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JULY 2016

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## NEW BRIDGES REV UP REGIONAL GROWTH

Set for December completion, impact of \$2.3B project began  
rippling through Louisville area right after work began in 2013

Page 26



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**LANE ONE-ON-ONE:**  
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Executive Director,  
Shaping Our Appalachian Region



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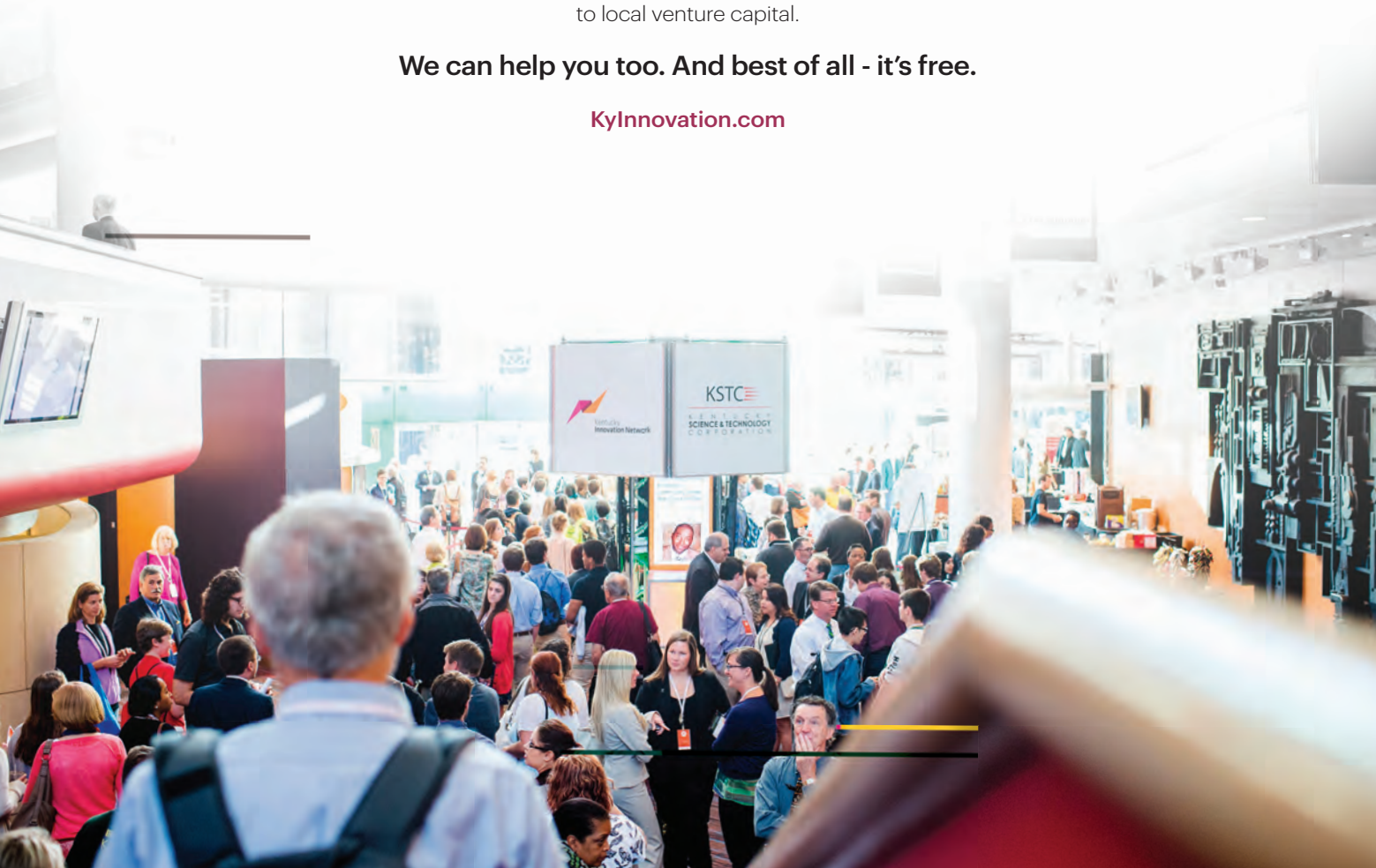
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## PERSPECTIVE

### LOCAL OPTION SALES TAX DEBATE

Put a sensible tool for growth  
in Kentucky voters' hands

BY DICK KELLY

As state and local governments continue to struggle in a "slow growth" economy, forward thinking individuals continue to look for new and creative ways to fund projects designed to enhance the quality of life or contribute to positive economic development and growth. In Kentucky, there is much debate regarding the Local Option Sales Tax, which is a reasonable tool to give voters in our counties and municipalities.

Local Option Sales Tax is a mechanism to raise funds for a specific project only by adding a maximum of 1 percent to the base sales tax rate in a specific political jurisdiction for a predetermined length of time. All the money it generates is dedicated to the project and cannot be shifted to any general fund. Some items like food, medicine, utilities, automobiles and farm equipment would be excluded from the sales tax. While 1 cent on the dollar is the maximum, it can be applied in fractions: a quarter-cent is commonly used levy.

On the surface, the concept is a simple one that allows the residents of Kentucky communities to determine the desirability of a project, the merits of the proposed funding, and vote "Yes" or "No" whether or not to levy the incremental tax increase – Democracy in its purist form. A deeper analysis reveals a few potential complications cited by opponents.

Detractors of the concept use the acronym LOST for Local Option Sales Tax, while proponents prefer LIFT for Local Investments For Transformation. Looking at both sides, even the opponents admit to the glaring need for increased revenues for improved infrastructure and capital projects, but feel the option produces a proportionally heavier burden on those at the lower end of the economic scale. Likewise, the retail sector feels the tax would raise the cost of products, thereby reducing their ability to compete and would generate extra operating expense in the collection process.

To add complexity to the discussion, adopting this measure would require a change to the state's constitution. Its

provisions require that a local taxing proposal has to be approved by a 60 percent majority in both Kentucky state legislative chambers. Then, to become an Amendment to the state constitution, a majority of voting public would have to approve the measure in a subsequent general election.

To date, there are 37 states that utilize the Local Option Sales Tax. Kentucky's adjacent neighbors Ohio and Tennessee boast vibrant economies and use the LIFT option, while West Virginia and Indiana do not. Nationally, notable examples of very successful implementations are cited in Denver for a light-rail system and in Oklahoma City for a canal district. The commonwealth LIFT initiative website contains no less than 40 Kentucky counties with suggested projects designed to enhance the communities and provide economic development opportunities:

- Pike County – Construction of Health & Wellness Center
- Jefferson County – Facility for Homeless Veterans
- Fayette County – Restore & Repurpose Historic Court House
- Kenton County – Revitalize & Expand Convention Center
- Pulaski County – Build Long Term Camping Facility
- Barren County – Construct Waterpark
- Henderson County – Update 911 Emergency System
- Boyle County – Construct Farmers Market

There is strong bipartisan support for moving forward with the Local Option Sales Tax in Kentucky. Some very good discussion took place around this year's General Session and although the bill did not pass, a great deal of progress was made. Some discussion argues that, going forward, this tool should be discussed within the larger subject of comprehensive tax reform. Unfortunately, while nearly everyone agrees on the need for comprehensive tax reform in theory, in practice no one is willing to propose and push a specific plan – this is a decades-old political status quo.

As Voltaire wisely advised: "Don't let perfect be the enemy of good."

Local Option Sales Tax is an idea that merits presentation to Kentucky voters as a proposed constitutional amendment. ■



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The Lane Report. He can  
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# FAST LANE

A compilation of economic news from across Kentucky

## MOUNT VERNON: TRANSACTION PROCESSER SOURCEHOV PLANS TO ADD 600 NEW JOBS IN ROCKCASTLE COUNTY

**S**OURCEHOV, a Dallas-based company that specializes in transaction processing, has announced plans to add 600 jobs at its facility in Mount Vernon.

The company is partnering with the Shaping Our Appalachian Region (SOAR) initiative to create more jobs in southern and eastern Kentucky. The new positions are being added to support work tied to a new contract from the **Department of Veterans Affairs**. A company known as **CSRA** was awarded the competitive federal contract and has subcontracted the work to SourceHOV. SourceHOV will be responsible for digitizing records to reduce the nationwide backlog of veterans' claims.

The company will be hiring general clerks, team leads and quality assurance specialists with pay rates beginning at \$10.52 an hour plus an additional \$4.27 per hour for a health and welfare allowance.

SourceHOV already has a strong presence in Mount Vernon, where it has been operating for more than 24 years and currently has a staff of approximately 370. To accommodate the influx of hundreds of additional employees, the company is renovating a 55,000-s.f. building that previously housed a uniform plant.

SourceHOV is a global company that has approximately 15,000 employees and 120 locations worldwide.



## LOUISVILLE: GOV. BEVIN ANNOUNCES REORGANIZATION OF UofL BOARD, RESIGNATION OF PRESIDENT RAMSEY



**C**ITING a string of incidents that have resulted in a dysfunctional environment, Gov. Matt Bevin announced on June 17 that the entire board of trustees at the **University of Louisville** was being relieved of their duties and would be replaced by a newly appointed board.

"There have been a number of incidents

in recent months and years related to the University of Louisville that have shed less than the best of light on the university and the commonwealth as a whole," said Bevin. "The university's board of trustees, as it exists right now, is operationally dysfunctional. Its dysfunction has precluded it from being fiduciarily effective. Today we are going to start putting the University of Louisville house in order. A fresh start is the right thing to do and is in the best interest of the students, faculty and staff."

As part of that "fresh start," University of Louisville President James Ramsey has also submitted his resignation. In recent months, Ramsey, who was appointed president in 2002, has been at odds with some of the university's board members and faculty and been the focus of a lawsuit alleging unethical behavior.

Bevin has asked the Governor's Postsecondary Education Nominating Committee to submit 30 candidates for the new board. From that list, Bevin will select 10 individuals. The board will also include a member of the teaching faculty, a permanent staff member and a student member serving as president of the student body, bringing the total to 13. (The faculty, staff and student representative positions on the board are not affected by the governor's changes.)



*James Ramsey has served as president of the University of Louisville since 2002.*

## STATE: KY'S 1ST-QUARTER '16 EXPORTS SURGE ON AEROSPACE, AUTO PARTS

**S**TRONG exports totaling nearly \$7 billion in the first quarter of 2016 landed Kentucky among the **top 10 states for growth in sales of goods and services** across national borders.

Though U.S. export numbers declined 6.9 percent compared to the first quarter of 2015, Kentucky numbers increased 1.2 percent.

Aerospace products and parts topped Kentucky's exports by category with more than \$2.6 billion in goods sold between January and March, an increase of nearly 23 percent over the first quarter of 2015. Following aerospace products were motor vehicles (\$768 million), motor vehicle



parts (\$422 million), pharmaceuticals and medicines (\$398 million), resin, synthetic rubber, artificial and synthetic fibers and filament (\$279 million), and basic chemicals (\$192 million).

Kentucky goods and services were sold to more than 170 nations during the first quarter, with Canada, France, the United Kingdom, Mexico and Brazil ranking as the state's top five trade partners.

France stood as Kentucky's fifth-largest trade partner in 2015, but charted a substantial 28.2 percent increase early in 2016 thanks in large part to an increase in exports of aerospace products and parts. One of the major contributors in that industry is aircraft wheel and brake components maker **Messier-Bugatti-Dowty**, a subsidiary of French tech giant Safran. The company announced plans in February to expand its Northern Kentucky plant, a project expected to create about 80 jobs with an investment of more than \$100 million.

Kentucky's largest export percentage increases by destination in the first quarter among countries purchasing \$100 million or more were: Malaysia (104.7 percent), Saudi Arabia (40.3 percent), Hong Kong (34 percent), France (28.2 percent) and Brazil (18.1 percent).

## MAYFIELD: \$24 MILLION EXPANSION AT PILGRIM'S PRIDE WILL ADD 157 NEW JOBS

**P**ILGRIM'S Pride Corp., one of the nation's leading poultry producers, has announced plans for a \$24 million expansion of its poultry-processing complex in Mayfield.

The project, which will begin in mid-October, includes the removal or relocation of existing processing equipment and the installation of new equipment. The transition will enable the facility to process larger birds and provide greater efficiency and service to key customers. Upon completion of the project, the plant will increase its live weight production by about 1 million pounds per week. The project also calls for the construction of 75 additional chicken houses by local family farms.

The Mayfield project is part of a \$190 million strategic capital investment plan to "enhance growth with key customers, reinvest cash flow back into the business and improve efficiencies."

The Colorado-based company has operated in Graves County since 1990 and is one of the largest employers in county, with some 1,350 employees. The expansion will create more than 155 new jobs.



## STATE: KY RELEASES PLAN TO SHORE UP STATE'S AILING ROAD BUILDING FUND

**K**ENTUCKY'S Transportation Cabinet has outlined a plan to shore up the state's dwindling **road fund**, which is the funding source for all cabinet operations, including construction, maintenance and general support.

"For the first time in recent history, the Cabinet faces a low road fund cash balance, which compromises our ability to authorize new state road projects over the next biennium," said Transportation Cabinet Secretary Greg Thomas. "The 'Pause-50' approach is designed to slow or delay the starts of new projects so that we can pay current expenditures, recoup lost revenue and rebuild our funding base."

The Cabinet strives to have a balance of at least \$100 million at any given time. The last time the cash balance neared zero was in 2004, when it hit \$30 million.

The "Pause-50" plan will halt the starts of new state-funded projects in all phases for the first year of the biennium and in the second year, will aim for a goal of \$50 million to allocate on state-funded project starts.

Thomas said several factors have contributed to the low cash balance but the main culprit is overspending with limited funds.

Road fund revenues totaled \$4.5 billion over FY 2014-2016. Over the same period, expenses totaled \$5.035 billion, exceeding revenues by \$498 million. As a result, the start of new state-funded projects must be delayed in order to meet payment of current expenditures while also restoring the \$100 million cash balance threshold.

Another contributing factor is the decline of 6.5 cents per gallon in the motor fuels tax in FY 2015. As a result, road fund revenues over FY 2015-2016 period are anticipated to be \$152 million less than FY 2014 revenues. The motor fuels tax is currently at the statutory floor of 26 cents per gallon for FY 2016, and is expected to remain at the statutory floor for FY 2017 and FY 2018.

  
Kentucky  
Transportation  
Cabinet  
Secretary  
Greg Thomas

## BUSINESS BRIEFS

### BOWLING GREEN

■ **Southcentral Kentucky Community and Technical College** broke ground on June 15 for a \$22 million instructional complex that will feature a new library and separate wings devoted to allied health and science, technology, engineering and math. The allied health wing will feature simulation rooms that mirror medical facilities while the engineering wing will help the college develop an engineering pipeline to **Western Kentucky University**, where students can complete their degrees. Up to 75 percent of the cost for the 72,000-s.f. building is being covered by an \$8 per credit hour student fee that has been approved by students, said SKYCTC Associate Vice President of Institutional Advancement Heather Rogers.

### CENTRAL/EASTERN KENTUCKY

■ **Columbia Gas of Kentucky** has requested permission from the Kentucky Public Service Commission to increase their rates in order to recover investments and other costs associated with the company's ongoing initiatives to improve overall safety and reliability of its natural gas distribution system. The Lexington-based company, a subsidiary of **NiSource Inc.**, is requesting an overall increase in revenues of \$25.4 million. If approved, that would translate to an increase of approximately \$11.35 per month for residential customers and \$37.32 per month for commercial customers. Gas supply costs, however, have gone down for Columbia customers in recent months, with the most recent gas cost adjustment bringing the lowest price in more than 20 years. Columbia Gas serves approximately 135,000 customers across Central and Eastern Kentucky.



### HARRODSBURG

■ **Hitachi Automotive Systems Americas Inc.** has opened a new regional training center in Harrodsburg that will provide training programs that in the past would have required Hitachi's employees in the United States and Mexico to travel as far away as Japan. The new facility will initially focus on technical training for engineers, technicians and maintenance professionals but will eventually expand to include management and administrative training in addition to specific process skills. A wholly owned subsidiary of Tokyo-based Hitachi Ltd., Hitachi Automotive Systems Americas Inc. has its corporate headquarters in Harrodsburg. In addition to its Harrodsburg operations, the company has a location in Berea as well operations in Georgia, Michigan and California and two locations in Mexico.

### HIGHLAND HEIGHTS

■ Beginning this fall, **Northern Kentucky University** will offer the region's first emergency management graduate certificate. The program – developed in response to community demand – is designed for working professionals and can be completed entirely online or in a combination of online and in-person courses. The program's three core courses include Homeland Security Administration, Emergency Management, and Terrorism.

### LEXINGTON/LOUISVILLE

■ Louisville-based information technology firm **CisCom Solutions LLC** has expanded into the Lexington market with the acquisition of Missing Link Managed IT LLC. Both firms provide complete IT solutions, from computer network sales and support to security and disaster recovery services. The deal, which closed June 1, represents a significant foothold for CisCom outside Louisville. As part of the sale, CisCom purchased Missing Link's customer list, which includes approximately 50 clients and \$500,000 in annual sales. Missing Link owner Bob Ellison has joined CisCom as technical support manager for Lexington.



### We want to know what's going on at your company!

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## BUSINESS BRIEFS

### LEXINGTON

■ **Bluegrass Community and Technical College** is collaborating with **UK HealthCare** on a new pharmacy technician program that will begin this fall. The program will be housed at BCTC's Leestown Campus.

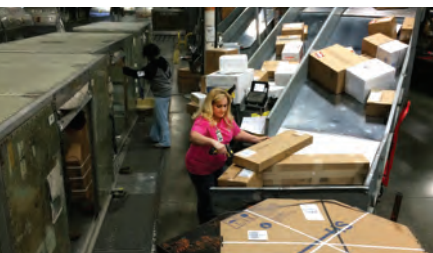
### LOUISVILLE

■ **FedEx Ground** held a grand opening ceremony on June 1 to celebrate the construction of a new 300,000-s.f. distribution center in Louisville. The company opened the new facility with 300 employees and said more positions will be added as demand for services grows. The Louisville distribution center is part of the company's nationwide network expansion plan to meet increasing demand. The daily volume of packages handled by FedEx Ground has doubled in the past 10 years.



