

The Lane Report[®]

KENTUCKY'S BUSINESS

FOR 30 YEARS

AUGUST 2015

\$4.50

TRIPLE CROWN WIN IMPROVES HORSEMEN'S ALREADY GOOD ODDS

American Pharoah's feat puts the spotlight
on a Thoroughbred sector whose
fundamentals are back in balance

Page 30

lanereport.com

PAID
U.S. POSTAGE
Permit #327
Lebanon Junction
KY 40150

201 E. Main St. Ste. 1402, Lexington KY 40507
ELECTRONIC SERVICE REQUESTED

LANE ONE-ON-ONE:
JEFF GARRETT
Founder/Owner
Mid-American Rare Coin Galleries





UP TO
\$25K
IN TAX CREDITS

KENTUCKY SMALL BUSINESSES — Grow Your Business AND Get a Tax Break!

The Kentucky Small Business Tax Credit (KSBTC) program is designed to encourage small business growth and job creation. Most for-profit businesses with 50 or fewer full-time employees are eligible. **And now, the program has been expanded and simplified!**



Tax credits range between \$3,500 and \$25,000 for small businesses that have:

- Hired and sustained at least one new job in the past year and
- Purchased at least \$5,000 of qualifying equipment or technology

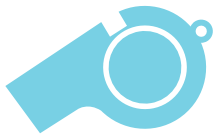
HOW DO I APPLY?

Visit **KyTaxCredit.org** for complete details.

The Kentucky Office of Entrepreneurship has many programs to help grow small businesses in Kentucky. For more information or assistance, call 800-626-2250 or visit ThinkKentucky.com.

Services, assistance, and activities are available to all without regard to race, color, gender or national origin.

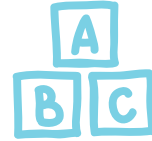
Do you know someone who...



Coaches middle-school students in soccer and life?



Helps neighborhood kids with their homework?



Advocates for early learners?



Is an all-star teacher?



Reads to a first-grade class every week?



Tutors an adult working toward her GED® diploma?



Helps high-school seniors apply for financial aid?



Nominate them as an American Graduate Champion

An American Graduate Champion commits time, skills, and resources to help students succeed. These individuals, groups, or organizations play an active role in improving students' educational outcomes.

Learn more at:
amgrad.KET.org



KET is part of public media's American Graduate Initiative, spotlighting and supporting community-based solutions that address the dropout crisis and improve education from early childhood to career.



Kentucky
UNBRIDLED SPIRIT

BOURBON CASUALSM

Raise a toast to a meeting experience that's comfortable and affordably smart!

We invite you to try our "bourbon casual" meeting destination. We offer a fresh, comfortable meeting atmosphere defined by wide open spaces. The place is one of natural beauty, and home to Jim Beam, the #1 selling bourbon in the world.

We believe meetings in comfortable environments can enhance effectiveness through innovation, insightful learning and teamwork. We're here to help you design a meeting with that in mind.

I'm sure my Great, Great Uncle Jim understood the true value of comfortable surroundings, and after a visit to Shepherdsville, you're sure to understand, too!



Bernheim Forest & Arboretum

14,000 Acres of Trails, Gardens, Lakes, LEEDS® Platinum Environmental Visitor's Center, & Year-round Activities.

Jim Beam American Stillhouse

Tour, Tasting Room, Two-story Gift Shop & Fred's Smokehouse Restaurant in a Park-like Setting.

Four Roses Bourbon Warehousing and Bottling Tour

4 Award-Winning Wineries

Brooks Hill Winery
MillaNova Winery
Wight-Meyer Winery
Forest Edge Winery

Shepherdsville's Paroquet Springs Conference Center www.ParoquetSprings.org

- Conferences, meetings, trade shows, social functions
- Groups up to 1,500 with breakout rooms available
- Complete AV capabilities
- 12,000 sq. ft. of exhibition space & Banquet facilities



Shepherdsville/Bullitt County Tourism www.JimBeamCountry.com

- I-65, Exits 117 & 121
- 20 minutes south of Louisville
- 1,000 hotel rooms and dining

Call **800-526-2068** and ask for **MEETINGS.**



Proud to help the community we love shine bright.

You are more than customers. You are friends, neighbors and family. And from the biggest events to the quietest moments, we are there providing the safe, reliable energy you need. At LG&E and KU, our energies go to serving you.



10 EDWIN GREEN LANE III, 1942-2015

Remembering Ed Lane, founder and publisher of *The Lane Report*

30 COVER STORY TRIPLE CROWN WIN IMPROVES HORSEMEN'S GOOD ODDS

American Pharoah's rare racing feat benefits a Thoroughbred sector already in a strong position

34 PRECISION AGRICULTURE CUTS COSTS

Kentucky grain operations are prime beneficiaries of the nation's ongoing farm technology revolution

38 WORTHY OF NOTE

Our recurring feature on women who are making a difference in the commercial and public life of Kentucky

42 SOAR TAKES OFF: ECONOMIC CONNECTIVITY

High-speed broadband project is first big step toward forging a regional perspective about business



On the Cover

Kentucky-bred American Pharoah won Thoroughbred racing's Triple Crown this year, attracting new attention to the commonwealth's equine industry just as Kentucky breeders have regained stability in supply and demand for their annual foal crop.

Photo by Z

Departments

8 Perspective

12 Fast Lane

22 Interstate Lane

23 Kentucky Intelligencer

24 Corporate Moves

25 On the Boards

26 Lane One-on-One:
Jeff Garrett
Founder and owner,
Mid-American Rare Coins Gallery



46 The Lane List

47 Spotlight on the Arts

48 Exploring Kentucky

50 Passing Lane

52 Kentucky People



lanereport.com

Kentucky Business News Online

Read up-to-the-minute Kentucky business news stories, current and archived copies of *The Lane Report*, *Market Review*, *BG – A way of life*, *Next – Your Future After High School in Kentucky*, *Health Kentucky*, *Research Kentucky* special reports, white papers and community profiles.

Faster Lane

Email news bulletin

Three or more times a week, the editors of *The Lane Report* publish Faster Lane – email bulletins of fast breaking and important Kentucky business and economic news.

Visit lanereport.com to sign-up for this free, must-have, at-your-fingertips news service.



We're all Kentucky Proud.

YOU CAN KEEP THAT FEELING GROWING.

When you buy Kentucky Proud, you're keeping it all local. Your purchases strengthen the local economy and support families and businesses across the commonwealth. And that makes it possible for them to continue providing the freshest, high-quality, local products for you. Everyone benefits, and that makes us all Kentucky Proud.



SPREADING THE WORD

Kentucky Proud, well known in Kentucky's urban areas, is making inroads throughout the Commonwealth.



Agriculture Commissioner James Comer chats with Catrina Hill of Louisville, founder of Catrina's Kitchen, at the November 2014 news conference in Lexington where Commissioner Comer announced the Kentucky Proud-Kroger partnership.

Kentucky Proud is a household name in much of Kentucky. The official state brand for Kentucky farm products is well established in Lexington and Louisville, but Kentucky Proud also has made significant gains in the rest of the Commonwealth, a recent University of Kentucky survey shows.

The program is poised for future progress on the strength of a partnership with the nation's largest supermarket chain and the continued growth of other brands under the Kentucky Proud umbrella.

KENTUCKY PROUD SURVEY

In a survey of Kentucky consumers conducted in October 2014, UK found that 54 percent of people surveyed outside the Lexington and Louisville markets recognized the Kentucky Proud brand, a nearly seven-fold increase compared with a previous survey in 2009. Brand recognition in Lexington (75 percent) and Louisville (80 percent) also increased, and brand recognition statewide grew to 69 percent.

"Kentucky consumers know that Kentucky Proud stands for farm products grown, raised, and/or processed in Kentucky by Kentuckians," Agriculture Commissioner James Comer said. "The Kentucky Department of Agriculture did an effective job of establishing Kentucky Proud in Lexington and Louisville in the program's early years. I am gratified to see that, in the last few years, we've been able to raise awareness about Kentucky Proud in the state's rural areas."

The UK study found that 52 percent of respondents said they purchased a food product specifically because it was "produced or processed" in Kentucky, and 83 percent of respondents said they purchased a Kentucky Proud item after seeing the logo on a product.

KENTUCKY PROUD-KROGER PARTNERSHIP

In November 2014, Commissioner Comer announced that Kroger would sell 125 products from 34 Kentucky Proud producers in 88 Kroger supermarkets throughout Kentucky. Comer said the initial purchase filled a 10,000-square-foot warehouse and totaled \$350,000, a record for a single transaction in the history of Kentucky Proud.

"A purchase of this scope will make a big difference to these farm families and agribusinesses," Commissioner Comer said. "Kroger has always carried a wide selection of local products, and we appreciate Kroger's continuing commitment to Kentucky Proud producers."

Commissioner Comer also introduced Kentucky Proud Popcorn, a premium popcorn product made from corn grown by western Kentucky farm families.

The following spring, producers and executives agreed that the partnership was off to a strong start in its first six months.

"The Kentucky Proud products have exceeded our expectations in terms of sales results and customer

Owen Ramsey displays a box of Kentucky Proud Popcorn grown by his grandparents, Kerry and Debbie Winstead, and other western Kentucky farm families.



response,” said Tim McGurk, public affairs manager for Kroger’s Louisville division. “They are clearly top-quality items and represent some of the best locally produced products available anywhere. We look forward to seeing this program expanded.”

“This has gone way beyond what anybody envisioned,” Steve Smith, president of Louisville distributor Fishmarket Seafood and Meats, said on Kentucky Farm Bureau’s “Across Kentucky” podcast in June 2015. “I think the consumer has been extremely happy with it. I think, if anything, they’re clamoring for more.” Fishmarket Seafood and other Kentucky-based distributors provided valuable services and advice to make the partnership a reality.

“Kroger has been really great to work with. It’s made a huge difference in our business,” said Catrina Hill of Louisville, founder of Catrina’s Kitchen, a maker of mixes and seasonings made from Kentucky grains.

“FISH TANK”

In February 2015, the KDA’s marketing staff hosted 41 Kentucky Proud vendors for a meeting with three Kentucky-based distributors who assessed the producers’ operations and gave them pointers on getting their businesses retail-ready.

Dubbed “Fish Tank,” a play on the TV show “Shark Tank,” the event was hailed by the participating vendors as an opportunity to gain valuable information, display their products, and compare notes with each other.

“[The event] further enhanced my belief that being part of Kentucky Proud is one of the smartest business decisions made,” wrote Susie Lenhard of This Lady’s Artisan Eats in Covington.



APPALACHIA PROUD

Members of Appalachia Proud, the brand for food products from 37 eastern Kentucky counties, displayed their “Mountains of Potential” to a growing audience in 2014 and early 2015.

Townsend Sorghum of Montgomery County is riding the wave of sorghum’s newfound popularity as a natural sweetener. Lucky Clover Farm of Richmond sold six varieties of heirloom tomatoes at Kroger stores in eastern Kentucky, Lexington, and Louisville in the spring of 2015. In April 2015, the inaugural Kentucky Proud Expo in Morehead featured numerous Appalachia Proud products.

The Chop Shop, a Wolfe County meat processing plant, provided Appalachia Proud Burgers for Lexington Legends baseball games at Whitaker Bank Ballpark for the second year in a row in 2015. The Chop Shop also provided meats for special Kentucky Proud nights at Sonny’s BBQ restaurants in Nicholasville and Richmond.

KENTUCKY PROUD FARM TO CAMPUS

The Kentucky Proud Farm to Campus Program hit double digits when Western Kentucky University became the 10th member in March 2015. The other members are Asbury University, Campbellsville University, Eastern Kentucky University,



Students line up for Kentucky Proud apples and apple cider following the October 2014 announcement that Transylvania University in Lexington joined the Kentucky Proud Farm to Campus Program.

Georgetown College, the University of Louisville, Morehead State University, Murray State University, the University of Pikeville, and Transylvania University.

Farm to Campus is the official state program for connecting Kentucky producers and small businesses with Kentucky colleges and universities.

KENTUCKY PROUD INCREDIBLE FOOD SHOW

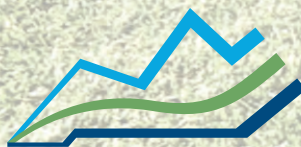
The Kentucky Proud Incredible Food Show will celebrate its seventh edition in October 2015 with celebrity chef Carla Hall, star of the ABC daytime TV show “The Chew” who is best known as a fan favorite on Bravo’s “Top Chef.”

Along with two performances by Hall, the Kentucky Proud Incredible Food Show will offer cooking demonstrations and seminars by local and regional chefs and The Marketplace with more than 100 exhibitors featuring Kentucky Proud products and services.



A new vision for the

4 *Pillars
Prosperity*



Kentucky Chamber

Commonwealth ...

The Kentucky Chamber's new report, *Four Pillars for Prosperity*, sets forth a vision for the Commonwealth that will build toward prosperity on the community and statewide levels. It suggests a new focus on the issues that influence our economy and on the actions that will chart a path toward success. The four pillars are:



A Healthy, Skilled Workforce



Sustainable State Government



21st Century Infrastructure



Aggressive Job Creation



Find out more. Snap the code
or visit kychamber.com/pillars2015.

EDITORIAL DIRECTOR

Mark Green

ASSOCIATE EDITOR

Karen Baird

DIGITAL EDITOR

Robbie Clark

CREATIVE DIRECTOR

Jessica Merriman

CREATIVE SERVICES

Stone Advisory

Paul Blodgett

CORRESPONDENTS

Amanda Arnold; Rena Baer; Sarah Berkshire;

Katherine Tandy Brown; Anne Charles Doolin;

Debra Gibson Isaacs; Robert Hadley;

Lorie Hailey; Feoshia Henderson;

Kara Keeton; Meredith Lane; Abby Laub;

Tim Mandell; Greg Paeth; Robin Roenker;

Josh Shepherd; Sean Slone;

Gary Wollenhaupt; Esther Zunker

SYNDICATED COLUMNS

Creators Syndicate

PRINTING & CIRCULATION SERVICES

Publishers Printing Co.

CEO/PUBLISHER

Ed Lane

EXECUTIVE VICE PRESIDENT

Dick Kelly

ASSOCIATE PUBLISHER

Donna Hodsdon

BUSINESS MANAGER

Nicole Conyers

MARKETING CONSULTANTS

Bill Marshall

Curtiss Smith

Cheryl Avioli

CIRCULATION

Josiah White

WEB MARKETING & PUBLISHING

Software Masters

IT SERVICES

NetGain Technologies

INTERNET SERVICES

Blue One

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

are brought to the editors' attention.

© 2015 Lane Communications Group

All editorial material is fully protected and must not be
reproduced in any manner without prior permission.



PERSPECTIVE

PROVOCATEUR IN CHIEF

Trump's plain talk is striking
a chord with fed-up voters

BY PAT FREIBERT

WHILE billionaire GOP presidential candidate Donald Trump was castigated by competing candidates and old-line media for broaching the issue of illegal immigration, his plain talk seems to have struck a chord with a multitude of voters. His polling numbers have skyrocketed to the top of the field. If he does nothing else in the entire campaign, he has forced other candidates to address illegal immigration as an important national issue.

Until Trump's comments, many announced candidates and Washington officials had happily avoided addressing the negative national consequences of consciously ignoring illegal immigration, corruption in our national government, failures in foreign policy, and the rise in violent crime in some of our cities. The White House rejects any linkage between its policies and lawlessness, chaos and the murder of American citizens.

Both the Congress and the White House have failed to get to the bottom of the illegal and scandalous behavior of the IRS, the Veterans' Administration, and even the Secret Service and FBI. Media and politicians obsess over these scandals, but nothing concrete gets done – nothing changes and no one has paid the price. Polls show that Americans "have had it." Polls also show that Americans lack trust in their government and yearn for strong, trustworthy leadership.

It is not enough for candidates and elected officials to continue to speak with political correctness and in platitudes. Trump's provocative comments served to shine a light on crimes committed by illegal immigrants, including the July murder of a young San Francisco woman – a murder committed by an illegal immigrant with a lengthy criminal record who should have never been returned to the streets. This tragedy occurred because the government has failed to protect the nation's borders and, as a result, its citizens.

Following the senseless murder of Kate Steinle, U.S. Sen. Diane Feinstein wants to "propose federal legislation." Why? The feds have not enforced laws

already on the books. Why pass new laws when "Sanctuary Cities" make it clear they won't prosecute or observe the laws?

During a San Francisco Board of Supervisors hearing on the brutal murder, supervisors were asked to explain "Sanctuary City" release of the convicted illegal immigrant who murdered Steinle. Video shows each supervisor staring straight ahead and not answering the question; following the question, the supervisors animatedly addressed what was apparently a more important issue – banning alcohol from Starbucks.

Responsibility for immigration is spread out far too widely and among far too many agencies. Another lesson from the coverage following the Steinle murder is that we should not be surprised at the confusion and outright chaos resulting from such splintered responsibility and ultimate lack of accountability.

While uncomfortable, Trump's brash accounting of illegal immigration's impact on crime may force other candidates and elected officials to learn about and take informed positions on this important issue. A July 8 report from the U.S. Sentencing Commission finds that illegal immigrants – who make up approximately 3 percent of the population – comprised 37 percent of all federal sentences this past year. Steinle's murderer was freely walking the streets of San Francisco the day of her death, in spite of seven felony convictions, and after previously being deported five times. Sanctuary City status invited him back across the border because he knew he was "safe" there from prosecution. Kate Steinle, an American, was not safe.

Uttering politically correct platitudes, while fashionable for the moment, does not translate into political leadership. More candidates need to say exactly what they mean and believe. In all likelihood, Donald Trump will not become president, but he may cause others to speak, unafraid of political consequences.

America is hungry for leadership that is honest and straightforward. Both political parties can fulfill this atavistic need. The absence of an inner sense of justice and failure to speak plainly are hurting America and voters must insist on more Harry Truman-style "plain talk" and reasonable solutions. ■



Pat Freibert is a former Kentucky state representative from Lexington. She can be reached at editorial@lanereport.com.

17 TO 1 STUDENT/TEACHER RATIO

A FRONT ROW SEAT TO TODAY'S THOUGHT LEADERS



Dr. Jill Steinbach, Assistant Professor of Bioengineering

A prominent mentor to the next generation of young engineers, Dr. Steinbach and her students are helping pioneer nanotechnology-based drug delivery techniques to treat acute and chronic infections.

See how UofL's small average class size helps improve the student experience with better access to instructors.

UofLnow.com

UNIVERSITY OF
LOUISVILLE



With daughters Brett Lane, left, and Meredith Lane.

With Col. Harlan Sanders in 1980



In the 1990s



In the 1970s



As a Boy Scout

Edwin Green Lane III

July 29, 1942 - August 2, 2015

EDWIN “Ed” Green Lane III, publisher and founder of *The Lane Report* magazine, a Lexington Urban County Council member and long-time commercial real estate broker, passed away August 2, 2015. He is survived by daughters Susan Brett Lane and Katherine Meredith Lane, who were with him when he died.

He bravely but very quietly battled cancer for more than two years.

“The staff is saddened by the passing of an amazing man, but it is lessened by how we marvel at the legacy Ed Lane leaves,” said Mark Green, editorial director of Lane Communications Group. “His energy, his intelligence, his enthusiasm, his optimism and concern for his family, community and the nation will be missed but will continue to influence us. He was a true leader. The man had an enthusiasm for life.”



Ed Lane

Lane Consultants, the parent company of Lane Communications Group, will continue to operate under plans that Ed left. He chose his staff with great care and created a strong, successful operation that will carry on in his absence.

“Our long relationship was grounded in parallel years in the ad agency and television industries,” said Dick Kelly, the company’s executive vice president. “Over the past 15 years at *The Lane Report*, I learned how difficult and gratifying it is to make a small business successful over the long haul. Ed’s attention to detail, meticulous editing and sense of journalistic positioning was exceptional.

“He always found a way to emphasize the positive in every situation and was passionate about excellence, always acknowledging that total perfection was a Divine matter. No man is gone whose name is still in the conversation and, in that regard, Ed Lane will always be a part of our company’s future.”

Top Kentucky public and private leaders, many of whom were long-time friends, expressed praise for Ed.

He was “an outstanding public servant who brought his business experience and expertise to City Hall to fight for Lexington’s business men and women,” said Lexington Mayor Jim Gray. Former Mayor Jim Newberry “valued his advice and counsel during my mayoral tenure.” U.S. Sen. Mitch McConnell described Ed as “a dedicated public servant and a tireless advocate for the people of Kentucky.” Gov. Steve Beshear called Ed “a strong voice for Kentucky’s business community. His energy and passion resonated in everything that he did in life.”

After earning a University of Georgia journalism degree, the Nashville native moved to New York City. He worked for a major advertising agency and began a passion for the culinary arts. He returned to Georgia and became sales manager for WRNG radio in Atlanta as well as

With U.S. Sen. Mitch McConnell



Teaching daughter Brett to fish



First issue of The Lane Report in 1985



In his Lexington-Fayette Urban County Council seat



With daughter Meredith and then-U.S. Rep. and later Gov. Ernie Fletcher



Rocking a mustache



With his father Ed G. Lane Jr.



Relaxing in the Bahamas in 1997

president of the Atlanta Young Republicans. Ed dove into the commercial real estate business, which led to a job as national director of real estate for Lexington-based Jerrico in its Atlanta regional office. He was involved in scouting and acquiring more than 600 Long John Silver's Seafood Shops locations, work that brought him to Lexington regularly.

In 1981, Ed started the Lexington-based commercial real estate brokerage Lane Consultants and, later, Lane Communications Group, publisher of *The Lane Report* and a family of ancillary business publications such as *BG Magazines* in Lexington and Louisville, *NEXT* magazine and *Market Reviews* for several communities in Kentucky.

