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CONSTRUCTION BIDS FAREWELL TO RECESSION

Kentucky builders get busy providing facilities for manufacturers who want access major U.S. metro areas

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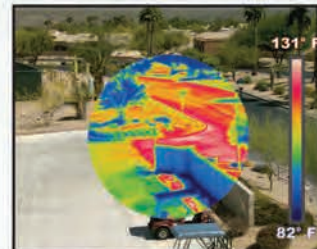
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On the Cover

Kentucky construction companies say the number of jobs they've had to bid on has been growing steadily for the past few years.
(Lane Report photo illustration)



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Lane Communications Group

is a member of

THE ALLIANCE

OF AREA BUSINESS PUBLICATIONS

The Lane Report is published monthly by:

Lane Communications Group
201 East Main Street 14th Floor
Lexington, KY 40507-2003
editorial@lanereport.com

For more information and
advertising rates contact:

PHONE: 859-244-3500

The annual subscription rate is \$29.
(Kentucky residents add \$1.74 sales tax.)
Newsstand price is \$4.50.

Send check or money order to:
Circulation Manager

THE LANE REPORT

201 East Main Street 14th Floor
Lexington, Kentucky 40507-2003
or go to lanereport.com/subscribe

THE LANE REPORT corrects all significant errors that
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PERSPECTIVE

SURVIVAL OF THE COST EFFICIENT

E-commerce changing
the nation's retail sector

BY ED LANE

A decade ago, finding quality retail real estate opportunities in Kentucky's largest cities was often a challenge. Most businesses were profitable, market conditions were stable, and new sites for development were in demand. But times have changed. Today's retail space vacancy in Kentucky cities may be the highest in decades.

What are some of the factors affecting retail trade?

• **Economy:** U.S. retail sales during the past 36 months have been static to slow growth. The auto industry has been strong, and its recent boom has helped keep overall U.S. retail sales data from being negative. With high unemployment and underemployment, the disposable income of families has declined substantially over the last seven years. (SentierResearch.com)

The continuing uncertainty of the Affordable Care Act (Obamacare), economic policy, taxation, monetary policy, inflation, international events and lower household incomes all creates anxiety for consumers. They elect to save more and spend less of their declining disposable income.

• **Competition:** Fast food and full-service restaurants have reduced prices to entice frugal consumers to eat out more frequently. Big-box retailers and department stores are offering deep discounts and promotional sales. Due to their purchasing and marketing efficiencies, chain retailers have wreaked havoc on small independent local retail businesses, which have a difficult time profitably operating and competing in a soft retail market.

Next time you are riding through any retail area, look around. You will be surprised by the number of vacant storefronts and freestanding stores you will see.

• **Internet Sales:** Online retail sales increased 16 percent in 4th Quarter 2013 according to the U.S. Department of Commerce's e-commerce sales estimates. Ease of ordering, unlimited product selections, free delivery, competitive pricing and lower overhead vs. a bricks-and-mortar retailer are factors that indicate e-commerce will continue to grow in the future. This success will continue to put pressure on local retailers.

Top 12 Kentucky Cities

CITY	POPULATION
Louisville	605,110
Lexington	305,489
Bowling Green	60,600
Owensboro	58,083
Covington	40,713
Hopkinsville	32,966
Richmond	32,112
Florence	31,088
Georgetown	30,221
Elizabethtown	29,335
Henderson	28,911
Frankfort	27,590

Source: U.S. Census Bureau estimates, 2012

The bright spot: The future for the retail and hospitality sectors will likely be targeted to upscale demographics – high and high middle income individuals who can afford and enjoy top quality merchandise, food service and hospitality services and are seeking a unique retail experience. Business locations near a large, affluent population, offering a diverse array of restaurants, retail and service business sites, will be the future dream product of shopping center developers.

The future of business is always in a constant state of change. Active and growing retail categories seeking new locations include chain drugstores, pizza and chicken chains, grocery stores, upscale retail, sports retailers and the auto aftermarket, as companies expand to accommodate increased demand for their specific products and services.

Competition does benefit consumers by offering a broader spectrum of products at a lower cost. But only the most efficient businesses will survive because greater selection, higher quality, lower costs and better service does attract buyers from existing businesses. Internet retailers can offer one-stop shopping, great service, free delivery and lower pricing because these businesses have lower real estate and labor costs.

There is pain for businesses that do not adapt to change. As always, though, the U.S. free market system makes America the world's most powerful economy. ■



Ed Lane (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

LOUISVILLE: 600-ROOM LUXURY HOTEL TO ANCHOR NEW \$261 MILLION DEVELOPMENT IN DOWNTOWN LOUISVILLE



Omni photo

LOUISVILLE will get a new four-diamond hotel – along with more retail shops, 200 upscale apartments and a much-anticipated downtown grocery – under a \$261 million downtown development plan announced last month.

Omni Hotels & Resorts will build a 600-room convention hotel – its first Kentucky location – that is expected to be a catalyst for more convention activity for the city. The hotel, which will be the first four-diamond, luxury hotel in the area, will become part of Omni's growing "Convention Collection," which features signature properties in Atlanta, Dallas, Fort Worth, Nashville, Providence and Washington, D.C. In addition to the 70,000 s.f. of meeting space planned for the hotel, meeting and convention attendees will have access to an additional 300,000 s.f. of meeting and exhibit space at the Kentucky Convention Center.

"This project is a major infusion in our downtown and to the city's entire economy," said Louisville Mayor Greg Fischer. "It will create jobs, both temporary construction positions and permanent jobs, and it will boost our convention and tourism industry as Omni provides a new level of luxury hotel."

Omni Hotel & Resorts' planned 600-room hotel in Louisville will be part of the luxury hotel chains' "Convention Collection," which includes signature properties such as the Omni Fort Worth, pictured here.

The project is expected to create 1,350 construction jobs and 350 permanent positions.

Construction is anticipated to begin in 2015 with an opening date of no later than 2017. The project is a joint deal between Omni, **The Cordish Companies** (which will develop the apartment project), **Louisville Metro Government** and the **State of Kentucky**, which is providing support in the form of a rebate of taxes that will be generated by the project.

GEORGETOWN: TOYOTA TO UTILIZE LANDFILL WASTE GAS TO GENERATE ELECTRICITY FOR MANUFACTURING PLANT

TOYOTA Motor Manufacturing Kentucky Inc. has teamed up with **Waste Services of the Bluegrass** to generate power from local landfill waste, marking the region's first business-to-business landfill gas-to-energy initiative. Toyota estimates the locally generated landfill gas will supply enough power each year to produce 10,000 vehicles at its Georgetown plant.

As solid waste naturally breaks down in a landfill, it creates methane. A network of wells at the landfill will collect and prepare the gas, which will be used to fuel generators for electricity. Underground transmission lines will carry the electricity to Toyota's manufacturing plant, located a few miles south of the landfill.

Construction is already under way and is expected to be complete early next year. Once up and running, the system will generate one megawatt of electricity per hour – about what it takes to power 800 homes, based on average U.S. consumption. In addition, landfill greenhouse gas emissions will be cut by as much as 90 percent.

The endeavor is the latest of Toyota's efforts to address environmental issues. Since 2006, the Georgetown plant has been a "zero-landfill" facility, with waste generated at the plant being repurposed instead of being rejected. Some of the waste goes into a compost, located on the plant's 1,300-acre campus.



STATE: KY RANKS FOURTH IN NATION FOR PER CAPITA INDUSTRY ACTIVITY IN '13

SITE Selection magazine's annual Governor's Cup rankings placed Kentucky fourth in the nation for new and expanded industry activity per capita in 2013.

Site Selection, an Atlanta-based publication, has rated the states annually since 1978. The ranking is based on a state's total number of qualified projects as tracked by **Conway Data Inc.**'s New Plant database. It's the first year *Site Selection* has ranked states on a per capita basis.

Qualified projects include those that meet at least one of three criteria: involve a capital investment of at least \$1 million; create 50 or more jobs; or add at least 20,000 s.f. of new floor space.

During 2013, Kentucky generated 163 projects that met the *Site Selection* criteria requirements. In total, 281 location or expansion announcements were reported in Kentucky, resulting in 14,058 projected new full-time jobs. Capital investment is estimated at nearly \$3.3 billion.

"States that appear on our rankings of top locations for new projects are those with the location attributes most in demand by corporate site selectors," said Mark Arend, *Site Selection*'s editor-in-chief. "Areas compete aggressively for capital investment, so ranking among our top states is evidence of a highly successful economic development strategy."

Conway Data's rankings are regarded by corporate real estate analysts as "the industry scoreboard." The magazine's circulation base consists of 45,000 executives involved in corporate site selection decisions.

In addition to the Governor's Cup, *Site Selection* recognizes top metropolitan and micropolitan areas for their economic development successes. The Top 10 Metro Areas Ranking includes Lexington, Ky. (ranked 8th) in the tier two category (population 200,000 to 1 million) and Bowling Green (ranked 6th) in the tier three category (population less than 200,000).

Kentucky also had five communities making the magazine's Top 50 Micropolitans list: Paducah (tied for 16th); Danville (tied for 27th); Mount Sterling (tied for 27th); Union City, Tenn./Ky. (tied for 27th); and Frankfort (tied for 41st).

STATE: ALLEGIENT AND US AIRWAYS ADD MYRTLE BEACH, TAMPA, PHILLY ROUTES



Allegiant Air, a Las Vegas-based low-fare carrier, is expanding its flight service out of both Lexington and Cincinnati/Northern Kentucky.

TRAVELERS are finding it easier to fly in and out of the Bluegrass State with the addition of new routes recently announced by both **Allegiant Air** and **US Airways**.

Allegiant is expanding its flight service from both Lexington's **Blue Grass Airport** and the **Cincinnati/Northern Kentucky International Airport (CVG)**.

The Las Vegas-based low-fare carrier will begin nonstop flight service on May 29 between Lexington and Myrtle Beach, S.C. The new flights, which represent the only non-stop service between Lexington and any destination in South Carolina, will operate twice weekly between May 29 and Aug. 12. Allegiant first began service at Blue Grass Airport in November 2008 with nonstop service to Orlando and today serves five vacation destinations from the airport.

The airline will begin flying to Myrtle Beach out of CVG, in addition to adding a CVG to Tampa/St. Petersburg, Fla., route and expanding service between CVG and Fort Myers/Punta Gorda, Fla. Flight service between CVG and Tampa/St. Pete will be offered on Thursdays and Sundays beginning May 15, with seasonal service to Myrtle Beach scheduled for Mondays and Fridays between May 30 and Aug. 11. Flights to Fort Myers/Punta Gorda will increase from four per week to 10, beginning May 1.

US Airways has announced plans for a nonstop flight between Lexington and Philadelphia beginning June 5. The service will be operated three times daily by regional partner **Air Wisconsin**, using the Bombardier CRJ-200 aircraft.

PADUCAH: PLANS MOVING FORWARD FOR PADUCAH LASER ENRICHMENT FACILITY

PLANs for a new project located on land adjacent to the **Paducah Gaseous Diffusion Plant** are moving forward.

Gov. Steve Beshear said **GE Hitachi** plans to apply to the Nuclear Regulatory Commission (NRC) for a license this fall to construct and operate the Global Laser Enrichment project on land next to the PGDP.

Owned by the **U.S. Department of Energy**, the gaseous diffusion plant has operated since the 1950s. It was announced in May 2013 that the U.S. Department of Energy would not extend its agreements to subsidize the facility's operations. PGDP, which is the only American-owned plant for enriching uranium, employed approximately 1,100 skilled workers until this past fall. Since the announcement was made that the facility would be shut down, Beshear has met several times with U.S. DOE and administration leaders to find other uses for the plant.

Beshear said allowing the GLE construction to begin on the site adjacent to the PGDP means both activities can take place simultaneously, which means jobs for hundreds of people in the region over a long period of time. Additionally, once the PGDP site has been fully decommissioned and cleaned, it will become a prime location for other facilities like the GLE.

According to a letter from GLE to the NRC, approval for construction of the new plant is requested by November 2016.

BUSINESS BRIEFS



BURNSIDE

■ The Kentucky Public Service Commission has approved a plan that will allow the continued operation of a coal-burning unit at the **East Kentucky Power Cooperative J.S. Cooper Generating Station** near Burnside. The \$15 million project involves adding ductwork that will redirect emissions from the 116-megawatt Cooper Unit 1 to emission control equipment already in place to handle emissions from the 225-megawatt Cooper Unit 2. The equipment has the capacity to handle emissions from both units. The PSC also approved plans by EKPC to recover the cost of the project through its environmental surcharge, as authorized by Kentucky statute. The cost will be passed on to customers of the 16 electric distribution cooperatives that purchase power from and own EKPC.

ERLANGER

■ **Toyota Motor Engineering and Manufacturing North America Inc.** is planning a \$1 million expansion of its technical center that will add more meeting space and seating, according to the *Cincinnati Business Courier*. The expansion is part of the automaker's \$2.1 billion plan to expand its North American operations.

FORT KNOX

■ The **U.S. Army** is relocating its **Recruiting and Retention School (RRS)** from Fort Jackson, S.C., to Fort Knox, where the Army's **Recruiting Command** and **Army Human Resources Command** are already housed. The Army said the relocation will provide greater synergy and synchronization between the RRS and Recruiting Command and will also result in an annual savings of \$14 million, with a projected savings of \$138 over a 10-year period. The mission of the RRS is to train military and civilian leaders in a broad spectrum of skills, including leadership, technology and interpersonal communications. The school has a staff of approximately 100 who instruct around 450 students per day.

HAZARD

■ **JW Resources Inc.**, through its newly formed subsidiary **Middlesboro Mining Inc.**, has acquired **Appollo Fuels Inc.**'s thermal coal mining operations in Bell County, Ky., and Claiborne County, Tenn. The acquisition includes approximately 33,000 acres that contain an estimated 43 million tons of proven and probable high-quality thermal coal reserves. Middlesboro will primarily serve the industrial coal markets and will continue Appollo's supply relationships with several "blue-chip" customers.

HEBRON

■ **Beckman Coulter**, a California-based company that produces products for biomedical testing, is investing \$10 million to add 73,000 s.f. to its Hebron distribution facility. The expansion will add 43 new jobs to the existing 131-member staff.



Beckman Coulter photo

■ The **Cincinnati/Northern Kentucky International Airport** has received the World Airport Award for the best regional airport in North America for the fourth consecutive year. **SkyTrax**, an independent, London-based air transport research organization, surveyed more than 12.85 million airline customers from 110 different countries during the survey period in 2013 and 2014 (completed in February 2014). The survey covered 410 airports worldwide and evaluated traveler experiences across 39 different airport services and key performance indicators, from check-in, arrivals, transfers, shopping, security and immigration through departure at the gate.

BUSINESS BRIEFS

HOPKINSVILLE

■ **CSX Transportation Inc.** plans to build a new rail inspection yard in Hopkinsville that will primarily support coal unit trains servicing local Kentucky mines. The facility will allow CSX to serve increased production levels of its Kentucky customers while also providing the infrastructure to support the expected ongoing growth of commodities along the entire corridor that spans Evansville, Ind.; Birmingham, Ala.; and Chattanooga, Tenn. The Hopkinsville facility will initially create 50 to 70 jobs, with the potential to add more jobs as traffic volumes continue to grow. Construction is expected to be complete by 2015.



LEXINGTON

■ **Commerce Lexington Inc.** is organizing a nine-day visit to **Dubai** and **Abu Dhabi** in October that will provide Commerce Lexington members and members of the general public the opportunity to meet with the Dubai Chamber of Commerce and representatives of Dubai businesses with Kentucky connections. The cost to participate in the trip is \$3,599 per person (double occupancy) and includes

hotels, meals, day trips and airfare from New York. For more information, visit commercelexington.com/events.

■ **UK HealthCare** has been designated as a comprehensive stroke center by **The Joint Commission** and the **American Heart Association/American Stroke Association**, becoming one of only 63 U.S. institutions and the only one in Lexington to receive the designation. The certification recognizes those hospitals that have state-of-the-art infrastructure, staff and training to receive and treat patients with the most complex strokes, including advanced imaging capabilities, 24/7 availability of specialized treatments, and staff with the unique education and competencies to care for complex stroke patients.

■ **CBL & Associates Properties Inc.** has announced that **The Cheesecake Factory** and **H&M** will be coming to **Fayette Mall** as part of the redevelopment of the former **Sears** location. Additional stores and restaurants coming to the mall include **Brighton**, **Clarks** footwear, **Jos. A Bank**, **Michael Kors** and **Newk's Eatery**, with more retailers to be announced as the project progresses.



The Cheesecake Factory photo

LOUISVILLE

■ **TNG Pharmaceuticals**, a Louisville animal pharmaceutical company that is developing an innovative vaccine for cattle to reduce the damage caused by horn flies, has completed a \$4.6 million Series A Preferred Stock financing. The financing will allow the company to complete all of the phases of product development necessary to commercialize the vaccine in a timely fashion. TNG began at the **University of Louisville** in the Entrepreneurship MBA program and won the 2011 Global Championship at the Venture Labs Investment Competition.

■ **M. Joseph Medical** and **Occupational Managed Care Alliance (OMCA)**, two companies headquartered in Louisville, have formed a strategic partnership aimed at helping employers and insurance carriers control pharmaceutical expenses in both group medical and workers' compensation insurance programs.

■ Researchers at the **University of Louisville** have found that using the heat profile from a person's blood – called a plasma thermogram – can serve as an indicator for the presence of cervical cancer, including the stage of the cancer. Researchers say the noninvasive test could result in earlier detection, more effective therapeutic approaches and lowered healthcare costs for screening and treatment of cervical cancer. The technique also holds promise in terms of being able to detect and monitor a range of other cancers and diseases and has already been used to identify melanoma, lung, cervical, ovarian, endometrial and uterine cancers as well as lupus, rheumatoid arthritis, Amyotrophic lateral sclerosis (Lou Gehrig's Disease) and Lyme disease.

STATE: NATIONAL MAGAZINE HONORS 3 KY COMPANIES FOR ECONOMIC IMPACT

TRADE & Industry Development, a leading magazine dedicated to site selection, has included three Kentucky companies – **Toyota**, **PTC Seamless Tube Corp.** and **Custom Food Products** – in its ninth annual CiCi (Corporate Investment and Community Impact) Awards.

The CiCi Awards program highlights the largest corporate investments but also recognizes projects that make the most notable impact on communities even though they may not involve large investments. Numerous criteria are considered for the Impact division, including new jobs created, current jobs retained, unemployment figures, income level of the region and plant closings.

The Kentucky projects are among the top 30 economic development projects announced in 2013 and were selected from hundreds submitted from across the country.

