been named as the new chief executive officer of Wisconsin-based Equine Best Practices LLC.



*Andrew R. Clark*

■ **Joe West** has been named director of the ranger division for Kentucky State Parks.

## HEALTHCARE

■ **Roy A. Beveridge** has been appointed senior vice president and chief medical officer for Louisville-based Humana Inc.

■ **Stephen R. Cunanan** has been appointed to the newly created position of chief people officer for Louisville-based Kindred Healthcare.

■ **John Burich** has been appointed vice president of strategy and business development for Passport Health Plan, a Louisville-based non-profit Medicaid healthcare plan that serves 16 Kentucky counties.



*John Burich*

## MEDIA

■ **Brendan McCarthy** has been named managing editor of the Kentucky Center for Investigative Reporting, a newly established subsidiary of Louisville Public Media.



*Brendan McCarthy*

## NONPROFIT

■ Former U.S. Congressman **Ben Chandler** has been named executive director of the Kentucky Humanities Council Inc., a Lexington-based nonprofit organization that is affiliated with the National Endowment for the Humanities.



*Ben Chandler*

## OTHER

■ The Kentucky State Fair Board has named **Amanda Stormont** as chief of staff. She will continue in her role as vice president of public relations and media.



*Amanda Stormont*

■ **Tendai Charasika** has been named executive director of Greater Louisville Inc.'s Enterprise Corp. Charasika succeeds **Bobby Ferreri**, who has left the organization to start a new law firm that will specialize in small business.



*Bill Schutters*

■ Kentucky Highlands Investment Corp. has named **Bill Schutters** as director of its business accelerator.



# ON THE BOARDS

Kentuckians named to organizational leadership roles

## AMERICAN BAR ASSOCIATION

■ **Mark F. Sommer** has been appointed vice chair of the state and local taxes committee for the American Bar Association Section of Taxation. Sommer is an attorney with Frost Brown Todd's regional, state and local tax and incentive group in Louisville.



Mark F. Sommer

## AMERICAN SOCIETY OF RETINA SPECIALISTS

■ **Dr. Thomas Stone**, partner and retina specialist with Retina Associates of Kentucky in Lexington, has been named the 2013 editor of the Preferences and Trends Survey of the American Society of Retina Specialists.



Thomas Stone

## ASHLAND COMMUNITY AND TECHNICAL COLLEGE

■ **Leigh Gross Latherow** has been appointed to the board of directors of Ashland Community and Technical College. Latherow, of Ashland, is an attorney at VanAntwerp, Monge, Jones, Edwards & McCann LLP.

## ASSOCIATION OF RACING COMMISSIONERS INTERNATIONAL

■ Kentucky Horse Racing Commission Executive Director **John T. Ward** has been named chairman-elect of the Association of Racing Commissioners International.

## CIRCUIT JUDGES EDUCATION COMMITTEE

■ Circuit Court Judge **David A. Tapp**, who serves Lincoln, Pulaski and Rockcastle counties, has been appointed chairman of the Circuit Judges Education Committee.

## CONFERENCE OF STATE BANK SUPERVISORS

■ **Charles Vice**, commissioner of the Kentucky Department of Financial Institutions,

has been named chairman of the Conference of State Bank Supervisors.

## FEDERAL RESERVE BANK OF ST. LOUIS

■ The Federal Reserve Bank of Louisville has announced the following changes to its Louisville Branch board of directors: **Jon A. Lawson**, president, CEO and chairman of Bank of Ohio County in Beaver Dam, has been reappointed to a three-year term on the board. Chairman of the Louisville branch board is **Gerald R. Martin**, vice president and managing member of River Hill Capital LLC in Louisville. Also serving on the board are **Malcolm Bryant**, president of The Malcolm Bryant Corp. in Owensboro; **David P. Heintzman**, chairman and CEO of Stock Yard Bank & Trust Co. in Louisville; **Gary A. Ransdell**, president of Western Kentucky University in Bowling Green; and **Kevin Shurn**, president and owner of Superior Maintenance Co. in Elizabethtown.

## GARDEN CLUB OF KENTUCKY

■ **Joanna Dunlap Kirby**, of Lancaster, has been named president of the Garden Club of Kentucky Inc. Kirby will represent Kentucky on the National Garden Club board.



Joanna Dunlap Kirby

## INTERNATIONAL WAREHOUSE LOGISTICS ASSOCIATION

■ **Paul Verst**, president and CEO of Walton-based Verst Group Logistics, has been named chairman of the International Warehouse Logistics Association for 2013-2014.

## JEFFERSON COMMUNITY AND TECHNICAL COLLEGE

■ **James L. Lancaster** and **Mary S. Moseley** have been named to the board of directors of the Jefferson Community and Technical College. Lancaster, of Glenview, is CEO of Lantech.com LLC. Moseley, of Louisville, is the owner of Al J. Schneider Co.

## KENTUCKY BOARD OF NURSING

■ **Dina Byers**, of Hardin, has been appointed to the Kentucky Board of Nursing. Byers is an assistant professor at Murray State University.

## KENTUCKY GRAPE AND WINE COUNCIL

■ **Patsy E. Wilson**, **Ann B. McBrayer** and **Ann E. Karsner** have been appointed to the Kentucky Grape and Wine Council. Wilson, of Lexington, is an extension specialist of viticulture at the University of Kentucky. McBrayer, also of Lexington, is president of Kentucky Eagle Inc. Karsner, of Willisburg, is vice president of Horse Bend Vineyards.

## KENTUCKY WORKFORCE INVESTMENT BOARD

■ Gov. Steve Beshear has appointed **Roxann Fry**, **Srini Matam** and Sens. **Jimmy Higdson** and **Paul Hornback** to the Kentucky Workforce Investment Board. Fry, of Bowling Green, is a senior economic development consultant for the Tennessee Valley Authority. Matam, of Lexington, is general manager at Toyota Motor Engineering and Manufacturing North America.

## PARK COMMUNITY FEDERAL CREDIT UNION

■ **Mark A. Loyd** has been elected as chair of the board of directors for Louisville-based Park Community Federal Credit Union. Loyd is a partner with the law firm of Bingham, Greenebaum Doll LLP.

## PEOPLES EXCHANGE BANK

■ **David Roberts**, **James (Jimmy) Richardson** and **John Lankford** have joined the advisory board of directors of Peoples Exchange Bank in Georgetown. Roberts has been a banker in Scott County since 1978, serving as president of First National Bank, Citizens Bank and Town & Country Bank and Trust Co. Richardson is a retired field superintendent with 38 years of service with Kentucky Utilities Co. Lankford is an attorney with the private firm of Lankford & Lankford.

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# LANE ONE-ON-ONE

Kentucky's leaders express their opinions



## Stephen A. Williams

Stephen A. Williams joined Norton Healthcare in 1977 and has served as president and CEO since 1993, leading Norton through substantial growth to become the region's third largest employer with nearly 12,000 employees, five outpatient centers, 12 immediate care centers, nearly 600 employed medical providers and more than 2,000 physicians, in addition to regional affiliates throughout Kentucky and Southern Indiana. Williams has been recognized as a national leader in healthcare quality measurement, reporting and improvement processes as an organizational strategy. He has also chaired the boards of the Kentucky Hospital Association, Louisville's Metro United Way and KentuckianaWorks, co-chaired Greater Louisville Inc. and served on the board of the American Hospital Association, among numerous other organizations. A native of Lola, Ky., Williams earned a bachelor's degree in business administration from Murray State University and a master's degree in healthcare administration from the University of Minnesota.

## 'AS NORTON'S LONG-TERM STRATEGY, QUALITY IS ABSOLUTELY NO. 1'

Norton Healthcare CEO Stephen Williams says Louisville's largest provider is ahead of the curve as national model changes

BY ED LANE

**Ed Lane:** You joined Norton Healthcare in 1977 and were named CEO in 1993. Over the two decades you have served as chief executive, what are the most significant events you have had to manage for Norton Healthcare?

**Stephen Williams:** Norton Healthcare had a board meeting a couple weeks ago—we had a little ceremony dedicating the new board room upstairs – and Wade Mountz, our president emeritus, was here. He came to this organization in 1950, the year I was born, and became the administrator of the hospital in 1958. We got to figuring the organization has had four CEOs in the last 55 years, and Wade and I count for 49 of those years.

Norton's board and executive management has always done a good job of long-range strategic planning. Norton is very mission- and community-values focused, looking to see what is it we need to be doing more of, or better, to make sure that our original mission continues.

Clearly in the last 25 years, the single most significant event strategically for Norton was when it doubled in size overnight in 1998 through the purchase of Columbia HCA Hospitals in Louisville, which were originally Humana Hospitals.

Prior to that merger, Norton had two hospitals (Children's Hospital and Nor-

ton Hospital). Both were tertiary level hospitals – totally dependent upon referrals from other places in the city and the region. They were relatively high cost, being academic hospitals. Children's was the teaching hospital for UofL; Norton had several academic programs with UofL and others.

Norton intentionally and very thoughtfully went from a comfortable black bottom line to a very red one, because our board really felt it was the right thing to bring those community hospitals back into local ownership and control. Norton invested a lot of capital getting them back in shape operationally. The hospitals were losing money when we bought them, and we increased their negative bottom line with our initial investments. There were those who called me and our board insane at the time, but the acquisition clearly was a strategic pivotal point for Norton Healthcare and for healthcare in our community.

When I joined Norton in 1977, I was Wade Mountz's assistant. He was the executive vice president at the time and later became president. I wanted to learn a lot more about the healthcare industry, so serving as basically his chief of staff was an exceptional professional learning experience.

Jim Petersdorf, who was Norton's executive vice president for 20 years, became president when Wade retired. Three months later, Jim and I were on a trip and he dropped dead of a heart attack. He had a passion for quality improvement. He was a big reader – about other industries – J&J, Hewlett Packard, IBM, McDonald's and GE. These companies were looking for continuous quality improvement. The zero-error concept – if you don't make errors in the assembly line, then you don't have warranty costs to fix it later. It's better and even less expensive to do it right the first time.

Jim was convinced, as I was, that healthcare could learn from other companies about continuous quality improvement: the way they measured, improved and reported quality, and the direct correlation between quality and cost if you did it right the first time.

Jim, while he was executive VP, asked me to head up a small administrative R&D team. Like other hospitals, Norton was doing quality assurance the old-fashioned way with chart audits, which was a very slow and retrospective process.

I spent a year heading up a team researching quality improvement. Companies opened their arms to us because healthcare was one of their biggest costs. The bottom line is, Norton developed a quality agenda in late 1985 or early 1986. It was groundbreaking in healthcare at the time, and we were then advancing quality concepts that now the entire industry is embracing.

In 1985, if you reviewed clinical protocols and decided – based on the zero-error concept – what was the best practice and made it the standard practice, the naysayers would say, "That's cookbook medicine and takes away a practitioner's ability to use individual judgments."

The entire industry is now moving very rapidly toward clinical guidelines. If it's proven that a clinical procedure delivers the best outcome and it's also the most efficient, then it's what you ought to be doing unless you make a clinical judgment and defend it as to why to make an exception. Norton has made and sustained, beginning in the mid-'80s, that commitment to clinical quality and efficiency. It is the reason people want work here, whether it be a physician, a business executive, a nurse or whatever. Lord knows we still step on landmines, we still make mistakes, but as Norton's long-term strategy, quality is absolutely No. 1.

**EL:** Do quality reports not only motivate your staff and personnel to strive for higher quality but also endorse Norton's efforts as a healthcare provider to provide the very best medical services?



**SW:** Absolutely. It was a fairly bold move when Norton made the decision in the boardroom to publish all of its quality indicators. The biggest problem with the measurements from the mid-'80s until the early 2000s was not the commitment to do so but the lack of information systems that would deliver good data on a timely basis.

We consider hospitals to be community assets. Norton is the fiduciary steward, but the community owns the facilities. We serve the community and need to be giving the reports. Norton publishes its financial reports in good and bad years; it needed to also be doing that on quality reports. From a philosophical standpoint, it's the right thing to do. But it was pretty gutsy. Our new frontier is determining how Norton compares with best practice rather than just a state or national average. We are setting the bar even higher, which is good.

Norton has grown in numbers of quality indicators. Starting with less than 100, Norton now reports over 600. As you know, the federal government now is embracing certain metric indicators and basing payment on it. A provider is getting either the carrot, meaning more money, or the stick, meaning a penalty, based upon certain scores for clinical quality, efficiency and service.

**EL:** As the CEO, do you feel it's your No. 1 responsibility to set the quality standards and to keep your staff focused on quality?

**SW:** Absolutely. If you're a nurse, physician, manager or hospital president in a system of other hospitals – whatever your hat is – there should be clarity about the scorecard. Clinical quality, service quality and financial efficiency should be measured.

**EL:** Does good performance at Norton earn bonuses?

**SW:** The answer is always yes. Quality is a big chunk of it. In many cases, it may be more than half. Norton has about 2,000 physicians on staff. Quality and service are very much a part of their evaluations and are tied to compensation as well.

It's relatively easy to focus on quality for two or three years. It's really hard to build and make sure it's sustained, because managers, doctors and executives come and go. Quality has to be built into the operational structure.

**EL:** How will new ACA (Affordable Care Act) regulations and taxes affect Norton?

**SW:** Adapting to the financial and regulatory changes over the last two or three decades has been a complex process. The financing system for American healthcare is fundamentally dysfunctional.

It has to change. Am I an advocate of everything that's in the Affordable Care Act? I assure you, I'm not. But the absolute necessity for financial change is there, and most anybody in healthcare in the last 20 or 30 years would subscribe, I think, to that notion.

