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TOURISM BECOMING AN ECONOMIC DRIVER

At \$13 billion and growing, Kentucky travel sector finds bourbon horses and natural beauty increasingly easy to sell

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On the Cover

Kentucky's tourism is experiencing strong growth and in 2014 had an estimated economic impact of more than \$13 billion, including \$8.3 billion in direct expenditures. It has become one of the commonwealth's key business sectors. (Photo illustration by Paul Blodgett)

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PERSPECTIVE

ANALYZING THE SANDERS' APPEAL

Ideas sound good in theory
but history reveals flaws

BY PAT FREIBERT

HOW do we explain young American voters' attraction to Socialism in their enthusiastic support for the presidential candidacy of Bernie Sanders, a self-proclaimed, life-long Socialist who expresses contempt for capitalism and a market economy – the only economic system that has ever lifted great portions of humanity out of poverty?

Sanders likes to point to socialist “success stories” like Sweden and Denmark, but both of these countries are moving away from Sanders-style socialist economies. Sweden has eliminated its inheritance tax and cut its corporate income tax. As refugee groups overwhelm government services in Sweden, voters are questioning whether they can continue to provide so many free services without bankrupting the country.

In the past, liberals in America have pointed to countries such as Italy, Greece, France and Cuba as workers' paradises where citizens were offered a multitude of free things – child care, healthcare, food, housing, higher education, guaranteed income of high minimum wages. In many of these nations today, their government bonds are given junk status. For example, Greece is in de facto bankruptcy because Athens cannot cover the runaway costs of all these free things: pay checks, pensions, welfare benefits and medical exams. Fifty percent of their young people don't have a job, and more than half of Greeks retire before age 60. Simply put, there are too many people in the wagon with too few people left to pull the wagon.

Other countries – Argentina, Italy, Spain Portugal, France, as well as the U.S., have experimented over the last decade with quasi-socialist government. Almost all these countries are in a recession or are experiencing very low-growth economies.

The key to funding a socialist government and its programs is the aggressive redistribution of income and wealth through confiscatory tax rates. Economic freedom with a market economy, however, is the opposite of socialism.

Socialism with a government directed, top-down economy is incompatible with liberty. In mid-February, the Heritage Foundation released its annual Economic

Freedom of the World index. This index shows that “nations that are economically free have freer trade, smaller welfare states, lower taxes, a lighter hand with regulation, private ownership of the means of production and the rule of law.” Countries that are economically free have five times the per capita average annual income (\$55,000) of countries that are the least free (\$9,000). And the poor do better in nations that are economically free and worse in Bernie Sanders-style nations.

While Bernie Sanders continues to sing the praises of a socialist approach to government and Hillary Clinton joins him in the chorus – especially for free college for everyone – it cannot be disputed that capitalism and a market economy have offered more prosperity and more freedom to more people than any other economic system in history.

... it cannot be disputed that capitalism and a market economy have offered more prosperity and more freedom to more people than any other economic system in history.

America needs to just say no to Bernie Sanders' style of creeping socialism. Easing the stranglehold of the regulatory overreach can go a long way toward restoring a more free and robust economy with more opportunities for economic growth and job creation in our nation.

There is no free lunch regardless of what politicians may promote. Someone always has to pay. If it is free to you, someone else had to bear the cost. Margaret Thatcher famously reminded us that socialism only works until you run out of other people's money. The problem with young American voters' attraction to socialism is that they want someone else to pay for all the free stuff they want, like a college education. And healthcare. And child care. And housing. And guaranteed income. And pensions. And early retirement. And more paid time off work.

And who wouldn't? But as attractive as it sounds, it just doesn't work in the long run. ■



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



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FAST LANE

A compilation of economic news from across Kentucky

STATE: KENTUCKY RANKS NO. 1 IN NATION FOR NEW AND EXPANDING FACILITY ECONOMIC INVESTMENT IN 2015

FOR the second consecutive year, Kentucky has won *Site Selection* magazine's Governor's Cup, an award presented each year to the state with the most new and expanded corporate facilities.

Kentucky, which had the nation's highest number of total projects per capita, shared the No. 1 spot with Texas, which had the highest number of total qualifying projects. (Qualifying projects include those meeting

at least one of three criteria: capital investment of least \$1 million; creation of 50 or more jobs; and addition of at least 20,000 s.f. of new floor space.) Last year, Kentucky announced more than 460 new location and expansion projects slated to create more than 16,000 jobs and \$5.1 billion in investment, the most since the state began recording such data approximately 30 years ago.

Site Selection's circulation reaches 48,000 executives in corporate site-selection decision-making.

TOP 10 KENTUCKY PROJECTS FOR 2015

(by capital investment)

COMPANY, CITY	PRODUCT	\$US MILLIONS
Ford Motor Co., Louisville	Automobiles	\$1,300
General Motors, Bowling Green	Automobiles	\$439
United Parcel Service, Louisville	Couriers	\$309
Logan Aluminum, Russellville	Aluminum	\$290
Bowling Green Metalforming, Bowling Green	Fabricated metal products	\$261
Fedex Corp., Boone County	Couriers	\$199
Fritz Winter, Franklin	Iron and steel mills	\$194
Fedex Corp., Boone County	Couriers	\$150
North American Stainless, Ghent	Stainless steel	\$150
Toyota Motor Manufacturing, Georgetown	Automobiles	\$124

Source: Conway Projects Database

LOUISVILLE: \$56M FOODPORT PROJECT WILL CREATE 350 JOBS TO SUPPORT REGIONAL FARM PRODUCT INDUSTRY



Death to Stock Photos photo

The West Louisville FoodPort will locate myriad food-related businesses on a 24-acre campus in West Louisville.

SEED Capital Kentucky has signed an agreement with the Louisville-Jefferson County Metro Government that officially makes way for work to begin on a \$56 million 'foodport' in West Louisville.

The West Louisville FoodPort will be located on a 24-acre campus dedicated to the growth, aggregation, distribution, processing and storage of locally and regionally produced food, while at the same time revitalizing a long-neglected block of land in the west part of the city. According to the Seed Capital website, the FoodPort "will locate food-related businesses in one place where they can buy food from local farmers and hire neighbors for jobs." The FoodPort will also provide space for classes on cooking, nutrition and gardening. Tenants will include farmers, educators, distributors, food processors, startups and retailers.

Caroline Heine, of Seed Capital, said the public/private/nonprofit project will transform "a barren brownfield into a living, dynamic, productive asset for our community."

The project includes a \$23.5 million investment by **FarmedHere**, the country's largest and longest-running vertical farm, which plans to locate a year-round indoor farm and food processing facility at the FoodPort.

In all, FoodPort is expected to result in 350 new jobs – 150 temporary construction jobs, plus 200 permanent jobs. In addition, businesses relocating there in the first phase will bring another 60 existing jobs.

Seed Capital expects work on the FoodPort to begin by October, with an estimated completion date of May 2018.

STATE: KY HEMP RESEARCH WILL GROW IN 3RD YEAR TO 4,500 ACRES OF CROP

KENTUCKY is ramping up its industrial hemp pilot projects this year to build on the research of the past two years, positioning Kentucky to develop a robust research program.

The Kentucky Department of Agriculture has authorized the planting of nearly 4,500 acres of hemp for pilot projects this year, compared with about 900 acres of hemp production last year and 33 acres in 2014, the first year of pilot projects.

Since 2015, the number of university-led research projects has more than doubled, with the scope of research expanding beyond production research into hemp utilization. The KDA is offering multi-year partnerships with processors in order to develop meaningful data on processing and marketing. The pilot projects are intended to research the



Industrial hemp has thousands of uses in a broad array of industries, including health and nutrition, building materials and biofuels.

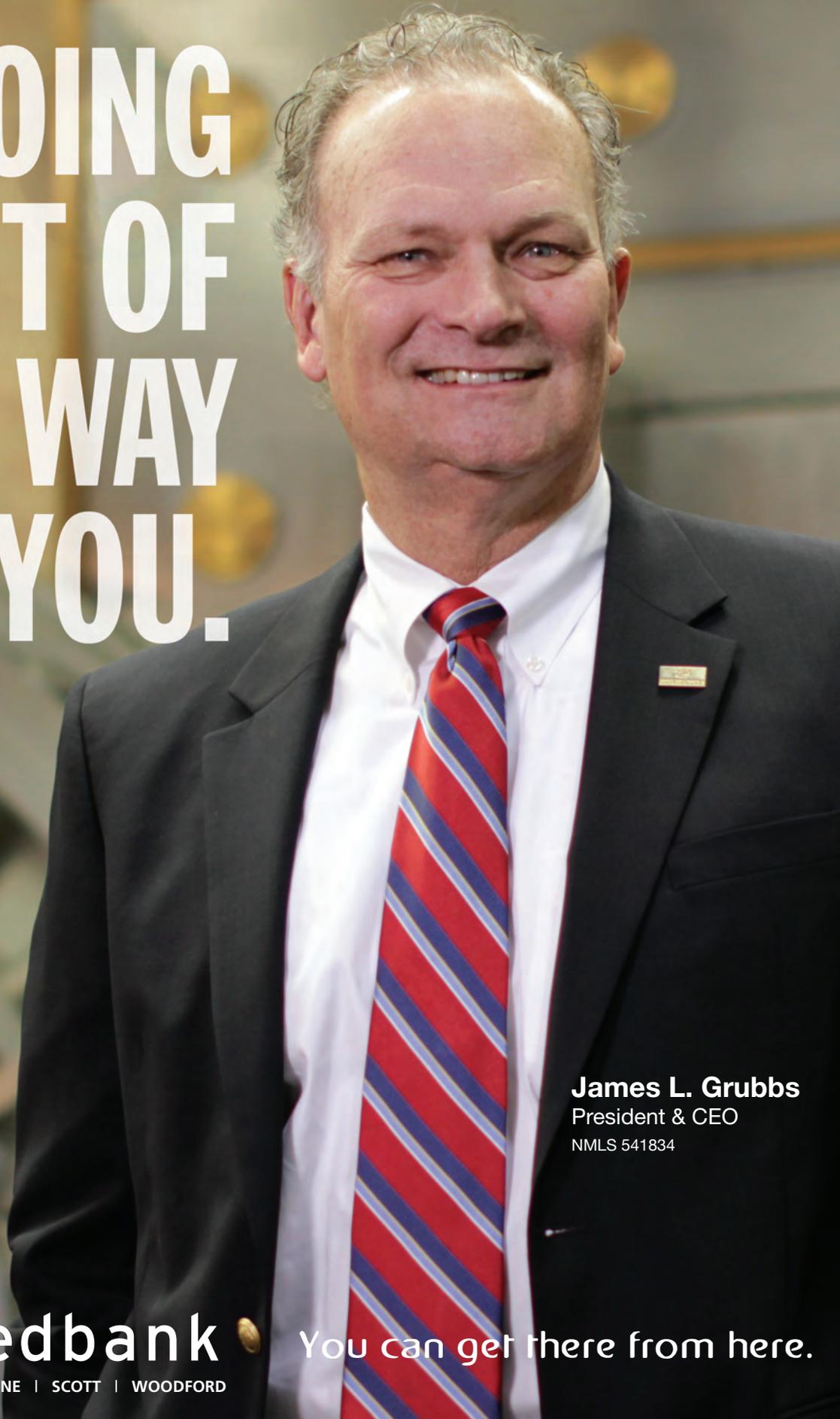
feasibility of industrial hemp and will study production techniques, seed varieties, processing and potential products that could be brought to market quickly.

Congress authorized universities and state departments of agriculture to manage industrial hemp pilot projects in an amendment inserted in the 2014 federal farm bill by Kentucky's congressional delegation.

In the early 20th century, almost all the hemp produced in the United States was grown in the Bluegrass region of Kentucky. Congress outlawed cannabis production in the 1930s, and while hemp production was legalized in the early 1940s for the war effort, Kentucky's hemp industry disappeared after the war.

"Hemp is a bridge from Kentucky's past to our future," Quarles said. "The Kentucky Department of Agriculture and our partners are committed to building upon the solid foundation of research for a Kentucky hemp industry that will create jobs and new marketing opportunities."

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BUSINESS BRIEFS

CAMPBELLSBURG

■ **Kentucky Cannabis Co.** has signed an agreement to build a facility on a 1.2-acre Campbellsburg site that will be used to extract and process cannabidiol oils (CBD) from locally grown hemp. CBD is a substance that has been found to be effective in alleviating health conditions such as seizures, Parkinson's, Alzheimer's, dementia and neuropathy. The company has been working with local farmers to cultivate 23 acres of hemp and over the last 18 months has been able to produce 450 gallons of CBD oil. A new facility will enable the company to triple production, said company President Bill Polyniak.

CARLISLE

■ **Liz and Roo**, a Louisville-based baby bedding company, has expanded its production operations to Carlisle, creating five to 10 new jobs. Since its formation in 2013, the company – a division of **American Made Dorm & Home** – has been producing its hand-sewn crib bedding in North Carolina and is now handling custom sewing orders at the former **Jockey International** plant in Carlisle. Liz and Roo products are sold online and in more than 170 specialty baby stores across North America.

DANVILLE

■ The **Danville-Boyle County Economic Development Partnership** has been named one of the nation's leading economic development corporations by *Global Trade* magazine. The Danville EDP, an alliance between nine local organizations, was ranked among 17 other economic development corporations that included entities from much larger cities, such as New Orleans, Charlotte, Nashville and Orlando.

ERLANGER

■ **Convergys**, a global, Cincinnati-based company that specializes in customer-service management, has notified the state of its intent to lay off 94 of the 320 workers at its Erlanger facility. The layoffs are tied to changes in the business processes of one of the clients served at the Erlanger location. The company has said the affected employees will have the opportunity to apply for other jobs in Erlanger or for work-at-home positions.



FRANKLIN

■ **Power Tec Solutions International**, a Texas-based company that develops and produces custom power chargers and solutions, has purchased the former **Vermont Gage** building in Franklin's Wilkey North Industrial Park to serve as a distribution center for the company. Power Tec is also planning to purchase another 30 acres in the industrial park for a new manufacturing plant. The company will employ 10 people at the distribution center and could hire as many as 30 for the manufacturing facility once it is operational.

HARLAN

■ **Southeast Kentucky Community and Technical College** has opened a new mine training facility at its Harlan campus. The new facility features state-of-the-art mining training simulators, designed to prepare miners to respond to a variety of situations by simulating real-life experiences.

HEBRON

■ **Innotrac** has filed papers with the state indicating its intent to close its 650,000-s.f. e-commerce fulfillment center in Hebron this summer. The closure will result in the loss of 338 jobs. Innotrac handles order fulfillment and shipping for clients such as **Target, Loft, Porsche, Microsoft, Sephora** and **AT&T**.

JAMESTOWN

■ **Suntex Marinas**, a Dallas-based owner and operator of marina properties, has acquired the **State Dock Marina** on Lake Cumberland for an undisclosed price. Suntex's portfolio includes 24 marinas in Florida, Virginia, New Jersey, New York, Massachusetts, Maryland, Georgia, Iowa, Texas, Arkansas and St. Maarten. Bryan Horne, who most recently served as general manager of the **Pier 131 Marina** in Lewisville, Texas, has been named as the State Dock's new general manager.

MAYSVILLE: MORE KY COMPANIES JOINING APPRENTICE-STYLE TRAINING PROGRAM

THE Kentucky Federation for Advanced Manufacturing Education (KY FAME), Kentucky's apprenticeship-style workforce training program, has now expanded into northeast Kentucky and the SOAR (Shaping Our Appalachian Region) region, becoming the state's ninth KY FAME chapter. The education-and-training program,

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which has garnered national acclaim, addresses a need for more technically skilled workers in advanced manufacturing.

Northeast KY FAME participants will enroll in the Advanced Manufacturing Technician (AMT) program at one of **Maysville Community and Technical College's** (MCTC) four campuses. Students attend classes two days a week and work at one of the program's 11 area manufacturing sponsors for 24 hours per week. After completing the five-semester program, students receive an associate degree in applied sciences.

Other KY FAME chapters include the Bluegrass Region (central Kentucky), Greater Louisville, Northern Kentucky, Elizabethtown/Lincoln Trail, Greater Owensboro, Cumberlands, Southcentral and West Kentucky regions. The goal is to eventually expand the program to all corners of the commonwealth.

STATE: SBA NAMES KENTUCKY SMALL BUSINESS AWARD WINNERS FOR 2016



David Dafoe

DAVID Dafoe, founder and CEO of **Flavorman and Distilled Spirits Epicenter** in Louisville, has been named by the Small Business Administration as the Kentucky 2016 Small Business Person of the Year.

Dafoe founded Pro-Liquitech International in 1992 after being employed at Brown-Forman, where he worked in new-product development. Pro-Liquitech evolved into Flavorman, an international custom-beverage production company. In 2012, Dafoe founded Flavorman's sister company, the Distilled Spirits Epicenter. Flavorman and the Distilled Spirits Epicenter currently have 30 full-time employees and four part-time workers.

In addition to naming Dafoe as the Small Business Person of the Year, the SBA has also announced the winners of the following categories:

• Kentucky Veteran-Owned Small Business of the Year: **Scott Matheny, Semper Tek, Lexington**

• Kentucky Woman-Owned Small Business of the Year: **Desiree Sloan Harmon, Club Fit Studio, Paintsville**

• Kentucky Minority-Owned Small Business of the Year: **Harsha Wijesiri, Integrated Engineering**, offices in Lexington, Louisville and Florence

• Kentucky Financial Services Advocate of the Year: **Bill Fensterer, Capital Access Corp.**, Louisville

• SBA Southeast Region 8(a) Graduate of the Year: **Kathy Mills, Strategic Communications**, Louisville



Scott Matheny

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BUSINESS BRIEFS

LAGRANGE

■ **The Rawlings Group**, a company that specializes in healthcare subrogation services, has added a new 75,000-s.f. building on its LaGrange campus, bringing its total square footage to more than 250,000. The company currently employs 1,200 people and plans to add approximately 200 more jobs in multiple areas, including health insurance, medical billing, medical coding, pharmacy technicians, customer service professionals, mortgage lenders, insurance adjusters, paralegals and software developers. The jobs will have an average annual salary of \$45,000 to \$75,000.

LEXINGTON

■ Lexington attracted double-digit growth in tourism in 2015 as a result of the **Breeder's Cup** – which brought 95,000 for the two-day equestrian event – and increases in local food and beverage attractions, according to statistics released by **VisitLEX**. Hotel revenue was up 11 percent, with the average daily rate rising 7.5 percent. The city saw 29 new restaurants and bars open over the course of 2015 and a record-setting 1,245,251 passengers traveled through Lexington's **Blue Grass Airport** in 2015, a figure that represents a 3 percent increase over the 2014.

■ **Lexmark International** is laying off 143 employees at its Lexington headquarters, according to paperwork filed with the state. The layoffs are part of a companywide restructuring that will result in eliminating approximately 550 jobs worldwide (about 4 percent of the total workforce). The restructuring plan is expected to save the company \$67 million this year and produce annualized ongoing savings of approximately \$100 million beginning in 2017. Lexmark has approximately 2,300 employees in Lexington who are part of a worldwide workforce of 14,000.



Lexmark™



■ **Fazoli's**, a Lexington-based Italian fast-casual restaurant chain, says it is continuing to see robust same-store sales and strong interest from potential franchisees. Last year, the company added five franchised units and has plans to open up to 12 this year. A franchise

incentive program launched last September is being credited with fueling the growth and is being extended through July 2016. "We have not seen this much interest among prospective franchisees since the brand's early years," said Carl Howard, president and CEO. Howard said the company is seeing strong interest from a wide variety of operators, including those in the convenience store market.

LONDON

■ The **Kentucky Highlands Investment Corp.** has received a \$10,000 grant from the Berea College Appalachian Fund to create a Promise Zone pilot program that will help guide small communities through the federal grant process. The Kentucky Promise Zone initiative, which runs through 2024, gives an eight-county area in Eastern Kentucky – encompassing Knox, Bell, Harlan, Letcher, Perry, Leslie, Clay and Whitley counties – a competitive advantage in applying for federal funding as well as additional assistance from federal agencies that oversee housing, education, economic development, agriculture and safety. Those agencies also will provide increased coordination to help the counties maximize federal and private investment.