Members of the business community encouraged him to pursue office, and Ed was elected to represent the 12th District of the Lexington-Fayette Urban County Government council in 2004. Re-elected without opposition in 2014 to a fourth term, he often focused on sound financial management and was known among fellow council members for his insights in analyzing revenue and spending.

In addition to public service, Ed was passionate about his community and loved to support Central Kentucky with his businesses, through philanthropic efforts and his own time. He served on numerous business, government, arts and civic organization boards, including the 2015 Breeders' Cup Host Committee; UK Sanders-Brown Center of Aging Foundation Board (former chairman); Lexington Downtown Development Authority Board; Lexington-Fayette Urban County Airport Board (secretary); Kentucky Arts Council; 2010 FEI World Equestrian Games Advisory Committee; LexArts; Lexington Ballet; The Lexington Philharmonic; Better Business Bureau of Lexington; Junior Achievement of the Bluegrass; Mayor's American Recovery and Reinvestment Act Committee; Fayette County Equine Task Force; and Commerce Lexington Agribusiness Committee, among others.

Ed absolutely loved to go to work every day. He loved his businesses and maintained a work ethic rarely matched. He was very competitive, an overachiever, energetic and a true optimist, positive no matter the situation.

At his direction, the magazine took a positive approach to reporting on business, economic development and related public policy in Kentucky, focusing on presenting solutions being developed to key problems along with success stories and best practices. He initiated the magazine's monthly One-on-One question-and-answer with key Kentucky leaders early in the publication's history to foster public discussion of important community issues and conducted the interviews and edited their transcripts himself. He completed final editing of the One-on-One in this issue only days before passing away.

A multitasking man on many levels, Ed was an artist, photographer, art collector and a supporter of the arts – especially local and young artists. He was passionate about cooking and enjoyed having friends and family over for his spectacular meals. He taught his daughters how to fish, he loved reading, gardening and could talk politics with anyone, no matter their stance. He also loved fast cars – a hobby that earned him the nickname "Fast Eddie" in the '60s.

A celebration of Ed's life with friends, family and the community took place on August 15 in Lexington, Ky.

Graduation day at the University of Georgia



At the Rock And Roll Hall Of Fame Museum in 2014



A gathering of the extended Lane family in the 1990s

FAST LANE

A compilation of economic news from across Kentucky

STATE: AETNA PLANS TO ACQUIRE HUMANA FOR \$37B; SAYS IT WILL RETAIN 'SIGNIFICANT PRESENCE' IN LOUISVILLE

AFTER weeks of speculation that an acquisition was in the works, **Humana Inc.** announced on July 3 that it had agreed to a merger with Connecticut-based **Aetna** to create a new healthcare organization.

Aetna will acquire all outstanding shares of Louisville-based Humana for a combination of cash and stock valued at \$37 billion or approximately \$230 per Humana share based on the closing price of Aetna common shares on July 2. The transaction is expected to close next year.

In a joint statement, the companies said the combined entity "will help drive better value and higher-quality healthcare by reducing administrative costs, leveraging best-in-breed practices from the two companies – including Humana's chronic-care capabilities that measurably improve health outcomes for larger populations – and enabling the company to better compete with more cost-effective products."

The merger brings together Humana's growing **Medicare Advantage** business with Aetna's diversified portfolio and commercial capabilities to create a company serving the most seniors in the Medicare Advantage program and the second-largest managed care company in the United States. Aetna Executive Vice President Shawn M. Guertin said the merger will create savings of \$1.25 billion annually in 2018, enabling the company to offer more affordable products.

Though integration plans are still in progress, the companies have announced that Aetna will make Louisville the headquarters for its **Medicare, Medicaid** and **TRICARE** businesses and will maintain a significant corporate presence in Louisville.

With nearly 14,000 employee and contractors, Humana is one of the largest employers in the state. Though no details have been released, Humana CEO Bruce Broussard said the combined company will maintain – and possibly increase – its employment levels in Louisville.

The combined company will have projected 2015 operating revenues of approximately \$115 billion, approximately 56 percent of which is tied to government-sponsored programs (including Medicare and Medicaid).

Combined Aetna + Humana Revenue: \$115 Billion

Medicare	47%
Commercial Risk	34%
ASC and other	10%
Medicaid	9%

HEBRON: ALLEGiant TO ESTABLISH AIRLINE BASE OF OPERATIONS AT CVG

ALLEGiant Travel Co. has announced plans to establish a base of operation at the **Cincinnati/Northern Kentucky International Airport**, beginning in January 2016.

The Las Vegas-based commercial air carrier will base up to three 156-seat Airbus 319 aircraft at CVG, creating more than 90 local jobs for pilots, flight attendants and airport service personnel.

Allegiant announced that it is also adding five additional weekly flights to its fall and winter schedule, increasing frequencies to some of its most popular destinations from CVG. The expansion includes



The Cincinnati/Northern Kentucky International Airport has become one of the fastest-growing markets in Allegiant's system.

EASTERN KENTUCKY: PROGRAM WILL RECRUIT DENTISTS TO EASTERN KENTUCKY BY FORGIVING STUDENT LOANS



Kentucky's new loan forgiveness program for dentists is an effort to improve the oral health issues faced by many Kentuckians.

KENTUCKY has launched a **dentist recruitment program** aimed at promoting sustained oral health and well being in Eastern Kentucky.

The new loan forgiveness program is supported by \$500,000 in state funds and is available to recent graduates who are establishing or joining a new private practice or purchasing an existing practice in a designated distressed county. Priority will be given to dental students from Eastern Kentucky wishing to return to practice in the designated geographic area.

According to the Kentucky Department for Public Health, Kentucky ranks 41st in annual

dental visits; 45th in the percentage of children with untreated dental decay; and 47th in the percentage of adults 65 and older missing six or more teeth.

The dental schools at the **University of Kentucky** and **University of Louisville** will administer the program, providing two to five awardees \$100,000 each for a two-year commitment. According to the American Dental Association, dentists completing dental school now come out with a debt of around \$280,000.

"Many of our UK and UofL dental graduates from the Appalachian counties want to return home to practice – but high levels of student debt complicate their decisions about starting a practice in rural Kentucky," said M. Raynor Mullins, associate director of the Kentucky Oral Health Research Network. "This new program will help a new cohort of dental graduates return home to serve and realize their dreams."

extended service to Savannah/Hilton Head through Nov. 29 as well as additional flights to Las Vegas, Fort Lauderdale and Tampa Bay/St. Petersburg.

Allegiant started service from CVG in February 2014 with four weekly flights to two destinations and has since grown to more than 35 weekly flights to 11 destinations. In February 2014, Allegiant carried approximately 2,800 new monthly passengers; it now averages more than 25,000 new passengers per month. That growth has made CVG the fastest-growing market in Allegiant's 16-year history and pushed its employment level at CVG to nearly 100.

"The Greater Cincinnati area has quickly become one of our strongest markets with a demonstrated demand for low-cost vacation travel," said Jude Bricker, Allegiant's senior vice president of planning. "The establishment of an aircraft base at CVG will further increase the efficiency of our operations, while continuing our drive to be Cincinnati's leading low-fare carrier."

- ☐ Corporate Law
- ☐ Business Law
- ☐ Government Access
- ☐ Healthcare Regulation
- ☐ Real Estate
- ☐ Litigation

201 East Main Street, Suite 900
Lexington, Kentucky 40507
(859) 231-8780 | www.mmlk.com

THIS IS AN ADVERTISEMENT

**BEFORE CONSIDERING AN ACQUISITION,
CONSIDER ACQUIRING GOOD COUNSEL.**



[MCBRAYER]

BUSINESS BRIEFS



BARDSTOWN

■ **Bloomfield Farms** has introduced a new line of products that include an allergen-free baking mix and pre-baked buns, rolls and sandwich bread. Bloomfield Farms' 15,000-s.f. plant in Bardstown has been tested and certified as gluten-free and the new products are part of a patent-pending line that eliminates the top eight allergens: gluten, eggs, dairy, fish, peanuts, soy, shellfish and

tree nuts. According to the National Institutes of Health, nearly 1 in 20 children under five and almost 1 in 25 adults are allergic to at least one food. Bloomfield Farms is a division of **Blend-Pak**, a Bloomfield, Ky.-based company that specializes in dry mixes and meat processing.

CORBIN

■ **AT&T** has donated \$15,500 to **Baptist Health Corbin** for the purchase of a telemedicine cart that enables the hospital to extend mental health services to surrounding hospitals and clinics. The telemedicine program, which launches this month, will provide mental health services to those in Eastern Kentucky through **Knox County Hospital**, **Pineville Community Hospital** and **Baptist Health Richmond** as well as primary care clinics in Williamsburg and London, reaching approximately 5,000 people. The program will utilize a total of four telemedicine carts – with video and audio capabilities much like Skype – installed at those locations so patients can have a private conference with a mental health expert. Baptist Health Corbin will be the hub and be able to offer mental health services to patients who could not otherwise access such services.

COVINGTON

■ **Ashland Specialty Ingredients**, a commercial unit of Covington-

ASHLAND

based Ashland Inc. and a leader in the production of biofunctional ingredients, is acquiring the **Zeta Fraction** biofunctional technology from **AkzoNobel**. The patented Zeta Fraction process and technology selectively isolates efficacious components from living plants and marine sources to produce a wide range of biofunctional ingredients. The acquisition broadens Ashland's value-added portfolio in the personal care, pharmaceutical, food and beverage, and agriculture markets. Financial details of the transaction have not been disclosed.



■ **Jaden Corp.** has purchased Covington-based **Waddington Group**, a manufacturer and marketer of premium disposable tableware, for \$1.3 billion. Jaden, a Miami-based global consumer products company whose brands include **Oster**, **Rival**, **Sunbeam** and **Mr. Coffee** among dozens more, targeted the acquisition as an opportunity to cross-sell and to

broaden its distribution platform in the business-to-business category. Waddington operates 17 manufacturing facilities across the United States, Canada, the United Kingdom and Ireland and has approximately 2,900 employees. The company is expected to contribute approximately \$800 million to Jaden's 2016 revenues.

CYNTHIANA

■ **Commercial Specialty Truck Holdings** (CSTH) is investing \$2 million to move its subsidiary, **Continental Mixer Solutions**, from Texas to Cynthiana. Continental Mixer has been in operation since 1982 and has grown to be a leading manufacturer of concrete mixers. The company is sharing a 350,000-s.f. facility that presently houses another CSTH subsidiary, **E-Z Pack Refuse Hauling Solutions**. E-Z Pack currently employs 100 people; relocating Continental to Cynthiana will bring another 80 jobs to the area.

BOWLING GREEN: PROCOM HEATING WILL MOVE OPERATIONS TO KY FROM CHINA

ProCom Heating Inc., a California-based company that specializes in vent-free gas heating appliances, has announced plans to relocate its China-based manufacturing facility to Bowling Green.

ProCom has had a sales/customer service office in Bowling Green since 2012 and currently employs a staff of 14 full-time workers. The company is now planning a \$19 million expansion that will add approximately 310,000 s.f. to its existing Bowling Green facility and plans to move all of its manufacturing and assembly from China to the U.S.

The expansion is expected to create 37 new jobs.

The expansion will take place in three stages, starting with the addition of a 140,000-s.f. manufacturing facility in 2016. ProCom will then add approximately 30,000 s.f. of office space in 2017 before completing the project with another addition that will be used for warehouse space. The expansion as a whole will take ProCom's Bowling Green facility to more than 440,000 s.f.

LEXINGTON: NEW YORK PRIVATE EQUITY FIRM ACQUIRES FAZOLI'S RESTAURANTS

FAZOLI'S, a Lexington-based quick-service Italian restaurant chain, has been sold to **Sentinel Capital Partners** for an undisclosed price.

Sentinel is a private equity firm headquartered in New York that invests in promising companies at the lower end of the middle market.

"Fazoli's has consistently outperformed its competitors and will be a very strong addition to our restaurant portfolio," said John McCormack, a partner at Sentinel. "The business has demonstrated robust financial performance and recently built impressive momentum. Fazoli's is positioned as 'affordable fast casual' and combines the strengths of the fast-casual, quick-service and full-service formats, which is a competitive differentiator and also provides resilience during economic downturns. We are highly impressed with Fazoli's management team and look forward to working closely with them to drive future growth."

"Our new partnership with Sentinel is an exciting move for us, and we plan to benefit from their deep investment experience in the restaurant sector," said Fazoli's CEO Carl Howard. "We have been engaged in a very exciting and successful period of investment, innovation and growth during which we sharpened the focus of our brand strategy, optimized and upgraded our menu, and expanded our geographic profile."

Founded in 1988, Fazoli's now has 213 locations across the United States. Last year, the company expanded its concept to include 11 locations at travel centers and opened its first campus location at **Texas Tech University**. This year, it has been testing an expanded menu, introduced table service and unveiled a contemporary new restaurant design.



Fazoli's CEO Carl Howard was named the No. 1 restaurant executive on the 2014 Fast Casual Top 100 Movers & Shakers list, compiled by the editors of leading website FastCasual.com and other restaurant industry luminaries.

The BMW X5

DonJacobsBMW.com



The Ultimate
Driving Machine®

YOU DON'T NEED A CROWD TO STAND OUT.

THE BMW X5.

With optional third-row seating, up to seven people can go somewhere they've never been before. And with Panoramic Moonroof, BMW Online™ features like Real Time Traffic Information and Internet, and optional Premium Interior, the journey might just outclass the destination.

Special lease and finance offers available from Don Jacobs BMW through BMW Financial Services.

DON  JACOBS BMW

2689 Nicholasville Road
Lexington, Kentucky
859-276-3546
DonJacobsBMW.com

©2015 BMW of North America, LLC. The BMW name, model names and logo are registered trademarks.

BUSINESS BRIEFS

DANVILLE

■ **Ephraim McDowell Commonwealth Cancer Center** in Danville is the newest member of the **University of Kentucky Markey Cancer Center Affiliate Network**. The network was created to provide high-quality cancer care closer to home for patients across the region, and to minimize the effects of cancer through prevention and education programs, clinical care and access to research. Markey is one of only 68 medical centers in the country to earn an NCI cancer center designation. Because of the designation, Markey patients have access to new drugs, treatment options and clinical trials offered only at NCI centers.

EASTERN KENTUCKY

■ **Kentucky Highlands Investment Corp.** and **Grow Appalachia** have created a low-interest loan fund for farmers in a 54-county region of eastern and southern Kentucky. The SOAR (Shaping Our Appalachian Region) Small Production loan fund will help those who operate small farms to move into commercial food production. The maximum loan amount is \$7,500 with a fixed interest rate of 1 percent and no closing fees. Typically, the terms of the loan will be four years.

FRANKFORT

■ **Farmers Capital Bank Corp.** has been added to the **Russell 3000 Index** and the **Russell 2000 Index**, indexes that are used by investment managers and institutional investors for index funds and as benchmarks for both passive and active investment strategies. The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98 percent of the investable U.S. equity market. The Russell 2000 Index includes approximately 2,000 of the smallest securities based on a combination of their market capitalization and current index membership. Farmers is a Frankfort-based bank holding company that operates 36 banking locations in central and northern Kentucky as well as a data processing company and an insurance company.



Farmers Capital Bank Corporation

GREENVILLE

■ **Gourmet Express** has closed its facility in Greenville, where the company produced frozen meals sold to retailers such as Walmart and Costco. The closing follows the Texas-based company's bankruptcy filing in March and subsequent sale in June to **Genesis Merchant Partners** for \$10.8 million. The shutdown leaves 81 people without jobs.



HEBRON

■ A number of new amenities and concessions have been added for passengers traveling through the **Cincinnati/Northern Kentucky International Airport**. Concourse A is now home to a free children's play area as well as a **Smashburger** location that is serving breakfast, lunch and dinner. Passengers will also find six new **FuelRod** locations located throughout the airport. (FuelRods are reusable, portable charging systems that allow users to charge their mobile device on the go and then recharge or swap for a fresh one. The initial cost for a rechargeable FuelRod is \$20; they can then be swapped for free at any of FuelRod's other locations across the country.) The airport has also added **Lyft**, a mobile-phone application that facilitates ridesharing, to its ground transportation options.

LETCHER COUNTY

■ Three operating affiliates of **Alpha Natural Resources** have notified employees that they may be selling the mining operations in Eastern Kentucky and southwest Virginia where they are employed. The mining operations in Kentucky affected by the potential sale include **North Fork Coal Corp.'s North Fork No. 6** deep mine in Letcher County and the **Panther No. 1, Stillhouse No. 1** and **North Fork No. 7** deep mines, which are currently idled. A total of 111 employees work at the No. 6 mine or perform maintenance at the idled operations.

LOUISVILLE: LG&E/KU OPENS GAS FIRED POWER PLANT; CUTS COAL RELIANCE 13%

AFTER more than two years and 2 million construction hours, **Louisville Gas and Electric (LG&E)** and **Kentucky Utilities Co.'s (KU)** new 640-megawatt natural gas combined-cycle generating unit – known as **Cane Run Unit 7** – is now operational.

The unit, which is the first of its kind in the state, generates electricity through two gas turbines and then uses the exhaust heat from those units to generate steam and produce additional electricity using a steam turbine.

The unit replaces the bulk of 800 megawatts of coal-fired generation as the company retires 13 percent of its energy production from coal-fired units in response to stricter federal carbon emission mandates.

To offset the costs associated with the new unit, the Kentucky Public Service Commission approved an increase in the base rates charged to Kentucky Utilities' electric customers and LG&E natural gas customers, which went into effect July 1. While the monthly basic service charge remains unchanged, the per-kilowatt charge has been modified to provide additional annual cost-recovery revenues of \$125 million for KU. A residential LG&E electric customer, using an average of 984 kWh per month, will see a 10-cent decrease in their overall monthly bill. A residential LG&E natural gas customer, using an average of 57 Ccf per month, will see an increase of \$1.23 per month. A KU residential customer, using an average of 1,200 kWh per month, will see an increase of \$8.98 per month.

LG&E/KU photo



LG&E/KU's new natural gas combined-cycle generating unit was built in response to more stringent regulations implemented by the federal government.

LOUISVILLE: METRO COUNCIL WINS SUIT; MINIMUM WAGE IN CITY RISES TO \$7.75

EFFECTIVE July 1, **Louisville's minimum wage** increased to \$7.75 per hour after a court ruled that the metro government has the authority to establish a minimum wage for the city.

In December, the **Louisville Metro Council** passed an ordinance to raise the minimum wage within city limits to \$9 an hour, up from \$7.25, over the next three years. Later, a number of organizations, including the **Kentucky Restaurant Association**, filed a suit to have the ordinance voided, claiming the body did not have the legal authority to raise wages above that set by the **Kentucky General Assembly**.

Jefferson County Circuit Court Judge Judith McDonald-Burkman sided with the metro council.

Louisville Mayor Greg Fischer said the ruling will help Louisville families.

"I'm pleased the court has upheld my right to enact a minimum wage, as well as other local governments," Fischer said. "The Metro Council and I took this step last summer to provide working families a higher minimum wage because we know that many struggle to pay for housing, food, clothing and medical care. Today's favorable ruling will have a real impact on many Louisville families."

The decision could have implications in Lexington, which is considering raising its city's minimum wage as well.



Powering Winning Possibilities

EQUINE LENDING

- Operating Lines of Credit
- Broodmare Acquisitions
- Horse Farm Mortgages
- Stallion Share Financing

ELECTRONIC CASH MANAGEMENT

- ACH Payments
- Domestic and International Wire Transfers
- Remote Deposit Capture
- Online Bill Payment



PBIBANK
Powering Possibilities

Thoroughbred breeders, owners, trainers and partnership-owned racehorse businesses rely on PBI Bank. Our equine products and services ensure your possibilities are never limited by your bank's offerings. Let PBI Bank help you realize what's possible.

2424 Harrodsburg Road, Suite 100 | Lexington, KY 40503 | 859-296-4822 | www.pbibank.com



MEMBER
FDIC

PBI Bank NMLS ID # 450016



BUSINESS BRIEFS

LEXINGTON

■ Upscale home-décor retailer **Pottery Barn** will open its first Kentucky location at the **Summit at Fritz Farm**, a major retail development now under construction in south Lexington. Once completed, the Summit will offer 340,000-s.f. of street-level retail and restaurant space featuring a collection of both local and national boutiques as well as 300 apartments and a 150-room boutique hotel. Other retailers already signed include **Brooks Brothers**, **Lily Rain**, **Orvis**, **Whole Foods**, **Ted's Montana Grill** and **Steel City Pops**.



■ Lexington-based **Tempur Sealy** has partnered with the U.S. Ski and Snowboard Association to open a sleep center at in Park City, Utah, where the USSA will track how transformative sleep positively impacts athlete performance, recovery and overall training ability. The Center of Excellence is USSA's national training center where world-class athletes prepare for their competition seasons. Physical conditioning is a large part of this preparation along with testing that includes elements of high-performance nutrition, psychology, physiology, injury prevention, rehab and sleep. The sleep center has been outfitted with the newest Tempur-Pedic mattress and bedding products.

Lexmark International

reported a decline in revenue for the second quarter as it works to transition from a printer manufacturer to a business information company. To that end, the company is implementing a restructuring plan to increase operational efficiencies and profitability that will include eliminating 500 positions worldwide over the next 18 months. Lexmark Chairman and CEO Paul Rooke said the restructuring will be "very much focused on the software side" and will have only a "nominal" impact at the company's Lexington headquarters. The changes from the restructuring are expected to produce \$65 million in annual savings.