When the ACA was first passed, it contained about 1,800 pages. I heard from many sources that the bill had the words, "the Secretary shall promulgate regulations to do X, Y, or Z," more than 1,000

times. The ACA legislation was actually the combination of a bunch of different bills into one and was passed pretty hurriedly. A lot of the criticism the ACA received in 2010 was that it hadn't been sorted out and would have to be done by regulations and legislation over a number of years. That's still the case. There's still a lot of sorting out being done and enabling regulations being decided.

I would give the ACA a very mixed grade with the huge numbers of things



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that it tries to address. You have to remember the ACA started out as insurance reform but morphed into a lot more than that. As I said a moment ago, the current financing system of American healthcare is dysfunctional. That's what has to change, and there is an element of ACA that pushes in that direction, which is a good thing.

**EL: What impact will the ACA have on the future development and growth of Norton Healthcare?**

**SW:** We don't anticipate that we're going to have to sacrifice any of the things we've been committed to. We will build on them, but we will need to do more and different things to prepare for the future. A quick and easy example, although it's anything but quick and easy to do, is the issue of electronic medical records (EMR) and the whole subject of information systems.

The push toward EMR is in the ACA and is a good thing. The industry itself has not made that happen. If you look at some other industries, the easiest example to use is barcodes in grocery stores. The industry did that itself. Once the technology became available, then it became an industry standard pretty quickly. That's not happened in healthcare.

Norton made the commitment three years ago to put in EMR. We're putting in what is now considered to be the best practice in the industry – it's about a \$60 million capital investment and about a \$200 million investment in operating expenses to implement it. That system allows any of our facilities – every hospital, outpatient and doctor's office, anything in the system – to talk with each other instantaneously.

**EL: Norton has entered into an agreement with UK HealthCare. What is the scope of this relationship?**

**SW:** Mike Karpf (executive vice president for health affairs at the University of Kentucky) and I see our organizations' relationship in terms of where we both believe healthcare is going. Norton works very closely with UK relative to adult services and developing a regional relationship that would be statewide and beyond. It's simply finding ways in which we can work together to not only provide better clinical care but also to coordinate the care.

We get paid by the volume now, so that means everybody wants more market share, which is defined now by admissions, total discharges, total outpatient visits, whatever. When the majority of Norton's revenue as a healthcare system starts coming in for being responsible for the healthcare for a stated population – that's where you get into the new term "population health." Norton might have

a contract with Medicare, a health exchange, a corporation or an insurance company to provide healthcare for a fixed monthly cost per person.

Currently, Norton's incentive financially-speaking is more volume and heavier duty – the volume that pays the most. But if I'm getting paid X dollars to keep you healthy, then I want to keep you out of a bed, not in a bed. I want to keep you as healthy as possible. I will be very careful to make sure you get to your primary care doc, that you get your flu vaccines and so on. If you do need care, I want to get you to the best place quickly and get it fixed, because if I don't get it fixed, it's going to ultimately cost more. I'm then incentivized to improve the overall health status of that population. That's a different financial incentive than what we now have nationally.



**EL: Is Norton partnering with other hospitals?**

**SW:** Norton has a partnership with LifePoint for small hospitals. In our joint venture in southern Indiana, LifePoint manages the facility and Norton is the clinical partner. We have a similar relationship with Alliant Management, which manages a number of hospitals in Kentucky, Indiana and Illinois.

Probably the most significant of Norton's relationships are the pediatrics and adult oncology teaching programs at UofL and the UK relationship over the last two years. UK and Norton are doing things that are complementary to each other. Our partnership will grow as there is opportunity for it to grow.

**EL: How do you rate Greg Fischer's performance during his first term as Louisville mayor?**

**SW:** Greg's done a great job. He's very committed. He's very passionate about some goals he has for metro Louisville. He's brought a perspective to the office from his experience in business and entrepreneurship that has been very healthy for the city. He looks at things from a strategic as well as a business plan standpoint. If we want to go in this direction, what resources do we need to put in place and how do we organize to do it?

**EL: Greater Louisville Inc. has been operating as a unified economic development entity for about 15 years. From your perspective, how successful has GLI been in recruiting new business development to metro Louisville?**

**SW:** My comment would be less about the past and more about where it goes from here. It's extremely important for GLI to now say what it wants to be, to achieve, and what its role will be going forward. GLI has new leadership with CEO Craig Richards. He's very appropriately beginning a strategic planning process that's going to be very inclusive of various constituencies in the community. GLI's executive committee and officers are committed to that as well, to doing a good strategic plan, doing a lot of listening, talking with both city and state government, and really developing. I would say, an almost zero-based strategic business plan. That does not mean GLI has been doing the wrong things. It just means taking a fresh look at GLI's mission, what does it want to accomplish, both short and long term, and how does it get there?

**EL: How would you rate Louisville's metro government during its first decade?**

**SW:** The merger was absolutely the right thing to do. The city has definitely benefitted from it. Having one executive branch instead of a mayor and a judge-executive, and one legislative body has been the right thing. The debate of policy has not been sacrificed. There was concern at the time that merging two governments into one would eliminate the environment needed to get all the different points of view vetted. The merger has allowed for streamlined decision-making and the more efficient utilization of resources.

**EL: How well have UofL and President James Ramsey performed in helping boost Louisville's economy?**

**SW:** The University of Louisville is a tremendous organization that has been very much a part of Louisville's growth and success in many respects. It will continue to be an incredibly important part of Louisville's future as we go forward. Particularly in developing the workforce needed for the 21st-century economic development. I'm one who believes that regardless of what industry you're talking about, workforce is absolutely the key cornerstone. Money buys facilities and technology. As a nation, America has to push itself more on R&D relative to technology. The United States has always been the international leader, but that may be in some jeopardy over the next 20 years. The issue of workforce is key to any community, and UofL, while not the sole player, is probably the most significant or the largest player, by number of students and programs offered. UofL is going to continue to be an extremely important part of the community's success going forward – as an economic driver, academic driver, a point of pride in the community, and for being successful in a lot of areas and creating new opportunities.



**EL:** Russell F. Cox was recently named president and COO of Norton Healthcare. You and Russ have worked together for a long time.

**SW:** I brought Russ on about 12 years ago. He's grown tremendously in his talents. He clearly shares the passion and the values of the organization. Our announcement recently relative to him being president and COO was a decision made actually well over a year ago. It really involves a couple of things. One is, with as many things as we've got going on internally and with a lot of external organizations, it's important for both constituencies to be assured that there is going to be continuity in the organization.

Norton is the third largest employer and is a very large, complex organization. Norton Healthcare takes care of almost half of all the folks in Louisville, with a 48 percent market share. We have a lot of folks counting on our organization: 2,000 doctors, 12,000 employees and a lot of partners out there, so it's important that all of those constituencies understand there's going to be stability and continuity. It's also important that the organization make the commitment to Russ and he to the organization. Russ is firmly committed to this organization for the long haul.

There's no timeline. I'm going to be

around for a while – probably several years. Russ has given me a fairly long list of things that I've got to get accomplished before he'll let me go, but his office is right there. We work in tandem. We do have a heavy agenda. His promotion helps clarify that we both are involved in all key decisions. He works predominantly internally. I do most of the external stuff, but there's crossover, and there's very few days that go by that we don't talk before the end of the day.

**EL:** Do you have a closing comment?

**SW:** The American public is rightfully very frustrated with healthcare. There's recognition by most that to get the best healthcare on the planet, you don't go to some other country. The best healthcare is available right here in America, but the system doesn't work well. It's too expensive. There are access issues. Folks are going to hospital emergency rooms to get primary care. We all know intuitively that's inefficient, so there's great frustration on many levels about the system. Fundamentally we do have the best – we set the standard for quality – but we have a lot of things that need to be fixed.

For the first time in my 40 years in healthcare administration, there's

acknowledgement that the healthcare system has to change, so I'm very encouraged. That doesn't mean that anybody on the provider side necessarily agrees with all the ways in which it's being done or financed, but I am very encouraged that we have a different circumstance now. We have different technology, information systems being the best example. We have a workforce that is hitting the ground running. The young folks coming out of the schools these days, they want to be part of the team. I think it will take at least the rest of the decade to begin to turn the ship. But I think it will turn. I couldn't say that 15 years ago, but I think it will turn, and I think it will turn for the better.

America's healthcare system is closer to not only having the best quality but also achieving good value. Right now, quality healthcare doesn't get to everybody. When we have a different model, the health status of the population will increase. The cost will not be as disproportionate. That's what I want to live to see. ■



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## AUTO MANUFACTURING



Akio Toyoda, president of Toyota Motor Co., announces that Toyota Motor Manufacturing Kentucky (TMMK) in Georgetown will begin producing the Lexus ES 350 beginning in 2015. Toyota chose Kentucky because of its "successful 25-year partnership with the state," Toyoda said during a press conference in New York that coincided with a simultaneous conference at the Georgetown plant. TMMK was Toyota's first stand-alone plant in the U.S.



# Back in High Gear

Kentucky automakers all upgrading and expanding, with another \$1 billion-plus in investment on the way

BY LORIE HAILEY

**K**ENTUCKY'S automobile manufacturing industry has been making a steady climb back to pre-recession performance levels.

Last year, for the first time since 2007 – before the economic downturn – the state's four manufacturing plants produced more than 1 million vehicles, making Kentucky the No. 4 state for vehicle output. One in 10 vehicles produced in the United States last year were built in the commonwealth.

Automakers are not only hoping for continued growth, they're banking on it. In April, Toyota announced plans to move production of the Lexus ES 350 from Japan to Toyota Motor Manufacturing Kentucky in Georgetown, a \$531 million investment that comes with 750 new jobs. General Motors, which already spent \$131 million to rehabilitate its Bowling Green Assembly Plant to produce the next-generation Corvette,

decided also to move its Performance Build Center, a production facility for hand-built high-performance engines, from Wixom, Mich., to Bowling Green.

And this summer, Ford will begin a \$621 million rehabilitation of its Kentucky Truck Plant in Louisville, where the company already spent more than \$600 million transforming the Louisville Assembly Plant into its most flexible high-volume plant in the world.

Auto parts manufacturers are paying attention. Since June 2012, parts suppliers have announced more than \$529 million in investments in Kentucky, adding 2,290 jobs.

Saying the state's auto manufacturing industry is "moving in the right direction," Gov. Steve Beshear calls it a "promising time" for Kentucky.

Promising indeed:

- Kentucky's automotive production was up 48.65 percent in the first quarter of 2013 compared to a year ago, accord-

ing to *Automotive News*. Kentucky's first-quarter increase ranks No. 1 among the top vehicle-producing states.

- Combined production of the 10 models made in Kentucky totaled 326,796 in the first quarter of 2013, compared to 219,843 in 2012, *Automotive News* reported.

- For the first quarter of 2013, Kentucky is ranked third among top vehicle-producing states.

- Kentucky-made auto sales were up 12.87 percent in the first quarter of 2013 compared to the first quarter of 2012.

The auto industry plays a significant role in Kentucky's economy, according to Larry Hayes, secretary of the Cabinet for Economic Development. Nearly 80,000 people are employed at more than 450 automotive-related industries in Kentucky. The commonwealth ranks third in the U.S. in auto industry-related employment as a percent of total state employment.

"When Kentucky's automotive industry succeeds, the commonwealth as a whole wins," Hayes said.



Larry Hayes, Secretary, Kentucky Cabinet For Economic Development



### Building cars where they sell them

On April 19, Toyota Motor Corp. made official what President Akio Toyoda called its “worst-kept secret”: In 2015, TMMK in Georgetown would begin manufacturing the Lexus ES on a new, dedicated assembly line. The move represents a half billion bet on Kentucky’s advanced manufacturing capabilities.

The company had been discussing moving the luxury line to North America for more than a year, but made its final decision in less than a month.

“For some time, we’ve all been talking about localizing vehicles from Japan over to North American, and the ES has always been one of those candidates for the discussion because of the volume,” said Wil James, president of TMMK. “Our corporate policy is, we like to build cars where we sell them as a general rule. So if you’ve got enough (sales) volume, it makes sense to move it to a closer location.”

Since 1990, nearly 1.2 million Lexus ES sedans have been sold in the United States.

Toyota chose Kentucky because of its “successful 25-year partnership with the state,” Toyoda said. TMMK was Toyota’s first stand-alone U.S. plant and remains its largest. “In a way, for manufacturing, Kentucky is Toyota’s home,” he said.

The Georgetown plant currently builds the Camry, Camry Hybrid, Avalon and Venza. The platform for building Camry and Avalon is similar to Lexus, James said, “so (adding Lexus) is not something that required a whole major upheaval of the plant.”

The announcement has been made and celebrated, the state’s financial incentives have been approved, and now the work begins.

A new building for what is being called Line 3 will be constructed on the west side of 1,300-acre plant, James said.

“The stamping, the body welding and the paint will be in an exclusive area of our existing operations,” he said. “The assembly and final quality analysis area, that’s going to be a completely separate facility.”

Toyota engineers and a design architectural team have been working out the details of adding the luxury line, James said, “sketching out what the processes are going to look like, what equipment will be needed. ... We’re laying out a list of all of those other things we need to do and some kind of rough idea of timing – when those things need to happen. For example, right now we don’t have to exactly decide how we are going to select the people (employees) to go (to the Lexus line),



*Akio Toyoda,  
President,  
Toyota Motor  
Corp.*

but we know that within the course of a year, we need to select those people.”

This early in the process, the critical task at hand is data gathering, organizing and benchmarking, he said.