■ **El Toro Internet Marketing LLC** has opened a new headquarter facility in Louisville's Whiskey Row neighborhood that will create space to add 60 new employees to its current 35-member staff. El Toro executives said the need for more space was driven by an increased demand for the company's services from commercial customers in the automotive, healthcare and higher education sectors, and anticipated growth in political advertising. El Toro helps advertisers target their audiences digitally by matching IP addresses to physical locations, enabling advertisers to aim messages at specific groups, such as college campuses, businesses and zip codes. Though political advertising made up less than 10 percent of El Toro's 2015 business, the company is seeing a significant increase this year.

■ Louisville-based pizza chain **Papa John's International Inc.** is among the first U.S. companies to enter Tunisia, which just recently opened its borders to outside franchising. Papa John's partnership with franchisee **Sofiene Ghali**, a Tunisian leader in the quick-serve restaurant industry, marks the start of the company's expansion into Northern Africa. Ghali plans to open another restaurant in Morocco later this summer. Egypt is the only other country in Africa to have a Papa John's franchise.



■ **United Parcel Service (UPS)** is adding more than 1 million s.f. to its **Centennial Hub** in Louisville, which will allow an increase in sorting capacity to 85,000 packages per hour. Construction is slated to begin later this year and be complete by late 2018 or early 2019. The expansion is expected to create some 300 new jobs.

■ **Glassdoor**, a website that provides company reviews for job seekers, has ranked Louisville No. 18 on its list of the **25 Best Cities for Jobs**. Glassdoor determined its rankings based on hiring opportunities, cost of living, job satisfaction and work/life balance. The ranking placed Louisville ahead of cities such as San Diego, Chicago, Cincinnati and Atlanta.

■ **Kindred Healthcare Inc.** has signed an agreement to acquire the in-home healthcare operations of the **Arkansas Department of Health** for \$39 million. The transaction will expand Kindred's services from six offices providing home health and hospice in four counties to offices providing home health, hospice and personal care services in 70 of the 75 counties in Arkansas. As part of the agreement, the Louisville-based company will retain all of the Arkansas Department of Health employees.



■ Louisville-based **21c Museum Hotels** has opened its sixth property, an adaptive reuse of the former **Ford Motor Co.** assembly plant in Oklahoma City. "When we opened the first 21c in Louisville 10 years ago, we wanted to help revitalize a once-vibrant area on West Main Street in Louisville," said Steve Wilson, 21c founder and CEO. "We saw a similar opportunity here in OKC, on the western edge of downtown, to be a cultural catalyst and agent of forward-thinking change on Main Street, in an area with a rich, storied past." **21c Oklahoma City** features 135 rooms along with 14,000 s.f. of contemporary art exhibit space that is open to the public free of charge.

## STATE: NEW FLIGHTS FROM LOUISVILLE, CINCINNATI TARGET BUSINESS TRAVEL

**O**NEJET, a new public charter air carrier, will begin offering non-stop flights from Louisville to Pittsburgh effective July 18 and will add service from the **Cincinnati/Northern Kentucky International Airport (CVG)** to Pittsburgh beginning Aug. 15.



*OneJet focuses on the needs of business travelers and will initially offer flight service to Pittsburgh from both Louisville and Cincinnati. Other destinations such as Raleigh, New Orleans and Kansas City are planned for the future.*

OneJet focuses on providing nonstop travel to small and mid-size markets that do not typically offer nonstop flights, with flights specifically tailored to meet the needs of corporate travel programs and general business travelers. The airline is receiving funding from the State of Pennsylvania and the Redevelopment Authority of Allegheny County (Pa.) as well as private funding to support investments in employees, equipment and infrastructure in order to develop a flight network designed to meet the needs of some of Pittsburgh's largest corporate employers.

A survey conducted by **Greater Louisville Inc.** earlier this year revealed that the top destinations requested by area businesses were Pittsburgh, New Orleans, Kansas City, Raleigh and Jacksonville.

OneJet will utilize the **Hawker 400** light jet aircraft, a small twin-engine jet that seats only seven and is used as a corporate jet by many companies. Passengers can board the plane up until five minutes prior to departure and once on board, Wi-Fi, national newspapers and snacks are available. The carrier does not check baggage but passengers are allowed one personal item (purse, briefcase, etc.) and one piece of carry-on luggage.

## STATE: NEW PARTNERSHIP AIMED AT STRENGTHENING KY MANUFACTURING

**T**HE **Kentucky Association of Manufacturers** has formed a partnership with **Lightweight Innovations for Tomorrow** with the goal of increasing awareness, innovation and education about advanced manufacturing and the manufacturing industry in general.

LIFT, one of the founding members of the National Network of Manufacturing Innovation, is a Detroit-based, public-private partnership committed to the development and deployment of advanced lightweight metals. Among its core strategies is a commitment to help ensure manufacturers have the talent supply chain they need to be successful in a global market.

The Kentucky Association of Manufacturers is made up of over 300 member companies dedicated to promoting a climate in which businesses can prosper on a local, national and global scale.

"Workforce education is vital for our industry going forward," said Greg Higdon, president and CEO of the Kentucky Association of Manufacturers. "Not only do we need the workforce to fill the job openings we currently have, but we need the innovation to move the industry into the future."

Since its founding in late 2014, LIFT has funded nearly 20 education and workforce development initiatives across its five-state region, which includes Indiana, Ohio, Kentucky, Michigan and Tennessee.





David A. Owen, Lexington Office

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## BUSINESS BRIEFS

### LOUISVILLE

■ **Mesa Foods**, a Louisville company that produces private-label tortillas, taco shells and chips, has been acquired by **Teasdale Foods**, a national provider of private-label and branded Hispanic foods. Mesa, which has approximately 275 employees, will continue to operate as a division of Teasdale Foods, with the existing management team remaining in place. Financial details of the acquisition were not released.



■ **Jones Lang LaSalle Inc.** (JLL), a Fortune 500 professional services and investment management firm that offers specialized real estate services, has acquired **Harry K. Moore**, a Louisville commercial real estate company that dates back to 1948. JLL said the acquisition will strengthen its industrial and office brokerage platform and support the company's focus on the ecommerce trade area between Louisville, Indianapolis and Columbus.

■ **Spalding University** has acquired 7.5 acres on the 9th Street corridor in downtown Louisville to expand its athletic programs. The property will be used for softball, soccer and lacrosse. The new facilities will include locker rooms, concessions and indoor activity space.

### NICHOLASVILLE

■ Through its **Hubbard Feeds** subsidiary, Nicholasville-based **Alltech Inc.** has acquired **Ranch-Way Feeds**, an animal nutrition company that has done business in the western United States for more than 60 years. Ranch-Way employs a staff of 50 who produce more than 50,000 tons of feed annually. Because of the Ranch-Way brand's long history and name recognition throughout an extensive dealer network in the Rocky Mountain region, Hubbard plans to continue to market and sell products under the Ranch-Way name. Hubbard is a division of **Ridley**, a wholly owned subsidiary of Alltech.

### NORTHERN KENTUCKY

■ Kentucky has entered into a strategic agreement with **Cincinnati Bell** to partner on broadband network construction in Northern Kentucky that is critical to the future development of **KentuckyWired**, an initiative to make broadband access available statewide. By leveraging existing infrastructure and partnering with Cincinnati Bell – a company that provides voice, data, high-speed internet and video to residential and business customers in Northern Kentucky and Cincinnati – Kentucky's project construction costs will be reduced by approximately \$3 million. In accordance with the performance standards outlined by the KentuckyWired broadband project, Cincinnati Bell will install 166 miles of fiber-optic cable across Northern Kentucky.



Int'l Bluegrass Music Museum photo

### OWENSBORO

■ A groundbreaking ceremony was held on June 23 for a \$15.4 million expansion of the **International Bluegrass Music Museum and Hall of Fame** in Owensboro, which will house the world's foremost collection of bluegrass arti-

facts, memorabilia and music recordings. The new building will be located adjacent to the Owensboro Convention Center and will feature a 450-seat concert hall, recording studio, 2,000-seat outdoor concert area, a research library, teaching rooms and a rooftop restaurant overlooking downtown Owensboro. As part of the expansion, the museum plans to strengthen its focus on music education with Saturday lessons, instrument camps, live open jams and a Bluegrass in the Schools program.

## STATE: LG&E/KU HELPING BUSINESSES MAKE THE SWITCH TO SOLAR ENERGY

LOUISVILLE Gas and Electric Co. and the Kentucky Utilities Co. have partnered with Kentucky-based **Solar Energy Solutions LLC** to develop a new service for business and industrial customers interested in solar energy.



LG&E and KU opened a new solar facility in April at the E.W. Brown Generating Station in Mercer County.

"We received a good mix of responses during the request-for-proposals process from local and national companies with a wide range of capabilities and experience in solar-generation design and construction," said John P. Malloy, vice president of customer services. "Solar Energy Solutions is a well-established solar provider with local roots here in Kentucky and well-known projects throughout the region, and this partnership will keep business local and offer new solar opportunities for our communities and our customers."

Through the new business solar service, LG&E and KU will build, own and operate individual solar facilities for interested business and industrial customers on their properties. The solar systems may include ground or rooftop solar arrays and can range in size from 30 kilowatts to 5 megawatts. Each customized project will be subject to approval by the Kentucky Public Service Commission.

"Providing regulated distributed generation through this new customized business solar service will be a new venture for us, but we expect this to be responsive to our customers' needs," said Malloy.

The new customer offering expands LG&E and KU's solar initiatives, the first of which came in April as the company unveiled Kentucky's largest universal solar facility at the E.W. Brown Generating Station in Mercer County. The 10-megawatt solar facility is expected to produce 19,000 megawatt hours of energy annually, enough to power 1,500 homes based on a usage of 1,000 kilowatt hours per month and considering all available hours of sunlight.

## WILLIAMSBURG: UNIVERSITY LAUNCHES NEW APPROACH TO CAREER PLANNING

WITH the majority of college students seeking an education to put them on the path to a successful career, the **University of the Cumberlands** has partnered with **Emerge Education LLC** to provide a new comprehensive career-planning service to all of its students.



All newly enrolled freshman at the University of the Cumberlands will receive an in-depth interview that focuses on their chosen major, desired location of employment, first-year salary expectations and projected employment trends in their field. As the students progress through their degree program, a personal career planner will meet with them for quarterly counseling sessions and to help them build a portfolio of related experience.

Prior to graduation, the career planner will be actively searching for future openings and contacting human resource departments in the area to arrange interviews for up to one year after graduation. The service is provided for a one-time, per-student cost that is less than the average price of a college textbook.

The university plans to expand the service to its adult and online populations in early 2017.

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## BUSINESS BRIEFS

### PADUCAH

■ A downtown Paducah building dating back to the mid-1800s has been restored and renovated as a boutique hotel. The **1857 Hotel**, which originally housed a gentlemen's haberdashery and a tractor repair shop, features 10 rooms that each have unique furnishings. Artwork by local artists hangs throughout the guest rooms and the hotel's public areas and will rotate on a regular basis to showcase different artists.



Paducah CVB photo

### SHEPHERDSVILLE

■ **Dermody Properties**, a national industrial acquisition, development and operating firm, held a groundbreaking ceremony on June 15 for a 546,000-s.f. industrial facility in Shepherdsville's Cedar Grove Business Park. Known as LogistiCenter at 480, the bulk distribution facility will be located less than two miles from the Interstate 65/Highway 480 interchange and close to the Louisville International Airport and UPS Worldport air hub. The new warehouse and distribution center will feature 36 feet of clear height, 49 dock doors (expandable to 99) and 63 trailer stalls. Construction is expected to be complete in late 2016.

### UNION COUNTY

■ **Pride Industries Inc.**, an architectural building products manufacturer and installer, is investing \$150,000 to expand its Union County operations. The expansion is driven by a rise in popularity of aluminum composite metal (ACM) wall panels, which offer a well-insulated, affordable alternative to the insulated sandwich panels that are often used in commercial buildings. The family-owned company, which began in 1978, plans to buy new equipment to begin an ACM panel production line and will add 10 new jobs to support the expansion.

### WINCHESTER

■ **Genius Extraction Technologies** has announced plans to open a \$400,000 hemp processing plant at the **Atalo Hemp Research Campus** in Winchester. The California-based company anticipates processing 250,000 pounds of hemp for commercial production this fall for Atalo and its subsidiaries, **Super Food Processing** and **Kentucky CBD**. The facility currently employs a staff of four and plans to add four more employees this fall.



Centre College photo

### STATE

■ The **James Graham Brown Foundation** of Louisville has awarded a grant of up to \$690,000 to the **Association of Independent Kentucky Colleges and Universities** to help Kentucky's private nonprofit colleges and universities analyze their academic operations. According to AIKCU President Gary Cox, the grant will provide 75 percent of the funding needed to complete a comprehensive, data-driven analysis of the colleges' core business – student interest, academic

programming and the cost benefit of academic programs. The ultimate goal of the analysis is to provide information college administrators and boards can use to better understand their academic business models and redirect resources to increase enrollment, maximize the value of the curriculum, and strengthen institutional viability.

■ The state reports that last year, the **Kentucky Small Business Tax Credit** program assisted in the creation of a record 364 private-sector jobs and \$3.63 million in investments by 140 small businesses. On average, each participating company hired 2.6 people and received \$8,856 in tax savings. To qualify for tax credits between \$3,500 and \$25,000 per year, a small business must employ 50 or fewer full-time employees; must have created and maintained at least one full-time job at \$10.88 per hour or more for at least 12 months; and have purchased \$5,000 or more in qualifying equipment within the last 24 months.

## STATE: KY COLLEGES STEP UP TO HELP IN WAKE OF ST. CATHARINE CLOSING

ONLY three weeks after **Midway University** – founded as a school for women in 1847 – announced it would begin transitioning to a fully coed institution this year, word came on June 1 that another small private Kentucky college, **St. Catharine College**, would be closing its doors at the end of July due to financial difficulties and declining enrollment. In an effort to help St. Catharine students and faculty, Midway University hit on a plan that will provide assistance while also furthering Midway's new direction.

Midway has signed agreements with three current St. Catharine College coaches to bring men's basketball, soccer and baseball to the Midway campus this fall. Midway will also add men's golf.

"We are pleased to bring these coaches and their team members into our Eagles Athletics family," said Midway University Athletics Director Rusty Kennedy. "We are hopeful that many of their existing student-athletes will transfer to Midway to continue playing together as a team. In addition to St. Catharine athletes, there will now be an opportunity for other male students to look at our athletics offerings and begin discussions with our coaches about our program."

Likewise, **Bellarmino University** in Louisville has announced plans to begin a collegiate wrestling program by essentially absorbing the former St. Catharine team. The team will compete at the NCAA Division II level beginning this fall.

On the academic front, Bellarmine has also announced plans to take on St. Catharine's radiation therapy program beginning this fall. According to St. Catharine officials, the radiation therapy program is one of only 10 such programs in the country.

Midway and Bellarmine are among the seven Kentucky colleges that have signed "teach-out" agreements with St. Catharine to provide avenues for St. Catharine students to transfer and complete their degrees. Other Kentucky colleges that are part of the teach-out agreements include **Georgetown College**, **Kentucky State University**, **Spencerian College**, **Sullivan University** and **Morehead State University**.

## LEXINGTON: UK TEAMS WITH TRINETX TO ADVANCE DEVELOPMENT OF NEW DRUGS

THE University of Kentucky has signed a membership agreement to join the **TriNetX** network to optimize clinical trial design and advance clinical research for UK programs.

UK will leverage the TriNetX network to drive more industry-sponsored clinical trials, enable UK researchers to discover patients for investigator-initiated studies, and collaborate with other provider research organizations. In return, pharmaceutical researchers will gain access to UK's clinical data in real time through TriNetX's network of healthcare institutions representing over 37 million patients in the U.S. and Europe.

"The University of Kentucky is one of only 23 institutions in the nation with the 'trifecta' of a cancer center designated by the National Cancer Institute, an Alzheimer's Disease Center funded by the National Institute on Aging, and a Clinical and Translational Science Award funded by the National Center for Advancing Translational Sciences," said Philip A. Kern, director of the UK Center for Clinical and Translational Science. "Our institution, which encompasses the full range of liberal arts, medical and professional programs – including a top five College of Pharmacy, is committed to advancing health discoveries through innovative partnerships like our work with TriNetX."



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# INTERSTATE LANE

Business news from Indiana, Ohio, Tennessee and West Virginia

## BUSINESS BRIEFS



### INDIANA

■ **GE Appliances** is moving forward with plans to close its plant in Bloomington, Ind., citing declining demand for the side-by-side refrigerators produced at the facility. A statement from the company said volume at the plant has dropped 76 percent since 2008. The shut-down is subject to negotiations with the IBEW Local 2249 union, but if the closure is finalized, more than 300 workers will be affected. GE Appliances, headquartered in Louisville, was recently acquired by **Haier** in a \$5.6 billion deal.

### OHIO

■ Ohio Gov. John Kasich has signed a bill legalizing **medical marijuana** in the state, enabling Ohio residents who suffer from certain medical conditions to use marijuana as a treatment if prescribed by a doctor. Because it will take some time for the Ohio Department of Commerce to establish the guidelines for growers, dispensaries and patients, Ohioans will not likely be able to purchase medical marijuana until 2017 or 2018 but will be allowed to purchase it from other states where it is legal beginning this September. Smoking marijuana will still be illegal; only vaporizers, edibles and oils are authorized under the new law.

### TENNESSEE

■ An affiliate of private-equity group **FundCorp Inc.** has acquired Nashville-based **Gigi's Cupcakes** for an undisclosed amount. Founded in 2008 as a local boutique bakery, the company has grown into the nation's largest cupcake franchise with more than 100 locations nationwide. "Sales are at an all-time high and we have new franchisees interested in joining our family, so it was critical that we find someone that not only had the resources and the expertise to take Gigi's to the next level, but also reflected our Christian values," said founder Gina "Gigi" Butler, who will remain as the face of the brand and the company spokeswoman.



■ **3D Systems**, a global 3D products and services provider, is expanding its facility in Lawrenceburg, Tenn., and plans to add 50 new jobs over the next five years. The Lawrenceburg facility specializes in Stereolithography (SLA), ColorJet printing, cast urethane parts and custom CNC machining. SLA, the first 3D printing process, was invented by 3D Systems co-founder and Chief Technology Officer Chuck Hull in 1983 and is now widely used in the automotive industry.