LOUISVILLE

■ **Falls City Beer**, one of Louisville's oldest and most iconic beer brands, has launched its largest-ever product-line expansion, extending its line-up from two bottled-beer varieties to seven. The new **Kentucky Common** beer will be produced year-round and will be available in select markets in Kentucky, Indiana, Tennessee and Ohio. The company is also adding a family of seasonal releases.



■ **Papa John's International** continues its global growth with the opening of its first store in Israel. Since opening 18 years ago, the Louisville-based pizza chain now has more than 4,800 restaurants in over 40 countries.

MAYSVILLE: DECLINE IN POWER PLANT DEMAND FORCES CARMEUSE LAYOFFS

CARMEUSE Lime and Stone has laid off 76 workers at its operation in Maysville, a figure that represents nearly half its 161-member workforce there.

The layoffs are tied to the sudden and unexpected change in demand from one of the company's major clients, **First Energy**. First Energy recently idled one of its major coal-fired power



The decision to idle the Bruce Mansfield power plant in Shippingsport, Pa., has led to a decreased need for the limestone produced at Carmeuse Lime and Stone's Maysville, Ky., operation.

plants in Pennsylvania because of sustained low prices combined with a mild winter and increasing competition from inexpensive natural gas. The limestone produced by companies like Carmeuse is used by coal-fired power plants to reduce the amount of carbon dioxide released into the air.

"First Energy is the largest customer for Carmeuse's Maysville operation and the idling of the Bruce Mansfield power generation capacity has caused a significant and abrupt decline in demand for our products," Carmeuse Vice President Kevin Whyte told *The Maysville Ledger Independent*. "This sudden decline in demand was unexpected."

Whyte added that the company is hoping the reduction in demand will be temporary and that some of the Maysville workers can be called back but noted that it would all depend on market demand.

The Maysville plant has been in operation since 1974 and was acquired by Pittsburgh-based Carmeuse in 1997.

STATE: NEW WEBSITE TRACKS PROGRESS OF STATEWIDE BROADBAND PROJECT

A new website has been launched to provide the latest news pertaining to the progress of **KentuckyWired**, a public-private broadband project that involves building a network of fiber-optic lines that will carry high-speed broadband into all 120 counties across the state.

The new website, kywiredhelp.com, will provide updates on the broadband network project and is geared toward local leaders, engaged citizens and elected officials who are looking to plan for the best way to take advantage of the network locally.

While KentuckyWired is primarily intended to serve state government entities in every county, the network will have excess capacity available for local governments and private internet service providers to use to more affordably extend broadband services to local subscribers. KentuckyWired will be unique in allowing "open access" to the network, so local private or public service providers can tap into the new broadband network at a lower cost than has previously been possible.

"KentuckyWired can be one of the most high-impact infrastructure endeavors undertaken in our state's recent history," said Brian Mefford, CEO of **Connected Nation Exchange (CNX)**, a Bowling Green-based company that has been contracted by Kentucky to serve the needs of communities and service providers that plan to participate in the KentuckyWired project. "To achieve maximum benefit across the state, communities must become fully engaged and prepared to take advantage of such a tremendous resource. To that end, we felt it important to launch this service to communicate key facts and updates about this important public-private initiative."



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Some people thrive on whatever challenges come their way. These are the people who will lead Kentucky's economic resurgence. *The Lane Report* hopes you are among them. *The Lane Report* can help you capitalize on a dynamic new economy.

BUSINESS BRIEFS

LOUISVILLE

■ **Lucina Health**, a company that uses analytics, care-management tools and mobile patient-outreach apps to improve women's health, held an official ribbon-cutting ceremony for its new Louisville headquarters on March 29. The company – which launched last year and is backed by Louisville-based **Chrysalis Ventures**, Michigan-based **Arboretum Ventures**, and the **Kresge Foundation**, along with individual investors – anticipates adding 10 to 15 high-tech jobs over the next several years.

■ **Firstsource Group USA Inc.**, a company that provides outsourced management and business services to telecommunications and media companies, has filed papers with the state indicating plans to cut approximately 280 jobs at its Louisville call center. The layoffs are tied to the downsizing of an unspecified Firstsource client. Following the layoffs, Firstsource will have approximately 500 employees in Louisville.

■ Louisville-based **Baptist Health** has announced its intent to acquire **Floyd Memorial Hospital and Health Services**, a 236-bed acute-care regional healthcare provider in nearby New Albany, Ind. The nonbinding agreement allows the two entities to move forward with the steps to pursue an acquisition. If an acquisition is reviewed and approved by the organizations, the actual transition would take place on or before Oct. 1, 2016 and would include a guaranteed capital investment of \$125 million over the next five years to expand services, invest in improved technologies and transition to Epic, an information technology platform. The Baptist Health system currently includes hospitals in eight Kentucky communities.

MAYFIELD

■ Heavy equipment dealer **Wayne Supply Co.** has opened a \$2.5 million branch in Mayfield as the company expands its operations in the western Kentucky region. The branch offers specialists in agri-business, earthmoving and power systems and also includes sales, parts and service departments, as well as field service technicians and trucks dispatched directly from the new location. In addition to the new Mayfield location, the Louisville-based company has branches in 12 other Kentucky communities and two Indiana locations.

MORGANTOWN

■ **Mid-Park Inc.** has invested \$3.5 million to open a new service stamping and threading (SST) operation in Morgantown, where it expects to add 50 new jobs over the next three years. The plant will manufacture parts for the automotive industry, including frame, structural and suspension components as well as assemblies. Mid-Park's existing SST facility in Leitchfield produces farm gate hardware in addition to providing a variety of contract manufacturing services. The company also has a plant in Clarkson, Ky., that produces roadway construction products.



NORTHERN KENTUCKY

■ Travel and tourism contributed nearly \$366 million to Northern Kentucky's economy in 2015 – up \$26 million over 2014 figures – as tourism filled more hotel rooms in the region than ever before. According to data released by meet **NKY/Northern Kentucky Convention & Visitors Bureau**, Northern Kentucky accounted for 39 percent of the \$4.4 billion in travel spending in the Greater Cincinnati region and 20 percent of all travel spending in Kentucky. In addition, convention rooms booked for future years are up 29 percent, representing \$72 million in future visitor spending.

PARIS

■ **Hearth & Home Technologies** (HHT) has notified the state of its plans to close the company's Paris, Ky., manufacturing facility, where it produces hearth products under the **Majestic** and **Monessen** brands. According to a statement issued by HHT, the company has "ample capacity" available at other facilities and could not justify the continued operation of the Paris plant. Production of Majestic products will be moved to the HHT facility in Lake City, Minn., while production of the Monessen products will be relocated to the company's Mount Pleasant, Iowa, plant. The Paris plant closing will result in the loss of 229 jobs.

BARDSTOWN: THAI SUMMIT HIRING 216 TO STAFF NEW \$110M AUTO PARTS PLANT

THAI Summit America Corp., a company that supplies stamped and welded parts to auto-makers, has announced plans to build a new auto parts plant in Bardstown that will create 216 new jobs.

Ford photo



The Thai Summit plant in Bardstown will supply stamped and welded assemblies for Ford's Kentucky Truck Plant in Louisville.

The company is planning to break ground in May on an 82-acre site in the Nelson County Industrial Park, where it plans to build a 220,000-s.f. facility.

The first phase of construction is expected to be complete by the end of the year, at which time the plant will begin delivering stamped and welded aluminum assemblies to the **Ford Kentucky Truck Plant** in Louisville.

Established in 1985 in Howell, Mich., Thai Summit America Corp. – a Thai Summit Group company – also supplies other Ford facilities, **Chrysler** and other automotive manufacturers, offering remote laser welding, 3-D white light measurement and high-strength steel capabilities. Thai Summit currently operates facilities in North America and Asia.

Nelson County Judge-Executive Dean Watts said the company's \$110 investment "represents one of the largest investment made in Nelson County in many years."

ERLANGER: LAND DEVELOPMENT PROJECTS AT CVG CREATE NEW REVENUE STREAMS

THE Cincinnati/Northern Kentucky International Airport is launching two new land development initiatives that will continue building its strategies for revenue diversification and growing economic development opportunities.

The CVG Airport board has entered into a lease agreement with **Aeroterm US Inc.** for development of a 25,000-s.f. multi-tenant cargo building on approximately 11 acres of land. The term agreement is for 35 years with two additional five-year options with a minimum capital investment of \$3.3 million. The project is anticipated to be complete within 12 months of a signed lease.

The board also approved a lease agreement with **VanTrust Real Estate** for the development of commercial warehouse/distribution facilities on 41 acres of land. The term agreement is for 49 years and 11 months with a minimum capital investment of \$10 million. The project is expected to be complete by August 2017.

"The geographic position of CVG is a highly desirable and strategic location for land developers," said Candace McGraw, CVG's chief executive officer. "These projects create win/win/win opportunities for the airport, the community and developers. The airport receives new revenue streams, which lowers the cost of operations for airlines and tenants; the community sees job growth and economic development; and developers have access to over 75 percent of the U.S. population within 600 miles of the airport."

Part of CVG's current five-year strategic plan includes land development with a goal to lease approximately 350 acres of land for development by 2021.

Moody's Investors Services recently upgraded CVG's revenue bonds rating from A3 to A2, citing "the significant progress CVG has made in transitioning from a connecting hub to a multi-carrier, origin and destination airport" as the reason for the upgrade.

BENTON: AMERICAN STAVE ADDING 2ND KY MILL TO SUPPLY BOURBON INDUSTRY



Wikimedia photo

American Stave's new mill in Benton will produce barrel staves to supply Kentucky's booming bourbon industry.

BARELY six months after opening its first Kentucky stave mill in Morehead, **American Stave Co.** has announced plans for a second Kentucky mill to be built in Benton that will produce barrel staves for the bourbon and whiskey industries.

The Missouri-based company, a division of **Independent Stave Co.**, has purchased 48 acres in Marshall County for a state-of-the-art mill that will be 20,000 to 40,000-s.f. in size. The \$12 million project will create more than 40 full-time positions and provide the company with additional production capacity and flexibility.

American Stave opened its **Morehead Wood Products Mill** last September and has already added a second shift there, increasing employment to 71. A third shift is also being considered that would add another 30 jobs.

Like the Morehead mill, the Benton mill will supply the company's cooperages in Lebanon, Ky., and Missouri.

The company owns six stave mills in total – one in north-eastern France and five American Stave mills that include the Morehead facility, two in Missouri, one in Indiana and one in Ohio. The mills supply about 20 countries across the globe. The company purchased the Kentucky cooperage in 1983, which currently employs 400 people.

American Stave officials said the company's previous sourcing of white oak logs from Marshall County was one of the main factors in its decision to locate in Benton.

Construction on the Benton mill is expected to begin this fall, with a projected opening date of July 2017.

BARDSTOWN: LUXCO ANNOUNCES PLAN TO BUILD DISTILLERY IN BARDSTOWN

ALREADY known as the Bourbon Capital of the World, Bardstown is gaining yet another distillery with the announcement that St. Louis-based **Luxco** plans to build its first stand-alone wholly owned distillery on 70 acres off KY 245.

Luxco officials said the new distillery will help meet increasing demand for the company's brands, which include **Rebel Yell**, **Blood Oath** and **Ezra Brooks**.

"At Luxco, we are always looking to be innovative," said Luxco President and COO David Bratcher. "Building this distillery will allow us to control our own production as well as offer us the ability to experiment with new and innovative mash bills, barrel types and aging techniques."

The distillery will be constructed alongside an existing house on the property – which is registered as a National Historic Place – and will feature a tasting room as well as event space.

Construction on the project is expected to begin this summer. When complete, the distillery will be approximately 18,000 s.f., have six barrel warehouses and employ an estimated 34 workers with an average annual salary of \$45,500.

Bardstown is considered the official trailhead of the Kentucky Bourbon Trail. Distilleries that already call the area home include **Heaven Hill**, **Maker's Mark**, **Jim Beam**, **Barton 1792** and **Willett**.

BUSINESS BRIEFS

PINEVILLE

■ The **Kentucky Natural Lands Trust** has purchased 2,050 acres of Pine Mountain, establishing The Narrows Preserve. Pine Mountain is home to thousands of species of plants and animals, some of which are found nowhere else in the world. The new preserve will be a significant addition to the **Pine Mountain State Scenic Trail**, the Kentucky portion of the 1,800-mile **Great Eastern Trail** planned from Alabama to New York. In Kentucky, 120 miles of the trail are being developed that will eventually connect **Breaks Interstate Park** with **Cumberland Gap National Historical Park**. The trail is important to the region's expanding recreation industry and an essential part of the unfolding transitional economy.

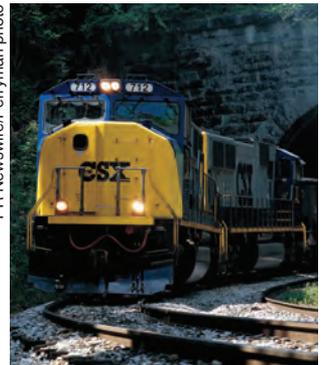
PRESTONSBURG

■ The Kentucky Community and Technical College System (KCTCS) has approved a new associate of applied science degree in broadband technology at **Big Sandy Community and Technical College** in Prestonsburg. The new program will support both the **Shaping Our Appalachian Region** (SOAR) initiative and **KentuckyWired**, a project launched last year with the goal of expanding broadband coverage throughout the state. The new broadband technology program at Big Sandy has been designed to train the workforce needed for widespread broadband installation and maintenance.

RUSSELL

■ **CSX Corp.** has cut 101 union and management jobs from its transportation and mechanical departments in Russell, citing a decline in traffic levels and coal movements. Following the layoffs, CSX will have a staff of approximately 330 in Russell. The cuts are the latest in a string of CSX layoffs tied to the region's declining coal industry. Last year, CSX reduced operations in Corbin, Ky., and Erwin, Tenn., and eliminated most of its workforce in Huntington, W. Va.

PR Newswire/Ferryman photo



STANFORD

■ **UTG**, a publicly traded life insurance company, is moving its corporate headquarters to Stanford, bringing approximately 30 jobs to the area. The company, which is affiliated with Stanford-based **First Southern National Bank**, is currently headquartered in Springfield, Ill. UTG has \$350 million in assets and serves more than 100,000 policyholders across the United States.

STURGIS

■ A former lumberyard in Sturgis is being renovated to house a new zero-waste sawmill that will produce railroad ties, pallets, heat-treated firewood and craft wood specialty products. **The Wood Mill** will be owned by the Hutchison and Hopper families, who also co-own **H&H Timber** and a scrap-metal business, **Hutchison & Hopper LLC**. The families are investing more than \$1 million to transform five buildings located on the former lumberyard site. The new manufacturing venture is expected to be operational by June and will create 30 new jobs.

VANCEBURG

■ **Superior Composites Co.** is investing \$2.5 million to add 20,000 s.f. to its 156,000-s.f. facility in Vanceburg, where it produces continuous filament glass fiber reinforcements and veils used by the global composites industry. The company's clients use Superior Composites products to make automotive and transportation components, specialty pipe for oil, gas and chemicals transmission, composite window and door frames, and marine components, among numerous other end-use products. The expansion is expected to be complete by the end of the summer and will create 32 new full-time jobs.

STATE

■ **AT&T** has announced plans to add 70 jobs across Kentucky to help meet "growing consumer demands for modern technologies and high-speed connectivity." The positions being filled are for retail and technician jobs.

INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

BUSINESS BRIEFS

INDIANA

■ **Wal-Mart** is building a 250,000-s.f. milk-processing plant in Fort Wayne, Ind., that is expected to be one of the largest in the industry. The company plans to hire 200 workers for the new plant, which will begin processing milk by the summer of 2017 for more than 600 Wal-Mart and **Sam's Club** locations in Indiana, Illinois, Michigan, Ohio and Northern Kentucky.



■ A fast-growing specialty online retailer, **eLuxurySupply.com**, is moving its Tennessee-based manufacturing operations to its Evansville headquarters and plans to add another 104 jobs to its current 70-member Indiana workforce by 2020. The company manufactures and distributes home and garden products to businesses and consumers in more than 15 countries and was recently named the 15th fastest-growing company in North America and the fastest growing company in Indiana by **Inc.** magazine.

■ **Renaissance Electronic Services**, the second-largest provider of dental claims in the country, is investing \$14.9 million to expand its operations in Indianapolis. The company plans to develop and launch electronic payment processing services by 2019 and anticipates doubling its 151-member workforce to accommodate the new service. The majority of new jobs will be in software development and programming.

OHIO

■ **Fifth Third Bancorp** is adding 120 new jobs in its rapidly expanding information technology division, adding to the 80 tech employees hired over the last six months. The Cincinnati-based bank said the new positions will support the company's efforts in the mobile and digital sectors. More than 100 of the new jobs will offer salary packages worth more than \$100,000. By year's end, Fifth Third plans to employ more than 1,000 technology employees, a 27 percent increase since 2012.



■ **Air Transport Services Group Inc.**, a Wilmington, Ohio-based provider of air cargo transportation, has signed an agreement with **Amazon Fulfillment Services Inc.** to operate an air cargo network to serve Amazon customers in the United States. In conjunction with the commercial agreements, ATSG also has agreed to grant Amazon warrants to acquire up to 19.9 percent of ATSG's common shares over a five-year period.



TENNESSEE

■ **Develey Mustard and Condiments Corp.**, a leading producer of mustards, dressings and sauces in Europe, plans to locate its first North American production facility in Dyersburg, Tenn. The German company is investing \$20 million in the new operation, which will create 150 jobs over the next five years.

■ **Agero**, a company that specializes in providing roadside assistance, is locating a new call center in Blountville, Tenn., that will bring 585 new jobs to the east Tennessee community. The facility will be operational by the end of April.

■ **TwelveStone Health Partners** is investing \$14.9 million to build a new 30,000-s.f. corporate headquarters facility in Murfreesboro, Tenn., that will enable the company to consolidate its corporate, logistics, billing and services divisions. TwelveStone Health Partners is a result of last year's acquisition of **Reeves-Sain Drug Store Inc.** and **EntrustRx**, its specialty pharmacy business by **Fred's Inc.** TwelveStone will offer packaged medication, infusion and enteral services, respiratory therapy services and durable medication equipment. The company plans to expand its existing 44-county service area footprint to all of Tennessee's 95 counties and is adding 200 new jobs to support the expansion.

OHIO: SHERWIN-WILLIAMS INKS DEAL TO BUY VALSPAR FOR \$11.3 BILLION

THE Sherwin-Williams Co. has entered into an agreement to acquire competitor paint company **Valspar** in a deal valued at \$11.3 billion.

The acquisition will broaden Sherwin-Williams' footprint outside of North America while also adding new product lines such as coatings for food and industrial coils.

"Valspar is an excellent strategic fit with Sherwin-Williams," said Sherwin-Williams President and CEO John G. Morikis. "The combination expands our brand portfolio and customer relationships in North America, significantly strengthens our **Global Finishes** business, and extends our capabilities into new geographies and applications, including a scale platform to grow in Asia-Pacific and EMEA (Europe/Middle East/Africa). Customers of both companies will benefit from our increased product range, enhanced technology and innovation capabilities, and the transaction's clearly defined cost synergies."

Morikis said Sherwin-Williams will continue to be headquartered in Cleveland while maintaining a "significant presence" in Minneapolis, where Valspar is based.

The two companies say they do not anticipate any regulatory issues and expect to close on the transaction by the first quarter of 2017.

The combined company will have 58,000 employees.



INDIANA: HONDA ADDING PRODUCTION OF CR-V MODEL AT GREENSBURG PLANT

HONDA Manufacturing Indiana is investing \$40 million to enhance the manufacturing flexibility and capabilities of its Greensburg, Ind., plant in order to add production of the Honda **CR-V** model.

The plant will continue to produce the popular Honda **Civic** sedan and plans to add 100 new positions by the end of 2016 to support the new CR-V line.

Honda is also investing an additional \$12.37 million in a new 20,000-s.f. Associate Resource Center, a career development facility designed to promote and enhance manufacturing skills. The company will provide more than 1,000 self-guided e-learning classes that range from Honda-specific training to universal skills training.

"Our associates are our foundation and this new training facility will provide them with the opportunity to grow and develop their skills," said Bob Nelson, president of Honda Manufacturing of Indiana (HMIN).

Since 2006, HMIN has invested more than \$900 million in Indiana and now employs more than 2,300 people there. The Indiana plant has the capacity to produce 250,000 vehicles.