TMMK officials will look to other Lexus plants for guidance. They will spend time at Toyota’s Canadian operations to find out what plant officials there learned when the Lexus was introduced, James said. TMMK employees also will go to Japan “where the Lexus ES is built to get much more familiar with the vehicle, working through the things they do in their practice that we don’t do in ours so we make sure we can fill those gaps.”

TMMK’s biggest challenge is time, James said. The plant has just two years to build a new facility, move and train workers, purchase and install equipment, and conduct trial runs.

“Fortunately, we’ve been in this position before. We’ve been asked to do projects on a short time frame, and we’ve pulled it off,” he said. “Our folks don’t get too out of shape when we throw these challenges out there. This is Toyota. This is what we do.”

James recalled his first week on the job at TMMK in October of 1987. A group leader, he and his colleagues were responsible for overseeing the building of the facility.

“The first week on the job, I asked my boss, ‘When are we supposed to have this plant built and start building cars?’ And he says, ‘May.’ I said, ‘May of what year?’ He said, ‘May of next year.’ I said, ‘We don’t even have buildings yet.’ And he said, ‘Yeah, that’s Toyota.’ And that’s the way it’s been for the entire 25 years,” James said.

“We set every aggressive targets, very aggressive time frames and then we go for it. The beauty of Toyota is we take all of our time talking about it and making

sure everybody is lined up as we’re making the decision. And once the decision is made, everybody’s already ready.”

### ‘We don’t build cars, we build dreams’

This past Feb. 28 at about 8 a.m., workers at the Bowling Green Assembly Plant built the last sixth-generation Corvette, a 60th anniversary 427 convertible now on display at the GM Heritage Center.

As the 2013 Corvette “passed through every station throughout the plant, we began to tear that station down and make the conversion for the C7 (seventh-generation Corvette),” said Dave Tatman, Bowling Green plant manager. “By the time that car was finished, our body shop had been completely demolished.”

GM announced in May 2011 it would spend \$131 million retooling the Bowling Green Assembly Plant to build the next-generation Corvette, which has little in common with its predecessors. Only two parts from the 2013 model were carried over: the interior cabin air filter and the rear latch for the removable roof panel. Completely redesigned, the 2014 Stingray is described as the most powerful standard Corvette ever.

With a new lightweight aluminum frame, the sports car is able to accelerate from 0 to 60 mph in less than four seconds. It also is expected to be the most fuel-efficient Corvette ever, exceeding the EPA-estimated 26 mpg of the current model.

For the C7, Bowling Green workers essentially demolished the assembly line and started from scratch, Tatman said. The upgrade included the complete interior and exterior revitalization of the facil-



*Dave Tatman,  
Plant Manager,  
Bowling Green  
Assembly Plant*

Joseph Rey Au photo



*Kentucky Gov. Steve Beshear, left, and Toyota Motor Manufacturing Kentucky President Wil James chat before the April 19 press conference announcing that the Lexus ES 350 will be produced at Toyota’s Georgetown, Ky. plant. At left in the background are Steve St. Angelo, CEO, Toyota’s Latin American and Caribbean Region, and Toyota Motor Sales Senior Vice President of Automotive Operations Bob Carter.*

General Motors photo



ity, the addition of 250 new full-time employees, and installation of a new body shop to manufacture the car's aluminum frame in-house for the first time.

"We spent most of the month of March working very aggressively on converting the factory for C7," Tatman said.

On March 25, the plant began a launch process phase Tatman calls "slow build," which continues today. Workers are building C7 models at a very slow rate "so all of our employees can learn their jobs and can identify and resolve issues as they occur on the line," he said. The vehicles manufactured during the training process will not be sold.

"It's all designed to get us ready so that once we decide officially to launch the retail cars at line rate, we will be ready to go to build a world-class sports car at world-class quality levels," Tatman said.

The 2014 Corvette is expected to go on sale in the third quarter of 2013. Slightly more expensive than its predecessors, the coupe will start at \$51,995, and the Stingray Convertible will start at \$56,995. That's about \$1,400 more than 2013 Corvette models.

Early next year, as part of a consolidation of GM Powertrain engineering sites, GM's Performance Build Center will reopen in Bowling Green, a \$3.5 million investment that brings with it 20 new jobs. Relocation of the center from

Wixom, Mich., goes hand-in-hand with production of the next-generation Corvette, and it might lead to additional tourism opportunities in South Central Kentucky, Tatman said.

The center currently builds the 6.2L LS3 V8 engine, which powers the Corvette Grand Sport Coupe manual version; the 7.0L LS7 V8 engine for the Corvette Z06; and the 6.2L Supercharged LS9 engine for the Corvette ZR1. Eventually, Corvette customers will be able to combine watching their Corvette being built and participating in assembling their vehicle's high-performance engine.

"We'll offer the Corvette customer the chance for them to come in and build their own engine. They'll work side-by-side with a technician. He or she will teach them everything they need to know about building an engine, and they'll build their engine inside the course of a day," Tatman said.

"Ultimately, my vision is that we could have a Corvette customer come to Bowling Green, build their engine on a Monday and within a day or two after that we'll be putting it in a Corvette for them. No one else can offer that kind of experience, and we're pretty excited about the prospect."

Tatman's oft-cited motto works well with the customer-experience concept: "We don't build cars, we build dreams," he says.

*The 2014 Corvette Stingray is shown here with the previous six generations of the iconic sports car.*

## The 2014 Corvette Stingray

The seventh generation Corvette incorporates an all new frame and chassis, a new powertrain and supporting technologies, as well as completely new exterior and interior designs. The sports car can accelerate from 0 to 60 mph in less than four seconds, and it is expected to be the most fuel-efficient Corvette ever, exceeding the EPA-estimated 26 mpg of the current model.

## Louisville a Ford powerhouse

Ford has not yet released many details about its plan announced last year to overhaul the Kentucky Truck Plant, but Kristina Adamski, manufacturing and purchasing communications manager at Ford Motor Co., confirmed last month that the project will entail "overall facility upgrades to support future product growth." Construction will begin in early summer and continue throughout 2014, she said.

The 6 million-s.f. truck plant produces the workhorse Ford F-250 through F-550, Super Duty pickups, Ford Expedition and Lincoln Navigator. The F-Series boasted sales of more than 645,000 in 2012, continuing a run as the best-selling vehicle in America for 31 straight years.

Approximately 3,847 workers are employed there.

While the truck plant undergoes transformation to produce the next generation F-Series (and other vehicles), workers will continue to build its current lineup of vehicles, Adamski said.

"We don't have anything further to announce at this time regarding Kentucky Truck plant," she said in late May.

Ford unveiled its transformation of the Louisville Assembly Plant last summer. LAP was converted from producing body-on-frame SUVs into a state-of-the-art facility with 4,400 employees, more than 20 miles of conveyors and nearly 1,000 programmable machines and robots.

"Since August 2012, LAP has been equipped to produce more than 1,300 products daily, running on three crews seven days a week," Adamski said.

The plant has the flexibility and capability to produce six different types of vehicles at the same time, but currently

Sarah B. Gilliam for General Motors photo



*Mike Russel performs the final quality checks Jan. 30 on a 2013 Chevrolet Corvette at the General Motors Bowling Green Assembly Plant in Bowling Green.*



manufactures only the Ford Escape small SUV, whose 2013 model was a new generation. The Escape's April sales were the model's strongest since its launch 13 years ago; Ford reported a 52 percent year-over-year increase.

"In the future, though, we plan to expand the vehicle line-up at the plant, which is part of Ford's overall strategy to optimize our manufacturing facilities around the world," according to Adamski.

In February, Ford marked its 100th anniversary of auto manufacturing in Louisville. The company's tradition in the River City dates to 1913 when Henry Ford began manufacturing the Model T at a small shop on South Third Street with 17 employees. They produced an average of 12 cars a day.

Today, Ford is Kentucky's largest automaker, employing more than 8,500 workers in two Louisville plants that roll out more than 650,000 vehicles a year. Louisville-made Ford vehicles are exported and sold in more than 140 countries around the globe.

Ford's impact on Louisville's economy is significant. The auto industry estimates that for every direct manufacturing job, nine indirect jobs are created. Using that formula, the Louisville Assembly Plant alone has helped produce close to 40,000 jobs in the local community, Adamski said.



Staff photo

*In February, Ford Motor Co. celebrated the 100th anniversary of its Louisville Assembly Plant, which opened in 1913 with 17 employees making 12 cars day. Today, Ford employs more than 8,500 in two Louisville plants that produce 650,000 vehicles a year. Local and state elected officials presented resolutions noting Ford's contribution to the "economic, social and cultural heritage" of Louisville and Kentucky. From left are: Louisville Metro Councilman David James; Lt. Gov. Jerry Abramson; state Rep. Larry Clark, D-Louisville; Joseph Bobnar, manager of the Ford Kentucky Truck Plant; John Savona, manager of the Louisville Assembly Plant; Mayor Greg Fischer; and U.S. Rep. John Yarmuth.*

Add in the truck plant and that's nearly 75,000 indirect jobs.

In 2009, however, with the U.S. economy and vehicle sales in free fall, Ford's aging Louisville plants faced an unknown fate – they were candidates for the chopping block like every other Ford facility.

"The dramatic resurgence of the two Louisville Ford plants has been incredibly important to our local economy and to the thousands of Louisville-area citizens who have been hired to work at the auto and truck facilities, which are now in high gear, producing some of the most popular vehicles in the world," said Louisville Mayor Greg Fischer.

The corporation's continued investment is supported by strong partnerships at the state and local levels, as well as by Ford's green partnership with the U.S. Department of Energy, Adamski said. LAP is one of 11 Ford facilities participating in the Advanced Technology Vehicles Manufacturing Loan Program initiated by Congress and implemented by the Obama administration.

"Additionally, Ford and the UAW have a great Local UAW 862 workforce, and we're committed to the Louisville area for future growth," she said. ■

Lorie Hailey is associate editor of The Lane Report.



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Since returning global super hub operations to Cincinnati-Northern Kentucky International Airport in 2009, DHL has experienced dramatic growth and now employs more than 2,000 in Hebron.

DHL Express photos

# DHL in for the Long Haul at CVG

International shipper's package traffic helps restructuring airport replace departed passenger business

BY GREG PAETH

**D**ECISIONS by two huge corporations that needed to reverse their financial hemorrhaging in the Midwest are reshaping Cincinnati/Northern Kentucky International Airport for decades to come.

On the airport's plus side is the boardroom resolution by DHL Express to expand its presence at CVG (as in "CoVinGton") and transform what was the region's largest passenger traffic airport into a major player in the air cargo business. A subsidiary of German logistics giant Deutsche Post AG, international shipper DHL now has three "global super hubs" – in Hong Kong; in Leipzig, Germany; and in the former farm fields of Boone County, where its business has doubled since 2009.

On the minus side for CVG is Delta Air Lines, the legacy carrier that still dominates passenger traffic at the airport even after jettisoning hundreds of daily flights over the last seven years. It has been a tumultuous period for Delta, which went through bankruptcy, and for the entire airline industry.

In response to the steep passenger traffic decline and DHL's booming cargo business growth, the airport is deeply immersed in an effort to redefine itself by attracting new passenger carriers, leveraging its growing stature in the freight category, and finding other revenue to help balance an annual budget of about \$110 million.

"That's the message we've been trying to get out – that we have been going through a reinvention process," said Can-

dace McGraw, CEO of the airport for nearly two years. "What we were is not what we're going to be in the future, and this is an opportunity to reshape our future and what we will be going forward."

An economic impact study released by the airport in May emphasized that even after Delta's big cutbacks the facility continues to be a major contributor for the region, with an annual impact of \$3.6 billion on families, businesses and government entities in Northern Kentucky and Cincinnati.

"It is a very strong economic catalyst for the community and a job creator," McGraw said, summarizing a report prepared for the airport by the Economics Center at the University of Cincinnati and the Center for Economic Analysis and Development of Northern Kentucky University.

Some 23,000 jobs with an annual payroll of more than \$1 billion are linked directly to the airport, says the report, which is based primarily on 2010 data. DHL has expanded twice since then and there has been other airport-linked development.

Although \$3.6 billion sounds impressive, it's a small fraction compared to the \$22.2 billion impact that a similar study by the University of Cincinnati reported in 2005 when Delta played a far larger role. The airport then han-



Candace McGraw, CEO, Cincinnati/Northern Kentucky International Airport





## DHL at CVG

Since returning hub operations to Cincinnati/Northern Kentucky International Airport (CVG) in 2009, air freight shipper DHL has made at least four significant capital investment upgrades to its facilities:

- **2009:** \$18.5 million refurbishing the package sorting facility that had been built before the company decided to move to Wilmington, Ohio.
- **2010-11:** \$12.5 million to upgrade the technology in the sorting facility.
- **2010-11:** \$22.5 million to expand the apron so that nine more wide-bodied aircraft could be parked, refueled and de-iced in place.
- **2012:** \$47 million expansion of the sorting facility for what are called "non-conveyable" shipments that are too large for the conveyor belts in the facility.

handled nearly 23 million passengers a year and had 670 outbound flights every day. Today, CVG has about 180 scheduled departures and last year handled just over 6 million passengers.

By comparison, Louisville International Airport-Standiford Field (SDF) served 3.3 million passengers last year and edged past CVG in the number of departing flights by about 1,200 for the 12 months that ended in Dec. 31, the U.S. Department of Transportation reported.

It's difficult to make an "apples to apples comparison" of the two airport economic impact studies because of Delta's diminished role from 2005 to 2013, McGraw said.