■ **Hunter Industrial**, a division of Memphis-based **Hunter Fan Co.**, has announced plans to launch its business headquarters and production center in Nashville. Hunter Industrial currently occupies a 30,000 s.f. manufacturing facility close to the Nashville Airport and plans to add up to 50 new jobs in the Nashville market within the next five years.

■ **Evergreen Packaging**, a manufacturer of carton packaging for beverage products, is investing \$915,000 to expand its current facility in Memphis to serve as the company's global headquarters. The expansion, which will add 70 new jobs, will consolidate Evergreen with its sister companies, **Closure Systems International** and **Graham Packaging Co.** Together, the three companies comprise 127 global manufacturing facilities in 36 countries, 14,000 employees and revenues of approximately \$5.5 billion annually.

### WEST VIRGINIA

■ **Ranger Scientific** has purchased 1,000 acres on a reclaimed mountaintop coal removal mine in Kanawha Valley, W. Va., where it plans to build a 150,000-s.f. small-arms ammunition manufacturing complex. The complex will employ more than 400 factory workers in the first phase of its Olympus advanced technology automated manufacturing complex, which will incorporate automated chemical and material fabrication units, assembly, packaging and product-distribution systems. The plant is expected to be operational in 2018.

## OHIO: \$730M EXPANSION AT NATIONWIDE CHILDREN'S HOSPITAL WILL ADD 2K JOBS

**NATIONWIDE Children's Hospital** in Columbus, Ohio, has announced plans for a \$730 million expansion, the centerpiece of which will be a new freestanding facility dedicated to children and adolescents with behavioral health conditions.

Touted as the most comprehensive facility of its kind in the nation, the new eight-story Behavioral Health Pavilion will include a crisis and observation center as well as outpatient programs. The \$158 million facility will open with 48 inpatient beds but will include space to expand that number to 66 as well as capacity for additional inpatient units based on future patient need.

According to statistics cited by the hospital, 11 percent of children age eight to 11 have a mental illness and 22 percent of teens ages 13 to 18, yet only half of them receive treatment.

Construction on the behavioral health pavilion will begin in 2017, with completion projected for 2020.

The expansion also includes \$130 million for the construction of two new research buildings, a \$50 million office building and parking garage, a \$74 million energy plant, a \$75 million data center for electronic medical records and research, and \$51.5 million for enhancements to existing facilities.

The expansion is expected to create 1,000 jobs by 2019 and another 1,000 by 2024.



Nationwide Children's Hospital in Columbus, Ohio.

## INDIANA: OLD STUDEBAKER FACTORY TO HOUSE MAJOR TECHNOLOGY CAMPUS

**RENOVATION** work is now underway at the site of the old Studebaker factory in South Bend, Ind., which is being transformed into what is being touted as the **largest mixed-use technology campus in the Midwest**.

The adaptive reuse of the former automotive manufacturing plant – which totals 1.1 million s.f. on 30 acres and has remained vacant since Studebaker ended auto production in 1963 – will create a concentrated hub for education and innovation with the potential to house more than 3,000 technology workers, serve more than 7,100 students in workforce development capacities, and facilitate nearly 800 internships each year.

Work is currently being done on two buildings that will be transformed into a 220,000-s.f. space dedicated to entrepreneurship and STEM (science, technology, engineering and math) programming, housing multiple tenants specializing in advanced manufacturing life sciences, technology, education and workforce development, in addition to space for co-working and retail.

Building renovations are slated to be complete by the end of 2016 and five companies have already signed on as tenants.

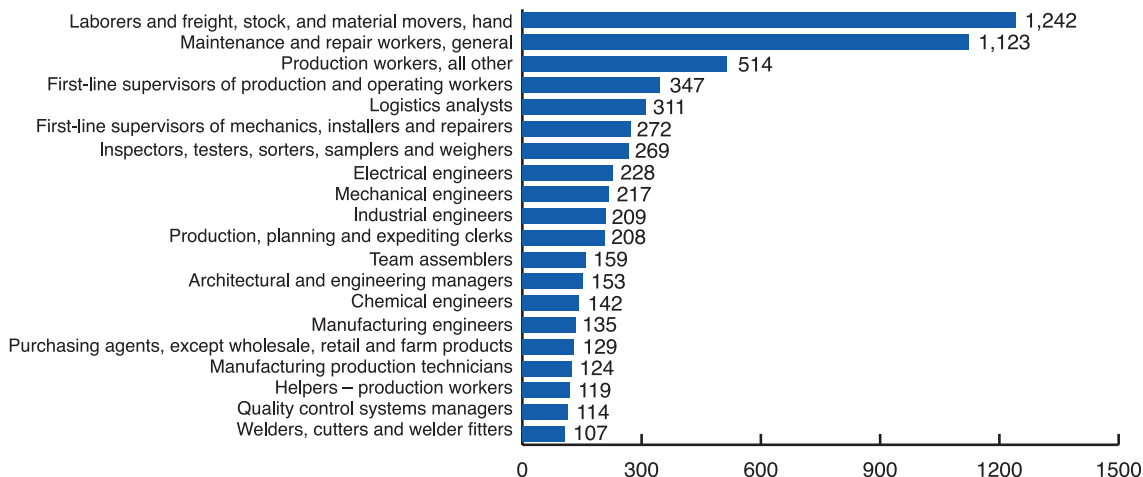
In announcing the four-phase, \$165.7 million project, Indiana Gov. Mike Pence said, "The redevelopment of this mile-long campus will transform the North Central region, fueling innovation while attracting new business and top talent to the Hoosier state for years to come."



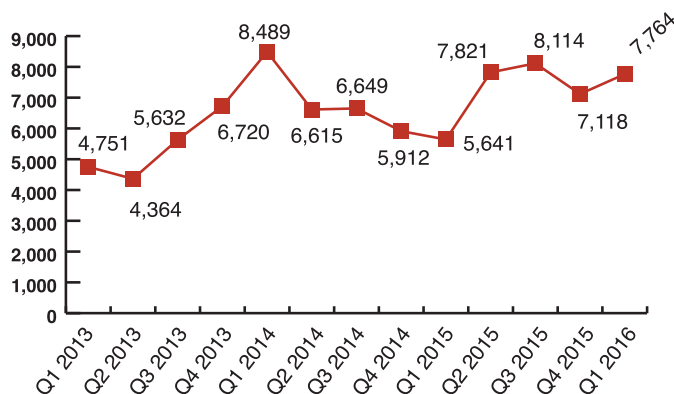
## DEMAND FOR MANUFACTURING JOBS CONTINUES TO RISE

Employment demand for lightweight manufacturing continues to rise in Kentucky, with the state seeing a 9 percent increase in the number of job postings between the fourth quarter of 2015 and the first quarter of 2016. The figures represent 39 percent growth over the previous year.

### MOST IN-DEMAND MANUFACTURING JOBS IN KY



### MANUFACTURING JOB POSTINGS IN KY 2013-2016



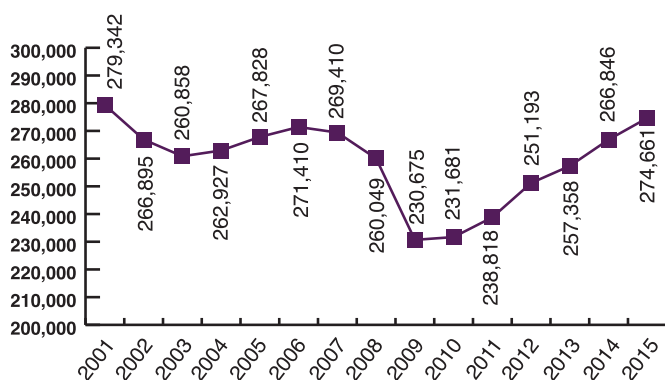
### AVERAGE WAGES FOR SKILLED-TRADE JOBS JAN. – MARCH 2016

Salary	No. of Advertised Jobs
Less than \$35,000	589
\$35,000 - \$49,999	221
\$50,000 - \$74,999	184

### REQUIRED EDUCATION/TRAINING FOR SKILLED-TRADE JOBS JAN. – MARCH 2016

Education/Training	No. of Advertised Jobs
Postsecondary training (less than 2 years)	1,373
Associate degree	168
Bachelor's degree	396

### MANUFACTURING EMPLOYMENT IN KY 2001-2016



### REQUIRED EXPERIENCE FOR SKILLED-TRADE JOBS JAN. – MARCH 2016

Years of Experience	No. of Advertised jobs
0 – 2 Years	797
3 – 5 Years	777
6 – 8 Years	45
9+ Years	81

Source: Lightweight Innovations for Tomorrow (LIFT)

# CORPORATE MOVES

*New leadership for Kentucky businesses*

## BUSINESS/ ECONOMIC DEVELOPMENT

■ **Tammy Tinsley** has been hired as the new executive director of the Logan County Chamber of Commerce.

## EDUCATION

■ **Fernando Figueroa** has been appointed president of Gateway Community and Technical College.

■ **Wayne Miller** has been named dean of the College of Science at Morehead State University. He succeeds **Roger McNeil**, who retired at the end of June.



*Fernando  
Figueroa*

## FOOD/SPIRITS/HOSPITALITY

■ **Keith Siegner** has been named vice president of investor relations and corporate strategy for Yum! Brands, Inc., the Louisville-based parent company of KFC, Pizza Hut and Taco Bell.

## GOVERNMENT

■ **Twany Beckham** has been named wellness director for the Kentucky Employees Health Plan.

■ **John D. Small** has been named director of the Kentucky Division of Mine Safety.

■ **Jeffrey C. Baird** has been appointed director of the Division of Mine Permits.

■ **Jeffrey J. Harmon** has been named deputy general counsel for the Kentucky Energy and Environment Cabinet.

■ **Cordelia "Dee Dee" Harbut** has been named executive director of the Kentucky Commission on Women. She will also serve as the acting director for the Governor's Office of Minority Empowerment.

■ **Elizabeth Gordon** has been named director of the Division of Agriculture Education, Farm Safety and Farmland Preservation.

## HEALTHCARE

■ **Dr. Robert Prichard** has been named president and chief executive officer of Crestview Hills-based St. Elizabeth Physicians. He will also serve as executive vice president and chief clinical integration officer.



*Robert  
Prichard*

## NONPROFIT

■ **Kevin Fields Sr.** has been named president and chief operating officer of Louisville Central Community Centers Inc.

## OTHER

■ **Marcus Williams** has joined Lexington-based AMR as executive director for AMR client-partner American Association of Endocrine Surgeons.

## DEPARTURES

■ Kentucky Lottery President and Chief Executive Officer **Arch Gleason** has announced plans to retire effective July 29. Gleason has served in the role since September 1993.

■ **Dr. Jaewon Ryu** is stepping down as president of integrated care delivery for Louisville-based Humana Inc. to accept the position of executive vice president and chief medical officer of Geisinger Health System in Pennsylvania.

■ **Chad LaRue** has been named executive director of the Kentucky Association of Highway Contractors.



*Chad  
LaRue*

■ **David Pollock** has been named managing director of Kitestring, a Louisville visual solutions company.

■ **Jim Host** has joined the Louisville Urban League as senior policy adviser.



*Nicholas  
Rodgers*

■ **Nicholas S. Rodgers** has been named executive director of the Kentucky Crushed Stone Association.

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# ON THE BOARDS

Kentuckians named to organizational leadership roles

## BIG BROTHERS BIG SISTERS

■ Big Brothers Big Sisters of Kentuckiana has elected the following individuals to their 2016-2017 board of directors: **Jania Bailey**, Fran-Net; **Andrew Cassis**, Anthem Blue Cross & Blue Shield; **George Demaree**, Alpha Media; and **Harlan Sands**, University of Louisville.



Jania  
Bailey



George  
Demaree



Harlan  
Sands

## BROWN-FORMAN

■ **Campbell P. Brown**, **Marshall B. Farrer** and **Laura L. Frazier** have been named directors of Louisville-based Brown-Forman. All three are fifth-generation descendants of Brown-Forman founder George Garvin Brown. Brown is a 22-year employee of Brown-Forman and is currently president and managing director of the company's Old Forester brand. Farrer is an 18-year employee of the company and is vice president and managing director of global travel retail. Frazier is owner, chairman and past CEO of Bittners, a Louisville interior and commercial design firm.

## EASTERN KENTUCKY PRIDE INC.

■ **Kristen R. Branscum** has joined the board of directors of Eastern Kentucky PRIDE Inc., a nonprofit organization that promotes environmental cleanup and education in southern and eastern Kentucky. Branscum is the commissioner of the Kentucky Department of Travel and Tourism.

## KENTUCKY ASSOCIATION OF CIRCUIT COURT CLERKS

■ Fayette County Circuit Court Clerk **Vincent Riggs** has been named president of the Kentucky Association of Circuit Court Clerks.



Vincent  
Riggs

## KENTUCKY BOARD OF EDUCATION

■ Gov. Matt Bevin has appointed five new members to the Kentucky Board of Education: **Ben Cundiff**, Cadiz; **Gary W. Houchens**, Bowling Green; **Alesa G. Johnson**, Somerset; **Rich Gimmel**, Louisville; and **Milton C. Seymore**, Louisville.

## KENTUCKY BOXING AND WRESTLING COMMISSION MEDICAL ADVISORY PANEL

■ The following individuals have been appointed to the medical advisory panel for the Kentucky Boxing and Wrestling Commission: Dr. **Tad Seifert**, neurologist, Louisville; Dr. **Kendra J. Grubb**, cardiovascular surgeon, Louisville; Dr. **Timothy S. Acord**, oral and maxillofacial surgeon, Louisville; and Dr. **Scott Farner**, orthopaedic surgeon, Louisville.

## KENTUCKY DERBY FESTIVAL

■ **Lisa Stevenson** has been elected to chair the 2017 Kentucky Derby Festival. Stevenson is an instructor and assistant athletic director at DuPont Manual High School in Louisville.

Other newly elected positions include: Chair-Elect – **Scott Watkins**, Norton Healthcare; Vice Chair – **Marita Willis**, The American Red Cross; Secretary **Mike Ziemianski**, St. Meinrad School of Theology; and Treasurer – **Judy Hess**, Horseshoe Southern Indiana. Joining the 75-member board as newly elected directors are: **Barry Brauch**, American Founders Bank; **Cathy Colliver**, *The Courier-Journal*; **Kristen Branscum**, Kentucky Department of Travel and Tourism (ex-officio) and **Kathy Bingham**, The Fillies Inc. (ex-officio).



Lisa  
Stevenson

## KENTUCKY EDUCATION PROFESSIONAL STANDARDS BOARD

■ Seven new members have been appointed to the 17-member Kentucky Education Professional Standards Board: **Ashley Fishback**, LaGrange; **Rachel Colyer**, Lexington; **Rob Akers**, Versailles; **William Owens**, Beattyville; **Sarah Burnett**, Somerset; **David Graham**, Bowling Green; and **Casey Gesenhues**, Fort Thomas.

## KENTUCKY EQUINE DRUG RESEARCH COUNCIL

■ Dr. **Stuart E. Brown II** has been named to the Kentucky Equine Drug Research Council, representing the Kentucky Horse Racing Commission.

## KENTUCKY HORSE RACING COMMISSION

■ Dr. **Foster Northrop**, **Kiki Courtelis** and **James Gatewood Bell Jr.** have been named to the Kentucky Horse Racing Commission.

## KENTUCKY HUNGER TASK FORCE

■ The following Kentuckians have been appointed to the Hunger Task Force, an initiative of the Kentucky Department of Agriculture formed to find solutions to reduce food insecurity in the commonwealth: **Laura Melillo Barnum**, YUM! Brands; **David Beck**, Kentucky Farm Bureau; **Warren Beeler**, Governor's Office of Agriculture Policy; **Rodney Booe**, Campbellsville Christian Church; **Danielle Bozarth**, God's Pantry Food Bank; **Tony Brannon**, Murray State University; **Gina Carrington**, Kentucky Cabinet for Health and Family Services; **Spencer Coates**, Houchens Industries; **Mary Courtney**, Shelby County farmer; **Nancy Cox**, University of Kentucky College of Agriculture; **Valerie Crouch**, Kentucky Department of Education; **David Dodd**, Sullivan University; **Thomas Fern**, USDA Rural Development (Kentucky); **Jamie Guffey**, Kentucky Poultry Federation; **Bonnie Jolly**, Kentucky Port Producers; **David Maples**, Kentucky Cattlemen's Association; **Ted Mason**, Kentucky Grocers Association; **Tim McGurk**, Kroger Louisville Division; **Ryan Quarles**, Kentucky commissioner of agriculture; **Marin Riendeau**, Dare to Care; **Tamara Sandberg**, Kentucky Association of Food Banks; **Suzanne Cecil White**, Daviess County farmer; and **Stephanie Wooten**, GLEAN KY.

## KENTUCKY PAROLE BOARD

■ **Melissa Chandler** has been appointed to the Kentucky Parole Board. A resident of Lawrenceburg, Chandler is the internal policy analyst for the Division of Parole and Victim Services.

## KENTUCKY PUBLIC SERVICE COMMISSION

■ **Michael J. Schmitt** has been appointed to serve on the Kentucky Public Service Commission. Schmitt, of Paintsville, is a partner at the law firm of Porter, Schmitt, Banks & Baldwin.

## KENTUCKY RETIREMENT SYSTEMS

■ Gov. Matt Bevin has appointed **William S. Cook**, **David L. Harris**, **Neil P. Ramsey** and **John E. Chilton** to the newly created Kentucky Retirement Systems board of directors. Those who previously served on the Kentucky Retirement Systems' board of trustees will retain their seats on the new board of directors. Those individuals include: **John R. Farris** (chair), **David L. Eager** (vice chair), **Mark W. Lattis**, **James A. Fulkerson**, **Randy K. Stevens**, **Joseph L. Hardesty** and **Thomas B. Stephens**.

## LOUISVILLE ARENA AUTHORITY INC.

■ **Scott C. Cox**, **Jeffrey Spalding** and **Joe Reeves** have been appointed to the board of directors of the Louisville Arena Authority Inc. Cox, who will chair the board, is an attorney and partner with the Louisville law firm of Cox & Mazzoli PLLC. Spalding is the human resources manager for UPS. Reeves is a certified financial planner with ARG Financial Group.

## NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

■ Kentucky Attorney General **Andy Beshear** has been named co-chair of the substance abuse committee of the National Association of Attorneys General. Beshear will co-chair the committee with Florida Attorney General Pam Bondi.



Andy  
Beshear

## SIGMA BETA DELTA

■ **James Maxwell** has joined the board of directors of the Sigma Beta Delta business-student honor society. Maxwell is a professor of business management at Sullivan University's Lexington campus.

## THOROUGHBRED CHARITIES OF AMERICA

■ **Bob Beck Jr.** has been elected to the board of directors of Thoroughbred Charities of America, the charitable arm of the Thoroughbred Owners and Breeders Association. Beck is a partner in the law firm of Sites & Harbison, based in the Lexington office.

## UNIVERSITY OF KENTUCKY

■ **David Melanson** has been elected to serve the 2016-2019 term as the staff representative to the University of Kentucky board of trustees.



David  
Melanson

# LANE ONE-ON-ONE

Kentucky's leaders express their opinions



## Jared Arnett

Jared Arnett, a native of Eastern Kentucky, became the founding executive director of Shaping Our Appalachian Region Inc. on Nov. 3, 2014. Then-Gov. Steve Beshear and U.S. Rep. Hal Rogers launched SOAR in 2013 as a special initiative to expand job creation, enhance regional opportunity, innovation and identity, and support those working for these goals in Appalachian Kentucky. Prior to SOAR, Arnett was president/CEO of the Southeast Kentucky Chamber of Commerce. Arnett was the director of finance for Sound House Music Inc.; general management consultant for the East Kentucky Small Business Development Center; and at age 26, starting his own Beacon Management Solutions consulting firm. He has a bachelor's in paralegal studies, as well as an MBA from Morehead State University. Arnett, 31, resides in Harold, Ky., with his wife, Bethany, and 6-year-old daughter Rosalind.

## SHAPING OUR APPALACHIAN REGION: CONNECTIVITY ... THEN PROGRESS

Technology and infrastructure solve geography, but SOAR's Jared Arnett says networked thinking drives economic progress

BY MARK GREEN

**Mark Green:** Give us a brief description of what SOAR is and where it came from.

**Jared Arnett:** SOAR was an initiative to address the longstanding challenges of Appalachian Kentucky and to create a united space, an inclusive space for everyone in the region who wants to be a part of the process to have input on the plan and then be part of the work to move our region into a new economic future. Former Gov. Steve Beshear and Congressman Hal Rogers got together in Hazard and announced it in fall 2013. The first summit on Dec. 9, 2013, had close to 1,500 people together in Pikeville. An Executive Board organized around it in and created a 501(c)(3) nonprofit in the summer of 2014.

Originally there were 10 working groups built around specific issues such as infrastructure; business incubation, which is entrepreneurship; industry recruitment; community health; along those lines. Those working groups each had 10 to 12 members. They did five to six listening sessions each throughout the region with over 1,000 people and together wrote the first report and a plan, which was about 300 pages, in the fall of 2014. After that, we combined the chairs of each working group and created the SOAR

Advisory Council. We try to meet quarterly, discuss emerging issues and opportunities; we also try to connect workforce, economic development, education and community health. We try to tear down barriers between different sectors and geographies. The SOAR Advisory Council hosts an annual roundtable so we can continue to get public input on the different issues and update that original plan.

We have a few action teams on specific issues we want to address. One was tech hires; we're trying to connect our region, both through infrastructure but also by creating a sector of the economy built around technology. And then a fiber-to-the-premises group, where we're trying to get fiber distributed throughout the region for internet connectivity. We've got four or five action teams.

**MG:** What is SOAR's annual budget, and what paid permanent staff is there?

**JA:** Our budget is at \$1 million. Roughly 60 percent is from our private corporate partners, roughly 20 percent from the state of Kentucky, and 20 percent from the Appalachian Regional Commission, a federal agency. We have four paid staff members. Four others work out of our office: Two are with the CDC; they work on public health issues within the region. We

have two AmeriCorps VISTAs, essentially volunteers with one-year commitments, who work out of our office.

**MG:** The health element has a high profile. Why is that?

**JA:** Congressman Rogers has been interested in substance abuse issues in the region and was integral in creating Operation UNITE. Also, his relationship with Dr. Thomas Frieden, director of the Centers for Disease Control, brought Dr. Frieden into the region nearly two years ago for several different listening sessions and visits. There are a lot of health disparities in Appalachian Kentucky: cancer rates, obesity, substance abuse. He promised to put some emphasis on this from the CDC's perspective, to assign a person to our office to help look at the issues and provide some solutions and be a connector within the region to begin to address them. So that's where that came from. We've also got a public health advisor in our office and an intern-type position called a public health associate.

**MG:** What unique characteristics and history have shaped the Kentucky Appalachian economy previous to the last decade or so, which finally sparked this activity?

**JA:** Geography is the obvious one. There are communities that are very remote. There are places in Pike County that are an hour's drive to get to Pikeville where we are now. Some communities are becoming of regional hubs now, but, from the perspective of the infrastructure in place 40 years ago, we were very remote from a highway transportation perspective. The region did have some rail early on, originally for the forestry and timber industry, which drove the Appalachian economy at the beginning, and then for the coal industry. Having a region that had such a vast natural resources in it was an economic asset, but it also prevented our communities from thinking outside the box and beginning to plan for the day that that industry was not going to provide the jobs it did in the past. Because it created such great-paying jobs, it created a false sense of security. Natural resources and geography and placement are definitely what got us here.

**MG:** What is the unemployment rate in Appalachian?

**JA:** Traditionally it's 2 to 3 percent higher than the rest of the state. The most recent numbers for the region I could find are 2014 when Appalachian Kentucky was about 8.5 percent and the



rest of the state was 6.5 percent. County data, which is as recent as the first quarter of this year, showed when you look farthest east, we still have several counties way over 10 percent. Probably the highest is Magoffin County; it's over 15 percent unemployment.

It's complicated. An unemployment rate can be somewhat misleading. Appalachia has issues regarding the civilian labor force; unemployment only measures people who are actively searching for a job, but we've got the reality of generations of poverty where people are not actively looking for a job. The challenges go much deeper than an unemployment rate. Magoffin County historically had a lot of people who worked as pipefitters and drove to Georgetown or Ashland to work jobs that are on three months and off two months and you get called back. It would be interesting to dive into that.

**MG: What are the employment, income and population trends here in Eastern Kentucky?**

**JA:** SOAR works in the 54 Appalachian counties of Kentucky. Of those, roughly 25 are considered coal-producing counties. Some very distressed counties have never been coal-producing and face challenges. But in the past decade, and the reason SOAR was created, is that we've lost 11,000 coal mining jobs. If you watched the data, and if you would assume things are going to continue that direction, it does not paint a pretty picture. People are moving out, schools are losing students, people are losing their jobs and making tough family decisions. That's the trend, especially in the coal-producing counties. That's definitely not a pretty picture the last 10 years, but I come to work every day believing in the next 10 years.

**MG: Regional economies don't connect in straight lines, but how does job creation and income growth in Eastern Kentucky benefit residents in other parts of the state?**

**JA:** Well, you've got to decide, do you want nearly half your state to be a region you have to subsidize? The state's going to invest here one way or another: If people do not have jobs, they're going to have to be supported through social programs, or we can invest in programs that hopefully generate a return and create a half of the state that can contribute revenue. In the big picture, that's the way we look at it: Create a region that is a driving economic force for the state rather than a portion of the state people have to subsidize.



**MG: What are the primary goals of SOAR? Is there a mission statement that drives the activity?**

**JA:** It's to create a new economic future in Eastern Kentucky and Southern Kentucky. Our vision is a connected Appalachia. I mean that in two ways: One is through the internet as physical infrastructure, connectivity. But also we have worked in silos for so long – geographic silos, political silos, sectorial silos. SOAR has created a space where all these people get together and all of a sudden become one group. We've seen so many partnerships grow out of that, from community colleges to private sector, local foods to school systems, and community health. It's incredible when you get people out of their silos and put them in a room together and look at solutions as Appalachians and not as a health worker or as an economic developer, and then find what can we bring to the table, each one of us.

We've got four real strategies. One is to infuse a broadband perspective into everything. We've got specific action items and goals. For five years I've been working in this region in different capacities trying to solve this problem, and I'm convinced the future of the region hinges on our ability to become engaged in the digital economy. And we only can do that through technology. Otherwise, we're having the same conversations we were having 60 years ago at the East Kentucky Regional Planning Commission. The difference maker is that now an entrepreneur in Harlan County can sell to the world; they can be connected to a global market. A clinic in Leslie County can connect to a specialist in Lexington and do live telehealth medicine. A student in Pond Creek can take

classes and become whatever at the community college or pursue a four-year degree.

It completely changes every element of every sector. We don't believe that it's just about a tech sector – we believe technology is the economy. In every sector it plays a role and makes us more competitive. We want to continue to tell that story, to infuse that perspective in every educator and every entrepreneur and every health professional – to think about their own business and operation, and how does that change the way I approach my business?

Second is to be a champion for Appalachia and the opportunity here. Our story's been told for decades by other people. We hope to be a strong voice in telling the positive opportunities that are here, the positive things going on, elevating the great work that's happening.

The third is to grow the team and have a firm network of people who are a part of SOAR and working throughout the region to get the work done.

And then fourth to partner with local communities to help implement this regional strategy because you can have a big vision, but it really gets done at the local level. We're trying to be a partner to counties and cities and chambers and work with them as they try to create plans with their local community.

**MG: The current economic status developed over a long period. What are reasonable expectations about the time it will take to see results the region can notice and feel?**

**JA:** We're a relatively young organization, really a startup business, an independent organization that happens to have a board of directors co-chaired by the governor and congressman. At this year's

Innovation Summit, which we just held (June 6), we began to see some of the fruits of our labor, small things that are just the tip of an iceberg as we work to transform and reimagine what Appalachian Kentucky is. If we become connected through infrastructure and internet and broadband like I believe we're going to, I think we'll see some impressive results within five years. We've got an opportunity to have a good portion of this work done and this ship turned around in 10-15 years.

We see people beginning to reimagine themselves. A pilot program at Big Sandy Community and Technical College will train 50 people to do technology-style work for a company in Louisville. It's a 20-week program, but if they complete the program then they're immediately hired and work for that company remotely from here. We've seen overwhelming interest. It's in a community college system that can easily spread it. We're beginning to train people and rethink that jobs don't have to be in our community in the 21st century; you don't have to create jobs here. Jobs exist that you can work remotely, very well-paying jobs. We're beginning to place people into those types of careers.

**MG: Have jobs already been created as a result of SOAR's efforts?**

**JA:** So many partners are creating jobs and recruiting companies and starting small businesses, but it's really hard to put your finger on it exactly and say this is what SOAR does. One partner, EKCEP (Eastern Kentucky Concentrated Employment Program), created the Teleworks program (to provide customer service job training) several years ago. In Jackson County, they put over 200 people to work in a year working for companies remotely. It's customer service, it's account management, because they're connected. They're working for U-Haul, Apple, companies that are outside the region, in jobs that did not exist in Jackson County. It's over \$1 million of economic impact. We're identifying funding to start more Teleworks hubs throughout the region. We've seen Rajant, a wireless communications and technology company, locate in Morehead and partner with Morehead State University to their aerospace initiative. We've realized SOAR is not a thing that's going to create jobs; we're a space for all the people who are working in Appalachia to be together.

**MG: Is the new Craft Academy for high-achieving high school juniors and seniors at Morehead State University connected to SOAR?**

**JA:** This is a question we get all the time and not just about the Craft Academy. It depends on what you believe SOAR is.

Did we create the Craft Academy? No. Were we involved in planning for it? No. Did we create a space and a momentum and an attitude that we are going to do things in Eastern Kentucky that inspired several partners to step up and say they want to be a part of that? I think we did. We've done that and a lot of things – absolutely that is a part of SOAR. It's a part of people who are Shaping Our Appalachian Region. It's people who have stepped up and made a difference. They've committed funding. They've created opportunities. And it's a project that we want to elevate awareness of, to show process and positive movement in Appalachian Kentucky.

**MG: Higher education achievement equals higher income and lifetime earnings, but there is a perception that educational attainment is not as valued in Appalachia. Is there any truth to that?**

**JA:** There's elements of that, just like anything. We have made leaps and bounds improvements in graduation rates, but those are a little challenging still. Even when we graduate people, the smartest and brightest, as much of an education issue as we have we also have an opportunity issue for people to have something to do with an education. We've got to get engaged in the digital economy. No matter what kind of work you do, today you use the internet. When students don't see that, they still see their option in our region as "I'm going to have to be a teacher or a nurse, and that's all I can do here." We've got to reimagine because the reality is you can do whatever you want here. I know guys who run video editing businesses out of their homes and computer coding companies and people who work sales jobs mostly from home and travel some. There are all kinds of opportunities here, but we've got to be a champion to tell that story. One of our partners, East Kentucky Power Cooperative, is leading an effort called SOAR-STEM, through which they've brought partners together, generated funding and gotten 64 teachers scholarships to get nationally board-certified through a teacher-leader program that emphasizes on STEM. Our graduation rates are good; we've just got to fix the perception of opportunity in the region to keep those people here.

**MG: What are some of the benefits that a Mountain Parkway fully four-laned to Pikeville is going to produce when completed?**

**JA:** It begins to address where we started, the infrastructure and the limited access to our region. We have partners working

in industrial development and recruitment. From a manufacturing standpoint that's absolutely key; you've got to be able to get your goods in and out. That's been a limiting factor to move anything east or west through our region or from our region. It's also somewhat of a public works project that's created some jobs through the construction process and is building an infrastructure that's going to change our competitiveness economically. We don't have an interstate in the heart of this region. Pikeville is two-and-a-half hours roughly from an interstate in any direction. There are good, four-lane highways through the region now; from Pikeville we have a four-lane highway to Charleston, W.Va., and a four-lane highway to Kingsport and Johnson City, Tenn. But to get to Lexington from a good portion of Eastern Kentucky we have 60 miles of two-lane. It's going to help the rest of the state just like it's going to help us.

**MG: What is the timetable for completing KentuckyWired and going live first in Eastern Kentucky?**

**JA:** The time track has shifted, like everything else, with the transition in the governor's office and staff. There's been a delay. Gov. Matt Bevin just committed at the Innovation summit that he's still focused on getting it built out in Eastern Kentucky.

**MG: Any closing statement that you'd like to make?**

**JA:** The reality that technology changes the opportunity for our region is the most critical thing we've got to get our arms around, and then do something with. It's the quote I've lived by: The future of the region hinges on our ability to embrace technology and become engaged and participate in a digital economy. And it's across every sector. If you look at the jobs we've lost – we said it was 20,000-30,000 – before we lost those jobs, 38 of our 54 counties were already distressed. So the reality is, if we created 30,000 jobs tomorrow, we're back to where we were seven years ago and we still have 38 of our 54 counties distressed. That can keep you up at night. This is not: We need to create 500 jobs. It is: Transform an entire region. And anytime a company or an organization or a person is faced with that, technology has been the thing that can create an exponential return. ■



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# Coal Still King in Kentucky, But Not Forever

Fracked gas gains steam, but coal still central  
to state's cheap, plentiful power supply

BY CHRIS CLAIR

**F**OR nearly as long as there has been electricity in Kentucky, coal has been used to make it.

Slowly, however, that's changing. In 2015, coal's share of electricity generation in Kentucky dipped below 90 percent for the first time in decades. And in the future the commonwealth will likely use a combination of sources for electrical generation, including natural gas, hydroelectric, solar, wind and renewables like biomass.

Aron Patrick, former assistant director at the Kentucky Energy & Environment Cabinet, told attendees at the Kentucky Association of Manufacturers' meeting in

May that coal's days as king of electrical generation are numbered.

"Into the future, look out because renewables are going to start to play a bigger part, I think. Wind and solar prices are coming down and are increasingly competitive with some of the other, traditional options we have," Patrick said. "So into the future, the least-cost mandate (for energy generation fuel) will actually drive Kentucky to increase our dependence upon a variety of renewables."

Already, two of the state's major utilities – LG&E and KU, and East Kentucky Power Cooperative – have solar projects

*LG&E and KU in June christened a 10-megawatt solar power generation array at its E.W. Brown Generating Station in Burgin in Mercer County. East Kentucky Power Cooperative plans an 8.5-megawatt solar array at its Winchester headquarters. State utility officials, however, say they have excess capacity and that coal will remain by far the predominant power generation source for foreseeable decades.*

either up and running or in the planning stages. Combined, the two utilities serve nearly two-thirds of Kentucky's electricity consumers. LG&E and KU's 10-megawatt generating station at the E.W. Brown Generating Station near Harrodsburg went online in early June. EKPC, meanwhile, recently filed with the state Public Service Commission to construct an 8.5-megawatt solar facility on the grounds of its headquarters in Winchester.

They're the commonwealth's first. Neither is a large-scale generating station; they're more experiments to see what solar electricity production could look like here. But they are signs of change.

More notably, older coal-fired electrical generating plants in Kentucky owned by LG&E and KU, Kentucky Power and the Tennessee Valley Authority recently have switched or are switching to natural-gas combined-cycle operations. EKPC recently completed the purchase of a natural gas-fueled power plant in LaGrange to replace the loss of electrical generation from the closure of its 61-year-old William C. Dale power station in Clark County.

Those transitions of the oldest power plants to gas, along with retrofitting middle-aged coal plants with emissions-reducing technology, will lower the amount of pollution Kentucky power plants pump into the air. In 2015 alone, LG&E and KU's conversion of its Cane Run facility near Louisville was a big factor in the state cutting gross monthly sulfur dioxide emissions by 36 percent and carbon dioxide emissions by 11 percent, according to Energy and Environment Cabinet figures. The state has cut sulfur dioxide emissions by 76 percent since 2000.

The next two years could see further reductions with planned coal-to-natural gas conversions this year at Kentucky Power's Big Sandy Power Plant in Lawrence County and next year at the TVA's Paradise Fossil Plant in Muhlenberg County, plus the closure of EKPC's Dale unit in April of this year.