Toyota was recognized for its plans to invest \$60 million to add a new production line for the **Lexus ES 350** at its Georgetown plant and another \$171 million plant refurbishments. The additional production line will add 750 new jobs.

PTC Seamless plans to add 283 new jobs in Hopkinsville, where the company is investing more than \$102 million to establish a new manufacturing operation.

Custom Food Products' is expanding its Owingsville facility, where it produces processed beef, pork and chicken for packaged food manufacturers. The expansion will bring the total number of employees there to 250 and allow the company to expand its services to the East Coast.

Toyota photo



Toyota's plan to begin producing the Lexus ES 350 at its Georgetown plant will create 750 new jobs and represents an investment of \$60 million in the commonwealth.

LOUISVILLE: 7 PRACTICES MERGE TO FORM PEDIATRIC ONE, JOIN NATIONAL FIRM

In the face of a rapidly changing healthcare environment, seven independent pediatric practices in Louisville have merged to form a larger practice that will serve the entire metro region.

The newly merged entity, **ONE Pediatrics**, is made up of **East Louisville Pediatrics**, **Pediatrics of Bullitt County**, **Prospect Pediatrics**, **South Louisville Pediatrics**, **Springs Pediatrics**, **All Star Pediatrics** and **Kaplan Barron Pediatric Group**. Patients will continue to see the same personal physicians and staff, but the participating physicians – who did not want to be owned by a larger corporation – say the larger structure will enable the practice to implement more advanced technology and more efficient scheduling while monitoring quality measurements.

The practice is also one of the founding members of a national management corporation, **ONE Management Services Corp.**, which is based in Louisville and Dallas.

By combining independent local practices with a national management corporation, ONE Pediatrics said its goal is to "provide the highest quality, personal pediatric care in a structure designed to withstand the momentum of increased government and corporate intervention in primary care." The group plans to continue to expand beyond the Louisville area and become a regional force in pediatric care.



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BUSINESS BRIEFS

LOUISVILLE

■ **Churchill Downs Inc.** and **NBC Sports Group** have reached a 10-year agreement that extends NBC's exclusive rights to the **Kentucky Derby** and **Kentucky Oaks** through 2025, which will include the 150th Kentucky Derby in 2024. Utilizing NBC Sports Group's "Big Event Strategy," three of the last five Kentucky Derby races have recorded at least 16 million viewers. NBC Sports Group's coverage of the Kentucky Derby over the last 13 races averaged over 2 million more viewers than the previous 12 Kentucky Derby broadcasts, an increase of 19 percent.



Walmart photo
■ Plans have been announced for a new 150,000-s.f. **Walmart Supercenter** to be built in west Louisville, bringing much-needed retail to the area along with 300 new jobs. The \$25 million project is the largest economic development project in west Louisville in at least a decade.

■ Louisville insurance broker **AgentLink** has acquired 100 percent ownership of **Consolidated Brokerage Services**, an Indianapolis company that provides insurance products and services to independent insurance agents throughout Indiana. AgentLink was founded in 1991 to help handle administrative and customer service tasks for independent agents and small agencies. The company now supports a network of more than 10,000 independent agents across the country.

■ **Louisville International Airport** is now offering free Wi-Fi to the traveling public. Passengers can enjoy 20 minutes of free Wi-Fi access after watching an ad, completing a survey or downloading an app. The airport continues to offer hourly, daily and monthly Wi-Fi access options to travelers who want to engage in higher-bandwidth activities, like streaming high-definition video or uploading large files.



MCKEE

■ The Kentucky Public Service Commission has granted a 4.6 percent rate increase to **Jackson Energy Cooperative Corp.**, saying the increase is needed to reverse a decline in the utility's financial condition. The increase, which will be implemented in phases to ease the impact on customers, will boost the co-op's revenue by \$4.11 million. Jackson Energy has about 51,250 customers in 14 east-central Kentucky counties. Its last rate adjustment was in 2008.



MOREHEAD

■ The Kentucky Council on Postsecondary Education has approved two new bachelor's degree programs for **Morehead State University**. The bachelor of arts in convergent media will combine two tracks that are currently part of the B.A. in communication – multimedia journalism and multimedia production – and add aspects of graphic design and Web design.

The bachelor of arts in strategic communications combines three tracks that are now part of the B.A. in communications – communication studies, leadership studies and public relations – while also emphasizing online, social media, event planning and leadership studies.

MUHLENBERG COUNTY

■ The **Tennessee Valley Authority** (TVA) plans to begin work later this year on a new \$1 billion natural gas power plant that will replace two coal-fired units at the **Paradise Fossil Plant** in Muhlenberg County. The gas plant will be a high-efficiency, combined-cycle design and is targeted for completion in the summer of 2017.

STATE: GERMAN STYLE APPRENTICESHIPS PART OF KENTUCKY SKILLS INITIATIVES

In an effort to train and strengthen its future workforce, Kentucky has created a new education/training model that offers some students the option of combining educational opportunities with on-the-job training. The program, called the **Skills Initiative**, is based on a German model that closes the skills gap between what employers need and what job applicants offer.

Kentucky's Skills Initiative program features elements from Germany's "dual system" of vocational education that allows students to earn their high school diplomas

while working as apprentices in specific occupations. Through the Skills Initiative, manufacturing industries and local education/training providers are brought together with the aim of developing training programs best suited to businesses' needs. Kentucky students' participation in the program is voluntary.

"Businesses consistently tell us the need for highly skilled workers has never been greater," said Gov. Steve Beshear. "We found an extremely effective program developed by the Germans, and so we contacted the German Embassy to learn more. They've been extremely helpful, and with their assistance, we created the Skills Initiative. The Skills Initiative is open to all manufacturing industries in the state, and I encourage businesses and students to take advantage of this opportunity."

Germany's strong business presence in Kentucky is a primary reason for the partnership. Currently, there are 62 German-owned businesses in the state, employing nearly 9,000 people.



Kentucky's new Skills Initiative program offers high school students educational opportunities combined with on-the-job training.

HAZARD: ARCH SELLS ITS HAZARD MINING COMPLEX TO BLACKHAWK FOR \$26.3M

Arch Coal Inc. has sold its Hazard subsidiary to Lexington-based **Blackhawk Mining LLC** for \$26.3 million. The sale includes the Hazard thermal coal mining complex and related infrastructure as well as approximately 38 million in thermal coal reserves in Eastern Kentucky.

As part of the sale, Arch has divested \$15.6 million of reclamation liabilities to Blackhawk, and expects to be released from \$43.8 million of reclamation surety bonding. In addition, Arch has the potential to receive future royalty payments of up to \$35 million in aggregate over the next five years resulting from its retention of select coal reserves at Hazard.

"The sale of our Hazard subsidiary demonstrates that we are continuing to streamline our mining portfolio and monetize assets that are not essential to our future growth plans," said John W. Eaves, Arch's president and CEO. "This transaction allows us to further sharpen our focus on strategic assets that have the highest return potential, such as our growing Appalachian metallurgical coal franchise and our low-cost western thermal coal platform."

Hazard's complex includes four active surface mines as well as the **Teton** preparation plant and **Kentucky River Loading** facility. In 2013, Hazard sold 1.7 million tons of thermal coal and generated \$4.8 million in earnings before interest, taxes, depreciation and amortization.

Blackhawk, which was formed in 2010, owns and operates four underground and five surface mines as well as two processing and loading facilities in Kentucky.

LOUISVILLE: MEDICAL DEVICE MAKER WILL MOVE OPERATIONS, LOGISTICS TO KY



Ottobock Healthcare produces a wide range of prosthetics and other medical devices for people with mobility issues.

A German-owned medical device manufacturer has announced that it is moving its North American logistics and distribution operations from Minneapolis and Ontario, Canada, to Louisville, bringing 20 new jobs by October.

Ottobock Healthcare LP produces prosthetics, braces, children's wheelchairs, cushions and accessories for people with mobility challenges. The company says the decision to relocate to Louisville was based on better serving its customers.

"Louisville has a strong reputation of shipping expertise, and we believe the creation of a regional distribution center there will build efficiency in today's competitive environment and support the accelerated growth we are anticipating," said Andreas Schultz, Ottobock's North American regional president and CFO. "The other top consideration in choosing a new location was an environment where our employees and the organization could flourish while maintaining our continuing commitment to improving patient outcomes and supporting clinical excellence."

The company expects the move to triple its business.

BUSINESS BRIEFS

NORTHERN KENTUCKY

■ The latest **tourism and meeting industry** figures for Northern Kentucky show that the industry produced an economic impact for the region of nearly \$330 million in 2013. The region's hotel occupancy rate for 2013 was 60.87 percent, the highest level since 1998 and an increase of 6.45 percent over 2013.



■ The **Northern Kentucky Tri-County Economic Development Corp.** (Tri-ED) has formed a new program aimed at supporting businesses in the region by troubleshooting problems that could prompt an employer to leave the area and providing resources to help overcome the problem. The NKY Boost program has set a goal of reaching out to every primary employer in the area – approximately 200 businesses – with a face-to-face visit every 18-24 months. Officials expect the program to produce valuable information on workforce trends, training needs and other indicators that drive businesses decisions.

PADUCAH

■ **EZ Portable Buildings Inc.** has moved its headquarters and manufacturing operations from Illinois to Paducah, creating 90 new jobs for the area. The company has moved into a 335,000-s.f facility in west Paducah that will serve clients in a 250-mile radius. The company, which was formed last year, produces customizable wood structures that come in 250 different shapes and sizes. In addition to storage facilities, the company also produces small houses and cabins.



▲ Commercial Real Estate
▲ Commercial Litigation



John Hinkel, Jr.



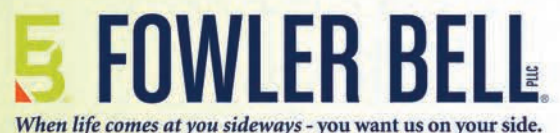
Eric M. Case



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BUSINESS BRIEFS

PETERSBURG

■ **Answers in Genesis** President and CEO Ken Ham says the organization has raised enough money to begin construction on a full-scale replica of Noah's Ark that will be the centerpiece of the planned **Ark Encounter** attraction in Williamstown, just off I-75. The Ark Encounter will be built in phases over many years, with the first phase – which will include the 510-foot-long ark – expected to cost some \$73 million. A date for the groundbreaking will be announced in the coming weeks. AiG says research indicates the attraction will draw up to 2 million people in its first year.

PRINCETON

■ **Almost Family Inc.**, a Louisville-based home health provider, has acquired the assets of the **Medicare**-certified home health agency owned by **Caldwell Medical Center** in Princeton for an undisclosed amount. The agency, which generated approximately \$1.3 million in revenue in 2013, joins Almost Family's network of more than 240 branch locations in 14 states.



RICHMOND

■ **Eastern Kentucky University** has been ranked seventh nationally among the "Best for Vets Business Schools" by *Military Times EDGE* magazine. Only those institutions that offer graduate-level business degrees and participated in the magazine's Best for Vets: Colleges survey were considered in the review. The survey measured university culture, student support, academic outcomes and quality, academic policies, and cost and financial assistance, with university culture and student support given the most weight in the survey. Approximately 140 colleges and universities participated in the survey.

SHEPHERDSVILLE

■ **Portwest**, a global workwear and safety gear designer and manufacturer, plans to build a distribution center in Shepherdsville that will create 100 new jobs. The Shepherdsville facility will be the first North American location for the Ireland-based company and will add to its extensive distribution network in Europe and Africa, where it employs more than 1,000 people. The Shepherdsville facility is expected to be operational by early 2015.

■ **Amazon.com** is adding hundreds of workers at its fulfillment center in Shepherdsville, WAVE-TV reports. Last fall, the company announced that they would add 600,000 s.f. to the 1 million-plus s.f. of distribution space they currently operate at various sites in Bullitt County in order to meet increasing consumer demand.



Louisville CVB photo

STATE

■ Kentucky exported \$383 million of its **distilled spirits** in 2013, a figure that represents 21 percent of the U.S. total. Kentucky ranked second nationally in total distilled spirits exported.

■ The **Kentucky Association of Manufacturers** has partnered with a new organization, **The National Alliance for Jobs and Innovation**, to launch a new Web portal to help KAM members report and combat intellectual property theft. A recent study by the chief economist for the **National Association of Manufacturers** found that unfair competition fueled by stolen IP – including pirated software – is a significant drain on manufacturing in the United States, resulting in losses of nearly \$240 billion in manufacturing revenue, \$70 billion in gross domestic product and 42,200 manufacturing jobs from 2002 to 2012. In Kentucky, 516 manufacturing jobs were lost, in addition to \$144 in GDP and \$627 million in revenue.

■ A group of Kentucky businesses, trade associations and individuals has banded together to form a new bi-partisan organization, the **Main Street Growth & Opportunity Coalition**, to support a "common sense, pro-growth agenda for America." Former Kentucky State Treasurer Jonathan Miller, now an attorney with **Frost Brown Todd** and one of the founding members of the alliance, said the organization will address issues around which there is great public consensus – fiscal responsibility, tax reform, immigration reform and trade expansion. More information on joining the alliance can be found at mainstreetgrowthandopportunity.org.

E. KENTUCKY: SOAR PANELS WILL LISTEN, PRESENT REGION STRATEGIES IN NOV.

A 15-member executive committee made up of a diverse group of eastern Kentucky citizens has been assembled to lead the **Shaping Our Appalachian Region** initiative that was announced last year.

Co-chaired by Gov. Steve Beshear and U.S. Congressman Hal Rogers, the committee has developed a nine-month action plan that calls for large-scale outreach to Eastern Kentucky businesses, local governments, organizations and citizens this summer through "listening sessions" that will be held throughout the region. The committee plans to use these sessions to produce detailed strategies for moving the region forward. The strategies will be presented at a regional summit in November.

Chuck Fluharty, president and CEO of the **Rural Policy Research Institute** will serve as interim executive director of the SOAR initiative until a permanent executive director is named. (The complete listing of committee members is included on page 17.)

Ten working groups will be responsible for leading discussions throughout the region on topics related to future economic well being and quality of life. The focus areas include: agriculture/community/regional foods; broadband; business recruitment; business incubation; education and retraining; health; infrastructure; leadership development and youth engagement; regional collaboration and identity; and tourism, including natural resources, arts and heritage.

Membership in the working groups will be open to anyone interested in participating; contact the SOAR office at (606) 444-5127 or (606) 437-5127 for more information.

S. KENTUCKY: CUMBERLAND WATER LEVEL TO RETURN TO NORMAL BY SUMMER '14

THE U.S. Army Corps of Engineers has decided to return the water level of **Lake Cumberland** to its normal level of 723 feet this summer for the first time since January 2007.

The USACE initially drained water from the lake in 2007 after concluding there was a high risk that **Wolf Creek Dam** could fail because of leaking water channels. The leaks have now been successfully repaired and the Corps was expected to raise the lake to normal levels in time for the 2014 summer tourism season. However, earlier this year it was announced that due to the discovery of new habitats of an endangered species of fish, the water level could not be raised for fear of putting the fish population at risk. Since then, the USACE has worked with the **U.S. Fish and Wildlife Service** to expedite the implementation of conservation measures to protect the duskytail darter and allow the water levels to be returned to normal – good news for a region that is heavily dependent on fishing and outdoor recreation tourism.



Officials with Kentucky Fish and Wildlife say raising the water levels of Lake Cumberland will improve fishing both in the lake and in the tailwater below it.

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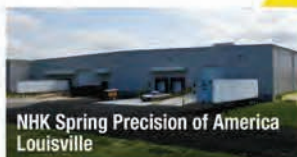
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INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Lippert Components Inc.** is expanding its operations in South Bend, Ind., where it produces components for recreational vehicles and manufactured homes. The project involves leasing and equipping a 500,000-s.f. facility that will be used to centralize warehousing and distribution operations. The expansion will create up to 200 jobs by 2019.

■ Indianapolis-based **Stonegate Mortgage Corp.** plans to expand its headquarter operations, creating up to 400 new jobs by 2017. The expansion marks the company's second headquarters expansion in recent years. In 2010, the mortgage lender announced plans to add 300 new jobs by 2015 and has already exceeded that goal, adding more than 310 new jobs as of December 2013.

OHIO

■ **Ford Motor Co.** has announced that production of its all-new 2016 **F-650** and **F-750** medium-duty trucks will be moved from Mexico to its **Ohio Assembly Plant** starting early next year. As part of the production shift, Ford is investing \$168 million to retool the Cleveland-area plant. The plant currently produces the Ford **E-Series** lineup of vans and other commercial vehicles. The production shift from Mexico is part of the collective bargaining agreement Ford and the **United Auto Workers** negotiated in 2011.

Ford Motor Co. photo



■ **UGN**, an Illinois-based auto-parts supplier, is investing \$50 million to build a 206,400-s.f. facility in Monroe, Ohio, that will create 150 new jobs. The company, which produces acoustic, interior trim and thermal management products for North American and Japanese auto manufacturers, said the new plant will meet an increased need for new carpet and underfloor technologies. The products are being made in the United States for the first time and will be found in Japanese-produced vehicles beginning in 2015.

■ **The Bon-Ton Stores Inc.** has signed a lease for a 743,000-s.f. highly automated direct-to-consumer fulfillment center in West Jefferson, Ohio, to support its growing ecommerce operations. The center will employ approximately 140 people and is expected to be operational by spring 2015.

Dal-Tile photo



TENNESSEE

■ **Dal-Tile** plans to build a \$180 million ceramic tile plant and distribution center in Dickson, Tenn., approximately 30 minutes west of Nashville. The new plant is slated to open in 2015 and will create 320 jobs.

■ **Novamet Specialty Products Corp.** is moving its headquarters, primary office and manufacturing facility from New Jersey to Lebanon, Tenn., creating 43 new jobs over the next four years. Novamet produces more than 60 different products, including tightly sized powders, metallic flakes for paints and electronic applications, coated materials and specialty oxides. The company has purchased a former **Toshiba** manufacturing facility and plans to develop the site into a center of manufacturing businesses.

WEST VIRGINIA

■ **Rust-Oleum**, a leading manufacturer of protective paints and coatings for consumer and industry use, plans to lease 630,000 s.f. of space in the former **General Motors** building in Martinsburg, W. Va., for use as a fulfillment/distribution center. The facility is expected to employ 80 to 100 workers.

TENNESSEE: FRESENIUS TO EMPLOY 665 AT NEW MEDICAL EQUIPMENT PLANT

FRESENIUS Medical Care North America,

a major provider of products and services for kidney dialysis, is investing \$140 million to establish a manufacturing plant in Knoxville that will create 665 new jobs.

The company will occupy the former **Panasonic** building, a 277,000-s.f. facility located in the Forks of the River Industrial Park, and plans to begin retrofitting the facility later this year.