### Delta's pursuit of profitability buffets CVG

Janet Harrah, one of two Northern Kentucky University faculty members who worked on the study, agreed Delta's sharp decline in flights as well as the struggling U.S. economy in 2010 were the two biggest factors in the precipitous drop in the airport's economic impact figure.

"Nationwide, the airport industry was struggling," said Harrah, senior director of the analysis center at NKU. "People don't fly when the economy is struggling. They don't fly on vacations, and for com-

panies, business travel is always one of the first things that's cut.

"The growth with DHL since its return (to the airport) is very impressive. It supports a lot of jobs and payroll," she said. "The logistics business has been very important to the overall economy of the region."

A 2010 analysis of the airport's woes by CAPA (Centre for Asia Pacific Aviation) in Sydney, Australia, reached a harsh conclusion about Delta and the people and government entities that control the airport.

"So Cincinnati becomes yet another example of a community seduced and abandoned by an airline. It is not all the carrier's fault, not the city's. Delta did what was deemed necessary at a point in time, and the city was a willing partner. But the city assumed that the good times would continue to roll, apparently unaware of the way it had boxed itself in by fostering such single-carrier (and alliance) dominance," said CAPA, a company that provides what it calls independent aviation market intelligence. "When conditions change, airlines return, retire or redeploy their assets with minimal difficulty. The same cannot be true of terminals and runways."

Delta said a "confluence" of factors dictated what the company calls "right-sizing" the number of flights since 2006, a year after the busiest 12 months on record at the CVG.

Delta spokesman Anthony Black stressed Cincinnati isn't alone in seeing fewer flights in an industry that has changed dramatically in the wake of the 9/11 attacks and a crippling recession. With the exception of Los Angeles and the LaGuardia hub in New York, all Delta hub cities has less activity.

"During a period of consolidation in the airline industry from 2007 to 2012,



*Janet Harrah,  
Professor,  
Northern  
Kentucky  
University*

there's been a shrinkage in the number of seats throughout the industry," Black said.

A factor magnifying the size of CVG's dropoff was the early 2005 shutdown of the Delta hub in Dallas, which "bulked up the number of flights to Cincinnati" that year, he said. The skyrocketing cost of jet fuel in 2008 then made the smaller jets that worked many of CVG's routes unprofitable.

"There were a large number of 50-seat regional jets, and they lost their operational efficiency as fuel prices continued to rise," Black said. Those aircraft are 40 percent less efficient than the 150-seat MD88, he said, prompting Delta in some cases to replace multiple flights on smaller planes with one flight by a larger jet.

Atlanta-based Delta, whose 2012 revenues of \$36.6 billion are the second largest among U.S. airlines, still has about 300 regional jets in service after its 2008 acquisition of Northwest Airlines. Many have been phased out and Delta will eliminate another 200 from its fleet in the next three years, said Black, who declined to speculate about where the cuts will be made.

The Northwest merger, Delta's 2005 bankruptcy and the availability of flights by low-cost carriers at other airports near Cincinnati are all factors that have influenced scheduling decisions at CVG, he said.

### DHL departs, then returns and digs in

DHL Express is part of Bonn, Germany-based Deutsche Post DHL, which had worldwide revenues of about \$72 billion last year. It has had a presence at CVG for 30 years, but its role there was greatly diminished from 2005 to 2009 after purchasing Seattle-based Airborne Express for just over \$1 billion and undertaking a strategy to compete with UPS and FedEx in the U.S. overnight package delivery business. DHL spent upwards of another \$1 billion to move its package sorting hub about 70 miles northeast to Wilmington, Ohio. For



*DHL Express handles  
40 jumbo jets a night.*

## COVER STORY

*DHL Express began its fourth expansion in four years earlier this year at Cincinnati-Northern Kentucky International Airport.*

about four years it operated in Wilmington – located roughly halfway between Cincinnati and Columbus – before deciding in November 2008 to exit the U.S. package delivery business. DHL eliminated some 7,000 jobs in Wilmington.

*Time* magazine labeled the Wilmington move one of the Top 10 Worst Business Decisions of 2008 and reported that the company said it lost about \$10 billion on the U.S. overnight delivery venture.

DHL then refocused its business on international package service and returned in 2009 to a Cincinnati airport sorting facility built early in the decade then mothballed upon the Wilmington move. Many shipments handled in Cincinnati are destined for delivery in the United States, Canada, Mexico and Latin America.

After more than four years back at CVG, DHL Express has reported dramatic growth in the number of flights in and out, its number of employees and the volume of shipments it handles. The company now processes between 150,000 and 200,000 shipments per night totaling roughly 800 tons of material. That is double the volume from 2009, said Travis Cobb, DHL vice president for hubs, gateways and network control.

“We had about 300 employees in Cincinnati in 2008 and grew to 1,600 almost immediately in 2009. With the latest round of investment, we will have over 2,000 employees,” Cobb said. The company now handles 40 jumbo jets every night compared to 27 planes – many of them smaller aircraft – when it moved back to CVG in 2009.



*Travis Cobb, Vice President of Americas Hub, DHL Express*



When things are operating smoothly, nothing is in the building for very long.

“Generally speaking, what comes in goes out. Our goal is to maintain a zero inventory level,” said Joe Reusch, director of network optimization for DHL.

### **Ideal geography and a long-term lease**

Cobb stressed that DHL now is at CVG for the long-term for a variety of reasons, including one that’s purely geographical.

“As long as the airport will have us, we’ll be here. We have long-term lease arrangements with the Cincinnati airport: 25 years with 25-year options on top of that, so we have no intention to leave.

“This is the ideal location. What drives that is the demographics of the U.S. You can get to roughly two-thirds of the U.S. population in a one-hour flight time,” Cobb said. “The other interesting thing is when you look at the global network and the flight times between Europe and the U.S., and the Asia-Pacific area and the U.S., this location in Cincinnati is perfectly positioned to where you can set up a global intercontinental network from a timing perspective.”

Time zone changes facilitate next day delivery to much of the world, he said.

DHL isn’t alone in determining that the southern end of the Midwest – where weather delays in the winter are less common – is a good place for cargo hub operations. The company’s two major air cargo competitors both have their primary U.S. hubs within a short flight of Cincinnati, he notes.

FedEx claims to have the largest cargo facility in the world in Memphis, while UPS says its Louisville Worldport is the largest fully automated package handling facility in the world. FedEx has a presence at CVG, where the company has about 200 employees who load and unload air cargo. All of the shipments are sorted at a facility near the airport.

To handle its growth, DHL has made substantial investments in its sprawling complex of office, package sorting and maintenance buildings. Beginning in 2009, the company has spent about \$105 million refurbishing, expanding and updating. In March 2012, the company announced a \$47 million expansion to handle what it calls “non-conveyable” shipments, which can’t be routed along thousands of feet of conveyor belts that snake through the primary sorting building. At the time, the company, which received about \$2 million in state incentives, said it would create 150 full-time jobs at the airport.

A ribbon cutting for the completed project is scheduled for June 13.

### **Profitable, growing DHL attracts others**

Like other airlines, DHL pays fees to CVG that are based on the weight of the aircraft that use the runways. Airport spokesman Brian Gregg said DHL paid the airport about \$10 million last year, which was about 40 percent of the landing weight fees that were collected in 2012.

*With what company officials call an ideal geographic location between Asia and Europe, DHL Express facilities at the Cincinnati-Northern Kentucky International Airport now handle up to 200,000 individual shipments totaling 800 tons a night, which is more than double its volume there in 2009.*





## Making the Descent

2005 was the busiest year in the history of Cincinnati/Northern Kentucky International Airport after Delta Air Lines shifted flights from its closed Dallas hub. Passenger business then declined due to high fuel prices, a global recession and Delta's bankruptcy and merger. Air cargo volume has surged since DHL Express returned to CVG in 2009.

### Passengers handled

YEAR	PASSENGERS	ONE YEAR CHANGE
2005	22.77 million	
2006	16.24 million	-28.6%
2007	15.73 million	-3.1%
2008	13.63 million	-13.3%
2009	10.62 million	-22%
2010	7.97 million	-24.8%
2011	7.03 million	-11.8%
2012	6.03 million	-14.1%

### Airline arrivals and departures

YEAR	FLIGHTS	ONE YEAR CHANGE
2005	165,680	
2006	93,312	-43.6%
2007	90,135	-3.4%
2008	79,083	-12.2%
2009	68,864	-12.9%
2010	67,523	-1.95%
2011	71,419	+5.77%
2012	63,888	-10.9%

### Air cargo shipments

YEAR	TONNAGE	ONE YEAR CHANGE
2005	201,327	
2006	24,214	-87.9%
2007	22,706	+2.1%
2008	28,602	+13.1%
2009	137,837	+381.9%
2010	400,278	+190.4%
2011	478,799	+19.6%
2012	583,457	+11.8%

Cobb said DHL's activity has replaced a substantial amount of the landing fee revenues lost when Delta slashed its flight numbers in Cincinnati, which had been a regional hub. Meanwhile, DHL is no longer losing billions in the United States.

"In the last five years we have now completely turned around the business in the U.S. to where it's profitable for the first time in a long time," Cobb said.

DHL's growth and the service it provides to companies engaged in international commerce have become selling points to firms considering sites in Northern Kentucky, said Dan Tobergte, CEO of Tri-ED, the three-county economic development agency that works to attract new business to Northern Kentucky.

Tobergte, McGraw and Cobb all pointed to the recent decision by South-



Dan Tobergte,  
CEO, Tri-ED



## 21st Century Health Care

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Advanced health care is another reason **Owensboro is on the move.**



## Greater Owensboro

CHAMBER OF COMMERCE &  
ECONOMIC DEVELOPMENT CORPORATION



## COVER STORY

ern Air to relocate its corporate office to Florence from Norwalk, Conn., as one of the companies that moved to the region primarily because of DHL. Half the company's fleet of eight aircraft handles shipments for DHL. Southern Air has about 115 employees.

iHerb, which sells nutritional supplements and "healthy products," also located in Northern Kentucky because of DHL's international shipping services, Tobertge, McGraw and Cobb said. When the company announced its plans to create a regional e-commerce headquarters in Hebron, the California company said it could create as many as 600 jobs.

"Our (regional) manufacturers are blessed by having easy access to DHL and FedEx (at the airport) and down the road in Louisville with UPS," Tobertge said. "It allows them to get parts and products in and out quickly. It's a decided advantage versus other communities."

Expanding freight service and the shrinking number of passenger flights has prompted him and his staff to "change our pitch a bit" about the region's strengths. But he is quick to point out that business travelers still have access to most major business centers with minimal complications. "Like all businesses, the airport has to adapt to the market, and the airport has changed."

### Reinvented airport lands a low-cost carrier

In advance of the DHL ribbon cutting in June, the airport staged a similar ceremony May 17, when Frontier Airlines became the first low-cost carrier to offer flights out of Cincinnati in some 15 years. Frontier only provides flights to Denver, but the airport and the airline point out that travelers can make connections there to nearly 20 other West Coast destinations.

CVG's McGraw said Frontier's presence at the airport as well as additional flights by US Air and United are all part of the airport's reinvention as it seeks to diversify and find other carriers that can provide competition on fares.

"At one time a number of years ago we were what they call a 'fortress hub' for Delta, and so we were very Delta-centric. They had a major hub presence here," McGraw recalled. "With the merger between Delta and Northwest (Airlines in April 2008) and with repositioning of CVG going from a fortress hub to a smaller hub, we looked at how to diversify our business – how to make our business sustainable now and for the long term."

Last year, the airport completed a \$36 million renovation of Terminal 3 and Concourse A, which handles passengers for all of the air carriers except for Delta, whose passengers arrive and depart from gates inside of Concourse B. Both concourses



radiate out from Terminal 3. As the number of flights declined and the demographics of the passengers changed in recent years, the airport recently closed Terminals 1 and 2; they are slated to be demolished in 2015.

The makeover is one of the factors cited when the airport announced in April that it had won the title of "Best Regional Airport" in North America for the third consecutive year. The airport ranked 30th in the world and No. 1 in the United States, according to SkyTrax, a London-based air transport research firm that surveyed some 12 million travelers about 39 "services and products" at airports.

When Delta operated its "fortress hub," McGraw said about 75 percent of the passengers were simply passing through, spending time in the airport while they waited for a connecting flight. The rest were local. "Now that has completely switched," he said. "We have about 75 percent of our passengers local and 25 percent connecting."

Building on that local business and dissuading local travelers from hopping in a car to chase lower fares in Louisville, Lexington, Indianapolis, Dayton or Columbus are important elements of the reinvention. For many years, CVG has been at or near the top of the list of airports with the highest fares in the country.

For the fourth quarter of last year, Cincinnati/Northern Kentucky ranked second in the country behind only Huntsville, Ala., with an average round-trip fare of \$518 per ticket, according to the U.S. Department of Transporta-

*A DHL Express employee checks tire air pressure on one of its international cargo jets. The German-owned company has more than 2,000 workers at CVG, up from about 300 in 2008.*

tion's Bureau of Transportation Statistics. The average U.S. ticket price was \$374 with the cheapest tickets in Atlantic City, N.J., where the average fare was \$157, the bureau reported.

McGraw and others in the region's business community are all well aware of how high fares have had a negative impact on both business and leisure travel.

"While airports don't have control over what airlines charge for tickets, we can help influence prices by working toward carrier diversity. As with any business, we all know that competition drives better products," McGraw said. "When lower-cost carriers such as Frontier Airlines, which traditionally offer fares 20 to 30 percent lower than legacy carriers, enter a market, experience from other airports show that competition drives lower fares overall."