EKPC estimates that it relies on coal for 70 percent of its electricity generation now, compared with 90 percent just three years ago. LG&E and KU says given current commodity prices, it expects to use coal to generate about 80 percent of its electricity this year, with the remainder generated by natural gas (19 percent) and renewables like hydro and solar (1 percent).



Statewide, the U.S. Energy Information Administration estimated that 87 percent of Kentucky's net electricity generation came from coal in 2015, a 5 percent reduction from 2014. Another 7 percent came from natural gas, which was more than double the amount of natural gas used for generation in 2014.

In other parts of the country, and the world, the transition away from coal is happening much faster. According to a review by BP of the U.S. energy market in 2015, the world consumed 1.8 percent less coal in 2015 than it did the previous year. All of that decline was accounted for by the United States' 12.7 percent reduction in coal consumption.

Less coal used to make energy means less coal mined. World coal production fell by 4 percent in 2015, the first global decrease since 1988, according to BP. U.S. coal production fell more than 10 percent.

Kentucky has one-third of all the coal mines in the country, more coal mines than in any other state, according to the U.S. Energy Information Administration. It produces 10 percent of all U.S. coal and 20 percent of all coal mined east of the Mississippi River. For decades, Kentucky has been the third-biggest coal producing state in the country behind

Wyoming and West Virginia. But annual coal production in Kentucky declined by 20.7 percent in 2015 to 61.4 million tons, the lowest level since 1954. As a result, the number of coal mining jobs in the state fell by 27.7 percent in 2015 to 8,400, according to the Energy and Environment Cabinet.

#### Coal still keeps state power cheap

The transition away from coal for energy production is happening much more slowly in the commonwealth than in many other places. Don Mosier, chief operating officer at EKPC, said one reason is that the abundance and proximity of coal in Kentucky continues to be an economic advantage. In 2015, according to Energy and Environment Cabinet, Kentucky boasted the fourth-lowest electrical rate per kilowatt hour in the United States, and the lowest east of the Mississippi River. Electricity prices actually fell last year in Kentucky in both real and nominal terms because of low coal and natural gas prices.



*Don Mosier,  
Chief  
Operating  
Officer, East  
Kentucky  
Power  
Cooperative*

"Most of our daily generating needs are met using coal, and will be for quite a long time, actually," said Mosier. "I'm one of those that says the death of coal has been greatly exaggerated. We plan our portfolio on a 20-year look-ahead and try to estimate demand growth. We're making long-term investments, and right now I don't see any concerns with continued reliance on coal. I see us and the state of Kentucky relying on coal for quite some time."

Kentucky has long touted its low energy prices to attract manufacturing, and it's worked. The state's manufacturing gross domestic product has grown at nearly twice the national average since 2008, according to the Cabinet for Economic Development. In 2015, manufacturing GDP made up nearly one-fifth of Kentucky's total GDP, compared to the national average of 12.2 percent.

Of industrial, commercial and residential electricity consumers, Kentucky industry has historically been the biggest – using roughly 40 percent of electricity output. That is changing to some extent as industry becomes more efficient, Patrick told the KAM meeting in May. Overall the Energy and Environment Cabinet estimates that Kentucky's electricity consumption is declining, and will continue to decline in coming decades.

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This means that even with the retirement of the oldest coal-fired plants, the state has more than enough electrical generating capacity to meet its needs.

"We are actually long on generating capacity here in Kentucky," Patrick told the KAM conference. "We do not need, to meet our own domestic load, the amount of generating capacity that we have."

## Fewer units yet excess capacity

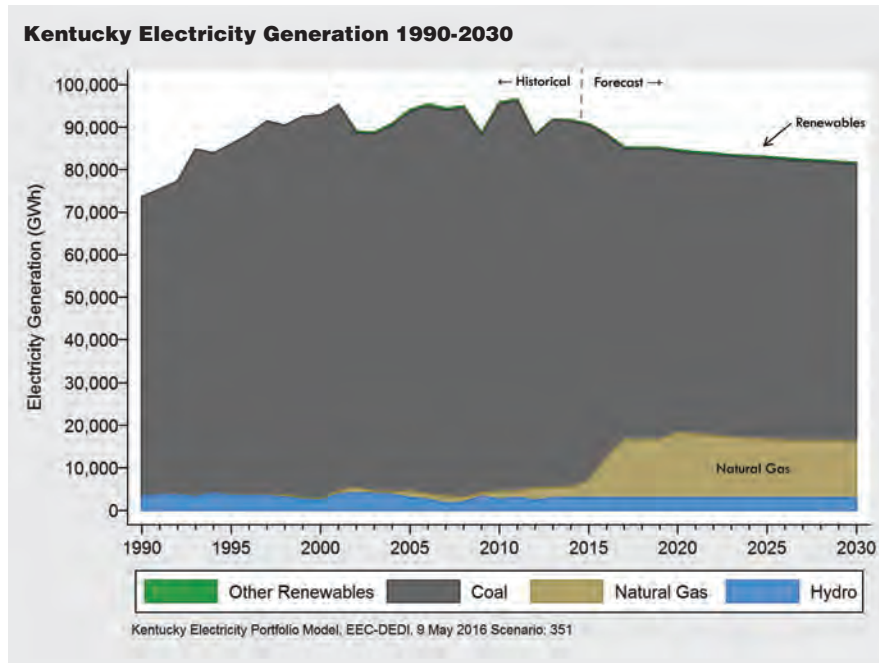
Neither LG&E and KU nor EKPC have major generating station projects in the works. Jeff Heun, manager of major capital projects for LG&E and KU said the utility is focused on meeting environmental regulations with respect to ash ponds and limiting effluent into rivers and streams at coal-fired generating plants.



*Jeff Heun,  
Manager of  
Major Capital  
Projects,  
LG&E  
and KU*

EKPC's Mosier said the utility's work to retrofit its four-unit coal generation plant in Mason County, which can generate 1,400 megawatts, and its two-unit coal generating station in Pulaski County, which can generate 341 megawatts, should keep those plants running for another two decades. About half of EKPC's generation capacity comes from those two plants. The co-op has a long-term contract to buy another 170 megawatts of power from Southeastern Power Administration, whose electricity is generated by hydroelectric dams at Wolf Creek Dam and Laurel Dam.

Not having to worry about meeting demand has allowed a number of coal-fired power units in the state to be retired. According to the Energy and Environment Cabinet, 31 coal units averaging 61 years of age have recently



been retired in the state or will be retired by 2020. Those units comprise 5.4 gigawatts of generating capacity. The state still has 145 units at 40 power plants with a capacity of 17 gigawatts. The remaining 32 coal-fired plants, averaging 45 years of age, account for 65 percent of that capacity.

Neil Stamp, president and chief executive of National Environmental Consulting Inc., a Louisville-based industrial environmental remediation firm, said generally there are two generations of coal power plants: the 1950s and '60s-era plants that are being retired, and 1960s and '70s-era plants into which utilities are pumping billions of dollars to retrofit them with scrubbers and other technologies to reduce emissions.

For the oldest plants, retirement is the best option.

"It just isn't economical. They've reached the end of their lifespan," he said. "You can only spin a turbine so many billion times and you've got to get a new one."

Despite the lack of major new generating capacity in the pipeline, Stamp said work on Kentucky power plants is going on almost all the time. They're either being demolished or retrofitted to make them cleaner.

Stamp said as an observer of Kentucky's power industry – NEC gets called in when plants get demolished to deal with the environmental cleanup – he's seeing what he called a pending shift from traditional to so-called cleaner energy. "But that doesn't mean you're not burning coal," he added. "It means you're burning coal cleaner and more efficiently and using natural gas."

## Looking ahead

The proliferation of hydraulic fracturing, or fracking, in the United States has led to huge increases in the production of natural gas. Since 2006, U.S. natural gas production has increased 46 percent while domestic demand has increased 26 percent. Not surprisingly, prices for Henry Hub natural gas have fallen by 61 percent during that time, and by 70 percent since their high in 2008, according to BP.

Simple economics make natural gas the go-to source for electricity generation



*Neil Stamp,  
President/  
CEO, National  
Environmental  
Consulting Inc.*



*East Kentucky Power Cooperative's coal-fired 225-megawatt Cooper Station Unit 2 in Somerset, which went online in 1969, underwent a flue gas desulfurization, selective catalytic reduction and pulse-jet fabric filter retrofit to meet modern air emission standards.*



going forward. Apart from continuing to run middle-aged, retrofitted coal plants, “unequivocally natural gas is the least-cost option available in the near-term,” Patrick said at the KAM conference.

Renewables, while gaining traction, have their drawbacks. Solar panels only generate their peak electricity when the sun is out and their output can fluctuate wildly, which LG&E and KU already has observed at its E.W. Brown solar array, Heun said.

“On blue-sky days it’s meeting its designed capacity of 10 megawatts of a/c power,” he said. “Then all of a sudden you’ll get those high, white clouds, and we’ll go from 10 megawatts to two megawatts within seconds. The other day, when it was raining, our output was zero.”

Solar power output also fluctuates with the seasons. Less daylight in the winter means less power generation. Kentucky’s potential for large-scale solar power generation is limited.

The state’s wind generation potential is even smaller. The winds throughout much of the state simply aren’t strong enough at above-ground heights generally considered optimal. A study by the National Renewable Energy Laboratory indicated that Kentucky’s wind energy potential was only 61 megawatts at a turbine hub height of 80 meters. That increases to 699 megawatts when turbine hub height is 100 meters, but even this rate would rank Kentucky only 42nd nationally for wind power.

Kentucky has six hydroelectric power generating facilities that together account 3.4 percent of its power generation. In theory, Kentucky could double its hydro power output by building new dams, but new hydroelectric projects have to clear extensive environmental hurdles prior to getting federal approval.



All this means that while renewables may seem like attractive sources for future electricity, their higher costs and variability take some of the shine off. Coal and natural gas are still much more attractive than solar when looked at from a dollar-per-kilowatt hour cost factor, Heun said.

LG&E and KU are exploring building what he called a “community solar facility” for residential service customers who want solar power but can’t afford to install it in their homes or businesses, Heun said. But that’s the only other solar project the utility is eyeing. Solar, he said, is still in its infancy at LG&E and KU.

Right now, for Kentucky, coal combined with natural gas makes the most sense in terms of keeping electricity costs level and low. Because of its large manufacturing sector, Kentucky had the highest rate of electricity consumption per state GDP dollar in the country in 2013, tied with Alabama at 0.49 kilowatt hours per dollar, according to the Energy and Environment Cabinet. For the same reason, Kentucky is more sus-

*Although natural gas doubled its share of Kentucky power generation in 2015 to 7 percent, coal will remain far and away the state’s predominant power fuel for decades to come. LG&E and KU’s 640-megawatt natural gas combined-cycle power generating Cane Run Unit 7 became commercially available in July 2015 after more than 2 million construction hours over two years.*

ceptible than other states to changes in electricity prices.

“We’re using more electricity than other states,” Patrick told the KAM conference, “so changing the cost of electricity will disproportionately affect (Kentucky). While there should be no question in this room or in Kentucky that our low and stable electricity prices are a direct result of our dependence upon our local and abundant supply of coal, I hate to say it but into the future and in the present our options are going to be different.” ■

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

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## COVER STORY

# New Bridges Rev Up Regional Growth

Set for December completion, impact of \$2.3B project began rippling through Louisville area right after work began in 2013

BY LORIE HAILEY



**F**OR decades, the Ohio River Bridges Project has been touted as a way to ignite economic development efforts in the Louisville/Southern Indiana region. As the \$2.3 billion construction project enters its home stretch, regional business leaders say it has already done just that.

To put it lightly, the project is kind of a big deal. It's currently one of the nation's largest transportation projects, and when all 12 additional lanes open to traffic in December, it will be the first time in 50 years that drivers have had a new bridge in Louisville. The two new bridges the project is creating across the Ohio River will double current traffic capacity.

Kentucky is in charge of the Downtown Crossing half, which includes the new Abraham Lincoln Bridge connecting Louisville to Jeffersonville, Ind. Its six northbound lanes run parallel to the existing Kennedy Bridge, which is being redecked and converted to solely southbound traffic. The project is rebuilding downtown approaches in Louisville and Jeffersonville, Ind., and includes a reconfiguration of the notorious Spaghetti Junction – the intersection of interstates 64, 65 and 71 – to streamline one of worst bottlenecks in the country.

Eight miles upstream is the East End Crossing, which connects Prospect, Ky., and Utica, Ind. Overseen by the Indiana Department of Transportation and Indiana Finance Authority, that half of the project includes extending the Gene Snyder Freeway (I-265) in Kentucky to a new six-lane bridge, a 1,700-foot tunnel under the Drumanard Estate in Prospect, and constructing a four-mile, new-terrain highway in Indiana, which will extend the Lee Hamilton Highway (I-265 as well) to the new span.

The end result of the whole will be transformative. The bridges will improve Louisville's links to surrounding communities in new, more accessible ways; cut commute times nearly in half; alleviate traffic congestion; and improve safety. All of that makes the region even more attractive to companies looking to start or expand operations.

Companies did, in fact, start showing more interest in the region since construction began in July 2013, according to Deana Epperly-Karem, vice president of regional growth for Greater Louisville Inc. GLI provides

*The East End Crossing connecting segments of I-265 that now end in Prospect, Ky., and Utica, Ind., will add six lanes of traffic capacity across the Ohio River.*



*Upon completion later this year, the improved logistics infrastructure of the Ohio River Bridges Project is expected to result in the creation of 15,000 jobs a year in the region for 30 years.*

economic development services for a 15-county region in Kentucky and southern Indiana.

"Companies are telling us that they want this and that this is going to be a new opportunity for an expansion or a new location for their companies," she said.

#### Construction start changed perceptions

The start of construction changed the psyche of companies considering moving to the area, said Wendy Dant Chesser, CEO of One Southern Indiana (Isi), the Lead Economic Development Organization (LEDO) and Chamber of Commerce for Clark and Floyd counties on the Indiana side of Louisville. Interest definitely picked up once dirt started moving, she said.

"When we sell the region for economic development, companies like things that they can touch, see and feel. Up until a few years ago, when we talked about the bridges, we were selling hype and news stories and governmental commitments, etc.," she said. "As Matt Hall (Isi executive vice president) tells clients all the time, we're not selling rainbows and unicorns anymore. You can see, you can feel, you can sit in the traffic and experience this with us. This is going to happen; this is going to be real."

Companies consulting with GLI about the region have said "that they're excited about what's coming," Epperly-Karem



**Deana Epperly-Karem,**  
Vice President  
of Regional  
Growth,  
Greater  
Louisville Inc.



**Wendy Dant Chesser,** CEO,  
One Southern  
Indiana



said. There will be even more enthusiasm once the bridges open, she said.

"We're confident that the opening of these bridges will bring more commerce and more people and more opportunity for our entire region," she said.

GLI is right to expect big things: The project is predicted to generate nearly \$87 billion in economic impact and generate more than 15,000 jobs per year over the next 30 years, according to a 2014 economic impact study commissioned by the Indiana Finance Authority. Along with new jobs in communities on both sides of the river, there will be an influx of new residents, and an increase in the demand for business and personal services, as well as retail developments and restaurants.

#### Southern Indiana primed for growth

A large portion of the job growth associated with the bridges project will likely be at a 6,000-acre business and manufacturing park called River Ridge Commerce Center in Southern Indiana. Located in Jeffersonville on the site of the former Indiana Army Ammunition Plant, River Ridge is only 15 percent occupied but already boasts several large employers.

Amazon has a fulfillment center there that employs about 3,000 workers. There are two auto parts manufacturers located in River Ridge, along with companies that specialize in logistics, health services and

#### Tolling system to offset construction costs

Once the new bridges open to traffic, a tolling system called RiverLink will be used to help pay for the project. The system features all-electronic tolling, which requires no toll booths, no coin machines, no lines and no stopping.

Tolling will take place on the Abraham Lincoln Bridge, the Kennedy Bridge and the new East End Bridge. Sensors and video cameras will be placed on each of the bridges, and drivers will have a choice of using a transponder or having the system capture a photo of their license plate. Vehicles using a transponder pay less than those using the photo-capture system.

Revenue from the tolls will be split evenly between Kentucky and Indiana.

To learn more about the tolls, visit [riverlink.com](http://riverlink.com).

airplane propulsion systems, among others. Right now, 7,500 people go to work each day at a business located inside River Ridge, according to Isi.

The development has attracted companies from Germany, France, Switzerland, Japan and Canada.

But River Ridge is just getting started. A new heavy-haul road is being built between the development and the Port of Indiana-Jeffersonville. It will connect Indiana Hwy. 62 to the new Interstate 265 interchange.



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## COVER STORY

"The connector road will be the first exit off of the East End Bridge," Dant Chesser said. "It's essentially creating a new front door for River Ridge."

River Ridge and the Port of Indiana-Jeffersonville stand to realize "significant benefits from the improved access provided by the East End Bridge," the 2014 economic impact study concluded. The River Ridge Development Authority estimates that the bridge could spur up to 2 million s.f. of development per year because of the improved access to I-265 and I-65, as well as to the Louisville International Airport and UPS Worldport Air Hub in Louisville, the study said.

River Ridge's success has stimulated an increase in commercial and retail development along Hwy. 62, which used to be mostly rural residential, Dant Chesser said. Companies at River Ridge need services for their businesses and their employees, so there is "a huge rush right now in strip centers and banks," she said.

And the snowball effect continues. The increase in services and retailers in the area is attracting more residential growth.

"It's all starting to create more diversified development than what was originally planned," Dant Chesser said.

Southern Indiana is projected to gain more than 11,000 direct new jobs and some 6,000 new residents because of the bridges project.

### Louisville feeling the impact already

Louisvillians have already experienced the impact of the project in the form of traffic delays while the bridges are being constructed. Drivers have been extremely patient, Epperly-Karem said, and the planners have done a great job with keeping traffic moving.

The hassle of traffic delays is temporary, but the project's impact on economic development and quality of life will be long-term – and positive, she said.



*While Louisville drivers have experienced delays for nearly four years, project completion will cut commute times in half for many, improve safety and streamline one of the worst bottlenecks in the national interstate system.*



"Drive times are significantly going to decrease. Industries are telling us that. UPS and companies that are looking at the area see that the commuting patterns for getting their products from one side of the river to the other is going to be cut in half. Workers who are going back and forth across the river will also see a decrease in drive times," she said.