The Knoxville plant will produce dialysis-related products that will be distributed to Fresenius' clinics and distribution centers in the eastern United States.

Fresenius will begin moving one production line to the Knoxville plant in September, though actual production at the facility is not expected to begin until early 2016, pending a designation from the **Food and Drug Administration** that the facility is a qualified plant for production. Once production reaches full capacity, the operations will bring an estimated \$37 million in annual wages to the region.

Fresenius joins several other medical equipment manufacturing companies in the area, including **ProNova**, **Seimens**, **DeRoyal** and **Kimble Chase Life Science**. Medical equipment is one of the area's target recruitment sectors based on the region's trained workforce and its access to the **University of Tennessee**, Knoxville and the **Oak Ridge National Laboratory**.



INDIANA: GE AVIATION TO HIRE 200 FOR LEAP JET ENGINE ASSEMBLY PLANT

GE Aviation has selected a site in Lafayette, Ind., for a new \$100 million jet engine assembly facility that will create up to 200 jobs by 2020.

The 225,000-s.f. facility, the company's first final assembly plant in Indiana, will assemble the new LEAP engine from **CFM International**, a 50/50 joint company of GE and **Snecma** (Safran) of France. CFM, which will enter service in 2016, has already logged total orders and commitments with airlines for more than 6,000 LEAP jet engines. It will power new **Airbus A320neo**, **Boeing 737 MAX** and **COMAC** (China) C919 aircraft for airlines worldwide.

Launched in 2008, the LEAP is now undergoing development testing. As the engine transitions to the production phase, GE could begin hiring at the new Lafayette facility as early as 2015. Within five years, the plant's workforce is expected to exceed 200 people with the capacity to do final assembly for the engine as well as the engine's hot section (compressor, combustor and high pressure turbine). The new jobs are expected to pay an average wage of \$36 an hour, which includes both hourly and salaried positions.

The facility will operate a highly advanced assembly line incorporating several new technologies, including automated vision inspection systems and radio frequency parts management to easily spot parts on the shop floor.

The Lafayette plant will be GE's fifth location in Indiana, where the company employs a total of nearly 1,700 people.



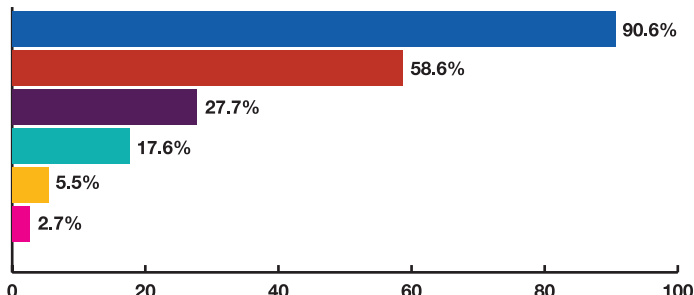
GE Aviation's new plant in Lafayette, Ind., will produce jet engines for the Boeing 737 MAX, pictured here, as well as the new Airbus A320neo and the COMAC (China) C919 aircraft.

IS THE AFFORDABLE CARE ACT AFFORDABLE?

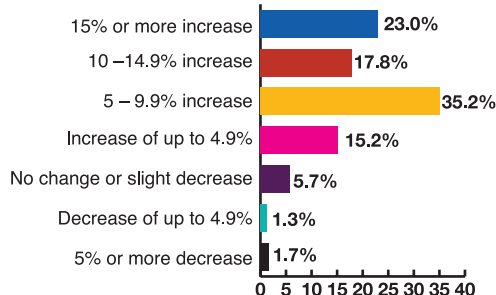
A national survey of manufacturing companies conducted in late 2013 by the National Association of Manufacturers and *IndustryWeek* magazine asked if and how the Affordable Care Act is impacting their business.

WHICH OF THE FOLLOWING STATEMENTS ARE TRUE FOR YOUR COMPANY REGARDING YOUR 2014 HEALTH INSURANCE PLAN*?

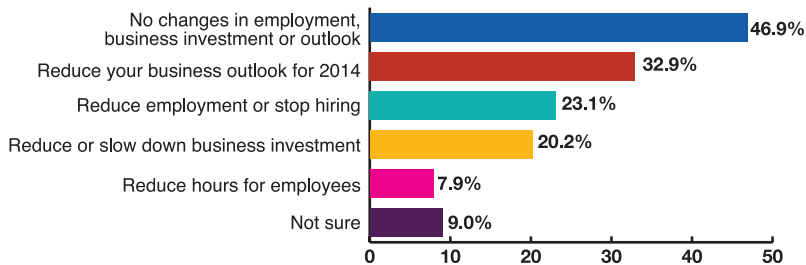
- Health insurance premiums have gone up
- We needed to increase employee copays to reduce health insurance costs
- We needed to lower some of our coverage areas to reduce health insurance costs
- We needed to change insurance providers to reduce health insurance costs
- We reduced the number of workers eligible for coverage to reduce health insurance costs, switching some to part time.
- We have dropped coverage for some or all employees and encouraged them to purchase insurance from a health insurance exchange



WHAT IS THE CHANGE IN YOUR TOTAL HEALTH COSTS FOR 2014?



HAVE UNCERTAINTIES SURROUNDING THE IMPLEMENTATION OF THE AFFORDABLE CARE ACT CAUSED YOU TO DO ANY OF THE FOLLOWING?*



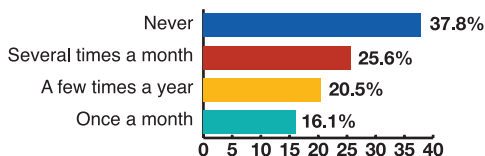
*respondents were asked to check all answers that were applicable

Source: National Association of Manufacturers/IndustryWeek

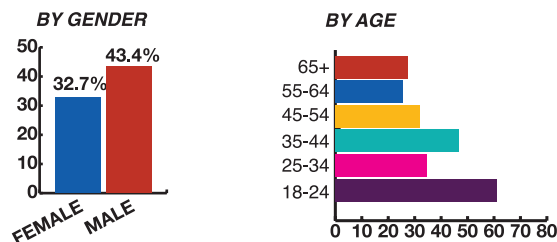
CHECKING OUT

As technology drives more change in how we conduct business, perhaps it's no surprise that traditional checking account products like paper checks are being used less and less. A recent survey asked banking customers the following question:

HOW OFTEN DO YOU WRITE A PERSONAL CHECK?



BANKING CUSTOMERS WHO "NEVER" WRITE CHECKS



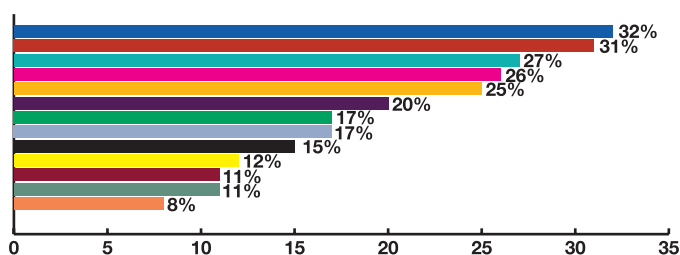
Source: GoBankingRates.com

THE STAFFING CHALLENGE

According to a Harris Poll survey of more than 2,200 hiring managers and HR professionals, many U.S. companies say it does not yet feel like the recession is over, with only 28 percent reporting that business has returned to what it was pre-recession. Stagnant/declining sales and human capital issues were among the main concerns voiced by employers.

TOP STAFFING CHALLENGES FOR 2014

- Retaining top talent
- Lifting employee morale
- Providing competitive compensation
- Worker burnout
- Maintaining productivity levels
- Managing organizational changes
- Employee engagement
- Providing upward mobility
- Providing enough training opportunities to employees
- Cutting down on cost-per-hire
- Lack of succession planning
- Limited recruitment budget
- Adapting to new ways to source/recruit candidates



Source: CareerBuilder/Harris Poll

CORPORATE MOVES

New leadership for Kentucky businesses

BANKING

■ **Mara Maybury** has joined Kentucky Bank as assistant vice president – small business and mortgage lender.



Mara Maybury

■ **Anne Curry** and **Marie Rice** have been promoted to assistant vice president for Farmers National Bank in Danville.

ECONOMIC DEVELOPMENT

■ **Marian H. Mason** has been named president and chief executive officer of the Christian County Chamber of Commerce.



Marian Mason

■ **Brent Cooper** has been named interim president of the Northern Kentucky Chamber of Commerce.

EDUCATION

■ **Don Gorbandt** has joined Thomas More College as director of principal gifts in the Department of Institutional Advancement.



Don Gorbandt

■ **Roger D. Vincent** has been named business and industry liaison for Owensboro Community and Technical College's workforce solutions division.

■ **Robert Davies** has been named as the new president of Murray State University. Davies previously served as president of Eastern Oregon University.



Robert Davies

■ **Janie Heath** has been named dean of the University of Kentucky College of Nursing. Heath comes to the position from the University of Virginia, where she was associate dean of academic programs and a professor in the School of Nursing.



Janie Heath

■ **Larry Ferguson** has been named vice chancellor for economic development work-force solutions for the Kentucky Community College and Technical System.

■ **Richard A. Lechleiter** has been named president of the Catholic Education Foundation of Louisville.



Richard Lechleiter

Lechleiter, who previously served as executive vice president and chief financial officer for Kindred



Rosemary Bisig Smith

DEPARTURES

■ **Robert J. Sivord** has announced plans to retire as executive vice president, general counsel and secretary of General Cable Corp. upon the successful completion of an executive search for his replacement. The transition is expected to be complete in the second half of 2014.

■ **Nancy Spivey** has resigned as chief operating officer of the Northern Kentucky Chamber of Commerce to become director of the Dearborn County Chamber of Commerce in Indiana.

Healthcare, succeeds **Rosemary Bisig Smith**, who will retire this summer.

GOVERNMENT

■ **Gary O'Dell** has been named state geographer for the Commonwealth of Kentucky.

HEALTHCARE

■ **Christopher Kay** has been named senior vice president and chief innovation officer of Louisville-based Humana Inc.

■ **Rocky Reston** has joined University of Louisville Physicians as chief information officer. Reston is a board-certified anesthesiologist and clinical informaticist.

INSURANCE

■ **Joseph F. Miller** has been promoted to chief operating officer of Market Finders Insurance Corp., a Louisville-based insurance broker.

LEGAL

■ **Eric Case** has joined the Lexington firm of Fowler Bell PLLC as of counsel in the firm's real estate and commercial litigation groups.



Eric Case

■ The following four attorneys have been elected to the partnership of Bingham Greenebaum Doll LLP: **Blaine R. Blood**, **Reva D. Campbell**, **Philip Sicuso** and **Matthew A. Stinnett**. **Tobin McClamroch** has been named as the firm's sole managing partner and will also serve as its chief executive officer. **Brian M. Johnson** has been named office managing partner for the firm's Lexington location.

MEDIA

■ **Joshua Eure** has been named executive news director for Gannett Broadcast Service Center supporting WHAS in Louisville.

NONPROFIT

■ **Amy Luttrell** has been named president and chief executive officer of Goodwill Industries of Kentucky. Luttrell will succeed **Roland R. Blahnik**, who is retiring.



Amy Luttrell

TOURISM

■ **Julie Kirkpatrick** has joined the Northern Kentucky Convention and Visitors Bureau as director of convention sales.



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— **MIKE ASH**
Fifth Third Bank
Lexington Market President




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ON THE BOARDS

Kentuckians named to organizational leadership roles

ASSOCIATION OF COLLEGIATE SCHOOLS OF ARCHITECTURE

■ **Gregory Luhan**, associate dean for research at the University of Kentucky College of Design and associate professor in the School of Architecture, has been elected secretary for the Association of Collegiate Schools of Architecture.



Gregory Luhan

BLUE GRASS FARMS CHARITIES

■ Blue Grass Farms Charities, a nonprofit organization that provides social services to those who work in the Central Kentucky Thoroughbred industry, has named its officers and directors for 2014: Chairman – **Dennis Brawner**, Dixiana Farms; Vice President – **Gibson Wilhite**, Wilhite Ltd.; Secretary – **Kelly Anne Beile**, Kelly Hosts Public Relations; Treasurer – **Tracie Willis**, Darby Dan Farm. Board of directors: **Thomas Riddle**, Rood & Riddle Equine Hospital; **Thomas Thornbury**, Keeneland Association; **Barb Farrell**, Bluegrass Sotheby's International Realty; and **Christina Jelms**, Yellow Creek Bloodstock.

EASTERN KENTUCKY UNIVERSITY FOUNDATION

■ The Eastern Kentucky University Foundation has named the following people to its board of directors: **Maribeth McBride Berman**; **Donald T. Bornhorst**, CPA and senior vice president of Delta Air Lines; **Matthew A. Evans**, president and CEO of Bankers Service Corp.; **Don McNay**,

chairman of McNay Settlement Group and CEO of RRP International Publishing; and **James Moore**, an investment professional at The Glenview Trust Co.

KENTUCKY ASSOCIATION OF HIGHWAY CONTRACTORS

■ **G. Michael Murphy** has been installed as the 2014 chairman of the Kentucky Association of Highway Contractors. Murphy is president and owner of Bowling Green-based Scott & Murphy Inc.



Michael Murphy

KENTON COUNTY AIRPORT BOARD

■ **William T. Robinson III** and **Kathy Collins** have been named chair and vice chair, respectively, of the Kenton County Airport Board. Robinson is the member-in-charge of the Northern Kentucky office for the law firm of Frost Brown Todd LLC and previously served as chair of the airport board from 2004-2006. Collins is vice president – private banking for Fifth Third Bank.



Bill Robinson

SHAPING OUR APPALACHIAN REGION (SOAR)

■ Gov. **Steve Beshear** and U.S. Congressman **Hal Rogers** will co-chair a 15-member execu-

tive committee to lead the Shaping Our Appalachian Region (SOAR) Initiative that includes: **Bruce Ayers** – president emeritus, Southeast Community and Technical College, Cumberland; **Jim Booth** – CEO, Booth Energy, Inez; **Jean Hale** – president and CEO, Community Trust Bank, Pikeville; **Rodney Hitch** – economic development manager, East Kentucky Power, Winchester; **Jim Host** – founder of Host Communications Inc. and former secretary of commerce for the Commonwealth of Kentucky, Lexington; **Tom Hunter**, retired executive director, Appalachian Regional Commission, Washington, D.C.; **Kim McCann** – partner/attorney, VanAntwerp, Monge, Jones, Edwards & McCann, Ashland; **Hayley McCoy**, economic development advocate, Jackson Energy, Jackson; and **Bob Mitchell**, board of directors for the Center for Rural Development and retired chief of staff for Rep. Hal Rogers, Corbin. House Speaker **Greg Stumbo**, Senate President **Robert Stivers**, Bell County Judge-Executive **Alby Brock** and Magoffin County Judge-Executive **Charles "Doc" Hardin** will serve as ex officio members representing state and local government.

TEMPUR SEALY INTERNATIONAL INC.

■ **Lawrence J. Rogers** has been elected to the board of directors of Lexington-based Tempur Sealy International. Rogers joined Tempur Sealy in March 2013 when the company acquired Sealy Corp. He served as president and chief executive officer of Sealy Corp. from 2008 until his retirement earlier this month.

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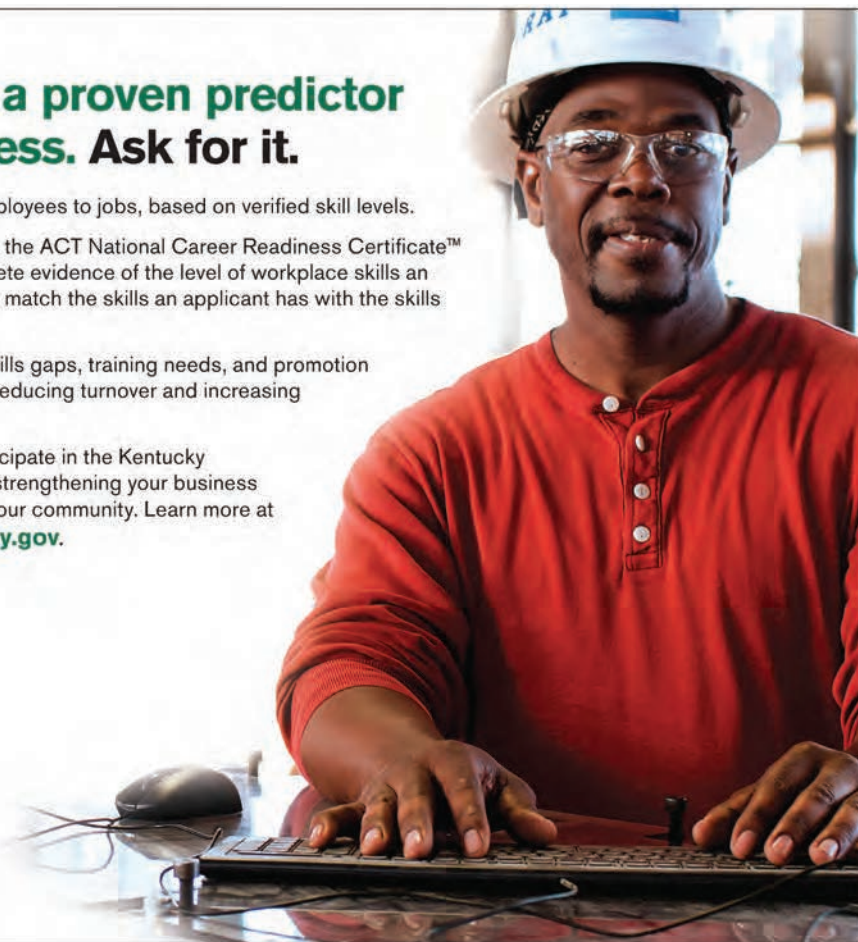
When you ask for the ACT NCRC and participate in the Kentucky Work Ready Communities initiative, you're strengthening your business and supporting economic development in your community. Learn more at act.org/employers and workready.ky.gov.

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Kentucky's leaders express their opinions



Joe Steier

Joe Steier is president and CEO of Signature HealthCARE. Under Steier's guidance, the company has grown to encompass 120 communities in eight states with more than 16,000 employees. As part of its focus on intrapreneurship, the company has advanced the growth of numerous affiliate companies and organizations, including Integritas, Serenity, InnovateLTC, Signature Rehab and Silver Angels, among others. A native of Louisville, Steier graduated from the Bellarmine University with a degree in accounting, earned a masters in business administration with a specialization in healthcare from the University of Miami, and holds a master's in education and a doctorate in organizational learning from the University of Pennsylvania. Steier chairs the board of directors of the Health Enterprises Network and also serves on the boards of the Louisville Sports Commission, the Kentucky State Chamber of Commerce and the Nucleus (University of Louisville) Innovation Park.