Tri-ED's Tobertge said it's going to be interesting to see how Frontier performs in Cincinnati, where Delta routinely muscles out low-cost competitors by cutting fares. Shortly after Frontier announced its daily flight to Denver, Delta countered by cutting its fare to that city.

"We'd like to see some competition at the airport," Tobertge said. "We'll have to see how it all plays out. ■"

*Greg Paeth is a correspondent for The Lane Report. He can be reached at [editorial@lanereport.com](mailto:editorial@lanereport.com).*



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-Kimberly Sheperson  
Epilepsy Patient



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# Tag Team Growth in Bowling Green

Creative financing and proactive cooperation brings \$1.35 billion building boom during recessionary times

BY DEBRA GIBSON ISAACS



Clinton Lewis, WKU photo

SINCE 2008 and through the Great Recession, a time when the goal of many communities was just not to lose economic ground, Bowling Green and its 10-county region have experienced impressive growth – \$1.375 billion in large-scale construction projects.

These dozens of ventures are the result of proactive local tag teaming, diversification, a winning chain of economic dominos falling, smart use of incentives, good strategy and perhaps “a combination of persistence and luck.” Perhaps it was all of the above, or more.

Whatever the impetus, signs of fresh Bowling Green growth are easy to find – a \$25 million performing arts showcase; a \$19.8 million minor league baseball stadium; a \$8.4 million five-story parking garage between them; the largest combination middle and high school in the state, located just blocks from downtown; the fastest growing university in Kentucky (with numerous new buildings); and a bustling industrial park.

The community now boasts 2,101 licensed contractors with 455 licensed general contractors, according to Warren County Judge-Executive Mike Buchanon.

Building permits for single-family residences in 2013 are up 42 percent thus far over last year. Single-family subdivisions with more than 2,500 new building lots are being developed.

Commercial, retail and Class A office space is even booming as well, Buchanon said. Two current developments total more than 150,000 s.f. A two-story office building with approximately 50,000 s.f. is under active construction in the Hartland area, and several small strip retail centers have been built.

More construction is in the works. The \$15.6 million, 73,471-s.f. Medical Center-WKU Health Science Complex is nearing completion, a new hotel will be announced this year, and big-box stores such as Dick’s Sporting Goods, Bed Bath & Beyond and Meijer are opening their doors this year or early next year.

Other businesses are locating in TransPark, the city’s mecca for manufacturing, an important economic sector

*Since 2009, Bowling Green and Warren County leaders have collaborated informally to bring \$1.375 billion in construction and capital investment to the community. They are, left to right, Warren County Judge-Executive Michael Buchanon; Western Kentucky University President Gary Ransdell; Bowling Green Area Chamber of Commerce Board Chair Brad Howard; Bowling Green Area Chamber of Commerce President Ron Bunch; City of Bowling Green Mayor Bruce Wilkerson; incoming Southcentral Kentucky Community and Technical College President Phil Neal; and Warren County Downtown Economic Development Authority Chair Doug Gorman.*



**Growth in Bowling Green is the result of strong leadership in every economic sector, according to Ron Bunch, president of the Bowling Green Area Chamber of Commerce. The leaders pictured here have contributed significantly to the community's capital investment and construction success.**



*Wendell Strode, Executive Director, National Corvette Museum*



*Vickie Fitch, Executive Director, Bowling Green Area Convention & Visitors Bureau*



*Connie Smith, President/CEO, Commonwealth Health Corp.*



*Mark Marsh, CEO, TriStar Greenview Regional Hospital*



*Chris Thorn, CEO, Graves Gilbert Clinic*



*David Tatman, Plant Manager, GM Corvette Assembly Plant*



*Sam Koike, President/CEO, Kobe Aluminum Automotive Products LLC*



*Rick Medlen, CEO/President, Fruit of the Loom*



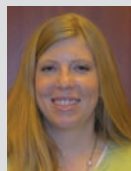
*Jimmie Gibson, Board Chairman, Houchens Industries Inc.*



*Tom Tomlinson, Executive Director, Southern Kentucky Performing Arts Center (SKyPAC)*



*Todd Stewart, Director of Athletics, Western Kentucky University*



*Robia Gross, General Manager, Greenwood Mall*



*Larry Hardcastle, Membership & Marketing Team Leader, Sam's Club*



*Deon Houchins, Executive Vice President, Houchens Industries Inc.*

that now accounts for 17 percent of the city's economy.

What is not as easy to find is a clear answer to how this phenomenon occurred – if you are looking for a single answer. Ditto for the leader behind the growth. Rather than one individual or organization, there are numerous heroes in this tale.

Ron Bunch, president of the Bowling Green Area Chamber of Commerce, said local growth is the result of the work done by multiple leaders each focusing on their area of expertise and then coming together in a kind of tag-team approach.

"It has not really been strategic and organized and coordinated," Bunch said of the impressive results, "but individual leaders in each area doing their jobs exceptionally well. We have strong leadership in the private sector, in healthcare, business, tourism, arts, retail and education. Cooperation and collaboration happen on the fly."

Diversification, Bunch said, is the other key.

"Our 'special sauce' is our diversified approach to growing the economy," he said.

#### **Persistence and luck**

Explosive growth in downtown Bowling Green and on its fringes illustrates exactly how multiple leaders from disparate economic sectors worked together to implement a nearly \$200 million transformation of what was a depressed zone just a few years ago.

Today, the area boasts Hot Rods Stadium, the Southern Kentucky Performing Arts Center (SKyPAC), a new parking garage, the \$4 million Houchens Center for Business housing the Bowling Green Area Chamber of Commerce and the \$19.6 million HitCents Park Plaza. The latter will be completed by September and include the successful technology enterprise HitCents.com, restaurants, businesses and Connected Nation, another thriving tech venture.

The state recently certified the area a Signature Tax Increment Financing district with the official name "WKU Gateway to Downtown Bowling Green." Signature TIFs offer significant tax advantages for "blighted" areas to entice development. For instance, 80 percent of state sales tax collections above the starting-point base go back to the TIF for use in further development versus only 3 percent typically returning to the community normally. "We applied for the TIF District designation in 2008," recalled Doug Gorman, president of Booth Fire and Safety and director of the TIF District.

"We had to have \$150 million in investments before December 2014 to



*Downtown Bowling Green has been transformed in recent years. The Southern Kentucky Performing Arts Center (SKyPAC) is located there, along with a new parking garage, the \$4 million Houchens Center for Business and the \$19 million HitCents Park Plaza, which will be completed by September.*

## ECONOMIC DEVELOPMENT

qualify. We have had \$176 million in investments since 2008.”

One of those investments is SKyPAC, a 80,000-s.f. venue for Broadway productions, local and worldwide music acts, comedy shows and kid-friendly performances. SKyPAC opened in March 2012.

Buchanon said TIF financing was a big part of why SKyPAC was finally built after 12 years in the planning stages. In this case, the recession lent a hand also as the price of concrete and steel bottomed out and the cost of labor went down.

“One of the areas where we enjoyed the greatest savings was SKyPac,” Buchanon said. “We had been working on that for over 10 years, and costs were up to around \$40 something million. Costs were getting out of control; there was no way we could afford to build it. When construction costs went down, we decided to get new estimates. They came down by \$18 million.”

Local government managed to catch the bottom of the market on costs for concrete, steel and labor.

“We lucked out on hitting the low point in construction costs,” he said. “Since then costs have all bounced back up.

“We still had to be creative. We ended up with mixture of financing: a transient room tax for half the cost; the TIF District financing, which is what really made it possible to make up the difference; and a new (federal) market tax credit.” The latter is a U.S. government program that allows entities to sell tax credits and use the proceeds as equity for a project.

“It was a sequence of good fortune – good fortune that was the result of hard work,” Buchanon said. “We were pretty lucky – persistent and lucky.”

SKyPAC is now a three-legged stool, according to Tom Tomlinson, its execu-



tive director. “It has enhanced the arts in Bowling Green,” he said. “It is an economic development tool. And it is a part of downtown revitalization.”

SKyPAC has 201 employees and has attracted 90,000 visitors, Tomlinson said. Using an arts economic calculator from Americans for the Arts to compile estimates, patrons have spent \$6.945 million for tickets and event-related expenses such as restaurants, baby sitters and new clothes, he said. SKyPAC expenditures have funneled \$3.985 million into the community.

### Economic dominoes

One street over is the Hot Rods Stadium. Art Solomon, a businessman from Boston, Mass., purchased a single-A minor league baseball team, brought them to Bowling Green and then spearheaded construction of the stadium.

The city of Bowling Green sold bonds to build the stadium, which has

*The Bowling Green Ballpark – home to the Bowling Green Hot Rods, a Class A affiliate of the Tampa Bay Rays – opened in 2009 and has been a major draw for Bowling Green residents and visitors.*

attracted 250,000 fans. Gorman said the TIF revenue being generated will help pay back the bonds.

“The community has embraced the Hot Rods,” Gorman said. “Because of the stadium, a lot of other dominoes starting falling into place.”

### ‘Creative financing key to progress’

At the other end of the TIF District, WKU’s President Gary Ransdell has become known for his entrepreneurial approach to getting projects constructed. Two of the university’s latest – the Augenstein Alumni Center and the Medical Center-WKU Health Science Complex – are in the TIF District.

“We don’t own the alumni center,” Ransdell said. “It is leased through the TIF structure. This is how we do things in Bowling Green; we all work together. Each project has its own impact, and the community benefits from all of that.”

Since becoming Western’s president, Ransdell has overseen \$490.9 million in construction, with another \$94.5 million underway. Plans call for an additional \$236.9 million in future construction that includes student housing, which will be started this summer. (See chart)

Campus construction the past five years has included a renovation of Van Meter Hall, which now gives music students a place to practice; an old College Heights building that is now home to the Math Department; plus the Preston Health and Activity Center, a student exercise facility that required expansion



*The Medical Center in Bowling Green is constructing a 73,471 s.f., three-story facility on the hospital’s campus. The Medical Center-WKU Health Sciences Complex will house the university’s nursing and physical therapy programs and provide educational space for the hospital. Construction of the \$15.6 million facility is expected to be complete this fall.*



### Bowling Green Signature TIF District Capital Investment

Some of the largest of the 26 construction projects that are within the Bowling Green Signature Tax Increment Financing district.

PROJECT	COST (MILLIONS)
SKyPAC	\$27.3 million
Mixed-Use Development	\$37.0
Ballpark	\$30.1
BGMU	\$8.2
Mixed-Use Development	\$21.3
SLF Residential	\$6.3
Hotel/Restaurant	\$12.0
SLF Housing	\$16.7
Sahetya	\$5.1
Medical Center	\$22.2
Health Sciences Complex	\$16.6
Medical Offices	\$10.0
Total	\$237.0 million

to keep up with demand. A few years prior to those projects, the state funded two other buildings: Gary Ransdell Hall, which houses the College of Education, and the Engineering-Manufacturing-Commercialization Center, which is home to WKU's engineering program.

Renovation is underway on the 43-year-old Downing University Center, which will open in summer 2014 after a \$50 million facelift accomplished with private money, \$35 million in student activities fees and reusing bonding capacity available from the retired bonds originally used to build the structure.

"For most of the projects, we are able to use other people's money or other organizations' money and then take on leases or do other types of creative financing," Ransdell said. "Creative financing is the key to progress."

Another good example of creative financing is the Medical Center-WKU Health Science Complex.

"The Medical Center took on the debt to build the complex," Ransdell said. "We will move our entire school of nursing and doctor of physical therapy program there. The Medical Center will own the building, and we will lease space from them. The net result is that we will be able to double the number of nursing students."

Benefits from that collaboration extend into the community and the state.

"South Central Kentucky, like the rest of the nation, is facing a serious nursing shortage," said Connie Smith, president and CEO of Commonwealth Health Corp., parent company of the Medical Center.

"Nursing is a critical component of a hospital's delivery of care. Enabling Western Kentucky University to expand their

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## ECONOMIC DEVELOPMENT

program and ultimately their supply of nurses to the healthcare industry will have a significant impact on The Medical Center's ability to maintain the quality care we provide in this region."

Western's impact, according to economic development studies done by its College of Business, show the university has \$500 million a year in direct impact from its 2,300 faculty and staff and 21,000 students.

"That didn't go up or down much during the recession, Ransdell said. "There was no big dropoff during the recession; our numbers did not decline. That is one reason Bowling Green was able to weather the recession so well. You can see the stabilizing effect on a community of our size."

Western is not the only academic institution with an economic impact, either.

Southcentral Kentucky Community and Technical College (SKCTC), which has experienced a 33 percent enrollment growth the past five years, works directly with local industries.

"Our Kentucky Advanced Technology Institute (KATI) campus is home to the state Interactive Digital Center, which develops interactive, 3D training and assessment applications," said Dr. Phil Neal, incoming president of SKCTC. "Our Workforce Solutions division provides customized industry training with opportunities for significant discounts on training costs using the Kentucky WINS (Workforce Investment Network System) program. Our Transpark Center now houses FANUC robots and provides all of the requisite training for General Motors employees working on the next model of the Corvette. Most importantly, though, we are providing educational opportunities for the potential workforce that these industries want to recruit."



### Building not limited to concrete and steel

Some of the construction in the Bowling Green area involves more grass and dirt than concrete and steel. Vicki Fitch, executive director of the Bowling Green Area Convention & Visitors Bureau, said the city's ample ball fields and disc golf courses attract enthusiasts to tournaments.

"We have an excellent infrastructure for softball tournaments," Fitch said. "We are able to attract big national tournaments. We also have several disc golf tournaments each year."