Honda photo



Honda Manufacturing of Indiana will begin production of the CR-V model in addition to producing the popular Honda Civic sedan.

2016 Election Issues

ARE 2016 CANDIDATES FAILING SMALL BUSINESSES?

Nearly **90%** of U.S. Small Business Owners Say Candidates Don't Make Small Businesses a Top Priority



Nearly **8 in 10** business owners vote for what's good for their business, regardless of political party



UNDERSTAND SMALL BUSINESSES

42% say presidential candidates don't understand how taxes impact business



46% say candidates don't "get" minimum wage impact on their businesses, either



ADDRESS THE ISSUES THAT MATTER MOST

BETTER RESOURCES:

91% want better gov't resources ensuring access to capital



55% stress the ACA hurts, not helps, their business



36% want candidates to address taxes more in campaigns



81% want more gov't help in complying with the ACA



STABILIZE REGULATORY ENVIRONMENT

70% confirm that ever-changing gov't regulations hinder their growth



73% SMBs argue it's easier to increase their revenues by 5% than stay fully compliant with gov't regulations



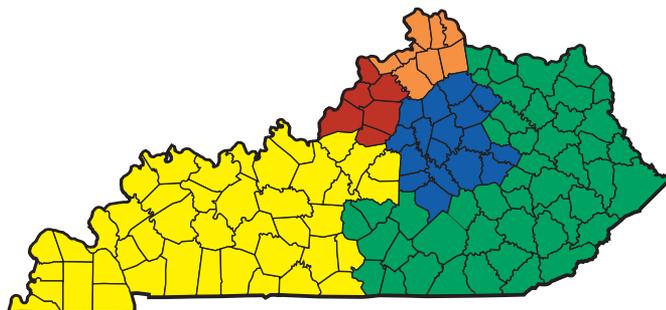
The 8th Federal Presidential Election Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 1,000 U.S. small business owners with 100 or fewer employees, between October 27th and October 29th, 2015. Using an email invitation and an online survey, the observed net N of 1,000 that a survey might draw is not very good or mixed. By more than 3 percentage points from the email that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

Source: TriNet

SHOULD KENTUCKY RAISE ITS MINIMUM WAGE?

With both California and New York poised to raise the minimum wage to \$15 an hour, the issue has become a hot topic across the nation. According to a recent Kentucky Health Issues poll, a majority of Kentuckians are in favor of raising the minimum wage to \$10.10 per hour.

PERCENTAGE OF ADULTS WHO FAVOR AN INCREASE OF THE HOURLY MINIMUM WAGE FOR ALL WORKERS IN KENTUCKY TO \$10.10 PER HOUR



- Northern Kentucky 60%
- Louisville Area 65%
- Lexington Area 63%
- Western Kentucky 67%
- Eastern Kentucky 74%

Source: Foundation for a Healthy Kentucky/Interact for Health

AND MORE ON MINIMUM WAGE....

Data from the latest Duke University/CFO Global Business Outlook indicates that nearly 75 percent of minimum-wage paying U.S. firms would reduce current or future employment if the minimum wage was raised to \$15 per hour.

WHAT ACTIONS WOULD YOUR COMPANY TAKE IF THE HOURLY MINIMUM WAGE WERE INCREASED TO:

	\$8.75	\$10	\$15
Reduce current/future employment	39%	47%	73%
Shift toward labor-saving technology	31%	44%	72%
Reduce benefits	11%	28%	48%
Raise product prices	22%	43%	49%

WHAT POSITIVE OUTCOMES WOULD YOU EXPECT YOUR COMPANY TO SEE AS A RESULT OF RAISING THE MINIMUM WAGE TO:

	\$8.75	\$10	\$15
Reduce employee turnover	22%	22%	26%
Increase productivity	17%	35%	41%
Attract higher-quality workers	17%	14%	33%

Source: Duke University/CFO Global Business Outlook

CORPORATE MOVES

New leadership for Kentucky businesses

ARTS

■ The Chamber Music Festival of Lexington has announced the following changes to its management team: Co-Founder and President **Charles H. Stone** has become president emeritus, but remains an active board member. Vice President **N. Gregory Pettit** has assumed the role of board president. **Elias Gross** has been appointed executive director. **Edd MacKey** has been appointed vice president.

BANKING

■ **Ryan M. Gray** has been named vice president, business development/investment sales officer for Community Trust and Investment Co.'s wealth and trust management division.



Ryan Gray

■ **Fontaine (Chip) Banks III** has been named senior vice president and chief investment officer of Frankfort-based Farmers Capital Bank Corp.

■ **Rex Greer** has been named president and CEO of First National Bank of Manchester. Greer also serves as chairman of the board.

COMMUNICATIONS

■ **Chris Moore** has been appointed executive director of the Kentucky Communications Network Authority.

CONVENTION/TOURISM

■ **Julie Kirkpatrick** has been named vice president of sales and marketing for meetNKY/Northern Kentucky Convention and Visitors Bureau.



Julie Kirkpatrick

ECONOMIC DEVELOPMENT

■ **Ray Hagerman** has been appointed president of the Madisonville Hopkins County Economic Development Corp.

■ Greater Louisville Inc. has announced the following appointments: **Sarah Davasher-Wisdom** – chief operating officer; **Deana Apperly Karem** – vice president of regional growth; **Brian Jones** – vice president of membership and development; **Shawna Burton** – executive director of engagement and marketing; **Christy Corum** – executive director of finance and administration; **Lisa Bajorinas** – executive director of EnterpriseCorp; **Lisa Young** – executive director of membership; **Sydney Doctor** – director of events; and **Marie McCormick** – marketing manager.

EDUCATION

■ **H. Keith Spears** has been named vice president for communications and assistant to the president of Campbellsville University.



Keith Spears

■ **Kathleen Sheppard-Jones** has been appointed director of the Human Development Institute, a University Center for Excellence in Development Disabilities at the University of Kentucky.

■ **Susan Eriksson** has been appointed associate dean for research in the University of Kentucky College of Design. **Gregory A. Luhan** has been named associate dean for administration for the college.

FOOD/SPIRITS/HOSPITALITY

■ **Seth Russell** has been named culinary director and executive chef for The Club at the University of Kentucky's Spindletop Hall. Russell will remain as executive chef for UK's Hilary J. Boone Center as well.



Seth Russell

GOVERNMENT

■ **Ervin Dimeny** has been named Kentucky's commissioner for the Department of Workplace Standards.

■ **Carol Beth Martin** has been appointed as the new malt beverage administrator for the Kentucky Department of Alcoholic Beverage Control.

■ Retired Brigadier General **Norman E. Arflack** has been named commissioner of the Kentucky Department of Veterans Affairs.

■ **Richard W. Sanders** has been named Kentucky State Police commissioner. **Williams Alexander Payne** will serve as deputy commissioner under Sanders.

HEALTHCARE

■ **Robert Maha** has been named chief executive officer of Springstone LLC in Louisville, a national provider of behavioral health and addiction treatment. Springstone founder **W. Earl Reed** will assume the position of chairman of the board.

LEGAL

■ **Gregory Dutton** has joined the Prospect law firm of Goldberg Simpson as of counsel.



Gregory Dutton

■ **Stoll Keenon Ogden PLLC** has promoted the following attorneys to members of the firm: **Monica Braun, Joseph B. Colvin, Mary Garris, Chapman Hopkins, Elizabeth S. Muyskens, Nick Nicholson, Robert J. Packard, Sarah Sloan Reeves** and **Christopher E. Schaefer**.

■ **Thomas Coffey, Taylor Hamilton** and **Bradley Salyer** have been named shareholders of the Louisville firm of Morgan & Pottinger P.S.C.



Thomas Coffey



Taylor Hamilton



Bradley Salyer

UTILITIES

■ **Tom Luckett** has been named chief information officer for the consolidated information technology departments of Louisville Water and MSD.

DEPARTURES

■ **Carlos Phillips** has left his position as senior vice president of operations and membership of Greater Louisville Inc. to accept the role of chief executive officer of the Greenville Chamber of Commerce in South Carolina.

■ Kentucky State Fair Board President and CEO **Clifford "Rip" Rippetoe** has resigned to accept the role of president and CEO of the San Diego Convention Center.

■ **Barbara Veazey** has announced that she will retire as president of West Kentucky Community and Technical College, effective June 30.



Barbara Veazey

■ **Brian J. Robinson** has announced plans to step down as executive vice president and chief financial officer of Highland Heights-based General Cable Corp. Robinson will remain in the position until a successor has been named.

■ **Brad Schneider** has resigned as president and CEO of the Kentucky Network for Development Leadership and Engagement (Kyn-dle), the merged organization of Northwest Kentucky Forward and the Henderson Chamber of Commerce, to become judge-executive for Henderson County.

■ **Donovan Reynolds** will retire as president and general manager of Louisville Public Media, effective Sept. 30.

■ **Cody Brenneman** has been named superintendent of operations for Kentucky American Water's Northern Division, which includes Gallatin, Grant and Owen counties.



Cody Brenneman

OTHER

■ Exceptional Living Centers, a Lexington-based professional management company has announced the following appointments: **Kelly Brewer** – vice president of sales and marketing; **Rod Brewer** – vice president of technology; **John Jernejcic** – director of construction; and **Erica Johnson** – director of human resources.

■ **Suzanne Bowman** has been promoted to director of legal services and intellectual property and assistant corporate secretary for Louisville-based Hillerich & Bradsby Co.

■ **Lisa Buckley Zangari** has been named director of learning for The Leadership Louisville Center.

■ **Ed Hartless** has been named executive director of Fourth Street Live! in Louisville.

■ **Christie McCravy** has joined the Louisville Affordable Housing Trust Fund as executive director.

■ **John Sparrow** has been named chief executive officer of Kentucky Farm Bureau. He succeeds **Bradley R. Smith**, who is retiring this month.

ON THE BOARDS

Kentuckians named to organizational leadership roles

ACTORS THEATER OF LOUISVILLE

■ **John E. Selent** has been elected to the board of directors of Actors Theater of Louisville. Selent is the managing partner of the Louisville law office of Dinsmore & Shohl.



John Selent

CISCO SYSTEMS

■ **David Rice** has been named to Cisco System's Small Midmarket Business Partner Advisory Board. Rice is a senior infrastructure engineer with the accounting and business-consulting firm of Dean Dorton Allen Ford.



David Rice

CPA ASSOCIATES INTERNATIONAL

■ **William G. Meyer III** has been elected to the North America board of directors of CPA Associates International. Meyer is managing partner of Louisville-based CPA firm Strothman and Co.

INVESTOR PROTECTION TRUST

■ **Shonita Bossier**, director of the Securities Division of the Kentucky Department of Financial Institutions, has been elected to serve as a trustee of Investor Protection Trust, a national nonprofit devoted to investor education.



Shonita Bossier

FEDERAL ADVISORY COMMITTEE ON JUVENILE JUSTICE

■ **J. Jay Miller**, assistant professor in the University of Kentucky College of Social Work has been appointed to the Federal Advisory Committee on Juvenile Justice. Miller also serves on the Kentucky Justice Act Advisory Board.



Jay Miller

FOUNDATION FOR A HEALTHY KENTUCKY

■ The Foundation for a Healthy Kentucky has announced its officers for 2016: Chairman – **Christopher Roszman**, Louisville; Vice Chairman – **Charlie Ross**, Mayfield; Treasurer – **Mark Carter**, Louisville; Secretary – **Rosie Albright**, Danville. New members appointed to the board include: **Janice Blythe**, Berea; **Dan Beavers**, Bowling Green; **Vivian Lasley-Bibbs**, Lexington; **Daniel Mongiardo**, Hazard; **Carlos Marin**, Lexington; and **Paula Little**, Albany.

INFRAGARD NATIONAL MEMBERS ALLIANCE

■ **Michael E. Poynter** has been appointed to serve on the board of directors of the Infragard National Members Alliance, a partnership between the FBI and the private sector that works to mitigate threats to the nation's critical infrastructures and key resources. Poynter is executive director of the Kentucky Board of Emergency Medical Services.

KENTON COUNTY AIRPORT BOARD

■ **Todd M. Schneider** has been appointed to the Kenton County Airport Board.

KENTUCKY AGRICULTURE DEVELOPMENT BOARD

■ **Robert Foree** has been appointed to the Kentucky Agriculture Development Board. Foree, of Eminence, is a self-employed farmer and attorney.

KENTUCKY ALLIANCE OF BOYS AND GIRLS CLUBS

■ **Steve B. Thompson** has been appointed board president of the Kentucky Alliance of Boys and Girls Clubs. Thompson recently retired as chairman of the Sterling G. Thompson Co. in Louisville.

KENTUCKY ASSOCIATION OF CHILDREN'S ADVOCACY CENTERS

■ **Brady Dunnigan** has been elected president of the Kentucky Association of Children's Advocacy Centers board of directors. Dunnigan is a partner in the Lexington law office of Dinsmore & Shohl.



Brady Dunnigan

KENTUCKY HORSE PARK COMMISSION

■ **Tandy Patrick** has been named as the new chairperson of the Kentucky Horse Park Commission. Patrick is an attorney with Bingham, Greenebaum & Doll in Louisville and Lexington. **Rebecca Jordan**, of Georgetown, and **Matt Dedden**, of Burlington, have also been appointed to serve on the commission.

KENTUCKY HOUSING CORP.

■ **Rick Vance** has been appointed to the board of directors of the Kentucky Housing Corp. for a four-year term. Vance is an attorney with Stites & Harbison, based in the firm's Louisville office.

KENTUCKY NONPROFIT NETWORK

■ **Chris Chaffin** has been elected to the board of directors of the Kentucky Nonprofit Network. Chaffin is vice president and private client services officer for Traditional Bank.



Chris Chaffin

KENTUCKY PERSONNEL BOARD

■ **Brian Crall** and **Brian Richmond** have been appointed to serve on the Kentucky Personnel Board. Crall, of Nicholasville, is a self-employed consultant. Richmond, of Ft. Mitchell, is a self-employed attorney.

LEXINGTON CENTER

■ The Lexington Center Corp. has elected its officers for 2016: Chair – **Brent Rice**; Vice Chair – **Judy Taylor**; Secretary – **Holly Wiedemann**; and Treasurer – **Craig Turner**. The Lexington Center Corp. is a not-for-profit 501 (3) corporate agency of the Lexington-Fayette Urban County Government that manages and maintains Rupp Arena, the Lexington Opera House, the Lexington Convention Center, The Shops at Lexington Center and Triangle Park.

LEXINGTON CLINIC

■ The Lexington Clinic board of directors has announced its officers for 2016: President – **Dr. Stephen C. Umansky**; Vice President – **Dr. Michael T. Cecil**; Secretary – **Dr. J. Elizabeth Lehmann**; Treasurer – **Dr. Andrew C.**

McGregor. Members of the board include: **Dr. Michael W. Eden**, **Dr. Kimberly A. Hudson**, **Dr. Mamata Majmundar**; **Dr. Gregory V. Osetinsky**; and **Dr. J. Sloan Warner Jr.**

NATIONAL EDUCATION FINANCE ACADEMY

■ **William E. Thro** has been elected to the board of trustees of the National Education Finance Academy, an organization that focuses on issues pertaining to school finance. Thro is general counsel for the University of Kentucky.

POAGE BANKSHARES INC.

■ **Thomas Burnette** has been appointed chairman of the board of directors for Ashland-based Poage Bankshares Inc., the holding company for Town Square Bank. Burnette will fill the vacancy created by the recent passing of former Chairman **Thomas Carver**. **Charles W. Robinson** has been appointed vice chairman of the board of directors of the company and Town Square.

RECLAIMING AMERICA'S MIDDLE CLASS

■ Kentucky Community and Technical College System President **Jay K. Box** has been appointed to a new national community college board, Reclaiming America's Middle Class. The board is a federal policy advocacy group for community colleges.



Jay Box

U.S. PREVENTIVE SERVICES TASK FORCE

■ **Diane Medved Harper**, has been appointed to the U.S. Preventive Services Task Force, an appointed panel that issues evidence-based recommendations about clinical preventive services such as screenings, counseling services and preventive medications. Harper is the Rowntree Professor and Endowed Chair of Family and Geriatric Medicine at the University of Louisville.

WOMEN LEADING KENTUCKY

■ The following individuals have been named to the board of directors for Women Leading Kentucky, a statewide network of women business professionals: **Nancy Atkins**, Bluegrass Family Health; **Elisa Bruce**, REACH Inc.; **Victoria Carling**, American Founders Bank; **Susan Dean**, U.S. Bank; **Billie Dollins**, Community Trust Bank; **Cliff Feltham**, LG&E and KU Energy LLC; **Sonia Goforth**, Sonia Goforth RCC; **Kathryn Hansen**, Integration Consultants; **Stacy Kula**, Stoll Keenon Ogden PLLC; **Susan Mobley**, Baptist Health Lexington; **Betsy Nowland-Curry**, Curry Consulting Group; **Stacy Owens**, American Water (retired); **Davonna Saier**, Lexington Diagnostic Center & Open MRI; **Ellen Sharp**, Central Bank & Trust; **Ann Smith**, University of Kentucky HealthCare; **Amy Sohner**, Bluegrass GreenSource; **Molly Sutherland**, Sutherland & Associates; and **Chrisandra (Chrissie) Turner**, Stites & Harbison, PLLC.

YUM! BRANDS

■ **Robert D. Walter** has been named non-executive chairman of the board of Louisville-based Yum! Brands, the parent company of KFC, Pizza Hut and Taco Bell. Walter will succeed **David C. Novak**, who will step down as executive chairman in May.

LANE ONE-ON-ONE

Kentucky's leaders express their opinions



Craig Greenberg

Craig Greenberg, president of 21c Museum Hotels, is an attorney with expertise in securing and deploying federal, state and local government incentives. Greenberg is a founding partner of 21c and oversees daily operations of the company, which has five operating properties, another under construction and three under development. He is a member of the University of Louisville Board of Overseers and the Republic Bancorp Board of Directors. Greenberg was Student Government president at the University of Michigan and graduated cum laude from Harvard Law School.

21c MUSEUM HOTELS BLENDS MODERN ART WITH GOOD OLD-FASHIONED SERVICE

21c Museum Hotel President Craig Greenberg says authentic hospitality keeps guests coming back

BY MARK GREEN

THE first 21c Museum Hotel opened in 2006 in rehabilitated former bourbon and tobacco warehouses on downtown Louisville's West Main Street. Exhibits by living artists, along with good service, drew immediate notice. *Condé Nast Traveler* magazine readers voted 21c Museum Hotel Louisville the top hotel in the world in the 2009 and 2010. 21c Cincinnati has also achieved the distinction.

Mark Green: How did 21c come up with its business plan?

Craig Greenberg: The founders of our company, Steve Wilson and Laura Lee Brown, are avid contemporary art collectors. They are also passionate about urban revitalization to help prevent urban sprawl. Both grew up on farms and believe by revitalizing urban areas you can help prevent suburban sprawl. They wanted to do a project in their hometown to help revitalize an area of Louisville that was in need over 10 years ago – the West Main Street historic district on the western side of downtown Louisville. And so off we went to develop a boutique hotel and great restaurant around a contemporary art museum that would showcase their collection of living artists, that would feature rotating curated shows of contemporary art, and that would be open to the

public free of charge, 24/7, 365 days a year. The goal was to provide an opportunity for people to have a unique contemporary art experience and to help revitalize downtown Louisville. That is how 21c Museum Hotels got started. There was never any thought of doing more than one 21c when we first opened 10 years ago this month.

MG: Was making money part of the plan?

CG: We certainly wanted to make money; we thought we could. There were a lot of doubters, though. People thought a boutique hotel in Louisville focused around contemporary art was not a winning business plan, nor was this the right location for a hotel. But we have, fortunately, proven otherwise with our performance over the past decade.

MG: Is it a requirement that a 21c project must utilize an existing historic downtown structure?

CG: No. We have five 21c Museum Hotels open and two others under construction. Of those projects, one is completely new construction: In Bentonville, Ark., we've built new construction from the ground up. The others all have rehabilitated historic buildings. We are open to developing

both, but we wouldn't tear down an old building to build something new

MG: After the Louisville home base, other 21c Museum hotels are going into midsize, middle American cities – Cincinnati; Bentonville; Durham, N.C.; Oklahoma City; Lexington; Nashville – rather than large cities with big arts communities. What is behind this expansion strategy?