CEO JOE STEIER DISCUSSES SIGNATURE HEALTHCARE'S RELOCATION TO KENTUCKY

A quality workforce, central location, entrepreneurial support and incentives were key factors in the healthcare firm's successful move to Louisville

BY ED LANE

Ed Lane: Signature HealthCARE is a leading provider of long-term care services in the Eastern and Southeastern United States, operating in 120 communities in eight states. The company has about 16,000 employees. Signature HealthCARE relocated its corporate offices from Palm Beach Gardens, Fla., to Louisville in 2010. What were some of the benefits of moving Signature's corporate headquarters to Louisville?

Joe Steier: Louisville offered three things that Signature could not have found anywhere else in the country. First, there are probably a million hours of experienced healthcare executives in town. We looked at Orlando and Nashville, but they were more hospital dependent. There is more post-acute, care-continuum talent in Louisville. Because of the corporate excellence you see here with Humana's history, Vencor/Kindred and the "Big Six," Signature had great selection with a high level of resume quality. Even before Signature announced its decision, when it was considering Louisville as a finalist, resumes flew into Palm Beach from Louisville. People were saying they were willing to come and work in Palm Beach for a couple of months to help transition the move to Louisville. The warmth and talent we saw was impressive. We received some phone calls from Nashville and

Orlando, but nothing like what we saw from Louisville in terms of, "We'll help you do it." Talent was a big driver.

Secondly, I was looking for corporate mentoring in terms of how to build a world-class company, and that was very available in Louisville. When Signature was within a month of deciding, (Humana cofounder and entrepreneur) David Jones Sr. called me and said, "Joe, I'm not going to pressure you about the relocation. I just want to let you know I'd like to help you decide, and if you decide to relocate to Louisville I'd like to be your mentor." David met with me every three or four months, answering questions. It was interesting to see so many guys like David and (University of Louisville President) Jim Ramsey, accomplished civic leaders and executives, coming out to be our partners and providing a place outside our company to discuss civic and business issues. That was a powerful benefit to me as a president trying to build a world-class company.

Kentucky was also a great fit because of its central location, which is so convenient and cost-effective. Location offered a better chance for future expansion. If Signature moved to Kentucky, it could be big in Indiana, Ohio, North Carolina. When compared to Florida, drive times and operational

costs were superior. That's a major selling point for Louisville; it's a great spot to be if you want to be a regional or national firm.

EL: What are the primary states in which Signature HealthCARE now operates?

JS: We're in Indiana, Ohio, North Carolina, Maryland, Georgia, Florida, Kentucky and Tennessee. And you'll see an announcement this month that we're expanding our holdings to include six more facilities from Kindred Healthcare. Previously, we'd never been in Indiana, Ohio or North Carolina, so to have those new states come on board was great.

EL: 26 Signature facilities hold a five-star rating, the highest rating awarded by the Federal Centers for Medicare and Medicaid. What does a facility need to do to earn this rating, and how difficult is it to achieve?

JS: Signature initially was a turnaround company that would take over underperforming assets for quality or financial issues. The company would come in with a hard work ethic and build those facilities up. Of those 26 five-star facilities, 23 were one-star buildings when we started to manage them, and the other three were only two or three stars. That's one of Signature's claims to fame. Earning that five-star rating is about patient outcomes and increasing nursing staffing levels. We use something called an acuity-based staffing model that involves more intensive staffing. To get five stars means you're in the top 10 percent of your population. Of course, we'd like for all our facilities to earn that rating.

EL: Privatization of public nursing homes and assisted living facilities saved \$10.5 million in subsidy paid by the city of Nashville when the 419-bed Bordeaux long-term-care facility and 100-bed Knowles assisted living facilities were privatized and managed by Signature. Is privatization a growing trend in publicly owned medical services, and do you feel private companies can do a better job, providing superior service and care?

JS: Privatization is a national movement for city leadership and public officials. Signature is engaged in those types of transactions right now; we currently have five deals like that. Because Signature exclusively provides eldercare, it can do a much better job there than a city government. Bordeaux is a great example. Bordeaux is one that I'm honored to restore because Signature gets a chance to restore a very important,

famous campus. A private company can be more creative and act more quickly. Bordeaux is a great example of how to utilize creativity and entrepreneurship in the marketplace.

EL: Who is your prime customer base?

JS: Our residents, of course, but really, the customer is the whole family. We take an intergenerational approach; it's always been the family. Secondly, we're starting to see a lot of managed-care companies being our customers, meaning they're starting to award contracts or channel patients through different metrics. The managed-care groups are becoming a stronghold. Last year, about 20 percent of Signature's customers came from a managed-care contract or affiliation; 75 percent came from the family, who had heard good things about us.

EL: I understand Signature has a unique business model. In what ways are Signature's facilities run differently from the typical eldercare facility, and what led your firm to make those changes?

JS: Great question. Signature has three pillars. First is the spiritual pillar; we make the largest spiritual investment of the for-profit chains in America. Signature is the only company of its kind that has interfaith spirituality fully funded, with individual, full-time certified interfaith chaplains on each site. Many of our chaplains have a Ph.D. or master of divinity degree. They're trained in non-dogmatic, interfaith programming, which is a big part of our diversity program. There's such a big combination of miracles and hope and prayer and medicine together in our field, and that's something we think is important.

The second pillar is learning. We've done a lot with GED programs with KET; we're expanding our GED program as well as getting career tracks developed internally. Of our 16,000 employees, about 12,000 have an associate's degree or less. We're always interested in getting these employees into career tracks and bachelor's programs. Louisville's a great place for this; we're starting to do a lot of career track mapping with university partnerships. The big dream we're working toward for 2016 is called GED-to-Ph.D. If you joined Signature and had never gotten an education, you could do your GED in the learning room, you could pick a career track, maybe from CNA (certified nursing assistant) to med tech. And Signature will help you pay for that throughout your career track. Signature is also the first company of its type in America where every executive's got to be a CNA. We're trying to be the first

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company in the United States where every employee is a CNA, going through the formal training, taking the exams, working the shifts. I still work a lot of the CNA shifts myself. Signature wants all its employees to really know the work. Some executives have left over this policy because taking care of people is obviously a very tough job.

EL: Economic development agencies recruiting your firm included Greater Louisville Inc. and the Kentucky Cabinet for Economic Development. Was there one special event during your consideration of Louisville as Signature's new corporate headquarters that was highly significant to your evaluation process – a "Eureka!" moment?

JS: It's hard to move people from Palm Beach all the way to Louisville, and it's risky. The University of Louisville and Dr. Jim Ramsey's ideas for Nucleus – how to create, innovate, and develop incubators – made our board take a serious look at the relationship between our company, the university and the city. Gov. Steve Beshear, Secretary of Economic Development Larry Hayes and the state team modified the structure of our deal two to three times to accommodate revisions we requested. They also traveled to visit Signature's offices, which made a very positive impression. Eileen Pickett of Greater Louisville Inc. and David Adkisson of the Kentucky Chamber of Commerce also visited us in Palm Beach. Kentucky was the only state that came to see us there. When I had a problem or I needed to make a modification, Gov. Beshear and President Ramsey would say, "Joe, call me personally." I did call each of them several times, and they were always very responsive. That helped. Of the places we considered, Louisville had the best alignment of industry and public officials. We got nervous a couple of times – we were starting to think, "Can we really pull this off?" – and the phone calls, coming down and seeing us, breaking bread with the organization, all that went a long way. I think that's what swung management's decision to choose Louisville.



EL: The state and the city both offered incentives. How important were incentives to your decision-making process? Would you have moved to Kentucky without incentives just because you felt it was a good move for Signature?

JS: The move cost Signature HealthCARE about \$6.2 million in hard costs. For a small company, that's a lot of money. We had to deal with moving costs, family allowances. When you invest \$6.2 million to relocate, those are upfront costs. State incentives are based on performance, and Signature would earn its relocation incentives back over three to five years. It was an investment. We knew over time we'd build our company. Today I believe our payroll is higher than we initially forecast with the state, so we may earn our relocation costs back more quickly. When Signature was getting ready to finalize our deal in Louisville, Nashville offered us a building for our offices for one dollar, and they threw in a lot of other incentives; Nashville got really aggressive at the end. But we were committed to Kentucky, and we held that line. In the end, it wasn't an economic decision; it was really about talent, location, civic partnerships other things bigger than money.

Interior photo of Signature HealthCARE's Mayfair Manor, a 98-bed skilled nursing center in Lexington, which is one of 28 facilities Signature operates across Kentucky.

EL: When you worked with Nucleus, was your contact there Vickie Yates Brown?

JS: Yes. Vickie was great. At the same time (UofL's life science center) Nucleus was getting ready to build, I was trying to find a way to professionalize our startup companies, and Vickie presented such a great vision for the Nucleus Park. It was the old Haymarket property, so it took some drawings and renderings to illustrate the new development. Vickie, Jim Ramsey, and Bruce Traugher of Nucleus were very clear on their vision and wanting Signature to be a part of it.

EL: It's four years later. Looking back, how has the UofL relationship worked?

JS: The UofL Foundation and Board have been great. The long-term care and the health-care reforms have caused deep cuts to the industry. You see the massive hospital layoffs, you see a lot of corporate headquarters layoffs. Signature is one of the only chains that has not had a layoff or had to freeze wages so far. Signature is about a billion-dollar revenue company, and it had \$100 million in Medicaid and Medicare cuts in the first three years after we moved. These cuts have been really difficult. I'm not saying cost reductions or a new healthcare system aren't needed – Signature is open to modifying those things – but it was a pretty big cut for us. Fortunately, because of Louisville's work ethic, Signature has been able to add jobs.

Because of reimbursement reductions, Signature had to be a little less



Signature HealthCARE's Mayfair Manor is located at 3300 Tates Creek Road in Lexington.

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LANE ONE-ON-ONE

ambitious on some of our space planning and how many new companies we could launch at once. Nucleus said, “Joe, if you want to take a little less space in the first building, we’re flexible; we want you here.” They understood that healthcare was going through a massive transformation.

EL: What was one of the most difficult issues you encountered during the relocation?

JS: The emotional side of it all. Signature had a lot of people in non-senior roles who’d been with the company for a long time but couldn’t move with us. I remember having the closing luncheon, everybody crying together, just this feeling of being pulled down a little bit because we couldn’t take everybody with us. We did offer jobs to everybody at the home office in Florida, but with some of their different economic situations, many people couldn’t come with us. I think we had 40 relocate out of 140. It was mainly the senior employees who came. You know, as a leader, you hate to let anybody down, so at the end we were thinking, “We’re going to upgrade talent and we’re going to grow the company more aggressively,” but you’d love to take them all with you if you could. And you always want to feed your sheep. That was the thing – there was nothing the state or the city or Nucleus could do to soften that blow. It was more just the leadership role of feeling like, “These people are going to have to find jobs in a tough economy,” and feeling like I let them down.

EL: So you needed to replace about 100 of your corporate staff. Was the market as good as you thought?

JS: Yes. Signature received about 11,000 applicants, which was pretty amazing in the marketplace. Today we’re growing faster than we anticipated.

EL: As you know, Louisville is home to a major medical enterprise cluster, and the city has a broad range of medical-related business services that benefit people in the healthcare field. Has that cluster been more significant to your company than you might have anticipated initially, or is it about what you expected?

JS: Back in Palm Beach, Signature was kind of isolated from a lot of industry peers. In Louisville, you have to have your “A-game” because there are so many great employers in Louisville that the war for talent is intense. It’s made me more thoughtful about who we hire, why we hire them. Being in a competitive market with so many chains you respect makes you better.



Photo of the 2010 grand opening of Signature HealthCARE’s new corporate offices located at 12201 Bluegrass Parkway in Louisville, when the company relocated its corporate headquarters from Palm Beach Gardens, Fla.

Also, there’s the charity part of the corporate partners from a civic standpoint. I feel as an industry group we can get anything done here, whether it’s the Nucleus building or it’s expanding the Health Enterprises Network. People play the battle hard, but outside the battle everybody’s on the same page here. People really join together, which is beautiful.

EL: Which term do you prefer to describe your firm’s services: senior care or eldercare? Or are they interchangeable?

JS: Signature uses “elder” more, because in the culture change movement that’s kind of the arc where we do our company. We’re big on the pioneer network. This council of elders, this neighborhood model – elders to me is a more thoughtful word. We use “elder” internally. We even call our residents “elders.” We’re big on that as our culture change word.

EL: You serve as chair of the Health Enterprises Network (HEN). How many companies are members of HEN, and what is HEN’s benefit to Louisville and Kentucky?

JS: HEN is one of our best assets in the community. It’s a great place to engage. When we were first talking about relocating, Michael Muldoon, executive director of HEN, invited me to come and visit HEN, and I was impressed. Today HEN has 1,200 individual and 200 company members. When you’re an outsider coming to Louisville – I grew up here, but I was gone a long

time – for the outsiders coming in, HEN is a great way to network. My team has embraced it; we’ve enjoyed it; we’re trying to do more with HEN as an organization, not only me but the Signature organization. And aside from my company, HEN has been a great opportunity for me personally.

EL: How would you advise another company considering relocation to Louisville or Kentucky?

JS: Once in a while, GLI will call me and say, “Joe, can you make a phone call?” when they have a company considering moving here. People initially have the view that Kentucky’s taxes are high. When they first hear about the state income tax and the Louisville Metro Government tax, people think, Oh my God, our taxes are so high! With taxes, though, you have to look at the bigger picture. For instance, in Florida we had super-high property taxes. The tax costs evened out.

I also like to tell them Louisville is about quality of life, raising a family and affordable living. In Louisville, you can be involved easily; you can do anything you want to do civically. People embrace you here, so it’s a great place to get involved. My team is really engaged. The cost of living and the quality of life here is the best I’ve ever seen. There’s no place better. ■



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



A precast production bay at Bristol Group, a Lexington-based construction, design and fabrication company that works in Kentucky and surrounding states. The manufacturing sector, especially automotive related companies, are creating increasing demand, Bristol officials say.

tucky, where they can provide one-day service to most large U.S. metro areas.

Still, the industry overall is cautious.

"There's still a lot of concern. We're still seeing businesses close their doors, but there's a light at the end of the tunnel," said Richard Vincent, executive vice president of Associated General Contractors of Kentucky.



Richard Vincent, Executive Vice President, Associated General Contractors of Kentucky

Nationally, construction activity dropped 2.6 percent from January to February 2014, according to the most recent Dodge Momentum Index findings available. Yet, for the 12 months from February 2013, activity was up almost 20 percent.

One reflection of activity in the state is the size of the commonwealth's construction workforce, Vincent said. Construction employment in Kentucky hit 67,800 in January. That was a 4 percent one-month gain and 0.7 percent over the same month a year earlier, according to the most recent figures compiled by Associated General Contractors of America.

For example, construction is active in many parts Lexington, he said, citing multiple University of Kentucky projects, including \$400 million in campus housing dorms, a number previously unheard of. Off campus, multiple other investments such as the Baptist Health Lexington bed tower, which is part of a \$200 million expansion, and The Summit retail development are under construction.



Scott, Murphy and Daniel Construction of Bowling Green builds a hydrofoam plant expansion for Metals Structural Products in Elizabethtown.

Construction Bids Farewell to Recession

Kentucky builders get busy providing facilities for manufacturers who want access to major U.S. metro areas

BY SARAH BERKSHIRE

IT was 2011 and early 2012 when the Great Recession tightened its grip on Bowling Green construction company Scott, Murphy and Daniel, and the list of active projects shriveled during a nine-month period. Leadership focused on cost control and squeezing enough work from a wounded economy to keep its longtime crews busy.

"We created work. We bought projects, meaning we did them for cost or below to keep our employees employed," said G. Michael Murphy, president of the company. "It's important for us to make sure they have a job every day and that we hang on to people who have that much experience."



G. Michael Murphy, President, Scott, Murphy and Daniel Construction

Those jobs are easier to provide now, said Murphy, who oversees 200 employees.

Construction professionals across the state report their sector is picking up, and the industry's economic recovery at long last has begun. They credit continuing growth in healthcare and education as well as increased activity in manufacturing, distribution, office, municipal and road construction.

"It's an exciting time because things seem to be going in the right direction," said Erik Dunnigan, vice president of business development for Bristol Group of Lexington. "North America is still a big market," he noted, and domestic and overseas companies alike want to locate and grow in Ken-



Erik Dunnigan, Vice President of Business Development, Bristol Group

COVER STORY

"I can't recall the last time that that amount of volume was going on in a concentrated area of Lexington," Vincent said.

Manufacturing is in growth mode

For several years, manufacturers have leaned toward consolidation and shoring up rainy-day funds. Now, more of those funds are being leveraged for expansions.

"Manufacturing is coming back the fastest," Dunnigan said. "They're actually pulling the trigger and starting some projects that they might have been holding off on during the recession."

And within the manufacturing sector, automotive is the pacesetter.

"I see a definite uptick on the automotive side of things," said Denis Steiner, CEO of Lexington design-build firm Denham-Blythe, referring to the large number of Toyota suppliers with which his company works. Predominantly, those suppliers are expanding their space to add new lines to meet growing demand.

The automotive industry includes so many jobs, said Steiner, that such expansions are a key impetus to an overall economic recovery.

Murphy said players in the automotive industry have started asking for pricing for expansions and new facilities, especially in the past 18 months. Some of the larger projects his company has earned in the past couple years include the Kobe Aluminum Automotive Products expansion in Bowling Green, KIRIU USA expansion in Bowling Green, Metalsa expansions in Elizabethtown and Hopkinsville, Riken Elastomers in Hopkinsville, NHK NASCO in Bowling Green and NHK of America Suspension Components in Louisville. Each of those customers is tied to the automotive industry.



*Denis Steiner,
CEO,
Denham-Blythe*



Paul Hemmer Construction builds one of several recent expansions by Mazak Corp., a Florence, Ky.-based machine tool maker.

Scott, Murphy and Daniel Construction also is in charge of repairs at the National Corvette Museum's Skydome in Bowling Green, where a sinkhole opened in February, pulling eight Corvettes into the earth.

As for business driven by demand and not disaster, in Northern Kentucky machine tool manufacturer Mazak has partnered with construction and real estate development company Paul Hemmer Co. to expand by up to 100,000 s.f., said President and CEO Paul Hemmer Jr.



Paul Hemmer Jr., President and CEO, Paul Hemmer Co.

Manufacturers rebounding from a financial downturn typically look to equipment needs first, and as demand grows, they start looking at capital investments in facilities, Hemmer noted.

"We've seen a good rebound in the past 18 months in that area," he said.