The Corvette Museum is breaking ground June 28 on a \$17 million motorsports facility that, according to its website, will have a track for high-performance driver training, corporate events, a training facility for emergency personnel as

*The second-largest university in undergraduate enrollment, Western Kentucky University in Bowling Green has more than 20,000 students and offers 80 degree programs, from associate to doctoral.*

well as resources for engineering, math and science students at WKU.

### Not going there

Interestingly, Bowling Green hasn't chosen to grow with tax increases.

In a note distributed to community leaders at the end of May, Jeff Meisel, chief financial officer for Bowling Green, wrote:

"The city has kept its real estate property tax rate the same since 2008 and lowered the occupational tax rate from 2 percent to 1 percent in 2007 (right before the recession started). This occupational tax rate reduction equated to approximately \$14 million or more given back to the taxpayers during the last five years..."

"The City has not raised any tax rates (real estate, occupational, etc.) since 2003, which was the year the occupational tax went from 1.5 percent to 2 percent."

City officials plan to grow but with a different mindset than many other communities.

"I don't think, as far as (economic development) incentives, Warren County provides anything not available anywhere else," concludes Bowling Green Mayor Bruce Wilkerson. "I hope the difference is our attitude. We don't say you can't do that here. We find a way to make it work." ■

*Debra Gibson Isaacs is a correspondent for The Lane Report. She can be reached at [editorial@lanereport.com](mailto:editorial@lanereport.com).*



*Ransdell Hall at Western Kentucky University was named for President Dr. Gary A. Ransdell in honor of his efforts to transform the campus and for his vision to make WKU a leading American university with international reach. The building includes classrooms, administrative and faculty offices, conference areas, media resource center, auditorium, research laboratories and clinical space for literacy, psychology and counseling, and the international headquarters of the World Council for Gifted and Talented Children.*





# Efficiency is Healthy for ACOs

Six Kentucky care providers examining themselves in federal Medicare Shared Savings Program

BY JOSH SHEPHERD

**K**ENTUCKY'S Accountable Care Organizations are just gearing up analysis of millions of bytes of data on Medicare patients' health to determine the best preventative care paths. The ACOs' focus is to move from episodic to pre-emptive care and a continuum of care that, in theory, allows for better clinical attention at a lower cost.

ACOs are intended to create health-

ier populations both by being more efficient and heading off expensive crises.

"By managing chronic conditions, for example, we can do that," said Michael Spine, senior vice president of business development for Bon Secours Good Helpcare ACO, which is now serving Kentucky.

The commonwealth needs help. Kentucky ranked dead last among the 50 states in preventable hospitalizations among Medicaid and Medicare patients

### Accountable Care Organizations

(ACOs) are groups of doctors, hospitals and other health care providers who work together to improve health outcomes, lower costs and improve the experience of care.

and 49th for their rate of readmissions, according to a United Health Federation study released in late May.

Bon Secours Good Helpcare LLC, which does business as Good Help ACO, is a new entity the federal Centers for Medicare and Medicaid Services approved to participate in the Medicare Shared Savings Program (MSSP) at the beginning of the year. It is one of five entities approved at that time to serve Kentucky patients. The other four are KentuckyOne Health Partners; Owensboro ACO; Quality Independent Physicians of Louisville; and Jackson Purchase Medical Associates.

The state also has Norton Healthcare, which was part of an ACO pilot program back in 2010 with Humana and the Dartmouth Institute for Health Policy and Clinical Practice.

The Dartmouth Institute and the Engelberg Center for Health Care Reform at the Brookings Institution selected Humana and Norton to partner as one of only five national sites to implement the Brookings-Dartmouth ACO Pilot Project. In 2010-2011 reporting, the Norton Healthcare ACO successfully cut expenditures 5.6 percent below its baseline target. Its 2011-12 spending was only 2.5 percent below baseline target, which was attributed to cost inflation. The 2012-13 reporting cycle statistics were due this month.

The MSSP is part of the Patient Protection and Affordable Care Act of 2010 and is intended to create efficiency by building cooperation among providers to coordinate care to Medicare fee-for-service beneficiaries. The goal is the right care at the right time, avoiding duplication of services and preventing medical errors.

Norton's ACO model has worked well on patients with chronic conditions and has had early success with renal disease management, said Dr. Steven Hester, system senior vice president and chief medical officer. Two years into the ACO approach, Norton implemented a complete electronic patient record system through EpicCare EMR, providing electronic communication with the physician and same-day lab results.

"This is now fully implemented as of March 1, 2013, and includes our 30 outpatient locations," Hester said.

Norton is primarily in the Louisville market but will expand its ACO approach into nearby counties surrounding Jefferson this year, which should impact 15,000 patients.

### Examining line items for efficiencies

KentuckyOne Health Partners has about 19,000 designated Medicare members and another 10,000 officially outside the ACO but falling within the same mode of managed care this year. By next year, all those numbers will double, said Donald Lovasz, president of KentuckyOne Health Partners.

Nonprofit KentuckyOne Health formed in 2011 in a merger of St. Joseph Health System and Jewish Hospital & St. Mary HealthCare, making it a \$1.8 billion entity with 13,000 employees. Then in late 2012, a partnership deal added University of Louisville Hopsital and James Graham Brown Cancer Center and another 5,000 employees. The group touches 10 percent of the 4 million Kentucky residents who get sick each year.

Lovasz said he did not expect to see a great savings from the ACO model in Kentucky this year, but that may be because KentuckyOne Health Partners already spend of about \$1,000 less per patient compared to others.

"We may (already) be at an efficient level," he said.

One cost savings project Kentucky-One Health Partners is working on, Lovasz said, is a bundled payment model for hip and knee replacements. It is focusing on care management in orthopedics to keep the patient experience at the highest level while decreasing return trips to the hospital.

"We've flagged looking at hospital patients and showing them the path to home care, educating their families," Lovasz said. "These type of programs will expand. We want patients and their families to be able to talk to our staff more easily, to avoid coming back to the hospital because they can't get their medication filled at a pharmacy – or coming back for a walker, as an example."

An internal homecare company is expected to generate more care coordination, he said. Meanwhile, KentuckyOne is still building its ACO project plan and is examining 2,000 line items.

"There is a complexity that this is taking on," Lovasz said. "We are doing it for a national company, and everything from how we build our website to patient alerts to the tracking of patient satisfaction requires action and support – often from vendors."

Marriottsville, Md.-based Bon Secours is a \$3.3 billion Catholic nonprofit with roughly 57,000 Medicare patients in its five states: Kentucky, Maryland, New York, South Carolina and Virginia. Its key Kentucky facilities are St. Claire Regional Medical Center in Morehead and Our Lady of Bellefonte Hospital in Ashland. The 60,000 Medicare patients its 750 physicians serve make it one of the larger ACOs in the country.

Including nurse practitioners and physician assistants, Bon Secours (it means "good help/relief") has more than 1,000 providers. There are 71 in Ashland and 33 in Morehead with 7,288 Medicare recipients, representing 12 percent of the Good Help ACO beneficiary population.

The average annual cost per Medicare patient is about \$10,000. Eastern Kentucky Health Coalition's guiding board of physicians is overseeing administration for Bon Secours in Kentucky.

### Metrics track health, not just care

There are roughly 250 ACOs across the country. Focus is going to key services



*Don Lovasz,  
President,  
KentuckyOne  
Health  
Partners*



*Dr. Steven T.  
Hester, System  
Senior Vice  
President,  
Norton  
Healthcare*

## An ACO:

- Promotes seamless coordinated care
- Puts the beneficiary and family at the center
- Remembers patients over time and place
- Attends carefully to care transitions
- Coordinates resources carefully and respectfully
- Proactively coordinates Medicare fee-for-service beneficiary care
- Evaluates data to improve care and patient outcomes
- Innovation around improved health, improved care and lower growth in costs
- Invests in team-based care and workforce

*Courtesy of Bon Secours Good HelpCare LLC*

like diabetes prevention programs and wellness checkups to identify problem areas. Administrators and managers are examining how patients are referred and the entire patient care lifecycle.

ACOs are getting financial incentives to change patient and physician behavior. Performance- and evidence-based medicine is now rising in credibility and developing new approaches for desired outcomes. One in 10 U.S. citizens is already enrolled in an ACO. A Medicare booklet available online since 2011 shows how preventive care such as cancer screenings will become more important. (Visit [medicare.gov/Pubs/pdf/10110.pdf](http://medicare.gov/Pubs/pdf/10110.pdf))

"There are no overnight successes with the ACO model," said healthcare attorney Betsy Johnson of Stites & Harbison, who is a former Kentucky Department of Medicaid Services commissioner. "It requires changing the mindset of patients and how they access the healthcare delivery system and defining what should be true coordination of care."

"There needs to be a clearer understanding of the basics, including what prescriptions a patient is on. This will lead to a change in even the issuing of certificates of need in the state. We've already seen the impact to physician practices and their acquisitions by hospitals here."



*Betsy Johnson,  
Attorney, Stites  
and Harbison*



Other organizations in the state are gearing up to support ACOs, like Impe-rium Health Management LLC, with a new Louisville headquarters and 11 employees. The company, which also operates in Arizona, Florida and Illinois, provides payor contracting; care coordination; utilization management; ACO development and organization; performance tracking and analytics; disease management and chronic condition support; and other reporting services to its clients.

ACO support companies get tax incentives of as much as \$500,000 for up to 10 years to hire up to 40 employees. The Centers for Medicare and Medicaid Services has established 33 quality measures for ACOs regarding care coordination and patient safety, appropriate use of preventative health services, improved care for at-risk populations, and how patients and caregivers experience care.

Roughly half of ACOs are physician-led organizations serving fewer than 10,000 beneficiaries. Rural hospital, clinic and physician providers benefit from an advanced payment model allowing for greater investments in staff

and electronic health record systems. Jackson Medical Associates, led by Dr. James Long, indicated its shared savings will be distributed 60 percent to ACO participants – primary care professionals, not the specialists or hospital in the area – and 40 percent to reinvest in infrastructure.

**Pie getting smaller unless outcomes improve**  
Bon Secours sent letters to its designated Medicare patients welcoming them into the program; patients can opt out. Claims history for the last three years will be available in the next 90 days to Bon Secours, for example, to help its administrators begin assessing how to improve clinical care going forward.

Employers eventually will be involved in the process, Spine said. This will come after Good Help tests various programs to determine the types that will work best.

But meanwhile, all eyes are on ACA state health benefits exchanges such as the one Kentucky is creating, since these will market to smaller populations that have small-business types and Medicaid populations that include the dual-eligible.

“We will watch how that impacts the ACO and where we will be asked to get involved with the sickest of the sick,” Spine said.

ACOs across the country are already sharing best practices and information on where to get started, including Bon Secours and Norton Healthcare in Louisville.

“The ACO model does not change how patients are billed or how monies are collected; the savings is from quality metrics,” Spine said. “The real issues for hospitals are coming surrounding the \$1.3 trillion that is expected to be cut from the entire healthcare system between 2013 and 2023.”

At KentuckyOne, Lovasz said there is interest in sharing ACOs’ knowledge across Kentucky, but they so far have talked only with Quality Independent Physicians LLC. KentuckyOne expects its parent company Catholic Healthcare Initiatives and national trade groups to help in sharing best practices with all the players. ■

*Josh Shepherd is a correspondent for The Lane Report. He can be reached at [editorial@lanereport.com](mailto:editorial@lanereport.com).*

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# THE LANE LIST

## HIGHEST PAID CEOs IN KENTUCKY IN 2013

By annual compensation; publicly held companies

COMPANY (STOCK TICKER)	CEO	AGE	SALARY	TOTAL COMPENSATION
Yum! Brands Inc. (YUM)	David Novak	60	\$6.42 million	\$35.12 million
Ashland (ASH)	James J. O'Brien	59	\$2.55 million	\$19.41 million
Churchill Downs (CHDN)	Robert L. Evans	60	\$1.5 million	\$4.45 million
Brown-Forman (BF-B)	Paul C. Varga	49	\$4.32 million	\$4.32 million
Tempur-Pedic Intl. (TPX)	Mark Sarvary	53	\$1 million	\$3.42 million
Humana Inc. (HUM)	Bruce D. Broussard	51	\$2.88 million	\$2.88 million
Kindred Healthcare (KND)	Paul Diaz	51	\$2.35 million	\$2.35 million
Papa John's Intl. (PZZA)	John Schnatter	51	\$1.84 million	\$2.064 million
General Cable Corp. (BGC)	Gregory B. Kenny	60	\$1.34 million	\$1.34 million
Community Trust Bank (CTBI)	Jean R. Hale	66	\$870,000	\$1.2 million
Lexmark Intl. (LXK)	Paul Rooke	54	\$1.02 million	\$1.02 million
Texas Roadhouse (TXRH)	Wayne Kent Taylor	57	\$1.02 million	\$1.02 million
Almost Family (AFAM)	William B Yarmuth	60	\$830,000	\$830,000
Sypris Solutions	Jeffrey T. Gill	57	\$778,000	\$778,000
Bank of Kentucky (BKYF)	Robert W. Zapp	61	\$629,000	\$705,000
Delta Natural Gas (DGAS)	Glenn R. Jennings	64	\$561,000	\$561,000
Republic Bancorp (RBCAA)	Steven Trager	52	\$560,000	\$560,000
HopFed Bancorp Inc. (HFBC)	John E. Peck	48	\$412,000	\$412,000
Farmers Capital Bank Corp. (FFKT)	Lloyd C. Hillard Jr.	66	\$380,000	\$380,000
Industrial Services of America (IDSA)	Brian G. Donaghy	37	\$334,000	\$334,000
Kentucky Bancshares (KTYB)	Louis Prichard	58	\$320,000	\$320,000
Investors Heritage (IHRC)	Harry Lee Waterfield II	69	\$280,000	\$280,000
HFB Financial (HFBA)	David B. Cook	63	\$188,000	\$188,000
Ky First Federal Bancorp (KFFB)	Don D. Jennings	48	\$148,000	\$148,000