CG: We have primarily reacted to opportunities that have come our way. Folks have reached out to us after having visited or heard about 21c and wanted us in their hometown and presented an opportunity they think would work for us. We have said no to a lot of opportunities. The ones we've taken were really unique opportunities where we felt that 21c could not only be successful but help revitalize the urban areas or a particular neighborhood. We are looking at cities across the country, both large and small. Nashville will be our largest market when we open there about a year from now. We're looking at larger cities as well for opportunities.

MG: How similar or out of the ordinary is 21c from a "typical" hotel operation?

CG: There's a lot that makes a 21c unique, starting with our contemporary art and architecture, but the most important reason guests come back is the hospitality. Our team is made up of great people from the communities in which we build who really want to take great care of our guests, whether they're hotel guests, eating at the restaurant, or just coming to look at the art. The authentic hospitality our team exudes is a secret to our success. That said, we certainly focus on having very comfortable beds, warm showers, great Wi-Fi and very good bourbon and wonderful food, but the service in particular stands out beyond just the great art.

MG: How do 21c's occupancy rates compare to industry averages?

CG: We look at both our average daily (room) rate and our hotel occupancies on a market-by-market basis. We look at not just how the overall market is doing but how our competitors' sets of hotels within that market are doing, because there's a wide array of types of hotels in each market. Travelers are creatures of habit and it takes awhile for people to learn about you, but in every one of our markets in which we've been open for a few years our occupancy rate is at or above our competitive sets in each city. We have the market-leading average daily rate in all of our markets.

We reach out to guests after they stay to get feedback to help us improve all of

our properties. Our guest satisfaction scores are industry leading, in the high 90s across the range of categories.

MG: Does business at 21c properties rise and fall along with the hotel/hospitality sector in general, or are you in a distinct niche?

CG: We are impacted by local and national events and changes in the economy, but so far we have not been significantly impacted. In the late 2000s, when the hotel sector took a very serious hit during the recession, 21c Louisville continued to do very well. Since then the hotel market across the country has grown year over year. You'll have to ask this question again in 10 years and we can look back. There will be challenges, but we're focused on being poised for success regardless of market conditions.

MG: What business and/or economic forces most drive your activity levels?

CG: We have a very wide range of guests. We have guests who are coming into town to do business; people coming for conventions or leisure activities; and a sizable group are coming to our properties to see our art, dine in our restaurants, and really just experience a 21c Museum Hotel. We not only attract people already coming to the city but help attract new visitors to each one of the communities we're in.

MG: How large a chain might 21c become?

CG: Our focus now is on continuing to develop unique, successful properties, and we'll see where this journey takes us. We are very focused on growing, but each of our properties is unique and one-of-a-kind; we want them all to have the same energy and the same quality of art displayed, the same strength of a hospitable team. We want to continue growing. We're focused on operational excellence and growth.

MG: Who decides what art is appropriate and "good enough" for 21c, and what is the acquisition process?

CG: Our founders, Steve and Laura Lee, have a large and growing contemporary art collection. They remain avid art collectors, travel around the world to meet artists and go to art fairs to acquire new contemporary art. They, along with our chief curator, Alice Stites, curate the shows we display at each one of our properties and rotate through our properties. We also borrow a lot of art from museums, from other collectors, from galleries and artists themselves, to put together very strong contemporary art exhibitions in our public spaces.

MG: To provide perspective on 21c art, what is an example exhibition?

CG: A lot of the art at 21c focuses on very current events and issues. All of the artists we display are living artists, so it truly is art of the moment. We touch on political, social, economic, environmental, sexual topics in many of our exhibitions. Right now in Louisville there is a show of one artist named Al Farrow, and his work focuses on the relationship between religion and violence. His works of art are very intricate, detailed models of houses

of worship, across various religions, that are all made out of ammunition and weapons. It's a really powerful exhibition that gets you thinking.

MG: How does incorporating art add to the cost of your properties? Is the cost offset in some way?

CG: There's a two-part answer to that question. First, each property has some permanent art that's included in the development cost of the project. In Lexington, for example, you'll see a won-

The advertisement features a large graphic of a blue and green 'CVG' logo in the top left corner. Below the logo is a photograph of an airplane in flight against a sunset sky with a blue wave-like graphic element. The main text is in a bold, blue, sans-serif font. At the bottom, there is a URL and the airport's name.

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LANE ONE-ON-ONE

derful sculpture on the corner of Main and Upper Street called “Totally in Love,” two twisted light posts, as if they’d just been twisted together after a storm. That is a permanent piece of art that was part of the project.

Most of the art displayed in all of the sites is curated by our team and rotated and provided by our parent company. Each our locations pays our parent company management and art services fees for managing the hotel and for providing and rotating the art, just as other hotels pay similar fees to Marriott or Hilton, and they get certain things for being affiliated with those brands. When a property is a 21c, one of the things we provide as the brand is the art that’s displayed and rotated.

MG: Are the individual properties owned by the company, or are they franchises?

CG: There are no franchises. Our company owns at least a portion of all of our projects. Some we own all of; we have local partners in many of our properties.

MG: How does 21c come up with a budget for art acquisition and display?

CG: I’m not prepared with details about our art budget, but much of the art we display at 21c is created by emerging artists from around the world that Steve, Laura Lee and Alice meet in their travels. We’re not focused on acquiring art just because of an artist’s name or because of their popularity at the auction houses. There’s not an art budget for each property. We buy the art centrally through the brand and then provide it to the properties.

MG: What is the role for the presence of art in the workplace that is applicable to other business sectors?

CG: We believe art stimulates interesting thoughts, provokes conversation, challenges people to see things in new ways, all of which promotes creativity and engagement. Many companies like to have business events at 21c because of that environment. And when their employees or customers and clients gather to have a meeting or a seminar or a social event in a contemporary art museum, as opposed to a more traditional event space, interesting things come out of that environment. So we believe art can be a powerful presence in the workplace, not just in static museums.

MG: In the case of the recently opened 21c Lexington, there was a period of roughly two years from its announcement until visible construction work commenced. Was that typical?

CG: Every property is different. We cer-

tainly had some challenges with the development of our project in Lexington. It’s a wonderful, historic building, but it also posed structural and space-planning challenges, so that one took a little bit longer than we would have liked. Each project has its own unique schedule, depending on the condition of the building and other factors.

MG: How complicated is it to assemble financing for a 21c project?

CG: It’s not easy. We have greater success now than we did when no one knew what 21c was, and people thought we were all crazy. Now that we have a track record of success in many markets, it is easier, but it’s certainly not easy. It is challenging because of the cost of the projects, the uniqueness of our product. And often, like in Lexington, we’re going into a market where our type of hotel is untested. We are pushing the boundaries of what the market has historically seen. That makes it challenging, but that’s also what makes it exciting. So we have relied on a lot of public-private partnerships to make our projects happen, and that’s been a critical component of many of our projects.

MG: What is the price range on your projects so far?

CG: They have ranged, in total development costs, from \$30 million to \$55 million each.

MG: Can you describe a typical finance stack for a 21c project?

CG: Every one of our projects includes traditional construction loans and traditional equity investments. After that, the other sources of capital vary. We have used state and federal historic tax credits, and state and federal market tax credits that have provided some of the additional capital. We have used various public loan programs. We’ve also used tax increment financing or tax refund programs to help make our projects a reality.

In Lexington, the city provided a \$1 million loan, and then we borrowed money from a federal HUD loan program. In Cincinnati, a local nonprofit redevelopment company provided us with a loan. So it varies.

MG: How effective are today’s historic redevelopment incentive programs at making projects financially realistic?

CG: State and federal historic tax credit programs are critical to encouraging redevelopment of historic properties. Without them, I don’t think you would see as much occur. The federal program has been stable for many years; it’s a 20 percent tax credit. State programs vary.

In Kentucky, there are different historic tax credit programs depending on what type of building you have.

MG: Do historic tax credits apply only to construction costs or to all costs of a project?

CG: Mostly construction costs. There’s a technical term called qualified rehabilitation expenditures.

MG: What types of historic buildings are good candidates for redevelopment for 21c and which are not?

CG: We have restored everything from Art Deco bank skyscrapers built around the turn of the century to an old Model T Ford manufacturing facility in Oklahoma City that will open up later this year. So we have redeveloped a lot of different kinds of historic buildings. Each one of them poses unique challenges, but at the same time each poses unique opportunities to create a one-of-a-kind hospitality experience for our guests. So we welcome the challenges that different properties pose.

You have to have an open mind and not be constrained by the way things have been done in your industry or the way you think things “should be done.” For example, all hotel rooms need windows; however, when you have buildings like we have in Louisville and in Oklahoma City with a very large footprint, we’ve needed to create interior light wells so we can get enough rooms in the building. At the other extreme, Lexington is a very tall and narrow building, and you can only get six or seven rooms per floor, which is not the most efficient model for a hotel. But we figured out a way to make it work. Regardless of your industry, I encourage people to embrace the uniqueness of the buildings and not use the challenges of a historic rehab as reasons to not pursue a project.

MG: Similar to how 21c’s historic redevelopment policy is an anti-sprawl tool, is the policy of exhibiting contemporary art a tool specifically aimed at helping living artists?

CG: We seek to be very active in every one of our 21c communities. We seek to get very involved in the local arts community, to promote the work of local artists as well as local arts organizations. So, for example, in several of our projects, including our hotel in Lexington, in the elevator lobby of each guest room floor we display local artwork that has undergone a juried evaluation process. Similarly, we work with local arts organizations in our communities and give them the opportunity to use our spaces for their cultural programming activi-

ties. So we are very focused on supporting local artists and arts organizations in each of our communities.

MG: Are there any specific areas or forms of contemporary art that currently are especially vibrant and energetic creatively?

CG: We have works of art across many media, from traditional photographs and paintings to audio works, to video works, to sculpture and also interactive works as well, performance art and interactive art. In Louisville, for example, in our elevator lobby we've had a piece there since we opened called "Text Rain," which has falling letters that people can play with and see a projection of their own image on the screen as they catch and play with falling letters. In Cincinnati, we have a great interactive piece of art where you're walking through these shapes, and as you walk, your shadow moves the image. In our Lexington bathrooms, there's a really fun interactive artwork incorporated into the bathroom mirrors, the public bathroom mirrors. And so we don't take ourselves that seriously, and want people to have an easy, accessible experience to engage with contempo-

rary art. And so interactive art and other unique, new forms of media often help break down the barriers that people traditionally associate with viewing art.

MG: Are there different contractors for each project?

CG: Yes. A lot of it is local in nature, so we've worked with a lot of different groups at all of our projects. Some of the design professionals and consultants we have used on many of our projects; Deborah Burke Partners, based in New York City, has been the design architect on all of our projects. But in terms of the actual contractors and sub-contractors, those have been different for each property.

MG: What are some of the general economic business metrics 21c watches as you manage your business?

CG: We're focused on long-term economic growth and viability of the communities that we're in. What are the engines of growth? What are the industries that are active and make people want to come to those communities for either business or for new jobs? We look at what events occur in the communities each year, whether it's regular conven-

tions or whether it's events like the Kentucky Derby in Louisville or Duke's graduation weekend in Durham, or Keeneland races in Lexington. What recurrent events happen in each of our cities that bring people in, and what is the likelihood new events are started? For example, in Louisville 10 years ago or more, no one had heard of Forecastle Festival, and now that's one of our best weekends of the year. So, are new events likely to come that bring people to those cities?

MG: Any areas that we haven't touched on, that you'd like to address?

CG: Ten years ago, 21c didn't exist. Now we have five hotels open, two more under construction and more under development. We have nearly 800 employees. Our corporate offices include 35 employees who oversee corporate operations and the management of the properties; the rest of the employees are in each one of our properties. We're thrilled that we have the opportunity to build a growing national business based in Kentucky. It's a really good place for us, and we care passionately about our state and are excited to continue to build the business based here. ■

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Ark Encounter, scheduled to open in July in Williamstown, Ky., is expected to attract 1.4 to 2.2 million visitors annually and double attendance at Creation Museum 45 minutes away.



Tourism Becoming an Economic Driver

At \$13 billion and growing, Kentucky travel sector finds bourbon, horses and natural beauty increasingly easy to sell

BY ROBIN ROENKER

ON July 7, the Ark Encounter, a 510-foot-long, seven-story-high timber-frame recreation of Noah's Ark, will open in Williamstown.

As the newest themed attraction of the Petersburg, Ky.-based Answers in Genesis group, which opened the Creation Museum nine years ago, the Ark expects to welcome from 1.4 to 2.2 million visitors annually, said Answers in Genesis President Ken Ham, citing a 2015 economic impact report generated by America's Research Group.



Ken Ham, President, Answers in Genesis

This summer's Ark Encounter opening will only reinforce and broaden Northern Kentucky's draw of the faith-based travel market – a niche that has become one of the area's "largest marketing segments," according to Eric Summe, president and CEO of meetNKY, the Northern Kentucky Convention and Visitors Bureau.

Answers in Genesis plans to offer multiday "park hopper" tickets to guests, encouraging them to extend their visits to allow time to visit both attractions, which



Eric Summe, President/CEO, Northern Kentucky Convention and Visitors Bureau

are roughly 45 minutes apart by car. Since the Ark's opening date was announced, fall ticket bookings to the Creation Museum are up 300 percent, said Ham – evidence of the popularity of the dual-ticket option. As a result, his company expects to double attendance at the Creation Museum from its current 300,000 average to 600,000 guests a year once the Ark opens. And it estimates that the 10-year economic impact to the region from both attractions will be nearly \$4 billion, Ham said.

Long known for bourbon and horses – which are attracting more attention than ever – Kentucky has found new success marketing to visitors who want to experience our beautiful natural areas, urban corridors, craft breweries, wineries, adventure tourism destinations, state and national parks and more.

The soon-to-open Ark and its potential economic boon to Northern Kentucky is just one bright spot among many in Kentucky's booming travel and tourism industry, which contributed

Ark Encounter, whose first phase is reported to cost more than \$90 million before it opens later this year, will feature a 510-foot-long, seven-story-high replica of the biblical Noah's Ark.



more than \$13 billion to Kentucky's economy – including \$8.3 billion in direct expenditures – in 2014, according to an Economic Impact of Kentucky's Travel and Tourism Industry report released by the Kentucky Tourism, Arts & Heritage Cabinet last May.

New tourism numbers expected by midyear are anticipated to show ongoing improvement.

"We are so blessed to be in the most beautiful state in the nation. It's so easy to sell Kentucky," said Kristen Branscum, Kentucky Department of Travel commissioner. "Other people don't have what we have, and people want to come here."

"Overall, tourism is growing and expanding in the state. I'd say that right



Kristen Branscum, Commissioner, Kentucky Department of Travel

now, there isn't much that's not working," said Hank Phillips, president and CEO of the Kentucky Travel Industry Association.

Signs of the tourism industry's success in Kentucky abound: Branscum and Phillips noted that visits by international travelers are up, especially among guests from Australia and Western Europe.



Hank Phillips, President/CEO, Kentucky Travel Industry Association

Bus tour business about to get better

The state's Bourbon Trail and Kentucky Bourbon Trail Craft Tour – which together amassed 900,000 visits last year – continue to add new locations, tasting rooms and visitor experiences. Adam

Johnson, director of the Kentucky Bourbon Trail for the Kentucky Distillers' Association, projected that 15 to 20 new distillery operations will open over the next 12-18 months in Kentucky.

In Northern Kentucky, the 2015 economic impact of tourism in Boone, Kenton and Campbell counties totaled \$366 million – a \$26 million increase over 2014 totals, according to a report released in March by meetNKY. Statewide, 2016 hotel occupancy rates are trending roughly 10 percent higher than for the same period in 2015, with this February's rate beating any February on record, according to Phillips.

In January, Louisville hosted the American Bus Association (ABA) Marketplace, marking the first time the event took place in Kentucky in its



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40-year history. Roughly 3,500 delegates attended the four-day convention, including 925 tour and motorcoach operators from across the United States who use the Marketplace to purchase travel packages and plan their tour itineraries several years in advance.

The event saw “a huge delegation of travel suppliers from Kentucky,” said Nicole Trigg, director of tourism development with the Louisville Convention and Visitors Bureau. “There were many suppliers from Louisville, all the way to travel suppliers from Paducah, Lexington and Northern Kentucky. Everyone from across the state was there representing.”



*Nicole Trigg,
Director
of Tourism
Development,
Louisville
Convention
and Visitors
Bureau*

The ABA estimates that destinations typically enjoy a 10-25 percent increase in their motorcoach business within three to five years of hosting the Marketplace event, and Trigg is optimistic that Louisville and Kentucky as a whole will see a significant uptick in bus tour business as a result.

“The convention had a \$6 million economic impact while the delegates



were in town, but to see a forecast of a potential 10 percent increase in our motorcoach business in the future is even better,” Trigg said. “ABA did a survey of operators after they were here, asking them if their impression of Louisville as a tour destination had been impacted as a result of ABA being held here, and the great majority responded that they would be much more likely to book tours here in the future.”

The point is: If Kentucky can get visitors to take a look, the state often sells

Shaker Village of Pleasant Hill, a 3,000-acre site with 13 restored Shaker buildings, a traditional hotel and private cottages, attracts visitors from across North America and has been cited as a top hidden travel destination by BBC News.

itself. And this fact has direct benefits for those of us who live here. In 2014, the tourism industry generated nearly \$1.37 billion in tax revenues to government, including \$1.19 billion to the state and nearly \$176.1 million locally, according to the Kentucky Tourism Cabinet’s most

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recent economic impact report. Additionally, the May 2015 report, prepared by Certec Inc., credited the tourism industry for supporting 179,963 jobs and \$2.9 billion in tourism-generated wages for Kentucky workers in 2014.

Becoming a key economic driver

Pointing to its \$13 billion impact to the state's economy in 2014, Kentucky travel and tourism executives agree: It's well past time for a widespread awareness of tourism's role as one of the state's top economic drivers.

"Not nearly enough people within Kentucky realize that tourism is one of the state's major industries," said Phillips. "If you ask most Kentuckians to name the top two or three major industries in our state, agriculture would probably be on there for many people. Coal, certainly. And automotive as well, since I think there's a front-of-mind awareness that the automotive industry in the state has really grown. But the fact is, tourism belongs on that list. There's no doubt that all of these are huge industries for our state, but the perception by the public, and then in turn, by elected officials, policy makers and the media, has not caught up to the reality" of tourism as a major industry for the state.

Bourbonism is growing annually. The Kentucky Bourbon Trail counted more than 900,000 visitors to its official sites, such as the Woodford Reserve barrel warehouse shown here.

To validate his point, Phillips referred to economic impact reports from other Kentucky industries, noting that the value of coal mined in Kentucky was \$4.96 billion in 2013, according to the Kentucky Coal Facts 2014 report. Kentucky's agricultural cash receipts in 2014 were \$6.5 billion – a record for the industry – according to the 2015-2016 Kentucky Agricultural Economic Situation and Outlook report by the University of Kentucky College of Agriculture, Food and Environment.

Of the industries that are top-of-mind for most Kentuckians, only the automotive industry – with an economic impact of \$14.3 billion, according to a 2015 University of Louisville report prepared for the Kentucky Automotive Industry Association – has a larger role in impacting Kentucky's economy, when compared to tourism.

"The point isn't to make a comparison to these other industries to show that we are bigger than them, but to rather show that along with them, tourism belongs in any conversation about 'major Kentucky industries,'" Phillips said.