Lexmark™

LOUISVILLE

■ Louisville-based **Brown-Forman Corp.** is investing \$50 million to build a new distillery and consumer experience at the historic **Slane Castle Estate** in Ireland, 30 miles north of Dublin. The company plans to have the distillery open in late 2016 and will introduce new Irish whiskeys by the spring of 2017, initially using high-quality whiskey purchased from other Irish distilleries and then finished to Slane's specifications while the whiskey made at the new **Slane Distillery** is laid down to mature in the nearby Irish countryside.



used the slogan "Better Ingredients, Better Pizza," already uses ingredients that are free of trans fats, partially hydrogenated oils, meat fillers and preservatives BHA and BHT. The company has also introduced a "lighter choice" menu and an online nutritional calculator that allows users to figure out the calories and other nutritional information of menu items.

■ **KentuckianaWorks** is distributing \$2 million in federal funding that will go to training scholarships to help unemployed and underemployed residents in its seven-county region gain education and skills to prepare them for high-demand, higher-wage occupations such as electricians, plumbers, financial analysts, registered nurses, computer programmers and tractor-trailer truck drivers. The 50 high-demand occupations were designated by the KentuckianaWorks board based on an analysis of data from **EMSI Analyst** and **Burning Glass/Labor Insight**. Salaries for the occupations range from \$12.61 an hour for installation, maintenance and repair workers to \$31.17 an hour for software developers.

LOUISVILLE: KITCHEN INCUBATOR SPACE FOSTERS START-UP FOOD BUSINESSES

COMMUNITY Ventures, a Lexington-based nonprofit corporation, has begun renovating a former restaurant in Louisville to create Louisville's first kitchen incubator.

Also known as culinary incubators, kitchen incubators are dedicated to fostering early-stage catering, retail and wholesale food businesses. Members are given the opportunity to jump-start their food business with a fully licensed and outfitted commercial kitchen, support services, advice and programs to help build their business.

Louisville's new kitchen incubator, **Chef Space**, will occupy the former Jay's Cafeteria and will provide commercial kitchen space and business support services for up to 50 food-related early-stage businesses. The 13,000-s.f. site will also house a retail outlet and meeting spaces that will be open to the community.

Chef Space will be led by Johnetta Roberts, president, and Chris Lavenon, vice president.

A late October opening is planned.



Louisville's new kitchen incubator, Chef Space, will provide space for early-stage food businesses and is modeled on the successful Union Kitchen Food Incubator in Washington, D.C.

STATE: KY'S SMALL-BUSINESS FUNDING DRAWS 5 NEW HIGH-TECH COMPANIES

FIVE high-tech businesses – two of which are based out of state but are relocating to the commonwealth – have been awarded more than \$1.5 million as part of a program that is seeing continued success in attracting small, technology-based businesses to Kentucky.

The funds are made available through Kentucky's competitive **Small Business Innovation Research (SBIR)** and **Small Business Technology Transfer (STTR)** matching funds program. Since the program's inception in 2006, the state has matched all or parts of federal SBIR/STTR awards received by Kentucky-based companies. Out-of-state companies are also eligible for funding, should they decide to relocate to Kentucky. The program has grown substantially since 2006 and has led to an increase in the number of companies pursuing SBIR/STTR grants and out-of-state businesses relocating to the state to capitalize on the funding opportunity.

The companies receiving awards in the second quarter of 2015 include:

- **Gismo Therapeutics, Inc.** (Fayette County), which recently moved from New York to Lexington, is developing a class of small molecule therapeutics to disrupt the inflammation cycle of rheumatoid arthritis.
- **Hera Testing Labs** (Fayette County) is developing laboratory and animal tests to make the drug development process more accurate, cost effective and predictive.
- **Lakota Technical Solutions Inc.** (Howard, Maryland) is developing a software-based tool to more accurately and efficiently simulate electronic warfare scenarios.
- **TherapyX Inc.** (Jefferson County) is relocating to Louisville from New York and is developing a novel drug delivery system for a gonorrhea vaccine.
- **TutorGen Inc.** (Campbell County) has created LOGIC (Linkage Objects for Generalized Instruction in Coding) to help bridge the gap for new students trying to learn coding.

“CENTRAL BANK LOOKS AT CUSTOMER SERVICE
EXACTLY LIKE WE DO.
IT'S BEEN A KEY TO OUR SUCCESS.”

Alison Meyer – Two Chicks and Company, Lexington



Alison loves how Central Bank is always willing to go above and beyond with its "hometown" customer service. See how your business can benefit when you think local, grow local and bank local with Central Bank.

To see how we can help your business, call 859-253-6222 or 800-637-6884.

BANKING • WEALTH MANAGEMENT • INSURANCE • INVESTMENTS



Member FDIC

300 West Vine Street, Lexington

centralbank.com

Wealth Management Services are provided by Central Bank & Trust Co. CBIA, Inc., dba Central Insurance Services (CIS), is a wholly-owned subsidiary of Central Bank & Trust Co. Insurance products, investment products and securities:

NOT FDIC Insured	NOT Guaranteed by the Bank	MAY Lose Value	NOT Insured by any Federal Government Agency	NOT a Deposit	Subject to Risk
------------------	----------------------------	----------------	--	---------------	-----------------

FAST LANE

BUSINESS BRIEFS

LOUISVILLE

■ **DDW** has opened a second site in Louisville for the production of food ingredients. The new facility will produce specialty colorings for food and beverage companies utilizing its emulsion technology, which converts color sources such as beta-carotene and paprika from their intrinsic, oil-soluble form to a water-dispersible form for coloring beverages, soup, ice cream, candy, cakes and other foods.



MIDWAY

■ Louisville-based **Christian Care Communities** has opened a new senior living community on 31 acres in Midway. **The Homeplace at Midway** offers a comprehensive continuum of care with a 12-person assisted living cottage for those who need periodic assistance with daily living activities; a 12-person memory care/personal care cottage for individuals with Alzheimer's, dementia and other cognitive impairments; and two skilled-nursing cottages for 23 individuals with short-term rehabilitation or long-term care needs.

NICHOLASVILLE

■ **Alltech**, a global animal health and nutrition company headquartered in Nicholasville, is expanding its European presence with the acquisition of two Norwegian companies. **Produs AS** and **Produs Aqua AS** are both family-owned and operated companies that have extensive experience in the Norwegian agriculture and aqua industries. In addition, Alltech's beverage division has acquired two European craft breweries. The purchase of **The Station Works Brewery** in Northern Ireland and **Cumberland Breweries Ltd.** in England represents the first major expansion outside the U.S. for Alltech's brewing division. Alltech CEO Pearse Lyons said the acquisitions will enable the company to develop already-established European brands while also introducing its **Kentucky Ale** products to new markets.

NORTHERN KENTUCKY

■ The **Advanced Manufacturing Workforce Development Coalition** has launched an \$110,000 marketing campaign in Northern Kentucky to promote careers in advanced manufacturing in the region. The effort is primarily being funded through a grant obtained by **Gateway Community and Technical College**. In Northern Kentucky, it is projected that there will be more than 6,000 open manufacturing positions by the year 2022. Companies in the region are looking for skilled workers to fill current open positions and ensure a sufficient supply of talent for the future.

RICHMOND

■ **Eastern Kentucky University** received more than \$4.1 million in fundraising from private investors in fiscal year 2015, the highest total since 2001. More than 9,200 donors – half of which were alumni – contributed to the university, which will use the funds to support a \$15 million multipurpose facility to replace the east-side grandstands at **Roy Kidd Stadium** and a pedestrian mall outside the library, among other projects.



ROBARDS

■ **Tyson Chicken Inc.** is investing \$8.2 million to add processing capacity and upgrade equipment at its plant in Robards, where it produces individually quick-frozen chicken for retail customers. The investment also includes the addition of 91 new jobs. Tyson has operated its Robards plant since 1995 and currently employs 1,200 people there.

WILMORE

■ **Asbury University** has received an anonymous alumni gift of \$8 million that represents the largest donation in the history of the 125-year-old institution. Half of the funds will be used to help build the university's new collaborative learning center, which will house science and math programs as well as the school of business. Another \$3 million will fund student scholarships, with the remaining \$1 million being allocated to debt reduction.

LEXINGTON: UK MOVING FORWARD WITH PLAN TO BUILD MORE RESIDENCE HALLS

THE University of Kentucky board

of trustees has approved the next phase of the university's on-campus housing revitalization that will bring the total of beds delivered or under development to 6,504.

Memphis-based **EdR**, a leading developer of collegiate housing,

will provide financing, oversee development and construction and be responsible for maintenance and management while UK provides residence life services.

Scheduled for completion in 2017, University Flats will be composed of a seven-story building that will provide separate living communities for upper-level undergraduate students, and graduate and professional students. The complex will provide 771 beds in 312 apartments in various styles and sizes from studios to four bedrooms, each with furnishings and a full kitchen.

The largest on-campus housing development in American public higher education to date, UK's revitalization began in spring 2012, when UK and EdR formalized a partnership and broke ground on the first phase – a 601-bed community dedicated to UK's Honors program and students – that opened in August 2013. Since then, EdR and UK have opened new communities each year: In 2014, five buildings with 2,381 beds opened; three buildings with 1,610 beds are on schedule to open this summer. On schedule to open in 2016 are two buildings with 1,140 beds.

"Our public-private partnership with EdR has helped transform our housing in record time while allowing us to focus UK's financial and human resources on other capital projects, namely, our new academic science building, medical campus and state-of-the-art student center," said Eric Monday, UK's executive vice president for finance and administration.

UK photo



The University Flats residence hall at the University of Kentucky is slated to open in 2017. The project is part of a public-private partnership to upgrade UK's student housing.

LEXINGTON: MAJOR ENGINEERING FIRM ADDING 100 MORE JOBS IN LEXINGTON

BELCAN, an engineering services and technical staffing provider, is adding 100 jobs in Lexington as part of a \$1.2 million expansion there.

Belcan is planning to lease an additional 15,000 s.f. in Lexington's Vine Center to accommodate the increased number of engineers needed to support one of its newest customers, Pratt & Whitney, a commercial and military aerospace gas turbine engine supplier. Belcan initially opened its Lexington office in 2005 to service a growing aerospace contract with Sikorsky Aircraft Corp.

Headquartered in Cincinnati, Belcan was founded in 1958 by Ralph G. Anderson, an engineering graduate of the University of Kentucky. The company now has more than 6,000 employees in 49 locations around the world and is a major supplier of engineering, project management and technical staffing solutions to a wide array of industries.

HENDERSON: BIG RIVERS WILL SELL POWER WHOLESALE TO OFFSET SMELTERS LOSS

Big Rivers photo



In the last two years, Big Rivers Electric Corp. has lost two of its major customers that accounted for nearly two-thirds of its revenue.

THE Kentucky Public Service Commission has approved a settlement that permits Henderson-based **Big Rivers Electric Corp.** to sell wholesale power to several customers in Nebraska to help offset the costs incurred by the loss of two of its major customers.

In the last two years, aluminum smelters in Hawesville and Sebree stopped purchasing power from Big Rivers, having been approved by the PSC to purchase power on the open market. The two smelters at one time accounted for about two-thirds of Big Rivers' load and revenue. Since October 2013, the PSC has twice approved rate increases that allowed Big Rivers to maintain financial stability following the loss of the smelters.

Big Rivers is owned by the three distribution cooperatives that serve about 112,000 customers in 26 counties in western Kentucky. The customers include about 20 large industrial facilities.

Because the loss of the smelters left Big Rivers with excess electric generating capacity, the utility has shuttered one power plant and has sought opportunities to sell power to outside customers on the open market.

BUSINESS BRIEFS

STATE

■ Kentucky's inventory of aging bourbon barrels set a 40-year high in 2014 with more than 5,669,682 million charred oak cases resting in Bluegrass warehouses, according to the **Kentucky Distillers' Association**. The figure represents the highest number of aging barrels in the state since 1975.



Louisville CVB photo

■ The Commonwealth of Kentucky has signed new contracts with five managed-care organizations to provide **Medicaid services** to Kentuckians. **Anthem, Coventry Cares, Humana, Passport and Wellcare** have been awarded one-year contracts with four, one-year renewal options. The contracts went into effect July 1 and serve more than 1.1 million Kentuckians.

Ky. Dept. of Travel photo



■ London and Stearns are the fifth and sixth additions to Kentucky's **Trail Town** program, an initiative designed to help connect communities to trail systems and assist in developing sites as tourist destinations. Once a community has been certified as a Kentucky Trail Town, the Office of Adventure Tourism and the Tourism, Arts and Heritage Cabinet market the communities

and the services they offer by helping to acquire highway signage, prominent placement on websites, and promotional materials and maps. Communities already part of the program include Dawson Springs, Livingston, Morehead and Olive Hill.

We believe *being tops* comes through excellent *service* and by *giving back*.



Johanna Ellison



Susan Kennedy



Taft McKinstry, *Managing Member*



Christina Vessels



Tia Combs

Attorneys at Law | 859.252.6700 | Fax 859.255.3735
300 West Vine Street, Suite 600 • Lexington, KY 40507-1751

FOWLER BELL PLLC
FowlerLaw.com

THIS IS AN ADVERTISEMENT

INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Cook Pharmica LLC**, a privately held contract development and manufacturing organization that serves the biopharmaceutical industry, is investing \$28 million to expand its operations in Bloomington, Ind. With the addition of another product line, the company will fill pharmaceuticals into syringes, vials and cartridges for Cook Pharmica clients. Cook currently employs 575 employees in Bloomington and plans to add 70 new positions as part of the expansion.



■ **Caito Foods Service Inc.**, a processor and distributor of fresh produce and fresh-prepared foods, is investing more than \$15 million to build a new refrigerated processing center at its headquarters campus in Indianapolis. The expansion will create up to 350 new jobs by 2024.

OHIO

■ **AK Steel** has broken ground on a \$36 million research and innovation center in Middletown, Ohio, that will employ 76 researchers, scientists and engineers. The 135,000-s.f. facility will house pilot lines that simulate the company's steel manufacturing operations and can be used for enhancing existing products and experimentation for new and improved products. The pilot line section will also include a high bay area with a mezzanine from which customers may view the pilot processes.

■ Cincinnati-based **Procter & Gamble Co.** has agreed to sell 43 of its beauty brands to **Coty Inc.** in a \$12.5 billion deal. Among the brands included in the sale are *Clairol*, *Sassoon*, *Max Factor* and *Cover Girl*. According to the *Cincinnati Business Courier*, the sale will affect 10,000 P&G employees, including approximately 200 at its Cincinnati headquarters and area offices.



■ The board of directors of **The Kroger Co.** has approved a two-for-one split of the Cincinnati-based company's common shares, the first stock split for the company since 1999. Kroger Chairman and CEO Rodney McMullen said the actions reflect a confidence in the company's long-term performance and ability to deliver consistent growth to investors and will increase the accessibility of its shares and liquidity in trading.

TENNESSEE

■ **Nike Inc.** has opened a new logistics campus in Memphis that is the company's largest distribution center in the world. The 2.8 million-s.f. facility holds all three product lines – footwear, apparel and equipment – under one roof and distributes the Nike and Jordan Brand products to individual consumers, wholesale customers and Nike retail channels. According to the *Memphis Business Journal*, the \$301 million facility will operate with 400 employees for each of its four shifts, with those numbers expected to grow to 650 per shift.



■ **DE-STA-CO**, a company that specializes in manufacturing productivity solutions, is consolidating several of its U.S. manufacturing operations by locating a new facility in Mount Juliet, Tenn., near Nashville. The project will create 245 new jobs.

TENNESSEE: GESTAMP TO ADD 500 JOBS AS PART OF CHATTANOOGA EXPANSION

GESTAMP, a company that designs, develops and manufactures metal components and assemblies for the automotive sector, is investing \$180 million to expand its existing cold-stamping operation in Chattanooga, Tenn., and build a new stamping facility to accommodate stamping of Class A parts for **Volkswagen's** new mid-size SUV. The investment will triple the company's capacity in Chattanooga and create more than 500 new jobs.



Gestamp's expansion in Chattanooga will support the production of parts for the Volkswagen Passat, which is built in Chattanooga.

Currently Volkswagen uses press shops in several states to provide all the stamped metal parts for its Passat model, which is built in Chattanooga. The new expanded partnership will allow all of the external sheet metal stamping and a majority of the structural parts to occur at or near Chattanooga's Enterprise South Industrial Park, greatly reducing the cost of transportation.

The new facility will enable Gestamp Chattanooga to offer for the first time hot-stamping technology, a process that allows metal to become lighter but harder.

Gestamp is a Tier 1 supplier to Volkswagen, BMW and Mercedes-Benz.

OHIO: NESTLE OPENS \$50 MILLION RESEARCH & DEVELOPMENT CENTER



Nestlé's new research and development center will focus on the company's frozen and chilled food products.

NESTLÉ has opened a new \$50 million research and development center in Solon, Ohio, that will focus on the company's frozen and chilled food lines.

In addition to developing R&D strategy for the frozen and chilled

foods businesses, Nestlé R&D Solon will focus on product innovation and renovation by exploring ways to reduce sodium and saturated fat, eliminate partially hydrogenated oils, incorporate more vegetables and create gluten-free and high-protein options.

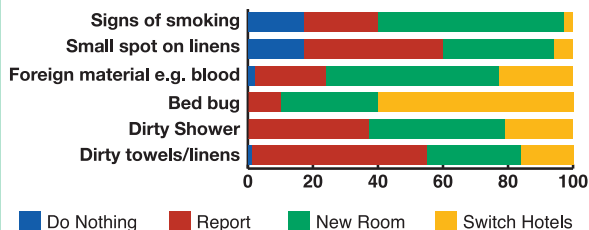
The launch of Nestlé R&D Solon is a significant expansion of the company's already strong presence in Ohio. The new center builds on a number of Nestlé businesses that either launched in Solon – such as *Stouffer's*, *Lean Cuisine* and *Nestlé Toll House* cookie doughs – or have relocated there, including *Hot Pockets* and *Lean Pockets*, *DiGiorno*, *California Pizza Kitchen*, *Tombstone* and *Jack's* pizza brands.

With the 2014 move of Nestlé Pizza to Solon and the opening of the 144,000-s.f. R&D facility, Nestlé now employs over 2,200 in the Cleveland area and 3,400 in Ohio.

DON'T LET THE BED BUGS BITE...

A recent study from the University of Kentucky surveyed nearly 2,100 people from all 50 states and the District of Columbia to get their reactions to potential problems encountered when staying in hotels, either for leisure or business. The biggest issue for travelers was bed bugs – a matter that in turn becomes a big issue for hotel owners as they fight to eradicate both the bugs themselves and negative perceptions.

COMPARISON OF REACTIONS ACROSS PROBLEMATIC ISSUES IN A HOTEL ROOM

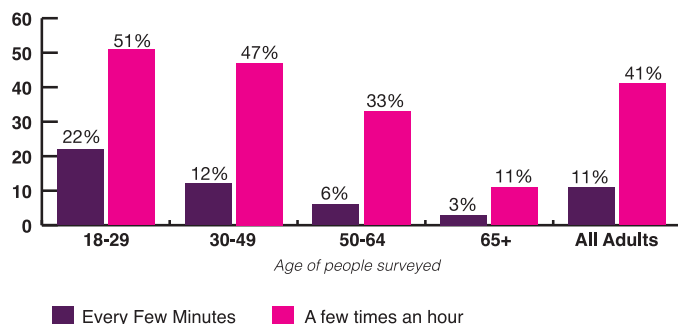


Source: University of Kentucky

AMERICA'S SMARTPHONE ADDICTION

Ever since the first iPhone arrived in 2007, smartphones have gradually taken over our lives. According to a recent Gallup poll, 81 percent of American smartphone owners keep their device with them nearly all of the time.

% OF AMERICAN SMARTPHONE OWNERS WHO CHECK THEIR PHONE AT LEAST SEVERAL TIMES AN HOUR

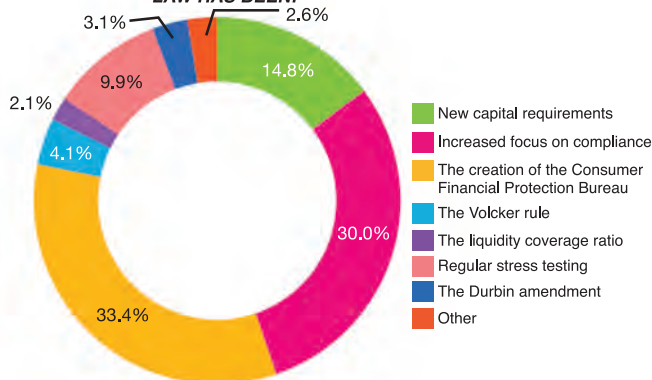


Source: Gallup/Statista

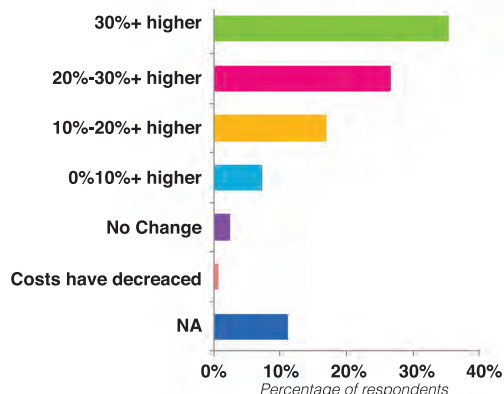
BANKING REGULATIONS

When the Dodd-Frank Act was enacted in 2010, lawmakers billed it as a way to curb excessive risk-taking on Wall Street. But five years later, smaller community banks in particular say the law has instead become a burden on Main Street lenders, with mounds of new regulatory requirements driving up costs and making it increasingly difficult to focus precious resources on bread-and-butter lending and deposit gathering. A recent survey conducted by SNL Financial asked 616 banking professionals their views of the Dodd-Frank Act.