## STOCK PERFORMANCES OF KENTUCKY'S LARGEST PUBLICLY HELD COMPANIES

Ranked by change in closing price from May 25, 2012 to May 24, 2013\*

TICKER	COMPANY	MAY 25, 2012	MAY 24, 2013	RETURN
AFAM	Almost Family	21.88	19.41	-11.29%
ASH	Ashland	64.40	88.77	37.84%
BKYF	Bank of Kentucky Financial	23.80	25.97	9.12%
BF/A	Brown-Forman	35.05	38.76	10.58%
CHDN	Churchill Downs	59.52	82.3	38.27%
CTBI	Community Trust Bancorp	33.24	35.35	6.35%
CSVI	Computer Services	32.50	30.2	-7.08%
DGAS	Delta Natural Gas Co.	20.31	22.46	10.59%
FFKT	Farmers Capital Bank	6.81	20.87	206.46%
FFKY	First Financial Service	3.45	3.25	-5.80%
BGC	General Cable	29.51	34.39	16.54%
HFBC	HopFed Bancorp	7.05	10.98	55.74%
HUM	Humana	77.28	78.93	2.14%
IDSA	Industrial Services of America	5.15	3.25	-36.89%
IHRC*	Investors Heritage Capital	18.87	21.75	15.26%
KTYB*	Kentucky Bancshares	20.50	23.15	12.93%
KFFB	Kentucky First Federal Bancorp	8.62	8.05	-6.61%
KND	Kindred Healthcare	8.63	14.00	62.22%
LXK	Lexmark International	25.83	30.25	17.11%
PZZA	Papa John's International	47.02	64.08	36.28%
RBCAA	Republic Bancorp	21.54	23.58	9.47%
SYBT	SY Bancorp	22.72	24.28	6.87%
SYPR	Sypris Solutions	5.48	3.28	-40.15%
TPX	Tempur-Pedic International	48.97	43.08	-12.03%
TXRH	Texas Roadhouse Inc	18.03	23.76	31.78%
YUM	Yum Brands	70.40	69.21	-1.69%

\*Some Kentucky companies did not trade on May 25, 2012 or May 24, 2013. Closing prices of different trading days in May were used in this report.



## SPOTLIGHT ON THE ARTS

### Bob Stewart Succeeds Marcheta Sparrow as Tourism, Arts and Heritage Secretary

**T**OURISM and marketing veteran Bob Stewart will head the state Tourism, Arts and Heritage Cabinet, Gov. Steve Beshear announced in late May. He replaces Marcheta Sparrow, who recently retired after serving more than five years as tourism secretary.

Stewart was appointed Kentucky's commissioner of travel under Gov. Brereton Jones in 1992 and served until September 2003. Stewart previously worked as deputy commissioner of the Kentucky Department of the Arts and as executive director of the Kentucky Bicentennial Commission. He also served as an executive assistant to Govs. Jones, Martha Layne Collins and Julian Carroll, and to Attorney General Fred Cowan. A native of Frankfort, Stewart is a graduate of Centre College and recently worked as a freelance marketing consultant.

In 2001, Stewart was named the National Tourism Director of the Year by the National Council of State Tourism Directors.

"Kentucky is unmatched in natural beauty, cultural richness and historic significance," Stewart said. "When combined with our tradition of world-class hospitality, we offer visitors an experience they just can't have anywhere else."



Bob Stewart

### Bardstown, Maysville Named Kentucky Cultural Districts



Courthouse Square in Bardstown

**B**ARDSTOWN and Maysville have joined the list of official Kentucky Cultural Districts, bringing to six the number of state-certified communities.

"Kentucky Cultural Districts are proven cultural destinations for visitors and provide a high quality of life for residents," said First Lady Jane Beshear. "Arts and culture in these communities play a vital role in creative and economic development, not only for the cities but for the entire commonwealth."

A cultural district is a well-recognized, labeled, mixed-use area of a community featuring a high concentration of cultural amenities

that attract local residents and visitors alike. Cultural districts can be found in any type of community, from small and rural to large and urban.

Last year, Bardstown was named the "Most Beautiful Small Town in America" in the Rand McNally and *USA Today* Best of the Road competition.

Maysville, with numerous shops and galleries, award-winning theaters, historic buildings, and collectibles, antiques and craft shops, has long placed high value on arts and culture.

The two communities join Berea, Covington, Danville and Paducah on the list of Kentucky's certified cultural districts.



The Speed Art Museum

### \$18 Million Donation Boosts Expansion Plans at Speed

**A**N \$18 million donation from the family of late philanthropist and Brown-Forman Chairman Owsley Brown II will allow the Speed Art Museum in Louisville to complete its expansion and renovation by 2016, five to 10 years earlier than expected.

The museum closed in September 2012 for three years for work on a project that will double the exhibition space and the number of visitors and dramatically change the look of the museum.

Brown's family had been looking for a way to honor their father's legacy, said Brooke Barzun, one of his three children. "In his final years, he worked passionately and hard at every level to make this project happen," she said of the Speed's master project.

The Browns' contribution will be added to \$50 million the museum has already raised for the project.

The donation will allow the museum to shave \$20 million off the project's original \$79 million budget because of the expected lower cost of materials and labor, said Speed Board President Allan Latts. It also "puts us five to 10 years ahead of where we thought we would be in completing the master plan."

That plan doubles the square footage of Kentucky's largest museum and includes renovating 79,600 s.f. of existing space, constructing 75,000 s.f. of new space and adding landscape improvements to the museum's property at the edge of the University of Louisville's Belknap Campus.

### Arts Events Around the State

#### **Cosmic Nature: Kentucky Painter C.C. Coyle**

Kentucky Museum of Art and Craft, Louisville  
Through June 23  
kentuckyarts.org  
(502) 589-0102

#### **Scenes of Darley, pet cetera**

Headley Whitney Museum, Lexington  
6-8 p.m. June 27  
Headley-Whitney.org  
(859) 255-6653

#### **Boz Scaggs**

SkyPac, Bowling Green  
7:30 p.m. July 23  
theskypac.com  
(270) 904-1880

#### **Jeff Flannagan**

Paramount Arts Center, Ashland  
8 p.m. June 21  
paramountartscenter.com  
(606) 324-3175

#### **David Byrne & St. Vincent**

The Kentucky Center for the Performing Arts  
Whitney Hall, Louisville  
7:30 p.m. July 2  
kentuckycenter.org  
(502) 562-0100

#### **10-Year Celebration Exhibit**

Kentucky Artisan Center at Berea  
Through Aug. 24  
kentuckyartisancenter.ky.gov  
(859) 985-5448



Lori Meadows is executive director of the Kentucky Arts Council.



# EXPLORING KENTUCKY



Situated along the shores of Lake Barkley, Mineral Mound State Park Golf Course has a challenging 18-hole, par-72 golf course.

## Fore!

The Kentucky State Parks Golf Trail offers something for everyone

BY KATHERINE TANDY BROWN

I was lucky enough to have a mother who loved to play golf. So I came to the game early, took lessons and played a lot during my younger years. Though I haven't hit a ball for a while, I can still remember the smell of the club shafts, the smooth "thwack" of a well-hit drive, early morning light filtering through tall pines lining the fairways, and

beads of dew on the close-cropped greens of the Hopkinsville Golf and Country Club. Only a golfer would understand.

These days, you don't have to be a member of, or a guest at, a club to play. And thanks to the Kentucky State Parks Golf Trail (KSPGT), golfers now have access to 16 courses – 12 that are 18-hole and four nine-hole courses. All are open

seven days a week. (Mondays are slow if you want to avoid crowds.) Greens fees and cart rentals are reasonably priced. Teaching pros can get beginners started on the process or help players of any skill level assess and improve their games.

According to Kentucky State Parks Commissioner Elaine Walker, "The Golf Trail offers something for everyone: kid-friendly atmospheres and courses that are easy enough for junior golfers but are well-conditioned and challenging enough for adults."

If all that weren't enough, KSPGT offers a course-specific golf discount card for \$20 to \$25 that gives extra savings of up to \$50 on 18-hole courses and up to \$30 on nine-hole courses. With a card, golfers receive four discounted rounds, including a cart, and the fifth is free. Cardholders also receive a 20 percent savings on pro shop merchandise purchases.

As testimony to the KSPGT's popularity, the Boots Randolph Course at Lake Barkley State Resort Park in Cadiz was selected as *Kentucky Living's* "2013 Best in Kentucky" golf course. Readers appreciated the fact that this 18-holer is "walkable and player-friendly." The scenic links feature a nice-sized driving range, a putting green and four sets of tee boxes, so novices need not be intimidated by long holes. Rental clubs are available and there's even a nearby airport.

"We'll get a call that a golfer is flying in from, say, Chicago, and can we pick him up at the airport," said Dee Brown, pro and full-time PGA instructor at the Boots Randolph course. "We do pickups from the airport and the marina. People also come in by boat to play golf."

If you go to Lake Barkley State Resort Park for the links, you might want to stay a few days, as it was voted Best Weekend

## Upcoming Bardstown Events

Kentucky Railway Museum's Civil War Train Robbery, **June 15-16**  
Kentucky Railway Museum's Dining on the Rails, **June 22**  
My Old Kentucky Dinner Train's Murder Mystery, **June 29**  
Kentucky Railway Museum's Murder Mystery Theatre, **June 29**  
The Stephen Foster Story Fourth of July Celebration, **July 4**  
The Bardstown Opry, **July 5, 12, 19, 26**  
A Visit with the Spirits of Wickland, **July 5, 12, 19, 26**  
Bardstown Ghost Trek, **July 6, 13, 20, 27**  
Bourbon City Street Concert, **July 6**  
Kentucky Railway Museum's Family Pizza Train, **July 13**  
Nelson County Fair, **July 15-20**  
Springhill Winery's Kick Back Friday Dinner, **July 19**  
Annual Sidewalk Sales, **July 19-21**

Go to [sampleourspirit.com](http://sampleourspirit.com) for a complete listing of events.

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Getaway in that same poll. The park features indoor/outdoor pools, a beach, fitness center, hiking and boating, and is one of a number of parks with golf packages that can include overnight lodging, meals and preferred tee times.

For corporate groups, the lake-view lodge has two meeting rooms and an adjacent conference center.

Surrounded by Lake Cumberland, General Burnside Island State Park in Somerset renovated its entire 6,394-yard, 18-hole course about five years ago. Designed by Bryan Ault, who designed Dale Hollow and Hidden Cove (both recognized by *Golf Digest*), this course features zoysia fairways, bentgrass tees and greens, and gorgeous views.

"We are truly an island," said Stephen Lutz, head golf pro. "So you can see the water from several holes and from the pro shop. It's one of the prettiest courses I've seen."

If you want to mix history with your golf, Lincoln Homestead State Park just north of Springfield features historic and reproduced homes of Abraham Lincoln's family. Ask about the 18-hole course's specials for seniors and groups of 20 or more. Mineral Mound State Park's 18-hole spread, with beautiful lake and inlet views, lies on land once owned by Zelda Fitzgerald's grandpa and was rated one of *Golf Digest's* "Best Courses You Can Play" in 2009. Historic My Old Kentucky Home State Park's course received four stars from that publication's "Best Places to Play," as did Pine Mountain State Resort Park's Wasioto (meaning Valley of the Deer) Winds, where golfers gaze at three lakes, a creek, mountains and pretty wetlands areas.

The most demanding hole on the hilly nine-hole course at General Butler State Resort Park is 330-yard, par

#### Grip it and rip it!

Grip it and rip it! For a complete list of Kentucky State Park golf courses, log onto [lanereport.com](http://lanereport.com) and click on Exploring Kentucky under the Departments tab.



four No. 8, requiring a tee shot from a high ridge to a fairway below, followed by an approach shot onto a 5,400-s.f. green undulating with contours. Players who walk need to be fit for this one.

For more information on the Golf Trail, visit [parks.ky.gov/golftrail](http://parks.ky.gov/golftrail) or contact the Kentucky State Park golf courses and pro shops listed in the sidebar. ■

Katherine Tandy Brown is a correspondent for The Lane Report. She can be reached at [editorial@lanereport.com](mailto:editorial@lanereport.com).

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AT MY OLD KENTUCKY HOME STATE PARK, BARDSTOWN



## With Increasing Water Levels, Tourism Ramping up at Lake Cumberland

**M**ORE boaters, anglers and vacationers are expected to head to Lake Cumberland this summer as the pristine southeastern Kentucky lake's water level rises about 20 feet following repairs to the dam.

Lodging operators are anticipating a strong summer season, said Carolyn Mounce, executive director of the Somerset-Pulaski County Convention and Visitors Bureau.

"I bet my hat that we'll be over 4 million visitors this year," she said.

That figure would approach the record number of visitors reported in 2006, before Lake Cumberland was lowered by the U.S. Army Corps of Engineers during repairs.

An abundance of lakes and streams across the commonwealth makes Kentucky a summer vacation playground. The Bluegrass State boasts more miles of navigable water than any state other than Alaska.

Lake Cumberland's half-dozen marinas that rent houseboats, ski boats, water scooters and other water recreation equipment are ready to meet the anticipated increase in demand.

Houseboating is one of Lake Cum-

berland's biggest claims to fame, with many tranquil coves and inlets providing great places to anchor and enjoy the lazy days of summer. The operator of Lake Cumberland's largest marina said bookings for the luxurious craft are up.