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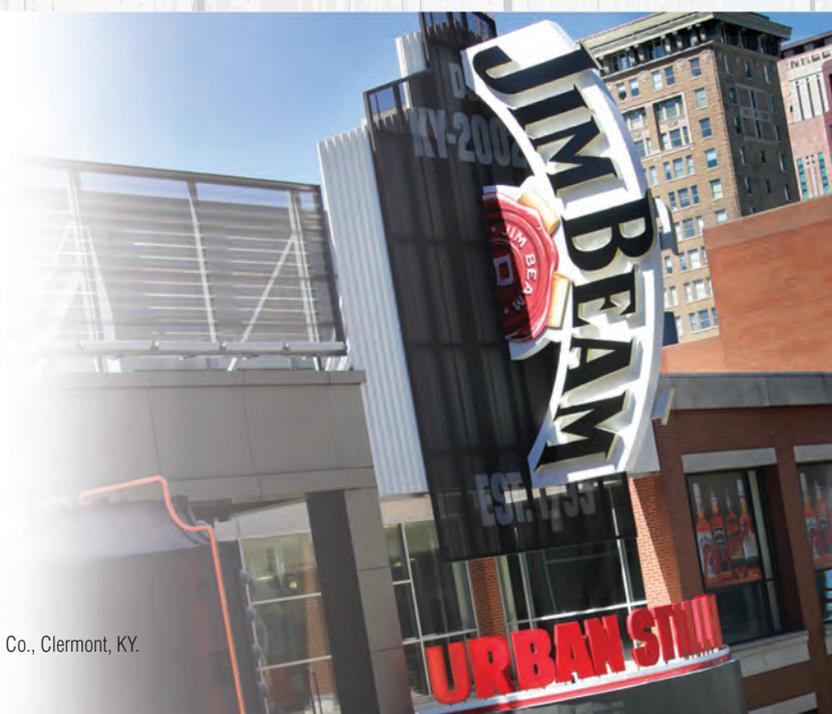
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Mammoth Cave marks its 200th anniversary for organized cave tours in 2016. The national park supports 683 jobs in South Central Kentucky.

Unique Kentucky experiences

At Mammoth Cave, crews have been hard at work making nearly \$4 million in improvements to the Mammoth Cave Hotel and \$6 million in updates to the popular, two-mile long Historic Tour.

The 54-room hotel, which was built in 1965, will re-open on May 15, boasting a new roof, updated HVAC and electric systems and 20 fully renovated sunset terrace lodge rooms. Construction to replace a 1930s-era packed dirt path with pavers, install trail edge guards, and improve stairways and handrails along the Historic Tour is roughly half complete, said Mammoth Cave Deputy Superintendent Bruce Powell. Trail renovations will resume after the summer travel season and will be fully complete in May 2017.

The improvements come at a perfect time: 2016 marks the 200th anniversary of organized cave tours at Mammoth Cave and the 100th anniversary of the National Park Service, a centennial that will be marked by several special events at Mammoth Cave and other national parks and historic sites in Kentucky throughout the year.



Mammoth Cave's most popular 2-mile Historic Tour route is undergoing \$6 million in improvements.

“We need to focus in Kentucky on tourism as economic development,” agreed Branscum, who notes that sharing this redefined perspective with everyday Kentuckians is a major goal of her new role as commissioner.

“Visitors provide us, on average, about \$1,100 dollars in tax savings for Kentuckians. We want to invite these people in and tell our stories. We want everyone, all local communities, to invite visitors in. It helps our check-books personally. It helps our quality of life as citizens. It invites new business. People want to visit places where people are happy and proud of where they’re from. That’s what I really want to build upon and impress upon people: We have a tremendous asset in tourism, and every single person can play a role” in its success, said Branscum.

Kentucky is “struggling to meet the needs of education, infrastructure and pensions on a limited budget. But when you consider the sort of public revenue

that is generated by tourism – and the much larger amounts going forward that it could be – it’s clear that the tourism industry is very much a part of the solution of helping move Kentucky as a whole forward economically,” Phillips said.

As successful as Kentucky’s tourism industry is currently, Phillips feels its full potential has not yet been tapped, in part because the commonwealth’s budget for travel and tourism marketing is less than most other states.

Kentucky ranks in the bottom 10 states in the country in terms of the dollars appropriated to tourism advertising, and it has the lowest tourism marketing budget of any state in the Southeast, according to Phillips.

“As great as the Kentucky tourism industry is, it could be so much more,” he said. “That tells us, if we’re doing as well as we are right now, imagine what we could do with more funding. The tourism industry of Kentucky is a sleeping giant.”

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The Master Musicians Festival in Somerset will take place for the 23rd time in 2016. It was Southeast Tourism Society's "Festival of the Year" for 2013 and has been featured in numerous publications and web reviews.

Attendance at the park is booming. Visits reached a 10-year high in 2014, with 523,000 total guests; of those, 413,000 toured the cave. Attendance in 2015 was even higher, with 535,000 visitors, said Powell. Because of this influx of travelers, Mammoth Cave National Park generates \$43.6 million in economic impact and supports 683 jobs in south-central Kentucky, according to the National Park Service's latest economic impact study.

"Mammoth Cave has always been a prominent attraction in Kentucky," Powell said.

And, it's easy to understand why: Mammoth Cave is the longest known cave system in the world, representing just one of the many quintessentially Kentucky experiences no other state can offer.

More and more, it's these "authentically Kentucky"-type destinations that are drawing visitors in record numbers to the Bluegrass State, Branscum and Phillips said.

Take the Bourbon Trail, which draws more than 85 percent of its visitors from outside of Kentucky. While visiting various distilleries, bourbon tourists stay, on average, three days in Kentucky and spend \$978 on lodging, meals, transportation and souvenirs, according to a 2014 economic impact study conducted for the Kentucky Distillers' Association by the University of Louisville.

Meanwhile, newly launched Horse Country Inc. caters to visitors who want to experience the inner workings of Kentucky's Thoroughbred horse farms first-hand. The company's website (visithorsecountry.com) allows visitors to book tours from among 13 Central Kentucky horse farms, equine clinics and feed providers, with more locations soon to be added. Tours at Coolmore



America, where 2015 Triple Crown winner American Pharoah stands in stud, have been extremely popular and sell out quickly.

Memorable, compelling experience

"We want to make sure that when people arrive to the farm, that they have a really exceptional, authentic experience that ties them emotionally to the horse and to the sport," said Horse Country Director Anne Hardy. The agency has sold 4,300 tickets for 2016 tours between Jan. 1 and May 31, with the feedback being "overwhelmingly positive. People are thrilled to have that behind-the-scenes experience," Hardy said. She noted that many of the participating farms had sold-out tours even in the off-peak months of January and February. "For us to have a tourism draw that encourages people to come here during all months of the year is really phenomenal," she said.



Anne Hardy,
Executive
Director, Horse
Country Inc.

"It used to be that tourists were more in the mode of what I call 'Stop, Stand and Stare.' And today, what they are

looking for are memorable, compelling experiences. And the more authentic, the better," said Phillips. "That's what Kentucky in a very natural way and a very authentic way offers to visitors."

In Northern Kentucky, plans are in development to build the SkyWheel Newport at Newport on the Levee, a new observation wheel similar to the one in Myrtle Beach, S.C. Expected to be completed in summer 2017, the 12-minute ride experience will allow guests to enjoy the unique vista that only Newport can offer.

"The experience is going to be one of the most unique that we see in all of the United States, because it's going to give such a great vantage point to see downtown Cincinnati and everything that comes with that, but then if you look in the other direction, you're going to see the beautiful rolling hills and natural environments of Kentucky," said Matthew Stack, managing director with St. Louis-based Koch Development, which is building the attraction.

Kentucky's unsurpassed natural beauty is one reason the Kentucky State Park system, which includes 17 resort parks and 49 total parks, enjoys continued popularity. Attendance has been boosted in recent years by expanding

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COVER STORY

options for adventure tourism – including a newly opened rock climbing area at Carter Caves State Park and a new zipline set to open at Pine Mountain State Resort Park this spring – said Donnie Holland, commissioner of Kentucky State Parks.

According to the commissioner’s office, between July 1, 2013, and June 30, 2014, the state park system hosted 979,665 overnight visitors; and 164,548 campers utilized a state park campground during the 2014 April-October camping season. However, since admission to Kentucky State Parks is free, these numbers don’t account for the thousands of day visitors, who simply come to enjoy a hike, boat ride or picnic. The parks generated \$889 million in economic impact in 2014, said Holland.

meetNKY building regional appeal

In Northern Kentucky, Southbank Partners works to promote economic development among six Ohio River cities: Newport, Covington, Ludlow, Ft. Thomas, Dayton and Bellevue. Along with meetNKY, the group has found success marketing Northern Kentucky as a region,



The Big South Fork National River and Recreation Area preserves the Big South Fork of the Cumberland River and its tributaries in northeastern Tennessee and southeastern Kentucky.



and as a vital part of the greater Cincinnati MSA (metropolitan statistic area).

“We try to build on that to say to people, if you come to visit us, there are a lot of fun things for you to do. Not just for a day, but for multiple days,” said Southbank Partners President Jack Moreland. “Because by the time they do all the things they want to do on one side of the river, there’s still the other side of the river to go to. Our message is, ‘Yes, we’re two different states, and multiple municipalities, but we all have a common goal and that is for you to have a good time.’”

Northern Kentucky’s regional-appeal approach to attracting visitors is working: meetNKY’s March report noted that of the \$4.4 billion in travel spending in the Greater Cincinnati region in 2015, 39 percent was spent on the Kentucky side of the Ohio River. Northern Kentucky was responsible for 20 percent of the \$13.1 billion in economic impact generated by Kentucky tourism in 2014, said meetNKY’s Summe.

Cross-promotional regional marketing seems to be catching on. Ken Ham said Answers in Genesis is actively publicizing area amenities like the Newport Aquarium and the Louisville Slugger Museum in mailers and online promotion for the Ark Encounter, in hopes of

The Newport Aquarium anchors Newport on the Levee and has 70 exhibits, 14 galleries and five seamless acrylic tunnels totaling over 200 feet in length.

enticing families to plan weeklong vacations in the region. And the Kentucky Distillers’ Association’s Adam Johnson noted that his group actively encourages visitors to the Bourbon Trail and the Kentucky Bourbon Trail Craft Tour to take in all that Kentucky has to offer.

“We survey our visitors, and many of them take in at least one other quintessential Kentucky experience, like visiting one of our lakes, Keeneland or Churchill Downs, while they’re here to visit the Bourbon Trail,” Johnson said. “We encourage people all the time: Pop into a distillery in the morning, then go visit the Louisville Slugger museum, or stop in at one of our great restaurants. We want guests to use the trails as a compass to their trip, but we definitely want them driving off course every now and then to experience some of the other great things that Kentucky has to offer.” ■

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

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KENTUCKY HAS 71 WINERIES

Listed by year of establishment

KENTUCKY'S still-growing winery sector revenue and wages generated an economic impact of \$137 million in 2014, according to a study for the Kentucky Grape & Wine Council in the state Department of Agriculture. There are 71 wineries in the state currently, with the 2009-12 period having seen 28 of them come into operation. Direct, indirect and induced revenues were estimated at \$106.5 million in 2014, while direct, indirect and induced wages totaled \$31.1 million.

1990

- **Barker's Blackberry Hill Winery**, Boone, (859) 428-0377
- **Springhill Winery & Bed n' Breakfast**, Nelson, (502) 252-9463, wineshop@springhillwinery.com

1992

- **Broad Run Vineyards & Winery**, Jefferson, (502) 231-0372, jeff@broadrunvineyards.com

1998

- **Equus Run Vineyards**, Woodford, (859) 846-9463, info@equusrunvineyards.com
- **Highland Winery**, Letcher, (606) 855-7968, sandra02@bellsouth.net

1999

- **Chrisman Mill Vineyard**, Jessamine, (859) 881-5007, ChrismanMill@aol.com

2001

- **Castle Hill Farm**, Woodford, (859) 312-7281, Castlehillwine@aol.com
- **Chateau du Vieux Corbeau**, Boyle, (859) 236-1808, arbihi@roadrunner.com
- **Smith-Berry Vineyard & Winery**, Henry, (502) 845-7091, smithberrywinery@bellsouth.net

2002

- **Cedar Creek Vineyards**, Pulaski, (606) 875-3296, cedarcreekvineyard@windstream.net
- **Rising Sons Home Farm Winery**, Anderson, (502) 600-0224, risingsonswinery@dcr.net
- **River Valley Winery**, Carroll, (502) 732-5872, vkgeo@rivervalleywinery.com
- **Talon Winery**, Fayette, (859) 971-3214, events@talonwine.com

2003

- **Horseshoe Bend Vineyards**, Washington, (859) 375-0296, abkarsner@att.net
- **Prodigy Vineyards & Winery**, Woodford, (859) 873-8807, ChadPeach@aol.com
- **Sinking Valley Vineyard & Winery**, Pulaski, (606) 274-9020, zaneburton@windstream.net

2004

- **Eddy Grove**, Caldwell, (270) 562-5403, dhall@blackoakvineyard.com
- **Old 502**, Jefferson, (502) 540-5650, logan@old502.com

2005

- **Black Barn**, Fayette, (859) 552-2525, collinboyd@blackbarnwinery.com
- **Elk Creek Winery and Vineyards**, Owen, (502) 484-4569, elkcreek@dcr.net
- **Jean Farris Winery**, Fayette, (859) 263-9463, jeanie.odaniel@jeanfarris.com
- **Lovers Leap Vineyard & Winery**, Anderson, (502) 839-1299, info@loversleapwines.com
- **Lullaby Ridge**, Lincoln, (606) 355-0039, edage@bellsouth.net
- **StoneBrook Winery**, Campbell, (859) 635-8983, Dennis.walter@stonebrookwinery.com
- **Wildside Winery**, Woodford, (859) 321-5046, neil.wildside@gmail.com

2006

- **Harkness Edwards Vineyards**, Clark, (859) 527-3584, he@harknessedwardsvineyards.com
- **Ruby Moon Vineyard & Winery**, Henderson, (270) 813-5100, anitaandjamie@hotmail.com
- **Wight-Meyer Vineyard & Winery**, Bullitt, (502) 364-5755, jim@wight-meyervineyards.com

2007

- **Atwood Hill Winery & Vineyards**, Kenton, (859) 356-1936, info@atwoodhillwinery.com
- **Brooks Hill Winery**, Bullitt, (502) 957-7810, brookshillwinery@aol.com

2008

- **Crocker Farm Winery**, Simpson, (270) 776-2030, dbcdvm@bellsouth.net
- **Purple Toad Winery**, McCracken, (270) 554-0010, adossey@westernrivers.com
- **Reid's Livery Winery**, Warren, (270) 843-6330, reidswinery7800@att.net

2009

- **Baker-Bird Winery**, Bracken, (937) 708-1020, dbird@earthlink.net
- **Camp Springs Vineyard**, Campbell, (859) 448-0253, kenzweiler@insightbb.com
- **Chuckleberry Farm & Winery**, Nelson, (502) 249-1051, info@chuckleberryfarm.com
- **McIntyre's Winery & Berries**, Nelson, (502) 507-3264, mcintyreswinery@yahoo.com
- **MillaNova Winery**, Bullitt, (502) 664-4648, djmill@windstream.net
- **Redmans' Farm Winery**, Kenton, (859) 363-2853, redmansfarm@hotmail.com
- **Rock Springs Vineyard & Winery**, Carter, (606) 474-2315, rockspringswinery@roadrunner.com
- **Talon Winery 2**, Shelby, (859) 971-9797, talonwine@aol.com

2010

- **Generation Hill Winery**, Campbell, (859) 694-1561, poplarthicket@hotmail.com
- **Grimes Mill Winery**, Fayette, (859) 263-4103, padesi0@uky.edu
- **Heritage At Kentuscany**, Taylor, (270) 789-3636, drraysvines@yahoo.com
- **Misty Meadow Winery**, Daviess, (270) 683-0361, kellerjanet@bellsouth.net

- **Noah's Ark Winery**, Hart, (502) 744-0546, charlestwooden@cs.com
- **Seven Wells Vineyard & Winery**, Campbell, (859) 816-0003, info@sevenwellswinery.com
- **The Little Kentucky River Winery**, Trimble, (502) 235-9531, tweyler@gmail.com
- **Verona Vineyards**, Boone, (859) 485-3544, info@veronavineyards.com

2011

- **Cave Valley Winery**, Edmonson, (270) 248-4101, nhnoble@pmsresort.us
- **First Vineyard**, Jessamine, (859) 229-3154, thefirstvineyard@aol.com
- **Forest Edge Winery**, Bullitt, (855) 355-WINE, bgouldfew@windstream.net
- **Rose Hill Farm Winery**, Pendleton, (859) 371-2987, info@rosehillfarmwinery.com
- **Up The Creek Winery**, Cumberland, (270) 864-2842, kyquarterhorse@aol.com
- **Lake Cumberland Winery**, Wayne, (606) 348-5253, anwake@aol.com
- **White Buck Winery**, Union, (270) 997-0303, allen.white@deaconess.com

2012

- **1922 House Vineyards & Winery***, Jessamine, (859) 887-4804, bwyoung3155@gmail.com
- **Boucherie Winery**, Henderson, (270) 826-6192, jboucherie@roadrunner.com
- **White Buck Vineyards & Winery**, Union, (270) 997-0303, allen.white@deaconess.com
- **Christianburg Farms**, Shelby, (502) 461-9320, william.stiles@beamglobal.com
- **Mattingly Farms Winery**, Barren, (270) 434-4124, mattinglyfarmswinery@gmail.com

2013

- **Cave Hill Winery**, Lincoln, (606) 423-3453, info@cavehillvineyard.com
- **Hamon Haven Winery**, Clark, (859) 420-6510, hamonhavenwinery@yahoo.com

2014

- **Green Palace Meadery**, Barren, dwpac@glasgow-ky.com
- **Brianza Gardens & Winery**, Grant, (859) 445-9369, tonyparnigoni@gmail.com
- **Echo Valley Winery**, Fleming, (606) 845-0030, echovalleyvineyard@gmail.com

2015

- **Fancy Farm Vineyards & Winery***, Graves, (270) 623-8412, t-curtsinger@hotmail.com
- **Carriage House Vineyards***, Logan, (270) 847-1519, don@carriagehousevineyards.com
- **French Fort Vineyards****, Edmonson, (270) 597-9593, logan.paquin@frenchfortvineyards.com
- **Bruners Farm & Winery**, Meade, (270) 422-7770, info@brunerswinery.com
- **Farmer & the Frenchman Winery**, Henderson, (270) 748-1856, info@farmerandfrenchman.com

* Opening fall 2016

** Opening spring 2017

Source: Kentucky Winery Association



Bowling Green is the hottest residential construction market in the state, including residences such as this Hammer Homes single-family residence.

The Housing Sector Rebuilds

Buoyed by economic growth, Kentucky's homebuilding market making tepid recovery

BY ROBERT HADLEY

FALLING unemployment rates the past four years along with other signals of economic recovery are driving growth in new home construction in many urban areas of the commonwealth.

The big metro areas – Louisville, Lexington, Covington – are feeling the deepest effects, but cities such as Bowling Green also are seeing rising demand for lots and new homes.

“It’s definitely in a state of recovery,” said Brian Miller, executive vice president of the Homebuilders Association of Northern Kentucky, “although it’s dependent on what county you’re in, in the single-family market at least.”

Roughly a decade ago, Kentucky was at the zenith of a boom market that saw 17,969 single-family permits issued in 2004. At the time, unemployment rates hovered around 6 percent, while interest rates for 30-year fixed rate mortgages fluctuated from the mid-5 percent range to just over 6 percent.

That bubble – swollen by subprime mortgages and other bad financial practices – burst, however, and the 2008 recession hammered the



Brian Miller, Executive Vice President, Homebuilders Association of Northern Kentucky

global economic system. Single-family home permits in Kentucky fell precipitously to 10,072 in 2007 and kept tumbling to only 4,147 by 2011. Other indicators painted a grim picture as well. In June 2009, roughly the middle of the recession, the commonwealth’s unemployment rate rose to near 11 percent. Nationwide, interest rates for 30-year mortgages stagnated at around 5 to 6 percent between 2007 and 2011.

Although the number of permits issued for single-family homes statewide is nowhere near 2005 bubble levels, builders and economists say it is nonetheless making a nice comeback. And the proof can be seen by looking at individual county data, rather than statewide figures.

In Jefferson County, 2014 single-family permits were at 982, up about 30 percent from the low of 634 in 2011. Fayette County saw 687 permits issued in 2014, up from 513 in 2011.

For Boone, Kenton and Campbell counties, the three northernmost Kentucky counties that are part of the Cincinnati metropolitan area, the growth has been varied. Data for 2014 show single-family starts at 354, 254 and 161, respectively, with all three figures showing year-over-year gains. Miller said 2015 was the best year the area has had since 2008.

“Boone County is one of the fastest growing counties in the state,” Miller said. “But it’s still only about a third of where it was in 2002, when we issued 1,386 permits that year.”

Kentucky New Residential Construction Building Permits

The average number of Kentucky building permits per year since 2001 is 12,239.