Manufacturers need distribution centers

The need for distribution and warehouse space is also growing. Dunnigan pointed to developers anticipating that need and building in Bullitt County, where Amazon occupies distribution

space in multiple facilities and Irish safety gear company Portwest LLC announced in March plans to build a distribution center.

John Hollenbach, of construction and property management company Hollenbach-Oakley in Louisville, said retail and office space needs are increasing, too. His company is developing Blankenbaker Station Business Park in Louisville, where seven projects are underway.



*John Hollenbach,
Partner,
Hollenbach-Oakley LLC*

"The more traditional commercial development has seen an incredible improvement in the last 12 months," Hollenbach said.

His company has added multifamily construction, a market that started taking off about two years ago, to its portfolio as well. A combination of financing restrictions and other lifestyle factors have driven demand in that market. Hollenbach-Oakley is working on two multi-family projects in Louisville, he said, and the city has not seen such multi-family activity in about eight years.

Many Kentucky construction companies are busy with building and renovating medical facilities. Paul Hemmer Co. recently completed St. Elizabeth Physicians Express Care and Primary Care medical offices in Independence, and



Design-build firm Denham-Blythe of Lexington built an expansion for Hazard ARH Regional Medical Center.

Denham-Blythe is completing a large hospital wing for Hazard Appalachian Regional Healthcare Medical Center. Once the wing is complete, staff will move in and the existing space will undergo renovation. In Glasgow, Alliance Corp. is managing a \$30 million project that will convert a Walmart store, vacant since 2005, into an outpatient center, said marketing director Chris Houchens.

Speculation investment returning also

Alliance Corp. also broke ground in March on the Franklin-Simpson Industrial Authority Speculative Building in Franklin. They're using building information modeling (BIM) technology to design, build and eventually market the building. The bulk of the building is a 60,000 s.f. shell that can be used for warehouse or production space.



Chris Houchens, Marketing Director, Alliance Corp.

"That building doesn't exist today. It will be finished this fall. But it does exist virtually online," Houchens said. "This way, we can build a lean building ... and then customize it for that client."

No matter the economic outlook, Houchens said, the company is always looking for new technologies that improve efficiency and BIM is one example. Other examples include green technologies, in which schools, a key market for Alliance, are especially interested.

Advances in technology certainly apply to the construction industry as it picks up momentum. At Bristol Group, in addition to providing construction services, the company manufactures precast concrete for its own projects and for other firms.

Generally, it's not new technology, but it's new in the Kentucky region. Bristol used it in a Hitachi facility in Harrodsburg, for example. The process allows an entire building to be staged in a manufacturing facility, even before a site is prepped, streamlining construction schedules, among other benefits.

As construction business picks up, some builders noted they could face challenges finding workers. Outlooks vary by region as some professionals see any new work being spread among fewer companies, triggering a hiring spree. Others say it will take a longer period to replenish the workload of companies still in the marketplace.

While construction and real estate developers approach the recovery of their industry with prudence, some pointed out initiatives that could foster much more development and expressed hopeful outlooks.

One of those is public-private partnerships, commonly called P3s, Vincent said in mid-March. The state's P3 bill, House Bill 407, had passed the House and was awaiting Senate approval at that time.

"We all recognize that the state government and the federal government coffers are tighter. We have to come up with new solutions. We have to have

Groundbreaking takes place in March for a 60,000-s.f. speculative building in the Henderson Industrial Park in Franklin, Ky. Alliance Corp. of Glasgow is designing and building and will help market the finished product with its building information modeling system.

infrastructure to remain economically competitive, economically viable," said Vincent, whose organization includes about 700 members.

Encouragement also comes from the \$2.36 billion Louisville-Southern Indiana Ohio River Bridges Project, set to open to traffic in 2016.

With more than two-thirds of U.S. buying power within a day's drive of the Kentucky/Indiana/Tennessee region, Dunnigan said, the Bluegrass State offers businesses a good location. The safer and easier travel the bridges project will provide will only make the area more strategic to growing companies.

"First, it's going to put a lot of people to work," Dunnigan said of the project. "Once it's completed, the dynamics of the economy for Kentucky and Louisville are going to change and some of those changes could be drastic. You're opening up an artery for commerce to flow." ■

Sarah Berkshire is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.



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Building on Historical Significance



Employees with Lexington-based Cultural Resources Analysis pass soil through screens to seek archaeological artifacts during a dig at a project site.

Lexington-based company is a national leader in construction archaeology

BY FRANK GOAD

LEXINGTON might not be considered a mecca of historical studies, but it is home to Cultural Resource Analysts Inc., a 30-year-old firm that is one of the largest in America specializing in archaeological and anthropological services.

Before certain categories of construction projects break ground, under federal, state and sometimes local laws, the project sites must be surveyed for environmental factors including the possibility that valuable artifacts and important signs of life from the past are present that merit preservation. You've probably driven by a site that was being investigated for signs of historical significance – and CRA may well have been performing this specialized task.

Archaeological and anthropological service is a competitive industry of which few are aware. The modern business began in 1966 with a congressional mandate that applied to federal projects. Since 1976, the Federal Historic Rehabilitation Tax Credit Program, providing a 20 percent income tax offset, has leveraged over \$62 billion in private investment to preserve and reuse over 38,000 historic properties nationwide.

In 2013, Kentucky ranked 12th nationally in utilizing the federal historic rehabilitation tax credit, with 23 successfully completed projects generating investment of \$28.1 million. The Kentucky State Historic Preservation Tax Credit, offering up to a 30 percent offset, was implemented in 2005 and

has benefitted 680 historic rehabilitation projects representing private investment of \$527.9 million.

This cultural heritage preservation market also is driven by a trend toward higher density, mixed-use housing that is spurring rehabilitation of inner city areas. Nearly half the respondents (47 percent) in a recent National Association of Realtors poll said they prefer neighborhoods with a mix of houses, shops and businesses compared to only 1 in 10 preferring a suburban houses-only neighborhood.

CRA architectural historians are called upon to evaluate individual structures and entire neighborhoods to determine how much and what sort of renovation can be done without harming historic value – including whether green initiatives can make the structure economically viable in the face of rising energy costs.

The range of other projects includes road and bridge construction, timber and land sales involving public property, municipal cultural preservation, advising on historical and heritage tourism and many other areas.

One public works project can have multiple sites to examine. The Avenue of Saints project extending north from St. Louis, Mo., required CRA employees to examine 55 sites, some of which yielded artifacts carbon dated to the Middle Archaic period. "The detailed analyses of the artifacts (of the Berhorst Site) and their associations," according to CRA's website, "allowed us to see a short period of time in the life of people who lived in Missouri some 7,000 years ago."



Stone pot fragments found at a dig site are coded for cataloging.

History teacher became an archaeologist

Charles "Chuck" Niquette, CRA's founder and CEO, was a history teacher when the lure of archaeology grabbed him. Since starting the company in 1983, not only has the need for cultural resource services grown, so has his company. It has 12 offices in 11 states and is the largest federal contractor of its type in Kentucky that investigates, collects and protects the evidence of our cultural heritage.

"It encompasses buildings, bridges, battlefields, pioneer sites, Native American settlements – capturing and recording those historical anecdotes that give people a sense of place, who they are and where they came from," Niquette said. "What we gain from it has value chiefly in learning about ourselves and how we've become the people we are today. It's not about what we find, it's about what we learn."

This includes a broad spectrum of topics from architectural history to artifacts left by prehistoric peoples, Native Americans and early settlers. They must assess whether there are personal relics such as currency, weapons, clothing or household effects. Is there evidence of cultural remains such as funeral ceremonies or items from religious worship?

Beyond artifacts, CRA seeks to understand how those who left the evidence lived and to fit this information into what is previously known about a site's history. Assessments can include surveying modern buildings to determine if they are significant architectural specimens, if they are the work of a noted architect or a place where a significant historical event occurred, in which case re-examination will comb through for objects from those times.

High-tech sleuthing in "a special place"

The rigorous scientific process CRA follows relies on a variety of staff skills and experience. They integrate satellite images, geophysical surveys and Geographic Information Systems (GIS) to create computer-generated maps of what is on the surface and on the levels below ground.

"This lets us have a good idea what's in there before we get the first shovel in the ground," Niquette said. "Each device generates data that complements the other results. This is all preceded by our experience, which tells us if it's likely that anything is there before we unload a single piece of equipment. Our employees are still the most sophisticated part of our array."



Charles "Chuck" Niquette, president and CEO of Cultural Resources Analysis, had been a history teacher before he founded the company 1983.



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CONSTRUCTION

Project sites can include cemeteries; CRA surveys the area, catalogs what it finds and transfers graves to their new location, taking care to preserve everything they find. Much of the work is done by hand, but it requires the use of technology such as ground penetrating radar.

"Moving a graveyard used to be a very haphazard process and not done carefully," Niquette said. "Now it's done with respect, care and with an eye toward our cultural heritage."

The commonwealth's ancient and more recent past provides plenty of opportunity in the present.

"Kentucky is a special place," said Craig Potts, executive director of the Kentucky Heritage Council and state historic preservation office. "In comparison to many states, we have an incredibly rich trove of historical treasures, much of which is prehistoric. It's easy to see why so many peoples have populated this area, given its topography, abundance of game, easy access to water and its fertile ground. This has led to high standards in our state for archaeology, and professionalism in its discovery and cataloging."

CRA "has done work internationally, knows the industry extremely well, has a very wide range of resources and, because of that, has grown to be the largest cultural resource management firm in Kentucky, and perhaps the country," Potts said.

The Kentucky Transportation Cabinet comes in for praise also.



"They have embraced our cultural heritage, take preservation very seriously and are respected nationally for their efforts," Potts said. "They have a highly qualified staff and do a really good job."

CRA and the Transportation Cabinet have received national recognition for their work with communities and educational outreach programs.

"Just look at the Red River Gorge," Potts said. "It's known internationally for its plant domestication record, which has shown some of the earliest signs of people using the plant life for food and medication. It's known as a plant life hearth of sorts, and people worldwide visit to study and research it."

Many historical treasures were lost

A generous portion of what we now know about our ancestors came from the Works Project Administration (WPA) efforts during the Great Depression. Professor William S. Webb of the University of Kentucky was very active then, and his publications from the 1930s are still considered excellent examples across the nation.

After WPA funding had dried up, America went through a post-World War II period of intense growth and modernization, and many historical treasures were lost. Realizing this, Congress passed the National Historic Preservation Act in 1966. Its crucial Section 106 requires all federal agencies to include historic preservation in their many projects across the nation.

In '66, colleges and universities, with their trained professionals on staff, were the natural place to turn for the required heritage preservation help.

"In a field like this, if you do your job right, the work returns again and again," Niquette said. "The universities had almost all the work, and it was

Among the many CRA staffers who have with the company for 15 to 20 years or more are, left to right, Derek Wingfield (1995), chief of the information technology office; Alexandra Bybee (1999), anthropologist, principal investigator and field supervisor; Jason Anderson (1999), computer aided design and geographic information systems specialist; RaSonda Smith (1998), chief financial officer; Steve Creasman (1992), executive vice president; and Jonathan Kerr (1988), Kentucky director of operations and archaeological resources group leader.

tough breaking into this business back in '83. But new opportunities came along as people began to understand this work's importance. Local communities soon realized that their cultural heritage has real value in economic development and the push to attract new business. People began to understand and respect the value of our heritage on many levels."

Since those early days, Niquette has guided the company from his office and the field. The firm has 12 locations across the country in Colorado, Illinois, Indiana, Kentucky, Louisiana, Ohio, Tennessee, Utah, Virginia, West Virginia and Wyoming. It has steadily expanded its range of capabilities also.

For instance, the company's specialists range from people like bioarchaeologist and anthropologist Alexandra



A stone bowl found at a site in Kanawha County, W.Va., dates to the Terminal Archaic period roughly 4,000 to 5,000 years ago.



Heather Barras, laboratory director for CRA, catalogs artifacts to ready them for curation.

Bybee, to laboratory director Heather Barras, to zooarchaeology specialist Flora J. Church. There are historians, architectural historians and specialists in lithic artifacts (such as stone tools and weapons), geophysical mapping, data collection, geospatial information systems, computer-aided design and other categories.

Artifacts found during an excavation are carefully photographed and then cataloged by exact location, depth, condition, job number and other criteria. Next, they are carefully packaged and sent to the nearest facility for cleaning and examination. They are then readied for curating and submission to their final destination. Rarely does CRA keep any of the artifacts they find, as they belong to the company contracting them or the landowners.

Many employees have been with the company for a decade or more, and all are passionate about work that they know is valuable and respects the history of many individuals.

"Part of my job is ensuring that when we unearth someone's remains, we collect everything possible when we move them because, after all, they are a part of someone's family," Bybee said.



Native American burial mounds are regular finds in Kentucky, but often they have been plowed through and finding the remnants is an arduous task. They find every remnant possible, gather them and inter them in a suitable location – with patience, diligence and great respect.

Surprising and rewarding

Sometimes even the firm's seasoned veterans are surprised. While excavating a

Cultural Resource Analysis headquarters on Walton Avenue in Lexington. CRA has 12 offices in 11 states.

site along U.S. 68 south of Lexington, where they found the remnants of The Old Higbee Tavern.

Until railroads were established in the mid-1800s, many Kentucky goods needing to go to market were taken to Maysville, Ky., and put on a boat on the Ohio River. Traders floated down the rivers to New Orleans to sell their product, then walked home. Into the 1800s, payment often was in gold Spanish doubloons or silver "pieces of eight," which were legal U.S. currency through 1857. To their surprise, CRA employees working the Old Higbee Tavern site found some pieces of eight, evidence of an early Kentuckian's round trip to market. ■

Frank Goad is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.

CRA has 79 employees in 12 locations, the largest of which is its Lexington headquarters.



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Commercial Real Estate Improving



Workers with Paul Hemmer Construction erect new office space for St. Elizabeth Healthcare in Northern Kentucky in August 2013. After improving in 2013, commercial real estate activity is forecast to increase significantly in 2014 and 2015.

Paul Hemmer Construction photo

Consumer confidence improving; growing e-commerce sales increase demand for modern distribution and fulfillment

BY MARK GREEN

COMMERCIAL real estate brokers who sell and lease multifamily and industrial properties in Kentucky report sharply improving activity in this sector, with the retail and office space sectors lagging behind industry but improving as well.

In 2013, there was “a noticeable rise in most markets across the United States, including secondary and tertiary markets that had slower rebounds,” according to the Commercial Real Estate Outlook report from the National Association of Realtors (NAR) in February 2014.

Kentucky commercial real estate is “pretty buoyant at the moment,” said Tim Brown of Hoagland Commercial in Louisville. “It has definitely picked up.” And the current year has gotten off to a “strong start.”

Improving U.S. employment and housing markets are producing better consumer confidence levels, as measured by The Conference Board and by the Univer-

sity of Michigan. Consumer confidence rose from an average 67 level in 2012 to 73 in 2013, but NAR forecasts a significant consumer confidence level jump to 82 this year and on to 87 in 2015.

Consumer spending propels more than two-thirds of the U.S. economy, and Americans spent more on durable goods (up 7.2 percent), automobiles (up 5.1 percent), RVs and related goods (up 10.3 percent) and household furnishings (up 6.3 percent), said the NAR report.

Increased consumer spending more than offset a collective 2.2 percent drop in government spending at all levels in 2013. Business investment improved a moderate 2.6 percent, the NAR noted, continuing to underperform corporate profits because of government budget fights and uncertainty among managers about impending regulation and fiscal policy.

International trade provided strong uplift to GDP the second half of 2013. U.S. exports were up 11.4 percent and imports 1 percent, boosting traffic for transport

and warehouses while shrinking the trade deficit. Kentucky exports grew 14 percent in 2013, a third consecutive record-setting year for the commonwealth.

This stimulates commercial real estate’s industrial sector of warehouses, distribution centers and manufacturing sites but also can result in nonintuitive changes in metrics. For example, in Greater Louisville the industrial vacancy rate increased in the fourth quarter of 2013 from 4.5 percent to 5.6 percent – because nearly 1.6 million s.f. of new construction was completed and came onto the market, according to the Cushman & Wakefield Marketbeat snapshot for the market.

“2014 has the potential to become a banner year for industrial real estate activity in the Louisville Metro,” according to Cushman & Wakefield, the 97-year-old New York-based global real estate specialist. Developers see fundamentals improving and are increasing construction.

“U.S. online sales are expected to reach \$370 billion by 2017, up from \$231 billion in 2013,” C&W’s Louisville Marketbeat says. That 60 percent increase in sales “translate into greater demand for logistics facilities tailored to the needs of e-commerce.”

That’s good news for the UPS Worldport global shipment hub at Louisville International Airport and those serving

Commercial real estate vacancy rate forecasts

National Association of Realtor estimates in February for the first quarter of 2014

MSA	OFFICE	INDUSTRIAL	RETAIL	MULTIFAMILY
Cincinnati	19.6	8.2	13.1	3.6
Lexington	15.3	na	8.7	5.8
Louisville	15.5	na	9.6	4.5

Kentucky's growing logistics sector, which includes the DHL global freight shipment hub at Cincinnati/Northern Kentucky International Airport as well.

"Developments in logistics and technology have driven the demand for newer and bigger warehouses and distributions centers," C&W reports.

The Cincinnati region Marketbeat reported that speculative construction is underway and noted two large buildings totaling over 1 million s.f. in the airport area that came available in the third quarter of 2013 were leased by year's end without dividing either space. Landlords are gaining strength in lease negotiations.

In Lexington, available industrial space has steadily declined for a decade, according to a fourth quarter 2013 Industrial Warehouse/Flex Market Study by Coleman Group. Among the properties Coleman Group Brokerage Services monitors, available space for lease has fallen from 26.1 percent in 2004 to 8.4 percent of the 5.8 million s.f. available in late 2013.

In 2013, consumer confidence improved 9.2 percent and payrolls gained 2.2 million net jobs. NAR's forecast for consumer confidence levels in 2014 represents a 12.3 percent improvement and 2.5 percent GDP growth with the addition of another 2 to 2.5 million jobs.

Major commercial property sales (transactions of \$2.5 million and up) increased 19 percent in 2013, according to the NAR. Prices increased an estimated 15 percent nationally, as investors pursued the higher yields being created by improving economic conditions.

NAR forecasts rent growth in all categories of commercial real estate for 2014 and 2015. Multifamily housing looks the strongest with an estimated 2014 rent growth of 4.3 percent and another 3.5 percent in 2015.

The forecast is for 2.4 percent rent growth in 2014 for U.S. industrial space and 2.6 percent in 2015.

Office space rent growth for 2014 is predicted to be 2.3 percent nationally, stepping up to 3.2 percent growth in 2015.