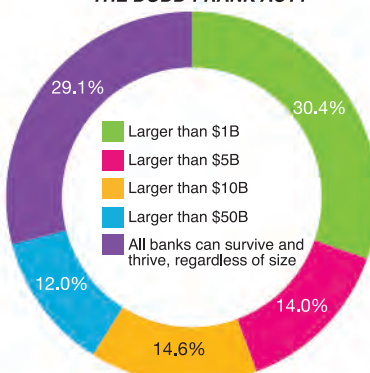
THE BIGGEST CHANGE SINCE DODD-FRANK CAME INTO LAW HAS BEEN:



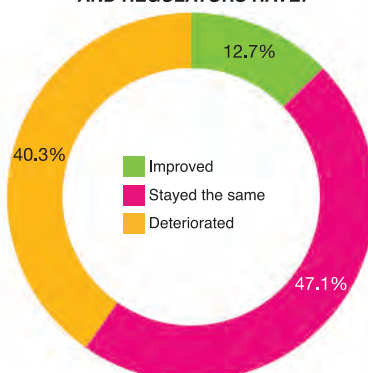
HOW HAVE YOUR OVERALL COMPLIANCE COSTS CHANGED OVER THE PAST FIVE YEARS?



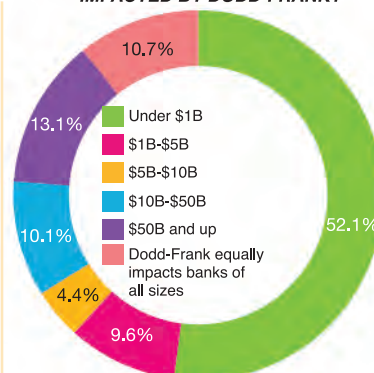
HOW BIG DOES A BANK HAVE TO BE TO SURVIVE AND THRIVE UNDER THE DODD-FRANK ACT?



SINCE DODD-FRANK CAME INTO LAW, RELATIONS BETWEEN BANKS AND REGULATORS HAVE:



WHAT SIZE BANKS HAVE BEEN MOST NEGATIVELY IMPACTED BY DODD-FRANK?



Source: SNL Financial LC

CORPORATE MOVES

New leadership for Kentucky businesses

BANKING

■ **Diana Webster** has joined Central Bank as vice president, retail banking officer in Northern Kentucky.



Diana Webster

■ **Trena Floyd** has been promoted to vice president and business services officer at Your Community Bank in Elizabethtown.



Trena Floyd

■ **Tom Partridge**, president and CEO of Fifth Third Bancorp (Kentucky), has been named to lead Equipment Finance Services, the commercial leasing arm of Fifth Third Bank. **Michael Ash**, Fifth Third's market president in Lexington, has been named president and CEO of Fifth Third Bank (Kentucky), succeeding Partridge. **Mark Boison** will assume the position of senior commercial banker and city president in Lexington.



Cyndi Caldwell

■ **Cyndi Caldwell** has joined Central Bank of Jefferson County as assistant vice president, commercial real estate.

ECONOMIC DEVELOPMENT

■ **Amelia Gandara** has joined Greater Louisville Inc.'s EnterpriseCorp as director of commercialization and engagement. EnterpriseCorp is the entrepreneurial arm of Greater Louisville Inc., the metro's chamber of commerce.

EDUCATION

■ **Shaunna Scott** has been named director the University of Kentucky's Appalachian Studies Program. **Christopher Barton** has been named director of UK's Appalachian Center.



Christopher Barton

■ **Tanlee Wasson** has been named assistant vice president for institutional effectiveness and institutional research at Eastern Kentucky University.



Tanlee Wasson

■ **Reddy Palli** has been named chair of the department of entomology at the University of Kentucky.

■ **GQ Zhang** has joined the University of Kentucky as director of the new Institute of Biomedical Informatics. He will also serve as chief of the newly established biomedical informatics division in the UK College of Medicine and co-director of the biomedical informatics core of the UK Center for Clinical and Translational Science.



GQ Zhang

■ Gateway Community and Technical College has announced the following appointments: **James Younger** – vice president-administrative and business affairs; **Carissa Schutzman**

– vice president-Corporate College; and **Teri VonHannord** – vice president-academic affairs.

■ **Lisa Cassis** has been appointed vice president for research at the University of Kentucky.



Lisa Cassis

EQUINE

■ **Patrick Armstrong** has been named president of the Kentucky Derby Museum. Armstrong succeeds **Lynn Ashton**, who has retired after 20 years.



Patrick Armstrong

FINANCE

■ **Marty Lautner** has joined Unified Trust Co. in Lexington as chief financial officer. Lautner will succeed **Jack Brown**, who is retiring this year.



Marty Lautner

FOOD/SPIRITS/HOSPITALITY

■ **Bryon Evans** has been named chief executive officer of Louisville-based Rooibee Red Tea.

■ **Steve Ritchie**, chief operating officer for Papa John's International, has been promoted to president of the Louisville-based pizza chain. Ritchie will continue to serve as COO of the company.

GOVERNMENT

■ **Seve Ghose** has been named director of Louisville metro parks and recreation.

■ **Gabriel Fritz** has been named director of the office of housing and community development for Louisville Metro Government.

■ **James A. "Tony" Parrott** has been named executive director of Louisville's metropolitan sewer district.

HEALTHCARE

■ **Mark J. McDonald** has been named medical director of Kosair Children's Hospital in Louisville.

■ **Sandra Stevens** has been named regional director of the Green River region for Lifeline Homecare Inc.

■ **Stephen O'Neal Jr.** has been named chief nursing officer for Saint Joseph London. O'Neal comes to the position from Manchester Memorial Hospital in Manchester, Ky., where he was chief clinical officer.

■ **Steven Rudolf** has been named vice president of human resources operations for Baptist Health Kentucky. **Kimberly Scaglione** will succeed Rudolf as vice president of human resources for Baptist Health's Kentucky region.



Steven Rudolf



Kimberly Scaglione

DEPARTURES

■ **Margaret Stallmeyer** has retired as provost of Gateway Community and Technical College.

■ **Angie Taylor** has retired as vice president of workforce solutions at Gateway Community and Technical College.

■ **Jim Rutledge**, master distiller at Four Roses Distillery, has announced that he will retire on Sept. 1.



Jim Rutledge

■ **Robert Evans** has announced that he will retire as executive chairman of Churchill Downs Inc., effective Sept. 30. He will remain with the company as the non-executive chairman of the CDI board of directors.

■ **Leslie Buddeke Smart** has been named vice president of development for KentuckyOne Health.



Leslie Buddeke Smart

LEGAL

■ **Steve Robertson** has joined CivicPoint LLC, the public affairs subsidiary of Frost Brown Todd, as senior vice president in the firm's Lexington office.

MANUFACTURING

■ **Kyle Beaird** has been named chief operating officer and chief financial officer for Louisville-based Hillerich & Bradsby Co.

■ **Barry A. Hytinen** has been named executive vice president and chief financial officer of Lexington-based Tempur Sealy International Inc.

MEDIA

■ **Stephen George** has been named executive editor of Louisville Public Media.

TECHNOLOGY

■ **Jay Knight** has been promoted to president of sales for NetGain Technologies' Southeast region.

TOURISM

■ **Zack Davis** has been promoted to director of marketing for the Louisville Convention & Visitors Bureau.



Zack Davis

WORKFORCE DEVELOPMENT

■ **Edward R. Ratterman** has been named director of the Advanced Manufacturing Workforce Development Coalition.



Edward Ratterman

ON THE BOARDS

Kentuckians named to organizational leadership roles

BKR INTERNATIONAL

■ **Jennifer Hughes** has been elected to the Americas regional board of directors of BKR International, a worldwide association of leading accounting firms. Hughes is a director with the Louisville accounting firm of DMLO CPAs.



Jennifer Hughes

KENTUCKY WORKFORCE INNOVATION BOARD

■ The following individuals have been appointed by Gov. Steve Beshear to serve on the Kentucky Workforce Innovation Board: **Peter Feil**, of Fort Thomas, is vice president and general manager for Stober Drives Inc. and will represent manufacturing; **Terry Spears**, of Pikeville, is a small business banking officer for Community Trust Bank and will represent business; **Scott Pierce**, of Jamestown, is a union affiliate and will represent engineering trades; **James Neihof**, of Simpsonville, is superintendent of Shelby County Public Schools and will represent youth; **George Steele** is mayor of Grayson and will represent local government; **Michael Hale** is Barren County judge-executive and will represent local government; **Heidi Margulis**, of Louisville, is senior vice president of corporate affairs for Humana and will represent health care services; **Kurt Krug**, of Springfield, is vice president of North American human resources for INOAC USA Inc. and will represent manufacturing; **Rodney Hitch**, of Morehead, is manager of economic development for East Kentucky Power Cooperative and will represent energy; **Patrick Murphy**, of Louisville, is human resources manager for United Parcel Service and will represent distribution; **John Baines**, of Fort Thomas, is president of HAHN Automation Inc. and will represent information technology; **David Boggs**, of Frankfort, is president and CEO for Opportunity for Work and Learning and will represent the offender community; **Sharon Fields**, of Frankfort, is self-employed and will represent persons with disabilities; **John Thacker**, of Russell, is president of the National Conference of Firemen and Oilers and will represent transportation trades; **Parvin Gibbs**, of

Madisonville, is retired from the military and will represent veterans and the military; Rep. **Larry Clark**, of Louisville, will represent the Kentucky House of Representatives; Sen. **Jimmy Higdon**, of Lebanon, will represent the Kentucky State Senate; **Ashley Miller**, of Louisville, is a nurse practitioner for Planned Parenthood of Kentucky and will represent health care services; **Jason Luring**, of Lexington, is human resources area director for Catalent Pharma Solutions and will represent manufacturing; **Bill Weier**, of Edgewood, is human resources director for Fives Machining Systems Inc. and will represent manufacturing; **M. Lynn Parrish**, of Pikeville, is president of Marwood Land Co. and will represent energy; **Marlin Jiranek**, of Elizabethtown, is chief operating officer for Atlas Development Group LCC and will represent entrepreneurship; **Carla Webster**, of Nicholasville, is program manager for Xerox and will represent information technology; **Steve Willingham**, of Louisville, is training director for Louisville Electrical Joint Apprenticeship and Training Committee and will represent electrical trades; **Amy Luttrell**, of Louisville, is president and CEO of Goodwill Industries of Kentucky and will represent disadvantaged populations; **Ruth Brinkley**, of Louisville, is president and CEO of KentuckyOne Health and will represent healthcare; **Hugh Haydon** (chair), of Louisville, is chairman and CEO of Kentucky Bioprocessing LCC and will represent manufacturing; **Mike Price**, of Lexington, is vice president of administration for Toyota Motor Manufacturing, Kentucky Inc. and will represent manufacturing; **Robert Southard**, of Owensboro, is an analyst for Southern Star Central Gas Pipeline and will represent energy; **Danette Wilder**, of Lexington, is president and CEO of SealingLife Technology and will represent entrepreneurship; **Madison Silvert**, of Owensboro, is president and CEO of the Greater Owensboro Economic Development Corp. and will represent business; **Freddy Peralta**, of Lexington, is owner of KyTrade Computer Services and will represent information technology; **Debbie Morris**, of Bardstown, is vice president of human resources for Heaven Hill Brands and will represent food and beverage-distillery; **Sharon Furches**, of Murray, is a farmer and will

represent agriculture; **Jared Arnett**, of Harold, is the executive director of Shaping Our Appalachian Region Inc. and will represent disadvantaged populations.

KENTUCKY BAR ASSOCIATION

■ **Doug Farnsley**, a partner in the Louisville law office of Stites & Harbison PLLC has been inducted as president of the Kentucky Bar Association's board of governors. Also inducted were: Vice President – **William R. Garmer**, Garmer & Prather PLLC (Lexington); President-Elect – **R. Michael**



Doug Farnsley

Sullivan, Sullivan Mountjoy Stainback & Miller PSC (Owensboro); Past President – **William E. Johnson**, Johnson Newcomb LLP (Frankfort); **J. Tanner Watkins**, Dinsmore & Shohl (Louisville); **W. Fletcher Schrock**, McMurry & Livingston PLLC (Paducah); **Michael M. Pitman**, Haverstock Bell & Pitman (Murray); **Thomas N. Kerrick**, Kerrick Bachert Stivers (Bowling Green); **J.D. Meyer**, Meyer & Meyer LLP (Owensboro); **Melinda G. Dalton** (Somerset); **Howard O. Mann**, Mann & Trimble PSC (Corbin); **Bobby Simpson**, senior counsel, GE Appliance & Lighting (Louisville); **Amy D. Cubbage**, McBrayer, McGinnis, Leslie & Kirkland PLLC (Louisville); **Eileen M. O'Brien**, Stoll Keenon Ogden PLLC (Lexington); **Mindy G. Barfield**, Dinsmore & Shohl LLP (Lexington); **Gary J. Sergeant**, O'Hara Rubert Taylor Sloan & Sergeant (Covington); **J. Stephen Smith**, Graydon Head & Ritchey LLP (Ft. Mitchell); **John Vincent**, Martin & Vincent (Ashland); and **Earl M. McGuire** (Prestonsburg).

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

■ **Mark D. Guilfoyle**, **Brenda H. McGown** and **W. Bruce Ayers** have been named to the Kentucky Council on Postsecondary Education. Guilfoyle, of Edgewood, is an attorney with Deters Benzinger LaVelle PSC. McGown, of Bowling Green, is an instructional issues specialist with the Kentucky Education Association. Ayers, of Cumberland, is a retired community college president.

building stronger communities together

The Paducah Distribution Terminal is proud to be part of the community where we work. Made up of friends and neighbors, colleagues and co-workers, this community is an integral part of our terminal. In this spirit, we are happy to fund local teams, playgrounds, clubs, cultural and civic opportunities – enriching our communities and encouraging personal growth.

partners in the community



Agrium®

Wholesale

GROWING together™

Crop Production Services CPS®

Paducah Distribution Terminal
110 Locust Drive
Paducah, Kentucky 42002
Phone: (270) 442-3395

© 2011 Crop Production Services Ltd.
CPS DESIGN and CROP PRODUCTION SERVICES are registered trademarks owned by Crop Production Services Ltd.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Jeff Garrett

Jeff Garrett is considered one of the nation's top experts in U.S. coinage. In addition to owning and operating Mid-American Rare Coin Galleries in Lexington, Garrett is a major shareholder in Sarasota Rare Coin Galleries in Florida, and his combined annual sales in rare coins and precious metals total more than \$10 million. Garrett has authored many of today's most popular numismatic books, including "Encyclopedia of U.S. Gold Coins 1795-1933: Circulating, Proof, Commemorative, and Pattern Issues" and "United States Coinage: A Study By Type." He is also the price editor for "The Official Redbook: A Guide Book of United States Coins." Garrett is currently vice president of the American Numismatic Association, serves as a consultant to Numismatic Guaranty Corp., the world's largest coin grading company, and plays an important role at the Smithsonian Institution's National Numismatic Department, serving as consultant to the museum on funding, exhibits, conservation and research.

'BUYING AND SELLING RARE COINS IS AN ART'

Rare coins are not a commodity like precious metal, explains top U.S. numismatic-elect Jeff Garrett

BY ED LANE

Ed Lane: You have had a numismatic career for more than 35 years and have been called "the expert's expert." You are the author of several books on American coins and were recently elected president of the American Numismatic Association (ANA). How did you initially get involved in buying, selling and collecting coins?

Jeff Garrett: When I was 10 or 12, a family friend gave me a Lincoln-head penny album to collect change. The goal was to fill all the slots in a Whitman album, which are still made. I started finding those coins in circulation and filling the album. What was a hobby as a boy became an obsession. I was hooked.

I grew up in the Tampa, Fla., area, and back in the '70s there were six or seven coin clubs. I was lucky that some mentors saw my interest, and they would pick me up and take me to the coin club meetings. Today I'm a big believer in mentorship for young people, because when I was young, mentorships really helped me get started.

EL: What are some of the key factors that continue to attract you to coins and precious metals?

JG: The thing I like about rare coins is that every day can be a new discovery. I usually can't wait to go to work in the morning, because the next phone call

could be a coin someone discovered or something I've never heard of before. I tell people every day is like "Antiques Roadshow" for me because people call me and ask for advice. I really try to help people when something new is discovered, to help them research and figure out what it is. That's why I get a lot of phone calls like that.

EL: How do you generally promote your business?

JG: I attribute most of my business to networking. I've been in the business for 30-plus years as a serious professional, and I advertise in trade journals, but most of my business is networking with people. I've got clients and other coin dealers whom I've been working with for 35 years.

EL: Sounds like reputation is very important.

JG: Yes. I take my reputation extremely seriously because a lot of times when I tell somebody what something's worth, there's a level of trust they have to have. People know I want to make a fair profit, and that's OK as long as they think I'm being honest with them. The coin business is a very close-knit community. Everyone knows everyone. If you do something considered unsavory, word gets around very fast. Reputation is

hard to gain but easy to lose, so you have to be really careful about that.

EL: How long have you operated Mid-American Rare Coin Galleries?

JG: I've been in Lexington since 1984.

EL: Would you be able to give me some idea of how big the business is?

JG: The coin business in general is a multibillion-dollar industry. Our business here and my coin shop in Sarasota, Fla., together sell over \$10 million worth of rare coins annually.

EL: When you buy a rare coin at one price and sell it at another, what's a range of profit margin? You were saying people know what is fair and equitable.

JG: Margins vary because a lot of coins are wholesale. When I buy a coin wholesale, there isn't a fixed buy-sell margin. Sometimes I lose money on coins; sometimes I make money on coins. At the end of the year, it's a pretty tight margin, but it varies. Some coins I lose 20 percent on; some I make 50 percent. Rare coins are not like stocks and bonds. They're like pieces of art. If I show you a piece of art, it's only worth what the next guy will pay for it. Rare coins are not a commodity by any means. Their value is an educated guess.

Six months later, previously valuable coins may be out of fashion. There are a lot of parallels between rare coins and the art market. The same coin can look different based on the toning and luster of the metal, and how people interpret that varies. So the buying and selling of rare coins is in itself an art, because there are a lot of subtleties to it.

EL: Recently there have been a number of political and economic events that have negatively influenced the global financial markets – Russia in Crimea, ISIS in the Middle East, Greece and its EU debt, decline in the Chinese stock markets, financial defaults by Puerto Rico, and the growing deficits of the U.S. government. How have precious metals and coins been affected by investors' concerns?

JG: I'm not an economist, so I'll just give my opinion based on observation. What I see going on right now is that the world is a mess, but the United States is viewed as the least messy so people are considering the dollar now to be a safe haven



This \$10 gold coin is worth \$10,000 in superb condition.

where in the past they had considered gold to be a safe haven. That's why gold values have not gone up a lot, in spite of all the uncertainties you mentioned.

All governments have made promises that can't be kept. That's why people who invest in gold as insurance do it, because they don't think the United States is that much better off than other countries. Currently, people see the dollar as the nicest house in a bad neighborhood.

The price of gold has gone up in terms of the euro, probably like 20 or 30 percent in recent months. Because the dollar now is much stronger than the euro, people are fleeing to the safety of the dollar. Like I said, I'm not an economist, but that's my observation.

EL: How are the values of precious metals and coins determined and to whom can an investor sell precious metal investments?

JG: Rare coins and precious metals have two completely different pricing mechanisms; rare coins can go up at the same time bullion is going down. Rare coins are based on supply and demand. The supply factor depends on how many collectors are collecting something. The demand factor can change if a really fantastic coin collection comes to market.

Right now, the Pogue collection is being sold by a company called Stack's Bowers Gallery in California. They just had the first installment sale of \$25 million, but when it's all said and done the total sale will be over \$200 million. Supply factors change depending on whose big collection gets offered into the market. That can sometimes stimulate demand because some of these coins have been off the market for two generations. There are a couple of (Pogue) coins that they may be selling that haven't been sold in 30 years.

Bullion prices, on the other hand, go up and down on the international markets, usually because of a headline event like a banking crisis.

EL: Do you sell bullion?

JG: I do not sell bullion in Lexington. I refer customers to my coin shop in Sarasota. Bullion sales are more attractive there because in Florida there's no sales tax on bullion, and in Kentucky there is.

EL: Would you recommend that an investor choose coins over bullion, because not only do they have the value of the weight of the coin but the numismatic value may go up?

JG: I tell people not to buy rare coins as an investment. You shouldn't invest in something unless you are an experienced investor. If you want to invest in rare coins, start as a collector on a smaller scale and work your way up. It's like me buying horses: I've done it a couple of times, and it usually doesn't work out because I don't know anything about the equine industry.

I've never had a collector who at the end of the day, when they decide to sell their coins, says it wasn't a good investment. But I don't recommend that a novice invest \$100,000 in rare coins because it's a nuanced field. You need to learn about it before you jump in with both feet.

Now, I don't consider bullion to be an investment either. I consider it to be more like insurance. Most people who buy bullion don't do it because they think it's a great investment; they mostly buy it because they want insurance in case our country or the world economy has a financial collapse.

EL: Is bullion a protection against hyperinflation?

JG: Yes, hyperinflation or any kind of banking crisis – look at Greece, some people can't get their money out of the bank. If they had bullion, they would

YOUR BANKER SHOULD KNOW MORE THAN HOW TO FINANCE YOUR NEW BUSINESS VENTURE.

They should know what keeps you up at night.



We know the best way to grow our business is to help you grow yours. And the more we know about your business challenges, the more we can help. **At the core of every banking relationship, is our personal relationship with our customers.**

So, whether you're starting a new venture or expanding your current business, contact Commonwealth Bank & Trust today at **502.259.2000**. And rest easy tonight.



Commonwealth
Bank & Trust Company

Like having a banker in the family



FDIC

www.CBandT.com



have real money. That's a really clear illustration of why bullion can be attractive. It's more like insurance against losing control of all of your money.