"Here at GLI, we have three projects in the pipeline today that are looking at both sides of the river," Epperly-Karem said. Those companies, whose names are kept confidential until decisions are made, are in the logistics and manufacturing industries.

New commercial and industrial development will likely be focused around RiverPort – an industrial park with a port facility located in the western part of Jefferson County – and the Louisville International Airport, where UPS WorldPort is located, according to the economic impact study. Retail development will likely take place in the eastern part of the county.

### Becoming more than a 'bedroom' community

The bridges project will result in much more than an easier commute for people who already live and work in Louisville. Entire new commuting patterns are being established, providing greater access to communities like Oldham and Bullitt counties.

Often considered a "bedroom community" to Louisville, one of Oldham County's biggest challenges has been that 80.4 percent of its working-age population leaves the county during the day to go to work. That makes it more difficult for smaller businesses – such as dentists, chiropractors, retailers and restaurants – to operate successfully, said David Bizianes, executive director of Oldham County Chamber and Economic Development.



*David Bizianes, Executive Director, Oldham County Chamber and Economic Development*

*As highway and bridge construction has occurred for the Ohio River Bridges Project, regional operations have already expanded, such as the UPS ground sorting facility in Louisville that spent \$300 million to triple its capacity in anticipation of improved drive times.*

Oldham County has one of the highest-rated school districts in the state and boasts a highly educated workforce: over 50 percent of residents have at least an associate's degree, and more than 40 percent have earned at least a bachelor's degree.

"We also have the healthiest population," Bizianes said.

What the county doesn't have is enough jobs to keep their residents at home during the day. The bridges project may help change that.

The East End Crossing will connect the east end of Louisville to southern Indiana. This will provide an alternate route across the river that bypasses the urban traffic of downtown Louisville. It also opens up access to Prospect and La Grange in Oldham County.

In conjunction with the bridges project, I-71 is being widened from four to six lanes between the Gene Snyder Freeway (I-265) in Jefferson County and KY 329 in Oldham County. This will make the commute to and from Oldham County easier, Bizianes said.

The community is likely to attract some industrial development, as well as smaller-scale retail and high-end office uses, the economic impact study concluded. Much of that may take place at Oldham Reserve, a 1,000-acre mixed-use development located off of I-71 in La Grange. It is publicly owned and governed by a board comprised of city and county representatives.

Last year, a new overpass was constructed across I-71, creating a new south gateway entrance into the development. A new two-mile roadway through Oldham Reserve also is being constructed. It will tie together separate north and south ends of the campus, creating full internal access.



"When that road is finished, we're going to really see a lot more movement in people's interest in Oldham County," Bizianes said.

Oldham Reserve is home to the county's largest employer, The Rawlings Group, an insurance subrogation company. It is also zoned for high-end office, commercial, retail, and residential use.

Bizianes is currently in confidential conversations with several companies, ranging from healthcare to software to information technology.

"We've really gotten a lot of activity and we're excited about where things are headed," he said.

While the city and county leadership are interested in all types of businesses, they are most interested in attracting jobs that will entice its educated population to stay in Oldham County instead of commuting elsewhere.

"Our leadership is very focused on trying to maintain the high quality of life that we've grown accustomed to here," Bizianes said.

With an easier commute to and from Oldham County and its sought-after school district, residential growth is likely, too. The economic impact study predicted that the community will see considerable high-end housing development,

which will result in added retail and services to support the new population.

Parents wanting their children to attend school there has always driven residential growth, but "now that it is going to be easier to access Oldham County and get back and forth, if they have to work in Jefferson County, it's going to make it a lot easier of a decision to locate here."

#### **Bullitt's explosive growth to continue**

Since 2003, there has been an explosion of development along the I-65 corridor in Bullitt County. There have been 79 new location and expansion announcements since 2003, resulting in more than 7,000 new jobs and an investment of more than \$600 million in the community. That includes fulfillment and distribution centers for big-name companies like Zappos, TSI/Ebay, Linens N Things, Johnson & Johnson, Best Buy and others, as well as numerous manufacturers, warehouses and business services companies.

The completion of the Ohio River Bridges Project will likely help that trend continue, Epperly-Karem said.

Industrial and business parks in Bullitt County will likely continue to attract distribution and light manufacturing firms that can take advantage of the sites' proximities to I-65, UPS WorldPort and two metro-

politan areas (Louisville and Elizabethtown), the economic impact study concluded.

John Snider, executive director of the Bullitt County Economic Development Authority, is more cautious in his expectations for growth as a result of the bridges project.

"The overall impact may not be seen for several years and it will be driven by the cost of tolls, traffic flow, employee traffic patterns and destination of final product," he said. "These issues may take shape in the thought process of industry as well as employment recruitment."

Companies will face questions such as, "How many times will my trucks need to cross the bridge each day?" and "Can I recruit employees from the other side of the river with toll costs as well as delays of traffic?" Snider said.

A bit skeptical, but still optimistic, he concluded: "Both sides of the river are very hot today, and we hope this market continues to grow," he said. ■



*John Snider,  
Executive  
Director,  
Bullitt County  
Economic  
Development  
Authority*

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# Pools of Money

Cumberland's back, and Kentucky's big lakes help lift state rising tourism tide to nearly \$14 billion annually

BY ABBY LAUB

**K**ENTUCKY has more navigable miles of water than any state in the union, other than Alaska, although starting with only three small, naturally occurring lakes. Its many massive manmade bodies of water, however, attract millions of boating, fishing, paddlesporting, swimming and otherwise recreating visitors every year. Those lakes are major contributors to the \$13.7 billion estimated total economic impact in 2015 attributed to the collective sectors under the Kentucky Cabinet of Tourism, Arts and Heritage.

Kentucky tourism generated more than \$1.43 billion in taxes, with \$184.9 million going directly to local communities.

"I truly love all of our lakes in the state, because each of them has its own personality and special beauty," reflected Kristen R. Branscum, commissioner of the Kentucky Department of Travel & Tourism. "One of my favorite lake memories from when I was a kid was each summer tying up a houseboat to one of the many islands out in Lake Cumberland. It was like having our own private island where we could

swim during the day and have a campfire at night. There's nothing more peaceful in this world than looking out over a completely still lake at night with no light but the moon and the stars."

The passion reflected in that statement carried Branscum into her present job, helping drive a sector where the state is seeing exciting growth. While there are no lakes-only economic impact numbers, growth in the Southern Shorelines tourism region that includes Lake Cumberland area is easy to explain. A six-year, \$600 million repair project to stop seepage at Wolf Creek Dam was completed in 2013 and water levels kept at 680 feet while work took place are back above 710 feet.

"In 2007 when the (U.S. Army) Corps (of Engineers) took the water levels down for the dam repair, anecdotally we saw tourism decrease by about 10 percent the next year," Branscum said. "In 2012 there



**Kristen R. Branscum,**  
commissioner of  
the Kentucky  
Department  
of Travel and  
Tourism

*Kentucky Lake, at 160,000 acres the state's largest lake and the largest artificial body of water in the eastern United States, is a large driver of the Western Waterlands Region's \$871 million economic impact for tourism and recreation in 2015.*

was more of an uptick, and in 2013 we saw the economic impact of the Kentucky's Southern Shorelines region at \$297,608,982. In 2014, the region grew again to \$304,759,386 million, and our newly released 2015 numbers show an increase by almost 3 percent to \$313,428,414."

All nine tourism regions showed revenues gains in 2015, but the commonwealth's Caves, Lakes and Corvettes tourism region in 2015 had the largest increase at 6.9 percent. This region – including Nolin River Lake, Dale Hollow Lake, Lake Malone State Park and Barren River Lake – registered an \$664.2 million economic impact.

However, it was the Western Waterlands Region just to the west that made Kentucky tourism's biggest financial wave, accumulating an \$871.8 million economic impact. Western Waterlands includes arguably the most state's most popular lakes, Kentucky Lake and Lake Barkley, which are connected by a canal, making them together the largest body of manmade water east of the Mississippi River. The 170,000 acres between the two lakes is Land Between The Lakes National Recreation Area.

"We're a great outdoor adventure area," said Randy Newcomb, executive director of the Kentucky Lake Convention and Visitors Bureau. "There's the huge lake, of course. It's great for fishing and boating, and it's a nice place for families to come and visit. Even when I got out to the lake for an event, it just puts you in a better, relaxing mood."

Kentucky Lake's economic impact for Marshall County alone in 2015 was estimated at nearly \$133 million.

"The biggest draw is Kentucky Lake, Lake Barkley and Land Between the Lakes," Newcomb said. "That's the big draw, and of course the downtown Paducah area. All of that together pulls people to our area."

Visitors are coming in throngs still, but Newcomb said he's seen visit duration decrease.

"We've seen a great number of people coming to our area, but the change is, they're not staying as long," he said. "Ten years ago people would stay for a whole week. The trend now is they're coming in



**Randy Newcomb,**  
executive  
director,  
Kentucky Lake  
Convention  
and Visitors  
Bureau



for three or four days – more of a getaway. But we're getting more people. We're getting them for less of a time, but we are getting more of them."

Kayaking and paddle boarding on the lake are increasing, he said, and fishing continues to picking up every year, too. The biggest group, he said, are classified simply outdoor adventurers who want to be on the water and use the recreation area in Land Between the Lakes.

"We're an affordable vacation, you don't have to spend thousands and thousands of dollars to take your family on a vacation. That's a far cry from if you want to go to Disney."

Similarly, Lake Cumberland has a "weekend warrior" feel to it, said Carolyn Mounce, executive director of Somerset-Pulaski County Convention and Visitors Bureau.



*Carolyn Mounce, executive director, Somerset-Pulaski County Convention and Visitors Bureau*

"Weekend warriors" probably account for a little larger percentage of our summer visitors," she said. "Overall, we are seeing an increase in visitors coming for other reasons. Attendance at sporting events like fishing tournaments, Little League baseball and high school basketball tournaments and golf is getting stronger."

The Master Musicians Festival, Somernites Cruise and other festivals also bring in huge crowds. Flashback Theater and Lake Cumberland Performing Arts bring plays and other performing arts to the Center for Rural Development and Carnegie Community Arts Center throughout the year, she said, while history buffs like Mill Springs Battlefield, Zollicoffer Park, Mill Springs Mill Park, and the Brown-Lanier and West-Metcalf Houses.

"Although we are primarily known for Lake Cumberland, visitors are discovering how much more there is to our area," Mounce said.

The 2015 tourism economic impact numbers for the five counties bordering Lake Cumberland – Pulaski, Russell, Wayne, McCreary and Clinton – was \$224.8 million. Pulaski County had more than half at \$125.4.

"These numbers show that the Lake Cumberland Region grew by about 3 percent last year," Mounce said. "In fact, our area has grown every year since 2013."

The lake returned to normal operations in 2014.

"Many visitors who opted to visit other lakes have returned to Lake Cumberland, and we are happy to have them back," Mounce said. "The normal (water level) elevations have resulted in increased tour-

ism across the Lake Cumberland Region. Our visitors are returning in droves and loving every minute. Even though lake-oriented venues did see some decrease, we are fortunate in our area to have 'out of the water' options."

Cumberland is unique for its terrain, being of the deepest lakes with steep banks and clear, clean water, she said. Behind the 256-foot-tall dam is more than 1,250 miles of shoreline, creating hundreds of coves for houseboaters to tie-up in seclusion.

Standup paddleboarding, also known as SUPing, is gaining popularity, Mounce said, and the houseboating sector remains a major sector across Lake Cumberland

"Camping has seen a real increase in the last several years, as has hiking, kayaking, and other outdoor adventure sports and activities," she said. "Everyone can be happy at the lake, and that's something you cannot find everywhere," she noted. "Kentucky is unique in that you can get to a lake or a major river in pretty much



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Kentucky UNBRIDLED SPIRIT





A boy wakeboards on Lake Cumberland, which is back at its normal summer pool of more than 710 feet above sea level after a six-year Wolf Creek Dam repair project had kept levels at 680 feet. The tourism economic impact in the five counties bordering the lake was \$225 million in 2015.

every region of the state. We are blessed with an abundance of waterways to enjoy.”

The state could be better at marketing its lakes, both Branscum and Mounce agreed

“The state really needs to increase the marketing dollars at the Department of Travel and Kentucky State Parks,” Mounce said. “The City of Gatlinburg has a larger marketing budget than the entire Commonwealth of Kentucky.”

Earlier this year Gov. Matt Bevin announced an \$18 million funding injection into Kentucky State Parks. In late June, the state was taking steps to improve its marketing image library with new photography, video and drone footage of lake activities.

The Explore Kentucky Initiative is a nonprofit organization that, among other roles, helps people plan adventure trips around the state and educates them on strategies to get involved and see Kentucky in new ways.

Gerry James, director of the initiative, is known for leading groups to out-of-the-way destinations and urging them

## Kentucky's major lakes

Kentucky has 18 lakes of 1,000 acres or more

LAKE	SIZE	DATE CREATED	LOCATION
Kentucky Lake*	160,309 acres	1944	Calloway, Lyon and Marshall counties (and Henry and Stewart in Tennessee)
Lake Cumberland**	65,530 acres	1952	Clinton, Laurel, McCreary, Pulaski, Russell and Wayne counties
Lake Barkley	58,000 acres	1966	Livingston, Lyon and Trigg counties (and Stewart and Houston in Tennessee)
Dale Hollow Reservoir	27,700 acres	1943	Cumberland and Clinton counties (and Clay, Pickett and Overton in Tennessee)
Barren River Lake	10,100 acres	1964	Allen, Barren, and Monroe counties
Cave Run Lake	8,270 acres	1973	Rowan, Morgan, Menifee and Bath counties
Green River Lake	8,210 acres	1969	Adair, Taylor and Casey counties
Nolin River Lake	2,890 (winter) to 5,795 acres (summer)	1963	Edmonson, Grayson and Hart counties
Laurel River Lake	5,600 acres	1977	Laurel and Whitley counties
Rough River Lake	5,100 acres	1959	Breckinridge, Grayson, and Hardin counties
Taylorsville Lake	3,050 acres	1983	Spencer County
Herrington Lake***	2,335 acres	1925	Mercer, Garrard and Boyle counties
Yatesville Lake	2,250 acres	1988	Lawrence County
Grayson Lake	1,500 acres	1968	Carter and Elliott counties
Buckhorn Lake	1,230 acres	1967	Leslie and Perry counties
Paintsville Lake	1,139 acres	1983	Johnson and Morgan counties
Fishtrap Lake	1,130 acres	1968	Pike County
Dewey Lake	1,100 acres	1949	Floyd County

Source: Wikipedia

\* Largest artificial water body in the eastern U.S. Its shoreline is 2,064 miles.

\*\* At maximum power generation pool, ninth largest in the United States. Its shoreline measures 1,255 miles.

\*\*\* Its 249 maximum depth is the deepest in Kentucky.

to explore. One of his personal favorites is a lesser known Fish Trap Lake in Pike County. Also, though it is somewhat popular now, James said he would love to see Cave Run Lake in Eastern Kentucky “get more love.” It is home to its own sailing association, he said, and the lake’s picturesque remoteness is hard to find anywhere else.



Gerry James, Director, Explore Kentucky Initiative

The area at the confluence of the Mississippi and Ohio rivers includes the 458-acre Axe Lake Swamp State Nature Preserve, which has been recognized as a priority wetland in the North American Waterfowl Management Plan. The Ballard Bottoms Tourism Council is working to promote the area’s kayaking, canoeing, hunting and fishing opportunities in the county’s currently unused resource. ■

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

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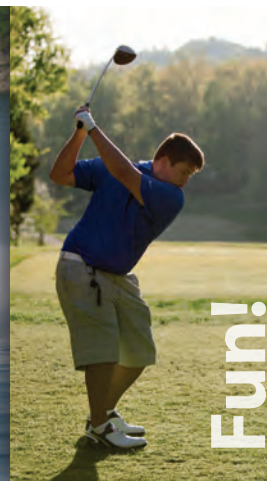
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## EMERGING LANE

Kentucky's young professionals and creatives

### Teaching Bourbon for a Living

Meet educator Tim Knittel of Distilled Living

WITH but a few prompts from freelance bourbon educator Tim Knittel, the flavors of bourbon are completely unlocked. Knittel is the owner of Distilled Living and leads clients through enlightened bourbon tastings to increase appreciation of the iconic Kentucky beverage.

"I've lived in Kentucky most of my life, but I was slow coming to bourbon," he said. "Some friends had tried to introduce me to it, but only with the usual 'Here, try this' approach, and I couldn't get into it."

His real introduction to bourbon came while working catering for Woodford Reserve Master Distiller Chris Morris at his distillery. But it wasn't until he began working for chef Ouita Michel after she became the chef-in-residence at Woodford Reserve that he became well-acquainted with the flavors of bourbon and how they work with food.

"I had the opportunity to listen in and even occasionally sit in on his tastings numerous times," Knittel said. "That's an incredible introduction to the spirit. And on the flip side, I was able to participate in the food pairing experiments as Ouita was designing them. I learned very quickly not only how to taste the nuanced flavors in bourbon but also how to teach others to experience them."

This ultimately led to his own career path in the world of spirits.

"Describing it as a 'career path' makes it sounds intentional," he quipped. "It was really more a matter of having some unique opportunities and taking every advantage of them."

Eventually, Knittel was hired by Brown-Forman to provide training on its prod-

ucts for special guests to the distillery, including people in the bourbon industry.

"We live in a time where there are people with a lot of bourbon knowledge, especially bartenders," he said. "Questions could get very involved and technical, and if I didn't have an immediate answer, I could get one later.

Beyond the technical, people clamored for education on sensory (experience) and appreciating bourbon more. So I used techniques like palate training, food pairings and single-step tastings – plus teaching people how to approach a high-proof spirit to prevent it from assaulting your aroma and flavor receptors."

**"Describing it as a 'career path' makes it sounds intentional. It was really more a matter of having some unique opportunities and taking every advantage of them."**

After several years at Brown-Forman, he realized there was a huge market for bourbon education, especially in Central Kentucky, an area "in its infancy" compared to Louisville.