Even in retail, where ecommerce's expanding numbers of shopping channels allow consumers to make transactions at home, rent growth of 2 percent is forecast for 2014, increasing to 2.3 percent rent growth in 2015.

The vacancy rate for Class A space is much higher than for more affordable Class B in Lexington's central business district, the Coleman Group Office Market Study reported. The combined vacancy rate is 14.8 percent, or a seventh of all space.

There was a 40,000 s.f. increase in Lexington CBD office space from 2012 to 2013, but since 2004 the trend line has been steadily downward, decreasing just more than 300,000 s.f. during the decade.

The CentrePointe project to redevelop a square block of downtown Lexington went into site preparation early this year after four years and should add space perhaps next year.

The C&W Office Snapshot for Louisville is very encouraging, in line with a forecast that U.S. business in 2014 will shift from a focus on controlling costs to concern about sales growth and begin to hire aggressively. Greater Louisville employment is benefiting from the Ohio River Bridges Project, hiring by Ford and GE, and growth in distribution and fulfillment in response to the tremendous growth of Internet sales across the country, C&W said.

"The (Louisville) CBD office market should improve during 2014 as more employees will be drawn downtown to capture the energy and vitality of the area and to attract a younger generation of employees who value the live, work, play environment only found in the urban landscape," C&W forecasts.

Brown at Hoagland Commercial is not quite that ebullient, but he does say "there's a general greater optimism about the economy."

The downtown office towers have been struggling to find tenants lately, he said, while suburban space is faring better. Downtown space is more expensive and often has to be reconfigured for a new tenant.

"Some people just want to be in the suburbs," Brown said. They can work closer to home, and there are lower or no parking costs. Suburban space typically is newer and does not require the infrastructure updating of older office buildings. ■

Mark Green is editorial director of The Lane Report. He can be reached at markgreen@lanereport.com.

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Boating Industry Says its Tide is Rising

Kentucky watercraft builders and dealers who survived the recession report buoyant sales since 2011

BY ROBERT HADLEY

OUTSIDE the South Wing of the Kentucky Fair and Exposition Center in Louisville, it was barely 20 degrees with a brisk north wind on a gray late January day. Inside at the Louis-

ville Progressive Insurance Boat, RV and Sportshow, however, dozens of vendors are selling a dream far removed from early 2014's excessive winter snow and ice.

An array of recreational boats, personal watercraft and campers of all sizes

The annual Louisville Progressive Insurance Boat, RV and Sportshow in late January at the Kentucky Fair and Exposition Center is a major sales event for the state's recreational boating industry, which employs 3,684 workers at 340 businesses and generates an economic impact of \$1.94 billion.

are being eyed by a range of shoppers from bearded young men in camo pants and UK sweatshirts, to grayer, more mature gentlemen in small groups or with their wives in tow. Buying one of these sleek watercraft falls into roughly the same category as a vacation home, Corvette convertible or perhaps a wedding ring – while not impulse buys, all are emotionally charged ways to spend one's disposable income.

The allure of the commonwealth's waters sustains a business sector measured at nearly \$2 billion annually.

Kentuckians own 174,425 boats and spend an estimated \$817 million a year on recreational boating, according to U.S. Coast Guard figures. The commonwealth's recreational boating industry employs 3,684 workers at 340 businesses, with a combined 42 percent of those workers involved either in boat or engine building. Others work at the state's 112 marinas.

Total annual economic impact is reported at \$1.94 billion by the NMMA, based on data from the Recreational Marine Research Center at Michigan State University.

Aboard a pontoon boat at his store's booth, Rick Speth, owner of S&S Marine in Clarksville, Ind., explains the motivation to buy one of the performance-enhanced \$25,000 to \$80,000 pontoon boats his shop sells.

"It's the Ford or GE executive," he said, describing his typical customer. "What we're sitting on is a \$70,000 boat, and the reason a Ford executive buys this is because his wife likes it."

The appeal lies in the blend of features offered by today's pontoons, large-decked boats with two or three flotation chambers beneath the hull. The majority of boats sold at the Louisville show, Speth predicted, would be pontoons, particularly the three-chambered variety that can be fitted with bigger horsepower engines. It's a successful blending of speed, style, stability and comfort that charms younger buyers of both sexes.

"The men need the performance, and the women love pontoons and that's why I think it's taking over," Speth said. "It used to be if somebody was 35 years old, they'd say, OK, I'm not getting a pontoon, that's for an old man."



*Rick Speth,
S&S Marine
and Cycle*

Bill Yeargin, president and CEO of Orlando, Fla.-based Correct Craft, which sells 1,900 boats a year, invested heavily in Lean Six Sigma processes when the recession struck in 2009. Correct Craft expects sales to increase 10 to 15 percent in 2014.

Well, that stigma went away because now they're sexy looking, they're fast, they're everything."

After taking a plunge following the deep recession that hit in 2008, the recreation boating sector has seen more buoyant sales since about 2011. Speth and 195 other exhibitors, including many dealers, were expecting to see further evidence of a growing recovery at the Jan. 22-25 show. Exhibitors paid \$800 for a 100-s.f. booth site with the larger 600- to 5,000-s.f. booths renting for \$2.30 to \$3 per square foot. Promoters reported 33,563 people attended to examine and compare boats, watercraft and recreational vehicle and associated products.

In 2012, spending on recreational boats increased 10 percent to \$35.6 billion, indicating



Thom Dammrich, National Marine Manufacturers Association

the first significant post-recession recovery for the industry, according to the National Marine Manufacturers Association. Sales are projected to grow 5 to 7 percent during 2014, said Thom Dammrich, president of the NMMA.

"We're not back to where we were before the recession," Dammrich said. "But we've certainly come off the bottom."

Winter orders, spring deliveries

Promoters say the annual show in Louisville aims to give a "winter boost to sales"

by showcasing boats and other watercraft, campers, RVs, and hunting and fishing gear during a time of year most people's minds have drifted to escaping the Ohio Valley's winter doldrums. Ordering a boat during the winter provides an ideal lead time, as most models require several weeks to manufacture.

Kentucky's boating season runs from May through October.

While the boat and RV show was open during the week, sales traditionally peak on the weekend.



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TOURISM & RECREATION

Lake Cumberland's return to a full summer pool of 723 feet this year for the first time since early 2007 is expected to lift sales again for houseboats and other recreational watercraft. The lake was lowered by 40 feet for repairs of Wolf Creek Dam.

"The show is open through Sunday night, so people will come on Wednesday, Thursday, Friday and then come back over the weekend," said David Landrum, co-owner of The Boating Center in Crestwood, Ky. "They don't want to sit here at a table in front of a lot of people (making their purchase), so they'll make an appointment. They'll come into the store next week to complete the deal."

"I can tell you one thing that's happened in this boat show since 2010: 70 percent of the sales were on Saturday – and it is just packed in here," Speth said. "In fact, in 2011, I had to get up on top of a boat and take a picture because I hadn't seen it like that in years, and I've been coming here for 40 years."

Rebounding from rock bottom

Boat manufacturers hit the bottom hard in 2008 and 2009. Sales of new boats fell about 55 percent, Dammrich said, while



new boat production dropped a staggering 80 percent.

Coping with the contracted market brought swift changes.

"Most boat manufacturers in this country are small companies," Dammrich said. "Those that had no

debt just basically dramatically downsized to weather the recession. (Others) went bankrupt, were bought by new owners and were back in business."

That scenario applied in Monticello, Ky., the city adjacent to Lake Cumberland that billed itself as the "houseboat capital

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Zoning: B-2, Highway Business

Building Size: 12,000 s.f. ±

Lot Size: 8.0 acres ±



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of the world.” A variety of boat manufacturers launched there after the 1952 impoundment of Cumberland River water created a 100-mile-long lake that became a major economic engine for Southeastern Kentucky. Stardust Cruisers, Thoroughbred Houseboats and Sunstar Houseboats are located in the Monticello area, and Sharpe Houseboats is in Somerset.

Stardust Cruisers’ business dropped 60 to 70 percent with the recession’s onset, said co-owner Jerry Harden. With only one or two boats to build all year, the company halved its workforce and focused on refurbishing and remodeling existing boats to keep the doors open. Harden said he and the other owners contributed capital to Stardust during lean times.

Signs of a slow recovery started in 2011, he said. Today, Stardust builds about 15 boats annually selling for an average cost of \$500,000. Its 70-member workforce turn out luxurious 20- by 90-foot craft to satisfy wealthy clients – cash buyers – looking for a weekend retreat.

“For a lot of people who own these, it’s like (having) a chalet down in Tennessee,” Harden said. “The cost is comparable to a Florida condo, really.”

Meanwhile, Thoroughbred Houseboats, makers of 55- to 120-foot craft

with prices ranging from \$350,000 to \$1.5 million, was able to survive without downsizing any of its 77 workers. Co-owner Michael Bernard credits the market position of Thoroughbred’s product for its good fortune. Since 2011, the company has doubled its operations.

“I think we probably fared much better than the rest of the industry,” Bernard said. “Our design and our quality were so well accepted by the public that we were chosen to build what few boats were being built at the time.”



Michael Bernard, Thoroughbred Houseboats

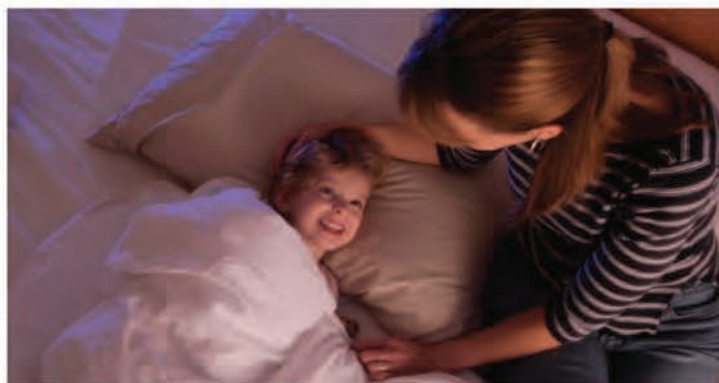
Recession toughed out via efficiencies

Other manufacturers across the country tell similar stories of struggle and recovery. Orlando, Fla.-based Correct Craft Inc. makes the popular Nautique line of boats, which range from 20 to 25 feet at starting prices from \$70,000 to more than \$135,000. Correct Craft sells approximately 1,900 boats per year, down from 2,300 before the recession, President/CEO Bill Yeargin said via email.

Kentucky’s Largest Recreational Lakes

LAKE	ACREAGE
Kentucky Lake	160,300
Lake Cumberland	63,000
Lake Barkley	57,920
Dale Hollow	27,700
Barren River Lake	10,000
Cave Run Lake	8,270
Green River	8,210
Nolin Lake	5,800
Laurel River Lake	5,600
Rough River	5,100
Herrington Lake	3,600
Taylorville Lake	3,050
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TOURISM & RECREATION

Correct Craft makes the popular Nautique line of recreational boats at its Orlando, Fla., factory.



Bill Yeargin,
Correct Craft
Inc.

"We totally changed our business model, practically everything," Yeargin said. "We invested heavily in product development, which resulted in compelling new products, invested heavily in Lean Six Sigma production changes to be more efficient, (made) changes to our distribution model both in the U.S. and internationally, and totally overhauled our sales and marketing."

Global expansion allows Correct Craft to now sell its products in 62 countries. The company predicts a 10- to 15-percent sales increase in 2014.

Another family-owned manufacturer that struggled through the recession is Regal Marine Industries Inc., which sells about 30 models ranging from \$53,000 to as much as \$1 million for a large, luxury cruiser. Regal survived by trimming its workforce, imple-



menting rotating furloughs and applying company-wide pay cuts.

Frank Stoeber, a product information specialist at Regal, said the company reconfigured the way it manufactures boats to increase efficiency. Hulls and decks are built on separate lines, then joined and completed

on one assembly line. Six models use this new process.

"We are not building unwanted inventory and are getting the product to the end-user sooner," Stoeber said. "We can increase or decrease production on these models easier and as needed."

During downtime, Regal cross-

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trained staff to manufacture different boats, which boosted efficiency when production resumed. In the pre-recession days of 2006-07, Regal produced 3,000 boats per year versus 2,000 annually today, Stoeber said.



*Frank Stoeber,
Regal Marine
Industries Inc.*

Less competition for the survivors

So if you're a boat dealer, what do you do when your category plunges 55 percent and you have inventory to sell and a staff to support? The obvious answer is to cut costs, but there are more specific ways to tell the story.

According to the NMMA, 40 to 50 percent of U.S. boat dealers closed their doors because of the recession. Less competition has been a boon to the remaining dealers who are beginning to thrive as the economy improves.

"As the industry's coming back, the remaining (manufacturing) capacity and remaining dealers are fairly visible," Dammrich said.

Business at The Boating Center dropped 70 percent, Landrum said, and he had to lay off half his workforce.

"Fifty percent of my competitors

went out of business," he said. "But we're past that."

Doug Peege, vice president at Marine Sales and Service on River Road in Louisville, says his store has 15 to 18 boats on display in a 5,000-s.f. showroom and space on an 11-acre property for service bays and storage for parts and accessories. None of the store's seven employees were laid off during the downturn.

"We saw a dip in '08 and definitely '09," Peege said. "Things started to pick back up in 2011, and, actually, right now things are going well. Interest rates on recreational vehicles in the 25 years I've been in the business are at an all-time low."

Stores can survive by offering service and maintenance on existing boats. Dealers contacted for this story all have repair and maintenance capacity, primarily for the brands they sell, and some broker used boats.

Marine Sales and Service capitalizes on its location near the Ohio River by offering amenities for the approximately 50 boats it sells annually.

"We've got storage, a full-service department, we launch boats and pull larger boats, refurbish the hulls and what have you," Peege said.

The Boating Center provides maintenance, off-season storage and even

transportation to Lake Cumberland, Lake Monroe, Kentucky Lake and various other statewide venues for its typically affluent clientele. Landrum said customers for the \$50,000 to \$130,000 boats he sells tend to be doctors, lawyers and business executives.

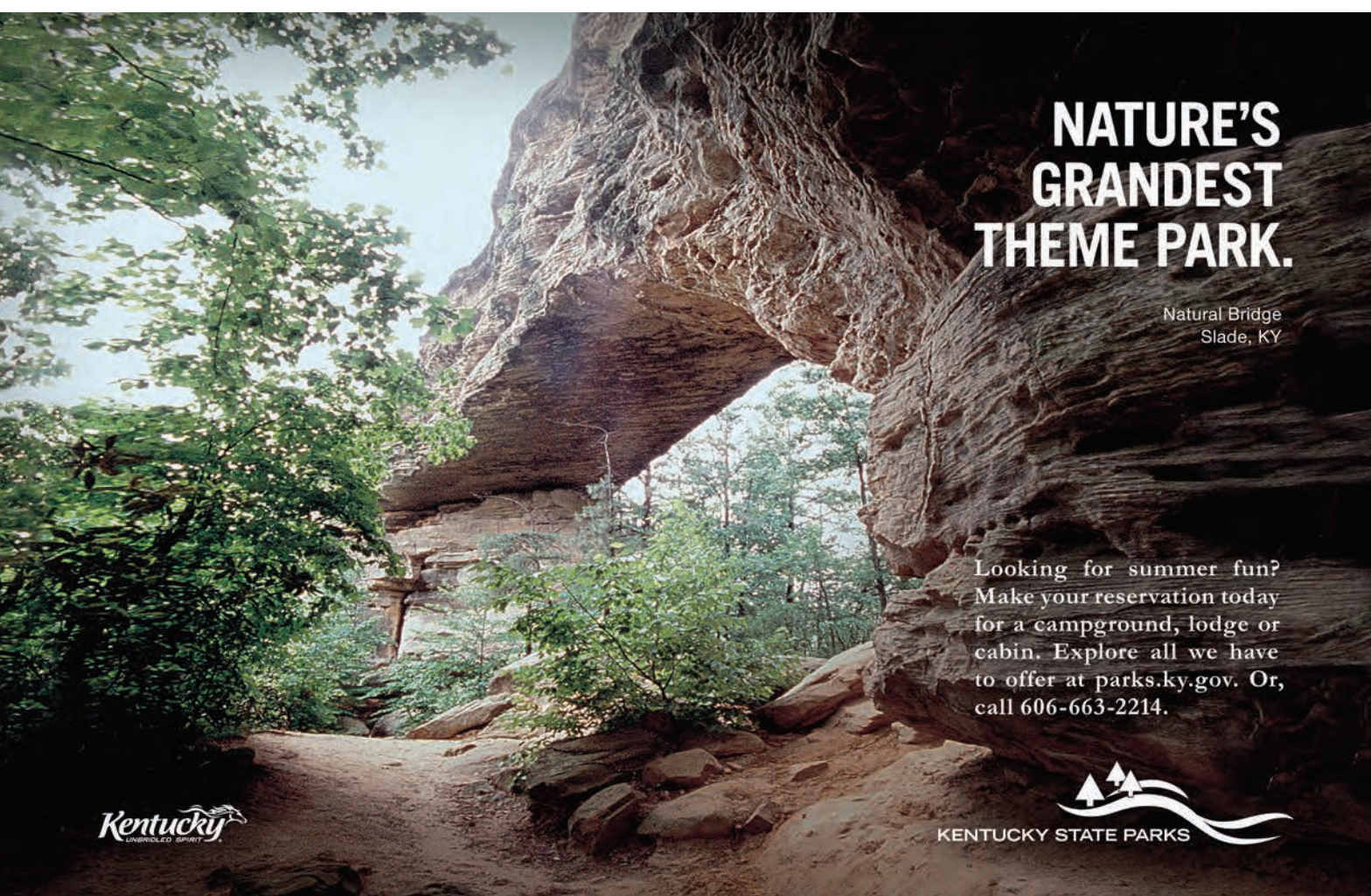
"A lot of people just let us take care of it," Landrum said. "So we go get (the boat from the lake), we bring it back and we store it for them. Then we'll return it to their lift in the spring all cleaned up."

Whether buyers haul their boats to the lake themselves or have it done, an impulse to get away from the stress of daily life is no doubt behind many boat purchases.

"Generally speaking, (buyers are) people that have children and are into water sports and want to spend the weekends down at the lakes," he said. "We've got some great lakes here in Kentucky that are an hour and 20 to an hour and 40 minutes away from Louisville."

"Even though you're only an hour and 20 minutes away, you feel like you're in another part of the world. It's very peaceful." ■

Robert Hadley is a correspondent for The Lane Report. He can be reached at editorial@lanereport.com.



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CORONATION VS. CATTLE CALL

Democrats and Republicans employ different approaches to '16 race

BY JOHN DAVID DYCHE

The paths to the 2016 Democratic and Republican presidential nominations could not be much more different. The Democrats are preparing for the coronation of a queen, while Republicans are ready for a cattle call including every possible breed of contender.