EL: And that's more straightforward, because gold has a daily quoted market price.

JG: Bullion, unlike coins, is a strict commodity and you can expect very close margins. Generally, on bullion, you're talking about 3 to 5 percent between buy and sell. The biggest thing about bullion is you need to deal with somebody you know and trust, because bullion transactions are often larger sums of money. So it's important to make sure you're dealing with a well-established firm that's been around for a long time. You can find people on the Internet easily who will sell you bullion, but you don't know who they are.

EL: If you were buying bullion, what's a good procedure?

JG: If you go into a coin shop like my store in Florida, you can go in, pay for it and walk out with it. If you want to do it by mail, you have to send a certified check, and then they can send it to you.

Most bullion houses – that's what I would recommend, if you've known (them) for a long time; because if you have to send money in advance and then they send the bullion to you, you're at risk. That's why it's important to deal with a well-established firm.

EL: Who pays the fees or commissions to buy and sell precious metals?

JG: Generally, bullion has a buy-sell spread. If you wanted to buy a one-ounce gold coin, for instance, you would probably have to pay about 5 percent over the bullion price. Then when you go to sell it, you'd probably get about 2 percent over the bullion price. So there's about a 3 percent buy-sell spread if you were to do that in quantity, as a general rule.

EL: What is the minimum investment in precious metals you recommend to a client? Percentage of all investments?

JG: That's one thing that's beautiful about bullion or even rare coins; it's a very democratic sort of investment. I've known people to go into coin shops and spend \$100 a month on a rare coin or a piece of bullion, and they save them for years – or I've known people to spend \$1 million at one time. You can do any increment, any level, that you like.

EL: What are the best storage options for precious metals?

JG: Put everything in safety deposit boxes. I wouldn't leave anything at home. There are companies that advertise that they'll

hold your bullion for you, but I highly recommend against that because that defeats the purpose: If there's a crisis, you might not be able to retrieve that bullion.

EL: Can precious metals be insured against loss from casualty or burglary?

JG: The American Numismatic Association, of which I'm about to become president, offers insurance benefits. Insurance for objects in a safety deposit box is pretty inexpensive because it's such a safe place to put it.



During World War II, pilots were given kits like these with gold coins so that they could use them if their planes were to go down behind enemy lines.

EL: In a worst-case economic downturn, how will a person with precious metal investments be able to use them to conduct business transactions?

JG: There's always been a market. Gold and silver have about a 2,500-year history of liquidity. In World War II, American pilots were given a little kit that had a gold ring and some gold coins in it, so if they got shot down behind enemy lines, they could use precious metal to get around in a foreign country. It illustrates that gold and silver have a 2,500-year history of liquidity.

EL: What are some bad experiences you have had in the precious metals business?

JG: One thing people have to be careful about these days is that the Chinese make a lot of counterfeit gold-plated bullion coins. If you go on the Internet and see bullion that seems like it's too good to be true, it probably is. That's why you've really got to make sure you buy from somebody reputable.

Several times I've had transactions where it ended up being scams. Any time there's a lot of money involved, there's the risk of someone making you a target.

EL: International organizations rate the quality of coins based on "wear and tear." How can a buyer be assured the quality is as represented?

JG: It's called third-party grading. There are two companies in particular – one in California and one in Florida – and for a

fee they will certify the authenticity and condition of your coin. Condition is very important in coins; it's just as important as it is in diamonds. Quality is a really big thing: The coin that's nice, and the coin that's *really* nice and the coin that's *unbelievably* nice all trade for different values.

Prior to the 1980s, you had to take the word of the person selling it to you or be highly knowledgeable about coins. Now there are companies doing third-party certification. The coins are sealed for protection, with the grade on the coin and exactly what it is and describing it, which has added a liquidity factor. There are businesses that are so good at what they do that people trust it to a level that you can actually call up and sell one of these coins on the telephone without anyone looking at them. Grading has been a gigantic advance in the coin business.

EL: Since I am not an expert in this area, what questions should I have asked you?

JG: There are a lot of advantages in coin collecting, but one that people don't often think about is that it teaches history. Almost everything that happens in coins has some sort of historical event tied to it. Like when they stopped making gold coins and recalled gold from citizens, it was during the Depression. It also teaches people about art – the coins are very beautiful – and money management.

When you buy coins, you kind of buy them one at a time, you can accumulate them, and it's a good way for kids to understand value. If you were to buy a video game, a year later that video game is probably worthless. If you buy a rare coin, and you accumulate them, over time you can accumulate some wealth.

EL: Do you have a closing comment?

JG: The highlight of my numismatic career was an interesting event that made news a couple of years ago. I bought a nickel for a client at auction for \$3.1 million. It's considered one of the top 10 coins in the United States. I call it my Mount Everest coin, like the peak of my career. ■



This rare nickel, which sold at auction for \$3.1 million, is considered one of the top coins in the U.S.



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

dedicated.

You pour your heart and soul into your business. It reflects your commitment to excellence. We will put everything we have into representing it. We unite more than 400 business-minded attorneys across North America that speak your language and share your dedication. You work hard. Let us work hard for you.

For more information about our firm and our commitment to client service, please contact **Tip Richmond** at 859.899.8712 or **David Owen** at 859.899.8707.

DICKINSON  WRIGHT PLLC



300 WEST VINE STREET, SUITE 1700 | LEXINGTON, KENTUCKY 40507 | 859.899.8700
ARIZONA KENTUCKY MICHIGAN NEVADA OHIO TENNESSEE WASHINGTON, D.C. TORONTO | [DICKINSONWRIGHT.COM](https://www.dickinsonwright.com)

THIS IS AN ADVERTISEMENT. SERVICES MAY BE PROVIDED BY OTHERS.

Triple Crown Win Improves Kentucky Horsemen's Good Odds



Bobby Shiflet/Frames On Main Gallery photo

American Pharoah's rare racing feat benefits a Thoroughbred sector already in a strong position

BY ESTHER ZUNKER MARR

STEADY Thoroughbred auction results and foal crop numbers, combined with the public interest generated by 2015 Kentucky-bred Triple Crown winner American Pharoah are among the key factors causing many industry leaders to maintain a positive outlook on Kentucky's horse business – at least for the short term.

The Bluegrass brand is as strong as ever thanks to the win tickets Kentucky-breds continue to cash at tracks around the world. However, there is a growing

concern that other states where tracks have expanded gaming are successfully luring commonwealth horsemen away with fatter racing purses and financial incentives to breeders.

“What we’re seeing right now is a period of consistency and stability,” said Keeneland President and CEO Bill Thomason. “The foal crop is what drives our industry, and supply and demand ... and that has really stabilized.”

In 2013, Kentucky-breds represented 32.5 percent of the total North American foal crop, up slightly from 31 per-

Kentucky-bred American Pharoah, left, took the 141st Kentucky Derby on May 2 over Firing Line by one length and Dortmund by three lengths, then won the 140th Preakness Stakes May 16 and the 147th Belmont Stakes June 6. Thoroughbred racing's first Triple Crown winner since 1978 is attracting new attention to the industry just as Kentucky breeders have regained stability in supply and demand for their annual foal crop. American Pharoah will retire to Coolmore's Ashford Stud in Woodford County.

cent in 2012, according to The Jockey Club, which maintains the Thoroughbred registry. Thomason noted that percentage – which towers over other states – reflects Kentucky's continued ability to produce quality racehorses.

“We have a strong, competitive position around the world with the horses that are



Bill Thomason, President and CEO, Keeneland Association

being bred in Kentucky,” Thomason said.

Some say Kentucky is still at a big and growing disadvantage because of its lack of expanded casino gaming, however. Surrounding states such as Ohio and Indiana bolster their racing purses and breeding programs with alternative gaming funds, which has spurred some Kentucky breeders and racehorse owners to move their animals out of state.

The limited establishment in September 2011 of “historical race wagering” has helped Kentucky remain competitive. It uses betting devices similar to slot machines that tap data of actual past races to determine an outcome, and make payouts on a parimutuel formula.

Since being launched at Ellis Park in Henderson and Kentucky Downs in Franklin, historical race wagering, called “Instant Racing,” has generated \$1 billion in handle, according to a May 6 report presented to the Kentucky Horse Racing Commission. As of May, an added \$9.7 million has fueled Kentucky race purses, while \$694,000 went to the Kentucky Thoroughbred Breeders’ Incentive Fund.

“We (established) Instant Racing for one reason: to help enhance our purse structure and breeding programs and to keep them competitive,” Thomason said. “We’re hoping over the next three to five years that we’ll be able to make a significant impact with those programs in Kentucky.”

Instant Racing is to expand in September when a \$30 million 1,000-terminal facility near downtown Lexington opens. It will be a partnership operation of Keeneland Racetrack and The Red Mile.

In terms of racing and auction sales in the Bluegrass state, average purses per runner from 1992 to 2014 have



increased 135 percent. Unfortunately, that is much less than the 179-percent increase in the average purchase price for yearlings, the 246-percent increase for weanlings and the 262-percent increase in the cost to buy a 2-year-old over the same period.

Average yearling sales prices continue to improve while average broodmare prices decreased in 2014, and average stud fees are increasing somewhat in 2015, according to Jockey Club figures. Overall, the results are favorable to breeders.

“We think the supply (of horses) is very consistent with what it’s been over the past two or three years,” Thomason said. “All around the world, the demand has been consistent, stable and very strong for good horses.”

At least 3-5 years of sustained growth

Indications are Kentucky’s horse industry likely will see at least a three- to five-year period of continued moderate, sustained growth, Thomason said, because of these supply and demand factors, the recovering overall global economy, and improvement in purses at racetracks around the country.

Last September, the Keeneland September yearling sale, the world’s largest Thoroughbred auction, had results nearly equal to 2013, continuing the healthy trend toward market stability and confidence. Cumulatively, the average price of \$99,312 was down 2.8 percent from \$102,220 last year. The median, the critical indicator of a healthy market, remained the same as last year at \$50,000.

“The success of this sale flows from the fact that we continue to operate in a

A crowd looks at horses for sale during the 2015 Fasig-Tipton July Sale. A total of 205 horses were sold for a total of over \$20 million. In 2014, 162 horses sold for a total of over \$15 million.

fair, realistic market,” Keeneland Vice President of Sales Walt Robertson said. “We had a significant improvement in results the last two years. Now we’re seeing consistency and stability in the market, which fuels optimism, heightens buyer confidence and spurs competition.”



Walt Robertson, Vice President of Sales, Keeneland Association

A month later, Keeneland’s November breeding stock sale also demonstrated healthy trade that generated solid gains, including a record-equaling median (\$35,000); the sale of 18 seven-figure horses, up from 14 last year; an influx of new buyers participating at the top levels of the market; strong demand for quality foals; and a weanling filly selling for a North American record \$3 million.

More recently, the Fasig-Tipton July selected yearling sale, which marks the first major yearling sale of the season and could serve as an indicator for the health of the 2015 market, posted across-the-board gains in Lexington July 9.

Seven yearlings brought \$300,000 or higher this year and 18 realized \$200,000 or more; five accomplished the former in 2014, while 10 reached the latter a year ago. Fasig-Tipton’s 2015 gross climbed 31.1 percent, the average gained 3.6 percent, and the median advanced by 10 percent.



A spectator looks over one of the horses during the 2015 Fasig-Tipton July Sale 2015. The average sale price for the horses sold was \$97,585.

Keeneland's January Horses of All Ages sale this year sold 948 Thoroughbreds for \$35.3 million.

"It was very solid and very competitive," Fasig-Tipton President Boyd Browning said. "Optimism but not exuberance out there in the market place. I think you see a very similar market, maybe slighter better but not dramatically different, than what we saw in 2014. But all in all, a good marketplace – and a fair marketplace, too."



Boyd Browning, President, Fasig-Tipton

Real estate, finance, fundamentals all solid
Officials in the local real estate and banking businesses echoed the positive sentiments of the health of Kentucky's horse industry due to the growth they've seen over the last year.

"The Thoroughbred industry as a whole has been doing better. It's healthier," said Zach Davis, president and principal broker of the Lexington real estate company Kirkpatrick & Co. "We have seen that reflection in the equine real estate market. 2013 and 2014 were both very good years, and just this past week (first week of July) I put two farms under contract that were multiple-offer situations; that hasn't happened since maybe 2004 or 2005."



Zach Davis, President and Principal Broker, Kirkpatrick & Co.

"I don't want to imply the market as a whole is that active, but if a farm goes on the market and it's priced right and the presentation is good, it will sell."

In the past year, Davis said, the majority of Kirkpatrick's top horse farm sales have been to either buyers from outside Kentucky or outside the nation.

"We deal with international buyers, and they have been a significant factor in the Central Kentucky farm market," he said, adding he has seen an increase in non-Thoroughbred racing "sport horse" people investing in Kentucky equine real estate since 2012.

While farm prices went awry in the years following the collapse of the international financial market in 2008, things have since stabilized, Davis said.

"In 2009 and 2010, there was such a glut of bank-owned (repossessed) properties that prices were all over the board, and it was very scattered," he explained. "Since then, we have had a good deal of



stability that has led to a healthy market. We have seen fair sales prices, and we've seen a few steadily increasing."

The Thoroughbred industry is a long and cyclical business in which it takes horse owners and breeders two and a half to three years to get their product from conception (mares getting in foal) to market (selling the offspring at auction or racing them on the track). While the industry was suffering a period of oversupply during the worst of the economic recession in 2008-09, it was able to steady itself in 2011 and 2012. Equine banker and PBI Bank Senior Vice President Bob Feenick believes the industry has now entered a good window of fundamentals.



Bob Feenick, Senior Vice President, PBI Bank

"We're not the heyday of the 1970s and late 1990s, but we're still fundamental and very sound right now," Feenick said. "The overall fundamentals of both racing and breeding look really good, and my customers are enjoying that right now. My loan demand reflects that."

Feenick described the lending market for his equine customers as "very, very good."

"I have customers who are returning to increase their credit, along with continued opportunities with new clientele," Feenick said. "If my clientele take three years to get their product to market, and we look at what production is year in and year out, we're likely in pretty good shape for the next three to four years with nothing else changing."

Shiny Triple Crown attracts attention

The interest in Kentucky's Thoroughbred industry was given an additional boost in June when for the first time since 1978, a horse finally swept the Triple Crown. American Pharoah, who accomplished the feat, is a Kentucky homebred owned by Zayat Stables. He was foaled at Tom VanMeter's Stockplace Farm near Lexington, and is expected to begin a stud career at Coolmore's Ashford Stud near Versailles, Ky., after competing in the Oct. 31 Breeders' Cup Classic.

American Pharoah was recently pegged at 3-5 odds by Television Games Network and parent company Betfair to stand for a fee between \$175,000 and \$200,000 during his first season at Ashford, which would place him as one of the most expensive first-season sires in history. His sire, Pioneerof the Nile, stands at nearby WinStar Farm.

"The significance of the Triple Crown really seems to have captured the general public's imagination, and we have already seen a lot of interest in his retirement to Ashford," said farm manager Dermot Ryan. "He's obviously a very unique horse, and you would expect the buzz he has created on the track will crossover into his breeding career. He will bring his celebrity status to Kentucky when he retires here, and that has got to be a positive for the whole industry."

Several operations and entities believe American Pharoah's feat could have a significant impact on the continued health of Kentucky's Thoroughbred industry, among them Horse Country Inc., a new non-profit central organizer and booking outlet for tours

of Kentucky Thoroughbred farms, its major equine medical clinics and local equine attractions.

"I think we're already seeing how special American Pharoah is as a personality and athlete, and his accomplishment represents a huge opportunity for the sport and the industry," said Horse Country Executive Director Anne Sabatino Hardy. "Any time you get the 'big win' in a sport, you get the eyes of the world, not only those of your fans.



Anne Sabatino Hardy, Executive Director, Horse Country Inc.

"The fact that he is a Kentucky horse and will return home to Kentucky when he's finished racing is a tremendous opportunity for us," Hardy said. "Of course people will want to see him, and Ashford (Coolmore America) is participating in Horse Country, so once he's had a chance to settle into his new home, people will be able to visit."

Increased public access to farms

Horse Country Inc. – which is dedicated to connecting visitors with the story of the horses, land and people, and to developing fans of farms and clinics – will host its first official tours during Breeders' Cup Festival week in Lexington Oct. 25-28.

"While we always have things to work on and toward (in the horse industry), I feel bright days are ahead," said Horse Country President Price Bell Jr. of Mill Ridge Farm and Nicoma Bloodstock. "In my opinion, there has been a return to promoting the horse and connecting people to our star athletes. From Kentucky-bred American Pharoah's feature on the 'Today' show, to the success and recognition of the Thoroughbred After-

care Alliance, our industry is working together to promote, connect and protect our amazing athletes.

"Our hope is Horse Country can support this movement by celebrating the stories of our horses, the passions of the people who work with them, and share in the dreams that play out in each race," Bell said.

Horse Country Inc.'s members include several Central Kentucky Thoroughbred farms and veterinary clinics. It also is getting support from industry organizations such as Breeders' Cup, Fasig-Tipton, The Jockey Club, Keeneland, and Kentucky Thoroughbred Association-Kentucky Thoroughbred Owners and Breeders.

While Kentucky's horse industry didn't leave the economic recession unscathed, after several years of recovery, it's returning to a place of normalcy, health and growth. In a sense, its steady foal numbers and positive auction results show the industry is holding its own after a long period of instability and uncertainty.

The influx of new players buying real estate, along the hope of drawing additional fans to Kentucky via American Pharoah's Triple Crown feat and the establishment of Horse Country Inc. has generated excitement of a whole new level. The industry has been historically cyclical, but the foreseeable future is creating optimism. ■



Price Bell Jr., President, Horse Country of Mill Ridge Farm and Nicoma Bloodstock

Esther Zunker Marr is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

31st Breeders' Cup Becomes a Festival

VIBRANT street parties. Behind-the-scenes horse farm tours. Brilliant firework displays. A costume-themed road race. A food truck competition. And that's just the beginning of all that's happening during the KentuckyOneHealth Breeders' Cup Festival Week, when for the first time in its storied, 31-year history, the Breeders' Cup will be hosted by Keeneland in Lexington.

The wide range of programs offered throughout the week include free outdoor concerts in both Courthouse Plaza and Cheapside Park downtown, art exhibits and plays in various venues around the city, the "Feeders' Cup" food truck competition, and the "Kentucky for Kentucky" 5K Fun Run & Walk.

The diverse week of programming Oct. 24-31 will culminate in the 12-race Breeders' Cup, the international competition of the world's most elite Thoroughbred racehorses that has captivated fans since 1984. Lexington officials have worked tirelessly the past few months to take the pre-game activities up a notch.

"This is where Breeders' Cup was born, where the majority of the runners were bred, and most of the owners either live here or have homes here. So even though it's never been hosted here, it's kind of like it's coming home," Breeders' Cup Festival Executive Director Laura Prewitt said.



WUKY

2015



PHOENIX FRIDAYS

WUKY.ORG

PRODUCED BY DOWNTOWN LEXINGTON CORP

LIVE MUSIC PHOENIX PARK

MAY 15 / 5:00
THE BLACK CADILLACS
LARKIN POE
THE OTHER BROTHERS

JUNE 19 / 5:00
BEN SOLLEE
HUMMING HOUSE
TWIN LIMB

JULY 17 / 5:00
KOPECKY
A.J. GHENT
THE WAGS

AUG. 21 / 5:00
TBA
THE VESPERS
CORALEE AND THE TOWNIES

Precision Agriculture Cuts Costs



Kentucky grain operations are prime beneficiaries of the nation's ongoing farm technology revolution

BY MARK GREEN

AGRICULTURE technology is 10 to 15 years into a growth spurt that is revolutionizing the efficiency of grain crop operations and especially benefitting Kentucky farmers who raise corn, soybeans and wheat on rolling, irregular landscapes where conditions can vary not only from field to field but from row to row.

Most tractors, combines and implements rolling across farmland circa 2015 are computer-controlled, Internet connected and have automated GPS-guided steering accurate down to the centimeter. On the fly, equipment accesses the farm database and self-adjusts to soil conditions while planting, harvesting or applying fertilizer and various other inputs – then updates the cloud-based network.

Watering systems can be monitored and operated remotely from a desktop

computer, laptop, mobile device or smartphone. On-farm crop storage systems improve harvest logistics, then manage grain moisture content for quality and volume until contracted delivery times arrive or the grower decides the market has ripened.

Agribusiness operations all over the nation are gaining efficiency as technology improves every year. However, the geometric grain-growing grids typical in the Plains of Kansas, Iowa, Illinois and Nebraska are less challenging to manage and derive less benefit than the undulating, creek-carved fields farmed in the commonwealth.

That shapely Kentucky land might be more beautiful, but those curves create overlap and waste – 10 percent, 15 percent or more – every time machinery makes a pass in the field. Swath-control systems, however, weed out waste by very precisely avoiding

Five 12-row combine harvesters working in tandem at Seven Springs Farm in Trigg County reap some that operation's 11,000 to 12,000 acres of soybeans. Intensive use of Precision Agriculture technology allows Seven Springs to efficiently raise more than 32,000 acres of grain crops a year currently. "We're always on the cutting edge," said founder/managing partner Joe Nichols.

overlaps of expensive seed, fertilizer, pest control or other inputs.

Swath control's impact in the commonwealth "is astronomical compared to what it is in the Plains," said Joe Nichols, founder and managing partner of Seven Springs Farm, one of the state's largest operations, near Cadiz in Trigg County. "It's returning money more quickly in Kentucky than anywhere else in the United States."