YEAR	TOTAL PERMITS	SINGLE FAMILY
2014	6,566	4,855
2013	8,936	6,058
2012	8,482	4,894
2011	6,354	4,147
2010	6,496	5,115
2009	6,198	5,147
2008	9,320	6,093
2007	12,734	10,072
2006	14,230	11,782
2005	18,612	16,205
2004	21,987	17,969
2003	18,717	15,999
2002	17,178	14,411
2001	15,531	13,251

The standout is Warren County, where Bowling Green is considered one of the hottest home markets in the state in 2016. From a recessionary low of 294 single-family permits issued in 2011, the number climbed back to 417 in 2014, representing a 42 percent increase.

Despite the recent surge, Cindy Payne, president of the Realtors Association of Southern Kentucky, said Warren County new home starts are still off 12.7 percent versus 2007.



*Cindy Payne,
President,
Realtors
Association
of Southern
Kentucky*

“We have sold through most of the old inventory and foreclosures and are in need of homes to sell,” Payne said.

Housing-economy link is a loose one

A combination of falling unemployment, population growth and an overall economic rebound seem to be fueling the housing market recovery, according to builders and economists.



*Christopher
Bollinger,
Economics
Professor,
Gatton College
of Business and
Economics,
University
of Kentucky*

“I wouldn’t want to make a causal argument that real estate (activity) causes growth,” said Christopher Bollinger, an economics professor in the Gatton College of Business and Economics at the University of Kentucky. “But you’re not going to have people buying houses and (properties) when the economy is not doing well or when there’s a lot of uncertainty in the economy.”



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CONSTRUCTION

This home under construction by Kelley Building Co. of Lexington is an example of the residential activity in Kentucky's urban areas.

However, the story the numbers tell is compelling. In terms of unemployment, Kentucky's three major metropolitan areas each fall below the latest available statewide average of 6.3 percent. Louisville and Lexington report 5.2 and 4.5 percent, respectively, while Bowling Green checks in at 5.5 percent. Boone, Kenton and Campbell Counties report unemployment of 4.8, 5.2 and 4.8, respectively.

However, Fayette County has the lowest jobless rate but is not seeing the largest growth in the state among new construction for single-family homes. Todd Johnson, executive vice president of the Home Builders Association of Lexington, blames the discrepancy in part on Fayette County's zoning and planning laws, which are part of a comprehensive plan designed to protect horse farms and rural land from urban sprawl.

"It drives price up for land overall," Johnson said. "A builder in Madison County told me he had lots for \$20,000. Here, the same size lot would cost \$45,000."

Johnson said the high lot price may be discouraging first-time homebuyers, who in many cases are choosing to rent for longer periods before buying a home. This trend seems to have spurred Fayette County's growth in apartment buildings, he said. Permits for multifamily homes (with five or more units) jumped from 187 in 2013 to 506 in 2014.

Population growth has likely played a role also in boosting demand for new homes in some communities. Kentucky's population increased by about



Todd Johnson, Executive Vice President, Home Builders Association of Lexington



12,000 between 2014 and 2015, according to the U.S. Census, and grew by 77,155 from 2010 to 2015.

A breakdown of growth by counties explains the higher demand for homes.

"When you look at Fayette County, its annual growth rate in 2006 and 2007 (during the bubble-boom) was 1.4, 1.5, 1.6 percent," Bollinger said. "But since the recovery (from the 2008-09 recession), in 2012-2013 it's still up over 1 percent."

Louisville's population is estimated to have risen from 741,096 in 2010 to 760,026 in 2014, according to U.S. Census data. The Kentucky State Data Center projects the 12-county Louisville metropolitan statistical area to add more than 300,000 people by 2040.

"In the 2010 census, Louisville exceeded the national growth rate for the first time in probably decades," said Charles Kavanaugh, executive vice president of the Building Industry



Charles Kavanaugh, Executive Vice President, Building Industry Association of Greater Louisville

Association of Greater Louisville. "A lot of it has been fueled by ethnic population growth, which is good because it shows people are moving here because of jobs."

Population and job growth may be driving Bowling Green's housing market. Census data project Warren County's population increasing from 113,792 in 2010 to 120,460 by 2014. Anita Napier, chief executive officer of the Builders Association of South Central Kentucky, noted that there is a growing industrial park in the north end of town, and that the city is situated on the busy north-south Interstate 65 corridor.

"A lot of times when people are trying to move from the North, they may be thinking about Florida," Napier said, "but they get halfway there and stop in Bowling Green."

Economic recovery is impacting the housing market in the commonwealth's four key urban areas: Bowling Green, Louisville, Lexington and Northern Kentucky.

Bowling Green is hottest

Situated only about 60 miles north of booming, sprawling Nashville, Bowling Green saw its housing bubble peak in 2005, with 993 permits issued that year for single-family homes. Unemployment at the time hovered around 5 percent.

When the recession hit, the impact was immediately felt, said Barrett Hammer, president of Hammer Homes and a homebuilder since 2002.

"I went through some of the downturn in the market," Hammer said.



G.D. Perkins Designer Builder LLC recently finished this home in Versailles, Ky.

“Things got pretty slow, and a lot of builders, including myself, got into doing different things like remodeling to get us through.”

Today, Hammer (also a real estate agent) says he is focused on custom homes, building 40 to 50 a year.

“Bowling Green is a very hot market right now,” he said. “Both new and existing homes are selling very well.”

Unlike Hammer, who gradually returned to homebuilding as the market improved, some builders left the market permanently, according to Bob Weiss, president of the Home Builders Association of Kentucky. They took with them skilled tradesmen, such as carpenters, framers, and heating and air conditioning contractors.



*Bob Weiss,
President,
Home Builder's
Association
of Kentucky*

“One of the challenges we’re facing as an industry now is (finding) a healthy workforce,” Weiss said. “Some who left are not coming back to the industry, so we’re ready to attract people to come work for us again.”

To meet the demand, the Northern Kentucky and Lexington Builders Associa-



tions have partnered to offer evening classes for tradesmen designed to increase the pool of construction laborers. The curriculum is designed to appeal to career-changers.

“They can go at night and work during the day,” Weiss said.

Kyle Kirby, another young Bowling Green builder who remodeled and flipped foreclosed homes during the downturn, said he used to build 18 to 20 homes a year pre-recession, but now builds seven or eight. Despite the drop, he is more profitable now by concentrat-

This Bowling Green home by Kirby Builders was best in show during a March parade of homes. Bowling Green area builders are active near I-65 just north and south of the city.

ing on customizing homes in the \$500,000 to \$1 million range.

“Since 2012, to now in 2016, those years have been climbing on a pretty steady basis,” Kirby said. “Last year was a record year, and so was the one before that, and the one before that.”



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CONSTRUCTION

Bowling Green's housing boom is being spurred by two developments on opposite ends of town.

First is the Kentucky Transpark, a business park situated on 4,000-acres of land just north of Bowling Green. Its intermodal transportation assets, which include CSX railroad lines, trucking via the interstate and eventually an airport, are attracting projects such as last November's announcement of a \$261 million expansion by Bowling Green Metalforming, an automotive body and chassis assembly supplier. In October, Bildstein Cold Rolled Steel broke ground at Transpark on what will be a \$130 million facility. The north side is home also to General Motors' Corvette plant.

On the south end of town, new middle and high schools are driving demand for new lots and homes nearby – which are also strategically positioned for the commute south to Nashville.

"There's a lot of jobs there," Napier said, "but they want to come home to live in a little quieter environment, so they will make that two-hour round trip drive every day."

Metro areas economic bellwethers

Metro areas are expected to serve as bellwethers for economic recovery, and with good reason. Existing infrastructure such as transportation and sewer availability, plus a readily available labor force and plenty of jobs, usually mean they are among the first to feel the impact of any economic changes.

As noted earlier, though, growth near metro areas may be restricted by zoning laws designed to prevent urban sprawl. Although the laws may prescribe what is offered and where it can be located, it hasn't much dampened new home construction in and around Fayette County. In 2014, the city saw 687 building permits issued for single-family homes, up 34 percent from a 2011 low of 513, but still far, far below 2005 numbers of about 2,400.

Apartment buildings saw brisk growth in 2014, with a robust 506 permits issued versus 187 the previous year. Such developments have seen isolated peaks of 1,280 and 1,040 in 2008 and 2012, respectively.

Multifamily homes initially were planned as part of the 142-acre Manhattan Harbor project in Dayton, Ky., a municipality of 5,300 in Campbell County that is a bedroom community to Cincinnati. However, soft demand left banks doubtful, said Michael Giffen, Dayton's city administrator, and they instead green-lighted a 27-unit section of single-family homes starting at \$1 million.

Although Campbell County's median annual household income is around \$54,000, banks and builders alike felt little



hesitation about offering pricey homes. Market analysis showed buyers working in Cincinnati's urban core, home to General Electric, Kroger, PNC Bank and other big companies, would grab the lots to enjoy Kentucky's pace of life and river views.

"Even though they're substantially higher than just about anything else in the area, I think they're going to do pretty well," Giffen said. "Six months into the game, I don't think anyone is unhappy with how they're moving."

As of October 2015, five homes were completed with one sold and construction on a pre-purchased sixth home underway. Roughly 15 lots have been sold at \$250,000 each, Giffen said.

Strong lot sales have even convinced banks to go ahead and finance the multifamily portion. Construction on two additional sections, one with high-end apartments, the other with townhomes and patio homes, is scheduled to begin this summer.

Rebuilding the workforce

Another indicator of the Kentucky's construction industry recovery is the recently formed partnership between the Home Builders Association of Lexington and its counterpart, the Northern Kentucky Builders Association. Dubbed the Building Institute of Central Kentucky, the institute offers two-year training programs in HVAC, plumbing, carpentry and facility maintenance and a four-year program for electricians. It builds on an existing NKBA program, which has offered classes since the 1960s, Johnson said.

For Louisville, the Ohio River Bridges Project downtown and 7 miles upriver in Prospect, plus the addition of a couple of hotels in the last few years, has put a strain on the city's available supply of construction workers for new homes.

Although these workers would have seen an almost 30 percent increase in new home starts from 2011 (634) to 2014 (982), the real growth in Louisville

Concrete basement walls are about to be poured for this custom home being built by The B.O.L.D. Co. of Union, Ky.

is in the multifamily market. Buildings with five or more units saw the largest uptick in over a decade, jumping from 360 in 2011 to 1,375 in 2014.

The rise of multifamily homes is seen as an indicator that millennials are opting to rent versus buy. A generation ago, Weiss said, people graduated from college, rented for a while and then bought a home a few years later when they wanted to start a family.

"Back in the early 2000s, credit was such that people could come out of college in their early 20s and, boom, buy their first house right away," he said. "Perhaps we've gone back to the earlier definition of a first-time homebuyer."

If millennials are believed to be renting longer today than they were a decade ago, it still means single-family homes starts – still below 1,000 annually – could see an increase down the road, Kavanaugh said.

"We're not at a new normal," he said. "In the next two to five years, we'll mostly likely see 3,000 more (annually) than what we're building in our five-county area now."

So far, at least where Louisville is concerned, the supply has not caught up with the demand. Kavanaugh said there is huge demand and historic low supply, with builders struggling to catch up to pre-recession levels. He attributed the bottleneck to two factors.

"One is the reluctance of builders who made it through the depression to take out a lot of spec loans," he said. "The second reason is a lot shortage. Since 2007, there have been no new lots created, in Louisville and statewide."

"Banks are not interested in making development loans, and developers aren't interested in taking them. I think that ends up part of the reason we're a little sluggish." ■

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

VIEWPOINT

BLACK AND WHITE, LEFT AND RIGHT

It's more important to judge actions rather than words

BY THOMAS SOWELL

MUCH is made of the fact that liberals and conservatives see racial issues differently, which they do. But these differences have too often been seen as simply those on the right being racist and those on the left not.

During the heyday of the Progressive movement in the early 20th century, people on the left were promoting doctrines of innate, genetic inferiority of not only blacks but also of people from Eastern Europe and Southern Europe, as compared to people from Western Europe.

Liberals today tend to either glide over the undeniable racism of Progressive President Woodrow Wilson or treat it as some anomaly. But racism on the left at that time was not an anomaly.

An influential 1916 best-seller, "The Passing of the Great Race" – celebrating Nordic Europeans – was written by Madison Grant, a staunch activist for Progressive causes such as endangered species,

municipal reform, conservation and the creation of national parks and "dear" friends with Franklin D. Roosevelt. Grant's book was translated into German, and Adolf Hitler called it his Bible.

Progressives spearheaded the eugenics movement, dedicated to reducing the reproduction of supposedly "inferior" individuals and races. In academia, there were 376 courses devoted to eugenics in 1920.

Progressive intellectuals crusaded against the admission of immigrants from Eastern and Southern Europe. Southern segregationists who railed against blacks were often also Progressives who railed against Wall Street. In those days, blacks voted Republican as automatically as they vote Democrat today. As late as 1957, civil rights legislation was sponsored in Congress by Republicans and opposed by Democrats.

The first time I saw a white professor, at a white university, with a black secre-

tary, it was Milton Friedman at the University of Chicago in 1960 – four years before the Civil Rights Act of 1964.

She was still his secretary when he died in 2006. I never once heard Professor Friedman mention, in public or in private, that he had a black secretary. She was an outstanding secretary, and that was what mattered.

When it comes to racial issues today, liberals tend to take the side of those blacks who are doing the wrong things – hoodlums the left depicts as martyrs – while the right defends those blacks more likely to be the victims of those hoodlums.

Rudolph Giuliani, when he was the Republican mayor of New York, probably saved more black lives than any other human being by promoting aggressive policing against hoodlums, which brought the murder rate down to a fraction of what it was before.

A lot depends on whether you judge by ringing words or judge by actual consequences. ■



Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University

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Photo courtesy of Central Music Academy



From Corporate to Core Passion

Kentucky women find entrepreneurial success by putting energy into what they do best

BY MELISSA McCAUGHAN

FROM hat shops to bakeries, yoga studios to social media marketing firms, Kentucky women are thriving as small business owners. Female entrepreneurs are opting out of corporate positions for small-business ownership, leaving corporate America for family flexibility, meaningful work, creative outlets and positions aligned with their values.

Renee Setters, founder of the Central Kentucky-based Gurlz for Gurlz network-

ing organization, which has five chapters, believes women are natural entrepreneurs.

"Women are so great at multitasking. That is a great fit for entrepreneurship," Setters said. "Kentucky is very accommodating and welcoming to small-business owners.

It's a great state for opportunities for women in business."



Renee Setters,
Founder,
Gurlz
For Gurlz

Rachel DesRochers, chief gratitude officer of Grateful Grahams, says her motto is "dream big and make it beautiful."

After 30 years in a senior level corporate position, Setters started her own business for mobility.

"My husband and I relocate so often," she said. "It was important to me to have a business I could pick up and move anywhere."

And Setters is only one of many women who started their own businesses after decades in corporate America.

After 27 years in the telecommunications business, Shannon Stricklin was ready for a change.

"I had a ton of responsibility and stress. I lost my son Nick in 2007. He was 13 years old when he died," said Stricklin. "At that point, I realized life is precious and you should do what you love. People are realizing that they only have this one precious life. They are asking themselves, 'What is my contribution to this world?'"

Searching for healing for herself and others, Stricklin tried a variety of relaxation practices, and yoga stood out for her. She decided to get a teaching certificate in 2011. In 2012, she opened The Studio in Georgetown, Ky., along

with her daughter, Alex Likens, who previously taught dance classes.

In her corporate position, Stricklin was responsible for sales, marketing and customer service, which laid the foundation for opening a business of her own. She started out using what she knew and learned the rest along the way.

“My grandparents owned their own business when I was growing up. They taught me about accounting and the fundamentals of giving the customer what they want,” Stricklin said.

Starting the business in Georgetown seemed like a natural fit.

“It’s where I lived. I wanted to be downtown. I love their downtown,” said Stricklin.

“The Studio has grown and continues to grow. We have new yoga and massage clients in here every week,” she said. “At first, I was worried that a yoga business wouldn’t be well received, that it wouldn’t resonate with the community, but the community has really embraced it.”

Her marketing background was an asset.

“Getting the word out has been the biggest challenge,” said Stricklin. “I try to leave people wanting for more, make people feel welcome and like they’ve found a home away from home. It was a risk starting out; I was just hoping people would love what I loved.”



Shannon Stricklin, who owns a Georgetown yoga studio, has drawn on her marketing background to promote her business.



Jenny Pfanensteil, owner of Formé Fashions, recommends starting out small and learning all aspects of running a business.

‘I eat, breathe and sleep my business’

Pursuing what she loved is something Jenny Pfanensteil, author of “The Making of a Milliner: Hat-Making Projects,” desired from a young age.

“I’ve always collected hats since I was a little girl. I started sewing when I was 5,” said Pfanensteil, who owns Formé Fashions, a hat shop in Louisville.

Pfanensteil moved from Chicago two years ago, after having come to Louisville for six years to do custom work for the Kentucky Derby.

“The city of Louisville is really supportive of small businesses. It’s very different from Chicago. The mayor’s office did a ribbon cutting when I opened my shop; they want people to succeed here,” Pfanensteil said.

In high school Pfanensteil decided to pursue fashion design. She worked in the corporate world for 15 years until she met a milliner from New York with 35 years business experience who took Pfanensteil under her wing as an apprentice.

She learned the art of blocking (molding over wooden forms) and found that it came naturally to her. Pfanensteil started



collecting hats and making molds. Her home business grew, and eventually she was able to quit her corporate job to pursue hat making full time.

Starting out and following her philosophy to do what you’re good at and hire out the rest, Pfanensteil hired a bookkeeper. She did her own marketing. And she learned running her busi-

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WOMEN IN BUSINESS

After starting Grateful Grahams in her home, Rachel DesRochers, left, has grown steadily and now has eight employees in a 5,000-s.f. facility that she also rents parts of for a sideline business, Northern Kentucky Incubator Kitchen.

ness involves using 20 percent of your time making your art and 80 percent running the business.

Time management has been a challenge for her; so has finding help doing what today is a rare art form. She attributes her success to never giving up.

“There aren’t a lot of milliners that make hats from scratch. I hand-sew them, and quality is important,” Pfanensteil said. “I eat, breathe and sleep my business.”

It is important, she said, to know how to sell your product and how to handle rejection.

“People fear competition. You just have to keep going. If an opportunity falls through, another one will come along.”

Opening her own business has been a step Pfanensteil has never regretted. The business has grown continually since it opened. She appreciates that she can bring her baby to work and make her own hours. And she likes that she now has a shop that is both a retail and work space.

“People like the experience of seeing the process done. It’s like getting a tai-



lored suit made,” she said. “If you’re the creative type, you will eventually explode in the corporate world. You yearn for a creative outlet if you’re creative.”

Pfanensteil debunked several myths about starting your own business.

“You don’t need a loan. I have no debt, and I didn’t take out a loan,” she said, and the Small Business Administration agrees.

Between 2004 and 2008, 61.8 percent of women who started businesses did so with less than \$25,000, according to the Kauffman Firm Survey. According to the 2007 Survey of Business Owners, women were more likely than men to indicate they didn’t need startup financing and were less likely than men to start firms with business loans from banks.

Pfanensteil recommends starting small. She started with two hat blocks in her apartment and the business grew from there.

“Learn what you’re getting yourself into. Learn about the marketing, selling and bookkeeping aspects. There is more involved than making the art. But dream big. It can be done,” Pfanensteil said.

Go big – with enthusiasm

“Dream big and make it beautiful,” is the motto of Rachel DesRochers, chief gratitude officer at Grateful Grahams.

“We’re a gratitude company that makes a sweet treat. I really believe in our message and in showing people that you can be grateful for something every day,” said DesRochers.

She runs a Covington-based com-

pany that now makes 20,000 cookies per week. Grateful Grahams are distributed in Kroger, Whole Foods, Remkes, Good Foods, a variety of coffee shops and are part of Green Bean Delivery. She started the company five and a half years ago at home.

“I did marketing in the corporate world. Then I stayed home, had a baby, cooked a lot of food and folded a lot of laundry,” DesRochers said. One day she was baking with a girlfriend and they made graham crackers from scratch. “They were the best thing I ever had. I got the idea: What if I can take this homemade thing and pair it with a message I believe in?”

As a new mother, she also wanted her daughter to see that you could dream big and make those dreams come true. She started refining the graham cracker recipe.

“After my father was diagnosed with prostate cancer, he had to go on a vegan diet. So, I made them vegan as a nod to him,” she said.