"We have 60 houseboats for rent," said Bill Jasper, president of State Dock in Jamestown. "The lake's coming back. We should have a great year."

The lake is known as among the best for anglers in the eastern United States. The Kentucky Department of Fish and Wildlife Resources is adding 1 million walleye and striped bass to Lake Cumberland's stock this year to give fishing a boost. Rising water atop the lake's overgrown banks is expected to spur fish population growth. Spawns of crappie and trout should also be strong.

Mounce said boat and vacation shows she's been attending are abuzz with talk about the resurgent Lake Cumberland. She advises travelers to make motel and other reservations at the lake as early as possible.

Lake Cumberland, Kentucky's deepest and third largest lake in surface area, was lowered 40 feet by the U.S. Army Corps of Engineers in 2007 to



ease pressure on Wolf Creek Dam and allow repairs. This summer's level will reach approximately 700 feet above sea level. The normal level of about 720 feet will be achieved by spring 2014, creating a surface area of more than 50,000 acres, according to the Corps.

For more information, visit [lakecumberlandtourism.com](http://lakecumberlandtourism.com).

## Kentucky Bourbon Trail Celebrates Birthday with New Digital App, Website

**T**HE Kentucky Bourbon Trail adventure celebrated its 14th birthday in late May with a present for bourbon lovers everywhere – a new digital application and website to help navigate the iconic journey and keep track of favorite brands.

The free app is available on Apple's iTunes Store by searching "Kentucky Bourbon Trail" or by visiting [kentuckybourbontrailapp.com](http://kentuckybourbontrailapp.com). The redesigned website is [kybourbontrail.com](http://kybourbontrail.com).

"It's amazing how much our signature tourist attraction – along with technology – has grown in just 14 years," said Eric

Gregory, president of the Kentucky Distillers' Association, which created the Kentucky Bourbon Trail tour.

"Our very first brochure was released on this date in 1999 to simply offer directions to our legendary distilleries. These new digital tools provide so much more to help visitors plan, coordinate and enjoy their Kentucky Bourbon Trail experience and beyond."

Features of the new app and website include:

- Mapping, GPS directions and tour hours for Kentucky Bourbon Trail and Kentucky Bourbon Trail Craft Tour distilleries.
- Digital check-in capabilities for the Kentucky Bourbon Trail Passport program, which rewards visitors who tour all seven distilleries with a free t-shirt.
- Menus and itineraries to discover local attractions, dining, lodging and more – including a new "trip planner" on the website with links and suggestions.
- A virtual shelf to explore tasting notes for dozens of bourbon and American whiskey brands, add personal ratings and educate friends through social media.
- Bourbon 101 – a tutorial section to learn more about the art and sci-

ence behind crafting America's only native spirit.

The Kentucky Bourbon Trail program features Four Roses and Wild Turkey in Lawrenceburg; Heaven Hill's Bourbon Heritage Center in Bardstown; Jim Beam in Clermont; Maker's Mark in Loretto; Town Branch in Lexington and Woodford Reserve in Versailles.

Heaven Hill's Evan Williams Bourbon Experience, located along the historic "Whiskey Row" in downtown Louisville, will be joining the tour this fall as the eighth member and first-ever in the River City.

The application is the "gift that keeps on giving" for people who already have visited the KDA's landmark distilleries, said Adam Johnson, director of the Kentucky Bourbon Trail tour.

"Our shelf program is a virtual Bourbon bar of the world's greatest brands. You can sort, filter and explore dozens of brands, from classic straight Kentucky bourbon to new alt whiskeys," he said. "We've even reserved a top shelf for your favorites."





## Bit Part in a Big Production



The drilling of 50-foot deep test shafts on the Indiana shore across from Louisville is one of the first large pre-construction operations for the \$2.3 billion Ohio River Bridges Project. A new six-lane Downtown Crossing bridge between downtown Louisville and Jeffersonville along with another new bridge six miles upstream at Prospect, Ky., are to be open for traffic in 2016. An official ceremonial start of construction is planned for July 1.

## Lane Named to Realtor Magazine's '30 Under 30'

LEXINGTON Realtor Meredith Lane has been named by *REALTOR® Magazine* as a member of the national publication's 2013 Class of 30 Under 30.



Meredith Lane

Lane, 28, was one of seven real estate agents featured on the cover of the magazine's May/June edition.

The magazine selects agents who are involved in their communities and demonstrate professional leadership. Business success is just one element of a real estate agent's selection.

Lane, a member of The Lane Team at Keller Williams Bluegrass, previously was an agent at Milestone Realty Consultants and has served as editor of *BG – A Way of Life*, a young professionals magazine produce by *The Lane Report*, and is involved in many Central Kentucky civic organizations.

She hosts the "Top 9 at 9" countdown every weekday morning on 104.5 The Cat, a Lexington radio station. At the end of each show, she signs off with, "I'm off to sell a house."

## Geological Survey: Earthquake Threat Overstated

**D**EATH, catastrophic destruction and unprecedented economic loss. For years, we've heard these words used to describe the damage Kentucky could suffer if an earthquake were to occur along the New Madrid Fault Line.

It turns out, however, that the threat of a devastating earthquake in Kentucky might not be as bad as we've been told. Researchers at the Kentucky Geological Survey say maps published by the U.S. Geological Survey overstate the earthquake threat in Western Kentucky and the surrounding region.

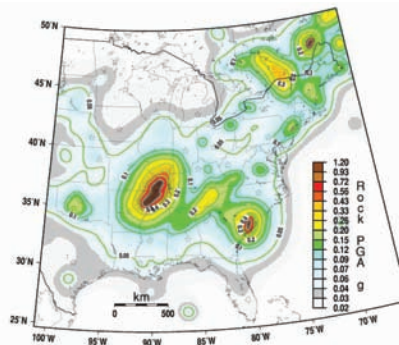
KGS researchers at the University of Kentucky have been working for a decade to have the maps changed to reduce the estimated threat level. The USGS uses a probabilistic method to determine the earthquake hazard level, a method KGS researchers say is flawed.

"This method, mathematically, is not correct," said Zhenming Wang, head of the KGS Geologic Hazards Section. "The national hazard maps are not scientifically sound; that's why there is a problem."

Deterministic or scenario analyses for the Paducah region showed a much more moderated seismic hazard, said KGS Director Jim Cobb.

"It's just not as significant as California and other places like Japan or China," he said.

Cobb and Wang wrote an article published by the Geological Society of America



The U.S. Geological Survey's method of determining seismic hazard says that the peak ground acceleration (PGA), which has a 2 percent chance of being exceeded in a 50-year period, corresponds with the color showing on the map as depicted on the color-legend on the right side of the map graphic. The PGA in that USGS estimation could be about 80 percent of the acceleration of gravity. Kentucky Geological Survey researchers contend that this overstates the risk, especially because it is a greater than the risk in California.

ica late last year detailing the scientific flaws in the probabilistic method and presenting the deterministic/ scenario method and its results.

Standard building codes are based on the USGS hazard maps, and federal installations cannot be constructed in zones with an earthquake threat as high as the USGS map depicts for the New Madrid Seismic Zone, which includes Western Kentucky. That could put Western Kentucky at an unnecessary disadvantage when trying to attract federal facilities, impeding economic development, Cobb said.

The USGS is developing new hazard maps, which will be released sometime this year. Wang hopes the efforts to persuade USGS will result in a reduced estimation of the seismic hazard in the Midwest on the new maps.

Watch KGS' video about the New Madrid Fault at <http://bit.ly/16TedUG>.

## Nate Morris 'Outstanding Young American'

**N**ATE Morris of Lexington recently received an award previously bestowed on former Presidents Bill Clinton, Gerald Ford and John F. Kennedy.

The founder and chairman of Morris Industries, a privately held industrial group headquartered in Lexington, recently was named by the U.S. Jaycees to its 2013 list of Ten Outstanding Young Americans. For 75 years, the Jaycees has compiled the list to recognize men and women younger than 40 who best exemplify the highest attributes of the nation's emerging generation.

A social entrepreneur, Morris created the Morris Industries Foundation, which works to improve the lives of Kentuckians through strategic giving, and is co-founder and chief executive officer of Rubicon Global, one of North America's leading providers of sustainable waste and recycling services. The company is "revolutionizing the waste and recycling industry by helping businesses to reduce their cost and increase recycling," according to the Jaycees.

"This year's Ten Outstanding Young Americans honorees are role models for everyone," said Chrystal Ramsay, president of the U.S. Jaycees. "They are 'doers' in all sense of the word. Their innovation, passion and talents have improved the lives of thousands of people and made a lasting impact in our country."



Nate Morris

# KENTUCKY PEOPLE

## COX'S CREEK: CHENERY CELEBRATES 40TH ANNIVERSARY OF TRIPLE CROWN WIN



Penny Chenery, owner of legendary Thoroughbred Secretariat, traveled to Four Roses' warehouse and bottling facility in Cox's Creek earlier this spring to select a Four Roses single-barrel bourbon to celebrate the 40<sup>th</sup> anniversary of Secretariat's Triple Crown win. Looking on is Four Roses Hall of Fame Master Distiller Jim Rutledge. Only 500 decanters of the selected bourbon were produced and sold at a ticketed event at the Kentucky Derby Museum on May 1, but Four Roses has also produced 3,500 commemorative Secretariat bottles containing Chenery's private bourbon selection that are being sold at select retail outlets along the Triple Crown trail in Kentucky, Maryland and New York. The bottles are also available for purchase at the Kentucky Derby Museum.

## FT. MITCHELL: NORTHERN KENTUCKY CELEBRATES 3,774 NEW JOBS IN 2012

Northern Kentucky Tri-County Economic Development Corp. recently honored 24 companies that announced new locations or expansions in the Boone, Campbell and Kenton County region in 2012,

creating a total of 3,774 new jobs. Pictured here at the Northern Kentucky Thoroughbred Awards event are (left to right) Dan Tobergte, Tri-ED president and CEO; Kimberly Halbauer, director of private banking at Fifth Third Bank and chair of the Northern Kentucky Tri-County Economic Development Foundation; Gary Moore, Boone County judge-executive and Tri-ED chair; Sam Popiansky, director of business development at WestPack LLC, one of the honored companies; Steve Pendery, Campbell County judge-executive; and Dr. Jon Draud, Kenton County commissioner.



## MADISONVILLE: MORCK AMONG FINALISTS FOR 2013 NATIONAL TROOPER OF YEAR



Kentucky State Police Detective Daniel P. Morck (second from right) was among four finalists for the International Chiefs of Police Trooper of the Year award. Morck, a resident of Madisonville and a 10-year veteran of the KSP, was nominated for his efforts to combat child exploitation. Pictured here with Morck are (left to right) KSP Commissioner Rodney Brewer,

Louisiana State Police Col. Michael Edmonson and Motorola CEO Greg Brown. Officer Tyler Carlton of the California Highway Patrol won the Trooper of the Year honor.

## FRANKFORT: KENTUCKY'S 61ST NATURE PRESERVE CREATED IN WHITLEY CO.



The Kentucky State Nature Preserves Commission recently dedicated a new nature preserve that will protect 1,864 forested acres in Whitley County. The newly formed Archer Benge State Nature Preserve is the result of partnerships with several state organizations and the estate of the late William Dennis Benge of Fort Wright, Ky. Pictured here at the dedication are (seated, left to right) Commissioner Adrian K. Arnold, representing The Kentucky Farm Bureau Federation; Commissioner Carl Breeding, chair of the Kentucky State Nature Preserves Commission, representing members at-large; and Commissioner Peter E. Brown, secretary of the Kentucky State Nature Preserves Commission, representing members at-large; (standing, left to right) Donald S. Dott Jr., director of the Kentucky State Nature Preserves Commission; Carol Johnson and Connie Johnson, sister and niece of the late Dennis Benge; and Hugh Archer, executive director of the Kentucky Natural Lands Trust.

## BEREA: ROELOFS INSTALLED AS THE 9TH PRESIDENT OF BEREA COLLEGE



Dr. Lyle Roelofs (above) was inaugurated as the ninth president of Berea College on April 6, succeeding Dr. Larry Shimm, who retired after serving in the position for 18 years.

Prior to the ceremony, Student Government Association President David Kretzmann (above, left) shared a lighthearted moment with Roelofs. Dr. Elaine Tuttle Hansen (right), executive director of the Johns Hopkins Center for Talented Youth, was the inauguration speaker.



### We want your photos!

Submissions must be high-resolution photos (minimum 300 dpi) and should include a brief description of the event at which the picture was taken and identification of the people featured in the photo. Please send submissions to [editorial@lanereport.com](mailto:editorial@lanereport.com) with "Kentucky People" in the subject line.



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**Dead Ringer (1964)**

KET Saturday, June 1 • 9/8 pm | KET2 Friday, June 14 • 9/8 pm

**Much Ado About Nothing**

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**What Ever Happened to Baby Jane?**

KET Saturday, June 22 • 9/8 pm | KET2 Friday, June 28 • 8:47/7:47 pm

**I Want to Live!**

KET Saturday, June 29 • 8:58/7:58 pm

**Get Shorty**

KET Saturday, July 6 • 9/8 pm | KET2 Friday, July 12 • 9/8 pm

**Oh, God!**

KET Saturday, July 13 • 9/8 pm | KET2 Friday, July 19 • 9/8 pm

**The Thomas Crown Affair (1968)**

KET Saturday, July 20 • 9/8 pm | KET2 Friday, July 26 • 9/8 pm




**The Sunshine Boys**

KET Saturday, July 27 • 9/8 pm



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