Joe Nichols, Founder/Managing Partner, Seven Springs Farm

Big payback increasing land values

Tim Stombaugh, a biosystems and agriculture engineer with the University of Kentucky, said Extension county agents estimate 75 to 80 percent of commonwealth farms have adopted swath-control strategies – even though the large-scale

farm equipment necessary to do so can easily run into multiple six figures.

"Some of it is a real no-brainer," Stombaugh said. The financial impact of swath control on operations can create a positive return on investment in the first year.

Precision Agriculture, as current technology-intensive farming is called, increases production. Although the weather remains beyond man's control and impacts harvests from year to year, USDA figures show corn yields growing significantly in the past quarter century. Annual average yields that ranged from around 100 to 130 bushels an acre in the 1990s increased to a range of 129 to 164 bushels in the 2000s, and since 2010 have ranged from 123 to 171 bushels per acre.

The trend line for average U.S. soybean yields also has risen steadily – from around 35 bushels an acre in the mid-1990s to nearly 45 bushels this year, according to USDA statistics. USDA stats also show winter wheat yields trending higher as well – for the long term – from roughly 40 bushels an acre in the mid-1990s to around 45 bushels, even though the all-time high U.S. average yield of more than 47 bushels an acre occurred in the 2000-01 season.

Precision farming's bigger benefit today, accord to members of Kentucky's increasingly high-tech agribusiness sector, is that ever-improving technology nearly eliminates waste of seed, fertilizer, insecticide, herbicide, crop spillage and spoilage, fuel and time.

"We don't run a farm. We run a business ... and the product is food," said Nichols. "We use technology for everything."

He is a very big fan of swath-control systems, which have brought dramatic savings in the cost of inputs – the seed, fertilizer or other soil augmentation, insecticide and herbicide – that are significant for 30,000-plus acres. Wheat fields get five "passes" by some form of equipment in a growing season.

"It took us from 15 percent overlap to 2 percent to 3 percent," Nichols said, thus a 12-13 percent savings on input costs.

"Swath control has changed land values in Trigg, Christian and Caldwell counties," he said, referencing a section considered to have some of Kentucky's best grain crop soils. "Now you can farm it just like you would a section in central Illinois."



Tim Stombaugh, Biosystems & Agriculture Engineer, University of Kentucky

New equipment every year – every piece

Seven Springs, Trigg County's second largest private employer with 86 positions, farms regionally on around 35,000 acres. Like other large agribusiness operations today, it owns some but leases most of that property. It has a 10,000-head herd of cattle, burley and dark-fired tobacco, an excavations business, an events facility and its own restaurant, Nichols said, but primarily Seven Springs grows grain crops.

It produces white and yellow corn, double-cropped and full-season soybeans, wheat and grain sorghum. This year there is more than 32,000 acres of corn, soybean and wheat. Individual grains' plantings can increase or decrease by several thousand acres from year to year. For example, there is corn on 8,100 acres this year compared to about 10,000 acres in 2014.

"It varies," Nichols said. "We just always do what the market tells us to do."

Seven Springs is "on track to produce 4.3 to 4.4 million bushels of grain" this year, he said. "We're having a good crop."

Lots of technology-enhanced equipment makes it possible to operate effectively on such a large scale.

Nichols estimates the value of Seven Springs Farm's machinery, implements and equipment at \$28 million. It includes 20 tractors, 10 planters, eight combines, four sprayers, six self-propelled loaders, three bulldozers, two

trackhoes and two bucket lifts – each less than a year old.

"We trade about \$10 million annually," Nichols said.

Some of that total is a result of increasing the number of machines to keep up with growth in crop acreage, but most of it is "trade" literally: Like many large agribusiness operations, to keep up with the latest technology and keep operations at top efficiency and profitability, Seven Springs trades in all of its tractors, machinery and implements every year.

"We're more prone to buy what has the best resale value," Nichols said.

Beyond the mechanical hardware, Seven Springs has \$1 million worth of GPS software. In 2008 it built new offices designed around its computer servers and ran its own T1 Internet line 8 miles from town to ensure adequate and ongoing connectivity.

Additionally, the precision agriculture technology Seven Springs uses includes 25 center-pivot watering systems that farm managers monitor from their smartphones, Nichols said. It has 2.35 million bushels of on-farm grain storage, 1.8 million bushels of which has monitoring systems

The grain bin systems that track the condition – hence the value – of harvested crops can all be monitored by desktop computer, laptop, tablet or smartphone.



Seven Springs Farm has \$28 million in equipment to work more than 32,000 acres of grain crops as well as raising tobacco and 10,000 head of cattle plus operating an excavation business.

Better harvest logistics, less loss risk

"I'm seeing more automation in monitoring the grain storage environment," said Sam McNeill, a UK College of Agriculture associate Extension professor and ag engineer based at the Research and Education Center in Princeton, Ky.



*Sam McNeill,
Associate
Extension
Professor,
College of
Agriculture
Food &
Environment,
University of
Kentucky*

McNeill's focus is on "the value chain from the field" for crops: what happens when growing concludes or "post harvest engineering." That includes getting grain from the field, grain drying and storage methods, how it's handled, transportation to grain elevators, discussion with elevator managers and operators through their storage period and more.

At harvest time nowadays, McNeill said, farmers focus on getting crops in out of the field as fast as they can when conditions are deemed best. On-farm storage systems can speed the work significantly and preserve market value if the alternative is driving truckloads to an elevator where harvest season can mean long lines for unloading.

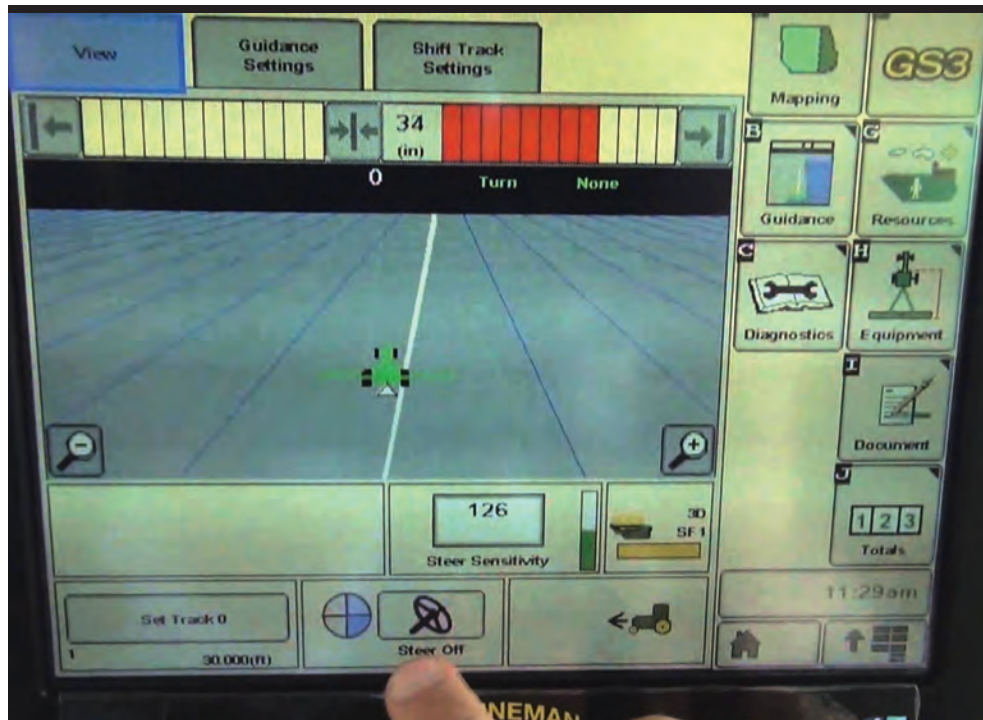
Other variables that come into play, he said, can include the contract an agribusiness is holding for its crop – a major farm-management category unto itself. On-farm storage systems give operators the option of holding grain for three months, six months, or other lengths of time to fulfill contracts at the correct time or waiting to sell at the point they decide the market price is the best they can get.

The drying systems used with on farm storage also give farmers more control and lessen risk, McNeill said. Controlled heated airflow lowers moisture enough to alleviate potential spoilage but not so much that it excessively shrinks the volume of bushels sold.

The alternative to the drying system is leaving a crop in the field until its moisture level is appropriate, during which time a grower "risks a storm laying it on the ground," he said.

Storage monitoring systems have sensors on wires that place them at strategic locations throughout a bin. It gives a farm manager continuous information on a stored crop's condition without having to physically visit a bin, climb a ladder, gather samples and analyze them.

Storage systems let operators focus on timely harvest, which becomes increasingly important the larger a farming operation is.



"The vast majority of the acres"

Kentucky still has many small farms. The 2014 State Agriculture Overview from the USDA National Agriculture Statistics Service reports the commonwealth's 76,400 farm operations totaled 13 million acres, which is an average of 170 acres apiece. It does not break out the averages for grain farming operations.

Large farms such as Seven Springs are a small minority in terms of numbers, Stombaugh said, but they work "the vast majority of the acres."

Most Kentucky farms are family operations and small – their operators also have outside jobs to make enough money to support themselves and their families. For grain farming operations to generate enough money to be a family's primary source of income and cover living expenses including health insurance, Stombaugh said, it must be a minimum of 750 acres.

According to Nichols, 750 acres is not nearly enough.

They agree, though, that agribusiness economics clearly is pushing operations to be ever larger. And the large operations have strong motivation to pursue the incremental gains Precision Agriculture technology offers.

A large grain combine harvesting a field can process \$30,000 to \$40,000 worth of gain an hour, Stombaugh said. A 2 percent gain in efficiency means a \$600 to \$800 an hour return.

Combines, tractors, sprayers and other equipment today have grown "very highly integrated, very highly computer controlled," he said.

The John Deere GreenStar 3 2630 touchscreen unit can interface with global positioning satellites to allow farmers to track what's being planted and what fertilizer is going in the ground and where.

An implement's main controller area network bus monitors and responds to engine speed and the transmission gear to adjust output rate for seed or the spray pressure levels for each nozzle in booms that can spread more than 100 feet. It monitors fuel input and mixture for the engine to control and lessen emissions. It's all networked together and linked to the farm's master computer.

Farmers took "most of the low-hanging fruit" that improved equipment technology offered in the period five to 10 years ago, according to Stombaugh.

"We're off the steep part of the curve for what technology is going to gain us," he said.

The focus in pursuing further gains from agribusiness technology is shifting now toward the databases that farm operations in Kentucky and elsewhere have been building since then.

"We definitely are a Big Data player," Stombaugh said. "We've now got 10 to 15 years of data to work with and can develop long-term strategies."

The question individual operators and hundreds of members of the agribusiness technology sector are examining now is: "How can I use that (data) to make management decisions?" ■

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

NOW AT WHAYNE SUPPLY COMPANY

INTRODUCING
**Massey
Ferguson®**

4600 SERIES
MID-RANGE TRACTORS



**THIS IS THE TRACTOR
YOU'VE BEEN WAITING FOR!**

The Massey Ferguson 4600 Series mid-range tractors (80 – 99 HP) deliver powerful, versatile and reliable performance across the board.



MASSEY FERGUSON®

These are feature-packed tractors that are ideal for corn, beans, wheat, hay and livestock operations.

Choose the affordability of a 2WD front axle, or the added control and capabilities of 4WD. Ask about Massey Ferguson hay attachments too! And, every Massey tractor is backed by Wayne Supply's legendary parts and service support.



Massey Ferguson is available from the following Wayne locations:

BOWLING GREEN
390 High Rail Way
(270) 843-3275

ELIZABETHTOWN
312 Peterson Dr.
(270) 769-1300

PADUCAH
1600 North 8th Street
(270) 443-3631

WHAYNE
Agri-Business Division

CAT®

THE DEALER DOES MAKE THE DIFFERENCE!

Worthy of Note

Our recurring feature on women who are making a difference in the commercial and public life of Kentucky



Elizabeth O'Neil

Elizabeth O'Neil

Title/Company: Master Taster and Associate Sensory Scientist, Brown-Forman

How long at company/position: Three years

Previous jobs/positions: Sensory Technician with Brown-Forman for three years

Education: M.Ed. in counseling psychology

Person(s) who most influenced or mentored you: My parents have always encouraged me and my brothers to reach for our dreams and have always nourished our passions.

What inspires/drives you: If you are going to do something, do it right.

When and how do your mornings start: At 5:30 a.m. with a workout, then a cup of coffee with lots of creamer.

What does goal-setting look like for you: I keep many to-do lists – long-term and big picture – then break those down into smaller tasks. Then I have another list for “needs to be done ASAP.” Breaking tasks down into baby steps makes every large goal manageable.

What you “wanted to be when you grew up,” as a child: An actress or a teacher.

Hobby/interests/volunteer work: Horseback riding, Bikram yoga, secretary of the board for Green Hill Therapy, Younger Women’s Club member.

What are you reading or watching right now: “Wild” by Cheryl Strayed, “Friends” and “Seinfeld.”

What scares you the most and how you overcome it: Instability. I like to know where my things are and that I can manage on my own. I constantly check finances and keep up on all the moving parts in my life.

Your advice to younger women in business: Never underestimate yourself; you are capable of more than you could possibly dream.

What you are the most proud of in life: My independence.



Mary Ellen Weiderwohl

Mary Ellen Weiderwohl

Title/Company: Chief, Louisville Forward, Louisville Metro Government

How long at company/position: In the position one year and one month; I joined Louisville Metro Government in July 2012.

Previous jobs/positions: Deputy chief of staff and chief of strategic initiatives, Louisville Metro Government, July 2012-June 2014; assistant director, MML&K Government Solutions, McBrayer, McGinnis, Leslie & Kirkland PLLC in Frankfort, February 2003-July 2012; director of legislative and public relations, Education Professional Standards Board, April 1999-January 2003, Frankfort; legislative assistant, Kentucky Senate Majority Leader David Karem, Legislative Research Commission, Frankfort 1998-1999

Education: Bachelor of Arts in music, political science minor, University of Louisville

Person(s) who most influenced or mentored you: I have been fortunate to have great bosses throughout the years – David Karem, Dr. Susan Leib, Terry McBrayer and Greg Fischer. I also have had amazing women mentored me along the way.

What inspires/drives you: I was fortunate to be born with a pretty heavy innate drive. But making a difference and changing people’s lives keeps me moving even when the internal gas tank is near empty.

When and how do your mornings start: Early. Most days it’s around 5 a.m. for a run or a workout.

What does goal-setting look like for you: Impactful, measurable, time bound. Aspirational yet achievable with a stretch.

What you “wanted to be when you grew up” as a child: Everything, literally. Botanist, astrophysicist, architect, band director, governor, president, etc.

Hobby/interests/volunteer work: As a Junior Leaguer, I’ve volunteered all over the place. But some of the most rewarding volunteer work I’ve done has been pro bono advocacy for causes in Frankfort, like Visually Impaired Preschool Services (VIPS).

What are you reading or watching right now: Real news and thought-provoking periodicals on how urban design and built environment impact our economic success and mobility.

What scares you the most and how you overcome it: I actually get a little shy in public and a little stage fright sometimes! A deep breath and a smile at a friendly face in the audience always works. Find your own comfort zone.

Your advice to younger women in business: Work for good people doing good things. If your boss isn’t promoting you, get another job.

What you are the most proud of in life: Making a difference every day in some small way, even if I'm the only one who knew or noticed. The quiet victories can be the most satisfying.



Dianne Leveridge

Dianne Leveridge

Title/Company: KCTCS Director of Technical Programs, Kentucky Community & Technical College System

How long at company/position: One year. This is a new position within the community college system.

Previous jobs/positions: Director of Project Lead the Way, University of Kentucky for five years. Engineer, IBM/Lexmark International Inc. for 22 years.

Education: Ph.D in civil engineering project management and master's in engineering project management, University of Maryland; Bachelor of Science, electrical engineering, University of Kentucky.

Person(s) who most influenced or mentored you: I have been fortunate to have multiple mentors at each stage. Dr. Lillie Crowley, Lexington Community College math faculty, showed me I have a brain and can use it. Betty Preece, may she rest in peace, the first woman to earn a UK electrical engineering degree, showed me how "fun work" means working at something bigger than us. Dr. Greg Baecher, University of Maryland, taught me to conduct a balanced discussion and do the research to inform that discussion.

What inspires/drives you: Teaching people who don't know they can think

how to think, and think critically, so they can have informed, balanced discussions.

When and how do your mornings start: Quietly. Coffee and my Bible app.

What does goal-setting look like for you: My career has been about solving problems, developing sustainable processes to provide consistent, repeatable, quality outputs. In education, I enjoy the privilege of applying those problem-solving and process-development skills to programmatic outcomes.

What you "wanted to be when you grew up," as a child: Olympic show jumping rider.

Hobby/interests/volunteer work:

Reading; gardening; crocheting; writing; riding; anything old. Member of the Society of Women Engineers for 25 years and the Project Management Institute for 10 years.

What are you reading or watching right now: My new favorite website is the Gutenberg Project with thousands of free books. Reading "The Yellow Wallpaper" by Charlotte Perkins Gillman. I just finished "Night Comes to the Cumberlands" by Harry Caudill. Next is "The Federalist Papers" by Hamilton, Madison and Jay. I also like Ambrose Bierce. I don't own a TV, and my screen watching is online news outlets.

What scares you the most and how you overcome it: I am most afraid of personal inertia. Many women suffer from this lack of confidence and/or the fear of failure. For me it's been a fear of the work and of the failure that is necessary to overcome to enable learning more and more about how to improve what you do. Research continues to show confidence is boosted more by learning from failures than by achieving success. Success happens once; learning is a continuum.

Math terrified me so I worked 17 workbook chapters in one day to learn how to do my college algebra homework, due the next day. The result was a hard-earned A in the course, and becoming an engineer.

Your advice to younger women in business: A huge component of success is recognizing we all bring elements of a problem's solutions. Today's complex, interconnected problems provide opportunity for jointly developed solutions. Also, grow and expand your strengths. Research shows improving upon strengths results in higher-magnitude gains than

gains associated with improving weaknesses. Focus on what you do well, and build a career upon that.

What you are the most proud of in life: Overcoming personal inertia. Ten years ago a Ph.D. in engineering was outside the realm of my possibility, just like college algebra had been. Persistence to learn and obtain education paid dividends. Money comes and goes, but you can't unlearn – you can only build upon it.



Jenean Hampton

Jenean Hampton

Title/Company: Candidate, Kentucky Lieutenant Governor (running mate with Matt Bevin, Republican)

How long at company/position: Six months

Previous jobs/positions: Worked in the corrugated packaging industry 19 years as a sales representative, quality facilitator, plant manager and machine supervisor. Served in the U.S Air Force seven years as a computer systems officer, including deployment to Desert Storm. Worked at General Motors five years as a computer operator and one summer as an engineering intern.

Education: Bachelor of Science, industrial engineering, Wayne State University. MBA with concentrations in marketing, entrepreneurship and electronic commerce, William E. Simon School of Business at the University of Rochester (N.Y.)

Person(s) who most influenced or mentored you: My 87-year-old mother taught by example that the right path isn't always easy, and the easy path isn't always right. She instilled a love of

TOP WOMEN IN BUSINESS

reading and cooking, and is the epitome of Southern hospitality.

What inspires/drives you: I find great joy in learning something new and solving problems. I'm a firm believer in continual, life-long personal improvement.

When and how do your mornings start:

I rise between 5 a.m. and 6:30 a.m. depending on first campaign event. I start every morning with prayer. Breakfast is usually a protein shake.

What does goal-setting look like for you: I make handwritten lists to track short-term goals. For long-term goals, I use a spreadsheet or word processor to subdivide big tasks into smaller ones. Love to brainstorm using the big dry-erase board in my office.

What you "wanted to be when you grew up," as a child: In the 1960s, inspired by America's space program, I dreamed of becoming an astronaut. Although the space shuttle program is defunct, I still harbor hopes of traveling in space someday.

Hobby/interests/volunteer work: I volunteer at a low-income housing complex, ministering with conversation,

food, biblical reading and inspiration. Also, as an amateur ham radio operator holding an Extra Class license, I'm acutely interested in the communication role that hams perform during emergencies and disasters.

What are you reading or watching right now: Currently reading Malcom Gladwell's "What The Dog Saw" and Sarah Young's daily devotional "Jesus Calling."

What scares you the most and how you overcome it: I'm alarmed by the accelerated erosion of liberties in America caused by the failure of elected officials to uphold the constitution and the failure of American citizens to demand accountability. I'm running for office to help reverse that trend.

Your advice to younger women in business: Approach your job as though you own the company. Watch for opportunities to improve processes, even ones outside of your immediate responsibilities.

What you are the most proud of in life: I'm proud and honored to be part of the Matt Bevin gubernatorial team that will help revive Kentucky's independent spirit.



Sannie Overly

Sannie Overly

Title/Company: House Majority Caucus Chair, State Representative 72nd District; partner at Overly & Johnson law firm; candidate, Kentucky Lieutenant Governor (running mate with Jack Conway, Democrat)

Stay on top

The Lane Report, Kentucky's monthly business news magazine, serves people across the commonwealth who are passionate about leading our economic resurgence. People with a single-minded focus on winning strategy and flawless execution. *The Lane Report* can help you "stay on top" in a dynamic new economy.

Visit lanereport.com/subscribe to sign up.

The Lane Report®

Where the news is made by the readers. lanereport.com



How long at company/position:

Kentucky General Assembly for eight years. I've owned my own business for 14 years.

Previous jobs/positions: Attorney with Jackson Kelly for six years; civil engineer for the Kentucky Transportation Cabinet for five years.

Education: Bachelor of Science, civil engineering, University of Kentucky; juris doctorate (cum laude), University of Louisville Brandeis School of Law

Person(s) who most influenced or mentored you: First and foremost, my parents Betty and Larry Overly. Professionally, Don Kelly, the former secretary of the Kentucky Transportation Cabinet, also served as a mentor.