"I decided to open shop and offer bourbon education and sensory training for events and for corporations hosting guests to the area, plus in-home like a wine sommelier might do. I can come present to groups in restaurants, certain bars and even (in) Keeneland boxes."

Knittel said he never tires of the smell and taste of bourbon.

"That's one of the amazing things about bourbon, it doesn't have just one smell or taste," he said. "As you develop sensory training for bourbon, you can begin to detect layers of nuanced aromas. And those aromas will be different, depending on different factors. For example, setting your palate with light fruity or citrus flavors will bring out the light fruity and floral notes in bourbon. Those are usually the hardest to detect, but in a quality bourbon there may be hundreds of flavors."

When Knittel led me through a bourbon tasting for this story – that



Tim Knittel, pictured at Cork & Barrel in Lexington, recently opened his own bourbon education company, called Distilled Living.

included water flavors, different grains and foods like ginger, orange peel and pecans – I went from a "ho-hum" bourbon drinker, maybe taking a few sips a year, to someone who is excited to learn more about its production and wealth of flavors. There are endless facets to explore, and the flavors will differ according to everyone's unique palate. As Knittel teaches how to taste bourbon in his classes, it always starts with the smell.

"I spent so much time in the distillery at Woodford Reserve that sometimes I could tell which stills were running and where they were in their run based on aroma alone," Knittel said. "As a bourbon opens, whether through time, dilution or temperature change, new layers unfold and new scents emerge," he noted.

His favorite bourbon?

"No way" to pick just one, Knittel said. "I'm excited by the experimentation and innovation going on in the bourbon industry, so there will be new spirits to try and to add to my long list of favorites."

Knittel's workweek is not all bourbon drinking. He's currently spending a lot of time laying the foundation for his new business and developing a marketing plan. He also is an avid reader about the industry's history, development and current events.

"I've got a great support network of friends willing to be my guinea pigs and sit through the rough drafts of my presentations and give feedback on any confusing points or anything they want to learn more about," he said, adding, "It helps that I'm pouring bourbon for them!"

"We're living in a golden age of bourbon," he said. "There's so much to explore and taste and learn about. And I hope I can help people reach a deeper understanding and appreciation of our native spirit."—Abby Laub



A bourbon tasting sample with Tim Knittel, includes aromatics, food, grains and water – including limestone water, which is traditionally used to make bourbon.



# Childhood Dreams Turn into Careers

## Former UK cheerleaders help run successful gymnastics center

NOT many people get to turn life-long, childhood passions into careers, but Heath and Stacy Underwood are proving the seemingly impossible is totally doable. The young couple, transplanted to Kentucky via the University of Kentucky, both work full time for Legacy All Sports and not only continuing their personal passions of athletics and passing the traits onto their two young daughters.

"I began junior coaching at a local gym when I was 14," said Heath, who is Legacy's gym manager and boy's program director. "It was then I knew one day I was going to own a gym, coach and have the perfect life ... My passion from day one has been gymnastics, and to be able to make that a part of my career is priceless."

Underwood has been in gymnastics classes since he was 18 months old, and competed up to the Junior Elite level before moving on his senior year in high school due to back injuries. Eventually the Hattiesburg, Miss., native found his way onto the Kentucky Cheer team in 2004.

During those same years his now-wife Stacy was flipping away in Springboro, Ohio, competing in gymnastics and then cheerleading and power tumbling at the ripe age of 11. She made the Kentucky Cheer team also at the same time as Heath. She majored in finance, he majored in communication and leadership.

Only when the then-married couple's young family began to grow did Stacy consider working full-time in the field that consumed her formative years. Her husband had already worked at Legacy since 2004. She moved out of the schedule-taxing financial industry

to work full-time at Legacy in customer service to spend more time with her husband and newborn daughter.

"I never thought I would be able to work full time as a career in a gymnastics or cheer gym," she said.

The couple now are able to get by without requiring full-time childcare for their kids, but admit that their schedule can be tiring and often involves different working hours.

"The biggest challenge for me is also the biggest benefit," Heath said. "I do not have traditional hours. I have a set coaching schedule and fit in my management and administrative responsibilities around that."

The administrative duties are perhaps even more challenging than the physical demands of coaching. Managing a gym requires physical fitness and top notch leadership skills.

"I do hiring and trainings of new staff, scheduling of multiple programs and staff, assisting in payroll and running our Legacy on the Move program, where we bring gymnastics out into our community," Heath said.

Despite their own commitment to gymnastics, tumbling and cheer, the couple doesn't pressure their athletically inclined daughters to follow in their footsteps.

"We just want them to do whatever makes them happy," Stacy said, adding

that their girls absolutely love gymnastics and are thrilled to be in the gym, especially since they have been there since they were infants. "We feel that gymnastics is such a good fundamental activity for all sports."

Their competitive days behind them, these days the couple enjoys staying in shape with running and generally leading a very active lifestyle. Additionally, Heath leads the Adult Fit-



Heath and Stacy Underwood monkey around at Legacy All Sports with their daughters, Sophia, 4, and Caroline, 1.

nastics classes at the gym, where normal adults can come in and get in incredible shape using gymnastics-related exercises right in the gym.

While the Underwoods had a big gymnastics head start, other adults interested in learning more about getting in shape through the sport can visit the gym for Fitnastics. Walk the balance beam, swing on the bars and try out the trampoline.—Abby Laub

## V-Grits Food Truck Expands into V-Box Delivery



When Kristina Addington and partner Jeff Hennis created V-Grits, a food truck that specializes in vegan versions of Southern classics, they knew they wanted to parlay it into a larger business. They have.

At the end of May, after months of research and development, they launched V-Box, a home delivery product that enables people to create healthful, plant-based dinners. "The box" is delivered weekly to subscribers containing all or most of the ingredients need to make three dinners for two, along with explicit recipe instructions on how to make them. A bonus is weekly alternate recipes for the more adventurous.

A few examples dinners include Hawaiian Bowl with BBQ Tofu; Zucchini Fritters with Corn Salad; and Spaghetti and Bean Balls. This is a business that has offered everything from "pork" barbecue (made with jackfruit) to vegan hot dogs to vegan burgers (that really come close to the real thing) to cauliflower Sloppy Joes.

"Most of our customers aren't vegan at all, which is surprising but in a good way," Addington told InsiderLouisville.com. "It's people who want to eat healthier three days a week or learn to cook vegan. That's our goal: to help people live a healthier lifestyle."

A subscription to V-Box is \$69 per week, but the program is flexible. Menus are posted online in advance. To find out more, visit VGrits.com.

## Games, 360-Degree Sports at Dave & Buster's

Think: an adult arcade experience. Dallas-based Dave & Buster's entertainment restaurants opened its first Kentucky location in Florence at the end of June.

Dave & Buster's bills itself as "The Only Place to Eat, Drink, Play & Watch Sports®!" It's an entertainment destination with food, drink and an upscale, modern interior. It is definitely also a sports viewing platform with more than 30 big-screen HD televisions and a 360-degree sports bar.

Customers can play more than 150 new and classic games in the Million Dollar Midway, including Ghostbusters and Star Wars Battle Pod. Visit daveandbusters.com for more info.



*The bottling line at Michter's Distillery in Shively. One of Louisville's first food and beverage "manufacturing" in Louisville began when Brown-Forman started putting whisky in bottles rather than barrels.*

# 'Foodie' Business with a 'Bourbonism' Chaser

Louisville dining scene accolades are the tip of the iceberg for its robust food and beverage industry

BY ROBBIE CLARK

THERE'S lots of talk lately about the Louisville dining scene. More and more Louisville restaurants are showing up on lists of the nation's best, and the city itself appears more often than not on lists of the best culinary destinations.

In 2015, Louisville was named one of "America's Next Hot Food Cities" by Zagat, the New York-based restaurant rating service; one of "America's Best Cities for Foodies" by *Travel + Leisure* magazine; and is No. 2 on *USA Today's* list of cities with the "Best Local Food Scene."

Internationally, the city also is holding its own – *National Geographic Traveler* named Louisville No. 1 on its list of "Top 10 Food Cities," making particular note of the city being the hometown of the iconic Hot Brown dish.

Louisville may be Derby City for two weeks every spring, but for the rest of year it could just as well be Food City USA.

The growing popularity of Louisville's restaurant scene, however, is due in large part to its lesser known role as home to a robust and symbiotic regional food and beverage industry. More than 15,000 people work in the Louisville food and beverage sector, and not all of them are taking your order or working in the kitchen.

### The "bourbonism" of Louisville

Bourbon plays a crucial and unique role in today's Louisville food and beverage sector, but bourbon production at key Louisville distilleries – such as Brown-Forman, which produces Woodford Reserve, Old Forester and Early Times among many other spirits – is just one piece of the story.

Kentucky bourbon production reached a near 50-year high in 2015, according to the Kentucky Distillers' Association. As the meteoric ascent in bourbon popularity continues to grow internationally, Louisville has embraced America's native spirit, and bourbon permeates the city, especially as a tourism draw.

In the past few years bourbon producers have built and planned costly visitor-friendly, "boutique" distilleries in downtown Louisville where guests can learn more about the bourbon-making process, the story behind their favorite labels and the history of bourbon in Louisville. Recently, the Jim Beam Urban Stillhouse, complete with distillery and bottling line, opened in Louisville's Fourth Street Live entertainment district. In the works are Angel's Envy Distillery, Michter's Distillery and Old Forester Distillery, which will join the already-open \$9.5 million Evan Williams Bourbon Experience in Louisville's revitalized Whiskey Row district.

Louisville is often considered a gateway to the Kentucky Bourbon Trail, an increasingly popular tourist attraction with nine destinations throughout Central Kentucky and now Louisville – the Evan Williams Bourbon Experience is the first urban distillery to be included on the trail. More than 750,000 guests visited attractions along the Kentucky Bourbon Trail in 2015, with that number growing each year. The visitors number balloons to nearly 900,000 if you include the associated Kentucky Bourbon Trail Craft Tour, which features smaller, artisanal distilleries such as Louisville's Kentucky Peerless Distilling Co.

This influx of bourbon-focused visitors fosters a need for more restaurants, which in turn nurtures a creativity among the community of Louisville chefs and mixologists to highlight the spirits on their menus.

"Louisville's rich bourbon heritage influences more than our cocktail menu – it has shaped our culture," said Brittany Allison, the economic development project manager for food and beverage with Louisville Forward, the metro government's economic development agency. "There is bourbon in our choco-



*Brittany Allison, Economic Development Project Manager for Food and Beverage, Louisville Forward*



lates, in our museums and woven all through the menus of our vast culinary scene. The mayor (Louisville Mayor Greg Fischer) calls this phenomenon 'bourbonism,' and visitors are coming in droves to experience it."

#### A center of food manufacturing

Actually, the bourbon industry gave birth to another pillar of the Louisville food and beverage sector: food manufacturing. Brown-Forman became one of the first Louisville food manufacturers when it started selling whiskey in 1870 in individual glass bottles instead of selling it by the barrel.

In the more than 145 years since, a considerable food manufacturing sector has set up shop in the Louisville region – of 150 food manufacturing companies in all of Kentucky, 125 are in Louisville, according to Deana Epperly Karem, the vice president of regional growth for Greater Louisville Inc. (GLI).

These companies represent an extremely diverse roster of products, from Girl Scout Cookies, produced by Little Brownie Bakers, to jellies and peanut butter at Algood Food Co., to filling a variety of niche food needs, such as caramel colorings produced at DDW for food and drink producers around the world, to innovative food packaging services at Flavorcraft.

Along with supplying ingredients to others globally, all of these manufacturers work together to create a collective food supply chain in Louisville. GLI created the Advanced Manufacturing and Logistics Network so all of these companies can actively share ideas and best practices and learn how they can take advantage of services available in Louisville. There's a strong presence of food manufacturers in the network.



"It's unique. They tour each others' facilities; they do a lot of industry sharing, a lot of problem solving around industry challenges," Karem said. "If we keep working to bring local industry leaders together to share trends and challenges and create solutions – if we keep that dialogue open and we continue to provide a venue and the format – I would hope it will continue to grow and keep getting better."

Along with food manufacturers, GLI helps encourage Louisville restaurants to source their ingredients as locally as possible, which Karem says it isn't a hard sell. "There's a real movement here for restaurants to use local companies," she said. "I've been doing this a long time, and I've never seen the commitment that our restaurateurs have to using local businesses as we see today."

#### Local companies, global institutions

Along with bourbon and food manufacturing, a hallmark of the Louisville food and beverage industry is the city's cluster of global restaurant chain headquarters.

Kentucky Fried Chicken (KFC), with its humble beginnings in 1930 in Corbin, Ky., is now headquartered in Louisville. The restaurant has grown to

*After originating during the Great Depression in a Corbin, Ky., gas station, Kentucky Fried Chicken opened its first franchise in Utah in 1952. Headquartered today in a quiet section of Louisville, seen here during a tour conducted by state officials for out-of-state journalists, KFC has nearly 20,000 locations worldwide, most outside the United States.*

become the second largest fast food chain in the world, just behind McDonald's, with nearly 20,000 locations – over three-quarters of which are outside the United States.

KFC is a subsidiary of Yum! Brands, which is also headquartered in Louisville. Along with KFC, Yum! operates Taco Bell and Pizza Hut, and is one of the world's largest restaurant companies.

Just across the river in Southern Indiana, John Schnatter started Papa John's pizza in a back room of his father's tavern in 1983. The take-out and delivery pizza chain is now the third largest in the world and is headquartered in Louisville.

Like Papa John's, Texas Roadhouse started in Southern Indiana and is now headquartered in Louisville. Since starting in 1993, the company now has over 400 locations across the country and a handful of international spots.



## FOOD & BEVERAGE

### Location, location, location

All of these facets of the Louisville food and beverage industry rely on the region's fortuitous location and logistics infrastructure.

Today, manufacturing, and not just food manufacturing, flourishes in Louisville because the city sits within 600 miles – or a day's drive – of two-thirds of the nation's population. For products with a finite shelf life, like food, being able to quickly deliver your product is essential.

The crux of the Louisville logistics network is Worldport, the worldwide air hub for UPS. The 5.2 million-s.f. facility can process nearly half a million packages an hour, and there is a constant stream of air freight carriers bringing products in and out of Louisville.

Worldport is crucial for getting Louisville-manufactured products to other destinations, but it also creates some interesting business opportunities. Nova Scotia-based Clearwater Seafood operates one of the largest lobster distribution centers in the country out of Louisville because of Worldport – fresh lobster comes to Louisville before being shipped to destinations around the world. This also means that outside the Atlantic Coast, Louisville restaurants have some of the freshest lobster in the country.

Lobster isn't the only fresh food routed first through Louisville on its way to being shipped elsewhere. Lots of Louisville restaurants take advantage of this nexus, and it directly contributes to the favorable culinary notoriety Louisville restaurants have been able to achieve. However, the regional farms and food offerings, buttressed by the Kentucky Proud program, are also vital to Louisville restaurants.

"Louisville and the surrounding area play host to amazing farms, and the proximity to the UPS Worldport gives us access to food staples not normally found in a central state," said David Rowland, the president of the Louisville chapter of the Kentucky Restaurant Association and assistant manager of



*Louisville restaurants have unique access to ingredients such as fresh Nova Scotia lobster from Clearwater Lobster, located near UPS Worldport at Louisville International Airport, which ships from its 38-degree saltwater tanks to restaurants all over the United States within 24 hours.*

the Louisville Marriott Downtown. "Programs like Kentucky Proud take the strong focus chefs already have on local fare and enhance the attractiveness of using products from the nearby area."

### The future of food

There is a concerted effort among city and business leaders to foster Louisville's tech industry, and it's only natural that a comingling of the tech and food and beverage sectors would emerge.

Louisville software development firm QSR Automations has created a number of technological innovations to help the restaurant industry, notably the company's DineTime app, which helps restaurants manage reservations, menus and other front-of-house needs. The back-of-the-house ConnectSmart Kitchen software the company developed helps maximize chefs' productivity by coordinating recipes, ingredients and cook times.

Perhaps the most anticipated and innovative food project coming to Louisville is a new \$56 million indoor vertical farming and regional produce market facility. The West Louisville FoodPort is planned for a 24-acre site south of the downtown corridor in the Russell neighborhood. FoodPort will provide year-round food production, distribution, processing and other services. The entire project is expected to be complete in the spring of 2018.

With the convergence of all these factors that bolster Louisville's food and beverage industry, the sector is regarded as a regional economic driver with lots of potential in store. Jack Mazurak, with the Kentucky Cabinet for Economic Development, says it is a sector his organization definitely has its eyes on.

"We have several target industries, and food and beverage is among the top industries that we are looking to recruit and grow in Kentucky, simply because we have so many advantages that it makes sense," he said. "Once you have a certain amount, there's a momentum that comes with it." ■

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## SPOTLIGHT ON THE ARTS

### Southern Legislative Conference a Time for Kentucky Arts to Shine

LEGISLATORS and legislative staff members from 15 states gather in Lexington this month for the Southern Legislative Conference, chaired by Kentucky Senate President Robert Stivers.

Stivers has asked the two leading arts agencies in the state – the Kentucky Arts Council and the Kentucky Artisan Center at Berea – to present the Kentucky Market, an exhibit of art for sale spotlighting the best in art and craft along with the entrepreneurial spirit among Kentucky artists.

Kentucky Market is free and open to the public. That's 100 individual state small businesses with a captive audience



Robert Stivers

of visitors from 14 other states as well as Kentuckians.

Along with the Kentucky Market, the Arts Council will present *Made to Be Played: Traditional Art of Kentucky Luthiers*, which chronicles our rich tradition of instrument making. Dedicated to the memory of master luthier, craftsman, instrument inventor and musician, Homer Ledford, the exhibit explores the important role of luthiers in Kentucky music communities.

Kentucky Market and *Made to Be Played* both will be in the third-floor High Street lobby of the Lexington Convention Center 11 a.m.-7 p.m. July 10, 9 a.m.-7 p.m. July 11, and 9 a.m.-10 p.m. July 12.

*Made to Be Played* can be viewed any time during the July 9-13 conference.

Additionally, Kentucky Arts Council will be represented by its Vice Chair Everett McCorvey, who will present "The Arts and Kentucky: Catalyst for Economic Growth." It describes the importance of the "public" portion of public-private partnerships in creating a thriving arts scene.