DesRochers knew marketing from her previous business life and she knew how to bake and sell. She could visualize the bag they would come in and how she wanted people to feel.

“I decided not to worry about the other things. I wanted to be on grocery shelves. I kept the big vision and had the motivation to keep going,” said DesRochers, who started selling with a baby on her hip – one store, one coffee shop at a time. Eventually the business grew to a staff of eight and a 5,000-s.f. facility.



Rachel DesRochers began her Grateful Grahams company after leaving her job in corporate marketing.

"We've always grown at the rate I could handle. We've moved five times," said DesRochers.

Initially intimidated by the size of the kitchen in the new facility, she then got another idea and started the Northern Kentucky Incubator Kitchen. Other food-based businesses rent out parts of it. She organized a support network; tenants work together and support each other. And she opened a second space in January called The Hatchery to help other small businesses.

Her work is her inspiration and motivation in life, and her enthusiasm for community is contagious.

"People want to help us be successful. We have to get out of our own way and let them help us," DesRochers said. "We have the ability to say yes to our dreams. That's where all the magic happens."

Help those you believe in

Passion and determination led Emily Ho to open Authentically Social, her own social media marketing business, in Lexington in 2012.

"I left my corporate job because I felt like the companies I worked with were great, but they weren't products and services I was passionate about in my personal life," said Ho.

All of her current clients are fashion, fitness or lifestyle services with products she personally used before working with them.

"I wanted to find joy in life," said Ho. "We spend a lot of time at work and put in a lot of hours. I wanted to believe in the products I was promoting."

Ho knew a lot about finance and accounting from brand management work in the corporate world for eight

Emily Ho, owner of social media marketing firm Authentically Social, left her corporate job to develop products and services she was passionate about.

years and earning her MBA with an emphasis in marketing. She uses independent contractors and virtual assistants to assist in the brand management of the businesses she promotes.

Letting go of control has been difficult, but she now outsources some work to people she trusts.

"It's been a shift from seeing myself as the employee to seeing myself as the manager," she said. "In the beginning, I took on every client. I've learned to say, 'no.'"

Ho started out building her personal brand to demonstrate how she could build the brand of others. She is the blogger behind the body-positive fitness and plus-size fashion blog Authentically Emmie, which has been featured in *Ladies' Home Journal*, *Shape* magazine, *Health* magazine, *New York Post*, *Prevention* magazine, and the Associated Press.

Having developed a niche, she now is able to pursue work for companies she admires.

"I actively pursue clients that I want to work with and put it out there that I want to do work for a company. Sometimes all you have to do is ask," Ho said.

She believes women are craving for their voices to be heard and the ability to do work that is fulfilling and doesn't just pay the bills. She learned a lot from lunches with other women who have started their own businesses.

"It gave me a lot of confidence to know that no one knows what they are doing in the beginning," said Ho.



Her advice to other women seeking to open their own business: "Do it now. I wish I had started earlier. If you feel like you have the vision and the tools in place to be successful, go for it. Once you take the leap, you don't regret it." ■

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

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Kentucky's young professionals and creatives



Dr. Jonathan Feddock cheers on participants at last year's Survive The Night triathlon relay.

Ironcology Combines Cancer Doctor's Passion for Helping Patients with his Competitive Spirit

If the thought competing in a 140.6-mile IRONMAN sounds like the worst thing ever, but you still want to experience the thrill of completing a triathlon, you just might find yourself staying up all night to do a team-oriented swim-bike-run adventure this year in Lexington. And you will support a great cause.

For the second year in a row, University of Kentucky Ironcologist Dr. Jonathan Feddock is hosting the Survive The Night Triathlon Relay. The event, held June 17-18 at University of Kentucky, supports his nonprofit organization, Ironcology.

Feddock spends hours of his time confronting an ugly disease in a formal hospital setting at UK's Markey Cancer Center. But his passion lies equally, if not more, in combatting cancer in the nontraditional environment of triathlons. Ironcology is a way for Feddock, 34, to use his athletic prowess for a good cause.

"I started Ironcology because I saw my racing IRONMAN triathlons as a unique avenue to gain attention and thereby attract interest and very-much-needed donations to be used for upgrades to some treatment facilities at our hospital," said the Markey Center oncologist. "I started in the 2014 IRONMAN Louisville, thinking the gesture might spark the interest of a few potential large donors. Instead, it really generated hundreds of small donors, which in turn ended up raising a lot of

money – over \$54,000 that first race. After that race, I knew I had to keep going."

Keeping going is something that Feddock is good at. As a lifelong runner, Feddock and his family are very involved in the endurance sports scene in Lexington and around the country. His wife, Dr. Shannon Florea, also is a competitive endurance athlete, and the couple has two young boys who are learning the family trade. Feddock and Florea both have competed in IRONMAN Louisville, and Feddock is heading to Kona, Hawaii, later this year for the uber-prestigious IRONMAN World Championships.

"I have always been a runner," he recalled. "Through prep school and into college, I ran on the track and cross-country teams. Back then, I ran because I wanted to be the fastest, and I had a coach telling me what to do. Now, running and racing in triathlons has much more meaning for me. It's my best form of stress relief, and it allows me to not only express myself physically but to test my own limits. Most importantly, I want to inspire my kids and my patients to work hard, and I hope that after they see me finish these races, they will believe that nothing is impossible."

Believing anything is possible is realistic for some but unfortunately not for all of his patients.

"Cancer is such a complex disease that we will never truly find a cure," Feddock said. "That being said, I think one of things that we as physicians need to focus on the most is refining our treatments to limit the life-altering side effects and then have the resources and strategies to help people overcome cancer and return to their lives."

Last year he had three former patients complete Survive The Night. The formidable athlete broke down in tears when he saw them cross the event's finish line.

"One of the reasons I initially thought of Survive the Night is because I had many people come up to me after the IRONMAN and tell me they were inspired, but couldn't go that far," he said. "An Ironman is 140.6 miles total of swimming, biking and running. The reason I constructed the Survive the Night Triathlon as a team event is because I want people to be able to experience the emotions and satisfaction that come along with competing in an Ironman, but broken down to a level that everyone can participate."

He hopes to continually inspire his patients and former patients to "use exercise and a healthy lifestyle to overcome their own battles with cancer and get back to normal life."

"Last year was a truly successful year," he said. "As a first-year event, we raised over \$27,000. Nearly all of that came from encouraging participants to fundraise on their own. I may be a little overzealous by saying it, but my goal for this year is \$50,000, all of which will go back to the UK Markey Cancer Center. In addition to the triathlon, this year I have joined with the Lexington Cancer Foundation to hold their Roll for the Cure Bike Tour in conjunction with my event, so hopefully with both events combined, we can surpass this goal."

Visit ironcology.org. —Abby Laub



Interior Designer Creates a Helping Online Experience for DIYers

THINK you've got the design chops to give your own house a beautiful makeover ... but maybe you're just not quite sure?

Liz Toombs is an acclaimed Central Kentucky interior designer known for work around the country with home and business interiors at her full-service firm Polka Dots and Rosebuds Interiors. Now she has come up with a whole new way to decorate her clients' homes, through her collaborative online service wE-Design.

Pronounced "Wee Design," Toombs describes it as a collaborative effort between Polka Dots and Rosebuds and the client.

"A couple years after starting Polka Dots and Rosebuds, I was starting to see that DIY'ers were a market sort of floating out there by themselves," she said.

"They weren't entirely sure what task to take, but they also didn't need a full-on designer. Something like this could be a great connector to that market."

So for those folks who don't

need someone looking over their every move, but lack the trained eye of a professional, wE-Design helps them avoid missteps.

Starting with a comprehensive questionnaire about the space that needs to be designed and how it works with the rest of their home, Toombs goes through all the questions she would ask if she was standing in clients' homes.

"We go through the things they



A before and after shot of a dining room makeover completed using wE-Design.

need to keep, and they send photos of the room from all angles," she said.

"They send me dimensions, and I work up a plan from there."

Though wE-Design represents only a small part of her business, virtual home decorating is gaining momentum.

"It's a growing trend," Toombs said. "We are hearing more about it with designers across the country."

Toombs said her clients are not surprised by how much she can do without even being in the room.

"They're pretty much expecting it," she said. "They are internet savvy and comfortable with this. They're tooling around on Houzz or Instagram. We have had a wide range of clients, but it's less about age and more about their comfort level and their busy-ness. If they're busy and they don't like doing things themselves, this is not for them. But some people don't mind the elbow grease, and this can still save them time."

On average, using wE-Design saves clients about 20 percent of what it

would cost to have her come to their home and do the work.

"It's a neat way to meet people where they are with whatever they have going on," she said. "People get very baffled by decorating, and it's important to have your space the way you want it."

Toombs called online decorating services just another "sign of the changing times, and so we're rolling with it."

While there is a risk that clients can mess up her design, Toombs said, she sends it to them carefully mapped out, like an easy-to-follow blueprint. While some results look nothing like she envisioned, it's not really different than if she did the decorating in person.

Toombs said using wE-Design is a "very simple concept" that is difficult to mess up inadvertently.

So far the response from her clients has been overwhelmingly positive.

Saving money on a professional decorator is a good thing, even if you need to hang a few curtains yourself.

—Abby Laub



Kentuckians Would See Little Impact from Humana-Aetna Merger

A pair of researchers analyzed the merger of Aetna and Humana and say the move will have little impact on Kentucky's health insurance industry because Aetna has a limited presence here, InsiderLouisville.com reports.

William S. Custer, director of the Center for Health Services at Georgia State University, and colleague Robert W. Klein submitted their research on the merger to the state of Kentucky last month. Custer said the merger would cause very little change in the dynamics among insurers or providers, meaning the merger would not harm Kentucky consumers.

Aetna, based in Hartford, Conn., is attempting to buy Humana for \$37 billion. Humana is based in Louisville and employs more than 12,000 people.

Food, Food, More Food

As if Louisville needed more food. Yeah, right. There's no such thing as too much food! The River City is setting a new trend in sweets, just in time for summer. Steel City Pops recently opened a new Louisville location. The chain, with six Alabama locations and five in Texas, is expanding to the Kentucky market. The popsicles are not the kind from a box in the freezer aisle. Made fresh in small batches using only all-natural ingredients, they come in flavors ranging from avocado to cucumber lime to toasted marshmallow, with flavors changing seasonally. Steel City Pops is located at 1021 Bardstown Road. Visit steelcitypops.com.

Let's face it, Louisville was jealous of Lexington's North Lime Coffee & Donuts. Look on North Lime's website and social media, and you'll figure out why with one glance. The brand, with two stores in Lexington, has yet to find a perfect place in Louisville, but the founders—a pastor, engineer and a banker—are searching for just the right fit that matches their vision. Visit northlimelex.com for more information.



EMERGING LANE



TORUK - The First Flight has six shows at the KFC Yum! Center April 28-May 1. Tickets are \$38 to \$135, available at kfcyumcenter.com.

“The three-week long program is one of the most challenging and fulfilling experiences I’ve had in my life,” she said. “It was an honor for me to be teaching on Centre’s campus at Weisiger Theatre, where I performed “Charlotte’s Web” in 1998.”

The Nicholasville native grew up wanting to be a medical doctor and was drawn to Centre College for its liberal arts education.

“I was certain I would go into the sciences,” she said. After taking physics and advanced calculus, she turned to acting classes and studied abroad in Strasbourg, France. Hughes graduated with a double major in French and theater arts. She has lived in Europe for the past 15 years, in France and now in Berlin, Germany.

Speaking highly of her experience with the Governor’s School for the Arts program, Hughes was thrilled with the wealth of culture in Kentucky.

“It’s important for the government and for the citizens of Kentucky that our arts are supported and funded,” she said. “It makes me proud to be a Kentuckian. I can go back to Europe as a proud Kentucky artist.” — *Kathie Stamps*

Kentuckian Performs with Cirque du Soleil

THE visually stunning Cirque du Soleil production of “Toruk – The First Flight” comes to Louisville the week before Derby. Kentucky native Kristi Hughes will be on stage, but you probably won’t recognize her face. As one of six puppeteers, Hughes will be inside costumes, manipulating creatures inspired by James Cameron’s film “Avatar.”

city each week. This is the first time Cirque du Soleil has hired professional puppeteers. Hughes participated in the creation of the production last summer, right after she taught at the Kentucky Center Governor’s School for the Arts. GSA took place at her alma mater, Centre College, where Hughes joined Bill Caise and Bo List on the drama faculty.



Kristi Hughes

In any given performance, Hughes will be an Austrapede, Direhorse and Viperwolf, wielding a 5-foot long puppet weighing 24 pounds. “We are attacking and chasing the main characters throughout the show,” she said of the large-scale animals.

The largest is the Toruk, a creature with a wingspan of 40 feet that takes all six puppeteers to handle. The puppeteers are on the ground, manipulating strings from the bird (they’re actually dog leashes) to create the image of a bird flying.

Altogether around 100 people tour with the Toruk show, putting on an average of seven shows in a different



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Northern Kentucky's Brian Ruschman Sees New Career Heights

BRIAN Ruschman, sales manager at C-Forward in Covington, started assembling computers when he was 15 years old and saw his IT career grow years later thanks partly to involvement in the Northern Kentucky Chamber of Commerce.

"I took programming in college and then became a technician and eventually moved into the sales side six years ago," he said. "I never thought that I would do anything else when I got older than work with technology."

His technological skills are matched by an understanding of professional networking and relationship building.

The 2000 Thomas More College graduate has more than 16 years experience with computer networking and is an active member of the Northern Kentucky Chamber. He currently serves as chamber ambassador, and was selected as a member of the 35th anniversary class of Leadership Northern Kentucky 2014.

The Chamber was a natural fit for Ruschman, since C-Forward's presi-

dent, Brent Cooper, was always heavily involved – he was interim president after Steve Stephens departed until Trey Grayson's selection.

"I saw that it was a great way to grow business in the area," he said. "I have been a chamber ambassador for six years and involved in their campaigns to find new members and sponsorships. The best business relationships that I have are a direct result of attending Chamber events and taking part in committees. Putting some money

from a marketing budget towards a chamber membership is money well spent."

When he graduated from Leadership Northern Kentucky in 2014, Ruschman said new career doors were opened.

"It most definitely opened new opportunities," he recalled. "There were many things that I learned while participating in Leadership NKY about the communities that I live, work and raise my family in. There were 50 smart, innovative and caring business people in my class, and together we continue to do great things

to improve not only our business acumen but also the lives of the people with whom we come into contact every day. It gave me an insight to the area that I would not have seen if I was not part of Leadership Northern Kentucky."

For young people starting new businesses or trying to grow in their careers, Ruschman recommends local chamber activity over online networking like Facebook or LinkedIn.

"Social media can be a big player in promoting your business, but being in front of other business people in your same geographic area builds a trust and camaraderie that you cannot get any other way," he said. "Most events are purely for networking with other attendees and learning about the topics that are leading our area. Building your startup is just easy with a chamber."

He also highly recommends Leadership Northern Kentucky, noting that abundance of 25-to 40-year-olds and the Business After Hours events.

"The Business After Hours events are great for a laid-back atmosphere and are well-attended. The Business Referral Network groups are also very beneficial."
—Abby Laub

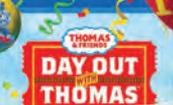


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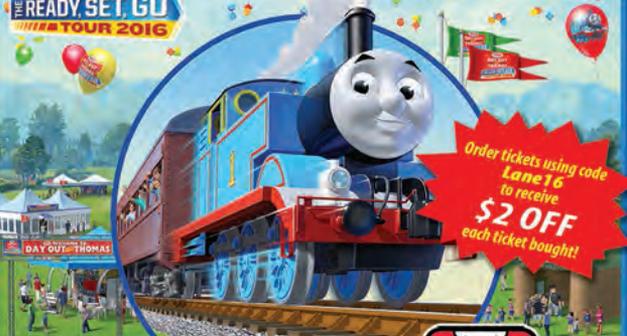
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After a \$60 million renovation and expansion, the former J.B. Speed Memorial Museum has reopened as the Speed Art Museum on South Third Street in Louisville.

Expansion Projects at Art Venues a Boon to Local Economies

THE reopening of Louisville's Speed Museum after a \$60 million renovation and expansion sends a message that the arts are thriving in Kentucky, but organizations that undergo major capital improvements have also found opportunities to reinvest in their local economies.

In his remarks at the Speed Museum's reopening, the museum's CEO Ghislain d'Humières spoke of the importance of working with local contractors for the renovation, including Louisville firm K. Norman Barry Architects.

"The Speed was proud to support many local businesses, as many of our contractors were from Louisville and elsewhere in Kentucky. The quality of their craftsmanship is unparalleled," d'Humières said. "The Speed is for all – from all areas of Kentucky and beyond – and it was important to respect the talent, craftsmanship and economy of Kentucky in building this cultural jewel for the state."

The forthcoming opening of Lexington's Living Arts & Science Center expansion is just another example of

how the arts improve the quality of life and the local economy.

The expansion project at The Living Arts & Science Center will more than double existing space, currently 7,500 s.f., to more than 18,500 s.f. Most of the \$5 million budgeted for the expansion has been spent on in-state contractors, primarily in Central Kentucky, said Heather Lyons, the center's executive director.

"That was important to us," Lyons said. "We decided we were going to stay with Kentucky across the board. Even when we were ready to select an architect, we only asked for proposals from Kentucky firms."

The center has spent more than \$4.5 million on Kentucky contractors for design and construction, and Lyons said the benefits of going local extend beyond reinvesting money in local businesses. The firm the center contracted with for construction management, Burchfield & Thomas Inc. in Lexington, has managed projects for nonprofit organizations before and was able to provide the center with a successful, cost-savings plan.

"We were working on a very tight budget and they assisted us from the beginning to stretch our dollars," Lyons said. "They helped us purchase our materials directly, which saved us sales tax amounting to about \$60,000."

Lyons said the level of customer service is also higher when dealing with local contractors because they are equally invested in their own communities.

"Not only do they want to do a good job for pride of their own work, but they'll benefit from a building they are creating," she said. "Their kids and families will benefit from it too. They have that interest because it's their hometown too."



A class underway at the Living Arts & Science Center in Lexington, which just completed a \$5 million expansion.

Ky. Businesses Showcase Work of Ky. Artists

EIGHT Kentucky entities committed to purchase or commission artwork from a single or multiple Kentucky artists at Kentucky Crafted: The Market for a specified amount or more.

One of the sponsors, the Kentucky Chamber of Commerce, purchased work from photographer Dean Hill of West Liberty and printmaker Grace Wintermyer of Berea.

"We at the Kentucky Chamber are proud to support Kentucky artists and craftsman and, selfishly, we're pleased to add to our wonderful collection of original art at our headquarters in Frankfort," said David Adkisson, Kentucky Chamber president and CEO. "People visiting our meeting facilities get to experience the beauty and creativity of our commonwealth, thanks to incredibly talented Kentuckians like the artists who exhibit at Kentucky Crafted: The Market."

Kentucky Crafted artist Mark Whitley of Smith's Grove was one of two artists, along with Raymond Papka of Versailles, to receive purchase awards from UK Art in HealthCare. He was proud to have another work added to the UK HealthCare collection.

"I know UK HealthCare has a long history of collecting art from around Kentucky and to be added to that collection is a great honor," Whitley said.

The 2016 Purchase Award Sponsors were:

- Alltech (purchased from University Press of Kentucky)
- Berea College (purchased from Gallery 123, Rebecca Lowery Ceramics and Clay House Pots)
- Fourshee Building Supply (purchased from McDonald Fine Art)
- Friend of the Kentucky Arts Council (purchased from Robbie Mueller: Folk Art Kentucky)
- Gray (purchased from Joe Molinaro)
- Kentucky Chamber of Commerce (purchased from Dean Hill Photography and Grace Wintermyer)
- Parthenon LLC (purchased from M.S. Rezny Studio & Gallery)
- UK HealthCare Arts in HealthCare (purchased from RPapka Art Studios and Mark Whitley Studio)



Lori Meadows is executive director of the Kentucky Arts Council.

OPINION

INCENTIVES MATTER

Slash corporate taxes first, then Yellen can normalize

BY LAWRENCE KUDLOW

SPEAKING recently before a packed audience at the prestigious Economic Club of New York, Fed Chair Janet Yellen basically announced that there would be no rate hikes for quite some time – maybe once before year end, maybe not. Her key point was that the global economy is worse today than it was in December, back when the Fed took its target rate up a quarter point. I think she's right.