What inspires/drives you: My two daughters, who are 18 and 13, both inspire and drive me every day.

When and how do your mornings start: I usually start my day around 6 a.m. getting my girls ready for the day and preparing them to go to school.

What does goal-setting look like for you: Setting goals and outlining a sturdy plan for achieving those goals is vital, but I have found the ability to identify and take advantage of opportunities to be the most important key. Setting goals is crucial, but it is no substitute for a keen eye for the open door and the courage to walk through it.

What you "wanted to be when you grew up," as a child: I wanted to be a private detective. I loved to look for clues and try to solve mysteries.

Hobby/interests/volunteer work: I enjoy reading and traveling with my family. Kentucky history and working on my family farm are primary interests. I have previously served on the board of the Paris-Bourbon County Hospital, Historic Paris-Bourbon County Inc., and the Hopewell Museum.

What are you reading or watching right now: I recently finished re-reading "To Kill A Mockingbird" and am starting "Go Set a Watchman." I watch lots of KET shows, from "Downton Abbey" to "Antiques Roadshow" and all of its political and current events programs.

What scares you the most and how you overcome it: With only a few changes in our commonwealth, instead of moving forward like we have been for the last few years, Kentucky could move backwards. I want to make Kentucky a place where everybody has the opportunity to succeed academically,

economically and personally. I stay involved locally and statewide politically to help make it a place where our children are confident they can live safely and happily, where they want to stay and raise a family, and prosper if they are willing to work hard and play by the rules.

Your advice to younger women in business: Be confident, be fearless.



Lisa Cooper

Lisa S. Cooper

Title/Company: Executive Director, Northern Kentucky Area Development District

How long at company/position: I have been with NKADD for 19 years, and am beginning my fourth year as executive director.

Previous jobs/positions: Associate director for public administration/community development at NKADD; business manager at The Counseling Source Inc.

Education: Master of Public Administration, Northern Kentucky University; Bachelor of Business Administration, University of Kentucky.

Person(s) who most influenced or mentored you: Many local government officials, community leaders, board members, family members and colleagues have taught me valuable lessons in my career and in life. Their work ethic and dedication to public service and community have been such a positive influence on me and my professional development.

What inspires/drives you: The three most important women in my life.

My talented, eager and intelligent daughters Sydney and Emma motivate me to work hard, make a difference, have fun and live in the moment. My mother has always been a supportive rock and encourages me to smile and make the best of whatever life has in store.

When and how do your mornings start: No one day is like the other, but beginning the morning with my incredible and supportive family gets me off to a good start.

What does goal-setting look like for you: I like to step back and look at the long game – determine the ultimate goal and what steps, challenges and opportunities need to be taken or overcome to succeed.

What you "wanted to be when you grew up," as a child: I wanted to be an attorney or an actress. On any given day I may get the chance to dabble in one or both.

Hobby/interests/volunteer work: I enjoy hiking, reading, travel and attending my daughters' plays, concerts and sporting events. In addition to various professional boards, I serve on fundraising and planning committees in our local school system and church.

What are you reading or watching right now: "Go Set a Watchman" by Harper Lee

What scares you the most and how you overcome it: I am an admitted control freak, so not having a plan of action makes me uneasy. I try to overcome this by surrounding myself with trustworthy, capable people who provide balance in my sometimes crazy and hectic life.

Your advice to younger women in business: Don't be afraid. Don't be afraid to be yourself, take chances, fall, be loud, forge a new path, or be the only woman in the room. Life is an adventure – have an adventurous spirit.

What you are the most proud of in life: I am proud of my family, our sense of community and the life we have built. I am proud of the meaningful work I get to do with NKADD. Our organization, board, staff and the whole Area Development District network around the state work together, behind the scenes in most instances, to improve the lives of commonwealth residents. Public service is challenging and rewarding at the same time. ■



This group of participants at the initial Shaping Our Appalachian Region summit in December 2013 pledged their personal and organizational support for the SOAR effort to take collective regional action to improve the Eastern Kentucky economy. The number of persons actively involved has now grown to more than 1,700.

SOAR Takes Off: Economic Connectivity

High-speed broadband project is first big step
toward forging a regional perspective about business

BY DEBRA GIBSON ISAACS

Part 2 of an ongoing Lane Report series – Last month: Regional leaders join forces to stimulate entrepreneurship and turn natural attributes into competitive advantages. This month: SOAR takes off. Next month: The coal industry’s perspective.

ON Aug. 31 – about 20 months after first gathering to explore strategies to lift the economic prospects of mountain counties whose mainstay mining jobs are crumbling – members of Shaping Our Appalachian Region (SOAR) will break ground on a \$350 million opportunity-opening infrastructure project dubbed Kentucky Wired.

Also called the Super 1-Way, the project will bring high-speed, high-capacity state-of-the-art broadband Internet access to every commonwealth county, but first to the mountains of Eastern

Kentucky, where even basic access has been spotty due to its beautiful but challenging geography.

More than 3,000 miles of high-speed fiber-optic Internet cable ultimately will connect all of Kentucky’s 120 counties at an estimated cost of between \$250 and \$350 million. The first priority, though, is Eastern Kentucky, where work is expected to be complete by April 2016.

A long-discussed, decades-old need is finally being met, the biggest accomplishment yet for SOAR, and a way to say to the abundant naysayers that progress can indeed be made in Eastern Kentucky.

“The broadband initiative is one of the most significant aspects of SOAR,” said Gov. Steve Beshear, who co-chairs efforts to enliven



*Steve Beshear,
Governor
of Kentucky*

the Appalachian economy. “Kentucky’s network will be one of the fastest, highest capacity networks in the nation.”

That capability will “help shape the future of our region,” Co-chair and Fifth District U.S. Rep. Hal Rogers said. “SOAR is moving into an exciting phase as we take another step forward with broadband implementation and work to attract more jobs and opportunities to the region.”

“Broadband is a stepping stone, a tool, but it will help us build local capacity,” said Jared Arnett, SOAR’s executive director. Broadband access has been Arnett’s top priority since becoming the founding executive director in November 2013.

In late July, there was another a big announcement from the co-chairs:

a new dentist recruitment program in the form of loan forgiveness for dental students from Eastern Kentucky or those who choose to practice in the region. Two to five students will receive \$100,000 each for two years through the program, with preference given to Eastern Kentucky natives. The program is supported by \$500,000 in state funds and will be administered by the dental schools at the University of Kentucky and the University of Louisville.

Self-help key to SOAR approach

These actions fulfill pieces of a plan some 1,500 to 1,700 Kentuckians are collectively crafting. They are members of 10 working roundtable groups that collectively form the SOAR advisory council. By design, the groups foster discussion by and garner recommendations from those who live in the area. And most importantly, regional residents are urged to get involved.

They have. Working groups presented a final report to the SOAR executive board on Sept. 23, 2014 (see soar-ky.org), and are turning their focus to implementation.

The roundtables are organized by regional needs:

- Agriculture, community and regional foods, natural resources
- Broadband
- Business incubation
- Business recruitment
- Education and re-training
- Health
- Infrastructure
- Leadership development and youth engagement



*Hal Rogers,
U.S.
Representative,
Kentucky
District 5*



*Jared Arnett,
Executive
Director,
Shaping Our
Appalachian
Region*

SOAR Executive Board

- **Bruce Ayers**, Cumberland, president emeritus, Southeast Community and Technical College
- **Jim Booth**, Inez, CEO of Booth Energy
- **Jean Hale**, Pikeville, chairman, president and CEO of Community Trust Bank
- **Rodney Hitch**, Winchester, economic development manager, East Kentucky Cooperative
- **Jim Host**, Lexington
- **Tom Hunter**, Washington, D.C., retired executive director, Appalachian Regional Commission
- **Kim McCann**, Ashland, partner/attorney with VanAntwerp, Monge, Jones, Edwards & McCann
- **Haley McCoy**, Jackson, economic development advocate with Jackson Energy
- **Bob Mitchell**, Corbin, board of directors for The Center for Rural Development and retired chief of staff for U.S. Rep. Hal Rogers

- Regional collaboration and identity
- Tourism, arts and heritage

Each group has developed specific goals and priorities and in some cases started making progress toward them. For example, the business recruitment, retention and expansion group recommended five, first-year steps. One is to have an economic development site consultant complete an analysis of strengths, weaknesses, opportunities and threats (SWOT) for an eight-county region of Eastern Kentucky.

An original SWOT analysis for Pike County was a catalyst for Alltech to invest in the Marion Branch industrial property owned by the city of Pikeville – which is the kind of business invest-

ment that will help both the company and the region.

The 10 groups are working simultaneously on goals they expect can be accomplished from within a few months to a few years.

The Futures Forum is focusing on long-term strategies to improve the region. A development committee is building a financial base for SOAR to continue its work. It got a big boost with Senate Bill 168, which establishes the Kentucky Appalachian Regional Development Fund (KARDF) as a source for future appropriations for SOAR from the General Assembly. KARDF money may be used in support of job creation and retention, entrepreneurship, tourism, broadband deployment, workforce training, leadership development, health and wellness, infrastructure and economic diversity.

These groups all report to the SOAR executive board (see member lists), the two co-chairs (Beshear and Rogers) and Executive Director Arnett.

“What we are trying to do at SOAR is a new business,” Arnett said. “We are creating something out of nothing. We have put it on the line that we will do big things. People’s lives are on line.”

Goal is to stop ‘thinking by county’

Arnett personalizes that vision.

“When I look at SOAR, I think about my 5-year-old daughter,” he said. “We are going to see a region where she has opportunity here. She is going to have a quality education because we are making big strides in education. She is not going to be forced to get a traditional job in some city if she gets a four-year

degree. If she chooses to be an engineer or a computer software, she will be part of a global economy and won’t have to leave here to have a good job.

“This region is going to be more about creativity and innovation. We are going to train the next generation to create the future rather than accept it. We are going to help them learn how to think and solve complex problems and be engaged and committed to the region.”

One overarching goal is to end people thinking by county and to get everyone thinking regionally.

“The economy doesn’t have any idea where the county line ends,” Arnett said. “The real (local) economy is probably six to eight counties. You can’t do every project in every county. We have to grow regionally. A big piece of our work is planning. Now is the time to start working to change behavior and do the things that create an environment where innovative businesses can grow.”

Arnett sees a big role for business.

“The key is when you have business leaders at the table and they remain committed to creating jobs,” he said. “SOAR is about strategic investment and growing the region. I hope business leaders will see the region as an oppor-

The Future Forum

The Futures Forum focuses on long-term strategies to improve Eastern Kentucky. This group will also develop a SOAR 2025 Vision.

- Gov. **Paul Patton**, chair, chancellor, University of Pikeville, Pikeville
- Dr. **Wayne Andrews**, president, Morehead State University, Morehead
- Dr. **Michael Benson**, president, Eastern Kentucky University, Richmond
- **Ron Daley**, director, external education programs, Hazard Community and Technical College, Hazard
- **Hilda Legg**, consultant, Wiley Rein, Somerset
- **Wayne Martin**, retired president and general manager, WYMT-TV, Winchester
- **Justin Maxson**, president, Mountain Association for Community Economic Development, Berea
- **Walter May**, president and CEO, Pikeville Medical Center, Pikeville
- **Lynn Parrish**, president, Marwood Land Company, Pikeville
- **Scotty Reams**, Rogers Scholar, London
- **Al Smith**, retired rural newspaper publisher and founding producer/host of KET’s “Comment on Kentucky,” Lexington
- **Audrey Sniezek**, Microsoft program manager and professional rock climber, Redmond, Wash., and Las Vegas, Nev.
- **Bob Stewart**, secretary, Tourism Arts & Heritage Cabinet, Frankfort
- Dr. **Aaron Thompson**, executive vice president and chief academic officer, Council on Postsecondary Education, Frankfort



U.S. Rep. Hal Rogers addresses a Shaping Our Appalachian Region conference audience. He is co-chair along with Gov. Steve Beshear of an ongoing and growing initiative to diversify the economy of and create jobs in Eastern Kentucky.

ECONOMIC DEVELOPMENT

tunity rather than somewhere to avoid. There are many positives about doing business in the region. If you want to help, find a way to run a profitable business in the region.”

Beshear had another thought for business.

“We need ideas,” he said. “SOAR is not a top-down organization; it is an effort to empower all of Kentucky. As one part of the state goes, so goes the entire state.”

Rogers offered yet another role for business.

“We need businesses to become sponsors,” he said. “We need them to contribute to the (KARDF) fund and to recruit business to the region.”

Currently, SOAR Presenting Partners are the University of Kentucky, University of Louisville, KentuckyOne Health, and Pikeville Medical Center. Founding Partners are Aetna, East Kentucky Power Cooperative, Booth Energy, Forcht Bank, Kentucky Community and Technical College System (KCTCS), and Passport Health Plan. Kentucky Partners are Community Trust Bank, Eastern Kentucky University, VanAntwerp Attorneys and Walters Automotive.

Back to the beginning

It was December 2013 when SOAR conducted its first summit. Despite decades of task forces, white papers, conferences and other initiatives that fell short at

helping Eastern Kentucky break the grip of unemployment, poverty and low educational attainment, some 1,500 Kentuckians still gathered, listened, and discussed the future of the region.

Perhaps the hope for real change this time sprung from the group’s powerful bi-partisan leadership: Democrat Beshear and Republican Rogers, and the array of leaders SOAR attracted to delve into the major issues facing the region. Perhaps it came from its young, charismatic executive director, Jared Arnett, an Eastern Kentucky native whose success exemplifies what leaders hope for every person living in Eastern Kentucky.

Whatever the case, SOAR received an immediate boost when the White House designated eight Kentucky counties as a Promise Zone, improving their access to federal grant programs and stimulating job creation and education opportunities. A few months later the White House announced that through the POWER Initiative, Kentucky can apply for grants up to \$38 million for coal communities to support economic and workforce development.

A month after that welcome message, Kentucky Agriculture Secretary Tom Vilsack announced Kentucky would now be included the U.S. Department of Agriculture’s StrikeForce Initiative: \$220 million in grants and loans for infrastructure, homeownership financing and business development that Kentucky are eligible to apply for.

“The StrikeForce strategy of partnering public resources with local expertise is helping to grow rural economies and create jobs in persistent poverty communities,” Vilsack said.

The announcements continued to come in a flurry.

SOAR received a \$750,000 grant from the Appalachian Regional Commission (ARC) to help cover its startup costs. The U.S. Economic Development Administration invested \$312,000 to provide technical assistance for job creation and private sector growth. The Eastern Kentucky Concentrated Employment Program received federal grants of \$11.3 million to continue efforts to help several thousand laid-off coal miners and their spouses find jobs.

Recently, Beshear announced a \$20 million federal grant to fund a pilot project in southeastern Kentucky aimed at helping Supplemental Nutrition Assistance Program (SNAP) participants find jobs and pursue eventual self-sufficiency. In addition, a \$1.5 million, five-year project funded by the Centers for Disease Control and ARC will address the region’s above-average rates of cancer and other chronic diseases by promoting screening and prevention. New funding also became available for a pro-



“The economy doesn’t have any idea where the county line ends. ... We have to grow regionally.”

— Jared Arnett, SOAR executive director

gram to develop leadership among community health advocates.

In his position as governor, Beshear has been able to target funds for projects in Eastern Kentucky such as the \$382 million expansion and four-laning of Mountain Parkway from I-64 to Pikeville. He has also set aside \$2 million in single-county coal severance dollars in each year of the current budget.

One year later

One of the strongest cases that SOAR might succeed where other efforts have not could be seen in May. At SOAR’s second summit, 1,300 people hammered out and implemented strategies for regional growth and business development – using goals outlined in SOAR’s first year. The interest was still high, the hope still alive, the leaders still engaged, the plans fleshed out, the needle was moving.

Beshear promised to continue with SOAR after he leaves office later this year.

“I have already talked with the (2015 election) Democratic nominee for governor, and (Jack Conway) has assured me that he will continue my efforts with SOAR,” said Beshear, who leaves office in December but does not expect his involvement to end then. “SOAR is close to my heart. I will do whatever anyone in the SOAR leadership asks of me.”

“This is a very big effort and a long-term effort. We will not accomplish our goals in the short term,” Beshear added. “It is going to take several years. People have to understand that. The only way this happens is if people, particularly those who live in Eastern Kentucky, get involved.”

Rogers said the Republican nominee for governor, Matt Bevin, also has promised to remain involved in SOAR.

Look for part 3, Coal Speaks Out, next month. ■

Debra Gibson Isaacs is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.

Development Committee

This group is charged with building a sustaining resource base for SOAR initiatives.

- **Charles Beach III**, chairman, Peoples Exchanges Bank, Beattyville
- **Jim Booth**, president and CEO, Booth Energy, Lovely
- **W. Fred Brashear II**, president and CEO, Hyden Citizens Bank, Hyden
- **Luther Deaton**, chairman, president and CEO, Central Bank and Trust and Central Bancshares Inc., Lexington
- **Terry Dotson**, chairman, president and CEO, Worldwide Equipment Enterprises Inc. Prestonsburg
- **Terry Forcht**, chairman and CEO, Forcht Group of Kentucky, Corbin
- **Eric Gregory**, president, Kentucky Distillers Association, Frankfort
- **Jim Host**, Host Associates, Lexington
- **Tom Hunter**, retired executive Director, Appalachian Regional Commission, Lebanon, Tenn.
- **Robert K. Lewis, Jr.**, chairman and founder, Global Advancement, LLC, Lexington
- **Elizabeth McCoy**, chairman, Ky. Chamber of Commerce, president, Planters Bank, Hopkinsville
- **Lanola Parsons**, business owner, Harlan
- **Jerry Rickett**, president and CEO, Kentucky Highlands Investment Corp.
- **Greg Wells**, chairman, First Trust Bank, Hazard

WE HAVE INFINITE POSSIBILITIES.

**Named #1 public high school in U.S. by
Newsweek / The Daily Beast in 2012, 2013
and *The Daily Beast* in 2014**



Intel School of Distinction Finalist

THE GATTON ACADEMY

of Mathematics and Science in Kentucky

From all across Kentucky, we come to The Gatton Academy on the campus of Western Kentucky University. We finish our junior and senior years in high school at the same time we start college. We conduct research with professors, travel abroad, and attend college classes. While we are challenged academically, we thrive in a supportive environment designed just for us and make life-long friends. Tuition, fees, room and board are paid for by the Commonwealth of Kentucky. You, too, can have a future filled with infinite possibilities.



WEBSITE: wku.edu/academy | **FACEBOOK:** facebook.com/gattonacademy | **EMAIL:** academy@wku.edu | **PHONE:** 270-745-6565

THE LANE LIST

KENTUCKY OCCUPATIONS AND INCOME

Occupational Employment and Wage Rates for Multiple Occupations in Kentucky in 2014

OCCUPATION	NUMBER EMPLOYED	ENTRY LEVEL SALARY	MEAN SALARY	EXPERIENCED SALARY
All occupations	1,782,820	\$17,352	\$39,252	\$69,844
Office and Administrative Support	276,170	\$18,203	\$31,136	\$47,629
Sales & Related	172,770	\$16,396	\$32,692	\$61,181
Production	185,200	\$18,330	\$33,982	\$56,245
Food Preparation & Serving Related	167,790	\$15,886	\$19,354	\$26,091
Transportation & Material Moving	160,990	\$17,570	\$33,712	\$53,878
Healthcare Practitioners & Technical	117,860	\$27,896	\$65,037	\$115,211
Education, Training & Library	109,160	\$23,064	\$48,812	\$73,040
Management	80,390	\$40,124	\$87,402	\$146,224
Installation, Maintenance & Repair	80,600	\$21,668	\$41,922	\$67,134
Construction & Extraction	65,710	\$23,300	\$40,970	\$64,859
Business & Financial Operations	63,530	\$31,358	\$57,616	\$89,952
Building & Ground Cleaning & Maintenance	50,570	\$16,274	\$22,962	\$34,203
Healthcare Support	51,950	\$17,650	\$26,201	\$36,794
Personal Care & Service	46,950	\$16,115	\$22,115	\$32,938
Protective Service	36,610	\$17,490	\$33,486	\$54,195
Computer & Mathematical	28,930	\$32,359	\$62,502	\$97,674
Community & Social Services	25,190	\$23,183	\$38,821	\$60,126
Architecture and Engineering	23,830	\$35,859	\$67,552	\$103,769
Arts, Design, Entertainment, Sports & Media	15,500	\$17,895	\$38,424	\$66,488
Legal	9,490	\$30,013	\$70,176	\$133,603
Life, Physical & Social Science	9,320	\$27,826	\$51,666	\$82,076
Farming, Fishing & Forestry	4,330	\$16,592	\$25,796	\$39,682

Top 10 Counties Ranked by Highest Income

The total income (BEA) for Kentucky in 2013 was \$159,171,693.

The counties in Kentucky with the highest total income (BEA) in 2014 were:

COUNTY/COUNTY SEAT	INCOME
Jefferson County/Louisville	\$33,314.5 million
Fayette County/Lexington	\$13,063.0 million
Kenton County/Covington	\$6,814.0 million
Boone County/Burlington	\$4,765.8 million
Hardin County/Elizabethtown	\$4,299.0 million
Warren County/Bowling Green	\$4,005.3 million
Daviess County/Owensboro	\$3,859.5 million
Campbell County/Alexandria	\$3,772.1 million
Oldham County/La Grange	\$3,082.5 million
McCracken County/Paducah	\$2,741.4 million

Top 10 Counties Ranked by Lowest Income

The counties in Kentucky with the lowest total income (BEA) in 2014 were:

COUNTY/COUNTY SEAT	INCOME
Robertson County/Mount Olivet	\$63.4 million
Owsley County/Booneville	\$121.1 million
Menifee County/Frenchburg	\$151.4 million
Elliott County/Sandy Hook	\$159.6 million
Wolfe County/Campton	\$181.7 million
Lee County/Beattyville	\$184.7 million
Cumberland County/Burkesville	\$191.0 million
Carlisle County/Bardwell	\$195.0 million
Nicholas County/Carlisle	\$212.8 million
Fulton County/Hickman	\$224.0 million

Source: BEA, Kentucky Labor Market Statistics



SPOTLIGHT ON THE ARTS



Roots & Wings participants make music at the Shawnee Arts & Cultural Center in Louisville. Roots and Wings was recently awarded a \$280,000 ArtPlace America grant.