The "Catalyst" presentation focuses on steps the Kentucky Arts Council introduced to promote the arts in the state, the public-private partnerships included in this effort, and the innovative measures the council undertook in recent years to stretch public dollars to create maximum benefits.



Everett McCorvey

### Basketmaker Waddell Honored by the NEA

ON June 30, the National Endowment for the Arts named Leona Waddell of Cecilia one of its National Heritage Fellows. The National Heritage Fellowship is a prestigious distinction given to artists who are nationally recognized with a consistent record of artistic accomplishment, and they must be active at their craft. Recipients are selected based on nominations from the public.

This is an extraordinary honor for Leona, as well as for the Commonwealth. The 88-year-old Hart County native has been making baskets since she was 9 years old, and she is a member of the Mammoth Cave Basket Makers Guild.

With this award, Leona becomes the fourth Kentuckian to earn a National Heritage Fellowship. The late Appalachian musicians Lily May Ledford and Morgan Sexton were named National Heritage Fellows in 1985 and 1991, respectively, and thumbpicking guitarist Eddie Pennington of Princeton was selected in 2001.



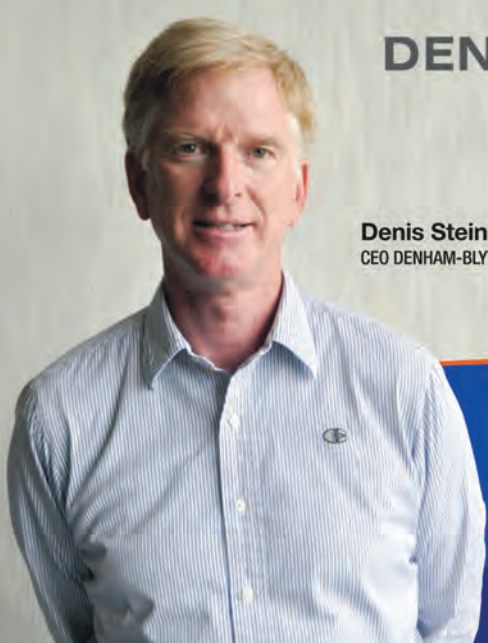
### Arts Council Unveils New Website Design

THE Kentucky Arts Council launched a new version of its website, [www.arts council.ky.gov](http://www.arts council.ky.gov), to keep you well informed.

In development since the establishment of the arts council's six-year strategic plan, the site's design is structured on the five themes from that plan: Vibrant Communities, Creative Industry, Creativity and Innovation, Entrepreneurship and Showcasing the Arts.



Lori Meadows is executive director of the Kentucky Arts Council.



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*Ballet Under The Stars in Lexington's Woodlands Park is 27 years old and returns this year Aug. 4-7.*

## Summer Nights

Linger outside to enjoy Kentucky's unique evening events

BY KATHERINE TANDY BROWN

IT'S July, and the dog days of summer have arrived, complete with soaring temperatures and sticky humidity. You'll want to be exercising early in the morning, then chillin' in cranked-up A/C or underwater in a pool, an icy drink within arm's reach. Until nighttime. When the crickets and katydids strike up a chorus, the air is breathable and rife with the smell of new-mown hay, and the stars – elusive by daylight – pop out to add magic to summer evenings.

What's more, it turns out that Kentucky has scads of things to do outdoors under those li'l twinklers. The following is but a sample.

For 27 years now, **Ballet Under the Stars** has brought a taste of culture to Lexington's Woodland Park. From Aug. 4-7, you can pack up the family, lawn chairs or a blanket to spread, and a picnic supper, and be awestruck by the dancers of the Kentucky Ballet Theatre spinning en pointe and leaping gracefully across the stage, sometimes throwing in a touch of contemporary dance to boot.

Continue your classical immersion the following Saturday, Aug. 13 at **Opera Under the Stars**, which after a highly successful test run last summer, returns to the Moondance Amphitheatre in Lexington. Professional singers

will delight with a light opera that even newbies to opera will enjoy. Again, bring a chair or blanket, food and drink.

If you don't feel the urge to cook or even throw together PB&Js for either event, just hit the concessions for goodies at both. (pmartin@lexingtonky.gov, (859) 425-2057)

The same advice applies for the **Kentucky Shakespeare Festival**, which takes place in the heart of Louisville's historic preservation district at Central Park. There, food trucks supply scrumptious suppers you can pair with Brown-Forman libations, wine and beer, all available onsite. Running through Aug. 14, this year's productions are "Romeo and Juliet," "Winter's Tale" and "Two Gentlemen of Verona," all of which feature a slate of terrific actors, including canine star Hope, the Golden Retriever. (kyshakespeare.com, (502) 574-9900)

Speaking of outdoor theater, the state has a wealth of stage venues for summer night entertainment (kytheatretrail.com). **Pioneer Playhouse** in Danville – started by Col. Eben Henson in 1950 and still family-run – is the oldest in the state and has nurtured the careers of such famous names as John Travolta, Lee Majors and Jim "Hey, Vern" Varney. Though you can come to see only the show, you'll want to arrive early for the complete experience, which includes exploring an 1800s Antique Village, a re-creation of the town of Danville; ogling a fascinating collection of memorabilia and photos from the movie "Raintree County," filmed in Danville with stars Elizabeth Taylor and Montgomery Clift; and best of all, chowing down on a wonderful barbecue dinner.

All plays move indoors in case of rain. Check out "The Murder Room," a zany British murder mystery spoof that runs Aug. 9-20. (pioneerplayhouse.com, (866) 597-5297)



Fairly new to the scene, “Blood Song: The Story of the Hatfields and the McCoys” is in its second season and runs weekends through Sept. 1 at the **Hatfield-McCoy Outdoor Theater** in McCall, near Pikeville.

Seating is bleacher-style but feel free to BYO lawn chair. Watch the play, stay overnight and visit the historic spots of family feud nearby. (hatfieldmccoyarts.com, (606) 432-2534)

If you’d rather have a nighttime experience communing with nature, reserve a spot in a canoe under the full moon on one of **Thaxton’s Moonlight Floats** in Northern Kentucky’s Pendleton County. A total of 45 paddlers set out around 7 p.m. for a several hours of peaceful, moonlit communion with frogs, crickets and owls on the quiet Licking River.

“We time our floats on the weekend,” says Glen Thaxton, the outfitters’ operations manager. “Then people can stay up late and not have to worry about getting up for work the next day.”

A bonfire and delicious, chocolatey s’mores top off the night. Should you not want to drive home in the wee hours, bring a tent and camp. Or better still, reserve one of six waterside cabins, where you can park your paddle and slide right into bed. (gopaddling.com (859) 472-2000)

Bourbon and bluegrass music strike a harmonious chord every other Saturday evening through the end of August at **MB Roland Distillery** in Pembroke. Founded in 2009, this family business is the state’s first completely “grain to glass” craft distillery, with free tours and tastings Monday through Saturday.

The distillery’s Pickin’ on the Porch events in the bucolic west Kentucky countryside take place all summer long, with upcoming events on July 30, and Aug. 13 and 27. Musical festivities commence at 6 p.m. Arrive early with your lawn chair, blanket and food (though the latter is optional). Your hosts offer MB Roland products (bourbon, fruity moonshine, et al), food, beer and sno-cones. (mbroland.com, (270) 640-7744)

For a flash back to teenage evenings – as John Travolta sang about in “Grease”... “Those su-uh-mmer ni-ghts” – you can still take in a drive-in movie. Though the number of Kentucky’s outdoor movie theaters is way down from its high of 117 statewide in 1958, the few left are proudly carrying on the tradition. The **Calvert Drive-In Theater** near Kentucky Lake in Calvert City not only shows great flicks, but its concession stand, The Grill, also offers carry-out orders of yummy burgers, dogs, grilled cheese sandwiches and upscale

*There are bluegrass music performances on alternating Saturday evenings through August in Pembroke at the MB Rowland Distillery’s Pickin’ On The Porch series.*

pizzas. (Think goat cheese, tomato and basil pies.) Just remember, no hiding in the trunk to get in free! (calvertdrivein.com (270) 395-4660) ■

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



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# PASSING LANE

Commentary on Kentucky



## Toyota Marks 30-Year Milestone by Giving Back

WHEN Shoichiro Toyoda announced in December 1985 that Scott County, Ky., had been selected as the site for Toyota's first wholly owned vehicle manufacturing plant in the U.S., he called it one of the proudest moments since the company produced its first prototype vehicle.

Since then, there has been no shortage of proud moments, says Wil James, president of Toyota's largest plant in the world and one of the first 300 employees to join the Kentucky team.

Today the plant is a bustling operation that employs 8,000 people, sprawls 169 football fields (that's just the build-

ing!) and represents a \$6 billion (and growing) investment.

Annual production at Toyota Motor Manufacturing, Kentucky Inc. (TMMK) can top 550,000 vehicles and 600,000 engines. The vehicles manufactured in Georgetown, which include the Camry, Avalon and Venza models, feature a significant amount of locally based content – up to 75 percent. In addition, the plant opened an all-new line in 2015 to produce the first U.S.-assembled Lexus.

With construction underway on a new production engineering campus that is expected to be complete in 2017, Toyota will soon relocate about 300 engineering positions to Georgetown. The 250,000-s.f. building will include a state-of-the-art test lab and provide workspace for approximately 700 employees. The expansion represents a local investment of \$80 million.

In addition, over the next three years TMMK is considering plans to undergo a major plant makeover that would include significant changes, such as renovation or replacement of aging equipment and constructing an all-new paint shop, and new technologies that will streamline production processes, improve part handling and logistics, and increase production flexibility.



As many as 550,000 vehicles are produced annually at Toyota's Georgetown plant.

Business Wire photo



Business Wire photo

Above: Toyota broke ground for its Georgetown plant in May 1986. Pictured here celebrating the event are (left to right) Eiji Toyoda, Gov. Martha Layne Collins, Shoichiro Toyoda.

Left: A Toyota Kentucky team member works on the first-ever U.S.-built Lexus, an ES 350. Toyota began producing the ES 350 at the Georgetown plant in 2015.

A recent study completed by the Center for Automotive Research indicates that every Toyota job in Kentucky creates nearly three more across the commonwealth. As of 2015, Toyota's workforce made up 1.3 percent of the state's total employment, and its payroll of more than \$1.9 billion accounted for 1.6 percent of Kentucky's total compensation.

"Toyota has had a powerful impact on Kentucky's economy over the past 30 years," said Gov. Matt Bevin. "Continued investment in the Georgetown plant, including the production line for the first Lexus made in the U.S., has put the commonwealth on the map as a top state for automotive manufacturing. Add to that the more than \$120 million invested in local communities, there is no doubt Toyota is a strong community partner."

To mark the 30-year milestone, more than \$100,000 will go to charitable organizations in celebration of Toyota's three decades of being part of the community. TMMK will donate \$30,000 to a local VEX robotics program, which will support more STEM (science, technology, engineering and math) opportunities for students at every level in Scott County.

The plant also will make donations of \$10,000 each to Quest Farm and Lex-Pro, Central Kentucky nonprofits focused on helping Kentuckians with disabilities, and a \$35,000 donation to Honor Flight Kentucky, a nonprofit that pays for World War II, Korean War and Vietnam War veterans to travel to Washington D.C. to visit memorials dedicated to their service and sacrifices. Additional donations will be announced later this year.



## Sullivan University to Host State Wine Competition



THE Kentucky Department of Agriculture and the Kentucky Grape & Wine Council have announced that the fourth annual Kentucky Commonwealth Commercial Wine Competition & Commissioner's Cup will take place at Sullivan University in Louisville on Oct. 29.

With a goal of public awareness and education through promotion and recognition, the event is the quintessential yearly guide to the best wines produced throughout the state. Eligible only to licensed Kentucky

small-farm wineries, the competition assembles panels of expert judges made up of industry leaders throughout the nation to systematically assess and score entries.

Kentucky was home to the first commercial vineyard in the United States and was one of the leading grape- and wine-producing states in the nation until the industry was all but shuttered during Prohibition. Kentucky's grape and wine industry was revived in the 1990s, and today Kentucky has 70 small-farm wineries.

According to Tyler Madison, manager of the KDA's grape and wine marketing program, Kentucky farmers are now growing an estimated 450-550 acres of grape vines and Kentucky wineries produced nearly 173,000 gallons fermented in 2014.



## Breaks Interstate Park Adds a New Challenge for Adventurers

BREAKS Interstate Park is now officially open for rock climbing, adding to an impressive repertoire of recreational opportunities already offered at the park and strengthening its draw as a destination for adventure tourism.

"Breaks is home to important plants and wildlife," said Park Manager Austin Bradley. "We took a balanced approach and are now very excited to welcome rock climbers to the park. We expect this to have a positive economic impact on both the park and the entire region."

The Breaks Interstate Park canyon is lined with miles of orange and grey sandstone walls, similar to nearby climbing areas Obed Wild and Scenic River, and the New River Gorge in Tennessee and West Virginia, respectively. The Breaks currently contains 75 established routes, with the potential for hundreds more.

Park staff, the Access Fund and the Southwest Virginia Climbers Coalition worked to establish a climbing management plan that allows for a great deal of climbing access while still protecting sensitive areas of the park.

Climbers at the Breaks Interstate Park are required to get a free climbing permit, which may be obtained at the visitor center or lodge. Climbing is only open in approved areas of the park. Route information is available on [mountainproject.com](http://mountainproject.com).

## LG&E and KU Bring New Energy to Kentucky Roadways

LOUISVILLE Gas and Electric Co. (LG&E) and Kentucky Utilities Co. (KU) have received approval from the Kentucky Public Service Commission to install up to 20 electric vehicle charge stations across their service territories for public use.

The approval also gives business customers the opportunity to host charging stations at their locations.

"Launching this new service, both in public access areas and for business customers interested in hosting charging stations, will further support electric vehicle drivers by improving their accessibility to regional charging stations," said John P. Malloy, vice president of customer services for LG&E/KU.

The stations will include the latest safety features – such as charging plugs that lock in the stand when not in use – and use digital display screens and quick-pay options for a low-effort customer experience.

The company is currently exploring locations to host the 20 public charging stations in areas such as street parking, parking lots and other outdoor areas. Business customers interested in hosting charging stations can locate the stations anywhere on their property.

Fueled by public demand, government support, and increased availability, electric vehicle adoption continues an upward trend throughout the country. According to the Electric Power Research Institute, over 750 plug-in electric hybrid vehicles and battery electric vehicles have been registered in the state of Kentucky since 2010.

Though they represent only a small portion of the total number of registered vehicles in Kentucky, the purchase and use of electric vehicles in Kentucky is increasing. Additional efforts to increase charging infrastructure are expected to help further remove consumer barriers to electric vehicle adoption and ownership.



LG&E/KU photo

*LG&E/KU currently operate approximately 30 public charging stations. The companies have received approval to add 20 more.*



# KENTUCKY PEOPLE

## MURRAY: NATIONAL ASSOCIATION RECOGNIZES CONTRIBUTIONS OF MSU AG DEAN TONY BRANNON



Tony Brannon (right), dean of the Hutson School of Agriculture at Murray State University, was recently elected as a senior fellow by the American Association for Agricultural Education. The award recognizes members of the association who have made exceptional contributions to the profession and served more than 20 years at the university level. Brannon has served as dean of the Hutson School of Agriculture since 2004 and has served on the faculty at Murray State since 1988. Pictured here with Brannon is Don Johnson, an agriculture professor at the University of Arkansas who was inducted as a senior fellow in 2013.

## LOUISVILLE: SEVEN NEW MEMBERS INDUCTED INTO THE KENTUCKY ATHLETIC HALL OF FAME CLASS OF 2016

The Kentucky Athletic Hall of Fame celebrated its 53rd anniversary on June 2 with the induction of seven new members. The Kentucky Athletic Hall of Fame honors athletes and sports figures who were born in or who played their respective sport in the state of Kentucky. All proceeds from the event, which included a silent auction and dinner, went to the benefit of Kosair Charities.



Left: (Pictured left to right) Past inductees Paul Rogers and Pat Day with Kentucky Athletic Hall of Fame board members Wally Oyler and Karl Schmitt.

Below: 2016 inductee Scott Davenport, with his plaque that now hangs in Freedom Hall. Davenport, a native of Louisville who played basketball at Iroquois High School, is the only head coach to win both the KHSAA (Louisville Ballard, 1988) and NCAA basketball championships (Bellarmine University, 2011).



Above left: 2005 NFL MVP Shaun Alexander (left) accepts his award from Kentucky Athletic Hall of Fame Board President Jim Ellis. Alexander, a running back for the Boone County Rebels, was Kentucky's 1994 Mr. Football, was an All-American and was the ESPN No. 1 recruit his senior year. Alexander attended the University of Alabama, where he was the 1999 SEC Player of the Year and NCAA All-American. In 2000, he went in the first round to the Seattle Seahawks, played in the Pro Bowl three times, was twice named All Pro and was named to the NFL 2000 All-Decade team.



## CLERMONT: TREE HUGGERS SET GUINNESS RECORD AT BERNHEIM ARBORETUM



On June 4, hundreds of people gathered at the Bernheim Arboretum and Research Forest with a mission – to break the Guinness World Record for the most people hugging trees at the same time in the same place. And with a final number of 1,416 in attendance, their mission was accomplished, surpassing the previous record of 1,200 held by a South Korea city. Pictured here at the Bernheim Big Tree Hug Challenge are (clockwise from left) Tom Block, great-grandson of Isaac W. Bernheim and Bernheim trustee; Mark Wourms, executive director of Bernheim Forest; and Kurt Mason, Bernheim trustee. The Tree Hug was hosted in conjunction with the traveling exhibit Vanishing Acts: Trees Under Threat.

## FORT KNOX: HAMPTON TAKES A DIVE WITH THE GOLDEN KNIGHTS



Lt. Gov. Jenean Hampton laughs with reporters after completing her first skydiving adventure on June 7. Hampton and her husband, Doyle Isaak, agreed to jump with the United States Army Golden Knights at Fort Knox after receiving an invitation from them. "Doyle and I have long appreciated the skill and expertise of the Army Golden Knights," said Hampton. "We were thrilled to experience the once-in-a-lifetime opportunity to skydive with the best of the best." Though both Hampton and Isaak are Air Force veterans, neither had been skydiving before.



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