I also think she is paying more attention to forward-looking, inflation-sensitive financial and commodity-market prices. This is good. Very good.

Yellen cited shrinking inflation spreads in the Treasury bond market, declining commodities (until recently), a flattening of the Treasury yield curve, and a stronger dollar. The sum total of these market-price indicators is stagnant growth and virtually no inflation. Hence, there's no need for the Fed to militantly raise its policy rates.

This price-rule approach is a lot better than the Fed's flawed models, which are based on a false tradeoff between lower unemployment and higher inflation. I've said it a million times: More people working does not cause inflation. Instead, more people prospering and producing makes the existing money supply less inflationary.

Austan Goolsbee, former chairman of the Council Economic Advisors, has long argued that Fed models have consistently overpredicted the economy. As a result, the Fed has consistently had to lower its forecasts in the face of stagnant 2 percent growth.

The possibility that Janet Yellen is escaping the defective Phillips-curve mentality gives one a bit of confidence, especially if she is watching market

prices. She even noted in her speech that the Fed's favorite inflation indicator actually fell in February, and is up only 1 percent over the last year.

Now let me make a second point. Most financial-market people think the Fed's ultra-low target rates indicate ultra-easy money. They're wrong. The principal reason that market interest rates are so low is that the economy is stagnant and inflation is virtually nonexistent. Along with a strong greenback and falling commodity prices, you could argue that the Fed is tighter than anybody thinks.

I don't want more QE, which was a failed experiment. The fact is, rock-bottom interest rates generally indicate near-zero inflation and relative monetary tightness. If market interest rates were surging, that would be a sign of higher inflation, undoubtedly because the Fed was too easy.

Milton Friedman taught us this over 50 years ago. Interest rates are lousy monetary indicators. Better to watch the money supply or the velocity turnover rate of money, which can be captured by tracking nominal GDP. Over the past year, money GDP has increased only 3.1 percent. That's a sign of monetary tightness, not ease.

As free-market economist Alan Reynolds of the Cato Institute recently noted, government interest rates were rock bottom in the 1930s. That's because the Fed and most other central banks were way too tight.

Even worse today, having stuffed banks with excess reserves, central banks in Europe and Japan are punishing those banks with negative interest rates. They're also punishing savers. This is not good policy.

What we have now in these uncertain times is not so much a monetary

problem as a major fiscal problem. In particular, corporate tax rates must be slashed in the U.S. for large and small businesses. We also need full cash tax expensing for new investment and an end to the double taxation of foreign profits.

This would rejuvenate economic growth. In the global race for capital, the U.S. would emerge victorious.

Incentives matter. I'm not just talking about 4 or 5 percent economic growth, but higher wages and stronger employment-participation rates. And my guess is that, as real economic growth jumpstarts, real interest rates would move higher. And that's when the Fed can follow market interest rates upward by raising its policy rates.

By the way, it's the same problem overseas. Europe and Japan and so many other countries are ignoring tax policies, which are in sore need of growth repair. Japan needs tax cuts across the board: corporate, personal, sales, you name it. Europe has relatively low business tax rates. But it needs to slash taxes on personal income, estates and retail sales. Negative interest rates won't do the trick, but new tax incentives to work, save and invest will.

So I support Janet Yellen's moratorium on rate hikes. But I wish she would be more outspoken about the need for corporate tax reform. If the U.S. economy starts moving back toward its potential – 4 or 5 percent economic growth over the next bunch of years – the Fed can normalize its interest-rate structure by following higher market interest rates, which would respond to faster economic growth.

What we basically have here is a tax problem, not so much a monetary problem. ■



Lawrence Kudlow is CEO of Kudlow & Co., an economic and investment research firm in New York City.



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The large and comfortable bar area of Blue Stallion Brewing just west of downtown Lexington.

It's Time to Get Crafty!

Craft breweries are popping up all over the state

BY KATHERINE TANDY BROWN

MY first taste of handcrafted beer came in a Vermont cousin's basement back in 1976. Until then, I thought the only reason to drink beer was as a thirst quencher served ice-cold at a baseball game. If the suds were cold enough, the taste wasn't so bad. But that first sip of Bill's nut-brown ale was thick, malty, sweet and simply delicious.

These days, in tandem with the explosion of microdistilleries across the country, craft breweries are popping up everywhere, and Kentucky is keeping right in step. Currently, the Louisville area has 17 craft breweries, including four across the Ohio River in Indiana, and the Lexington area features eight on its Brewgrass Trail: six in Lexington, one in Danville and another in Paris. Northern, western and southern Kentucky also boast a few. Following industry growth, these numbers are bound to change soon.

Visiting a brewery is, simply put, fun in a mug. Many offer facility tours and most offer tastings. You can settle yourself down in a taproom and sip handcrafted beers brewed onsite and often, "guest taps" from other breweries. Keep in mind that a hefty number of brewmeisters are a gen-

eration or two behind the bourbon industry's master distillers but are every bit as proud of and enthusiastic about a product they've devoted time and sweat to create. Should you have the opportunity to meet the meister, be sure to ask for particulars on how the brewery came to be, a bit about the beers themselves and the origins of the names of the beers and the brewery. You'll run across great stories waiting to be told.

According to a co-owner of Ethereal Brewing Co. in Lexington, Ethereal's symbol means "quintessence," and is the alchemical symbol for "ether." The name embodies the essence of his brewing philosophy, the taste of the beer and the brewing process itself.

"Ethereal means 'out of this world,'" says Andrew Bishop, "and that's a good way to describe our Flemish sours, Belgian farmhouse and American craft beers."

Alltech Lexington Brewery and Distilling Co. led the way in Lexington, first producing its popular Kentucky Ale in 2000. Described as a wedding of two classics – Irish Red and English Pale ales – this light amber beer is aged for six weeks in bourbon barrels to create the company's

flagship Kentucky Bourbon Barrel Ale. Putting a Southern Kentucky twist on the process, White Squirrel Brewery dumps its chocolate brown ale into whiskey barrels and ages it into a Nut Brown Ale. The Bowling Green establishment also serves food. (Think fried chicken and waffles, and a stout beer float!)

If you like to munch as you sip, a few other breweries offer cooked-in-house menus.

Located in a former train station, Louisville's Against the Grain Brewery and Smokehouse, for instance, serves barbecue, Kentucky burgoo, ribs and shiitake mushroom patties in its 15-barrel brew-house. In Lexington, Chase Brewing Co. specializes in stone-baked pizza in addition to rotating food styles, menus and guest chefs in its taproom.

A large number of breweries, however, rely on food trucks to supply nourishment to their customers so the beermakers can do what they do best. Near the University of Kentucky campus in Lexington, Country Boy Brewery – which has 24 taps, 12 of which pour their own brews – counts on food trucks for evening fare. In a restored 1880s building in downtown Paris, Rooster Brew specializes in "funky, Belgian-inspired beers," according to owner Ralph Quillin, and also uses food trucks. Look for a Rooster Brew taproom also opening in Lexington soon.

Beer Engine brewery and beer bar in Danville boasts "12 taps, a vintage bar, beer cheese and a TV" and is adding a Louisville location in the old Zeppelin Café space in the Schnitzelberg community.

Although Braxton Brewing in Covington serves no food, the brewery encourages customers to BYO munchies or to order in from nearby restaurants. As a tribute to its co-founder's first home-brewed beer location, this taproom has a 1,000-s.f. garage in the middle that can accommodate up to 60 people as a private event space.

Paducah's old Greyhound Bus Terminal shines these days as Paducah Beer Werks, which along with brews and an extensive pub food menu – handmade pizzas, paninis, brats and burgers – serves up live music by local and touring bands, a comedy night and an open mic night.

Giving back to the community is a growing trend among craft breweries. Anchoring Lexington's renewed Jefferson Street corridor, West Sixth Brewing Co.



Alltech Brewing in Lexington is Kentucky's largest craft beer producer. One of its innovative products is Kentucky Bourbon Barrel Ale, which is aged in used bourbon barrels.

has a spacious brewpub and beer garden and gives 6 percent of its net profits back to charities each year via its Sixth for a Cause outreach. Through a program called Mission Mondays, Blue Stallion Brewing donates 10 percent of taproom sales every Monday to Lexington nonprofits, while Braxton Brewing donates 5 per-

cent of all its Trophy Pale Ale sales to Northern Kentucky community projects.

Pick up a Brewgrass Trail Passport card at any brewery or downtown at the Lexington Visitors Center, get it stamped as you swig a tasty craft beer at each stop, and collect a t-shirt.

Be sure to call a craft brewery before you visit to make sure they're open and ready with a cool one for you! ■

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

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- **Ethereal Brewing Co.**
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- **RoosterBrew**
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PASSING LANE

Commentary on Kentucky

UK Grad Wins \$1 Million Prize for Inventing Cutting-Edge Drone

ONE common topic of discussion around aerospace engineering groups is if a plane were to crash and survivors had to construct a new plane from salvaged parts, who from the group would be able to do this successfully? When the BIG BLUE (Baseline Inflatable-wing Glider, Balloon-Launched Unmanned Experiment) team of about 45 University of Kentucky students had this discussion in the early 2000s, everyone chose Osamah Rawashdeh, then an electrical engineering graduate student at UK.

So it's no surprise to his former professors and mentors at UK that the student who could design and build an aircraft from spare parts in a tough setting would go on to invent, with the help of his own students, the world's first aerial-surface-underwater reconnaissance drone.

It flies like a bird, floats like a duck and swims like a fish. The Loon Copter, named appropriately after a bird known for its powerful swimming and deep diving abilities, is taking the tech world by storm, and recently took home a \$1 mil-



Osamah Rawashdeh (left), a triple degree holder from UK, and his team with their \$1 million award for winning the international Drones for Good contest.

lion first-place prize from the international Drones for Good contest.

Surpassing 1,017 other entries from 165 countries in the United Arab Emirates government's contest, Rawashdeh's drone proved it could transform search and rescue operations, environmental monitoring and underwater structure inspection, such as bridges or pipelines.

"Most other entries were application focused, but ours was truly new technology that could be applied in numerous ways, providing solutions that could save time, money and manpower," said Rawashdeh, who earned his bachelor's, master's and doctoral degrees from UK.

For example, in a search and rescue operation or investigation underwater, the Loon Copter can help determine if divers are needed. In another situation, the drone could fly over an oil spill to get a bird's eye view, float on the surface to collect data, and then dive far and deep to analyze the scale of the spill.

Though he is currently an associate professor at Oakland University in Rochester, Mich., Rawashdeh's roots at UK run deep.

"Besides the technical knowledge I gained at UK, I learned so much from the faculty advisors and mentors," Rawashdeh said. "I routinely draw on those experiences as I deal with my projects and my students today."

Race Day Proceeds to Help Old Friends Farm Rebuild

ALTECH Lexington Brewing and Distilling Co. was in the midst of finalizing plans for the spring package release of one of its newest brews, Kentucky Race Day Session IPA, when the company learned about a fire at the Old Friends Thoroughbred retirement facility in Georgetown.



Alltech Lexington Brewing and Distilling Co. is donating a portion of proceeds from its new Race Day brew to help the Old Friends Thoroughbred retirement farm rebuild after a devastating fire.

Old Friends is a nonprofit organization founded in 2003 by Boston Globe film critic Michael Blouen that cares for more than 150 former racehorses, including Kentucky Derby winners Silver Charm and War Emblem and Breeder's Cup Champions Alphabet Soup and Amazombie. Fortunately, neither humans or horses were injured in the fire, but the blaze destroyed one of the farm's barns.

"We've worked with Michael for several years now through various fundraising events and limited edition bottle releases to benefit Old Friends," said Matt Cordle, territory sales manager for ALBDC. "With our Race Day launch, we've decided to continue this tradition by donating a portion of proceeds from April 1 through May 8 to Old Friends to help with the rebuilding process. We're also very fortunate that our friends at Kentucky Eagle, who distribute our portfolio of beers and spirits throughout central Kentucky, agreed to partner with us on this effort."

Blouen noted that all of the donations received will go to rebuilding a new, fire-safe barn to replace the one destroyed and also to updating and fireproofing an existing second barn on the property.

Do Wellness Programs Really Work? Humana Says They Do

FOR some time now, business and healthcare experts have been touting the benefits of company wellness programs, which promote lifestyle changes and preventive healthcare measures to reduce healthcare costs. Now, data from a three-year study of Humana Inc.'s wellness and rewards program, HumanaVitality, shows that employees engaged with the health incentive program had fewer unscheduled absences, lower overall health claims costs and fewer visits to the hospital and emergency room.



The HumanaVitality Impact Study also tracked the productivity as well as the healthcare usage and claims of more than 8,000 Humana employees since the program's launch in 2011.

The HumanaVitality program helps members create personal paths to health and then awards points both for steps taken toward better health and measurable milestones achieved. The points can then be redeemed for rewards from major retailers, fitness equipment and personal electronics; the points can even be used for charitable donations.

Key findings from the three-year study include:

- Members engaged in the wellness program had, on average, six fewer hours of unscheduled absences compared to unengaged members, who averaged 23 hours per year.
- Employees who participated in the wellness program saw health claims costs decrease 6 percent in Year 1 and 10 percent by Year 3. In contrast, unengaged members experienced a 17 percent increase by Year 3.
- Employees who did not participate in the wellness program had 56 percent more emergency room visits and 37 percent more hospital visits.

Kentucky Derby Museum Set to Debut ‘American Pharoah’ Exhibit



Kentucky Derby Museum photo

IT'S been nearly a year since American Pharoah became only the 12th Triple Crown winner in Thoroughbred racing history, but the achievement remains an exciting one nonetheless.

As the commonwealth gets ready to kick off another Derby, the Kentucky Derby Museum in Louisville is preparing to open a new exhibit celebrating American Pharoah and providing an in-depth look at the champion and his winning connections: Ahmed Zayat, a successful businessman who has become one of the industry's prominent owners and breeders in just 10 years; Bob Baffert, the Hall of Fame trainer who reached his dreams of capturing racing's elusive prize; and Victor Espinoza, a veteran jockey who attained Triple Crown glory after getting so close on two previous occasions. The exhibit will delve into the stories of all three, how they arrived at this point in their careers and what the unique story of American Pharoah means to each of them.

Thanks to the generosity of the Zayat Family, American Pharoah's Kentucky Derby, Preakness Stakes, Belmont Stakes and Triple Crown trophies will be displayed together for the first time ever within the exhibit.

The American Pharoah exhibit will open May 1 with an entire day of family-friendly activities that include specialty tours, a kids' activity area, a jockey panel, book signings, gallery talks, a celebrity handicapping contest, bourbon tastings and more.

Museum admission is \$15 for adults, \$7 for children ages 5-14. Children under age five are free.

New Voter Registration Tool Proves Popular

IN response to low voter turnout in the November general election, Secretary of State Alison Lundergan launched a tour across the state last month to promote the commonwealth's new online voter registration portal, GoVoteKY.com, in hopes of encouraging more Kentuckians to vote in this year's elections.

As of last fall, only two-thirds of eligible Kentuckians were registered to vote and only 32.6 of that group participated in the 2015 general election.

The state's efforts to boost voter involvement appear to be paying off, however. Within a week of the website's public launch, more than 10,000 Kentuckians had registered to vote or updated their registration using the website. More than 500 new college-age registrants have used the site ahead of the April 18 deadline to register to vote for the May 17 primary election.



Updates from the ‘Houseboat Capital of the World’

DESPITE our very best efforts to always bring our readers up-to-date, accurate information, there are times (hopefully few!) that we get tripped up by some miscommunication. And regretfully, it seems that was the case with a story that ran in our March 2016 issue.

A business brief that ran in the Fast Lane section reported that Thoroughbred Houseboats had acquired a building formerly owned by Fantasy Yachts in Monticello and was moving its Clinton County operations to the new facility. However, it turns out that's not exactly new news – Thoroughbred has been operating out of the Monticello facility for several years now.

However, a lot *has* been going on at Thoroughbred Houseboats over the last few years, according to Denis Steiner, a partner with the company.

Several years ago, the company purchased the rights to the Somerset Houseboats name, a company founded in Somerset, Ky., in the 1970s that went on to become widely known in the houseboat industry.

In August 2014, Thoroughbred merged with Kentucky-based Stardust Cruisers – one of the oldest names in the industry – to create Trifecta Houseboats. Under the Trifecta name, the company now produces Somerset, Stardust and Thoroughbred houseboats.

In addition, Trifecta also operates a division dedicated to houseboat renovations. Thoroughbred Renovations operates out of the former Stardust plant in Monticello while new builds are handled at the former Fantasy Yacht site, also in Monticello.

Though Monticello itself may not be a booming metropolis, the community has become known as “The Houseboat Capital of



Luxury houseboats built in Monticello by Trifecta Houseboats can be found on lakes across the United States and have even been made for customers in Russia and Saudia Arabia.

the World,” producing high-end products – the average price runs between \$400,000 and \$600,000 – that are shipped to countries around the globe. Steiner said the company has taken orders from clients in Russia and Saudi Arabia and routinely ships houseboats to lakes across the United States, from Arizona and Texas to Missouri, Arkansas, Pennsylvania and Georgia. Thoroughbred Houseboats has even organized, set up and taught the Chinese how to construct houseboats in China.

And of course, many of these stunning houseboats cruise Kentucky waterways as well, with many available to rent for a memorable vacation getaway. The summer boating season will be kicking off soon....treat yourself to a trip to one of Kentucky's beautiful lakes and get a first-hand look at why boaters around the world buy from Trifecta.

KENTUCKY PEOPLE

LEXINGTON: UK/UofL JOINT EXECUTIVE MBA PROGRAM ACHIEVES GLOBAL RANKING BY CEO MAGAZINE



Though its first class graduated only four months ago, the joint University of Kentucky-University of Louisville Executive MBA program is already garnering acclaim, becoming the only program in the region to be ranked in CEO Magazine's Tier One Global EMBA programs for 2016. The program is aimed at rising executives from regional organizations and maximizes the industry expertise of the students in a cohort-based learning environment, with sessions split between the UK and UofL campuses. Pictured here (left to right) are program participants Maor Schaal – IT manager, Humana; Robert Hall – senior manager IT operations, Canopy Partners; Joseph Patterson – president, Teleios Development; Robert Morphonios – CEO, WV East End Partners LLC (East End Crossing, Ohio River Bridge); and Haley McCoy – executive director, Office of Legislative and Intergovernmental Affairs, Kentucky Energy and Environment Cabinet.

WINCHESTER: CLARK REGIONAL MEDICAL CENTER RECOGNIZED FOR EXCELLENCE IN HEALTHCARE



Clark Regional Medical Center was recently presented with LifePoint Health's companywide High Five Award for demonstrating excellence in healthcare delivery, the highest honor a LifePoint hospital can receive. This year represents the third consecutive year that Clark Regional has earned the High Five award from LifePoint, which operates more than 70 hospitals in 22 states. Pictured here at the award presentation are (left to right) LifePoint President/Chief Operating Officer David Dill, Clark Regional Chief Nursing Officer Barbara Kinder (who was also named chief nursing officer of the year), LifePoint Chairman/CEO Bill Carpenter, Clark Regional Chief Financial Officer Amber Goodpaster, Clark Regional CEO Cherie Sibley, LifePoint Central Group President Scott Raplee and Clark Regional Assistant Administrator Matt Smith.

GEORGETOWN: HAUGH NAMED LIFEPOINT HEALTH'S CEO OF YEAR



Georgetown Community Hospital Chief Executive Officer William Haugh (center) has been named "CEO of the Year" by LifePoint Health. Tennessee-based LifePoint – which operates more than 70 hospitals in 22 states – presents the award each year to an outstanding leader within the company who exemplifies its core values of honesty, integrity, trustworthiness, compassion, and ethical and legal compliance, while demonstrating excellence in business operations and talent development. Pictured here with Haugh are LifePoint President/Chief Operating Officer David Dill (left) and LifePoint Health Chairman and CEO Bill Carpenter (right).

SHELBYVILLE: ROLL FORMING CORP. EARNS SAFETY AND HEALTH AWARD



Kentucky Labor Cabinet Secretary Derrick Ramsey (right) visited Roll Forming Corp. (RFC) in Shelbyville on March 28 to present the company with the Governor's Safety and Health Award. Pictured here with Ramsey is RFC Process Engineering Team Leader Micah Craig.

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