Arts Organizations Get Major National Recognition from NEA, ArtsPlace America

JULY was a big month for arts organizations around the state. The Kentucky Arts Council announced \$1.2 million in grant funding for operational support to 91 Kentucky Arts Partnership organizations across the state, and three Kentucky organizations received national grants to assist in community development through the arts.

In mid-July, the National Endowment for the Arts announced that Berea College would receive a \$100,000 Our Town grant, which will support the college's effort to strategically shape the character of communities in Eastern Kentucky. The Our Town grant program supports creative placemaking projects that help to transform communities into lively, beautiful and resilient places with the arts at their core. Berea College's project will support cultural asset mapping in the Kentucky Highlands Promise Zone, an area that has an overall poverty rate of 30 percent, and includes the rural counties of Bell, Clay, Harlan, Knox, Leslie, Letcher, Perry and Whitley.

ArtPlace America also awarded two Kentucky organizations – Louisville's Roots & Wings and Whitesburg's Appalshop – grants for creative placemaking projects.

Roots & Wings received \$280,000 for a project to link Appalachian, West African and urban arts in Louisville's "Zones of Hope."

Appalshop received \$450,000 to increase arts, media and technology training opportunities for Appalachian youth, strengthen longstanding cultural institutions in Letcher County and contribute to diversifying the county's economy.

Kauffman FastTrac Training for Creative Entrepreneurs

WE are continuing to encourage creative entrepreneurs to join Kentucky's business community. The Arts Council is partnering with Berea Tourism, Mountain Association for Community Economic Development (MACED), and the Kentucky Innovation Network-London, to offer the award-winning Kauffman FastTrac NewVenture and GrowthVenture training programs for creative entrepreneurs and small-business owners who want to start or grow their business.

The practical, hands-on business development program has been tailored to help creative entrepreneurs hone the skills needed to create, manage and grow a successful creative enterprise. It offers two tracks – one for creative entrepreneurs who have been in business one to three years or who are interested in starting a business, and a second track for creative entrepreneurs who have been in business three or more years. The course is valued at \$325, but through generous investments from the presenting partners, participants can apply for scholarships that will allow them to participate for \$20.

Business training for the creative entrepreneur is of paramount importance. Our Creative Industry Report, released in December 2014, revealed that a hefty 38 percent of Kentucky's creative industry is self-employed.

The first class of the 10-session NewVenture track night will be 5:30-8:30 p.m. Sept. 14 at The Broadway Center, 204 Broadway St. in Berea. The first night of the GrowthVenture track, a seven-session course, will be 5:30-8:30 p.m. Sept. 21, also at The Broadway Center.

Anyone interested in the series should attend one of the information sessions, which will be held 5:30-8:30 p.m. Aug. 10 and Aug. 17, at The Broadway Center. Complete course schedules will be available at those two information sessions. Pre-registration is required and can be found on the arts council's website, artscouncil.ky.gov or by contacting Emily B. Moses, arts council creative industry manager, at (502) 564-3757, ext. 472, or emilyb.moses@ky.gov.



Lori Meadows is executive director of the Kentucky Arts Council.

Arts Events Around the State

Paul Williams: The Art of Song

SkyPac, Bowling Green
7:30 p.m. Sept. 14
theskypac.com
(270) 904-1880

Highlighting the Championships: A Breeders' Cup Collection

Headley-Whitney Museum, Lexington
Sept. 9-Nov. 8
headley-whitney.org
(859) 255-6653

Polymer Clay Jewelry Demonstration

Kentucky Artisan Center at Berea
10:30 a.m.-3:30 p.m. Aug. 29
kentuckyartisancenter.ky.gov
(859) 985-5448

The Charlie Daniels Band

Mountain Arts Center, Prestonsburg
7:30 p.m. Sept. 6
macarts.com
(606) 889-9125



Zoom zoom!

National Corvette Museum's Motorsports Park is a one-of-a-kind adventure

BY KATHERINE TANDY BROWN

GENTLEMEN – and women – start your engines! Surprisingly, an opportunity to do just that awaits in Bowling Green.

Since 1953, the Corvette has been America's Sports Car, and since 1994, the 150,000-s.f. National Corvette Museum (NCM) has reigned as the mecca for 'Vette enthusiasts. Within its award-winning walls, some 80-plus Corvettes – along with automotive memorabilia, historic displays, driving simulators, a film, educational speakers, a car prep and performance area, and a library and archives – tell the story of the beloved vehicle. Just a quarter-mile down the road, the General Motors Assembly Plant has made every Corvette since 1981 and offers tours daily.

And as of Labor Day 2014, the NCM Motorsports Park (MSP) adds total vehicular immersion with a 186-acre, world-class facility for high-performance driving, educational and safety programs, and a remarkable offsite venue for corporate group outings.

The initial phase of the park consists of a two-mile, 13-turn course and a one-mile, 10-turn course that can combine into multiple configurations. Designed with features reminiscent of the famed Le Sarthe Course at Le Mans, France, the track has technical turns, straights and elevations, a 22-acre autocross, a rentable pavilion and day garages, a tech inspection station and a commercial business park.

Depending upon a group's goals, a day's structure might include a morning indoors for company internal business, goal setting and/or sales training, and then a midday lunch, followed by afternoon activities to spark your inner Mario Andretti or Tony Stewart.

Corporate groups can design their own events to meet specific goals for teambuilding through myriad options. One is called Mirrorkhana, in which participants "race" each other on two identical (as in mirror image), coned-off courses. The fastest one back to the start box wins. Course speeds are lim-

The National Corvette Museum's new Motorsports Park is designed with features reminiscent of the famous Le Sarthe Course in Le Mans, France.

ited to 50 mph. The winner accumulates points for his team, not to mention years of bragging rights.

The second, called Backseat Driving, puts two team members into a golf cart. Because the driver is blindfolded, it's up to the passenger to talk him through the course correctly.

"It's absolutely hilarious," says Mitch Wright, general manager of NCM MSP. "You don't want anybody standing around for any length of time, and this keeps the whole group involved."

For company incentive rewards, the park teams up with Music City Dream Cars in Nashville to offer on-the-road experiences in such exotic autos as Ferraris, Lamborghinis, and classic Corvettes. Or you can treat your over-achievers to Hot Laps. Buckle up for even more bragging! The park brings out a few of its Corvettes and professional drivers give participants the ride of their lives on the race track at speeds in excess of 130 mph, for a true at-speed track experience.

The facility also specializes in evening corporate receptions and dinners, which can include all sorts of speakers.

Possibilities range from auto engineering technical experts, to sales training gurus, to motivational specialists, whatever fits the needs of the group. A list of local catering providers – including Shogun, for hibachi and sushi, and the NCM's 50's-themed café – is available for all functions involving food.

The museum itself can accommodate space for up to 600 standing or 470 seated.

Scheduled for completion this winter (2015-16), a control tower will add spaces for training, meetings, hospitality, et al, with capacities of 160 in a classroom and 100 for banquets, plus a second-floor plaza for open-air functions.

In addition to corporate usage the MSP also offers focused drivers' education and safety classes. To learn, practice and apply advanced car-control skills, the NCM's high-performance driver education (HPDE) schools are intense programs led by highly trained classroom and certified in-car instructors who teach vehicle dynamics, car control, cornering, braking and driving fundamentals in the classroom and on the track.

Since 2004 the National Corvette Museum has been taking HPDE events on the road around the country to such tracks as Virginia International Raceway,

Sebring, Autobahn and Thunderhill.

For the ladies, a Powder Puff Mechanics course teaches car basics 101 – what's under the hood, control and warning lights, electrical systems, emergency situation know-how, and the how-to's of jumping a battery, jump-starting a car, checking tire pressure and changing a flat.

Girl Scouts can even earn a badge by participating in a Powder Puff workshop. A minimum of 20 is required for groups.

Designed especially for permit holders and newly-licensed drivers, a Car Control and Situational Awareness clinic covers driving techniques such as parallel parking, city and rural driving hazards, adverse weather conditions, two-wheel drop-off recovery and the dangers of texting and drinking while driving. A Street-Survival school teaches teens the handling limitations of their own cars and how to control them.

The multifaceted park also offers emergency vehicle drivers training for police, fire and emergency personnel, while the NCM teams up with educational institutions to offer real-world applications for math, engineering and science students. Current partners include Western Kentucky University's Ogden College of Engi-




A professional driver awaits a motorsports park participant who will be able to experience speeds of up to 130 mph.


neering and Gatton Academy of Mathematics and Science.

Learn more about this fascinating race park at motorsportspark.org and about the largest car museum in the world dedicated to a single model at corvettemuseum.org. ■

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




Lane.




FasterLane.

Subscribe to the Faster Lane, an online newsletter from *The Lane Report* featuring important business and economic news from across Kentucky, and receive the most current industry news right in your inbox three or more times a week. Sign up today at lanereport.com.

WHERE THE NEWS IS MADE BY THE READERS.




fasterlane@lanereport.com



Buckman & Farris

ATTORNEYS AT LAW



502.955.7181 | FAX 502.543.7185

BUCKMANFARRISLAW.COM

P.O. BOX 460 | 193 S. BUCKMAN ST.

SHEPHERDSVILLE, KY 40165-0460

Shaping Our Appalachian Region's Maestro

EASTERN Kentucky native, jazz musician, MBA, entrepreneur, small business owner, father: Meet the executive director of Saving Our Appalachian Region (see article on Page 42)

Creating jazz music is not all that different from running a highly visible nonprofit, according to SOAR's founding executive director Jared Arnett.

"I was a jazz piano major when I first started college," Arnett recalled. "Jazz is about creating a plan and then seeing the results."

After finishing college with a degree in paralegal studies, Arnett wasn't sure what he wanted to do and fell back onto jazz, becoming a music instructor at Soundhouse Music, a small business in Eastern Kentucky. But then something else struck a chord.

"There I got interested in business and started working as a bookkeeper," he said. "I fell in love with running a small business – connecting all the dots, working with the people, doing every aspect of the business from advertising to marketing, the numbers, the creativity required."

Business at the music store doubled in a few years. That led Arnett to an MBA program at Morehead State University, though not for the same reasons as most.



Jared Arnett,
SOAR
*Founding
Executive
Director*

"I wanted to know more, to understand the business process better," he said. "It helped me think, learn to solve complex problems and learn to solve them by building relationships. I didn't want an MBA to get a high-paying job or move up the corporate ladder. I wanted it for my own understanding."

Arnett has been president/CEO of the four-year-old, 530-member Southeast Kentucky Chamber of Commerce and a general management consultant for the East Kentucky Small Business Development Center.

At 26, he started his own consulting firm, Beacon Management Solutions Inc. His consulting work was instrumental in more than 10 successful start-ups in Eastern Kentucky, including one of his own, as a partner in Mountain Music Exchange LLC.

It's an impressive resume, especially when you consider Arnett is 31.

And that leads to a question he hears often: Why did you choose to stay in Eastern Kentucky?

"Sometimes, you choose the mountains," Arnett said, "and sometimes they choose you. I am probably representative of the culture and the region in that to me Eastern Kentucky is just more than a place you live. I have a drive to make a difference and make opportunities for others. I have found opportunity here. I think that is an important story to tell."

Chamber to Next Governor: Workforce Programs Need Review

KENTUCKY'S workforce training and development programs need better coordination, greater accountability and more employer involvement, according to a new report from the Kentucky Chamber of Commerce.

Achieving those and other goals detailed in the report's recommendations will require a top-to-bottom review of the entire system – a review that the Chamber believes should be ordered by the next governor.

"Kentucky's Workforce Challenges: The Employer Perspective" notes there is a lot of confusion about workforce programs at the local level, frustration in the business community about its role in local and regional workforce decisions, uncertainty about the return on investment of workforce programs, and a maze of state and federal workforce programs that is difficult to navigate.

The report follows a year's review of the state workforce system by a Chamber-organized group representing employers from different sectors and geographic regions.

The review began in response to the continuing frustrations voiced by employers about the challenges they encounter with Kentucky's programs and their ability to find skilled workers for the jobs they have available. A recent poll of Chamber members reflected those frustrations: Less than 10 percent

of the respondents believe the overall workforce has good skills.

The report includes more than a dozen recommendations to improve state efforts to create and sustain a high-quality workforce, including:

- Kentucky's next governor should order an organizational and management review of the state's workforce training and development system. The review should be conducted by an independent entity and should define the specific governance, management, and operational structure that would best meet the needs of employers and workers.

- Kentucky should develop and maintain an asset map that identifies all funding sources and provides a framework for accountability for state and local spending and results.

- State workforce officials and business leaders should jointly develop a structure to ensure employer participation in the development of state and local plans under the federal Workforce Innovation and Opportunity Act (WIOA) and employers should actively participate in state and local workforce boards and committees to implement it.

- The governor should direct set-aside funds under WIOA to support the development of employer-led collaboratives to guide workforce initiatives.

- The state's business community should develop a focused voice on work-



force issues to advance the interests of both small and large employers.

- Business organizations and chambers of commerce should develop working groups of employers to identify, by sector, credentials that best reflect the skills needed for successful performance in the workplace.

The report also emphasized the importance of employer involvement. "Beyond whatever improvements are needed in the design and delivery of government programs, Kentucky's business community also has an important role to play in ensuring the availability of a skilled workforce. Employers' participation in the full circle of planning, designing and monitoring workforce programs can make a critical difference in the quality and effectiveness of the services they deliver."

Ky's Energy Industry Takes Another Hit

ON Aug. 3, the Obama administration and the Environmental Protection Agency released its carbon emissions plan, which will require Kentucky to reduce emissions by more than 18 percent.

"I am extremely disappointed and frustrated by the huge changes the EPA made from the proposed rule," said Gov. Steve Beshear. "What is being proposed for Kentucky is disastrous – disastrous for our declining coal economy and equally disastrous for our very important manufacturing economy. The EPA claimed that it listened to the comments received on the proposed rule for the Clean Power Plan. It is clear from the emissions numbers the EPA has set for Kentucky that the agency did not listen to us. This rule leaves the commonwealth with few, if any, alternatives to formulate a plan without significant harmful impact to rate payers, manufacturing companies and the overall economy. This is an extensive rule, and we will be meeting with stakeholders to assess its potential impacts. We will, however, continue to explore ways for Kentucky to comply with the rule should it become law, because we believe that a Kentucky-specific plan would be better than a federal plan imposed on us."

U.S. Sen. Mitch McConnell also decried the plan, saying that it would not only make it harder to maintain reliable sources of energy to meet demand and increase energy bills, but could ultimately end up harming the environment by outsourcing energy production to countries with poor environmental records like India and China.



The plan is only the most recent blow to Kentucky's coal industry, which has already seen thousands of coal workers put out of work in recent years. On the same day the new EPA plan was announced, the Center for Rural Development in Somerset announced that it has been awarded a \$500,000 grant to provide free workforce and re-employment services for displaced coal miners and former coal company employees who have been adversely affected by the decline in the coal industry in four Kentucky counties.

The program will now be open to all former coal company employees who have worked for a coal company, regardless of their job title or position in the company, within the service region of Laurel, Clay, Leslie and Bell counties. The center is partnering with a number of providers, including Somerset Community College, Southeast Community College and Hazard Community College, to provide classroom occupational skills training in an occupation expected to be in high demand in southern and eastern Kentucky.



Livingston Becomes First Kentucky Proud Town

THE mayor of Livingston sees Kentucky Proud as a way to jump-start his town's economy and on July 14, the Rockcastle County community officially became the first municipality to join the Kentucky Proud program, the state's official program for marketing farm products raised, grown, processed, and/or manufactured in the commonwealth.

"Mayor (Jason) Medley shares my vision of agriculture as an economic development tool," Kentucky Agriculture Commissioner James Comer said. "He has an innovative plan for raising revenue for his city and creating jobs in agriculture. Mayor Medley's idea could become a model for other small communities to follow."



"I love the idea of Kentucky Proud," Medley said. "It puts local people to work doing things they're skilled in. A lot of places that worry about jobs put all their eggs in one big industry. I'd like to do something smaller. There are people who like to work out of their homes, older people, people who like to raise a garden. If they see there's someplace for their produce to go so it doesn't go to waste, they might grow more."

Medley said inmates at the Rockcastle County Detention Center are helping raise green beans, cabbage, cucumbers, onions, tomatoes and corn on a half-acre lot that a Livingston resident loaned for that purpose. Volunteers will can and label the vegetables, and the city will sell them to local restaurants in Livingston and nearby Mt. Vernon to raise revenue, Medley said.

"There's not a lot of tax base here," Medley said. "Every little bit that goes back to the city helps."

Medley hopes that perhaps as early as next year, local farmers and gardeners will sell their excess produce to the city, and the city can add value to the produce and sell it at a profit.

"Around here, we don't raise taxes – we raise produce," Medley said.

Livingston, a town of 300 people, also is a Kentucky Trail Town, a state designation for communities that offer adventure tourism opportunities.

CMTA 'LEEDs' the Way in Energy Efficiency



CMTA Consulting Engineers' Lexington office building has been certified LEED Platinum by the U.S. Green Building Council, making it the first LEED platinum building in Lexington and the first LEED Platinum office building in the state.

LEED Platinum projects are required to meet a minimum of 80 points across seven categories, including sustainable sites,

water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, innovation and regional priority credits. CMTA's building received 81 credits, which included all points for the energy and atmosphere category.

Energy-saving features of the building include insulated concrete form (ICF) walls, geothermal heating and cooling, daylighting, solar photovoltaics and solar-powered internally actuated diffusers. The building received a 2013 Environmental Award from the Lexington Fayette Urban County Government.

CMTA is the 64th largest MEP (mechanical, electrical and plumbing) engineering firm in North America. The company has 117 employees in four locations: Louisville; Lexington; Jeffersonville, Ind.; and Houston, Texas.

KENTUCKY PEOPLE

LOUISVILLE: 7 NEW MEMBERS ARE INDUCTED INTO THE KENTUCKY ATHLETIC HALL OF FAME



In June, the Kentucky Athletic Hall of Fame inducted seven athletes into the Hall of Fame, which honors athletes and sports figures who were either born in or played their respective sport in the state of Kentucky. Pictured here at the induction are: (back row) KAHF President Jim Ellis; High School Athletes of the Year Skyler Griffith of Williamsburg High School and Leah Stevens of Sacred Heart Academy (Louisville); Paul Sanderford, Western Kentucky University women's head basketball coach (1982-97) and men's basketball assistant coach (2003-07); Vince Gabbert, representing Keeneland; Randy Marsh, director – Major League Umpires; KAHF board member Dick Gabriel; (front row) Lloyd Gardner, a trainer, travel secretary and equipment manager for the American Basketball Association (ABA) Kentucky Colonels in 1967-68 and 1971-76 and head basketball coach at Fairdale High School for 14 years; Sharon Garland, who led Laurel County High School to three consecutive state basketball championships in 1977, 1978 and 1979; Shandelier Boyd Smith, one of Kentucky's most decorated track athletes; and Mel Purcell, who was the Association of Tennis Professionals Rookie of the Year in 1980 and in 1983 made the finals at Monte Carlo and the quarter-finals at Wimbledon.

LOUISVILLE: ADVERTISING FEDERATION PRESIDENT GETS NATIONAL HONOR



Scott Van Osdel photo

Brittany Irvin, president of the American Advertising Federation – Louisville and senior account executive at Scoppechio in Louisville, was recognized in June as Division 1 President of the Year at ADMERICA, the American Advertising Federation's National Conference in Las Vegas. The American Advertising Federation – Louisville was named the 2014-2015 Division 1 Club of the Year in the AAF's National Club Achievement Competition. The award recognizes excellence and high standards among industry professionals and is awarded to the AAF-affiliated advertising club that demonstrates outstanding accomplishments. Pictured here with Irvin is James Edmund Datri, president and CEO of the American Advertising Federation.

CLERMONT: JIM BEAM RECOGNIZES TOP-PERFORMING BUSINESS PARTNERS



On June 26, the Jim Beam American Stillhouse unveiled a new installation at its Clermont distillery: Bourbon Road, a nod to the company's top-performing business partners. Bourbon Road features the names of more than 1,800 on-premise accounts that continue to make history by exceeding sales targets. Joining in on the celebration were (left to right) Brad Minkel from The Woods in Florida; Julius Grant, chief commercial officer of Beam Suntory; Fred Noe, seventh-generation Jim Beam master distiller; Pete McLaughlin of Southern Wine & Spirits Kentucky; and Bob Estes from Parlay Social in Kentucky.

VERSAILLES: SMITHFIELD AND KROGER PARTNER TO FEED KENTUCKY FAMILIES



The Kroger Co. celebrated the opening of its new Versailles store last month by partnering with pork-producer Smithfield to donate 26,000 pounds of protein to God's Pantry Food Bank and Dare to Care Food Bank. Pictured here at the new store – which is Kroger's largest supermarket in the state – are (left to right) Randy William of Empire Foods; Diana Souder, public relations and events manager for Smithfield; Chuck Osbourn, store manager for the Versailles Kroger; Danielle Bozarth, program director for God's Pantry Food Bank; Steve Feldman, director of product sourcing for Dare to Care Food Bank; and Mike Porter of Empire Foods.