On the left, former first lady and Secretary of State Hillary Clinton remains inexplicably popular given her record of myriad controversies and miniscule real accomplishments. Her high poll numbers are destined to remain an unsolved mystery (as this columnist has previously plumbed: wdrb.com/story/22086165/dyche-why-is-hillary-so-popular).

On the right, the fight resembles a multiman Wrestle Royale bout staged in a small-town television studio circa 1970. It boasts a colorful cast of characters grappling in no-holds-barred political combat that sometimes spills out of the ring and into the stands.

Hillary is headed to Kentucky in late April to talk to a convention of Methodist women in Louisville. The Wesley brothers may be rolling over in their graves at such a spectacle, but the usual suspects among the state's lap dog liberal media will shake, swoon and speak in tongues as if Clinton's appearance is a second coming of sorts.

While Clinton is cashing her out-

geously oversized honoraria checks for giving bland and superficial speeches, the Republicans are debating ideas and producing policy proposals by the dozen. One of them, House Budget Committee Chairman Paul Ryan of Wisconsin, was right when he declared, "The left is exhausted; our side is energized."

Ryan's committee recently issued a report urging reform of the federal government's 92 anti-poverty programs that cost about \$800 billion per year. He is right when he says, "For too long, we have measured compassion by how much we spend instead of how many people get out of poverty."

Another Republican hopeful, Sen. Marco Rubio from Florida, has published a raft of policy ideas, including reforms of anti-poverty programs, corporate taxes, higher education, and regulations. Rubio also found time to forcefully correct liberal Democratic Senator Tom Harkin of Iowa's erroneous conclusion that Cuba is a workers' paradise.

During his 11-year tenure, Gov. Rick Perry's state of Texas has created almost a third of the nation's new jobs and has done so across all pay levels. This successful chief executive wants the federal government "to focus on the few things the Constitution establishes as the federal government's role" and to "get out of the healthcare business, get out of

the education business, and stop hampering industry."

The policies of Gov. Scott Walker in Wisconsin have produced a billion-dollar state surplus. He plans to return half of it to taxpayers and use some of the rest to invest in job training.

Erstwhile tea party allies Kentucky Sen. Rand Paul and Texas Sen. Ted Cruz are sniping at each other about which of them is the true spiritual heir of Ronald Reagan. Their disagreement is indicative of a very real and important decision Republicans must make about foreign and national security policy.

Meanwhile, Clinton must sit more or less idly by as President Obama's second term disintegrates before American eyes. She can try to put some distance between herself and the administration in which she served, but not even the prospect of being the first female president can fully protect her from the politically radioactive fallout of cascading Democratic disasters.

Obamacare is daily exposed as an exponentially worsening debacle. That toxic example of progressive overreach is bad enough, but added to it are the serial other instances of hubristic incompetence like Benghazi, IRS targeting, CIA spying on a Senate committee, NSA metadata mining, the disappearing red line on Syrian chemical weapons, Russian aggression in Ukraine, appeasement of Iran, and ill-considered comedy stunts that demean the office of the presidency.

It is not a pretty picture for any Democrat going into 2016. Some think Clinton can see the ominous handwriting on the wall and despite her overweening ambition will ultimately give way to Chicago Mayor Rahm Emanuel or New York Gov. Andrew Cuomo (since the notion of Vice President Joe Biden as the party's presidential nominee is too comically absurd to contemplate).

Historical odds are against Hillary's succession anyway. Not since Rutherford B. Hayes has someone other than the vice president succeeded a president of the same party who served two full terms, and Hayes was a controversial compromise choice after the hotly disputed 1876 election.

George Will says the GOP contest is "much more interesting when they are brawling with one another." The lively debate also signals that Republicans are healthier and hungrier than the Democrats who are slouching towards Clinton. ■



John David Dyche is a Louisville attorney and a political commentator for WDRB.com.

THE LANE LIST

HIGHEST PAID CEOs IN KENTUCKY IN 2013

By total annual compensation; publicly held companies

COMPANY (STOCK TICKER)	CEO	AGE	SALARY	TOTAL COMPENSATION
Yum! Brands Inc. (YUM)	David Novak	61	\$3.16 million	\$20.48 million
Ashland (ASH)	James J. O'Brien	60	\$1.39 million	\$16.80 million
Brown-Forman (BF-B)	Paul C. Varga	50	\$4.90 million	\$9.32 million
Papa John's Intl. (PZZA)	John Schnatter	52	\$1.62 million	\$4.98 million
Humana Inc. (HUM)	Bruce D. Broussard	52	\$3.86 million	\$3.86 million
Kindred Healthcare (KND)	Paul Diaz	52	\$2.35 million	\$2.35 million
Lexmark Intl. (LXK)	Paul Rooke	54	\$1.99 million	\$1.99 million
PharMerica Corp (PMC)	Gregory S. Weishar	59	\$1.99 million	\$1.99 million
Churchill Downs (CHDN)	Robert L. Evans	61	\$1.49 million	\$1.49 million
Tempur-Pedic Intl. (TPX)	Mark Sarvary	54	\$1.48 million	\$1.48 million
General Cable Corp. (BGC)	Gregory B. Kenny	61	\$1.34 million	\$1.34 million
Bank of Kentucky (BKYF)	Robert W. Zapp	62	\$692,000	\$1.25 million
Community Trust Bank (CTBI)	Jean R. Hale	67	\$870,000	\$1.20 million
Texas Roadhouse (TXRH)	Wayne Kent Taylor	57	\$1.02 million	\$1.02 million
Almost Family (AFAM)	William B Yarmuth	61	\$830,000	\$830,000
Sypris Solutions (SYPR)	Jeffrey T. Gill	58	\$722,000	\$722,000
Delta Natural Gas (DGAS)	Glenn R. Jennings	65	\$561,000	\$561,000
Rhino Resource Partners (RNO)	Christopher Walton	55	\$493,000	\$493,000
HopFed Bancorp Inc. (HFBC)	John E. Peck	49	\$412,000	\$412,000
Republic Bancorp (RBCAA)	Steven Trager	53	\$404,000	\$404,000
Farmers Capital Bank Corp. (FFKT)	Lloyd C. Hillard Jr.	66	\$380,000	\$380,000
Kentucky Bancshares (KTYB)	Louis Prichard	60	\$323,000	\$323,000
Investors Heritage (IHRC)	Harry Lee Waterfield II	70	\$280,000	\$280,000
HFB Financial (HFBA)	David B. Cook	64	\$188,000	\$188,000
Ky First Federal Bancorp (KFFB)	Don D. Jennings	48	\$165,000	\$165,000

Source: Yahoo Finance, Reuters

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WHAT ARE YOUR CUSTOMERS SAYING?

How to create a culture of success

BY JEFFREY GITOMER

I know you love your business. Do your customers? Just ask Mother Google. She is standing by with millions of info-bits and info-bites about you and your business that you (or anyone) can have in a nano-second. For free.

What is posted about you (not what you have posted about yourself) on Google, or on any social media, is a reflection of how others perceive you. It's also what others, who are looking for you or what you sell, may think of you once they find you. In short, it's your "RAP."

The old word is "rap sheet." It was a police term for a summary of what was factual about your past – your record of events – mostly bad. It was a forerunner to Google.

Unlike the old rap sheet, the new RAP sheet can help you attract and grow if you're aware of your online presence and how that affects and impacts your sales and your business.

The new RAP sheet – "of sales" – is broken down into elements that define the process:

- **Reputation.** Built slowly over time, your reputation defines your present situation and your next sale. It documents how you react, respond and recover from service calls and issues, and it cements your image both online and in the customer's thoughts. Your reputation is a reflection of your status in the business world and a reality check from your customer's perspective.

Take responsibility for your reputation and take all necessary actions to build and preserve it.

- **Attraction.** Not the "law of attraction" – rather value attraction. What value-based messages are you sending? What messages are your customers responding to? How are these messages creating a bigger, more responsive, more positive, more loyal customer base? Everything from daily tweets and blog posts to one-on-one customer interactions create your word-of-mouth attraction.

What's attractive about me and my business? Why would a customer follow me? What do I have to do to create more positive followers?

- **Profit.** Not your profit, their profit. Make certain that every customer knows and understands how they win after purchase, how they use and produce, and how they benefit and enjoy. Concentrating on customer value also has a positive internal effect. When customers are happy and feel valued, it creates a loyalty base of customers and employees. Profit is way more than money.

Your corporate and personal philosophy guides your words, actions and deeds. Your philosophy is comprised of the principles you live by. Beyond your mission, it's how you help others and how you live your core values.

Create a culture of camaraderie and support, communication and truthful information, service and response, and availability and helpfulness. Culture is your long-term essence. Your spirit.

Treat your people right and they will treat your customers beyond your expectations. ■



Jeffrey Gitomer salesman@gitomer.com
is the author of *The Sales Bible*.

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Above: Inspired by nature, clay artist Caroline Zama of Starbird Pottery in Louisville creates hand-sculpted birds, bowls, platters and what-knots.

THE BEST ART KENTUCKY HAS TO OFFER

Hundreds display talents at annual Kentucky Crafted: The Market

MORE than 200 artists exhibited and sold works of art at the 32nd annual Kentucky Crafted: The Market, March 7-9 at the Lexington Convention Center. One of the oldest state-sponsored shows of its kind

in the nation, The Market features the best of Kentucky art, craft, artisanal food products, books and music. It also offers exhibits, hands-on activities, and two days of music.

Right: Lonnie and Twyla Money of East Bernstadt together create these whimsical folk art pieces. Lonnie carves it from wood or sculpts it from gourds and Twyla hand paints it.

Below: Louisville artist Clare Hirn's fine art murals grace many homes, businesses, and public spaces and have appeared in numerous publications.



Above: Author Tonya Moreland and illustrator Jeanie Shanks Kittinger of Western Kentucky shared their book, "When Am I Beautiful?" at Kentucky Crafted: The Market.



Left: Potter Suzy Hatcher of Louisville has been creating individually handcrafted ceramic art for 15 years. She also teaches pottery classes for adults and children.



Above: Potter Seth Green is a full-time ceramics instructor at Morehead State University.

Below: Watercolor artist Pat Banks of Richmond specializes in landscapes, portraits and waterscape. She also is the Kentucky Riverkeeper.



SPOTLIGHT ON THE ARTS

Kentucky Arts Council Receives NEA Funds for Eastern Kentucky Workshops

TWO Kentucky Arts Council workshops in May in the eastern region of the commonwealth will provide arts-related tools, resources and ideas that can initiate economic growth and development.

The public workshops will be Friday, May 9, at the Rowan County Arts Center in Morehead and Tuesday, May 13, at the Hindman Settlement School in Hindman.

The arts council began introducing the art-as-economic-driver concept at a December conference in Pikeville the day after the Shaping Our Appalachian Region (SOAR) Summit. The NEA and CIRD funding includes providing follow-up information for communities and individuals to benefit a 54-county Appalachian region through two public workshops.

Additionally, the council will convene organizations and communities already engaged in arts and cultural projects as a way for participants to share ideas, challenges and successes, followed by a competitive application process for communities to apply for related project funding.

A third event, which will be by invitation, will be in Cumberland.

Look for registration and agenda information at artscouncil.ky.gov.

Advisory Group Formed to Develop Strategies for Kentucky's Creative Industry

IN another step toward quantifying the activities of Kentucky's creative industry, the Kentucky Arts Council recently announced the executives and community leaders named to the Creative Industry Study Advisory Group. These individuals, a diverse mix of leaders representing the business and tourism industries, will work with Mt. Auburn Associates and the Kentucky Arts Council to identify and develop intersections with Kentucky's creative industry.

Members of the advisory group include Barbara Atwood, deputy commissioner, Kentucky Department of Parks; Lindy Casebier, deputy secretary, Kentucky Tourism, Arts and Heritage Cabinet; Victoria Faoro, executive director, Kentucky Artisan Center at Berea; Hal Goode, president and CEO, Kentucky Association for Economic Development; Aimee Hiller, senior vice president for administration, Kentucky Chamber of Commerce; Ed Lane, publisher and CEO, *The Lane Report*; Todd Lowe, president, Parthenon LLC; Kristel Smith, executive director, Kentucky Innovation Network, Eastern Kentucky University; Holland Spade, chief of staff, Kentucky Cabinet for Economic Development; Bob Stewart, secretary, Kentucky Tourism, Arts and Heritage Cabinet; Randall Vaughn, chairman and president, GNF Architects and Engineers, PSC; and Roxi Witt, executive director, RiverPark Center.

The Kentucky Creative Industry research study will include a baseline assessment of the commonwealth's creative industry and will serve as a critical tool for future planning and policy development.



A painting titled "Blue Chair" by artist Sharon Asher is among works showcased at the Governor's Derby Exhibit in the Capitol Rotunda through May 5.

27 Kentucky Artists Picked for Gov.'s Derby Exhibit

TWENTY-seven artists from across the commonwealth have works on exhibit in the Capitol Rotunda through May 5 in the 2014 installment of the Governor's Derby Exhibit.

Coordinated by the Kentucky Arts Council, the exhibit is part of the annual Governor's Derby Celebration in the capital city.

While other Kentucky Arts Council exhibits are open only to adjudicated program participants, any state visual artist 18 or older could submit work for the Governor's Derby Celebration. This year 74 artists submitted a total of 130 artworks. Those whose pieces are in the exhibit, and their county of residence, are:

Billy Tackett, Boone; Patrick Fretz, Boyle; Matthew Steffen, Campbell; Betty Liles, Christian; Patricia Ritter, Cumberland; Hayley Black, Fayette; Rebecca Flanery, Fayette; Ellen Guyer, Fayette; Aubrey Nibert, Fayette; Helene Steene, Fayette; Augustin Zarate, Fayette; Michele Daigle, Franklin; Brittain Skinner, Franklin; Carol Jones, Hardin; Catherine Bryant, Jefferson; Judith Egerton, Jefferson; Sonya Penn, Jefferson; Joanne Weis, Jefferson; Timothy Gold, Kenton; Margie Lakeberg, Kenton; Ken Page, Kenton; Carolyn Gibson, Knott; Sharon Asher, Lee; Donna Burr, Oldham; Tona Barkley, Owen; Bettye Brookfield, Washington; and Kathy Jackson, Grant.

"This exhibit," said Lori Meadows, arts council executive director, "is a great opportunity to showcase the wealth of artistic talent that can be found in Kentucky."

The Rotunda, 700 Capital Ave., is open 8:30 a.m. to 4:30 p.m. Monday through Friday and on Derby Day, Saturday, May 3.

Arts Events Around the State

Be Bop A Lula

River Park Center, Owensboro
7 p.m. April 26
riverparkcenter.com
(270) 687-2770

Peter Nero

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

Tim, Tickle and Friends from Discovery Channel's Moonshiners

The Kentucky Center for the Performing Arts, Louisville
8 p.m. April 26
kentuckycenter.org
(502) 562-0100

New Quilts from an Old Favorite: Carolina Lily

National Quilt Museum, Paducah
Through June 10
quiltmuseum.org
(270) 442-8856

Kentucky Bourbon: Distillation and Inspiration Exhibit

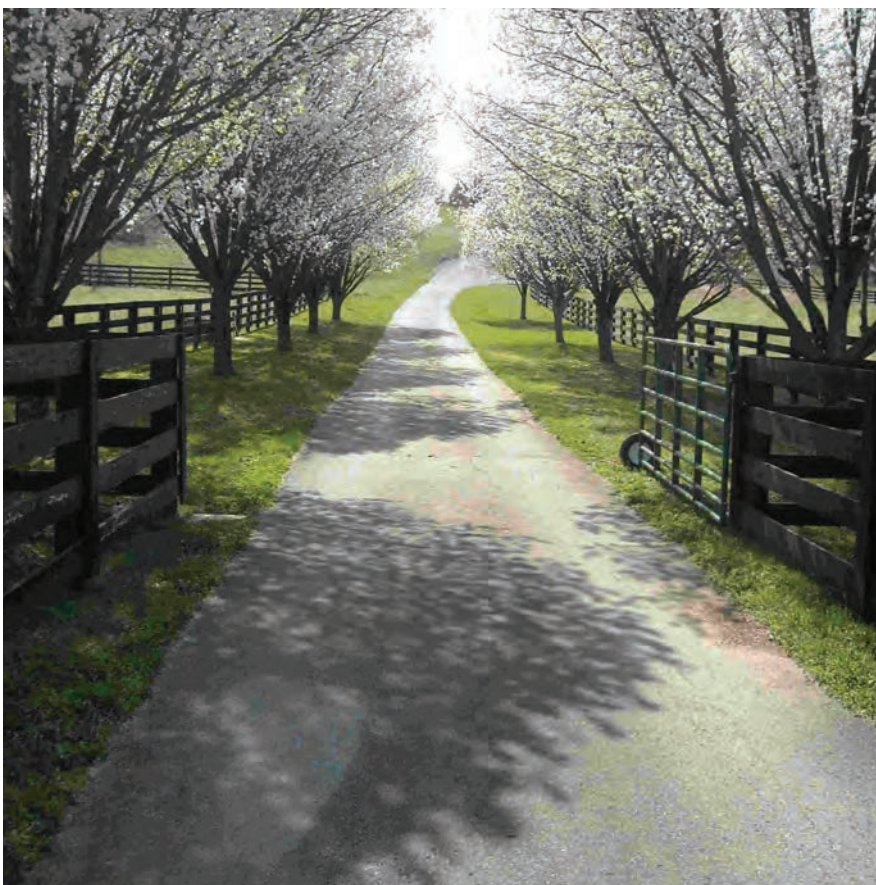
Kentucky Artisan Center at Berea
Through Sept. 6
kentuckyartisancenter.ky.gov
(859) 985-5448

Lombardi

SkyPac, Bowling Green
7:30 p.m. May 3
theskypac.com
(270) 904-1880



Lori Meadows is executive director of the Kentucky Arts Council.



Above: The entrance to Halcomb's Knob, which has an overnight maximum of five people.

Left: Flowering pear trees line the entry road to Halcomb's Knob bed and breakfast six miles from Berea.

Noodling in the Knobs

Paint Lick inn offers an ideal place to rest, relax and refresh

BY KATHERINE TANDY BROWN

LOVELY rural Kentucky hills scenery is but one of the stars of the show at a country inn and farm that specializes in corporate and spiritual retreats, team building, ladies' afternoon teas, special events, agricultural and environmental education programs, and down-home put-your-feet-up relaxation. Add homegrown, home-

cooked meals, plus warm-from-the-oven cookies and a welcoming wagging tail or two, and you've got Halcomb's Knob.

"It feels like you're out in the country a lot farther than you are," said Deborah Messenger, owner and proprietor of the property that's a member of the Bed and Breakfast Association of Kentucky, yet is in fact a limited liability

company because of the sheer number of activities it offers. Actually, the site lies but six miles from Berea, Paint Lick and I-75's Exit 76.

Halcomb's Knob came about as the culmination of a dream. All her life, Messenger had visited relatives in the area and thought of it as a second home. So when diagnosed with breast cancer in 2003, she decided to create a retreat there for people who were undergoing chemotherapy and similar treatments for a break – a place, she explains, "where people didn't look at bald (patients) strangely and where those folks could just sit and relax."

In 2004 the property opened as a health exchange, where individuals experiencing major illness could stay in exchange for doing small jobs on the farm, like filling bird feeders and weeding. In 2009, Messenger, by then pronounced well, closed the farm while her mother, who was diagnosed with pancreatic cancer, came to live out her last years.

Two years later, this remarkable woman opened Halcomb's Knob as it is today, a *very* diversified business.

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EXPLORING KENTUCKY



To ensure privacy, only one group of guests may book the rural retreat at a time.

of surrounding nature – the inn's over-night maximum is five people, creating an atmosphere of intimacy for a focused, get-down-to-business leadership retreat. Wi-Fi is available throughout the inn.

Day retreats can be booked to last from 9 a.m. to 3 p.m. Attendees have use of all facilities and amenities, including four maintained hiking trails.

A short walk from the main inn, the 2,500-s.f. Tobacco Barn comfortably seats 70 people or can be divided into two spaces for 40. For warm weather use only, the barn is equipped with electricity and water but no heat.

To assure privacy, only one group meets at Halcomb's Knob at a time, and meals are served plated in the inn or boxed lunches in the barn. As a member of Kentucky Proud, Messenger serves as much Kentucky-grown produce and meat as possible, a great deal of it raised herself. The inn's groaning board is often heavy with her own heirloom vegetables, fruits, herbs and grass-fed beef, plus made-from-scratch,

GMO-free yeast breads, cinnamon rolls, cakes, pies, and cookies made from grain milled 60 minutes from the Knob's front door.

Guest breakfast favorites include apricot and cream cheese-stuffed French toast, breakfast strata with fresh tomatoes, and pumpkin-pecan pancakes.

With 25 years of sales, marketing and event-planning experience, Messenger can help plan any type of retreat, including team building customized for each corporate group.

In addition, two-day weekend Basic Survival Skills workshops that can be used for team building are offered throughout the year by a team of four

Upcoming Bardstown Events

My Old Kentucky Dinner Train's St. Patrick's Day Excursion, **March 15**

My Old Kentucky Dinner Train's Murder Mystery, **March 29**

Bernheim's Spring Break Adventure Week, **March 31-April 4**

A Visit with the Spirits of Wickland, **Fridays**

The Bardstown Opry, **Fridays**

47th Annual Antique Show & Sale, **April 5-6**

My Old Kentucky Dinner Train's Bourbon Excursion, **April 11**

Bardstown Colonial Days, **April 11-13**

Kentucky Railway Museum's Pizza Train, **April 12**

Kentucky Railway Museum's Easter Eggspress, **April 12-13**

Kentucky Bourbon Festival Spring Events, **April 25-26**

My Old Kentucky Dinner Train's Murder Mystery, **April 26**

Kentucky Railway Museum's Train Robbery, **April 26-27**

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A wooded pond in the rear completes the scene.

qualified instructors. Students learn fire-making, emergency shelter construction, identification of medicinal and edible plants, water purification and map reading. The basic course must be taken in order to qualify for an advanced course.

No qualifications are necessary to attend the annual Field to Fork Festival held here. This year's daylong event is on Saturday, May 10, and features live animal demos, popular folk-rock group Heath & Molly, and more than 20 hands-on workshops, from basic to advanced, about Kentucky agriculture and gardening.

"We provide all the resources that anyone would need to learn about gardening or to establish a small-scale farm," said Messenger. "Most people stay all day long, and many couples attend separate workshops to take home as much knowledge as they can."

For total r'n'r, inn guests can taste Kentucky wines at Chateau du Vieux Corbeau Winery in Danville or Jean Farris Winery in Lexington, each a 30-minute drive away. Or they can simply stay put, sit



on the wrap-around deck, and lie under the wide night sky, gazing at the stars.

A booking of the entire inn for two or more days qualifies for a 10 percent discount. Sounds like a good idea, as you'll be so relaxed you won't want to leave.

Find out more about Halcomb's Knob at halcombsknob.com or call (859) 925-9936. ■

Katherine Tandy Brown is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.



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PASSING LANE

Commentary on Kentucky



Kentucky Center for the Arts Celebrates 30th Anniversary

NEARLY 200 guests got a first look last month at a documentary commemorating the 30th anniversary of the Kentucky Center for the Arts, including its founders and many community and government leaders.



Bob Gable, former chair of the Kentucky Arts Council, John Y. Brown Jr. and his daughter Sandy Steier attended the 30th anniversary celebration of the Kentucky Center for the Arts.

The popular downtown Louisville arts facility has played a major role in providing world-class entertainment to patrons from Kentucky, Southern Indiana and neighboring states, firmly solidifying the state's reputation as a national arts hub and providing a robust arts education and outreach effort.

The Kentucky Center opened Nov. 19, 1983, to public fanfare, complete with Hollywood royalty and an evening that set in motion the promise of becoming the epicenter for the arts in Kentucky.

In addition to offering musical, theatrical and dance performances on its three stages as well as at the Brown Theatre (a separate facility managed by The Kentucky Center), the Kentucky Center's education program reaches across the state with programs like ArtsReach and the Governor's School for the Arts. It began providing school programs in


Left: Among the attendees at the 30th anniversary celebration were: Lt. Gov. Jerry Abramson and his wife, Madeline Abramson, chairman of the Kentucky Center board of directors; Cynthia Knappek, president of Leadership Louisville; and Ed Glasscock, chairman emeritus of Frost Brown Todd.

Above: Former State Auditor Crit Luallen and her husband, Lynn, were among the first guests to view a special documentary commemorating the 30th anniversary of Kentucky Center for the Arts.

1983 and its multiple initiatives have trained 21,500 educators to actively integrate the arts into social studies, world languages and literacy.

The Kentucky Center also introduced Arts in Healing to the area, infusing the arts into medical and healthcare facilities to assist patients in the recovery process. Integrating arts into the healthcare realm is relatively new but very well documented and effective, and The Kentucky Center has been a leader in advancing its appeal throughout the region.

"The Kentucky Center has helped create an arts culture here that plays a crucial role in our community, economy and overall way of life," said Madeline Abramson, chairman of its board of directors. "Our community and our state have benefited in so many ways by the contributions made by this incredible facility and organization."



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Faith-Based Films with Asbury U. Links Making a Splash in Hollywood

WILMORE-based Asbury University, along with a Cincinnati production company, are among the driving forces behind an increasingly popular faith-based film genre that is gaining cred in Hollywood due to growing mainstream audience appeal.

Joe Boyd and his team at Rebel Pilgrim Productions have produced four feature-length “faith-friendly” films in the past three years, with their recent “A Strange



Asbury University Professor Joshua Overbay speaks with a member of his crew on the set of “Hope Bridge,” a film shot in Lexington starring Kevin Sorbo and Booboo Stewart.

Brand of Happy” being distributed in theaters nationwide last year. Boyd and his team are one of the few faith-based production companies getting the attention of some of Hollywood’s biggest distributors.

“If you just look at the box office results over the last four weeks, you will see faith-based films in the top five every week, with ‘Son of God’ and now with ‘God’s Not Dead,’” Boyd said in March. “There’s a very real subset of the movie-going audience that wants these films.”

“God’s Not Dead” pulled in a very respectable \$8.8 million for the March 21-23 weekend box office. It stars Kevin Sorbo (“Hercules,” “Soul Surfer”) and follows the

story of a Christian college student who finds his faith challenged by a dogmatic and argumentative philosophy professor (Sorbo) who requires students to disavow the existence of God on the first day of class or face a failing grade.

Rebel Pilgrim’s latest film, “Hope Bridge,” also starring Sorbo along with Booboo Stewart (“Twilight,” “X-Men Days of Future Past”), was filmed in Lexington last fall and is slated for release later this year. That film’s director, Joshua Overbay, an Asbury University professor, was recently positively reviewed in *The Hollywood Reporter* for his film “As It Is In Heaven,” which had its world premiere at the Cinequest Film Festival.

“While not as blatantly faith-driven as these recent movies, our upcoming movie ‘Hope Bridge’ points to the fact that there is hope to be found in the darkest circumstances. Audiences want to see that kind of story,” Boyd said.

TLR Next’s Website Offering Chance at \$1,000

TRYING to help your teenager get ready for college? There’s a lot to consider, and even more paperwork!

The Lane Report’s newly launched digital Next website (tlrnext.com) is a great resource to help you assist your child in his college planning. For more than a decade, the print version of *Next* has been a favorite career guidance resource for Kentucky students, parents, teachers and counselors alike. The website remains one of the best tools to learn about Kentucky colleges, universities and other productive career training options in the commonwealth. The move to a digital product allows Next to expand its offerings of information, guidance, suggestions and recommendations.

Next also is giving Kentucky high school students the chance to win a \$1,000 scholarship. To sign up, students must register at tlrnext.com. (Learn more here: <http://bit.ly/1gHhSt8>.)

The website has pages for students – and parents – to find and compare colleges. The Next learning center has lots of advice on preparing for post-secondary education and what to expect when they get there. The “Find Your Future” filter will sort Kentucky colleges and universities by proximity to home, by size, by cost and type of institution.

Every college and university in the state is in the Next database, providing an in-state option for that next step toward a career goal – whether that is one of today’s popular skills and training certificates, a liberal arts bachelor’s, a doctorate or training in one of the professions.

Browse the latest campus news section at Next to see what’s happening and get a taste of the unique special flavor of Kentucky’s schools. Students who register can select favorites to make Next into their personalized college news portal – each time they return, Next will provide a customized latest campus news feed from those favorite colleges and universities.



Can Horses Teach Emotional Intelligence?

UNIVERSITY of Kentucky researchers are launching a second study this month on the effectiveness of Equine Guided Leadership Education, a process using horses to teach emotional intelligence and leadership competencies to nursing directors and managers.

It tests the premise that horses provide in-the-moment feedback about leadership skills, allowing the development of insights applicable in professional and personal life.

The new study’s objective is to explore innovative ways to develop emotional intelligence skills in nursing leaders. This includes competency in self-awareness, social awareness, self-management and relationship management, which creates the effective professional relationships critical to running safe, efficient and high-performance hospital units.

Exercises conducted from the ground could include observing herd behavior, leading horses, grooming and picking their feet, and moving unrestrained

horses through an obstacle course or into an enclosure without touching them.

“We are so pleased to be working again with the nurses at UK HealthCare on this larger study,” said project lead Lissa Pohl, assistant director of the Center for Leadership Development. “With around 60 participants, our data should be more conclusive as to whether working with horses develops emotional intelligence competencies in humans.”

The experiment group’s before and after assessment scores will be compared with a control group.

The encouraging results of a pilot study completed in November 2012 by the UK Center for Leadership Development and UK HealthCare helped to make this next larger research phase possible. The Horse Institute, a New York-based provider of equine-assisted learning programs, is partnering with UK’s Center for Leadership Development to publicize the research and raise funds for the study.

KENTUCKY PEOPLE

FRANKFORT: TOYOTA, KSU TEAM TO DEVELOP ENGINEERS



Wil James, president of Toyota Motor Manufacturing Kentucky, presented a check last month to Kentucky State University President Mary Evans Sias to officially launch the new Toyota Engineering Scholarship program at KSU. The scholarship program will provide funding for top incoming students at KSU while also helping to develop a deeper pipeline through which to employ students with engineering degrees. In addition to the scholarships, students in the program will have co-op employment opportunities/internships at the Georgetown Toyota plant, where they will receive hands-on training in the auto-manufacturing process.

MURRAY: OUTREACH PROGRAM SUPPLIES COMPUTERS



As part of a partnership between the Commonwealth Office of Broadband Outreach and Development and the Office of Regional Outreach at Murray State University, 125 refurbished computers have been donated for use in new eLearning centers in Ballard, Carlisle, Hickman and Fulton counties. The eLearning centers will offer citizens access to broadband-connected computers, making it easier for them to job search, take online classes, register for services, file taxes or research healthcare options. Pictured here with some of the donated computers are Gina Winchester and Jonathan Baskin, of Murray State's Office of Regional Outreach.

CRESTVIEW HILLS: DUKE ENERGY GIVES \$100K TO THOMAS MORE



Duke Energy Ohio and Duke Energy Kentucky recently announced a \$100,000 donation to Thomas More College to support undergraduate research opportunities at the college's biology field station and expand its STEM (science, technology, engineering and math) outreach program. Pictured here are Duke Energy Ohio/Duke Energy Kentucky President Jim Hemming (left) and Thomas More College President David A. Armstrong.

LEXINGTON: BINGHAM MCCUTCHEN PUTS CREATIVE SPIN ON COMMUNITY SERVICE



Bingham McCutchen employees found a creative way to organize a food drive earlier this year, coordinating an office-wide donation competition with God's Pantry Food bank to build the most creative canned goods sculpture. At the end of the competition, the teams had collected a total of 2,185 food items. The winning team, featured here, was awarded first place as best overall sculpture for their replica of the Big Ben clock tower and for accumulating the most points for their food donations. Pictured from left to right are: Carole Frazer, Patrick Marsh, Jennifer Miller, Dan Smith, Rowyn James and Priscilla Howell.

DANVILLE: CLINIC HONORED FOR ITS WORK WITH MEDICALLY UNDERSERVED PATIENTS



The Hope Clinic & Pharmacy recently received the Hospital Charitable Services finalist award from Jackson Healthcare for providing care to those least able to obtain medical care. The Hope Clinic & Pharmacy, a free clinic that assists medically underserved patients, is a charitable collaboration between Ephraim McDowell Health, Ephraim McDowell Health Care Foundation, The Salvation Army, Heart of Kentucky United Way, Presbyterian Church of Danville and the Boyle County Health Department. Pictured here are (left to right) Sally Davenport, chief operating officer and chief nursing officer for Ephraim McDowell Health; Audrey Powell, community services, Ephraim McDowell Health; and Rosie Albright, Faith Community Nursing Services coordinator for Ephraim McDowell Health.

WHAT WILL YOUR REACTION BE?



Gather your treasures for KET's *Kentucky Collectibles* appraisal fair – Saturday, July 26 at the Frazier History Museum in Louisville. Donate \$100 to KET and you can bring up to two items for an expert appraisal. Plus, your story may be featured on the next season of *Kentucky Collectibles*!

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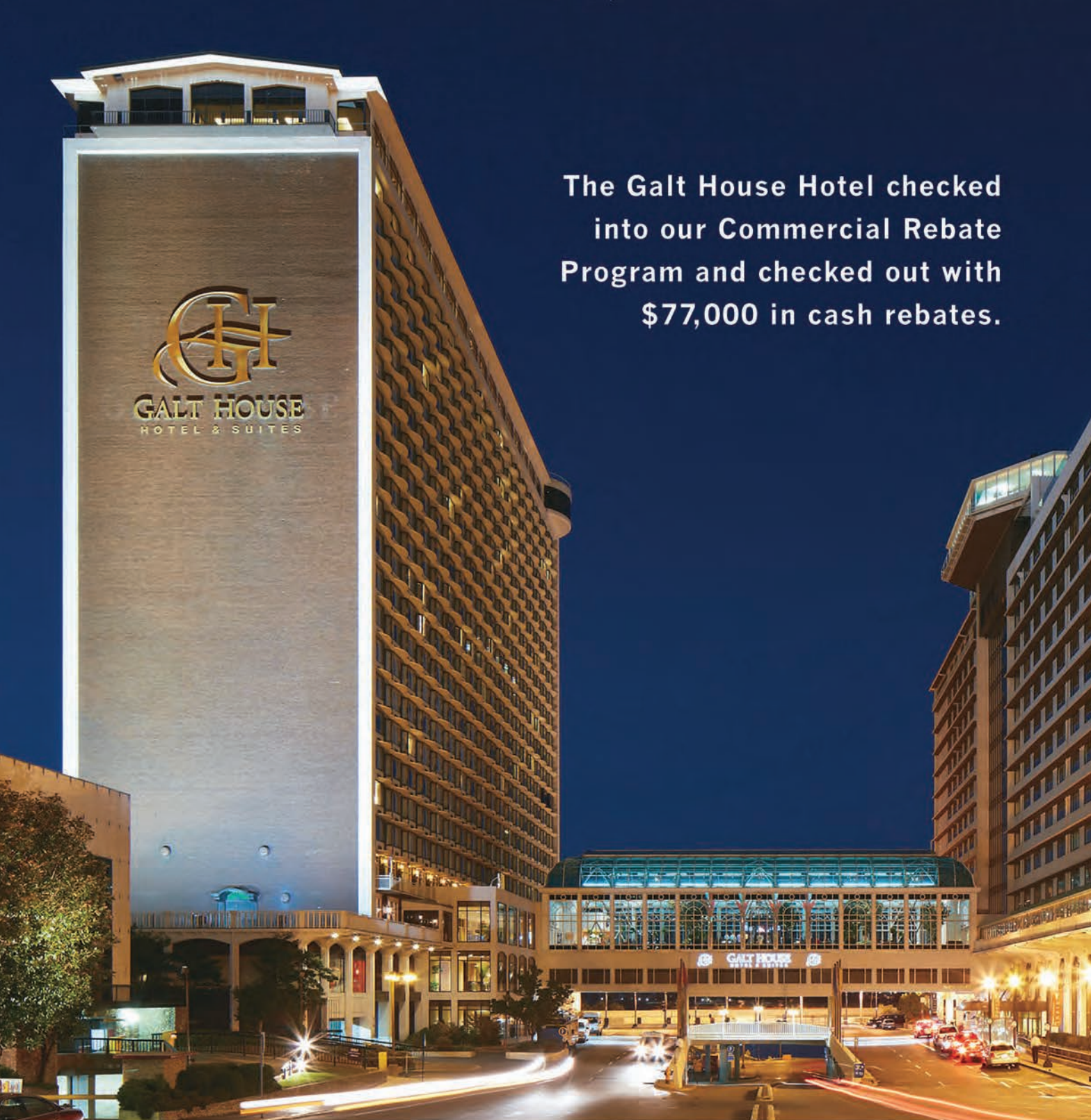
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You must be able to transport or carry your own item(s). Proceeds benefit KET's programs and services.



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